Notice of the 161st General Meeting of Shareholders

In light of preventing the spread of new coronavirus (COVID-19) infection, we would like to request you to exercise your voting rights by post or through the Internet beforehand and to refrain from attending the 161st General Meeting of Shareholders of the Company regardless of your health condition.

Date Friday, June 25, 2021, 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 One (1) Audit & Supervisory Board Member

Please exercise your voting rights by post or through the Internet by 5:30 P.M., Thursday, June 24, 2021.

TAISEI

For a Lively World

TAISEI CORPORATION

Securities Code: 1801

IMPORTANT NOTE:

This notice and attached documents are English translations of the "Notice of the 161st General Meeting of Shareholders (*Dai-161-kai Teiji Kabunushi Sokai Shoshu Go-Tsuchi*)", "Reference Materials for the General Meeting of Shareholders (*Kabunushi Sokai Sanko Shorui*)" and "Business Report (*Jigyo Hokoku*)" of Taisei Corporation, and are prepared solely for the convenience of shareholders who are non-Japanese speakers. In the event that any of the information contained in these English translations is inconsistent with the information contained in the Japanese original documents, the Japanese original texts shall prevail.

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Greeting from President and Chief Executive Officer

To Our Shareholders,

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

First, 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. I also pay deep respect to and thank health workers and all people who are making every effort to bring an end to the infectious disease.

Fiscal 2020 was the final year of the Taisei Group Medium-Term Business Plan (2018–2020). It is with regret that, due to COVID-19 and other factors, we ended this final year with our target unattained in terms of sales and income. We, however, propose the cash dividend of 65 yen per share after taking into consideration of all factors, including the future business environment.

In addition, at the board meeting on May 14, 2021, acquisition of the Company's own share, up to 3,600 thousand shares (10 billion yen), was resolved in order to increase shareholder returns and to improve capital efficiency.

The Taisei Group recently formulated "Medium- to Long-Term Vision: TAISEI VISION 2030" based on the Group Philosophy, by taking into account our analysis of medium- to long-term external environmental and structural changes and the causes of our failure to achieve the previous Medium-Term Business Plan.

The new Medium-Term Business Plan (2021–2023) is established as a plan based on which the Group intends to carry out intensively over the next three years in order to realize TAISEI VISION 2030.

As the Taisei Group advances toward 2030, we aim to become "The Ever-Evolving CDE3(cubed)* Company- A pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives".

I sincerely appreciate your continuous and invaluable cooperation and support.

President and Chief Executive Officer

Yoshiro Aikawa

Note: CDE3(cubed) is composed of the initial letter of the followings: "Construction"; "Development"; "Engineering"; "Energy"; and "Environment".

Vision for the Taisei Group

Taisei Group Philosophy

Taisei Spirit

Medium- to Long-Term Vision: TAISEI VISION 2030

Medium-Term Business Plan (2021-2023)

To create a vibrant environment for all members of society

Objectives to be pursued by the Taisei Group (Goals)

Active and Transparent Culture/ Value Creation/Evolution of Tradition

Key concepts that all Taisei Group officers and employees must adhere to in order to pursue and realize the Taisei Group Philosophy.

Our **10-year vision: TAISEI VISION 2030** is formulated, based on the challenges coming to the forefront as a result of the COVID-19 pandemic, as well as Taisei Group Philosophy and Taisei Spirit.

- Key issues to be focused on over the next three years are identified in order to achieve TAISEI VISION 2030, considering the current business environment.
- The key issues are classified into business issues and sustainability issues.
- In addition to the initiatives targeting our existing businesses, the initiatives expanding our business scope through M&A will be implemented.

Please refer to page 28 to page 30 for the outline of TAISEI VISION 2030 and Medium-Term Business Plan (2021-2023).

Especially Important Sustainability Issues to which Our Group is to Contribute

(responding to challenges facing human society, such as SDGs*)

ESG	Materiality (Issues to be dealt with)
Environment	1 Realization of a sustainable and environmentally friendly society
Social	2 Ensuring quality and improving technology 3 Technical development for realizing a sustainable society 4 Promoting of supply chain management 5 Thorough management of occupational health and safety 6 Cultivation of technical staff and securing human resources 7 Realization of an attractive working environment that is good to work in
Governance	8 Thorough compliance and restructuring of group governance system

*"**S**ustainable **D**evelopment **G**oal**s**" adopted by the United Nations

(Company Code: 1801)
June, 1, 2021

To Our Shareholders

NOTICE OF THE 161st 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 161st General Meeting of Shareholders of Taisei Corporation (the "Company") will be held as indicated below.
From the viewpoint of preventing the spread of the new coronavirus (COVID-19) infection, we have decided to hold this General Meeting of Shareholders after properly implementing anti-infection measures.
We would like to request you to refrain from visiting this General Meeting of Shareholders of the Company regardless of your health condition.
Please kindly review the Reference Materials for the General Meeting of Shareholders provided hereunder, and we would like to request you to exercise your voting rights beforehand by post or through the Internet no later than Tuesday, June 24, 2021, 5:30 P.M. as described on page 5.

1. Date: Friday, June 25, 2021, 10:00 A.M. (Tokyo time)

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

3. Agenda:

(1)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, 2021 (the 161st Business Year commenced April 1, 2020 and ended March 31, 2021)
2. Non-Consolidated Financial Statements, for fiscal year ended March 31, 2021 (the 161st Business Year commenced April 1, 2020 and ended March 31, 2021)

(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 One (1) Audit & Supervisory Board Member

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

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

1. Requests to the shareholders

- We would like to ask you to refrain from visiting this General Meeting of Shareholders of the Company ("GMS") regardless of your health condition.
- If you consider attending this GMS, we would like to ask you to pay full attention to your health conditions until the day of this GMS and not to overestimate your health.
- The number of seats available at the venue has been reduced in order to maintain a certain distance between seats. Therefore, we would like to ask your understanding that we may refuse your attendance on the day if the number of participants exceeds the limited capacity of the venue.
- At this GMS, voting rights can be exercised by post or through the Internet, therefore we recommend that you should give priority to these methods.
- As for the business report, we would like to introduce that you can refer to the video of the business report, which will be made available and can be viewed on the Company's website (only in Japanese).

2. The countermeasures adopted by the Company

- All corporate officers attending this GMS and the staff operating this GMS will wear a mask.
- Antiseptic solution will be available at the entrance to the venue, and microphones for use by shareholders will be sterilized.
- At the reception desk, the countermeasures to prevent droplet infection will be adopted, and we will indicate the positions where you should wait your turn before checking-in at the reception desk.
- We will make effort that this GMS will be operated in swifter and smoother manner.
- The exhibition corner will not be set up this year.

3. Requests 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.
- Your temperature will be taken using a thermal imaging camera at the reception desk. We would like to ask you to understand that 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.

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. Thursday, June 24, 2021 (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. Thursday, June 24, 2021 (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: Friday, June 25, 2021, 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/

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 business performance in the fiscal year ended March 31, 2021 and business surroundings in the future etc., the cash dividend at the end of the fiscal year ended March 31, 2021 is proposed to be ¥65.00 per share as stated below.
As the result, the total dividend for the fiscal year ended March 31, 2021, 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: ¥ 13,386,934,795-

(2) Effective date of dividend of surplus:
June 28, 2021

2 Matters Concerning Accumulation of Other Reserve

(1) Item of increased surplus and its amount
Other reserve: ¥ 31,000,000,000-

(2) Item of decreased surplus and its amount
Retained earnings carried forward:
¥ 31,000,000,000-

[Reference: Annual cash dividend per share]

	158th (FY 2017)	159th (FY 2018)	160th (FY 2019)	161st (FY 2020)
Interim dividend (Yen)	10	60	65	65
Dividend at the end of FY (Yen)	75	70	65	65 (Plan)
Annual dividend (Yen)	–	130	130	130 (Plan)
Dividend payout ratio (consolidated) (%)	22.3	25.4	22.7	29.4 (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 September 30, 2017 and "-" is written in annual dividend section because the base date is September 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
1	Takashi YAMAUCHI	Chairman, Representative Director	Re-election	13 out of 13 Meetings (100%)
2	Yoshiro AIKAWA	President and Chief Executive Officer, Representative Director	Re-election	13 out of 13 Meetings (100%)
3	Shigeyuki SAKURAI	Executive Vice President, Representative Director Chief of Business Administration Division; In charge of New Business Planning	Re-election	13 out of 13 Meetings (100%)
4	Shigeyoshi TANAKA	Executive Vice President, Representative Director Chief of Civil Engineering Division	Re-election	13 out of 13 Meetings (100%)
5	Norihiko YAGUCHI	Executive Vice President, Member of the Board Chief of Marketing & Sales Division (Integrated)	Re-election	13 out of 13 Meetings (100%)
6	Hiroshi KIMURA	Senior Managing Executive Officer, Member of the Board Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering); Chief of Marketing & Sales (Civil Engineering) Division	Re-election	13 out of 13 Meetings (100%)
7	Atsushi YAMAMOTO	Senior Managing Executive Officer Chief of Marketing & Sales Promotion Division	New Candidate	—
8	Yoshihiro TERAMOTO	Senior Managing Executive Officer Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division	New Candidate	—
9	Atsuko NISHIMURA	Member of the Board Chairman of the Governance System Review Committee	Re-election, External Member, Independent Officer	13 out of 13 Meetings (100%)
10	Takao MURAKAMI	Member of the Board Chairman of the Executive Personnel Committee	Re-election, External Member, Independent Officer	13 out of 13 Meetings (100%)
11	Norio OTSUKA	Member of the Board Chairman of the Remuneration Committee	Re-election, External Member, Independent Officer	12 out of 13 Meetings (92%)
12	Fumiya KOKUBU	Member of the Board Chairman of the CSR Committee	Re-election, External Member, Independent Officer	13 out of 13 Meetings (100%)

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

Skills and Experiences Required for Members of the Board						
Business Management and Management Strategy	Legal Affairs and Risk Management	Finance and Accounting	Technologies	Sales and Marketing	Global Experiences	Sustainability
○			○	○		○
○			○	○		○
	○	○			○	
			○	○		
			○	○		
			○	○		
				○		
			○			
	○				○	○
○						○
○						○
○					○	○

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 75)	58,200	16 years

Attendance at the Board	Important Concurrent Position
13 out of 13 Meetings (100%)	External Director of the Building & Housing Center of Japan External Director of Nippon Venture Capital Co., Ltd.

History and Post of the Candidate

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

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 in April 2007 and has contributed to establishing the foundation for growth of the Company and the Taisei Group. In addition, he has led discussion at the meetings of the Board as Chairman and Representative Director and contributed to making the discussion more fruitful since April 2015. Since April 2020, he has managed the meetings of the Board appropriately as the Chairman of the Board. As Mr. Takashi YAMAUCHI can be expected to contribute to further enhancing the Company's corporate value with his excellent leadership, we nominate him as a candidate for Member of the Board again.

