

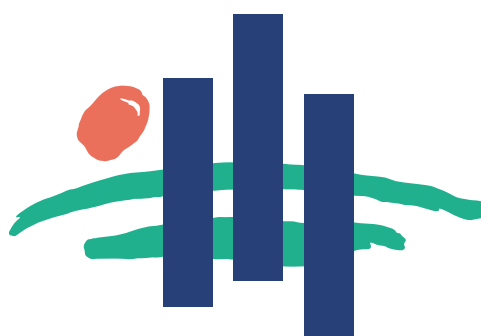
Business Report of the

164th

General Meeting of Shareholders

The Attached Documents to the Notice of the General Meeting of Shareholders

(From April 1, 2023 to March 31, 2024)



T A I S E I

For a Lively World

TAISEI CORPORATION

Securities Code: 1801

IMPORTANT NOTE:

The documents are English translations of the “Business Report of the 164th General Meeting of Shareholders (*Dai-164-kai Teiji Kabunushi Sokai Jigyo Hokoku*)” of Taisei Corporation, and are prepared solely for the convenience of shareholders who are non-Japanese speakers. In the event that any of the information contained in these English translations is inconsistent with the information contained in the Japanese original documents, the Japanese original texts shall prevail.

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1 Current State of the Company and its Affiliated Companies**(1) Progress and Results of Operations**

The Japanese economy, while individual consumer spending seems to have remained stagnant, has generally maintained its gradual recovery as capital investments have continued to show signs of improvement and market demands generated by inbound foreign visitors have expanded. However, there still lies a risk that a slowdown in overseas economies, such as the uncertainty of the Chinese economy and the situation in the Middle East, which may lead to an economic downturn.

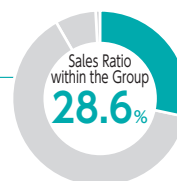
In the construction industry, overall construction investments have continued to be steady, backed not only by the recovery of the private investments associated with the increased corporate demand for capital investments, but also by the public investments that have continued to be driven strongly by the measures taken by the government to prevent and reduce disaster risks and make the country more resilient. However, the prices of a wide range of construction materials that have remained high, and the tight labor market, have put upward pressure on construction costs, creating the difficult management environment for the construction industry as a whole.

Under these circumstances, the Company and its affiliated companies (collectively, the "Taisei Group") reported consolidated results of its operations as follows: orders received of ¥1,962.4 billion, an 8.4% increase, net sales of ¥1,765.0 billion, a 7.4% increase, recurring income of ¥38.9 billion, a 38.4% decrease, and net income attributable to owners of parent (the Company's shareholders) for the year of ¥40.2 billion, a 14.5% decrease compared to the previous fiscal year.

The status for orders and sales in each segment is as follows:

Orders received	¥1,962.4 billion Compared to the previous FY 8.4% ↑
Net sales	¥1,765.0 billion Compared to the previous FY 7.4% ↑
Recurring income	¥38.9 billion Compared to the previous FY 38.4% ↓
Net income attributable to owners of parent	¥40.2 billion Compared to the previous FY 14.5% ↓

(CIVIL ENGINEERING BUSINESS)



New orders for the Taisei Group were worth ¥682.1 billion, a 28.4% increase compared to the previous fiscal year, as there was increase in new orders received by the Company and its consolidated subsidiaries.

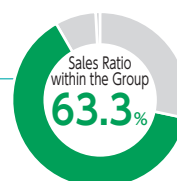
New orders for the Company were worth ¥518.8 billion, a 31.2% increase. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 70.7%, 27.0% and 2.3%, respectively, and the percentage of orders received without competitive bidding out of the total was 17.0%.

Net sales for the Taisei Group were ¥505.5 billion, a 19.5% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company and its consolidated subsidiaries.

Net sales for the Company were ¥350.1 billion, a 19.1% increase compared to the previous fiscal year.

The Taisei Group	Orders received	¥682.1 billion Compared to the previous FY 28.4% ↑
	Net sales	¥505.5 billion Compared to the previous FY 19.5% ↑
The Company	Orders received	¥518.8 billion Compared to the previous FY 31.2% ↑
	Net sales	¥350.1 billion Compared to the previous FY 19.1% ↑

(BUILDING CONSTRUCTION BUSINESS)



New orders for the Taisei Group were worth ¥1,136.5 billion, a 1.4% decrease compared to the previous fiscal year, as there was decrease in new orders received by the Company.

New orders for the Company were worth ¥1,024.2 billion, a 2.6% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 8.6%, 85.5% and 5.9%, respectively, and the percentage of orders received without competitive bidding out of the total was 37.0%.

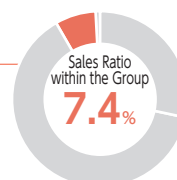
Net sales for the Taisei Group were ¥1,117.2 billion, a 2.2% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company's consolidated subsidiaries.

Net sales for the Company were ¥1,004.6 billion.

The Taisei Group	Orders received	¥1,136.5 billion Compared to the previous FY 1.4% ↓
	Net sales	¥1,117.2 billion Compared to the previous FY 2.2% ↑
The Company	Orders received	¥1,024.2 billion Compared to the previous FY 2.6% ↓
	Net sales	¥1,004.6 billion Compared to the previous FY 0.0% ↓

The major new orders received and the new major projects completed by Civil Engineering and Building Construction Business Divisions during FY ended March 2024 are shown on page 4 to page 5.

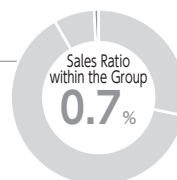
(REAL ESTATE DEVELOPMENT BUSINESS)



In the real estate industry, the recent vacancy rate has been on a downward trend due to the return to office movements in the building leasing market, and the real estate sales market remained resilient by virtue of strong investors' demand.

Net sales of the Taisei Group in the real estate segment were ¥129.7 billion, a 12.5% increase compared to the previous fiscal year, because of the increase in net sales was observed in the Company and its consolidated subsidiaries.

(OTHER BUSINESSES)



The Taisei Group recorded net sales in this segment of ¥12.5 billion, a 9.0% increase compared to the previous fiscal year due to the increase in the revenues of both the Company and its consolidated subsidiaries.

The new orders received, net sales, and total balance of contract backlog for each segment of the Taisei Group are as follows:

(Unit: ¥ Billion)

	Backlog at the Beginning of This Period (April 1, 2023)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	869.0 (125.8)	682.1	505.5	1,171.6
BUILDING CONSTRUCTION	1,891.3 (73.6)	1,136.5	1,117.2	1,984.2
REAL ESTATE DEVELOPMENT BUSINESS	3.2	131.1	129.7	4.6
OTHER BUSINESSES	—	12.5	12.5	—
TOTAL:	2,763.6 (199.5)	1,962.4	1,765.0	3,160.5

Note: Figures shown between parenthesis '()' indicate necessary adjustments as a result of changes in corporate consolidation.

The new orders received, net sales, and total balance of contract backlog for each segment of the Company are as follows:

(Unit: ¥ Billion)

	Backlog at the Beginning of This Period (April 1, 2023)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	793.2	518.8	350.1	961.9
BUILDING CONSTRUCTION	1,789.2	1,024.2	1,004.6	1,808.7
SUB TOTAL:	2,582.4	1,543.0	1,354.8	2,770.6
REAL ESTATE DEVELOPMENT BUSINESS	1.8	31.1	30.0	2.9
OTHER BUSINESSES	—	8.8	8.8	—
TOTAL:	2,584.2	1,582.9	1,393.6	2,773.5

Major new orders received during the fiscal year ended March 2024



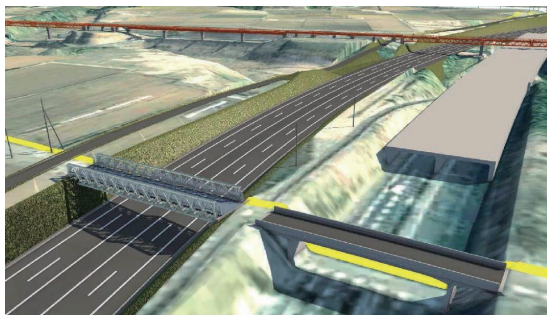
Detail Design and Construction Works for shield tunnel of Nihonbashi district (Chuo-ku, Tokyo)

Owner:
Metropolitan Expressway Co., Ltd



Shinjuku West Gate Development Project (Shinjuku-ku, Tokyo)

Owner:
Odakyu Electric Railway Co., Ltd.,
Tokyo Metro Co., Ltd., and
TOKYU LAND CORPORATION



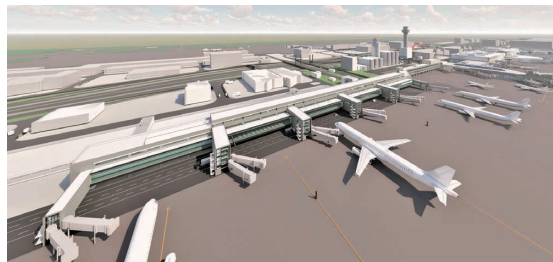
Higashi-Kanto Expressway Underpass Construction Project Miscellaneous Works in Runway B Extension Area (Narita-shi, Chiba)

Owner:
NARITA INTERNATIONAL AIRPORT CORPORATION
Data Source:
NARITA INTERNATIONAL AIRPORT CORPORATION



SMC Tono Supplier Park Construction Project (Tono-shi, Iwate)

Owner:
SMC Corporation



Tokyo International Air Terminal, Terminal 1 North Satellite Facility Construction Project (Ota-ku, Tokyo)

Owner:
Japan Airport Terminal Co.,Ltd.

Major projects completed during the fiscal year ended March 2024



Naruse Dam Raw Stone Collection Project (Phase 1)

(Ogachi-gun, Akita)

Owner:

Tohoku Regional Development Bureau,
Ministry of Land, Infrastructure,
Transport and Tourism



Tokushima Tsuda Biomass Power Plant

(Tokushima-shi, Tokushima)

Owner:

Tokushima Tsuda Biomass Power Plant G.K.



Mitsui Shopping Park LaLaport TAICHUNG (tentative name) Project

(Taichung, Taiwan)

Owner:

SAN ZHONG EAST DIST LaLaport CO., LTD.



Kawasaki City New Office Tower Construction Project

(Kawasaki-shi, Kanagawa)

Owner:

Kawasaki City



Site-A Project of Nanbanaka 2-chome Development Project

(Osaka-shi, Osaka)

Owner:

Centara Osaka TMK

(2) Investments in Plant and Equipment

The Taisei Group's investment of plant and equipment during the fiscal year ended March 2024 (fiscal year 2023) was 121.6 billion yen in total. The major investment was for acquisition of buildings for rent in the real estate development business.

