

Notice of the 162nd General Meeting of Shareholders

Date Tuesday, June 28, 2022, 10:00 A.M.
(Tokyo time)

Place The Main Hall, 52nd floor
Taisei Corporation Head Office
Shinjuku Center Building
25-1, Nishi-Shinjuku 1-chome
Shinjuku-ku, Tokyo 163-0606, Japan

Matters to Be Resolved

Items No.1:
Appropriation of Earned Surplus

Items No.2:
Partial Amendment to the Articles of Incorporation

Items No.3:
Election of Twelve (12) Members of the Board

Please exercise your voting rights through the Internet or by post by 5:30 P.M., Monday, June 27, 2022.

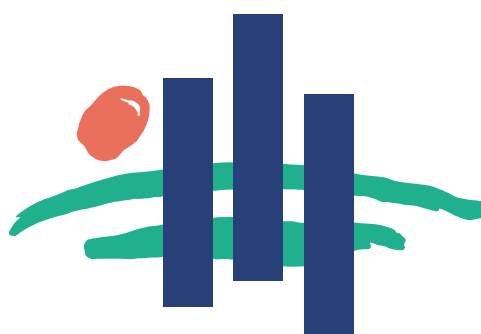
TAISEI CORPORATION

Securities Code: 1801

IMPORTANT NOTE:

This notice and attached documents are English translations of the “Notice of the 162nd General Meeting of Shareholders (*Dai-162-kai Teiji Kabunushi Sokai Shoshu Go-Tsuchi*)”, “Reference Materials for the General Meeting of Shareholders (*Kabunushi Sokai Sanko Shorui*)” and “Business Report (*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.

In light of preventing the spread of new coronavirus (COVID-19) infection, we would like to request you to exercise your voting rights through the Internet or by post beforehand and to refrain from attending the 162nd General Meeting of Shareholders of the Company regardless of your health condition.



TAISEI

For a Lively World

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Greeting from President and Chief Executive Officer

To Our Shareholders,



I would like to express my gratitude for your continuous support.

First, I would like to express my deepest condolences to those who are currently infected with the new coronavirus (“COVID-19”) or are in difficult situations due to COVID-19, and sincerely hope that they will recover and overcome their predicaments as soon as possible. I also pay my deep respect to and thank health workers and all people who are making every effort to bring an end to the infectious disease.

In the fiscal year 2021, the first year of the Taisei Group Medium-Term Business Plan (2021-2023), we achieved the profit goals as initially planned in the Business Plan, although there are concerns about the risk of global inflation and the decline of overseas economies due to the Russian invasion of Ukraine.

Hereafter, we will strive to achieve the goals in the last year of the Medium-Term Business Plan while paying attention to changes in the market environment, sharp rises in the cost of construction materials, and so forth.

In addition, we will address sustainability issues such as the environment and human rights, which have gained importance in recent years, appropriately through business activities. Thus, all executives and employees in the Group will make united efforts to contribute to developing a resilient society as set as a goal in TAISEI VISION 2030.

With regard to the dividend at the end of the fiscal year 2021, we propose the cash dividend of 65 yen per share, comprehensively taking account of the business environment in the future, etc.

Furthermore, at the board meeting on May 13, 2022, acquisition of the Company’s own share, up to 18,000 thousand shares (50 billion yen), was resolved in order to increase shareholder returns and to improve capital efficiency.

I sincerely appreciate your continuous and invaluable cooperation and support.

President and Chief Executive Officer,
Representative Director

Yoshiro Aikawa

To Our Shareholders

NOTICE OF THE 162nd GENERAL MEETING OF SHAREHOLDERS

Taisei Corporation would like to take this occasion to express particular thanks for the support of our shareholders.

Notice is hereby given that the 162nd General Meeting of Shareholders of Taisei Corporation (the “Company”) will be held as indicated below.

From the viewpoint of preventing the spread of the new coronavirus (COVID-19) infection, we have decided to hold this General Meeting of Shareholders after properly implementing anti-infection measures.

[We would like to request you to refrain from visiting this General Meeting of Shareholders of the Company regardless of your health condition.](#)

Please kindly review the Reference Materials for the General Meeting of Shareholders provided hereunder, and [we would like to request you to exercise your voting rights beforehand through the Internet or by post](#) no later than Monday, June 27, 2022, 5:30 P.M. as described on page 4.

1. Date: Tuesday, June 28, 2022, 10:00 A.M. (Tokyo time)

2. Place: The Main Hall, 52nd floor
Taisei Corporation Head Office
Shinjuku Center Building
25-1, Nishi-Shinjuku 1-chome
Shinjuku-ku, Tokyo 163-0606, Japan

3. Agenda:

- (1)Matters to be reported:**
1. Business Report, Consolidated Financial Statements, and Audit Reports of Accounting Auditor and Audit & Supervisory Board for Consolidated Financial Statements, for the fiscal year ended March 31, 2022 (the 162nd Business Year commenced April 1, 2021 and ended March 31, 2022)
 2. Non-Consolidated Financial Statements, for the fiscal year ended March 31, 2022 (the 162nd Business Year commenced April 1, 2021 and ended March 31, 2022)

(2)Matters to be resolved:

Items No.1: Appropriation of Earned Surplus

Items No.2: Partial Amendment to the Articles of Incorporation

Items No.3: Election of Twelve (12) Members of the Board

Yours sincerely,
TAISEI CORPORATION
Yoshiro AIKAWA
President and Chief Executive Officer
Representative Director

~ Notice regarding “the countermeasures against the new coronavirus (COVID-19)” ~

Requests to our shareholders

- In order to prevent the spread of COVID-19, we would like to ask you to refrain from visiting this General Meeting of Shareholders of the Company (“GMS”) regardless of your health condition.
- We kindly ask our shareholders to actively exercise the voting rights through the Internet or by post. (For the details of methods of exercising your voting rights, please refer to page 4.)
- We kindly ask our shareholders to view the presentation video of the business report, which will be made available on the Company’s website, as well. (The release of the video is to be announced on the Company’s website).
- The URL for the Company’s website is shown at the bottom of page 4.

Information on live streaming of the GMS and advance receipt of questions



On the day of the GMS, there will be live streaming of the GMS so that the proceedings of the meeting can be viewed at home through the Internet.

In addition, we will receive questions about the matters related to the purpose of the GMS from our shareholders in advance.

The live streaming and the advance receipt of questions will be available on the dedicated website for our shareholders.

The countermeasures at the venue of the GMS

We ask for understanding and cooperation of our shareholders who attend the GMS regarding the following matters:

- If you consider attending the GMS, we would like to ask you to pay full attention to your health conditions until the day of the GMS and not to overestimate your health.
- The number of seats available at the venue has been reduced in order to maintain a certain distance between seats. Therefore, we would like to ask your understanding that we may refuse your attendance on the day if the number of participants exceeds the limited capacity of the venue.
- Please be sure to wear a mask and use the hand sanitizer available at the entrance before entering the venue of the GMS.
- Body temperature will be taken at the entrance. The shareholder who does not seem to be in a good health condition may be asked by the staff not to attend this GMS.
- No person other than our shareholders, such as a proxy who is not a shareholder or a person accompanying the shareholder, is allowed to attend the GMS.
- Only the limited area around the seat of the GMS’s chairman and the seats of executives will be distributed by the live streaming to protect the privacy of shareholders attending at the venue, however there may be a case that the appearance of shareholders will be unavoidably taken. In addition, the voice of the shareholder who asks a question at the venue will be directly distributed by the live streaming.

Instructions of exercising your voting right

Exercising your voting right through the Internet



Deadline for Voting: ▶ **By Monday, June 27, 2022, 5:30 P.M. (Tokyo Time)**

Please access the designated website for voting of the Company (<https://soukai.mizuho-tb.co.jp/>) and follow the instructions on the screen to enter your preference on the matters to be resolved.

QR code is also printed in the Voting Form. (“ID” and “Password” are not necessary.)

For more information, please refer to the enclosed paper titled “Request for exercising your voting right.”

Exercising your voting right by post



Deadline for Voting: ▶ **Needs to Be Received by Monday, June 27, 2022, 5:30 P.M. (Tokyo Time)**

Please indicate your preference on the matters to be resolved on the enclosed Voting Form and return the Form by post.

In case no preference is indicated on a matter to be resolved, we treat that you cast an affirmative vote to that matter.

If you attend the Meeting



Date of the Meeting: ▶ **Tuesday, June 28, 2022, 10:00 A.M. (Tokyo Time)**

Shareholders attending the Meeting are requested to submit the Voting Form to the reception desk at the Place of the Meeting.

If exercising your voting rights by proxy, you can appoint one of other shareholders of the Company who is entitled to vote and ask that person to attend the General Meeting of Shareholders as your proxy.

In this case, please be advised that a Letter of Proxy shall be submitted along with a Voting Form.

Reference for Institutional Investors

The “Electronic Voting Platform” operated by ICJ is available for the institutional investors.

Note 1: Regarding the attached documents of this Notice, in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company, the following items are not included in this Notice, but posted on the Company’s website stipulated below.

- Systems and Policies of the Company
- Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
- Non-Consolidated Statement of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements

Provided, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, which were audited by Audit & Supervisory Board Members and Accounting Auditors include the above documents posted on the Company’s website.

Note 2: In the event that any amendment is made in the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, the Company will disclose the amended matter on the Company’s website.

Note 3: The notice of the resolution adopted at this General Meeting of Shareholders will be reported on the Company’s website instead of sending a written document.

The Company’s Website ▶ <https://www.taisei.co.jp/english/>

Reference Materials for the General Meeting of Shareholders

Matters to Be Resolved and Reference Information

Item No.1 Appropriation of Earned Surplus

The Company has made a fundamental policy to pay long-term stable dividend to shareholders. While reinforcing its internal reserve for the future business operation, the Company returns the profit to the shareholders according to the business performance. Comprehensively taking account of both business performance in the fiscal year ended March 31, 2022, and business environment in the future etc., the cash dividend at the end of the fiscal year ended March 31, 2022 is proposed to be ¥65.00 per share as stated below.

As the result, the total dividend for the fiscal year ended March 31, 2022, including interim dividend, is ¥130.00 per share.

1 Matters Concerning the Year-end Dividend

- (1) Cash dividend and its total amount:
Common stock: ¥ 65.00 per share
Total amount: ¥ 13,032,731,270-
- (2) Effective date of dividend of surplus:
June 29, 2022

2 Matters Concerning Other Appropriation of Earned Surplus

- (1) Item of decreased surplus and its amount
Other reserve: ¥ 25,000,000,000-
- (2) Item of increased surplus and its amount
Retained earnings carried forward: ¥ 25,000,000,000-

[Reference: Annual cash dividend per share]

	159th (FY 2018)	160th (FY 2019)	161st (FY 2020)	162nd (FY 2021)
Interim dividend (Yen)	60	65	65	65
Dividend at the end of FY (Yen)	70	65	65	65 (Plan)
Annual dividend (Yen)	130	130	130	130 (Plan)
Dividend payout ratio (consolidated) (%)	25.4	22.7	29.4	37.0 (Plan)

Items No.2 Partial Amendment to the Articles of Incorporation

1. Reasons for Amendment

- (1) Following the enforcement of the Act on Partial Amendment of the Strengthening Industrial Competitiveness Act on June 16, 2021, it is permitted to hold a general meeting of shareholders whose venue is not designated (a so-called “virtual-only General Meeting of Shareholders”) by setting forth so in the Articles of Incorporation on the condition that it is confirmed by the Minister of Economy, Trade and Industry and the Minister of Justice that a company satisfies certain requirements stipulated in the Ministry of Economy, Trade and Industry’s ordinance and the Ministry of Justice’s ordinance taking account of the need to ensure benefits for its shareholders.

By holding a virtual-only General Meeting of Shareholders using the Internet and other media, we hope to further revitalize and facilitate the Meeting, including dialogues with our shareholders, because that makes it easy for many shareholders, including those who live far away, to attend the Meeting.

Furthermore, in view of the recent situation in which massive disasters, including infectious diseases and natural calamities, are occurring frequently, we believe that offering a wider range of alternative methods for holding a General Meeting of Shareholders will contribute to ensuring benefits for our shareholders and strengthening the Company’s system for business continuity. Therefore, we propose to add paragraph 2 to Article 13 of the Articles of Incorporation in order to enable us to convene a virtual-only General Meeting of Shareholders as an alternative for holding a General Meeting of Shareholders in the future.

It has been confirmed by the Minister of Economy, Trade and Industry and the Minister of Justice that this proposed amendment meets the above-mentioned requirements stipulated in the Ministry of Economy, Trade and Industry’s ordinance and the Ministry of Justice’s ordinance.

Even if this proposed amendment is approved, we will, every time we hold a General Meeting of Shareholders, carefully decide how to hold the Meeting in accordance with a resolution of the Board of Directors while giving top priority to the rights of shareholders and taking the demands of society into consideration.

- (2) Since the provisions of the amendment included in the proviso of Article 1 of the Supplementary Provisions for the Act on Partial Amendment of the Companies Act (Act No. 70 of 2019) come into force on September 1, 2022, we propose to amend the Articles of Incorporation in order to prepare for the introduction of a system to provide materials for a General Meeting of Shareholders electronically, as follows:
- (a) The proposed amendment to Article 16, paragraph 1 is to stipulate that we shall take measures to electronically provide information that constitutes reference documents and other materials for a General Meeting of Shareholders.
 - (b) The proposed amendment to Article 16, paragraph 2 is to add a new provision to limit the scope of matters to be included in documents that are delivered to shareholders who request their delivery in writing.
 - (c) The provision “Internet Disclosure of Reference Documents for General Meeting of Shareholders” (the current Article 16 of the Articles of Incorporation) is to be deleted because it is no longer needed.
 - (d) Subject to the above-mentioned addition and deletion, a supplementary provision regarding the matters such as the effective date is to be provided.

