

# Notice of the 160th General Meeting of Shareholders

**Date**      Wednesday, June 24, 2020, 10:00 A.M.  
                  (Tokyo time)  
                  (Reception desk will open at 8:30 A.M.)

**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 Voted on by Shareholders

**Items No.1:**  
**Appropriation of Earned Surplus**

**Items No.2:**  
**Election of Twelve (12) Members of the Board**

**Items No.3:**  
**Election of Four (4) Audit & Supervisory Board Members**

**Items No.4:**  
**Introduction of a Performance-Based Stock Compensation Plan for Members of the Board**

Please exercise your voting rights by post or through the Internet by 5:30 P.M., Tuesday, June 23, 2020.

## TAISEI CORPORATION

Securities Code: 1801

### IMPORTANT NOTE:

This notice and attached documents are English translations of the “Notice of the 160th General Meeting of Shareholders (*Dai-160-kai Teiji Kabunushi Sokai Shoshu Go-Tsuchi*)”, “Reference Materials for the General Meeting of Shareholders (*Kabunushi Sokai Sanko Shorui*)” and “Business Report (*Jigyō 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 primarily request you to exercise your voting rights by post or through the Internet beforehand and to refrain from attending the 160th General Meeting of Shareholders of the Company regardless of your health condition.



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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 of all, I would like to express my deepest condolences to those who fell victim to the new coronavirus ("COVID-19") and their bereaved families, and sincerely hope that those currently infected with COVID-19 or in difficult situations due to the pandemic will recover and overcome their predicament as soon as possible.

We expect the difficult business environment will continue this year with great regret. While devoting ourselves to ensure business continuity by elaborately implementing the countermeasures for preventing the spread of COVID-19 infection, we will strive to maximize our corporate value.

With regard to the dividend at the end of the fiscal year ended March 31, 2020, we propose the cash dividend of 65 yen per share, comprehensively taking into consideration of business surroundings in the future, etc.

Additionally, at the board meeting on May 13, 2020, acquisition of the Company's own share, the maximum limitation of which is 5,000 thousand shares (10 billion yen), was resolved in order to increase shareholder returns and to improve the capital efficiency.

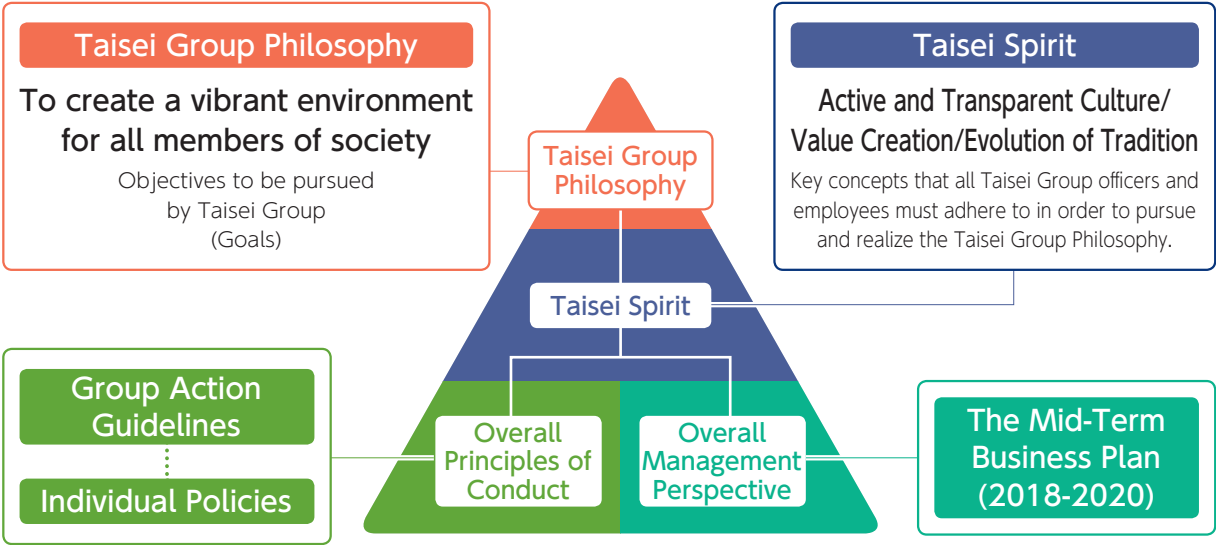
I sincerely appreciate your continuous and invaluable cooperation and support.

President and Chief Executive Officer

*Yoshiyuki Murata*



# Our Structure of Values and Policies



## Especially Important ESG Issues to which Our Group is to Contribute (responding to challenges facing society, such as SDGs\*)

The Taisei Group identified eight (8) material issues and reflected those into our Mid-Term Business Plan (2018-2020) considering social issues such as SDGs (Sustainable Development Goals).

ESG	Materiality (Material Issues)
Environment	Achievement of a sustainable and environmentally conscious society
Social	Assurance of quality and improvement of technology Technological development geared toward a sustainable society Promotion of supply chain management Thorough implementation of occupational health and safety management Development of technical experts and securing od workers Creation of an attractive and rewarding working environment
Governance	Promotion of compliance

\*“Sustainable Development Goals” adopted by the United Nations

## To Our Shareholders

# NOTICE OF THE 160th 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 160th General Meeting of Shareholders of Taisei Corporation (the "Company") will be held as indicated below.

After careful consideration 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.

In light of the strong demand for people to stay at home, we primarily 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 by post or through the Internet no later than Tuesday, June 23, 2020, 5:30 P.M. (Tokyo time) as described on page 5.

**1. Date:** Wednesday, June 24, 2020, 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

Note: In order to prevent the spread of COVID-19 infection, there will be significantly less seats available than usual this year. Therefore, we would like to ask your understanding that we may refuse your attendance on the day due to the limited number of the seats even if you directly visit the venue.

### 3. Agenda:

- (1)Subjects to be reported:
1. Business Report, Consolidated Financial Statements, and Audit Reports of Accounting Auditor and Audit & Supervisory Board for Consolidated Financial Statements, for fiscal year ended March 31, 2020 (the 160th Business Year commenced April 1, 2019 and ended March 31, 2020)
  2. Non-Consolidated Financial Statements, for fiscal year ended March 31, 2020 (the 160th Business Year commenced April 1, 2019 and ended March 31, 2020)

### (2)Matters to be voted on by shareholders

Items No.1: Appropriation of Earned Surplus

Items No.2: Election of Twelve (12) Members of the Board

Items No.3: Election of Four (4) Audit & Supervisory Board Members

Items No.4: Introduction of a Performance-Based Stock Compensation Plan for Members of the Board

Yours sincerely,  
TAISEI CORPORATION  
Yoshiyuki Murata  
President and Chief Executive Officer

### Request to the Shareholders

From the viewpoint of preventing the spread of COVID-19 infection in this General Meeting of Shareholders (this "GMS"), we would like to ask your understanding that we will implement the following countermeasures.

#### (1) The countermeasures adopted by the Company

- The corporate officers attending this GMS and the staff operating this GMS will wear masks.
- We are now considering that this GMS will be operated in swifter and smoother manner than usual.
- The exhibition corner will not be set up this year.

#### (2) Request to the Shareholders who will visit this GMS.

- We would like to ask you to wear a mask when you visit this GMS.
- We would like to ask you to use the antiseptic solution installed at the entrance before entering the venue.
- A thermal imaging camera will be installed at the entrance to check each shareholder's body temperature, and 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 shareholders, such as a proxy who is not a shareholder or a person accompanying the shareholder, is allowed to attend this GMS.

The countermeasures to be implemented at this GMS above may be updated depending on the spread of COVID-19 infection by the day of this GMS and the government announcements and other reasons. Please check the latest information posted on the Company's Internet website (<https://www.taisei.co.jp/>).

# Instructions of exercising your voting right

## Exercising your voting right by post



Please indicate your preference on a matter to be voted on in the enclosed Voting Form and return the Form by post to be received no later than 5:30 P.M. Tuesday, June 23, 2020 (Tokyo time).  
In case no preference is indicated on a matter to be voted on, we treat that you cast an affirmative vote to that matter.

## Exercising your voting right through the Internet



Please access the designated website for voting of the Company (<https://soukai.mizuho-tb.co.jp/>), enter the “Giketsuken-koushi (Voting) Code” and “Password” as indicated on the enclosed Voting Form, and follow the instructions on the screen to enter your preference no later than 5:30 P.M. Tuesday, June 23, 2020 (Tokyo time).  
QR code that can be scanned using your smartphone is also printed in the Voting Form. (“Giketsuken-koushi (Voting) Code” and “Password” are not necessary.)  
For more information, please refer to the enclosed paper titled “Request for exercising your voting right”.

## If you attend the Meeting



Date of the Meeting:

Wednesday, June 24, 2020, 10:00 A.M. (Tokyo Time)  
\*Reception desk will open at 8:30 A.M.

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 the Audit & Supervisory Board Members and the 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/>

# Reference Materials for the General Meeting of Shareholders

## Agenda and Reference Information

### Item No.1 Appropriation of Earned Surplus

The Company has made it a basic policy to pay long-term stable dividend to shareholders. The Company tries to reinforce internal reserve for the future business operation and returns the profit to the shareholders by way of a special dividend and the like when the business performance of the Company is well.

Comprehensively taking into account both achievement of much greater performance than the initial plan, and business surroundings in the future etc., the cash dividend at the end of the fiscal year ended March 31, 2020 is proposed to be ¥65.00 per share as stated below.

As the result, the total dividend for the fiscal year ended March 31, 2020, 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: | ¥ 13,735,182,045- |

- (2) Effective date of dividend of surplus:  
June 25, 2020

#### 2 Matters Concerning Accumulation of Other Reserve

- (1) Item of increased surplus and its amount
- |                |                   |
|----------------|-------------------|
| Other reserve: | ¥ 62,000,000,000- |
|----------------|-------------------|
- (2) Item of decreased surplus and its amount
- |                                    |                   |
|------------------------------------|-------------------|
| Retained earnings carried forward: | ¥ 62,000,000,000- |
|------------------------------------|-------------------|

[Reference: Annual cash dividend per share]

	157th (FY 2016)	158th (FY 2017)	159th (FY 2018)	160th (FY 2019)
Interim dividend (Yen)	8	10	60	65
Dividend at the end of FY(Yen)	12	75	70	65 (Plan)
Annual dividend (Yen)	20	—	130	130 (Plan)
Dividend payout ratio (consolidated) (%)	25.5	22.3	25.4	22.7 (Plan)

\*The Company consolidated five shares of our stock into one share on October 1, 2017.

The interim dividend per share for FY 2017 is the amount before the share consolidation because the base date is Sep 30, 2017, and “-” is written in annual dividend section because the base date is Sep 30, 2017.

When the share consolidation is taken into consideration, the interim dividend for FY 2017 is ¥50.00 per share, and the annual dividend for FY 2017 is ¥125.00 per share.



