

I Will Contribute to Increasing the Group's Corporate Value by Enhancing Trust between the Execution Side and the Supervision Side.

Shigeyoshi TANAKA

Chairman of the Board,
Representative Director



On the Occasion of Assuming the Chair

Starting in April 2023, I succeeded Mr. YAMAUCHI as Emeritus Counselor and assumed the role of Chairman of the Board. I feel quite honored and humbled since I take on this crucial role at the milestone of our 150th anniversary.

In April 2020, the Company undertook a review of governance, which is aiming at strengthening the Board's supervisory function, enhancing deliberation, and accelerating decision-making in business execution, in order to fortify governance. I see my role as continuing along this path, striving to further refine the governance structure of the Group.

I will deepen communication between External Members of the Board and Internal Members of the Board. Leveraging my practical understanding of the Group's business and operations specifically at the work-site, I will work to enhance the effectiveness of our Board as its Chairman and aim to increase corporate value.

Role of the Chairman of the Board

The Company's Board currently comprises twelve (12) Members of the Board, four (4) of whom are External ones. Internal Members of the Board and Executive Officers are responsible for explaining agenda items. We carry out highly objective and transparent deliberations by respecting the opinions of External Members of the Board and External Audit & Supervisory Board Members who bring specialized expertise and experience to the Board. In this context, my role as Chairman is to select appropriate agenda items and facilitate discussions to ensure that they serve as a forum for constructive debate and exchange of diverse opinions, thereby enhancing the quality of the discussions.

Concerning the agenda brought to the Board, we are delegating authority to the executive side based on annual analysis of the Board's topics. However, there is room for improvement. The Board primarily focuses on

its supervisory function, and we will continue to review the agenda to further enrich discussions on the broader strategic direction of the Company, including its "desired state" and "medium- to long-term value increase."

Moreover, for the purpose of fostering deeper mutual understanding between External and Internal Members of the Board, we regularly hold board opinion-exchange meetings and open discussions. We plan to further rejuvenate these board discussions by increasing such opportunities.

In addition, another important aspect of my role is to secure diverse human capital with the knowledge, specialized skills, and experience that will contribute to our medium- to long-term vision for the Company, which is to be a "pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultured lives." We will review the composition of the Board, considering diversity in terms of internal and external candidates, gender, etc., in anticipation of our future vision for the Company.

Initiatives for This Fiscal Year

This fiscal year is crucial for the Group to restore the trust and credibility we have with our stakeholders. We will work towards increasing the corporate value of the Group by implementing effective monitoring measures for business execution. This will allow us to surpass clients' expectations in the value we deliver. In addition, we will focus on building stronger trust between the execution side and the supervision side, while also providing the necessary support for our executives and employees in the execution side to take appropriate risks aimed at driving growth. Through implementation of all those measures, I will contribute to increasing the corporate value of the Group.

To Support the Company's Growth from an Auditing Perspective



Yasuhiro SATO
External Audit & Supervisory
Board Member
Elected since 2020

The roles of Audit & Supervisory Board Members have significantly expanded compared to the past. Now, it is not only about traditional auditing of the duties executed by Members of the Board but also providing insights into the Company's overall management. In other words, a new aspect of the roles is to support the Company's prospective growth from an auditing perspective. Based upon this understanding, I actually engage in discussions about each project, offering candid opinions while keeping Taisei Corporation's leading position in the construction industry in mind.

So far, the governance reforms at Taisei Corporation have positively impacted the Board's operations and invigorated its discussions, showing that we are moving in the right direction. However, it seems that the execution side is not yet accustomed to incorporating the perspectives and concerns of External Members of the Board. I feel that there is an opportunity here to more actively integrate the external viewpoints of these External Members into our management strategies.

Governance and growth strategies are inextricably linked, and I aim to contribute to shaping the new governance framework that will support the Company's future.

To Expect Greater Diversity as the Key to Future Success



Keiko OHARA
External Audit & Supervisory
Board Member
Elected since 2020

There are two elements I particularly pay attention to in my role as an Audit & Supervisory Board Member. The first is the concept of individual accountability among Audit & Supervisory Board Members. This implies that we should constantly question how well we are fulfilling our responsibilities, not just towards the executive management but also towards our fellow Audit & Supervisory Board Members. The second is to be fully familiar with Taisei Corporation. By comprehending not just the business operations but also the company culture, we can better promote governance mechanisms that are truly suitable for our organization. In this context, the synergy between Internal and External Audit & Supervisory Board Members is paramount.

At the Board meetings, Audit & Supervisory Board Members often have many opportunities to opine and are seen as proactive contributors to the collective decision-making process. I also notice that various committees aim to bolster governance by actively involving both Internal and External Audit & Supervisory Board Members as observers. However, I feel that there is still room for improvement in terms of diversity, especially concerning the gender and international background of Members of the Board and Executive Officers. I anticipate that enhancing the diversity of human capital across the organization and fostering a wide range of skills and perspectives will be crucial for the future growth and success of the Taisei Group.

To Enhance the Effectiveness of Audits from an External Perspective



Seishi TASHIRO
External Audit & Supervisory
Board Member
Elected since 2020

The Audit & Supervisory Board Members and the Audit & Supervisory Board have a duty to audit the performance of Members of the Board, taking into account their fiduciary duties to shareholders. This is fulfilled to respond to societal trust through actions that contribute to both the integrity of corporate management and the enhancement of corporate value. In this context, External Audit & Supervisory Board Members play a crucial role in enhancing the effectiveness of these audits. They do this by offering perspectives and insights from an external viewpoint, while collaborating with full-time Audit & Supervisory Board Members, the internal audit department, and the accounting auditors.

It has been three years since I took on the role of an External Audit & Supervisory Board Member. I have noticed significant improvements in the selection of topics discussed during Board meetings and the amount of time allocated for meaningful deliberation, compared to when I first assumed this position. These more dynamic discussions have contributed to enhanced governance. Within the Audit & Supervisory Board, we scrutinize the agenda items prior to meetings at the Board and engage in post-meeting discussions to assess the adequacy of the deliberations.

Moving forward, as an External Audit & Supervisory Board Member, I am committed to making contributions that bring joy to all stakeholders such as clients, shareholders, employees and society at large.

To Pursue Right Decisions from an Impartial Standpoint



Masamitsu MIURA
External Audit & Supervisory
Board Member
Elected since 2021

External Audit & Supervisory Board Members are highly expected to maintain an impartial and independent position in relation to the company. While auditing the Members of the Board's execution of duties, we remain acutely aware of this impartiality. We meticulously evaluate whether the internal control system is functioning as it should. Should any irregularities arise, we engage in comprehensive discussions with the Company to both address the issue at hand and devise preventive measures for the future. In addition, I believe it is crucial to continually ensure that the Audit & Supervisory Board receives timely and appropriate reports, enabling us to make informed decisions.

At the Board meetings, I look forward to increasingly meaningful discussions informed by the hands-on experience of Internal Members of the Board and the broader perspectives of External Members of the Board. The synergy from these discussions, I believe, will further enhance the Company's corporate value.

Currently, we are facing with challenges such as optimizing and streamlining work processes in compliance with labor hour regulations, and properly allocating human resources. I am committed to contributing, in whatever way I can, to providing employees with an organizational environment where they can find satisfaction and fully dedicate themselves to their work.

Corporate Governance

Our Fundamental Approach

The Taisei Group’s fundamental approach to corporate governance is to ensure the swiftness, appropriateness, fairness, and transparency in management decision-making in order to earn the trust of society while pursuing sustained development as a business.