2. Proposed Amendment

The proposed amendment (underlined) is as follows:

Current Articles of Incorporation	Proposed Amendment
<p>Article 13 (Call of the General Meeting of Shareholders) The Ordinary General Meeting of Shareholders of the Company shall be called and held in June each year. An Extraordinary General Meeting of Shareholders may be called from time to time whenever necessary.</p>	<p>Article 13 (Call of the General Meeting of Shareholders) 1. The Ordinary General Meeting of Shareholders of the Company shall be called and held in June each year. An Extraordinary General Meeting of Shareholders may be called from time to time whenever necessary. <u>2. The Company may hold a Meeting of Shareholders as a "Shareholders Meeting without a Designated Location" (under the Industrial Competitiveness Enhancement Act).</u></p>
<p><u>Article 16 (Internet Disclosure of Reference Documents for General Meeting of Shareholders)</u> <u>The Company may, when it calls a General Meeting of Shareholders, disclose any information regarding matters which must be stated or recorded in the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements and Consolidated Financial Statements by an Internet-based method pursuant to the Ordinance of the Ministry of Justice, and when such disclosure is made, such information shall be deemed to have been duly provided to the shareholders.</u></p>	<p><Deleted></p>
<p><Newly Added></p>	<p>Article 16 (Electronic Provision Measures, Etc.) 1. When calling and holding a General Meeting of Shareholders, the Company shall take electronic measures to provide information which constitutes reference documents and other materials for the meeting. 2. The Company may not describe all or part of the matters stipulated in the Ministry of Justice's ordinance on the paper materials to be delivered to shareholders who request the paper materials before the record date for voting rights, if such matters are provided by the electronic provision measures.</p>
<p><Newly Added></p>	<p>(Supplementary Provisions) 1. The deletion of the current Article 16 of the Articles of Incorporation (Internet Disclosure of Reference Documents for General Meeting of Shareholders) and the addition of the proposed new Article 16 (Electronic Provision Measures, Etc.) shall take effect from the day (hereinafter referred to as the "Enforcement Day") when the amendment stipulated in the proviso of Article 1 of the Supplementary Provisions for the Act on Partial Amendment of the Companies Act (Act No. 70 of 2019) come into force. 2. Notwithstanding the provision of the preceding paragraph, the current Article 16 of Articles of Incorporation shall remain effective for General Meetings of Shareholders to be held within six months of the Enforcement Day. 3. These Supplementary Provisions shall be deleted after the day when six months have passed since the Enforcement Day or the day when three months have passed since the day when the General Meeting of Shareholders stipulated in the preceding paragraph was held, whichever is the later.</p>

Items No.3 Election of Twelve (12) Members of the Board

The term of all Members of the Board expires at the closing of this General Meeting of Shareholders.

Therefore, an election of twelve (12) Members of the Board is proposed.

The Candidates of Members of the Board are as follows:

No.	Name of the Candidate	Position and Title	Attendance at the Board
1	Takashi YAMAUCHI	Chairman, Member of the Board Re-election	14 out of 14 Meetings (100%)
2	Yoshiro AIKAWA	President and Chief Executive Officer, Representative Director Re-election	14 out of 14 Meetings (100%)
3	Shigeyuki SAKURAI	Executive Vice President, Representative Director Chief of Business Administration Division; In charge of New Business Planning Re-election	14 out of 14 Meetings (100%)
4	Shigeyoshi TANAKA	Executive Vice President, Representative Director Chief of Civil Engineering Division; In charge of Safety Administration Re-election	14 out of 14 Meetings (100%)
5	Norihiko YAGUCHI	Executive Vice President, Representative Director Chief of Marketing & Sales Division (Integrated) Re-election	14 out of 14 Meetings (100%)
6	Hiroshi KIMURA	Senior Managing Executive Officer, Member of the Board Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering); Chief of Marketing & Sales (Civil Engineering) Division Re-election	14 out of 14 Meetings (100%)
7	Atsushi YAMAMOTO	Senior Managing Executive Officer, Member of the Board Chief of Marketing & Sales Promotion Division Re-election	11 out of 11 Meetings (100%)
8	Yoshihiro TERAMOTO	Senior Managing Executive Officer, Member of the Board Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division Re-election	11 out of 11 Meetings (100%)
9	Atsuko NISHIMURA	Member of the Board Chairman of the Governance System Review Committee Re-election External Member Independent Executive	14 out of 14 Meetings (100%)
10	Takao MURAKAMI	Member of the Board Chairman of the Executive Personnel Committee Re-election External Member Independent Executive	13 out of 14 Meetings (92.9%)
11	Norio OTSUKA	Member of the Board Chairman of the Remuneration Committee Re-election External Member Independent Executive	14 out of 14 Meetings (100%)
12	Fumiya KOKUBU	Member of the Board Chairman of the Sustainability Committee Re-election External Member Independent Executive	14 out of 14 Meetings (100%)

Note:

The position and title of each candidate mentioned above are as of the date of this General Meeting of Shareholders.



1 Takashi YAMAUCHI

Re-election

Birthday

June 12, 1946 (Age 76)

Number of the Company's Shares Held by the Candidate

58,500

Term of Office as Member of the Board

17 years

Attendance at the Board

14 out of 14 Meetings (100%)

Important Concurrent Position

Vice Chairman of the Tokyo Chamber of Commerce and Industry
External Director of the Building & Housing Center of Japan
External Director of Nippon Venture Capital Co., Ltd.
External Director of Chuo Building CO., LTD.

History and Post of the Candidate

1969.06: Joined the Company
1999.06: Executive Officer
2002.04: Managing Executive Officer
2004.06: Senior Managing Executive Officer
2005.06: Senior Managing Executive Officer, Member of the Board

2007.04: President and Chief Executive Officer, Representative Director
2015.04: Chairman, Representative Director
2021.06: Chairman, Member of the Board [Present Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Takashi YAMAUCHI successively held the posts of President and Chief Executive Officer and Chairman, Representative Director. He has broad experience and achievement at the Company, and considerable knowledge of the overall management of the Taisei Group. In addition, he has led discussion at the meetings of the Board as Chairman of the Board and contributed to making the discussion more fruitful since April 2020. Since June 2021, he has supervised the management from the position without authority to represent nor authority to execute business. As Mr. Takashi YAMAUCHI can be expected to contribute to sustainable development and further enhancement of the corporate value of the Taisei Group, we nominate him as candidate for a Member of the Board again.



2 Yoshiro AIKAWA

Re-election

Birthday

September 20, 1957 (Age 64)

Number of the Company's Shares Held by the Candidate

5,365

Term of Office as Member of the Board

3 years

Attendance at the Board

14 out of 14 Meetings (100%)

Important Concurrent Position

Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)

History and Post of the Candidate

1980.04: Joined the Company
2013.04: Executive Officer
2016.04: Managing Executive Officer
2019.06: Managing Executive Officer, Member of the Board

2020.04: Senior Managing Executive Officer, Member of the Board
2020.06: President and Chief Executive Officer, Representative Director [Present Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Yoshiro AIKAWA, specialized in building construction technologies, has successively held various posts such as Chief of Kyushu Branch, Chief of Marketing & Sales (Building Construction) Division II, and Chief of Architecture & Engineering Division (Integrated) and Chief of Building Construction Division since his appointment as Executive Officer in April 2013. He has broad experience and achievement at the Company, and considerable knowledge of the overall management of the Taisei Group. Since June 2020, he has served as President and Chief Executive Officer and contributed to establishing the foundation for future growth of the Company and the Taisei Group in order to realize the Medium- to Long-Term Vision of the Taisei Group [TAISEI VISION 2030]. As Mr. Yoshiro AIKAWA can be expected to contribute to the sustainable development and further enhancement of the corporate value of the Taisei Group, we nominate him as candidate for a Member of the Board again.



3 Shigeyuki SAKURAI

Re-election

Birthday

August 15, 1955 (Age 66)

Number of the Company's
Shares Held by the Candidate
11,427

Term of Office as Member of
the Board
9 years

Attendance at the Board

14 out of 14 Meetings (100%)

History and Post of the Candidate

1979.04: Joined the Company

2011.04: Executive Officer

2013.04: Managing Executive Officer

2013.06: Managing Executive Officer,
Member of the Board

2015.04: Senior Managing Executive Officer,
Representative Director

2017.04: Executive Vice President, Representative
Director
Chief of Business Administration Division

2021.04: Executive Vice President, Representative
Director
Chief of Business Administration Division;
In charge of New Business Planning [Present
Position]

The reasons for nominating him as candidate for a Member of the Board

Ever since Mr. Shigeyuki SAKURAI joined the Company, he has been engaged in departments related to business administration, and successively held various posts such as General Manager of Finance Department, General Manager of Accounting Department and Chief of Business Administration Division since his appointment as Executive Officer in April 2011. He has distinguished expert knowledge in accounting and financial fields, broad experience and achievement at the Company, and considerable knowledge of overall management of the Taisei Group. At present, he is working on to strengthen the decision making and supervising function of the meetings of the Board as Executive Vice President, Representative Director, Chief of Business Administration Division, and in charge of New Business Planning, and to improve and promote the Taisei Group's risk management system. As Mr. Shigeyuki SAKURAI can be expected to contribute to the sustainable development and further enhancement of the corporate value of the Taisei Group, we nominate him as candidate for a Member of the Board again.



4 Shigeyoshi TANAKA

Re-election

Birthday

November 1, 1954 (Age 67)

Number of the Company's
Shares Held by the Candidate
13,500

Term of Office as Member of
the Board
7 years

Attendance at the Board

14 out of 14 Meetings (100%)

History and Post of the Candidate

1979.04: Joined the Company

2011.04: Executive Officer

2013.04: Managing Executive Officer

2015.04: Senior Managing Executive Officer

2015.06: Senior Managing Executive Officer, Member
of the Board

2017.04: Executive Vice President, Member of the
Board

2019.04: Executive Vice President, Representative
Director
Chief of Civil Engineering Division;
In Charge of Safety Administration

2020.06: Executive Vice President, Representative
Director
Chief of Civil Engineering Division

2021.06: Executive Vice President, Representative
Director
Chief of Civil Engineering Division;
In Charge of Safety Administration [Present
Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Shigeyoshi TANAKA, specialized in civil engineering technologies, has successively held various posts such as Chief of Kyushu Branch, Chief of Corporate Planning Office, and Chief of Civil Engineering Division since his appointment as Executive Officer in April 2011. He has distinguished expertise in civil engineering sector, broad experience and achievement at the Company, and considerable knowledge of the overall management of the Taisei Group. At present, as Executive Vice President, Representative Director, Chief of Civil Engineering Division, and in Charge of Safety Administration, he is working on to strengthen the decision making and supervising function of the meetings of the Board as well as to develop and implement strategies towards reinforcement of production systems in departments related to civil engineering and resolving issues regarding safety, etc. As Mr. Shigeyoshi TANAKA can be expected to contribute to the sustainable development and further enhancement of the corporate value of Taisei Group, we nominate him as candidate for a Member of the Board again.



5 Norihiko YAGUCHI

Re-election

Birthday

May 17, 1954 (Age 68)

Number of the Company's Shares Held by the Candidate

10,933

Term of Office as Member of the Board

7 years

Attendance at the Board

14 out of 14 Meetings (100%)

History and Post of the Candidate

1978.04: Joined the Company

2012.04: Executive Officer

2015.04: Managing Executive Officer

2015.06: Managing Executive Officer, Member of the Board

2017.04: Senior Managing Executive Officer, Member of the Board

2020.04: Executive Vice President, Member of the Board

2021.06: Executive Vice President, Representative Director
Chief of Marketing & Sales Division (Integrated)
[Present Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Norihiko YAGUCHI, specialized in building construction technologies, has successively held various posts such as Chief of Chugoku Branch, Chief of Architecture & Engineering Division (Integrated), and Chief of Marketing & Sales Division (Integrated) since his appointment as Executive Officer in April 2012. He has distinguished expertise in building construction sector, broad experience and achievement at the Company, and considerable knowledge of the overall management of the Taisei Group. At present, as Executive Vice President, Representative Director and Chief of Marketing & Sales Division (Integrated), he is working on to strengthen the decision making and supervising function of the meeting of the Board as well as to develop and implement sales and marketing strategies, etc. As Mr. Norihiko YAGUCHI can be expected to contribute to the sustainable development and further enhancement of the corporate value of Taisei Group, we nominate him as candidate for a Member of the Board again.



6 Hiroshi KIMURA

Re-election

Birthday

June 4, 1958 (Age 64)

Number of the Company's Shares Held by the Candidate

5,152

Term of Office as Member of the Board

3 years

Attendance at the Board

14 out of 14 Meetings (100%)

History and Post of the Candidate

1982.04: Joined the Company

2015.04: Executive Officer

2018.04: Managing Executive Officer

2019.06: Managing Executive Officer, Member of the Board

2020.06: Senior Managing Executive Officer, Member of the Board

Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering);
Chief of Marketing & Sales (Civil Engineering) Division [Present Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Hiroshi KIMURA, specialized in civil engineering technologies, has successively held various posts such as Chief of Chugoku Branch and Deputy Chief of Marketing & Sales (Civil Engineering) Division since his appointment as Executive Officer in April 2015. He has distinguished experience in civil engineering sector, broad experience and achievement at the Company, and considerable knowledge of the overall management of Taisei Group. At present, as Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) and Chief of Marketing & Sales (Civil Engineering) Division, he is working on to strengthen the decision making and supervising function of the meeting of the Board as well as to develop and implement sales and marketing strategies of civil engineering business and renewable energy business, etc. As Mr. Hiroshi KIMURA can be expected to contribute to the sustainable development and further enhancement of corporate value of Taisei Group, we nominate him as candidate for a Member of the Board again.



