

“The Works to Create Landmarks,” Looking Ahead

TAISEI GROUP

INTEGRATED REPORT 2025



Our determination to change, for the realization of a “Corporate Culture Where Lives of Everyone Are Respected”

The Taisei Group is currently working on the Corporate Culture Reform and the human resource system reform for the sustainable enhancement of corporate value and for stable growth.

Our aim is the long lasting “Corporate Culture Where Lives of Everyone Are Respected” for all of the people involved in the business of the Group.

This is the ideal figure that we envisioned after thorough discussions between the management and employees regarding the inappropriate incidents related to quality and processes which occurred the year before last.

To realize the ideal figure that we envisioned, I will successfully complete this reform for sure by changing all of what needs to be changed of the system, rule, workplace environment, etc. while placing importance on “dialogue.”

By doing so, we will create an exciting and lively working environment in which our employees, who are our human capital forming the basis of our competitiveness, and our suppliers and subcontractors, who are our important partners, can take on their work with pride.

We would like to contribute to the society by providing values that exceed the expectations and imagination of our clients.

We would like to pursue change for the Taisei Group to keep being a company that continues to be preferred by our stakeholders.

President and Chief Executive Officer, Representative Director *Yoshiro Aikawa*



Taisei Corporation—Looking Ahead

As the external environment grows more complex and uncertainty increases, how will the Taisei Group realize what we should aim for?

To help stakeholders gain a deeper understanding, we have posed the following three questions. Through this Integrated Report, we will present our answers.



Why is Taisei Corporation pursuing reform?

Two years ago, inappropriate incidents related to quality and process occurred within the Company. At their root was a rigid corporate culture. We are confronting this issue head-on and advancing reforms to realize a “Corporate Culture Where Lives of Everyone Are Respected.” Through ongoing dialogue, we are building an environment where employees can take pride in their work and fully demonstrate their abilities. By contributing to society through our businesses, we will ensure that the Company continues to be chosen by stakeholders—an undertaking that all executives and employees are firmly committed to achieving together.

Message from the President

P.7

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CHAPTER 1
Active and Transparent Culture, Looking Ahead

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What does “‘The Works to Create Landmarks,’ Looking Ahead” mean?

Our mission is to ensure that Taisei’s work remains on the map in the future. Embracing the weight of this responsibility, we will consider future generations and deliver value that exceeds expectations and imagination. With employees working with excitement and contributing to solving sustainability challenges with a forward-looking mindset, both individuals and the Company will grow together with stakeholders. Please look forward to “‘The Works to Create Landmarks,’ Looking Ahead.”

Message from the President

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CHAPTER 2
Building the Future: Value Creation

P.25

P.45



What are the keys to sustainable and stable growth?

Our strengths lie in “Proposals Beyond Expectations” and “Tireless Challenge.” Supporting these are diverse human capital that inherits our founder’s pioneering spirit, technologies that anticipate societal needs, and partner companies with whom we co-create the future. In addition, we are promoting advanced initiatives in the fields of environment and energy while maintaining a robust management foundation. We will continue to refine these strengths to drive further growth and build a better future together with our stakeholders.

Message from the President

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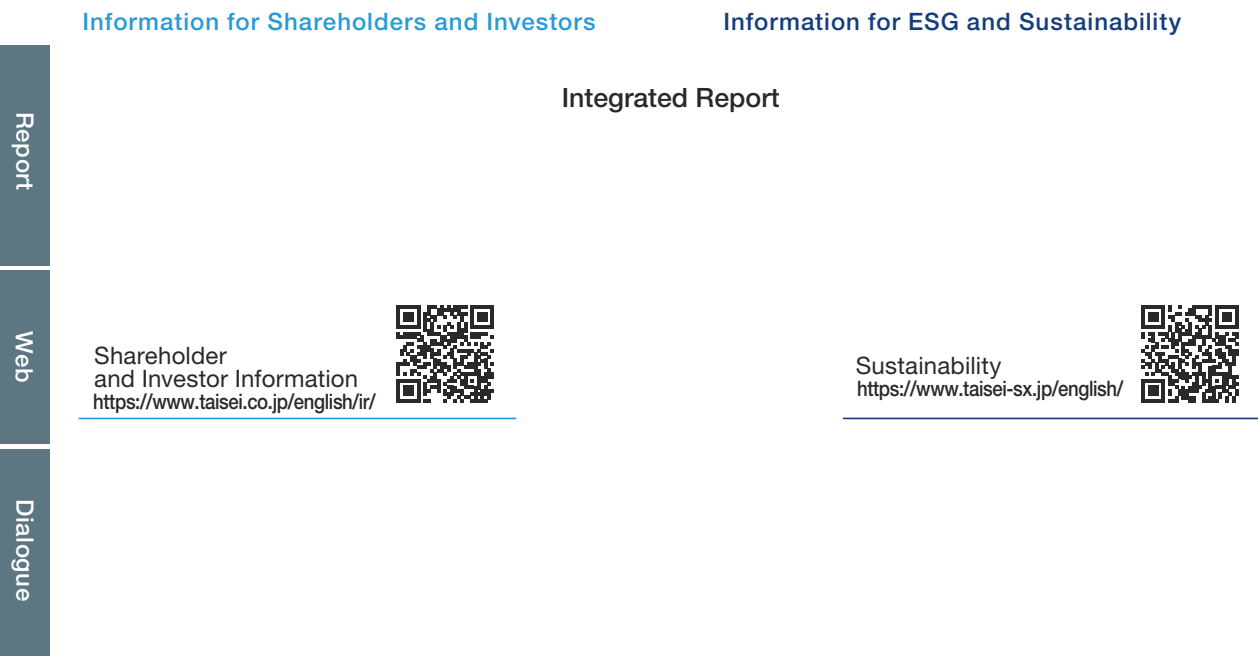
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Overall Communications Framework



Editorial Policy	This report has been prepared to clearly communicate to stakeholders the Taisei Group’s philosophy and [TAISEI VISION 2030], which represents what we should aim for in the medium to long term. It also presents the Group’s growth strategy for realizing them and its initiatives for the sustainable enhancement of corporate value, thereby deepening understanding of the Group. By leveraging this report as a communication tool, we aim to promote constructive and substantive dialogue with stakeholders, fostering mutual understanding and generating a virtuous cycle that advances management sophistication.
Reporting Scope	Covers the Company and its Group entities (consolidated subsidiaries) as of March 31, 2025 (Note: Any deviations from this scope are clearly annotated.)
Reporting Period	Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025). Certain results and activities from periods before and after this timeframe are also included. Release Date: November 2025
Third-Party Assurance	P121–P122 Financial information: assured by KPMG AZSA LLC P123 Environmental data: assured by Ernst & Young ShinNihon LLC (for fiscal years up to 2023) and KPMG AZSA Sustainability Co., Ltd. (for FY2024). For details, please refer to the Environmental Data page on the Company’s website. Environmental Data
Reference Guidelines	International Integrated Reporting Framework (IFRS Foundation); Guidance for Integrated Corporate Disclosure and Dialogue for Collaborative Value Creation 2.0 (Ministry of Economy, Trade and Industry, METI); GRI Standards, etc.
Cautionary Note Regarding Forward-Looking Statements	This report contains forward-looking statements regarding the Group’s future plans, strategies, and outlook for performance. These statements are based on information available at the time of preparation and on the Group’s current judgments and assumptions, and they involve risks and uncertainties. Actual results and the implementation of measures may differ materially from those expressed or implied by these forward-looking statements.

- We regard our people as irreplaceable. Accordingly, in this report we use the term “human capital” (jinzai) instead of the conventional term “human resources.”
- [“Title of linked page”](#) ... Detailed information is available on the Company’s website.
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Message from the President

Yoshiro Aikawa

Yoshiro AIKAWA
President and Chief Executive Officer,
Representative Director

**We Will Successfully Complete
the Corporate Culture Reform, and
Contribute to the Development of a Resilient
Society Through “The Works to Create
Landmarks,’ Looking Ahead.”**

The Purpose of the Message from the President Is:

1. The Importance of Construction Sites

The starting point of growth is acquiring trust at the construction sites. Trust is created from the sincere conduct of manufacturing and from providing values that exceed the expectations and the imagination of our clients. It is important that people working at the construction sites can work vibrantly.

2. Corporate Culture Reform

We are advancing the reform as a lesson learned from past inappropriate incidents to establish a “Corporate Culture Where Lives of Everyone are Respected,” where employees can fully capitalize on their capabilities. We place great importance on dialogue with our employees and are firmly committed to successfully completing these reforms.

3. Human Resource System Reform

We are securing diverse career paths and fostering an environment in which employees can fully capitalize on their abilities. These reforms are the Group’s investment for the future.

4. Medium-Term Business Plan and the Story of Growth

We are making steady progress towards achieving the target of our management performance indicators. By putting importance on earning profit and rebuilding the profitability of our domestic building construction business, among other initiatives, we will establish a structure of stable profitability even amid the changes in the society.

5. Improving the Price Book-Value Ratio (PBR)

Improving the PBR is a key responsibility of the management. We aim to achieve further improvement by enhancing Return on Equity (ROE) and the Price Earnings Ratio (PER), particularly by deepening the dialogue with shareholders and investors to reinforce their growth expectations.

6. The Will to Help Others and the Contribution to the Society

We will continue to be a preferred company by contributing to the society with a will to help others and through providing values and solving the challenges that exceed the expectations and imagination of our clients and the society, which is “The Works to Create Landmarks,’ Looking Ahead.”

1. Why I Place Such Importance on Construction Sites

The trust born on-site is the starting point of growth

“Because I love buildings, I want to contribute to the society through construction.”

Nearly half a century ago, with that aspiration in mind, I majored in architecture at university and joined the Company. For 26 years after joining the Company, I worked at the construction sites, learning everything from the fundamentals of construction management to negotiations with the clients.

As construction is a single built-to-order manufacturing business, it is necessary for orders to be received from clients before we can begin creating the building as a product. Clients cannot clearly envision what the completed building will actually look like when entering into a construction contract. Therefore, earning the clients’ trust in the Company is an important condition for the order to be placed by the client.

The foundation to earn such trust lies in the sincere craftsmanship done on each and every construction site. The accumulation of putting the clients’ requests into shape by working safely and sincerely with care under the agreed conditions, leads to creating the foundation of trust. Furthermore, standing with our clients, identifying issues and needs that they themselves may not yet recognize, resolving those issues and needs, and making proposals that exceed their expectations and imagination, will lead to deeper trust.

What was of particular joy for me through the years at the construction sites is that many clients have continued to work with us not only during the construction but long after completion. When our clients tell us, “We look forward to working with Taisei again” years after completion, it shows me that the work we completed with sincerity will be returned to us as the trust built, which we shall value as an asset. This is something I am deeply grateful for and proud of.

This is why I place great emphasis on creating an environment where employees and subcontractors working at our construction sites feel excited, lively and can fully capitalize on their capabilities. When those working hard on site can take pride in the construction work and be able to say their work is “enjoyable” and that they “love it,” they can naturally act proactively and will be able to deliver values that help solve the challenges faced by our clients and society.

That in turn generates the trust from clients, and ultimately that trust is transformed into profits of the Group, leading to the sustainable enhancement of corporate value and stable growth.

Thus, construction sites are our manufacturing base as well as “the place that connects” us with our stakeholders such as our clients and it is the starting point for the Group’s growth.

2. Corporate Culture Reform for Sustainable Enhancement of Corporate Value and Stable Growth

—Valuing dialogue with the employees and successfully completing the reform—

As the society becomes more complex and the values of individuals diversify, we started to conduct an engagement survey from June 2022 to accurately understand how the employees view the Company and what they seek and to turn higher engagements into an enhanced corporate value. The initial score was lower than I expected which shocked me but it enabled us to recognize the issues more clearly we have, such as insufficient communication between different organizational levels and disparities in working environments among the head office, branches and worksites.

To resolve these issues, just as we began to value the dialogue with the employees in 2023, inappropriate incidents related to quality and process occurred at the construction site. These incidents fundamentally undermined the “trust,” which is of utmost importance to the Company. To ensure the countermeasures are taken, we are developing the organization and system thoroughly so that similar incidents never occur again as we took the severity of the incidents seriously. When we pursued the genuine cause of the occurrence of these incidents, we came to the conclusion that the problem lies in our corporate culture—the mindsets and behavioral patterns of executives and employees in carrying out their work.

Looking back, in the years following the 2008 financial crisis, through the recovery and reconstruction efforts of the Great East Japan Earthquake, and projects related to the Tokyo Olympics, domestic construction demand rose significantly. As a result, the balance between orders received and progress of production was gradually lost, leading to the loss of flexibility at the construction sites—the very place where the trust is built with our clients. Employees on site became overwhelmed with work, turning the atmosphere into a place of low psychological safety and where mistakes are not allowed.

After feeling the deep responsibility as the top management of the Company, I determined that unless we transform our rigid corporate culture, not only would we be unable to achieve our aim of “contributing to the development of a resilient society where people can live affluent and cultural lives,” but we may have to put the existence of the company at risk. I therefore decided to pursue a companywide Corporate Culture Reform.

We made a decision at the Management Committee in April 2024 that we will aim and proceed towards a “Corporate Culture Where Lives of Everyone are Respected.” We first held repeated discussions between the employees and management and then launched a working group on the

Corporate Culture Reform in October 2023. Here, “Life” refers to that of not only our executives and employees but of the long-term lives of all of the people involved in the Group’s businesses. In July 2024, we established the Corporate Culture Reform Promotion Department which is under my direct supervision. Since then, reform activities have been advancing through both the bottom-up and top-down approaches, while holding direct dialogue between the employees and management with the Corporate Culture Reform Promotion Department serving as a secretariat.

I believe the key to success of this reform activity is that all executives and employees, including myself, “taking it as your own business” and that “psychological safety is ensured to everyone.”

First, in order to realize “taking it as your own business,” we are continuing to hold dialogue such as town-hall sized meetings intended for a small number of officers and employees and dialogue between the management and employees. In particular, we are raising the awareness that the important role of the management of the head office and branches is to change the systems, rules and workplace environment for the realization of the Corporate Culture Reform, as well as asking the management of the head office and branches to listen carefully to the views and questions of the employees and take actions to resolve the issues.

We are trying to realize a cycle of positive change which everyone can feel by discussing the opinions and questions of the employees at the Management Committee and applying it to the reforms of systems and then feeding it back to the employees to discuss again. One of the measures reflecting the opinion of employees is “changing the dress code for the officers and employees to wear the clothes of their choice” which has been implemented from last December. I feel that our atmosphere became more liberal and brighter, and I believe that this will lead to changing the workplace environment where communications between employees become more active and flexible ideas emerge more.

Next, regarding the “ensuring of psychological safety,” I have asked our people in a supervisory position to listen until the end of what the people working under them are expressing because the people in a supervisory position have a very important role in ensuring psychological safety. In addition, we created and distributed a “Management Book” for the people in the management layer to reflect on their own practices and implement better management.

The engagement score was the most visible change once we seriously started the reforms. The score of June 2025 improved to BBB 57.4 from B 50.0 of June 2022. We will continue our efforts so that our employees can maintain a



Dialogue of exchanging opinions with the employees

high engagement, be aligned in one direction and fully capitalize on their capabilities as we have set a target score of A 60 or higher by the fiscal year of 2030.

In addition, we held approximately 40 dialogue per year between myself and the employees, which we began in 2023 and 216 employees participated in the last fiscal year. Through the exchange of opinions, I strongly felt the passion of our employees towards the Company, which has become a driving force for me to advance the reforms. I feel that the atmosphere to speak up to their supervisors has spread in the Company because employees are recently expressing their honest opinions and remarks such as “certain things that they want to change the Company” or “why the president is wearing a suit instead of business casual clothing today.” However, I would like to listen to the words of more employees by strictly applying a bad-news-first policy because if you are in the position of a president of the company, only good news reaches my ears and the true shape of things becomes difficult to see.

Although change is gradually becoming visible, transforming the mindsets and behavior patterns that took ten plus years to come into shape will require time and a long-lasting effort. Even so, these reforms are inevitable for the sustainable enhancement of corporate value and the stable growth of the Group and we must successfully complete the reforms. I will stand in the front and lead the way, instantly implementing what can be done immediately, while taking a steady approach to things that need to be changed gradually. I will build a “Corporate Culture Where Lives of Everyone are Respected” where our human capital forming the basis of our competitiveness can fully capitalize on their capabilities, and both the executives and employees coming together while valuing the dialogue between the management and employees as important.

P.17 Corporate Culture Reform **P.22 Engagement**



I keep in mind the importance of exchanging opinions and communicating with the craftworkers of the subcontractors at the construction sites during safety patrols.

3. The Aims of the Human Resource System Reform —Investing in our human capital for the future—

In addition to our Corporate Culture Reform initiatives, we have been progressively assessing our human resource system since April of this year. The previous system, established in the fiscal year of 2001, no longer matches the needs of the era, such as the lack of diversified career paths. So therefore, we clarified the experiences, skills, and the proficiency level required for the positions and roles the employees set as their targets to reach, allowing the employees to choose their career paths on their own, from diversified options according to their characteristics. In addition, we are developing an environment where our employees can fully capitalize on their capabilities by the introduction of such as raising the mandatory retirement age to 65, introducing a system where employees are able to select their work-locations, and enhancing the allowances granted to work-location transfers.

We also revised our personnel evaluation system in which each employee's contribution to the Company's financial targets, contribution to the organization and the actions the employees take towards the development of their careers is more clearly reflected into, compared to the previous personnel evaluation system. Although the effects of these changes are yet to be seen, employee reactions during the explanatory sessions of the new evaluation system have been positive overall. Going forward, we will administer the systems appropriately so that more employees feel convinced, place their trust in the Company, and fully demonstrate their abilities. With respect to

human capital development, I have particularly placed emphasis on our officers and employees to learn and acquire the knowledge of liberal arts since I became the president of the Company. Our employees are superb in their own specialties, but that is not enough in an era where uncertainty increases. By learning liberal arts and engaging with arts and culture, people can have a flexible state of mind capable of responding to the sudden and un-sequential change to the society. It is essential for the employees to have an attitude to think through as well as the sense supported by liberal arts in addition to their expertise and experience in order to deliver proposals that exceed clients' expectations and imagination. All officers and employees will continue to learn and acquire the knowledge of liberal arts for the further growth of the Company, as well as to enhance the resourcefulness of our employees.

Reform of our human resource system and related initiatives are not costs but investments in the future of the Company and will fruitfully come back to us in the future. We will be unable to long for sustainable growth if we do not change ourselves to actively make investments to human capital as the working-age population will decrease in a mainstream from 2030 onward. We will proceed with a firm mind, our initiatives and investments to fully strengthen and utilize our human capital forming the basis of our competitiveness.

📖 P.21 Human Resource System Reform

📖 P.73 Human Capital

4. Current Situation of the Medium-Term Business Plan (2024–2026) and the Story of Growth for the Upcoming Future —To achieve sustainable enhancement of corporate value and stable growth—

Although there are some challenges, we are currently making steady progress with the Achievement Plan of [TAISEI VISION 2030] we announced in May of last year, which is the plan for us to achieve the state we are aiming for in 2030, and with the



Medium-Term Business Plan (2024–2026) which is its milestone. The most urgent issue to tackle in order to achieve the target of our management performance indicators with certainty, set in the Medium-Term Business Plan (2024–2026), is to rebuild the Group's domestic building construction business which was hurt due to the inflation stage of the economy. To that end, we are actively implementing measures such as the realization of appropriate work volume and appropriate allocation of workforce, the adoption of a balanced order receiving strategy placing importance on profit, and the change of our mindset from "deflation" to "inflation." The implementation of these efforts still remains in progress, but they are gradually producing results, and we are confident of achieving the performance indicators of the final fiscal year of the Medium-Term Business Plan.

In order to sustainably enhance corporate value, it is

important to become a company being able to generate profits stably and grow steadily, unaffected from the changes in the society and economy that are difficult to predict.

Under this way of thinking, the Group firstly set out the stance of placing importance on earning profits the year before last. I regard profit as an indication of our clients' evaluation of the Group. Accordingly, we have been discussing the management policy of not emphasizing too much on the amount of sales (the top-line) but putting importance on profits at the Board Meetings and the Management Committee. There is a common understanding between the members of the management regarding this policy. We will continue to promote the management in a sustainable way by looking at the future growth of the Company and through deepening the discussions.

From a business portfolio perspective, in addition to the conventional domestic businesses of "civil engineering," "building construction," and "real estate development," we are focusing on expanding the engineering business and strengthening the foundation of our overseas business. For each of the businesses of civil engineering and building construction, we are further breaking down the business into segments such as "new construction works" and "renovation works" and taking measures such as to expand our renovation business for both civil engineering and building construction to meet the demand. For example, the main renovation works of the current domestic civil engineering business are the renovation of highways, but from now on, demand for diverse renovation works, driven by disaster prevention and mitigation needs, is expected to increase as society's infrastructure continues to age. The Group will focus on the related initiatives to surely capitalize on these opportunities. The conversion of existing buildings into net Zero Energy Buildings (ZEBs) is creating new business opportunities for the renovation works in the domestic building construction business. We will strengthen the profitability of the business by improving the environmental performance, as well as utilizing the technology that we have been developing to renovate the buildings into ZEB.



With young employees: "Stay safe!"



For the establishment of new business models, the Group is currently proceeding to work together with local communities and proceeding with the initiatives of the operations and maintenance (O&M) business. In addition, to transform our business, we are expanding and reinforcing the foundation of our business by proactively utilizing capital and business alliances, and mergers and acquisitions (M&A) with the companies that can produce synergistic effects. In addition, cooperation with others from a different industry, stepping out of the boundary of the construction industry will become increasingly important from now on. In particular, co-creation and collaboration with partners from other industries is essential for the realization of innovation. We are currently undertaking various initiatives in cooperation with diverse partners such as autonomous driving and smart city technology.

Our technological capabilities and know-how in the environmental business field are also leading to the Group's competitive advantages. As we have been developing environment related technology such as the ZEB, we are taking a step further by developing the "Zero-Carbon Building" in which the amount of CO₂ emissions becomes virtually zero or smaller in the lifecycle of the building or the "Zero-Water Building" in which the service water consumption becomes virtually zero by utilizing rainwater. We will continue to pursue the active development and implementation of technology, as well as the accumulation of know-how to contribute to the realization of carbon neutrality, circular economy, and being nature positive.

I would like the Group to widely contribute to solving the issues of our clients and the society by enhancing the business fields surrounding building construction while keeping building construction in the center of our business. We will realize the sustainable enhancement of corporate value and stable growth through the implementation of these initiatives.

📖 P.47 [TAISEI VISION 2030] and Achievement Plan

📖 P.57 Medium- to Long-Term Business Strategies

5. Realization of the Management Being Conscious of Costs of Capital and Stock Prices
—Engaging in dialogue between shareholders and investors and applying the insights acquired into the management—

Improving the “Price Book-Value Ratio (PBR)” is also one of the major responsibilities of the management. When PBR is broken down to “Return on Equity (ROE)” and “Price-Earnings Ratio (PER),” the challenge to enhance ROE is something we can accomplish on our own as improving profitability and implementing shareholder return measures will be the points to enhance ROE. We will continue to maintain a balance with the investment for growth and shareholder return as the Group’s management policy of putting importance on profits, growth investments of 350 billion yen over three years, and the continuance of shareholder return measures based on the strategic intent, are all in line with this approach.

By contrast, improving the PER cannot be accomplished on our own and it requires the shareholders and investors to raise their expected value of the Company’s future. For that to

happen, it is essential that our potential, way of thinking and initiatives, are well understood through the careful explanations by our investor relations (IR) activities and other efforts. As the President, I will personally stand in front and take the lead in providing shareholders and investors with accurate, high-quality information in a timely manner. It is very important that I clearly present the Group’s story of growth and that I am engaged in repeated dialogue and feeding back the outcomes of the dialogue to the management of the Company. We will continue to proactively engage in dialogue such as various explanatory and briefing sessions and meetings with our shareholders.

P.43 Dialogue with Stakeholders
P.51 Message from the Chief Financial Officer

6. The Will of Helping Others and Contributing to the Society Through Our Business
—“The Works to Create Landmarks,’ Looking Ahead”—

Our work is to create landmarks that remain on the maps. Precisely because the landmarks we create remain on the map, they are required to be “authentic” and to contribute to the society for a long period. To create “authentic” landmarks, the will of helping others is essential as we need to think importantly, the many people who use the building or structure, including those of the future generation and not just think about our own Company.

The founder of the Group, Kihachiro OKURA, was a person who took on unprecedented challenges with a pioneer spirit, who contributed to the modernization of Japan through his business and contributed to the society by utilizing the profit acquired through his business in the fields of education, welfare and the promotion of culture. I believe that the Group has been felt in need by our clients and by the society for a length of more than 150 years because we have inherited this spirit and will. In addition, this in turn attracted talented human capital, and we were able to successfully complete numerous difficult projects through “Tireless Challenge.”

The Group Philosophy we are currently putting up, “To Create a Vibrant Environment for All Members of Society” and the state we are aiming for in the medium- to long-term which is the “pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives,” concretely express our will of helping others by “contribution to the society through our businesses” and it is the very reason of our existence (see figure at right).

I believe that my mission as the President, is to realize an

environment that we can challenge the contribution to the society through our business, by all of our officers and employees taking on their work with pride and by sharing within the whole of the Group, the pioneer spirit and the will of helping others which we inherited from our founder, in order for the Group to be preferred from our clients and the society even 100 or 150 years from now.

The Taisei Group’s “‘The Works to Create Landmarks,’ Looking Ahead” is to provide values and solve the challenges that exceed the expectations of our clients and the society by everyone working excitedly and lively and as a result, both the individual and the Company mature, and is able to respond firmly to the expectations of our stakeholders such as our shareholders.

Please hold expectations for our initiatives “looking ahead.”

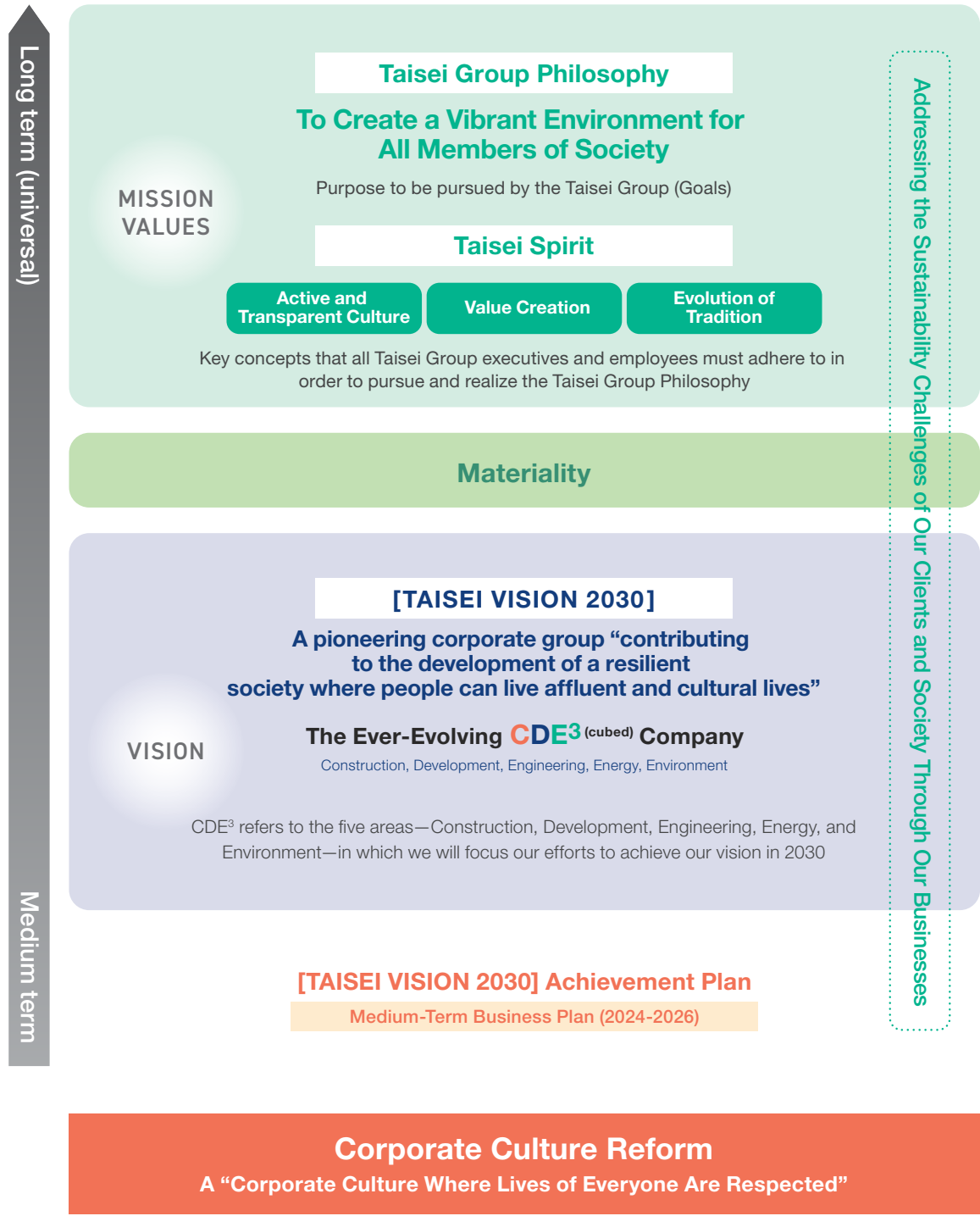


P.29 Taisei Group’s Value Creation Process
P.31 Sources of Competitive Strength

To Remain a Company Chosen by Clients and Society
Taisei Group Philosophy and [TAISEI VISION 2030]

Based on the will of helping others of solving the sustainability issues of clients and society through our businesses, we have defined our desired future state and are advancing initiatives toward its realization.

Our Structure of Values and Policies



Active and Transparent Culture,
Looking Ahead

Changing Taisei Corporation

For the future, the Taisei Group is committed to implementing reforms with determination.

We are fostering a corporate culture where the lives of everyone involved in our business activities are respected, while pursuing the sustainable enhancement of corporate value and stable growth.

Here, we share with you our current progress in this endeavor and our outlook going forward.

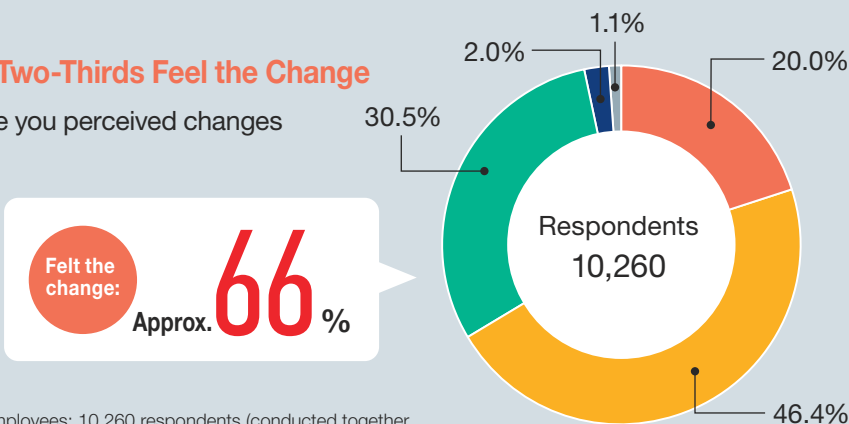
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Corporate Culture Reform

Employee Survey Results: **About Two-Thirds Feel the Change**

Over the past one to two years, have you perceived changes in the Company’s culture?

- Improved
- Somewhat improved
- Neutral
- Somewhat worsened
- Worsened



Note: Conducted in June 2025; targeted 11,227 employees; 10,260 respondents (conducted together with the engagement survey)

Number of Dialogue Sessions Between Employees and Management and Number of Participants
(Cumulative total from September 2023 to March 2025)

450 sessions

Note: Total of town hall meetings with the President and dialogue sessions between employees and management.

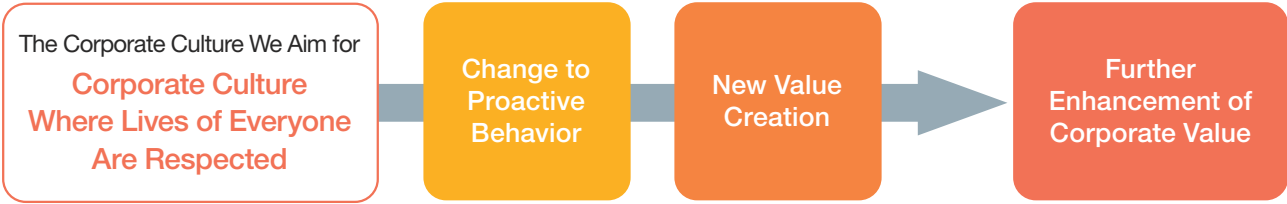
2,615 participants

Equivalent to 29% of the workforce of 8,994 (as of March 31, 2025).

Corporate Culture Reform

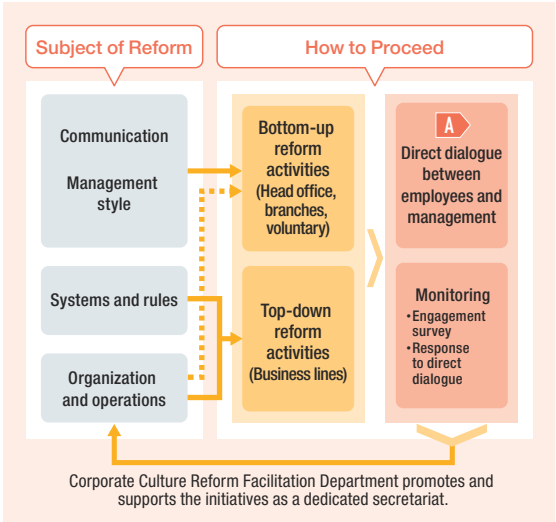
Our corporate culture reform began two years ago. In April 2024, the Management Committee resolved to foster a “Corporate Culture Where Lives of Everyone Are Respected”^{*} and, while prioritizing direct dialogue between employees and management, we have been advancing reform. Through these efforts, we aim to further enhance corporate value.

^{*} Long-term well-being of all persons involved in the Group's businesses



Approach to Reform

With the Corporate Culture Reform Facilitation Department serving as the dedicated secretariat, we are promoting both bottom-up and top-down reform activities. We will continue to engage in direct dialogue between management and employees, foster an environment and atmosphere where employees can act and speak freely.



Key Achievements in FY2024

Bottom-Up Reform Activities	- Corporate culture reform working group activities B - Department-level group meetings* held * A forum for casual yet earnest discussions, open to all employees
Top-Down Reform Activities	- Management meetings - Multiple discussions each month on key themes identified from dialogue with employees (13 meetings held from July 2024 through March 2025) - Communication of Company policies in response to employee feedback - Distribution of video dialogue featuring members of the Management Committee
Other	- Relaxation of the dress code for executives and employees C - Renovation of the head office employee cafeteria D - Creation and rollout of the Management Book - Information sharing and communication through the in-house SNS

Challenges and FY2025 Focus Areas

Key challenges identified through FY2024 activities

- Gaps in interest and awareness across the organization
- Insufficient understanding and buy-in among general managers, a pivotal layer for driving reform

FY2025 Focus Areas

- To continue direct dialogue between employees and management (targeting 2,000 employees annually) and ongoing communication of Company policies in response to employee feedback.
- To place greater emphasis on general manager meetings to accelerate corporate culture reform within each organization. Facilitate exchanges of views between management and general managers to build a two-way relationship where candid opinions can be shared.
- To provide opportunities for less engaged employees to participate, thereby increasing the number who view culture reform as their own responsibility and take action.

Initiatives for Reform

A Direct Dialogue Between Employees and Management

With the aim of listening to employees' views and engaging in candid dialogue, we hold “town hall meetings” with the President as well as opinion exchanges between employees and management (a cumulative total of 450 sessions with 2,615 participants as of March 2025).

The Corporate Culture Reform Facilitation Department consolidates employee feedback, including opinions raised through corporate culture reform working-group activities, reports them to management for discussion of Company policies, and then provides feedback to employees.



B Corporate Culture Reform Working Group Activities

With over 370 members who responded to an internal open call, we launched working group activities in September 2024 to help transform each organization into a better workplace, while engaging in dialogue with senior managers of each division. In January 2025, representatives from 26 working groups nationwide gathered at the head office and, in a session livestreamed to employees, reported their activities to management.

Membership has since grown to more than 500, and the groups are continuing their efforts with a conscious focus on strengthening cross-organizational connections.



C Relaxation of the Dress Code for Executives and Employees

Respecting individual values and diversity, in December 2024 we relaxed the dress code for executives and employees while on duty, aiming to brighten the workplace atmosphere and foster an environment that encourages active communication and flexible ideas. (At worksites, company-issued uniforms continue to be worn as before.) By enabling each individual to shift perspectives and adapt to the changing times, we will provide value that exceeds clients' expectations and imagination.



D Renovation of the Head Office Employee Cafeteria

In January 2025, we renovated the head office employee cafeteria, transforming it into a working and community space that goes beyond the function of a dining hall. This space, where Nudge Design^{*} was applied in Japan for the first time, is open during business hours and serves diverse purposes such as meals, meetings, and breaks. It has become a venue where casual, non-hierarchical communication naturally arises and employees can connect more deeply.

^{*} Nudge Design: A cutting-edge design method developed by the Company in 2024 that enables the creation of optimal work environments by incorporating psychological effects.



“Corporate Culture Reform”: Here Is What Employees Think

In March 2025, we conducted a survey of the corporate culture reform working members regarding corporate culture reform and received responses from 321 members. We received many candid opinions, a portion of which are introduced here. Going forward, we will continue to value dialogue with employees as we foster a “Corporate Culture Where Lives of Employees Are Respected.”

Has the Taisei Group
Changed?

What has changed

The atmosphere of blaming people when problems occur **has subsided**.

(Branch office; 20s)

We **can now speak up to say**, “I want to change this about the Company.”

(Branch office; 30s)

The belief has grown stronger that we must shift from doing things the way we always have to adopting **new approaches**.

(Head office; 50s)

Words of gratitude and apology, and a humble attitude, have increased.

(Branch office; 30s)

Through opinion exchanges, we have begun to listen to each other’s views and **respect each person’s values**.

(Branch office; 40s)

The president himself has communicated “Let’s change the corporate culture,” created an organization for that purpose, and sustained ongoing activities.

(Branch office; 40s)

Not yet changed

I feel that the **mindset** of senior management and upper ranks **has not changed much**.

(Branch office; 30s)

It is a large company, so it **cannot change immediately**.

(Head office; 20s)

In departments with highly conscious managers, active initiatives are evident, but **some departments show no movement at all**.

(Branch office; 40s)

There are still too few who see this as their own issue. I still hear comments such as “I am nearing retirement, so it **does not concern me**.”

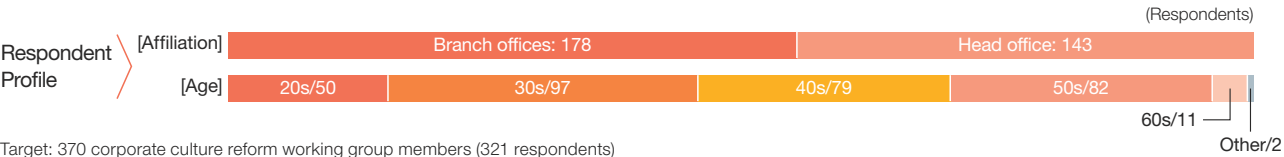
(Head office; 30s)

I am assigned to a worksite, but I **do not feel much change** around me.

(Branch office; 30s)

In my department, **only the working group members** are discussing matters; nothing else is progressing.

(Head office; 30s)



Q. What is necessary to change the Company?

Senior leadership (executives and general managers) must have a genuine commitment to change.
(Branch office; 50s)

Rapidly implement, verify, and scale proposed measures. We must move away from the past stance of nitpicking minor flaws and doing nothing—or preventing others from acting.
(Branch office; 30s)

Recognize that some people will inevitably resist change, and discuss and implement ways to involve those who are less engaged.
(Branch office; 40s)

No one is unrelated to corporate culture. Each employee must embrace a mindset of “change,” and all of us need to work together with a sense of unity.
(Branch office; 20s)

Evaluate and acknowledge employees who take corporate culture reform seriously as their own responsibility.
(Branch office; 40s)

Further understanding is needed of the basics of diversity, equity, and inclusion (DE&I), as well as the fundamental principle of respecting others.
(Head office; 40s)

Q. Thoughts on corporate culture reform?

Opinion exchanges can sometimes turn into gripe sessions. We need to discuss how to channel them into improvements rather than letting them end as complaints.
(Branch office; 20s)

The ultimate objective is to build a “strong organization.” We must be careful not to let it slip into complacency.
(Branch office; 50s)

Even a rough high-level schedule and phase-by-phase targets should be set, and progress should be shared along the way.
(Head office; 40s)

Reform takes time, so it is essential to ensure it does not become a one-off. We must absolutely avoid a situation where a change of president leads to the dissolution of the reform organization.
(Branch office; 40s)

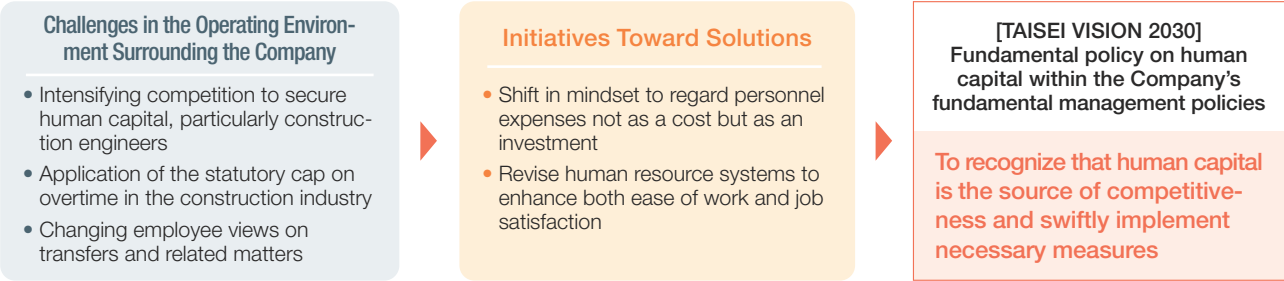
Corporate culture reform has only just begun. I believe this activity will never truly end, so I want us to keep building momentum together while involving those around us.
(Head office; 30s)

The higher the position, the greater the influence—leaders should recognize this and strive to serve as role models.
(Branch office; 40s)

Human Resource System Reform

At Taisei Corporation, as part of the human capital investment outlined in [TAISEI VISION 2030], which represents what we should aim for in the medium to long term, we revised our human resource systems and began implementing them sequentially in April 2025.

These revisions are grounded in the following perspectives and recognition.



Revised Human Resource System

As part of this revision, we have implemented the following measures:

Grading System	• To realize autonomous and diverse career paths through the introduction of a role-based grading system • To secure and develop core human capital in each business domain, as well as future management leaders
Extension of Mandatory Retirement Age	• To raise the retirement age from 60 to 65 to create an environment where employees can work with peace of mind for longer
Introduction of a Work-Location Selection Program	• To enable flexible working styles aligned with individual life plans
Performance Evaluation Systems	• To establish evaluation systems that foster employee capability development and human capital development
Compensation System	• To expand investment in human capital • To enhance allowances related to transfers

Introduction of a Specialist Track

To promote diverse career paths centered on expertise, we have introduced a Specialist Track. This system applies to individuals with advanced expertise recognized outside the Company, who contribute to company-wide value creation and enhancement of brand value. Regardless of age or job grade, treatment is determined based on expertise and results. Compensation levels can be set at up to an annual income of ¥23 million. As of FY2025, appointments for 18 employees have been decided. By maximizing each employee's strengths, we are accelerating technological innovation, driving value creation, and advancing the sophistication of our human capital.

Establishment of a Transfer Allowance

Given the nature of our businesses, employee transfers are to some extent unavoidable. As part of HR measures designed to ease the personal burden of such transfers, we have introduced a transfer allowance. For relocations requiring a change of residence, a one-time payment of up to ¥1 million is provided, depending on moving distance and whether family members accompany the employee. This new allowance complements existing assignment and separate-residence allowances. By both alleviating the burden of transfers and ensuring transparent and convincing HR practices, we aim to enhance job satisfaction and strengthen organizational agility.

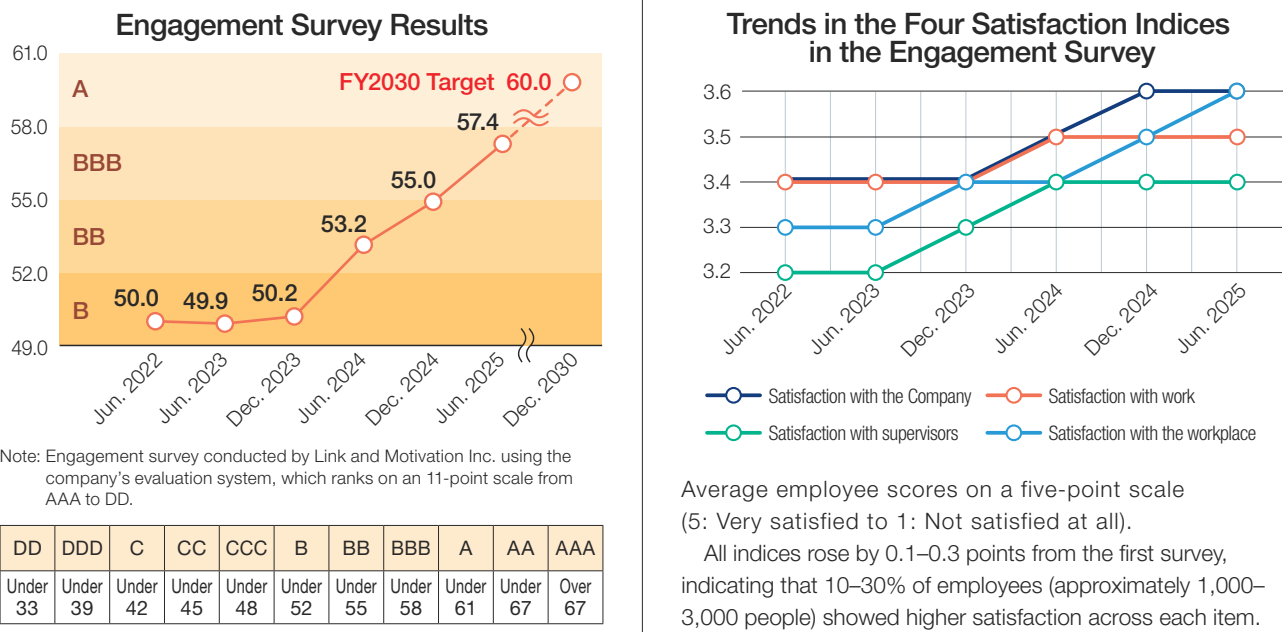
Going forward, alongside corporate culture reform, we will continue to foster an environment where every executive and employee can thrive. Through these initiatives, we will strengthen our competitiveness and, by delivering value that surpasses the expectations and imagination of our clients and stakeholders, drive the sustainable enhancement of corporate value and stable growth.

P.73 Human Capital

Engagement

Since the introduction of the survey in 2022, employee engagement has risen markedly. In parallel with corporate culture reform and human resource system reform, we have advanced initiatives such as aligning workforce allocation with business volume and enhancing operational efficiency. We regard these results as evidence that employees are placing higher expectations on the Company's transformation.

Going forward, we will continue to further strengthen employee engagement and translate it into enhanced corporate value.

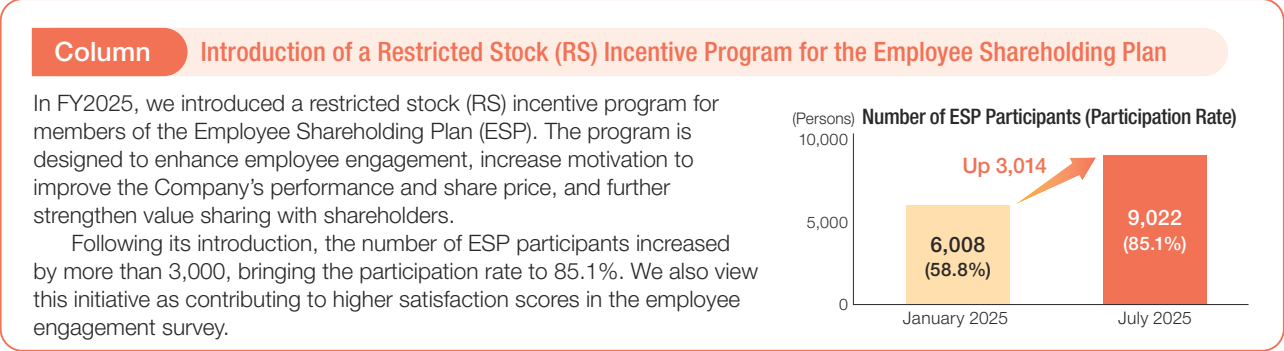


Current Company-Wide Challenges

- Survey items such as company-wide solidarity, communication across organizational levels, and trust in management remain low.
- Employees report that “doing the job is taken for granted,” that “there are few opportunities to receive thanks,” and that “they do not feel a sense of purpose in their work.”
- Some organizations continue to show low engagement.

Initiatives to Drive Improvement

- Expand opportunities for high-quality internal communication—starting with direct dialogue between employees and management—to foster open and substantive exchanges.
- Conduct training and campaigns to cultivate a culture in which executives and employees naturally “identify and communicate value.”
- Within each organization, analyze survey results and plan and implement improvement measures, while providing attentive follow-up for managers.



INTERVIEW Interview with the Executives in Charge of the Corporate Culture Reform

Toward a “Corporate Culture Where Lives of Everyone Are Respected”—The Reform Is Stepping Forward Steadily

Toward sustainable enhancement of corporate value and stable growth of the Company, we interviewed two of our Executives leading the Taisei Group’s Corporate Culture Reform about the current status of the initiatives and their determination to implement the reform.



Could you share the recent changes in the Company resulting from the Corporate Culture Reform, as well as key focus areas moving forward?

KASAHARA The relaxation of its business dress code has brightened the atmosphere of our workplaces. In addition, we are having more open and frank conversations with employees. When I was young, there was almost no opportunity to speak directly with our top management. But recently, communication has increased across the job categories—civil engineering, building construction, and administration—and across the divisions. Opinion exchanges on our internal social network system have also become active and the employees certainly have more opportunities to speak freely.

Moving forward, it is important for us to sustain this momentum. The former top-down approach only fostered a sense of being forced among the employees and cannot achieve true reform. By valuing dialogue and enhancing organizational openness, we will achieve quick and flexible decision-making, and generate innovation and create new value.

YOSHINO We began opinion-exchange sessions with the employees in September 2023, and I have participated in more than 60 such sessions. Compared to the initial phase, a broader range of opinions has been shared and discussions are becoming deeper these days. I believe this is because the employees recognize that the President & CEO has led the way, made our initiatives public, and advanced the reform with strong determination.

The reform is still in progress, and there are some organizations that have not changed yet. Moving forward, the employees’ willingness of “I will change the corporate culture” will be the key. Therefore, through continued dialogue, we will embed these initiatives into our corporate culture and lead them toward the accomplishment of the [TAISEI VISION 2030].

Could you share your thoughts on the employees’ feedback on pages 19 and 20?

KASAHARA We have seriously taken the employees’ feedback that “The mindset of the management has not changed.” Until now, we have primarily focused on the exchange of opinions with younger employees, which may have left general managers and other manager levels with a sense of being overlooked by the management. In addition, some employees may also feel upset about the reform. To resolve these issues, we are now placing greater emphasis on dialogue with the general managers’ level.

As rightly pointed out in the other feedback that “No one is unrelated to the corporate culture,” it is essential that everyone considers it their own issues. To this end, it is necessary that the employees are convinced of the fundamental part why the reform is being implemented. This fundamental part is closely linked to factors such as the organization’s purpose and to each individual’s sense of meaning to work. By continuing dialogue and respecting the employees’ feedback, we will ensure that the employees are convinced of such part.

YOSHINO The feedback from younger employees such as “No one is unrelated to the corporate culture,” and “The atmosphere of blaming others is going to fading,” demonstrates that the reform is making progress, which I feel very encouraging.



At the same time, some employees said, “I don’t feel anything has changed.” Given that the Company has numerous organizations in Japan and overseas (such as divisions, departments, and worksites), it is difficult to reform all organizations at once. That is why we need to broaden the circle of the reform steadily. In particular, at worksites which are our production bases, it is vital that “we change by our own wills,” rather than being perceived as merely responding to an extension of daily tasks or assignments imposed from the supervisors.

We will fully support each department’s working group activities and actively foster collaboration and horizontal sharing of practices among these groups.

Could you share your thoughts on “Ensuring psychological safety,” which President & CEO AIKAWA cites as the key to the successful of the reform?

YOSHINO This is a matter of interpersonal relationships, and it is important for the supervisors to lead by the examples. While we have advanced the reform, “Let’s call others with ‘-san’” campaign that began at a branch has spread and is now recommended in the Company-wide. This campaign changes the Company’s custom of addressing the supervisors by their job titles (e.g., “-General Manager”) to addressing them as “-san,” thereby encourages flat communication. To demonstrate the campaign firsthand, the management themselves, including the President & CEO, have been addressing one another as “-san” since June of this year.