## Items No.2 Election of Twelve (12) Members of the Board

The terms of all Members of the Board expire 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	No.	Name of the Candidate Position and Title	Attendance at the Board
1	<b>Takashi Yamauchi</b> Chairman, Representative Director	<div>Re-election</div> 13 out of 13 Meetings (100%)	7	<b>Yoshiro Aikawa</b> Senior Managing Executive Officer, Member of the Board Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division	<div>Re-election</div> 9 out of 10 Meetings (90%)
2	<b>Yoshiyuki Murata</b> President and Chief Executive Officer, Representative Director	<div>Re-election</div> 13 out of 13 Meetings (100%)	8	<b>Hiroshi Kimura</b> Managing Executive Officer, Member of the Board Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) Divisions; Chief of Marketing & Sales (Civil Engineering) Division	<div>Re-election</div> 10 out of 10 Meetings (100%)
3	<b>Shigeyuki Sakurai</b> Executive Vice President, Representative Director Chief of Business Administration Division	<div>Re-election</div> 13 out of 13 Meetings (100%)	9	<b>Atsuko Nishimura</b> Member of the Board	<div>Re-election</div> <div>External Member</div> <div>Independent Officer</div> 13 out of 13 Meetings (100%)
4	<b>Shigeyoshi Tanaka</b> Executive Vice President, Representative Director Chief of Civil Engineering Division;In charge of Safety Administration	<div>Re-election</div> 13 out of 13 Meetings (100%)	10	<b>Takao Murakami</b> Member of the Board	<div>Re-election</div> <div>External Member</div> <div>Independent Officer</div> 10 out of 10 Meetings (100%)
5	<b>Norihiko Yaguchi</b> Executive Vice President, Member of the Board Chief of Marketing & Sales Division (Integrated)	<div>Re-election</div> 13 out of 13 Meetings (100%)	11	<b>Norio Otsuka</b> Member of the Board	<div>Re-election</div> <div>External Member</div> <div>Independent Officer</div> 10 out of 10 Meetings (100%)
6	<b>Hiroshi Shirakawa</b> Senior Managing Executive Officer, Member of the Board Chief of Marketing & Sales (Building Construction) Division II	<div>Re-election</div> 10 out of 10 Meetings (100%)	12	<b>Fumiya Kokubu</b> Member of the Board	<div>Re-election</div> <div>External Member</div> <div>Independent Officer</div> 9 out of 10 Meetings (90%)

Notes:

1. The position and title of each candidate mentioned above are as of the date of this General Meeting of Shareholders.
2. As for Messrs. Hiroshi Shirakawa, Yoshiro Aikawa, Hiroshi Kimura, Takao Murakami, Norio Otsuka and Fumiya Kokubu, the attendance at the board meetings has been counted since the board meeting after the 159th General Meetings of Shareholders held on June 26, 2019, where they were elected.





# 1 Takashi Yamauchi

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
June 12, 1946 (Age 74)	57,900	15 years
Attendance at the Board	Important Concurrent Position	
13 out of 13 Meetings (100%)	Vice Chairman of KEIDANREN (Japan Business Federation) Chairman of Japan Federation of Construction Contractors External Director of the Building & Housing Center of Japan External Director of Royal Park Hotel Co., Ltd. External Director of Nippon Venture Capital Co., Ltd.	

History and Post of the Candidate	
1969.06: Joined the Company	2007.04: President and Chief Executive Officer, Representative Director
1999.06: Executive Officer	2015.04: Chairman, Representative Director [Present Position]
2002.04: Managing Executive Officer	
2004.06: Senior Managing Executive Officer	
2005.06: Senior Managing Executive Officer, Member of the Board	

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

Mr. Takashi Yamauchi assumed the leadership of business management as President and Chief Executive Officer from April 2007, during which time he produced excellent results in improving business performance and he appropriately managed the board meetings as Chairman of the Board. Since April 2015, he has led discussions at board meetings as Chairman and Representative Director and contributed the meaningfulness of discussions. As Mr. Takashi Yamauchi can be expected to contribute to further improvement of the value of the Company because of his excellent leadership, we nominated him as a candidate for Member of the Board again.



# 2 Yoshiyuki Murata

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
July 19, 1954 (Age 65)	18,700	7 years
Attendance at the Board		
13 out of 13 Meetings (100%)		

History and Post of the Candidate	
1977.04: Joined the Company	2013.06: Managing Executive Officer, Member of the Board
2011.04: Executive Officer	2015.04: President and Chief Executive Officer, Representative Director [Present Position]
2013.04: Managing Executive Officer	

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

Mr. Yoshiyuki Murata was appointed as a Member of the Board in June 2013. Since April 2015, he has directed business management as President and Chief Executive Officer and has contributed to building the foundation for growth toward the future of the Company and the Taisei Group. As Mr. Yoshiyuki Murata can be expected to contribute the reinforcement of decision-making and supervising functions of the board meetings based on his broad experience and knowledge as an executive of the Company and its subsidiary, we nominated him as a candidate for Member of the Board again.



### 3 Shigeyuki Sakurai

Re-election

**Birthday**

August 15, 1955 (Age 64)

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

10,827

**Term of Office as Member  
of the Board**

7 years

**Attendance at the Board**

13 out of 13 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  
[Present Position]

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

Mr. Shigeyuki Sakurai was appointed as a Member of the Board in June 2013, and he has been involved in the management of the Company as Representative Director and Executive Officer since April 2015. He has successively held various posts such as General Manager of Finance Department, General Manager of Accounting Department and Chief of Business Administration Division and he has contributed a lot to the improvement of the financial standing of the Company in a difficult business environment by making use of his considerable expert knowledge in the accounting and financial fields. As we have judged that his broad experience and knowledge are indispensable for reinforcing the decision-making and supervising functions of the board meetings, we nominated him as a candidate for Member of the Board again.



### 4 Shigeyoshi Tanaka

Re-election

**Birthday**

November 1, 1954 (Age 65)

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

8,600

**Term of Office as Member  
of the Board**

5 years

**Attendance at the Board**

13 out of 13 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  
[Present Position]

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

Mr. Shigeyoshi Tanaka was appointed as a Member of the Board in June 2015, and he has been involved in the management of the Company as Representative Director and Executive Officer since April 2019. He has successively held various posts such as Chief of Kyushu Branch and Chief of Corporate Planning Office. At present, he is performing his duties as Chief of Civil Engineering Division. As Mr. Shigeyoshi Tanaka has considerable expert knowledge based on his broad experience to contribute to the improvement of the value of the Company through the development and promotion of strategies to overcome challenges such as reinforcement of production systems in the civil engineering sector, we nominated him as a candidate for Member of the Board again.



## 5 Norihiko Yaguchi

Re-election

### Birthday

May 17, 1954 (Age 66)

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

9,433

### Term of Office as Member of the Board

5 years

### Attendance at the Board

13 out of 13 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  
Chief of Marketing & Sales Division (Integrated)  
[Present Position]

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

Mr. Norihiko Yaguchi has many years of experience in the building construction business. He has successively held various posts such as Chief of Chugoku Branch and Chief of Architecture & Building Division (Integrated), and he has been involved in the management of the Company as Member of the Board and Executive Officer since June 2015. At present, he is performing his duties as Chief of Marketing & Sales Division (Integrated). As Mr. Norihiko Yaguchi can be expected to contribute to further improvement of the value of the Company through the development and implementation of sales strategies, we nominated him as a candidate for Member of the Board again.



## 6 Hiroshi Shirakawa

Re-election

### Birthday

December 22, 1954 (Age 65)

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

7,700

### Term of Office as Member of the Board

1 year

### Attendance at the Board

10 out of 10 Meetings (100%)

### History and Post of the Candidate

**1979.04:** Joined the Company  
**2012.04:** Executive Officer  
**2015.04:** Managing Executive Officer  
**2019.04:** Senior Managing Executive Officer

**2019.06:** Senior Managing Executive Officer, Member of the Board  
Chief of Marketing & Sales (Building Construction) Division II  
[Present Position]

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

Ever since Mr. Hiroshi Shirakawa entered the Company, he has been engaged in the administration unit and he has successively held various posts such as Deputy Chief of Corporate Planning Office and General Manager of Corporate Planning Department, Chief of Chiba Branch and Chief of Yokohama Branch ever since he was appointed as an executive officer in April 2012. At present he is performing his duties as Chief of Marketing & Sales (Building Construction) Division II by making use of his broad experience. As Mr. Hiroshi Shirakawa can be expected to contribute to further improvement of the value of the Company through his broad knowledge about the Company's management on general, we nominated him as a candidate for Member of the Board again.



## 7 Yoshiro Aikawa

Re-election

### Birthday

September 20, 1957 (Age 62)

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

4,465

### Term of Office as Member of the Board

1 year

### Attendance at the Board

9 out of 10 Meetings (90%)

### Important Concurrent Position

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

### 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  
Chief of Architecture & Building Division (Integrated);  
Chief of Building Construction Division  
[Present Position]

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

Ever since Mr. Yoshiro Aikawa entered the Company, he has been engaged in the building construction business and he has successively held various posts such as Chief of Kyushu Branch and Chief of Marketing & Sales (Building Construction) Division II ever since he was appointed as an executive officer in April 2013. At present he is performing his duties as Chief of Architecture & Building Division (Integrated) and Chief of Building Construction Division. As Mr. Yoshiro Aikawa can be expected to contribute to further improvement of the value of the Company through the development and promotion of strategies to overcome challenges such as reinforcement of construction system in the building construction sector, we nominated him as a candidate for Member of the Board again.



## 8 Hiroshi Kimura

Re-election

### Birthday

June 4, 1958 (Age 62)

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

3,952

### Term of Office as Member of the Board

1 year

### Attendance at the Board

10 out of 10 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  
Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering) Division;  
Chief of Marketing & Sales (Civil Engineering) Division  
[Present Position]

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

Ever since Mr. Hiroshi Kimura entered the Company, he has been engaged in the civil engineering business and he has successively held various posts such as Chief of Chugoku Branch and Deputy Chief of Marketing & Sales (Civil Engineering) Division ever since he was appointed as an executive officer in April 2015. At present he is performing his duties as Deputy Chief of Marketing & Sales Division (Integrated) and Chief of Marketing & Sales (Civil Engineering Division). As Mr. Hiroshi Kimura can be expected to contribute to further improvement of the value of the Company through the development and promotion of sales by making use of his broad knowledge about the Company business in general, including civil engineering business, we nominated him as a candidate for Member of the Board again.



## 9 Atsuko Nishimura

Re-election

External  
Member

Independent  
Officer

### Birthday

May 5, 1953 (Age 67)

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

1,300

### Term of Office as Member of the Board

3 years

### Attendance at the Board

13 out of 13 Meetings (100%)

### Important Concurrent Position of the Candidate

Outside Director of INPEX CORPORATION

### History and Post of the Candidate

**1979.04:** Joined 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 African 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 Metals National Corporation  
**2014.04:** Ambassador Extraordinary and Plenipotentiary to Grand Duchy of Luxembourg  
**2016.07:** Ambassador Extraordinary and Plenipotentiary for Women, 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 a candidate for External Member of the Board

Ever since Ms. Atsuko Nishimura was appointed as an External Board Member in June 2017, she has contributed to the strengthening of the functions of the board meetings and she has made many useful proposals and given much good advice at board meetings by making use of her broad knowledge based on many years of experience as a diplomatic official. As Ms. Atsuko Nishimura can be expected to contribute to the improvement of the value of the company in the mid-to-long term by making use of her rich international sensibilities and objective viewpoints and to the strengthening of management supervision through decision making concerning important matters such as election and dismissal of executives and international businesses, we nominated her as a candidate for External Member of the Board again.



## 10 Takao Murakami

Re-election

External  
Member

Independent  
Officer

### Birthday

August 14, 1945 (Age 74)

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

100

### Term of Office as Member of the Board

1 year

### Attendance at the Board

10 out of 10 Meetings (100%)

### Important Concurrent Position of the Candidate

External Member of the Board of Television Hokkaido Broad Casting Co., Ltd.  
External Auditor of FUJIO FOOD SYSTEM 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 Position]  
**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 a candidate for External Member of the Board

Mr. Takao Murakami, who was involved in management at Sapporo Holdings Ltd. and several other companies for many years, has a wealth of experience and extensive knowledge. As Mr. Takao Murakami can be expected to supervise management from an objective, neutral point of view, revitalize board meetings through decision making concerning important matters such as management strategy as well as election and dismissal of executives, and contribute to further improvement of the value of the Company by making use of his broad experience he gained as director and corporate auditor at several companies, we nominated him as a candidate for External Member of the Board again.