7 Atsushi YAMAMOTO

Re-election

Birthday

September 18, 1958 (Age 63)

Number of the Company's
Shares Held by the Candidate
3,200

Term of Office as Member of
the Board
1 year

Attendance at the Board

11 out of 11 Meetings (100%)

History and Post of the Candidate

1981.04: Joined the Company

2014.04: Executive Officer

2018.04: Managing Executive Officer

2021.04: Senior Managing Executive Officer

2021.06: Senior Managing Executive Officer, Member of the Board
Chief of Marketing & Sales Promotion Division [Present Position]

The reasons for nominating him as candidate for a Member of the Board

Ever since Mr. Atsushi YAMAMOTO joined the Company, he has been engaged in departments related to business administration, and has successively held various posts such as General Manager of Secretarial Department, Deputy Chief of Business Administration Division, and Chief of Marketing & Sales Promotion Division since his appointment as Executive Officer in April 2014. He has broad experience and achievement at the Company, and considerable knowledge of overall management of the Taisei Group. At present, as Senior Managing Executive Officer, Chief of Marketing & Sales Promotion Division, he is working on to strengthen the decision making and supervising function of the meeting of the Board as well as to develop and implement sales and marketing strategies. As Mr. Atsushi YAMAMOTO can be expected to contribute to the sustainable development and further enhancement of the corporate value of Taisei Group, we nominate him as candidate for a Member of the Board again.



8 Yoshihiro TERAMOTO

Re-election

Birthday

February 21, 1957 (Age 65)

Number of the Company's
Shares Held by the Candidate
4,390

Term of Office as Member of
the Board
1 year

Attendance at the Board

11 out of 11 Meetings (100%)

Important Concurrent Position

Director of Construction-ec.com Co., Ltd.

History and Post of the Candidate

1981.04: Joined the Company

2017.04: Executive Officer

2019.04: Managing Executive Officer

2021.04: Senior Managing Executive Officer

2021.06: Senior Managing Executive Officer, Member of the Board
Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division [Present Position]

The reasons for nominating him as candidate for a Member of the Board

Mr. Yoshihiro TERAMOTO, specialized in building construction technologies, has successively held various posts such as Chief of Kyusyu Branch, Chief of Yokohama Branch, and Chief of Architecture & Engineering Division (Integrated) and Chief of Building Construction Division since his appointment as Executive Officer in April 2017. He has distinguished expertise in building construction sector, broad experience and achievement at the Company, and considerable knowledge of the overall management of Taisei Group. At present, as Senior Managing Executive Officer, Chief of Architecture & Engineering Division (Integrated), and Chief of Building Construction Division, he is working on to strengthen the decision making and supervising function of the meeting of the Board as well as to develop and implement strategies for resolving issues regarding reinforcement of production system in departments related to building construction, etc. As Mr. Yoshihiro TERAMOTO can be expected to contribute to the sustainable development and further enhancement of the corporate value of Taisei Group, we nominate him as candidate for a Member of the Board.



9 Atsuko NISHIMURA

Re-election

External Member

Independent Executive

Birthday

May 5, 1953 (Age 69)

Attendance at the Board

14 out of 14 Meetings (100%)

Number of the Company's Shares Held by the Candidate

2,300

Term of Office as Member of the Board

5 years

Important Concurrent Position

Outside Director of INPEX CORPORATION

History and Post of the Candidate

- 1979.04:** Joined the Ministry of Foreign Affairs of Japan
- 1995.07:** Director, Non-Proliferation of Weapons-Related Resources, Foreign Policy Bureau
- 1997.06:** Director, First Africa Division, Middle Eastern and Africa Affairs Bureau
- 1999.08:** Minister/Counsellor of Permanent Mission of Japan to the United Nations
- 2001.06:** Minister of Embassy of Japan in Belgium
- 2004.09:** Professor of Tohoku University Graduate School of Law
- 2008.06:** Administrative Vice President of the Japan Foundation

- 2012.04:** Advisor of Japan Oil, Gas and Metal National Corporation
- 2014.04:** Ambassador Extraordinary and Plenipotentiary to Grand Duchy of Luxembourg
- 2016.07:** Ambassador Extraordinary and Plenipotentiary for Woman, Human Rights and Humanitarian Affairs
- 2017.06:** Outside Director of INPEX CORPORATION [Present Position]
- 2017.06:** Member of the Board of the Company [Present Position]

The reasons for nominating her as candidate for an External Member of the Board and expected roles

Ms. Atsuko NISHIMURA has successively held various important posts of the Ministry of Foreign Affairs of Japan, possesses wealthy international experience and profound knowledge obtained from her long years of experience as a diplomat, and is capable of providing supervision on the Company's management and making advice to the overall management from her objective and neutral standpoint. Therefore, we nominate her as candidate for an External Member of the Board again.

After the election, she is expected to contribute to the sustainable development and further enhancement of the corporate value of Taisei Group towards the realization of the Medium- to Long-Term Vision of the Taisei Group [TAISEI VISION 2030] by providing her comments and advice to the important matters such as promotion of diversity, election and dismissal of executives, strengthening of governance and compliance system and implementation of international projects.



10 Takao MURAKAMI

Re-election

External Member

Independent Executive

Birthday

August 14, 1945 (Age 76)

Number of the Company's Shares Held by the Candidate

700

Term of Office as Member of the Board

3 years

Attendance at the Board

13 out of 14 Meetings (92.9%)

Important Concurrent Position

External Member of the Board of Television Hokkaido Broad Casting Co., Ltd.

History and Post of the Candidate

- 1969.04:** Joined Sapporo Breweries Limited (Present: Sapporo Holdings Limited)
- 1999.03:** Executive Officer
- 2001.03:** Managing Executive Officer
- 2003.07:** Member of the Board; Senior Managing Executive Officer of Sapporo Breweries Limited (new company)
- 2004.03:** Managing Executive Officer, Member of the Board of Sapporo Holdings Limited
- 2005.03:** President and Chief Executive Officer, Representative Director, Group CEO
- 2011.03:** Chairman of the Board, Representative Director

- 2011.06:** External Member of the Board of Television Hokkaido Broad Casting Co., Ltd. [Present Position]
- 2014.03:** External Auditor of FUJIO FOOD SYSTEM Co., Ltd. (Present Name: FUJIO FOOD GROUP INC.)
- 2018.03:** Honorary Counsellor of Sapporo Holdings Limited [Present Position]
- 2019.06:** Member of the Board of the Company [Present Position]

The reasons for nominating him as candidate for an External Member of the Board and expected roles

Mr. Takao MURAKAMI has wealthy experience and profound knowledge as a corporate executive, and is capable of providing supervision on the Company's management and making advice to overall management from his objective and neutral standpoint. Therefore, we nominate him as candidate for an External Member of the Board again. After the election, he is expected to contribute to the sustainable development and further enhancement of corporate value of Taisei Group towards the realization of the Medium- to Long- Term Vision of Taisei Group [TAISEI VISION 2030] by providing his comments and advice to the important matters such as the election and dismissal of executives, the strengthening of governance and compliance systems, and the formulation of management strategy.



11 Norio OTSUKA

Re-election

External Member

Independent Executive

Birthday

July 5, 1950 (Age 71)

Number of the Company's Shares Held by the Candidate

700

Term of Office as Member of the Board

3 years

Attendance at the Board

14 out of 14 Meetings (100%)

Important Concurrent Position

Outside Director of Sojitz Corporation

History and Post of the Candidate

1973.04: Joined NSK Ltd.

2000.04: Executive Officer

2002.06: Managing Executive Officer, Member of the Board

2004.06: Senior Managing Executive Officer, Member of the Board

2007.06: Executive Vice President, Representative Director

2009.06: President and Chief Executive Officer, Representative Director

2015.06: Chairman, Member of the Board

2017.03: External Member of the Board of Showa Shell Sekiyu K.K.

2018.06: Advisor of NSK Ltd.[Present Position]

2018.06: Outside Director of Sojitz Corporation [Present Position]

2019.04: Outside Director of Idemitsu Kosan Co., Ltd.

2019.06: Member of the Board of the Company [Present Position]

The reasons for nominating him as candidate for an External Member of the Board and expected roles

Mr. Norio OTSUKA has wealthy experience as a corporate executive and profound knowledge of international situation and finance field, and is capable of providing supervision on the Company's management and making advice to the overall management from his objective and neutral standpoint. Therefore, we nominate him as candidate for an External Member of the Board again.

After the election, he is expected to contribute to the sustainable development and further enhancement of Taisei Group towards the realization of the Medium-to Long-Term Vision of Taisei Group [TAISEI VISION 2030] by providing his comments and advice to the important matters such as the election and dismissal of executives, the strengthening of governance and compliance systems, and the formulation of management strategy.



12 Fumiya KOKUBU

Re-election

External Member

Independent Executive

Birthday

October 6, 1952 (Age 69)

Number of the Company's Shares Held by the Candidate
700

Term of Office as Member of the Board
3 years

Attendance at the Board

14 out of 14 Meetings (100%)

Important Concurrent Position

Chairman of the Board of Marubeni Corporation
Outside Director of Honda Motor Co., Ltd.
Vice Chair of the Board of Councillors, Keidanren (Japan Business Federation)

History and Post of the Candidate

1975.04: Joined Marubeni Corporation

2005.04: Executive Officer

2008.04: Managing Executive Officer

2008.06: Managing Executive Officer, Representative Director

2010.04: Senior Managing Executive Officer

2012.04: Executive Vice President

2012.06: Executive Vice President, Representative Director

2013.04: President and Chief Executive Officer, Representative Director

2019.04: Chairman, Member of the Board [Present Position]

2019.06: Member of the Board of the Company [Present Position]

2020.06 Outside Director of Honda Motor Co., Ltd. [Present Position]

The reasons for nominating him as candidate for an External Member of the Board and expected roles

Mr. Fumiya KOKUBU has wealthy experience as a corporate executive and profound knowledge of international business and investment in business, and is capable of providing supervision on the Company's management and making advice to the overall management from his objective and neutral standpoint. Therefore, we nominate him as candidate for an External Member of the Board again.

After the election, he is expected to contribute to the sustainable development and further enhancement of corporate value of Taisei Group towards the realization of the Medium- to Long-Term Vision of Taisei Group [TAISEI VISION 2030] by providing his comments and advice to the important matters such as the election and dismissal of executives, the strengthening of governance and compliance systems, and the formulation of management strategy.

Notes:

- The age of each candidate is as of this General Meeting of Shareholders.
- There is no conflict of special interest between each candidate and the Company.
- Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA, and Mr. Fumiya KOKUBU are candidates for External Member of the Board.
- In order for Members of the Board 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 <gyoumushikkou torishimari yaku>) to limit their liability for damages to the Company within a certain range. According to this provision, the Company has entered into the contract for limiting their liability with Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU. The outline of the contract is as follows.
 - With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, each External Member 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 External Member of the Board has performed his or her duty in good faith and without gross negligence.
- The Company executes an indemnity agreement with each of its Members of the Board 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. If the candidates are elected as Members of the Board in the proposed item, the Company plans to continue such agreements with them.
- The Company has entered into a directors and officers liability insurance agreement with an insurance firm in which each Member of the Board is to be covered as the insured. If the candidates for Member of the Board are elected as Members of the Board, all of them will be covered by this director and officers liability insurance. The insurance agreement will be renewed in August 2022. The details of the insurance agreement are outlined below.
 - Premiums to substantially be incurred by each insured
All insurance premiums are to be incurred by the Company, and each insured is not to substantially incur any premium.
 - Outline of incidents to be covered by the insurance, etc.
Damage is to be covered by the insurance that each insured is liable for when performing his or her duty or that is caused when such liability is questioned and claims are made (excluding cases falling under any of the reasons for exemption for 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).
- Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA, and Mr. Fumiya KOKUBU meet the Criteria of Independency established by the Company (refer to page 17 hereof). In addition, the above four executives are reported as Independent Executives because they satisfy the criteria of independency established by the Tokyo Stock Exchange.

Criteria of Independency

Any External Members of the Board or External Audit & Supervisory Board Members who do not fall within any of the followings shall be deemed independent by the Board:

1. A person who is an executive director, a corporate officer, an executive officer, a manager or other employee (hereinafter an "Executive Officer/Employee") of a main business partner (refer to Note 1 below);
2. A person who is an Executive Officer/Employee of one of our main financing banks;
3. A person who receives from the Company more than 10 million yen annually on an average basis for the last three fiscal years in consideration for services as a consultant, accountant, tax lawyer or lawyer (excluding remuneration as a Member of the Board or Executive Officer of the Company), or where the recipient of such remuneration is a legal entity or other organization, a person who belongs to such legal entity or organization;
4. A person who is a board member or other Executive Officer/Employee of a legal entity or other organization to which the Company donated more than the "Certain Amount" defined in note 2 below;
5. A person who fell within any of item 1 through 4 above during the last one (1) year period; and,
6. A person who is the spouse or relatives within the second degree of kinship of any of the following persons:
 - (1) A person who falls within the items 1 through 5 above;
 - (2) A person who is an Executive Officer/Employee of the Company's subsidiary;
 - (3) A person who is a Member of the Board who is not an Executive Officer/Employee of the Company's subsidiary (applicable only when determining the independence of an External Audit & Supervisory Board Member); and
 - (4) A person who fell within sub-items (2) or (3) above or who is an Executive Officer/Employee of the Company during the last one (1) year period (when determining the independency of an External Audit & Supervisory Board Member, including a Member of the Board who is not an Executive Officer/Employee).

Note 1: A main business partner is (1) a person/legal entity for which the Company is the main business partner (a business partner for which the average annual amount paid by the Company to such entity in compensation for its work in the immediately preceding three fiscal years is over 2% of the entity's consolidated net sales for the most recent fiscal year) and (2) the main business partner of the Company (a business partner for which the average annual amount received by the Company from such entity in compensation for its work in the immediately preceding three fiscal years is over 2 % of the Company's consolidated net sales for the most recent fiscal year).

Note 2: "Certain Amount" means donations with an annual average amount over the immediately preceding three fiscal years that exceeds (1) 10 million yen and (2) 2 % of the annual income for the most recent fiscal year of the party who received the donation by the Company.

[Reference] Skill matrix for the Members of the Board and Audit & Supervisory Board Members after this General Meeting of Shareholders

• Policy for nominating candidates for Members of the Board and Audit & Supervisory Board Members at the Company

Candidates for Members of the Board and Audit & Supervisory Board Members shall be nominated taking into consideration each candidate's qualification including career, performance, character, knowledge, experience, ability and overall balance, as well as diversity, including, gender, international-mindedness, work experience, and age from the viewpoint of selecting persons who will contribute to achieving the Company's sustainable development and enhancement of corporate value in medium- to long-term.