* “-san” is a Japanese honorific suffix attached to personal names to convey respect and collegiality.

KASAHARA Ensuring psychological safety is the most important element of this reform. Looking back at the incident that prompted us to commence the full-scale reform, one major lesson learned was that employees concealed their mistakes because such employees felt unable to speak up to their supervisors. If the employees can freely speak up to their supervisors, it will not only help prevent issues from occurring but also foster innovation.



When the employees can work with peace of mind, their satisfaction increases, and well-being can be realized. We believe it is the mission of the management to make such an environment as the “standard.”

Mr. KASAHARA, you are also in charge of the human resource system reform. Could you explain the roles that each of the two reforms plays in driving the Company’s growth?

KASAHARA The two reforms are like the two wheels of a car. The Corporate Culture Reform is intended to change mindsets and behavior patterns of the officers and employees in their daily work. By ensuring psychological safety and fostering inclusive communication, we aim to lead to innovation and value creation. The human resource system reform, on the other hand, is to change the structures to support such initiatives. By expanding investment in human capital, and through the transparent and convincing evaluations that also place importance on the process, we will create an environment where employees can work lively. To enhance our corporate value, neither wheel can be missing; it is crucial that we complete both reforms in tandem.

Finally, could you share your determination to the reform?

YOSHINO This reform is not only the reform of our corporate culture, but also the reform of every officer and employee. Accomplishing this reform will drive the growth of every employee and an enhancement of our corporate value, and lead to “contributing to the development of a resilient society” which is what we should aim for under [TAISEI VISION 2030]. We will keep our focus on this reform so that its results will be appreciated by all our stakeholders.

KASAHARA The Corporate Culture Reform is a medium- to long-term endeavor and requires considerable time. The human resource system reform will be instilled into the employees and its results will follow in due course. We will not rigidly implement an established system as it is, but remain agile and respond quickly in accordance with changing circumstances, while always valuing dialogue with the employees. To achieve [TAISEI VISION 2030], every officer and employee will keep in mind the starting point for their initiatives, and continually ask themselves why we are implementing this reform. We will achieve this reform definitely.

Director, Senior Managing Executive Officer, Junichi KASAHARA

Director, Managing Executive Officer, Yuichiro YOSHINO

“The Works to Create Landmarks,” Looking Ahead

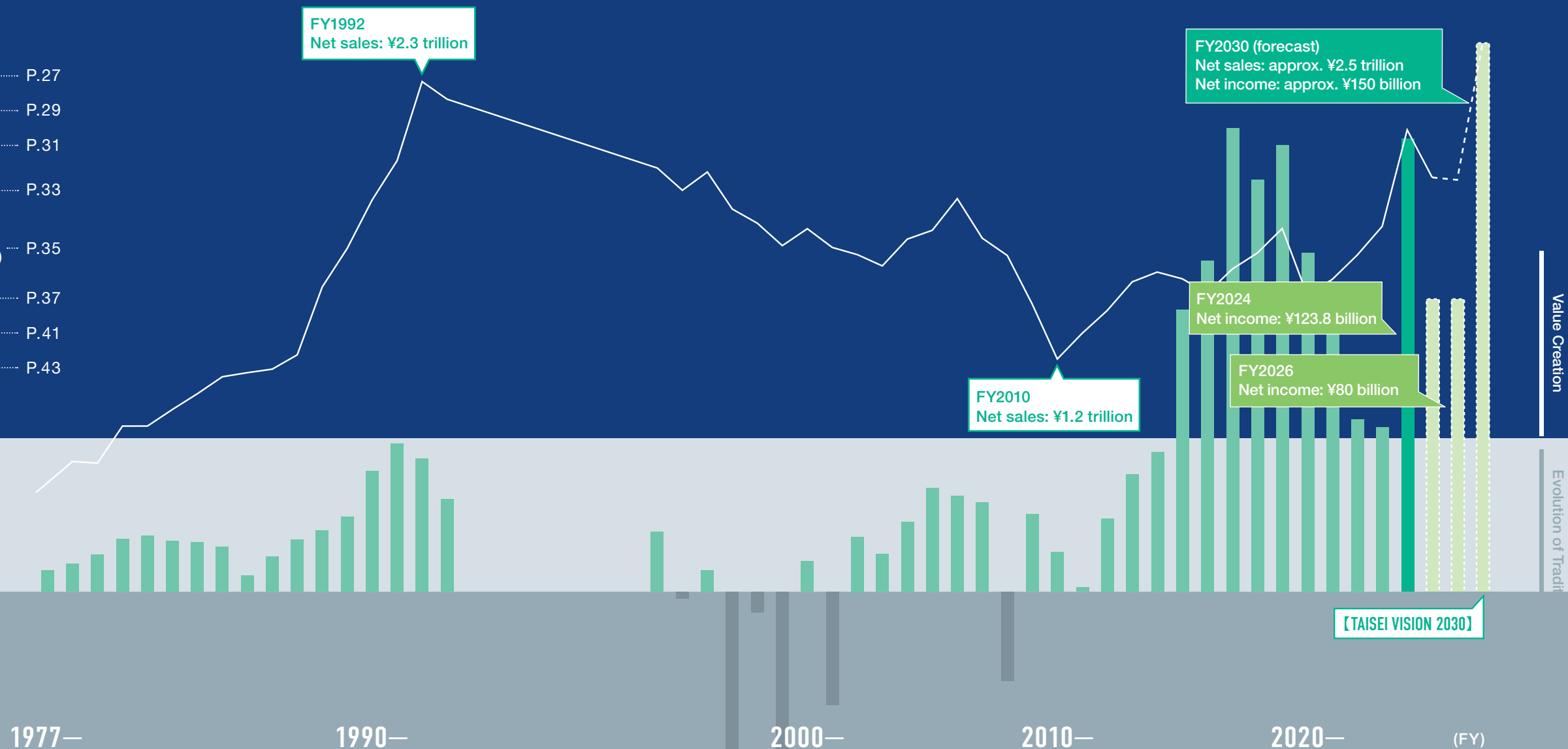
“Proposals Beyond Expectations” and “Tireless Challenge.”
Leveraging these two strengths, the Taisei Group continues to address the challenges faced by clients and society. Going forward, we will keep working with enthusiasm, contribute to building a resilient society, and create the future together with you.

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[Trends in Operating Results]

- Group net income
- Net sales



“The Works to Create Landmarks” — Looking Back and Looking Ahead

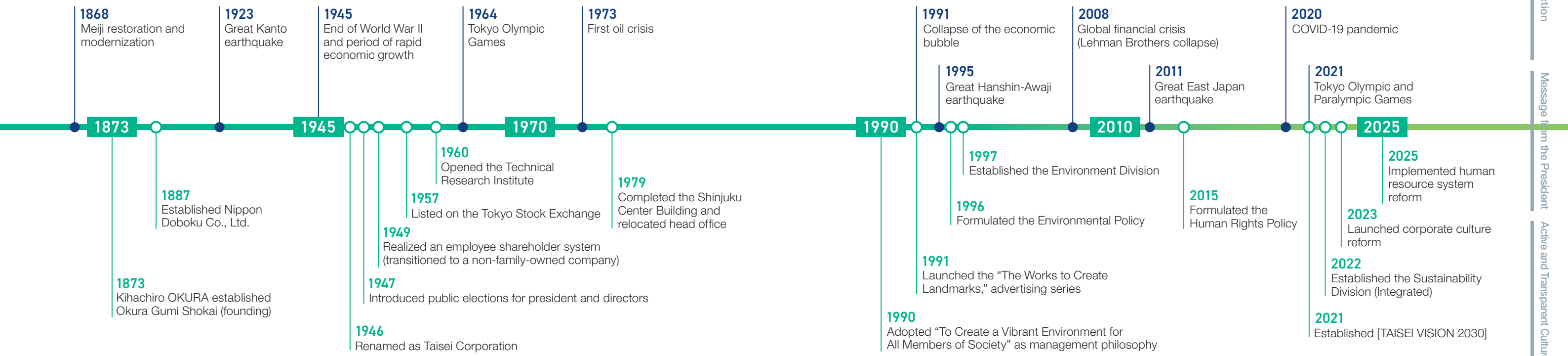
The Taisei Group has inherited from its founder, Kihachiro OKURA, the pioneer spirit of taking on unprecedented challenges. With “Proposals Beyond Expectations” and “Tireless Challenge,” we have supported people’s lives and contributed to social development. Looking ahead, to address the challenges of our clients and society and grow together, we will continue to take on “The Works to Create Landmarks,’ Looking Ahead.”

Origin of the Company Name “Taisei Corporation”

“Taisei” derives from the posthumous Buddhist name (*kaimyo*) of the founder, Kihachiro OKURA.

The term originates from a Chinese classical book, Mencius, Wan Zhang II and carries the meaning of “bringing together the strengths of many to create a greater strength”—that is, *shutaisei* (a grand synthesis). It also conveys the ideas of accomplishing something completely and of gathering many things to build something great, which made it the most fitting name for our Company.

“建設” (*kensetsu*) was adopted as the translation of the English word “construction,” representing both the civil engineering and building construction fields, and Taisei was the first company in Japan to include these characters in its name.



Supporting Japan’s Modernization	Contributing to Postwar Reconstruction and Rapid Economic Growth	Demonstrating Our Presence Through Technological Innovation and Comprehensive Capabilities	Coexisting with the Global Environment While Taking on Large-Scale Projects	Contributing to the Realization of a Sustainable Society	“The Works to Create Landmarks,” Looking Ahead
Brimming with a pioneering spirit, Kihachiro OKURA founded Okura Gumi Shokai and established Japan’s first corporate construction company, Nippon Doboku Co., Ltd., thereby supporting the country’s rapid development through its construction business.	Taisei navigated the turmoil of the postwar period by introducing measures such as publicly electing president and implementing an employee shareholder system. Following our stock market listing, we addressed the scaling-up and mechanization of construction and contributed to Japan’s rapid economic growth through the development of social infrastructure.	As Japan entered the era of skyscrapers and increasingly complex national mega-projects, Taisei leveraged technological innovation and comprehensive capabilities to establish a strong presence as a super general contractor.	Amid rising attention to environmental issues, Taisei led the industry in advancing initiatives while taking on numerous large-scale infrastructure projects and completing “The Works to Create Landmarks” worldwide.	Taisei is at the forefront of sustainability management, striving for sustainable growth and the enhancement of corporate value. Through our businesses, we contribute to addressing the challenges of our clients and society.	Taisei will continue to sharpen our ability to address sustainability challenges and, by joining forces with partners who share our aspirations, create a vibrant future for both humans and nature.
 1883 Rokumeikan	 1964 Mt. Fuji Summit Radar Site	 1985 Minami & Kita Bisan-Seto Bridges [substructure, North segment]	 1997 Tokyo Bay Aqua-Line [Kaze no Tou]	 2019 Japan National Stadium	 Technologies for 2030 and Beyond (Only in Japanese)

Taisei Group's Value Creation Process

The Taisei Group co-creates a vibrant future for both humans and nature through “Proposals Beyond Expectations” and “Tireless Challenge.”

External Environment

IX

SX

DX

- Decrease in the workforce due to the declining birthrate and aging population
- Advancement of digitalization
- Increased pressure for consolidation in the construction industry

- Emergence of geopolitical risks and rising prices
- Transition to a sustainable society, etc.

Vibrant Future for Both Humans and Nature

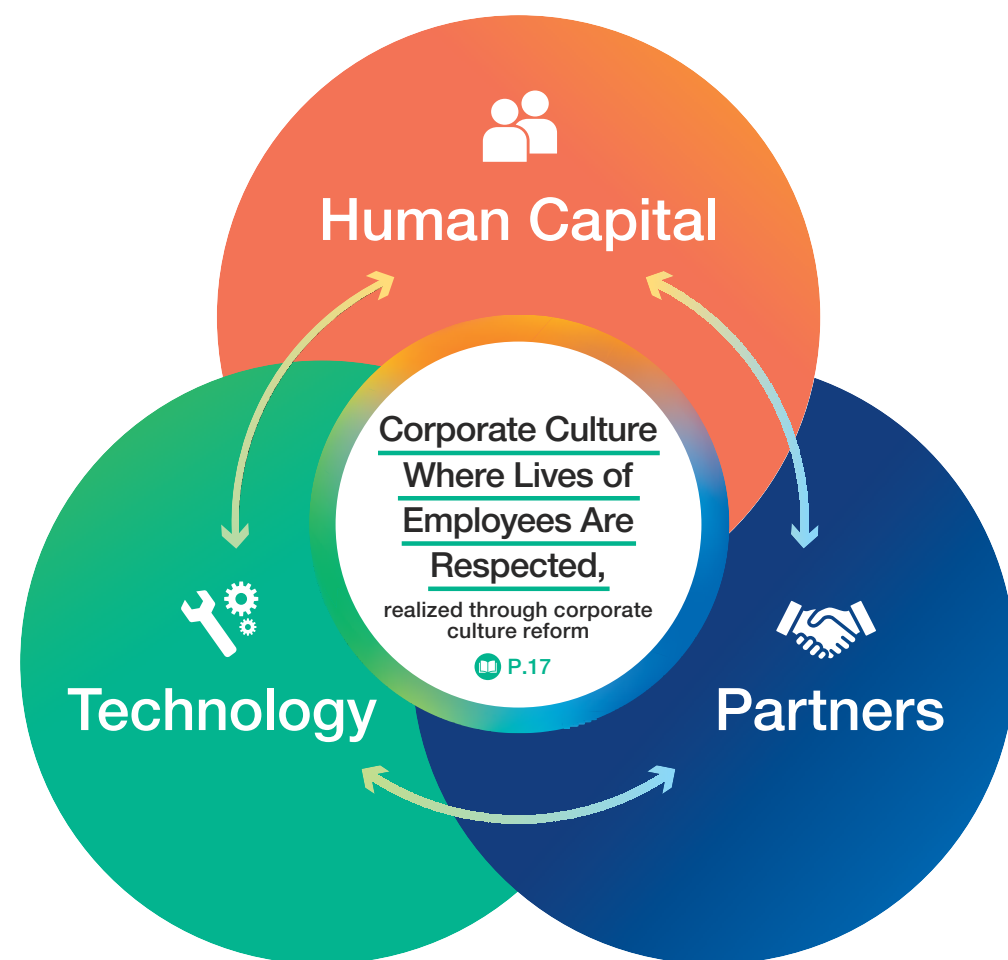
Taisei Group Philosophy

Taisei Group Long-Term Environmental Targets
TAISEI Green Target 2050



Sources of Competitive Strength That We Continue to Hone for “The Works to Create Landmarks,’ Looking Ahead”

The Taisei Group’s Sources of Competitive Strength



The Taisei Group’s Competitive Advantage “Proposals Beyond Expectations” and “Tireless Challenge”

Each of human capital, technology, and partners plays a vital role and complements the others, enabling value creation through “Proposals Beyond Expectations” and “Tireless Challenge.” These three sources of competitiveness are indispensable for addressing the challenges of our clients and society—objectives that the Taisei Group is committed to pursuing.

Through corporate culture reform, we will maximize the potential of every employee, further refine technologies that anticipate societal needs, and deepen co-creation with partners who share our aspirations, thereby achieving sustainable growth together with society.



Diverse Human Capital That Sparks Challenge

Pioneering Spirit of Founder Kihachiro OKURA
Building on this spirit, diverse human capital has thrived within our non-family-managed, Active and Transparent Culture, honing its strengths through constructive competition. By advancing corporate culture reform and other initiatives, we will continue to unlock the full potential of our people and pursue “Proposals Beyond Expectations” and “Tireless Challenge.”

P.73 Human Capital



TV commercial featuring young Group employees who will lead the next generation



Technology That Anticipates the Needs of Society

Our History Attests to Our Technological Capabilities

By consistently delivering technologies that stay one step ahead of society's needs, we have completed numerous challenging projects. Looking ahead, we will continue to anticipate change and sharpen technologies that help solve our clients' and society's challenges—such as climate change, labor shortages, and regional revitalization.

P.81 Technology and DX (Intellectual Capital)



Taisei Group Next-Generation Technology Research Institute (Rendering)



Partners Who Co-Create the Future

Power of Collaboration, Indispensable to Construction

Together with our business partners—who have worked with us to bring technologies, expertise, and new businesses to market—we have taken on the challenge of solving social issues.

Looking ahead, we will continue to co-create new value not only with our supply chain, but also with partners from diverse industries who share our aspirations.

P.87 Partners (Social Capital)



Creating walkable urban spaces with the Park Line Promotion Council (Nihon Odori, Yokohama)

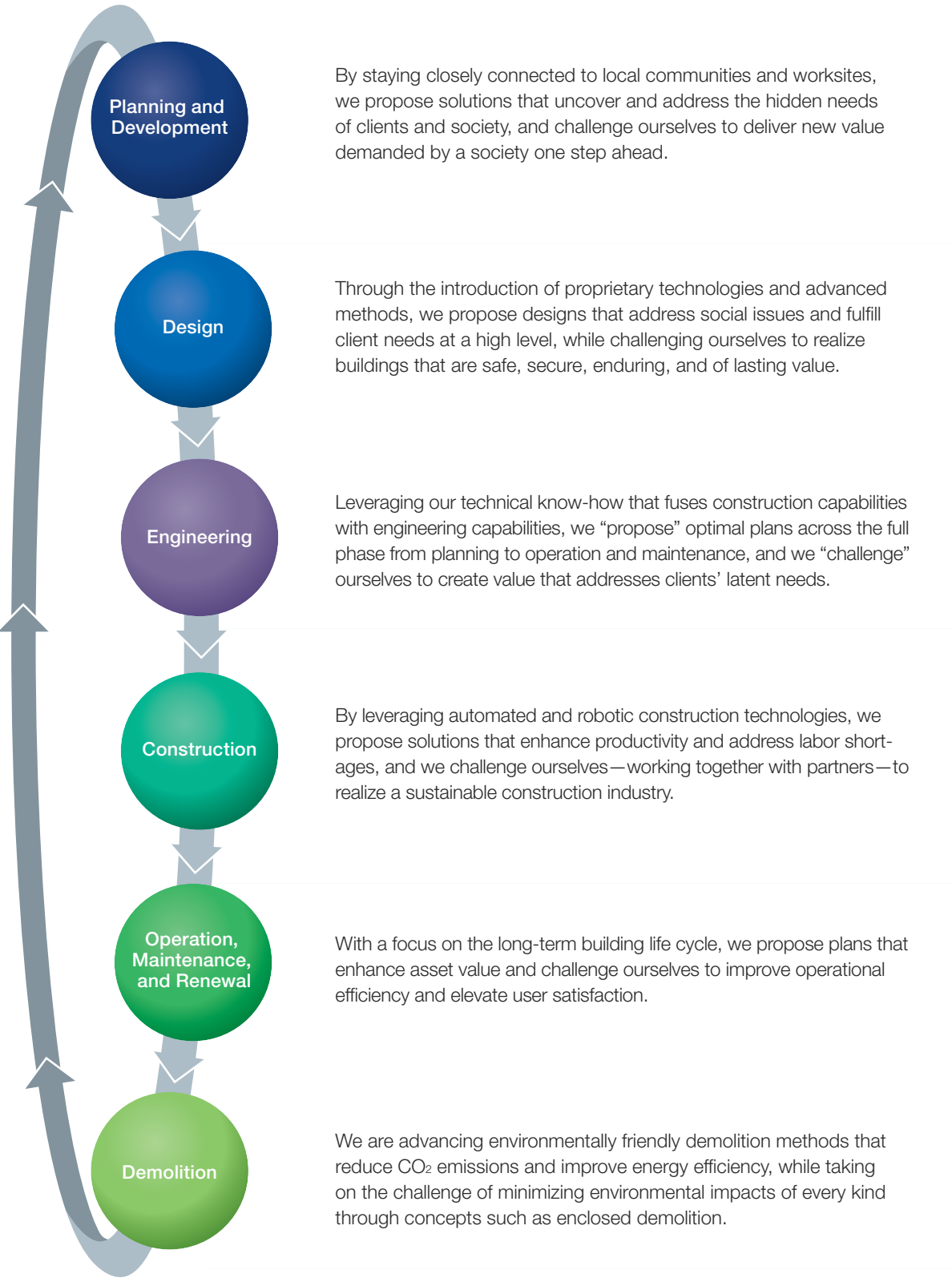
[Co-Creation with Partners Across Diverse Industries] Enhancing Regional Value Through Public Space Management

Park Line Promotion Council (General incorporated association) Member companies (as of September 2025)

- Taisei Corporation (representative organization)
- PACIFIC CONSULTANTS CO., LTD. (representative organization)
- JTB Corp.
- Mizuho Bank, Ltd.
- Daiwa Lease Co., Ltd.
- NTT Urban Solutions Research Institute, Inc.
- NTT EAST, Inc.
- DOCOMO BIKESHARE, Inc.
- JAPAN POST REAL ESTATE Co., Ltd.
- Hakuodo Inc.

“Proposals Beyond Expectations” and “Tireless Challenge” in the Value Chain

At every stage of the value chain, we deliver value that helps solve the challenges faced by our clients and society through “Proposals Beyond Expectations” and “Tireless Challenge.”



Proposals Beyond Expectations

Beyond simply meeting client requests, we identify latent issues facing society and local communities and deliver innovative, high value-added proposals to resolve them.

By presenting options that even clients had not anticipated, the Taisei Group will continue to be a one-of-a-kind presence, trusted and chosen by clients and society alike.

Tireless Challenge

Grounded in safety and uncompromising quality, we embrace challenges, devise solutions to bring clients’ visions and aspirations to life, and see them through to completion.

By taking on endeavors that others cannot match, the Taisei Group will continue to lead the industry and generate the kind of value that society will demand one step ahead.

A Green Project in the “Decarbonization Leading Area” of Midosuji

In the large-scale complex building development fronting Midosuji, The Honmachi 4-chome Project (Tentative Name), we are bringing together technologies that balance decarbonization with value creation, achieving a 40% reduction in life-cycle CO₂ emissions for the office portion.



A Near-Future Factory That Embodies Both Global Environmental Protection and Worker Wellness

At the OKI Honjo Plant, Building H1, we realized a Net Zero Energy Factory (ZEF) that reduces energy consumption while also creating wellness spaces using locally sourced timber. By adopting Building Information Modeling (BIM*), a digital twin, proprietary energy-saving technologies, and innovative natural materials, we have brought to life proposals beyond our client’s expectations. * See page 84



Establishing a Robotic Storage Production System with High Space and Transport Efficiency

At a new fluid equipment manufacturing plant scheduled to begin operations in 2026, we are establishing a robotic storage production system that enhances space efficiency and productivity. The system enables high-density storage and automated transport of parts and products across production lines that handle multiple product types in small lots, from materials processing through assembly.



Unmanned Construction Through Coordinated Operation of Automated Equipment

At the Namma Dam Main Works and the Naruse Dam Quarrying Project, we implemented unmanned construction by utilizing our proprietary automation and remote-control technologies to coordinate a series of earthwork operations, including loading, transport, and leveling. This has enhanced productivity and safety by enabling unmanned, labor-saving operations.



Realizing Renovation of Existing Buildings Plus ZEB

Through our “Green Renewal ZEB” initiative, we renovate existing buildings into Net Zero Energy Buildings (ZEB) by introducing the latest energy-saving and energy-generating technologies, while also supporting ZEB operations after completion through effective data utilization. In the renovation of the Marusan Securities Okayama Branch, we achieved “ZEB Ready,” cutting standard primary energy consumption by 50% or more.



Establishing Platform Technology for Mechanized and Automated Construction and Demolition of High-Rise Buildings

We have standardized systems that are essential for realizing mechanized and automated construction of high-rise buildings. This system was applied to the demolition of the former Odakyu Department Store Shinjuku Main Building. We are continuing initiatives to develop a platform that will enable future automated construction.



Sustainability Management and Materiality

Message from the Chief Sustainability Officer (CSuO)

Enhancing Our Capacity to Address Sustainability Challenges Through “Corporate Culture Reform” and “Tireless Challenge,” and Creating a Vibrant Future for All Members of Society and Nature

Executive Vice President;
Chief Sustainability Officer (CSuO)
Chief of Sustainability Division (Integrated)
Jiro TANIYAMA

Responding to Sustainability Challenges Is “Irreversible”

In recent years, the global situation is unstable, and the uncertainty of our society and economy has increased. In some countries, initiatives such as environmental conservation have stagnated. However, considering the significant impact of sustainability challenges including the environment and human rights on people’s lives and economic activities, it can be said that responding to these challenges is an irreversible process. In the future, companies would be expected more than ever to address these challenges with sincerity.

The Group aims to address the sustainability challenges of our clients and society through conducting business and to “contribute to the development of a resilient society where people can live affluent and cultural lives.” Sustainability challenges, such as decarbonization, resource recycling, co-existing with nature, human rights, and regional collaboration, are intricately interconnected. Therefore, while addressing ourselves to these challenges may generate synergies, it may also require adjustments to conflicting elements. The Group has not addressed these challenges individually, but has adopted an integrated and strategic approach. By adopting such an approach, it has made efforts to maximize synergies and minimize trade-offs. In the future, we will continue to enhance our capacity to address sustainability challenges in an integrated manner through our “Tireless Challenge.”

Enhancing Corporate Value Through Steady Response to Materiality

In FY2024, we reviewed our materiality by considering risks and opportunities from double materiality perspectives. The five revised materiality issues are linked to the mutual goal of “building a better future”, and accumulating steady responses to those materiality issues leads the Group to earn the trust of society and to drive the Group’s growth. Such responses are

steadily showing results, such as deepening our environment-related technologies and establishing an advantage in the ZEB market, which are also contributing to our enhanced competitiveness. Going forward, through our responses to the materiality issues, we aim to implement measures such as expanding business opportunities, strengthening human capital, reducing risks, and raising growth expectations in the capital markets. By implementing such measures, we aim to further enhance our corporate value.

In addition, in response to the development of the international information disclosure system, the disclosure of sustainability information is also becoming mandatory in Japan. The Group is enhancing both its gap analysis between disclosure standards and the Group’s current disclosure status and its methods for calculating CO₂ emissions. We will build trust through transparent and persuasive information disclosure, and further enhance our reputation in the capital markets.

Realizing the “Corporate Culture Where Lives of Everyone Are Respected” and Enhancing Our Capacity to Address Sustainability Challenges

Currently, the Company is making company-wide efforts to pursue the Corporate Culture Reform. As a member of this initiative, I am focusing on such reform, to create an environment where employees can work with pride and excitement and take on various challenges. In addition, I would like to link the Corporate Culture Reform to enhancing our capacity to address the sustainability challenges of our clients and society through our business operations, and achieve sustainable corporate value enhancement and stable growth.

To achieve such goals, it is essential for us to deepen constructive dialogue with our stakeholders. We would like to kindly ask for your continued understanding of the Group’s vision and initiatives on sustainability and to provide us with your open opinions and suggestions. Let us create a vibrant future for all members of society and nature together.

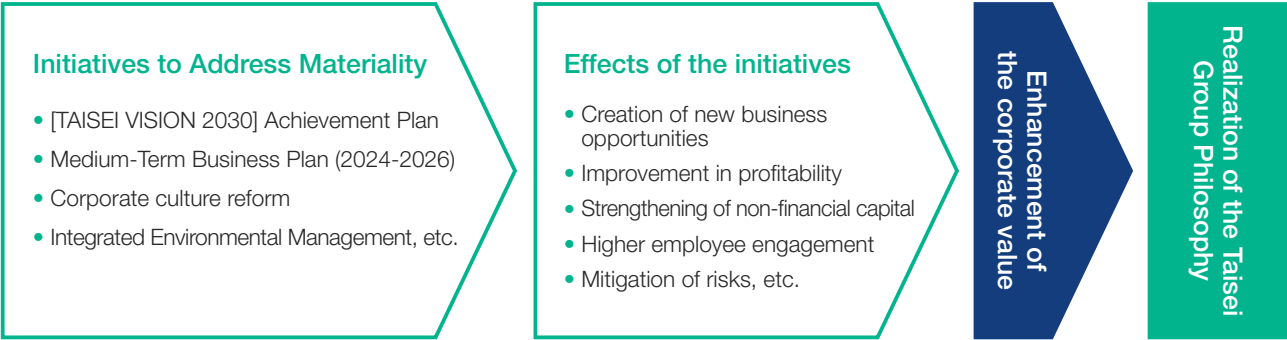
Fundamental Policy on Sustainable Development

Based on the Taisei Group Philosophy and the Taisei Spirit, we have established its Fundamental Policy on Sustainable Development. Guided by this policy, we will contribute to society through our businesses.

We, Taisei Group, set this Fundamental Policy on Sustainable Development to realize Sustainability Transformation (SX), which aims to resolve sustainable development issues through our businesses centered on the construction industry, and to contribute to the development of a resilient society where people can live affluent and cultural lives.

Relationship Between Materiality and the Enhancement of Corporate Value

Based on the Fundamental Policy on Sustainable Development, we have identified materiality. Through medium- to long-term initiatives to address these material issues, we will strengthen both financial and non-financial capital and mitigate risks, thereby enhancing corporate value and realizing the Taisei Group Philosophy.

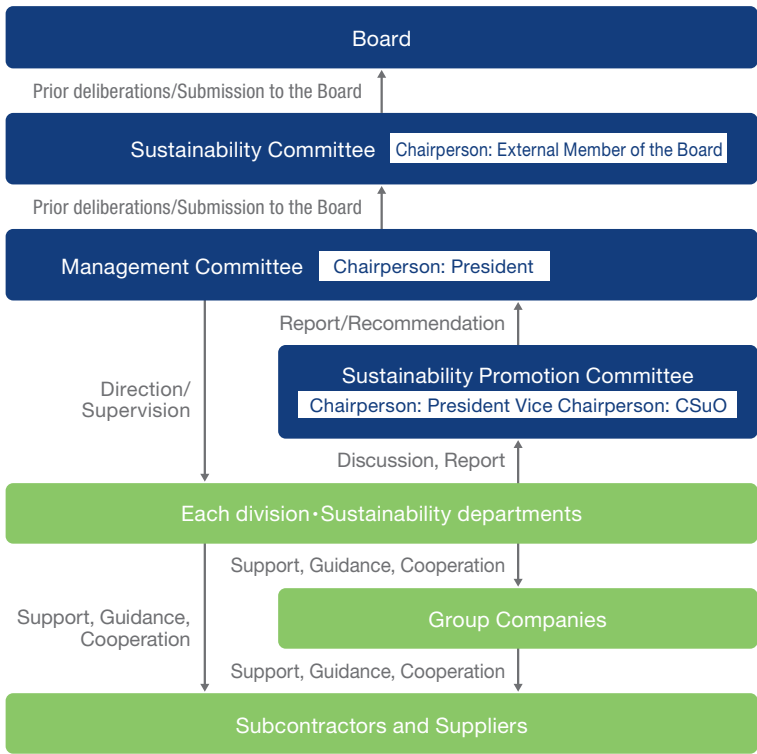


Sustainability Management Promotion Structure

To ensure that the Board properly oversees sustainability promotion and to strengthen sustainability management across the Group, we have established the Sustainability Committee as a Board committee. Chaired by an external member of the Board, the committee deliberates important sustainability matters—such as monitoring initiatives related to materiality—and reports to the Board.

On the executive side, under the Management Committee, we have established various functional committees, including the Sustainability Promotion Committee, to enable timely and thorough discussion of specific sustainability issues.

For business execution, the Chief of the Sustainability Division (Integrated) has been appointed Chief Sustainability Officer (CSuO). The Sustainability Division, in collaboration with each business division, drives initiatives to address sustainability issues through our business activities.



Materiality

In May 2024, we reviewed our material issues in light of the latest sustainability challenges and identified the five shown below. To realize what we should aim for, we are reflecting priority measures and KPIs for each material issue in the [TAISEI VISION 2030] Achievement Plan and other initiatives, and are steadily advancing our efforts.

Materiality Addressed Through Our Businesses



Materiality Forming the Foundation of Value Creation



Materiality Identification Process

The process for identifying material issues is as follows.



A working group that included external experts identified 482 sustainability topics based on the SDGs, the SASB industry materiality map, and other sources, and consolidated similar issues into 123 items.

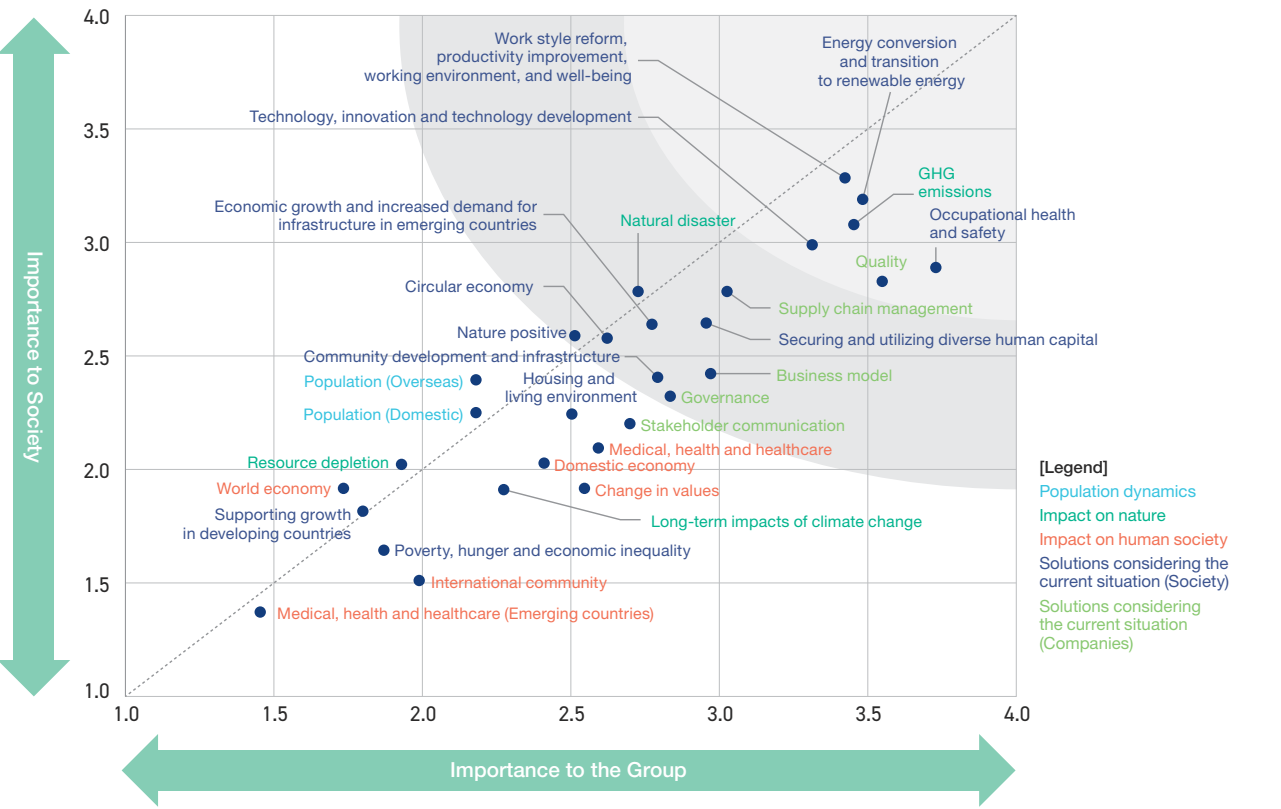
The working group conducted a quantitative assessment from two perspectives—significance to the Group and significance to society—and narrowed down the list to 15 items deemed potentially material for the Group.

Based on interviews with management, questionnaires to the Group executives and employees, questionnaires to key partner companies, and opinion collection from the corporate culture reform working group, we identified five material issues that comprehensively encompass the 15 shortlisted items.

Following prior deliberations at the Management Committee and the Sustainability Committee, the materiality was discussed and resolved by the Board.

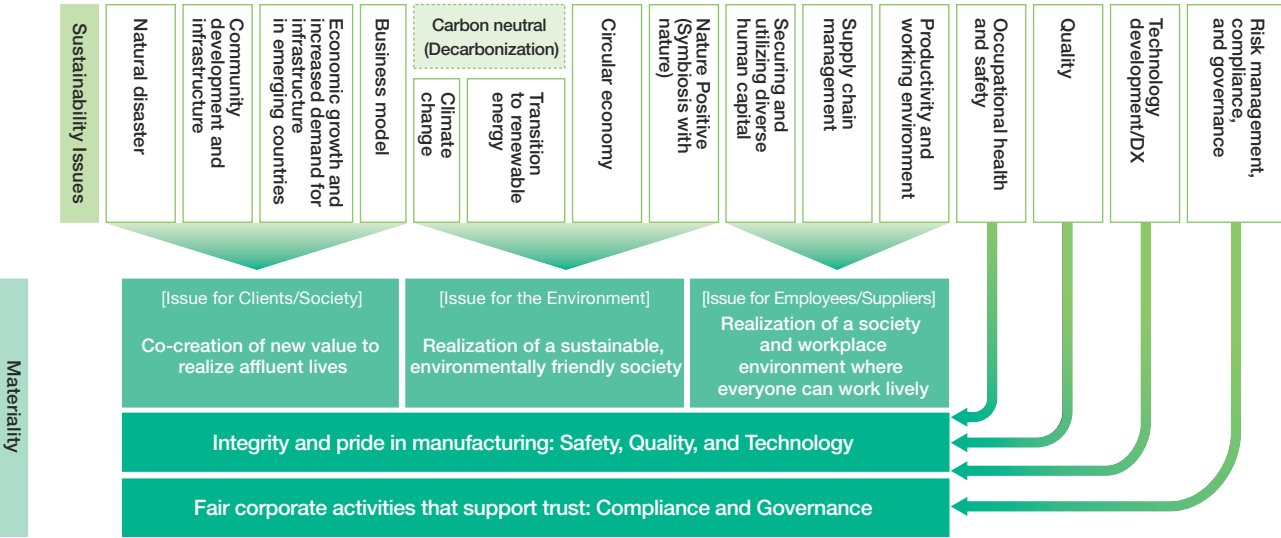
Identification of Issues for Consideration

From the 123 items on the candidate materiality list, a working group that included external experts quantitatively evaluated the importance of each item from the perspectives of “risks and opportunities for the Group” and “risks and opportunities for society.” As a result, we identified 15 issues for consideration that could be material for the Group.



Identification of Material Issues

Based on the results of interviews with management and the questionnaires administered to the Group executives and employees regarding the 15 issues identified for consideration, we sought to define material issues that encompass them all. To help stakeholders gain a clearer understanding of the issues recognized by the Group and our activities, we limited the number of material issues to five and expressed them in clear, accessible terms



Materiality and KPIs

For the five material issues identified, we have set KPIs after incorporating them into the [TAISEI VISION 2030] Achievement Plan and the Medium-Term Business Plan (2024-2026), and we are pursuing them in an integrated manner with our business strategies.

Progress on the KPIs is reported regularly to the Board for oversight. If there is a risk of not achieving the KPI, the causes are analyzed, and corrective actions are taken to ensure achievement.

Review of FY2024 Results

Regarding the confirmation rate of suppliers' sustainability activities, the rate has declined due to the introduction of a new system in FY2024. Going forward, we will make efforts to incorporate sustainability practices among our business partners and raise the confirmation rate by improving operations, among other things.

With respect to the implementation rate of 8-day site closure per 4 weeks, we will strive to achieve our target—through sales activities premised on securing appropriate construction periods—to help correct excessive working hours and ensure days off, which are critical issues across the construction industry.

Materiality	What We Should Aim For	Main SDGs That Taisei Contributes To	Major KPIs	FY2024 Results	FY2026 Targets	FY2030 Targets
Issue for Clients/Society  Co-creation of new value to realize affluent lives	To provide new values beyond our clients' imaginations by incorporating the social values required in the future into community development and infrastructure development through internal and external collaboration as well as open innovation.		Number of regional collaboration projects ZEB ratio of design and build projects (area ratio)*1 Customer satisfaction	15 cases 74% Building Construction 82.6% Civil Engineering 99.6%	15 cases 70% Building Construction 100% Civil Engineering 100%	50 cases 100% Building Construction 100% Civil Engineering 100%
Issue for the Environment  Realization of a sustainable, environmentally friendly society	To contribute to the realization of a sustainable, environmentally friendly society through our business by developing and promoting environmental technologies and services while recognizing the impacts of our business activities on and from the environment, and complying with environmental laws and regulations.		Total CO₂ emissions and reduction rate (Scope 1 + 2) Renewable energy generation capacity Final disposal rate of construction waste Number of projects contributing to Nature Positive	305,000 t-CO₂ 181GWh *5 2.9% 51 cases	-18% compared to FY2022 170GWh 3.0% 50 cases	-42% compared to FY2022 220GWh 3.0% or less 50 cases or more
Issue for Employees/Suppliers  Realization of a society and workplace environment where everyone can work lively	- To create an environment where everyone involved in the Group's business, including the employees in the Group and suppliers, can maximize their abilities in accordance with their own career plans. - To respect the human rights of everyone involved in the Group's business.		Engagement score Percentage of newly employed female graduates Percentage of confirmation on supplier's sustainability activities Implementation rate of 8-day site closure per 4 weeks	BBB 55 25% 48% Building Construction 49.9% Civil Engineering 80.0%	BBB 55 27% 100% Building Construction 100% Civil Engineering 100%	A 60 30% or more Group 100% Building Construction 100% Civil Engineering 100%
 Integrity and pride in manufacturing: Safety, Quality, and Technology	To strive consistently to further improve our abilities, recognizing again that safety, quality, and technology are the starting points for customer satisfaction and the solution of social issues.		Number of fatal accidents and serious accidents*2 Number of major quality-related problems*2 Number of major external awards*3 Number of patent applications Number of digital advanced usage site of offices (Cumulative)*4	2 cases 0 cases Building Construction 17 awards Civil Engineering 15 awards 244 cases 324 worksites	0 cases 0 cases Building Construction 12 awards Civil Engineering 6 awards 840 cases (3 years total) 650 worksites	0 cases 0 cases — — 1,100 cases (4 years total) All worksites
 Fair corporate activities that support trust: Compliance and Governance	To thoroughly ensure compliance in order to increase our stakeholders' trust, and to maintain a governance system to maximize corporate value and prevent damage.		Number of serious compliance violations*2 Number of serious security incidents*2	0 cases 0 cases	0 cases 0 cases	0 cases 0 cases

For details on KPIs and results through the fiscal year ended March 2024, please visit our website.



*1 Common KPIs for the realization of a sustainable, environmentally friendly society.
*2 Incidents and accidents that occur in the business activities of the Company that may cause serious loss to the management of the Company and its Group companies.
*3 Architecture: BCS Award, Annual Architectural Design Commendation of Architectural Institute of Japan, Young Architect Award for Selected Architectural Designs of the Architectural Institute of Japan, Selected Works of the Architectural Institute of Japan, BELCA Award, The Institute of Electrical Installation Engineers Award (technical Category), Japan Illumination Award, Minister of the Environment Awards for Climate Action. Civil Engineering: JSCE Awards (Outstanding Civil Engineering Achievement Award, Innovative Technique Award, Tanaka Award), and Japan Federation of Construction Contractors, Doboku Prize.
*4 Cumulative number of site offices with T-BasisX® and T-IDigital® Field installation. *5 Calculated on a full-year basis, using power sources owned at the end of the fiscal year.

Pursuing Excellence in Quality Control Through Tireless Improvement, with Pride of “TAISEI QUALITY”

Message from Chief of Quality Control Division

Carrying Out Proper Quality Control with Pride of TAISEI QUALITY

Managing Executive Officer; Chief of Quality Control Division;
General Manager of Building Construction Quality Control Department

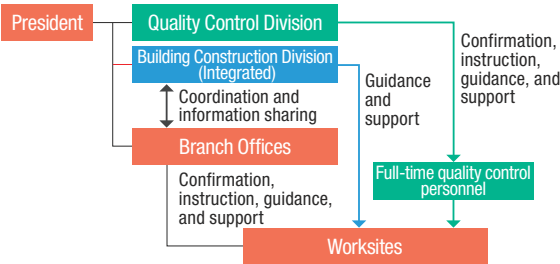
Kunihiko KAWAI



In response to quality defects that occurred in 2023, the Quality Control Division was established in May of that year as an organization that is directly under the President’s supervision, with the aim of strengthening the quality control system for the building construction business. At the same time, full-time quality control personnel were assigned to each branch office to monitor quality control status at both branches and worksites, working in close collaboration with the Quality Control Division.

Any construction work that does not follow the quality control process defined in the Company’s Building Operations

Quality Control System for the Building Construction Business (from May 2023)



Standards must be quickly corrected and improved, because if not, it could lead to serious problems. The Division reports directly to the President and works independently. It intentionally removes from its scope construction management items such as cost, schedule, and staff allocation, which may affect quality. This allows the Division to act as a third party that focuses on quality control.

Guided by this principle, we monitor the implementation of the entire quality control process. This process includes preparing construction plans that match each worksite, carrying out construction and quality inspections based on those plans, and keeping records with full traceability. Monitoring is conducted through two systems: quality patrols by the head office and patrols by quality control personnel from branch offices. Through these activities, we strive to ensure that day-to-day construction management consistently conforms to the prescribed quality control process.

With the pride of “TAISEI QUALITY—Quality Is Our Pride,” we remain committed to maintaining zero major quality-related problems and safeguarding the quality that underpins our business foundation.

Initiatives to Achieve [TAISEI VISION 2030]

We have adopted the fundamental policy: “Uphold proper quality control, aim to eliminate all defects attributable to quality mismanagement and improve customer satisfaction.” For civil engineering projects, the Civil Engineering Division, branch offices, and worksites coordinate efforts, while for building construction projects, the Building Construction Division, the Quality Control Division, branch offices, branch full-time quality control personnel, and worksites collaborate to ensure adherence to and monitoring of the quality control process. In addition, a

company-wide support framework has been established to respond promptly should a quality issue arise.

To further enhance the effectiveness of quality control activities, we are advancing the sophistication of the quality control business by leveraging cloud services to digitize and visualize diverse information—such as the implementation status of quality patrols, customer satisfaction survey results, and quality-related troubles at worksites.

Full Mockup View at the Steel Frame Academy
Employees, including those from Group companies, take part in a three-day curriculum where they learn key points of steel frame construction while examining actual mockups.

Reflecting on the quality defects and schedule delays that occurred the year before last, all executives and employees uphold “Integrity and Pride in Manufacturing” and the motto “TAISEI QUALITY—Quality is Our Pride.” We are dedicated to providing sincere and reliable quality control and schedule management to enhance client satisfaction and help resolve social issues.

Initiatives	Main Items Implemented
Strengthening the Quality Control System	- Establishment of the Quality Control Division under the direct supervision of President (May 2023) - Assignment of full-time quality control personnel to each branch office (May 2023)
Further Enhancement of Technical Education	- Implementation of refresher training on the quality control process targeting young employees - Establishment of a Steel Frame Academy to learn about steel-frame works (20 sessions in FY2024) - Implementation of technical consultation support by trying generative AI-based Building Construction Technology Search System - Establishment of Cooperative Learning Promotion Section at each branch (July 2025) and strengthening of collaboration with the head office Fundamental Technology Cooperative Learning Department
Thorough allocation of appropriate personnel in line with business volume	- Acceptance of construction orders that consider appropriate workload - Securement of personnel by increasing both new graduate and mid-career recruitment - Introduction of a talent management system to ensure proper staffing - Improvement of productivity through the use of IT-related technologies
Securement of appropriate construction period taking into account various conditions affecting the process	- Thorough implementation of appropriate construction period confirmation in various meetings at the bidding phase - Strengthening the confirmation and follow-up of process control status by the head office and branch offices
Strengthening information sharing by enhancing communication among worksites, branch offices, and the head office	- Conducting group meetings between head office executives, branch managers, and worksite staff - Company-wide promotion of reporting “Bad News First”

VOICE

Leverage Experience to Nip Quality Defects in the Bud

Tokyo Branch, Building Construction Department, Quality Control Specialist

Isao NAGANUMA



I focus on preventing quality troubles at building construction worksites of the Tokyo Branch, the largest in our network. I draw on my experience and the lessons I have learned as a technical manager at both worksites and branch offices. On the front lines of quality process management—the construction site—I work to nip potential quality defects in the bud, and to share effective preventive measures through our horizontal business network with all relevant members of the branch. Through close coordination and information sharing with the Quality Control Division, I will continue to pursue the ideal form of quality control, with pride as a “quality control professional.”

VOICE

Ensuring Thorough Adherence to Quality Control Processes to Strengthen Client Trust

Sapporo Branch, Building Construction Department, Quality Control Specialist

Hideki AKAGAWA



I was appointed a full-time quality control personnel following an incident regarding the failure to satisfy steel erection accuracy requirements in the (Tentative Name) Sapporo Kita 1 Nishi 5 Project in 2023. During the project’s reconstruction, we shared information closely with the worksite and the Quality Control Division, and the steel frame construction was successfully completed in February this year. In response to this case—particularly at worksites performing steel frame construction—we are ensuring thorough adherence to the quality control process in coordination with the Quality Control Division. Fully aware of my responsibility as a full-time quality control personnel within the branches, I remain committed to fulfilling my duties with a third-party perspective to further strengthen client trust.

Dialogue with Stakeholders

Constructive dialogue with stakeholders is indispensable to enhancing the Taisei Group’s corporate value in a sustainable way and achieving stable growth. By reflecting their valuable feedback in more advanced management practices and delivering value that exceeds expectations and imagination, we will co-create a vibrant future for both humans and nature.



The 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.

	Employees and Their Families	Clients	Partner Companies	Communities, Future Generations, NPOs, NGOs and Global Environment	Shareholders and Investors
Principles of Conduct	▶By respecting diversity, we aim to create an open corporate culture where all employees can thrive and their abilities are fully utilized. ▶We work to secure human capital on a continuous basis and enhance employee engagement.	▶We provide clients with optimal construction outputs and services by bringing together our know-how and through technological innovation and creativity. ▶We deliver proposals beyond expectations and imagination.	▶We will establish relationships of fairness and mutual trust by clearly defining each party's roles and responsibilities. ▶We strive for co-existence, co-prosperity, and added value throughout the entire supply chain.	▶We will foster dialogue and cooperation with society as a responsible corporate citizen, and contribute to the development of society. ▶We will work to realize a sustainable, environmentally friendly society.	▶We will respect the rights of shareholders, ensure the substantial equity, and create an environment for exercising their rights. ▶We will strive to enhance dialogue with shareholders and investors and provide accurate information.
Major Initiatives	▶Corporate culture reform ▶Human resource system reform ▶Engagement survey P.17 Corporate Culture Reform P.21 Human Resource System Reform	▶Providing solutions to client challenges ▶Hosting technology-related tours ▶Lifestyle and Town Concierge^{*1} P.33 Value Chain P.93 Regional Collaboration	▶Dialogue with Soyukai and the Safety, Health and Environment Cooperation Association^{*2} ▶Questionnaire on sustainable procurement and visits to subcontractors and suppliers ▶Dialogue with foreign technical intern trainees P.87 Safety P.91 Enhancing Dialogue with Subcontractors and Suppliers	▶Support for female students and others in choosing STEM career paths ▶Continuing environmental impact reduction activities (TSA)^{*3} ▶Social and cultural contribution activities P.73 Human Capital P.95 Environment and Energy	▶Financial results briefings for institutional investors and analysts ▶Conducting individual meetings P.112 Dialogue with Shareholders and Investors
Results and Achievements	▶Conducting direct dialogue between employees and management (450 sessions; 2,615 participants) ▶Improvement in engagement score Dec. 202350.2 Jun. 202453.2 Dec. 202455.0 Jun. 202557.4  Direct dialogue between employees and management	▶Customer satisfaction survey results FY2024 Building Construction sector: 82.6% Civil Engineering sector: 99.6% ▶Hosting tours of the Taisei Advanced Center of Technology (333 sessions; 3,196 participants) ▶Hosting green renewal ZEB tours (130 sessions)  Lifestyle and Town Concierge: a one-stop service integrating consultation desks across Group companies	▶Exchange of opinions at the Soyukai Central Council (September) ▶Conducting National Safety Thorough Conference and Safety Promotion Conference (February and July) ▶Visiting 43 subcontractors and suppliers based on the sustainable procurement questionnaire  Dialogue with foreign technical intern trainees	▶“Summer Riko Challenge (Science and Engineering Challenge) 2024” events (5 sessions; 41 participants) ▶Dialogue with NPOs and NGOs ▶Grants for environmental and historical preservation activities through the Taisei Corporation Natural and Historical Environment Public Trust Fund (24 cases in FY2024)  The Construction By-Products Patrol Collection System received numerous external awards	▶Holding Individual meetings with analysts and institutional investors (291 meetings in FY2024) ▶Conducting small meetings by management (June and November)  Holding small meetings with domestic investors

^{*1}: A comprehensive consultation service provided by the Taisei Group for a wide range of needs, including land, buildings, and housing.
^{*2}: 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, environmental accident prevention, and environmental conservation activities in cooperation with the Company..
^{*3}: TAISEI Sustainable Action® (TSA): environmental impact reduction activities involving all Group employees.