# 11 Norio Otsuka

Re-election

External  
Member

Independent  
Officer

## Birthday

July 5, 1950 (Age 69)

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

0

## Term of Office as Member of the Board

1 year

## Attendance at the Board

10 out of 10 Meetings  
(100%)

## Important Concurrent Position of the Candidate

Outside Director of Idemitsu Kosan Co., Ltd.  
Outside Director of Sojitz Corporation

### History and Post of the Candidate

<b>1973.04:</b> Joined NSK Ltd.	<b>2017.03:</b> External Member of the Board of Showa Shell Sekiyu K.K.
<b>2000.04:</b> Executive Officer	<b>2018.06:</b> Advisor of NSK Ltd. [Present Position]
<b>2002.06:</b> Managing Executive Officer, Member of the Board	<b>2018.06:</b> Outside Director of Sojitz Corporation [Present Position]
<b>2004.06:</b> Senior Managing Executive Officer, Representative Director	<b>2019.04:</b> Outside Director of Idemitsu Kosan Co., Ltd. [Present Position]
<b>2007.06:</b> Executive Vice President, Representative Director	<b>2019.06:</b> Member of the Board of the Company [Present Position]
<b>2009.06:</b> President and Chief Executive Officer, Representative Director	
<b>2015.06:</b> Chairman, Member of the Board	

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

Mr. Norio Otsuka, who was involved in management at NSK Ltd. and several other companies for many years, has broad experience and extensive knowledge. As Mr. Norio Otsuka can be expected to revitalize board meetings through decision making concerning important matters such as management strategy as well as election and dismissal of executives, and contribute to further improvement of the value of the Company by making use of his broad experience he gained in management at several companies amid a drastically changing management environment, we nominated him as a candidate for External Member of the Board again.



# 12 Fumiya Kokubu

Re-election

External  
Member

Independent  
Officer

## Birthday

October 6, 1952 (Age 67)

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

0

## Term of Office as Member of the Board

1 year

## Attendance at the Board

9 out of 10 Meetings (90%)

## Important Concurrent Position of the Candidate

Chairman of the Board of Marubeni Corporation

### History and Post of the Candidate

<b>1975.04:</b> Joined Marubeni Corporation	<b>2012.06:</b> Executive Vice President, Representative Director
<b>2005.04:</b> Executive Officer	<b>2013.04:</b> President and Chief Executive Officer, Representative Director
<b>2008.04:</b> Managing Executive Officer	<b>2019.04:</b> Chairman, Member of the Board [Present Position]
<b>2008.06:</b> Managing Executive Officer, Representative Director	<b>2019.06:</b> Member of the Board of the Company [Present Position]
<b>2010.04:</b> Senior Managing Executive Officer	
<b>2012.04:</b> Executive Vice President	

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

Mr. Fumiya Kokubu, who was involved in management at Marubeni Corporation for many years, has broad experience and extensive knowledge. As Mr. Fumiya Kokubu can be expected to revitalize board meetings through decision making concerning important matters such as international business as well as election and dismissal of executives, and contribute to further improvement of the value of the Company by making use of his broad knowledge and international point of view as a former top executive of a general trading company, we nominated him as a candidate for External Member of the Board again.



Notes:

1. The age of each candidate shown is as of the date of this General Meeting of Shareholders.
2. There is no conflict of interests between the Company and the candidates.
3. Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu are the candidates for External Member of the Board.
4. In order for External 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 and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu.  
The gist of the contract is as follows.  
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 External Member of the Board has performed his/her duties in good faith and without gross negligence.
5. Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu meet the “Criteria of Independency” prescribed by the Company (refer to page 18). Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu have been registered as independent officers as they meet the criteria of independency prescribed by Tokyo Stock Exchange.
6. FUJIO FOOD SYSTEM Co., Ltd, of which Mr. Takao Murakami has been taking charge of External Audit & Supervisory Board Member since 2014, was filed to Osaka District Public Prosecutors Office and Kyoto District Public Prosecutors Office by Osaka Labor Bureau and Kyoto Labor Bureau respectively on Aug 27, 2015 on suspicion of violating the Labor Standards Act in relation to its employees. He had regularly called the company’s attention to compliance with laws although he did not know such fact of violation. In addition, he is performing his duties as External Audit & Supervisory Board Member through necessary actions such as making recommendation to prevent the recurrence.




### Items No.3 Election of Four (4) Audit & Supervisory Board Members

The terms of officers of Messrs. Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito who are currently Audit & Supervisory Board Members, expire at the closing of this General Meeting of Shareholders. In addition, Mr. Terunobu Maeda, who was elected at the 159th General Meeting of Shareholders held on June 26, 2019, resigned on December 31, 2019.

Therefore, an election of four (4) Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has given prior consent to this item.

The candidates for the Audit & Supervisory Board Members are as follows:



1 Yasuhiro Sato

New CandidateExternal MemberIndependent Officer

Birthday

April 15, 1952 (Age 68)

Number of the Company's Shares Held by the Candidate

0

Term of Office as Audit & Supervisory Board Member

—

Attendance at the Board

—

Attendance at the Audit and Supervisory Board

—

Important Concurrent Position

Chairman, Member of the Board of Directors of Mizuho Financial Group, Inc.

History and Post of the Candidate	
<b>1976.04:</b> Joined the Industrial Bank of Japan, Limited	<b>2014.04:</b> Member of the Board of Directors of Mizuho Bank, Ltd.;
<b>2006.03:</b> Member of the Board of Directors and Managing Executive Officer of Mizuho Corporate Bank, Ltd.	Member of the Board of Directors of Mizuho Trust & Banking Co., Ltd.;
<b>2007.04:</b> Deputy President and Chief Internal Audit Officer of Mizuho Corporate Bank, Ltd.	Member of the Board of Directors of Mizuho Securities Co., Ltd.
<b>2009.04:</b> President of Mizuho Corporate Bank, Ltd.	<b>2014.06:</b> Member of the Board of Directors, President & Group CEO of Mizuho Financial Group, Inc.
<b>2009.06:</b> Member of the Board of Directors of Mizuho Financial Group, Inc.	<b>2018.04:</b> Chairman, Member of the Board of Directors, Executive Officer of Mizuho Financial Group, Inc.
<b>2011.06:</b> President & Group CEO of Mizuho Financial Group, Inc.;	<b>2018.06:</b> Chairman, Member of the Board of Directors of Mizuho Financial Group, Inc.
Member of the Board of Directors of Mizuho Bank, Ltd.	[Present Position]
<b>2013.07:</b> President & CEO of Mizuho Bank, Ltd.	

**The reasons for nominating him as a candidate for External Audit & Supervisory Board Member**

Mr. Yasuhiro Sato has a wealth of experience as manager of financial institution, broad range of insight and plenty knowledge of finance and accounting. Considering his achievements so far, as we have judged that he is a suitable person to strengthen audit and supervision by Audit & Supervisory Board of the Company, we nominate him as a new candidate for External Audit & Supervisory Board Member.



## 2 Tateshi Higuchi

New  
Candidate

External  
Member

Independent  
Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Audit & Supervisory Board Member
April 11, 1953 (Age 67)	0	—
Attendance at the Board	Attendance at the Audit and Supervisory Board	
—	—	

**Important Concurrent Position**  
Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Co., Ltd.  
Outside Director of MIURA CO., LTD.

History and Post of the Candidate	
<b>1978.04:</b> Joined National Police Agency	<b>2010.01:</b> Director General of Community Safety Bureau of National Police Agency
<b>1999.04:</b> Chief of Wakayama Prefectural Police	<b>2011.08:</b> Superintendent General of Tokyo Metropolitan Police Department
<b>2003.02:</b> Director, Investigative Planning Division, Criminal Investigation Bureau of National Police Agency	<b>2014.06:</b> Ambassador Extraordinary and Plenipotentiary to the Republic of the Union of Myanmar
<b>2005.09:</b> Chief of Hokkaido Prefectural Police	<b>2018.06:</b> Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Co., Ltd. [Present Position]
<b>2007.09:</b> Deputy Director General of Policy Evaluation and Deputy Director General in charge of Prevention of Crime Proceeds (International), Commissioner-General's Secretariat of National Police Agency	<b>2019.06:</b> Outside Director of MIURA CO., LTD. [Present Position]
<b>2009.03:</b> Deputy Superintendent General of Tokyo Metropolitan Police Department	

**The reasons for nominating him as a candidate for External Audit & Supervisory Board Member**  
Mr. Tateshi Higuchi has a wealth of experience and broad range of insight relating to police administration. Considering his achievements so far, as we have judged that he is a suitable person to strengthen audit and supervision by Audit & Supervisory Board of the Company, we nominate him as a new candidate for External Audit & Supervisory Board Member.



## 3 Seishi Tashiro

New  
Candidate

External  
Member

Independent  
Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Audit & Supervisory Board Member
May 18, 1955 (Age 65)	0	—
Attendance at the Board	Attendance at the Audit and Supervisory Board	
—	—	

History and Post of the Candidate	
<b>1979.04:</b> Joined Board of Audit of Japan	<b>2015.04:</b> Deputy Secretary General, Board of Audit of Japan
<b>2011.07:</b> Deputy Director General, Secretariat, General Executive Bureau, Board of Audit of Japan	<b>2016.04:</b> Secretary General, Board of Audit of Japan
<b>2013.03:</b> Director General, 4th Bureau, Board of Audit Japan	<b>2017.10:</b> Advisor of Chiba Institute of Technology [Present Position]
<b>2014.04:</b> Director General, 1st Bureau, Board of Audit Japan	<b>2019.10:</b> Special Professor of Chiba Institute of Technology [Present Position]

**The reasons for nominating him as a candidate for External Audit & Supervisory Board Member**  
Mr. Seishi Tashiro has a wealth of experience and broad range of insight at Board of Audit of Japan, and plenty knowledge regarding finance and accounting. Considering his achievements so far, as we have judged that he is a suitable person to strengthen audit and supervision by Audit & Supervisory Board of the Company, we nominate him as a new candidate for External Audit & Supervisory Board Member.



# 4 Keiko Ohara

New  
Candidate

External  
Member

Independent  
Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Audit & Supervisory Board Member
October 18, 1959 (Age 60)	0	—
Attendance at the Board	Attendance at the Audit and Supervisory Board	
—	—	

**Important Concurrent Position**  
Partner, Kamiyacho International Law Office  
Director, Member of the board (Independent) of Financial Products Group Co., Ltd.  
Outside Director of FUJI KYUKO CO., LTD.

## History and Post of the Candidate

<b>1988.04:</b> Registered as a lawyer (Dai-Ichi Tokyo Bar Association) Joined Komatsu Sogo Law Firm (currently Komatsu & Koma Law Firm)	<b>2017.03:</b> Auditor, Save the Children Japan [Present Position]
<b>1992.09:</b> Joined New York Office of Weil, Gotshal & Manges LLP.	<b>2017.06:</b> Chair of Committee on Foreign Lawyers and International Legal Practice of Japan Federation of Bar Associations [Present Position]
<b>1993.08:</b> Registered as a lawyer (State of New York)	<b>2018.12:</b> Director, Member of the board (Independent) of Financial Products Group Co., Ltd. [Present Position]
<b>1993.10:</b> Returned to Komatsu & Koma Law Firm	<b>2019.06:</b> Outside Director of FUJI KYUKO CO., LTD. [Present Position]
<b>2000.02:</b> Founding Partner, Kamiyacho International Law Office [Present Position]	

## The reasons for nominating her as a candidate for External Audit & Supervisory Board Member

Ms. Keiko Ohara has professional and advanced knowledge, a plenty of international experience and broad range of insight as a lawyer. Considering her achievements so far, as we have judged that she is a suitable person to strengthen audit and supervision by Audit & Supervisory Board of the Company, we nominate her as a new candidate for External Audit & Supervisory Board Member.