In addition to these criteria, when nominating candidates for Members of the Board, the skills and other attributes that the Board should have, shall be identified in order to realize the medium- to long-term vision of the Company and attain medium-term business plans, and when nominating candidates for Audit & Supervisory Board Members, those who have the necessary knowledge of finance, accounting and legal affairs shall be selected.

• Skills Required for Members of the Board and Audit & Supervisory Board Members to realize the vision of Taisei Group in ten years

		Members of the Board										Audit & Supervisory Board Members							
												External Member							
		Takashi YAMAUCHI	Yoshiro AIKAWA	Shigezumi SAKURAI	Shigezoshi TANAKA	Norihiko YAGUCHI	Hiroshi KIMURA	Atsushi YAMAMOTO	Yoshihiro TERAMOTO	Atsuko NISHIMURA	Takao MURAKAMI	Norio OTSUKA	Fumiya KOKUBU	Takashi HAYASHI	Akiniko NOMA	Yasuhiko SATO	Seishi TASHIRO	Keiko OHARA	Masamitsu MIURA
Specialization and Experience Required for Members of the Board and Audit & Supervisory Board Members	Business Management																		
	Legal Affairs and Risk Management																		
	Finance and Accounting																		
	Global Experience																		
	Sustainability																		
	Sales/Marketing																		
	Technologies																		

*Note: The above matrix indicates skills particularly expected for Members of the Board and Audit & Supervisory Board Members and does not list all skills that Members of the Board and Audit & Supervisory Board Members currently have.

• Concepts behind the above “Specialization and Experience”

Skills for management in General	Business Management	Persons who have served as president or chairman at the Company or other companies or those who have considerable knowledge of the Company's or other companies' business and have the necessary knowledge and experience to formulate management strategy
	Legal Affairs and Risk Management	Persons who have worked for a division in charge of risk management at the Company or other companies and are considered to have knowledge of and experience in legal affairs and risk management, or otherwise those who are licensed as a lawyer, or those who have worked for administrative agencies and possess profound knowledge of laws
	Finance and Accounting	Persons who have worked for a finance and accounting division at the Company, other companies, or administrative agencies, etc. and are considered to possess knowledge of and experience in finance and accounting, those who have profound knowledge as the manager of a financial institution, or those who are licensed as a certified public accountant or licensed tax accountant
	Global Experience	Persons who have experience in international business at the Company or other companies and are considered to possess knowledge of and experience in global management, or those who have worked for administrative agencies and possess extensive knowledge of the international situation
	Sustainability	Persons who are considered to have specialized knowledge of and experience in renewable energy, the environment, human resource development, diversity, social contribution, corporate governance, etc.
Skills for the Company's business	Sales/Marketing	Persons who are considered to have knowledge of and experience in marketing and sales for the Company's business
	Technologies	Persons who have worked for technology-related divisions at the Company and possess knowledge of and experience in technology related to the Company's business

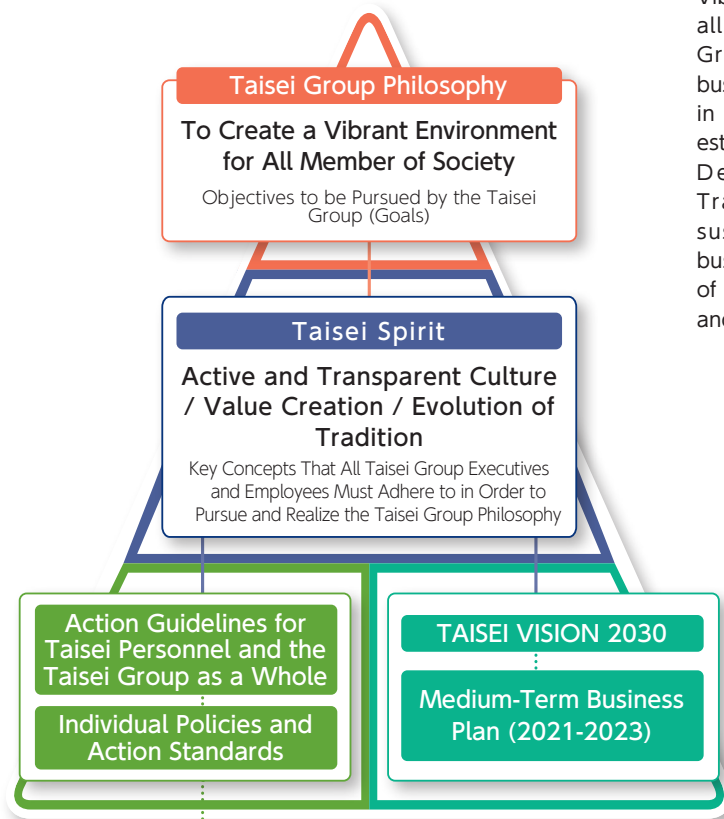
Sustainability of the Taisei Group

Sustainability Framework

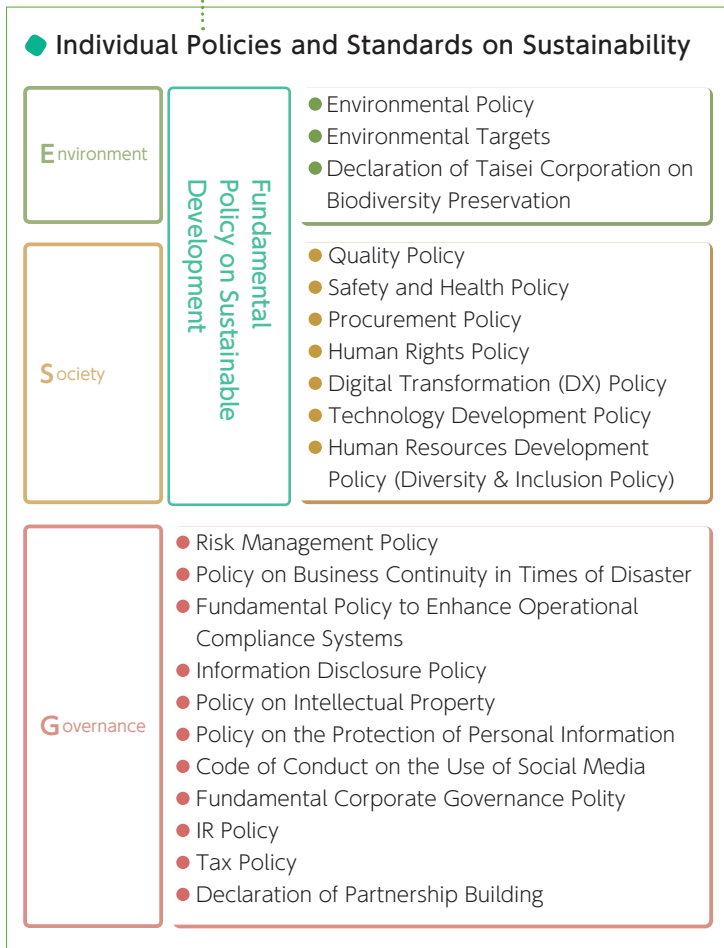
Sustainability Website ▶
<https://www.taisei.co.jp/english/sustainability/>



◆ Our Structure of Values and Policies



To realize the Group Philosophy “To Create a Vibrant Environment for All Members of Society”, all the executives and employees of the Taisei Group share the “Taisei Spirit”, and conduct business based on the policies and plans specified in Our Structure of Values and Policies. We also established our “Fundamental Policy on Sustainable Development” to realize Sustainability Transformation (SX), which aims to resolve sustainable development issues through our businesses, and to contribute to the development of a resilient society where people can live affluent and cultural lives.



Materiality (Important issues to be addressed)





TAISEI Green Target 2050

The construction industry, which is engaged in the formation of social capital, exist on the burden on the environment. On the other hand, environmental issues are becoming increasingly serious on a global scale, and long-term countermeasures are required. In response to these circumstances, in 2018 we revised our long-term environmental targets towards 2050 (TAISEI Green Target 2050), and set the 2050 Targets for the realization of four societies: “decarbonized society”, “recycling oriented society”, “nature co-existing society”, and “safety secured society”.

As well as expressing our support for TCFD in 2020, following the Japanese government’s decarbonization declaration, we partially revised the TAISEI Green Target 2050 and decided to aim virtually zero CO₂ emissions from business activities by 2050 to realize “decarbonized society”. Furthermore, in February 2022, we formulated new 2030 environmental targets for the Taisei Group as a milestone of Taisei Green Target 2050 to accelerate our efforts to achieve a decarbonized society.

Going forward, the Taisei Group members will work as one to continue contributing to the realization of a Sustainable and Environmentally Friendly Society (decarbonized society, recycling oriented society, nature co-existing society, safety secured society) based on TAISEI Green Target 2050.

Overview of Sustainability-Focused Management and Medium-Term Business Plan Initiatives

Sustainability-Focused Management Website ▶
<https://www.aisei.co.jp/english/sustainability/management/>



Key measures under the Medium-Term Management Plan

- To achieve our target of “virtually zero” CO₂ emissions from business activities (carbon neutrality) (Scope 1 and 2)
- To enhance the performance of our Zero Energy Building (ZEBs), and expand green procurement (Scope 3)
- To establish a system to manage the Group environmental targets
- To conduct the environmental patrols and education to eliminate environmental accidents

- Technical development where the Company has a competitive edge
- To establish Digital Twin based on coordination with the BIM/CIM design and construction cloud
- To establish the production process in a visualized and efficient ways through state-of-the-art digital technology

- To develop and commercialize next-generation high-performance ZEBs and develop and use the carbon-recycle concrete
- Technical development contributing to industrial sectors expected to grow, through a virtuous cycle for the economy and environment
- To establish a business in the operations and maintenance (O&M) area
- To shift to a style of data-based sales through making proposals at the optimal timing

- To promote the supply chain management aimed at solving environmental and social issues, etc.
 - To improve the procurement complying with the “Taisei Group Sustainable Procurement Guidelines” across the supply chain as a whole
 - To coordinate with suppliers in a way complying with the “Declaration of Partnership Building”
- To improve the systems for providing procurement-related information

- To enhance the patrols by the Company and officers of Safety, Health, and Environment Cooperation Association, etc., ensuring thorough education in order to prevent designated disasters, etc.
- To promote the health and safety and environmental management through the utilization of digital technologies, etc.

- To promote Roadmap to fiscal 2024 for “reducing long working hours”
- To enhance the support for all member suppliers of the Soyukai (the association for our suppliers)
 - To enhance and maintain the training for Soyukai members at the Konosu Training Center
 - To support the registration and use of the Construction Career Up System (CCUS)

- To establish the workstyles and working environments that enable a diverse range of human resources to fully perform their abilities
 - To secure digital human resources, and establish a rotation system

- To clarify the functions of the Group Head Office
- To establish the effective systems to manage Group companies, etc.
- To build an integrated platform

Relationship with SDGs



Sustainability Strategy Promotion Structure

(1) Establishment of the new Sustainability Division (Integrated) in April 2022

Efforts to support sustainable development, as typified by keywords such as SDGs and ESG, are gaining importance. Furthermore, carbon neutrality and climate change, which have recently drawn close attention across the world, as well as human rights in supply chains, are commonly recognized as issues to be addressed not only in Japan but also on a global scale today. Rather than separating those issues from our business but instead solving them by linking them to our business, and leading to a sustainable development and enhancing corporate value are becoming a major theme of the Taisei Group.

Recently, we decided to accelerate our group's initiatives for sustainable development to attain Taisei Vision 2030 by unifying our organizational structure related to sustainability management and clearly separating strategic functions from business promotions functions.

"Sustainability Management Promotion Division", which is established in the Sustainability Div. (Integrated) by reorganizing the former Environment Division, will unify strategic functions related to sustainability in general, including CSR, in addition to solve issues related to carbon neutrality. "Clean Energy & Environment Business Promotion Division", which is established by reorganizing the former Energy Division, will unify functions to promote clean energy and environmental businesses. Thus, we will accelerate our initiatives to "own 100 MW renewable energy sources in fiscal 2030" and provide our clients with the latest environmental technology.

We also renamed the CSR Committee headed by an External Member of the Board as the "Sustainability Committee" to bolster the Group's sustainability initiatives from diverse points of view.

(2) Taisei's Sustainability Website won a gold award

We received a "gold (the best) award" in "Sustainability Site Awards 2022" hosted by the Association for Sustainability Communication, which evaluated and rated the extent to which full ESG information was provided.

"Sustainability Site Awards 2022", presented by the Association for Sustainability Communication, surveyed the sustainability websites of 4,049 companies in Japan to assess the degree of completeness of information, selected advanced companies, which constituted about 1% of the companies surveyed, and officially commended 42 of whose selected companies (six with a gold award, 11 with silver, and 25 with bronze).

The Company's sustainability website reports its Fundamental Policy on Sustainable Development as well as its initiatives for social issues such as ESG (environment, social, and governance) according to the seven core subjects in ISO26000. Renewed in November last year, the website discloses a wider range of data on ESG, and the degree of improvement with regard to ESG information (concreteness and exhaustiveness) was highly evaluated.

The Company will continue to further advance initiatives related to the sustainable development and strive for information disclosure to contribute to the promotion of constructive dialogues with all stakeholders.