2 Yoshiro AIKAWA

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
September 20, 1957 (Age 63)	5,065	2 years

Attendance at the Board	Important Concurrent Position
13 out of 13 Meetings (100%)	Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)

History and Post of the Candidate

1980.04: Joined the Company
2013.04: Executive Officer
2016.04: Managing Executive Officer
2019.06: Managing Executive Officer, Member of the Board
2020.04: Senior Managing Executive Officer, Member of the Board
2020.06 President and Chief Executive Officer, Representative Director [Present Position]

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

Ever since Mr. Yoshiro AIKAWA joined the Company, he has been engaged in the building construction business and he has successively held various posts such as Chief of Kyushu Branch; Chief of Marketing & Sales (Building Construction) Division II; and Chief of Architecture & Engineering Division (Integrated) and Chief of Building Construction Division. Since June 2020, he has managed the Company as President and Chief Executive Officer and contributed to establishing the foundation for future growth of the Company and the Taisei Group. As Mr. Yoshiro AIKAWA can be expected to contribute to enhancing the decision-making and supervising functions of the meetings of the Board based on his wealth of experience and profound knowledge, we nominate him as a candidate for Member of the Board again.

3 Shigeyuki SAKURAI

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
August 15,1955 (Age 65)	11,127	8 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
2021.04: Executive Vice President, Representative Director
Chief of Business Administration Division;
In charge of New Business Planning
[Present Position]

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

4 Shigeyoshi TANAKA

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
November 1, 1954 (Age 66)	10,900	6 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
2020.06: Executive Vice President, Representative Director
Chief of Civil Engineering Division
[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 further enhancing the Company's corporate value through the development and promotion of strategies to overcome challenges such as reinforcement of production systems in the civil engineering sector, we nominate him as a candidate for Member of the Board again.

5 Norihiko YAGUCHI

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
May 17, 1954 (Age 67)	10,033	6 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 & Engineering 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 enhancing the Company's corporate value through the development and implementation of sales strategies, we nominate him as a candidate for Member of the Board again.

6 Hiroshi KIMURA

Re-election

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
June 4, 1958 (Age 63)	4,452	2 years

Attendance at the Board

13 out of 13 Meetings (100%)

History and Post of the Candidate

1982.04: Joined the Company
2015.04: Executive Officer
2018.04: Managing Executive Officer
2019.06: Managing Executive Officer, Member of the Board
2020.06: Senior Managing Executive Officer, Member of the Board
Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering);
Chief of Marketing & Sales (Civil Engineering) Division
[Present Position]

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

Ever since Mr. Hiroshi KIMURA joined 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 enhancing the Company's corporate value 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 nominate him as a candidate for Member of the Board again.

7 Atsushi YAMAMOTO

New Candidate

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
September 18, 1958 (Age 62)	2,100	—

Attendance at the Board
—

History and Post of the Candidate

1981.04: Joined the Company
2014.04: Executive Officer
2018.04: Managing Executive Officer
2021.04: Senior Managing Executive Officer
Chief of Marketing & Sales Promotion Division
[Present Position]

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

Ever since Mr. Atsushi YAMAMOTO joined the Company, he has been engaged in the business administration division, and after he was appointed as an executive officer, he has successively held various posts such as General Manager of Secretarial Department, and Deputy Chief of Business Administration Division. At present, he is performing his duty as Chief of Marketing & Sales Promotion Division with his plenty of experiences. As Mr. Atsushi YAMAMOTO is expected to contribute to further enhancing the Company's corporate value through his wide knowledge about the business management, we newly nominate him as a candidate for Member of the Board.

8 Yoshihiro TERAMOTO

New Candidate

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
February 21, 1957 (Age 64)	3,390	—

Attendance at the Board	Important Concurrent Position of the Candidate
—	Director of Construction-ec.com Co., Ltd

History and Post of the Candidate

1981.04: Joined the Company
2017.04: Executive Officer
2019.04: Managing Executive Officer
2021.04: Senior Managing Executive Officer
Chief of Architecture & Engineering 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. Yoshihiro TERAMOTO joined the Company, he has been engaged in the building construction business and he has successively held various posts such as Chief of Kyusyu Branch and Chief of Yokohama Branch Division after he was appointed as an executive officer in April 2017. At present he is performing his duties as Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division. As Mr. Yoshihiro TERAMOTO can be expected to contribute to further enhancing the Company's corporate value through the development and promotion of strategies to overcome challenges such as reinforcement of construction systems in the building construction sector, we nominate him as a candidate for Member of the Board.

9 Atsuko NISHIMURA

Re-election | External Member | Independent Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
May 5, 1953 (Age 68)	1,900	4 years

Attendance at the Board	Important Concurrent Position of the Candidate
13 out of 13 Meetings (100%)	Outside Director of INPEX CORPORATION

History and Post of the Candidate

1979.04: Joined the Ministry of Foreign Affairs of Japan
1995.07: Director, Non-Proliferation of Weapons-Related Resources, Foreign Policy Bureau
1997.06: Director, First Africa Division, Middle Eastern and Africa Affairs Bureau
1999.08: Minister/Counsellor of Permanent Mission of Jalan to the United Nations
2001.06: Minister of Embassy of Japan in Belgium
2004.09: Professor of Tohoku University Graduate School of Law
2008.06: Administrative Vice President of the Japan Foundation
2012.04: Advisor of Japan Oil, Gas and Metal National Corporation
2014.04: Ambassador Extraordinary and Plenipotentiary to Grand Duchy of Luxembourg
2016.07: Ambassador Extraordinary and Plenipotentiary for Woman, Human Rights and Humanitarian Affairs
2017.06: Outside Director of INPEX CORPORATION [Present Position]
2017.06: Member of the Board of the Company [Present Position]

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

Ever since appointed as an External Member of the Board in June 2017, Ms. Atsuko NISHIMURA has contributed to strengthening the functions of the Board mainly by offering many useful opinions and giving advice at board meetings by making the most of her extensive knowledge based on her long years of experience as a diplomat. Highly independent from management, she is expected to contribute to further enhancing the Company's corporate value by supervising management from an objective, neutral standpoint and bolstering the Board's managerial and supervisory functions through decision-making on important matters such as the election and dismissal of senior managers, the strengthening of governance and compliance systems, and the implementation of international projects by making optimal use of her extensive knowledge of the international situation and global perspective. Therefore, we nominate her as a candidate for External Member of the Board again.

10 Takao MURAKAMI

Re-election | External Member | Independent Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
August 14, 1945 (Age 75)	400	2 years

Attendance at the Board	Important Concurrent Position of the Candidate
13 out of 13 Meetings (100%)	External Member of the Board of Television Hokkaido Broad Casting Co., Ltd. External Auditor of FUJIO FOOD GROUP INC.

History and Post of the Candidate

1969.04: Joined Sapporo Breweries Limited (Present: Sapporo Holdings Limited)
1999.03: Executive Officer
2001.03: Managing Executive Officer
2003.07: Member of the Board; Senior Managing Executive Officer of Sapporo Breweries Limited (new company)
2004.03: Managing Executive Officer, Member of the Board of Sapporo Holdings Limited
2005.03 President and Chief Executive Officer, Representative Director, Group CEO
2011.03: Chairman of the Board, Representative Director
2011.06: External Member of the Board of Television Hokkaido Broad Casting Co., Ltd. [Present Position]
2014.03: External Auditor of FUJIO FOOD SYSTEM Co., Ltd. (Present Name: FUJIO FOOD GROUP INC.) [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

Ever since appointed as an External Member of the Board in June 2019, Mr. Takao MURAKAMI has contributed to strengthening the functions of the Board mainly by offering many useful opinions and giving advice at board meetings by making the most of his extensive knowledge based on his many years of experience as a corporate manager. Highly independent from management, he is expected to contribute to further enhancing the Company's corporate value by supervising management from an objective, neutral standpoint and invigorating the Board through decision-making on important matters such as the election and dismissal of senior managers, the strengthening of governance and compliance systems, and the formulation of management strategy by making optimal use of his rich experience in the management of several corporations, including Sapporo Holdings Ltd. Therefore, we nominate him as a candidate for External Member of the Board again.

11 Norio OTSUKA

Re-election | External Member | Independent Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
July 5, 1950 (Age 70)	400	2 years

Attendance at the Board	Important Concurrent Position of the Candidate
12 out of 13 Meetings (92%)	Outside Director of Sojitz Corporation

History and Post of the Candidate

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

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

Ever since appointed as an External Member of the Board in June 2019, Mr. Norio OTSUKA has contributed to strengthening the functions of the Board mainly by offering many useful opinions and giving advice at board meetings by making the most of his extensive knowledge based on his many years of experience as a corporate manager. Highly independent from management, he is expected to contribute to further enhancing the Company's corporate value by supervising management from an objective, neutral standpoint and invigorating the Board through decision-making on important matters such as the election and dismissal of senior managers, the strengthening of governance and compliance systems, and the formulation of management strategy by making optimal use of his rich experience in the management of several corporations, including NSK Ltd. Therefore, we nominate him as a candidate for External Member of the Board again.

12 Fumiya KOKUBU

Re-election | External Member | Independent Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
October 6, 1952 (Age 68)	400	2 years

Attendance at the Board	Important Concurrent Position of the Candidate
13 out of 13 Meetings (100%)	Chairman of the Board of Marubeni Corporation Outside Director of Honda Motor Co., Ltd. Vice Chair of the Board of Councillors, Keidanren (Japan Business Federation)

History and Post of the Candidate

1975.04: Joined Marubeni Corporation
2005.04: Executive Officer
2008.04: Managing Executive Officer
2008.06: Managing Executive Officer, Representative Director
2010.04: Senior Managing Executive Officer
2012.04: Executive Vice President
2012.06: Executive Vice President, Representative Director
2013.04: President and Chief Executive Officer, Representative Director
2019.04: Chairman, Member of the Board [Present Position]
2019.06: Member of the Board of the Company [Present Position]
2020.06: Outside Director of Honda Motor Co., Ltd. [Present Position]

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

Ever since appointed as an External Member of the Board in June 2019, Mr. Fumiya KOKUBU has contributed to strengthening the functions of the Board mainly by offering many useful opinions and giving advice at board meetings by making the most of his extensive knowledge based on his many years of experience as a corporate manager. Highly independent from management, he is expected to contribute to further enhancing the Company's corporate value by supervising management from an objective, neutral standpoint and invigorating the Board through decision-making on important matters such as the election and dismissal of senior managers, the strengthening of governance and compliance systems, and the implementation of various projects in Japan and abroad by making optimal use of his international perspective as a manager at Marubeni Corp. and his experience in diverse project investments. Therefore, we nominate him as a candidate for External Member of the Board again.