### Notes:

1. The age of each candidates shown is as of the date of this General Meeting of Shareholders.
2. There is no conflict of interests between the Company and the candidates.
3. Messrs. Yasuhiro Sato, Tateshi Higuchi and Seishi Tashiro, and Ms. Keiko Ohara are the candidates for External Audit & Supervisory Board Members.
4. In order for Audit & Supervisory Board Members to fulfill their expected roles, the Articles of Incorporation provides that the Company may enter into contracts with Audit & Supervisory Board Members to limit their maximum liability for damages to the Company within a certain range. According to this provision, the Company will enter into the contract for limiting their liability with Messrs. Yasuhiro Sato, Tateshi Higuchi and Seishi Tashiro, and Ms. Keiko Ohara when they are elected as Audit & Supervisory Board Members at this General Meeting of Shareholders.  
The gist of the contract is as follows.  
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 Article 425 of the Companies Act, provided that the Audit & Supervisory Board Member has performed his duties in good faith and without gross negligence.
5. Messrs. Yasuhiro Sato, Tateshi Higuchi and Seishi Tashiro, and Ms. Keiko Ohara meet the “Criteria of Independency” prescribed by the Company (refer to page 18). In addition, when Messrs. Yasuhiro Sato, Tateshi Higuchi and Seishi Tashiro, and Ms. Keiko Ohara are elected as Audit & Supervisory Board Members at this General Meeting of Shareholders, they will be registered as an independent officer as they meet the criteria of independency prescribed by 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 of a main business partner (refer to Note 1 below) (hereinafter an “Executive Officer/Employee”);
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 “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 independence 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 by the Company 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.

## **Items No.4 Introduction of a Performance-Based Stock Compensation Plan for Members of the Board**

### **1. Reasons for the Introduction of a Performance-Based Stock Compensation Plan**

With regard to this Item No.4 (hereinafter referred to as this “Item”), the Company requests an approval for introducing a new performance-based compensation plan (Board Benefit Trust, or BBT) (hereinafter referred to as the “Plan”) for Members of the Board (excluding External Members of the Board; the same applies throughout in this Item unless otherwise specified).

The purpose of the Plan is to further clarify the linkage between compensation for Members of the Board, and the Company’s business performance and stock value as well as to encourage Members of the Board to contribute to mid- to long-term improvement in corporate performance and enhancement of corporate value by sharing not only the merit from the increased stock price but also the risk of the decreased stock price with the shareholders.

In this Item, the Company asks for approval on the compensation amount to provide new stock compensation to Members of the Board separately from the amount of the remuneration for Members of the Board (maximum amount is 70 million yen per month) that was approved at the 146th General Meeting of Shareholders held on June 27, 2006. The Company requests shareholders to leave the details of the Plan to the resolution of the Board, which will operate within the limitations described in **2. Details of the Plan** below.

If Item No. 2: Election of Twelve (12) Members of the Board is passed and approved as proposed herein, the number of Members of the Board who falls under the Plan will be eight (8).

### **2. Details of the Plan**

#### **(1) Outline of the Plan**

The Plan is a performance-based stock compensation plan under which money contributed by the Company will be used as the funds to acquire the common stock of the Company (hereinafter referred to as the “Company’s Share”) through a trust (hereinafter the trust to be set up under the Plan is referred to as the “Trust”), and the Company’s Share and the cash equivalent to the market price of the Company’s Share (hereinafter referred to as the “Company’s Share, etc.”) will be provided through the Trust to Members of the Board in accordance with the regulation for provision of share to Members of the Board to be established by the Company. In principle, Members of the Board will receive the Company’s Share, etc. upon their retirement.

#### **(2) Members subject to the Plan**

Members of the Board (excluding External Members of the Board)

#### **(3) Period of the Trust**

From September 2020 (tentative) until the Trust ends. (Regarding the period of the Trust, a specific end date will not be fixed, and the Trust will continue as long as the Plan continues. The Plan will terminate if the Company’s Share is delisted, the regulation for provision of shares to Members of the Board is abolished, or similar grounds arise.)

**(4) Amount of the Trust (Amount of Compensation, etc.)**

On the condition that this Item is approved, the Company will introduce the Plan targeting four fiscal years from the fiscal year ending March 31, 2021 until the fiscal year ending March 31, 2024 (hereinafter this period of four fiscal years is referred to as the “Initial Plan Period”) and each subsequent period of three fiscal years that will commence every three years after expiry of the Initial Plan Period (hereinafter referred to as the “Subsequent Plan Period”) (The “Initial Plan Period” and the “Subsequent Plan Period” are also referred to as the “Plan Period” respectively). Then, the Company will contribute the amount of money described below to the Trust as the funds for acquiring the Company’s Share by the Trust to provide the Company’s Share, etc. to Members of the Board.

The upper limit that the Company can contribute to the Trust for each Plan Period shall be the amount calculated by multiplying 100 million yen by the number of fiscal years in the relevant Plan Period. Therefore, at the time of establishment of the Trust (scheduled for September 2020), the Company will contribute to the Trust an amount of funds up to the limit of 400 million yen as the necessary funds corresponding to the Initial Plan Period. This limit has been determined by considering factors, including the current level of remuneration of Members of the Board as well as the trend in and outlook for the number of Members of the Board in a comprehensive manner, and the Company has judged it appropriate.

Furthermore, after expiry of the Initial Plan Period, the Company will additionally contribute to the Trust an amount of funds up to the limit of 300 million yen in principle for each Plan Period until the Plan ends. However, in the case where such additional contribution is made, if the Company’s Share (excluding the Company’s Share equivalent to the number of points that have been granted to Members of the Board in relation to any preceding Plan Period and that have yet to be provided to Members of the Board) and money (hereinafter referred to collectively as the “Remaining Shares, etc.”) remain in the Trust assets, the sum total of the value of the Remaining Shares, etc. (the book value of the Company’s Share on the last day of the previous Plan Period) and the additionally contributed money shall not exceed 300 million yen.

When the Company determines additional contributions, the Company will promptly disclose such determination.

**(5) Acquisition Method of the Company’s Share and the Number of Shares to Be Acquired**

The Trust shall acquire the Company’s Share through the stock market or by underwriting the disposition of the Company’s treasury stock, using the funds contributed in accordance with (4) above.

During the Initial Plan Period, the Trust shall acquire no more than 140,000 shares without delay after the establishment of the Trust.

The Company will disclose the details of the acquisition of the Company’s Share by the Trust promptly after the details are determined.



#### **(6) Calculation Method for the Number of the Company's Share, etc. to Be Provided to Members of the Board**

For each fiscal year, the Company will provide Members of the Board with points, the number of which shall be determined in light of factors such as their rank and level of performance in accordance with the regulation for provision of shares to Members of the Board. The upper limit on the total number of points to be granted to Members of the Board per fiscal year shall be 35,000 points. This has been determined by considering factors, including the current level of remuneration of Members of the Board as well as the trend in and outlook for the number of Members of the Board in a comprehensive manner, and the Company has judged it appropriate.

When providing the Company's Share, etc., as described in (7) below, points granted to Members of the Board shall be converted at a ratio of one share of the Company's Share per point. (Provided, however, that in the event of a share split, an allotment of share without contribution, a share consolidation, or similar event after approval of this Item, the upper limit on the number of points and the number of points already granted, or the conversion ratio shall be reasonably adjusted in proportion to the relevant ratio.)

In principle, the number of points for Members of the Board, which serves as the basis for the provision of the Company's Share as described in (7) below, shall be the number of points granted to the relevant Members of the Board by the time of their retirement (hereinafter the points calculated in this way are referred to as the "Defined Number of Points").

#### **(7) Provision of the Company's Share, etc.**

When a Member of the Board retires and satisfies the requirements for the beneficiary set out in the regulation for provision of shares to Members of the Board, the said Member of the Board will receive the number of the Company's Share from the Trust in accordance with the Defined Number of Points determined as described in (6) above after his/her retirement in principle by implementing the prescribed procedure for determining beneficiaries. Provided, however, that if the Member of the Board meets the requirements stipulated in the regulations for provision of shares to the Members of the Board, he/she may receive monetary provisions equivalent to the market price of the Company's Share instead of the Company's Share for a certain proportion of the points. The Trust may sell the Company's Share in order to provide such monetary provisions.

#### **(8) Exercise of Voting Rights**

In accordance with the trust administrator's instructions, none of the voting rights concerning the Company's Share held in the Trust's account shall be exercised. By this way, the Company intends to ensure neutrality in the Company's management with respect to the exercise of voting rights of the Company's Share held in the Trust's account.



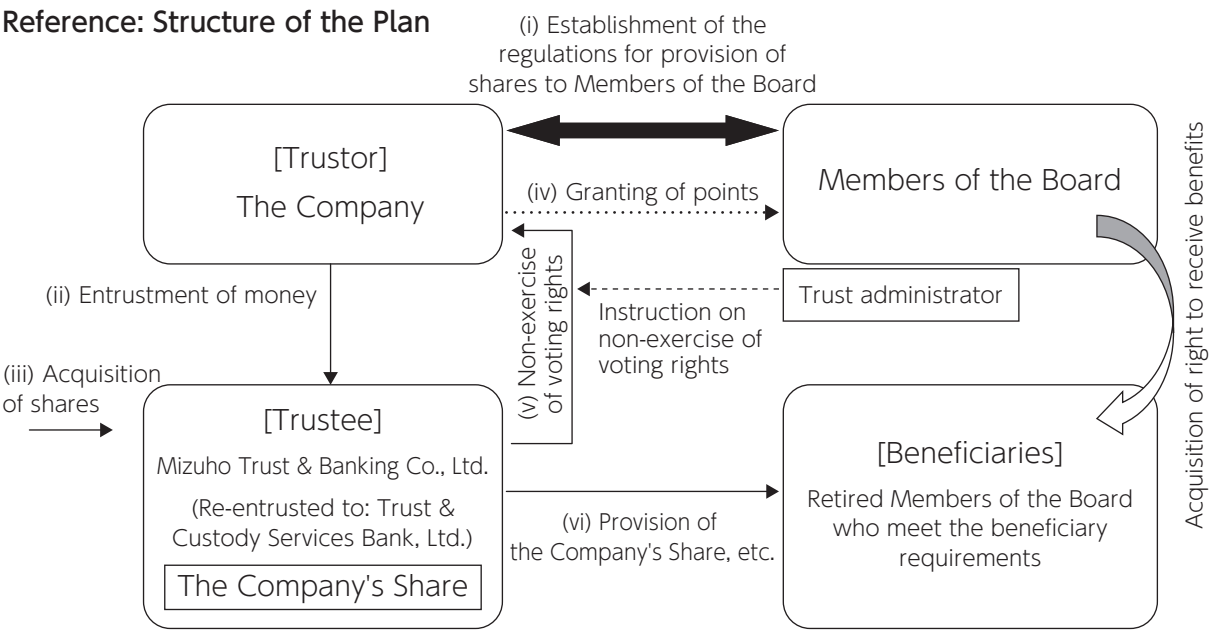
**(9) Treatment of Dividends**

The Trust will receive dividends from the Company’s Share held in the Trust’s account and will use them for payment to acquire the Company’s Share and for trust fees for the Trust’s trustee, and the like. In addition, in the case where the Trust is terminated, the dividends, etc., remaining in the Trust will be provided to the incumbent Members of the Board at that time, in proportion to the number of points held by each, in accordance with the regulations for provision of shares to Members of the Board.

**(10) Treatment upon Termination of the Trust**

The Trust will be terminated for reasons such as the delisting of the Company’s Share or the abolition of the regulations for provision of shares to the Members of the Board. Upon termination of the Trust, the Company plans to acquire all the Company’s Share included in the remaining assets of the Trust without any charge and cancel such shares based on the resolution of the Board. As for the cash included in the remaining assets of the Trust upon termination of the Trust, the balance after deducting the cash provided to Members of the Board in accordance with (9) above will be provided to the Company.