Financial and Business Strategy

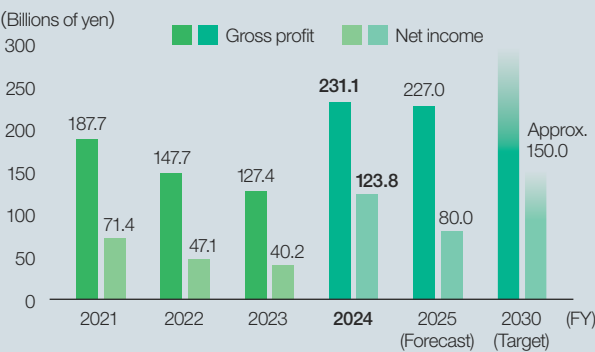
What we should aim for in 2030: [TAISEI VISION 2030]

The Taisei Group is steadily advancing toward the realization of this vision. In this section, we present the overall framework of our financial and business strategies, which support the sustainable enhancement of corporate value and stable growth.

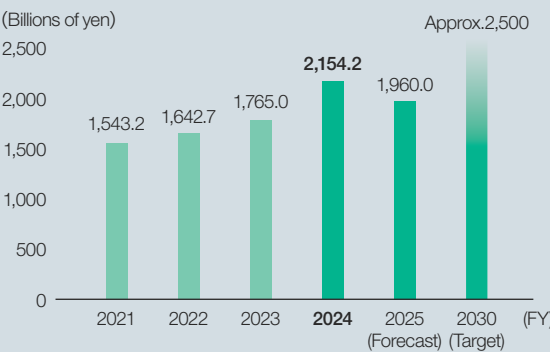
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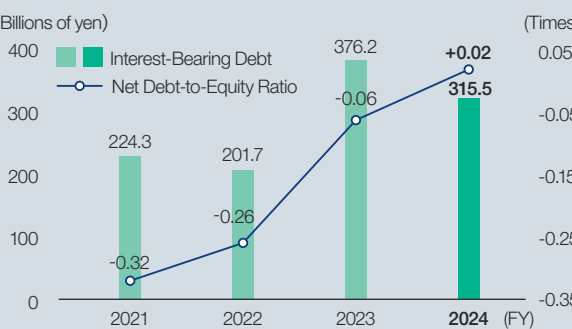
Gross Profit / Net Income Attributable to Owners of Parent



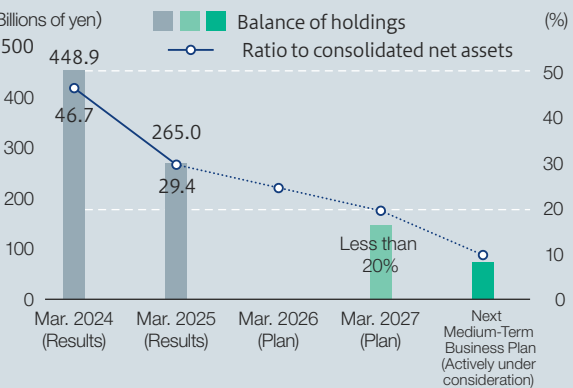
Net Sales



Interest-Bearing Debt / Net Debt-to-Equity Ratio



Sale of Cross-Shareholdings



[TAISEI VISION 2030]

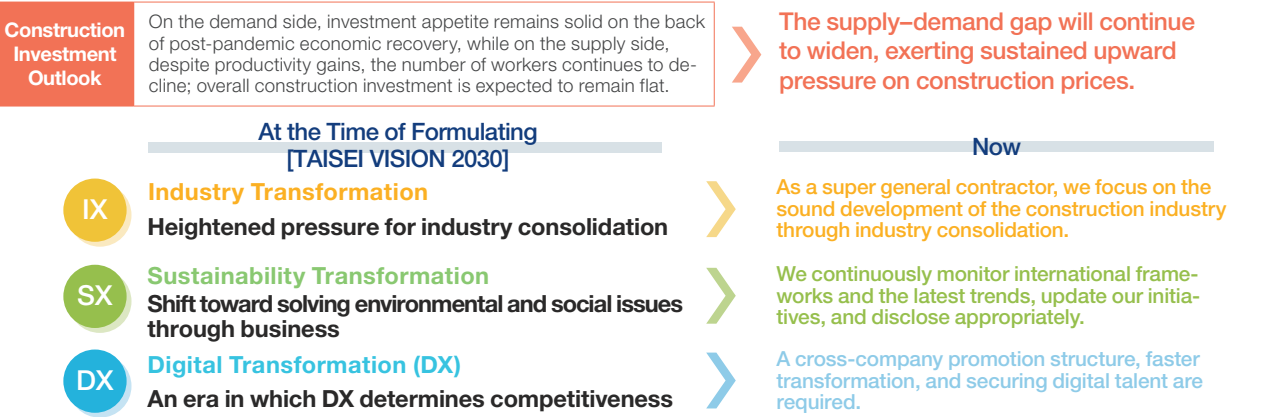
In 2021, we formulated [TAISEI VISION 2030], which represents what we should aim for in the medium to long term, to become “a pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives,” and we are steadily implementing initiatives to realize this vision.



We are fostering employee understanding and alignment with the Taisei Group Philosophy, the Taisei Spirit, and [TAISEI VISION 2030] through briefings, training programs, and e-learning.

Medium- to Long-Term External Environment and Structural Changes

In formulating the [TAISEI VISION 2030] Achievement Plan in 2024, we reviewed and summarized our outlook for the external environment and structural changes as set out below. The three Xs are accelerating and becoming more sophisticated, necessitating timely and appropriate responses.

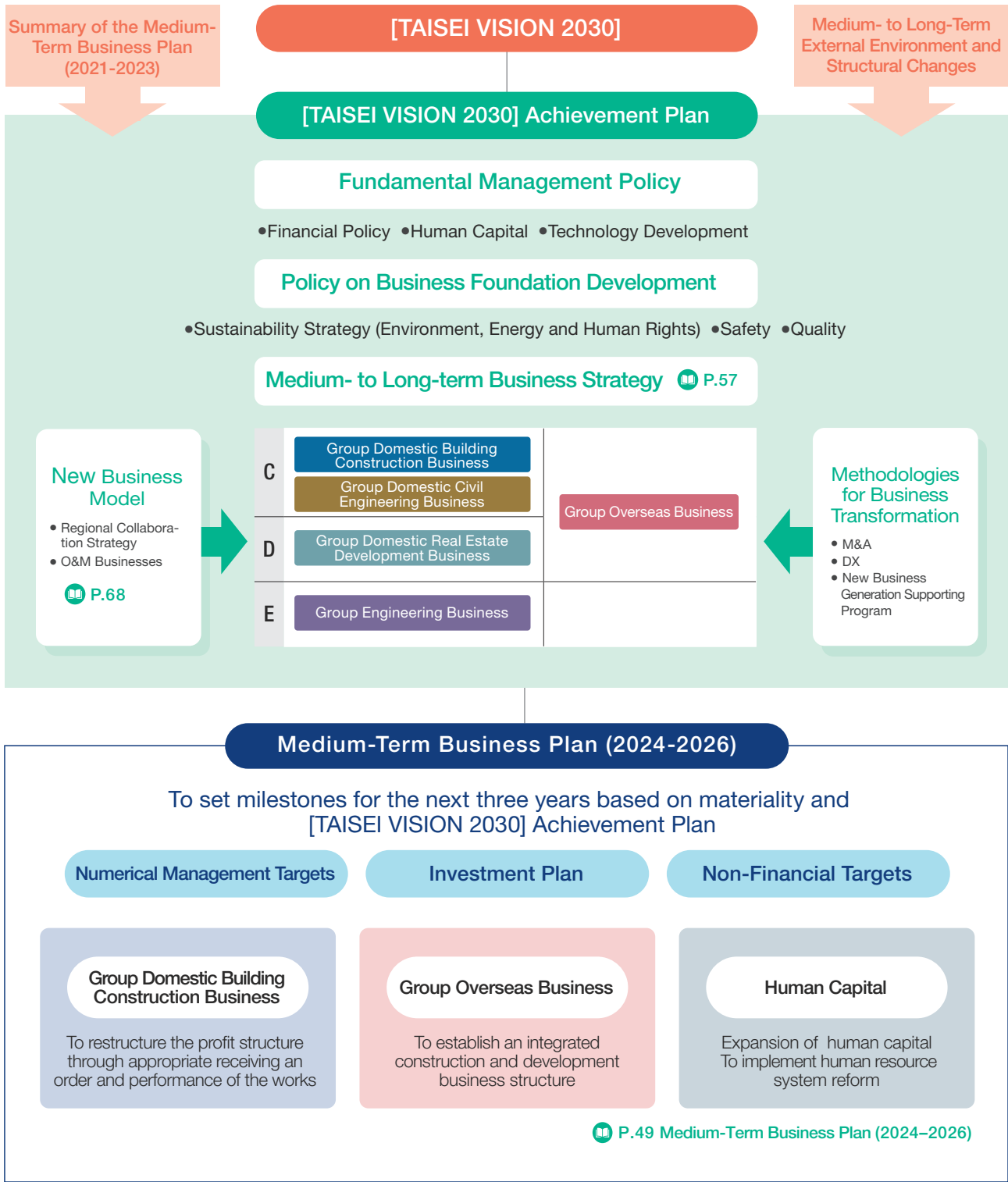


In addition, the industry continues to face a challenging operating environment caused by mounting geopolitical risks, persistently high construction material prices amid sharp foreign exchange fluctuations, labor shortages and rising labor costs due to a declining birthrate and aging population, and the statutory cap on overtime work, among other issues.

[TAISEI VISION 2030] Achievement Plan

In 2024, the first year of the second phase of [TAISEI VISION 2030]—the Medium-Term Business Plan (2024–2026)—we compiled the priority issues and initiatives for the next seven years as the [TAISEI VISION 2030] Achievement Plan. By maintaining a rigorous focus on profitability and steadfastly executing these initiatives, we will achieve what we should aim for.

Overview of [TAISEI VISION 2030] Achievement Plan



Medium-Term Business Plan (2024-2026)

Together with the [TAISEI VISION 2030] Achievement Plan announced in 2024, we formulated the Medium-Term Business Plan (2024–2026) as a milestone toward it. In doing so, we have made our commitment to profit growth clear and are steadily advancing each initiative.

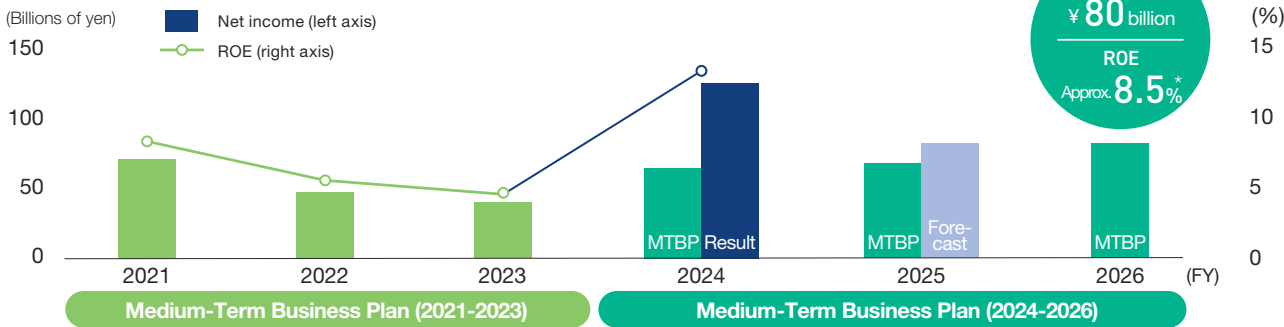
Performance Progress

In FY2024, the Group's net sales and profits at each stage improved significantly year on year, surpassing the targets set for the first year of the Medium-Term Business Plan. For FY2025, we expect a decline in both net sales and income, reflecting a pullback following the strong FY2024 results. Nevertheless, profitability at the time of order receipt in the building construction business is steadily improving, and we will continue to pursue business operations with a clear emphasis on profit growth. By consistently achieving our performance targets, we will contribute to the realization of a resilient society.

	Medium-Term Business Plan (2024-2026)			
	YoY change	FY2024 results	FY2025 forecast	FY2026 targets
Group net sales	+22.1%	¥2,154.2 billion	¥1,960.0 billion	[Ref.] Approx. ¥1,950.0 billion
Group operating income	+353.8%	¥120.1 billion	¥101.0 billion	¥120.0 billion
Group net income	+207.5%	¥123.8 billion	¥80.0 billion	¥80.0 billion
ROE	+9.2pt	13.8%	9.5%	Approx. 8.5%*
Dividend payout ratio	-29.5pt	30.8%	30.8%	30% (with a lower limit)

Note: The FY2025 forecast and FY2026 targets do not factor in any undetermined sales of cross-shareholdings or mergers and acquisitions (M&A).

Medium-Term Business Plan (MTBP) Performance Trends



*If the sale of cross-shareholdings proceeds as planned, ROE will be approximately 10%.

Progress on key initiatives

Group Domestic Building Construction Business

To restructure the profit structure through appropriate receiving an order and performance of the works

Group Overseas Business

To establish an integrated construction and development business structure

Human Capital

Expansion of human capital / To implement human resource system reform

Regarding the system for the performance of the works, steady progress has been made in promoting sales activities premised on securing appropriate construction periods and in initiatives to expand execution capacity. In addition to winning orders in high value-added focus areas, we realized appropriate pass-through of rising costs to clients through dialogue. As a result, profitability is steadily recovering.

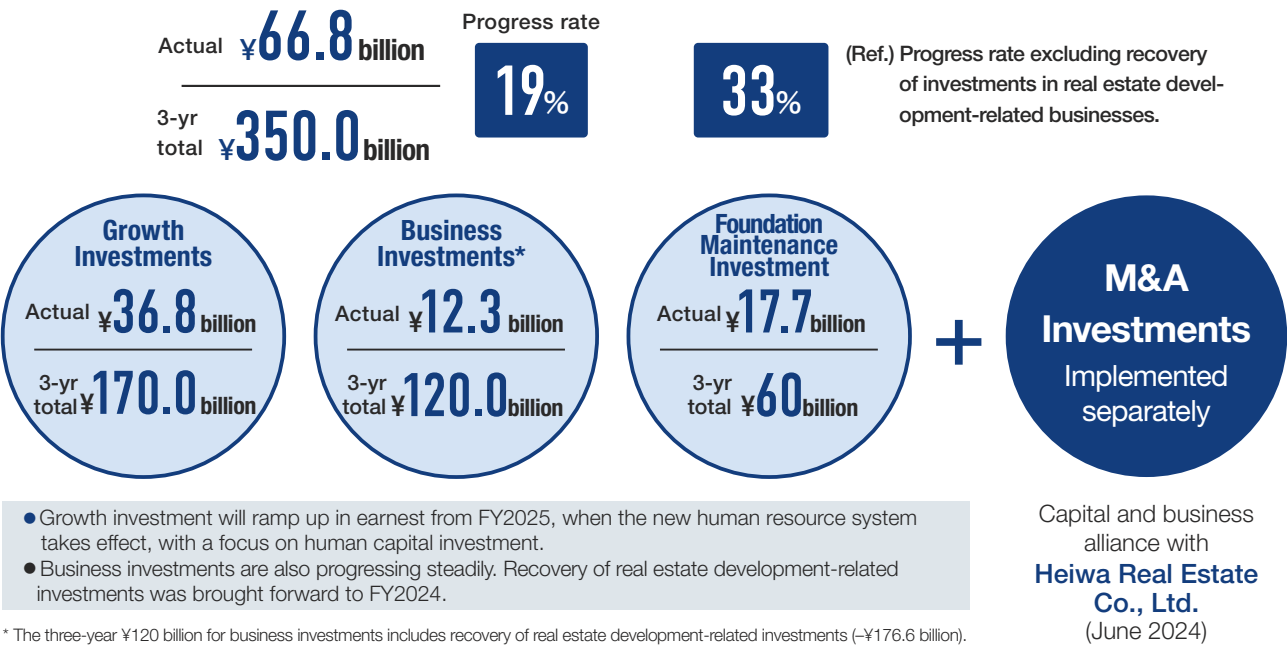
In FY2024, we established an integrated sales framework for construction and development by reorganizing the International Branch into a business division. At the same time, we established a local subsidiary in India. Going forward, we will develop a framework aimed at delegating greater authority to overseas subsidiaries.

In FY2024, amid intensifying competition for talent and increasingly diverse employee needs, we undertook a fundamental reform of our human resource systems. The new systems will be rolled out in stages from FY2025. We will work to firmly embed these systems and promote employee awareness and engagement.

Progress of Investments

In FY2024, the investment progress rate was approximately 19%. However, excluding the impact of accelerated recovery of investments in the development business, the rate was about 33%, remaining on track with the plan.

With respect to M&A, we are advancing post-merger integration (PMI) at PS Construction Co., Ltd. and SATOHIDE CORPORATION, which joined the Group in FY2023, and have already begun to see concrete results. In FY2024, we also entered into a capital and business alliance with Heiwa Real Estate Co., Ltd. We will continue to promote these initiatives proactively, including those pursued outside the scope of the investment plan.



Ongoing Investment Projects

[Growth Investment (Technology Development and DX)]

Taisei Group Next-Generation Technology Research Institute in Satte

In Satte, Saitama Prefecture, we are constructing a research facility to develop next-generation technologies, including low-carbon concrete and asphalt as well as road infrastructure renewal technologies. For the administrative and research building, we are adopting low-carbon construction materials, introducing electrified construction methods and decarbonized fuels, and implementing advanced energy-saving and energy-generating technologies. Through these initiatives, the facility aims to become Japan's first "zero-carbon building."

Rendering upon completion

[Business Investment (Development-Related)]

Logistage Tosu
Tosu City, Saga Prefecture

Toranomon Alcea Tower
Minato-ku, Tokyo

[Business Investment (Renewable Energy)]

Philippines—Solar Power Generation Business

Through an equity investment in a Philippine renewable energy developer, we are promoting four solar power projects in the country. These projects have been selected under the Ministry of the Environment's Joint Crediting Mechanism (JCM) Financing Programme (facility subsidy program), thereby contributing to Japan's emissions reduction targets.

Message from the Chief Financial Officer

We Will Advance Our Financial Policy and Continue to Embrace the Challenge of Enhancing the Group's Corporate Value



Representative Director,
Executive Vice President
Chief of Business
Administration Division
Masahiko OKADA

Review and Assessment of Financial Results for FY2024

The Group achieved significant increases in both revenue and profit in FY2024, recording net sales of ¥2,154.2 billion (a 22.1% increase, compared to the previous financial year; the same shall apply hereinafter), operating income of ¥120.1 billion (a 353.8% increase), and net income attributable to owners of parent of ¥123.8 billion (a 207.5% increase). The increase in profit is, in the building construction business, attributable to an increase in construction volume from large-scale projects in the Greater Tokyo area entering their peak phases in the process, improved profitability upon receiving new orders, and the securing of additional work orders and compensation through price escalation adjustments.

In addition, the progress in selling cross-shareholdings and the one-time recognition of negative goodwill from the M&A contributed to an increase in net income, marking a strong start in the first year of the Medium-Term Business Plan.

On the other hand, we recognize the need to continue strengthening the profit structure of the domestic building construction business.

Progress and Assessment of the Financial Policy

In FY2024, we advanced our financial policy based on two pillars of "Continued Assurance of ROE of Approx. 10% and Pursuit of the Optimal Capital Structure" and "Implementation of Investments Based on Investment Criteria and Fund Allocation Policies."

The progress in selling cross-shareholdings contributed to the improvement of capital efficiency, and we achieved an ROE of 13.8% while maintaining financial soundness, with an equity ratio of 35.7% and a net debt-to-equity (net D/E) ratio of 0.02 times. For shareholder returns, we resolved that the total dividend for FY2024 was ¥210.00 per share, an increase of ¥80.00, and introduced a dividend payout ratio with a minimum of 30% (with a minimum amount of ¥150.00 per share) from FY2025. In addition, we have been acquiring ¥150 billion of treasury shares since November 2024, and we expect a total return ratio of 82.8% over the 3 years of the Medium-Term Management Plan (2024-2026).

As a result of these initiatives, the price book-value ratio (PBR) improved to 1.3 times, showing a year we achieved certain success in enhancing corporate value.

Current Challenges and Future Measures

To achieve the goals of the Medium-Term Business Plan, strengthening the profit structure of the domestic building

construction business is an urgent issue. We are working to improve performance capacity by maintaining a profit-oriented approach to orders received and optimization of our production system. In addition, to comply with restrictions on overtime working hours that have taken effect since FY2024, we are working to enhance process management and labor-saving. In addition, because we are focusing on reducing the number of shares issued through the cancellation of treasury shares, we recognize that our relatively low dividend payout ratio compared with competitors remains a challenge. Therefore, we will continue to consider our future dividend policy.

Regarding specific actions including these initiatives, we will provide the details in the PBR logic tree shown on the right and from page 53 onward, as "Action to Realize Management that is Conscious of the Cost of Capital and Stock Price."

Progress in New Businesses and Enrichment of the Business Portfolio

As part of our growth strategy to realize a sustainable society, the Group is accelerating initiatives in renewable energy, including participation in a solar power generation business in the Philippines and investment in technology development for floating offshore wind power generation. In addition, we have developed the cross-functional R&D framework of the Group, including the establishment of the Taisei Group Next-Generation Technology Research Institute, and are focusing on building a growth foundation for medium- to long-term. In addition, we are striving to realize the materialization of innovative technologies and business models through the New Business Generation Supporting Program, and aim to continuously enhance corporate value through enrichment of our business portfolio.

Our Determination to Achieve the Goals of Financial Policies

Maintaining ROE of 10% or higher, improving capital efficiency, and earning the trust through dialogue with stakeholders are the core of the Group's financial policies.

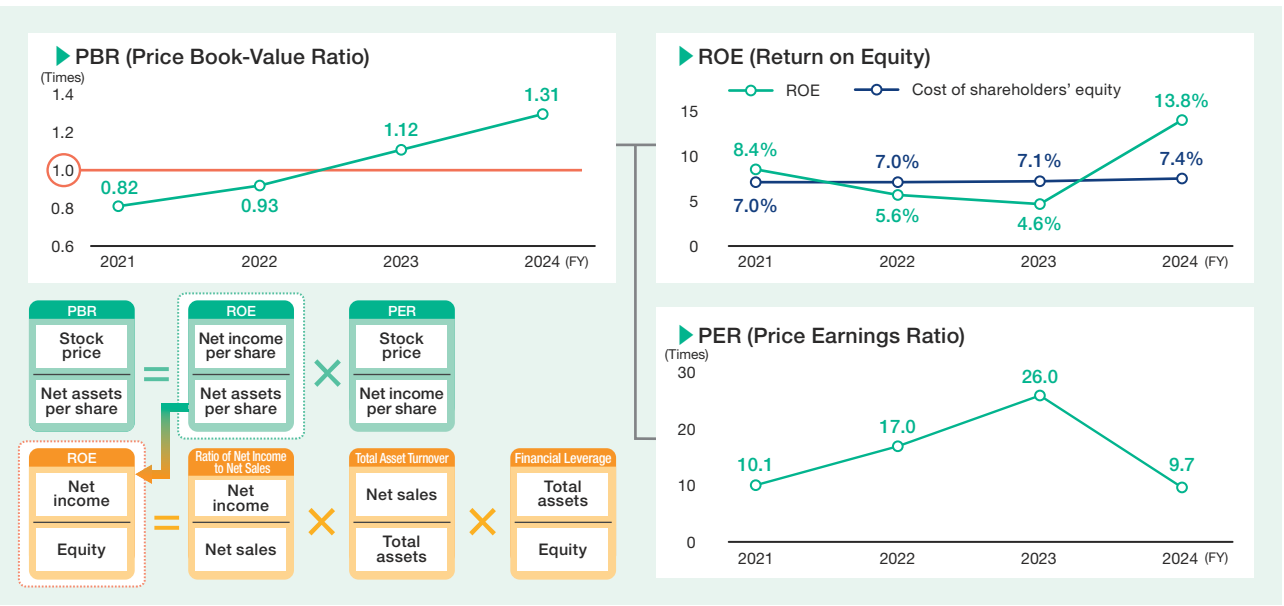
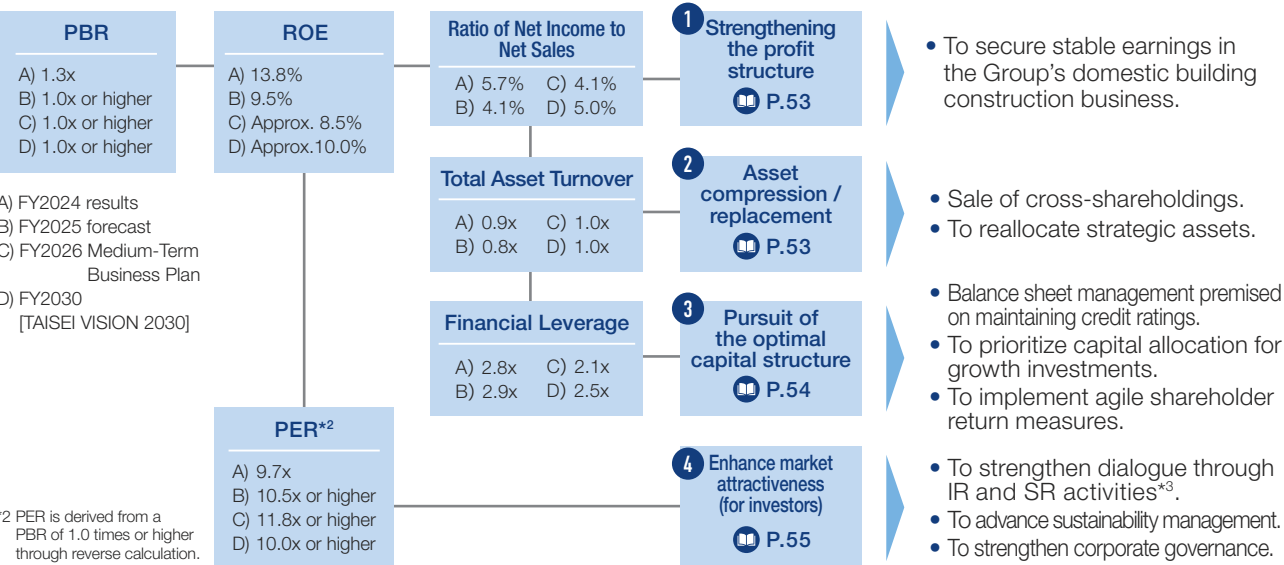
With the solid achievements of the Group in FY2024, we recognize that expectations of our stakeholders were even higher. As the Chief Financial Officer, to achieve [TAISEI VISION 2030], I will continue to maintain a balance between growth investment and shareholder returns, aim to further improve PBR, and take on the challenge of enhancing corporate value through the implementation of our financial policies.

Financial Policy: Numerical Targets

Financial Policy: Numerical Targets		FY2024 Results	FY2025 Forecast	Medium-Term Business Plan FY2026	[TAISEI VISION 2030] FY2030
Profitability	Net Income	¥123.8 billion	¥80.0 billion	¥80.0 billion	Approx. ¥150 billion
	ROE	13.8%	9.5%	Approx. 8.5%*1	Approx. 10%
BS Management	Cross-Shareholdings (to Net Assets)	29.4%	25.6%	Less than 20%	Under review
	Equity Ratio	35.7%	34.2%	Approx. 40%	Approx. 40%
	Net D/E Ratio	0.02 times	0.15 times	0.4 times	0.4 times or less
Shareholder Returns	Dividend Payout Ratio	30.8%	30.8%	30% (with a lower limit)	Actively under consideration
	Acquisition of Treasury Shares	FY2024 Results ¥150.0 billion over 3 years (total return ratio: 82.8%)			Conduct flexibly
Growth Investment	Growth Investment	¥36.8 billion	¥170.0 billion over 3 years		
	Business Investment	¥12.3 billion	¥120.0 billion over 3 years		
	Foundation Maintenance Investment	¥17.7 billion	¥60.0 billion over 3 years		
1 ROE will be 10% or higher if the sale of cross-shareholdings proceeds as planned.		Total Growth Investment: ¥350.0 billion			

*1 ROE will be 10% or higher if the sale of cross-shareholdings proceeds as planned.

PBR Logic Tree



Action to Implement Management that is Conscious of the Cost of Capital and Stock Price

1 Strengthening the Profit Structure

Our top priority is to strengthen the profit structure of the Group's domestic building construction business, with the aim of improving the ratio of net income to net sales—the key driver of ROE in the PBR logic tree on the previous page. We are steadily securing the workforce needed to expand the system for the performance of the works. In addition, by reinforcing profitability management at the time of order acceptance—premised on appropriate schedules and pricing—we are making solid progress toward our medium- to long-term goal of

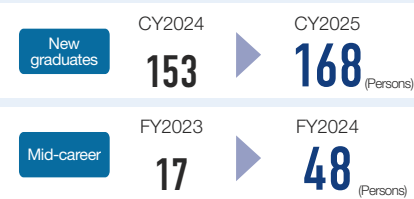
maintaining a gross profit margin of 10% or higher.

In particular, through persistent dialogue with clients—including, when necessary, top-level negotiations—we have successfully passed on cost increases, resulting in a significant recovery in margins on orders for the building construction business. At the same time, we are concentrating management resources on high-margin areas of strength such as renewal and engineering.

Through this series of initiatives, we aim to ensure that the building construction business generates stable profits, thereby contributing to the sustained improvement of ROE and the maximization of corporate value.

Strengthening the System for the Performance of the Works

Number of New Graduate and Mid-Career Hires*

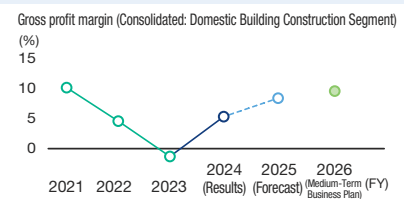


• Ensured hiring above the previous year's level

* Career-track and professional-grade positions such as building creation engineers and environmental equipment engineers

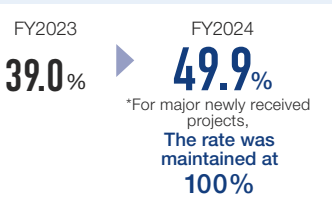
Order-Receiving Activities under Appropriate Conditions

Domestic Building Construction Segment Profit Margin



• Improving trend toward achievement of FY2026 target

Implementation rate of 8-day site closure per 4 weeks



• Steady progress toward achievement of FY2026 target

2 Asset Compression / Replacement

With the aim of improving the total asset turnover ratio, one of the components of ROE, we are strategically compressing and replacing assets. Among these initiatives, the reduction of cross-shareholdings is a key priority, with a target of lowering them to less than 20% of consolidated net assets by the end of FY2026. As of the end of FY2024, the ratio had declined to 29.4%, and including holdings for which sale agreements have been concluded but settlement is pending, it stands at 21.5%.

To achieve this reduction plan, we are acquiring treasury shares with ¥150 billion of anticipated additional funds, as a

clear demonstration of our strong commitment to the plan. Furthermore, under a total exposure limit based on integrated risk management, we are keeping risk assets within a fixed proportion of consolidated shareholders' equity, thereby maintaining both the soundness and efficiency of the balance sheet.

Total asset turnover in FY2024 was 0.9 times. Although this fell short of 1.0 times, we aim to achieve sustainable improvement in ROE by striking a balance between expanding profits through growth investments and optimizing the asset mix.

Target for reducing cross-shareholdings: **To less than 20%** of consolidated net assets by the end of **FY2026**

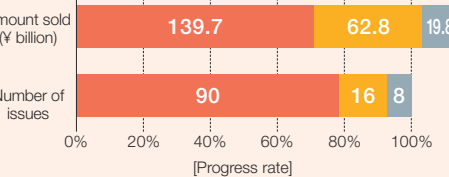
FY2024 Year-End Balances and Number of Stock Holdings

	FY2024 year-end balances	
	Amount	Number of holdings
(A) Listed shares	¥220.0 billion	73 issues
(B) Deemed shareholdings	¥31.8 billion	3 issues
(A + B)	¥251.9 billion	76 issues
(C) Unlisted shares	¥13.1 billion	131 issues
(A + B + C)	¥265.0 billion	207 issues

Note: The above amounts are shown at **market value as of the end of FY2024**.

Reference: Progress Against the Initial Reduction target (Based on Market Value at the End of FY2022)

(Sold + Agreed-to-Sell but Not Yet Executed) / Reduction Target [Progress Rate]
¥202.5 billion / ¥195.5 billion [103.6%]
106 issues / 114 issues [93.0%]



Note: Unlisted shares are not included in the reduction target.

Factors Behind Changes in Balances During the Period

	Amount	Ratio to consolidated net assets
FY2023 year-end balance	¥448.9 billion	46.7%
Sold	-¥91.0 billion	
Share price fluctuations	-¥94.1 billion	
Acquisitions	¥1.1 billion	
α. FY2024 year-end balance	¥265.0 billion	29.4%
β. Agreed-to-Sell but Not Yet Executed	¥71.3 billion	
Reference (α - β)	¥193.7 billion	21.5%

Note: The "agreed-to-sell but not yet executed" amount is shown at **market value as of the end of FY2024**.

3 Pursuit of the Optimal Capital Structure

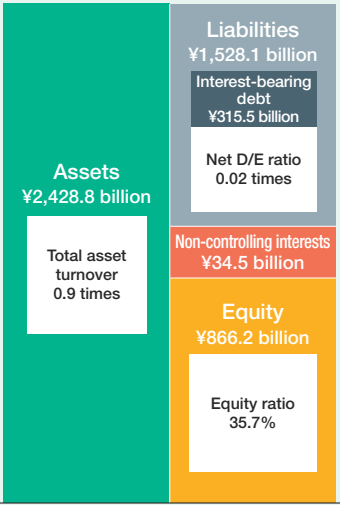
We are pursuing an optimal capital structure that balances capital efficiency and financial soundness through prudent management of financial leverage, one of the key components of ROE.

At the end of FY2024, financial leverage stood at 2.8 times, exceeding the guideline of 2.5 times; however, we consider our equity ratio of 35.7% and net D/E ratio of 0.02 times to be at sound levels.

In terms of capital allocation, we give top priority to growth investments and business investments, and allocate any surplus funds to shareholder returns.

Looking ahead, assuming maintenance of our credit ratings (R&I: A+ / JCR: AA-), we will continue to maintain a capital structure targeting financial leverage of around 2.5 times (equity ratio of approximately 40%) and a net D/E ratio of 0.4 times or less, thereby providing a solid foundation for steadily advancing both growth investments and shareholder returns.

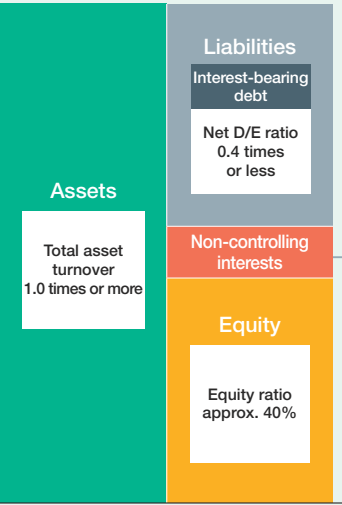
Capital Structure (FY2024 Results)



Asset Compression / Replacement

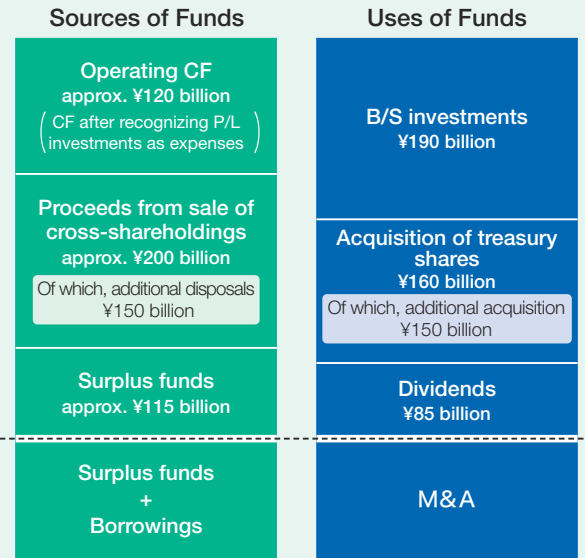
- Disposal of cross-shareholdings to less than 20% of consolidated net assets by the end of FY2026
- Total exposure limits based on integrated risk management and strategic reallocation of assets

Optimal Capital Structure Image [TAISEI VISION 2030]



Financing
Balancing financial soundness and capital efficiency

Capital Allocation Prioritizing Growth Investment (FY2024–FY2026)



Priority①: Investment

- Allocate funds to growth investments and business investments

Three-year investment plan (Billions of yen)			
Item	Total	B/S investments	P/L investments
1. Growth investments	170	60	110
2. Business investments	120	120	—
3. Foundation maintenance investments	60	10	50
Total	350	190	160

Priority②: Shareholder Returns

- Dividend payout ratio of 30%, with a minimum dividend of ¥150 per share.
- Any surplus funds remaining after growth investments and dividend payments will be used flexibly for the acquisition of treasury shares.

P/L investments (recognized on the income statement): Investments recorded as expenses—such as construction costs or SG&A—rather than capitalized as assets.
B/S investments (recognized on the balance sheet): Investments capitalized as assets, expected to generate future cash flows.

③Pursuit of the Optimal Capital Structure

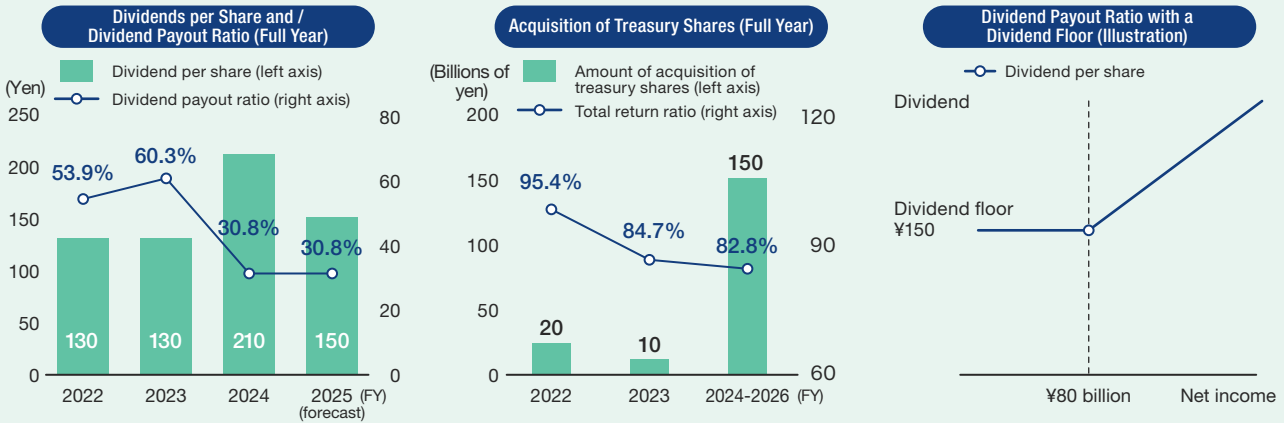
In allocating funds for shareholder returns, and based on our policy of maintaining a dividend payout ratio of approximately 30%, we increased the FY2024 dividend by ¥80 from the previous year, bringing it to ¥210 per share.

From FY2025, we will implement a dividend policy with a minimum payout ratio of 30% (floor dividend of ¥150 per share), clearly demonstrating our strong commitment to achieving the performance targets of the Medium-Term Business Plan and to adhering to our dividend policy.

We will also continue to carry out treasury share acquisitions flexibly, in line with our financial policy. In November 2024, we announced a treasury share acquisition program with an upper limit of ¥150 billion. Funded by the proceeds from the planned sales of cross-shareholdings through FY2026, this program is being steadily executed. The total return ratio over the three years of the Medium-Term Business Plan (FY2024–FY2026) is expected to reach 82.8%.

We recognize that our dividend payout ratio and dividend yield are lower than those of our peers, as we place greater emphasis on reducing the number of shares outstanding through share cancellations. Once the number of shares outstanding has been reduced to approximately 140 million, we plan to implement more dividend-focused return measures, such as increasing the dividend payout ratio.

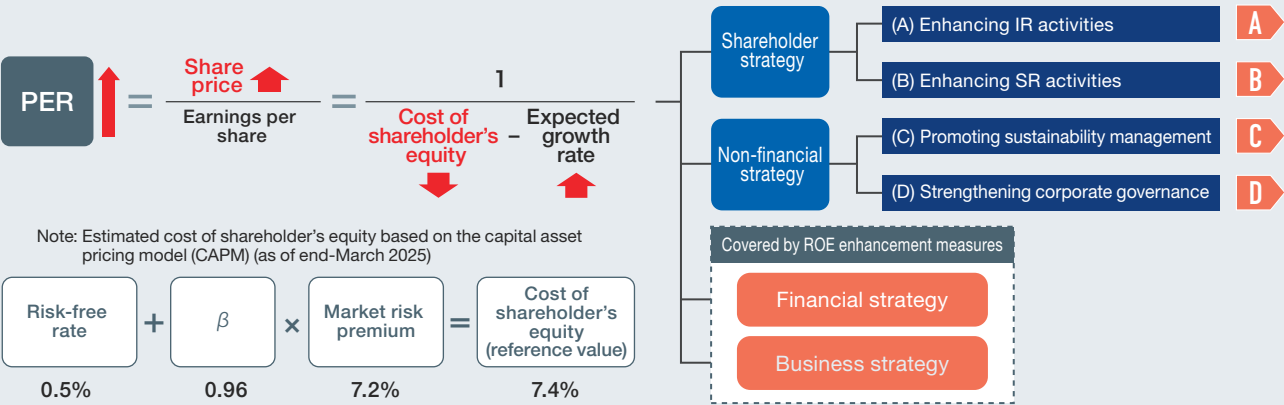
Note: The number of shares outstanding at the end of November 2025 is projected to be 160 million, following the completion of the ongoing treasury share acquisition.



④Enhance Market Attractiveness (for Investors)

To improve PBR, it is essential not only to raise ROE but also to increase PER, the other component. PER indicates how the market values a company's growth potential, reflecting not only current profitability but also future earning capacity and non-financial factors—an overall “attractiveness” that is difficult to quantify. To enhance this attractiveness, we will strengthen our IR and SR activities, deepen trust with stakeholders, and expand understanding and support for the Group's value-creation story and its role in society.

Furthermore, by promoting sustainability management and strengthening corporate governance, we aim to enhance market perceptions of the Group's sustainability and social credibility, thereby continuously increasing PER and PBR and maximizing corporate value.



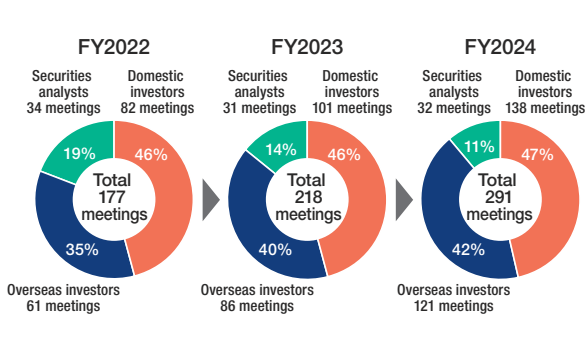
A Enhancing IR Activities

To enhance corporate value by ensuring that the Group's future potential is appropriately reflected in its PER, we will further strengthen IR activities with active involvement from top management, thereby fostering trust with investors and promoting understanding of our medium- to long-term strategy.

Specifically, beyond routine earnings briefings and one-on-one meetings, we are considering a variety of opportunities to enhance dialogue, including small-group sessions between management and investors, disclosure of quantitative information on priority areas, and briefings involving senior management and responsible executives.

In addition, to ensure that the perspectives and assessments of the capital markets are more effectively reflected in Board deliberations, we will also consider involving External Members of the Board in IR activities.

■ Status of One-on-One Meetings Held by IR Representatives



B Enhancing Shareholder Relations (SR) Activities

To further deepen trust with our shareholders and promote the continuous enhancement of corporate value, the Group positions SR not merely as a means of providing information, but as a “forum for dialogue” in which shareholders' opinions and expectations are sincerely heard and fed back into management.

Going forward, in addition to individual meetings, we will further enhance our disclosures to provide more opportunities for shareholders to gain a deeper understanding of the Group's initiatives and business strategies aimed at sustainable growth and corporate value enhancement.

Through ongoing, two-way communication, we aim to strengthen trust with our shareholders, increase the Group's attractiveness, and further enhance corporate value.

P.112 Dialogue with Shareholders and Investors

C Promoting Sustainability Management

To enhance non-financial value that contributes to PER improvement, the Group has established a “Sustainability Strategy” under the [TAISEI VISION 2030] Achievement Plan and is promoting initiatives with sustainability management at the center of its efforts.

We continue to focus on three ongoing priorities: improving the level of disclosure, enhancing external ESG evaluations, and strengthening initiatives across the entire supply chain.

Regarding disclosure, we will continue providing structured and advanced reporting through our Integrated Report and website, thereby further enhancing transparency for all stakeholders.

For external environmental, social, and governance (ESG) evaluations, we aim to maintain inclusion in ESG indices and enhance our attractiveness as an investment target by implementing initiatives and disclosures aligned with the criteria of each rating agency.

Co-creation with our supply chain to develop advanced environmental technologies and establish a robust production system is one of the Group's strengths. In addition to promoting wider adoption of our proprietary environmental technologies—such as Green Renewal ZEB, wooden construction, Zero Water Building, T-ZCB®, and T-eConcrete®—we will further enhance the Group's human rights and environmental due diligence and ensure a sound and diversified production system.

D Strengthening Corporate Governance

Our fundamental approach to corporate governance is to ensure that management decision-making is swift, accurate, fair, and transparent, serving as the foundation for sustainable corporate development and for earning the trust of society.

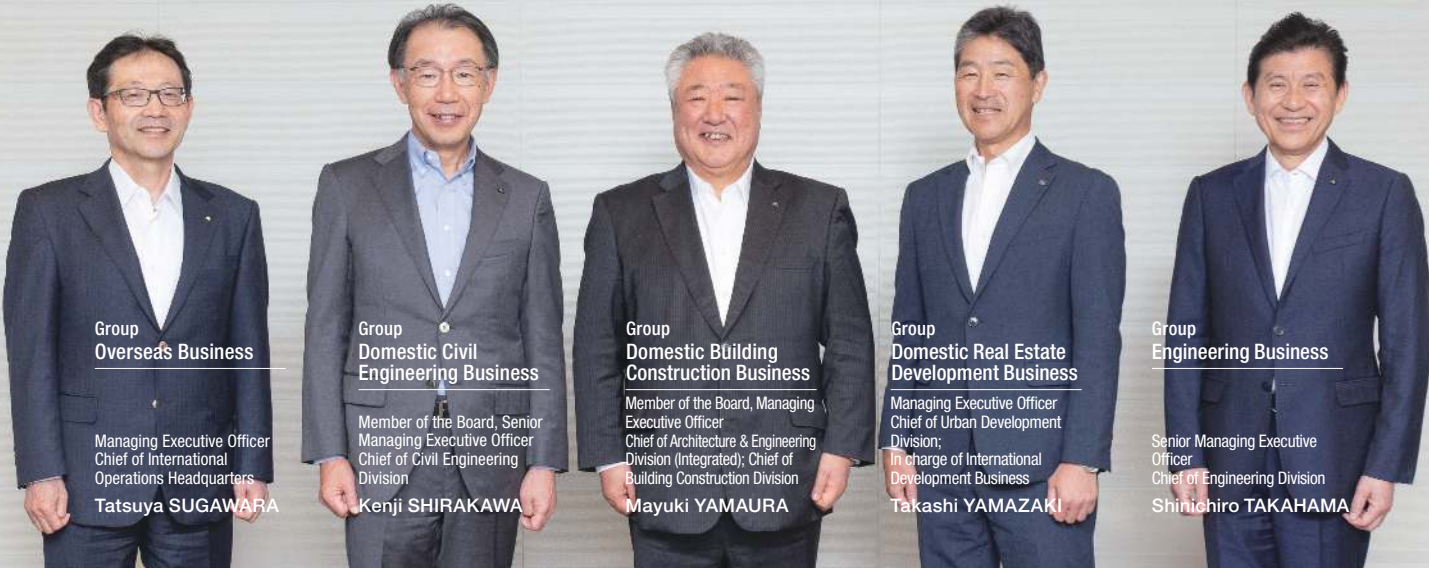
In March 2020, to strengthen the Board's supervisory function, enhance the quality of its deliberations, and accelerate executive decision-making, we reviewed matters requiring Board resolution and, accordingly, expanded the scope of authority delegated to management. We have also advanced governance initiatives such as the introduction of performance-based compensation (stock compensation).

Going forward, we will continue to analyze and evaluate the effectiveness of the Board and strive to further enhance corporate value.

Roundtable Discussion with the Chiefs of Divisions

The Medium- to Long-Term Business Strategies of the Five Lines of Business to Create “The Works to Create Landmarks,’ Looking Ahead”

How to resolve current issues, advance the Corporate Culture Reform and secure stable growth of businesses with a view to achieving the Medium-Term Business Plan (2024–2026) and realizing [TAISEI VISION 2030], the chiefs of the five lines of business shared their initiatives in each line of business, cross-business collaboration, and their determination to realize what the Company should aim for in 2030.



Could you share your current views on the first fiscal year of the Medium-Term Business Plan (2024–2026, hereinafter referred to as the “Plan”) and your assessment of the current business environment?

YAMAURA For the building construction business, we have clarified the restructuring of the profit structure as the top priority measure on the Plan. Although we are currently executing projects that were received orders roughly between 2020 and 2022 with low profitability and which have resulted in lagging behind our peer competitors in profitability, we aim to raise our profitability to a level comparable to our peer competitors in FY2026. While steadily managing the projects currently under construction, we will further strengthen projects related to the highly profitable engineering business.

SHIRAKAWA Thanks to the efforts of all members, the civil engineering business achieved both sales and profit targets, reaching record highs last fiscal year. As the civil engineering business deals with nature, there is a growing need for initiatives to enhance national resilience, including preparedness for disasters that have become more severe in recent years and the potential Nankai Trough earthquake. In addition, the road cave-in accident in Yashio City also renewed awareness of the importance of infrastructure maintenance, increasing the significance of technologies for maintaining and renewing aging infrastructure such as water supply and sewer systems, bridges, and tunnels. Environment-related



technologies, including decarbonization, are also becoming a differentiator. We will broaden our business fields while continuing to respond to our constantly changing business environment and contributing to building a resilient society.

YAMAZAKI In the real estate development business, we need to enhance the value of real estate through investment and generate returns even amid an uncertain economic environment, such as rising interest rates and rising project costs due to inflation. The domestic real estate market is becoming highly competitive due to a growing number of players and a limited supply of land. For the Company’s growth, it is essential to increase added value and secure returns in the development business, and pursue differentiation in the process of achieving it. Since large-scale development projects invariably involve infrastructure, our strength lies in being well-positioned to work with civil engineering and building construction together and be able to create development projects that generate earnings.

SUGAWARA In the overseas business, last year we reorganized the divisions by integrating the former International Operations Headquarters, International Marketing & Business Development Division and Real Estate Development Business Department (International) and we have been focused on strengthening our business foundation and promoting localization. One of the initiatives in the Plan is “to establish an integrated construction and development business structure,” and we are currently concentrating on measures that must deliver results by FY2026 as a first step. For the civil engineering business, we have designated three countries, that is, Singapore, the Philippines, and Bangladesh, as our priority countries. In the building construction business, we are advancing localization by establishing local subsidiaries in the countries where we operate, mainly in Southeast Asia. Last fiscal year we established a local subsidiary in India. As the overseas business covers a wide range of regions, it is necessary for us not only to establish supply chains and manage country risks, but also to closely monitor changes in U.S. tariff policy. We have focused on how to mitigate diverse country-specific risks.

TAKAHAMA Our engineering business has a history and

track record of more than half a century. In our early years, our business mainly focused on plant-related projects. However, while other engineering companies have pursued large-scale plants overseas, we have built our expertise in the pharmaceutical sector. As a result, we now rank among the top companies in Japan for pharmaceutical manufacturing plants, including vaccine manufacturing plants. In addition, our primary clients are manufacturers, so we have significant business opportunities in regions with a strong manufacturing presence. We are awarded many plant projects without competitive bidding, often bundled with building construction, and those projects contribute to our business profitability.

Could you share your views on the impacts and challenges of the Corporate Culture Reform in each line of business and your expectations for its future development?

YAMAURA A key trigger for pursuing the reform in earnest was the inappropriate incidents related to quality and processes that occurred two years ago. These incidents stemmed from a situation in which the Company gave top priority to an increase in orders and sales, and made the employees feel overwhelmed and prevented them from raising the alarm. Therefore, at first, we have prioritized maintaining appropriate workload. If the employees feel overwhelmed, neither good ideas nor ingenuity emerge, and good results are not achieved.

SHIRAKAWA To realize Corporate Culture Reform, the most important thing is to foster dialogue within each organization, and ensuring psychological safety is the key. In order to realize open and candid exchange of opinions, each leader of the organization must recognize that “Even if I think I am doing well, my team members may consider it differently.” People perceive things in different ways. That is precisely why the Corporate Culture Reform is difficult and has no fixed endpoint. I believe that it is essential to recognize the fact and sustain the dialogue.

YAMAURA In the building construction business, we are also focusing on improving productivity, advancing digital transformation (DX), and strengthening employee training. Our

challenge is the lack of both the staffing capacity and the time for teaching. To resolve such a challenge, demanding an absolute achievement of targets by the top-down approach as we had done before does not work. Instead of such approach, we need to create an environment where the employees can experience both sense of accomplishment and growth, such as where the employees have achieved targets as a result of working proactively and lively. One of the Company’s distinctive practices is the independent profit accounting system at a site level. This system, by giving the project manager full authority and responsibility for the entire site, fosters a sense of purpose and achievement, and encourages site employees to work proactively and lively.