(3) Fund Raising

The Company issued unsecured straight corporate bonds of 10 billion yen in December 2023 (41st issue).

(4) Issues to Be Dealt with

For the Medium-Term Business Plan (2021-2023) with the fiscal year 2023 as its last year, both sales and income fell short of the targets due to delay in establishment of production system for business expansion, failure to pass the soaring prices of construction materials on to our contract prices with the owner, and a decrease in profit ratio derived by strategic receiving orders of large-scale projects in fiercely competitive environment.

	Final FY 2023 under the Medium-Term Business Plan (2021-2023)		
	Numerical Targets	Results	Variance in amount
Group Net Sales	¥2,000 trillion	¥1,765 trillion	△235.0 billion
Group Operating Income	¥140.0 billion	¥26.4 billion	△113.6 billion
Group Net Income Attributable to Owners of Parent	¥100.0 billion	¥40.2 billion	△59.8 billion
ROE	Approx. 10%	4.6%	—
Dividend Payout Ratio	Approx. 25%	60.3%	—
Net interest-bearing debt	To maintain state of substantive debt-free	To maintain state of substantive debt-free	—

Based on the introspection of the previous Medium-Term Business Plan, the Group has clarified its management policy that emphasizes more on profit, and has formulated the [TAISEI VISION 2030] Achievement Plan by organizing policies and measures to be taken in the next 7 years in the aim to realize [TAISEI VISION 2030].

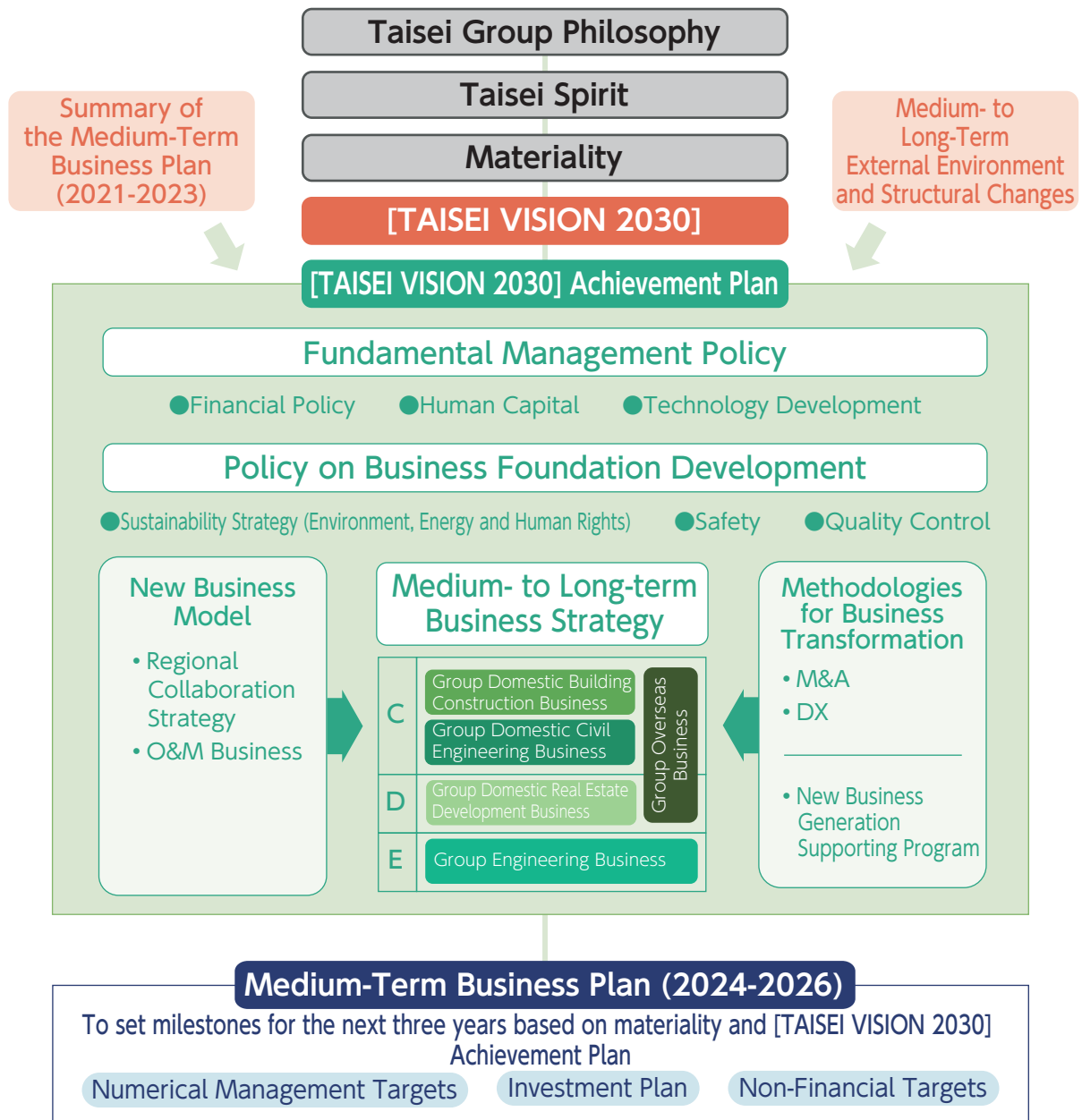
The Achievement Plan consists of the “policy on the management resource allocation to increase corporate value (fundamental management policy)”, “policy on the establishment of business foundation”, “position of each business segment to be realized in the fiscal year 2030 and the approach for its realization (medium- to long-term business strategy)”, “policy on new business models”, and “policy on how to proceed with business transformation”.

Based on this Achievement Plan, the Medium-Term Business Plan (2024-2026) has established profit-oriented business targets. The investment plan is formulated based on the fundamental management policy (financial policy), and investments will be executed to achieve the establishment of future growth foundation and acquisition of business profits.

[TAISEI VISION 2030] achievement plan and the Medium-Term Business Plan are posted on the Company's website. ▶ <https://www.taisei.co.jp/ir/management-policy/plan/group.html>



Overview of [TAISEI VISION 2030] Achievement Plan



Materiality

To solve environmental and social issues through business operations, we reviewed materiality, as well as its positioning in our structure of values and policies, considering the latest sustainability issues.

Materiality	Missions to be focused on
<p>Issues for Customers/Society</p> <p>Co-creation of new value to realize affluent lives</p>	<ul style="list-style-type: none"> ● To provide new values beyond our customers' imaginations by incorporating the social values required in the future into urban development and infrastructure development through internal and external collaboration as well as open innovation.
<p>Issues for the Environment</p> <p>Realization of sustainable and environmentally friendly society</p>	<ul style="list-style-type: none"> ● To contribute to the realization of a sustainable and 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.
<p>Issues for Employees/Suppliers</p> <p>Realization of society and workplace environment where everyone can work lively</p>	<ul style="list-style-type: none"> ● 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.
<p>Integrity and Pride in manufacturing: ~Safety, Quality, and Technology~</p>	<ul style="list-style-type: none"> ● 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.
<p>Fair corporate activities that support trust: ~Compliance and Governance~</p>	<ul style="list-style-type: none"> ● To thoroughly ensure compliance in order to increase our stakeholders' trust, and to maintain a governance system to maximize corporate value and prevent damage.

[TAISEI VISION 2030]

(Medium- to Long-Term Vision) – Embodying Taisei Group Philosophy and Taisei Spirit –

The Ever-Evolving The CDE^{3(cubed)} Company
[Construction, Development, Engineering, Energy, Environment]

~ A pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives ~

Basic stance		Numerical Outlook for Performance (Profit-oriented)	
1	Achieving safety and security	1	Group net income Approx. ¥150.0 billion
2	Optimal utilization of "Human Capital", "Technology" and "Information"	2	ROE Approx. 10%
		*	Estimated Group net sales Approx. ¥2.5 trillion

Returns to stakeholders

1	Customers, Suppliers, and Society	Returns through CDE ³ , resolving issues, and new value creation
2	Shareholders	Dividend payout ratio 25-30%
3	Employees	Creation of an attractive working environment that enables diverse employees to leverage their skills to the maximum possible extent; expansion of Human Capital Investment; physical, mental, and social health and feeling of happiness; and realization of diverse career paths

Fundamental Management Policy

<p>Financial Policy</p>	<p>We develop foundations that contribute to enhancing the Group's corporate value, on the premise of maintaining financial discipline (maintaining our credit rating) and ensuring smooth execution of the construction business, while balancing with the shareholder returns (distribution of profits to shareholders), and securing growth investment preferentially portfolio.</p> <ol style="list-style-type: none"> 1. Continued assurance of ROE of approx. 10% and pursuit of the optimal capital structure 2. Implementation of growth investment based on investment criteria and fund allocation policies
<p>Human Capital</p>	<p>We recognize that human capital is a source of competitiveness and swiftly implement the necessary measures.</p> <ol style="list-style-type: none"> 1. To create an environment in which employees can realize their full potentials to enhance their engagement 2. To expand human capital investment to support the Group's sustainable growth 3. Physical, mental, and social health and feeling of happiness (well-being), and realization of diverse career paths
<p>Technology Development</p>	<p>We have identified four technological areas to be addressed: social and environmental issues; strengthening social infrastructure; regional revitalization; and new frontier business.</p> <ol style="list-style-type: none"> 1. To leverage our strengths of environmental and social infrastructure enhancement technologies such as ZEB and T-eConcrete®, pursue technological expertise required by the society for major general contractors, and differentiating ourselves from other competitors by brushing up such expertise 2. To enhance the productivity and innovate production process by utilizing technologies such as generative AI, automation, and remote control in order to resolve the urgent issues of a shortage of workers

Medium- to Long-Term Business Strategy: Targets in FY2030

<p>Group Domestic Building Construction Business</p>	<p>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 customer and society.</p> <p>—To provide environmental technology and smart digital technology and develop our business in the stock market—</p>
<p>Group Domestic Civil Engineering Business</p>	<p>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.</p> <p>—Expansion of business fields in national resilience, carbon neutrality, infrastructure renewal, etc.—</p>
<p>Group Real Estate Development Business</p>	<p>We will contribute to highly value-added urban development by making the most of our "development know-how" and "technological capabilities" as a general contractor.</p> <p>—To build a sustainable and progressive group real estate development business structure and pursue maximum group synergy—</p>
<p>Group Overseas Construction Business</p>	<p>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.</p> <p>—To promote localization in overseas growing markets, differentiate ourselves from other competitors with our high technological capabilities, and create an attractive business structure—</p>
<p>Group Engineering Business</p>	<p>While incorporating the latest technologies in manufacturing facilities, we will provide customers with 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 in building construction and civil engineering as a major construction company.</p> <p>—To assign human capital into marketing and sales and design departments, secure production capabilities through the collaboration with the third parties, and establish engineering-oriented projects—</p>