Notes:
1. The age of each candidate is as of this General Meeting of Shareholders.
2. There is no conflict of special interest between each candidate and the Company.
3. Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA, and Mr. Fumiya KOKUBU are 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, Mr. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU.
   The outline of the contract is as follows.
   ・With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, each External Member of the Board shall be held liable for damages up to the higher of an amount of ¥10 million or the total amount specified in items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that External Member of the Board has performed his or her duty in good faith and without gross negligence.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance firm in which each Member of the Board is to be covered as the insured. If the candidates for Member of the Board are elected as Members of the Board, all of them will be covered by this directors and officers liability insurance. The insurance agreement will be renewed in August 2021.
   The details of the insurance agreement are outlined below.
   (1) Premiums to substantially be incurred by each insured
   All insurance premiums are to be incurred by the Company, and each insured is not to substantially incur any premium.
   (2) Outline of incidents to be covered by the insurance, etc.
   Damage is to be covered by the insurance that each insured is liable for when performing his or her duty or that is caused when such liability is questioned and claims are made (excluding cases falling under any of the reasons for exemption for liability as exclusions, such as the case that the insured intentionally performed the act recognizing the violation of the laws and regulations, as stipulated in the insurance agreement).
6. Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA, and Mr. Fumiya KOKUBU meet the Criteria of Independency established by the Company (refer to page 19 hereof). In addition, the above four officers are reported as Independent Officers because they satisfy the criteria of independency established by the Tokyo Stock Exchange.

Items No.3 Election of One (1) Audit & Supervisory Board Member

Out of Audit & Supervisory Board Members elected at the 160th General Meeting of Shareholders held on June 24, 2020, Mr. Tateshi HIGUCHI resigned on December 31, 2020. Therefore, an election of one (1) Audit & Supervisory Board Member is proposed.
The Audit & Supervisory Board has given prior consent to this item.
The candidate for the Audit & Supervisory Board Member is as follows:

No.	Name of the Candidate	Position and Title	Attendance at the Board	Attendance at the Audit & Supervisory Board
1	**Masamitsu MIURA**	New Candidate / External Member / Independent Officer	—	—

1 Masamitsu MIURA

New Candidate | External Member | Independent Officer

Birthday	Number of the Company's Shares Held by the Candidate	Term of Office as Member of the Board
November 21, 1959 (Age 61)	0	—

Attendance at the Board	Attendance at the Audit & Supervisory Board
—	—

History and Post of the Candidate

1982.04: Joined National Police Agency
2004.08: Chief of Okinawa Prefectural Police
2006.01: Director for International Investigation Operations, Organized Crime Department, Criminal Affairs Bureau, National Police Agency
2007.09: Chief of Organized Crime Control Bureau, Tokyo Metropolitan Police Department
2009.03: Director of Personnel Division, Commissioner-General's Secretariat, National Police Agency
2014.01: Chief of Osaka Prefectural Police
2015.01: Chief of Criminal Investigation Bureau, National Police Agency
2016.08: Chief of Commissioner-General's Secretariat, National Police Agency
2018.01: Deputy Director General of National Police Agency
2018.09: Superintendent General of Tokyo Metropolitan Police Department
2020.06: Counsellor, Sompo Japan Insurance Inc. [Present Position]

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

Mr. Masamitsu MIURA has rich experience in and profound knowledge of police administration, including international criminal investigations. Based on these achievements, we consider him to be suitable for enhancing the audits by Audit & Supervisory Board Members of the Company and would like to ask the shareholders to elect him as a new External Member of the Audit & Supervisory Board.

Skills and Experiences Required for Audit & Supervisory Board Member						
Business Management and Management Strategy	Legal Affairs and Risk Management	Finance and Accounting	Technologies	Sales and Marketing	Global Experiences	Sustainability
	●				●	

Notes:

1. The age of the candidate is as of this General Meeting of Shareholders.
2. There is no conflict of special interest between the candidate and the Company.
3. Mr. Masamitsu MIURA is a candidate for External Audit & Supervisory Board Member.
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 Mr. Masamitsu MIURA when he is elected as an Audit & Supervisory Board Member at this General Meeting of Shareholders.
   The outline of the contract is as follows.
   - With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, each 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 or her duty in good faith and without gross negligence.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance firm in which each Audit & Supervisory Board Member is to be covered as the insured. If Mr. Masamitsu MIURA, who is a candidate for Audit & Supervisory Board Member is elected as an Audit & Supervisory Board Member, he will be covered by this directors and officers liability insurance. The insurance agreement will be renewed in August 2021.
   The details of the insurance agreement are outlined below.
   (1) Premiums to substantially be incurred by each insured
   All insurance premiums are to be incurred by the Company, and each insured is not to substantially incur any premium.
   (2) Outline of incidents to be covered by the insurance, etc.
   Damage is to be covered by the insurance that each insured is liable for when performing his or her duty or that is caused when his or her liability is questioned and claims are made (excluding cases falling under any of the reasons for exemption for liability as exclusions, such as the case that the insured intentionally performed the act recognizing the violation of the laws and regulations, as stipulated in the insurance agreement).
6. Mr. Masamitsu MIURA meets the Criteria of Independency established by the Company (refer to page 19 hereof). In addition, he is reported as an Independent Officer because he satisfies the criteria of independency established by the Tokyo Stock Exchange.

Criteria of Independency

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

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

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

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

(Attached Document)

Business Report (From April 1, 2020 to March 31, 2021)

1 Current State of the Company and its Affiliated Companies

(1) Progress and Results of Operations

Under the circumstances that the COVID-19 pandemic has had tremendous impacts on the world economy, the Japanese economy continues to face difficulties due to the reasons such as the vulnerability of corporate revenues in the non-manufacturing industry, and the prolonged uncertainty regarding the forecast of employment and employees' income.

In the construction market, while the investment in public utilities has remained strong, private sector capital investment fell significantly, and the construction investment has failed to recover to the previous year's level. Under these circumstances, the Company and its affiliated companies (collectively, the "Taisei Group") reported consolidated results of its operations as follows: orders received of ¥1,650.6 billion, a 1.8% decrease, net sales of ¥1,480.1 billion, a 15.5% decrease, recurring income of ¥135.9 billion, a 21.6% decrease, and net income attributable to owners of parent (the Company's shareholders) for the year of ¥92.5 billion, a 24.2% decrease compared to the previous fiscal year.

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

Orders received	1,650.6 Billion Yen	1.8% ↓ (Compared to the previous FY)
Net sales	1,480.1 Billion Yen	15.5% ↓ (Compared to the previous FY)
Recurring income	135.9 Billion Yen	21.6% ↓ (Compared to the previous FY)
Net income attributable to owners of parent	92.5 Billion Yen	24.2% ↓ (Compared to the previous FY)

(CIVIL ENGINEERING BUSINESS)

New orders for the Taisei Group were worth ¥463.8 billion, a 6.7% increase compared to the previous fiscal year, as there was increase in new orders received by the Company and its consolidated subsidiaries.
New orders for the Company were worth ¥326.5 billion, an 8.2% increase. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 49.8%, 43.2% and 7.0%, respectively, and the percentage of orders received without competitive bidding out of the total was 35.4%.
Net sales for the Taisei Group were ¥420.5 billion, an 8.4% decrease compared to the previous fiscal year, because a decrease in net sales was observed in the Company and its consolidated subsidiaries.
Net sales for the Company were ¥283.2 billion, a 11.9% decrease compared to the previous fiscal year.

The Taisei Group

Orders received	463.8 Billion Yen	6.7% ↑ (Compared to the previous FY)
Net sales	420.5 Billion Yen	8.4% ↓ (Compared to the previous FY)

The Company

Orders received	326.5 Billion Yen	8.2% ↑ (Compared to the previous FY)
Net sales	283.2 Billion Yen	11.9% ↓ (Compared to the previous FY)

(BUILDING CONSTRUCTION BUSINESS)

New orders for the Taisei Group were worth ¥1,040.6 billion, a 6.9% decrease compared to the previous fiscal year, as there was decrease in new orders received by the Company and its consolidated subsidiaries.
New orders for the Company were worth ¥956.8 billion, a 5.5% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 13.8%, 84.4% and 1.8%, respectively, and the percentage of orders received without competitive bidding out of the total was 39.9%.
Net sales for the Taisei Group were ¥922.2 billion, a 21.1% decrease compared to the previous fiscal year, because a decrease in net sales was observed in the Company and its consolidated subsidiaries.
Net sales for the Company were ¥831.9 billion, a 21.9% decrease compared to the previous fiscal year.

The major new orders received and the major projects completed by Civil Engineering and Building Construction Business Divisions during FY ended March 2021 are shown on page 23 to page 26.

The Taisei Group

Orders received	1,040.6 Billion Yen	6.9% ↓ (Compared to the previous FY)
Net sales	922.2 Billion Yen	21.1% ↓ (Compared to the previous FY)

The Company

Orders received	956.8 Billion Yen	5.5% ↓ (Compared to the previous FY)
Net sales	831.9 Billion Yen	21.9% ↓ (Compared to the previous FY)

(REAL ESTATE DEVELOPMENT BUSINESS)

As for the real estate industry, while in the building lease market, the vacancy rate continued to rise mainly in central Tokyo owing to the trends of consolidated offices and office space reduction, the overall condominium market continue to be strong backed by growing interest in housing environments.
Net sales of the Taisei Group in the real estate segment were ¥126.7 billion, a 12.8% increase compared to the previous fiscal year, because an increase in net sales was observed in the Company and its consolidated subsidiaries.

(OTHER BUSINESSES)

The Taisei Group recorded net sales in this segment of ¥10.5 billion, a 6.8% decrease compared to the previous fiscal year due to the decrease in the revenues of the Company.

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, 2020)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	684.7	463.8	420.5	728.0
BUILDING CONSTRUCTION	1,680.3	1,040.6	922.2	1,798.7
REAL ESTATE DEVELOPMENT BUSINESS	13.7	135.5	126.7	22.5
OTHER BUSINESSES	–	10.5	10.5	–
TOTAL:	2,378.9	1,650.6	1,480.1	2,549.4

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, 2020)	New Orders Received	Net Sales	Backlog Carried over Next Period
CIVIL ENGINEERING	619.4	326.5	283.2	662.7
BUILDING CONSTRUCTION	1,588.6	956.8	831.9	1,713.6
SUB TOTAL:	2,208.0	1,283.4	1,115.1	2,376.3
REAL ESTATE DEVELOPMENT BUSINESS	13.1	29.9	21.6	21.4
OTHER BUSINESSES	–	8.0	8.0	–
TOTAL:	2,221.2	1,321.4	1,144.9	2,397.8

Major new orders received during FY ended March 2021

⬆ Kuramae 1-Chome Development Project
(Taito-ku, Tokyo)
Owner:
Japan Post Real Estate Co., Ltd.