SHIRAKAWA We have also revised our human resource systems. As Mr. YAMAURA pointed out, a sense of purpose and job satisfaction is an essential factor for employee growth, and achieving this requires “entrusting” them with work. The challenge lies in how to educate and foster growth under constraints such as restrictions on maximum overtime work. It is essential for the supervisors to delegate the tasks to their team members without taking a hands-off approach, while still providing them with follow-up and feedback, shift their perspective, and engage with their team members on an equal footing.

TAKAHAMA I also believe it is important for the supervisors to fully entrust their team members with the work without being hands-off. I often say that, from the viewpoint of team members, the member’s field of vision tends to narrow, and it is easy to feel that his or her own work is everything for them, and



The Medium- to Long-Term Business Strategies

that when the present condition is hard, the future condition will be hard as well. It is therefore important to present them with a vision by sharing accurate information that they can do many things in this Company and this organization. If they can imagine a dream or story of what the future could look like after overcoming this challenge, team members will feel more motivated. We will create an environment where the supervisors can speak casually with their team members and share their vision.

YAMAZAKI Our real estate development business stands clearly apart from common developers in that we leverage our business with the full capabilities of a general contractor—our distinctive know-how, client base and information network, technologies such as design, construction expertise, and decarbonization technologies. Under [TAISEI VISION 2030], we are challenging various businesses to pursue new business frontiers, including investments in specialized assets such as hotels and logistics, airport concession businesses, operation-related services of sports and entertainment facilities, and urban digital twins.

Under such circumstances, we respect the mindset of the 300 employees driving our diverse initiatives as another strength of our division and emphasize how to utilize our young talent. The supervisors and their team members frequently work in pairs, and the number of pairs consisting of supervisors in 40s or 50s and team members in 20s is increasing. Fresh perspectives are indispensable in new businesses. Human capital of our joint-venture partners and developers, including their decision-makers is often a generation younger than their counterparts in the Company. I therefore encourage our younger employees to “challenge themselves with next-level tasks and engage in conversation with anyone regardless of his or her age or title.”

SUGAWARA At the International Business Headquarters, the initial results of the engagement survey were relatively low. When visiting overseas offices and sites and listening to the employees, I heard comments such as “the Company’s policies are hard to recognize,” or “I feel alienated and that such survey does not concern me.” Against that backdrop, when President & CEO AIKAWA spoke in his message in November last year about the importance of our overseas business, it had a major impact on the employees working at overseas offices and sites. Since then, engagement scores have gradually improved. We will continue to emphasize communication and work on the engagement. Enhancing engagement among local staff is also vital for promoting



localization. This time, we conducted our first engagement survey at our local subsidiary in Vietnam, and we will move ahead with raising awareness among local staff as well.

As you advance the Medium- to Long-Term Business Strategy, could you tell us about the collaboration among each line of business and the synergies of it you expect?

YAMAURA The building construction business and the engineering business generate strong synergies in the pharmaceutical and semiconductor fields. Regarding the real estate development business, we are strengthening our advantage by serving as a designated service provider in large-scale redevelopment projects in the Tokyo metropolitan area, which in turn leads to receiving orders for building construction work. In addition, many large-scale projects such as airport construction work are ordered as packages together with the civil engineering work, and we work on these in close collaboration with the civil engineering division.

YAMAZAKI Large-scale projects that take time to generate returns are connected to some form of infrastructure development. For example, in a large semiconductor fabrication plant project, we jointly handle the permits and approvals for site preparation work with the Civil Engineering Division and it leads to improved efficiency in the building construction. To realize better projects in the real estate development business, we continue to make steady efforts. For example, we collect 1,000 or more pieces of information annually and carefully select projects to pursue. Based on our extensive track record across civil engineering, building construction, and real estate development, in urban redevelopment and large-scale private-sector development, our development business is recognized as engaging in both investment and construction. So, leveraging our unique client base, we often receive invitations along the lines of “Shall we co-create the next development project together?” These are major synergies and our advantages.

SHIRAKAWA The civil engineering business is, in principle, a contracting business. Considering domestic social conditions, we cannot expect the business to continue growing steadily, and we must also move beyond pure contracting. We are therefore placing emphasis on planting seeds for the future, including carbon capture and storage (CCS) business, infrastructure public-private partnerships (PPP*) business, and solar power generation business in the Philippines. Offshore wind power business will not contribute to the Company’s results immediately, but we will continue its research and development so that our clients will approach us in the future. The employees engaging in engineering work are indispensable to renewable energy and environment-related business, and we will continue to collaborate closely with the Engineering Division. Further, in foreign countries, there are many technically demanding and large-scale projects that leverage the Company’s strengths. Stable management of the international business is also one of the medium- to long-term challenges for the civil engineering business, and we will work on it in collaboration with



the International Operations Headquarters to support the Group’s future growth.

SUGAWARA In the overseas business, for example, we ask the Civil Engineering Division to dispatch engineers for tunnel construction projects and from the Building Construction Division (Integrated) for airport construction projects. We will also collaborate with related divisions to deploy environmental technologies that are attracting strong interest in Asian countries. Furthermore, by incorporating the overseas real estate development business into our division, we are creating synergies by expanding our client base. In Vietnam, we have undertaken projects with end-to-end execution—from land acquisition, design and construction to post-completion management—and we intend to increase such cases going forward.

TAKAHAMA In the engineering business, as Mr. YAMAURA pointed out, we are leveraging synergies with building construction business and leading to receiving orders from manufacturers. We will also advance collaboration with the civil engineering business in fields such as hybrid dams.

Could you share your determination to achieve the targets on the Plan and realize what we should aim for 2030?

YAMAURA In the domestic building construction business, we achieved the results in the first year that marked the start of a V-shaped recovery, and progress has been steadily achieved. This fiscal year, we aim to further raise gross profit, and next fiscal year we also aim to catch up with our competitors regarding profitability. As workload will become stable in the second half of this fiscal year, we will concentrate on our employee education. In addition to promoting the employees’ acquisition of specialized knowledge through job rotation, we have established dedicated training departments at each branch this July and provide education tailored to individual capabilities. The largest cohort in our workforce is in their late 50s, so our future depends on how effectively we can educate and develop the younger generation over the next decade. We will work with a view not only to 2030 but also to 2040.

YAMAZAKI There are three key points in the domestic real estate development business. First, while fully leveraging the know-how we have built up over the years, we will further expand the development business by applying the Company’s technical strengths as a general contractor. Second, we will

broaden our business field to seize opportunities. For example, in real estate acquisition, we will broaden our investment targets to include offices, residences, hotels, logistics facilities, and data centers. However, it is important to carefully discern which types of assets are truly in demand in society. Third, we will diversify our earning structure by pursuing new lines of business such as concessions and urban digital twins.

SUGAWARA In the overseas business, to achieve the Plan, we are steadily implementing and rigorously monitoring progress toward the profit targets and action plans we have set in line with them. Regarding the human capital education as a key initiative, we have launched some programs such as inviting overseas staff to Japan for training.

TAKAHAMA In the engineering business, we will target the manufacturing sector and increase the percentage of orders received without competitive bidding. We will also focus on the growth markets such as pharmaceutical field and semiconductor field, and aim to enhance our profitability.

SHIRAKAWA In the Civil Engineering Division, the head office, the branches, and the worksites are working closely together and address the various challenges that arise on the worksites. The head office and the branches remain attentive to the worksites, and have constantly considered what support they can provide to the worksites. We also encourage the worksites to adopt a “bad news first” mindset, avoid keeping issues to themselves, and make effective use of the head office and the branches.

As the company-wide initiative, we are driving digital transformation (DX) to utilize the Company’s extensive repository of internal data and know-how. We intend to accelerate these efforts and take the lead in our industry.

Our greatest strength is to meet our clients’ diverse needs by utilizing our advanced technologies based on our extensive experience, our brand strength, and technological development capabilities. Moving forward, we will continue to develop our production system and pursue a balance between further improving our productivity and promoting workstyle reform, through initiatives such as technological development for unmanned and labor-saving construction and application of generative AI. Without being satisfied with the current status, we will establish the No. 1 position—in both name and substance.

YAMAURA By further enhancing the synergies across our businesses everyone mentioned, let us achieve sustainable and stable growth by uniting our strength, and ensure the realization of [TAISEI VISION 2030].



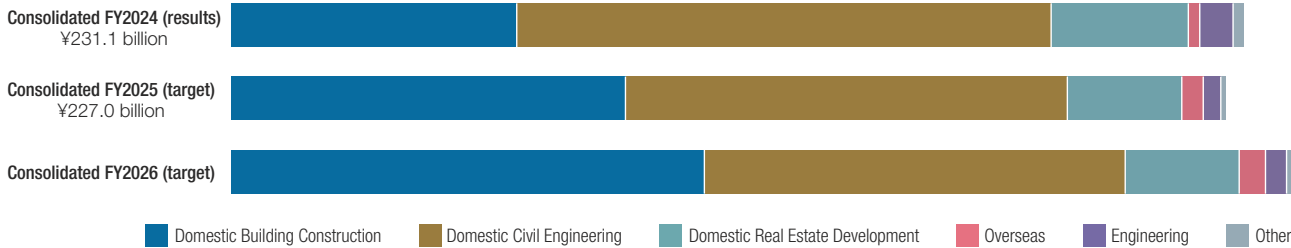
*PPP: An abbreviation of Public-Private Partnership, a scheme in which the public and private sectors work together to provide public services.

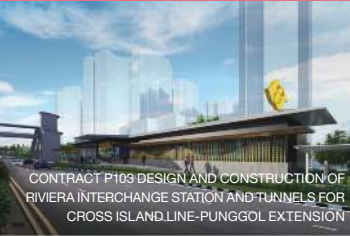
Medium- to Long-Term Business Overview

Current Status of the Taisei Group and What We Should Aim for in 2030

Under the [TAISEI VISION 2030] Achievement Plan, we are working to realize what we should aim for in 2030, based on the “Medium- to Long-Term Business Strategies” formulated for five business segments. Building on initiatives from the first year of the Medium-Term Business Plan (2024–2026), we have reassessed the challenges arising from the gap between the current situation and our target vision, and are linking these insights to initiatives for FY2025.

[Gross Profit Composition]



	Main Areas	What We Should Aim for in 2030	Targets Under the Medium-Term Business Plan (2024–2026)	FY2024 Achievements	Challenges	FY2025 Initiatives
Domestic Building Construction Business 	- Offices - Commercial facilities - Factories - Data centers - Hospitals and other building construction	To enhance values of client and society by drawing up a growth strategy that meets society's changing needs and providing building construction-related services backed up by our technology.	- To secure an advantage in high value-added markets at the time of order receipt - To verify production capacity and expand the system for the performance of the works - To improve productivity by transforming production processes - To implement measures to address quality, schedule, and safety issues	- Secured appropriate profits through order-receiving activities focused on profitability - Maintained a proper balance between work-force planning and production capacity - Developed and expanded the deployment of productivity-enhancing tools using digital technologies - Expanded proactive (“push-type”) support for worksites by construction support departments - Enhanced technical capabilities through strengthened training programs	- Establish work processes compatible with the BIM environment - Appropriately pass rising costs on to contract prices in response to inflation - Address the increased burdens on managers due to the statutory cap on overtime hours - Mitigate concerns about reduced on-the-job training (OJT) opportunities resulting from the cap on overtime hours	- To continue order-receiving activities that consider the system for the performance of the works, appropriate schedules, and profitability - To drive productivity improvement through the use of digital technologies - To reduce worksite burdens through support by specialist departments - To improve productivity in design-build projects - To strengthen technical capabilities through employee training
Domestic Civil Engineering Business 	- Tunnels - Bridges - Dams - Railways - Expressways and other civil engineering works	To contribute to solving environmental and social issues as a leader in infrastructure development by leveraging our advanced technological capabilities and the Group's comprehensive capabilities.	- To further contribute to the strengthening of social infrastructure - To promote next-generation energy businesses - To realize a sustainable, environmentally friendly society - To address labor shortages - To strengthen the Group's comprehensive capabilities	- Received orders for numerous projects including bridge deck slab replacements and dam works - For floating offshore wind power, jointly undertook a NEDO² technology development project for concrete floaters with Tokyo Electric Power Company Holdings, Inc. and Hokkaido Electric Power Co., Inc. - For carbon capture and storage (CCS), jointly carried out basic design work and related tasks with six other companies - Conducted field demonstrations of fully unmanned cooperative operation of construction machinery - Strengthened management foundations such as cost estimating, procurement, and proposal capabilities	- Further advance National Resilience (NR) projects, Renewal (RN) projects, and Carbon Neutrality (CN) projects - Realize a decarbonized, recycled-oriented, and nature co-existing society - Develop technologies for automated construction machinery and labor-saving methods to improve productivity and address labor shortages - Create value through synergies across businesses and within the Group	- To prioritize large-scale, ECI³, and dam projects, while focusing on the growing RN and CN businesses - To further develop technologies for offshore wind power and CCS - To strengthen collaboration and cooperative control with manned construction equipment - To develop technology databases and leverage generative AI - To collaborate with PS Construction Co., Ltd. in the bridge field and expand external partnerships
Domestic Real Estate Development Business 	- Investment and real estate development business - PPP/PFI¹ - Property management - Condominium development and sales, etc.	To contribute to high value-added community development by making the most of our “development know-how” and “technical capabilities” as a general contractor.	- To enter and capture investment opportunities in large-scale real estate development and redevelopment projects - To expand investments in renovation-type projects aimed at early monetization - To enter new investment fields such as hotels, logistics, and data centers - To create new businesses by leveraging digital technologies in urban areas	- Entered into a capital and business alliance with Heiwa Real Estate Co., Ltd. - Formulated a domestic real estate development strategy - Made new investments in renovation-type projects - Commenced development of new logistics facilities - Continued to generate earnings through capital-efficient, turnover-oriented business operations, as in the previous fiscal year	- Intensifying competition to acquire prime, high-quality properties - Pressure on profitability due to rising business costs such as construction expenses and interest rates - Strengthen organizational capabilities to manage highly specialized assets such as hotels and logistics facilities - Gain operating expertise and establish a profitable structure for concession businesses, including airports and sports facilities	- To generate projects from client-owned properties and existing buildings (including collaboration with Heiwa Real Estate Co., Ltd.) - To initiate redevelopment projects along major railway lines and other areas, including acquisition of seed sites - To establish a framework to accommodate diverse asset classes - To divest properties at solid margins by carefully timing opportunities - To strengthen the structure of the Group's Domestic Real Estate Development Business
Overseas Business 	Building construction, civil engineering, and real estate development overseas	To contribute to the economic and social development of the countries in which we operate by establishing high-quality infrastructure, while growing by utilizing the technical know-how we have cultivated through domestic business operations.	- To execute thorough localization to support future business expansion - To leverage development know-how through organizational restructuring and expand the construction business - To allocate management resources to non-construction areas (e.g., PPP and concession projects)	- Elevated the International Branch to a business division and launched integrated sales activities combining building construction and real estate development - Promoted localization through delegation of authority and related measures - Established collaborative frameworks with alliance partners	- Secure stable order receipt - Develop human capital (both employees and local staff) - Enhance productivity (through stronger construction frameworks and alliances, etc.)	- To reinforce local sales activities - To implement ongoing talent development plans and increase mid-career hiring - To strengthen local supply chains - To carry out initiatives to enhance the value of existing properties
Engineering Business 	- Pharmaceuticals - Semiconductors - Food - Engineering for other production and logistics facilities, etc.	To leverage our strong engineering and construction capabilities, we provide integrated services—from planning through maintenance—for state-of-the-art production facilities, helping clients overcome their challenges.	- To strengthen engineering capabilities to understand and meet clients' engineering needs - To secure a competitive edge in orders by acquiring cutting-edge, differentiating technologies - To expand business areas through the horizontal deployment of existing technologies	- Secured consecutive orders for biopharmaceutical manufacturing facilities - Maintained steady order receipt for electronic device manufacturing facilities - Expanded collaborative frameworks, including alliances with external companies	- Further expand market share in the pharmaceuticals area - Expand into the fine chemicals area as a designated focus - Strengthen organizational capabilities to enhance productivity - Secure human capital to support business expansion	- To acquire cutting-edge differentiating technologies and strengthen sales and business development initiatives - To deploy proprietary technologies across other fields and expand business areas - To continue reinforcing the project support structure - To expand internal resources through ongoing planned hiring and training - To further broaden collaboration frameworks with external companies

¹: PFI (Private Finance Initiative): A scheme in which the private sector leverages its funds and expertise to finance, build, and operate public facilities.

²: NEDO (New Energy and Industrial Technology Development Organization): National Research and Development Agency for New Energy and Industrial Technology
³: ECI (Early Contractor Involvement): A procurement method in which the contractor participates from the early stages of the project and contributes technical expertise.

Group Domestic **Building Construction Business**

By drawing up a growth strategy that meets society’s changing needs and providing building construction-related services backed up by our technology, we will enhance values of client and society.

■ Scenario to Realize What We Should Aim For

Selection of focused fields	● To shift our mind-set to order-receiving activities on the premise of soaring prices of the materials and focus on business fields with high potential (semiconductor factories, etc.) ● To allocate our resources to renewal and engineering related projects as well as urban redevelopment related construction, both of which are our strengths. ● To expand proposal-based sales through environmental technology and the building lifecycle.
To expand the system for the performance of the works including design services, improve profitability, and pursue the Group synergy	● To realize proper workloads and personnel assignment, and prevent quality and construction process problems. ● To enhance the procurement capacity by acquiring new suppliers and establish a new overseas procurement network. ● To enhance collaboration within the Group companies, such as recruiting and deployment of environment-related technologies by utilizing our brand strengths.

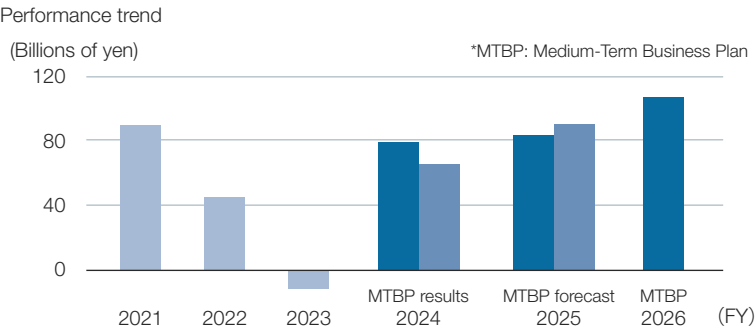
■ Current Assessment

Major Risks	● Intensifying competition for orders in the domestic building construction market. ● Shortage of skilled construction workers due to declining birthrate, an aging population and a shrinking labor force. ● Impact on construction capacity from the statutory cap on overtime hours.
Major Opportunities	● Steady demand for private-sector building construction supported by strong corporate earnings in Japan. ● Re-shoring of manufacturing to Japan in response to heightened geopolitical risks. ● Opportunities to expand into both growth and underpenetrated segments to increase construction market share.
Strengths	● Strong proposal capabilities to meet client needs and comprehensive end-to-end technical expertise. ● Extensive opportunities to propose renewal projects to an extensive existing client base. ● Mechanization of construction and digitalization of operations leveraging technological development.

■ External Environment Assessment

Sector	Scenarios and Approach
Semiconductors	The domestic market is expected to expand significantly, supported by government strategy. Establish a system for the performance of the works, focusing mainly on serving existing key clients.
Pharmaceuticals	Renovations of existing facilities are on the rise. Collaborate with the Engineering Division, which possesses relevant expertise, and concentrate on projects involving engineering input.
Data centers	The market is expanding. Given the high level of specialization required, we respond by leveraging both internal and external resources.
Condominiums	Demand for super high-rise tower condominiums associated with redevelopment remains strong. We specialize in tower condominiums in station-front redevelopment projects in central Tokyo and major regional cities.
Renewal	With the market for renewal projects such as ZEB and BCP expanding, we aim to capture and retain clients through proposal-based sales and O&M services.

■ Gross Profit: FY2024 Results and Future Targets



In FY2024, we fell short of the target, mainly due to provisions for construction losses on several large ongoing projects.

Group Domestic **Civil Engineering Business**

We will contribute to solving environmental and social issues as the leader in infrastructure development by leveraging our advanced technological capabilities and the Group’s comprehensive capabilities.

■ Scenario to Realize What We Should Aim For

System for receiving an order and the performance of the works	● To increase employment of new graduates and career hires, develop training system, and arrange proper working environment for active participation of senior employees. ● To initiate systematic training for employees particularly designated for highway renewal projects, and establish support teams to reduce work burden at worksite. ● To promote technological development of dam-related works and improve accuracy of estimation. ● To develop labor-saving technologies (remote control of heavy machinery, automated and autonomous) and enhance productivity through the use of generative AI.
Carbon neutrality- related (offshore wind power, nuclear power, CCS)	● To promote technology development for offshore wind power through acquisition of its technology, license, participate in its experimental projects, and establish base sites. ● To promote technology marketing in relation to nuclear power plants. ● To utilize external business capital to acquire technology and know-how for new business fields.
Group companies	● To continue human capital support for design change negotiations by accumulating knowledge at the newly established tender sections. ● To secure appropriate personnel through the improvement in remuneration and group-wide recruiting activities. ● To promote M&A in the fields of paving and renewal, where business synergies are expected.

■ Current Assessment

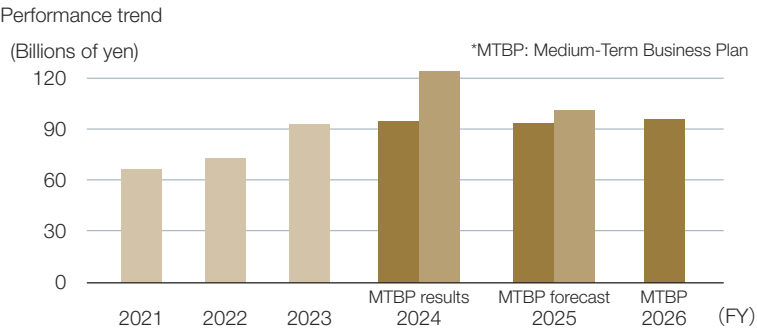
Major Risks	● Intensifying competition in the domestic civil engineering market. ● Surging prices of construction materials and other inputs due to geopolitical risks. ● Shortage of engineers and skilled construction workers resulting from the declining birthrate, aging population, and shrinking labor force. ● Impact on construction capacity from the application of statutory overtime caps and rising labor costs.
Major Opportunities	● Rising demand for environmental technologies that support a decarbonized, circular, and nature-positive society. ● Steady demand driven by national resilience initiatives and infrastructure renewal. ● Increasing need for dams and underground river facilities in response to more frequent and severe heavy rainfall events.
Strengths	● Strong reputation and trust built on an extensive track record. ● Competitive proposal capabilities and advanced technical expertise. ● High-quality construction management, including rigorous safety and quality control. ● Worksite support backed by the head office’s technical and support departments.

■ External Environment Assessment

Sector	Scenarios and Approach
Dams and Rivers	To focus on dam projects, where sustained high demand is expected due to increasingly severe natural disasters, and on underground river projects, leveraging our extensive construction experience.
Defense, Ports and Airports	To focus on defense-related projects with stable demand, as well as large-scale airport and port projects.
Infrastructure Renewal	To focus on the renewal of public infrastructure such as water and sewer systems and expressways, where demand is expected to remain strong over the long term due to aging.
Roads	To focus on urban expressway projects, including undergrounding and four-lane expansions, in line with national resilience initiatives.
Energy / CN	In addition to next-generation energy facilities and PC tanks*, which are expected to see growing demand toward carbon neutrality (CN), focus on offshore wind power and CCS projects.

*PC tanks: prestressed concrete tanks.

■ Gross Profit: FY2024 Results and Future Targets



In FY2024, we exceeded our target thanks to steady progress on a substantial backlog of contracted projects and the successful acquisition of design changes.

Group Domestic Real Estate Development Business

We will contribute to high value-added urban development by making the most of our “development know-how” and “technological capabilities” as a general contractor.

Scenario to Realize What We Should Aim For

Maximization of profits by leveraging development know-how

To create business utilizing our technological capabilities as a general contractor

- To create investment opportunities in the real estate development business by targeting large-scale development projects and redevelopment projects, while leveraging our real estate development capabilities.
 - To pursue profit opportunities by promoting collaboration and sharing know-how among the Group and our company's departments (domestic and overseas real estate development, Taisei-Yuraku Real Estate Co.,Ltd., Group, Heiwa Real Estate Co., Ltd. and others).
 - To recruit and train human capital in an integrated manner, both domestic and overseas real estate development business, and assign them in accordance with the required competence and each employee's capability.
- To differentiate ourselves from other competitors through our technological capabilities by developing products for our own real estate development projects that adopt our advanced technologies (carbon neutral, greening, smart buildings, resilience, etc.).
 - To create investment opportunities for the real estate development business by utilizing particular buildings, on which our technologies are adopted, as our showrooms.
 - To reflect operational know-how in our project planning in collaboration with our Design Division and Engineering Division, etc., to develop new business fields (hotels, logistics, and data centers).

Current Assessment

Major Risks

- Changes in real estate market conditions due to rapid economic fluctuations and rising interest rates.
- Fluctuations in vacancy and occupancy rates and rents due to changes in supply-demand balance.
- Rising business costs due to surges in construction material and resource prices.

Major Opportunities

- Growing needs for new urban development aimed at solving social and environmental issues.
- Increase in large-scale real estate development and redevelopment projects requiring advanced expertise.
- Increase in projects requiring the technical involvement of general contractors from the initial stages.

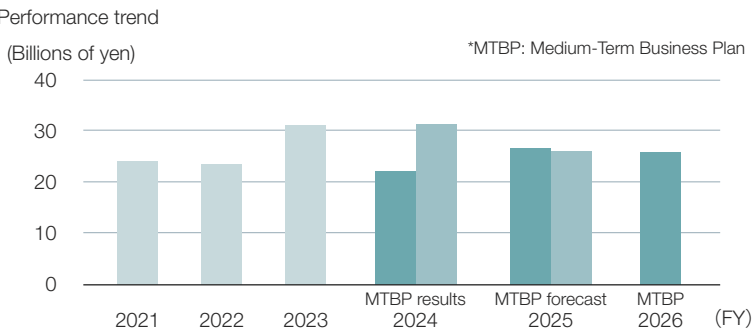
Strengths

- Strong execution capabilities and extensive track record in large-scale real estate development, urban redevelopment, and securitized projects.
- Broad client base and information network as a general contractor, coupled with advanced design, construction, and decarbonization technologies.
- Comprehensive ability to coordinate within the Group from upstream business proposals through design and construction to downstream maintenance and operations.
- Management capabilities to lead joint ventures and consortiums.

External Environment Assessment

Sector	Scenarios and Approach
Office	Demand is on a recovery trend, but regional disparities are expected to widen. We aim to identify opportunities for prime, off-market projects in major metropolitan areas.
Hotel	Supported by inbound demand, the hotel market is performing well. We aim to strengthen our development framework for this highly specialized asset class through collaboration with operators.
Logistics	The market is soft due to increased supply, and further polarization is expected. We aim to advance projects by selecting locations based on client needs and balancing cost and specifications.
Condominiums	The market is expected to remain steady, mainly in urban cores. We aim to appeal to customers with high value-added products that leverage our technological capabilities as a general contractor, including energy-saving features.

Gross Profit: FY2024 Results and Future Targets



In FY2024, we exceeded the target due to the accelerated timing of property sales and favorable sale prices.

Group Overseas Business

While growing by utilizing the technical know-how we have cultivated through domestic business operations, we will contribute to the economic and social development of the countries in which we operate by establishing high-quality infrastructure.

Scenario to Realize What We Should Aim For

Organization

Building Construction

Civil Engineering

Real Estate Development

Energy and infrastructure

- To combine the functions of the branch (construction works and corporate function), marketing and sales, and real estate development and reorganize them as the International Operations Headquarters.
 - To develop synergies by combining the construction business and the real estate development business into a single profit center, and expand business opportunities and build a stable profit base.
- In prioritized areas, to increase the number of the potential clients and projects by promoting the transfer of authority to overseas subsidiaries, train local human capital, and make minor investment in local construction companies.
- Mainly in three prioritized areas, to focus on projects in which we have advantages by enhancing our marketing and sales, estimation, and construction capabilities utilizing our alliance partners.
- To train employees designated for overseas projects and enhance business information on real estate development collaborating with local partners as well as utilizing the network of local engineers and local subsidiaries.
- To participate in infrastructure-related PPP and concession business as a trial project to acquire new sources of profit, and acquire business operation know-how.

Current Assessment

Major Risks

- Contractual risks arising from host-country-specific laws, regulations, and business practices.
- Geopolitical risks.
- Risks from rising prices (inflation).
- Foreign exchange (currency) risks.

Major Opportunities

- Sustained growth in global construction and real estate markets.
- Accelerating global sustainability initiatives.
- Increasing importance of technological evaluation in emerging markets.

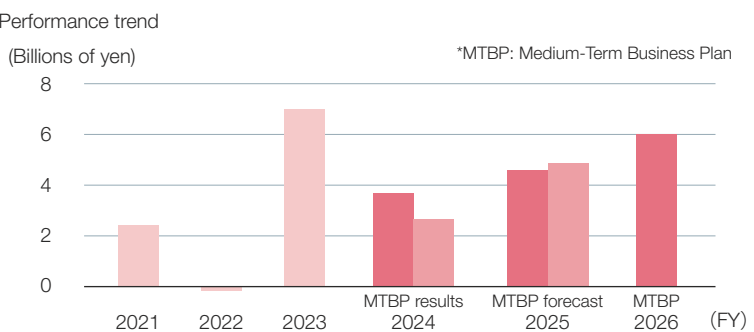
Strengths

- Strong trust from key clients in priority regions.
- Collaborative relationships with competitive alliance partners and Japanese developers.
- Comprehensive capabilities in design, technology, quality, and schedule management, honed in Japan.

External Environment Assessment

Sector	Scenarios and Approach
Overseas building construction	To promote thorough localization and delegation of authority, leverage development know-how, and focus on establishing growth foundations for local subsidiaries and related entities.
Overseas civil engineering	To focus on securing stable earnings in government and ODA projects through rigorous risk management.
Overseas real estate development	To establish a dedicated business framework and, in collaboration with local construction subsidiaries, focus on securing development profits.
Other than construction and development	To pilot participation in energy and infrastructure businesses (e.g., concession projects) to acquire operational know-how and explore opportunities for future expansion.

Gross Profit: FY2024 Results and Future Targets



In FY2024, we fell short of the target, primarily due to deteriorating profitability in non-consolidated civil engineering projects and projects conducted by local subsidiaries, among other factors.

Group Engineering Business

While incorporating the latest technologies in manufacturing facilities, we will contribute to solving clients' issues by providing a consistent service system from planning, design, and construction to maintenance and management of production facilities by leveraging our advanced engineering capabilities as well as our design & build capabilities.

Scenario to Realize What We Should Aim For

To secure competitiveness

- To enhance our market share in the pharmaceuticals field and strengthen the capability of proposals differentiating ourselves from other competitors by acquiring advanced technologies essential to the expansion of our business field in the semiconductor industry.
- To concentrate on automating and labor-saving projects in manufacturing. To concentrate on proposals that automate and optimize entire facilities, including in-process material handling and warehouse operations.

System and costs for the performance of the works

- To secure internal operation resources through continued, systematic recruitment and training.
- To strengthen collaboration frameworks during the construction phase via alliances and other external partnerships. To enhance our productivity by concentrating on planning works.
- To reinforce the internal support system for project functions for estimating, procurement, quality control, safety management, schedule control, and others.

Current Assessment

Major Risks

- Risk of losing order-winning advantage if cutting-edge, differentiated technologies are not continuously acquired and maintained.
- Procurement risks from rising construction material and labor costs.
- Securing sufficient personnel to support business expansion.

Major Opportunities

- Diversifying client needs in response to social and environmental challenges.
- Ongoing capital investment requirements in rapidly evolving growth markets.
- Reshoring of manufacturing to Japan driven by heightened geopolitical risks.

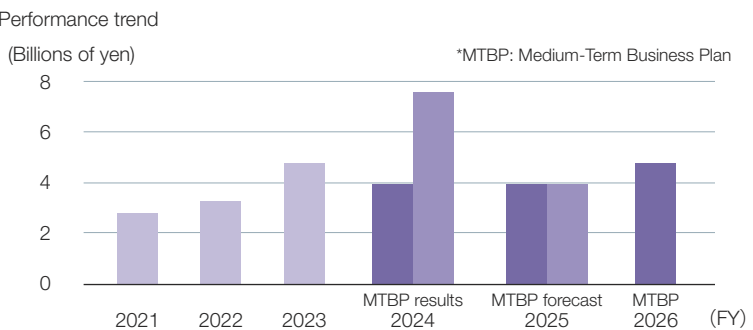
Strengths

- High expertise in manufacturing processes and strong engineering capabilities cultivated through extensive experience.
- Design and construction capabilities that achieve overall optimization of facilities, from buildings to production systems.
- Consistent project management structure led by Project Leaders (PLs) with in-depth knowledge of manufacturing facilities.

External Environment Assessment

Sector	Scenarios and Approach
Pharmaceuticals	Continued investment in facilities for biologics (e.g., vaccines and antibody drugs), which require advanced technologies, as well as in facilities for conventional pharmaceuticals—such as antibiotics—expected to be reshored domestically.
Semiconductors	The government-led reshoring trend continues, with ongoing and expanding investments across a wide range of areas, including facilities for semiconductor materials and substrates that leverage fine chemicals manufacturing technologies.
Others	Continued investment in high-performance logistics facilities driven by the growth of e-commerce, as well as in automation and labor-saving solutions to address labor shortages. Investment in manufacturing facilities also supports ongoing demand for factory-adjacent warehouses.

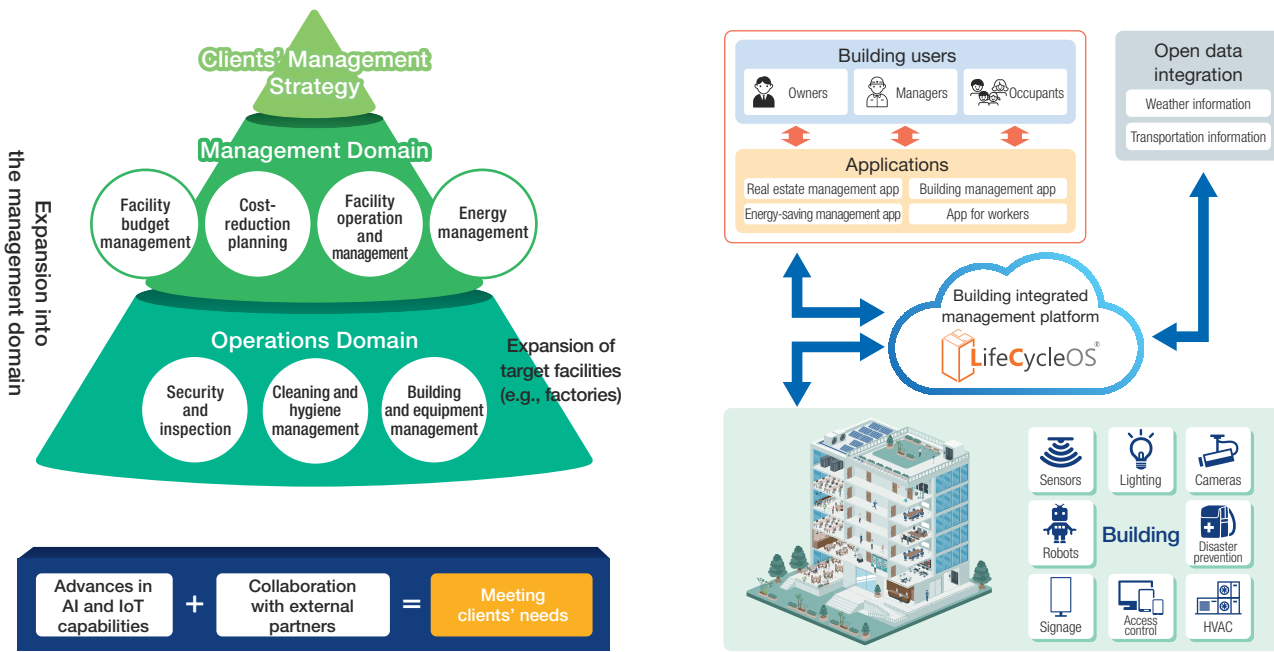
Gross Profit: FY2024 Results and Future Targets



New Business Model

Operations and Maintenance (O&M) Businesses

Building on our existing operations domain, we will expand into management services and high-performance facilities such as factories to broaden our client base. Leveraging our strengths as a general contractor, we will enhance building and equipment design—through digital transformation (DX) and smart building technologies—to deliver advanced integrated facility management.

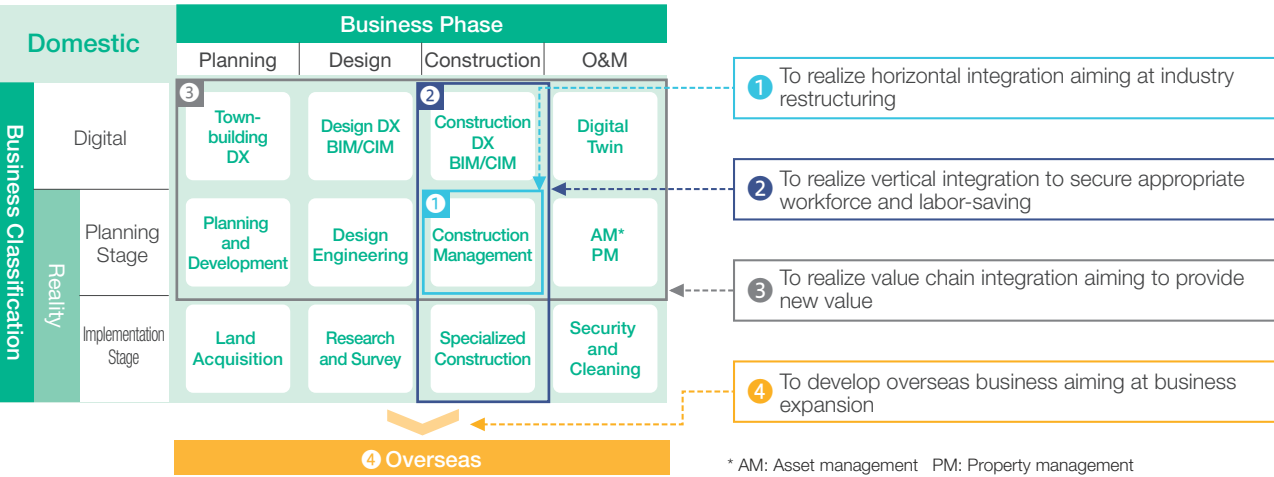


Methodologies for Business Transformation

Mergers and Acquisitions (M&A)

In addition to pursuing "horizontal integration aiming at industry restructuring," we will promote "vertical integration to secure appropriate workforce and labor-saving," "value chain integration aiming to provide new value," and "overseas business development aiming at business expansion." Through these initiatives, we will advance the transformation of our business structure.

M&A Focus Areas



New Business Generation Supporting Program

[TAISEI VISION 2030] Achievement Plan

Group Companies Supporting the Medium- to Long-Term Business Strategy

The Taisei Group consists of numerous companies that complement the business of its core entity, Taisei Corporation, and operates as an integrated whole. Through smooth collaboration among Group companies and effective utilization of the Group’s management resources, we enhance synergies across our businesses and strive to maximize the Group’s corporate value.

Group Companies
(Only in Japanese)

Business Fields	Major Group Companies Responsible
Group Domestic Civil Engineering	Taisei Rotec Corporation, SEIWA RENEWAL WORKS CO., LTD., J-FAST Co., Ltd., PS Construction Co., Ltd.
Group Domestic Building Construction	TAISEI U-LEC CO., LTD., TAISEI SETSUBI CO., LTD., TAISEI HOUSING CORPORATION, SATOHIDE CORPORATION, PS Construction Co., Ltd.
Group Domestic Real Estate Development	Taisei-Yuraku Real Estate Co., Ltd.
Group Overseas	VINATA INTERNATIONAL CO., LTD., TAISEI PHILIPPINE CONSTRUCTION INCORPORATED, TAISEI (THAI-LAND) CO., LTD., PT. TAISEI PULAUINTAN CONSTRUCTION INTERNATIONAL, TAISEI USA LLC
Group Engineering	Network Alliance Corporation

Key Performance and Initiatives of Major Group Companies

(Millions of yen; figures are non-consolidated)

Fields	Company	Net Sales	Operating Income	Net Income	Total Assets
CE	Taisei Rotec Corporation	123,896	5,059	3,690	120,410
BC	TAISEI U-LEC Co., LTD.	37,678	374	365	35,471
CE/BC	PS Construction Co., Ltd.	121,830	9,989	7,273	117,926
RED	Taisei-Yuraku Real Estate Co., Ltd.	105,908	11,788	9,213	200,285
Overseas	VINATA INTERNATIONAL CO., LTD.*	9,822	415	395	6,613

CE: Civil Engineering BC: Building Construction RED: Real Estate Development

* Based on an exchange rate of ¥0.0062 per VND

Taisei Rotec Corporation
Group Domestic Civil Engineering

Through businesses such as nationwide road and landscape paving, parking lot paving, exterior works, civil engineering projects, and the manufacture and sale of asphalt mixtures, the company is also focusing on technology development to address challenges such as advancing the circular economy and achieving carbon neutrality.

Creating Value and Addressing Challenges

We are effectively utilizing the pavement test course at the Future Technology Field for Taisei Group in Tamura, which has recently commenced operation, to dramatically shorten the time required for pavement durability and accelerate the social implementation of new technologies. In addition, by integrating our existing research facilities with the Taisei Group Next-Generation Technology Research Institute in Satte, we are driving innovation that leverages the comprehensive strengths of the Taisei Group to tackle societal challenges. To help realize a carbon-neutral society, we are switching the fuel used in asphalt mixture production from heavy oil to gas and other alternative fuels, and introducing high-efficiency equipment. In technology development, we are working on decarbonized asphalt mixtures using plant-based resins and concrete capable of capturing and storing carbon dioxide.



The Future Technology Field for Taisei Group in Tamura, which has commenced operation in Tamura City, Fukushima Prefecture. The nature-inclusive administration building is intended to demonstrate a Zero Water Building.

TAISEI U-LEC CO., LTD.
Group Domestic Building Construction

The company constructs multi-unit housing using precast concrete (PCa) components manufactured at its own plants, manufactures and sells PCa and prestressed concrete (PC) products, and undertakes renewal projects, primarily large-scale repairs of multi-unit residences.

Creating Value and Addressing Challenges

As a pioneer in constructing multi-unit housing with PCa, the company addresses challenges such as labor shortages and shorter construction timelines while delivering high-quality, earthquake- and disaster-resistant buildings. It is also actively promoting decarbonization initiatives, including further increasing the precast rate, advancing the development of energy-efficient multi-unit housing (ZEH-M), and transporting PCa components by rail. In FY2024, beginning with Kanagawa Prefectural Housing, we constructed a total of 12 ZEH-M Oriented buildings. We also manufactured proprietary rail containers compatible with construction cranes to transport PCa components by rail to remote worksites.



Kanagawa Prefectural Housing "Kamimizo Heim" (Section 1), ZEH-M Oriented

PS Construction Co., Ltd.
Group Domestic Civil Engineering
Group Domestic Building Construction

Since constructing Japan’s first prestressed concrete (PC) bridge in 1952, the company has been a “PC general contractor,” leading the development of civil engineering and architecture projects in Japan with its advanced PC technology.

Creating Value and Addressing Challenges

The new Medium-Term Business Plan 2025 commenced this fiscal year. The company formulated the plan by backcasting from its desired future—“Contributing to an environmentally friendly, safe, and comfortable society through advanced technological capabilities centered on PC technologies”—while taking into account material issues and the current business environment. It established five basic policies, covering sustainability-driven management, promotion of technology development and DX, creation of group synergies, proactive investment, and shareholder-oriented financial policy, along with strategic directions for its core businesses in civil engineering and architecture. By implementing the initiatives outlined in the Medium-Term Business Plan 2025, the company aims to enhance corporate value and contribute to the development of the Group.



Construction works of the Masada Daisan Viaduct and other 2 bridges (PC Superstructure) on Tokai-Kanijo Expressway

VINATA INTERNATIONAL CO., LTD.
Group Overseas

Since its establishment in 1993, the company has handled new construction and expansion projects for factories and warehouses serving Japanese companies entering Vietnam, completing over 500 projects to date. Leveraging this extensive know-how, it continues to deliver high-quality buildings.

Creating Value and Addressing Challenges

In 2024, we opened TAISEI SQUARE HANOI, the Group’s first overseas office development project fully undertaken in-house by Taisei, from planning and development through construction. The company handled both design and construction, delivering a Japanese-quality workplace that is comfortable and environmentally conscious, setting a new standard for office buildings in Vietnam. Leveraging over 30 years of experience and networks in Vietnam, we will support the country’s sustainable economic development and deliver value to local communities through Taisei Corporation’s advanced technical expertise, synergies with our development division, and business operations rooted in the local community.



TAISEI SQUARE HANOI

Taisei-Yuraku Real Estate Co., Ltd.
Domestic Real Estate Development

We operate a real estate business that creates value for properties and a facility management business that preserves the value of buildings, offering optimal solutions across the lifecycle of both real estate and buildings.

Creating Value and Addressing Challenges

We pursue a range of initiatives to maximize the latent value of real estate. At TERRACE-COLLEGE BUNKYO GOKOKUJI, a student dormitory developed and owned by the company, we adopted the concept of a “Second Campus where people and knowledge converge,” creating open common areas to encourage student interaction. Recognizing the renewed importance of communication highlighted by the COVID-19 pandemic, we installed benches near the main entrance to encourage casual conversation and added a glass-walled lounge adjacent to the dining area. By connecting these shared spaces with a highly navigable circulation flow, we foster natural interaction among residents. Going forward, we will continue to meet evolving needs and pursue real estate development that creates new value.



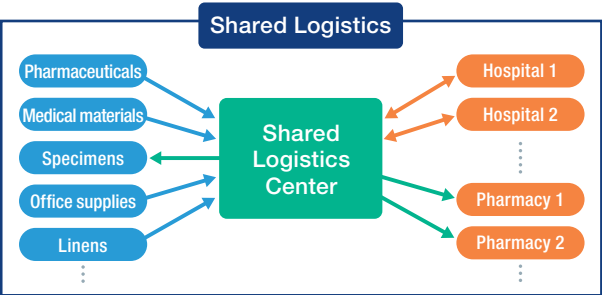
TERRACE-COLLEGE BUNKYO GOKOKUJI

Network Alliance Corporation
Group Engineering

The company provides third-party logistics (3PL) services for pharmaceuticals, in which a party other than the shipper or transport company comprehensively manages the shipper’s logistics operations.

Creating Value and Addressing Challenges

The transport industry is facing a major social issue as transport capacity declines due to an aging driver workforce, low wages, and statutory caps on overtime work. To address this issue, the company is applying the government-promoted concept of the Physical Internet to pharmaceutical logistics (see figure below), supporting logistics systems in regional areas facing population decline and creating a new logistics model. Through this approach, it is developing a shared transportation model for pharmaceuticals, specimens, medical materials, and other items to hospitals and pharmacies.



Applying the Physical Internet to the healthcare industry

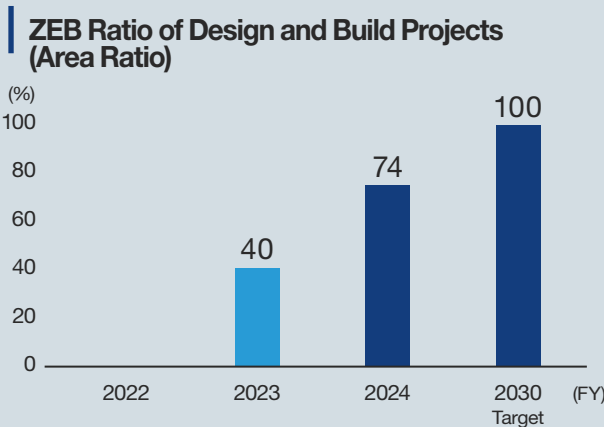
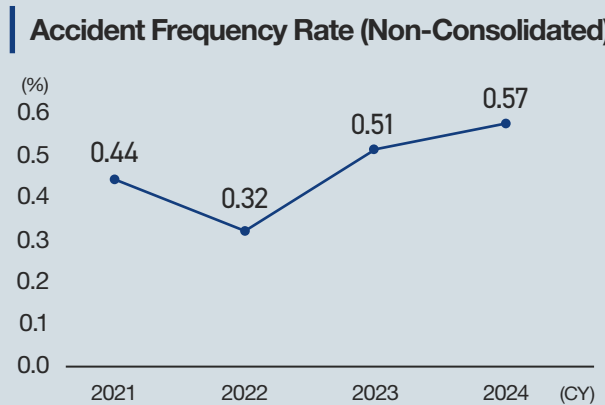
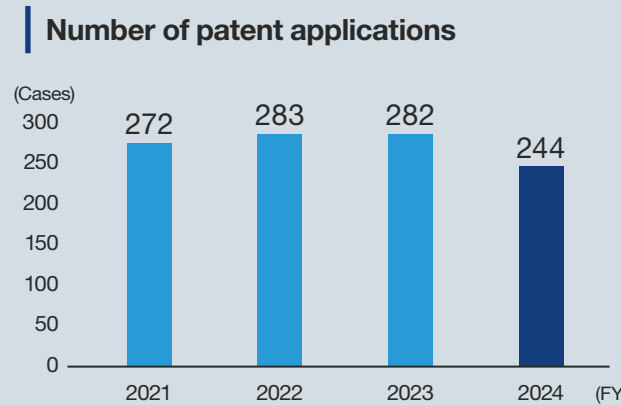
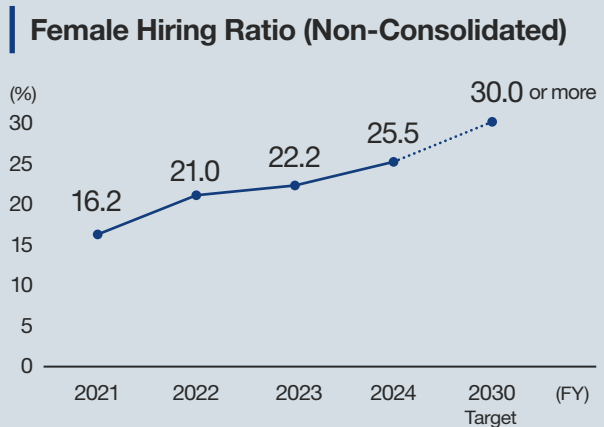
Note: The Physical Internet is an innovative logistics system that promotes a sustainable society by sharing trucks and warehouses to improve utilization rates and reduce fuel consumption.

Keys to Sustainable Growth

The keys to the Taisei Group’s sustainable growth—keys that will open the future—lie in our sources of competitiveness: human capital, technology, and partners, along with our advanced initiatives in environment and energy. We will further hone these strengths, continuing to deliver “Proposals Beyond Expectations” and to embrace the spirit of “Tireless Challenge.”

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Evolution of Tradition

Human Capital

Message from the Executive Officer, General Manager of Human Resources Department

Accelerating the Creation of a Growth-Supportive Environment Through Bold Investment in Human Capital, the Source of Our Competitiveness

Executive Officer
General Manager of
Human Resources
Department
Hiroshi OTSUKA



To realize [TAISEI VISION 2030], the Group positions investment in human capital as a core management priority, based on the fundamental belief that “human capital is the source of a company’s competitiveness.” In today’s rapidly changing era, we believe that creating an environment that can flexibly adapt to diverse business conditions and workstyles—and that enables each employee to fully realize their potential—contributes to the sustainable enhancement of corporate value. Guided by this belief, we are implementing a variety of initiatives.

In recruitment, we clearly define the talent profiles sought by each division and actively welcome individuals with diverse values and experiences. Amid intensifying competition for human capital and to foster a more diverse organization, we continuously work to create a workplace where employees can both enjoy ease of work and find job satisfaction while experiencing tangible personal growth. To this end, we are implementing measures such as attractive compensation and benefits, institutional reforms, and flexible work arrangements.

At the same time, we aim to be a company where employees can confidently navigate major life events—such as marriage, childbirth, and raising children—supported by effective systems and a supportive corporate culture.

In talent development, we aim to cultivate a culture in which employees take ownership of their learning and actively

embrace challenges. Our comprehensive educational framework includes on-the-job training (OJT), off-the-job training (Off-JT), support for self-driven learning, career development assistance, and reskilling programs. We also focus on strengthening skills and competencies aligned with evolving societal and business needs—through advanced training leveraging generative AI and liberal arts education to broaden perspectives. Through these initiatives, we nurture talent who combine expertise and integrity with creativity and the ability to drive change. By aligning employees’ roles with their interests and aptitudes and providing regular feedback, these efforts have also enhanced engagement and improved retention, particularly among younger staff. Through role assignments tailored to employees’ aspirations and abilities, together with enhanced regular feedback, we are seeing stronger engagement and improved retention among younger employees.

Looking to the medium and long term, we are focusing on developing next-generation managerial and core talent to advance strategic human capital management. Going forward, we will continue to foster an environment where every employee can work with pride and ownership, take on challenges, and pursue continuous learning—further enhancing human capital as a driver of the Group’s sustainable growth.