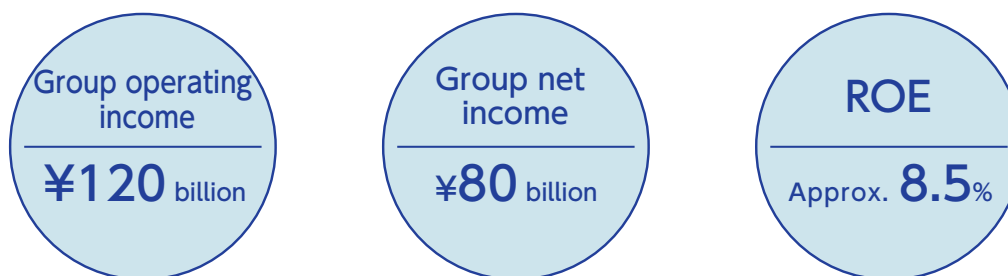
Medium-Term Business Plan (2024-2026)

• Numerical Management Targets

To return to growth by restructuring the profit structure of the Group's domestic building construction business, overcoming the Year 2024 problem (restriction on maximum overtime hours), and expanding human capital investment

	Medium-Term Business Plan (2021-2023) Final year results	Medium-Term Business Plan (2024-2026) Final year target	TAISEI VISION 2030 Final year target
Group net income	¥40.2 billion	¥80 billion	Approx. ¥150 billion
R O E	4.6%	Approx. 8.5%	Approx. 10%

Medium-Term Business Plan (2024-2026) Final year target



[reference] Group Net Sales : Approx. ¥1,950 billion

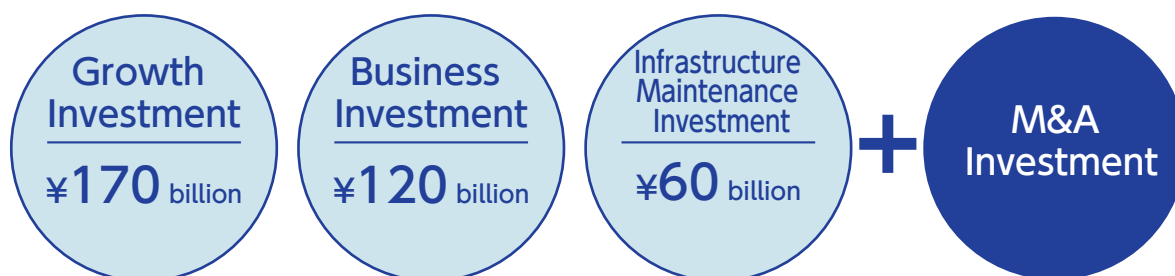
[Supplement]

The sales of cross-shareholdings not decided to sell and M&A are not included in numerical targets for FY 2026.

In addition, we, Taisei Group, aim to reduce our cross-shareholdings to less than 20% of our consolidated net assets by the end of FY 2026, and if we reduce them in line with the targets, we expect to achieve ROE of approx. 10%. The proceeds from the sale of cross-shareholdings are to be allocated in accordance with the financial policy.

• Investment Plan

Investment amount (3 years): **¥350 billion**



- Investment in technology development and DX ¥125 billion
- Human Capital investment ¥35 billion
- Investment related to new business model ¥10 billion

- Investment related to Real Estate Development business (recovered) ¥105 billion
(△¥176.6 billion)
- Renewable energy investment ¥15 billion

Note: Growth investment and business investment include environmental and energy-related investment of 75 billion yen.

Actions to Implement Management taking into account of Cost of Capital and the Stock Price

In the process of formulating the new Medium-Term Business Plan (2024-2026), the Company has positioned financial objectives as one of its basic management policies, and organized the policy pertaining the optimal capital structure and fund allocation measures to maintain financial discipline.

In addition, based on this policy, we will strive to realize [TAISEI VISION 2030], which will lead to an increase in corporate value, by promoting “measures to strengthen profitability”, “measures to establish growth foundation such as human capital and technology development”, and “measures associated with the return to shareholders”.

We also plan to promote the disclosure of progress on various measures and dialogue with stakeholders.

These initiatives are posted on our company website, so please check them.

Website for achievement plan of [TAISEI VISION 2030] and Medium-Term Business Plan (2024-2026) ▶
<https://www.taisei.co.jp/ir/management-policy/plan/group.html>



Compliance with restrictions on maximum overtime hours under the Labor Standards Act

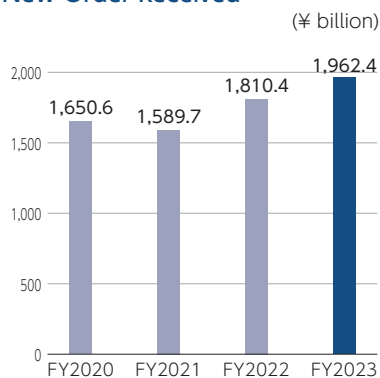
We recognize that compliance with the restrictions on maximum overtime hours under the Labor Standards Act applied to the construction industry since April 2024 is a major challenge not only for our Group but also for the industry as a whole. Under such circumstances, as a member of the Japan Confederation of Construction Industry, the Company is promoting industry-wide initiatives, and striving to provide an attractive working environment through working together with partner companies to rectify long working hours and improve the treatment of skilled construction workers.

In addition, the Company recognizes that “securing an appropriate work amount and rebuild of the production system” is one of its management issues, and is conducting business while assessing the balance between the amount of work and profits taking into account the working environment of its employees. In addition, the Company will implement measures such as “securing an appropriate allocation of human resources and an adequate construction period,” “strengthening the site support system lead by the head office and branch offices,” and “promoting the use of ICT and DX,” in order to comply with the restrictions on maximum overtime hours.

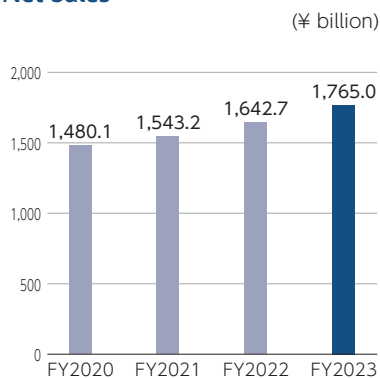
(5) Transition of Assets and Income

(Transition of Assets and Income of the Taisei Group)

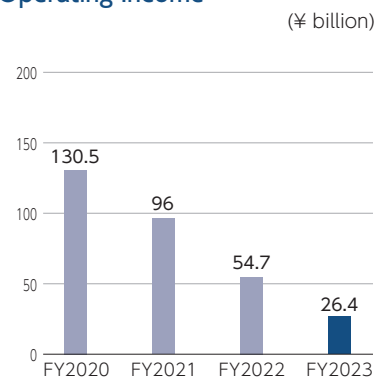
New Order Received



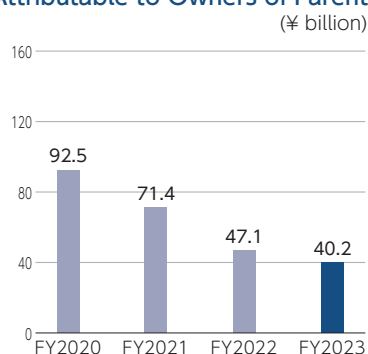
Net Sales



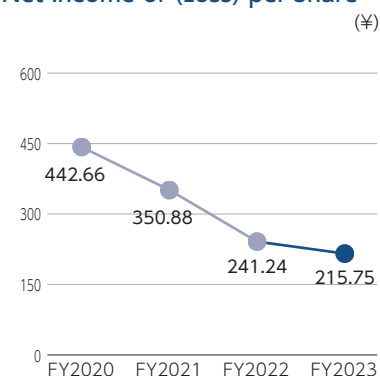
Operating Income



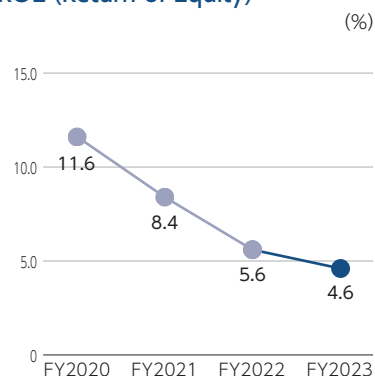
Net Income or (Loss) Attributable to Owners of Parent



Net Income or (Loss) per Share



ROE (Return of Equity)

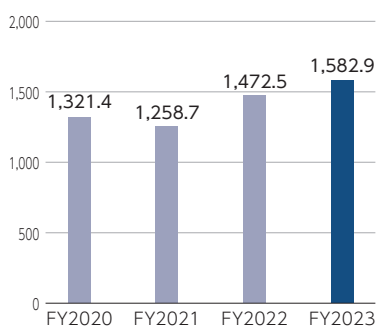


(Unit: ¥ Billion)	FY Ended March 2021	FY Ended March 2022	FY Ended March 2023	FY Ended March 2024 (Current FY)
New Orders Received	1,650.6	1,589.7	1,810.4	1,962.4
Net Sales	1,480.1	1,543.2	1,642.7	1,765.0
Operating Income	130.5	96	54.7	26.4
Net Income or (Loss) Attributable to Owners of Parent	92.5	71.4	47.1	40.2
Net Income or (Loss) per Share (Unit: Yen)	442.66	350.88	241.24	215.75
Total Assets	1,870.6	1,956.2	2,016.7	2,583.6
Total Net Assets	844.4	872.8	833.9	961.0
ROE (Return of Equity)	11.6%	8.4%	5.6%	4.6%

(Transition of Assets and Income of the Company)

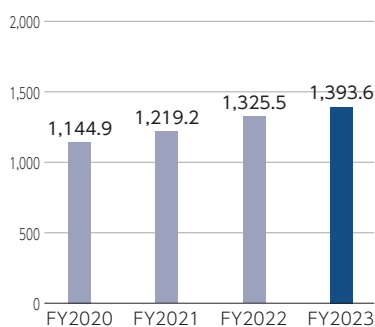
New Order Received

(¥ billion)



