

Financial Results for FY2025 Q3

February 6, 2026



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1. Summary

Financial Results for FY2025 Q3

- We recorded **the highest ever profit for each of the profit stages** despite a decrease in net sales.
- The progress rate against the full fiscal year forecast is steady at **74.9%**.
- The gross profit margin for Taisei Corporation remained at the Q2 level, reaching 21.9% for Civil Engineering and 10.9% for Building Construction.

Reduction of Cross-Shareholdings

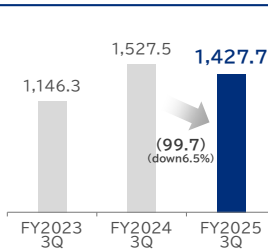
- While we sold cross-shareholdings worth **49.1 billion** yen between April and December 2025, they represent **32.8%** of consolidated net assets due to the effect of the rise in stock prices.

Influence of TOYO Construction

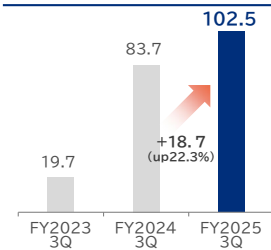
- **Toyo Construction Co., Ltd. have been consolidated since the beginning of Q3** and have only a limited impact on the results.
- The numbers of Toyo Construction Co., Ltd. are reflected respectively in the **Civil Engineering, Building Construction**, and Other segments.
- Goodwill will be amortized in equal amounts over seven years. The amortization amount in Q3 was **2.1 billion yen**.



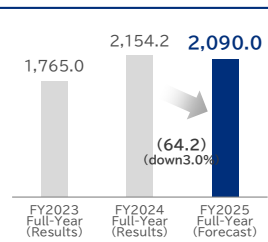
Consolidated Net Sales (Q3) (¥ billion)



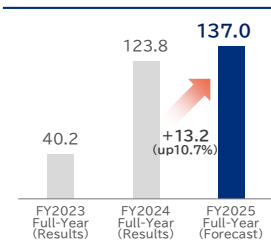
Consolidated Net Income (Q3) (¥ billion)



Consolidated Net Sales (Forecast) (¥ billion)



Consolidated Net Income (Forecast) (¥ billion)



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- The summary of today's explanation of the financial results is as stated.

Financial Results for FY2025 Q3

- 2. Key Financial Figures – Results and Forecasts
 - 3-1. New Orders
 - 3-2. Net Sales
 - 3-3. Gross Profit
 - 3-4. Non-Consolidated Profit Ratio on Construction Business
 - 3-5. Selling, General and Administrative (SG&A) Expenses
 - 3-6. Operating Income
 - 3-7. Quarterly Net Income Attributable to Owners of Parent (Q3)
 - 3-8. (Reference) Net Income Attributable to Owners of Parent (Full-Year Forecast)
- 4. Group Companies' Results
- 5. Balance Sheet

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- I will explain by using figures on a consolidated basis unless otherwise noted.
- Changes from the results of the previous fiscal year will be explained.