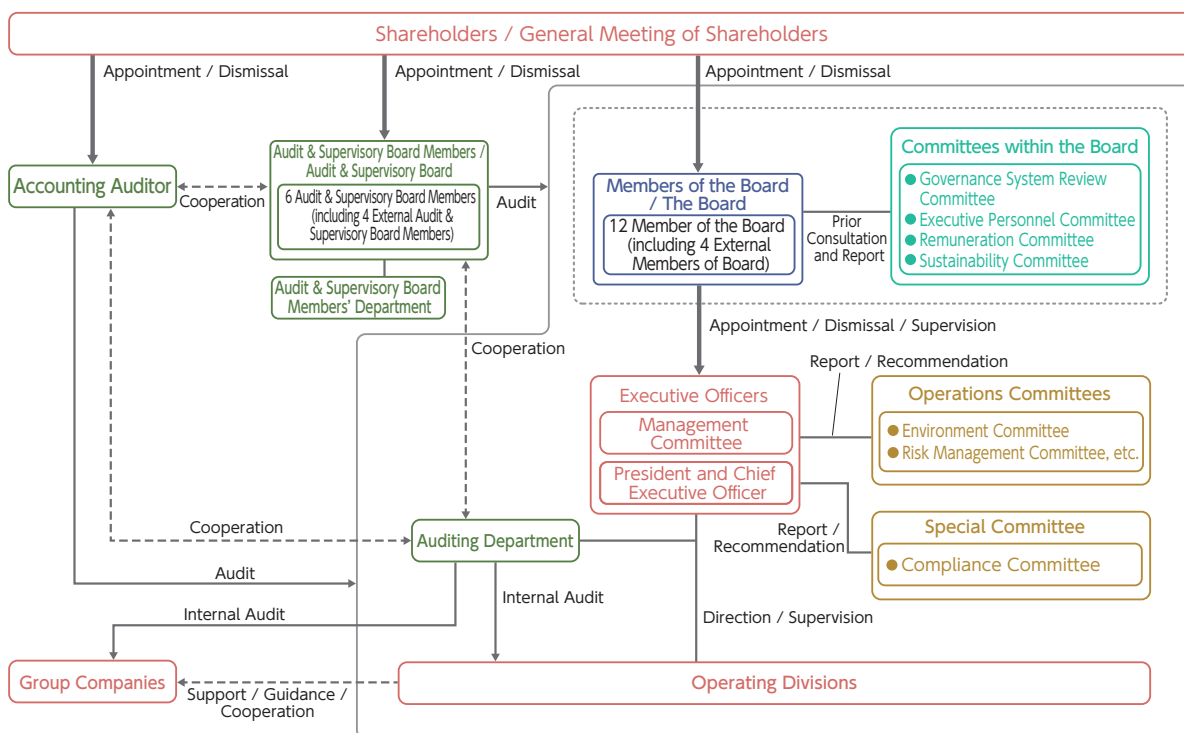
Sustainability Website ▶
<https://www.taisei.co.jp/english/sustainability/>



Corporate Governance System

The Company's fundamental approach to corporate governance is to conduct the management and decision-making of the business in a swift, appropriate, fair and transparent manner in order to continue to develop as a corporation in a sustainable and socially responsible manner.

Corporate Governance Structure



For the purpose of activating the meetings of the Board, the Company has established, as the committees within the Board, 1) the Governance System Review Committee; 2) the Executive Personnel Committee; 3) the Remuneration Committee; and 4) the Sustainability Committee. Each committee shall, in order to enhance independency and objectivity of the Board's function as well as accountability of the Board, be comprised mainly of the Independent External Member of the Board and the Independent Audit & Supervisory Board Members. The Board shall obtain adequate involvement and advice from the Executive Personnel Committee and the Remuneration Committee regarding the matters including diversity such as gender and the viewpoint of skills when the Board deliberates on important matters such as nomination of top management executives and Members of the Board including a succession plan, and their remuneration.

Committees within the Board

Name	Authority	Member	Explanatory note
Governance System Review Committee	Consideration of the development and operation of governance systems		Member of the Board (External Member)
Executive Personnel Committee	Consideration of personnel affairs for Members of the Board and Executive Officer, etc.		Audit & Supervisory Board Member (External Member)
Remuneration Committee	Consideration of remuneration for Members of the Board and Executive Officers		Member of the Board (Internal Member)
Sustainability Committee	Consideration of strengthening the sustainability management of the entire Group, including the Company		Audit & Supervisory Board Member (Full-Time)

Regarding Cross-Shareholdings

(1) Our Policy on Cross-Shareholdings

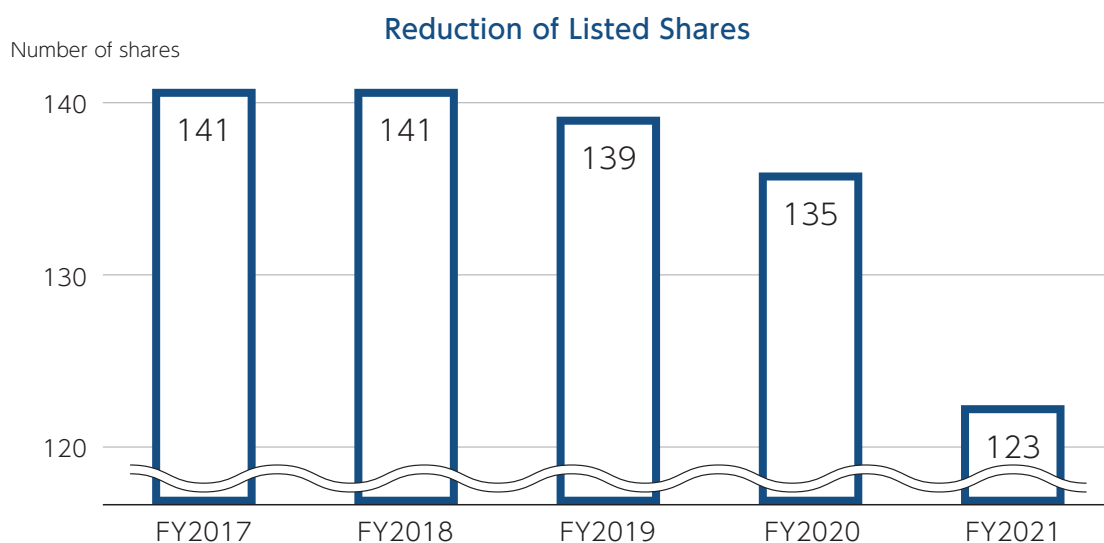
We maintain cross-shareholdings to establish and strengthen long-term, stable relationships of mutual cooperation with important business partners and improve our competitiveness and profitability.

We have a policy to timely and appropriately sell cross-holding shares which, as the result of verification by the Board, are considered not to be consistent with our policy on cross-shareholdings because it is not economically reasonable and promising in the medium to long run to maintain them. Consequently, we consider our cross-shareholdings will be reduced as a whole.

(2) Verification by the Board of the Economic Reasonableness of Cross-Shareholdings

The Board compares the acquisition prices with the business returns from all listed shares and from unlisted shares which the Board decides to verify continuously, while using capital costs as a yardstick. In June of each year, the Board decides on a case-by-case basis whether we should continue to hold the cross-shareholdings. In addition to quantitative verifications, the Board uses qualitative information such as economic benefits expected in the future for its decision.

As a result, in the fiscal year 2021, we sold 16 listed shares worth ¥2.9 billion and 5 unlisted shares worth ¥0 billion (including the cases where the Company sold part of the whole shares).



(3) Standards for Exercise of Voting Rights

Voting rights of cross-shareholdings will be exercised appropriately from the viewpoint of whether they contribute to enhancement of our corporate value.

(Attached Document)

Business Report ((From April 1, 2021 to March 31, 2022))

1 Current State of the Company and its Affiliated Companies

(1) Progress and Results of Operations

The Japanese economy has continued to gradually recover as the pressure to restrain consumption and capital investment due to the spread of COVID-19 is decreasing, while uncertainty about the future persists due to concerns about the risk of inflation, including sharp and global rises in the prices of raw materials and energy, as well as the risk of the Russian invasion of Ukraine causing international economic decline.

In the construction industry, the investment in public works has remained strong, which is driven by disaster prevention and mitigation measures taken by the government for national resilience, and demand for maintaining and renewing deteriorating infrastructure, etc. At the same time, the construction investment in private sector is recovering, due to growing willingness to make capital investments after COVID-19, and support under large redevelopment projects in urban districts. However, how to respond to the changes in the market environment due to the soaring prices of construction materials, etc. and the Ukrainian crisis has become urgent issues to address.

Under these circumstances, the Company and its affiliated companies (collectively, the "Taisei Group") reported consolidated results of its operations as follows: orders received of ¥1,589.7 billion, a 3.7% decrease, net sales of ¥1,543.2 billion, a 4.3% increase, recurring income of ¥103.2 billion, a 24.0% decrease, and net income attributable to owners of parent (the Company's shareholders) for the year of ¥71.4 billion, a 22.8% decrease compared to the previous fiscal year.

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

Orders received	1,589.7 billion Yen Compared to the previous FY 3.7% ↓
Net sales	1,543.2 billion Yen Compared to the previous FY 4.3% ↑
Recurring income	103.2 billion Yen Compared to the previous FY 24.0% ↓
Net income attributable to owners of parent	71.4 billion Yen Compared to the previous FY 22.8% ↓

(CIVIL ENGINEERING BUSINESS)

New orders for the Taisei Group were worth ¥447.1 billion, a 3.6% 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 ¥307.5 billion, a 5.8% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 56.4%, 39.0% and 4.6%, respectively, and the percentage of orders received without competitive bidding out of the total was 21.9%.

Net sales for the Taisei Group were ¥414.5 billion, an 1.4% decrease compared to the previous fiscal year, because a decrease in net sales was observed in the Company and its consolidated subsidiaries.

Net sales for the Company were ¥278.6 billion, an 1.6% decrease compared to the previous fiscal year.

The Taisei Group	Orders received	447.1 billion Yen Compared to the previous FY 3.6% ↓
	Net sales	414.5 billion Yen Compared to the previous FY 1.4% ↓
The Company	Orders received	307.5 billion Yen Compared to the previous FY 5.8% ↓
	Net sales	278.6 billion Yen Compared to the previous FY 1.6% ↓

(BUILDING CONSTRUCTION BUSINESS)

New orders for the Taisei Group were worth ¥1,017.7 billion, a 2.2% 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 ¥926.4 billion, a 3.2% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 12.4%, 84.4% and 3.2%, respectively, and the percentage of orders received without competitive bidding out of the total was 39.7%.

Net sales for the Taisei Group were ¥984.9 billion, a 6.8% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company.

Net sales for the Company were ¥897.3 billion, a 7.9% increase compared to the previous fiscal year.

The Taisei Group	Orders received	1,017.7 billion Yen Compared to the previous FY 2.2% ↓
	Net sales	984.9 billion Yen Compared to the previous FY 6.8% ↑
The Company	Orders received	926.4 billion Yen Compared to the previous FY 3.2% ↓
	Net sales	897.3 billion Yen Compared to the previous FY 7.9% ↑

The major new orders received and the new major projects completed by Civil Engineering and Building Construction Business Divisions during FY ended March 2022 are shown on page 27 to page 28.

(REAL ESTATE DEVELOPMENT BUSINESS)

As for the real estate industry, while in the building lease market, the vacancy rate continued to rise and the rents tended to fall mainly in central Tokyo owing to the trends of consolidated offices and office space reduction, the condominium market continue to be strong backed by continuation of high housing demand and low interest rates .

Net sales of the Taisei Group in the real estate segment were ¥132.9 billion, a 4.9% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company.

(OTHER BUSINESSES)

The Taisei Group recorded net sales in this segment of ¥10.7 billion, a 2.0% increase compared to the previous fiscal year due to the increase in the revenues of 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, 2021)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	728.0	447.1	414.5	760.7
BUILDING CONSTRUCTION	1,798.7	1,017.7	984.9	1,831.5
REAL ESTATE DEVELOPMENT BUSINESS	22.5	114.0	132.9	3.5
OTHER BUSINESSES	—	10.7	10.7	—
TOTAL:	2,549.4	1,589.7	1,543.2	2,595.9

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, 2021)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	662.7	307.5	278.6	691.6
BUILDING CONSTRUCTION	1,713.6	926.4	897.3	1,742.7
SUB TOTAL:	2,376.3	1,234.0	1,176.0	2,434.3
REAL ESTATE DEVELOPMENT BUSINESS	21.4	16.4	34.9	2.9
OTHER BUSINESSES	—	8.2	8.2	—
TOTAL:	2,397.8	1,258.7	1,219.2	2,437.3

Major new orders received during FY ended March 2022



Hokkaido Shinkansen, Sasson Tunnel (Soen) and Others

(Sapporo-shi, Hokkaido)

Owner:

Japan Railway Construction, Transport and Technology Agency

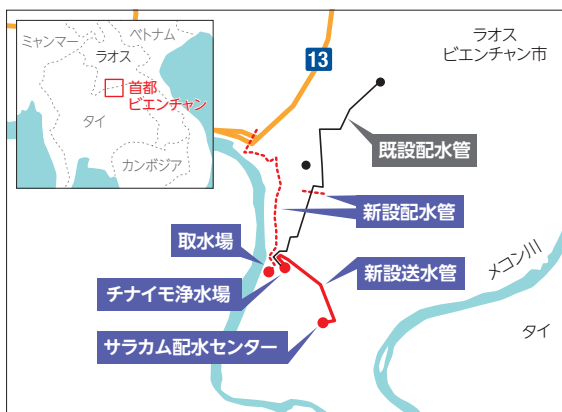


(Tentative Name) Kyushu Factory No.2 of Sawai Pharmaceutical CO., LTD, New Factory Construction Work

(Iizuka-shi, Fukuoka)

Owner:

Sawai Pharmaceutical Co., Ltd.