Web Q Corporate Governance / Internal Controls
Fundamental Corporate Governance Polity

Evolution of the Company’s Governance

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

Overview of Corporate Governance System

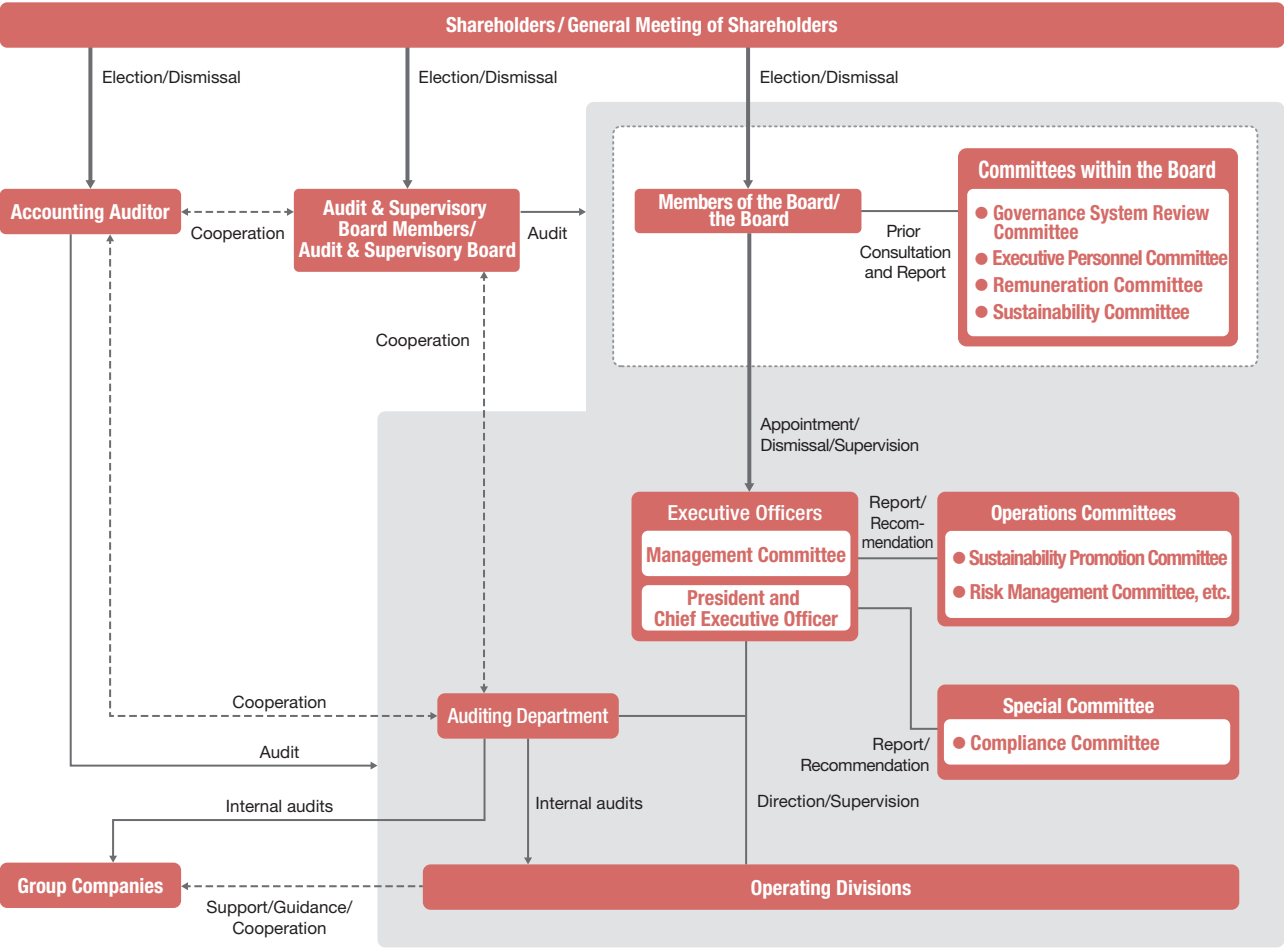
Taisei Corporation has chosen a company structure with an Audit & Supervisory Board. The board of directors (the “Board”) focuses on the Company’s sustainable growth and the enhancement of corporate value in the medium-to-long-term. Its primary roles are: (i) to indicate the future directions from wide viewpoints in respect of the corporate strategy, (ii) to establish an environment that supports appropriate risk-taking by the senior management, and (iii) to effectively oversee the management and Members of the Board from the independent and objective viewpoints. The board comprises twelve (12) members: eight (8) from within the Company and four (4) external members. These external members of the Board, consisting of three (3) men and one (1) woman, provide an objective perspective, enriching board deliberations with diverse views and strengthening management oversight.

To invigorate its operations, the Board has established several internal committees: the Governance System Review Committee, the Executive Personnel Committee, the Remuneration Committee, and the Sustainability Committee. The Management Committee, serving as the highest decision-making body on the execution side, deliberates and resolves business execution matters delegated by the Board. Chaired by the President, the Committee includes eleven (11) members chosen by the Board.

Furthermore, the Company has set up the Sustainability Promotion Committee and the Risk Management Committee. These operational committees deliberate on matters concerning consultations with the Management Committee and the President. To ensure thorough compliance, the Compliance Committee, chaired by an external expert, has been established as a special committee to address consultations with the President.

The Audit & Supervisory Board receives reports from each member about the status and outcomes of their audits. They discuss and decide on statutory issues and those related to the performance of Audit & Supervisory Board members’ duties. Periodic reports on audit plans and results are also received from both the internal Auditing Department and the external Accounting Auditor. This board includes six (6) members: two (2) internal and four (4) external, ensuring a neutral and objective oversight mechanism with the help of External Audit & Supervisory Board Members who possess specialized knowledge and maintain a high level of independence.

Corporate Governance Structure (As of July 1, 2023)



Committees within the Board (As of July 1, 2023)

Name	Terms of reference	Members	Observers	Explanatory notes
Governance System Review Committee	Consideration of the development and operation of governance systems	Chairperson (1), 5 Members (5)	2 Observers (2)	EMB*1
Executive Personnel Committee	Consideration of personnel of Members of the Board and Executive Officers, etc.	Chairperson (1), 5 Members (5)	1 Observer (1)	EASBM*2
Remuneration Committee	Consideration of remuneration for Members of the Board and Executive Officers	Chairperson (1), 5 Members (5)	1 Observer (1)	IMB*3
Sustainability Committee	Consideration of strengthening the sustainability management of the entire Group, including the Company	Chairperson (1), 5 Members (5)	1 Observer (1)	FASBM*4

*1 External Member of the Board *2 External Audit & Supervisory Board Member *3 Internal Member of the Board
*4 Full-Time Audit & Supervisory Board Member

Skill Matrix

● Expertise and experience expected from 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
Members of the Board	Shigeyoshi TANAKA	●			●	●	●	●
	Yoshiro AIKAWA	●				●	●	●
	Hiroshi TSUCHIYA	●				●	●	●
	Masahiko OKADA	●	●	●		●		
	Hiroshi KIMURA	●				●	●	●
	Mayuki YAMAURA	●				●		●
	Yuichiro YOSHINO	●				●		●
	Toshiyuki TSUJI	●				●	●	
	External members							
	Atsuko NISHIMURA		●		●	●		
	Norio OTSUKA	●		●	●	●		
	Fumiya KOKUBU	●			●	●		
	Tsutomu KAMIJO	●			●	●		
Audit & Supervisory Board Members	Takashi HAYASHI	●		●		●		
	Shuichi OKUDA			●		●		
	External members							
	Yasuhiro SATO	●		●		●		
	Seishi TASHIRO			●	●	●		
	Keiko OHARA		●		●	●		
	Masamitsu MIURA		●		●	●		

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 “Expertise and Experience”

Skills for management in General	●Business Management Experience as a top executive of a company or corporation, or practical insights related to our business operations.
	●Legal Affairs and Risk Management Expertise in legal affairs and risk management, or possessing attorney qualifications.
	●Finance and Accounting Expertise in finance and accounting, management experience in a financial institution, or credentials as a certified public accountant or tax accountant.
	●Global Experience Experience in overseas business or insights into global management, or a comprehensive understanding of international affairs.
	●Sustainability Knowledge and experience in renewable energy, environmental sectors, human resource development, diversity, social contributions, corporate governance, and other related fields.
Skills for the Company's business	●Sales/Marketing Insights and experience in sales and marketing pertaining to our business operations.
	●Technologies Knowledge and experience regarding technologies relevant to our business operations.

Analysis and Evaluation of the Overall Effectiveness of the Board

The Board of the Company analyzes and evaluates effectiveness of the Board and discloses the results annually.

1. FY2022 initiatives based on FY2021 evaluation

In order to strengthen supervisory functions and invigorate the deliberations at the Board, and to accelerate decision-making on business execution, the Company reviewed its governance system in March 2020, which includes a review of agenda items to be resolved by the Board, and further delegation of its authority to executives accordingly.

Taking account of the review, since FY2020, we have strived to enhance the effectiveness of the Board, and we have been also trying to address the issues found in the effectiveness review in FY2021 as follows:

- a) Enhancing discussions on the appropriate governance system, including the size and composition of the Board from a medium- to long-term perspective
As an ongoing issue, the Executive Personnel Committee deliberated on the topics to be considered, including the composition of the members of the Board.
- b) To the appropriate extent, further delegation of authority to executives and the implementation of deeper deliberations on important management issues
Based on the analysis of the agenda items, the Board secured enough time for deliberations by narrowing down the number of agenda items, reviewing the matters to be reported, making documents and briefings in a concise manner.
- c) Improving the effectiveness of deliberations at the Committees within the Board
In accordance with the topics to be deliberated, we made efforts to deepen deliberations on important issues by ensuring sufficient deliberation time.
- d) Discussing specific measures to strengthen the effectiveness of group governance
In order to restructure its group governance, the Company implemented measures such as establishing the system to exchange personnel between the Company and the Group companies and setting up a management committee at each of the major Group companies.