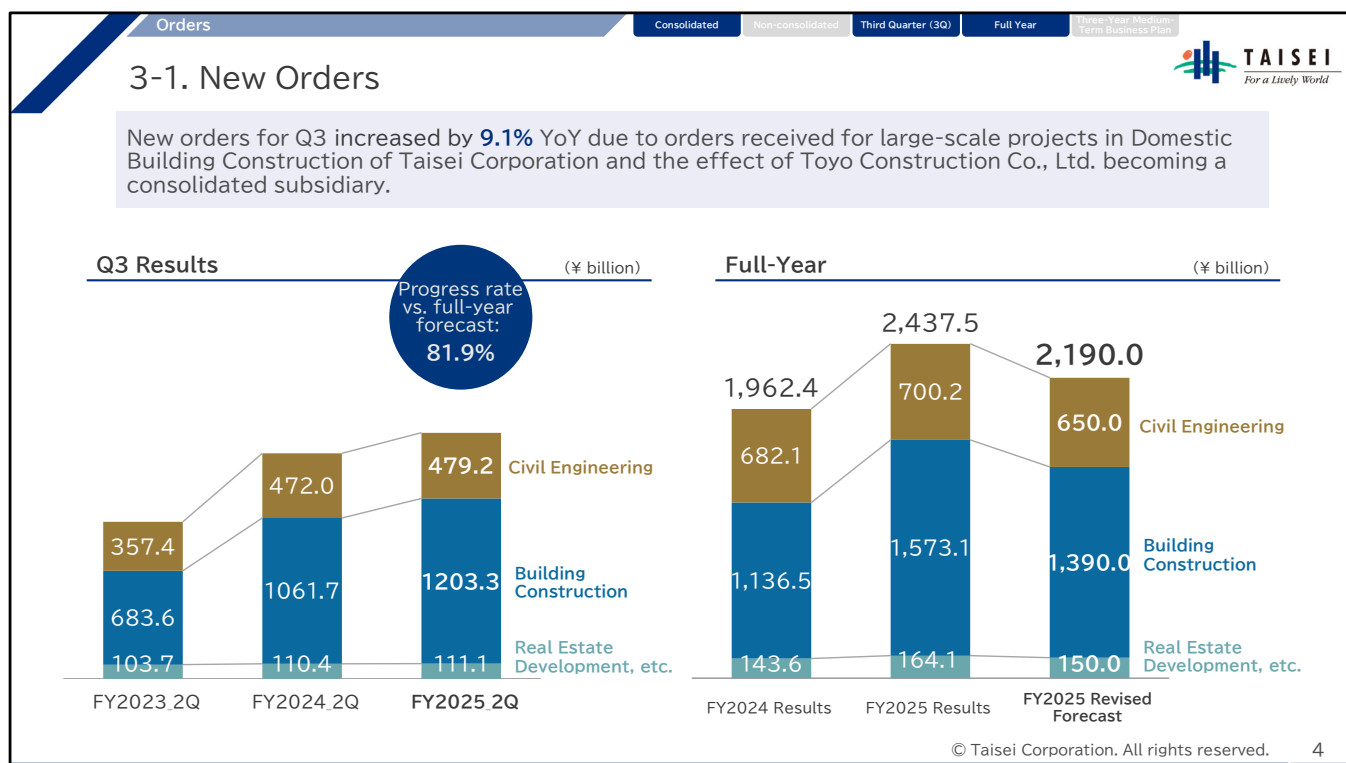
2. Key Financial Figures – Results

- In Q3, we recorded the highest ever profit for each of the profit stages as higher gross profit in Civil Engineering and Building Construction more than offset factors that decrease profits, including a decrease in net sales in Domestic Building Construction, an increase in SG&A expenses, and deteriorations in non-operating income and loss and in extraordinary income and loss.

(¥ billion)	FY2024 3Q Results	FY2025 3Q Results	YoY Changes	3Q Progress (vs Full-Year Forecast)	FY2025 Full-Year Forecast
New Orders	1644.2	1,793.8	+149.6	81.9%	2,190.0
Net Sales	1527.5	1427.7	(99.7)	68.3%	2,090.0
Gross Profit	156.7 (10.3%)	217.9 (15.3%)	+61.1 (+5.0pt)	74.1%	294.0 (14.1%)
Operating Income	79.9 (5.2%)	122.3 (8.6%)	+42.3 (+3.4pt)	82.7%	148.0 (7.1%)
Interim Net Income Attributable to Owners of Parent	83.7 (6.1%)	102.5 (7.2%)	+18.7 (+1.7pt)	74.9%	137.0 (6.6%)
Interim Net Income per Share (¥)	457.17	615.38	158.21	74.5%	826.43
ROE	—	—	—	—	15.8%

Overview of Q3

- New orders increased in Building Construction due to orders received for large scale domestic projects.
- Net sales decreased due to the progress of construction works being in the initial stage for large-scale projects in the Tokyo metropolitan area.
- Gross profit increased due to an improvement in the profit ratio, etc. in both Civil Engineering and Building Construction.
- Operating income and the items that follow recorded the highest ever profit of Q3 for each of the profit stages, due to an increase in gross profit exceeding the factors of decrease in profit, such as an increase in SG&A expenses, a decrease in non-operating revenues and a deterioration in extraordinary income and loss.
- From Q3, each item including new orders, has taken into account the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary.



New Orders

- The result of Q3 was 1.7938 trillion yen, an increase of 149.6 billion yen YoY.

[Civil Engineering]

- ✓ New orders for Taisei Corporation decreased by 19.1 billion yen due to the absence of orders for a large-scale domestic project received in the Q1 of the previous fiscal year.
- ✓ For subsidiaries, etc. the overall consolidated new orders increased by 7.1 billion yen, due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary and the increase in Taisei Rotec Corporation.

[Building Construction]

- ✓ New orders for Taisei Corporation increased by 131.2 billion yen due to orders received for large-scale domestic projects in the Q1 of the previous fiscal year.
- ✓ For subsidiaries, etc. overall consolidated new orders increased by 141.6 billion yen, due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary and the increase in Taisei Setsubi Co., Ltd.

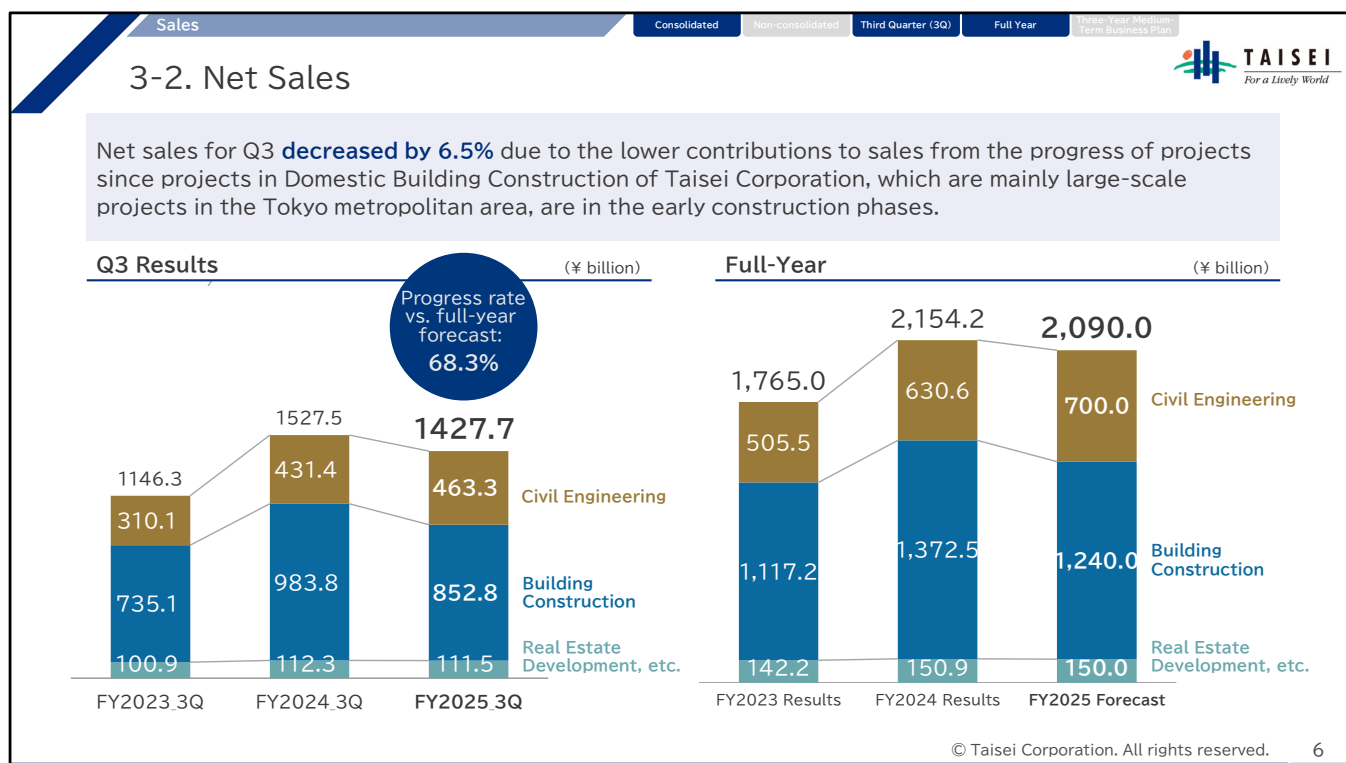
[Real Estate Development and Others]