Vientiane Capital Water Supply Expansion Project CP-1: Construction of Water Treatment Plant & Pipelines

(Lao People's Democratic Republic)

Owner:

Department of Public Works and Transport, Vientiane Capital



(Tentative Name) Sapporo Kita 1 Nishi 5 Project

(Sapporo-shi, Hokkaido)

Owner:

NTT Urban Development Corporation



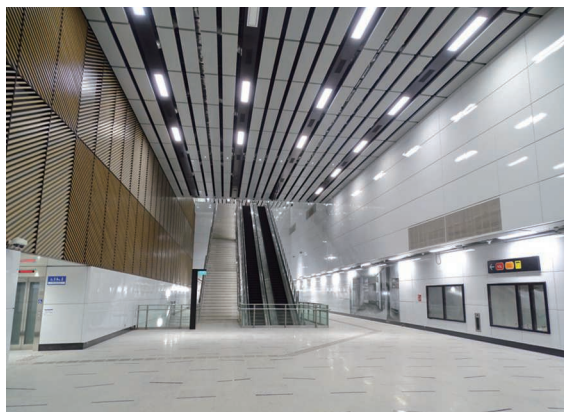
Musashino Red Cross Hospital Development Project (Extension • Renovation • Demolition Works and Others)

(Musashino-shi, Tokyo)

Owner:

Japanese Red Cross Society

Major projects completed during FY ended March 2022

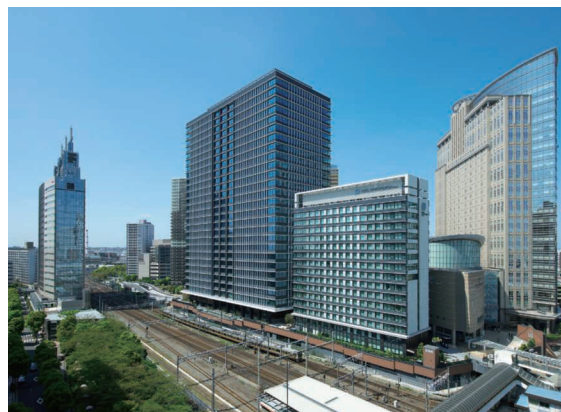


Contract T226 Construction of Marina Bay Station and Tunnels for Thomson-East Coast Line

(Republic of Singapore)

Owner:

Land Transport Authority



Kawasaki Station West Area Development Plan, New Building Construction Work

(Kawasaki-shi, Kanagawa)

Owner:

East Japan Railway Company • NIPPON HOTEL Co., Ltd. • JR East Sports Co., Ltd.



(Tentative Name) Aeon Mall Noritakeshinmachi New Building Construction Work

(Nagoya-shi, Aichi)

Owner:

Mitsubishi UFJ Trust and Banking Corporation



Koto River Comprehensive Development Project, Kabagawa Dam Body Construction Work

(Takamatu-shi, Kagawa)

Owner:

Kagawa Prefecture



(Tentative Name) Okinawa Sesoko Project, New Building Construction Work

(Kunigami-gun, Okinawa)

Owner:

MORI TRUST CO., LTD.

(2) Investments in Plant and Equipment

The Taisei Group's investment of plant and equipment during FY ended March 2022 (FY 2021) was 13.9 billion yen in total. The major investment was upgrade of facilities in the Taisei Advanced Center of Technology.

(3) Fund Raising

The Company issued unsecured straight corporate bonds (Green bonds) 10 billion yen in December 2021 (40th issue).

(4) Issues to Be Dealt with

The Taisei Group identified medium- to long-term changes in the external environment and industrial structure such as the increasing pressure for the industry restructuring mainly due to decreasing domestic demand for construction, the shift in solving environmental and social issues through business activities, and the arrival of the era in which DX could determine corporate competitiveness, and we established the Taisei Vision 2030 in May 2021 based on the Taisei Group Philosophy and the Taisei Spirit. In order to realize the Taisei Vision 2030, the Group organized what it should address intensively during the three years as priority issues for the Medium-Term Business Plan (2021-2023), and all its executives and employees are making united efforts to solve the issues and achieve the goals stipulated in the Plan.

TAISEI VISION 2030

The Ever-Evolving CDE^{3(cubed)} Company

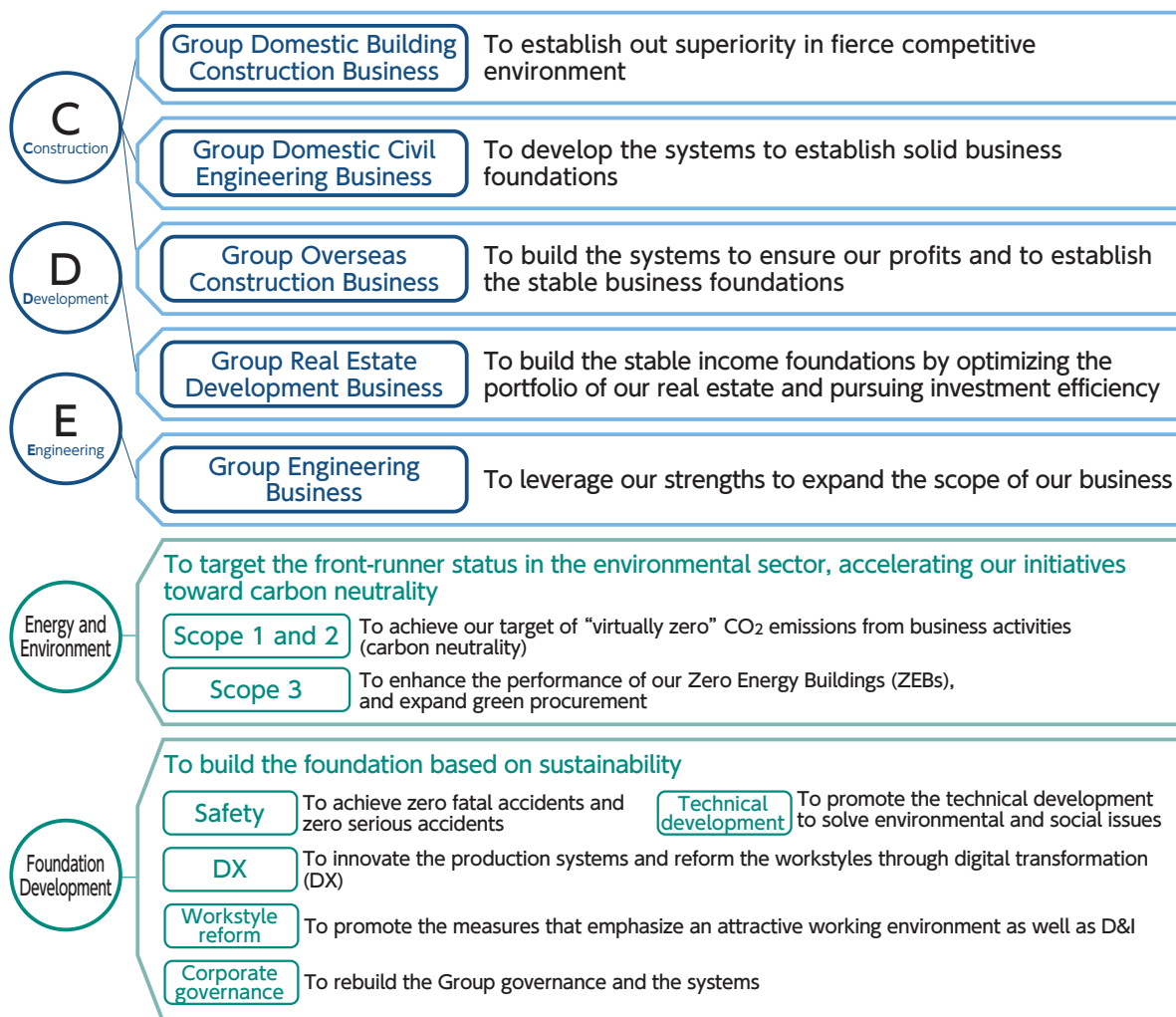
Construction, Development, Engineering, Energy, Environment

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

Basic stance	Achieving safety and security	Optimal utilization of "Human Capital", "Technology" and "Intelligence"	
Rough indicators of numerical performance	Group net sales	Group net income	ROE
	About ¥2.5 trillion	About ¥150.0 billion	About 10%
Returns to stakeholders	Customers, suppliers, and society	Returns through CDE³	
	Shareholders	Dividend payment ratio 25-30%	
	Employees	To promote further diversity and inclusion, establishing a comfortable working environment, personnel systems, and salary plans that enable employees to leverage their diverse range of skills to the maximum possible extent	

Medium-Term Business Plan (2021-2023)

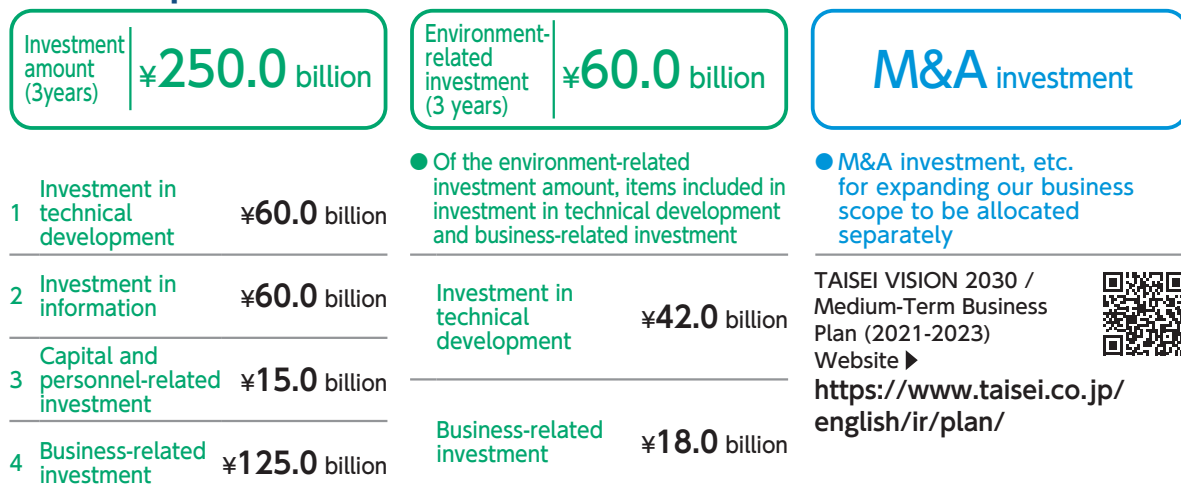
Key Issues



Numerical targets



Investment plans



Note: There is an overlapped investment between item 1 and item 2.

TAISEI VISION 2030 / Medium-Term Business Plan (2021-2023)
Website ▶ <https://www.taisei.co.jp/english/ir/plan/>

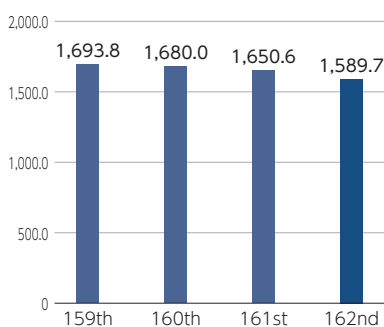


(5) Transition of Assets and Income

(Transition of Assets and Income of the Taisei Group)

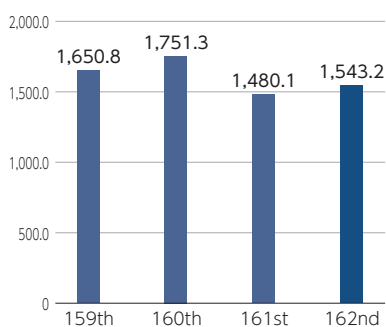
New Orders Received

(Unit: ¥Billion)



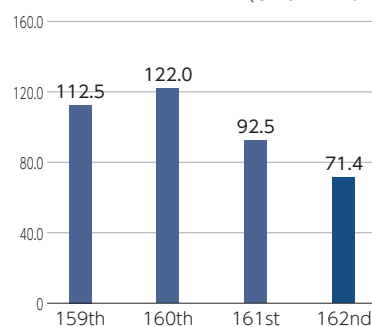
Net Sales

(Unit: ¥Billion)



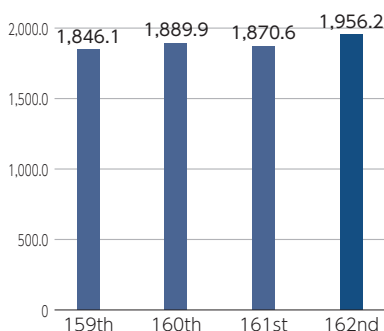
Net Income or (Loss) Attributable to Owners of Parent

(Unit: ¥Billion)



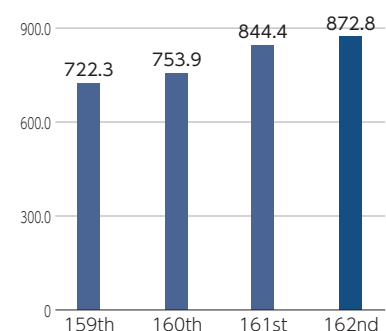
Total Assets

(Unit: ¥Billion)



Total Net Assets

(Unit: ¥Billion)

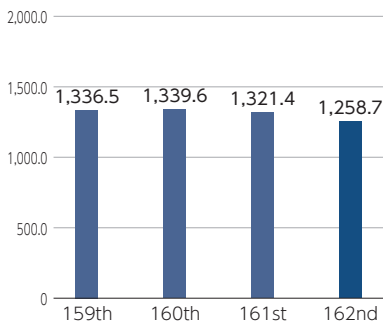


(Unit: ¥ Billion)	FY Ended March 2019	FY Ended March 2020	FY Ended March 2021	FY Ended March 2022 (Current FY)
New Orders Received	1,693.8	1,680.0	1,650.6	1,589.7
Net Sales	1,650.8	1,751.3	1,480.1	1,543.2
Net Income or (Loss) Attributable to Owners of Parent	112.5	122.0	92.5	71.4
Net Income or (Loss) per Share (Unit: Yen)	511.90	573.14	442.66	350.88
Total Assets	1,846.1	1,889.9	1,870.6	1,956.2
Total Net Assets	722.3	753.9	844.4	872.8

(Transition of Assets and Income of the Company)

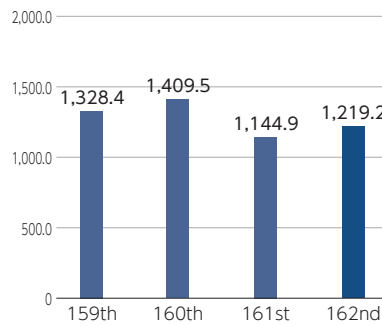
New Orders Received

(Unit: ¥Billion)



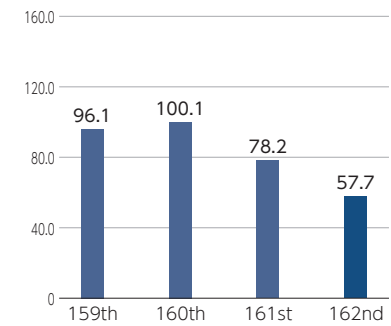
Net Sales

(Unit: ¥Billion)