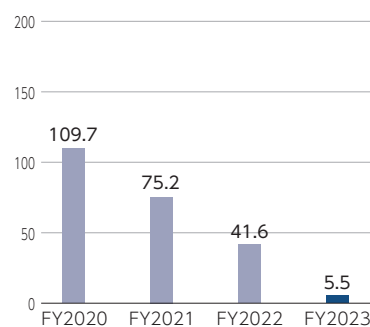
Net Sales

(¥ billion)



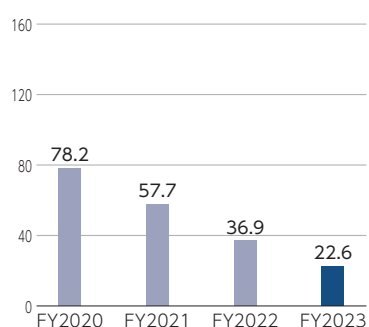
Operating Income

(¥ billion)



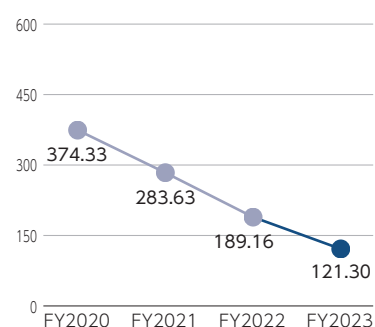
Net Income or (Loss)

(¥ billion)



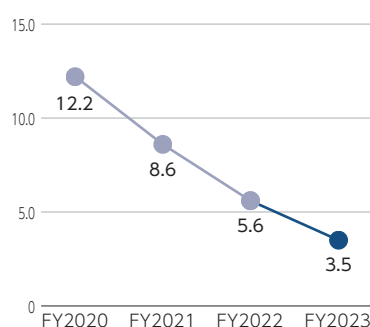
Net Income or (Loss) per Share

(¥)



ROE (Return of Equity)

(%)



(Unit: ¥ Billion)	FY Ended March 2021	FY Ended March 2022	FY Ended March 2023	FY Ended March 2024 (Current FY)
New Orders Received	1,321.4	1,258.7	1,472.5	1,582.9
Net Sales	1,144.9	1,219.2	1,325.5	1,393.6
Operating Income	109.7	75.2	41.6	5.5
Net Income or (Loss)	78.2	57.7	36.9	22.6
Net Income or (Loss) per Share (Unit: Yen)	374.33	283.63	189.16	121.30
Total Assets	1,645.6	1,690.2	1,756.2	2,057.7
Total Net Assets	669.5	675.1	635.8	669.6
ROE (Return of Equity)	12.2%	8.6%	5.6%	3.5%

(6) Main Lines of Business (The Taisei Group)

The Taisei Group's main business segments are as follows:

Civil engineering business	All the business related to Civil Engineering works
Building construction business	All the business related to Building Construction works
Real estate development business	Sale & purchase, lease, management, brokerage and all the other businesses related to real estate
Other businesses	Projects incidental or related to construction such as research undertaking, provision of technology and environmental measurements, leisure-related businesses, and other services

The Company, licensed by the Ministry of Land, Infrastructure and Transport as an Ordinary and Special Construction Contractor (license (HAN/TOKU-3) No. 300) under the Construction Business Act, and as a Licensed Real-Estate Transaction Agent (license (15) No. 607) under the Building Lots and Building Transaction Business Act, is engaged mainly in the following lines of business operations:

- (a) Planning, surveying, design, supervision, construction, engineering and consulting services, related to civil engineering, building construction, and other construction works of all kinds;
- (b) Sale, purchase, lease, brokerage and management of real estate; and
- (c) Urban development, regional development, etc.

(7) Major Subsidiaries

Name of Company	Paid-up Capital	% of Equity Ownership	Major Lines of Business
	(Unit: ¥ Billion)	(%)	
Taisei Rotec Corporation	11.3	100.0	Design, construction and supervision of works related to pavement and other civil engineering work as well as the manufacture and sale of asphalt for pavement
Taisei-Yuraku Real Estate Co., Ltd.	10.0	100.0	Development, lease, sub-lease, brokerage, appraisal, and consultation of real estate; maintenance, operation, management and renewal of building; and, insurance agent business
Taisei U-Lec Co., Ltd.	4.5	100.0	Research, surveying, planning, design, supervision, construction and technical assistance for building construction, civil engineering and all the other construction works
P.S. Mitsubishi Construction Co., Ltd.	4.2	50.2	Prestressed concrete work, general civil engineering work, contract and planning work for general building work, and planning, design, and construction supervision
Taisei Setsubi Co., Ltd.	0.6	99.9	Works for air-conditioning facilities, sanitary engineering and electrical engineering, and all the other businesses related to building facilities

(8) Major Offices

(a) The Company

Head Office:

25-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan

Branch Offices:

Tokyo Branch (Shinjuku-ku, Tokyo)
 Kansai Branch (Osaka-shi, Osaka)
 Chubu Branch (Nagoya-shi, Aichi)
 Kyushu Branch (Fukuoka-shi, Fukuoka)
 Sapporo Branch (Sapporo-shi, Hokkaido)
 Tohoku Branch (Sendai-shi, Miyagi)
 Chugoku Branch (Hiroshima-shi, Hiroshima)
 Yokohama Branch (Yokohama-shi, Kanagawa)
 Hokushinetsu Branch (Niigata-shi, Niigata)
 Shikoku Branch (Takamatsu-shi, Kagawa)
 Chiba Branch (Chiba-shi, Chiba)
 Kanto Branch (Saitama-shi, Saitama)
 Kobe Branch (Kobe-shi, Hyogo)
 Kyoto Branch (Kyoto-shi, Kyoto)
 Kanazawa Branch (Kanazawa-shi, Ishikawa)
 International Operations Headquarters (Shinjuku-ku, Tokyo)

Overseas Offices:

Taipei Office
 Philippine Office (Manila)
 Singapore Office
 Kuala Lumpur Office
 Jakarta Office
 India Office (Gurugram)
 Middle East Office (Doha)
 North Africa Office (Cairo)
 Bangladesh Office (Dhaka)

Taisei Advanced Center of Technology (Yokohama-shi, Kanagawa)

Note:

International business organizations have been integrated to newly established International Operations Headquarters since April 1, 2024.

(b) Major Subsidiaries

Domestic

Taisei Rotec Corporation (Shinjuku-ku, Tokyo)
 Taisei-Yuraku Real Estate Co., Ltd. (Chuo-ku, Tokyo)
 Taisei U-Lec Co., Ltd. (Minato-ku, Tokyo)
 P.S. Mitsubishi Construction Co., Ltd. (Minato-ku, Tokyo)
 Taisei Setsubi Co., Ltd. (Shinjuku-ku, Tokyo)
 Taisei Housing Corporation (Shinjuku-ku, Tokyo)
 Seiwa Renewal Works Co., Ltd. (Minato-ku, Tokyo)
 Satohide Corporation (Shinjuku-ku, Tokyo)

Overseas

Vinata International Company Limited (Vietnam)
 Taisei Philippine Construction Incorporated (Philippines)
 Taisei (Thailand) Co., Ltd. (Thailand)
 PT. Taisei Pulauintan Construction International (Indonesia)
 Taisei USA LLC (USA)

(9) Status of Employees

(a) The Taisei Group

(*Decrease)

Business Segments	Number of Employees (Unit: Persons)	
	At the Year-End	Change from Previous Year-End [△ decrease]
CIVIL ENGINEERING BUSINESS	5,472 [904]	1,204 [56]
BUILDING CONSTRUCTION BUSINESS	8,804 [1,501]	671 [174]
REAL ESTATE DEVELOPMENT BUSINESS	1,875 [1,792]	△23 [20]
OTHER BUSINESSES	134 [89]	△33 [1]
TOTAL:	16,285 [4,286]	1,819 [251]

Note:

The number shown in square brackets [] shows the yearly average of temporary employees, which is not included in the "Number of Employees."

(b) The Company

Number of Employees (Unit: Persons)		Average Age	Average Years of Employment
At the Year-End	Change from Previous Year-End		
8,720	107	42.9	17.9

Notes:

1. The "Number of Employees" shows the number of permanent employees working at the Company.
2. The number of permanent employees who belong to the Company (including the employees on loan working in other companies and excluding the workers on loan from other companies) is 8,830.

(10) Major Companies Providing Loans to the Taisei Group

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	82.1
Sumitomo Mitsui Trust Bank, Limited	62.6
MUFG Bank, Ltd.	26.2
Resona Bank, Limited	21.3
Sumitomo Mitsui Banking Corporation	19.3

(11) Other Important Particulars Regarding the Current Status of the Group Companies

1. In response to the failure to satisfy accuracy requirements of the steel erection, etc. in the ongoing construction work for the (Tentative Name) Sapporo Kita 1 Nishi 5 Project, and the occurrence of delay in the ongoing construction work for the Setagaya City Government's main office building, the Company has initiated the following measures. By steadily accumulating these measures, the Company will regain trust from clients and society, and further strengthen the foundation of the Company's business, particularly quality and construction schedule.

Category	Specific Initiatives
Quality control / construction schedule management	<ul style="list-style-type: none"> • Establishing Quality Control Division • Assigning dedicated quality control officers to each branch to handle quality management tasks • Reinforcing human resources allocation taking into consideration the unique characteristic of each project • Active utilization of IT and promotion of digital transformation (DX)
Employee training	<ul style="list-style-type: none"> • Establishing “Steel Frame Academy” • Implementing training emphasizing the utmost importance of quality management under all circumstances • Conducting compliance training • Re-notification of corporate ethics helpline (internal whistleblowing system)
Communication Enhancement	<ul style="list-style-type: none"> • Enhancing the alignment and backup support among project sites, branches, and head office • Implementing a corporate cultural reformation

- As announced on December 12, 2023, the Company has acquired a total of 23,790,587 shares (share ownership ratio: 50.2%) through the tender offer on P.S. Mitsubishi Construction Co., Ltd. As a result, P.S. Mitsubishi Construction Co., Ltd. has become a consolidated subsidiary of the Company as of December 18, 2023. Furthermore, P.S. Mitsubishi Construction Co., Ltd. is planning to change its company name to “PS Construction Co., Ltd.” subject to approval at its regular shareholders’ meeting scheduled to be held on June 21, 2024.
- As announced on November 30, 2023, the Company has acquired all the shares of Satohide Corporation on the same day and consolidated it as a wholly-owned subsidiary of the Company.