- ✓ New orders were generally similar to the previous fiscal year.

- The progress rate against the full fiscal year forecast is 81.9%

Orders						
(Reference) Major New Orders						
Segment						
	Order Period	Type	Project Name	Facility Use	Client	Industry Classification
Civil Engineering	3Q	[Public]	Shakujii-river upstream underground regulating reservoir works	Erosion control & Flood control	Tokyo Metropolitan Government	Prefectures
	1Q	[Public]	Kabutoyama Water Treatment Plant Upgrade Project, Construction of New Water Treatment Plant	Water supply and sewerage	Himeji City	Cities, wards, towns, and villages
	3Q	[Private]	Construction work of JR Horie shield tunnel and others of Naniwasuji Line	Railroad	Kansai Rapid Railway Co.,Ltd.	Transport
	1Q	[Private]	Foundation Works for the Electric Arc Furnace (EAF) Electrical Room, etc., Construction Package No.2 of EAF	Land development (Foundation work of the factory)	JFE Steel Corporation	Iron and steel
	3Q	[Public]	Construction work for the Hamasaka Daiichi Tunnel and Hamasaka Daini Tunnel (tentative names) on the Route 178 Hamasaka Road (Phase 2)	Road	Hyogo Prefecture	Prefectures
Building Construction	1Q	[Private]	Shinagawa Station West Exit Area, District A New Construction Plan (tentative name)	office	Keikyu Corporation	Transportation
	2Q	[Private]	New building construction work for Odori-nishi 4 South District, Category 1 Urban Redevelopment Project	Shop	Odori-nishi 4 South District Urban Redevelopment Association	Service
	3Q	[Private]	Construction work of New Research Building B of the Development Plan of the North-Side of Minami-watarida Northern District	Educational, Research and Cultural Facilities	Hulic Co., Ltd.	Real estate
	3Q	[Private]	Construction work of New Building 1 and others for the Project to Advance Seismic Strengthening of Building 1 of Tokai University Isehara Campus	Medcal	Tokai University	Service
	2Q	[Private]	New building construction work for Shirokane 1-chome West Central District, Category 1 Urban Redevelopment Project	Housing	Shirokane 1-chome West Area Central District Urban Redevelopment Association	Service
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- These are the major new project orders received by Civil Engineering and Building Construction of Taisei Corporation.



Net Sales

- The result of Q3 was net sales of 1.4277 trillion yen, a decrease of 99.7 billion yen YoY.

[Civil Engineering]

- ✓ Net sales for Taisei Corporation increased by 6.3 billion yen due to an increase in the backlog of projects and the progress of large-scale projects.
- ✓ Net sales for subsidiaries, etc. increased by 25.6 billion yen due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary and the increase in PS Construction Co., Ltd.
- ✓ Overall consolidated net sales increased by 31.9 billion yen.