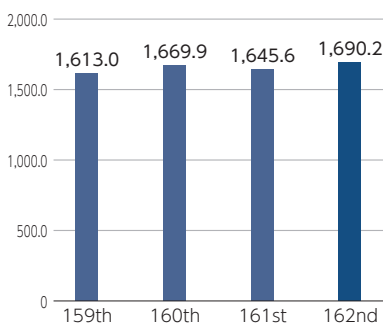
Net Income or (Loss)

(Unit: ¥Billion)



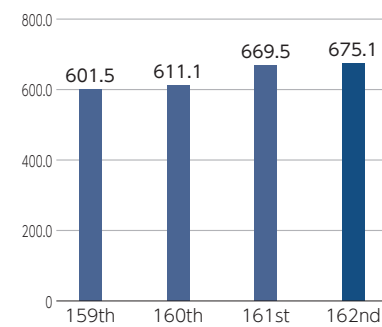
Total Assets

(Unit: ¥Billion)



Total Net Assets

(Unit: ¥Billion)



(Unit: ¥ Billion)	FY Ended March 2019	FY Ended March 2020	FY Ended March 2021	FY Ended March 2022 (Current FY)
New Orders Received	1,336.5	1,339.6	1,321.4	1,258.7
Net Sales	1,328.4	1,409.5	1,144.9	1,219.2
Net Income or (Loss)	96.1	100.1	78.2	57.7
Net Income or (Loss) per Share (Unit: Yen)	437.01	470.37	374.33	283.63
Total Assets	1,613.0	1,669.9	1,645.6	1,690.2
Total Net Assets	601.5	611.1	669.5	675.1

(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
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)
Nagoya 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)
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)

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

(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)
Taisei Setsubi Co., Ltd. (Shinjuku-ku, Tokyo)
Taisei Housing Corporation (Shinjuku-ku, Tokyo)
Seiwa Renewal Works Co., Ltd. (Minato-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 Myanmar Co., Ltd. (Myanmar)

(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
CIVIL ENGINEERING BUSINESS	4,263 [804]	6 [21]
BUILDING CONSTRUCTION BUSINESS	8,103 [1,369]	*57 [47]
REAL ESTATE DEVELOPMENT BUSINESS	1,979 [1,733]	*65 [*41]
OTHER BUSINESSES	173 [87]	14 [15]
TOTAL:	14,518 [3,993]	*102 [42]

Notes:

The [number] 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		
8,579	7	43.0	18.2

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 8,667.

(10) Major Companies Providing Loans to the Taisei Group

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	55.6
MUFG Bank, Ltd.	13.2
Risona Bank, Limited.	13.0
Mizuho Trust & Banking Co., Ltd.	12.0
The Norinchukin Bank	8.9

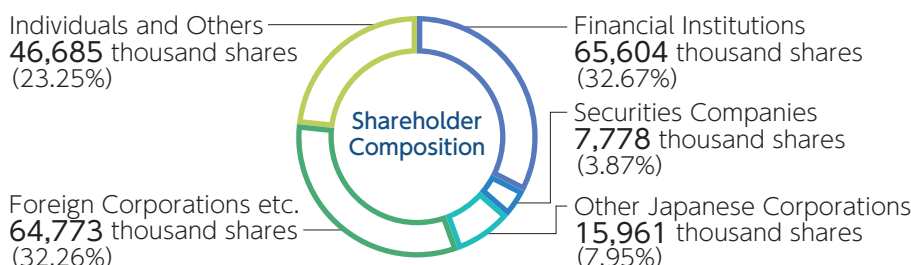
2 Matters Concerning the Shares of the Company

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

(2) Number of Shares Issued: 200,803,372-

The Number of shares issued includes the Company's own shares, the number of which is 299,814-

(3) Number of Shareholders: 65,986-



(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)	32,450	16.18
Custody Bank of Japan, Ltd. (Trust Account)	10,850	5.41
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	5,857	2.92
Taisei Associates' Shareholding Plan	5,839	2.91
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	4,967	2.48
Taisei Employees' Shareholding Plan	3,730	1.86
State Street Bank West Client-Treaty 505234	3,203	1.60
Meiji Yasuda Life Insurance Company	2,847	1.42
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	2,841	1.42
MITSUBISHI ESTATE CO., LTD.	2,426	1.21

Note 1: The Company's own shares (299,814-) are excluded in calculating the Ratio of Shares Held.

Note 2: The shares owned by the Board Benefit Trust (BBT) (104,300-) are not included in the Company's own shares (299,814-).

(5) Other Important Matters Concerning the Shares

We acquired common shares of the Company (5,447,200 shares) in accordance with the resolution of the Board meeting held on May 14, 2021 and November 9, 2021.

In addition, in accordance with the resolution of the Board meeting held on March 28, 2022, we cancelled the treasury stock on March 31, 2022, acquired through market purchase (23,737,800 shares) we had acquired since May 14, 2018.

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
Takashi YAMAUCHI	Chairman Member of the Board	Vice Chairman of the Tokyo Chamber of Commerce and Industry External Director of the Building & Housing Center of Japan External Director of Nippon Venture Capital Co., Ltd. External Director of Chuo Building CO., LTD.
Yoshiro AIKAWA	President and Chief Executive Officer Member of the Board (Representative Director)	Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)
Shigeyuki SAKURAI	Member of the Board (Representative Director) <i>Chief of Business Administration Division; In charge of New Business Planning</i>	
Shigeyoshi TANAKA	Member of the Board (Representative Director) <i>Chief of Civil Engineering Division; In Charge of Safety Administration</i>	
Norihiko YAGUCHI	Member of the Board (Representative Director) <i>Chief of Marketing & Sales Division (Integrated)</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>	
Atsushi YAMAMOTO	Member of the Board <i>Chief of Marketing & Sales Promotion Division</i>	
Yoshihiro TERAMOTO	Member of the Board <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division</i>	Director of Construction-ec.com Co., Ltd
Atsuko NISHIMURA	Member of the Board External Member Independent Executive	Outside Director of INPEX CORPORATION
Takao MURAKAMI	Member of the Board External Member Independent Executive	External Member of the Board of Television Hokkaido Broad Casting Co., Ltd.
Norio OTSUKA	Member of the Board External Member Independent Executive	Outside Director of Sojitz Corporation
Fumiya KOKUBU	Member of the Board External Member Independent Executive	Chairman of the Board of Marubeni Corporation Outside Director of Honda Motor Co., Ltd. Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)
Takashi HAYASHI	Audit & Supervisory Board Member (full-time)	
Akihiko NOMA	Audit & Supervisory Board Member (full-time)	
Yasuhiro SATO	Audit & Supervisory Board Member External Member Independent Executive	Chairman, Member of the Board of Directors of Mizuho Financial Group, Inc. 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:

- Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU 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.
- Mr. Yasuhiro SATO, Mr. Seishi TASHIRO, Ms. Keiko OHARA 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.
- 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.
- 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.
- 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.
- During FY 2021, change of important concurrent position is as follows;

Classification	Name	Important concurrent posts	Details of change	Date of change
Member of the Board	Takashi YAMAUCHI	Vice Chairman of Japan Business Federation	Leaving of post	June 1, 2021
Member of the Board	Takashi YAMAUCHI	Chairman of Japan Federation of Construction Contractors	Leaving of post	April 28, 2021
Member of the Board	Takashi YAMAUCHI	External Director of Royal Park Hotels and Resorts Company, Limited.	Leaving of post	June 23, 2021
Member of the Board	Takashi YAMAUCHI	Vice Chairman of the Tokyo Chamber of Commerce and Industry	Newly appointed to post	June 11, 2021
Member of the Board	Takashi YAMAUCHI	External Director of Chuo Building CO., LTD.	Newly appointed to post	June 16, 2021
Member of the Board	Yoshiro AIKAWA	Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)	Newly appointed to post	June 1, 2021
Member of the Board	Norio OTSUKA	Outside Director of Idemitsu Kosan Co., Ltd.	Leaving of post	June 23, 2021
Member of the Board	Takao MURAKAMI	External Auditor of FUJIO FOOD GROUP INC.	Leaving of post	March 30, 2022

(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. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU 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).

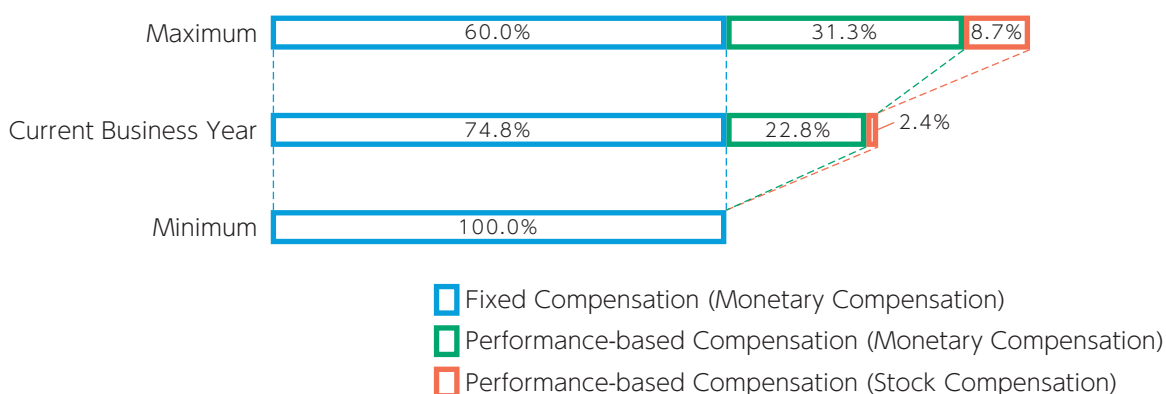
The above policy of remuneration was decided comprehensively considering the

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.

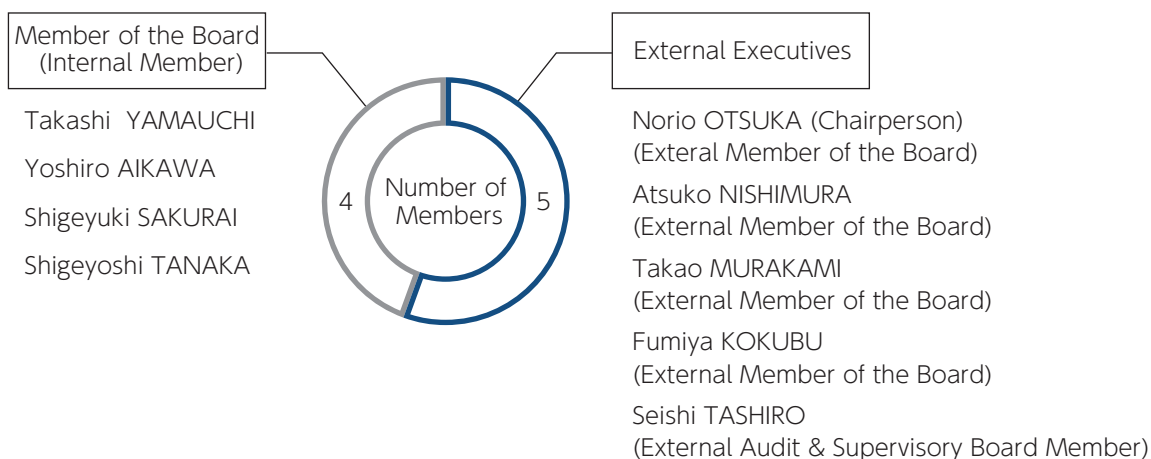
The Remuneration Committee shall comprise of Members of the Board (internal) and the same numbers of External Members of Board as those of Internal Members and shall be chaired by an External Member of the Board. Furthermore, External Audit & Supervisory Board Member shall be added as a member of the Committee from the viewpoint of securing adequateness of the deliberations at the Committee. 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.
 *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 company's short-term performance.

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)	Up to 100 million yen, 35,000 points per fiscal year (1 point = 1 share of stock)	June 24, 2020 (The 160th General Meeting of Shareholders)	8
Audit & Supervisory Board 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)	738 (62)	572 (62)	148 (0)	18 (0)	14 (4)
Audit & Supervisory Board Members (External Members)	119 (54)	119 (54)	— —	— —	6 (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 71,436 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 71,436 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	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 advice on business execution from her objective and neutral standpoint as an External Member of the Board based on her perspectives cultivated as a diplomat and profound knowledge. In addition, she attended all the five (5) meeting of 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 regarding the way of Taisei Group's governance structure according to changes in business environment. Thus, as expected, she contributed to the sustainable development and further enhancement of the corporate value of Taisei Group by upgrading the Board's managerial and supervisory functions through her provision of advice and decision-making on important matters such as the promotion of diversity, the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the implementation of international projects.
Member of the Board	Takao MURAKAMI	Mr. Takao MURAKAMI attended thirteen (13) out of fourteen (14) meetings of the Board held during the current fiscal year and supervised the Company's business management and provided advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his perspective cultivated as business executive and profound knowledge. In addition, he attended all the four (4) meetings of the Executive Personnel 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 regarding skills expected of Members of the Board and executive development plan, etc. Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group by upgrading the Board's managerial and supervisory functions through his provision of advice and decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the formulation of management strategies.
Member of the Board	Norio OTSUKA	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 advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his perspective cultivated as business executive and profound knowledge. In addition, he attended all the two (2) meetings of the Remuneration 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 regarding the ideal executive remuneration systems for the Company. Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group by upgrading the Board's managerial and supervisory functions through his provision of advice and decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the formulation of management strategies.
Member of the Board	Fumiya KOKUBU	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 advice on business execution from his objective and neutral standpoint as an External Member of the Board based on his perspective cultivated as business executive and profound knowledge. In addition, he attended all the two (2) meetings of the CSR 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 regarding the way of sustainability management. Thus, as expected, he contributed to the sustainable development and further enhancement of the corporate value of Taisei Group by upgrading the Board's managerial and supervisory functions through his provision of advice and decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the formulation of management strategies.
Audit & Supervisory Board Member	Yasuhiro SATO	He attended twelve (12) out of fourteen (14) meetings of the Board and thirteen (13) out of fifteen (15) meeting 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 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	After appointed as Audit & Supervisory Board Member, 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, 2022