⬆ (Tentative Name) Nambanaka 2-Chome Development Project (Site A)
(Osaka-shi, Osaka)
Owner:
Centara Osaka Tokutei Mokuteki Kaisha

⬆ New Construction of Katsushika Campus PhaseⅡ Project, Tokyo University of Science
(Katsushika-ku, Tokyo)
Owner:
Tokyo University of Science

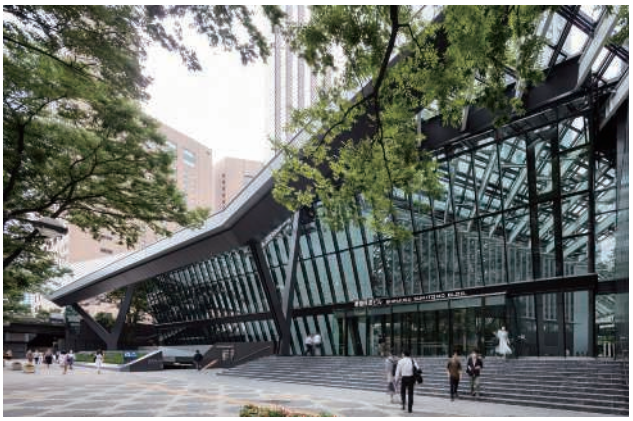
⬆ Nanma Dam Body Construction Project
(Kanuma-shi, Tochigi)
Owner:
Japan Water Agency

Yodogawa River Left Bank Road (Phase Ⅱ) Tunnel Project-3 ➡
(Osaka-shi, Osaka)
Owner:
Public Works Bureau, Osaka City

Major projects completed during FY ended March 2021

Construction Work of New Buildings in Redevelopment Area of Yotsuya Station District
(Shinjuku-ku, Tokyo)
Owner:
Urban Renaissance Agency

(Tentative Name) Otemachi 1-4-2 Project
(Chiyoda-ku, Tokyo)
Owner:
Otemachi 142 Tokutei Mokuteki Kaisha



Renovation Project for Shinjuku Sumitomo Building (Large Entrance Roof, Event Hall and Related Floors)
(Shinjuku-ku, Tokyo)
Owner:
Sumitomo Realty & Development Co., Ltd.

Fiscal Year 2017 Interim Storage (Futaba 2 Area) Soil Storage Facilities Work
(Futaba-gun, Fukushima)
Owner:
Ministry of the Environment

Port of Tokyo Bay Port Road Nanboku Line
(Koto-ku, Tokyo)
Owner:
Ministry of Land, Infrastructure, Transport and Tourism

(2) Investments in Plant and Equipment

The Taisei Group's investment of plant and equipment during FY ended March 2021 (FY 2020) was 13.4 billion yen in total. The major investment was upgrade of facilities in the Taisei Advanced Center of Technology.

(3) Fund Raising

The Company issued unsecured straight corporate bonds 20 billion yen in June 2020 (38th issue: 10 billion yen and 39th issue: 10 billion yen).

(4) Issues to Be Dealt with

In the Medium-Term Business Plan (2018–2020), which ended in FY 2020, the Company was able to maintain its financial soundness, but its sales and profits unfortunately fell short of the targets mainly due to the COVID-19 pandemic and a downturn after the completion of large-scale projects related to the Tokyo Olympics and Paralympics.

	Medium-Term Business Plan (2018-2020)	
	Target (FY 2020)	Result (FY 2020)
Net sales	1,870 billion yen	1,480.1 billion yen
Operating income	187 billion yen	130.5 billion yen
Net income	130 billion yen	92.5 billion yen
ROE	12 % or more	11.6 %
Dividend payout ratio	About 25%	29.4%
Interest-bearing debt	Less than 300 billion yen	219 billion yen
Net interest-bearing debt	Maintaining permanent state of substantive debt-free management	Substantive debt-free ((275.2) billion yen)
Capital-to-asset ratio	40% or more	44.9%

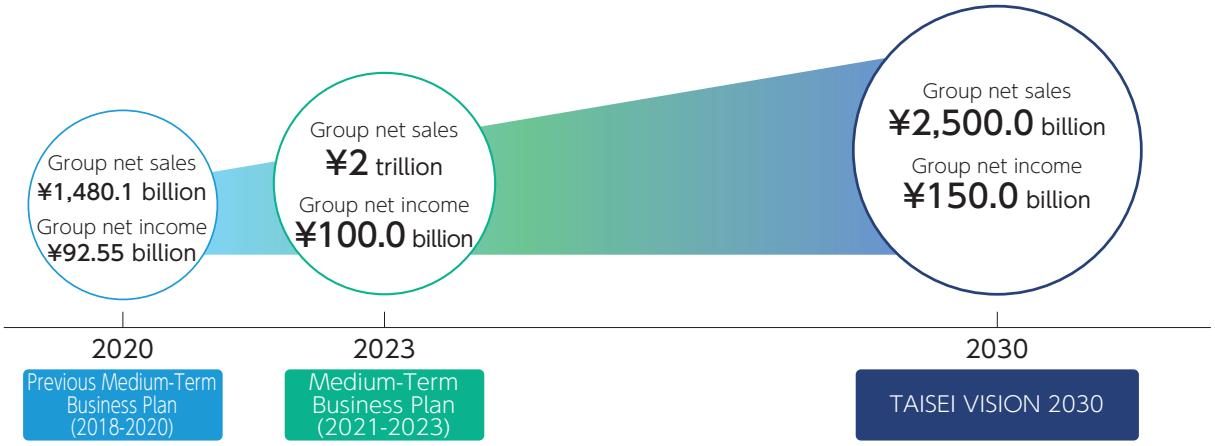
In FY 2021, the Taisei Group formulated **"New Medium- to Long-term Vision, TAISEI VISION 2030"**, and **"Medium-Term Business Plan (2021–2023)"** is positioned as a plan for the Taisei Group's intensive efforts to realize its medium- to long-term vision over the next three years.

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

Construction,Development,Engineering,Energy,Environment

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

Basic stance	Achieving safety and security	Optimal utilization of "Human Capital", "Technology" and "Intelligence"	
Rough indicators of numerical performance	Group net sales	Group net income	ROE
	About ¥2.5 trillion	About ¥150.0 billion	About 10%
Returns to stakeholders	Customers, suppliers, and society	Returns through CDE^{3}	
	Shareholders	Dividend payout ratio 25-30%	
	Employees	To promote further diversity and inclusion, establishing a comfortable working environment, personnel systems, and salary plans that enable employees to leverage their diverse range of skills to the maximum possible extent	



Medium-Term Business Plan (2021-2023)

Key Issues: Business-related

C Construction

Group Domestic Building Construction Business
To establish our superiority in a fierce competitive environment

Group Domestic Civil Engineering Business
To develop the systems to establish solid business foundations

Group Overseas Construction Business
To build the systems to ensure our profits for establishing the stable business foundations

D Development

Group Real Estate Development Business
To build the stable income foundations in the Group development business by optimizing the portfolio of our real estate and pursuing investment efficiency

E Engineering

Group Engineering Business
To leverage our strengths to expand the scope of our business

Sustainability-related

Energy and Environment

To target the front-runner status in the environmental sector, accelerating our initiatives toward carbon neutrality

Scope 1 and 2	To achieve our target of "virtually zero" CO_2 emissions from business activities (carbon neutrality)
Scope 3	To enhance the performance of our Zero Energy Buildings (ZEBs), and expand green procurement

Foundation Development

To build the foundation based on sustainability

Safety	To achieve zero fatal accidents and zero serious accidents
Technical development	To promote the technical development to solve environmental and social issues through open innovation
DX	To innovate the production systems and reform the workstyles through digital transformation (DX)
Workstyle reform	To promote the measures that emphasize an attractive working environment as well as diversity and inclusion
Corporate governance	To maximize synergies by rebuilding the Group governance systems

Numerical targets for FY2023

ROE	Dividend payout ratio	Net interest-bearing debt
About 10%	About 25%	Maintaining state of substantive debt-free management
Group net sales	Group operating income	Group net income
¥2 trillion	¥140.0 billion	¥100.0 billion

*The above numerical targets and indicators do not include assumptions of any future M&A.

Investment plans

Investment amount
Three years
¥250.0 billion
*Not including M&A investment

1.	Investment in technical development	¥60.0 billion
2.	Investment in information	¥60.0 billion
	(1) Digital transformation (DX)	¥30.0 billion
	(2) Existing systems	¥30.0 billion
3.	Capital and personnel-related investment	¥15.0 billion
4.	Business-related investment	¥125.0 billion

*The Items 1 and 2 above include some overlapped amount.

Environment-related investment
Three years
¥60.0 billion
*Included in investment amount

- Of the environment-related investment amount, items included in investment in technical development and business-related investment

Investment in technical development
Technical development that contributing to industrial sectors expected to grow, through a virtuous cycle for the economy and environment ¥42.0 billion

Business-related investment
Investment in renewable energy businesses ¥18.0 billion

M&A investment

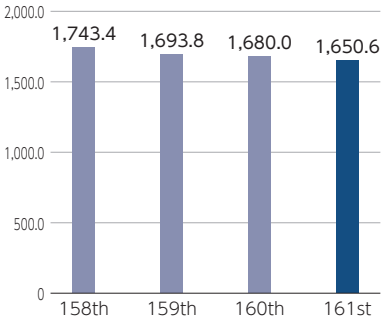
- M&A investment, etc. for expanding our business scope to be allocated separately

(5) Transition of Assets and Income

(Transition of Assets and Income of the Taisei Group)

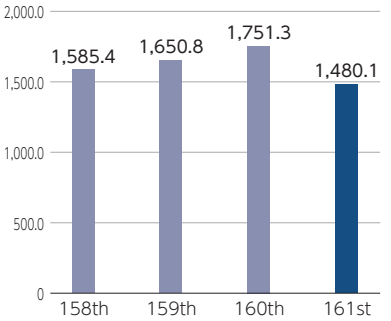
New Orders Received

(Unit: ¥Billion)



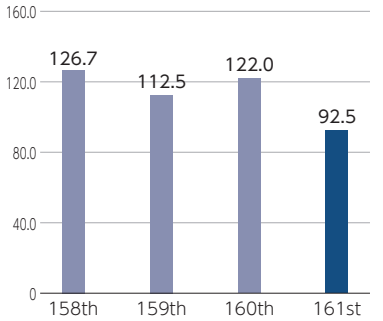
Net Sales

(Unit: ¥Billion)