2. Overview of the FY2022 evaluation

The method used to evaluate effectiveness in FY2022, and the results of the evaluation are as outlined below.

(1) Evaluation Method and Process

- The secretariat prepared a self-evaluation questionnaire (evaluation sheet for the Board) and obtained approval thereof from the Board, and all Members of the Board and Audit & Supervisory Board conducted the self-evaluations.
- The evaluation items in the questionnaire are as listed below. Items 1-5 consisted of five-grade assessments and free descriptions, and Item 6 comprised free descriptions.
《Evaluation items》
1. Self-evaluation as a Member of the Board; 2. Structure and operation of the Board; 3. Effectiveness of the Board; 4. Support system; 5. Deliberation and monitoring regarding the medium- to long-term vision and the Medium-Term Business Plan; 6. General Evaluation of the Board
- The External Members of the Board conducted an overall assessment towards the result of the self-evaluations collated by the secretariat.
- At the same time, a lawyer prepared a third-party’s opinion towards the result of self-evaluations.
- Then the Board deliberated on the effectiveness based on the overall assessment and the third-party’s opinion.

(2) Overview of the Evaluation Results

- Since the Board was able to secure a considerable deliberation time towards medium- and long-term management issues, it was assessed that the functions of the Board were improving, while there were some matters which needed to improve from the standpoint of the roles and responsibilities of the Board. In order to further enhance the effectiveness of the Board, the Board will continuously work on the followings:
a) To enhance discussions on the size and composition of the Board and other aspects of the governance system
b) To delegate further authority to executives to the appropriate extent
c) To invigorate deliberations furthermore based on the roles and responsibilities of the Board from a medium- to long-term perspective

Ensuring the Credibility of Financial Reporting

Internal controls on financial reporting based on the Financial Instruments and Exchange Act are recognized as one of the most important issues for a corporation. We have set up the internal systems including daily monitoring to ensure the credibility of the financial reporting disclosed to the public. The effectiveness of the system is evaluated by the Auditing Department and audited by KPMG AZSA LLC. The results are disclosed in the Internal Control Report and in the Audit Report of Internal Controls. We will fulfill our social responsibility as a corporation by continuing to ensure the effectiveness of these internal controls.

In order to continue to operate the internal control systems relating to financial reporting in a sound manner, we are also publishing messages from the President, implementing e-learning, and other campaigns to raise awareness among executives and employees.

Promotion of Internal Controls

At Taisei Corporation, in May 2006, the Board established the Fundamental Policy to Enhance Operational Compliance Systems, which was revised in July 2022. This policy is designed to ensure that as a Group, we conduct operations both appropriately and efficiently and maintain the reliability of financial reporting. To further enhance compliance and risk management, the Company undertakes various measures. This includes providing training on compliance with the Antimonopoly Act, conducted by external lawyers, primarily targeting executives and staff in the sales division.

Web Q
Fundamental Policy to Enhance Operational Compliance Systems

Election, Dismissal, and Development Plan of Executives

When nominating the Member of the Board candidates and appointing executive officers, we consider qualifications and overall balance based on individual backgrounds, achievements, personalities, knowledge, experience, and abilities. Additionally, we take into account diversity aspects, including gender, international exposure, career history, and age. Our aim is to select individuals who can contribute to the sustainable growth of the Company and enhance its value in the medium-to-long-term.

Furthermore, the Board identifies skills essential for achieving medium- to long-term objectives and the Medium-Term Business Plan. Nominations for Board membership are based on these identified skills. If the qualifications expected at the time of election are not recognized, the possibility of dismissal is considered.

Regarding the development plan for executives, we identify and nurture management candidates to ensure their retention and commitment. Our training programs focus on equipping them with a broad understanding of the external business environment and proficiency in corporate governance and management strategies.

In the program, we offer opportunities to gain insights from the management perspective from the early stages, such as participating as observers in important meetings including Management Committee, and organizing sessions to exchange opinions with external Members of the Board. By attending externally organized training sessions, our management candidates get the opportunity to interact with leaders from various industries, aiming to broaden their knowledge and network. We are actively working to develop this approach systematically.

Top Management Seminar

Top management convenes for keynote lectures by external speakers and to engage in discussions about management challenges, applying insights to organizational operations.

Support System for External Executives

The Secretarial Department supports our External Members of the Board, while the Audit & Supervisory Board Members' Department aids our External Audit & Supervisory Board Members. Before each monthly the Board meeting, relevant materials are distributed and pre-meeting briefings are held. These sessions allow for explanations by internal Members of the Board on agenda items. Regular opinion-exchange sessions and site visits further foster information sharing and collaboration among the Members of the Board. This support structure ensures thorough and lively discussions during Board meetings.

Dialogue with Shareholders and Investors

Taisei Corporation is committed to fostering constructive dialogues with shareholders and investors as we strive for sustainable growth and enhanced corporate value in the medium-to-long-term. Our timely and appropriate information disclosures lay the foundation for these dialogues.

In alignment with our Information Disclosure Policy and the Fundamental Corporate Governance Policy, we ensure compliance with legal and stock exchange regulations when revealing financial results, management strategies, risk factors, governance structures, human capital management, intellectual property, and sustainability initiatives. We also strive to share up-to-date insights about our business activities with stakeholders through our website and annual reports.

For dialogue with shareholders and investors, our actions are grounded in our IR Policy. We promote constructive dialogue with our stakeholders through interviews, IR briefings, and general meetings of shareholders. Specifically, we conduct semiannual financial results briefings, hold individual meetings for both domestic and foreign institutional investors, and engage in overseas IR activities. Our Taisei Circle newsletter serves as a communication tool, offering shareholders insights into our focused business activities and ESG initiatives.

Internally, we document these dialogues and interactions. Reports capturing these engagements are shared monthly with senior management and presented in detail to the Members of the Board at least twice a year, ensuring that our investor relations activities contribute to enhancing our management capabilities.



Taisei Circle
(Shareholder Newsletter)

Web Q
Shareholder newsletter / Status of dialogue with shareholders, investors and others

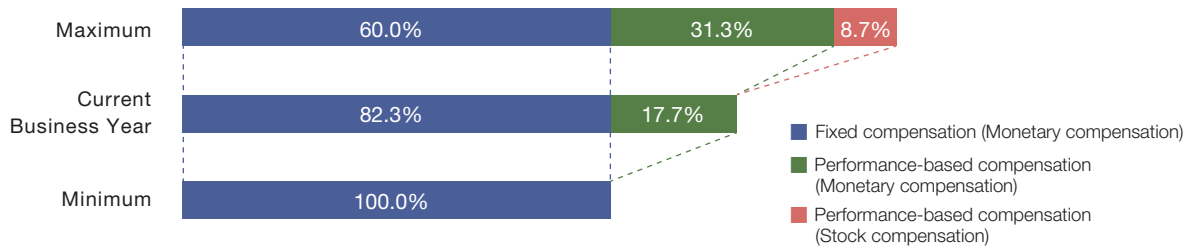
Remuneration, Etc.

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.

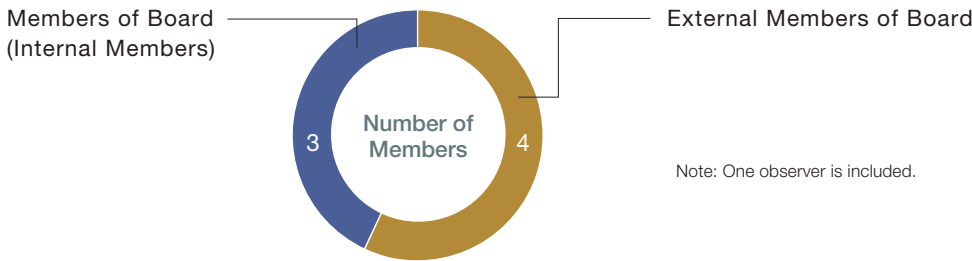
When determining the details of remuneration, etc. for each Member of the Board, the Board will decide the details of remuneration for each Member of the Board, taking account of the responsibilities and positions of each Member of the Board (including the concurrent positions as an Executive Officer, 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 the Board as those of Internal Members and shall be chaired by an External Member of the Board. Furthermore, an 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



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

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 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 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
Members of the Board	Fixed compensation	Up to ¥70 million per month	June 27, 2006 (The 146th General Meeting of Shareholders)	14 (including two External Members of the Board)
	Performance-based compensation (Monetary compensation)			12
	Performance-based compensation (Stock compensation)	Up to ¥100 million, 35,000 points per fiscal year (1 point = 1 share of stock)	June 24, 2020 (The 160th General Meeting of Shareholders)	8
Audit & Supervisory Board Members	Fixed compensation	Up to ¥12 million per month	June 29, 1994 (The 134th General Meeting of Shareholders)	5 (including two External Audit & Supervisory Board Members)

④ The total amount of remuneration for Members of the Board and Audit & Supervisory Board Members, etc.