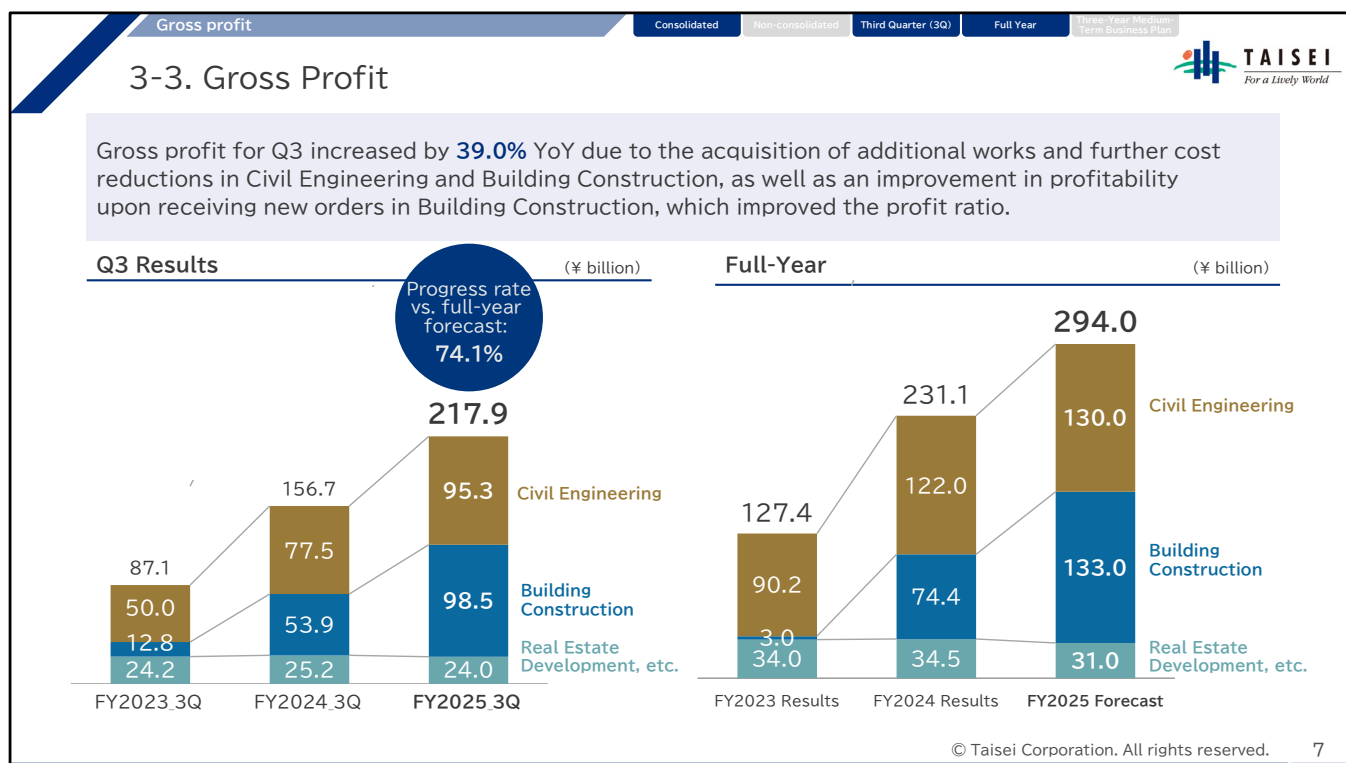
[Building Construction]

- ✓ Net sales for Taisei Corporation decreased by 160.2 billion yen due to the progress of the construction works being in the initial stage for large-scale projects mainly in the Tokyo metropolitan area.
- ✓ Net sales for subsidiaries, etc. increased by 29.2 billion yen due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary, and the increases in PS Construction Co., Ltd. and Taisei Housing Corporation.
- ✓ Overall consolidated net sales decreased by 130.9 billion yen.

[Real Estate Development and Others]

- ✓ Net sales were generally similar to the previous fiscal year.

- The progress rate against the full fiscal year forecast is 68.3%.



Gross Profit

- The result of Q3 was gross profit of 217.9 billion yen, an increase of 61.1 billion yen YoY.

[Civil Engineering]

- ✓ Gross profit for Taisei Corporation increased by 10.4 billion yen YoY due to the effect of an increase in net sales and acquiring of additional works and reducing of costs.
- ✓ Gross profit for subsidiaries, etc. increased by 7.2 billion yen due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary and the acquiring of additional works by PS Construction Co., Ltd.
- ✓ Overall consolidated gross profit increased by 17.7 billion yen.

[Building Construction]

- ✓ Gross profit for Taisei Corporation increased by 38.2 billion yen YoY due to an improvement in the profit ratio despite a decrease in net sales.
- ✓ Gross profit for subsidiaries, etc. increased by 6.3 billion yen due to the effect of the consolidation of Toyo Construction Co., Ltd., as well as increases in net sales in, and the improved profitability of, Taisei Setsubi Co., Ltd. and Taisei Housing Corporation.
- ✓ Overall consolidated gross profit increased by 44.6 billion yen.

[Real Estate Development and Others]

- ✓ Gross profit was generally similar to the previous fiscal year.

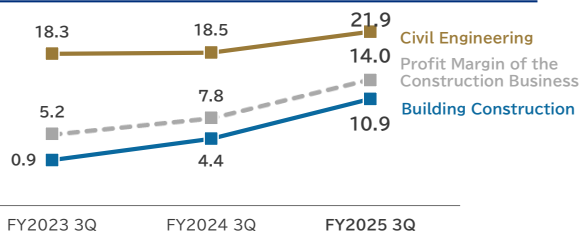
- The progress rate against the full fiscal year forecast is 74.1%.

3-4. Non-Consolidated Profit Ratio on Construction Business

Profit Ratio for Q2 improved to **21.9%** (+3.4pts YoY) for civil engineering and **10.9%** (+6.5pts YoY) for building construction.