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiro AIKAWA
Vice Chairman and Executive Officer	Kazuhiko DAI
Executive Vice President <i>Chief of Civil Engineering Division; In Charge of Safety Administration</i>	Shigeyoshi TANAKA
Executive Vice President <i>Chief of Business Administration Division; In charge of New Business Planning</i>	Shigeyuki SAKURAI
Executive Vice President <i>Chief of Marketing & Sales Division (Integrated)</i>	Norihiko YAGUCHI
Senior Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Yoshinobu SHIGEJI
Senior Managing Executive Officer <i>Chief of Sustainability Division (Integrated); Chief of Clean Energy & Environment Business Promotion Division</i>	Jiro TANIYAMA
Senior Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division I; In charge of Community Design Project</i>	Hiroshi TSUCHIYA
Senior Managing Executive Officer <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) Division; Chief of Marketing & Sales (Civil Engineering) Division</i>	Hiroshi KIMURA
Senior Managing Executive Officer <i>Chief of International Operations Headquarters</i>	Keiji HIRANO
Senior Managing Executive Officer <i>Chief of Marketing & Sales Promotion Division</i>	Atsushi YAMAMOTO
Senior Managing Executive Officer <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division</i>	Yoshihiro TERAMOTO
Senior Managing Executive Officer <i>Chief of Kansai Branch</i>	Takeshi KAGATA
Senior Managing Executive Officer <i>Chief of Safety Administration Division</i>	Shun KITANO
Senior Managing Executive Officer <i>Chief of Marketing & Sales (West Japan) Division</i>	Shimpei OGUCHI
Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Masao YOSHIKAWA
Managing Executive Officer <i>Chief of Procurement Division</i>	Noriaki KON
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division III</i>	Yuichi KITAGUCHI
Managing Executive Officer <i>Chief of Nagoya Branch</i>	Atsushi SUZUKI
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (West Japan) Division, in charge of Building Construction</i>	Shinji KAWAMURA
Managing Executive Officer <i>Chief of Tohoku Branch</i>	Iwao NISHIOKA
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division II</i>	Akira NAKAYA
Managing Executive Officer <i>Chief of Hokushinetsu Branch</i>	Masahiko OKADA
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division</i>	Yoshio ABE
Managing Executive Officer <i>Chief of Yokohama Branch</i>	Akira EJIMA
Managing Executive Officer <i>General Manager of Design Department, Civil Engineering Division</i>	Yasushi KAMEZAWA
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Building Construction) Division I</i>	Shinsaburo SAWA
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division</i>	Yoshihiko IKEUCHI
Managing Executive Officer <i>Chief of Taisei Advanced Center of Technology</i>	Ichiro NAGASHIMA
Managing Executive Officer <i>Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department</i>	Kenji SHIRAKAWA
Managing Executive Officer <i>Chief of Engineering Division</i>	Shinichiro TAKAHAMA
Managing Executive Officer <i>Chief of Tokyo Branch</i>	Koichiro OKUHATA
Managing Executive Officer <i>Chief of Sapporo Branch</i>	Shinichi HIRAJIMA
Managing Executive Officer <i>In charge of Technology</i>	Shigeo OCHI
Managing Executive Officer <i>Deputy Chief of Clean Energy & Environment Business Promotion Division; General Manager of Renewable Energy Development Department; General Manager of Next Generation Energy Department</i>	Miyoshi KATO

Title Business in Charge	Name
Managing Executive Officer Chief of Building Renovation Division	Tohru UEMATSU
Managing Executive Officer Chief of Mechanical & Electrical Division	Yuji TANIGAWA
Managing Executive Officer In charge of Technology	Kazuhiro SAWADA
Managing Executive Officer In charge of Technology	Akio TAKASE
Executive Officer General Manager of Marketing & Business Development Department (Taiwan), International Marketing & Business Development Division	Weiyu CHUNG
Executive Officer In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)	Katsuhiko KITAGAWA
Executive Officer Deputy Chief of International Operations Headquarters (Civil Engineering); General Manager of Civil Engineering Department	Toshihiko AOKI
Executive Officer In charge of Technology	Yasuji YAMAUCHI
Executive Officer Deputy Chief of Marketing & Sales (Building Construction) Division I	Masaru KAMATA
Executive Officer Chief of Nuclear Facilities Division	Yuji IJIRI
Executive Officer Chief of International Marketing & Business Development Division	Tatsuya SUGAWARA
Executive Officer Deputy Chief of Business Administration Division; General Manager of General Affairs Department	Junichi KASAHARA
Executive Officer Chief of Design Division	Masato MATSUMURA
Executive Officer Chief of Corporate Planning Office	Hiroki FUKASAWA
Executive Officer Chief of Shikoku Branch	Hideki NISHIYAMA
Executive Officer Chief of Chiba Branch	Mayuki YAMAURA
Executive Officer Chief of Urban Development Division	Takashi YAMAZAKI
Executive Officer Deputy Chief of Corporate Planning Office; General Manager of Corporate Planning Department; General Manager of New Business Planning Department	Yukio HABA
Executive Officer Chief of Chugoku Branch	Yuichiro YOSHINO
Executive Officer In charge of Marketing & Sales, Marketing & Sales Division (Integrated)	Masahiro YOSHIDA
Executive Officer In charge of Technology; In charge of Energy & Environment	Yoji UEDA
Executive Officer Deputy Chief of Design Division	Yozo SHINOZAKI
Executive Officer In charge of Technology; General Manager of Construction Engineering Department, Civil Engineering Division	Masami SHIMIZU
Executive Officer Chief of Proposal & Solutions Division	Yusuke HATAE
Executive Officer Deputy Chief of Marketing & Sales Promotion Division; General Manager of Marketing & Sales Promotion Department	Toshiyuki TSUJI
Executive Officer Chief of Kanto Branch	Yoshiyuki ASADA
Executive Officer Deputy Chief of International Operations Headquarters (Building Construction); General Manager of Building Construction Department	Masamichi BABA
Executive Officer Deputy Chief of Marketing & Sales (Building Construction) Division II	Shin SUZUKI

Executive Fellows as of April 1, 2022

Title Business in Charge	Name
Executive Fellow In charge of Information Planning, Corporate Planning Office	Toshihiko TSUKA
Executive Fellow Deputy Chief of Taisei Advanced Center of Technology; General Manager of Infrastructure Technology Research Department	Tsuyoshi MARUYA
Executive Fellow Deputy Chief of Urban Development Division	Akehiko TOMITA
Executive Fellow General Manager of Construction Sitework Promotion Center, Building Construction Division	Fujio FUNAMIZU
Executive Fellow General Manager of Digital Product Center, Building Construction Division	Jun HIROSE
Executive Fellow Executive Engineer, Building Construction Division	Junichi HIROSE

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 2022, 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	¥ 97 million
(2) The total amount of money and financial benefits to be paid by the Company and its subsidiaries	¥ 257 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 review of the costs and expenses arising in Japan to prepare tax returns in foreign countries and other services, 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, 2022)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	499,113	Notes and accounts payable trade	423,349
Notes and accounts receivable trade	575,600	Short-term borrowings	97,901
Cost on uncompleted contracts	47,443	Short-term non-recourse loans payable	15
Real estate for sale and development projects in progress	117,831	Straight bonds due within one year	20,000
Other inventories	3,389	Lease obligations	318
Other current assets	53,079	Advances received and progress billings on uncompleted contracts	160,733
Allowance for doubtful accounts	(100)	Deposit received	156,315
Total current assets	1,296,356	Provision for warranties on completed contracts	3,250
Fixed assets:		Provision for losses on construction contracts	14,163
Tangible fixed assets:		Other current liabilities	50,317
Buildings and structures	72,589	Total current liabilities	926,363
Machinery, vehicles and equipment	9,863	Long-term liabilities:	
Land	120,914	Straight bonds	40,000
Construction in progress	4,068	Long-term borrowings	66,279
Total tangible fixed assets	207,435	Long-term non-recourse loans payable	128
Intangible fixed assets	16,016	Lease obligations	592
Investments and other assets:		Deferred income tax liabilities	12,824
Investment securities	380,271	Deferred income tax liabilities for revaluation of land	3,274
Net defined benefit asset	23,230	Retirement benefits for directors and corporate auditors	435
Deferred income tax assets	3,543	Provision for share-based remuneration for directors	48
Other fixed assets	31,215	Provision for environmental measures	1
Allowance for doubtful accounts	(1,869)	Net defined benefit liability	15,054
Total investments and other assets	436,391	Other long-term liabilities	18,363
Total fixed assets	659,844	Total long-term liabilities	157,002
		Total liabilities	1,083,365
			Millions of Yen
		NET ASSETS	
		Shareholders' equity:	
		Common stock	122,742
		Capital surplus	30,382
		Retained earnings	591,383
		Treasury stock	(898)
		Total shareholders' equity	743,609
		Accumulated other comprehensive income:	
		Unrealized gains on available-for-sale securities, net of taxes	97,535
		Unrealized losses on hedging derivatives, net of taxes	(8)
		Revaluation reserve for land	1,223
		Foreign currency translation adjustments	(1,903)
		Remeasurements of defined benefit plans	28,429
		Total accumulated other comprehensive income	125,277
		Non-controlling interests	3,948
		Total net assets	872,835
Total assets	1,956,200	Total liabilities and net assets	1,956,200

CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2022)

	Millions of Yen	
Net sales:		
Construction business	1,385,516	
Development projects	157,723	1,543,240
Cost of Sales:		
Construction business	1,224,426	
Development projects	131,077	1,355,503
Gross profit:		
Construction business	161,090	
Development projects	26,646	187,736
Selling, general and administrative expenses		91,659
Operating income		96,077
Non-operating income:		
Interest and dividends	6,382	
Investment gain on equity method	893	
Other non-operating income	1,147	8,423
Non-operating expenses:		
Interest expenses	910	
Other non-operating expenses	342	1,253
Ordinary income		103,247
Extraordinary gains:		
Gains on sales of investment securities	1,760	
Other extraordinary gains	17	1,778
Extraordinary losses:		1,522
Income before income taxes		103,503
Income taxes:		
Current	34,211	
Deferred	(2,276)	31,935
Net income		71,567
Net income attributable to non-controlling interests		131
Net income attributable to owners of parent		71,436

Non-Consolidated Financial Statements

NON-CONSOLIDATED BALANCE SHEET (March 31, 2022)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	439,882	Notes payable trade	10,082
Notes receivable trade	9,723	Electronically recorded obligations	50,346
Accounts receivable trade	472,832	Accounts payable trade	309,417
Real estates for sale	22,859	Short-term borrowings	67,703
Cost on uncompleted contracts	40,066	Straight bonds due within one year	20,000
Cost on development projects in progress	12,700	Lease obligations	245
Other current assets	52,245	Income taxes payable	13,063
Allowance for doubtful accounts	(80)	Advances received and progress billings on uncompleted contracts	150,882
Total current assets	1,050,229	Deposits received	217,702
Fixed assets:		Provision for warranties on completed contracts	2,378
Tangible fixed assets:		Provision for losses on construction contracts	13,903
Buildings and structures	48,199	Other current liabilities	25,021
Machinery and vehicles	3,263	Total current liabilities	880,746
Tools, furniture and fixtures	1,545	Long-term liabilities:	
Land	96,297	Straight bonds	40,000
Construction in progress	1,628	Long-term borrowings	51,457
Total tangible fixed assets	150,934	Lease obligations	493
Intangible fixed assets:	12,572	Deferred income tax liabilities	10,855
Investments and other assets:		Provision for retirement benefits	25,213
Investment securities	320,955	Provision for share-based remuneration for directors	48
Investments in subsidiaries and affiliates	127,463	Other long-term liabilities	6,262
Long-term loans receivable	10,152	Total long-term liabilities	134,330
Long-term prepaid expenses	441	Total liabilities	1,015,077
Prepaid pension costs	6,361		
Other fixed assets	21,268		
Allowance for doubtful accounts	(10,138)		
Total investments and other assets	476,504		
Total fixed assets	640,012		
			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
		Other reserve	363,500
		Retained earnings carried forward	62,719
		Total retained earnings	427,634
		Treasury stock	(898)
		Total shareholders' equity	580,163
		Accumulated gains from valuation:	
		Unrealized gains on available-for-sale securities, net of taxes	95,000
		Total accumulated gains from valuation	95,000
		Total net assets	675,164
Total assets	1,690,241	Total liabilities and net assets	1,690,241

NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2022)

	Millions of Yen	
Net sales:		
Construction business	1,176,026	
Development projects	43,241	1,219,267
Cost of Sales:		
Construction business	1,043,628	
Development projects	35,558	1,079,187
Gross profit:		
Construction business	132,397	
Development projects	7,682	140,080
Selling, general and administrative expenses		64,786
Operating income		75,293
Non-operating income:		
Interest and dividends	6,864	
Other non-operating income	757	7,621
Non-operating expenses:		
Interest expenses	747	
Provision for allowance for doubtful accounts	1	
Taxes and dues	120	
Other non-operating expenses	188	1,058
Ordinary income		81,856
Extraordinary gains:		
Gains on sales of investment securities	1,760	
Other extraordinary gains	266	2,026
Extraordinary losses:		1,198
Income before income taxes		82,684
Income taxes:		
Current	27,312	
Deferred	(2,371)	24,941
Net income		57,743

Independent Auditor's Report

May 9, 2022

Yoshiro Aikawa
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takafumi Maeda
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, 2022 and for the year from April 1, 2021 to March 31, 2022 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, related safeguards.

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 9, 2022

Yoshiro Aikawa
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Kensuke Sodekawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takafumi Maeda
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, 2022 and for the year from April 1, 2021 to March 31, 2022 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, related safeguards.

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 162nd fiscal year from April 1, 2021 to March 31, 2022, 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.

(i) 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.

(ii) 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.

(iii) 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 on October 28, 2005) 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

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

May 10, 2022

TAISEI CORPORATION

The Audit & Supervisory Board Taisei Corporation

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

Audit & Supervisory Board Member (Full-Time): Akihiko NOMA(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.