Category	Total Amount of remuneration, etc. (Millions of yen)	Total amount of remuneration in kind (Millions of yen)			Number of eligible recipients (Persons)
		Monetary compensation		Non-monetary compensation	
		Fixed compensation	Performance-based compensation	Stock compensation	
Members of the Board (External Members)	669 (54)	564 (54)	105 (0)	0 (0)	12 (4)
Audit & Supervisory Board Members (External Members)	124 (57)	124 (57)	— —	— —	6 (4)

Notes:

- Among the types of monetary compensation, the performance indicator of the performance-based compensation should be an indicator that shows the final results of our Group's business activities. Thus, the Company adopts the net income attributable to owners of 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 parent in the consolidated statements of income for the most recent consolidated fiscal year is ¥47,124 million.
- Stock compensation (non-monetary compensation) adopts the method of the Board Benefit Trust (=BBT), and the date of the Annual General Meeting of Shareholders is the grant date. In accordance with the "Officers' Share Benefit Regulations" established by the Board, each year during his or her term of office, points are granted and accumulated to one (1) share per point. In the event that a Member of the Board retires and satisfies the beneficiary requirements specified in the "Officers' Share Benefit Regulations," the Company's shares equivalent to the cumulative number of points will be distributed after retirement through prescribed procedures to determine the beneficiary. A part of the payment may be made in cash equivalent to the market value of the Company's shares instead of the Company's shares.
The stock compensation is also categorized as performance-based compensation. Therefore, net income attributable to owners of parent in the consolidated statements of income* for the most recent consolidated fiscal year is adopted as the performance indicator of the stock compensation because it is an indicator that shows the final results of Taisei Group's business activities. The net income attributable to owners of parent in the consolidated statements of income for the current consolidated fiscal year is ¥47,124 million.
- We judge that the contents of remuneration paid to Members of the Board during this fiscal year are within the maximum amount approved at the General Meeting of Shareholders subject to the basic policy determined by the Board on the determination of the details of remuneration, etc. for each Member of the Board, and also judge that the contents of remuneration determined by the Board are also in accordance with the determination policy, because the contents of remuneration were determined at the Board based on deliberations at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision.

● Activities of the FY2022 Board and Audit & Supervisory Board by External Members

Category	Name	Major activities
Members of the Board	Atsuko NISHIMURA	Based on her perspective and broad insight as a diplomat, she oversaw the management of the Company and provided advice on the execution of business at the Board from an objective and neutral standpoint as an External Member of the Board. Additionally, as chairperson of the Governance System Review Committee, which is a pre-deliberative body of the Board, she led discussions on how the Group's governance system should adapt to changes in the business environment.
	Takao MURAKAMI*	During his tenure, based on his perspective and broad insight as a manager, he supervised the Company's management and provided advice on business operations at the Board from a neutral and objective standpoint as an External Member of the Board. Furthermore, until his resignation on September 30, 2022, as the chairman of the Executive Personnel Committee, a preliminary deliberation body of the Board, he spearheaded discussions on the skills Board members should possess and the plans for developing managerial personnel.
	Norio OTSUKA	From a managerial perspective and with extensive knowledge, he supervised the management of the Company and provided advice on business operations at the Board from an objective and neutral standpoint as an External Member of the Board. Moreover, as the chairman of the Remuneration Committee, a preliminary deliberation body of the Board, he led discussions on how executive remuneration should adapt to changes in the business environment. After his appointment in October 2022, he also chaired the Executive Personnel Committee, where he directed discussions on the required skills of Board members and managerial development plans.
	Fumiya KOKUBU	With his managerial viewpoint and vast knowledge, he supervised the Company's management and gave advice on business operations from an objective and neutral position as an External Member of the Board at Board meetings. Additionally, as the chairman of the Sustainability Committee, a pre-discussion entity of the Board, he led the discourse on the direction of sustainability management, among other topics.
Audit & Supervisory Board Members	Yasuhiro SATO	Drawing from his vast experience and comprehensive insight as a financial institution manager and his extensive knowledge of finance and accounting, he provides opinions as necessary.
	Seishi TASHIRO	Given his rich experience and wide-ranging expertise from the Board of Audit of Japan, along with his deep understanding of finance, accounting, and auditing, he voices his opinions as needed.
	Keiko OHARA	She provides her viewpoints when required, based on her specialized and advanced knowledge as an attorney, coupled with her extensive international experience and understanding of diversity.
	Masamitsu MIURA	Utilizing his comprehensive experience and profound insight into police administration, including international investigations, he offers his perspectives when necessary.

* Member of the Board Mr. Takao MURAKAMI resigned from his position as an External Member of the Board on September 30, 2022.

Note: In the ongoing "(Tentative Name) Sapporo Kita 1 Nishi 5 Project undertaken by our Sapporo branch, we failed to satisfy steel erection accuracy requirements. External Members of the Board Ms. Atsuko NISHIMURA, Mr. Norio OTSUKA, and Mr. Fumiya KOKUBU, as well as External Audit & Supervisory Board Members Mr. Yasuhiro SATO, Mr. Seishi TASHIRO, Ms. Keiko OHARA, and Mr. Masamitsu MIURA, did not recognize the fact until it was turned out, but had been drawing attention to the Company since early stage from the viewpoint of compliance and corporate governance. In addition, since the incident was found out, each of them has appropriately fulfilled their responsibility by offering suggestions to prevent the Company from repeating similar failures and expressing each view with respect to the necessity of enhancing internal controls and other matters.

● Attendance Situation of Board Meetings and Audit & Supervisory Board Meetings

Category	Name	Holding record and attendance situation					
		Board	Audit & Supervisory Board	Governance System Review Committee	Executive Personnel Committee	Remuneration Committee	Sustainability Committee
		13 meetings in total	15 meetings in total	4 meetings in total	4 meetings in total	2 meetings in total	2 meetings in total
Representative Directors	Takashi YAMAUCHI	12/13 (92%)	—	—	3 / 4 (75%)	2 / 2 (100%)	—
	Yoshiro AIKAWA	13/13 (100%)	—	4 / 4 (100%)	4 / 4 (100%)	2 / 2 (100%)	2 / 2 (100%)
	Shigeyuki SAKURAI	13/13 (100%)	—	4 / 4 (100%)	4 / 4 (100%)	2 / 2 (100%)	2 / 2 (100%)
	Shigeyoshi TANAKA	12/13 (92%)	—	3 / 4 (75%)	3 / 4 (75%)	1 / 2 (50%)	1 / 2 (50%)
	Norihiko YAGUCHI	13/13 (100%)	—	4 / 4 (100%)	—	—	—
Members of the Board	Hiroshi KIMURA	13/13 (100%)	—	—	—	—	—
	Atsushi YAMAMOTO	13/13 (100%)	—	—	—	—	—
	Yoshihiro TERAMOTO	12/13 (92%)	—	—	—	—	2 / 2 (100%)
	Atsuko NISHIMURA	13/13 (100%)	—	4 / 4 (100%)	4 / 4 (100%)	2 / 2 (100%)	2 / 2 (100%)
	Takao MURAKAMI*1	5 / 7 (71%)	—	1 / 2 (50%)	1 / 2 (50%)	2 / 2 (100%)	0 / 1 (0%)
	Norio OTSUKA	13/13 (100%)	—	4 / 4 (100%)	4 / 4 (100%)	2 / 2 (100%)	2 / 2 (100%)
Audit & Supervisory Board Members	Fumiya KOKUBU	13/13 (100%)	—	4 / 4 (100%)	3 / 4 (75%)	2 / 2 (100%)	2 / 2 (100%)
	Takashi HAYASHI*2	—	15/15 (100%)	4 / 4 (100%)	—	—	—
	Akihiko NOMA*2	—	15/15 (100%)	—	—	—	—
	Yasuhiro SATO	—	14/15 (93%)	—	4 / 4 (100%)	—	—
	Seishi TASHIRO	—	15/15 (100%)	—	—	2 / 2 (100%)	—
	Keiko OHARA	—	15/15 (100%)	—	—	—	2 / 2 (100%)
Audit & Supervisory Board Members	Masamitsu MIURA	—	15/15 (100%)	4 / 4 (100%)	—	—	—

*1 Member of the Board, Mr. Takao MURAKAMI resign from his position as an External Member of the Board on September 30, 2022.