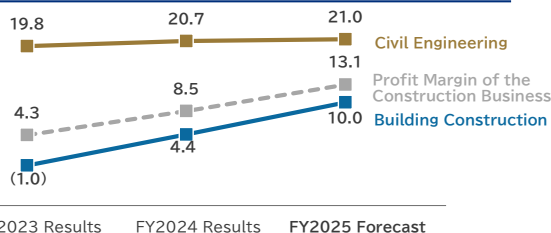
Q3 Results

(%)



Full-Year

(%)



Breakdown of Changes in Provision for Loss on Construction Contracts (¥ billion)

Breakdown of Changes in Provision for 2025 Construction Contract A - Bidder					
	As of Mar. 2025	Changes(Apr.to Dec.2025)			As of Dec. 2025
			Provision	Reversal	
Civil Engineering	9.9	(0.2)	1.1	(1.3)	9.7
Building Construction	92.4	(19.2)	2.8	(22.0)	73.2
Total	102.3	(19.4)	3.9	(23.3)	82.9

Factors Affecting Changes in Gross Profit (YoY) (¥ billion)

	Gross Profit Q1-Q3	YoY Changes	Factors	
			Changes of Net Sales	Changes of Profit Ratio
Civil Engineering	60.4	10.4	1.1	9.3
Building Construction	75.9	38.2	(2.7)	40.9
Total	136.4	48.7	(1.6)	50.3

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Gross Margin on Completed Contracts for Taisei Corporation

- For Q3, the overall gross margin on completed contracts was 14.0%, an increase of 6.2 percentage points YoY.

[Civil Engineering]

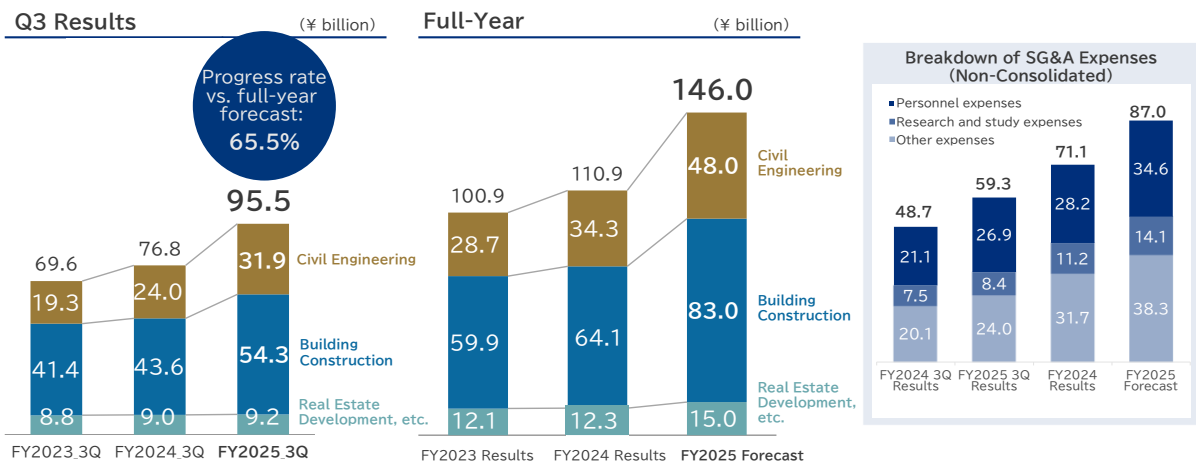
- ✓ The gross margin on completed contracts was 21.9 %, an increase of 3.4 percentage points YoY due to the further acquiring of additional works and reducing of costs mainly for a large-scale project to be completed in this fiscal year.

[Building Construction]

- ✓ The gross margin on completed contracts was 10.9%, an increase of 6.5 percentage points YoY due to an improvement in profitability upon receiving new orders, and the acquisition of additional orders including for price escalations and the progressing of reduction of costs for large-scale projects to be completed in this fiscal year as well as other factors.

3-5. Selling, General and Administrative (SG&A) Expenses

SG&A expenses for Q3 increased by **24.4%** YoY due to an increase in investments in human capital made by Taisei Corporation and the effect of making Toyo Construction Co., Ltd. a consolidated subsidiary.



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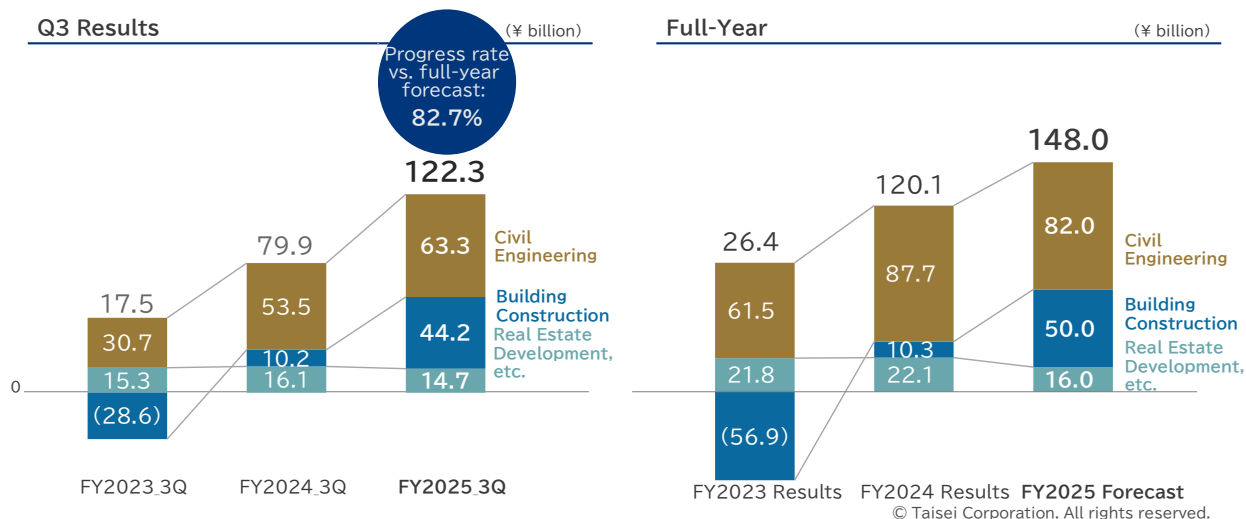
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SG&A Expenses

- In Q3, the SG&A expenses of Taisei Corporation increased by 10.6 billion yen YoY due to an increase in personnel costs as a result of the implementation of the human resource policies, and due to an increase in expenses related to orders received.
- The SG&A expenses of subsidiaries, etc. increased by 8.0 billion yen due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary and an increase in PS Construction Co., Ltd.
- The SG&A expenses of subsidiaries include the 2.1 billion yen of amortization of goodwill for Toyo Construction Co., Ltd.
- Overall consolidated SG&A expenses increased by 18.7 billion yen.
- The progress rate against the full fiscal year forecast is 65.5 %.