Initiatives to Realize [TAISEI VISION 2030]

Fundamental Policy

We recognize that human capital is a source of competitiveness and swiftly implement the necessary measures.

To create an environment in which employees can realize their full potential to enhance their engagement

To expand human capital investment to support the Group’s sustainable growth

To realize physical, mental, and social health and feeling of happiness (well-being), and diverse career paths

Corporate culture reform
To realize the Corporate Culture Where Lives of Employees Are Respected P.17

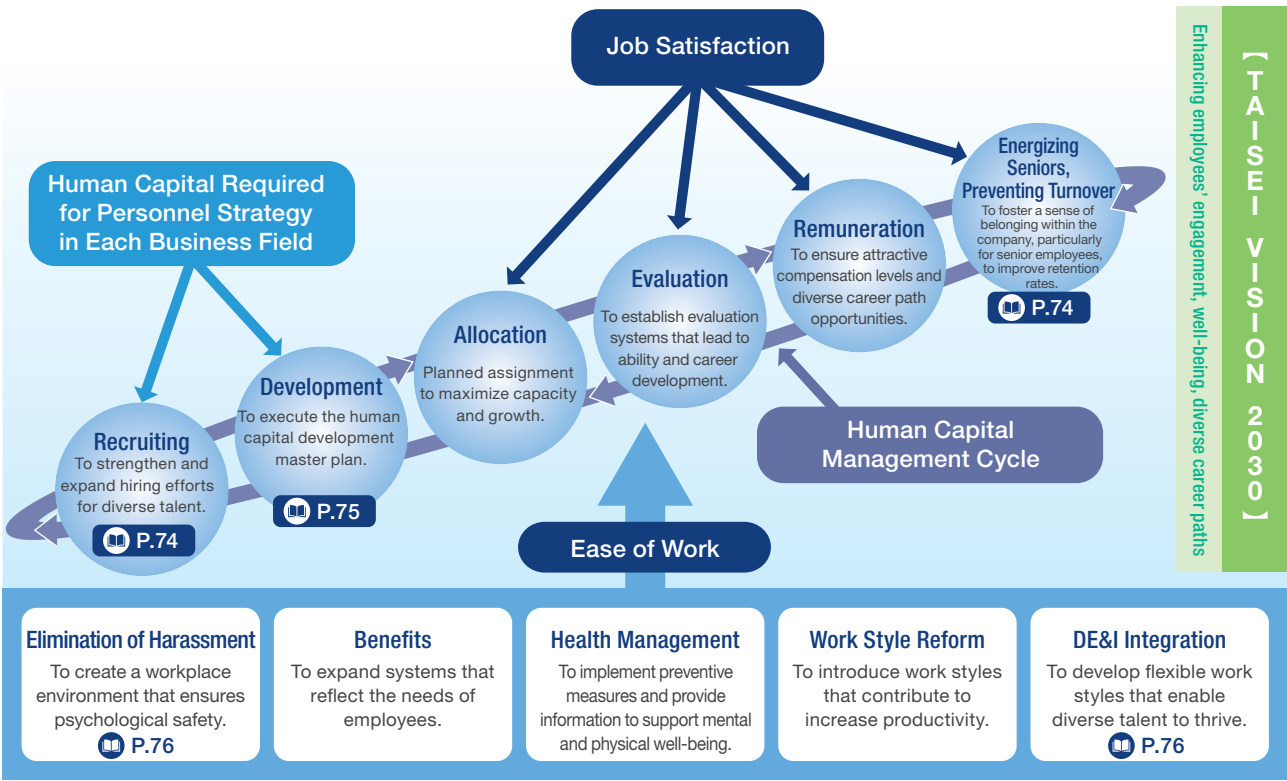
Human resource system reform P.21

Improvement of engagement P.22

Expanded recruitment and development P.74

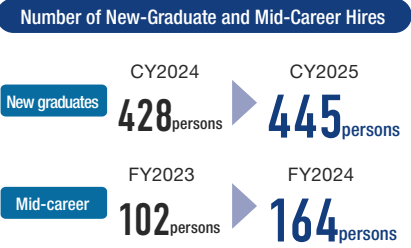
Concept for Enhancing Human Capital

To achieve our 2030 goals in each business domain, we will recruit, develop, and deploy the necessary talent. By enhancing both job satisfaction and ease of work, we aim to create an environment where every employee can fully realize their potential, allowing employees and the company to grow together while contributing to building a resilient society through our businesses.



Recruitment

Based on our Human Resources Development Policy (Diversity, Equity & Inclusion Policy) and the human capital profile defined in [TAISEI VISION 2030], we recruit individuals with diverse capabilities through both new graduate and mid-career hiring. In response to intensifying competition for human capital and evolving employee needs, we will sequentially implement a new human resource system starting in April 2025 to enhance compensation and career development, thereby securing outstanding talent who can grow together with the Group.



Preventing Resignations and Expanding Work–Care Support Systems

Introduction of a Retention Support Tool for Young Employees

In FY2024, the Company introduced four services—including HR OnBoard provided by en Inc.—targeted at young administration employees. By using a monthly three-question survey to identify early signs of potential turnover and following up with interviews and other support measures, the turnover rate among employees in their first to eighth years of employment decreased from 8% to 3.5%.

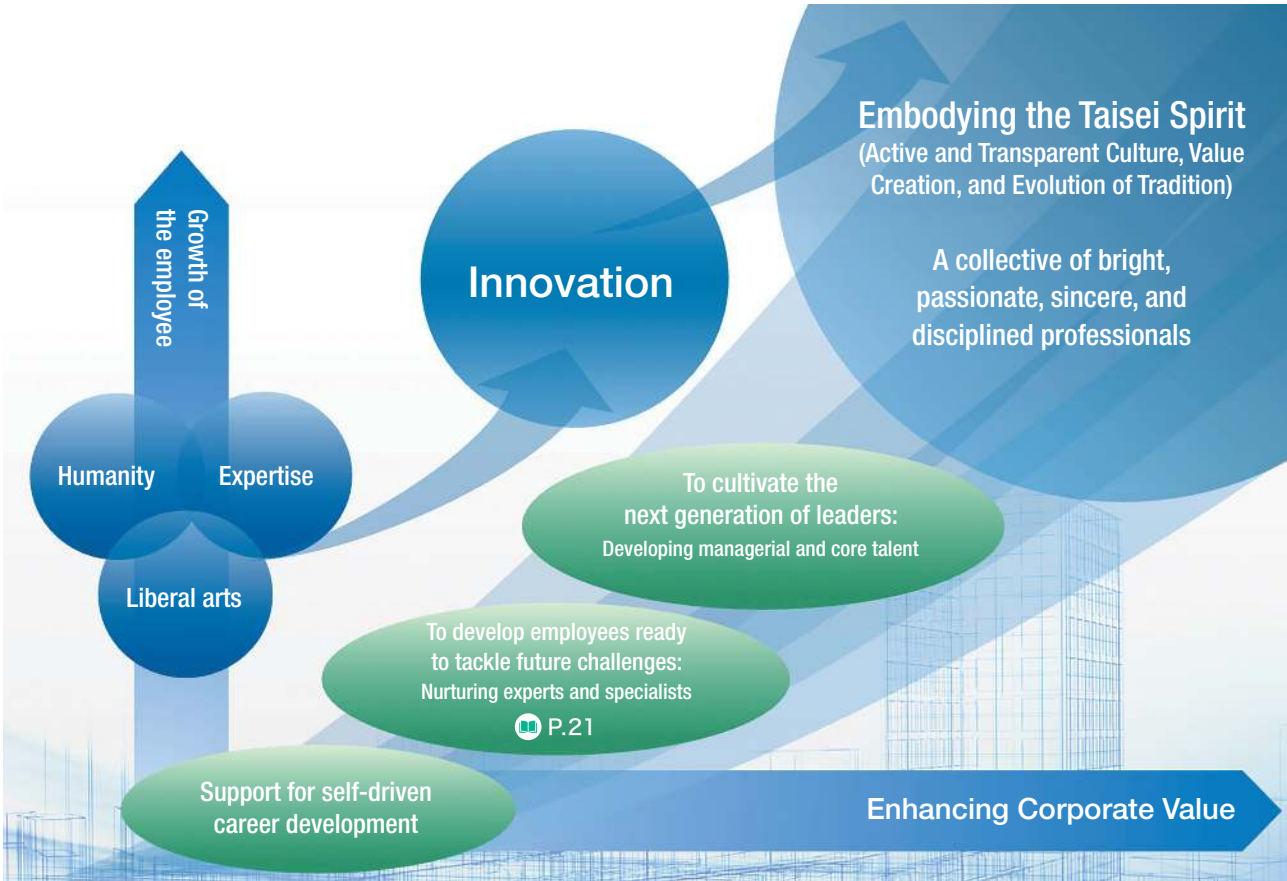
In FY2025, we plan to extend the program to include new technical employees and others, enhance the utilization of these tools, and further promote active communication between young employees and their mentors.

Initiatives to Prevent Caregiving-Related Resignations	
Work–Care Balance Support for Employees Providing Care	We grant up to 20 days of paid caregiving leave per year to accommodate both routine and urgent caregiving needs. Leave may be taken in hourly or half-day increments.
Regular Caregiving Seminars	We regularly hold online seminars on various caregiving topics, open to employees and their family members.

Human Capital Development

Based on the “Human Capital Development Master Plan” formulated to realize [TAISEI VISION 2030], we encourage each employee to engage in continuous learning for self-driven career development, aiming to cultivate strong personal qualities, advanced professional expertise, and a broad foundation in the liberal arts. Through such learning, and with the aim of realizing the Taisei Group Philosophy, we are implementing human capital development initiatives to cultivate more individuals who can drive innovation while embodying the Taisei Spirit—Active and Transparent Culture, Value Creation, and Evolution of Tradition.

As part of our human capital management, we have established a talent management system to gain a deeper understanding of employees’ skills and career aspirations. This allows us to place personnel in roles that match their abilities and preferences, fostering a workplace environment that balances both ease of work and job satisfaction. Through these efforts, we are strategically cultivating the next generation of highly engaged leaders—including future managerial and core talent.



Liberal Arts Training

To equip employees with essential liberal arts knowledge and cultivate a broad, multifaceted perspective—key to succeeding in today’s uncertain business environment—we are conducting the following programs. In FY2025, these programs were extended to include managers at Group companies.

- Liberal Arts Thinking Program (for newly appointed general managers)
- Liberal Arts Business Café (for newly appointed managers)
- Unlimited on-demand access to liberal arts lecture videos (available to senior management, all managers, next-generation managers, employees in minor career-track position, and other interested employees—approximately 6,000 people in total—plus about 200 managers from Group companies)

Generative AI Training

To enhance human capital development and improve operations through the use of generative AI, we are conducting practical training programs in collaboration with external partners. Participation is being gradually expanded through a combination of departmental nominations and open internal applications, with the goal of cultivating over 1,000 generative AI users within FY2025 and more than 3,000 by FY2026. These initiatives will broaden the base of human capital and accelerate productivity improvements and innovation.

Five Human Capital Development Initiatives

We support our employees through five key development initiatives shown on the right, so that they can continuously learn and challenge themselves, fostering independent career development. We are also strengthening partnerships with external educational institutions that offer programs to support learning for acquiring qualifications and improving skills. These partnerships provide our employees with access to corporate discounts, further encouraging self-directed learning among our employees.



Eliminating Harassment

We recognize harassment as both a human rights issue that seriously undermines individual dignity and a significant labor issue that adversely affects employees’ physical and mental well-being, while eroding trust and productivity throughout the workplace. To prevent such issues and respond promptly, the Company has established clear “Harassment Prevention” provisions in its work rules and enacted Detailed Regulations on Harassment Prevention, which explicitly define prohibited behaviors.

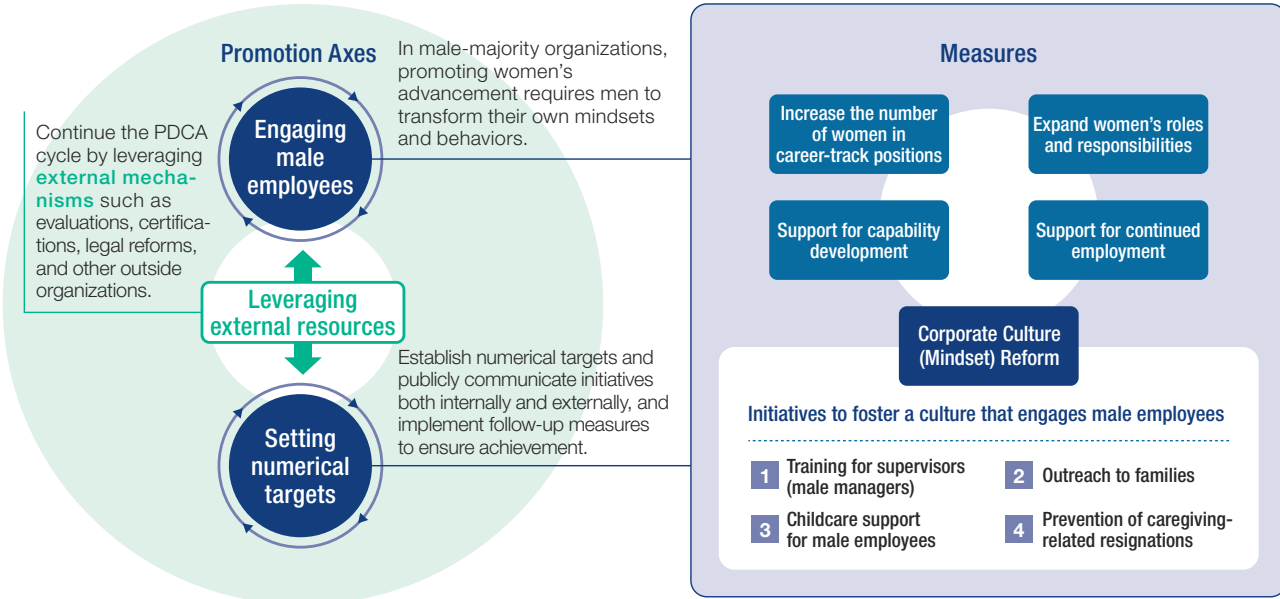
We also promote awareness and understanding through group training sessions for all employees, as well as e-learning programs. In addition, each division has established a consultation desk with a privacy-conscious framework, enabling employees to seek advice confidentially at any time. By creating a system that ensures no one faces problems alone, we foster an environment conducive to effectively addressing harassment issues.

Embedding DE&I

Since establishing the dedicated Women’s Empowerment Office (now the Human Resources Vibrant Workplace Promotion Section) in 2007, the Company has centered its efforts on engaging male employees and setting numerical targets, while continuously evaluating effectiveness and implementing improvements to create an environment where diverse talent can fully realize their potential.

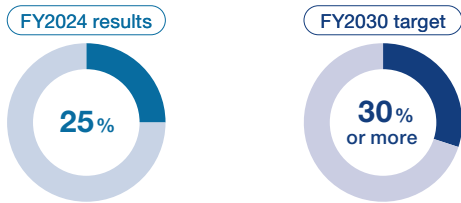
We will continue striving to create a workplace where all employees can thrive. With a focus on ensuring diversity and equity that considers each employee’s unique attributes—such as gender, child-rearing, caregiving, disability, sexual orientation, and gender identity—we will further advance our efforts in diversity, equity, and inclusion (DE&I).

Axes and Measures for Promoting DE&I

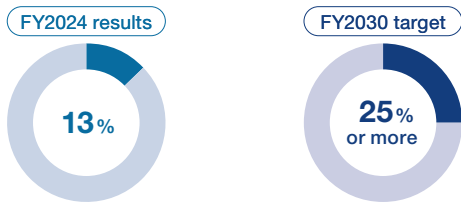


Numerical Targets and Progress

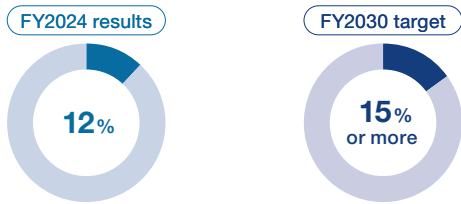
1. Percentage of Women Among New Graduate Hires



2. Percentage of Women Among Mid-Career Hires



3. Percentage of Women in Career-Track Positions



4. Number of Women in Managerial Positions* (vs. FY2020)



Managerial position refers to roles such as chief or deputy chief of a division, chief manager, project manager, and sales office manager.

5. Rate of taking childcare leave by males



Achieved 100% for six consecutive years for births in FY2017 onward*
*Available until the day before the child's second birthday.

Since FY2016, more than 2,100 male employees have taken childcare leave.

6. Average number of days of childcare leave taken by males



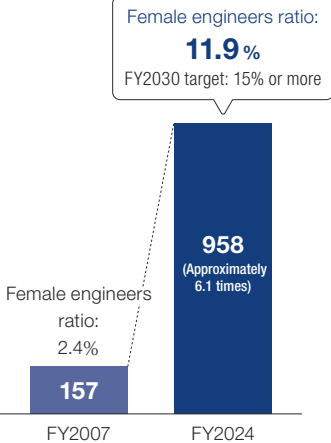
FY2022: 11.6 days; FY2023: 17.3 days

Diversity, Equity, and Inclusion
(Only in Japanese)

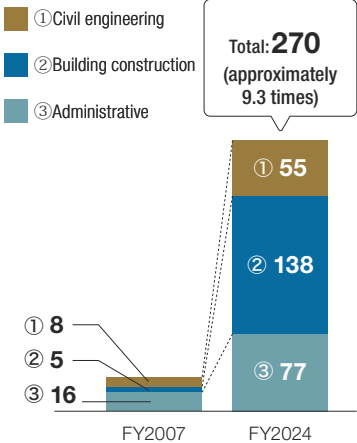
Initiatives to Accelerate Women's Empowerment

To enhance women's empowerment, the Company focuses on "broadening career opportunities for women" and "developing women managers." In the construction industry—often perceived as male-dominated—the proportion of women in on-site technical and sales roles remains low. By utilizing internal job postings and other initiatives, we are expanding the areas where women can actively contribute.

Trends in the Number of Female Technical Employees (All Employees)

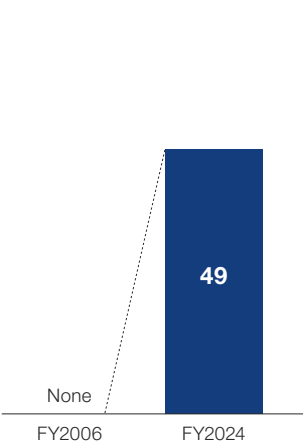


Trends in the Number of Female Field Employees (Core Positions*)



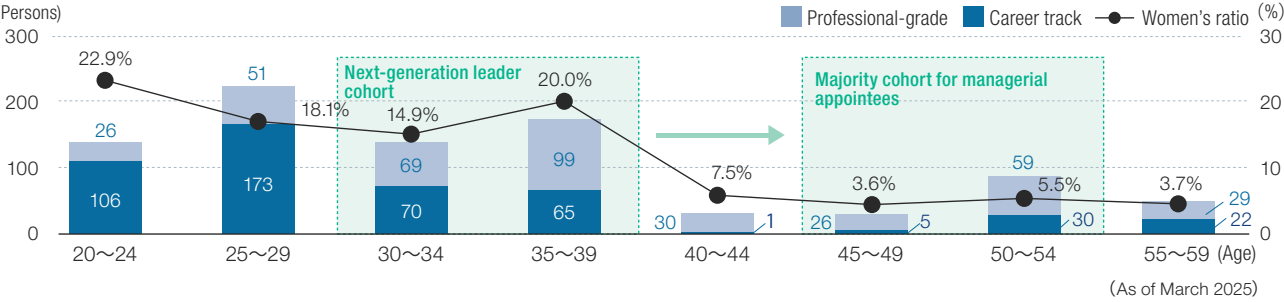
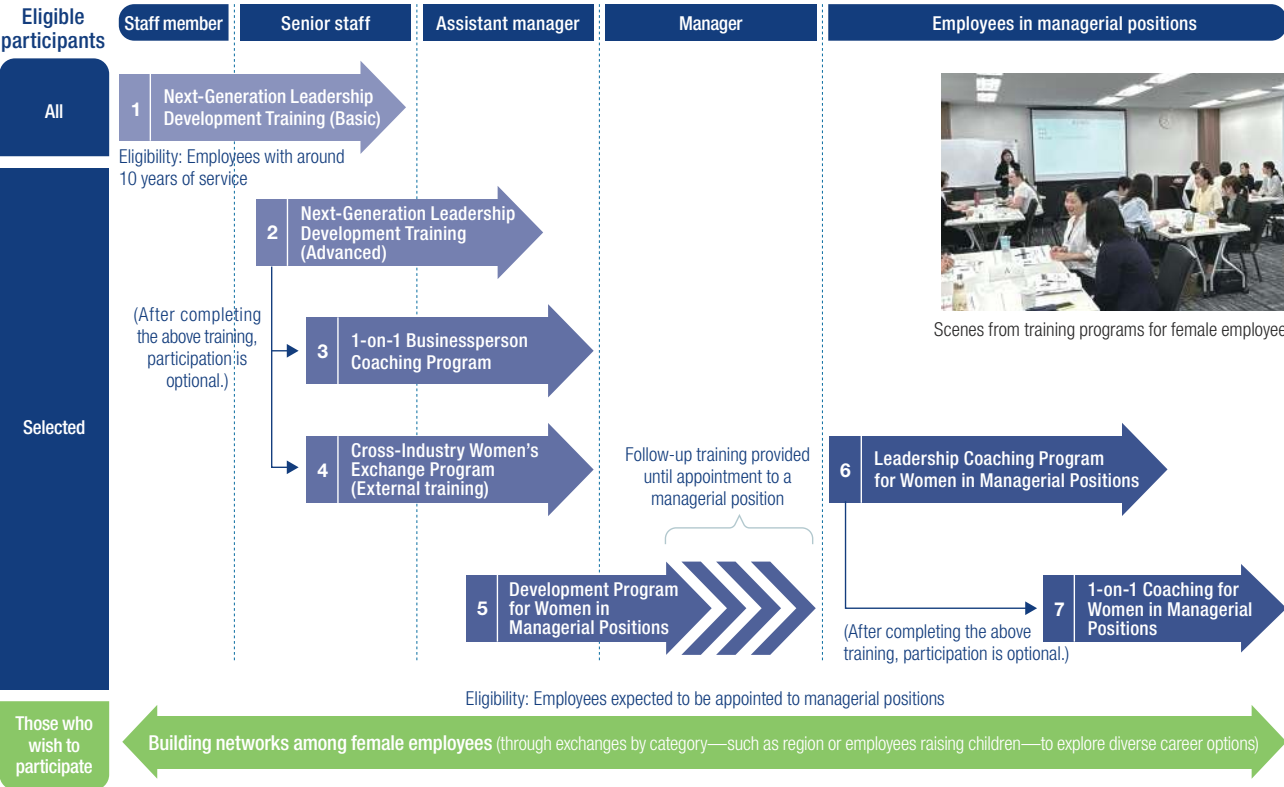
* Career-track and professional-grade positions

Trends in the Number of Female Field Sales Employees



Long-Term Development Program and Female Employees by Age: Numbers and Ratios

We provide training for female employees identified as candidates for future managerial positions, aimed at developing the qualities and skills required for management. Through multi-year follow-up, we are accelerating the advancement of women's empowerment.



Initiatives on Women's Health Issues

As expectations grow for women's contributions, we recognize the importance of improving employees' health literacy and fostering a workplace where colleagues understand and support each other. This approach enables women to continue working with confidence while addressing health issues unique to them. Initiatives include:

- Establishment of external specialist consultation services
- Preconception care
- Work-life balance support system for employees undergoing infertility treatment
- Subsidies for cancer screenings, etc.

Riko Challenge (Science and Engineering Challenge)

We believe that engaging with female students—from elementary school through university—who represent the "next generation" of potential interest in the construction industry helps broaden career opportunities for women. Since FY2015, we have participated in the Cabinet Office's Riko Challenge, hosting summer programs that include site visits, hands-on science workshops, and networking sessions with female engineers. By observing women engineers in action up close, many participants have reported being inspired to develop a stronger interest in the construction industry and to actively consider their future educational and career choices.

Aiming to Create a Gender-Inclusive Workplace Where All Can Work Comfortably

In an organization where men constitute the majority, realizing a workplace where both women and men can continue working while balancing work and family requires the understanding and cooperation of male employees. Recognizing this, the Company has provided training for male managers since 2008.

We also recognize that it is essential for the workplace as a whole to understand and support each employee's work-life balance. Accordingly, we have proactively advanced initiatives such as promoting men's childcare leave and preventing resignations due to caregiving. To further reinforce these efforts, the president has communicated a message to all employees, emphasizing the Company's strong organizational commitment. Going forward, we will continue to share this awareness throughout the organization and foster a workplace where everyone can fully realize their potential and work with confidence—regardless of gender.

Key Initiatives

- Diversity management training (for male managers)
- Unconscious-bias training (for all employees)
- Work-life balance support seminars (for women employees who are pregnant or on childcare leave and their partners)
- Fatherhood seminars
- Support for men's participation in childcare
- Prevention of caregiving-related resignations

Support for Men's Participation in Childcare

We hold fatherhood seminars and distribute Papa's Support Book for Balancing Childcare and Work, providing suggestions on using childcare-related systems and how to spend time during child care leave. To support flexible leave arrangements, part of the childcare leave period has been made paid. We have also expanded systems to enhance daily family participation, including childcare leave for caring for one's child or grandchild up to age two, paid family care leave that can also be used for school events such as class visits and PTA activities, "Flextime System for Balancing Childcare and Work," and telework. These initiatives provide employees with greater flexibility to participate in family life on a regular basis.

Preventing Caregiving-Related Resignations—So Everyone Can Continue to Thrive at Work

The Company has been actively pursuing initiatives to support "balancing work and caregiving" since 2010. Each year, we host online caregiving seminars open to employees and their families, as well as panel discussions with employees who have caregiving experience. With the mindset that "caregiving is everyone's concern," we will continue expanding programs that help employees balance work and caregiving, ensuring that no one is forced to leave their job because of caregiving responsibilities.

P.74 Initiatives to Prevent Caregiving-Related Resignations

Supporting the Success of Foreign National Employees

At the Company, foreign national employees from a wide range of countries and regions are actively engaged across various roles. In workplaces where Japanese employees are the majority, we promote the following measures to support foreign national employees in overcoming challenges unique to them—such as understanding nuanced language differences and adapting to different customs—so they can fully demonstrate their abilities.

Follow-up Training for New Graduates After Joining the Company and Mid-Level Employees

In addition to covering Japanese-specific business expressions and corporate etiquette, the program also supports participants in planning their future careers and encourages the building of networks among foreign national employees. New employees are furthermore provided with opportunities to gain essential knowledge on residence status, taxation, and social insurance.

Training for Managers Supervising Foreign National Employees

In addition to guidance on key points to consider when welcoming foreign national employees into the workplace, this program offers managers opportunities to learn effective development methods and the essential qualities required of those responsible for onboarding.

Creation and Distribution of a Global Communication Book

We have developed and distributed a handbook that provides essential information on welcoming and developing foreign national employees in the workplace.

VOICE Voice from a Foreign National Employee

Supported by Training and Encouragement, Taking Steady Steps as a Professional

Head Office, International Operations Headquarters
International Business Strategy Department, Assistant Manager

Alvin KUSTEDJO



I came to Japan as an international student at university. After joining the Company, I was at times perplexed by Japan's unique business culture. In particular, I felt uncertain about language nuances and workplace etiquette. Thanks to post-entry training and daily on-the-job training, I gradually deepened my understanding and can now engage in my duties with peace of mind. I currently work in the International Operations Headquarters, taking on tasks I can contribute to in my own way. Although there are still aspects that are not easy for me as a foreign national employee, I am truly grateful for the support I receive from those around me and will continue striving to grow steadily.

Creating an Inclusive and Supportive Environment for LGBTQ+ Employees

We are committed to fostering a workplace where LGBTQ+ employees can work with confidence and authenticity. To this end, we have enhanced training and awareness programs on LGBTQ+ topics for all employees and established a dedicated consultation desk to provide related support.

In April 2025, we joined Pride 1000, a network of corporate executives advocating for the protection of LGBTQ+ rights.



Dialogue with an External Expert on LGBTQ+ Issues

In March 2025, we welcomed Gon MATSUNAKA (photo, left), Representative Director of the certified NPO Good Aging Yells, an organization actively engaged in a wide range of LGBTQ+-related initiatives, for a dialogue with Toshifumi YASUDA, Head of the Sustainability Management Promotion Division.

During the discussion, MATSUNAKA provided valuable advice on our Group's efforts to foster an inclusive and supportive environment for LGBTQ+ employees. We will apply these insights to future initiatives as we continue to uphold our commitment to "respecting the lives" of everyone involved in the Group's businesses.

For more details on the dialogue, please visit our website.

Dialogue with an External Expert on LGBTQ+ (Only in Japanese)



VOICE Voices of Women Engineers

Growing Together with the Company—Evolving as a Leader and a Parent

Tokyo Branch, Nomikawa Shaft Construction Project Manager

Shoko KOMATSU



I serve as project manager for the Improvement Works on River Nomikawa Waste Water Detention System, commissioned by Ota City, Tokyo. I have an elementary-school-age child, and I share housework and childcare with my husband while pursuing my career. There are still few women project managers. I was able to learn what kind of leader I should be through internal business coaching. There were also periods when I utilized the shortened working hours program to balance work and family. I feel reassured knowing that the Company stands by me, helping me lead a colorful and well-rounded life.

VOICE Voices of Male Employees Taking Childcare Leave

Taking Childcare Leave with Peace of Mind

Head Office, Building Construction Division, Construction Sitework Promotion Center, Standardized Work Promotion Section, Assistant Manager

Seiya OKUYAMA



Because the Company actively encourages childcare leave, the supportive atmosphere in my department and my manager's approach made it very easy for me to take leave. Under my manager's guidance, the entire department discussed how to hand over my duties and provided full support. By carefully going over each of my tasks in advance to ensure a smooth transition, I was able to begin childcare leave with peace of mind.

Technology and DX (Intellectual Capital)

Message from the Chief of Taisei Advanced Center of Technology

To Pioneer the Future Through Innovation
Driven by Cutting-Edge Technology
Development

Managing Executive Officer
Chief of Taisei Advanced
Center of Technology
Ichiro NAGASHIMA



Under the [TAISEI VISION 2030] Achievement Plan, the Group positions technology development as one of its fundamental management policies. We have identified four priority areas—addressing social and environmental challenges, strengthening social infrastructure, promoting regional revitalization, and advancing frontier domains—and are steadfastly promoting innovative technology development as part of our unwavering commitment to building a better future.

As part of our efforts to combat the pressing issue of climate change, we are expanding the application of our zero-energy building (ZEB) technologies to renovation projects and pursuing CO₂ reductions throughout the entire building life cycle by realizing more advanced zero-carbon buildings (ZCBs). In parallel, we are promoting the development and practical implementation of T-eConcrete®, which enables substantial CO₂ reductions, while also actively advancing the use of timber in mid-rise construction.

At the same time, to tackle the labor shortage facing the

construction industry, we are driving productivity enhancement and process innovation by leveraging generative AI, automation, and remote technologies. Our aim is not only to achieve more efficient construction, but also to help transform the industry into a more attractive field. Furthermore, in promoting regional revitalization, we are actively contributing to local community development by taking on new fields such as carbon capture and storage (CCS).

Creating innovation and pioneering the future requires close collaboration with people and organizations that bring diverse expertise and values. We are vigorously promoting open innovation with startups, universities, and research institutions—beginning with a comprehensive partnership with the National Institute for Materials Science (NIMS)—as well as our newly launched New Business Generation Supporting Program. Guided by the pioneering spirit of our founder, Kihachiro OKURA, we remain committed to enhancing corporate value and achieving sustainable growth.

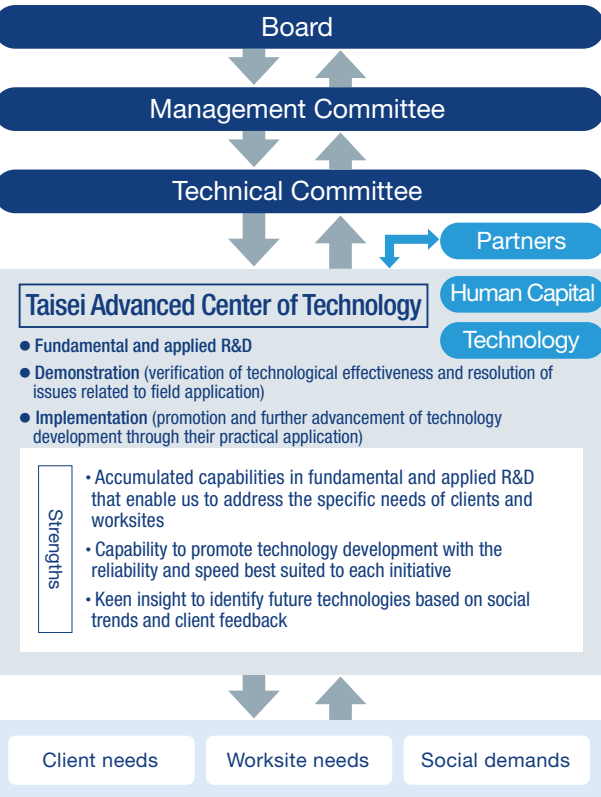
R&D Promotion System—The Driving Force of a Professional Team Leading Technological Innovation

To promote innovative technology development—and to deliberate, plan, and monitor the R&D essential for achieving the [TAISEI VISION 2030]—the Group has established a Technical Committee chaired by the President.

We believe that accurately identifying the needs of clients and worksites, and social demands—and strengthening our technological capabilities through agile and responsive development that leverages open innovation—constitute the true source of the Group's competitiveness. To embody this belief, we operate the Taisei Advanced Center of Technology that serves as the core of our R&D and innovation.

The Center brings together a diverse pool of professionals, including engineers with experience in design divisions, construction sites, and other industries, as well as more than 100 researchers holding doctoral degrees in various specialized fields.

In addition to its fundamental and applied research capabilities that directly address the individual needs of clients and production sites, the Center enhances the Group's technological leadership by anticipating social trends and proactively developing the technologies that will be required in the future.



Establishing the Taisei Group Next-Generation Technology Research Institute in Satte —Taking on the Challenge of Innovative Technology Development and Digital Transformation to Provide Solutions for Clients' Needs—

To address societal and client challenges and to advance the Group's material issues—particularly the “Realization of a Sustainable, Environmentally Friendly Society”—by leading the development of innovative technologies at our own research facilities, the Company is constructing the Taisei Group Next-Generation Technology Research Institute in Satte City, Saitama Prefecture. By implementing and disseminating the new technologies developed at this institute, we aim to enhance the Group's corporate value and achieve sustainable growth.



Introduction of Key Applied Technologies

T-ZCB®

In the research management building, we aim to realize a zero-carbon building by applying T-ZCB®, the Company's proprietary zero-carbon building evaluation index, to achieve a net-zero CO₂ balance throughout the entire building life cycle—including procurement, construction, and operation.

At each stage—procurement, construction, and operation—we are implementing a variety of initiatives to reduce CO₂ emissions, including the use of timber and other low-carbon construction materials, the adoption of electrification and decarbonized fuels during construction, and the introduction of advanced energy-saving and energy-generating technologies.

Environmentally Friendly Concrete “T-e Concrete®” and 3D Printing Technology

We have developed and, for the first time, applied a high-performance column member that integrates T-e Concrete®/Carbon Recycle—which achieves a negative CO₂ emissions balance—with 3D printing technology that enhances productivity in both design and construction.



Column fabricated using 3D printing technology

Construction Approval Metaverse™

For the construction of this research institute, we utilized the Company-developed Construction Approval Metaverse™ to facilitate consensus among stakeholders. A metaverse environment was created from the design BIM data using a game engine. During meetings, participants operated avatars to freely navigate the 3D space and review project details together, thereby streamlining decision-making and preventing rework.



Construction Approval Metaverse™

Initiatives to Achieve [TAISEI VISION 2030]

To realize the Group’s material issues and the vision set out in [TAISEI VISION 2030], we have organized the priority domains and the Group’s approaches into a “Technology Mapping,” through which we are steadily advancing technology development.

	Perspectives and Approaches to Address			
	①Response to individual projects	②Response to enhancement of the productivity and innovation of production process	③Response to construction-related business and new business	④To explore future issues and innovative initiatives
Areas to Be Addressed	Social and environmental issues (CN, CE, NP, working environment, etc.)	ZEB / RNZEB, ZCB, wooden buildings (Next-Generation Technology Research Institute), Smart buildings (Honmachi 4-Chome Project) Floating offshore wind power Utilizing T-eConcrete®	Construction robots 3D printers T-iDigital® Field T-BasisX®	Hydrogen utilization Energy storage Biomass CO2 fixation, CCS Wood waste utilization Green chemistry Algae sustainable aviation fuel (SAF)
	To strengthen social infrastructure (natural disasters, infrastructure)	Highway renewal Earthquake-resistant reinforcement of infrastructure	Remote control, automation, and autonomy of heavy machinery and its simulation and sophistication of the analysis	Business continuity planning (BCP) support (development of SOKUSHIN NAVI®, etc.) Sophistication of disaster information (response to Mt. Fuji eruption, etc.)
	Regional revitalization (community design, infrastructure)	Sophistication of integrated supply and demand energy management system (AEMS, etc.)	Metaverse utilization (digital communication, etc.)	Automatic operation/ wireless power supply (collaborations with startups, etc.) Optimization of wood circulation (production utilization, recycling)
	New frontier business (business model)	Development of service robots (transportation, guidance, cleaning, etc.)	New construction materials	Development of T-eConcrete® Agricultural land utilization Embodied carbon reduction technology Utilization of lunar space and lunar surface energy utilization

In-box note: Specifically focused areas. Because the time frame to implementation, underlying drivers, and expected outcomes differ by technology development unit, we have classified these into four categories and identified the specifically focused areas among those to be pursued in the short term.

DX at the Taisei Group

In the [TAISEI VISION 2030] Achievement Plan, the Taisei Group positions digital transformation (DX) as one of the methodologies for business transformation that are essential for executing its medium- to long-term strategy. Under the basic policy of “To enhance the corporate value of the Group by positioning information (digital technology and data utilization) as a new management resource,” we are expanding our accumulated expertise through digitalization and taking on the challenge of next-generation manufacturing that connects people with buildings and the environment.

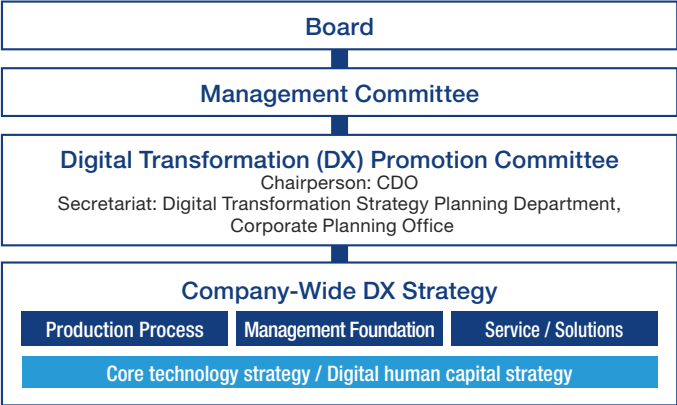
The Company’s DX initiatives were recognized with its first-time selection as a “DX Stock 2025.” This program — sponsored by the Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency (IPA)—recognizes companies that are fundamentally transforming their business models through digital technologies and pursuing new growth and enhanced competitiveness.



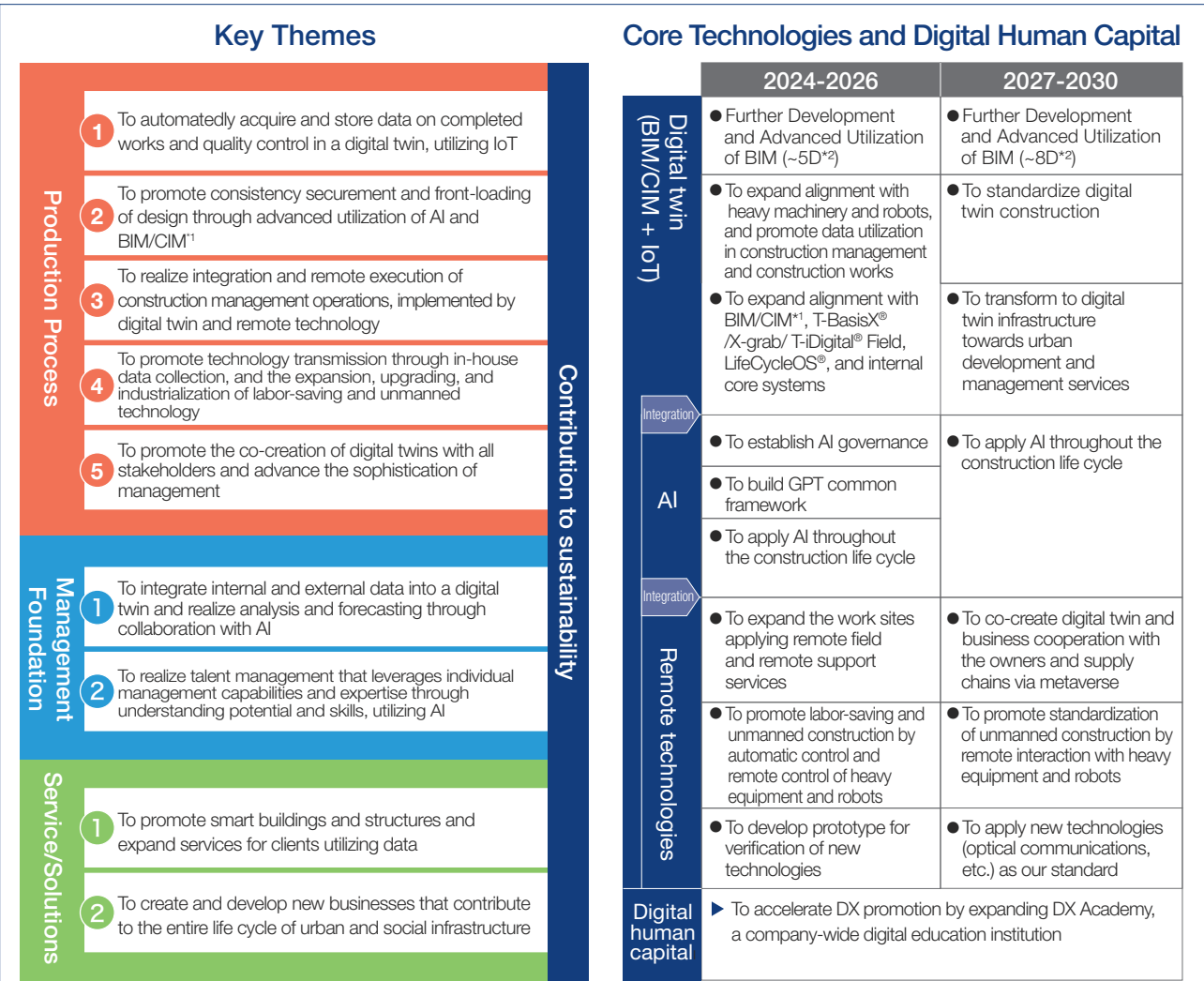
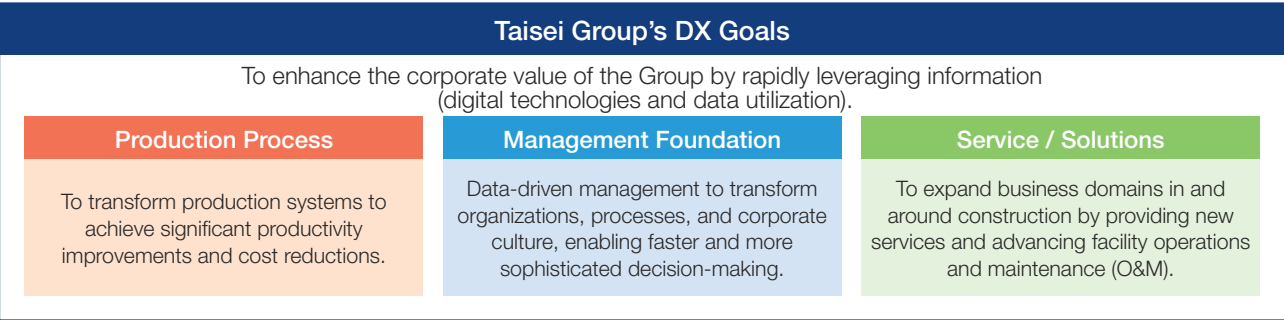
DX Promotion Framework

To realize the [TAISEI VISION 2030] Achievement Plan, the Company has established the Digital Transformation (DX) Promotion Committee, chaired by the Chief Digital Officer (CDO), as an advisory body to the Management Committee, which is headed by the Representative Director and President. The committee deliberates on, formulates, and monitors measures to promote DX.

Furthermore, to accelerate these efforts, the Company established the Digital Transformation Strategy Planning Department in January 2024 to formulate and drive cross-organizational DX strategies that contribute to the advancement and transformation of each business.



DX Strategy



*1 Building/Construction Information Modeling, Management. This involves implementing a building database where attribute data such as cost, finishes, and management information is added to a 3D digital model of the building created on a computer from the investigation, planning, and design stages. This database is then utilized and enriched with information throughout the subsequent construction and maintenance stages. By sharing this information among all stakeholders across the project lifecycle, we aim to improve efficiency and sophistication for both clients and contractors across the entire construction production and management system.
*2 4D: Construction process management, 5D: Cost management, 6D: Sustainability, 7D: Maintenance management, 8D: Safety management

AI Strategy | Established the “Declaration on the Appropriate Utilization of AI (AI Fundamental policy)” (December 2024)

By ensuring the appropriate utilization of artificial intelligence (AI), we aim to address challenges faced by society, clients, and partners, thereby contributing to the realization of the Taisei Group Philosophy.

- Human-centered AI
- Compliance with laws and regulations and consideration for social norms
- Ensuring transparency and accountability
- Respect for diversity and fairness
- Trustworthy AI

AI Fundamental policy (Only in Japanese)

Initiative Example

Strengthening Social Infrastructure x DX in Production Process

Promoting Automation Technologies for Construction Heavy Equipment and Machinery
—Taking on the Challenge of Enhancing Productivity and Safety—

Amid the worsening shortage of skilled construction workers and future successors, automation technologies are increasingly needed to realize construction sites that are safe, comfortable, and highly productive—even with smaller crews. The Company's T-iROBO® Rigid Dump is an automated dump truck capable of independently transporting earth and sand, contributing to the realization of automated construction operations. In addition, T-iDigital® Field is a system that supports construction operations by aggregating, integrating, and visualizing information on “people,” “equipment,” and “events” at worksites in the cloud. The system enables the automatic accumulation of construction data and the automation of data linkage. Because digitized construction data can be accessed from anywhere, it can be used to monitor progress as well as to review and optimize construction methods.

The application of these two automation technologies to earth and sand transport operations has resulted in improved productivity, safety, and comfort. Going forward, we will continue to advance the development of automation technologies and contribute to the realization of automated construction.



Autonomous Crawler Dump “T-iROBO® Crawler Carrier” (Only in Japanese)



T-iROBO® Rigid Dump and installed devices

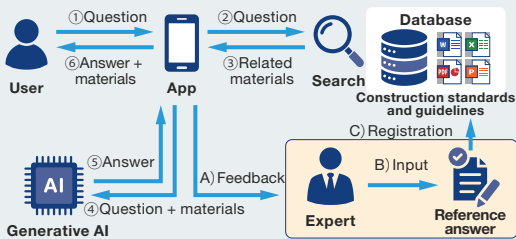


Worksite management status via monitor screens

DX in Production Process

Development of a Building Construction Technology Search System Using Generative AI
—Taking on the Challenge of Addressing Labor Shortages and Enhancing Productivity—

With the growing volume of discipline-specific technical information, the sharing and transfer of information and expertise to the next generation have become challenges. In response, the Company has developed a Building Construction Technology Search System that leverages generative AI to provide rapid, accurate, and appropriate answers to specialized questions related to construction execution. The system identifies and extracts relevant documents and literature from a vast and reliable repository of internal technical resources. By enabling precise and efficient sharing of information and expertise among stakeholders, we aim to further strengthen our knowledge base, ensure the steady transfer of technical know-how, and contribute to addressing labor shortages and enhancing productivity.



DX of Services and Solutions

Development of an Autonomous Transport Robot for Injectable Drug Carts
—A Proposal to Reduce the Burden on Healthcare Workers and Alleviate Staffing Shortages—

In Japan's medical facilities, the in-house transport of carts carrying large quantities of injectable drugs imposes a significant daily burden on healthcare workers, making the improvement of operational efficiency a pressing challenge.

With the cooperation of THK CO., LTD. and Sakase Chemical Co., Ltd., the Company has developed PoBOT (Pobo), an autonomous robot capable of independently performing transport tasks. The robot can automatically dock with and detach from off-the-shelf injectable drug carts without any additional modification, and it navigates autonomously to perform unmanned in-facility transport operations such as pick-up and delivery. By streamlining transport operations, PoBOT contributes to reducing the burden on healthcare workers and alleviating staffing shortages.



Social and Environmental Issues

Promoting Technologies to Realize Wood-Based Spaces
—A Proposal for a Decarbonized Society and Enhanced Well-Being—

As the need to reduce environmental impact throughout the entire building life cycle becomes increasingly important, wood is attracting growing attention not only for its ability to store CO₂ but also for its psychological benefits—such as creating a sense of calm—that contribute to enhanced well-being. Consequently, the use of wood is becoming more widespread. However, the absence of a clear definition of “wood-based architecture” has made it difficult to establish a common understanding among stakeholders, thereby hindering broader adoption.

The Company has pioneered the establishment of a

definition for “wood-based architecture.” We have created a product matrix using proprietary indicators that quantify factors such as the volume of wood used and structural characteristics, and have developed concept models that clearly illustrate standard forms. Having built a tradition of wood-based architecture—exemplified by our active use of domestic timber in constructing the Japan National Stadium based on the “Stadium in the Forest” concept—we will continue working to realize sustainable architecture.

Formulated Our Own Definition and Classification Table of Wooden Architecture (Only in Japanese)

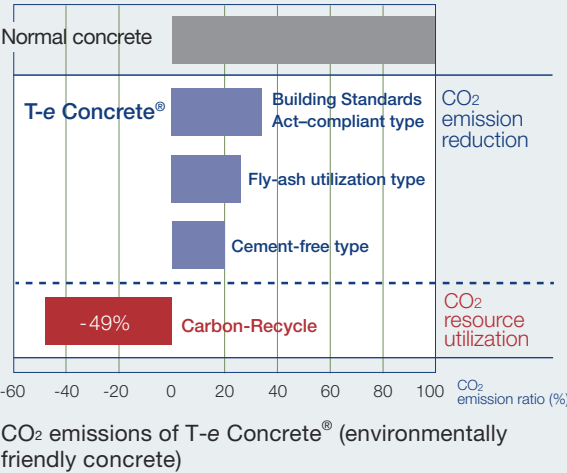


- Wellness-oriented spatial design featuring extensive use of wood in interiors and upper levels
- Appropriate use and optimal placement of steel frames and reinforced concrete in outer shells and cores, incorporating proprietary seismic isolation and vibration control technologies
- Contributing to the realization of a decarbonized society through the proactive use of wood

New Frontier Business

T-e Concrete®: Development of Environmentally Friendly Concrete
—Taking on the Challenge of Creating a Decarbonized and Recycling-Oriented Society—

In response to the growing demand for reducing CO₂ emissions across the construction value chain to achieve carbon neutrality, the T-e Concrete® series contributes to emissions reduction—and even a negative CO₂ balance—by using industrial by-products and carbon recycling materials as raw materials instead of cement, which accounts for over 90% of total emissions in the concrete production process, a vital component of social infrastructure development.



EARTH MART, Signature Pavilion at EXPO 2025 Osaka, Kansai, Japan, produced by Kundo KOYAMA

For initiative examples of “regional revitalization (community design, infrastructure),” please see the Regional Collaboration page.



Partners (Social Capital)

<Safety>

Message from the Chief of Safety Administration Division

To Eliminate Serious Injuries, Major Accidents, Third-Party Accidents, and Fires, and to Achieve Zero Environmental Incidents

Executive Officer
Chief of Safety Administration
Division
Yusuke HATAE



In the [TAISEI VISION 2030] Achievement Plan, the Group positions safety as one of the Policy on Business Foundation Development. Our basic policy is to continuously pursue zero fatal accidents, zero major accidents, and zero environmental incidents. Furthermore, under our Safety and Health Policy, with the Occupational Health and Safety Management System (TAISEI OHSMS) as its foundation, we are committed to developing workplaces where all employees can work with peace of mind and to becoming a company trusted and supported by society. We regard the elimination of serious injuries, major accidents, third-party accidents, and fires as a critical challenge in fulfilling our corporate social responsibility. Above all, incidents that threaten human life must never occur, whether on or off the worksite; should such an event take place, its social impact would be immeasurable. To eliminate such accidents and injuries, it is essential to raise occupa-

tional safety and health standards. Worksite patrols and safety and environmental education are crucial and effective means of achieving this. Patrols serve as a preventive measure, identifying and addressing potential risks at worksites and providing objective advice for improvement, thereby contributing to accident prevention. Education also plays a vital role in enhancing safety awareness among all individuals involved in construction. By implementing these initiatives on a continual basis, we are steadily improving our safety and health standards. We are also working to strengthen collaboration with members of the Soyukai, an association of our core subcontractors. By proactively engaging in initiatives such as training programs and support for securing future talent, we aim to address shared challenges and contribute to the development of a more resilient society.