2 Mr. Takashi HAYASHI and Mr. Akihiko NOMA are the Full-Time Audit & Supervisory Board Members.

Compliance

The Taisei Group has established the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole as the basic principles of organizational behavior and standards of behavior and judgment that should be actively practiced or strictly observed by executives and employees. These Action Guidelines are the Group's code of compliance. In the Fundamental Policy to Enhance Operational Compliance Systems, they state that "Members of the Board shall recognize that compliance is at the core of good management and shall faithfully comply with all compliance-related regulations, including the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole." This is applied to all Group companies, including those in Japan and overseas.

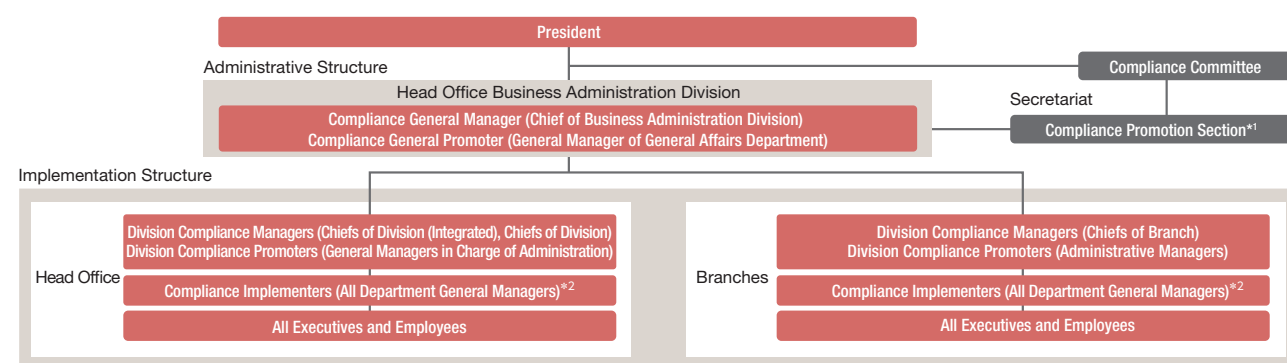
Web Q

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

Compliance Promotion System

As shown in the diagram below, the Company has appointed managers, promoters and implementers in each division, and has established an internal compliance promotion system. In addition, the Compliance Committee, chaired by an external expert (lawyer), has been established as the Special Committee that responds to consultations with the President. We are working to heighten the awareness among all executives and employees and further ensure compliance by establishing a system to set stricter disciplinary actions, etc., against any legal and other violations committed by executives and employees and to call for compliance with the Antimonopoly Act, implementing a range of measures based on the recommendations by the Compliance Committee and compliance training in each division, and taking other steps.

Chart of Compliance Promotion System



*1 Promotes and embeds compliance awareness among executives and employees. Also functions as a secretariat for the Compliance Committee.

^{*2} All general managers of departments are appointed compliance implementers. The general managers of each department educate and inform all executives and employees in their own departments about compliance.

System and Framework

- Compliance Education and Training

At Taisei Corporation, we conduct annual compliance training for all executives and employees to raise compliance awareness. In addition, to strengthen compliance across the entire Group, we regularly hold meetings for legal affairs managers to share information and opinions on legal affairs issues with the Group companies in Japan. We also hold group compliance hearings to confirm the status of compliance promotion and exchange opinions and strive to ensure thorough compliance and promote communication.

Furthermore, compliance training is conducted annually for business partners (specialized contractors) and new employees of the Soyukai* (Taisei Corporation's proprietary

organization for core subcontractors) to ensure thorough compliance throughout the supply chain.

- Conduct Compliance Questionnaire (Annually)

The Taisei Group conducts the Compliance Questionnaire for all executives and employees with the aim of understanding the current status and issues related to compliance and further promoting compliance.

The results of the questionnaire are analyzed, measures are considered, reported to top management, and disclosed to all executives and employees through the Compliance Newsletter, and necessary measures are taken in cooperation with related departments to promote compliance.

*For more about Soyukai, see the glossary on page 118.

Education/training	Themes covered in recent years
Issuing of Compliance Newsletter (Once a month)	<ul style="list-style-type: none"> ● For advancing compliance ● Regarding the increased penalties for defamation ● Licensing in the construction industry and supervisory dispositions based on the Construction Business Act ● About bribery ● Regarding the results of Compliance Questionnaire ● Handling of trade secrets, among others
Compliance training via e-learning (Twice a year)	<ul style="list-style-type: none"> ● Regarding power harassment ● Concerning embezzlement, bribery, and harassment ● Measures for contacts with competitors and internal leniency program ● Regarding the Corporate Ethics Helpline (internal whistleblowing system) and more

Whistleblowing and Consultation System

Based on the Whistleblower Protection Act, at the Taisei Group, we have established an internal whistleblowing system (the Corporate Ethics Helpline / Group Helpline / Whistleblowing System) in which executives and employees as well as external parties (staff of partner companies [primary suppliers] that have a direct contractual relationship with the Company) can report and consult on illegal acts including bribery and other corruption committed by executives and employees and acts that violate (or an act intended to violate) the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole, and we have established consultation desks in-house and at an external organization (a law firm). The system also allows anonymous reporting to obtain information clues on a wide range of violations. In addition, to enhance the effectiveness of the system, we actively conduct educational activities such as distributing the Help Line Cards summarizing the outline of

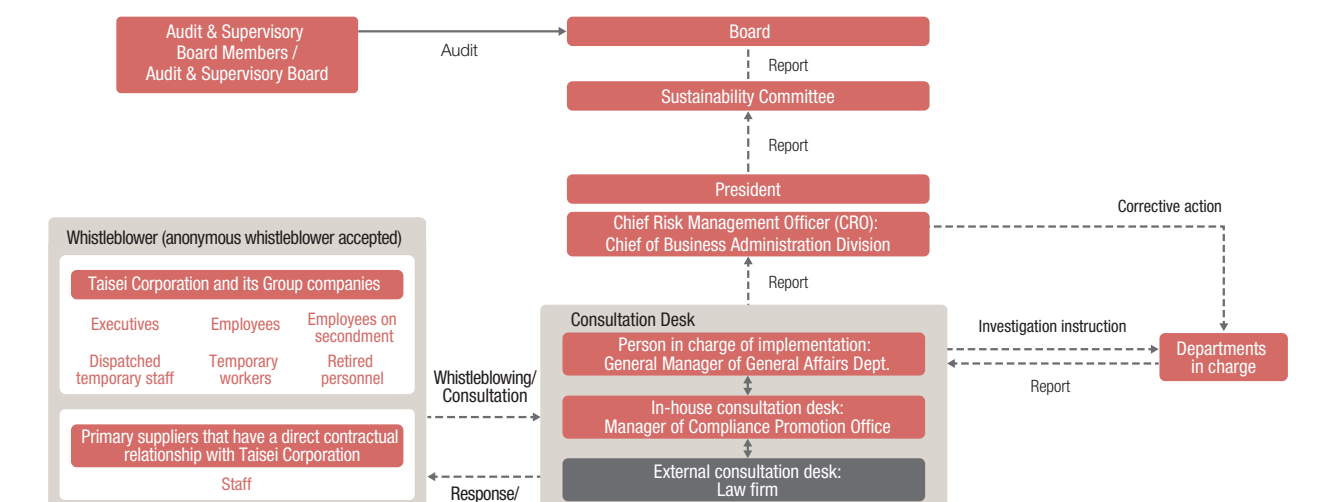
the system to all executives and employees and introducing the contents and operational results of the system through e-learning and Compliance Newsletter.

In response to reports received, we will investigate the facts of the report received and take corrective action as required. In doing so, we ensure that the whistleblower's information is kept confidential and strictly follows internal regulations to ensure that the whistleblowers are not treated disadvantageously for reporting.

For external stakeholders who do not have a direct contractual relationship with the Company, our website provides inquiries on human rights, environmental issues and other issues.