3-6. Operating Income

Operating income for Q3 increased by **53.0%** YoY due to a higher gross profit that more than offset the increase in SG&A expenses.



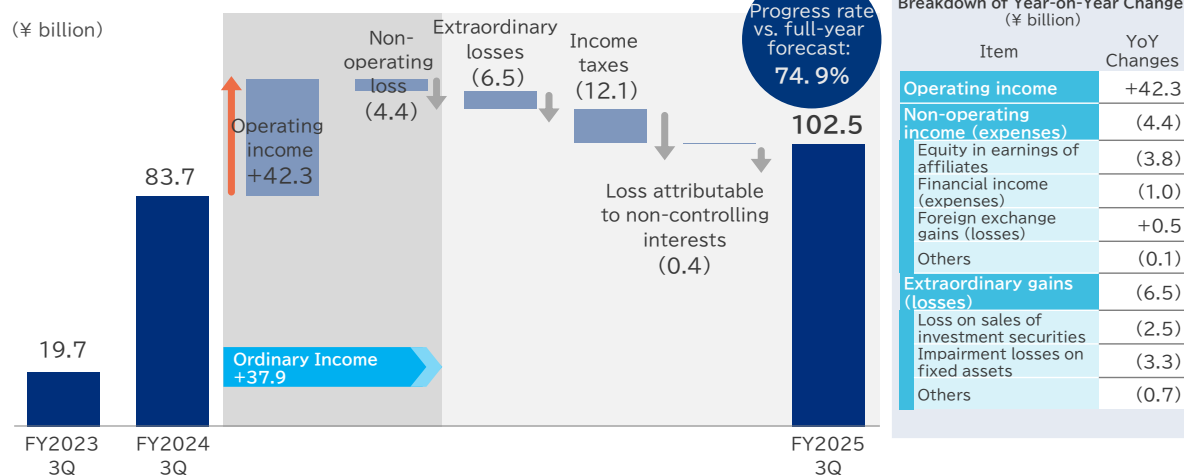
Operating Income

- For Q3, the Operating income was 122.3 billion yen, an increase of 42.3 billion yen YoY, despite of the increase in SG & A expenses, the increase in gross profit exceeded the increase in SG & A expenses.
- The progress rate against the full fiscal year forecast is 82.7%.

3-7. Quarterly Net Income Attributable to Owners of Parent (Q3)

Net income attributable to owners of the parent for Q3 increased by **22.4% YoY** due to an increase in ordinary income.

- Improved profitability in non-consolidated civil engineering and building construction significantly contributed to higher operating income.



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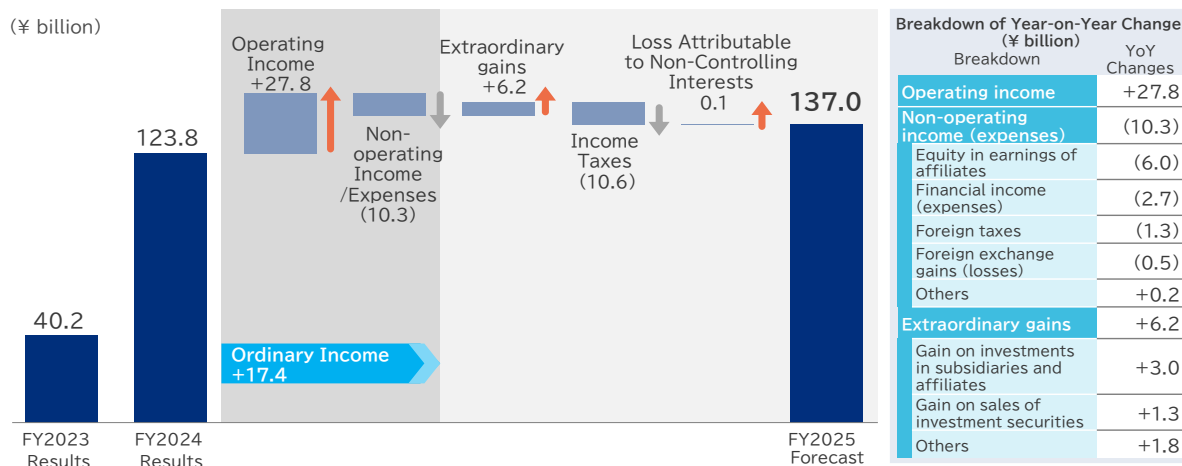
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Quarterly Net Income Attributable to Owners of the Parent

- Net income attributable to owners of the parent for Q3 was 102.5 billion yen, an increase of 18.8 billion yen YoY due to an increase in ordinary income, despite the deterioration decreases in extraordinary income and loss.
- The deterioration of extraordinary income and loss by 6.5 billion yen YoY due to the appropriation of impairment loss for Taisei Corporation and the subsidiaries and the decrease in the gain of sales of investment securities as the result of sales of cross-shareholdings.
- The progress rate against the full fiscal year forecast is 74.9%.

