



May 13, 2025

To Whom It May Concern:

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 Name of Representative: Yoshiro Aikawa, President and Chief Executive Officer, Representative Director
 Stock code: 1801
 Stock exchange listings: Tokyo Stock Exchange, Prime Market
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Notice regarding Disposal of Treasury Shares as Restricted Stock Incentive for an Employee Shareholding Association

Taisei Corporation (the “Company”), which announced the introduction of a restricted stock incentive plan for an employee shareholding association (the “Plan”) on March 25, 2025, hereby gives notice as follows that it was resolved at the meeting of the Board held today that the Company will carry out the disposal of treasury shares as transfer-restricted stock (“Disposal of Treasury Shares” or “Disposal”) to the Taisei Employee’s Shareholding Plan (the “Shareholding Plan”) as the planned allottee pursuant to the Plan.

1. Overview of the Disposal

(1) Disposal Date	July 25, 2025
(2) Type and Number of Shares subject to Disposal	319,260 ordinary shares of the Company (Note)
(3) Disposal Price	7,964 yen per share
(4) Total Disposal Price	2,542,586,640 yen (Note)
(5) Method of Disposal (Planned Allottee)	By third-party allotment (Taisei Employee’s Shareholding Plan, 319,260 shares)
(6) Other	Regarding the Disposal of Treasury Shares, the Company has submitted an extraordinary report pursuant to the Financial Instruments and Exchange Act.

(Note) The “number of shares subject to Disposal” and the “total disposal price” have been calculated on the assumption that 30 ordinary shares of the Company will be granted as transfer-restricted stock to each of the 10,642 employees of the Company, which is the maximum number of employees who could be eligible for the Plan. The actual number of shares subject to Disposal and the actual total disposal price will be determined based on the number of the Company’s employees who consent to the Plan after the completion of a membership campaign directed at employees who have not yet become members of the Shareholding Plan and confirmation of the consent by members of the Shareholding Plan to the Plan (maximum number of such employee is 10,642; each, a “Subject Employee”). Specifically, as stated in (5) above, the number of shares applied for, as determined by the Shareholding Plan, will be the “number of shares subject to Disposal” and the amount obtained by multiplying such number by the disposal price per share will be the “total disposal price”. The Company will uniformly provide each Subject Employee with monetary claims of 238,920 yen, and the Company will uniformly allot 30 shares to each Subject Employee through the Shareholding Plan.

2. Purpose and reason for Disposal

As stated in the “Notice regarding Introduction of Restricted Stock Incentive Plan for an Employee Shareholding Association” announced on March 25, 2025, the Company resolved to introduce the Plan that was designed to support the Subject Employees in their asset formation, enhance their engagement with the Company, enhance motivation towards improvement of the Company performance and stock price, and advance the creation of greater shared value between the Company’s shareholders and the Subject Employees, by creating opportunities for the Subject Employees among the employees of the Company who are members of the Shareholding Plan to acquire ordinary shares of the Company issued or disposed of by the Company as transfer-restricted stock through the Shareholding Plan as the measures to enhance and promote benefits for the Subject Employees.

An overview etc. of the Plan is stated below.

Overview etc. of the Plan

Under the Plan, the Company will provide the Subject Employees with monetary claims as special incentive payments (“Special Incentive Payments”) for the purpose of granting 30 shares of transfer-restricted stock to each of the Subject Employees, and the Subject Employees will contribute their Special Incentive Payments to the Shareholding Plan. The Shareholding Plan will, in turn, make in-kind contribution of such Special Incentive Payments to the Company. This will allow the Subject Employees to receive ordinary shares as transfer-restricted stock, issued or disposed of by the Company.

If the Company newly issues or disposes of its ordinary shares under the Plan, the pay-in amount per share for such ordinary shares will be decided by the Board based on the closing price of ordinary shares of the Company on the Tokyo Stock Exchange on the business day preceding the date of the Board resolution pertaining to the relevant issuance or disposal (if no trades were made on such date, the closing price on the nearest earlier trading date), and within a range that will ensure that the pay-in amount is not particularly favorable to the Shareholding Plan (and, in turn, to the Subject Employees).