Internal whistleblowing system / Operational results	FY2020	28 cases
	FY2021	30 cases
	FY2022	73 cases

Flow of Internal Whistleblowing Based on the Helpline System



Web Q

Taisei Corporation: Contact

Anti-Corruption Policy

Taisei Corporation supports Principle 10, Anti-Corruption, of the United Nations Global Compact, which we joined in 2018. The “Action Guidelines for Taisei Personnel and the Taisei Group as a Whole,” is designed to prevent all forms of corruption, including extortion, bribery, money laundering, and obstruction of justice. The policy emphasizes “ensuring fair transactions,” “maintaining sound relationships with politics and the administration,” and “dealing with antisocial forces and organizations.” This code explicitly states that the Group shall not provide illegal money or goods to the clients or any of its individual officers or employees. We shall also refrain from engaging in actions that violate criminal laws, such as bribery, or cause misunderstandings in our relationships with politicians and public officials, including those from foreign countries. Moreover, we shall not acquiesce to unreasonable demands from antisocial groups. Furthermore, we have established a code of conduct to comply with the Antimonopoly Act. We require our executives and employees to act responsibly, ensuring they do not violate criminal laws related to practices like bid rigging or breach the provisions of the Antimonopoly Act. We are committed to preventing any form of corruption.

To raise awareness and provide education about anti-bribery measures for politicians and public officials (including those from foreign countries), we have prepared a booklet titled “Quick Guide to Compliance.” This booklet covers topics like bribery and corruption in depth, aiming to prevent actions like collusion that undermine fair competition. Through e-learning and other methods, we aim to reinforce our executives’ and employees’ knowledge and consciousness about anti-corruption measures.

In relationships requiring special attention with foreign public officials and the like, we have introduced a pre-check system from the FY2020 to prevent bribery involving foreign public officials, and are working diligently to thoroughly prevent corrupt practices.

Web Q
United Nations Global Compact

Review of Adherence to the Group's Action Guidelines and Response to Violations

At Taisei Group, the “Rules on Enforcement of the Compliance System for the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole (“Action Guidelines”)” explicitly specify that if an executive or employee breaches the Group’s Action Guidelines, the facts will be thoroughly and rigorously reviewed by the Board or the Management Committee, and appropriate disciplinary actions will be imposed in accordance with internal regulations.

In instances of significant compliance breaches, such as violations of the Group Action Guidelines, the Group implements comprehensive measures to prevent any reoccurrence. The Group conducts investigations to understand the context, the involved parties, the nature and details of the violation, the damage incurred, and the impact on stakeholders. Based on an accurate grasp of the facts, reports are filed with the pertinent governmental bodies when necessary. The violators are subjected to necessary disciplinary actions, which may include termination of employment.

Web Q
Review of Adherence to the Group's Action Guidelines and Response to Violations



Verification and Guidance on Compliance with Laws and Regulations

At Taisei Corporation, to ensure the propriety of bidding operations, branch managers are tasked with confirming that no inappropriate actions have occurred during the bidding process. They then create and preserve these records within an established internal system.

Furthermore, on an annual basis, the Legal Department reviews the propriety of the bidding operations and checks for adherence to the Construction Business Act, the Antimonopoly Act, and the Subcontractors Protection Act.

Fair and Equitable Transactions

Taisei Corporation has outlined in its Group’s Action Guidelines the “promoting partnerships with subcontractors and suppliers,” emphasizing the need to establish transparent and trusting relationships with our partners and to conduct business on an equal footing.

In August 2020, we introduced and publicly disclosed our Declaration of Partnership Building. This declaration promotes mutual growth throughout the entire supply chain and encourages new collaborations beyond distinctions of size or affiliation. It also emphasizes adherence to the “Promotion Standards” set by the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. To guard against antisocial forces, we have outlined in our Basic Contract for Specialist Construction Work that our partners should neither be antisocial entities nor engage in transactions with such entities. In case of any breach, stipulations permit the termination of the contract without prior notice. Moreover, the Taisei Group Sustainable Procurement Guidelines specifically emphasize fair and equitable transactions, upholding legal and societal norms, and the reverence for human rights. By annually carrying out supplier self-assessments regarding these principles, we are diligent in our efforts to understand and mitigate the risk of involvement in transactions with antisocial elements, corruption, and organizations that partake in inhumane labor practices.

Web Q
Corporate Governance / Internal Control

Specific Initiatives for Compliance with the Antimonopoly Act

In light of the antimonopoly allegations the Company faced in 2018 related to the Linear Chuo Shinkansen construction project, we have undertaken initiatives below based on the deliberations of the Compliance Committee, led by an external attorney, and resolutions by the Board.

- 1. Revision and tightening of internal rules relating to contracts with competitors (September 2018)
- 2. Reinforcement of procedures to confirm the appropriateness of the bidding process (September 2018)
- 3. Implementation of e-learning for all executives and employees (implemented every fiscal year since FY2018)
- 4. Implementation of training by an external lawyer for executives and employees in the sales departments and the technical departments that engage in operations related to taking orders (implemented every fiscal year since FY2018)

Risk Management

Under the guidance of our Risk Management Policy and the Basic Risk Management Regulations, the Taisei Group has instituted a risk management system that is systematically implemented across the entire Company. Additionally, we have set up a robust management framework that addresses major ESG-related risks, including quality, compliance, information, safety, and environmental concerns.

To ensure the effectiveness of our company-wide risk management and maintain the integrity of our operations, we adhere to preventative risk measures outlined in internal policies and manuals. Should a risk manifest unexpectedly, we promptly take appropriate actions to minimize any losses, striving to ensure both the continuity of our business and the sustained trust of the community.

Risk Management System

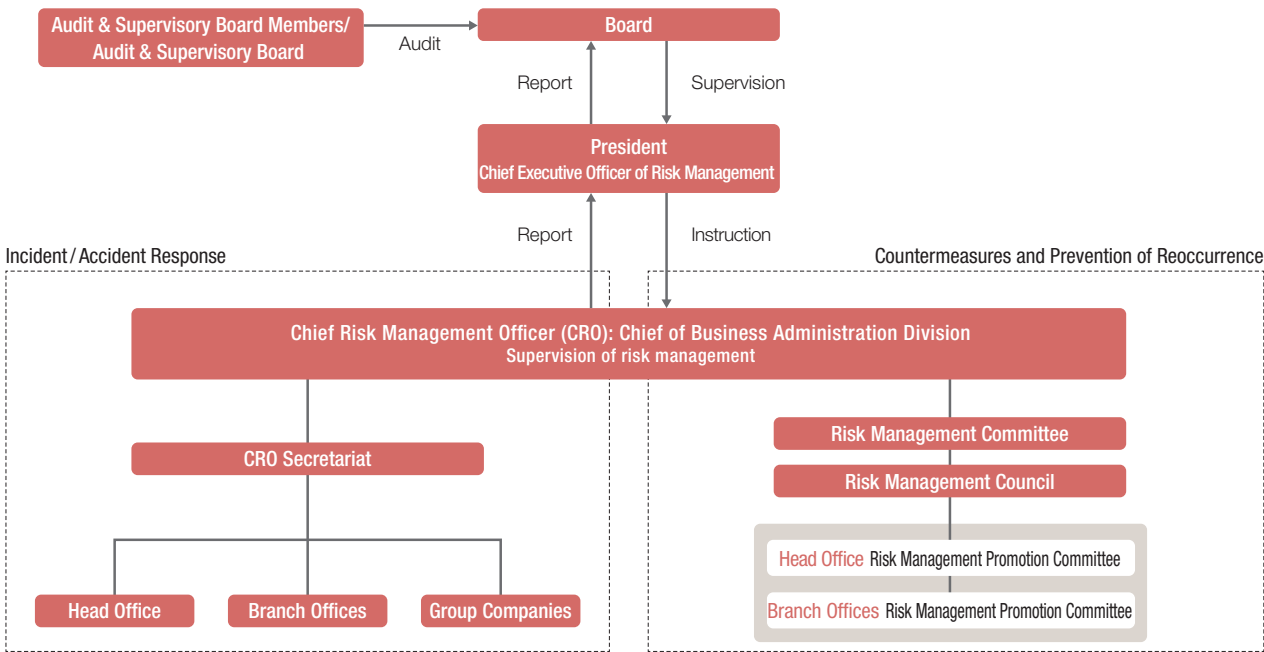
Promotion of Company-Wide Risk Management System

At Taisei Corporation, we work to continuously operate the risk management system to appropriately identify and manage risks associated with business operations. Under the risk management system, the President serves as Chief Executive Officer of Risk Management, and Chief of the Business Administration Division serves as the Chief Risk Management Officer (CRO). Each year, we take into account the risks that became apparent during the current fiscal year to review the risk management for the following fiscal year through the PDCA cycle and verify the effectiveness of the risk management system.