3-8. (Reference) Net Income Attributable to Owners of Parent (Full-Year Forecast)

- Operating income is expected to increase by 27.8 billion yen YoY mainly due to an improvement in the profit ratio in Domestic Building Construction of Taisei Corporation. Net income is expected to increase by 13.2 billion yen.
- With respect to extraordinary income and loss, gains on sales of investment securities are expected to increase by 1.3 billion yen as a result of the progress in the reduction of cross-shareholdings.
- The effect of the consolidation of Toyo Construction Co., Ltd. has been reflected in the full fiscal year forecast.



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Full Fiscal Year Forecast

- There are no changes to the initial forecast we disclosed in November.
- The effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary has already been taken into the full fiscal year forecast.
- The factors of the increase and decrease in the results of the previous fiscal year and the forecast of this fiscal year is, operating income increased by 27.8 billion yen mainly due to an improvement in the profit margin of the domestic building construction of Taisei Corporation.
- The decrease in non-operating income was 10.3 billion yen due to the absence of one-time gain on negative goodwill of the previous fiscal year recognized in relation to the M & A of Heiwa Real Estate Co., Ltd.
- Extraordinary income was 6.2 billion yen due to taking into account the increase in gain on the progress of sales of investment securities resulting from progress in the reduction of cross-shareholdings.
- Net income is expected to increase by 13.2 billion yen.

4. Group Companies' Results (Consolidated vs. Non-Consolidated)

Breakdown of Subsidiary Results by Segment

(¥ billion)

	Orders Received				Net Sales				Gross Profit			
	3Q Results	YoY Changes	Progress Rate vs Full-Year Forecast	Full-Year Forecast	3Q Results	YoY Changes	Progress Rate vs Full-Year Forecast	Full-Year Forecast	3Q Results	YoY Changes	Progress Rate vs Full-Year Forecast	Full-Year Forecast
Taisei Corporation	1,345.2	114.2	88.5%	1,520.0	998.3	(154.8)	69.8%	1,430.0	147.9	50.8	75.5%	196.0
Civil Engineering Subsidiaries	207.0	26.3	69.0%	300.0	186.8	25.6	62.3%	300.0	34.8	7.2	75.7%	46.0
Building Construction Subsidiaries	154.0	10.3	61.6%	250.0	154.6	29.2	64.4%	240.0	22.6	6.3	68.5%	33.0
Real Estate Development and Other Subsidiaries	87.5	(1.2)	72.9%	120.0	87.9	0.1	73.3%	120.0	12.5	(3.2)	65.8%	19.0
Total (Group)	1,793.8	149.6	81.9%	2,190.0	1,427.7	(99.7)	68.3%	2,090.0	217.9	61.1	74.1%	294.0

*The effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary

New Orders: ¥44.1bn Net Sales: ¥53.7bn Gross Profit: ¥6.5bn [including Civil Engineering, Building Construction and Others] SG&A expenses: Amortization amount of goodwill: ¥2.1bn

The outstanding amount of goodwill of Toyo Construction Co., Ltd.: ¥5.88bn at end of Q3; ¥8.85bn at the end of fiscal year 2025 (expected to increase due to the acquisition of fractional shares), the period of amortization is 7 years (equal amortization)

Major Consolidated Subsidiaries

Civil Engineering

- Taisei Rotec Corporation
- SEIWA RENEWAL WORKS CO., LTD.
- PS Construction Co., Ltd.
- TOYO CONSTRUCTION CO., LTD.

Building Construction

- TAISEI U-LEC CO., LTD.
- TAISEI SETSUBI CO., LTD.
- TAISEI HOUSING CORPORATION
- SATOHIDE CORPORATION
- PS Construction Co., Ltd.
- TOYO CONSTRUCTION CO., LTD.

Real Estate Development and Other

- Taisei-Yuraku Real Estate Co., Ltd.
- Taisei USA LLC

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Results of Group Companies by Segments

- The stated difference is between consolidated and Taisei Corporation.
- For Q3, both sales and profit increased due to subsidiaries overall of both Civil Engineering and Building Construction performing well and due to the effect of Toyo Construction Co., Ltd. becoming a consolidated subsidiary.
- The progress rate against the full-year forecast of gross profit is steady as similar as Taisei Corporation.
- The effected amount of the consolidated numbers of Q3 due to Toyo Construction Co., Ltd. becoming a consolidated subsidiary was 44.1 billion yen for new orders, 53.7 billion yen for net sales, 6.5 billion yen for gross profit and 2.1 billion yen for amortization of goodwill in the SG & A expenses.
- The outstanding amount of goodwill as of the end of Q3 is expected to be 58.8 billion yen and 88.5 billion yen at the end of the full fiscal year taking into account of the increase due to the acquisition of fractional shares. The period of amortization is 7 years.
- Toyo Construction Co., Ltd. became a wholly owned subsidiary by acquiring 100% of the shares in December.

5. Balance Sheet

Interest-bearing debt increased by 292.3 billion yen from the end of the previous fiscal year, resulting in a net debt of 607.8 billion yen. Equity capital decreased by 3.9 billion yen mainly due to the acquisition of treasury shares, and the equity ratio was 33.0%.