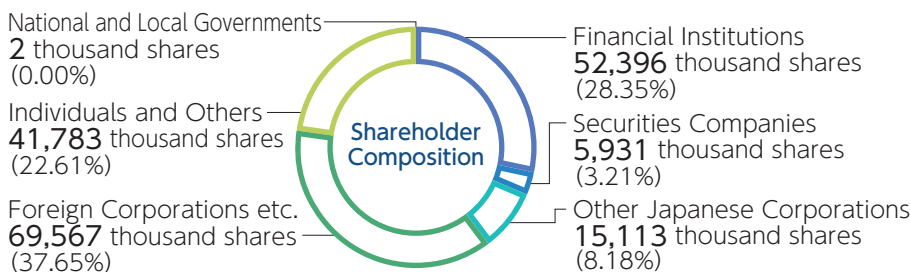
2 Matters Concerning the Shares of the Company

(1) Number of Shares Authorized: 440,000,000-

(2) Number of Shares Issued: 184,795,472-

The Number of shares issued includes the Company's own shares, the number of which is 303,760-.

(3) Number of Shareholders: 56,008-



(4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares Held (Unit: Thousand Shares)	Ratio of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,777	16.14
Custody Bank of Japan, Ltd. (Trust Account)	9,650	5.23
Taisei Associates' Shareholding Plan	6,144	3.33
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	5,945	3.22
STATE STREET BANK AND TRUST COMPANY 505223	4,210	2.28
Taisei Employees' Shareholding Plan	3,628	1.97
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3,328	1.80
STATE STREET BANK WEST CLIENT- TREATY 505234	3,292	1.78
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	2,857	1.55
Meiji Yasuda Life Insurance Company	2,847	1.54

Note 1: The Company's own shares (303,760-) are excluded in calculating the Ratio of Shares Held.

Note 2: The shares owned by the Board Benefit Trust (BBT) (99,400-) are not included in the Company's own shares (303,760-).

(5) Other Important Matters Concerning the Shares

We acquired common shares of the Company (3,976,100 shares) in accordance with the resolution of the Board meeting held on May 12, 2023.

In addition, in accordance with the resolution of the Board meeting held on March 29, 2024, we cancelled the treasury stock (3,976,100 shares) on March 29, 2024, acquired through market purchase after May 15, 2023.

3 Matters Concerning Members of the Board and Audit & Supervisory Board Members

(1) Members of the Board and Audit & Supervisory Board Members

Name	Position <i>Business in Charge</i>	Important Concurrent Position
Shigeyoshi TANAKA	Chairman Member of the Board (Representative Director)	President, Japan Society of Civil Engineers
Yoshiro AIKAWA	President and Chief Executive Officer Member of the Board (Representative Director)	
Hiroshi TSUCHIYA	Member of the Board (Representative Director) <i>Chief of Marketing & Sales Division (integrated); In Charge of Safety</i>	
Masahiko OKADA	Member of the Board (Representative Director) <i>Chief of Business Administration Division; In Charge of New Business Planning</i>	
Hiroshi KIMURA	Member of the Board <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering); Chief of Marketing & Sales (Civil Engineering) Division</i>	
Mayuki YAMAURA	Member of the Board <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division</i>	
Yuichiro YOSHINO	Member of the Board <i>In Charge of Building Construction Business Strategy; Deputy Chief of Corporate Planning Office</i>	
Toshiyuki TSUJI	Member of the Board <i>Chief of Marketing & Sales Promotion Division</i>	
Atsuko NISHIMURA	Member of the Board External Member Independent Executive	Outside Director of INPEX CORPORATION
Norio OTSUKA	Member of the Board External Member Independent Executive	Outside Director of Sojitz Corporation Outside Director of WORLD TRADE CENTER BUILDING, INC.
Fumiya KOKUBU	Member of the Board External Member Independent Executive	Chairman of the Board of Marubeni Corporation Outside Director of Honda Motor Co., Ltd.
Tsutomu KAMIJO	Member of the Board External Member Independent Executive	External Member of the Board of Tohoku Electric Power Co., Inc. External Member of the Board of Okamura Corporation
Takashi HAYASHI	Audit & Supervisory Board Member (full-time)	
Shuichi OKUDA	Audit & Supervisory Board Member (full-time)	
Yasuhiro SATO	Audit & Supervisory Board Member External Member Independent Executive	Vice Chair of Keidanren (Japan Business Federation)
Seishi TASHIRO	Audit & Supervisory Board Member External Member Independent Executive	
Keiko OHARA	Audit & Supervisory Board Member External Member Independent Executive	Partner, Kamiyacho International Law Office Director, Member of the board (Independent) of Financial Products Group Co., Ltd. Outside Director of FUJI KYUKO CO., LTD.
Masamitsu MIURA	Audit & Supervisory Board Member External Member Independent Executive	

Notes:

1. Ms. Atsuko NISHIMURA, Messrs. Norio OTSUKA, Fumiya KOKUBU and Tsutomu KAMIJO are External Members of the Board. All of them meet the criteria of independency prescribed by Tokyo Stock Exchange and are registered as independent executives according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
2. Ms. Keiko OHARA, Messrs. Yasuhiro SATO, Seishi TASHIRO, and Mr. Masamitsu MIURA are External Audit & Supervisory Board Members. All of them meet the criteria of independency prescribed by Tokyo Stock Exchange and are registered as independent executives according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
3. Mr. Takashi HAYASHI has been engaged in management of the Company and its subsidiaries for over the years and has considerable knowledge and insight about finance and accounting.
4. Mr. Shuichi OKUDA has served as the general manager of Accounting Department and Chief of Sustainability Management Promotion Division and has considerable knowledge and insight about finance and accounting.
5. Mr. Yasuhiro SATO has been engaged in banking and management of financial institutions for over the years and has considerable knowledge and insight about finance and accounting.
6. Mr. Seishi TASHIRO has been engaged in affairs of the Board of Audit of Japan for over the years and has considerable knowledge and insight about finance and accounting.
7. During FY 2023, change of important concurrent position is as follows:

Classification	Name	Important concurrent posts	Details of change	Date of change
Member of the Board	Shigeyoshi TANAKA	President, Japan Society of Civil Engineers	Newly appointed	June 9, 2023
Member of the Board	Norio OTSUKA	Outside Director of WORLD TRADE CENTER BUILDING, INC.	Newly appointed	May 25, 2023
Member of the Board	Fumiya KOKUBU	Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)	Left the position	May 31, 2023
Member of the Board	Tsutomu KAMIJO	Outside Director of Imperial Hotel, Ltd.	Left the position	June 27, 2023

(2) Descriptions of the Contract to Limit the Liability

In order for External Members of the Board and Audit & Supervisory Board Members to fulfill their expected roles, the Articles of Incorporation provides that the Company may enter into contracts with Members of the Board (other than an executive Member of the Board (*gyomushikkou torishimari yaku*)) and Audit & Supervisory Board Members to limit their maximum liability for damages to the Company within a certain range.

The outline of the contracts to limit the liability that the Company has entered into with Ms. Atsuko NISHIMURA, Mr. Norio OTSUKA, Mr. Fumiya KOKUBU and Mr. Tsutomu KAMIJO as the Member of the Board, and all the Audit & Supervisory Board Members in accordance with the relevant provisions of the Articles of Incorporation is as follows:

(Contracts to Limit the Liability with Members of the Board)

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, External Members of the Board shall be held liable for damages up to the higher of an amount of ¥ 10 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that the External Member of the Board has performed his duties in good faith and without gross negligence.

(Contracts to Limit the Liability with Audit & Supervisory Board Member)

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, Audit & Supervisory Board Member shall be held liable for damages up to the higher of an amount of ¥ 10 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that the Audit & Supervisory Board Member has performed his duties in good faith and without gross negligence.

(3) Outline of the Company's indemnity agreements

The Company executes an indemnity agreement with each of the current Members of the Board and Audit & Supervisory Board Members as stipulated in paragraph 1 of Article 430-2 of the Companies Act to compensate him/her for expenses as stipulated in item 1 of the same paragraph and losses as stipulated in item 2 of the same paragraph respectively within the range stipulated in the relevant laws and ordinances. However, whether actual compensation needs to be made shall be decided in accordance with a resolution of the Board. In addition, where a Member of the Board or an Audit & Supervisory Board Member is held liable for the expenses or losses incurred, we do not in principle compensate him/her for such expenses or losses, and where the Member of the Board or the Audit & Supervisory Board Member has performed his/her duties in bad faith or with gross negligence, we may get him/her return the expenses or the losses compensated for. Thus, we have taken certain measures so as not to impair the proper performance of duties by the Member of the Board or the Audit & Supervisory Board Member to be compensated.

(4) Outline of the Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance firm in which each Member of the Board and each Audit & Supervisory Board Member is to be covered as the insured. The details of the insurance agreement are outlined as follows:

① Premiums to substantially be incurred by each insured

All insurance premiums are to be incurred by the Company, and each insured is not to incur any premium.

② Outline of incidents to be covered by the insurance

Damage is to be covered by the insurance that each insured is liable for when he or she performs his or her duty or that is caused when his or her liability is questioned and claims are made (excluding cases falling under any of the reasons for exemption of liability as exclusions, such as the case that the insured intentionally performed the act recognizing the violation of the laws and regulations, as stipulated in the insurance agreement). In addition, each Company's executive officers are also to be covered as the insured.

(5) Remuneration, etc. for Members of the Board and Audit & Supervisory Board Members in the Current Business Year

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. Fundamental 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).

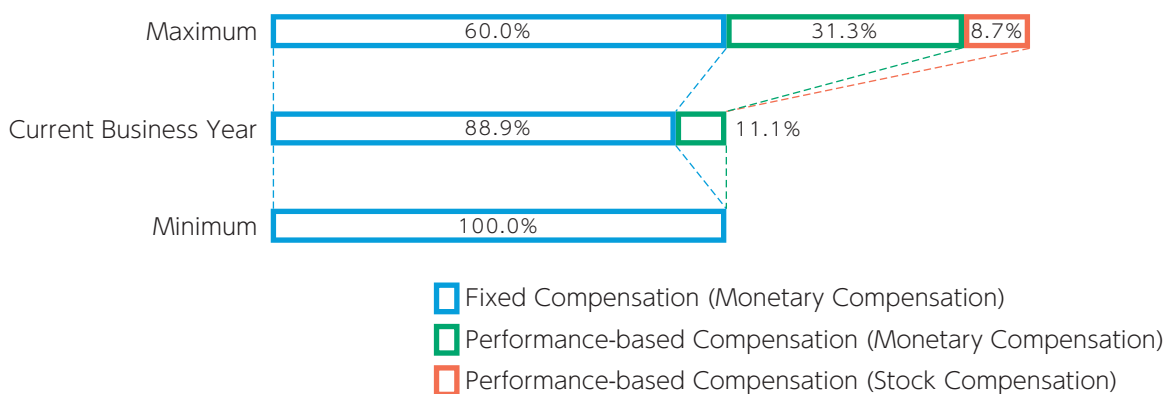
The above policy of remuneration was decided comprehensively considering the

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 deliberation at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision.