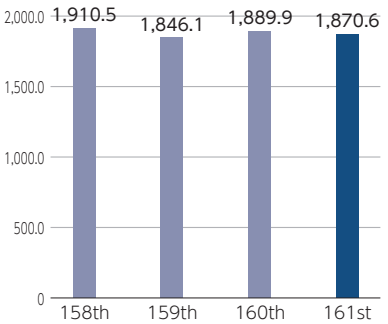
Net Income or (Loss) Attributable to Owners of Parent

(Unit: ¥Billion)



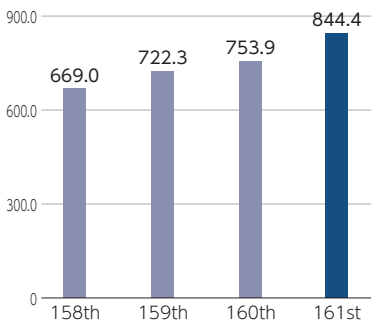
Total Assets

(Unit: ¥Billion)



Total Net Assets

(Unit: ¥Billion)



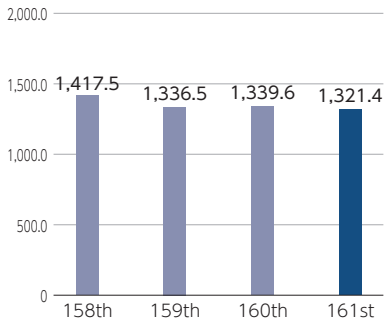
(Unit: ¥ Billion)	FY Ended March 2018	FY Ended March 2019	FY Ended March 2020	FY Ended March 2021 (Current FY)
New Orders Received	1,743.4	1,693.8	1,680.0	1,650.6
Net Sales	1,585.4	1,650.8	1,751.3	1,480.1
Net Income or (Loss) Attributable to Owners of Parent	126.7	112.5	122.0	92.5
Net Income or (Loss)per Share (Unit: Yen)	*561.36	511.90	573.14	442.66
Total Assets	1,910.5	1,846.1	1,889.9	1,870.6
Total Net Assets	669.0	722.3	753.9	844.4

*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)

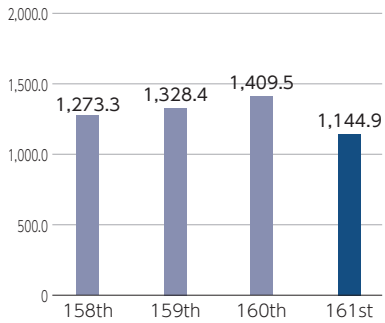
New Orders Received

(Unit: ¥Billion)



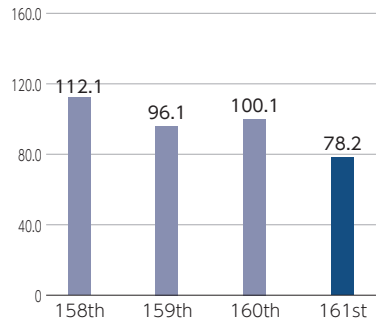
Net Sales

(Unit: ¥Billion)



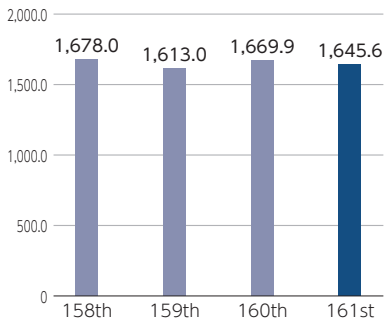
Net Income or (Loss)

(Unit: ¥Billion)



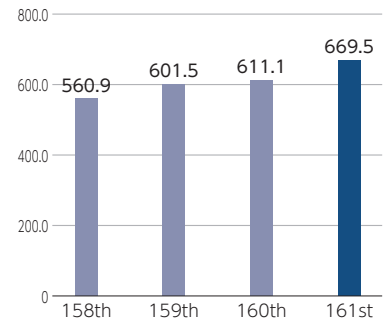
Total Assets

(Unit: ¥Billion)



Total Net Assets

(Unit: ¥Billion)



(Unit: ¥ Billion)	FY Ended March 2018	FY Ended March 2019	FY Ended March 2020	FY Ended March 2021 (Current FY)
New Orders Received	1,417.5	1,336.5	1,339.6	1,321.4
Net Sales	1,273.3	1,328.4	1,409.5	1,144.9
Net Income or (Loss)	112.1	96.1	100.1	78.2
Net Income or (Loss) per Share (Unit: Yen)	*496.44	437.01	470.37	374.33
Total Assets	1,678.0	1,613.0	1,669.9	1,645.6
Total Net Assets	560.9	601.5	611.1	669.5

*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.

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

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

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

The Company, licensed by the Ministry of Land, Infrastructure and Transport as an Ordinary and Special Construction Contractor (license (HAN/TOKU-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.

(7) Major Subsidiaries

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

(8) Major Offices

(a) The Company

Head Office:
25-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan

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

Overseas Offices:
Taipei Office
Philippine Office (Manila)
Singapore Office
Kuala Lumpur Office
Jakarta Office
India Office (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 Pulauintan Construction International (Indonesia)
Taisei Myanmar Co., Ltd. (Myanmar)

(9) Status of Employees

(a) The Taisei Group

(*Decrease)

Business Segments	Number of Employees (Unit: Persons)	
	At the Year-End	Change from Previous Year End
CIVIL ENGINEERING BUSINESS	4,257 [783]	96 [24]
BUILDING CONSTRUCTION BUSINESS	8,160 [1,322]	*3 [22]
REAL ESTATE DEVELOPMENT BUSINESS	2,044 [1,744]	*30 [66]
OTHER BUSINESSES	159 [72]	*5 [23]
TOTAL:	14,620 [3,951]	58 [135]

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

(b) The Company

Number of Employees (Unit: Persons)		Average Age	Average Years of Employment
At the Year-End	Change from Previous Year End		
8,572	65	42.9	18.2

Notes:
1. The "Number of Employees" shows the number of permanent employees working at the Company.
2. The number of permanent employees who belong to the Company (including the employees on loan working in other companies and excluding the workers on loan from other companies) is 8,644.

(10) Major Companies Providing Loans to the Taisei Group

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	55.6
Mizuho Trust & Banking Co., Ltd.	13.5
MUFG Bank, Ltd.	13.1
Risona Bank, Limited.	12.9
The Norinchukin Bank	9.1

(11) Other Important Matters Related to the Current Status of the Corporate Group

As a result of court proceedings which were commenced by the Tokyo District Court in February 2019 after the Tokyo District Public Prosecutors Office indicted us and our counsellor for an alleged violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade ("**Act**") in connection with construction projects for terminal stations of the Linear Chuo Shinkansen Line in March 2018, we were convicted and our counsellor was given a suspended sentence by the said court in March 2021. In addition, we received a cease and desist order from the Japan Fair Trade Commission ("**JFTC**") for a violation of the Act in December 2020.

Upon receiving these judgement and order stated above, we filed an appeal with the Tokyo High Court and brought an action for revocation of the cease and desist order by the JFTC to the Tokyo District Court in March 2021.
We continue insisting that the case will not present any violation of the Act in the future court proceedings.

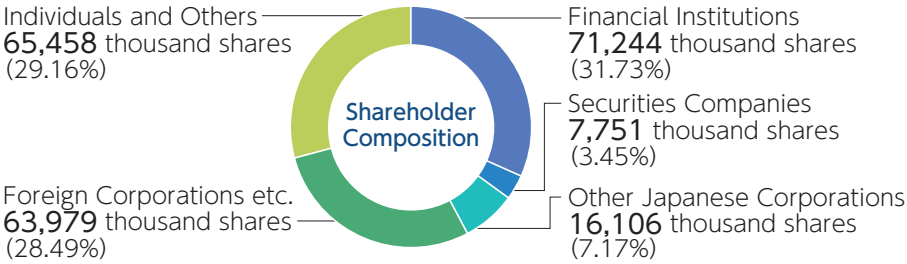
2 Matters Concerning the Shares of the Company

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

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

The Number of shares issued includes the Company's own shares, the number of which is 18,588,329-.

(3) Number of Shareholders: 67,646-



(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)	19,563	9.50
Custody Bank of Japan, Ltd. (Trust Account)	11,977	5.82
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	5,857	2.84
Taisei Associates' Shareholding Plan	5,586	2.71
Custody Bank of Japan, Ltd. (Trust Account No.7)	4,870	2.36
Taisei Employees' Shareholding Plan	3,653	1.77
Custody Bank of Japan, Ltd. (Trust Account No.4)	3,303	1.60
State Street Bank West Client-Treaty 505234	3,139	1.52
Custody Bank of Japan, Ltd. (Trust Account No.5)	2,992	1.45
Meiji Yasuda Life Insurance Company	2,847	1.38

Note 1: The Company's own shares (18,588,329-) are excluded in calculating the Ratio of Shares Held.
Note 2: The shares owned by the Board Benefit Trust (BBT) (106,000-) are not included in the Company's own shares (18,588,329-).

(5) Other Important Matters Concerning the Shares

We acquired 5,355,100 shares (number of shares before consolidation) of our common stock based on a resolution made at the board meeting held on May 13, 2020 and November 11, 2020.

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

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

Name	Position *Business in Charge*	Important Concurrent Position
Takashi YAMAUCHI	Chairman Chairman of the Board (Representative Director)	Vice Chair 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.
Yoshiro AIKAWA	President and Chief Executive Officer Member of the Board (Representative Director)	
Yoshiyuki MURATA	Vice Chairman Member of the Board (Representative Director)	
Shigeyuki SAKURAI	Member of the Board (Representative Director) *Chief of Business Administration Division*	
Shigeyoshi TANAKA	Member of the Board (Representative Director) *Chief of Civil Engineering Division*	
Norihiko YAGUCHI	Member of the Board *Chief of Marketing & Sales Division (Integrated)*	
Hiroshi SHIRAKAWA	Member of the Board *Chief of Marketing & Sales (Building Construction) Division II*	
Hiroshi KIMURA	Member of the Board *Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Civil Engineering); Chief of Marketing & Sales (Civil Engineering) Division*	
Atsuko NISHIMURA	Member of the Board External Member Independent Officer	Outside Director of INPEX CORPORATION
Takao MURAKAMI	Member of the Board External Member Independent Officer	External Member of the Board of Television Hokkaido Broad Casting Co., Ltd. External Auditor of FUJIO FOOD GROUP INC.
Norio OTSUKA	Member of the Board External Member Independent Officer	Outside Director of Idemitsu Kosan Co., Ltd. Outside Director of Sojitz Corporation
Fumiya KOKUBU	Member of the Board External Member Independent Officer	Chairman of the Board of Marubeni Corporation Outside Director of Honda Motor Co., Ltd. Vice Chair of the Board of Councillors of Keidanren (Japan Business Federation)
Takashi HAYASHI	Audit & Supervisory Board Member (full-time)	
Akihiko NOMA	Audit & Supervisory Board Member (full-time)	
Yasuhiro SATO	Audit & Supervisory Board Member External Member Independent Officer	Chairman, Member of the Board of Directors of Mizuho Financial Group, Inc. Vice Chair of Keidanren (Japan Business Federation)
Seishi TASHIRO	Audit & Supervisory Board Member External Member Independent Officer	
Keiko OHARA	Audit & Supervisory Board Member External Member Independent Officer	Partner, Kamiyacho International Law Office Director, Member of the board (Independent) of Financial Products Group Co., Ltd. Outside Director of FUJI KYUKO CO., LTD.