Initiatives to Achieve [TAISEI VISION 2030]

Enhancing Incident Analysis and Raising Safety Awareness Through AI-Based Image Recognition

We have introduced a facial recognition system for entry and exit management and are utilizing work data obtained through this system, together with records of accidents and incidents, to identify trends and examine improvements in safety management, thereby helping to prevent incidents before they occur. In addition, we are enhancing safety standards by employing AI-based image analysis to monitor worker's activities and issue timely alerts.



Safe

Considered safe when the safety hook is securely attached to the handrail.



Unsafe (hook disengaged)

Considered unsafe when the safety hook is detached from the handrail.

Enhancing Environmental Education and Patrols

To continuously achieve zero environmental incidents, we provide education that underscores the significant societal impacts of environmental accidents, drawing on past cases to raise environmental awareness. In addition, through environmental patrols, we are working to thoroughly identify and eliminate potential risks.

Measures to Eliminate Serious Injuries, Major Accidents, Third-Party Accidents, and Fires

Together with its partner companies, the Company has established a safety and health management framework based on TAISEI OHSMS. By steadily implementing the system's safety processes and providing on-site guidance through worksite patrols to ensure rigorous safety management tailored to each site's conditions, we are striving to prevent accidents and incidents before they occur.

Expanding Safety Education

In the previous fiscal year, 511 of the Company's younger employees participated in the "Safety Academy," a program designed to enhance hazard awareness. In the current fiscal year, the program has been expanded to include Group companies and specialized contractors, with approximately 2,800 participants expected. We are providing practical, site-oriented safety education through initiatives such as simulated accident experiences and virtual patrols conducted in a metaverse environment.



Virtual patrols in a metaverse environment

Collaboration with the Soyukai

The Soyukai, the organization comprising the Company's core partner companies, conducts regular opinion exchanges and training sessions with the Company through the nationwide Soyukai Federation and the branch-level Soyukai associations. These exchanges cover topics such as the development of successors at partner companies and initiatives by the Company to improve working conditions, with the outcomes reflected in various measures.

In addition, as a sub-organization of each branch-level Soyukai, we have established the Youth Management Research Group, consisting of young managers who will lead the next generation. The group holds study sessions and networking events to foster the skills and qualities required to serve as business leaders and future Soyukai executives.

Securing Human Resources for Soyukai Member Companies

Addressing labor shortages stemming from Japan's declining birthrate and aging population is an urgent challenge for the construction industry. To sustain the supply chain and support Soyukai member companies in securing skilled personnel, the Company has established an end-to-end support framework that includes recruitment strategy briefings by specialized consultants, various programs to assist with hiring new entrants, training to help prevent turnover, and initiatives to support business succession.

As part of these efforts, we have also begun assisting Soyukai member companies in producing YouTube advertising videos. When these videos feature the Company's logo or photos of its construction achievements, the Company covers approximately half of the production costs.

Skill Development Training for Soyukai Member Companies

In collaboration with the Soyukai Federation, we are implementing training programs to support the skill development of employees across a wide range of positions at member companies. These include career-planning programs for new employees, various technical and skills training sessions, and executive training programs for future managerial candidates.

In recognition of these initiatives, the Soyukai Federation received a letter of appreciation from the Governor of Tokyo last year as an Outstanding Certified Vocational Training Implementing Organization.



Scenes from skills training conducted during Soyukai new employee training

Coexistence and Shared Prosperity with Supply Chain Partners

"The Works to Create Landmarks, 'Looking Ahead"—this is not something the Taisei Group can accomplish on its own. It is made possible only through close collaboration with partner companies and other members of our supply chain. For the Group, these partners are indispensable collaborators who hold the key to creating value that goes beyond the expectations and imagination of our clients and society. That is why we place the utmost importance on "respecting lives of everyone" involved in our business, and on fostering an environment in which people working on sites can take pride in their work and perform with vitality.

Guided by this conviction, the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole include the principle of promoting partnerships with subcontractors and suppliers, and we are committed to building fair, trust-based relationships. Going forward, we will continue to deepen collaboration with our partners and contribute to the creation of a more resilient society.

Declaration of Partnership Building

In August 2020, the Company issued its Declaration of Partnership Building, which outlines our commitment to coexistence and shared prosperity across the entire supply chain, to fostering new collaborations that transcend differences in company size and corporate group affiliation, and to complying with the Promotion Standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. The declaration is updated as appropriate, and the Company strives to engage in sincere dialogue and good-faith consultations with subcontractors and suppliers regarding requests for cost pass-through and related matters.

Initiatives to Enhance Productivity Through Collaboration with Subcontractors and Suppliers

By linking BIM/CIM data with specialized contractors and utilizing worksite management systems—such as T-BasisX® in the building construction business and T-iDigital® Field in the civil engineering business—the Company is promoting the development of an efficient, high-quality construction production system through information sharing at every stage of the construction process.

〈Human Rights and Environmental Due Diligence〉

To tackle sustainability issues across the entire supply chain in collaboration with our subcontractors and suppliers, the Company has established mechanisms for human rights and environmental due diligence. The status of implementation is reviewed regularly by the Management Committee, and improvements are made as necessary. We will continue to advance these efforts and translate them into enhanced corporate value.

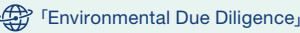
Human Rights Due Diligence

In 2022, the Company revised its Human Rights Policy and, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), launched human rights due diligence initiatives. We identify priority issues for each stakeholder group and are working to cease, prevent, and mitigate adverse human rights impacts associated with our business activities.

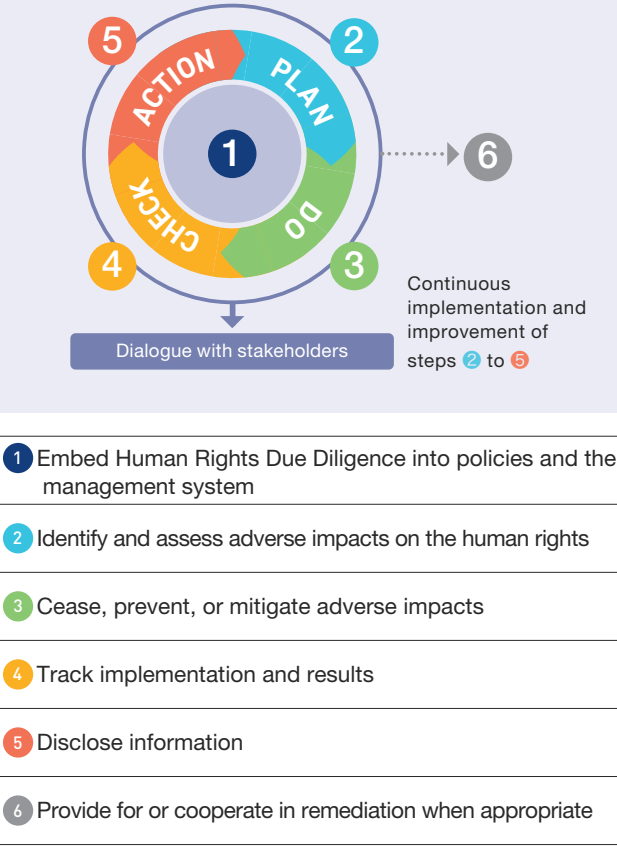


Environmental Due Diligence

In 2023, the Company revised its Environmental Policy and, in accordance with international guidelines, launched initiatives to conduct environmental due diligence. We identify priority issues for each stage of our value chain—upstream (subcontractors and suppliers), direct operations, and downstream (clients)—and are working to cease, prevent, and mitigate adverse environmental impacts associated with our business activities.



Due Diligence Process and Supporting Measures



Priority Human Rights Issues

With advice and guidance from external experts, the Company identified human rights risks associated with the Group’s business activities, based on international human rights guidance such as the UNEP FI Human Rights Guidance Tool. These identified risks were then analyzed and evaluated quantitatively from two perspectives: (1) impact on human rights—including severity, number of people affected, remediability, and likelihood of occurrence—and (2) the degree of linkage with the Company. Based on this assessment, we determined our priority human rights issues. For these priority issues, we have established specific measures to prevent and mitigate adverse impacts and to evaluate their effectiveness. Through these initiatives, we are advancing efforts to “respect lives of everyone” connected to our business activities.

Priority Human Rights Issues in the Supply Chain

Employees of Specialized Contractors	Employees of Suppliers
● Health and safety (occupational accidents) ● Working conditions (wages, long working hours) ● Discrimination and harassment ● Migrant labor (foreign workers) ● Forced labor [overseas] ● Child labor [overseas]	● Working conditions (wages, long working hours) ● Migrant labor (foreign workers) ● Forced labor [overseas] ● Child labor [overseas]

Priority Environmental Issues

With guidance and advice from external experts, the Sustainability Division (integrated) and the Sustainable Procurement Council (now the Human Rights Due Diligence Subcommittee – Supply Chain Working Group*) identified risks across all of the Group’s businesses by value-chain segment. The assessment referenced both domestic and international frameworks and guidance, including the Climate Disclosure Standards Board (CDSB) Guidance, the Task Force on Climate-related Financial Disclosures (TCFD), and the Taskforce on Nature-related Financial Disclosures (TNFD). The identified environmental risks—such as degradation of air, ecosystems, water, and soil; the progression of climate

*Responsible for revisions to the Taisei Group Sustainable Procurement Guidelines.

change, including global warming; and adverse health impacts—were quantitatively analyzed and evaluated from two perspectives: (1) impact if realized and (2) likelihood of occurrence. Based on deliberations by the Sustainability Committee and the Board, the “priority environmental risks” were determined. For priority risks related to the supply chain, we are implementing measures to prevent and mitigate adverse impacts through initiatives such as promoting green procurement and collaborating with subcontractors and suppliers in accordance with the Sustainable Procurement Guidelines.

Collaboration with Subcontractors and Suppliers

Sustainable Procurement Guidelines

To contribute to solving sustainability challenges—including those related to human rights and the environment—through our business activities, the Company disseminates the Taisei Group of Companies Sustainable Procurement Guidelines to all subcontractors and suppliers. The Guidelines set out areas for joint initiatives between the Group and its subcontractors and suppliers, and we request that our subcontractors and suppliers implement activities in accordance with these Guidelines. To promote the widespread adoption of the Guidelines, we continue to hold briefings and training sessions for subcontractors and suppliers. In January 2024, the Company published the Taisei Group Supply Chain Sustainability Handbook, which clearly explains our due diligence initiatives and related efforts. We use this handbook in training and other activities to deepen subcontractors and suppliers’ understanding and further advance collaborative sustainability practices.

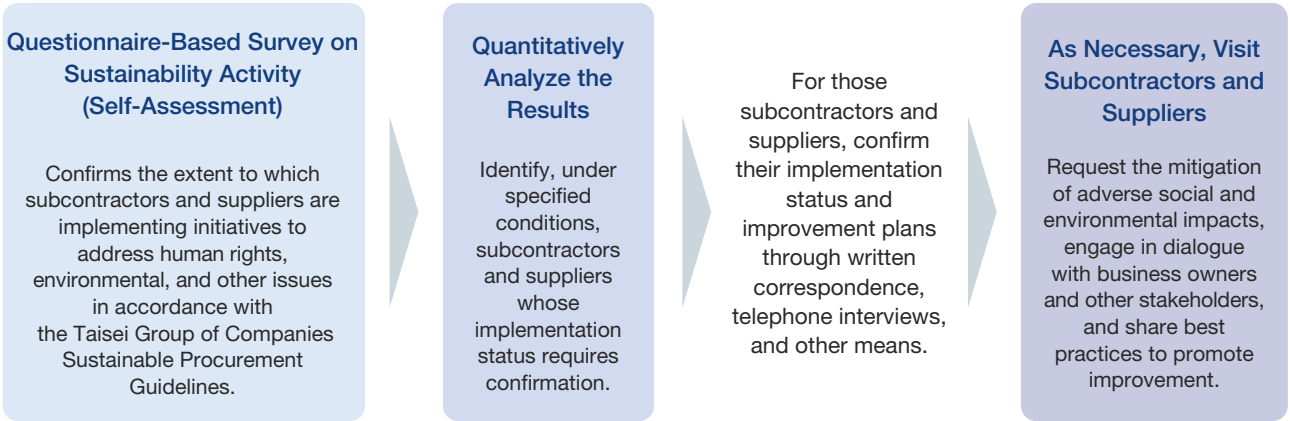


Sustainability training for subcontractors and suppliers, led by the Chief of Sustainability Division (Integrated) (February 2025)

Taisei Group Supply Chain Sustainability Handbook (Only in Japanese)

Evaluating Implementation Effectiveness—Subcontractors and Suppliers Self-Assessments

To address social issues—including human rights—and environmental issues within the supply chain, we conduct annual subcontractors and suppliers self-assessments in accordance with the following procedure. For second-tier and lower suppliers, we request that first-tier subcontractors and suppliers provide awareness-raising and guidance. In addition, beginning in FY2023, we have partially introduced direct dialogue to further enhance initiatives throughout the entire supply chain.



Note: If, through the above, subcontractors and suppliers are judged to pose high risk, we regularly follow up on improvement status and work to prevent and mitigate adverse impacts.

《Enhancing Dialogue with Subcontractors and Suppliers》

To address sustainability challenges across the entire supply chain and realize coexistence and shared prosperity, it is essential to build mutual understanding through dialogue with subcontractors and suppliers and to collaborate based on that understanding. Guided by our Human Rights Policy, Environmental Policy, and other principles, the Group places strong emphasis on dialogue with stakeholders, including subcontractors and suppliers.

Questionnaire-Based Self-Assessments

As a first step in dialogue with subcontractors and suppliers, each fiscal year we request that they conduct self-assessments on human rights, the environment, and other related matters, as described on page 90.

In FY2024, due to the introduction of a new system, both the response rate and the number of responding companies declined compared with the previous year. Going forward, we will improve system operations and related processes to increase the response rate.

Long-Term Targets

Human rights

Zero human rights violations across the Taisei Group's supply chain

Environment

Net zero scope 3 supply-chain CO₂ emissions by 2050

2030 Targets

Confirmation rate of subcontractors and suppliers' sustainability initiatives: 100% across the Group

Scope 3 CO₂ emissions: 25% reduction (vs. FY2022)

Follow-up Visits and Interviews Based on Self-Assessment Results

Based on the results of the questionnaire-based Sustainability Activity Survey (self-assessment), we visit subcontractors and suppliers as necessary to exchange opinions with business owners and other stakeholders and to share best practices for further enhancing sustainability initiatives.

FY2024 Hearing Results

- While initiatives to comply with environmental laws and regulations and to implement cost-saving environmental conservation measures are progressing, some industries noted that, apart from energy and water conservation, these efforts have limited direct relevance to their operations, and they are uncertain about what further actions to take.
- It was pointed out that, due to labor shortages, it has become increasingly difficult to balance compliance with the legal upper limit on overtime working hours and project schedule management.
- Some subcontractors and suppliers reported difficulties in securing personnel, as they have been unable to recruit younger workers.

Actions Taken by the Company

- Environment: In line with the Taisei Group of Companies Sustainable Procurement Guidelines, we requested that subcontractors and suppliers steadily implement environmental measures starting with what they can.
- Labor shortages: We reaffirmed the Company's policy of appropriate personnel allocation and securing adequate construction periods. We also advised subcontractors and suppliers to consult with the contracting branch office or relevant worksite if they encounter difficulties.
- Securing personnel: We introduced the Company's initiatives to support workforce recruitment.
- Follow-up: The hearing results were reported to the Management Committee, and we will continue to monitor conditions through ongoing dialogue and other means.

		FY2022	FY2023	FY2024
Companies subject to self-assessment (contracted in the previous fiscal year)		3,006 companies	3,223 companies	3,201 companies
Companies responding to self-assessment		1,590 companies	1,756 companies	1,529 companies
Response rate	By number of companies	53%	54%	48%
	By contract amount	79%	89%	73%
Companies where onsite hearings were conducted		20 companies	37 companies	43 companies



Scenes from on-site interviews conducted in January 2025

Hearings with Business Owners Accepting Foreign Technical Intern Trainees

Alongside the questionnaire-based Sustainability Activity Survey (self-assessment), we also conduct a questionnaire targeting business owners who accept foreign technical intern trainees. Based on the results, we carry out on-site hearings to gain a deeper understanding of actual conditions and exchange views. In the FY2024 hearings, many respondents cited communication challenges arising from language differences and expressed expectations for support with Japanese and other language learning. We will share this information among relevant internal departments and consider appropriate follow-up measures.

	FY2022	FY2023	FY2024
Respondent companies to the questionnaire for business owners accepting foreign technical intern trainees	251 companies	314 companies	193 companies
Companies where onsite hearings were conducted	5 companies	5 companies	6 companies

Dialogue with Foreign Technical Intern Trainees

We have identified migrant labor (foreign workers) as a priority issue in our human rights due diligence and are committed to preventing and mitigating adverse impacts on the human rights of foreign workers. Each year, we conduct dialogue with foreign technical intern trainees to gain a clear understanding of their actual working conditions. In FY2024, we engaged in dialogue with technical intern trainees accepted by subcontractors and suppliers of the subsidiary of PS Construction Co., Ltd. —which joined the Group in the previous fiscal year—and others.

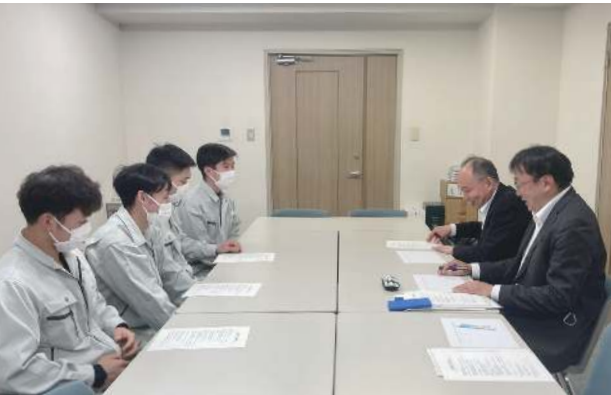
	FY2022	FY2023	FY2024
Number of Companies Employing Interviewed Foreign Technical Intern Trainees	2 companies	4 companies	5 companies
Number of trainees interviewed	5 persons	10 persons	11 persons

FY2024 Dialogue Results

- No issues were identified regarding working hours, wage payments, or related matters within the scope of the dialogue conducted.
- All foreign technical intern trainees reported having good relationships with those around them and stated that, when faced with difficulties, they consult with colleagues or their Japanese supervisors.

Actions Taken by the Company

- Recognizing that foreign technical intern trainees—among foreign workers who may be in vulnerable positions—require particularly careful attention to prevent adverse human rights impacts, the Company will continue to hold regular dialogue and strive to accurately understand their actual conditions.



Scenes from interviews with trainees conducted in March 2025

Dialogue with Indigenous Peoples on Timber Procurement

In November 2023, together with a domestic supplier, we visited Borneo Island, Malaysia, to conduct a timber procurement traceability survey at a local company of the TA ANN Group, which engages in logging, reforestation, manufacturing, and processing.

We also held dialogue with indigenous peoples residing in the logging areas and confirmed that appropriate consideration is being given to biodiversity and local communities—ensuring not only compliance with laws prohibiting the logging of protected tree species, but also the conservation of trees identified as important by local residents.

Going forward, we will continue striving to prevent adverse environmental impacts associated with material procurement, as well as adverse human rights impacts, including discrimination against indigenous peoples.

Compliance Education and Awareness-Raising

Collaboration with subcontractors and suppliers is essential to ensuring thorough compliance across the Group's business activities. To enhance compliance awareness among subcontractors and suppliers, the Company conducts annual training sessions for business owners of partner companies and others during safety conferences organized by each branch.

Going forward, we will continue to provide education and awareness-raising initiatives for subcontractors and suppliers and strive to ensure full compliance throughout the entire supply chain.

Regional Collaboration

Under the [TAISEI VISION 2030] Achievement Plan, we have formulated a “Regional Collaboration Strategy” as one of our initiatives to develop new markets, and we are working together with local communities to address regional challenges.

Fundamental Policy

We will seize the increasing expectations of local governments and local companies toward major general contractors as “problem-solving partners,” enhance our advantage in receiving orders by creating new marketing & sales process derived from resolving local issues solutions and aim to establish the new business.

Regional Issue-Solving Cycle

Together with local communities, we continuously identify challenges, explore solutions, implement them locally, and refine approaches through repeated trial and improvement—thereby supporting sustained, community-based activities over the medium to long term.



Technologies and Solution Areas for Solving Challenges

As a partner in regional revitalization, we are committed to addressing social challenges such as community revitalization and Japan’s declining birthrate and aging population by leveraging our technologies, expertise, and strong commitment. Through these efforts, we aim to contribute to the creation of a more resilient society.



Examples of Technologies and Solutions

- Net Zero Energy Building (ZEB); Net Zero Energy House (ZEH); ZEH for multifamily housing (ZEH-M)
- Community Energy Management System (CEMS)
- Renewable energy (solar, wind, small hydropower, geothermal, biomass)
- Hydrogen utilization
- Thermal energy utilization (snow/ice thermal energy, geothermal heat)
- Carbon Capture and Storage (CCS); Carbon Capture, Utilization, and Storage (CCUS)

- Plant factories (artificial light and natural light)
- Aquaponics
- Energy crops (microalgae, giant miscanthus)
- Soil improvement (remediation and enhancement)
- Ecological planning (nature positive, forest utilization, water resources)
- Blue carbon
- Resource circulation
- Seagrass bed restoration

- Digital Twinverse (integration of digital twin and metaverse technologies)
- Pedestrian and traffic flow analysis
- Wireless power transfer
- Autonomous driving
- Well-being initiatives
- Preservation, relocation, and utilization of traditional architecture
- Smart and compact cities
- Building integrity assessment system for earthquakes
- Tsunami evacuation buildings
- +Zero Energy Environmental Resort (+ZEER)

Initiative Example

Yokohama City, Kanagawa Prefecture

“Walkable” Urban Development to Enhance Connectivity, Livability, and Comfort

In 2020, the Company established the Park Line Promotion Council, an intermediary support organization led by Taisei Corporation, with the aim of sustainably enhancing regional value by qualitative transformation of public spaces—including roads, parks, and waterfronts. We conducted a social demonstration to enhance dwell time in road spaces on Nihon Odori in 2022, a demonstration of pedestrian-friendly autonomous mobility for circular transportation in Yamashita Park in 2023, and a demonstration to improve urban circulation through an environmentally friendly mobility hub in the Minato Mirai district in 2024. That same year, the organization was incorporated as a general incorporated association. Through public-space management practices carried out under a co-creation framework involving ten member companies, we continue to work as a partner in addressing regional challenges and advancing “walkable” urban development.



Concept image of an environmentally friendly mobility hub

Shimizu Ward, Shizuoka City

Community Development Connecting Sea and Land to Sustainably Enhance Regional Value Around Shimizu Port

Leveraging strong relationships with the local community built through projects such as the construction of the Shizuoka City Shimizu Cultural Center Marinart and S-Pulse Dream Plaza, we are pursuing collaborative initiatives aimed at sustainably enhancing the value of the Shimizu Port area. In 2024, we showcased our technologies at BLUE ECONOMY EXPO® Suruga Bay, and in 2025, we conducted an autonomous driving demonstration and citizen workshops aimed at enhancing circulation within the Shimizu Port area. By leveraging marine technologies, autonomous driving, and other innovations, we are contributing to community development aligned with the region’s vision of becoming an international maritime culture city. At the same time, we are helping to address regional challenges—such as improving connectivity through the introduction of new mobility systems—thereby promoting growth and increasing the value of the Shimizu Port area.



Demonstration of autonomous driving in the Shimizu Port area

Oda City, Shimane Prefecture

Creating Vibrant Communities Through Regional Revitalization DX Solutions

In 2022, in Omori-cho, Oda City — part of the Iwami Ginzan Silver Mine and its Cultural Landscape (UNESCO World Heritage Site), the Company launched the Iwami Ginzan Metaverse Project with the aim of establishing a model case for regional revitalization that effectively integrates local assets—such as history and nature—with digital transformation (DX). In May 2024, we opened a satellite office in the area and launched the Iwami Ginzan DX Project. Beginning in November of the same year, we introduced the Iwami Ginzan Learning Program at six elementary schools in Oda City, utilizing T-Twin Verse.* This program is scheduled to continue through FY2027.

Going forward, by collaborating with local residents and companies in the Iwami Ginzan district, we aim to contribute to the revitalization of Oda City. Furthermore, by adapting and expanding this initiative to other regions across Japan, we will continue contributing to nationwide regional revitalization.



Streetscapes of Oda City recreated in a virtual space

* T-Twin Verse:
A next-generation metaverse that, unlike conventional metaverses disconnected from the real world, enables real-time, two-way communication between the physical environment and its digital twin—a virtual space modeled on the real world. Based on the Iwami Ginzan district, the system leverages generative AI to allow users to freely register and access diverse types of information from anywhere.

Ishigaki City, Okinawa Prefecture

Creating New Value Through Upcycling of Washed-Ashore Plastics

To help address the issue of marine debris washing ashore on Ishigaki Island, we concluded a collaboration agreement with Ishigaki City in 2024 to promote the upcycling of washed-ashore plastics. Beginning in February 2025, we launched Earth Clean activities and workshops together with local residents. In partnership with local company Jomon Kikaku LLC, and working alongside Ishigaki citizens and high school students, we are also developing new upcycled products made from marine plastic waste. Going forward, we will continue contributing to the realization of Ishigaki’s future vision—“a sustainable exchange city where everyone can live happily as themselves”—and to the creation of a sustainable society.



Earth Clean Activities with Local Residents

Environment and Energy (Natural Capital)

Fundamental Approach (Excerpt from the Environmental Policy)

As a corporate group centered on the construction business, we regard environmental issues as material sustainability challenges. Fully recognizing both the impacts our business activities have on the environment and those they receive from it, we are committed to initiatives for the “Realization of a Sustainable, Environmentally Friendly Society.”

Responsibilities	To comply with environmental laws and regulations and achieve the Group’s long-term environmental targets.
Contribution Through Business	To accurately identify the environment-related “risks and opportunities,” including climate change, advance the development and dissemination of environment-related technologies and services, and contribute to the realization of a decarbonized society, a recycling-based society, and a society in harmony with nature through our business activities.

 Environmental Policy

The Taisei Group Long-Term Environmental Targets: “TAISEI Green Target 2050”

In pursuit of the “Realization of a Sustainable, Environmentally Friendly Society,” we have established the Taisei Group long-term environmental targets, TAISEI Green Target 2050. These targets aim to realize three types of society—a decarbonized society, a recycling oriented society, and a nature co-existing society—as well as for solving two individual issues: forest resources & forest environment and water resources & water environment.

Goals for Realizing the “Three Types of Society”

	 Decarbonized Society	 Recycling Oriented Society	 Nature Co-Existing Society
	To achieve and deepen carbon neutrality (CN) • Scopes 1+2 Zero CO₂ emissions • Scope 3 Zero CO₂ emissions throughout the supply chain	To achieve and deepen a circular economy (CE) • Green procurement rate: 100% • Final disposal rate of construction by-products: 0%	Achieving and enhancing nature positive (NP) initiatives • To minimize the adverse impacts associated with our construction business • To maximize the positive impacts of projects that ensure coexistence with nature
FY2050 target			
FY2030 target	CO ₂ emissions (compared to FY2022)	• Promotion of green procurement • Reduction of final disposal rate of construction wastes to 3.0% or less	To contribute to nature positive initiatives by the following: • Implementing 50 or more projects per year • Expansion of evaluation methods The methods are applied to 30% of design & build projects • Responding to marine issues
	Scope		
	1+2		
	3		
		Total emissions	
		-42%	
		-25%	

Targets for Addressing “Two Individual Issues”

 Forest Resources & Forest Environment	 Water Resources & Water Environment
• To minimize the adverse impacts on forest resources and forest environment through wood procurement based on zero deforestation concept • To maximize the positive impacts on forest resources and forest environment through conservation and restoration efforts	• To minimize the adverse impacts on water resources and water environment by ensuring proper management and reducing usage • To maximize the positive impacts on water resources and water environment through conservation and restoration efforts

Environmental Due Diligence

In pursuit of the “Realization of a Sustainable, Environmentally Friendly Society,” we have established and continuously operate an environmental due diligence framework in alignment with international guidelines. Through this framework, we work to cease, prevent, and mitigate adverse environmental impacts arising from our business activities.

 P.89 Environmental Due Diligence

Initiatives to Achieve [TAISEI VISION 2030]

Under the [TAISEI VISION 2030] Achievement Plan, we have formulated the Sustainability Strategy (Environment and Energy) and set forth priority initiatives through 2030.

 [TAISEI VISION 2030] Achievement Plan

Information Disclosure of Integrated Environmental Management (TCFD, Circular Economy, TNFD)

As global environmental challenges such as climate change, resource depletion, and the degradation of natural capital intensify, companies are expected to recognize and disclose both the impacts their business activities have on nature and those they receive from it. At the same time, they are required to actively address environmental issues through their business operations. The Group upholds the Taisei Group Philosophy—“To Create a Vibrant Environment for All Members of Society”—and identifies the “Realization of a Sustainable, Environmentally Friendly Society,” as defined in its Environmental Policy, as one of its material issues.

In pursuit of the TAISEI Green Target 2050, we are working together with stakeholders across the entire supply chain to advance related initiatives.

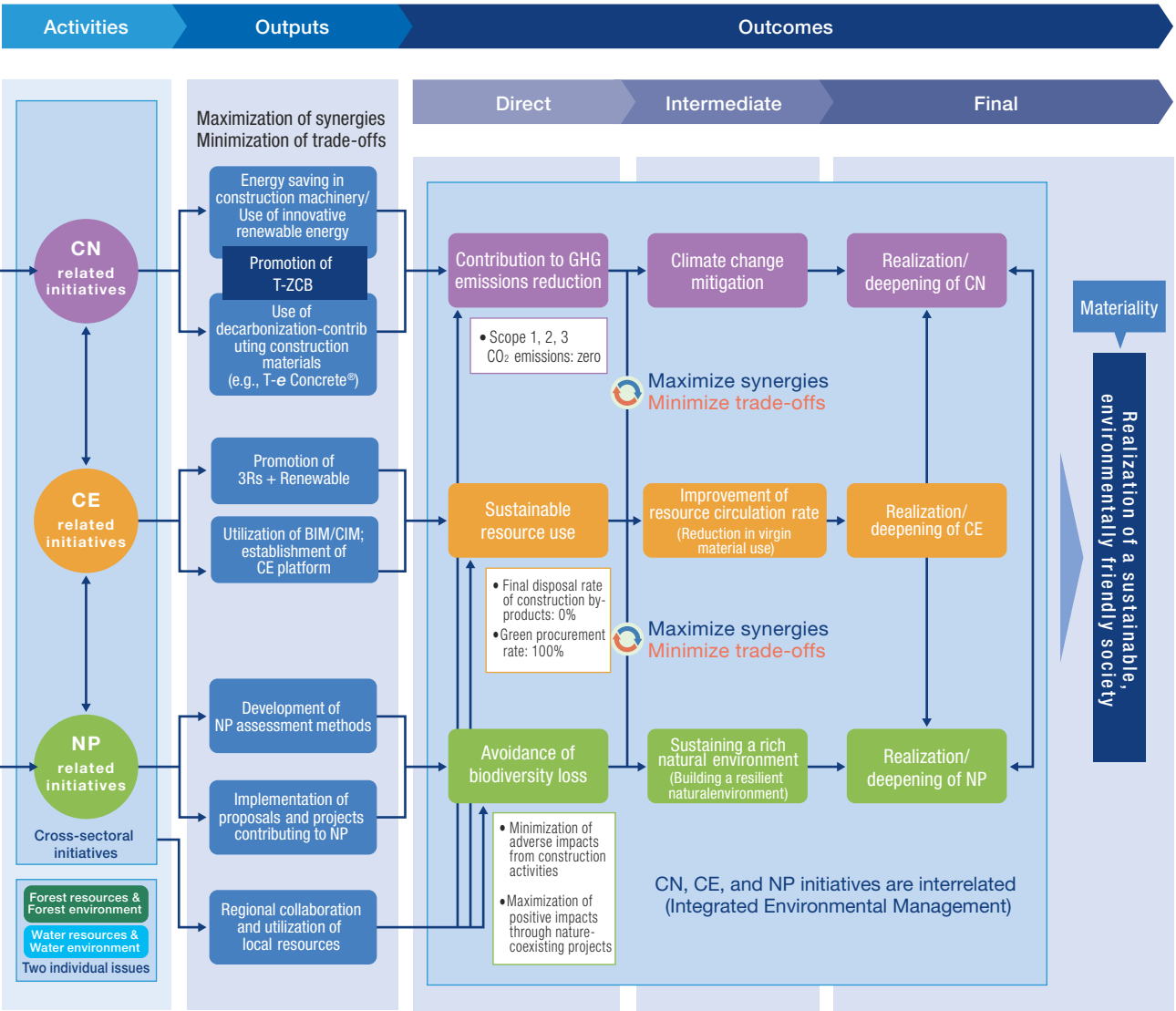
We believe that realizing a sustainable, environmentally

friendly society requires pursuing the realization of the three target societies not as separate efforts, but with careful consideration of their interrelationships—both synergies and trade-offs.

For instance, improving the recycling and material recovery rates of construction materials can help mitigate environmental degradation and resource depletion associated with the procurement of virgin materials, thereby contributing to environmental conservation and restoration.

Conversely, transportation for reuse and the reprocessing of materials inevitably involve additional energy consumption.

As illustrated in the logic model below, the Group promotes integrated environmental management aimed at maximizing synergies and minimizing trade-offs among initiatives toward realizing the three types of society.



Information on the Group’s integrated environmental management is disclosed in an integrated manner, with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Guidance on Disclosure and Engagement for Promoting Sustainable Finance for the Circular Economy, and the Taskforce on Nature-related Financial Disclosures (TNFD) framework. These disclosures are structured around the four pillars of governance, strategy, risk management, and metrics and targets.

 Information Disclosure of Integrated Environmental Management

Governance

P.36 Sustainability Management Structure

Strategy

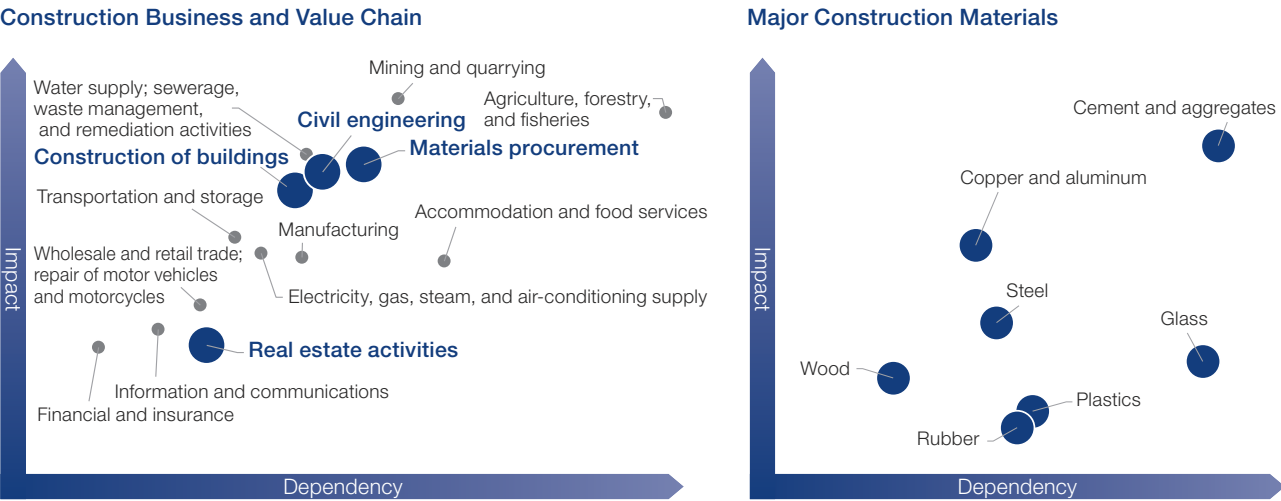
Analysis of Dependencies and Impacts on Nature

The construction business both depends on and is affected by the natural environment—including climate change—while relying heavily on natural capital and ecosystem services, and exerting significant impacts on nature.

For the construction business (civil engineering and building construction) and its value chain (materials procurement and real estate operations), we conducted an evaluation and analysis of dependencies and impacts on nature using ENCORE*, thereby visualizing the Group’s relative position within the industry.

We also conducted the same evaluation and analysis for the procurement and manufacturing of major construction materials.

The results showed that both the construction business and materials procurement have relatively high dependencies and impacts on nature, and that among major materials, cement and aggregates exhibit particularly high levels of dependency and impact.



* ENCORE: A tool for assessing dependencies and impacts on nature, developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), the Natural Capital Finance Alliance (NCFA), and other partner organizations.

Risks, Opportunities, and Countermeasures

To identify the risks and opportunities associated with changes in the natural environment, we envisioned the state of society and the environment in 2030 and assessed their potential impacts on our business both quantitatively and qualitatively. Based on this assessment, we formulated corresponding countermeasures and incorporated them into our management strategy. In identifying risks and opportunities and formulating countermeasures, we took into

account the synergies and trade-offs among the three types of society: a “decarbonized society,” a “recycling oriented society,” and a “nature co-existing society.”

In envisioning the 2030 social and environmental landscape, we referred to multiple external scenarios, including those related to climate change.

P.99 Risks, Opportunities, and Countermeasures

Trial Analysis and Assessment of Synergies and Trade-Offs Arising from Countermeasures for Risks and Opportunities

In implementing countermeasures for risks and opportunities, we conducted a trial analysis of the synergies and trade-offs among the three types of society: a “decarbonized society,” a “recycling oriented society,” and a “nature co-existing society.”—and performed integrated assessments across each stage of the construction business value chain.

In these assessments, we sought to visualize the interrelationships of synergies and trade-offs at each stage of the value chain—procurement, construction, operation, repair and demolition, recycling, and other phases.

Going forward, based on the results of these integrated assessments, we will promote internal awareness and dialogue, work to maximize synergies through the optimal combination of countermeasures, and examine and implement actions to avoid unintended environmental burden risks.

Risk Management

Based on the Risk Management Policy and the Basic Risk Management Rules, we have established a company-wide, systemized risk management system. Under the supervision of the Board, we have developed an appropriate management system that addresses major ESG-related risks, including those related to quality, compliance, information, safety, and the environment.

P.117 Risk Management

Metrics and Targets

Aiming to achieve the Taisei Group’s long-term environmental targets, TAISEI Green Target 2050, we have set FY2030 targets as milestones. In formulating the [TAISEI VISION 2030] Achievement Plan, we revised the FY2030 targets and newly established FY2026 targets, and are steadily advancing our initiatives toward these goals.

			Baseline	Results	Targets	
Decarbonized society (Group total*1)			FY2022	FY2024	FY2026	FY2030
CO ₂ emissions reduction targets (compared with FY2022)	Scope 1+2	Total emissions (1,000 t-CO ₂)	318	305	261	184
		Reduction rate	—	-4%	-18%	-42%
		Unit emissions (t-CO ₂ /¥ billion) (CO ₂ emissions per sales)	1.87	1.44	1.38	0.88
		Reduction rate	—	-23%	-26%	-53%
	Scope 3 Category 1+11*2	Total emissions (1,000 t-CO ₂)	7,458	5,393	—	5,593
		Reduction rate	—	-28%	—	-25%
Recycling oriented society (Non-consolidated)						
Final disposal rate of construction waste			—	2.9%	3.0% or less	3.0% or less
Nature co-existing society (Non-consolidated)						
Promotion of projects that contribute to Nature Positive			—	51 projects	50 or more projects	50 or more projects
Nature Positive evaluation method			—	Evaluation logic completed	Establishment and start of operation of assessment methodology	Applied to 30% of design and construction projects

^{*1} Target companies: Taisei Corporation, Taisei Rotec Corporation, Taisei-Yuraku Real Estate Co., Ltd., PS Construction Co., Ltd., TAISEI U-LEC Co., LTD., TAISEI SETSUBI CO., LTD., SEIWA RENEWAL WORKS CO., LTD., J-FAST Co., Ltd., TAISEI HOUSING CORPORATION, SATOHIDE CORPORATION

^{*2} From FY2023, the calculation methods for Categories 1 and 11 were revised. Accordingly, FY2022 emissions have been recalculated using the same methods. For details, please refer to the notes under Material Flow of Taisei Corporation on the Company’s website.

Environmental Data

CO₂ Emissions of the Group Over 90% of the Group’s total CO ₂ emissions fall under Scope 3, and within Scope 3, more than 90% are attributable to Categories 1 and 11.	Category 1 CO ₂ emissions generated from the manufacturing of construction materials such as steel frames, rebar, cement, and concrete.	Category 11 CO ₂ emissions expected to be generated during the use phase of buildings handed over in the relevant fiscal year.
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SBTi Validation of CO₂ Reduction Targets under TAISEI Green Target 2050 as a Net-Zero Target

In June 2025, the Science Based Targets initiative (SBTi)^{*1}—an international climate action initiative—validated the CO₂ reduction targets for 2030 and 2050 under TAISEI Green Target 2050 as Near-term Science-based Targets^{*2} and a Net-Zero Target^{*3}. This validation was obtained through a reapplication process following the update of targets previously certified in 2019.



^{*1} An international initiative that validates and certifies whether corporate GHG reduction targets related to climate change are aligned with the levels required by the Paris Agreement.

^{*2} A near-term greenhouse gas (GHG) emissions reduction target set for the next 5–10 years based on scientific evidence, contributing to the Paris Agreement goal of limiting the rise in global average temperature to 1.5°C above pre-industrial levels.

^{*3} A net-zero target established based on scientific evidence to achieve virtually zero GHG emissions across Scopes 1, 2, and 3 by 2050.

Information Disclosure of Integrated Environmental Management—Risks, Opportunities, and Countermeasures

Risks, opportunities, and countermeasures related to a decarbonized society, a recycling oriented society, and a nature co-existing society are as follows.

Decarbonized Society	Recycling Oriented Society	Nature Co-Existing Society	2030 Vision	Risks and Opportunities	Impact Level	Countermeasures
✓			Increased burden on businesses due to stricter CO₂ emissions regulations and the introduction of carbon pricing mechanisms (such as carbon surcharges and carbon taxes)	Risks: - Reduction in construction investments due to stricter CO₂ emissions regulations and the introduction of carbon pricing - Increased business costs due to carbon pricing on CO₂ emissions from business activities - Rising construction costs due to higher prices for building materials and electricity, leading to a decline in profitability	Medium	- Acquisition of renewable energy sources to cover the electricity used by the Group - Ensuring the implementation of TSA* key priority and key policy implementation items - Improving the performance of the CO₂ calculation system *TAISEI Sustainable Action®: Environmental impact reduction activities involving all group employees
✓			- Growing societal demand for carbon neutrality and tightening of regulations - Rising demand for energy-efficient and renewable energy solutions - Mandatory compliance with ZEB standards and the resulting generalization of solar power installations	Risk: - Delayed responses may lead to a loss of trust, missed business opportunities, and deteriorating profitability due to rising costs Opportunities: - Growing demand for low-carbon designs and materials - Increased demand for zero-carbon buildings, ZEBs, ZEB renovations, and smart cities - Rising demand for renewable energy construction, such as offshore wind power, and CCS (carbon capture and storage) business opportunities	High	- Promoting the technology development and dissemination of zero-carbon buildings and ZEBs - Accelerating the development of low-carbon materials such as T-eConcrete® and strengthening collaboration with relevant companies to promote adoption and to establish a supply system - Developing and spreading technologies related to renewable energy, energy creation, and energy efficiency - Advancing construction techniques for renewable energy facilities, including offshore wind power - Promoting the development of CCS (carbon capture and storage) technologies and participating in related projects
✓			- Expansion in the use of next-generation energy sources such as hydrogen and ammonia - Progress in restarting nuclear power plants and increasing demand for next-generation innovative reactors	Risk: - Missed opportunities in terms of orders and project participation due to delays in response Opportunities: - Increased opportunities to construct facilities related to hydrogen and ammonia, including their transport and storage - Growth in business opportunities related to restarting nuclear power plants and advancements in next-generation innovative reactor projects	High	- Engaging in demonstration projects for next-generation energy technologies and accelerating the development of related technologies - Participating in projects related to restarting nuclear power plants and promoting the development of next-generation innovative reactors, while strengthening relationships with relevant companies
✓			Escalation and increased frequency of natural disasters and rising sea levels due to climate change, including global warming	Risks: - Work stoppages, project delays, and increased labor and temporary structure costs due to damage at construction sites caused by natural disasters - Increased procurement costs and delays in project timelines due to damage suffered by business partners - Decreased productivity and worsening working conditions due to higher average temperatures in the summer, leading to a faster decline in the available workforce Opportunities: - Increased demand for post-disaster recovery and reconstruction services and relocation from high-risk areas - Expansion of projects for urban flood control and national resilience efforts, such as flood and sediment control	High	- Further improvements to working conditions, such as thorough measures to prevent heat-stroke incidents - Developing and promoting labor-saving and automated construction technologies - Development of green infrastructure and disaster prevention/mitigation technologies as well as their expansion through proactive proposals
✓	✓	✓	- Increased societal demand for a circular economy and stricter environmental regulations - Mandatory measures for resource conservation, strict separation of waste, and expanded use of recycled resources - Strengthened regulations on recycling of plastic resources	Risk: - Delayed responses may lead to a loss of trust, missed business opportunities, and deteriorating profitability due to rising costs Opportunities: - Growing demand for new and upgraded facilities for recycling materials, particularly for plastics - Increased demand for revitalization of disposal sites and effective use of construction-generated soil - Rising demand for buildings utilizing recyclable materials and those that use water efficiently - Growing demand for biomass energy plants - Increased need for soil and groundwater remediation technologies for substances such as PFAS that are expected to be regulated	Medium	- Strengthening collaboration with arterial and venous industries to promote resource recycling and circulation - Encouraging the development and spread of materials and methods that consider resource circulation, such as T-eConcrete® and T-Near Zero Steel - Promoting the design and proposal of buildings that consider resource circulation, such as zero-water buildings and wooden/timber structures - Reducing construction waste, including plastics, and promoting green procurement - Accelerating the development of technologies related to biomass energy - Enhancing in-situ soil and groundwater remediation technologies with low environmental impacts to handle substances that are likely to be regulated in the future

Decarbonized Society	Recycling Oriented Society	Nature Co-Existing Society	2030 Vision	Risks and Opportunities	Impact Level	Countermeasures
✓	✓	✓	- Standardization of regulations for wooden buildings leading to the proliferation of high-rise wooden structures - Decreasing forest resources in timber-exporting countries and expanding markets for domestic timber - Incorporating resource circulation and nature co-existence as components of real estate value	Risks: - Missed business opportunities due to delayed in response - Missed business opportunities due to delays in developing wooden construction technologies and a shortage of skilled workers - Increased difficulty and costs in securing procurement routes for certified timber due to rising demand Opportunities: - Increased demand for wooden and timber buildings - Growing needs for design and development that enhance real estate value through resource circulation and co-existence with nature	Medium	- Advancing and differentiating technologies related to wooden and timber construction while simultaneously ensuring retention of skilled workers - Promoting appropriate timber procurement by securing procurement routes that consider circular economy principles and nature positive impacts - Building a circular platform integrated with BIM/CIM to promote resource circulation and visibility throughout construction project lifecycles - Promoting development plans that fully consider resource circulation and co-existence with nature
		✓	- Growing societal demand for nature positive initiatives - Strengthening regulations on conservation of natural capital	Risks: - Delayed responses may lead to a loss of trust, missed business opportunities, and deteriorating profitability due to rising costs - Reduced construction investments due to challenges in site selection and tightened regulations Opportunities: - Increased demand for buildings and projects that consider co-existence with nature and the use of green infrastructure technologies - Growth in opportunities to utilize technologies that contribute to nature positive outcomes	Medium	- Developing and applying nature positive assessment methods to projects - Accelerating the development and proposal of green infrastructure technologies - Promoting the creation and protection of nature and ecosystems in large-scale urban redevelopment projects
	✓	✓	- Difficulty in procuring raw materials due to resource depletion - Adverse impacts on construction activities due to water shortages	Risks: - Rising business costs and reductions in project scale due to resource shortages - Construction delays or cancellations due to water resource shortages Opportunities: - Increased demand for water-saving buildings and facilities, and those related to water resource management - Expansion in demand for designs, materials, and methods that prioritize resource circulation	Medium	- Building resource circulation systems throughout the construction lifecycle - Developing and promoting the spread of zero-water building technologies - Establishing a strong network of suppliers - Ensuring thorough water risk management during construction
	✓	✓	Deterioration of ecosystems, water quality, soil, and air if nature positive goals are not met	Risk: - Difficulty in procuring construction materials due to the depletion of natural resources such as timber Opportunities: - Increased opportunities for nature restoration projects and business opportunities - Growing demand for technologies that contribute to nature positive outcomes	Medium	- Promoting initiatives ("use, create and protect") to expand sustainable use of timber, forest resource regeneration, and conservation of high-quality forests - Development of green infrastructure and nature positive technologies and their expansion through proactive proposals - Developing and applying nature positive assessment methods to projects - Engaging suppliers based on the Sustainable Procurement Guidelines and promoting green procurement

Initiative Example

Decarbonized Society

Promoting Zero-Carbon Construction — Pioneering the Introduction of Electric Construction Machinery

Since 2023, we have been promoting “Zero-Carbon Construction” at selected sites, aiming to achieve virtually zero CO₂ emissions during the construction phase. Emission reductions are being pursued through the electrification of construction machinery, the use of decarbonized fuels, the installation of Net Zero Energy Building (ZEB) temporary site offices, and the introduction of renewable energy power sources. Electrified construction machinery is essential for reducing CO₂ emissions from fuel, which account for approximately 75% of total emissions during the construction phase. We have introduced a 25-ton fully electric crane—the first in the industry to be certified as GX Construction Machinery^{*1}—as well as Japan’s first electric compact pile driver at our construction sites.

*1 Electrified construction machinery certified under the “GX Construction Machinery Certification System” established by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) to promote the use of electric construction equipment and advance decarbonization.



25-ton fully electric crane

Electric compact pile driver

Decarbonized Society

Owning Renewable Energy Power Sources to Cover the Group’s Electricity Consumption — Toward Achieving Carbon Neutrality by 2050

Under the Sustainability Strategy (Environment and Energy) of the [TAISEI VISION 2030] Achievement Plan, we have identified “securing ownership of power sources (220 GWh) sufficient to cover the Group’s electricity consumption” as a key initiative for realizing a decarbonized society. In addition to the Miya River Watarai Solar Park Power Plant, in which the Company has an equity stake and which has commenced operation, we are expanding ownership of various renewable energy power sources, including a biomass power plant in the Ishikari area scheduled to begin operation in 2026.

Recycling Oriented Society

Decarbonized Society

Received the Prime Minister’s Award and Other Honors in the Commendation for Contributors to 3R Promotion for Establishing a Patrol Collection System for Construction Byproducts — Achieving a Circular Economy for Building-Material Offcuts Through a Decade-Long Challenge

In collaboration with Nippon Express Co., Ltd., we established a Patrol Collection System for Construction Byproducts, in which a single vehicle makes regular rounds to multiple construction sites to collect building-material offcuts. The collected materials are then consolidated by category and transported to recycling facilities for secondary processing. Initiated in 2014, the initiative has evolved from establishing regular route-based collection to achieving closed-loop (horizontal) recycling. Since 2023, our collaboration with Nippon Express Co., Ltd. has further enhanced transportation efficiency and operational stability. This initiative has been recognized with numerous external awards, including the Prime Minister’s Award, for promoting the recycling of building-material offcuts that had previously been difficult to recycle, reducing CO₂ emissions through improved transportation efficiency, and fostering broader adoption across the construction industry—including by other companies.

List of External Awards Received for the Patrol Collection System for Construction Byproducts	
FY2024	Commendation for Contributors to 3R Promotion (Reduce, Reuse, Recycle): Prime Minister’s Award
FY2025	The 33rd Global Environment Awards: Japan Business Federation (Keidanren) Chairman’s Award The 52nd Environmental Awards: Excellence Award

Recycling Oriented Society

Decarbonized Society

Initiatives Toward Plastic Recycling — Establishing a Recycling Loop for Safety Cones

In collaboration with Yagikuma Co., Ltd., we are working to establish a recycling loop for collecting and regenerating used safety cones. Traditionally, most safety cones were disposed of as industrial waste after project completion; however, with proper collection, they can be recycled and reused.

In FY2024, approximately 500 used traffic cones were collected from our construction sites in Tokyo, and 350 recycled cones were produced and put back into use.



The diagram illustrates a circular recycling process for safety cones. It starts with 'Our construction sites' where cones are used. A 'Transport' arrow leads to a 'Collection and transport' stage. From there, the process moves to 'Washing, crushing, and pelletizing', which produces 'Recycled raw material' for a 'Recycled product manufacturing facility'. This facility then provides cones back to the 'Our construction sites', completing the loop.