At the Remuneration Committee the Chairperson and more than half of members of the Committee are independent External Members of the Board to enhance the independency and objectivity of the function and the accountability of the Board, where an independent External Audit & Supervisory Board Member serves as an observer of the Committee from the viewpoint of securing the appropriateness of the deliberations at the Committees. Thus, the Remuneration Committee establishes the system to properly consider the details of remuneration, etc. for each Member of the Board.

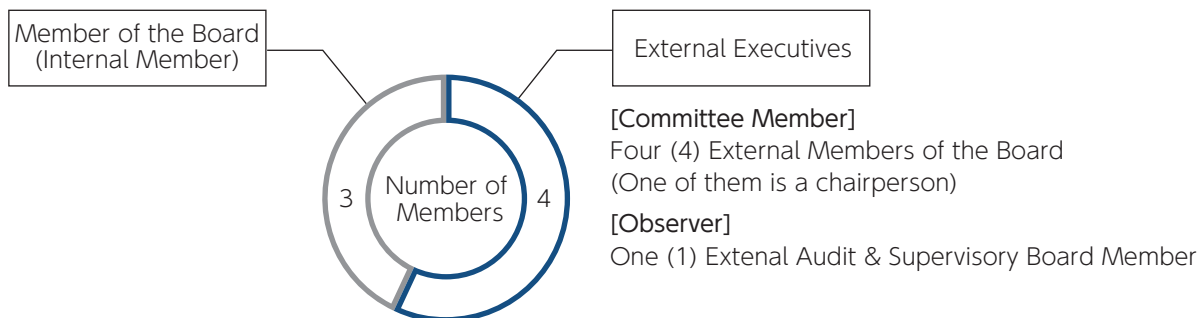
[Schematic diagram of remuneration of Members of the Board of the Company]



*The above ratio is the remuneration for President and Chief Executive Officer, Representative Director calculated as an example. In addition, as announced on April 17, 2023, 50% of the monthly remuneration has been returned to the Company for the three months from April to June of the same year.

*Remuneration for External Members of the Board is the Fixed Compensation only, and the Performance-based Compensations are not applicable to the remuneration.

[Composition of the Remuneration Committee]



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 his or her 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.

(a) Performance-based compensation (monetary compensation)

The performance-based compensation (monetary compensation) shall be paid to each Member of the Board on a fixed date every month during his or her term of office and the contents and the amount of the compensation shall be determined based on our Group's short-term performance in order to clarify the relevance between the responsibility of each Member of the Board and the remuneration of each Member of the Board for group management.

Net income attributable to owners of the parent in the consolidated statement of income for the most recent consolidated fiscal year is used as a performance indicator because it is an indicator that shows the final results of Taisei 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.

(b) 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 linkage between 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 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.

As well as the performance-based compensation (monetary compensation), net income attributable to owners of the parent in the consolidated statements of income for the most recent consolidated 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.

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
Member of the Board	Fixed Compensation	Up to 70 million yen Per Month	June 27, 2006 (The 146th General Meeting of Shareholders)	14 (Including Two (2) External Members of the Board)
	Performance-based Compensation (Monetary Compensation)			12
	Performance-based Compensation (Stock Compensation)	Maximum number of shares to be granted: 35,000 points in total per fiscal year (1 point = 1 share of stock) Contribution amount: Up to 100 million yen	June 24, 2020 (The 160th General Meeting of Shareholders)	8
Audit & Supervisory Board Member	Fixed Compensation	Up to 12 Million Yen Per Month	June 29, 1994 (The 134th General Meeting of Shareholders)	5 (Including Two (2) External Audit & Supervisory Board Members)

④ The total amount of remuneration for Members of the Board and Audit & Supervisory Board Members, etc. (Unit: ¥ Million)

Category	Total Amount of Remuneration, etc.	Total Amount of Remuneration in kind			Number of the Members applicable
		Monetary Compensation		Non-monetary Compensation	
		Fixed Compensation	Performance-based Compensation	Stock Compensation	
Members of the Board (External Members)	518 (58)	472 (58)	46 (-)	- (-)	16 (4)
Audit & Supervisory Board Members (External Members)	124 (57)	124 (57)	- (-)	- (-)	7 (4)

Notes:

- 1: Among the types of monetary compensation, the performance indicator of the performance-based compensation should be an indicator that show the final results of our group's business activities. Thus, the Company adopts the net income attributable to owners of the parent in the consolidated statements of income for the most recent consolidated fiscal year. The total sum of the net income attributable to owners of the parent in the consolidated statements of income for the most recent consolidated fiscal year is 40,272 million yen.
- 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 the 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 the parent in the consolidated statements of income for current consolidated fiscal year is 40,272 million yen.
- 3: We judge that the contents of remuneration paid to Members of the Board during this FY 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 is 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.

(6) Matters Concerning External Members of the Board and External Audit & Supervisory Board Members

(i) Concurrent posts of External Members of the Board and External Audit & Supervisory Board Members

The status is as described in "(1) Members of the Board and Audit & Supervisory Board Members"

There are no relationships to be mentioned between the Company and the organizations at which each External Member of the Board and/or External Audit & Supervisory Board Member concurrently holds a post.

(ii) Major activities of External Members of the Board and External Audit & Supervisory Board Members

Classification	Name	Major activities
Member of the Board	Atsuko NISHIMURA	<p>Ms. Atsuko NISHIMURA attended all the meetings of the Board held during the current fiscal year and supervised the Company's business management and provided with recommendation and advice on business execution from her objective and neutral standpoint as an External Member of the Board based on her global perspectives and specialized knowledge backed by her experience as a diplomat.</p> <p>In addition, she attended all the four (4) meetings of the Governance System Review Committee (which is one of the committees for prior consultation before the Board meetings) held during the current fiscal year as Chairperson of the Committee, and led discussions including the way of Taisei Group's governance structure according to changes in business environment.</p> <p>Thus, as expected, she contributed to the sustainable development and further enhancement of the corporate value of Taisei Group through her supervising and provision of recommendation and advice on important matters such as the strengthening of corporate governance and compliance promotion systems, the promotion of diversity, the election and dismissal of executives, and the implementation of international business.</p>
Member of the Board	Norio OTSUKA	<p>Mr. Norio OTSUKA attended all the meetings of the Board held during the current fiscal year and supervised the Company's business management and provided with recommendation and advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his wide perspective backed by his experience as a business executive and profound knowledge.</p> <p>In addition, as the Chairperson of the Executive Personnel Committee and Remuneration Committee (which are the committees for prior consultation before the Board meetings), he attended all the six (6) meetings of the Executive Personnel Committee held during the current fiscal year, and led discussions regarding the skills the directors are expected to possess and plans for the development of management layer, and attended all the five (5) meetings of the Remuneration Committee held during the current fiscal year, and led discussions on the ideal way of remuneration for executives to realize medium- to long-term strategies.</p> <p>Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group through his supervising and provision of recommendation and advice on important matters such as the strengthening of corporate governance and compliance promotion systems, the election and dismissal of executives, and the formulation of management strategies.</p>
Member of the Board	Fumiya KOKUBU	<p>Mr. Fumiya KOKUBU attended all the meetings of the Board held during the current fiscal year and supervised the Company's business management and provided recommendation and advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his wide perspective cultivated as business executive and profound knowledge.</p> <p>In addition, he attended the meetings of the Sustainability Committee (which is one of the committees for prior consultation before the Board meetings) held during the current fiscal year as Chairperson of the Sustainability Committee, and led discussions regarding the way of sustainability management.</p> <p>Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group through his supervising and provision of recommendation and advice on important matters such as the strengthening of corporate governance and compliance promotion systems, the election and dismissal of executives, and the formulation of management strategies.</p>
Member of the Board	Tsutomu KAMIJO	<p>After assuming the position of External Members of the Board at the 163rd General Meeting of Shareholders held on June 27, 2023, Mr. Tsutomu KAMIJO attended all the meetings of the Board held during the current fiscal year and supervised the Company's business management and provided recommendation and advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his wide perspective cultivated as business executive and profound knowledge.</p> <p>In addition, he attended the meetings of the Executive Personnel Committee, the Remuneration Committee and the Sustainability Committee (which are the committees for prior consultation before the Board meetings), and provided those members with useful opinions from an objective and neutral standpoint as an External Member of the Board.</p> <p>Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group through his supervising and provision of recommendation and advice on important matters such as the enhancement of corporate governance and compliance promotion systems, the election and dismissal of executives, and the formulation of management strategies.</p>

Classification	Name	Major activities
Audit & Supervisory Board Member	Yasuhiro SATO	He attended thirteen (13) out of fourteen (14) meetings of the Board and thirteen (13) out of fourteen (14) meetings of Audit & Supervisory Board held in the current fiscal year. He offered his opinions as and when appropriate based on his wealth of experience and broad range of insights cultivated as top manager of financial institution, and profound knowledge of finance and accounting.
Audit & Supervisory Board Member	Seishi TASHIRO	He attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. He offered his opinions as and when appropriate based on his wealth of experience and broad range of insights obtained from his experience at the Board of Audit of Japan, and his profound knowledge of finance, accounting, and audit.
Audit & Supervisory Board Member	Keiko OHARA	She attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. She offered her opinions as and when appropriate based on her professional and advanced knowledge, plenty of international experience and broad range of insights especially relating to diversity issues as a lawyer.
Audit & Supervisory Board Member	Masamitsu MIURA	He attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. He offered his opinions as and when appropriate based on his wealth of experience and broad range of insights obtained from his experience in police administration, including international criminal investigations.