When issuing or disposing of the Company’s ordinary shares under the Plan, the Company and the Shareholding Plan will execute a transfer-restricted stock allotment agreement that includes such provisions as: (i) for a certain period of time, any transfer to a third party of, creation of a security interest on, or any other disposal of, the allotted shares will be prohibited (“Transfer Restrictions”); and (ii) if certain events occur, the Company will acquire the allotted shares without a consideration. Further, provision of the Special Incentive Payments to the Subject Employees will be carried out subject to the execution of a transfer-restricted stock allotment agreement between the Company and the Shareholding Plan.

Until the Transfer Restrictions are lifted, pursuant to the Shareholding Plan rules and Shareholding Plan operation bylaws etc. of the Shareholding Plan (“Shareholding Plan Rules etc.”) (Note), the Subject Employees will be restricted from withdrawing their membership equity relating to the transfer-restricted stock that they come to hold corresponding to their monetary claims contributed to the Shareholding Plan (“Transfer-Restricted Stock Equity” or “RS Equity”).

(Note) Before the Disposal of Treasury Shares, the Shareholding Plan plans to obtain a necessary resolution to amend the Shareholding Plan Rules etc. so as to accommodate the Plan, at the Shareholding Plan’s board meeting to be convened promptly after the Board passes a resolution for the Disposal of Treasury Shares. Such amendment will come into effect, if two weeks pass after a notice is issued to members of the Shareholding Plan pursuant to the Shareholding Plan Rules etc. after such Shareholding Plan’s board resolution, and if the number of members of the Shareholding Plan opposing the amendment is less than one-third of the number of all members of the Shareholding Plan.

In the Disposal of Treasury Shares, the Shareholding Plan, as the planned allottee, will make in-kind contribution of all Special Incentive Payments contributed by the Subject Employees under the Plan, and then ordinary shares of the Company (“Allotted Shares”) will be disposed of to the Shareholding Plan. An overview of the transfer-restricted stock allotment agreement to be executed between the Company and the Shareholding Plan (“Allotment Agreement”) for the Disposal of Treasury Shares is stated in “3. Overview of the Allotment Agreement” below. Though the number of shares subject to Disposal in the Disposal of Treasury Shares will be determined at a later date as stated in the Note of 1. above, it is planned that if all 10,642 employees of the Company, which is the maximum number of employees who could be eligible for the Plan, become members of the Shareholding Plan and give consent to the Plan, the number of shares subject to Disposal will be 319,260.

Assuming such number of shares subject to Disposal, the scale of dilution of shares will be 0.17% (rounded off to the second decimal place; hereinafter the same in the calculation of allotment) relative to 183,166,472 shares, the total number of shares of the Company issued and outstanding as of March 31, 2025, and 0.19% relative to 1,715,550 units, the total number of voting rights as of March 31, 2025.

The introduction of the Plan is designed to support the Subject Employees in their asset formation, enhance their engagement with the Company, enhance motivation towards improvement of the Company performance and stock price, and advance the creation of greater shared value between the Company's shareholders and the Subject Employees, by creating opportunities for the Subject Employees to acquire ordinary shares of the Company issued or disposed of by the Company as transfer-restricted stock through the Shareholding Plan as the measures to enhance and promote benefits for the Subject Employees; the Company believes this will contribute to enhancing the Company's corporate value, and the Company has determined that the number of shares subject to Disposal and the scale of dilution of shares through the Disposal of Treasury Shares are reasonable, and the influence on the market will be minor even in light of such scale of dilution.

The Disposal of Treasury Shares is subject to the condition that the amended Shareholding Plan Rules etc. come into effect by the day preceding the Disposal date for the Disposal of Treasury Shares, and that the Allotment Agreement is executed between the Company and the Shareholding Plan within the prescribed period.

3. Overview of the Allotment Agreement

(1) Transfer Restriction period

July 25, 2025 to May 31, 2030

(2) Condition to lift Transfer Restrictions

Subject to the condition that the Subject Employee was a member of the Shareholding Plan continuously throughout the Transfer Restriction period, the Transfer Restrictions will be lifted on all Allotted Shares in the number corresponding to the Transfer-Restricted Stock Equity held by the Subject Employees who have satisfied such condition at the point in time the Transfer Restriction period expires.