Notes:

1. Mr. Tateshi HIGUCHI resigned External Audit & Supervisory Board Member on December 31, 2020. He concurrently has positions as Member of the Audit and Supervisory Board (Outside) of Daiichi Sankyo Co., Ltd and Outside Director of MIURA CO., LTD.
2. INPEX CORPORATION, which Ms. Atsuko NISHIMURA concurrently has a position as Outside Director, has changed the trade name to INPEX CORPORATION* (the former company name was *"Kokusai Sekiyu Kaihatsu Teiseki Kabushikigaisha"* in Japanese)* English trade name is not changed.
3. FUJIO FOOD GROUP INC., which Mr. Takao MURAKAMI has a position as External Auditor, has changed the name from "FUJIO FOOD SYSTEM CO., Ltd" to "FUJIO FOOD GROUP INC.".
4. Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU are External Members of the Board. All of them meet the criteria of independency prescribed by Tokyo Stock Exchange and are registered as independent officers according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
5. Mr. Yasuhiro SATO, Mr. Seishi TASHIRO and Ms. Keiko OHARA are External Audit & Supervisory Board Members. All of them meet the criteria of independency 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.
6. Mr. Yasuhiro SATO has been engaged in banking and management for over the years and has considerable knowledge and insight about finance and accounting.
7. Mr. Seishi TASHIRO has been engaged in affairs of the Board of Audit of Japan for over the years and has considerable knowledge and insight about finance and accounting.
8. During FY 2020, change of important concurrent position is as follows;

Classification	Name	Important concurrent posts	Details of change	Date of change
Member of the Board	Yoshiro AIKAWA	Director of Construction-ec.com Co., Ltd	Leaving of post	June 11, 2020
Member of the Board	Fumiya KOKUBU	Outside Director of Honda Motor Co., Ltd.	Newly appointed to post	June 19, 2020
Audit & Supervisory Board Member	Yasuhiro SATO	Vice Chair of Keidanren (Japan Business Federation)	Newly appointed	June 2, 2020

(2) Descriptions of the Contract to Limit the Liability

In order for External Members of the Board and Audit & Supervisory Board Members to fulfill their expected roles, the Articles of Incorporation provides that the Company may enter into contracts with Members of the Board (other than an executive Member of the Board (*gyomushikkou torishimari yaku*)) and Audit & Supervisory Board Members to limit their maximum liability for damages to the Company within a certain range.
The outline of the contracts to limit the liability that the Company has entered into with Ms. Atsuko NISHIMURA, Mr. Takao MURAKAMI, Mr. Norio OTSUKA and Mr. Fumiya KOKUBU as the Member of the Board, and all the Audit & Supervisory Board Members in accordance with the relevant provisions of the Articles of Incorporation is as follows:

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

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

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

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

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

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

① Premiums to substantially be incurred by each insured

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

② Outline of incidents to be covered by the insurance

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

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

① Matters concerning policies on determination of the remuneration, etc. for each Member of the Board

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

With regard to fixed compensation and performance-based compensation (monetary compensation), the resolution of the 146th General Meeting of Shareholders held on June 27, 2006 set the maximum total amount of compensation for Members of the Board at 70 million yen per month (The number of Members of the Board at the time of the resolution was (14) fourteen).

With regard to performance-based compensation (stock compensation), the resolution of the 160th General Meeting of Shareholders held on June 24, 2020 set the maximum total amount of compensation for Members of the Board at 35,000 points (1 point = 1 share) and 100 million yen per fiscal year respectively (The number of Members of the Board at the time of the resolution excluding External Members of the Board who are not eligible for the stock compensation was (8) eight).

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

The remuneration, etc. for Members of the Board of the Company consists of fixed compensation and performance-based compensation, both of which are monetary compensation, as well as non-monetary performance-based compensation (stock compensation).

The maximum total amount of fixed compensation and performance-based compensation (monetary compensation) is 70 million yen per month in accordance with the resolution at the 146th General Meeting of Shareholders held on June 27, 2006.

The maximum total amount of performance-based compensation (stock compensation) is 35,000 points (1 point = 1 share), and 100 million yen per fiscal year respectively in accordance with the resolution at the 160th General Meeting of Shareholders held on June 24, 2020.
The above policy of remuneration was decided comprehensively considering the matters such as the business scale, content, and performance of both the Company and the Taisei Group, as well as the duties and responsibilities of each Member of the Board.
When determining the details of remuneration, etc. for each Member of the Board, the Board will decide the details of remuneration for each Member of the Board, taking into consideration of the responsibilities and positions of each Member of the Board (including the concurrent positions as an Executive Officer, if applicable; the same applies hereafter), based on deliberation at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision,
The Remuneration Committee establishes the system to properly consider the details of remuneration, etc. for each Member of the Board, by taking the policies that the members of the Committee shall be selected from Members of the Board, and that the Chairman and the majority members of the Committee shall be appointed from External Members of the Board.

2. Policy on determination of the amount and the calculation methods of fixed Compensation

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

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

The performance-based compensation is established for the purpose of raising the awareness of each Member of the Board to contribute to business performance improvement and enhancement of corporate value. However, External Members of the Board are not eligible for the performance-based compensation.
(a) Performance-based compensation (monetary compensation)
The performance-based compensation (monetary compensation) shall be paid to Members of the Board on a fixed date every month during the term of office and the contents and the amount of the compensation shall be determined based on our company's short-term performance.
Since the performance indicator should be an indicator that approximates our company's added value, the Company adopts the sum of the amount of (i) net income before income taxes in the non-consolidated statements of income for the most recent fiscal year and (ii) the total amount of bonuses to be paid to employees for the most recent fiscal year, and provides the system so that the amount paid to each Member of the Board will be progressively increased according to his or her position.

(b) Performance-based compensation (stock compensation)
The performance-based compensation (stock compensation) is designed to raise the awareness of Members of the Board to contribute to improving medium- to long-term business results and enhancing corporate value by clarifying the policy so as to link the remuneration of Members of the Board with Taisei Group's business results and the value of share, and by sharing with shareholders not only the benefits of a rise in share prices but also the risk of a decline in share prices.
The stock benefit trust (= Board Benefit Trust) method is adopted, and the date of the annual General Meeting of Shareholders is the grant date.
In accordance with the "Officers' Share Benefit Regulations" established by the Board, each year during his or her term of office, points are granted and accumulated to one (1) share per point. In the event that a Member of the Board retires and satisfies the beneficiary requirements specified in the "Officers' Share Benefit Regulations", the Company's shares equivalent to the cumulative number of points will be distributed after retirement through prescribed procedures to determine the beneficiary. A part of the payment may be made in cash equivalent to the market value of the Company's shares instead of the Company's shares.
Net income attributable to owners of the parent in the consolidated statements of income for the most recent fiscal year is used as a performance indicator because it is an indicator that shows the final results of Taisei Group's business activities.
The points to be granted to each Member of the Board are determined separately for Representative Directors and other Members of the Board respectively considering the status of achievement of business performance, duties and responsibilities.

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

With respect to performance-based compensation, the Company has set performance values that serve as criteria for monetary compensation and stock compensation and has established a rule that the ratio of performance-based compensation will increase when performance is favorable compared to the criteria.
From a medium- to long-term perspective, the Company has a plan to review for reducing the proportion of fixed compensation and increasing the proportion of performance-based compensation.
However, the compensation for External Members of the Board shall be fixed compensation only.

② Matters related to the policy on determination of the amount and the calculation methods of remuneration, etc. for Audit & Supervisory Board Members

At the 134th General Meeting of Shareholders held on June 29, 1994, it was resolved that remuneration for Audit & Supervisory Board Members shall be limited to 12 million yen per month or less. The number of Audit & Supervisory Board Members at the resolution of General Meeting of Shareholders was (5) five. The remuneration, etc. for Audit & Supervisory Board Members consists only of fixed remuneration, and the amount for each Audit & Supervisory Board Member is determined by the Audit & Supervisory Board through consultation.

③ The total amount of remuneration for Members of the Board and Audit & Supervisory Board Members, etc.

(Unit: ¥ Million)

Category	Total Amount of Remuneration, etc.	Total Amount of Remuneration in kind			Number of the Members applicable
		Monetary Compensation		Non-monetary Compensation	
		Fixed Compensation	Performance-based Compensation	Stock Compensation	
Members of the Board (External Members)	814 (62)	550 (62)	224 (0)	39 (0)	12 (4)
Audit & Supervisory Board Members (External Members)	111 (50)	111 (50)	– –	– –	9 (7)

Notes:

1: Among the types of monetary compensation, the performance indicator of the performance-based compensation should be an indicator that approximates our company's added value, the Company adopts the sum of the amount of (i) net income before income taxes in the non-consolidated statements of income for the most recent fiscal year and (ii) the total amount of bonuses to be paid to employees for the most recent fiscal year. The total sum of the amount of (i) income before income taxes in the non-consolidated statements of income and (ii) the total amount of bonuses to be paid to employees for the previous fiscal year (FY 2019: 160th fiscal year) is 174,874 million yen.

2: Stock compensation (non-monetary compensation) adopts the method of the Board Benefit Trust (=BBT), and the date of the annual General Meeting of Shareholders is the grant date. In accordance with the "Officers' Share Benefit Regulations" established by the Board, each year during his or her term of office, points are granted and accumulated to one (1) share per point. In the event that a Member of the Board retires and satisfies the beneficiary requirements specified in the "Officers' Share Benefit Regulations" , the Company's shares equivalent to the cumulative number of points will be distributed after retirement through prescribed procedures to determine the beneficiary. A part of the payment may be made in cash equivalent to the market value of the Company's shares instead of the Company's shares.
The stock compensation is also categorized as performance-based compensation, therefore, "net income attributable to owners of the parent in the consolidated statements of income" for the most recent fiscal year is adopted as the performance indicator of the stock compensation because it is an indicator that shows the final results of Taisei Group's business activities. The net income attributable to owners of the parent in the consolidated statements of income for this fiscal year (FY2020: 161st fiscal year) is 92,554 million yen.