(For Your Reference)

Executive Officers (“Shikko-Yakuin”) as of April 1, 2024

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiro AIKAWA
Executive Vice President <i>Chief of Marketing & Sales Division (Integrated); In Charge of International Operations; In Charge of Safety</i>	Hiroshi TSUCHIYA
Executive Vice President <i>Chief of Sustainability Division (Integrated); Chief of Clean Energy & Environment Business Promotion Division</i>	Jiro TANIYAMA
Executive Vice President <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) Division; Chief of Marketing & Sales (Civil Engineering) Division</i>	Hiroshi KIMURA
Executive Vice President <i>Chief of Marketing & Sales (West Japan) Division</i>	Shimpei OGUCHI
Executive Vice President <i>Chief of Business Administration Division; In charge of New Business Planning</i>	Masahiko OKADA
Senior Managing Executive Officer <i>Chief of Sapporo Branch</i>	Noriaki KON
Senior Managing Executive Officer <i>In Charge of Shinjuku Station Development Project, Tokyo Branch</i>	Akira EJIMA
Senior Managing Executive Officer <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Building Construction) Division</i>	Yuichi KITAGUCHI
Senior Managing Executive Officer <i>Chief of Civil Engineering Division</i>	Kenji SHIRAKAWA
Senior Managing Executive Officer <i>Deputy Chief of Business Administration Division</i>	Junichi KASAHARA
Managing Executive Officer <i>Chief of Chubu Branch</i>	Atsushi SUZUKI
Managing Executive Officer <i>Chief of Tohoku Branch</i>	Iwao NISHIOKA
Managing Executive Officer <i>Chief of Chugoku Branch</i>	Akira NAKAYA
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division</i>	Yoshio ABE
Managing Executive Officer <i>In Charge of Design Department (Civil Engineering), Civil Engineering Division</i>	Yasushi KAMEZAWA
Managing Executive Officer <i>Chief of Taisei Advanced Center of Technology</i>	Ichiro NAGASHIMA
Managing Executive Officer <i>Chief of Engineering Division</i>	Shinichiro TAKAHAMA
Managing Executive Officer <i>In Charge of Technology</i>	Shigeo OCHI
Managing Executive Officer <i>Deputy Chief of Clean Energy & Environment Business Promotion Division</i>	Miyoshi KATO
Managing Executive Officer <i>Chief of Building Renovation Division</i>	Tohru UEMATSU
Managing Executive Officer <i>Chief of Mechanical & Electrical Division</i>	Yuji TANIGAWA
Managing Executive Officer <i>In Charge of Technology</i>	Kazuhiro SAWADA
Managing Executive Officer <i>In Charge of Technology</i>	Akio TAKASE
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division 1</i>	Masaru KAMATA
Managing Executive Officer <i>Chief of Nuclear Facilities Division</i>	Yuji IJIRI
Managing Executive Officer <i>Chief of International Operations Headquarters</i>	Tatsuya SUGAWARA
Managing Executive Officer <i>Chief of Design Division</i>	Masato MATSUMURA
Managing Executive Officer <i>Chief of Corporate Planning Office</i>	Hiroki FUKASAWA
Managing Executive Officer <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division</i>	Mayuki YAMAURA
Managing Executive Officer <i>In Charge of Building Construction Business Strategy; Deputy Chief of Corporate Planning Office</i>	Yuichiro YOSHINO
Managing Executive Officer <i>Chief of Marketing & Sales Promotion / Proposal & Solution Division</i>	Toshiyuki TSUJI
Managing Executive Officer <i>Chief of Tokyo Branch</i>	Yuko NAKAMURA
Managing Executive Officer <i>In Charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Shinya MATAKE
Managing Executive Officer <i>In Charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Katsuhiko KITAGAWA
Managing Executive Officer <i>Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department</i>	Hideki NISHIYAMA
Managing Executive Officer <i>Chief of Urban Development Division; In Charge of International Development Business</i>	Takashi YAMAZAKI

Title Business in Charge	Name
Managing Executive Officer <i>Deputy Chief of Corporate Planning Office; General Manager of Corporate Planning Department; General Manager of New Business Planning Department</i>	Yukio HABA
Managing Executive Officer <i>In Charge of Technology; In Charge of Energy & Environment</i>	Yoji UEDA
Managing Executive Officer <i>Deputy Chief of Design Division (Structure)</i>	Yozo SHINOZAKI
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division II</i>	Shin SUZUKI
Managing Executive Officer <i>Chief of Quality Control Division; General Manager of Building Construction Quality Control Department</i>	Kunihiko KAWAI
Managing Executive Officer <i>Deputy Chief of International Operations Headquarters (Civil Engineering)</i>	Toshihiko AOKI
Executive Officer <i>In Charge of Technology</i>	Yasuji YAMAUCHI
Executive Officer <i>In Charge of Marketing & Sales, Marketing & Sales Division (Integrated)</i>	Masahiro YOSHIDA
Executive Officer <i>In Charge of Technology; General Manager of Construction Engineering Department, Civil Engineering Division</i>	Masami SHIMIZU
Executive Officer <i>Chief of Safety Division</i>	Yusuke HATAE
Executive Officer <i>Chief of Kanto Branch</i>	Yoshiyuki ASADA
Executive Officer <i>Chief of Chiba Branch</i>	Junichi HIROSE
Executive Officer <i>Chief of Kansai Branch</i>	Kenji ADACHI
Executive Officer <i>General Manager of Secretarial Department</i>	Motoyuki MAKITA
Executive Officer <i>Chief of Kyusyu Branch</i>	Makoto NISHIKAWA
Executive Officer <i>Chief of Procurement Division</i>	Kozo MORITA
Executive Officer <i>Deputy Chief of Marketing & Sales (Building Construction) Division II</i>	Masaki ADO
Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division III</i>	Shigehisa KOYAMA
Executive Officer <i>Deputy Chief of Tokyo Branch, in Charge of Work Order Promotion</i>	Kohei TAMAMURA
Executive Officer <i>Chief of Yokohama Branch</i>	Shinichi SHIMA
Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division</i>	Hiroto MIKI
Executive Officer <i>Chief of Medical & Pharmaceutical Business Division</i>	Hiroshi YAMANOUCI
Executive Officer <i>Chief of Hokushinetsu Branch</i>	Tadashi TOMINAGA
Executive Officer <i>General Manager of Human Resources Department</i>	Hiroshi OTSUKA
Executive Officer <i>Deputy Chief of Engineering Division</i>	Tomohiro TANABE

Executive Fellows as of April 1, 2024

Title Business in Charge	Name
Executive Fellow <i>Deputy Chief of Taisei Advanced Center of Technology; General Manager of Infrastructure Technology Research Department</i>	Tsuyoshi MARUYA
Executive Fellow <i>Deputy Chief of Urban Development Division; In Charge of International Development Business</i>	Akehiko TOMITA
Executive Fellow <i>Deputy Chief of Architecture & Engineering Division (Integrated); General Manager of Construction Sitework Promotion Center, Building Construction Division</i>	Fujio FUNAMIZU
Executive Fellow <i>Deputy Chief of Architecture & Engineering Division (Integrated); General Manager of Digital Product Center, Building Construction Division</i>	Jun HIROSE
Executive Fellow <i>Deputy Chief of Design Division (Mechanical & Electrical Construction)</i>	Akihiko DENO
Executive Fellow <i>General Manager of Machinery Department, Civil Engineering Division</i>	Hidetoshi SAKAMOTO
Executive Fellow <i>Deputy Chief of Design Division (Building Construction); General Manager of Design Department in Kansai Branch</i>	Hiroyuki HIRAI
Executive Fellow <i>Deputy Chief of Engineering Division</i>	Kiyoshi TAKAMURA
Executive Fellow <i>General Manager of Construction Engineering Department, Civil Engineering Division; Chief Manager of Urban Infrastructure Section</i>	Tsutomu TANIGUCHI

4 Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Descriptions of the Contract to Limit the Liability

The Articles of Incorporation provides that the Company may enter into a contract with Accounting Auditor to limit its maximum liability for damages to the Company within a certain range.

The outline of the contract to limit the liability that the Company has entered into with Accounting Auditor in accordance with the relevant provision of the Articles of Incorporation is as follows:

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, Accounting Auditor shall be held liable for damages up to the higher of an amount of ¥ 100 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that Accounting Auditor has performed its duties in good faith and without gross negligence.

(3) The Amount of the Fee for Accounting Auditor for FY ended March 2024, etc.

Section	Fee
(1) The amount of fee for the services specified in Paragraph 1 of Article 2 of the Certified Public Accountant Act to be paid by the Company	¥ 100 million
(2) The total amount of money and financial benefits to be paid by the Company and its subsidiaries	¥ 395 million

Notes:

1. Under the audit contract between the Company and Accounting Auditor, the fee is not divided into the fee for the audit under the Companies Act and the fee for the audit under the Financial Instruments and Exchange Act, and it is impracticable to divide the fee into those two parts. Therefore, the total amount of those fees is stated in the column 1 above.
2. The Company and its subsidiaries paid Accounting Auditor a consideration for conducting a due diligence, that is not within the services specified in Paragraph 1 of Article 2 of the Certified Public Accountant Act.
3. The Audit & Supervisory Board agrees the amounts stipulated above after confirmation and review of the contents of the Accounting Auditor's audit plan, progress of its work and history of audit fee for the Accounting Auditor, etc.

(4) The Policy to Decide on Dismissal or Non-reappointment of Accounting Auditor

The Audit & Supervisory Board of the Company will decide an agenda to be submitted to the General Meetings of Shareholders for dismissal or non-reappointment of Accounting Auditor if the Audit & Supervisory Board considers it is necessary to do so in such case that Accounting Auditor is unable to perform its duties.