(3) Handling if a Subject Employee withdraws from the Shareholding Plan

If a Subject Employee withdraws from the Shareholding Plan during the Transfer Restriction period because of mandatory retirement or other valid reasons (this withdrawal means a case where a Subject Employee loses eligibility as a member of the Shareholding Plan or a case where a Subject Employee requests its withdrawal from the Shareholding Plan, and includes a case of its withdrawal due to death), on the date the Shareholding Plan receives the Subject Employee's withdrawal request (if the Subject Employee loses eligibility as a member of the Shareholding Plan, the date such eligibility is lost <on the date of death in the case of its withdrawal due to death>; "Withdrawal Request Receipt Date"), the Company will lift the Transfer Restrictions on all Allotted Shares in the number corresponding to the Transfer-Restricted Stock Equity held by the relevant Subject Employee on the Withdrawal Request Receipt Date.

(4) Handling if a Subject Employee becomes a non-resident

If the Company decides that a Subject Employee becomes a non-resident during the Transfer Restriction period because of an overseas transfer or other circumstances, on the date such decision is made ("Overseas Transfer etc. Decision Date"), the Company will lift the Transfer Restrictions on all Allotted Shares in the number corresponding to the Transfer-Restricted Stock Equity held by the relevant Subject Employee on the Overseas Transfer etc. Decision Date.

(5) Acquisition without a consideration by the Company

If a Subject Employee violates laws and regulations or another event specified in the Allotment Agreement applies to a Subject Employee during the Transfer Restriction period, the Company will acquire by operation of agreement and without a consideration all of the Allotted Shares in the number that corresponds to the Transfer-Restricted Stock Equity held by the relevant Subject Employee at such point in time. Further, at the time of expiration of the Transfer Restriction period or at the time of lifting of Transfer Restrictions specified in (3) or (4) above, the Company will acquire by operation of agreement and without a consideration any Allotted Shares for which Transfer Restrictions have not been lifted.

(6) Management of shares

To ensure that there is no transfer of, creation of a security interest on, or any other disposal of, Allotted Shares during the Transfer Restriction period, the Allotted Shares will be managed in an exclusive account opened at Nomura Securities Co., Ltd. by the Shareholding Plan during the Transfer Restriction period. Further, the Shareholding Plan will register for and manage the Transfer-Restricted Stock Equity, separately from other membership equity (“Ordinary Equity”) held by the Subject Employees in accordance with the Shareholding Plan Rules etc.

(7) Handling in the case of reorganization etc.

If, a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matter concerning reorganization etc. is approved by a general meeting of shareholders of the Company (if approval by a general meeting of shareholders is not required for the relevant reorganization etc., then approved by the Board of the Company) during the Transfer Restriction period, then, by a resolution of the Board, the Transfer Restrictions will be lifted on all Allotted Shares in the number corresponding to the Transfer-Restricted Stock Equity held by the Subject Employees, as of a time immediately prior to the business day preceding the date the reorganization etc. comes into effect.

4. Basis for calculation of the disposal price and its specific details

Disposal of Treasury Shares to the Shareholding Plan as the planned allottee will be carried out by the Subject Employees contributing to the Shareholding Plan the Special Incentive Payments provided to them for the purpose of grant of transfer-restricted stock. With respect to the disposal price, in order to eliminate any discretion in the amount, the price is decided to be 7,964 yen, the closing price of the Company’s ordinary shares on the Tokyo Stock Exchange Prime Market on May 12, 2025 (the business day preceding the date of resolution of the Board). This is the market price on the day immediately preceding the date of resolution of the Board, and therefore the Company believes that it is reasonable and is not an amount that is particularly favorable.

The deviation rates of this disposal price from the average closing prices of the Company’s ordinary shares on the Tokyo Stock Exchange Prime Market are as follows (rounded off to the second decimal place).

Period	Average Closing Price (amount less than one yen are rounded down)	Deviation rate
One month (April 14, 2025 to May 12, 2025)	7,323 yen	8.75 %
Three months (February 13, 2025 to May 12, 2025)	6,905 yen	15.34 %
Six months (November 13, 2024 to May 12, 2025)	6,724 yen	18.44 %