Reference: Structure of the Plan



- (i) The Company will establish the regulations for provision of shares to Members of the Board within the limitations approved under this Item.
- (ii) The Company will entrust the money within the limit approved under this Item.
- (iii) The Trust acquires the Company's Share through the stock market or by underwriting the disposition of the Company's treasury stock using the money entrusted in (ii) as funds.
- (iv) The Company grants points to Members of the Board in accordance with the regulations for provision of shares to Members of the Board.
- (v) In accordance with the instructions of the trust administrator, who is independent from the Company, the Trust shall not exercise voting rights related to the Company's Share in the Trust account.
- (vi) The Trust will provide the Company's Share based on the number of points granted to retired Members of the Board who meet the requirements of beneficiary stipulated in the regulations for provision of shares to Members of the Board. Provided, however, that if Members of the Board meet the requirements stipulated in the regulations for provision of shares to the Members of the Board, the said Members of the Board will receive an amount of money equivalent to the market price of the Company's Share for a certain percentage of the points granted to them.

1 Current State of the Company and its Affiliated Companies

(1) Progress and Results of Operations

With regard to the Japanese economy, weakness can be seen particularly in the manufacturing sector, due to the prolonged trade issues in the world economy. Furthermore, as a result of pandemic of COVID-19 infection, personal consumption and corporate earnings have rapidly worsened.

In the construction industry, public investment remains stable and private capital investment has gradually increased, however the spread of COVID-19 infection have started to affect the industry.

Under these circumstances, the Company and its affiliated companies (collectively, the “Taisei Group”) reported consolidated results of its operations as follows: orders received of ¥1,680.0 billion, almost equal to the previous fiscal year, net sales of ¥1,751.3 billion, a 6.1% increase, recurring income of ¥173.3 billion, a 9.8% increase, and net income attributable to owners of parent (the Company’s shareholders) for the year of ¥122.0 billion, an 8.5% increase compared to the previous fiscal year.

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



(CIVIL ENGINEERING BUSINESS)

New orders for the Taisei Group during the current term were worth ¥434.9 billion, a 5.8% increase compared to the previous fiscal year, as there was decrease in new orders received by the Company.

New orders for the Company were worth ¥301.7 billion, an 11.0% increase. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 45.9%, 52.9% and 1.2%, respectively, and the percentage of orders received without competitive bidding out of the total was 34.0%. Net sales for the Taisei Group were ¥459.1 billion, a 4.6% increase compared to the previous fiscal year.

Net sales for the Company were ¥321.3 billion, almost equal to the previous fiscal year.

The Taisei Group	Orders received	434.9 Billion Yen	5.8% ↑ (compared to the previous FY)
	Net sales	459.1 Billion Yen	4.6% ↑ (compared to the previous FY)
The Company	Orders received	301.7 Billion Yen	11.0% ↑ (compared to the previous FY)
	Net sales	321.3 Billion Yen	0.7% ↑ (compared to the previous FY)

(BUILDING CONSTRUCTION BUSINESS)

New orders for the Taisei Group during the current term were worth ¥1,117.9 billion, a 2.7% decrease compared to the previous fiscal year, as there was increase in new orders received by the Company and its consolidated subsidiaries. New orders for the Company were worth ¥1,012.4 billion, a 2.0% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 12.1%, 74.0% and 13.9%, respectively, and the percentage of orders received without competitive bidding out of the total was 50.5%.

Net sales for the Taisei Group were ¥1,168.4 billion, a 7.4% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company and its consolidated subsidiaries.

Net sales for the Company were ¥1,065.6 billion, a 7.9% increase compared to the previous fiscal year.

The major construction projects the Company accepted new orders for or completed in its civil engineering and building construction business divisions during the current term are as stipulated from page 27 to page 30.

The Taisei Group	Orders received	1,117.9 Billion Yen	2.7% ↓ (compared to the previous FY)
	Net sales	1,168.4 Billion Yen	7.4% ↑ (compared to the previous FY)
The Company	Orders received	1,012.4 Billion Yen	2.0% ↓ (compared to the previous FY)
	Net sales	1,065.6 Billion Yen	7.9% ↑ (compared to the previous FY)

(REAL ESTATE DEVELOPMENT BUSINESS)

As for the real estate industry, the sales prices in the condominium market remain high and the clients are more likely to choose properties in midtown areas and convenient areas close to stations. The building leasing market remains steady as the rent in midtown areas continued to rise moderately. Net sales of the Taisei Group in the real estate segment were ¥112.4 billion, a 2.1% decrease compared to the previous fiscal year, because a decrease in net sales was observed in the consolidated subsidiaries.

(OTHER BUSINESSES)

The Taisei Group recorded net sales in this segment of ¥11.3 billion, a 22.8% increase compared to the previous fiscal year due to the increase in the revenues of the 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, 2019)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	708.8	434.9	459.1	684.7
BUILDING CONSTRUCTION	1,730.9	1,117.9	1,168.4	1,680.3
REAL ESTATE DEVELOPMENT BUSINESS	10.3	115.8	112.4	13.7
OTHER BUSINESSES	—	11.3	11.3	—
TOTAL:	2,450.2	1,680.0	1,751.3	2,378.9

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, 2019)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	639.1	301.7	321.3	619.4
BUILDING CONSTRUCTION	1,641.8	1,012.4	1,065.6	1,588.6
SUB TOTAL:	2,280.9	1,314.1	1,387.0	2,208.0
REAL ESTATE DEVELOPMENT BUSINESS	10.1	16.2	13.2	13.1
OTHER BUSINESSES	—	9.2	9.2	—
TOTAL:	2,291.1	1,339.6	1,409.5	2,221.2

Major new orders received during FY ended March 2020:



▲ Package 'A' - Passenger Terminal Building and Associated Works on Bandaranaike International Airport Development Project Phase II Stage 2  
(Democratic Socialist Republic of Sri Lanka)  
Owner:  
Airport and Aviation Services (Sri Lanka) Ltd.



▲ Mitsui Shopping Park LaLaport TAICHUNG (tentative name) Project  
(Taiwan)  
Owner:  
SAN ZHONG EAST DIST LALAPORT CO., LTD.

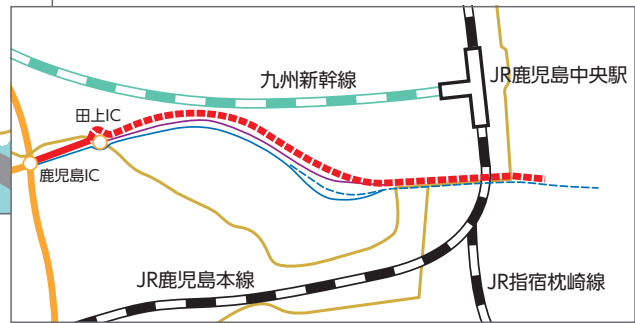


▲ Large-scale renovation work of Funabashi Race Track  
(Funabashi-shi, Chiba)  
Owner:  
Yomiuri Land Co.,Ltd.





◀ Construction work for restoration of The Tozaidouro Shield Tunnel outbound line route 3 (Kagoshima-shi, Kagoshima)  
Owner:  
Ministry of Land, Infrastructure, Transport and Tourism Kyushu Regional Development Bureau



Onikoube Solar Power Plant new construction PV civil engineering work (Osaki-shi, Miyagi)  
Owner:  
Toshiba Energy Systems & Solutions Corporation

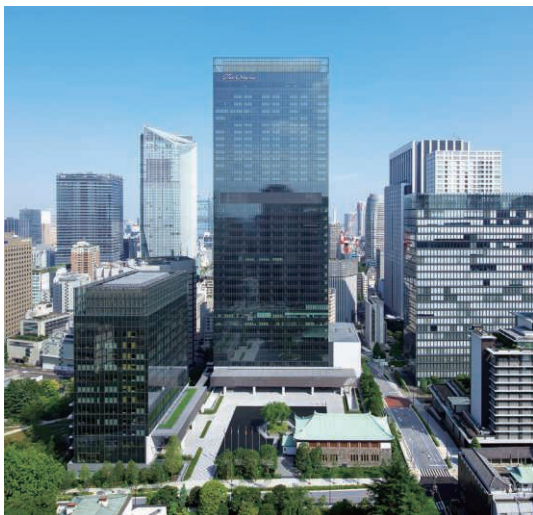




Major projects completed during FY ended March 2020:



▲ New National Stadium Development Project  
(2nd Period)  
(Shinjuku-ku and Shibuya-ku, Tokyo)  
Owner:  
Japan Sport Council



▲ (Tentative Name) Toranomom 2-10 Project  
(Minato-ku, Tokyo)  
Owner:  
Hotel Okura Co.,Ltd.



▲ Toyosu 2nd District 2-1 Project  
(Towers A and C)  
(Koto-ku, Tokyo)  
Owner:  
Mitsui Fudosan Co.,Ltd

Construction work of  
Tokyo Outer Ring Road  
(Tajiri Section)  
(Ichikawa-shi, Chiba)  
Owner:  
East Nippon Expressway  
Company Limited



◀ The Shield Tunnel on the  
Yokohama Circular  
Northwestern Route  
(Kohoku Bound)  
(Yokohama-shi, Kanagawa)  
Owner:  
Metropolitan Expressway  
Company Limited

(2) Investments in Plant and Equipment

The Taisei Group’s investment of plant and equipment during FY ended March 2020 was 20.6 billion yen in total. The major investment was acquisition of leasing buildings in relation to real estate development.

(3) Issues to Be Dealt with

The business environment of the Taisei Group continued to be favorable by the booming construction market due to recovery from the Great East Japan Earthquake, an increase in the number of inbound foreign tourists and Tokyo’s successful bid for the Olympics and Paralympics.

However, the spread of COVID-19 infection has caused unprecedented uncertainty for the future. In addition, global and domestic demand has been rapidly decreasing due to the supply chain disruption and the social distancing policies in which close contact with people should be avoided. As a result, the Taisei Group’s business environment becomes very harsh.

Under such circumstances, we are implementing three-year Medium-Term Business Plan (2018-2020) ending this fiscal year 2020, however we expect that the business outlook for fiscal year 2020 will be below our numerical management targets of fiscal year 2020 due to significant change of the business environment such as the spread of COVID-19 infection.

Our numerical management targets (consolidated) upon the final fiscal year (FY 2020) of Medium-Term Business Plan (2018-2020)

	Final fiscal year (FY 2020) of Medium-Term Business Plan (2018-2020)		
	Target	Business Outlook	Difference
Net sales	1,870 billion yen	1,450 billion yen	-420 billion yen
Operating income	187 billion yen	81 billion yen	-106 billion yen
Net income	130 billion yen	56 billion yen	-74 billion yen
ROE	12 % or more	About 7 %	—
Dividend payout ratio	About 25%	48.5%	—
Interest-bearing debt	Less than 300 billion yen	Less than 230 billion yen	—
Net interest-bearing debt	Maintaining permanent state of substantive debt-free management	—	—
Capital-to-asset ratio	40% or more	—	—



Building the foundation for growth centering the construction business at our core

- To drive the sustainable growth of our overseas business and promote the conversion to a corporate structure that functions effectively in overseas markets
- To create higher added value and to expand revenue opportunities for construction and related business
- To take the unified initiative in addressing “Work Style Reform” and “Advancing Productivity”
- To obtain higher customer satisfaction by ensuring safety and quality

Management Goals

- 1

**Sustainable growth of overseas business**

We will drive the sustainable growth of our overseas business and promote the conversion to a corporate structure that functions effectively in overseas markets.
- 2

**Strategic investment of management resources in the focused fields**

With our focus on medium and long term market conditions from 2020 and onwards, we will invest management resources (human resources and capital) to the focused fields and differentiated technologies in order for the Taisei Group to achieve higher added value and expand revenue opportunities.
- 3

**Reformation of the construction productivity system (advancing productivity): “TAISEI i-Innovation”**

We will interpret the present brisk construction market environment as an opportunity, and conquer busyness and improve productivity by reforming the construction productivity system through technology development, enhanced operational efficiency and strengthened collaboration with our subcontractors and suppliers.
- 4

**Creation of an attractive work environment (work style reform): “TAISEI Lively Plan”**

As one of the leading companies in the industry, we aim to lead in work style reform by creating an attractive work environment where all officers and employees of the Taisei Group and all workers engaged in the construction industry work in a lively setting, inspiring future workers in the industry.
- 5

**Pursuit of safety and quality: TAISEI QUALITY**

We will reaffirm our understanding of the importance of “safety” and “quality”, which are the basic cornerstones of the construction industry. We will maintain the highest standards of safety and quality even during peak periods.
- 6

**Reinforcement of management infrastructure**

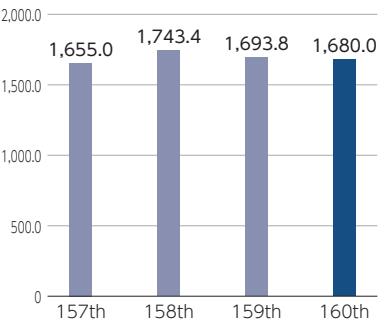
We will drive forward with advancing our management infrastructure to meet the demand of society and of the times, and gain trust and high evaluation from all stakeholders.