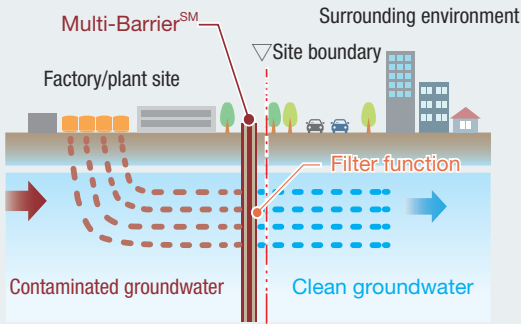
Water Resources & Water Environment

Recycling Oriented Society

Nature Co-Existing Society

Advancing the Multi-BarrierSM Method to Protect Groundwater Environments — Demonstrating a PFAS^{*2}-Responsive Multi-BarrierSM

The Company’s water resource rehabilitation and conservation technology, Multi-BarrierSM, is a permeable groundwater treatment wall that purifies contaminated groundwater in situ and prevents off-site migration. This remediation method addresses contaminants such as VOCs^{*3} and heavy metals, and has an extensive track record in restoring groundwater—a vital global resource. In recent years, the dissolution and widespread dispersion of PFAS in groundwater have emerged as a pressing social issue, requiring urgent action from the perspectives of environmental protection and public health. We moved quickly to develop a PFAS-responsive Multi-BarrierSM and are now verifying and advancing this technology.



The diagram shows a cross-section of the ground. On the left, a 'Factory/plant site' is shown with 'Contaminated groundwater' (indicated by red arrows) flowing towards the right. A 'Multi-BarrierSM' is depicted as a series of vertical lines representing a permeable wall. This barrier has a 'Filter function' (indicated by blue arrows) that purifies the groundwater. To the right of the barrier is 'Clean groundwater'. The 'Site boundary' is marked with a dashed line, and the 'Surrounding environment' is shown with buildings and trees.

*2 PFAS: per- and polyfluoroalkyl substances
*3 VOCs: volatile organic compounds

Nature Co-Existing Society

Support Activities on the Hiruzen Plateau Receive Japan’s First “Certificate of Support for Nationally Certified Sustainably Managed Natural Sites (Pilot)” — Collaborating with Local Communities Toward Nature Positive

Our support for Hiruzen Nature Restoration Committee, related to Hatogahara grassland and surrounding mires in Hiruzen Highland (Maniwa City, Okayama Prefecture), was recognized as one of the first cases nationwide to receive the Ministry of the Environment’s Certificate of Support for Nationally Certified Sustainably Managed Natural Sites (Pilot).

We have concluded a seven-year partnership agreement with the Hiruzen Nature Restoration Council, effective through FY2030, and will continue initiatives such as conducting environmental surveys to conserve grasslands and wetlands—habitats whose areas have drastically decreased across Japan—and supporting controlled burning of thatch fields to promote the use of thatch. Looking ahead, we plan to explore and pilot methods for evaluating and crediting the value of conserved grasslands as part of efforts to establish a new social system that integrates natural capital into the regional economy.



The top image shows a wide view of the Hiruzen Plateau, a grassy landscape with mountains in the background. The bottom image shows a group of people, including representatives from the company and local communities, holding a certificate of support during a ceremony.

Forest Resources & Forest Environment

Nature Co-Existing Society

Decarbonized Society

Completion of the All-Timber Traditional Structure “Barato Cemetery Five-Story Pagoda” — Wooden Construction Using Traditional Techniques Adapted to Local Conditions

The Group company SATOHIDE CORPORATION served as design-builder (in joint design with Mr. Yoshio YONEHARA) for the Barato Cemetery Five-Story Pagoda in Ishikari, Hokkaido, an all-timber traditional structure completed in May 2025. The pagoda, the northernmost of its kind in Japan, was designed in the Wayo style, as exemplified by Daigo-ji Temple, a World Heritage Site in Kyoto. It is Hokkaido’s first all-hinoki (Japanese cypress) pagoda, constructed using approximately 300 m³ of Tono hinoki.

SATOHIDE CORPORATION has strong expertise in timber joinery construction for wooden residences, sukiya-style architecture, and traditional buildings, drawing on the craftsmanship of its in-house team of skilled carpenters. For this pagoda, the company employed traditional techniques passed down through generations for timber selection, scribing, and cutting, chose optimal joinery and interlocking methods, and incorporated structural measures against heavy snow and strong winds.



The image shows the Barato Cemetery Five-Story Pagoda, a traditional wooden structure with multiple tiers and a pointed roof. A close-up view of the eaves bracket detail is shown in the bottom right corner.

Close-up view of eaves bracket detail

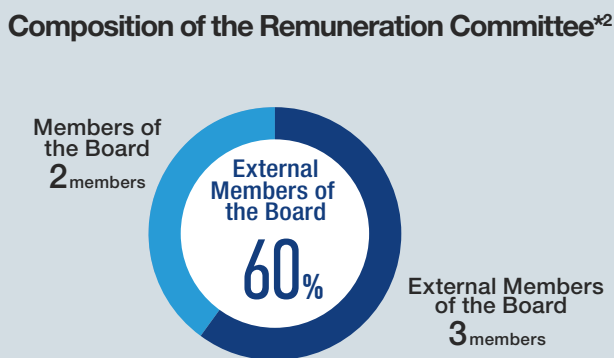
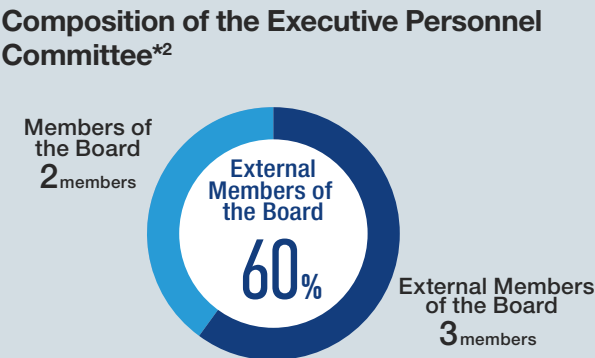
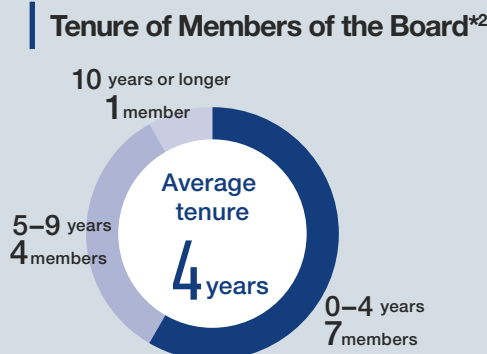
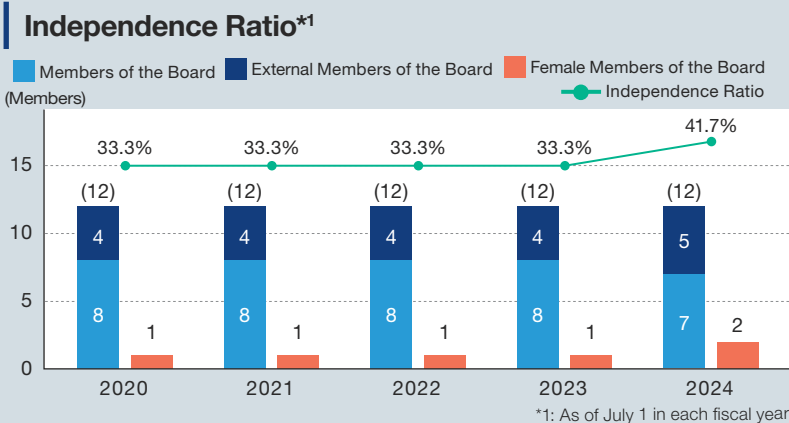
Polishing Our Strengths: Evolution of Tradition 2

Foundation for Value Creation

Fair and transparent corporate activities rooted in society’s trust—this is the foundation that supports “‘The Works to Create Landmarks,’ Looking Ahead.” By continually enhancing our corporate governance, compliance, and risk management, we are committed to ensuring sustainable growth and the long-term enhancement of corporate value.

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Corporate Governance

Fundamental Approach

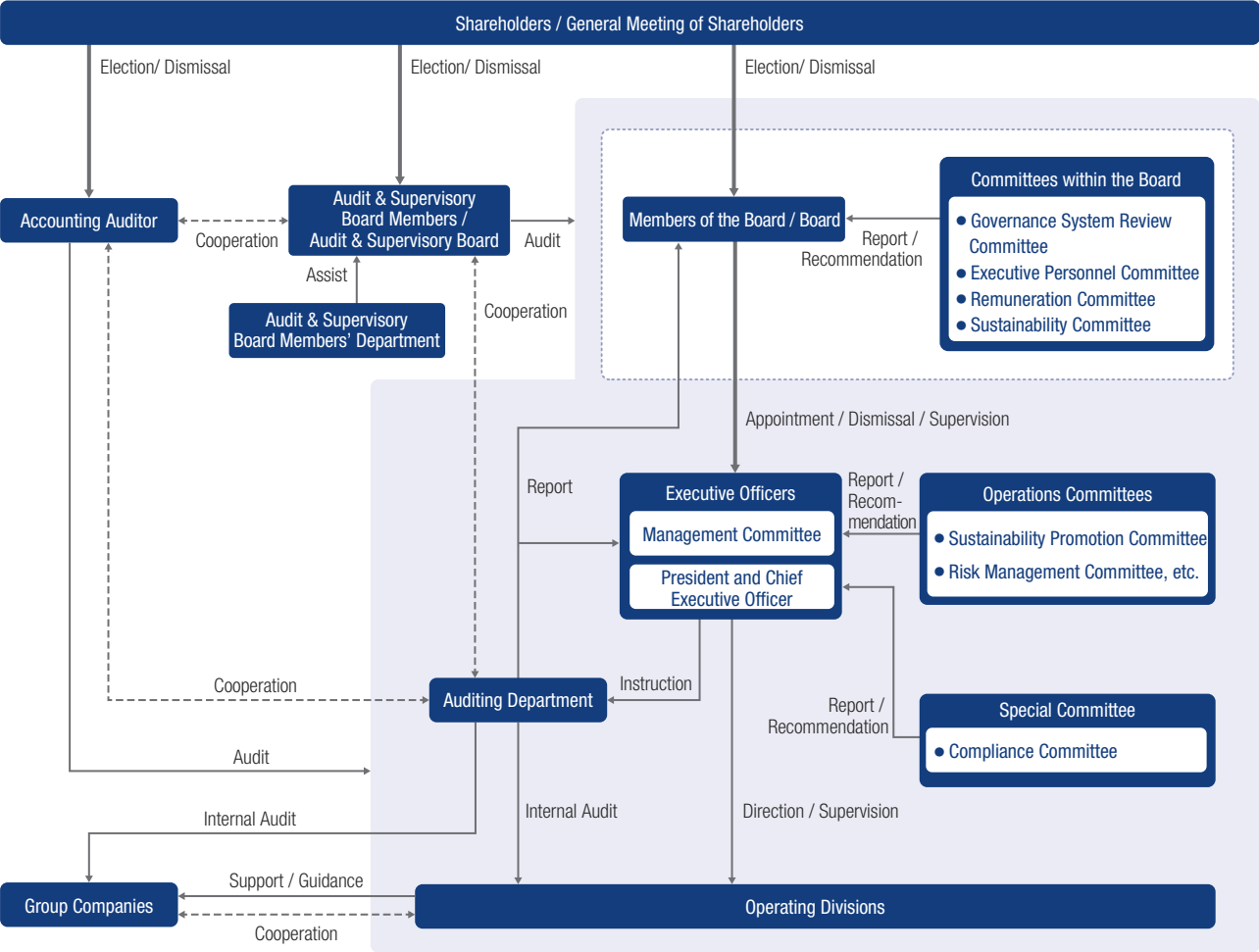
Our fundamental approach to corporate governance is to ensure speed, accuracy, fairness, and transparency in management decision-making, thereby achieving sustainable growth and earning the trust of society.

Fundamental Corporate Governance Policy

Evolution of the Company's Governance

1999	2000	2003	2006	2010	2014	2015	2020
Introduced the executive officer system							
Established the Ethics Committee (present: the Sustainability Committee)							
	Established the Executive Personnel Committee						
		Elected an External Member of the Board for the first time					
			Formulated the Fundamental Policy to Enhance Operational Compliance Systems				
			Established the Remuneration Committee				
			Abolished the executives' retirement benefits system				
				Elected an Independent External Audit & Supervisory Board Member			
						Formulated the Fundamental Corporate Governance Policy	
							Established the Governance System Review Committee
							Established the Management Committee
							Introduced a performance-based compensation (stock compensation) system

Corporate Governance Structure (As of July 1, 2025)



Corporate Governance System Overview

We have adopted a company with an Audit & Supervisory Board structure. The roles and composition of both the Board and the Audit & Supervisory Board are as follows. To further enhance the effectiveness of the Board, we have established several committees within it, including the Governance System Review Committee, Executive Personnel Committee, Remuneration Committee, and Sustainability Committee. Each of these committees is chaired by an Independent External Member of the Board, thereby strengthening the independence, objectivity, and accountability of their functions. In addition, Independent External Audit & Supervisory Board Members participate in discussions as observers. To ensure efficient business execution, we have adopted an Executive Officer System and established a Management Committee as the decision-making body. We have also established various operational committees—such as the Sustainability Promotion Committee and the Risk Management Committee—to deliberate on matters referred by the Management Committee or the President. Furthermore, a Compliance Committee, chaired by an external expert, has been established as the President's Special Committee.

Oversight of Business Execution



Board

Roles and Responsibilities	The Board is responsible for ensuring the Company's sustainable growth and the enhancement of its corporate value over the medium to long term, primarily through (1) setting the overall direction of corporate strategy, (2) establishing an environment that supports appropriate risk-taking by management, and (3) providing effective oversight of management from an independent and objective standpoint.
Composition	Chairperson: Shigeyoshi TANAKA, Chairman of the Board Ratio of External Members of the Board: 42%
Main Deliberation Items	- Statutory matters requiring Board resolution - Formulation* and monitoring of progress of the [TAISEI VISION 2030] Achievement Plan and the Medium-Term Business Plan (2024–2026) - Action to implement management that is conscious of cost of capital and stock price - Responses to medium- to long-term material issues such as "Group Overseas Business" and "Human Capital" - Initiatives for "Corporate Culture Reform" - Status of responses to material risks - Audit plans and their implementation status - Status of the internal control system - Results of internal control evaluations related to financial reporting - Operation status of the whistleblowing system - Analysis, evaluation, and follow-up on the effectiveness of the Board

* Including deliberations on the "Fundamental Management Policy," such as the "Financial Policy," and on the "Policy on Business Foundation Development," such as the "Sustainability Strategy."

To further enhance deliberations at the Board, in FY2024 the Company reviewed the structure of agenda items and amended relevant regulations based on an analysis of Board agendas and the results of the Board effectiveness evaluation, while delegating authority to the executive side as appropriate. In addition, drawing on discussions held at the Management Committee and during the President's inspections, the Company regularly reported to the Board on important management issues and the status of their implementation, thereby enabling ongoing monitoring of business execution.

Furthermore, to invigorate deliberations and ensure effectiveness, the Company held regular free discussions among Board members and meetings of External Members of the Board.

Audit & Supervisory Board

Roles and Responsibilities	- The Audit & Supervisory Board receives audit reports from each Audit & Supervisory Board Member, as well as reports on the status of duty execution from Members of the Board and the Accounting Auditor. - Audit & Supervisory Board Members are responsible for auditing the execution of duties by Members of the Board to help establish a sound corporate governance framework. Their basic policy is to promote the Company's sound and sustainable growth and enhance its corporate value over the medium to long term. When necessary, they also express their opinions.
Composition	Chairperson: Takashi HAYASHI, Full-time Audit & Supervisory Board Member Ratio of External Audit & Supervisory Board Members: 67%
Status of Audit Activities	In FY2024, the Audit & Supervisory Board focused its audit activities on four priority areas: (1) the level of understanding and penetration of the Medium-Term Business Plan, (2) the status of implementation of its key initiatives, (3) the progress of initiatives aligned with the vision set out in [TAISEI VISION 2030], and (4) the Company's responses to significant risks. Through these audit activities, the Board identified key issues and provided recommendations and proposals during exchanges of views with the Board, the Management Committee, and the President and Chief Executive Officer.

Committees within the Board



Governance System Review Committee

Terms of Reference	To enhance transparency and fairness in management and ensure continuous improvement of corporate governance by monitoring governance practices across the Company and Group companies and considering measures for further reinforcement.
Composition	Chairperson: Atsuko NISHIMURA, External Member of the Board Ratio of External Members of the Board: 43%
Main Deliberation Items	- Organizing the size, composition, and deliberation matters of each Committee within the Board - Establishing reporting standards to the Board on the profit and loss status of individual projects - Monitoring the status of initiatives for Group governance - Monitoring responses to issues identified in the evaluation of Board effectiveness

Remuneration Committee

Terms of Reference	The Committee deliberates on matters related to compensation, bonuses, and other economic benefits received by Members of the Board, Executive Officers, and others from the Company as consideration for the execution of their duties. Where necessary, the Committee reports or makes recommendations to the Board on the process and results of its deliberations, with the aim of making deliberations by the Board more rational, appropriate, and effective.
Composition	Chairperson: Norio OTSUKA, External Member of the Board Ratio of External Members of the Board: 60%
Main Deliberation Items	- Matters related to the amounts of compensation for Members of the Board, Executive Officers, and others - Matters related to the establishment, revision, or abolition of rules concerning the Remuneration Committee

Executive Personnel Committee

Terms of Reference	The Committee deliberates on personnel matters related to Members of the Board, Executive Officers, and others. Where necessary, the Committee reports or makes recommendations to the Board on the process and results of its deliberations, with the aim of rationalizing, ensuring the appropriateness of, and invigorating deliberations by the Board.
Composition	Chairperson: Norio OTSUKA, External Member of the Board Ratio of External Members of the Board: 60%
Main Deliberation Items	- Matters related to the appointment, dismissal, and assignment of duties of Members of the Board, Executive Officers, and others - Matters related to the evaluation, commendation, and disciplinary action of Members of the Board and Executive Officers - Matters related to the composition of the Board and to nomination systems and processes for the appointment and dismissal of Members of the Board - Matters related to succession planning for the President and other key executives

Sustainability Committee

Terms of Reference	Through deliberation on important policies and initiatives related to sustainability management, the Committee aims to strengthen and promote sustainability management across the Company and the entire Group.
Composition	Chairperson: Fumiya KOKUBU, External Member of the Board Ratio of External Members of the Board: 40%
Main Deliberation Items	- Determination and revision of important company policies such as the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole and the Fundamental Policy on Sustainable Development - Determination of the Information Disclosure Policy related to sustainability - Review of agenda items for the Sustainability Committee

Analysis and Evaluation of the Effectiveness of the Board

To maintain and enhance the effectiveness of the Board, the Company conducts an annual analysis and evaluation of Board effectiveness, with advice from an external law firm, and discloses the results.

Overview of FY2024 Evaluation

(1) Evaluation Method and Process - The secretariat prepared an individual evaluation questionnaire (Board Evaluation Sheet), which was approved by the Board. Each Member of the Board and each Audit & Supervisory Board Member then conducted their respective evaluations. - The evaluation items in the questionnaire were as follows. Items 1 through 5 were rated on a five-point scale with space provided for free comments, while item 6 was evaluated through free comments only. Evaluation Items - Self-evaluation as a Member of the Board, 2. Composition and operation of the Board, 3. Effectiveness of the Board, 4. Support system, 5. Deliberation and monitoring regarding the medium to long-term vision and the Medium-Term Business Plan, 6. Overall evaluation of the Board. - Based on the individual evaluation results compiled by the secretariat, a third-party evaluation was conducted by an external attorney, and all Members of the Board performed an overall evaluation. - The Board then deliberated based on the third-party evaluation, the overall evaluation, and other findings.	(2) Overview of the FY2024 Evaluation Results - The Company's governance framework was assessed as having been steadily enhanced, and overall, the effectiveness of the Board was found to have improved. At the same time, it was noted that certain areas should continue to be strengthened from the perspective of the Board's roles and responsibilities. To further enhance the effectiveness of the Board, we will continue to pursue the following initiatives. - Advancing initiatives based on discussions on the appropriate size and composition of the Board, as well as the overall governance framework - Further streamlining agenda items and enhancing monitoring of the execution status of important matters - Ensuring that the Board's agenda setting and deliberations are aligned with the Company's medium- to long-term vision, and that their outcomes are reliably reflected in business execution
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Issues Identified Through the Board Effectiveness Evaluations (FY2021–FY2023) and Initiatives for Improvement

Issues Identified Through the Board Effectiveness Evaluations	Initiatives for Improvement
Enhancing discussions on the governance framework, including the appropriate size and composition of the Board (2021, 2022, 2023)	The Executive Personnel Committee deliberated on Board composition, Member of the Board nominations, and CEO succession planning (2022, 2023, 2024). The Remuneration Committee deliberated on executive compensation, including review and redesign of the compensation system to support medium- to long-term strategic goals (2024).
Delegating authority to the executive side within an appropriate scope (2021, 2022, 2023)	The Board reviewed its agenda framework and streamlined agenda items (2022, 2023). More concise materials were prepared, and clearer explanations were provided (2022, 2023, 2024).
Improving the effectiveness of deliberations by the Committees within the Board (2021, 2023)	The time allocated for deliberations was enhanced (2022). The size, composition, and agenda items of the Committees within the Board updated (2024).
Strengthening monitoring of the execution status of important matters (2023)	The execution status of important matters and key initiatives under the Medium-Term Business Plan (2024–2026) was monitored (2024).
Examining specific measures to enhance the effectiveness of Group governance (2021)	Personnel exchanges between the Company and Group companies were institutionalized, and initiatives such as the establishment of management committees at major Group companies were implemented to enhance Group vitality (2022).
Further enriching deliberations in light of the Board's roles and responsibilities from a medium- to long-term perspective (2022, 2023)	Intensive deliberations were conducted on the formulation of the Medium-Term Business Plan (2024–2026), and discussions were held on corporate culture reform (2023). Policies for the Group's overseas business were established, and human resource system reform was implemented (2024).

Members of the Board (As of July 1, 2025)

●: External Member ●: Independent Executive



Chairperson of the Board
**Shigeyoshi
TANAKA**

1979 Joined the Company
2011 Executive Officer
2015 Senior Managing Executive Officer, Member of the Board
2019 Executive Vice President, Representative Director
2023 Chairman, Representative Director [current position]



**Yoshiro
AIKAWA**

1980 Joined the Company
2013 Executive Officer
2016 Managing Executive Officer
2019 Managing Executive Officer, Member of the Board
2020 President and Chief Executive Officer,
Representative Director [current position]



**Masahiko
OKADA**

1982 Joined the Company
2017 Executive Officer
2023 Senior Managing Executive Officer
2023 Senior Managing Executive Officer, Representative Director
2024 Executive Vice President, Representative Director
[current position]



**Kenji
SHIRAKAWA**

1984 Joined the Company
2019 Executive Officer
2021 Managing Executive Officer
2024 Senior Managing Executive Officer
2024 Senior Managing Executive Officer, Member of the Board
[current position]



**Junichi
KASAHARA**

1985 Joined the Company
2020 Executive Officer
2023 Managing Executive Officer
2024 Senior Managing Executive Officer
2024 Senior Managing Executive Officer, Member of the Board
[current position]



**Mayuki
YAMAURA**

1985 Joined the Company
2020 Chief of Chiba Branch
2021 Executive Officer
2023 Managing Executive Officer
2023 Managing Executive Officer, Member of the Board
[current position]



**Yuichiro
YOSHINO**

1986 Joined the Company
2020 Chief of Chugoku Branch
2021 Executive Officer
2023 Managing Executive Officer
2023 Managing Executive Officer, Member of the Board
[current position]



Chairperson of the Governance System Review Committee
**Atsuko
NISHIMURA**

1979 Joined the Ministry of Foreign Affairs of Japan
2014 Ambassador Extraordinary and Plenipotentiary to
Grand Duchy of Luxembourg
2016 Ambassador Extraordinary and Plenipotentiary
for Woman, Human Rights and Humanitarian Affairs
Outside Director of INPEX CORPORATION [current position]
2017 Member of the Board of the Company [current position]



Chairperson of the Executive Personnel Committee
Chairperson of the Remuneration Committee
**Norio
OTSUKA**

1973 Joined NSK Ltd.
2009 President and Chief Executive Officer,
Representative Director
2019 Member of the Board of the Company
[current position]
2022 Honorary Advisor of NSK Ltd. [current position]
2023 Outside Director of WORLD TRADE CENTER
BUILDING, INC. [current position]



Chairperson of the Sustainability Committee
**Fumiya
KOKUBU**

1975 Joined Marubeni Corporation
2013 President and Chief Executive Officer,
Representative Director
2019 Chairman, Member of the Board
2019 Member of the Board of the Company [current position]
2020 Outside Director of Honda Motor Co., Ltd.
[current position]
2025 Executive Corporate Advisor of Marubeni Corporation
[current position]



**Tsutomu
KAMIJO**

1976 Joined Sapporo Breweries Limited (present:
Sapporo Holdings Limited)
2011 President and Chief Executive Officer of
Sapporo Holdings Limited; Group CEO; and
President and Chief Executive Officer of
Sapporo Breweries Beverage Ltd. (present:
POKKA SAPPORO FOOD & BEVERAGE LTD.)
2021 External Member of the Board of Okamura Corporation
[current position]
2023 Member of the Board of the Company [current position]
2024 Honorary Advisor of Sapporo Holdings Limited
[current position]



**Hiroko
KOIDE**

1986 Joined J. Walter Thompson Japan K.K.
(present: VML Japan)
1993 Joined Nippon Lever K.K. (present: Unilever Japan K.K.)
2001 Director
2013 Senior Vice President of Newell Rubbermaid Incorporated
(U.S.) (present: Newell Brands Incorporated)
2021 Outside Director of J. Front Retailing Co., Ltd.
[current position]
2024 Member of the Board of the Company [current position]

Audit & Supervisory Board Members (As of July 1, 2025)

●: External Member ●: Independent Executive



Chairperson of the Audit & Supervisory Board
**Takashi
HAYASHI**

1974 Joined the Company
2006 Executive Officer
2008 President and Representative Director of
TAISEI HOUSING CORPORATION
2012 President and Representative Director of
Taisei-Yuraku Real Estate Co., Ltd.
2019 Audit & Supervisory Board Member of the Company
[current position]



**Shuichi
OKUDA**

1985 Joined the Company
2015 General Manager of Accounting Department, Business
Administration Division
2020 Chief of Environment Division
2022 Chief of Sustainability Management Promotion Division
2023 Audit & Supervisory Board Member of the Company
[current position]



**Yasuhiro
SATO**

1976 Joined the Industrial Bank of Japan, Limited
2014 Member of the Board of Directors, President & Group CEO of
Mizuho Financial Group, Inc.
2018 Chairman, Member of the Board of Directors
of Mizuho Financial Group, Inc.
2020 Audit & Supervisory Board Member of the Company
[current position]
2022 Senior Advisor of Mizuho Financial Group, Inc. [current position]



**Keiko
OHARA**

1988 Registered as a lawyer (Dai-ichi Tokyo Bar Association)
Joined Komatsu Sogo Law Firm (present: Komatsu & Koma
Law Firm)
1993 Registered as a lawyer (State of New York)
2000 Founding Partner, Kamiyacho International Law Office
[current position]
2018 Director, Member of the board (Independent) of Financial
Products Group Co., Ltd. [current position]
2019 Outside Director of FUJI KYUKO CO., LTD. [current position]
2020 Audit & Supervisory Board Member of the Company
[current position]



**Kazuhiro
MIYAUCHI**

1985 Joined Board of Audit of Japan
1996 Seconded to the Ministry of Foreign Affairs
First Secretary at the Embassy of Japan in Luxembourg
2017 Chief Executive Officer, Chief Cabinet Secretary of
Board of Audit of Japan
2022 Secretary General of Board of Audit of Japan
2024 Audit & Supervisory Board Member of the Company
[current position]



**Yoshimi
OGATA**

1987 Joined the National Police Agency
1999 Seconded to the Ministry of Foreign Affairs of Japan
First Secretary of Embassy of Japan in the Russian Federation
2024 Superintendent General
2025 Advisor of Meiji Yasuda Life Insurance Company
[current position]
2025 Audit & Supervisory Board Member of the Company
[current position]

Attendance at Meetings of the Board, Audit & Supervisory Board, and Committees Within the Board (FY2024)

Category	Name	Holding record and attendance situation					
		Board	Audit & Supervisory Board	Governance System Review Committee	Executive Personnel Committee	Remuneration Committee	Sustainability Committee
		13 meetings in total	14 meetings in total	4 meetings in total	11 meetings in total	8 meetings in total	1 meeting in total
Chairman, Representative Director	Shigeyoshi TANAKA	13/13 (100%)	—	—	11/11 (100%)	8/8 (100%)	—
President & CEO, Representative Director	Yoshiro AIKAWA	13/13 (100%)	—	4/4 (100%)	11/11 (100%)	8/8 (100%)	1/1 (100%)
Representative Directors	Masahiko OKADA	13/13 (100%)	—	4/4 (100%)	11/11 (100%)	8/8 (100%)	—
Members of the Board	Kenji SHIRAKAWA ^{*1}	10/10 (100%)	—	—	—	—	1/1 (100%)
	Junichi KASAHARA ^{*1}	10/10 (100%)	—	3/3 (100%)	—	—	—
	Mayuki YAMAURA	13/13 (100%)	—	4/4 (100%)	—	—	—
	Yuichiro YOSHINO	13/13 (100%)	—	—	—	—	1/1 (100%)
	Atsuko NISHIMURA	13/13 (100%)	—	4/4 (100%)	11/11 (100%)	8/8 (100%)	—
	Norio OTSUKA	13/13 (100%)	—	4/4 (100%)	11/11 (100%)	8/8 (100%)	—
	Fumiya KOKUBU	13/13 (100%)	—	—	7/11 (64%)	4/8 (50%)	1/1 (100%)
	Tsutomu KAMIJO	13/13 (100%)	—	—	10/11 (91%)	7/8 (88%)	1/1 (100%)
Full-Time Audit & Supervisory Board Members	Hiroko KOIDE ^{*1}	10/10 (100%)	—	2/3 (67%)	6/8 (75%)	3/5 (60%)	—
	Takashi HAYASHI	—	14/14 (100%)	—	—	—	—
	Shuichi OKUDA	—	14/14 (100%)	—	—	—	—
	Yasuhiro SATO	—	14/14 (100%)	—	—	—	—
	Keiko OHARA	—	14/14 (100%)	—	—	—	—
Audit & Supervisory Board Members	Masamitsu MIURA ^{*2}	—	14/14 (100%)	—	—	—	—
	Kazuhiro MIYAUCHI ^{*1}	—	10/10 (100%)	—	—	—	—

Note: Audit & Supervisory Board Members attended the Committees within the Board as observers, in addition to the Members of the Board serving as committee members.
^{*1} Attendance of Mr. Kenji SHIRAKAWA, Mr. Junichi KASAHARA, Ms. Hiroko KOIDE, and Mr. Kazuhiro MIYAUCHI is shown for the period following their election at the 164th Ordinary General Meeting of Shareholders held on June 20, 2024.
^{*2} Retired in June 2025.

Skill Matrix

To achieve what the Group should aim for in FY2030, the Company has identified the expertise and experience expected of Members of the Board and Audit & Supervisory Board Members, and appoints them accordingly.

		Business Management	Technologies	Sales/ Marketing	Sustainability	Legal Affairs and Risk Management	Finance and Accounting	Global Experience
Members of the Board	Shigeyoshi TANAKA	●	●	●				●
	Yoshiro AIKAWA	●	●	●	●			
	Masahiko OKADA	●		●		●	●	
	Kenji SHIRAKAWA		●	●				
	Junichi KASAHARA				●	●		
	Mayuki YAMAURA		●	●				
	Yuichiro YOSHINO		●	●				
	Atsuko NISHIMURA				●	●		●
	Norio OTSUKA	●					●	●
	Fumiya KOKUBU	●			●			●
External Members	Tsutomu KAMIJO	●				●		●
	Hiroko KOIDE	●				●		●
Audit & Supervisory Board Members	Takashi HAYASHI	●					●	
	Shuichi OKUDA				●		●	
	Yasuhiro SATO	●					●	
	Keiko OHARA				●	●		●
	Kazuhiro MIYAUCHI						●	●
	Yoshimi OGATA					●		●

Notes: 1. The above table highlights the skills particularly expected of Members of the Board and Audit & Supervisory Board Members. It does not represent the full range of skills possessed by each Member of the Board or Audit & Supervisory Board Member.
2. Sustainability is considered a skill expected of all Members of the Board and Audit & Supervisory Board Members. However, only those for whom this skill is particularly expected are explicitly indicated.
3. Symbol (●) indicates the skills that are applicable to each member.

Approach to Expertise and Experience

Appointment, Dismissal, and Development Plan of Senior Management

The Company nominates candidates for Members of the Board and appoints Executive Officers based on the principle of selecting individuals who can contribute to sustainable growth and the enhancement of corporate value over the medium to long term. In making these decisions, the Company considers a wide range of qualities—including personal background, achievements, character, knowledge, experience, and abilities—while also taking into account overall balance and diversity in terms of gender, international experience, and age. The Board identifies the skills required to achieve what we should aim for over medium- to long-term vision and Medium-Term Business Plan, and nominates candidates for Members of the Board accordingly. The nomination of candidates for Members of the Board, as well as the appointment and dismissal of Executive Officers, is decided by the Board following deliberation by the Executive Personnel Committee.

For senior management development, the Company implements a systematic program for the selection and training of successor candidates aimed at securing a strong talent pipeline and ensuring timely and appropriate leadership transitions. Through these programs, candidates are provided with broad knowledge of external environments, corporate governance, and management strategies, while their suitability as future senior management is carefully assessed.

The Next-Generation Executive Development Program, primarily targeting Executive Officers, Executive Managers, and General Managers, provides opportunities for participants to strengthen their qualities and capabilities while acquiring management skills from a company-wide and Group-wide perspective, with an emphasis on overall optimization across the Group. Through initiatives such as appointments as Directors of Group companies, participation as observers in key meetings including the Management Committee, and opinion exchange sessions with External Members of the Board, the program supports the development of next-generation senior executives.

Additionally, to identify and develop high-potential individuals from the generation following those in the Next-Generation Executive Development Program, the Subsequent-Generation Executive Development Program—primarily targeting General Managers and Managers—provides early opportunities to acquire the skills and knowledge required for executive leadership roles through training offered by external organizations. Furthermore, regular Top Management Seminars are held for current senior management to enhance their management skills. These seminars feature keynote lectures by external experts and discussions on key management issues.

Measures to Ensure Effectiveness of the Governance System of Listed Subsidiaries

As a measure contributing to the enhancement of group corporate value to realize [TAISEI VISION 2030], in FY2023, the Company made PS Mitsubishi Co., Ltd. a consolidated subsidiary. PS Mitsubishi Co., Ltd. is mainly engaged in civil engineering, building construction, and manufacturing businesses. Its name was changed to PS Construction Co., Ltd. on July 1, 2024.

Considering that PS Construction Co., Ltd.’s current business foundation has been built through its independent management and has delivered solid business results, we believe it is essential to respect the company’s corporate culture and management autonomy to enhance its corporate value. Therefore, both the Company and PS Construction Co., Ltd. have agreed to maintain its listing.

Based on the basic policy of group management, we will establish an appropriate governance system that takes into account the common interests of all shareholders, including minority shareholders. We will also strive to maximize group profits through the integrated management of the entire Group.

Dialogue with Shareholders and Investors

Approach to Information Disclosure

Based on our Information Disclosure Policy and Fundamental Corporate Governance Policy, we appropriately disclose information—such as financial performance, management strategies and key challenges, risks, governance, human capital, intellectual property, and initiatives addressing sustainability issues—in compliance with applicable laws, regulations, and stock exchange rules. In addition, we strive to provide stakeholders with timely and easy-to-understand updates on the Group’s business activities through our website, Integrated Report, and other communication channels as necessary.

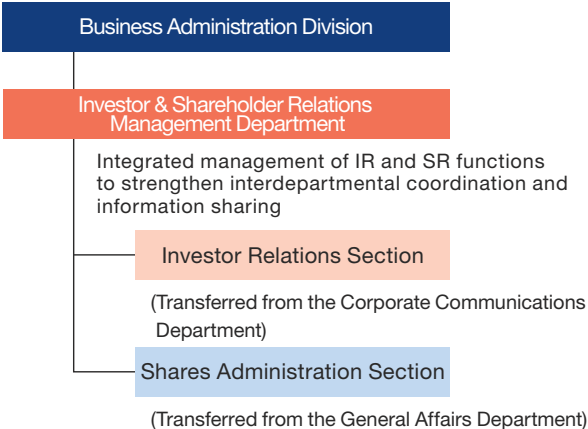
Dialogue with Shareholders and Investors

To achieve sustainable growth and enhance corporate value over the medium to long term, we promote constructive dialogue based on our IR Policy. Led primarily by the Executive Vice President, Representative Director in charge of business administration, the Company actively engages in dialogue with shareholders and investors. In addition, we have established a framework for providing feedback from shareholders and investors to senior management through the Investor Relations (IR) and Shareholder Relations (SR) departments.

Key initiatives include financial results briefings for analysts and institutional investors, as well as individual meetings held by the IR department with analysts and domestic and overseas institutional investors.

Status of Dialogue with Shareholders and Investors

Furthermore, on September 1, 2025, we established the Investor & Shareholder Relations Management Department to integrate the functions of IR and SR. Through this new structure, we aim to further enhance our engagement with shareholders and investors and foster a deeper understanding of the Company.



Status of Feedback to Management and the Board

The IR and SR departments share insights from dialogue with shareholders and investors with management and relevant internal departments. They also provide regular reports to the Management Committee and the Board, offering feedback on capital market evaluations and investor concerns. In addition, management, together with the IR and SR departments, draws on feedback from shareholders and investors to enhance dialogue and to continuously improve and expand disclosure materials, thereby strengthening IR and SR activities.

Based on the opinions and requests received from shareholders and investors through the fiscal year ended March 31, 2025, the following management initiatives were implemented.

- Increased management involvement in dialogue (e.g., small meetings hosted by the President and expanded participation in individual meetings)
- Gradual reduction of cross-shareholdings
- Revision of dividend policy (Introduction of a dividend payout ratio with a minimum of 30% starting in FY2025)
- Acquisition of treasury shares (Up to ¥150 billion during the period from November 2024 to November 2025)
- Disclosure of detailed capital allocation measures

Remuneration

1. Matters Concerning Policies on Determination of the Remuneration, Etc. for Each Member of the Board

Based on the deliberation by the Remuneration Committee, the Board decided on a policy on determination of the content of compensation, etc. for each Member of the Board at the Board meeting held on February 25 2021. The details are as follows:

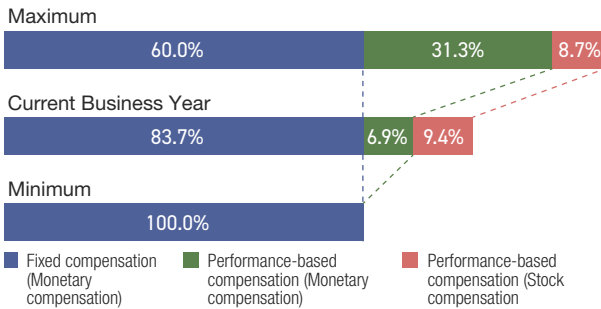
① Basic policy on the determination of the details of remuneration, etc. for each Member of the Board

The remuneration, etc. for Members of the Board of the Company consists of fixed compensation and performance-based compensation, both of which are monetary compensation, as well as non-monetary performance-based compensation (stock compensation). The above policy of remuneration was decided comprehensively considering the matters such as the business scale, content, and performance of both the Company and the Taisei Group, as well as the duties and responsibilities of each Member of the Board.

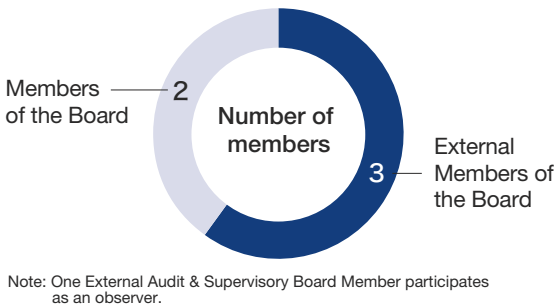
When determining the details of remuneration, etc. for each Member of the Board, the Board will decide the details of remuneration for each Member of the Board, taking account of the responsibilities and positions of each Member of the Board (including the concurrent positions as an Executive Officer, if applicable; the same applies hereafter), based on examination at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision.

The Remuneration Committee is chaired by an External Member of the Board and composed of a majority of External Members of the Board. External Audit & Supervisory Board Members also participate as observers, ensuring an appropriate framework for deliberating on remuneration and related matters.

[Schematic Diagram of Remuneration of Members of the Board of the Company]



[Composition of the Remuneration Committee]



Notes: 1. The above ratio is the remuneration for President and Chief Executive Officer, Representative Director calculated as an example.
2. Remuneration for External Members of the Board is the fixed compensation only, and the performance-based compensations are not applicable to the remuneration.

② Policy on determination of the amount and the calculation methods of fixed compensation

The fixed compensation shall be paid to each Member of the Board on a fixed date every month during the term of office, and shall be determined according to the responsibilities of each Member of the Board, comprehensively taking account of the Company's business scale, content, and the duties and responsibilities of each Member of the Board, and the fixed compensation to each Member of the Board other than External Members of the Board, shall be progressively increased according to his or her position.

③ Policy on determination of the contents, and the calculation methods of the amount or the number of performance indicators for performance-based compensation; and policy on determination of the contents and the amount, or the number and the calculation methods for non-monetary compensation

The performance-based compensation is established for the purpose of raising the awareness of each Member of the Board to contribute to business performance improvement and enhancement of corporate value. However, External Members of the Board are not eligible for the performance-based compensation.

1) Performance-based compensation (monetary compensation)

The performance-based compensation (monetary compensation) shall be paid to Members of the Board on a fixed day of each month during the term of office, and for the purpose of clarifying the interrelation between the Members of the Board's responsibility for the group management and the amount of remuneration for them, the contents and the amount of the compensation shall be determined in consideration of Taisei Group's overall business performance, which is designated to be linked to Taisei Group's short-term business performance, as well as the individual performance of each Member, which is designated to be linked to the achievement of the Member's individually predetermined goal.

Operating income in the consolidated statements of income for the most recent fiscal year is used as a performance indicator for Taisei Group's overall business performance because it is an indicator that shows the direct results of the Group's business activities, and provides the system so that the amount paid to each Member of the Board will be progressively increased according to his or her positional ranks.

2) Performance-based compensation (stock compensation)

The performance-based compensation (stock compensation) is designed to raise the awareness of Members of the Board to contribute to improving medium- to long-term business results and enhancing corporate value by clarifying the policy so as to link the remuneration of Members of the Board with Taisei Group's business results and the value of share, and by sharing with shareholders not only the benefits of a rise in share prices but also the risk of a decline in share prices.

The stock benefit trust (= Board Benefit Trust) method is adopted, and the date of the annual General Meeting of Shareholders is the grant date. In accordance with the "Officers' Share Benefit Regulations" established by the Board, each year during his or her term of office, points are granted and accumulated. In the event that a Member of the Board retires and satisfies the beneficiary requirements specified in the "Officers' Share Benefit Regulations," the Company's shares equivalent to the cumulative number of points will be distributed as one (1) share per point through prescribed procedures to determine the beneficiary. A part of the payment may be made in cash equivalent to the market value of the Company's shares instead of the Company's shares.

Net income attributable to owners of parent in the consolidated statements of income for the most recent fiscal year is used as a performance indicator because it is an indicator that shows the final results of Taisei Group's business activities. The points to be granted to each Member of the Board are determined separately for Representative Directors and other Members of the Board respectively considering the status of achievement of business performance, duties and responsibilities.

④ Policy on determination of the ratio of each type of compensation to be applied to the amount of remuneration, etc. for each Member of Board

With respect to performance-based compensation, the Company has set performance values that serve as criteria for monetary compensation and stock compensation and has established a rule that the ratio of performance-based compensation will increase when performance is favorable compared to the criteria.

From a medium- to long-term perspective, the Company has a plan to review for reducing the proportion of fixed compensation and increasing the proportion of performance-based compensation. However, the compensation for External Members of the Board shall be fixed compensation only.

2. Matters Related to the Policy on Determination of the Amount and the Calculation Methods of Remuneration, Etc. for Audit & Supervisory Board Members

The remuneration, etc. for Audit & Supervisory Board Members consists only of fixed remuneration, and the amount for each Audit & Supervisory Board Member is determined by the Audit & Supervisory Board through consultation.

3. Matters Concerning the Resolution of the General Meeting of Shareholders on the Remuneration, Etc. for Members of the Board and Audit & Supervisory Board Members

Category	Type of remuneration, etc.	Compensation limit	Date of resolution at the General Meeting of Shareholders	Number of the Members applicable for payment at the time of resolution
Members of the Board	Fixed compensation	Up to ¥70 million per month	June 27, 2006 (The 146th General Meeting of Shareholders)	14 (including two External Members of the Board)
	Performance-based compensation (Monetary compensation)			12
	Performance-based compensation (Stock compensation)	Up to ¥100 million, 35,000 points per fiscal year (1 point = 1 share of stock)	June 24, 2020 (The 160th General Meeting of Shareholders)	8
Audit & Supervisory Board Members	Fixed compensation	Up to ¥12 million per month	June 29, 1994 (The 134th General Meeting of Shareholders)	5 (including two External Audit & Supervisory Board Members)

4. The Total Amount of Remuneration for Members of the Board and Audit & Supervisory Board Members, Etc.

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration in kind (Millions of yen)			Number of eligible recipients (Persons)
		Monetary compensation		Non-monetary compensation	
		Fixed compensation	Performance-based compensation	Stock compensation	
Members of the Board (External Members)	613 (81)	522 (81)	34 (—)	55 (—)	15 (5)
Audit & Supervisory Board Members (External Members)	137 (61)	137 (61)	— (—)	— (—)	7 (5)

Notes:
1. Among the types of monetary compensation, the performance indicator of the performance-based compensation should be an indicator that shows the final results of our Group's business activities. Thus, the Company adopts operating income in the consolidated statements of income for the most recent consolidated fiscal year. Operating income in the consolidated statements of income for the most recent consolidated fiscal year is ¥120,160 million.
2. Stock compensation (non-monetary compensation) adopts the method of the Board Benefit Trust (=BBT), and the date of the Annual General Meeting of Shareholders is the grant date. In accordance with the "Officers' Share Benefit Regulations" established by the Board, each year during his or her term of office, points are granted and accumulated to one (1) share per point. In the event that a Member of the Board retires and satisfies the beneficiary requirements specified in the "Officers' Share Benefit Regulations," the Company's shares equivalent to the cumulative number of points will be distributed after retirement through prescribed procedures to determine the beneficiary. A part of the payment may be made in cash equivalent to the market value of the Company's shares instead of the Company's shares. The stock compensation is also categorized as performance-based compensation. Therefore, net income attributable to owners of parent in the consolidated statements of income" for the most recent consolidated fiscal year is adopted as the performance indicator of the stock compensation because it is an indicator that shows the final results of Taisei Group's business activities. The net income attributable to owners of parent in the consolidated statements of income for the current consolidated fiscal year is ¥123,824 million.
3. We judge that the contents of remuneration paid to Members of the Board during this fiscal year are within the maximum amount approved at the General Meeting of Shareholders subject to the basic policy determined by the Board on the determination of the details of remuneration, etc. for each Member of the Board, and also judge that the contents of remuneration determined by the Board are also in accordance with the determination policy, because the contents of remuneration were determined at the Board based on deliberations at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision.

Compliance

Fundamental Approach

To realize the Group Philosophy, “To Create a Vibrant Environment for All Members of Society,” we have established the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole as the fundamental principles of organizational behavior and as the standards of conduct and judgment that all executives and employees are expected to actively practice and strictly observe. These Action Guidelines serve as the norm for ensuring compliance across the Group.

(As of July 2025)

Chapter 1

Active and Transparent Culture

1. Cultivating an open corporate culture

2. Securing a pleasant working environment

3. Respect for fundamental human rights and diversity

Chapter 2

Value Creation

4. Creating a vibrant environment for all members of society

5. Striving to create value

6. Pursuing customer satisfaction

7. Ensuring and improving safety and quality

Chapter 3

Evolution of Tradition

8. Respect for traditions

9. Promoting partnerships with subcontractors and suppliers

10. Promoting environmental conservation and creation

11. Communication with local communities

12. Conduct in the international community

13. Appropriate disclosure of information

14. Fulfilling social responsibilities

(1) Mutual prosperity with society

(2) Compliance with laws and ordinances

(3) Ensuring fair trade

(4) Maintenance of proper relationships with individuals or entities engaged in politics and government

(5) Prohibition of acts that constitute a conflict of interest

(6) Dealing with people, associations or organizations engaged in anti-social behavior

(7) Compliance with import- and export-related laws and ordinances

(8) Management of information and intellectual property rights

Action Guidelines for Taisei Personnel and the Taisei Group as a Whole

Compliance Promotion System

Within each division, we appoint compliance managers, promoters, and implementers to establish a robust internal compliance promotion system. In addition, we have established the Compliance Committee as a Special Committee that responds to consultations from the President, chaired by an external expert (attorney). Based on the Committee's recommendations—such as those concerning the development of systems to ensure compliance with the Antimonopoly Act—and through initiatives including education and training, we strive to enhance awareness among all executives and employees and to ensure thorough compliance across the Group.

Reinforcing Education and Guidance to Prevent Insider Trading

In May 2025, the Securities and Exchange Surveillance Commission announced that it had recommended to the Prime Minister and the Commissioner of the Financial Services Agency that a surcharge payment order be issued against four of the Company's employees for violating insider trading regulations under the Financial Instruments and Exchange Act. We deeply regret that such an incident has occurred. We will reinforce education and guidance for all executives and employees and take all possible measures to prevent recurrence.

* All general managers are appointed as compliance implementers. Each general manager is responsible for promoting awareness and providing education and guidance on compliance to all employees within their respective departments.

Education and Training for Compliance

The Company works to raise compliance awareness by distributing a monthly Compliance Newsletter to all executives and employees. In addition, we conduct annual training sessions for subcontractors and suppliers to promote compliance throughout the entire supply chain.

Item	Compliance Newsletter	Compliance Training (e-learning)	Compliance Survey	Training for Subcontractors and Suppliers
Frequency	Monthly	Twice a year	Once a year	Once a year
Participants	All executives and employees	All executives and employees	All executives and employees	All specialized contractors and material suppliers
Recent Topics	- Insider trading - Thorough management of client information - Results of compliance survey - Concealment of work-related accidents is a crime	- Whistleblowing system - Thorough management of client information - Sexual harassment - Power harassment	Results are reported to management, and a summary is disclosed to all executives and employees via the Compliance Newsletter	- Eradication of concealment of work-related accidents - Thorough information management - Prevention of power harassment

Whistleblowing and Consultation System

Based on the Whistleblower Protection Act, the Taisei Group has established a Whistleblowing and Consultation System that allows executives and employees to report or seek advice regarding any illegal acts committed or attempted by executives, employees, or other relevant parties, as well as violations (including attempted violations) of the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole. Consultation and reporting channels are available both internally and externally, and anonymous reports are also accepted.

All reported matters are investigated, and corrective measures are implemented as necessary. Throughout the process, the identity of the whistleblower is kept strictly confidential, and the system is rigorously managed to ensure that whistleblowers are not subjected to any disadvantageous treatment as a result of their reports. In addition, for external stakeholders who do not have a direct contractual relationship with the Company, we provide a contact channel on our corporate website to receive inquiries on human rights, environmental issues, and other matters.

Eligible Users of the System (Anonymous Use Permitted)		Whistleblowing and Consultation System / Operational Results	
Taisei Corporation and Group Companies		FY2022	73 cases
Executives	Employees	FY2023	82 cases
Dispatched employees	Temporary employees	FY2024	92 cases
Seconded employees	Retirees		
Partner Companies with a Direct Contractual Relationship with the Company			
Employees			

Specific Initiatives for Ensuring Compliance with the Antimonopoly Act

The Company has established the Code of Conduct for Compliance with the Antimonopoly Act to eliminate and prevent any actions that could give rise to suspicions of violating the Act. This Code sets forth behavioral guidelines for executives and employees, as well as the internal framework for ensuring compliance. We rigorously enforce the measures listed on the right and continuously work to raise awareness among executives and employees.

In particular, under the rules concerning contact with competitors, the Sales Management Division verifies on a monthly basis the status of notifications regarding participation in meetings, thereby ensuring the effectiveness of implementation.