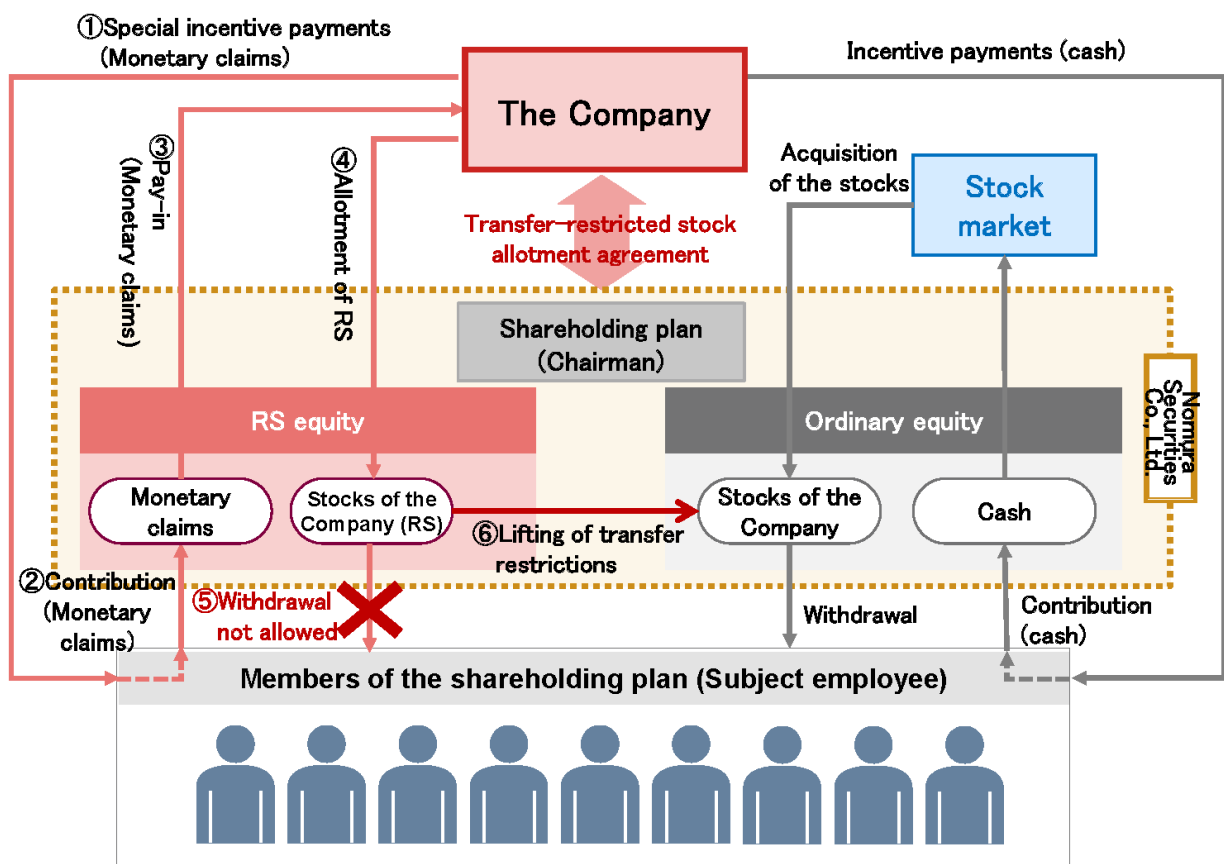
5. Matters concerning procedures under the corporate code of conduct

Given that the Disposal of Treasury Shares (i) will result in a dilution rate of less than 25%, and (ii) does not involve change of the controlling shareholder, receipt of the opinion of an independent third party and procedures to confirm the intent of shareholders of the Company specified in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. are not required.

(For your reference)

Structure of the Plan

- (i) The Company will provide the Subject Employees with monetary claims as the Special Incentive Payments for the purpose of granting transfer-restricted stock.
- (ii) The Subject Employees will contribute the monetary claims of (i) above to the Shareholding Plan.
- (iii) The Shareholding Plan will collect and pay in the monetary claims contributed under (ii) above to the Company.
- (iv) The Company will allot the Allotted Shares as transfer-restricted stock (“RS” in the diagram below) to the Shareholding Plan.
- (v) Through Nomura Securities Co., Ltd., the Allotted Shares will be deposited into an exclusive account opened by the Shareholding Plan; withdrawal of the Allotted Shares during the Transfer Restrictions period will be restricted.
- (vi) After lifting Transfer Restrictions, the Allotted Shares will be transferred to Ordinary Equity or securities accounts in the name of the Subject Employees.



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