Balance Sheet (BS)

Cash and deposits 300.7	Interest-bearing debt 315.5	Cash and deposits 264.4	Interest-bearing debt 607.8
Cross-shareholdings 265.0	Other liabilities 1,212.6	Cross-Shareholdings 295.8	Other liabilities 1,102.6
Other assets 1,863.1	Non-controlling interests 34.5	Other assets 2,052.5	Non-controlling interests 40.0
	Equity 866.2 (of which, retained earnings) 649.2		Equity 862.3 (of which, retained earnings) 558.1
Total assets 2,428.8 As of end of Mar. 2025		Total assets 2,612.7 As of end of Dec. 2025	

Balance Sheet

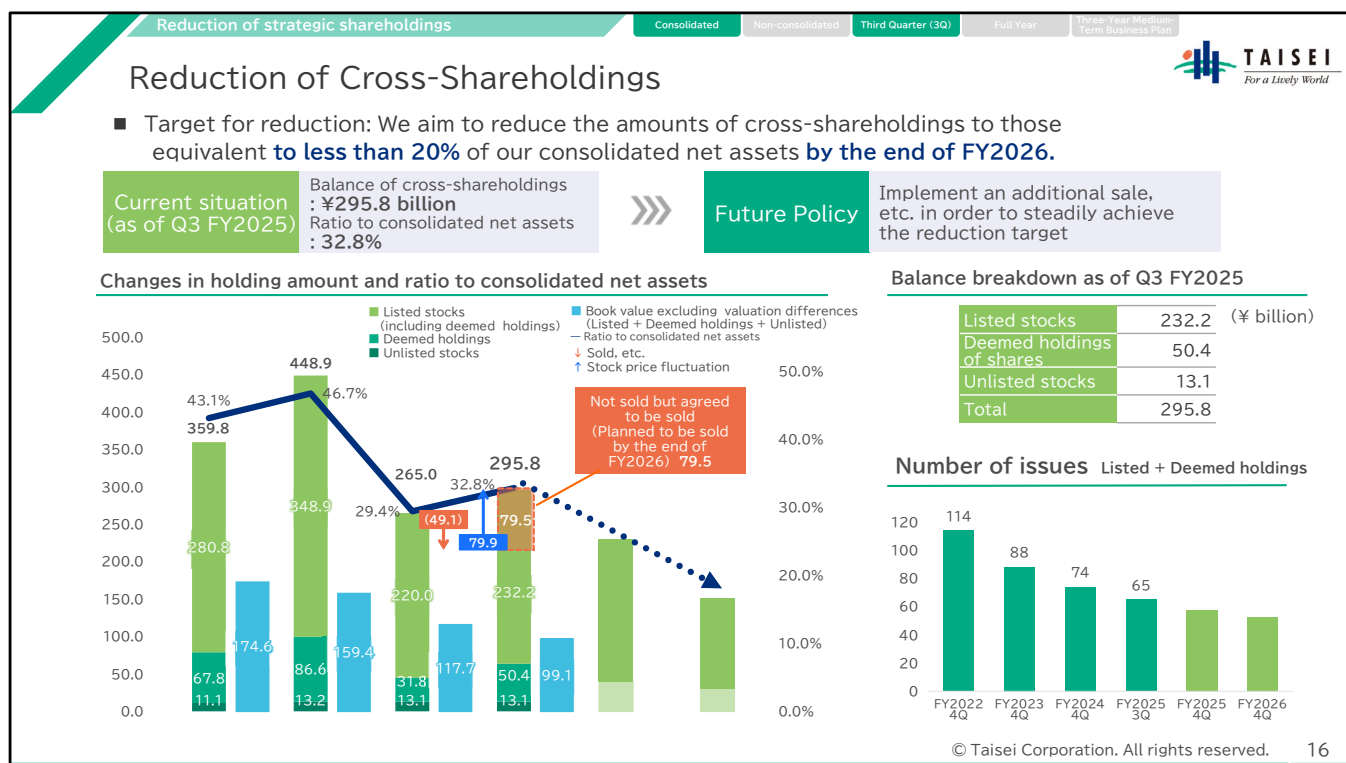
- Consolidated total assets at the end of Q3 was 2.6127 trillion yen, an increase of 183.8 billion yen from the end of the previous fiscal year, mainly due to Toyo Construction Co., Ltd. becoming a consolidated subsidiary.
- Interest-bearing debt became 607.8 billion yen, an increase of 292.3 billion yen from the end of the previous fiscal year, and cash deposits became 264.4 billion yen, a decrease of 36.3 billion yen from the end of the previous fiscal year, resulting in a net debt of 343.4 billion yen.
- Equity capital became 862.3 billion yen, a decrease of 3.9 billion yen and the equity ratio became 33.0% due to the decrease in retained earnings resulting from the acquisition of treasury shares and the payment of dividends, despite the increase in unrealized gains on available-for-sale securities.
- The balance sheet of Toyo Construction Co., Ltd. has been consolidated since Q2.

Cross-Shareholdings

| Reduction of Cross-Shareholdings

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I will explain the detailed status of the reduction of cross-shareholdings.



Status of the Reduction of Cross-Shareholdings

- As of the end of December 2025, the balance of cross-shareholdings was 295.8 billion yen, accounting for 32.8% of consolidated net assets.
- Despite the increase in the outstanding balance due to the rise in stock prices, the sale has progressed smoothly. The number of companies of the stocks held has become 65 from 114 in five and a half years.
- We will continue to implement the reductions to achieve the reduction plan of cross-shareholdings to be less than 20% of the consolidated net assets by the end of March 2027.

Disclaimer

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