3: We judge that the contents of remuneration paid to Members of the Board during this FY are within the maximum amount approved at the General Meeting of Shareholders subject to the basic policy determined by the Board on the determination of the details of remuneration, etc. for each Member of the Board, and also judge that the contents of remuneration determined by the Board is also in accordance with the determination policy, because the contents of remuneration were determined at the Board based on deliberations at the Remuneration Committee, which is authorized to deliberate the details of remuneration, etc. before the Board's decision,.

4: The number of the members above includes one (1) Audit & Supervisory Board Member who resigned on December 31, 2020.

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

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

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

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

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

Classification	Name	Major activities
Member of the Board	Atsuko NISHIMURA	Ms. Atsuko NISHIMURA attended all the meetings of the Board held during the current fiscal year and expressed her opinions from her objective, neutral standpoint as an External Member of the Board mainly about the ideal governance system to meet changes in the business environment based on her varied international perspectives cultivated as a diplomat. In addition, she served as Chairperson of the Governance System Review Committee and a member of the Executive Personnel Committee, the Remuneration Committee, and the CSR Committee (these are the committees for prior consultation before the Board meetings.) in order to analyze and examine topics such as the proper functioning of the governance system. Thus, as expected, she contributed to further enhancing the Company's corporate value by upgrading the Board's managerial and supervisory functions through decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the implementation of international projects.
Member of the Board	Takao MURAKAMI	Mr. Takao MURAKAMI attended all the meetings of the Board held during the current fiscal year and expressed his opinions from his neutral standpoint of view as an External Member of the Board mainly about the importance of corporate management from the viewpoint of end users and stakeholders as well as thorough health and safety management measures at the construction sites based on his profound knowledge acquired through involvement in corporate management at several companies, including beverage manufacturers. In addition, he served as Chairperson of the Executive Personnel Committee and a member of the Governance System Review Committee, Remuneration Committee, and the CSR Committee (these are the committees for prior consultation before the Board meetings.) in order to examine changes in Members of the Board, Executive Officers, and other executives. Thus, as expected, he contributed to further enhancing the Company's corporate value by upgrading the Board's managerial and supervisory functions through decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the formulation of management strategies and other guidelines.
Member of the Board	Norio OTSUKA	Mr. Norio OTSUKA attended twelve (12) out of thirteen (13) meetings of the Board held during the current fiscal year and expressed his opinions from his neutral standpoint as an External Member of the Board mainly about the ideal executive remuneration systems for the Company and the importance of thorough health and safety management measures at construction sites based on his profound knowledge acquired through involvement in corporate management at several companies, including machinery manufacturers. In addition, he served as Chairperson of the Remuneration Committee and a member of the Governance System Review Committee, the Executive Personnel Committee, and the CSR Committee (these are the committees for prior consultation before the Board meetings.) in order to examine remuneration for Members of the Board, Executive Officers, and other executives. Thus, as expected, he contributed to further enhancing the Company's corporate value by upgrading the Board's managerial and supervisory functions through decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the formulation of management strategies and other guidelines.
Member of the Board	Fumiya KOKUBU	Mr. Fumiya KOKUBU attended all the meetings of the Board held during the current fiscal year and expressed his opinions from his neutral standpoint as an External Member of the Board mainly about the ideal medium- to long-term profit structures for the Company and the importance of reviewing the risks involved in new businesses and project investments in Japan and abroad based on his profound knowledge acquired as a former top manager at a general trading firm. In addition, he served as Chairperson of the CSR Committee and a member of the Governance System Review Committee, the Executive Personnel Committee, and the Remuneration Committee (these are the committees for prior consultation before the Board meetings.) in order to examine ways to bolster CSR management for the entire Group. Thus, as expected, he contributed to further enhancing the Company's corporate value by upgrading the Board's managerial and supervisory functions through decision-making on important matters such as the election and dismissal of executives, the strengthening of corporate governance and compliance promotion systems, and the implementation of various overseas and domestic projects.
Audit & Supervisory Board Member	Yasuhiro SATO	After appointed as Audit & Supervisory Board Member, he attended ten (10) meetings of the Board and nine (9) meeting of Audit & Supervisory Board held in the current fiscal year. He offered his opinions as and when appropriate based on his wealth of experience and broad range of insight as top manager of financial institution, and plenty knowledge of finance and accounting.
Audit & Supervisory Board Member	Tateshi HIGUCHI	After appointed as Audit & Supervisory Board Member and during his term of office, he attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. He offered his opinions as and when appropriate based on his wealth of administration experience and deep insight obtained from his duties such as a police officer and a diplomat.
Audit & Supervisory Board Member	Seishi TASHIRO	After appointed as Audit & Supervisory Board Member, he attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. He offered his opinions as and when appropriate based on his wealth of experience and broad range of insights obtained from his experience at the Board of Audit of Japan, and his plenty knowledge of finance and accounting.
Audit & Supervisory Board Member	Keiko OHARA	After appointed as Audit & Supervisory Board Member, she attended all the meetings of the Board and all the meetings of Audit & Supervisory Board held during the current fiscal year. She offered her opinions as and when appropriate based on her professional and advanced knowledge, plenty of international experience and broad range of insight especially relating to diversity issues as a lawyer.

(For Your Reference)

Executive Officers ("*Shikko-Yakuin*") as of April 1, 2021

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiro AIKAWA
Vice Chairman and Executive Officer	Kazuhiko DAI
Executive Vice President *Chief of Civil Engineering Division*	Shigeyoshi TANAKA
Executive Vice President *Chief of Business Administration Division;* *In charge of New Business Planning*	Shigeyuki SAKURAI
Executive Vice President *Supervising Urban Development Division;* *In charge of New Business Development*	Katsuyuki KANAI
Executive Vice President *Chief of Marketing & Sales Division (Integrated)*	Norihiko YAGUCHI
Executive Vice President *Chief of Marketing & Sales (West Japan) Division*	Takao KANAI
Senior Managing Executive Officer *In charge of Marketing & Sales (Building Construction),* *Marketing & Sales Division (Integrated)*	Yoshinobu SHIGEJI
Senior Managing Executive Officer *Chief of Medical & Pharmaceutical Business Division*	Yasushi YOSHINARI
Senior Managing Executive Officer *Chief of Corporate Planning Office*	Jiro TANIYAMA
Senior Managing Executive Officer *Chief of Marketing & Sales (Building Construction) Division I*	Hiroshi TSUCHIYA
Senior Managing Executive Officer *Deputy Chief of Marketing & Sales Division (Integrated),* *Supervising Marketing & Sales (Civil Engineering);* *Chief of Marketing & Sales (Civil Engineering) Division*	Hiroshi KIMURA
Senior Managing Executive Officer *Chief of International Operations Headquarters*	Keiji HIRANO
Senior Managing Executive Officer *Chief of Marketing & Sales Promotion Division*	Atsushi YAMAMOTO
Senior Managing Executive Officer *Chief of Architecture & Engineering Division (Integrated);* *Chief of Building Construction Division*	Yoshihiro TERAMOTO
Managing Executive Officer *In charge of Technology;* *In charge of Energy & Environment*	Kazuhiko HOMBU
Managing Executive Officer *In charge of Marketing & Sales (Building Construction),* *Marketing & Sales Division (Integrated)*	Masao YOSHIKAWA
Managing Executive Officer *Chief of Kansai Branch*	Takeshi KAGATA
Managing Executive Officer *Chief of Procurement Division*	Noriaki KON
Managing Executive Officer *Chief of Marketing & Sales (Building Construction)Division III*	Yuichi KITAGUCHI
Managing Executive Officer *Deputy Chief of International Operations Headquarters*	Yasumitsu SAKURAI
Managing Executive Officer *Chief of Safety Administration Division*	Shun KITANO
Managing Executive Officer *Deputy Chief of Marketing & Sales (West Japan) Division,* *In charge of Building Construction*	Shimpei OGUCHI
Managing Executive Officer *In charge of Marketing & Sales (Building Construction),* *Marketing & Sales Division (Integrated)*	Taku YAMAMOTO
Managing Executive Officer *Chief of Nagoya Branch*	Atsushi SUZUKI
Managing Executive Officer *In charge of Civil Engineering Technology;* *General Manager of International Projects Management Department, Civil Engineering Division*	Makoto OHTA
Managing Executive Officer *Chief of Kyusyu Branch*	Shinji KAWAMURA
Managing Executive Officer *Chief of Tohoku Branch*	Iwao NISHIOKA
Managing Executive Officer *Chief of Marketing & Sales (Building Construction) Division II*	Akira NAKAYA
Managing Executive Officer *Chief of Hokushinetsu Branch*	Masahiko OKADA
Managing Executive Officer *Deputy Chief of Marketing & Sales (Civil Engineering) Division;* *In charge of Olympic and Paralympic Projects*	Yoshio ABE
Managing Executive Officer *Chief of Yokohama Branch*	Akira EJIMA
Managing Executive Officer *General Manager of Design Department, Civil Engineering Division*	Yasushi KAMEZAWA
Managing Executive Officer *Deputy Chief of Marketing & Sales (Building Construction) Division I*	Shinsaburo SAWA
Managing Executive Officer *Deputy Chief of Marketing & Sales (Civil Engineering) Division*	Yoshihiko IKEUCHI
Managing Executive Officer *Chief of Taisei Advanced Center of Technology*	Ichiro NAGASHIMA

Title Business in Charge	Name
Managing Executive Officer *Deputy Chief of Civil Engineering Division;* *General Manager of Civil Engineering Department*	Kenji SHIRAKAWA
Managing Executive Officer *Chief of Engineering Division*	Shinichiro TAKAHAMA
Managing Executive Officer *Chief of Tokyo Branch*	Koichiro OKUHATA
Executive Officer *General Manager of Marketing & Business Development Department (Taiwan),* *International Marketing & Business Development Division*	Weiyu CHUNG
Executive Officer *In charge of Marketing & Sales (Building Construction),* *Marketing & Sales Division (Integrated)*	Katsuhiko KITAGAWA
Executive Officer *Chief of Sapporo Branch*	Shinichi HIRAJIMA
Executive Officer *Deputy Chief of International Operations Headquarters (Civil Engineering);* *General Manager of Civil Engineering Department*	Toshihiko AOKI
Executive Officer *In charge of Technology*	Yasuji YAMAUCHI
Executive Officer *In charge of Technology*	Shigeo OCHI
Executive Officer *Chief of Energy Division;* *General Manager of Energy Projects Promotion Department*	Miyoshi KATO
Executive Officer *Deputy Chief of Marketing & Sales (Building Construction) Division I*	Masaru KAMATA
Executive Officer *Chief of Nuclear Facilities Division*	Yuji IJIRI
Executive Officer *Chief of International Marketing & Business Development Division*	Tatsuya SUGAWARA
Executive Officer *General Manager of General Affairs Department, Business Administration Division*	Junichi KASAHARA
Executive Officer *Chief of Design Division*	Masato MATSUMURA
Executive Officer *Deputy Chief of Tokyo Branch (Civil Engineering);* *General Manager of Civil Engineering Department*	Hiroki FUKASAWA
Executive Officer *Chief of Building Renovation Division*	Tohru UEMATSU
Executive Officer *Chief of Shikoku Branch*	Hideki NISHIYAMA
Executive Officer *Chief of Chiba Branch*	Mayuki YAMAURA
Executive Officer *Chief of Urban Development Division*	Takashi YAMAZAKI
Executive Officer *Deputy Chief of Corporate Planning Office;* *General Manager of Corporate Planning Department;* *General Manager of New Business Planning Department*	Yukio HABA
Executive Officer *Chief of Chugoku Branch*	Yuichiro YOSHINO
Executive Officer *In charge of Marketing & Sales, Marketing & Sales Division (Integrated)*	Masahiro YOSHIDA
Executive Officer *Chief of Mechanical & Electrical Division*	Yuji TANIGAWA