In addition, if Accounting Auditor is found to fall under any of the items of Paragraph 1 of Article 340 of the Companies Act, the Audit & Supervisory Board will dismiss Accounting Auditor based on unanimous consent of the Audit & Supervisory Board Members. Furthermore, at the following General Meetings of Shareholders held after dismissal of Accounting Auditor, the abstract and reason of dismissal will be reported from the Audit & Supervisory Board Member.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (March 31, 2024)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	434,711	Notes and accounts payable trade	597,704
Notes and accounts receivable trade	864,694	Short-term borrowings	110,530
Cost on uncompleted contracts	79,903	Short-term non-recourse loans payable	261
Real estate for sale and development projects in progress	166,293	Lease obligations	731
Other inventories	6,841	Income taxes payable	37,059
Other current assets	79,106	Advances received and progress billings on uncompleted contracts	215,432
Allowance for doubtful accounts	(375)	Deposit received	196,991
Total current assets	1,631,175	Provision for warranties on completed contracts	3,467
Fixed assets:		Provision for losses on construction contracts	96,661
Tangible fixed assets:		Allowance for losses on order received	71
Buildings and structures	82,537	Other current liabilities	43,802
Machinery, vehicles and equipment	15,435	Total current liabilities	1,302,713
Land	219,316	Long-term liabilities:	
Construction in progress	15,426	Straight bonds	50,000
Total tangible fixed assets	332,715	Long-term borrowings	142,787
Intangible fixed assets	27,151	Long-term non-recourse loans payable	72,686
Investments and other assets:		Lease obligations	1,533
Investment securities	478,191	Deferred income tax liabilities	11,953
Net defined benefit asset	80,316	Deferred income tax liabilities for revaluation of land	4,480
Deferred income tax assets	4,504	Retirement benefits for directors and corporate auditors	840
Other fixed assets	31,751	Provision for share-based remuneration for directors	271
Allowance for doubtful accounts	(2,164)	Net defined benefit liability	18,417
Total investments and other assets	592,599	Other long-term liabilities	16,957
Total fixed assets	952,466	Total long-term liabilities	319,927
		Total liabilities	1,622,641
			Millions of Yen
		NET ASSETS	
		Shareholders' equity:	
		Common stock	122,742
		Capital surplus	30,382
		Retained earnings	558,721
		Treasury stock	(898)
		Total shareholders' equity	710,947
		Accumulated other comprehensive income:	
		Unrealized gains on available-for-sale securities, net of taxes	154,295
		Unrealized losses on hedging derivatives, net of taxes	(1)
		Revaluation reserve for land	1,176
		Foreign currency translation adjustments	2,530
		Remeasurements of defined benefit plans	60,385
		Total accumulated other comprehensive income	218,387
		Non-controlling interests	31,666
		Total net assets	961,000
Total assets	2,583,641	Total liabilities and net assets	2,583,641

CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2024)

	Millions of Yen	
Net sales:		
Construction business	1,602,000	
Development projects	163,023	1,765,023
Cost of Sales:		
Construction business	1,509,665	
Development projects	127,957	1,637,622
Gross profit:		
Construction business	92,334	
Development projects	35,066	127,400
Selling, general and administrative expenses		100,920
Operating income		26,480
Non-operating income:		
Interest and dividends	7,273	
Foreign exchange gains	2,581	
Investment gain on equity method	4,195	
Other non-operating income	646	14,697
Non-operating expenses:		
Interest expenses	1,080	
Taxes and dues	542	
Other non-operating expenses	643	2,266
Ordinary income		38,910
Extraordinary gains:		
Gains on sales of investment securities	17,908	
Other extraordinary gains	1,970	19,879
Extraordinary losses:		1,695
Income before income taxes		57,093
Income taxes:		
Current	48,482	
Deferred	(32,722)	15,760
Net income		41,333
Net income attributable to non-controlling interests		1,060
Net income attributable to owners of parent		40,272

Non-Consolidated Financial Statements

NON-CONSOLIDATED BALANCE SHEET (March 31, 2024)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	358,727	Notes payable trade	13,183
Notes receivable trade	21,589	Electronically recorded obligations	128,723
Accounts receivable trade	668,404	Accounts payable trade	372,080
Real estates for sale	25,720	Short-term borrowings	81,692
Cost on uncompleted contracts	66,424	Lease obligations	460
Cost on development projects in progress	14,659	Income taxes payable	28,948
Other current assets	67,661	Advances received and progress billings on uncompleted contracts	195,892
Allowance for doubtful accounts	(130)	Deposits received	258,558
Total current assets	1,223,055	Provision for warranties on completed contracts	2,706
Fixed assets:		Provision for losses on construction contracts	96,036
Tangible fixed assets:		Other current liabilities	29,545
Buildings and structures	47,763	Total current liabilities	1,207,828
Machinery and vehicles	5,195	Long-term liabilities:	
Tools, furniture and fixtures	1,749	Straight bonds	50,000
Land	93,792	Long-term borrowings	106,387
Construction in progress	7,828	Lease obligations	586
Total tangible fixed assets	156,329	Provision for retirement benefits	19,249
Intangible fixed assets:	15,208	Provision for share-based remuneration for directors	22
Investments and other assets:		Other long-term liabilities	3,991
Investment securities	395,240	Total long-term liabilities	180,236
Investments in subsidiaries and affiliates	233,734	Total liabilities	1,388,064
Long-term loans receivable	6,568		
Long-term prepaid expenses	442		
Prepaid pension costs	9,303		
Deferred income tax assets	4,200		
Other fixed assets	21,023		
Allowance for doubtful accounts	(7,395)		
Total investments and other assets	663,117		
Total fixed assets	834,654		
			Millions of Yen
		NET ASSETS	
		Shareholders' equity:	
		Common stock	122,742
		Capital surplus:	
		Additional paid-in-capital	30,686
		Total capital surplus	30,686
		Retained earnings:	
		Other retained earnings:	
		Reserve for tax deferral on replacement of fixed assets	1,414
		Reserve for specific stocks	250
		Other reserve	330,500
		Retained earnings carried forward	34,958
		Total retained earnings	367,123
		Treasury stock	(898)
		Total shareholders' equity	519,652
		Accumulated gains from valuation:	
		Unrealized gains on available-for-sale securities, net of taxes	149,993
		Total accumulated gains from valuation	149,993
		Total net assets	669,646
Total assets	2,057,710	Total liabilities and net assets	2,057,710

NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2024)

	Millions of Yen	
Net sales:		
Construction business	1,354,829	
Development projects	38,837	1,393,667
Cost of Sales:		
Construction business	1,295,961	
Development projects	21,752	1,317,713
Gross profit:		
Construction business	58,867	
Development projects	17,085	75,953
Selling, general and administrative expenses		70,430
Operating income		5,522
Non-operating income:		
Interest and dividends	7,113	
Foreign exchange gains	2,514	
Other non-operating income	173	9,801
Non-operating expenses:		
Interest expenses	800	
Provision for allowance for doubtful accounts	2	
Taxes and dues	379	
Other non-operating expenses	357	1,539
Ordinary income		13,784
Extraordinary gains:		
Gains on sales of investment securities	17,494	
Other extraordinary gains	382	17,877
Extraordinary losses:		867
Income before income taxes		30,794
Income taxes:		
Current	39,105	
Deferred	(30,955)	8,150
Net income		22,643

Independent Auditor's Report

May 7, 2024

Yoshiro Aikawa
President and Chief Executive Officer,
Representative Director
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takafumi Maeda
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tadashi Shibata
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Taisei Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate auditors and the board of corporate auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditor's Report

May 7, 2024

Yoshiro Aikawa
President and Chief Executive Officer,
Representative Director
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takafumi Maeda
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tadashi Shibata
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Taisei Corporation ("the Company") as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of the Audit Report by the Audit & Supervisory Board

Audit Report

With respect to performance of the duties of the Members of the Board during the 164th fiscal year from April 1, 2023 to March 31, 2024, the Audit & Supervisory Board prepared this Audit Report after deliberations based on the audit reports submitted by each Audit & Supervisory Board Member, and hereby reports as follows.

1. Methods and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established the audit policy and audit plan, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board received reports from the Members of the Board, etc. and the Independent Auditors regarding the status of performance of their duties, and requested their explanations as necessary.

(2) In accordance with the audit standards established by the Audit & Supervisory Board, and in conformity with the audit policies and the audit plan, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Members of the Board, Executive Officers, the Auditing Department and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and implemented the audit by the following methods.

① Each Audit & Supervisory Board Member attended the Board and other important meetings, received reports from the Members of the Board, etc. regarding the status of performance of their duties, and requested their explanations as necessary, examined important approval/decision documents, and inspected the status of the businesses and assets of the head office and other major offices. In addition, with respect to the subsidiaries of the Company, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchange information with members of the boards and audit & supervisory board members of each subsidiary, and received the business reports from the subsidiaries as necessary.

② Each Audit & Supervisory Board Member received regular reports from the Members of the Board and employees, etc., and requested further explanation and expressed his opinion as necessary concerning the status of structure and implementation of (i) the resolutions of the Board regarding the development and maintenance of the system to ensure that performance of duties by the Members of the Board as stated in the Business Report, complied with all laws and regulations, and the Articles of Incorporation of the Company and other systems set forth in Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring appropriateness of the business operation of a stock company (*kabushiki kaisha*), and (ii) the systems (internal control systems) based on such resolutions. With respect to the internal control over financial reporting, the Audit & Supervisory Board received reports from the Members of the Board and KPMG AZSA LLC regarding the status of assessment and audit of the internal control, and requested their explanations as necessary.

③ Each Audit & Supervisory Board Member inspected whether the Independent Auditors maintained their independence and properly conducted their audit, and received reports from the Independent Auditors regarding the status of performance of their duties, and requested their explanations as necessary. Furthermore, each Audit & Supervisory Board Member was notified by the Independent Auditors that they had established a "system to ensure that performance of the duties of the Independent Auditors was properly conducted" (the matters set forth in Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audit" (the Business Accounting Council) and other standards, and requested explanations as necessary.

By these methods described above, we examined the Business Report and the accompanying supplemental schedules for this fiscal year, the non-consolidated financial statements (the balance sheet, the statement of income, the statement of changes in net assets and the related notes) and the accompanying supplemental schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes) for this fiscal year.

2. Results of Audit

(1) Audit Results of the Business Report, etc.

(i) We acknowledge that the Business Report and the accompanied supplemental schedules fairly present the status of the Company in conformity with laws and regulations, and the Articles of Incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any laws and regulations, or the Articles of Incorporation of the Company was found with respect to performance of the duties of the Members of the Board.

(iii) We acknowledge that the resolutions by the Board concerning the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report, or performance of the duties of the Members of the Board concerning the internal control systems.

(2) Audit Results of the Financial Statements and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of the audit conducted by the Independent Auditors, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

As described in the Business Report, we confirm that specific measures were initiated in response to the failure to satisfy steel erection accuracy requirements and occurrence of delay in the construction schedule in our building construction business. The Audit & Supervisory Board will continue to observe the implementation of measures to prevent the company from repeating similar failures.

We acknowledge that the methods and results of the audit conducted by the Independent Auditors, KPMG AZSA LLC, are appropriate.

May 8, 2024

TAISEI CORPORATION

The Audit & Supervisory Board Taisei Corporation

Audit & Supervisory Board Member (Full-time): Takashi HAYASHI(seal)

Audit & Supervisory Board Member (Full-time): Shuichi OKUDA(seal)

Audit & Supervisory Board Member (External Member): Yasuhiro SATO (seal)

Audit & Supervisory Board Member (External Member): Seishi TASHIRO (seal)

Audit & Supervisory Board Member (External Member): Keiko OHARA (seal)

Audit & Supervisory Board Member (External Member): Masamitsu MIURA(seal)

Notes to the Reader of the Audit Report:

The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.