Based on the Basic Risk Management Rules, each division of the Head Office, in cooperation with the branches, reviews

and identifies all risks associated with their business activities and selects the “Head Office-governed risks.” The “Head Office-governed risks” are then narrowed down to risks that can possibly have a material impact especially on corporate management. Such risks are selected as “key company-wide risks” and are subject to risk management across the entire company. The “key company-wide risks” are determined by the CRO after deliberation by the Risk Management Committee headed by the CRO. The President and the Board receive reports on the risks and confirm the operating status of the risk management system and maintain the effectiveness of the system.

Advancement of Company-Wide Risk Management



Web Q
Fundamental Policy to Enhance Operational Compliance Systems / Risk Management Policy

● Business and Other Risks

Risks that may significantly impact corporate management are reported to the Management Committee and the Board. They collectively review and decide upon a comprehensive strategy to address such risks. These risks are documented in the Business and Other Risks section of the annual securities report.

(1) Market Risks

- ① Trend of the construction market
- ② Fluctuations in prices of materials
- ③ Asset holding risk
- ④ Retirement benefit obligations
- ⑤ Fluctuations in interest rates
- ⑥ Risks of related or incidental businesses

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

- ① Risk of violation of the Construction Business Act and related laws and regulations
- ② Risk of violation of the Antimonopoly Act

(3) Risk of infringement of intellectual property rights

(4) Risk of inappropriate financial reporting

(5) Risk related to antisocial forces

(6) Risk associated with quality due to construction failure

(7) Risk of design flaw

(8) Risk of process delays

(9) Risk of accidents

(10) Risk of information leakage and system trouble

(11) Risk of large-scale disasters

(12) Risk associated with the working environment

(13) Risk of violation of environmental laws and regulations

(14) Risk associated with environmental issues including climate change

(15) Risk associated with human rights issues

(16) Credit risk

(17) Contract risk

(18) Risk of the spread of infectious diseases

(19) Country risk

(20) Geopolitical risk

Below is an excerpt of risks updated in the 2022 release.

(14) Risk associated with environmental issues including climate change

There is growing expectation for companies to engage in the resolution of environmental issues including climate change through their business operations. Inadequate efforts and information disclosure risk lowering our corporate competitiveness and our reputation among our stakeholders.

In order to deal with such risk, the Group has established a long-term environmental target, “TAISEI Green Target 2050” based on the concept of the “Realization of a sustainable and environmentally friendly society,” as set out in the Environmental Policy and aims to achieve the three types of society (decarbonized society, recycling-oriented society, and nature co-existing society) and resolve two individual issues (forest resources/forest environment and water resources/water environment). The Group also conducts environmental due diligence based on the Environmental Policy to prevent and mitigate the negative impact of the Group's business activities on the environment as well as the negative impact of the environment on the business activities of the Group, including the impact on the supply chain.

To achieve carbon neutrality, which is our biggest challenge, we are engaged in TAISEI Sustainable Action® (TSA), a Group-wide environmental impact reduction initiative aimed at curbing our CO₂ emissions in Scope 1 and 2. We will strive to reduce CO₂ emissions in Scope 3 by pursuing green procurement, using environmentally friendly concrete, and developing and promoting ZEB technology as a means to contribute to realizing a decarbonized society.

The Group appropriately discloses its initiatives towards these environmental issues in its Annual Reports and website. Also, regarding climate change, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group discloses the impact of the risks and opportunities associated with climate change on business activities, based on scenario analysis.

Page **P.74** Information Disclosure Based on the TCFD Recommendations
Sustainability Section

(15) Risk associated with human rights issues

Companies are expected to engage in initiatives to respect the human rights of their stakeholders. Inadequate efforts and disclosure may risk violation of the human rights of stakeholders as well as a decline in the Company's competitiveness and reputation among stakeholders.

In order to deal with such risk, we carry out human rights due diligence based on the Human Rights Policy and continuously conduct initiatives for the respect of human rights including those of the supply chain by working to prevent and mitigate the negative impact of the Group's business activities on human rights, assessing the effectiveness of the measures, developing a grievance mechanism and disclosing information on these initiatives, among others.

Page **P.55** Human Rights Due Diligence Initiatives
Taisei Group's Growth Strategy

(20) Geopolitical risk

Due to the increasing political, military, and social tensions in certain overseas regions, delivery may be delayed as a result of the risk of soaring material prices and logistics disruption.

In order to deal with such risk, we tackle the soaring prices of materials by monitoring pricing trends from an early stage by interviewing manufacturers and conducting market research, among other means, and take measures, as necessary, such as early procurement and switching to alternative products. To combat delivery delays due to logistics disruptions, we confirm production sites and transportation routes, consider natural, social, and legal risks, and manage the progress of procurement operations to prevent delays in delivery.

| Information Security Measure

In the construction industry, it is imperative to share information with numerous stakeholders, including clients and collaborative entities like specialized contractors, during the construction process. Recognizing this, the Taisei Group has articulated the “Management of Information and Intellectual Property Rights” in its Action Guidelines for Taisei Personnel and the Taisei Group as a Whole. We have taken various steps towards information security and have formulated both the Policy on the Protection of Personal Information and the Code of Conduct for the Use of Social Media.

At Taisei Corporation, we have consolidated a set of core rules for managing electronic information into a booklet. This serves as a foundation for the education and guidance we provide to all our executives, employees, and business partners. In addition, we are actively enhancing the information security measures at our overseas branches and project sites, and we are particularly focused on bolstering safeguards against potential information leaks that could arise from telecommuting (working from home).

Moreover, to proactively prevent and lessen intellectual property risks—like rights infringements or technology outflows that could profoundly impact our business operations—we rigorously enforce risk management across all our business activities.

In light of the escalating threat of cyber-attacks, we remain vigilant. Central to this effort is our Taisei-Security Incident Response Team (SIRT), established in 2013. Collaborating with external agencies through the Nippon CSIRT Association, we continuously gather the most recent intelligence on cyber threats. Armed with this information, we strategize and implement advanced defensive measures, aiming to preemptively ward off potential attacks.

Web Q

Policy on the Protection of Personal Information /
Code of Conduct on the Use of Social Media

| Risk Management for Infectious Diseases and Pandemics

In response to infectious diseases like COVID-19, the CRO Secretariat spearheads efforts, centralizing information on infection statuses across both domestic and international business locations. This ensures that our entire Company can respond to crises both swiftly and cohesively.

Moreover, in November 2020, we revised and established the “Business Continuity Plan for Infectious Disease Outbreaks.” This new plan integrates the previously separate “Novel Influenza Response Guidelines” to ensure adaptability not only to COVID-19 but also to any potential future infectious diseases.

In practice, this involves educating our executives, employees, and specialized contractors about actions to take during an outbreak or if an infection occurs in the workplace. We are also actively stockpiling supplies essential for infection prevention.

Currently, COVID-19 has been reclassified as a Class 5 infectious disease under the Infectious Diseases Act. Nonetheless, we remain equipped to rapidly enact infection prevention measures should there be a resurgence.

| Business Continuity Plan (BCP) Initiatives

To uphold our duty as a comprehensive construction company that underpins the foundation of socioeconomic activities, it is essential that we ensure the safety and well-being of our executives, employees, and their families, even in the face of significant disasters or accidents. To this end, we laid out our Policy on Business Continuity in Times of Disaster in 2005. In alignment with this policy, we have structured a business continuity plan for times of disaster. All the Company's executives, employees, and those of the Group companies participate in disaster preparedness training sessions. This training is held at least annually, and based on the outcomes, we periodically review and enhance the entirety of our business continuity plan.

Our persistent and routine endeavors towards bolstering business continuity have earned us the Resilience Certification.

Moreover, since 2015, we have annually collaborated with organizations like the Japan Federation of Construction Contractors in joint training exercises. This collaboration has enabled us to craft a company-wide recovery support structure that can swiftly address requests for aid.

Web Q

Policy on Business Continuity in Times of Disaster

Column Proactive Approaches to Business Continuity

Forming Disaster Prevention Agreements with Three Entities Possessing Advanced Drone Operation Skills

From a perspective of strengthening resilience during times of disaster, Taisei Corporation has entered into disaster prevention agreements with three bodies, each boasting specialized and advanced drone operation capabilities: 1) the DPCA, 2) the Regional Revitalization & Disaster Prevention Useful Drone Promoters Association, and 3) the Japan Unmanned Aerial Vehicle Application Council (JUAVAC).

Natural disasters in Japan have been intensifying in recent years. To swiftly ascertain disaster situations and draft responsive recovery plans, the deployment of technologies with superior immediacy and maneuverability is essential. With this agreement in place, we will utilize drones on disaster recovery sites to rapidly understand the conditions and devise appropriate recovery strategies.