(4) Transition of Assets and Income

(Transition of Assets and Income of the Taisei Group)

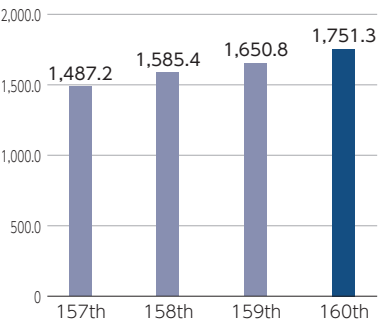
New Orders Received

(Unit: ¥Billion)



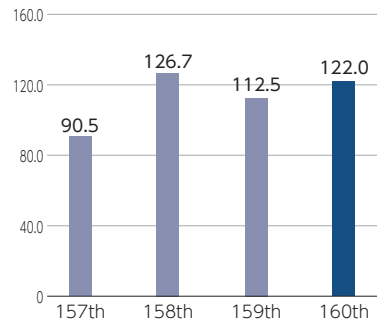
Net Sales

(Unit: ¥Billion)



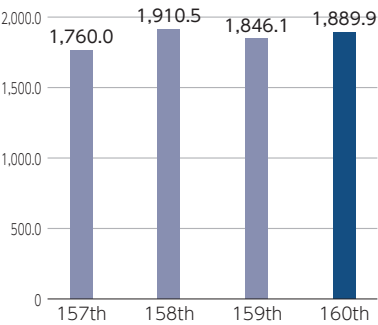
Net Income or (Loss)  
Attributable to Owners of Parent

(Unit: ¥Billion)



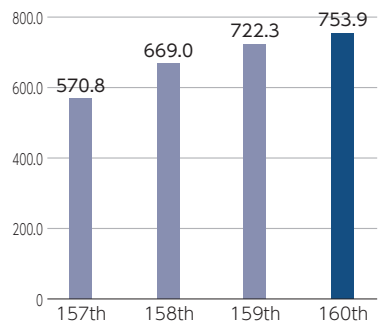
Total Assets

(Unit: ¥Billion)



Total Net Assets

(Unit: ¥Billion)



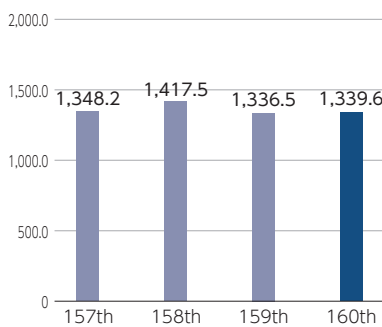
(Unit: ¥ Billion)	FY Ended March 2017	FY Ended March 2018	FY Ended March 2019	FY Ended March 2020 (Current FY)
New Orders Received	1,655.0	1,743.4	1,693.8	1,680.0
Net Sales	1,487.2	1,585.4	1,650.8	1,751.3
Net Income or (Loss) Attributable to Owners of Parent	90.5	126.7	112.5	122.0
Net Income or (Loss) per Share (*Unit: Yen)	78.57	*561.36	511.90	573.14
Total Assets	1,760.0	1,910.5	1,846.1	1,889.9
Total Net Assets	570.8	669.0	722.3	753.9

\*Note: We consolidated five shares of our stock into one share on October 1, 2017. Therefore, we calculated Net Income or (Loss) per Share of the FY ended March 2018 as if the share consolidation was taken place at the beginning of the FY ended March 2018.

## (Transition of Assets and Income of the Company)

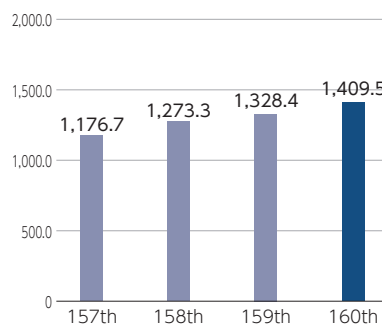
### New Orders Received

(Unit: ¥Billion)



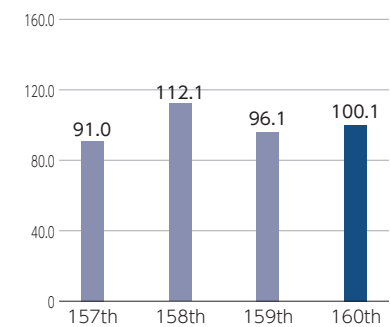
### Net Sales

(Unit: ¥Billion)



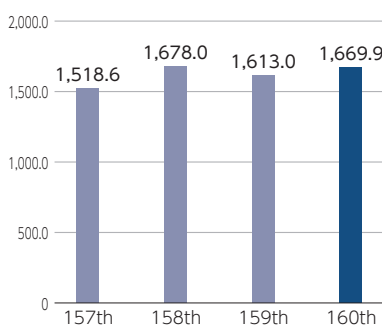
### Net Income or (Loss)

(Unit: ¥Billion)



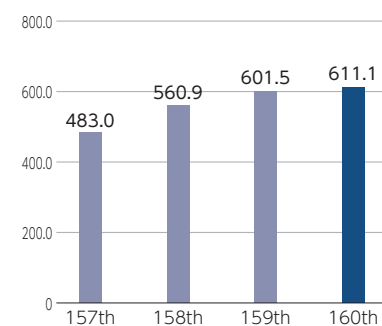
### Total Assets

(Unit: ¥Billion)



### Total Net Assets

(Unit: ¥Billion)



(Unit: ¥ Billion)	FY Ended March 2017	FY Ended March 2018	FY Ended March 2019	FY Ended March 2020 (Current FY)
New Orders Received	1,348.2	1,417.5	1,336.5	1,339.6
Net Sales	1,176.7	1,273.3	1,328.4	1,409.5
Net Income or (Loss)	91.0	112.1	96.1	100.1
Net Income or (Loss) per Share (*Unit: Yen)	79.03	*496.44	437.01	470.37
Total Assets	1,518.6	1,678.0	1,613.0	1,669.9
Total Net Assets	483.0	560.9	601.5	611.1

\*Note: We consolidated five shares of our stock into one share on October 1, 2017. Therefore, we calculated Net Income or (Loss) per Share of the FY ended March 2018 as if the share consolidation was taken place at the beginning of the FY ended March 2018.

(5) 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-28) No. 300) under the Construction Business Act, and as a Licensed Real-Estate Transaction Agent (license (14) 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.

(6) 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



## (7) 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(Gurgaon)  
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.(Shinagawa-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 Pulauantan Construction International(Indonesia)  
Taisei Myanmar Co., Ltd.(Myanmar)

(8) 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	4,161 [759]	53 [7]
BUILDING CONSTRUCTION BUSINESS	8,163 [1,300]	40 [112]
REAL ESTATE DEVELOPMENT BUSINESS	2,074 [1,708]	18 [38]
OTHER BUSINESSES	164 [49]	18 [10]
TOTAL:	14,562 [3,816]	129 [167]

Note:  
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		
8,507	17	43.0	18.3

Notes:  
1. The “Number of Employees” includes the workers.  
2. The number of employees which includes the employees on loan working in other companies and excludes the workers on loan from other companies is 8,554.

(9) Major Companies Providing Loans to the Taisei Group

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	60.7
Mizuho Trust & Banking Co., Ltd.	13.4
MUFG Bank, Ltd.	11.9
Risona Bank, Limited.	11.7
The Norinchukin Bank	8.0

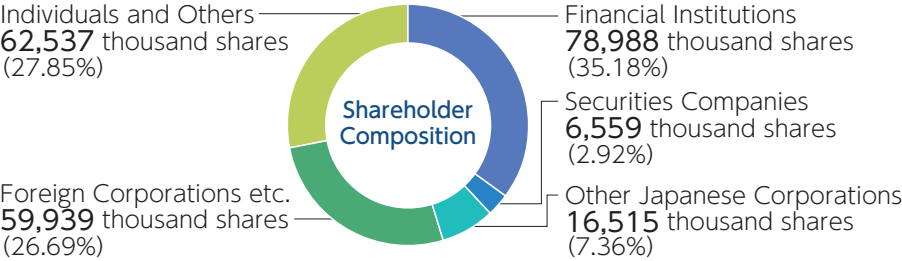
2 Matters Concerning the Shares of the Company

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

(2) Number of Shares Issued: 224,541,172-

Number of shares issued includes the Company’s own shares, number of which are 13,230,679-.

(3) Number of Shareholders: 72,226-



(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)	18,053	8.54
Japan Trustee Services Bank, Ltd. (Trust Account)	14,753	6.98
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	7,857	3.72
Japan Trustee Services Bank, Ltd. (Trust Account No.7)	5,368	2.54
Taisei Associates’ Shareholding Plan	5,319	2.52
Japan Trustee Services Bank, Ltd. (Trust Account No.9)	4,704	2.23
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	4,262	2.02
Taisei Employees’ Shareholding Plan	3,563	1.69
JPMorgan Chase Bank, N.A., 385151	3,519	1.67
State Street Bank West Client-Treaty 505234	3,083	1.46

Note: The Company’s own shares (13,230,679-) are excluded in calculating the Ratio of Shares Held.

(5) Other Important Matters Concerning the Shares

We acquired 6,808,000 shares (number of shares before consolidation) of our common stock based on a resolution made at the board meeting held on May 10, 2019.