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

Title Business in Charge	Name
Executive Fellow *In charge of Information Planning, Corporate Planning Office*	Toshihiko TSUKA
Executive Fellow *Deputy Chief of Architecture & Engineering Division (Integrated)*	Hirotoshi IKEDA
Executive Fellow *Deputy Chief of Design Division*	Yozo SHINOZAKI
Executive Fellow *Deputy Chief of Taisei Advanced Center of Technology;* *General Manager of Infrastructure Technology Research Department*	Tsuyoshi MARUYA
Executive Fellow *Deputy Chief of Urban Development Division*	Takaharu YAMAMURA
Executive Fellow *General Manager of Construction Engineering Department,* *Civil Engineering Division*	Masami SHIMIZU

4 Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Descriptions of the Contract to Limit the Liability

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

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

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

(3) The Amount of the Fee for Accounting Auditor for FY ended March 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	¥ 239 million

Notes:

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

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

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

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

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (March 31, 2021)

ASSETS	Millions of Yen
Current assets:	
Cash and time deposits	494,307
Notes and accounts receivable trade	539,837
Cost on uncompleted contracts	51,250
Real estate for sale and development projects in progress	119,828
Other inventories	2,888
Other current assets	33,028
Allowance for doubtful accounts	(128)
Total current assets	**1,241,013**
Fixed assets:	
Tangible fixed assets:	
Buildings and structures	72,294
Machinery, vehicles and equipment	10,712
Land	120,410
Construction in progress	2,780
Total tangible fixed assets	**206,198**
Intangible fixed assets	**14,807**
Investments and other assets:	
Investment securities	364,029
Net defined benefit asset	11,670
Deferred income tax assets	3,367
Other fixed assets	31,230
Allowance for doubtful accounts	(1,694)
Total investments and other assets	**408,603**
Total fixed assets	**629,609**
Total assets	**1,870,622**

LIABILITIES	Millions of Yen
Current liabilities:	
Notes and accounts payable trade	376,099
Short-term borrowings	89,238
Short-term non-recourse loans payable	15
Lease obligations	386
Advances received and progress billings on uncompleted contracts	173,361
Deposit received	141,860
Provision for warranties on completed contracts	2,394
Provision for losses on construction contracts	2,104
Other current liabilities	55,685
Total current liabilities	**841,147**
Long-term liabilities:	
Straight bonds	50,000
Long-term borrowings	79,621
Long-term non-recourse loans payable	143
Lease obligations	570
Deferred income tax liabilities	14,530
Deferred income tax liabilities for revaluation of land	3,274
Retirement benefits for directors and corporate auditors	495
Provision for share-based remuneration for directors	39
Provision for environmental measures	1
Net defined benefit liability	17,898
Other long-term liabilities	18,479
Total long-term liabilities	**185,054**
Total liabilities	**1,026,201**

NET ASSETS	Millions of Yen
Shareholders' equity:	
Common stock	**122,742**
Capital surplus	**60,198**
Retained earnings	**621,568**
Treasury stock	**(85,916)**
Total shareholders' equity	**718,593**
Accumulated other comprehensive income:	
Unrealized gains on available-for-sale securities, net of taxes	**103,215**
Unrealized losses on hedging derivatives, net of taxes	**(15)**
Revaluation reserve for land	**1,223**
Foreign currency translation adjustments	**(3,847)**
Remeasurements of defined benefit plans	**21,675**
Total accumulated other comprehensive income	**122,251**
Non-controlling interests	**3,575**
Total net assets	**844,420**
Total liabilities and net assets	**1,870,622**

CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2021)

	Millions of Yen	
Net sales:		
Construction business	1,326,663	
Development projects	153,478	1,480,141
Cost of Sales:		
Construction business	1,133,661	
Development projects	127,681	1,261,343
Gross profit:		
Construction business	193,001	
Development projects	25,796	218,798
Selling, general and administrative expenses		88,281
Operating income		**130,516**
Non-operating income:		
Interest and dividends	4,946	
Foreign exchange gains	839	
Other non-operating income	1,205	6,991
Non-operating expenses:		
Interest expenses	970	
Provision of allowance for doubtful accountants	214	
Other non-operating expenses	384	1,570
Ordinary income		**135,937**
Extraordinary gains:		
Gains on sales of investment securities	1,771	
Other extraordinary gains	10	1,782
Extraordinary losses:		2,302
Income before income taxes		**135,416**
Income taxes:		
Current	39,648	
Deferred	3,170	42,819
Net income		**92,597**
Net income attributable to non-controlling interests		43
Net income attributable to owners of parent		**92,554**

Non-Consolidated Financial Statements

NON-CONSOLIDATED BALANCE SHEET (March 31, 2021)

	Millions of Yen
ASSETS	
Current assets:	
Cash and time deposits	446,630
Notes receivable trade	2,850
Accounts receivable trade	450,203
Real estates for sale	39,751
Cost on uncompleted contracts	45,739
Cost on development projects in progress	10,417
Other current assets	31,583
Allowance for doubtful accounts	(114)
Total current assets	**1,027,061**
Fixed assets:	
Tangible fixed assets:	
Buildings and structures	48,348
Machinery and vehicles	3,670
Tools, furniture and fixtures	1,585
Land	97,087
Construction in progress	1,777
Total tangible fixed assets	**152,470**
Intangible fixed assets:	**10,849**
Investments and other assets:	
Investment securities	328,152
Investments in subsidiaries and affiliates	101,261
Long-term loans receivable	10,419
Long-term prepaid expenses	391
Prepaid pension costs	3,741
Other fixed assets	21,210
Allowance for doubtful accounts	(9,914)
Total investments and other assets	**455,261**
Total fixed assets	**618,581**
Total assets	**1,645,642**

	Millions of Yen
LIABILITIES	
Current liabilities:	
Notes payable trade	7,636
Electronically recorded obligations	46,831
Accounts payable trade	266,783
Short-term borrowings	68,174
Lease obligations	296
Income taxes payable	15,898
Advances received and progress billings on uncompleted contracts	163,528
Deposits received	220,681
Provision for warranties on completed contracts	1,668
Provision for losses on construction contracts	2,046
Other current liabilities	27,587
Total current liabilities	**821,134**
Long-term liabilities:	
Straight bonds	50,000
Long-term borrowings	55,665
Lease obligations	443
Deferred income tax liabilities	15,685
Provision for retirement benefits	27,107
Provision for share-based remuneration for directors	39
Other long-term liabilities	5,973
Total long-term liabilities	**154,913**
Total liabilities	**976,047**
	Millions of Yen
NET ASSETS	
Shareholders' equity:	
Common stock	**122,742**
Capital surplus:	
Additional paid-in-capital	30,686
Other capital surplus	29,816
Total capital surplus	**60,502**
Retained earnings:	
Other retained earnings:	
Reserve for tax deferment on replacement of fixed assets	1,414
Other reserve	332,500
Retained earnings carried forward	137,776
Total retained earnings	**471,690**
Treasury stock	**(85,916)**
Total shareholders' equity	**569,019**
Accumulated gains from valuation:	
Unrealized gains on available-for-sale securities, net of taxes	**100,568**
Unrealized losses on hedging derivatives, net of taxes	**7**
Total accumulated gains from valuation	**100,575**
Total net assets	**669,594**
Total liabilities and net assets	**1,645,642**

NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2021)

	Millions of Yen	
Net sales:		
Construction business	1,115,185	
Development projects	29,755	1,144,940
Cost of Sales:		
Construction business	951,760	
Development projects	21,761	973,522
Gross profit:		
Construction business	163,424	
Development projects	7,993	171,417
Selling, general and administrative expenses		61,710
Operating income		**109,707**
Non-operating income:		
Interest and dividends	5,975	
Foreign exchange gains	857	
Other non-operating income	314	7,147
Non-operating expenses:		
Interest expenses	797	
Bond issuance costs	117	
Taxes and dues	113	
Other non-operating expenses	105	1,134
Ordinary income		**115,720**
Extraordinary gains:		
Gains on sales of investment securities	1,523	
Other extraordinary gains	667	2,190
Extraordinary losses:		
Loss on valuation of investment securities	1,159	
Losses on investments in subsidiaries and affiliates	1,903	
Other extraordinary losses	1,087	4,150
Income before income taxes		**113,760**
Income taxes:		
Current	32,270	
Deferred	3,221	35,492
Net income		**78,268**

Independent Auditor's Report

May 11, 2021

Yoshiro Aikawa
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

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, 2021 and for the year from April 1, 2020 to March 31, 2021 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, 2021

Yoshiro Aikawa
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC
Tokyo Office, Japan

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, 2021 and for the year from April 1, 2020 to March 31, 2021 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 161st fiscal year from April 1, 2020 to March 31, 2021, 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.

③Each 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.
As described in the business report, regarding the incident of an alleged violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade ("Act"), we were convicted and our counsellor was given a suspended sentence by the Tokyo District Court, and we received a cease and desist order from the Japan Fair Trade Commission ("JFTC") for a violation of the Act. Upon receiving these judgement and order stated above, we filed an appeal with the Tokyo High Court and brought an action for revocation of the cease and desist order by the JFTC to the Tokyo District Court. The Audit & Supervisory Board will carefully continue to monitor the proceedings in the future and verify the Company's initiatives for further enhancement of our compliance system, including compliance with the Act by both the Company and the Taisei Group.

(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, 2021

TAISEI CORPORATION
The Audit & Supervisory Board Taisei Corporation
Audit & Supervisory Board Member (Full-Time): Takashi HAYASHI(seal)
Audit & Supervisory Board Member (Full-Time): Akihiko NOMA(seal)
Audit & Supervisory Board Member (External Member): Yasuhiro SATO (seal)
Audit & Supervisory Board Member (External Member): Seishi TASHIRO (seal)
Audit & Supervisory Board Member (External Member): Keiko OHARA (seal)

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.