Moving forward, by actively incorporating digital technologies during disaster recovery efforts and beyond, we aim to further enhance our resilience. In doing so, we are fulfilling our duty as a comprehensive construction firm that upholds the bedrock of socioeconomic endeavors.



Drone Operations

Web Q

Business and Other Risks in FY2022
Annual Securities Report

Management Members (As of July 1, 2023)

Members of the Board / Audit & Supervisory Board Members



Shigeyoshi TANAKA
Chairman, Representative Director
Elected since June 2015



Yoshiro AIKAWA
President and Chief Executive Officer, Representative Director
Elected since June 2019



Hiroshi TSUCHIYA New
Representative Director
Elected since June 2023
Chief of Marketing & Sales Division (Integrated); In charge of Safety



Masahiko OKADA New
Representative Director
Elected since June 2023
Chief of Business Administration Division; In charge of New Business Planning



Hiroshi KIMURA
Member of the Board
Elected since June 2019
Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering); Chief of Marketing & Sales (Civil Engineering) Division



Mayuki YAMAURA New
Member of the Board
Elected since June 2023
Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division



Yuichiro YOSHINO New
Member of the Board
Elected since June 2023
In charge of Building Construction Business Strategy; Deputy Chief of Corporate Planning Office



Toshiyuki TSUJI New
Member of the Board
Elected since June 2023
Chief of Marketing & Sales Promotion Division



Atsuko NISHIMURA
Member of the Board^{1, 3}
Elected since June 2017
Concurrent Position:
Outside Director of INPEX CORPORATION



Norio OTSUKA
Member of the Board^{1, 3}
Elected since June 2019
Concurrent Position:
Outside Director of Sojitz Corporation;
Outside Director of WORLD TRADE CENTER BUILDING, INC.



Fumiya KOKUBU
Member of the Board^{1, 3}
Elected since June 2019
Concurrent Position:
Chairman of the Board of Marubeni Corporation;
Outside Director of Honda Motor Co., Ltd.



Tsutomu KAMIJO New
Member of the Board^{1, 3}
Elected since June 2023
Concurrent Position:
External Member of the Board of Tohoku Electric Power Co., Inc.;
External Member of the Board of Okamura Corporation



Takashi HAYASHI
Audit & Supervisory Board Member (Full-Time)
Elected since June 2019



Shuichi OKUDA New
Audit & Supervisory Board Member (Full-Time)
Elected since June 2023



Yasuhiro SATO
Audit & Supervisory Board Member^{2, 3}
Elected since June 2020



Seishi TASHIRO
Audit & Supervisory Board Member^{2, 3}
Elected since June 2020



Keiko OHARA
Audit & Supervisory Board Member^{2, 3}
Elected since June 2020
Concurrent Position:
Founding Partner, Kamiyacho International Law Office Director;
Member of the board (Independent) of Financial Products Group Co., Ltd.;
Outside Director of FUJII KYUKO CO., LTD.



Masamitsu MIURA
Audit & Supervisory Board Member^{2, 3}
Elected since June 2021

Executive Officers (AS of July 1, 2023)

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiro AIKAWA
Executive Vice President Chief of Marketing & Sales Division (Integrated); In Charge of Safety	Hiroshi TSUCHIYA
Senior Managing Executive Officer Chief of Sustainability Division (Integrated); Chief of Clean Energy & Environment Business Promotion Division	Jiro TANIYAMA
Senior Managing Executive Officer Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) Division; Chief of Marketing & Sales (Civil Engineering) Division	Hiroshi KIMURA
Senior Managing Executive Officer Chief of Kansai Branch	Takeshi KAGATA
Senior Managing Executive Officer Chief of Safety Administration Division	Shun KITANO
Senior Managing Executive Officer Chief of Marketing & Sales (West Japan) Division	Shimpei OGUCHI
Senior Managing Executive Officer In Charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)	Masao YOSHIKAWA
Senior Managing Executive Officer Chief of Sapporo Branch	Noriaki KON
Senior Managing Executive Officer Chief of Business Administration Division; In Charge of New Business Planning	Masahiko OKADA
Managing Executive Officer Chief of Marketing & Sales (Building Construction) Division III	Yuichi KITAGUCHI
Managing Executive Officer Chief of Chubu Branch	Atsushi SUZUKI
Managing Executive Officer Chief of Tohoku Branch	Iwao NISHIOKA
Managing Executive Officer Chief of Chugoku Branch	Akira NAKAYA
Managing Executive Officer Deputy Chief of Marketing & Sales (Civil Engineering) Division	Yoshio ABE
Managing Executive Officer Chief of Yokohama Branch	Akira EJIMA
Managing Executive Officer General Manager of Design Department, Civil Engineering Division	Yasushi KAMEZAWA
Managing Executive Officer Deputy Chief of Marketing & Sales (Building Construction) Division I	Shinsaburo SAWA
Managing Executive Officer Deputy Chief of Marketing & Sales (Civil Engineering) Division	Yoshihiko IKEUCHI
Managing Executive Officer Chief of Taisei Advanced Center of Technology	Ichiro NAGASHIMA
Managing Executive Officer Chief of Civil Engineering Division	Kenji SHIRAKAWA
Managing Executive Officer Chief of Engineering Division	Shinichiro TAKAHAMA
Managing Executive Officer Deputy Chief Marketing & Sales (West Japan) Division, In Charge of Building Construction	Koichiro OKUHATA
Managing Executive Officer In Charge of Technology	Shigeo OCHI
Managing Executive Officer Deputy Chief of Clean Energy & Environment Business Promotion Division	Miyoshi KATO

^{*1} External Member of the Board as defined by the Companies Act, Article 2-XV.
^{*2} External Audit & Supervisory Board Member as defined by the Companies Act, Article 2-XVI.
^{*3} Independent officers in accordance with the rules of the Tokyo Stock Exchange and the Nagoya Stock Exchange.

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
Managing Executive Officer Chief of Marketing & Sales (Building Construction) Division I; In Charge of Community Design Project	Masaru KAMATA
Managing Executive Officer Chief of Nuclear Facilities Division	Yuji IJIRI
Managing Executive Officer Chief of International Operations Headquarters	Tatsuya SUGAWARA
Managing Executive Officer Deputy Chief of Business Administration Division	Junichi KASAHARA
Managing Executive Officer Chief of Design Division	Masato MATSUMURA
Managing Executive Officer Chief of Corporate Planning Office	Hiroki FUKASAWA
Managing Executive Officer Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division	Mayuki YAMAURA
Managing Executive Officer In Charge of Building Construction Business Strategy Deputy Chief of Corporate Planning Office	Yuichiro YOSHINO
Managing Executive Officer Chief of Marketing & Sales Promotion Division	Toshiyuki TSUJI
Managing Executive Officer Deputy Chief of International Operations Headquarters (Building Construction); General Manager of Building Construction Department	Masamichi BABA
Managing Executive Officer Chief of Tokyo Branch	Yuko NAKAMURA
Managing Executive Officer In Charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)	Shinya MATAKE
Executive Officer In Charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)	Katsuhiko KITAGAWA
Executive Officer In Charge of Technology	Yasuji YAMAUCHI
Executive Officer Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department	Hideki NISHIYAMA
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 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 (Structure)	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 Chief of Kanto Branch	Yoshiyuki ASADA
Executive Officer Chief of Marketing & Sales (Building Construction) Division II	Shin SUZUKI
Executive Officer Deputy Chief of Tokyo Branch; In Charge of Shinjuku Station West Exit Development Project	Yoichi TAKASE
Executive Officer Chief of Chiba Branch	Junichi HIROSE
Executive Officer Deputy Chief of Kansai Branch; General Manager of Marketing & Sales Department (Construction Building), Kansai Branch	Kenji ADACHI
Executive Officer General Manager of Secretarial Department	Motoyuki MAKITA
Executive Officer Chief of Kyusyu Branch	Makoto NISHIKAWA
Executive Officer Chief of Procurement Division	Kozo MORITA
Executive Officer Deputy Chief of Marketing & Sales (Building Construction) Division II	Masaki ADO
Executive Officer Deputy Chief of Marketing & Sales (Building Construction) Division III	Shigehisa KOYAMA
Executive Officer Chief of Quality Control Division; General Manager of Quality Control Department	Kunihiko KAWAI

Executive Fellows (As of July 1, 2023)

Title Business in Charge	Name
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 Deputy Chief of Design Division (Mechanical & Electrical Construction)	Akihiko DENO
Executive Fellow General Manager of Machinery Department, Civil Engineering Division	Hidetoshi SAKAMOTO
Executive Fellow Deputy Chief of Design Division (Building Construction); General Manager of Design Department in Kansai Branch	Hiroyuki HIRAI