### 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 (Representative Director)	Vice Chairman of KEIDANREN (Japan Business Federation) Chairman of Japan Federation of Construction Contractors External Director of the Building & Housing Center of Japan External Director of Royal Park Hotel Co., Ltd. External Director of Nippon Venture Capital Co., Ltd.
Yoshiyuki Murata	President and Chief Executive Officer Chairman of the Board (Representative Director)	
Shigeyuki Sakurai	Member of the Board (Representative Director) <i>Chief of Business Administration Division</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 <i>Deputy Chief of Marketing &amp; Sales Division (Integrated), Supervising Marketing &amp; Sales (Building Construction) Divisions</i>	
Hiroshi Shirakawa	Member of the Board <i>Chief of Marketing &amp; Sales (Building Construction) Division II</i>	
Yoshiro Aikawa	Member of the Board <i>Chief of Architecture &amp; Engineering Division (Integrated); Chief of Building Construction Division</i>	Director of Construction-ec.com Co., Ltd
Hiroshi Kimura	Member of the Board <i>Deputy Chief of Marketing &amp; Sales Division (Integrated), Supervising Marketing &amp; Sales (Civil Engineering) Division; Chief of Marketing &amp; Sales (Civil Engineering) Division</i>	
Atsuko Nishimura	Member of the Board <div>External MemberIndependent Officer</div>	Outside Director of INPEX CORPORATION
Takao Murakami	Member of the Board <div>External MemberIndependent Officer</div>	External Member of the Board of Television Hokkaido Broad Casting Co., Ltd. External Auditor of FUJIO FOOD SYSTEM Co., Ltd.
Norio Otsuka	Member of the Board <div>External MemberIndependent Officer</div>	Outside Director of Idemitsu Kosan Co., Ltd. Outside Director of Sojitz Corporation
Fumiya Kokubu	Member of the Board <div>External MemberIndependent Officer</div>	Chairman of the Board of Marubeni Corporation
Takashi Hayashi	Audit & Supervisory Board Member (full-time)	
Akihiko Noma	Audit & Supervisory Board Member (full-time)	
Shigeru Morichi	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	Director of Policy Research Center of National Graduate Institute for Policy Studies
Kiwamu Miyakoshi	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	Director (Audit and Supervisory Committee Member) of LIXIL VIVA CORPORATION
Kunitoshi Saito	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	

Notes:

1. Mr. Terunobu Maeda resigned External Audit & Supervisory Board Member on December 31, 2019. He concurrently has positions as Chairperson of the Medium and Small Business Research Institute; Chairperson of Japan Economic Research Institute; Chairman of Japan Association of Retired Industrial Persons; Outside Audit & Supervisory Board Member of the Higo Bank, Ltd.; and, External Director of Yasuda Logistics Corporation.
2. Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu are External Members of the Board. Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and Fumiya Kokubu meet the requirements of impartiality prescribed by Tokyo Stock Exchange and are registered as independent officers according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
3. Messrs. Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito are External Audit & Supervisory Board Members. Messrs. Terunobu Maeda, Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito meet the requirements of impartiality prescribed by Tokyo Stock Exchange and are registered as independent officers according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
4. Mr. Terunobu Maeda has been engaged in banking and management for over the years and has considerable knowledge and insight about finance and accounting.
5. Mr. Kunitoshi Saito 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.
6. During FY 2019, 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	External Director of Nippon Venture Capital Co., Ltd	Newly appointed to post	June 14, 2019
Member of the Board	Norihiko Yaguchi	Director of Construction-ec.com Co., Ltd	Leaving of post	June 12, 2019
Member of the Board	Yoshiro Aikawa	Director of Construction-ec.com Co., Ltd	Newly appointed to post	June 12, 2019

## (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 gist of the contracts to limit the liability that the Company has entered into with Ms. Atsuko Nishimura and Messrs. Takao Murakami, Norio Otsuka and 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) Amounts of Remuneration and Others Paid to Members of the Board and Audit & Supervisory Board Member

(Unit: ¥ Million)

Category	Total		External Members of the Board and External Audit & Supervisory Board Member	
	Number of Payees	Amount Paid	Number of Payees	Amount Paid
Member of the Board	17	741	6	58
Audit & Supervisory Board Member	8	119	4	54
Total	25	860	10	112

Notes:

- 1. Maximum amount of remunerations for Members of the Board in total is ¥70 million per month as resolved at 146th General Meeting of Shareholders held on June 27, 2006.
- 2. Maximum amount of remunerations for Audit & Supervisory Board Member in total is ¥12 million per month as resolved at 134th General Meeting of Shareholders held on June 29, 1994.
- 3. Amount of remunerations above includes the amount of remuneration of an External Audit & Supervisory Board Member who resigned on December 31, 2019.

(4) 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 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	Since she assumed the position of an External Member of the Board in the 157th General Meeting of Shareholders held on June 29, 2017, she attended all the board meetings held during the current fiscal year. Based on her abundant international sense obtained from her experience as a diplomat and from her neutral position and view as an external member of the board, she offered useful opinions to the Company’s management in order to establish an internal control system and strengthen corporate governance and a compliance system.
Member of the Board	Takao Murakami	Since he assumed the position of an External Member of the Board in the 159th General Meeting of Shareholders held on June 26, 2019, he attended all the board meetings held during the current fiscal year. Based on the deep insights obtained from his experience as a manager in a different industry and from his neutral position and view as an external member of the board, he offered useful opinions to the Company’s management in order to establish an internal control system and strengthen corporate governance and a compliance system.
Member of the Board	Norio Otsuka	Since he assumed the position of an External Member of the Board in the 159th General Meeting of Shareholders held on June 26, 2019, he attended all the board meetings held during the current fiscal year. Based on the deep insights obtained from his experience as a manager in a different industry and from his neutral position and view as an external member of the board, he offered useful opinions to the Company’s management in order to establish an internal control system and strengthen corporate governance and a compliance system.
Member of the Board	Fumiya Kokubu	Since he assumed the position of an External Member of the Board in the 159th General Meeting of Shareholders held on June 26, 2019, he attended 9 out of all 10 board meetings held during the current fiscal year. Based on the deep insights obtained from his experience as a manager in a different industry and from his neutral position and view as an external member of the board, he offered useful opinions to the Company’s management in order to establish an internal control system and strengthen corporate governance and a compliance system.
Audit & Supervisory Board Member	Terunobu Maeda	During his post, he attended all the board meetings and audit & supervisory board meetings held in the current fiscal year. He offered his opinions as and when appropriate based on his broad knowledge of finance and accounting.
Audit & Supervisory Board Member	Shigeru Morichi	He attended all the board meetings and audit & supervisory board meetings held in the current fiscal year. He offered his opinions as and when appropriate based on the deep insights obtained from his experience as a university professor.



Classification	Name	Major activities
Audit & Supervisory Board Member	Kiwamu Miyakoshi	He attended all the board meetings and audit & supervisory board meetings held during the current fiscal year. He offered his opinions as and when appropriate based on the deep insights obtained from his experience as a police officer.
Audit & Supervisory Board Member	Kunitoshi Saito	He attended all the board meetings and audit & supervisory board meetings held during the current fiscal year. He offered his opinions as and when appropriate based on the deep insights obtained from his experience at the Board of Audit of Japan.

(FOR YOUR REFERENCE)

Executive Officers (“Shikko-Yakuin”) as of April 1, 2020

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiyuki Murata
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</i>	Shigeyuki Sakurai
Executive Vice President <i>Supervising Urban Development Division</i>	Katsuyuki Kanai
Executive Vice President <i>Chief of Marketing &amp; Sales Division (Integrated)</i>	Norihiko Yaguchi
Senior Managing Executive Officer <i>In charge of Marketing &amp; Sales (Building Construction), Marketing &amp; Sales Division (Integrated)</i>	Yoshinobu Shigeji
Senior Managing Executive Officer <i>Chief of Marketing &amp; Sales (West Japan) Division</i>	Takao Kanai
Senior Managing Executive Officer <i>Chief of Marketing &amp; Sales (Building Construction) Division II</i>	Hiroshi Shirakawa
Senior Managing Executive Officer <i>Chief of Architecture &amp; Engineering Division (Integrated); Chief of Building Construction Division</i>	Yoshiro Aikawa
Managing Executive Officer <i>In charge of Technology; In charge of Energy &amp; Environment</i>	Kazuhiko Hombu
Managing Executive Officer <i>Chief of Medical &amp; Pharmaceutical Business Division</i>	Yasushi Yoshinari
Managing Executive Officer <i>Chief of Marketing &amp; Sales (Building Construction) Division III</i>	Masaharu Okada
Managing Executive Officer <i>In charge of Marketing &amp; Sales (Building Construction), Marketing &amp; Sales Division (Integrated)</i>	Masao Yoshikawa
Managing Executive Officer <i>Chief of Kansai Branch</i>	Takeshi Kagata
Managing Executive Officer <i>Chief of Corporate Planning Office</i>	Jiro Taniyama
Managing Executive Officer <i>Chief of International Operations Headquarters</i>	Keiji Hirano
Managing Executive Officer <i>Chief of Marketing &amp; Sales (Building Construction) Division I</i>	Hiroshi Tsuchiya
Managing Executive Officer <i>Chief of Procurement Division</i>	Noriaki Kon
Managing Executive Officer <i>Chief of Marketing &amp; Sales Promotion Division</i>	Atsushi Yamamoto
Managing Executive Officer <i>Deputy Chief of Marketing &amp; Sales Division (Integrated), Supervising Marketing &amp; Sales (Civil Engineering) Divisions; Chief of Marketing &amp; Sales (Civil Engineering) Division</i>	Hiroshi Kimura
Managing Executive Officer <i>Chief of Proposal &amp; Solutions Division; In charge of Community Design &amp; IR Development Department; In charge of Olympic and Paralympic Projects</i>	Jo Iwata
Managing Executive Officer <i>Chief of Tokyo Branch</i>	Fumihiko Sudoh
Managing Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Building Construction) Division III</i>	Yuichi Kitaguchi
Managing Executive Officer <i>Deputy Chief of International Operations Headquarters</i>	Yasumitsu Sakurai
Managing Executive Officer <i>Chief of Safety Administration Division</i>	Shun Kitano
Managing Executive Officer <i>In charge of Civil Engineering Projects, Civil Engineering Division</i>	Hiroshi Harada
Managing Executive Officer <i>Chief of Yokohama Branch</i>	Yoshihiro Teramoto
Managing Executive Officer <i>Deputy Chief of Marketing &amp; Sales (West Japan) Division, in charge of Building Construction</i>	Shimpei Oguchi

Title Business in Charge	Name
Managing Executive Officer <i>In charge of Marketing &amp; Sales (Building Construction), Marketing &amp; Sales Division (Integrated)</i>	Taku Yamamoto
Managing Executive Officer <i>Chief of Mechanical &amp; Electrical Division</i>	Atsushi Suzuki
Managing Executive Officer <i>General Manager of International Projects Management Department, Civil Engineering Division</i>	Makoto Ohta
Managing Executive Officer <i>Chief of Kyusyu Branch</i>	Shinji Kawamura
Managing Executive Officer <i>Chief of Tohoku Branch</i>	Iwao Nishioka
Managing Executive Officer <i>In charge of Marketing &amp; Sales (Building Construction), Marketing &amp; Sales Division (Integrated)</i>	Akira Nakaya
Managing Executive Officer <i>Chief of Nagoya Branch</i>	Naohisa Hirata
Executive Officer <i>General Manager of Design Department, Civil Engineering Division</i>	Yasushi Kamezawa
Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Building Construction) Division I</i>	Shinsaburo Sawa
Executive Officer <i>Chief of Hokushinetsu Branch</i>	Masahiko Okada
Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Civil Engineering) Division; In charge of Olympic and Paralympic Projects</i>	Yoshio Abe
Executive Officer <i>Chief of Chugoku Branch</i>	Akira Ejima
Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Civil Engineering) Division</i>	Yoshihiko Ikeuchi
Executive Officer <i>Chief of Taisei Advanced Center of Technology</i>	Ichiro Nagashima
Executive Officer <i>General Manager of Marketing &amp; Business Development Department (Taiwan), International Marketing &amp; Business Development Division</i>	Weiyu Chung
Executive Officer <i>In charge of Marketing &amp; Sales (Building Construction), Marketing &amp; Sales Division (Integrated)</i>	Katsuhiko Kitagawa
Executive Officer <i>Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department</i>	Kenji Shirakawa
Executive Officer <i>Chief of Engineering Division</i>	Shinichiro Takahama
Executive Officer <i>Chief of Kanto Branch</i>	Koichiro Okuhata
Executive Officer <i>Chief of Sapporo Branch</i>	Shinichi Hirajima
Executive Officer <i>Deputy Chief of International Operations Headquarters (Civil Engineering); General Manager of Civil Engineering Department</i>	Toshihiko Aoki
Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Building Construction) Division II</i>	Minoru Hamanaka
Executive Officer <i>In charge of Technology</i>	Yasuji Yamauchi
Executive Officer <i>In charge of Technology</i>	Shigeo Ochi
Executive Officer <i>Chief of Energy Division</i>	Miyoshi Kato
Executive Officer <i>Deputy Chief of Marketing &amp; Sales (Building Construction) Division I</i>	Masaru Kamata
Executive Officer <i>Chief of Nuclear Facilities Division</i>	Yuji Ijiri
Executive Officer <i>Chief of International Marketing &amp; Business Development Division</i>	Tatsuya Sugawara
Executive Officer <i>General Manager of General Affairs Department, Business Administration Division</i>	Junichi Kasahara
Executive Officer <i>Chief of Design Division</i>	Masato Matsumura
Executive Officer <i>Deputy Chief of Tokyo Branch (Civil Engineering); General Manager of Civil Engineering Department</i>	Hiroki Fukasawa