Specific Initiatives

- Rules concerning contact with competitors (mandatory reporting when attending meetings and monitoring of email communications)
- Procedures for ensuring the propriety of bidding operations
- Establishment of an in-house voluntary reporting (leniency) system
- Formulation of an Antimonopoly Act Compliance Manual
- Implementation of e-learning for all executives and employees
- Training sessions by external experts for the sales and technical divisions involved in order-related operations

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TAISEI CORPORATION INTEGRATED REPORT 2025 / 116

Introduction

Message from the President

Active and Transparent Culture

Value Creation

Evolution of Tradition

Risk Management

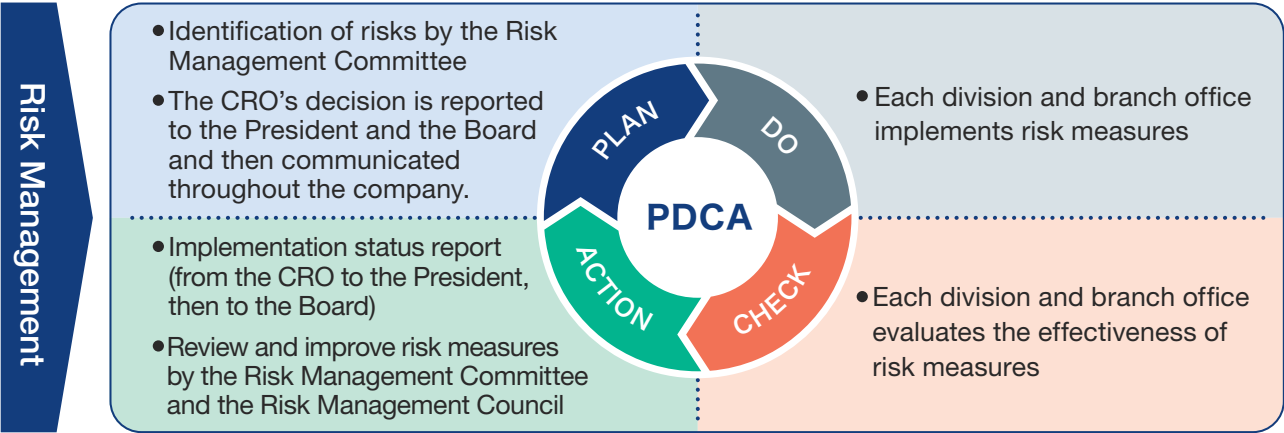
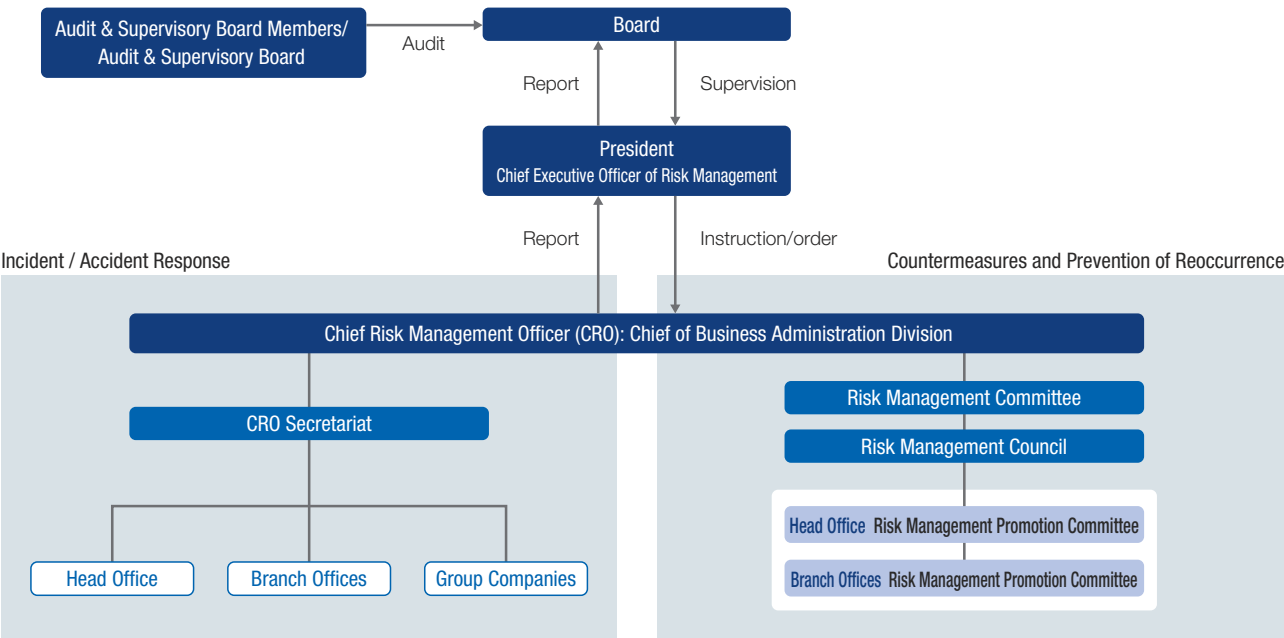
Fundamental Approach

Under the guidance of our Risk Management Policy and the Basic Risk Management Regulations, the Company has established a company-wide, systematic risk management system that addresses ESG-related risks, including those concerning quality, compliance, information, safety, and the environment.

To ensure the effective functioning of company-wide risk management and maintain the integrity of our operations, we strive to proactively implement preventive measures to avoid the occurrence of risks. In the event that a risk does materialize, we uphold a “bad news first” principle and promptly take appropriate countermeasures to minimize its impact. Through these efforts, we aim to ensure business continuity and maintain the trust of society.

Risk Management Promotion System

We continuously operate a risk management system to appropriately identify and manage risks associated with our business operations. Under this system, the President serves as the ultimate authority for risk management, while the Chief of the Business Administration Division serves as the Chief Risk Management Officer (CRO). Taking into account risks that have materialized, we periodically review and update priority risks and corresponding countermeasures. By implementing the PDCA (Plan–Do–Check–Act) cycle, we assess the effectiveness of the risk management system and work to further enhance its effectiveness.



Business and Other Risks

The following is a list of the major risks that may have a significant impact on investors' decisions regarding the Group's business. The materialization of these risks could have an impact on the Group's operating results, financial condition, and social credibility.

Annual Securities Report

1. Risks Related to the Business Environment

- ① Trend of the construction market
- ② Fluctuations in prices of materials
- ③ Asset holding risk
- ④ Fluctuations in interest rates
- ⑤ Risks of related or incidental businesses

2. Business Operation Risks

We have identified the following 20 risk items. Taking into account their potential impact on the Group's business and changes in the external environment, we designate those that require particularly focused attention as the “priority management risks” for the current fiscal year (FY2025) and work to prevent and mitigate them.
(Blue text indicates the seven priority management risks for FY2025.)

- (1) Risks of violation of legal controls over the civil engineering business and the building construction business

① Risk of violation of the Construction Business Act and related laws and regulations

② Risk of violation of the Antimonopoly Act

(2) Risk of infringement of intellectual property rights

(3) Risk of inappropriate financial reporting

(4) Risk related to antisocial forces

(5) Risk of insider trading

(6) Risk associated with quality due to construction failure

(7) Risk of design flaw

(8) Risk of process delays

(9) Risk of accidents
- (10) Risk of information leakage and system trouble

(11) Risk of large-scale disasters

(12) Risk associated with the working environment

(13) Risk of violation of environmental laws and regulations

(14) Risk associated with environmental issues including climate change

(15) Risk associated with human rights issues

(16) Credit risk

(17) Contract risk

(18) Risk of the spread of infectious diseases

(19) Country risk

(20) Geopolitical risk

Major Measures Concerning Priority Management Risks

Risk of inappropriate financial reporting

We continuously monitor the effectiveness of internal controls and provide ongoing compliance training.

Risk associated with quality due to construction failure

We have established a quality management system through measures such as the establishment of the Quality Control Division and are strengthening our quality management capabilities through technical training programs, including the Steel Frame Academy. We are committed to ensuring the proper operation of our quality management system.

Risk of process delays

We ensure effective process management by examining the appropriate construction period before the contract is signed, discussing with the clients, and supporting worksites through the head office and branch offices.

Risk of accidents

To prevent accidents and occupational incidents, we promote a health and safety management framework based on our Occupational Health and Safety Management System, while continuously providing safety education and training to executives, employees, and partner companies.

Risk of information leakage and system trouble

We are strengthening countermeasures against cyberattacks and other threats, while providing education and awareness programs for executives, employees, and partner companies on the strict management of personal and client information, as well as PCs and smart devices.

Risk associated with the working environment

In response to the enforcement of the statutory cap on overtime work, we are further promoting operational efficiency, ensuring appropriate staffing and workload distribution, and strengthening backup support for worksites from the head office and branch offices.

Risk associated with human rights issues

As “priority human rights issues” to be addressed across the supply chain, we have identified discrimination, harassment, and excessive working hours, and are implementing education and awareness initiatives to prevent and mitigate these risks.

Messages from the External Audit & Supervisory Board Members

The External Audit & Supervisory Board Members are expected not only to audit the appropriateness of the Company’s financial reports and business operations from the impartial viewpoint independent of management, but also to strive to enhance corporate governance and contribute to the sustainable enhancement of corporate value and stable growth. In this section, we introduce messages from four of our External Audit & Supervisory Board Members regarding the Group’s efforts towards its Corporate Culture Reform and advancement of the corporate governance.



External Audit & Supervisory Board Member

Kazuhiro MIYAUCHI

He had been involved in the work of the Board of Audit of Japan over the years, and has deep knowledge and distinguished insight, developed through his ample experience in finance and accounting.



External Audit & Supervisory Board Member

Yasuhiro SATO

He has ample experience, a broad range of insight and profound knowledge of finance and accounting, developed as the executive of a financial institution.



External Audit & Supervisory Board Member

Keiko OHARA

She has professional and advanced knowledge, plenty of international experience and insight into diversity as a lawyer.



External Audit & Supervisory Board Member

Yoshimi OGATA

He has been involved in police-related work over the years, and has deep knowledge and distinguished insight through his ample experience in risk management and crisis management.

Q1. Could you share with us your evaluation regarding the Company’s efforts to reform its corporate culture to date and your expectations for the Company’s future initiatives?

SATO

I believe the reform spearheaded by the Company’s President is steadily spreading across the Company. Fostering an environment where superiors and subordinates alike can express their views openly and engage in candid dialogue is not only essential for the Company’s stable growth, but also vital for proactively preventing us from being involved in such risks as unforeseen accidents, delays in the construction schedule, and harassment. The reform will progress through the continued efforts of all executives and employees. I expect the Company not to keep outdated practices without any question and to further enhance a new corporate culture.

MIYAUCHI

I find it reassuring that the management has candidly acknowledged the challenges in the Company’s corporate culture and is taking measures to address them. In order for employees to be able to care about the Company and fully leverage their skills, it is essential for the Company to be a place they can take pride in. I appreciate the fact that the Company has promoted its reform through both top-down and bottom-up approaches. Looking ahead, I expect that all employees including the middle-aged group will further address this reform as an indispensable challenge, and that the management will continue to foster an environment that enables them to do so.

OHARA

The reform has achieved steady results and is expected to contribute to the Company’s future growth. I appreciate that the management itself has acknowledged the challenges and promoted the reform with strong determination, and has established the “Mutual commitments among All Taisei Group Executives and Employees,” which incorporates employees’ opinions and encourages his/her voluntary behavioral change. I also view positively the management’s practice of emphasizing direct dialogue with employees while monitoring their engagement scores. Looking ahead, I expect that the management will deepen dialogue with the middle-aged groups and further expand the reach of the reform.

OGATA

I recognize that the Company has been steadily working on Corporate Culture Reform, based on the lessons learned from past inappropriate incidents. Corporate culture is an asset of the organization to be passed on to the next generation, and the foundation for the Company’s continuity and prosperity. While valuing the good traditions cultivated over the Company’s long history since its establishment and acknowledging the change in employees’ mindsets, it is important that both the management and employees recognize this initiative as “their own” and continue to engage in the reform persistently without “fear of change.”

Q2. Could you share your opinions on what areas should be prioritized to further advance corporate governance and lead to sustainable corporate value enhancement and stable growth?

SATO

The construction industry will be further placed in a challenging environment due to decline in the market and a shrinking workforce stemming from the declining birthrate and aging population, rising break-even points driven by inflation, and shifts in the competitive markets resulting from the implementation of generative AI and robotics. It is essential to continuously monitor the business environment, anticipate changes in advance for an era of selectivity, and balance both strengthening profitability and forward-looking investments for securing competitiveness. The Company should work on those efforts in a balanced manner through human capital development and an advanced capital allocation strategy, and aim to become a leading company in social infrastructure.

OHARA

For sustainable growth, it is beneficial to foster a culture and establish systems that prevent each operating division from becoming siloed, encourage divisions to think beyond the conventional wisdom of specialized fields and industries, and enable divisions to flexibly adopt new ideas. Corporate Culture Reform, human resource system reform, and support for new business generation play important roles in achieving this. In addition, the Company should address the urgent issues such as establishing a Group-wide governance system that encompasses companies merged or acquired, improving productivity through the formulation of management strategies, and optimizing the allocation of management resources.

MIYAUCHI

External officers should be regarded not as “guests,” but as colleagues who work with the Company to ensure its sound development. Key information should be shared promptly and candid discussions should be encouraged. Internal Members of the Board are expected to speak up even on matters outside their immediate responsibilities. Corporate Culture Reform also plays a vital role in embedding governance, and it is important for the Company to foster an environment where issues are reported, discussed, and pointed out without concealment, and to sincerely consider and take actions contributing to the Company’s sound development, rather than pursuing short-term gains and losses.

OGATA

In recent years, the approach to monitoring and controlling corporate management has been scrutinized seriously. Many cases of inappropriate incidents and deterioration in business performance are due to lack of corporate governance, and inadequate crisis management aggravates the damage. Although ups and downs are inherent in business activities, in case of crisis, the Company is expected to face issues sincerely without fear of temporary criticism, maintain the tolerance and courage to face such issues, and establish the transparency, fairness and the mechanisms that enable swift decision-making.

Q3. Could you share your thoughts regarding the role you see yourself playing in that context?

SATO

I will fully support the reform being promoted under the President & CEO AIKAWA’s leadership to further strengthen corporate governance and corporate culture. Drawing on my own experience in finance and observing global industrial transitions, I will provide information and advice on developments in cutting-edge science and technology, as well as on the direction of overseas business strategy, to support the Company’s growth not only in scale and profitability, but also as an infrastructure company for a new era.

OHARA

It is vital for external officers to leverage their expertise and to contribute to the enhancement of corporate value in a coordinated manner. From an external perspective, I will assess the appropriateness, etc. of initiatives for sustainable growth and proactively engage in the Company’s management and governance through the Board and its committees. In advancing growth initiatives, I will also support strengthening the function of the business administration division as the second line of defense, and contribute to enhancing the organic collaboration between the business administration division, which contributes to business promotion, and the operating divisions.

MIYAUCHI

As an external member, I will bring an “outside perspective” to the Company’s management and governance and observe matters objectively. In any organization, its own internal logic and cultures tend to emerge and become unquestioned conventions. I would like to constantly question whether these conventions truly serve the Company and whether the common sense within the Company may in fact be nonsense in society. I will contribute to the Company’s development by supporting its efforts to achieve customer satisfaction and contribute to society.

OGATA

The role of an External Audit & Supervisory Board Member is to express objective opinions from an independent standpoint, unbound by the Company’s internal conventions. While it goes without saying that the management must conduct its operations with due respect for shareholders’ interests, if corporate activities do not accord with the sound common sense of the public, the trust and confidence of society will be lost in an instant. Amid major societal change, I will remain conscious at all times of how the Company is perceived and understood by the public, and will fulfill my responsibilities accordingly.

Key Financial Data (Consolidated)

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Order received	(Billions of yen)	1,765.7	1,671.0	1,655.0	1,743.4	1,693.8	1,680.0	1,650.6	1,589.7	1,810.4	1,962.4	2,437.5
Net sales	(Billions of yen)	1,573.2	1,545.8	1,487.2	1,585.4	1,650.8	1,751.3	1,480.1	1,543.2	1,642.7	1,765.0	2,154.2
Civil Engineering	(Billions of yen)	448.7	433.9	422.8	441.2	439.1	459.1	420.5	414.5	423.1	505.5	630.6
Building Construction	(Billions of yen)	974.5	978.1	938.5	1,020.7	1,087.6	1,168.4	922.2	984.9	1,092.7	1,117.2	1,372.5
Real Estate Development	(Billions of yen)	137.5	121.3	115.2	113.7	114.8	112.4	126.7	132.9	115.3	129.7	137.5
Other	(Billions of yen)	12.4	12.4	10.6	9.7	9.2	11.3	10.5	10.7	11.4	12.5	13.4
Gross profit	(Billions of yen)	147.9	197.5	226.2	266.6	241.4	258.6	218.7	187.7	147.7	127.4	231.1
Civil Engineering	(Billions of yen)	49.9	68.9	75.7	92.4	74.6	94.2	79.5	71.4	72.6	90.2	122.0
Building Construction	(Billions of yen)	69.8	103.9	122.6	146.6	140.8	136.8	116.1	89.7	48.6	3.0	74.4
Real Estate Development	(Billions of yen)	27.0	23.0	25.9	25.6	23.9	25.3	20.8	23.8	23.6	31.3	31.3
Other	(Billions of yen)	1.0	1.6	1.8	1.8	1.8	2.1	2.2	2.6	2.8	2.7	3.2
Operating income	(Billions of yen)	70.4	117.4	140.8	181.8	153.3	167.7	130.5	96.0	54.7	26.4	120.1
Ordinary income	(Billions of yen)	74.4	117.7	144.5	185.3	157.9	173.3	135.9	103.2	63.1	38.9	134.5
Net income attributable to owners of parent	(Billions of yen)	38.1	77.0	90.5	126.7	112.5	122.0	92.5	71.4	47.1	40.2	123.8
Total assets	(Billions of yen)	1,735.2	1,660.8	1,760.0	1,910.5	1,846.1	1,889.9	1,870.6	1,956.2	2,016.7	2,583.6	2,428.8
Net assets	(Billions of yen)	492.1	521.2	570.8	669.0	722.3	753.9	844.4	872.8	833.9	961.0	900.6
Interest-bearing debt	(Billions of yen)	273.2	254.6	238.1	247.3	217.4	208.1	219.0	224.3	201.7	376.2	315.5
Cash and cash equivalents at end of year	(Billions of yen)	337.1	371.7	534.7	687.3	437.5	482.6	494.2	496.7	415.8	430.7	295.9
Cash flows from operating activities	(Billions of yen)	24.0	95.3	218.1	207.0	(71.0)	77.4	67.4	80.5	30.1	40.6	(13.8)
Cash flows from investing activities	(Billions of yen)	(13.9)	(25.0)	6.2	(11.8)	(82.2)	33.2	(18.6)	(37.6)	(14.0)	(138.7)	10.5
Cash flows from financing activities	(Billions of yen)	(30.4)	(35.1)	(60.0)	(41.6)	(96.1)	(66.6)	(37.3)	(41.8)	(98.6)	109.3	(133.7)
Net assets per share (BPS)*	(Yen)	418.61	442.67	2,483.01	2,975.02	3,302.86	3,550.03	4,084.81	4,335.78	4,402.01	5,039.98	5,041.43
Net income per share (EPS)*	(Yen)	33.52	65.85	392.87	561.36	511.90	573.14	442.66	350.88	241.24	215.75	682.78
Return on equity (ROE)	(%)	8.8	15.3	16.7	20.5	16.2	16.6	11.6	8.4	5.6	4.6	13.8
Equity ratio	(%)	28.2	31.2	32.3	34.9	39.0	39.7	44.9	44.4	41.1	36.0	35.7
Net debt equity ratio	(Times)	(0.1)	(0.2)	(0.5)	(0.7)	(0.3)	(0.4)	(0.3)	(0.3)	(0.3)	(0.1)	0.0

* As a consolidation of share was implemented at the ratio of 1 share for 5 shares of the Company stock effective October 1, 2017, net assets per share and net income per share are calculated assuming that the consolidation of share was implemented at the beginning of FY2016.

CONSOLIDATED BALANCE SHEETS

TAISEI CORPORATION AND CONSOLIDATED SUBSIDIARIES
AS OF MARCH 31, 2024 AND 2025

Assets	Millions of Yen		Thousands of U.S. Dollars
	2024	2025	2025
Current assets			
Cash and time deposits	¥ 434,711	¥ 240,689	\$ 1,609,747
Notes and accounts receivable trade	864,694	939,160	6,281,170
Securities	—	60,000	401,284
Cost on uncompleted contracts	79,903	69,013	461,566
Real estate for sale and development projects in progress	166,293	188,677	1,261,890
Other inventories	6,841	6,992	46,763
Other current assets	79,106	95,518	638,833
Allowance for doubtful accounts	(375)	(353)	(2,365)
Total current assets	1,631,175	1,599,698	10,698,890
Fixed assets			
Tangible fixed assets			
Buildings and structures	173,894	179,616	1,201,284
Machinery, vehicles and equipment	84,429	88,070	589,021
Land	219,316	131,342	878,425
Construction in progress	15,426	14,352	95,992
Accumulated depreciation	(160,351)	(166,635)	(1,114,472)
Total tangible fixed assets	332,715	246,745	1,650,252
Intangible fixed assets	27,151	27,538	184,181
Investments and other assets			
Investment securities	478,191	428,326	2,864,676
Net defined benefit asset	80,316	58,171	389,052
Deferred income tax assets	4,504	38,508	257,545
Other fixed assets	31,751	32,004	214,047
Allowance for doubtful accounts	(2,164)	(2,155)	(14,414)
Total investments and other assets	592,599	554,854	3,710,907
Total fixed assets	952,466	829,139	5,545,341
Total assets.....	¥ 2,583,641	¥ 2,428,837	\$ 16,244,231

Liabilities	Millions of Yen		Thousands of U.S. Dollars
	2024	2025	2025
Current liabilities			
Notes and accounts payable trade	¥ 597,704	¥ 553,376	\$ 3,701,020
Short-term borrowings	110,530	115,212	770,549
Short-term non-recourse loans payable	261	208	1,391
Straight bonds due within one year	—	10,000	66,880
Lease obligations	731	875	5,854
Income taxes payable	37,059	37,904	253,506
Advances received and progress billings on uncompleted contracts	215,432	211,132	1,412,071
Deposit received	196,991	193,483	1,294,030
Provision for warranties on completed contracts	3,467	4,129	27,619
Provision for losses on construction contracts	96,661	102,678	686,722
Allowance for losses on orders received	71	31	208
Other current liabilities	43,802	63,892	427,314
Total current liabilities	1,302,713	1,292,924	8,647,168
Long-term liabilities			
Straight bonds	50,000	50,000	334,403
Non-recourse bonds payable	—	100	668
Long-term borrowings	142,787	127,799	854,731
Long-term non-recourse loans payable	72,686	12,201	81,605
Lease obligations	1,533	1,564	10,462
Deferred income tax liabilities	11,953	—	—
Deferred income tax liabilities for revaluation of land	4,480	4,596	30,743
Retirement benefits for directors and corporate auditors	840	933	6,243
Provision for share-based remuneration for directors	271	348	2,333
Allowance for losses on investments in subsidiaries and affiliates	—	3,033	20,285
Net defined benefit liability	18,417	17,418	116,497
Other long-term liabilities	16,957	17,216	115,145
Total long-term liabilities	319,927	235,213	1,573,121
Total liabilities	1,622,641	1,528,137	10,220,289
Net assets			
Shareholders' equity			
Common stock	122,742	122,742	820,907
Capital surplus	30,382	30,461	203,726
Retained earnings	558,721	649,200	4,341,897
Treasury stock	(898)	(73,168)	(489,358)
Total shareholders' equity	710,947	729,234	4,877,173
Accumulated other comprehensive income			
Unrealized gains on available-for-sale securities, net of taxes	154,295	87,254	583,563
Unrealized gains (losses) on hedging derivatives, net of taxes	(1)	4	29
Revaluation reserve for land	1,176	1,062	7,103
Foreign currency translation adjustments	2,530	8,040	53,774
Remeasurements of defined benefit plans	60,385	40,592	271,485
Total accumulated other comprehensive income	218,387	136,953	915,955
Non-controlling interests	31,666	34,511	230,812
Total net assets	961,000	900,699	6,023,941
Total liabilities and net assets	¥ 2,583,641	¥ 2,428,837	\$ 16,244,231

CONSOLIDATED STATEMENTS OF INCOME

TAISEI CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2024 AND 2025

	Millions of Yen		Thousands of U.S. Dollars
	2024	2025	2025
Net sales			
Construction business	¥ 1,602,000	¥ 1,975,150	\$ 13,209,939
Development projects	163,023	179,073	1,197,655
Total net sales	1,765,023	2,154,223	14,407,594
Cost of sales			
Construction business	1,509,665	1,781,706	11,916,174
Development projects	127,957	141,377	945,541
Total cost of sales	1,637,622	1,923,083	12,861,716
Gross profit			
Construction business	92,334	193,443	1,293,764
Development projects	35,066	37,696	252,113
Total gross profit	127,400	231,139	1,545,878
Selling, general and administrative expenses			
Selling expenses	40,756	39,058	261,227
General and administrative expenses	60,163	71,920	481,007
Total selling, general and administrative expenses	100,920	110,978	742,235
Operating income	26,480	120,160	803,643
Non-operating income			
Interest income	1,315	1,401	9,376
Dividend income	5,958	6,095	40,768
Foreign exchange gains	2,581	209	1,400
Investment gain on equity method	4,195	10,225	68,391
Other non-operating income	646	961	6,430
Total non-operating income	14,697	18,894	126,367
Non-operating expenses			
Interest expenses	1,080	2,572	17,205
Financing expenses	149	850	5,688
Taxes and dues	542	707	4,734
Other non-operating expenses	494	418	2,797
Total non-operating expenses	2,266	4,549	30,426
Ordinary income	38,910	134,505	899,584
Extraordinary gains			
Gain on sales of investment securities	17,908	46,197	308,969
Other extraordinary gains	1,970	2,697	18,039
Total extraordinary gains	19,879	48,894	327,008
Extraordinary losses			
Impairment losses on fixed assets	586	1,302	8,709
Loss on retirement of fixed assets	726	210	1,407
Loss on investments in subsidiaries and affiliates	—	3,033	20,285
Compensation for damages	204	—	—
Other extraordinary losses	178	603	4,036
Total extraordinary losses	1,695	5,149	34,438
Income before income taxes	57,093	178,250	1,192,154
Income taxes - current	48,482	60,564	405,062
Income taxes - deferred	(32,722)	(10,258)	(68,607)
Total income taxes	15,760	50,306	336,454
Net income	41,333	127,944	855,699
Net income attributable to non-controlling interests	1,060	4,119	27,552
Net income attributable to owners of parent	¥ 40,272	¥ 123,824	\$ 828,146

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

TAISEI CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2024 AND 2025

	Millions of Yen		Thousands of U.S. Dollars
	2024	2025	2025
Net income	¥ 41,333	¥ 127,944	\$ 855,699
Other comprehensive income			
Unrealized gains on available-for-sale securities, net of taxes	57,481	(66,816)	(446,871)
Unrealized gains (losses) on hedges derivatives, net of taxes	4	—	—
Revaluation reserve for land	—	(131)	(878)
Foreign currency translation adjustments	2,267	3,812	25,500
Remeasurements of defined benefit plans	45,087	(19,724)	(131,921)
Share of other comprehensive income of entities accounted for using equity method	221	1,610	10,770
Total other comprehensive income	105,063	(81,249)	(543,398)
Comprehensive income	¥ 146,396	¥ 46,695	\$ 312,300
Comprehensive income attribute to			
Owners of parent	¥ 144,523	¥ 42,362	\$ 283,324
Non-controlling interests	1,873	4,332	28,976

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TAISEI CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2024 AND 2025

(Note) Excluding the reversal of revaluation reserve for land.

	Millions of Yen					Millions of Yen							
	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of April 1, 2023	¥ 122,742	¥ 30,382	¥ 562,774	¥ (906)	¥ 714,992	¥ 97,090	¥ (6)	¥ 1,235	¥ 237	¥ 15,638	¥ 114,194	¥ 4,756	¥ 833,944
Changes during the period													
Dividends			(24,384)		(24,384)								(24,384)
Net income attributable to owners of parent			40,272		40,272								40,272
Acquisition of treasury stock				(20,010)	(20,010)								(20,010)
Disposal of treasury stock		0		18	18								18
Cancellation of treasury stock		(19,999)		19,999	—								—
Transfer from retained earnings to capital surplus		19,999	(19,999)		—								—
Reversal of revaluation reserve for land			58		58			(58)			(58)		—
Changes in scope of consolidation					—								—
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)								(0)
Changes in scope of equity method					—								—
Changes other than shareholders' equity, net (Note)						57,205	5		2,293	44,747	104,250	26,909	131,160
Total changes during the period	—	(0)	(4,052)	7	(4,045)	57,205	5	(58)	2,293	44,747	104,192	26,909	127,056
Balance as of March 31, 2024	¥ 122,742	¥ 30,382	¥ 558,721	¥ (898)	¥ 710,947	¥ 154,295	¥ (1)	¥ 1,176	¥ 2,530	¥ 60,385	¥ 218,387	¥ 31,666	¥ 961,000
Balance as of April 1, 2024	¥ 122,742	¥ 30,382	¥ 558,721	¥ (898)	¥ 710,947	¥ 154,295	¥ (1)	¥ 1,176	¥ 2,530	¥ 60,385	¥ 218,387	¥ 31,666	¥ 961,000
Changes during the period													
Dividends			(23,877)		(23,877)								(23,877)
Net income attributable to owners of parent			123,824		123,824								123,824
Acquisition of treasury stock				(82,273)	(82,273)								(82,273)
Disposal of treasury stock		0		3	3								3
Cancellation of treasury stock		(9,999)		9,999	—								—
Transfer from retained earnings to capital surplus		9,999	(9,999)		—								—
Reversal of revaluation reserve for land			(28)		(28)			28			28		—
Changes of scope of consolidation		(28)	38		9								9
Change in ownership interest of parent due to transactions with non-controlling interests		107			107								107
Changes of scope of equity method			522		522								522
Changes other than shareholders' equity, net (Note)						(67,041)	5	(143)	5,509	(19,793)	(81,461)	2,844	(78,617)
Total changes during the period	—	78	90,478	(72,270)	18,287	(67,041)	5	(114)	5,509	(19,793)	(81,433)	2,844	(60,301)
Balance as of March 31, 2025	¥ 122,742	¥ 30,461	¥ 649,200	¥ (73,168)	¥ 729,234	¥ 87,254	¥ 4	¥ 1,062	¥ 8,040	¥ 40,592	¥ 136,953	¥ 34,511	¥ 900,699

	Thousands of U.S. Dollars					Thousands of U.S. Dollars							
	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on available-for-sale securities, net of taxes	Unrealized gains (losses) on hedging derivatives, net of taxes	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance as of April 1, 2024	\$ 820,907	\$ 203,199	\$ 3,736,768	\$ (6,011)	\$ 4,754,864	\$ 1,031,938	\$ (9)	\$ 7,871	\$ 16,923	\$ 403,864	\$ 1,460,587	\$ 211,787	\$ 6,427,239
Changes during the period													
Dividends			(159,697)		(159,697)								(159,697)
Net income attributable to owners of parent			828,146		828,146								828,146
Acquisition of treasury stock				(550,250)	(550,250)								(550,250)
Disposal of treasury stock		0		25	25								25
Cancellation of treasury stock		(66,878)		66,878	—								—
Transfer from retained earnings to capital surplus		66,877	(66,877)		—								—
Reversal of revaluation reserve for land			(190)		(190)			190			190		—
Changes of scope of consolidation		(193)	256		62								62
Change in ownership interest of parent due to transactions with non-controlling interests		720			720								720
Changes of scope of equity method			3,492		3,492								3,492
Changes other than shareholders' equity, net (Note)						(448,374)	39	(958)	36,850	(132,379)	(544,822)	19,025	(525,796)
Total changes during the period	—	526	605,129	(483,347)	122,308	(448,374)	39	(767)	36,850	(132,379)	(544,631)	19,025	(403,297)
Balance as of March 31, 2025	\$ 820,907	\$ 203,726	\$ 4,341,897	\$ (489,358)	\$ 4,877,173	\$ 583,563	\$ 29	\$ 7,103	\$ 53,774	\$ 271,485	\$ 915,955	\$ 230,812	\$ 6,023,941

CONSOLIDATED STATEMENTS OF CASH FLOWS

TAISEI CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2024 AND 2025

	Millions of Yen		Thousands of U.S. Dollars
	2024	2025	2025
Cash flows from operating activities			
Income before income taxes	¥ 57,093	¥ 178,250	\$ 1,192,154
Depreciation and amortization	13,110	16,391	109,628
Impairment losses on fixed assets	586	1,302	8,709
Increase (decrease) in allowance for doubtful accounts	173	(30)	(204)
Increase (decrease) in provision for losses on construction contracts	48,281	6,017	40,246
Increase (decrease) in net defined benefit liability	(855)	(1,014)	(6,782)
Decrease (increase) in net defined benefit asset	(67,401)	22,175	148,309
Increase (decrease) in allowance for losses on investments in subsidiaries and affiliates	—	3,033	20,285
Interest and dividend income	(7,273)	(7,497)	(50,144)
Interest expenses	1,080	2,572	17,205
Foreign exchange losses (gains)	(2,581)	(209)	(1,400)
Loss (gain) on valuation of investment securities	25	82	549
Loss (gain) on sales of investment securities	(17,895)	(48,672)	(325,524)
Loss (gain) on sales of fixed assets	(589)	(90)	(602)
Loss on retirement of fixed assets	726	210	1,407
Investment loss (gain) on equity method	(4,195)	(10,225)	(68,391)
Decrease (increase) in trade receivables	(105,106)	(74,123)	(495,740)
Decrease (increase) in cost on uncompleted contracts	(7,322)	10,962	73,316
Decrease (increase) in real estate for sale and development projects in progress	(20,846)	(17,759)	(118,774)
Decrease (increase) in other inventories	(1,002)	(140)	(941)
Increase (decrease) in trade payables	92,137	(44,789)	(299,553)
Increase (decrease) in advances received and progress billings on uncompleted contracts	25,503	(4,580)	(30,632)
Increase (decrease) in deposit received	24,342	(3,435)	(22,978)
Increase (decrease) in accounts payable - other	(7,206)	17,043	113,989
Other, net	37,254	(6,867)	(45,931)
Subtotal	58,038	38,605	258,197
Interest and dividend received	8,685	9,895	66,180
Interest paid	(1,020)	(2,542)	(17,005)
Income taxes paid	(25,091)	(59,799)	(399,944)
Net cash provided by (used in) operating activities	40,611	(13,841)	(92,571)
Cash flows from investing activities			
Decrease (increase) in time deposits	(3,864)	(334)	(2,239)
Purchase of tangible and intangible assets	(122,308)	(31,939)	(213,615)
Proceeds from sales of tangible and intangible assets	1,424	898	6,010
Purchase of investment securities	(26,757)	(86,617)	(579,304)
Proceeds from sales and redemption of investment securities	40,203	115,149	770,129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(27,365)	—	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	13,377	89,472
Other, net	(79)	(2)	(14)
Net cash provided by (used in) investing activities	(138,747)	10,531	70,438
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(1,295)	3,532	23,626
Proceeds from long-term borrowings	94,010	26,400	176,565
Repayment of long-term borrowings	(21,122)	(40,239)	(269,124)
Proceeds from long-term non-recourse borrowings	72,830	7,998	53,491
Repayment of long-term non-recourse loans payable	(11)	(261)	(1,746)
Proceeds from issuance of bonds	9,944	9,944	66,507
Proceeds from issuance of non-recourse bonds	—	90	603
Acquisition of treasury stock	(20,010)	(82,071)	(548,899)
Decrease (increase) in deposits for the purchase of treasury stock	—	(32,640)	(218,298)
Dividends paid	(24,384)	(23,877)	(159,697)
Other, net	(568)	(2,644)	(17,687)
Net cash provided by (used in) financing activities	109,392	(133,769)	(894,661)
Effect of exchange rate changes on cash and cash equivalents	3,633	2,287	15,298
Net increase (decrease) in cash and cash equivalents	14,890	(134,791)	(901,495)
Cash and cash equivalents at beginning of year	415,863	430,754	2,880,917
Cash and cash equivalents at end of year	¥ 430,754	¥ 295,963	\$ 1,979,421

Overseas Network (As of September 1, 2025)

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Environmental Data

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Scope 1+2 total CO ₂ Emissions (Taisei Group)* ¹	10 ³ tCO ₂	318	325	291	283	305
Scope 1+2 CO ₂ emissions per sales (Taisei Group)* ¹	t-CO ₂ /¥billion	2.21	2.20	1.84	1.71	1.44
Scope 3 total CO ₂ Emissions (Taisei Group)* ¹	10 ³ tCO ₂	5,625	4,632	5,284	5,642	5,808
ZEB ratio of design and build projects (area ratio)	%	—	—	—	40	74
Renewable energy generation capacity* ²	GWh	—	—	—	123	181
Final disposal rate of construction waste	%	2.7	2.8	2.8	2.9	2.9
Number of projects contributing to Nature Positive* ³	Projects	44	72	50	50	51

*1 Scope of coverage: Taisei Corporation and seven Group companies (eight companies in total) until FY2023. From FY2024 onward, PS Construction Co., Ltd. and SATOHIDE CORPORATION have been added, bringing the total to ten companies. *2 Converted to a full-year equivalent based on power sources owned at the fiscal year-end. *3 Until FY2022, the number of projects contributing to biodiversity enhancement.



Social Data

Human Capital

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Number of employees (consolidated / full-time employees)	Persons	14,620	14,518	14,466	16,285	16,382
Male (consolidated)		11,959	11,822	11,722	13,249	13,103
Female (consolidated)		2,661	2,696	2,744	3,036	3,279
Japanese employees (consolidated)		13,747	13,645	13,611	15,278	15,311
Non-Japanese employees (consolidated)		873	873	855	1,007	1,071
First-class architects		3,241	2,552	2,557	2,516	2,539
First-class civil engineering works execution managing engineers		2,480	1,877	1,921	1,918	1,967

DE&I (Diversity, Equity & Inclusion)

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Percentage of newly employed female graduates	%	17.9	16.2	21.0	22.2	25.5
Percentage of mid-career female hires		0	17.9	13.0	27.4	12.8
Number of female managers* ¹	Persons	8	9	10	14	17
Number of female engineers		738	767	809	877	958
Percentage of female engineers	%	9.9	10.2	10.6	11.3	11.9
Rate of taking childcare leave by males* ²		100.0	100.0	119.1	130.9	118.5
Average number of days of childcare leave taken by males	Days	7.1	9.7	11.6	17.3	22.5
Rate of employment of persons with disabilities (Taisei Group* ³)	%	—	2.06	2.10	2.15	2.45
Engagement score	Score	—	—	B 50.0	B 50.2	BBB 55.0

*1 Calculated as of March 1 of each fiscal year. *2 Until FY2021, the calculation was based on the Company's internal system (the percentage of male employees who took childcare leave during their eligible period following the birth of a child). From FY2022 onward, the calculation has been based on the Child Care and Family Care Leave Act (denominator: employees who had a child during the fiscal year; numerator: those who took childcare leave or leave for childcare purposes during the fiscal year). *3 Aggregated as of June 1 of each fiscal year. Scope of coverage: Taisei Corporation and seven Group companies (eight companies in total) until FY2023. From FY2024 onward, PS Construction Co., Ltd. and SATOHIDE CORPORATION have been added, bringing the total to ten companies.

Health / Safety

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Health management overtime hours (720 hours/year)	—	25.4% of employees exceed	23.5% of employees exceed	18.2% of employees exceed	16.6% of employees exceed	8.3% of employees exceed
Implementation rate of 8-day site closure per 4 weeks (Building Construction)	%	—	26.6	27.8	39.0	49.9
Implementation rate of 8-day site closure per 4 weeks (Civil Engineering)		—	49.5	52.2	69.6	80.0
Accident frequency rate (Taisei Group)* ^{1, 2}	—	0.37	0.56	0.38	0.64	0.65
Number of fatal accidents (Taisei Group)* ^{1, 2}	Cases	5	1	1	0	2
Number of fatal accidents and serious accidents* ²		5	1	0	0	2

*1 Scope of coverage: Taisei Corporation and six Group companies (seven companies in total) until FY2023. From FY2024 onward, PS Construction Co., Ltd. and SATOHIDE CORPORATION have been added, bringing the total to nine companies. *2 Aggregated from January to December.

Quality / Regional Collaboration / Supply Chain

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Customer satisfaction (Building Construction)	%	90.0	90.0	85.9	82.8	82.6
Customer satisfaction (Civil Engineering)		98.6	97.6	95.8	98.6	99.6
Number of regional collaboration projects* ¹	Cases	—	—	—	9	15
Number of major external awards (Building Construction)* ¹		5	12	13	11	17
Number of major external awards (Civil Engineering)* ¹		5	9	11	8	15
Number of serious quality-related problems* ²		—	—	—	0	0
Percentage of confirmation on Supplier's sustainability activities	%	—	—	53	54	48

*1 For the definitions of "regional collaboration projects" and the scope of "major external awards," please refer to the Company's website. *2 For the definition of "number of serious quality-related problems," see page 40.

Capacity Development / Intellectual Property

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Total training hours for capacity development* ¹	Hours	233,143	231,706	566,424	563,353	597,694
Training hours per person* ¹		27.0	26.7	65.0	63.8	65.5
Number of patent applications filed (total for three years)	Cases	—	—	—	837	809
Number of patent applications filed		266	272	283	282	244
Number of digital advanced usage site offices (cumulative)* ²	Worksites	—	—	—	290	324

*1 Until FY2021, data was collected from training sessions hosted by the head office. From FY2022 onward, training programs conducted by branches and company-wide e-learning programs have also been included in the aggregation. *2 See page 40 for the definition of "digital advanced usage site offices."



Governance Data

(FY)

Indicators	Unit	2020	2021	2022	2023	2024
Operational results of the whistleblowing and consultation system* ¹	Cases	28	30	73	82	92
Number of serious compliance violations* ²		—	—	—	1	0
Attendance rate at compliance training	%	100	100	100	100	100
Number of serious information security incidents (Taisei Group)* ³	Cases	1	0	0	0	0

*1 Scope of coverage: Until FY2023, Taisei Corporation and 22 Group companies (23 companies in total). From FY2024 onward, the PS Construction Group and SATOHIDE Group have been added, bringing the total to 32 companies. *2 For the definition of the number of serious compliance violations, see page 40. *3 Scope of coverage: Until FY2023, Taisei Corporation and eight Group companies (nine companies in total). From FY2024 onward, SATOHIDE CORPORATION has been added, bringing the total to 10 companies.



Corporate Data / Stock Information (As of March 31, 2025)

Corporate Data

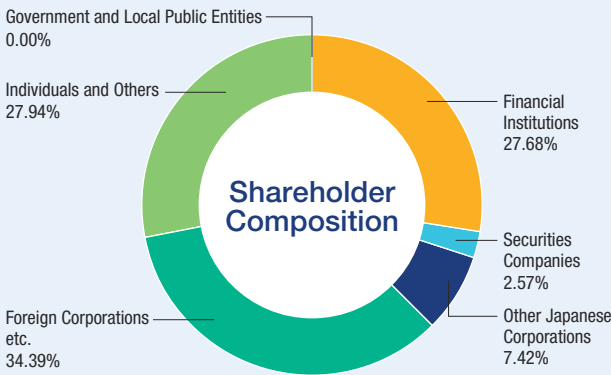
Name	TAISEI CORPORATION
Founded	October, 1873
Incorporated	December 28, 1917
Paid-In Capital	¥122,742,158,842
Head Office	25-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan TEL. 81-3-3348-1111 (main number)
Number of Employees	16,382 (Consolidated) 8,994 (Non-consolidated)
Representative	Yoshiro Aikawa, President and Chief Executive Officer

Stock Information

Stock Listings	Tokyo, Nagoya
Code	1801
Fiscal Year	April 1 to March 31 of the following year
Share Unit	100 shares
Number of Shares Authorized	440,000,000
Number of Shares Issued	183,166,472 (including 11,223,571 treasury shares)
Number of Shareholders	53,370
Transfer Agent	Mizuho Trust & Banking Co., Ltd.

Shareholder Composition

Category	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
Government and Local Public Entities	2	0.00
Financial Institutions	50,692	27.68
Securities Companies	4,709	2.57
Other Japanese Corporations	13,600	7.42
Foreign Corporations etc.	62,985	34.39
Individuals and Others	51,175	27.94



Major Shareholders

Name of Shareholder	Shareholding in the Company	
	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,600	17.80
Custody Bank of Japan, Ltd. (Trust Account)	9,968	5.80
Taisei Associates' Shareholding Plan	6,244	3.63
STATE STREET BANK AND TRUST COMPANY 505223	4,830	2.81
STATE STREET BANK AND TRUST COMPANY 505001	4,371	2.54
Taisei Employees' Shareholding Plan	3,505	2.04
State Street Bank West Client-Treaty 505234	3,380	1.97
MSIP CLIENT SECURITIES	3,184	1.85
Meiji Yasuda Life Insurance Company	2,847	1.66
MITSUBISHI ESTATE CO., LTD.	2,426	1.41

Note: The shareholding ratio is calculated by excluding the Company's own shares (11,223,571 shares) from the total number of issued shares.

Key External Assessments

Inclusion in ESG Indices

The Company leverages evaluations from ESG rating agencies to further enhance its sustainability initiatives. As of September 1, 2025, the Company is included in the following major global ESG indices.

Note: The inclusion of Taisei Corporation in any MSCI Index, as well as the use of MSCI logos, trademarks, service marks, or index names in this report, does not constitute sponsorship, endorsement, or promotion of the Company by MSCI or any of its affiliates. The MSCI Index is the exclusive property of MSCI, and the names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI or its affiliates.

Editor's Note

“Has producing our integrated report become an end in itself?”

This question, posed by an investor last year, prompted us to pause and reflect. In our efforts to meet formal requirements, had we lost sight of what truly needed to be conveyed? This moment of self-reflection became the starting point for this year's report.

What we most wish to share is the unique appeal of the Taisei Group, which we deeply cherish, and the commitment of our executives and employees as they join forces to drive transformation toward realizing a “Corporate Culture Where Lives of Everyone are Respected.”

With sincerity, we have crafted this report in the hope that these sentiments will resonate with as many readers as possible. Throughout the production process, our entire team kept readers' perspectives firmly in mind, focusing on authentically portraying the voices of our employees and the challenges they face on-site. In doing so, we ourselves were reminded of both the depth and the responsibility that come with communication.

Through this report, we hope to foster constructive dialogue with our stakeholders and use your feedback and insights to help shape a better future for the Taisei Group.

Your voices are the driving force that sustains “‘The Works to Create Landmarks,’ Looking Ahead.”

We sincerely welcome your candid thoughts and feedback.

Taisei Group Integrated Report 2025 Production Team

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workstyles in such industry. While complying with the restrictions on maximum overtime work, we should further improve productivity through technology development. Drawing on the expertise we have accumulated as the “Taisei, renowned for its technological excellence,” we should address the issues with the determination to transform the industry.

KOIDE: From my experience in foreign-capital companies, I feel that Japanese people tend to be earnest and do everything too thoroughly. If this reform turns into “completing everything on the to-do list,” it will become stifling in the Company. Nor should egalitarianism go so far that “everyone follows the same approach.” It is important to respect each individual’s will to act according to their own intentions and to create an environment where people can enjoy working. If employees truly become the kind of people who want to continue working at the Company, they will be able to strive for the future and overcome challenges.

For Further Enhancement of Corporate Governance

TANAKA: My mission as the Chairman of the Board is to foster substantive discussions in an open atmosphere. By drawing out candid views from internal Members of the Board and leveraging the insights of External Members of the Board, I would like to further enhance our Corporate Governance. Could you share your opinions?

NISHIMURA: The Governance System Review Committee, which I chair, is working to enhance the effectiveness of the Board. In the previous fiscal year, we organized the matters to be deliberated by each committee within the Board and refined the related regulations. We will continue to monitor and address issues as they arise.

We are also advancing the delegation of authority to the executive side and aiming to further enhance deliberation on medium- to long-term issues. Going forward, discussions toward the next medium-term business plan will begin. We will deepen our efforts to enable more substantive discussions.

OTSUKA: I chair the Executive Personnel Committee and the Remuneration Committee. In the Executive Personnel Committee, we have formulated succession plans and are



discussing the development of the next generation and beyond.

In the Remuneration Committee, reflecting the strong commitment of the President & CEO, we introduced an individual performance evaluation system for Executive Officers. I believe the dialogue held between the President & CEO and each executive based on this evaluation system will also foster the development of the management. We are also advancing discussions on the appropriateness of the total amount of remuneration for executives and on designing a more incentive-oriented compensation structure.

We will continue to deepen deliberations in both committees and enhance our governance.

KOKUBU: Compared with when I assumed my position at the Company, our organizations and systems have been significantly strengthened, and discussions have shifted from nominal ones to substantive ones. In the Sustainability Committee which I chair, we have abolished nominal reporting and, as the revision of materiality last fiscal year, we will prioritize substantive discussions that contribute to the Company’s growth.

Going forward, it will be important to think on a consolidated basis rather than on a non-consolidated basis, to consider business investments including M&A in addition to contracting, and to move further upstream in business. To develop managerial talent with this mindset, we will consider how to fill the gaps and support their development.

KAMIJO: I recognize that the Company has a tendency to seek perfect rules. In the coming era, however, it will also be important to move swiftly within a framework of basic rules and hone the ability to respond flexibly through operation. From the perspective that “a company is a public institution of society,” the issues we must address for the future will naturally become clear.

KOIDE: To ensure sufficient time for substantive discussion, I believe it remains necessary to continuously review the Board’s agenda and the scope of authority delegated to the executive side as its prerequisite, and I also believe that we should have more discussions on the very role and function of the Board. I would like the executive side to recognize that External Members of the Board are here to enhance both the speed of business and the likelihood of success and to make

greater use of our presence. We will work together with the executive side and improve an environment to hold meaningful discussions at the right time and to enable the executive side to act more effectively.

The Role to Realize Sustainable Enhancement of Corporate Value and Stable Growth

TANAKA: My role is to take a panoramic view of the Group and assess whether policies and measures such as the medium-term business plan truly contribute to sustainable enhancement of corporate value and stable growth. To ensure that excessive risk management does not stifle challenges, I have considered supporting the executive side and to maintain a sound balance. By balancing strategic investments for growth with returns to stakeholders with an eye to capital efficiency, we will enhance corporate value.

Could you tell us about your own role?

NISHIMURA: The Company has sincerely engaged in the development of social infrastructure, and built a strong track record as “The Works to Create Landmarks.” However, the value sought in urban development will undergo significant changes going forward. With a sense of urgency that our current strengths may not necessarily remain effective in the future, we must respond flexibly to changes in society. Drawing on my experience as a diplomat, I will deliver appropriate suggestions from a multilayered and global perspective.

OTSUKA: To enhance corporate value, it is vital that all executives and employees of the Company share the philosophy of “TAISEI QUALITY — Quality Is Our Pride.” For a manufacturing company, improving quality is, in itself, enhancing corporate value. I will continue to provide advice and engage in dialogue, including on external communications, to elevate the quality of all our corporate activities.

KOIDE: While learning about general contractors upon assuming my position at the Company, I realized how truly impressive this work is — supporting people’s safe and secure lives. I would like employees to take pride in supporting society and proactively communicate the value of their work. Otherwise, the appeal and the essence of the construction industry may not be fully understood in society, and misunderstandings about the industry could lead to



difficulties in recruiting human capital. I will continue to urge that we speak more confidently about the Company’s appeal and social significance.

KOKUBU: As management perspectives shift from non-consolidated to consolidated and from contracting to investment, I will provide accurate advice, drawing on my own experiences, including failures. When corporate value is enhanced, the company is a place where employees can vibrantly envision their dreams. Using the company as a platform for employees to realize their dreams leads to the Company’s growth. With that in mind, I will proactively make suggestions.

KAMIJO: Until now, growth opportunities lay in “creating new things.” Going forward, we are expected to take a perspective that maintains and restores existing infrastructure while assessing what is truly needed by society. It is important that the public and private sectors work as one and deepen discussions on the sustainability of social infrastructure. I expect the Company to be far more proactive in expressing its views and to lead the industry as “Taisei, renowned for its technological excellence.” To that end, I will continue to share my views from an external perspective.

KOIDE: Going forward, the “human capital” that generates innovation will become even more important. Through Corporate Culture Reform, I hope the Company will build a culture that also values learning from failure, foster an environment that encourages challenge, and link them to the Company’s growth. If the Company cherishes the positive desire to “give it a try,” it will attract more people who resonate with that mindset to join the Company, leading to a virtuous cycle of innovation. I will leverage my experience in various organizations and contribute to enhancing corporate value also from the standpoint of “human capital.”

TANAKA: Our work touches every aspect of people’s lives. Drawing on everyone’s views, we will continue to sharpen the sources of our competitiveness such as “Human Capital,” “Technology,” and “Partners including our partner companies” and proactively communicate the value the Company creates. Then, we will build the Taisei Group where employees can truly feel, “I’m glad I work here,” and everyone involved in our businesses can work vibrantly. Thank you for sharing your opinions today.



TAISEI GROUP OF COMPANIES

For a Lively World



Anti Virus

Natural Inorganic antiviral agents,
printing, printing surface.
JP0612643X0001E

It can reduce the number of
specific viruses on the product.

The SIAA brand mark is borne on products evaluated
according to ISO 21702 and they are under quality
control and information disclosure by the
guidelines of the Society of International sustaining
growth for Antimicrobial Articles.

Caution!
The antiviral surface treatment does not aim to cure or
prevent viral diseases.
It conforms to SIAA's safety requirements.