Executive Fellows as of April 1, 2020 are as follows:

Title Business in Charge	Name
Executive Fellow <i>In charge of Information Planning, Corporate Planning Office</i>	Toshihiko Tsuka
Executive Fellow <i>Deputy Chief of Architecture &amp; Engineering Division (Integrated)</i>	Hirotoشي Ikeda
Executive Fellow <i>Deputy Chief of Design Division</i>	Yozo Shinozaki
Executive Fellow <i>Deputy Chief of Taisei Advanced Center of Technology; General Manager of Infrastructure Technology Research Department</i>	Tsuyoshi Maruya
Executive Fellow <i>Deputy Chief of Urban Development Division</i>	Takaharu Yamamura

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 gist 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 2020, 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	¥ 96 million
② The total amount of money and financial benefits to be paid by the Company and its subsidiaries	¥ 198 million

Notes:

- 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.
- 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.
- 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, 2020)

	Millions of Yen		Millions of Yen
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>		<b>Current liabilities:</b>	
Cash and time deposits	482,722	Notes and accounts payable trade	491,569
Notes and accounts receivable trade	615,037	Short-term borrowings	87,934
Cost on uncompleted contracts	54,856	Short-term non-recourse loans payable	15
Cost on development projects in progress	105,487	Straight bonds due within one year	10,000
Other inventories	3,096	Lease obligations	240
Other current assets	37,988	Income taxes payable	31,955
Allowance for doubtful accounts	(166)	Advances received and progress billings on uncompleted contracts	121,645
<b>Total current assets</b>	<b>1,299,022</b>	Deposit received	146,539
<b>Fixed assets:</b>		Allowance for warranties on completed contracts	3,605
<b>Tangible fixed assets:</b>		Allowance for losses on construction contracts	2,269
Buildings and structures	73,257	Other current liabilities	61,662
Machinery, vehicles and equipment	9,885	<b>Total current liabilities</b>	<b>957,437</b>
Land	120,572	<b>Long-term liabilities:</b>	
Construction in progress	684	Straight bonds	30,000
<b>Total tangible fixed assets</b>	<b>204,400</b>	Long-term borrowings	80,038
<b>Intangible fixed assets</b>	<b>14,288</b>	Long-term non-recourse loans payable	158
<b>Investments and other assets:</b>		Lease obligations	410
Investment securities	317,621	Deferred income tax liabilities	240
Net defined benefit asset	13,205	Deferred income tax liabilities for revaluation of land	3,280
Deferred income tax assets	12,746	Retirement benefits for directors and corporate auditors	436
Other fixed assets	30,219	Allowance for environmental measures	1
Allowance for doubtful accounts	(1,510)	Net defined benefit liability	45,044
<b>Total investments and other assets</b>	<b>372,283</b>	Other long-term liabilities	19,030
<b>Total fixed assets</b>	<b>590,972</b>	<b>Total long-term liabilities</b>	<b>178,642</b>
		<b>Total liabilities</b>	<b>1,136,080</b>
			Millions of Yen
		<b>NET ASSETS</b>	
		<b>Shareholders' equity:</b>	
		Common stock	122,742
		Capital surplus	60,198
		Retained earnings	556,304
		Treasury stock	(65,515)
		<b>Total shareholders' equity</b>	<b>673,729</b>
		<b>Accumulated other comprehensive income:</b>	
		Unrealized gains on available-for-sale securities, net of taxes	74,536
		Unrealized losses on hedging derivatives, net of taxes	(43)
		Revaluation reserve for land	1,230
		Foreign currency translation adjustments	(3,164)
		Remeasurements of defined benefit plans	3,869
		<b>Total accumulated other comprehensive income</b>	<b>76,428</b>
		<b>Non-controlling interests</b>	<b>3,757</b>
		<b>Total net assets</b>	<b>753,915</b>
<b>Total assets</b>	<b>1,889,995</b>	<b>Total liabilities and net assets</b>	<b>1,889,995</b>

# CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2020)

	Millions of Yen	
<b>Net sales:</b>		
Construction business	1,612,497	
Development projects	138,832	1,751,330
<b>Cost of Sales:</b>		
Construction business	1,384,184	
Development projects	108,469	1,492,653
Gross profit:		
Construction business	228,313	
Development projects	30,363	258,677
<b>Selling, general and administrative expenses</b>		90,921
<b>Operating income</b>		<b>167,755</b>
<b>Non-operating income:</b>		
Interest and dividends	5,221	
Investment gain on equity method	1,069	
Other non-operating income	890	7,181
<b>Non-operating expenses:</b>		
Interest expenses	1,111	
Taxes and dues	222	
Other non-operating expenses	255	1,589
<b>Ordinary income</b>		<b>173,347</b>
<b>Extraordinary gains:</b>		
Reversal of allowance for losses on Anti-Monopoly Act	3,043	
Other extraordinary gains	1,768	4,811
<b>Extraordinary losses:</b>		3,374
<b>Income before income taxes</b>		<b>174,785</b>
<b>Income taxes:</b>		
Current	51,473	
Deferred	1,127	52,600
<b>Net income</b>		<b>122,184</b>
Net income attributable to non-controlling interests		96
<b>Net income attributable to owners of parent</b>		<b>122,087</b>

# Non-Consolidated Financial Statements

## NON-CONSOLIDATED BALANCE SHEET (March 31, 2020)

	Millions of Yen		Millions of Yen
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>		<b>Current liabilities:</b>	
Cash and time deposits	448,378	Notes payable trade	72,079
Notes receivable trade	15,675	Accounts payable trade	369,754
Accounts receivable trade	513,402	Short-term borrowings	66,678
Real estates for sale	25,391	Straight bonds due within one year	10,000
Cost on uncompleted contracts	51,778	Lease obligations	170
Cost on development projects in progress	10,356	Income taxes payable	29,009
Other current assets	38,617	Advances received and progress billings on uncompleted contracts	110,986
Allowance for doubtful accounts	(121)	Deposits received	226,429
<b>Total current assets</b>	<b>1,103,479</b>	Allowance for warranties on completed contracts	2,761
<b>Fixed assets:</b>		Allowance for losses on construction contracts	2,039
<b>Tangible fixed assets:</b>		Other current liabilities	50,074
Buildings and structures	49,921	<b>Total current liabilities</b>	<b>939,984</b>
Machinery and vehicles	2,413	<b>Long-term liabilities:</b>	
Tools, furniture and fixtures	1,333	Straight bonds	30,000
Land	97,087	Long-term borrowings	56,274
Construction in progress	404	Lease obligations	297
<b>Total tangible fixed assets</b>	<b>151,161</b>	Retirement benefits for employees	24,461
<b>Intangible fixed assets:</b>	<b>10,096</b>	Deferred income tax liabilities	171
<b>Investments and other assets:</b>		Allowance for losses on investments in subsidiaries and affiliates	476
Investment securities	279,472	Other long-term liabilities	7,126
Investments in subsidiaries and affiliates	102,647	<b>Total long-term liabilities</b>	<b>118,807</b>
Long-term loans receivable	10,158	<b>Total liabilities</b>	<b>1,058,791</b>
Long-term prepaid expenses	289		
Prepaid pension costs	1,082		
Other fixed assets	21,085		
Allowance for doubtful accounts	(9,537)		
<b>Total investments and other assets</b>	<b>405,198</b>		
<b>Total fixed assets</b>	<b>566,456</b>		
		<b>NET ASSETS</b>	
		<b>Shareholders' equity:</b>	
		<b>Common stock</b>	<b>122,742</b>
		<b>Capital surplus:</b>	
		Additional paid-in-capital	30,686
		Other capital surplus	29,816
		<b>Total capital surplus</b>	<b>60,502</b>
		<b>Retained earnings:</b>	
		<b>Other retained earnings:</b>	
		Reserve for tax deferment on replacement of fixed assets	1,414
		Other reserve	270,500
		Retained earnings carried forward	148,805
		<b>Total retained earnings</b>	<b>420,719</b>
		<b>Treasury stock</b>	<b>(65,515)</b>
		<b>Total shareholders' equity</b>	<b>538,448</b>
		<b>Accumulated gains from valuation:</b>	
		Unrealized gains on available-for-sale securities, net of taxes	72,694
		<b>Total accumulated gains from valuation</b>	<b>72,695</b>
		Unrealized losses on hedging derivatives, net of taxes	1
		<b>Total net assets</b>	<b>611,144</b>
<b>Total assets</b>	<b>1,669,936</b>	<b>Total liabilities and net assets</b>	<b>1,669,936</b>



# NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2020)

	Millions of Yen	
<b>Net sales:</b>		
Construction business	1,387,028	
Development projects	22,494	1,409,523
<b>Cost of Sales:</b>		
Construction business	1,190,594	
Development projects	15,074	1,205,669
<b>Gross profit:</b>		
Construction business	196,433	
Development projects	7,420	203,854
<b>Selling, general and administrative expenses</b>		62,255
<b>Operating income</b>		<b>141,598</b>
<b>Non-operating income:</b>		
Interest and dividends	5,750	
Other non-operating income	437	6,187
<b>Non-operating expenses:</b>		
Interest expenses	869	
Taxes and dues	222	
Other non-operating expenses	140	1,232
<b>Ordinary income</b>		<b>146,553</b>
<b>Extraordinary gains:</b>		1,036
<b>Extraordinary losses:</b>		
Write-down of marketable and investment securities	1,845	
Other extraordinary losses	771	2,616
<b>Income before income taxes</b>		<b>144,973</b>
<b>Income taxes:</b>		
Current	43,498	
Deferred	1,279	44,778
<b>Net income</b>		<b>100,195</b>

# Independent Auditor's Report

May 11, 2020

Yoshiyuki Murata  
President and Chief Executive Officer  
Taisei Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Hiroto Kaneko  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Katsunori Tsukahara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Daijiro Otsu  
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, 2020 and for the year from April 1, 2019 to March 31, 2020 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.

## 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 11, 2020

Yoshiyuki Murata  
President and Chief Executive Officer  
Taisei Corporation

KPMG AZSA LLC  
Tokyo Office, Japan

Hiroto Kaneko  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Katsunori Tsukahara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Daijiro Otsu  
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, 2020 and for the year from April 1, 2019 to March 31, 2020 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.

## 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 160th fiscal year from April 1, 2019 to March 31, 2020, the Audit & Supervisory Board prepared this Audit Report after deliberations based on the audit reports submitted by each Audit & Supervisory Board Member, and hereby reports as follows.

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

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

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

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

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

③ Each Audit & Supervisory Board Member inspected whether the Independent Auditors maintained their independence and properly conducted their audit, and received reports from the Independent Auditors regarding the status of performance of their duties, and requested their explanations as necessary. Furthermore, each Audit & Supervisory Board Member was notified by the Independent Auditors that they had established a "system to ensure that performance of the duties of the Independent Auditors was properly conducted" (the matters set forth in Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audit" (the Business Accounting Council 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 12, 2020

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): Shigeru Morichi (seal)

Audit & Supervisory Board Member (External Member): Kiwamu Miyakoshi (seal)

Audit & Supervisory Board Member (External Member): Kunitoshi Saito (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.