

[Translation]

May 15, 2026

Announcement Regarding Revisions of Performance-linked Stock-based Compensation Plan

Taikisha Ltd. (hereinafter the “Company”), hereby announces that, at the Board of Directors meeting held on today, it resolved to revise the Board Benefit Trust (BBT) (hereinafter the “Current Plan”), which is performance-linked stock-based compensation plan, by converting it to the “Board Benefit Trust-Restricted Stock (BBT-RS)” (hereinafter the “Proposed Plan”), under which shares granted will be subject to transfer restrictions until resignation (hereinafter the “Revisions”), and also decided to submit a proposal regarding the Proposed Plan to the 81st Annual General Shareholders’ Meeting to be held on June 24, 2026 (hereinafter the “General Shareholders’ Meeting”).

1. Background and Purpose of Revisions

The Company will revise the performance-linked stock-based compensation plan as part of the revisions of executive compensation system with the aim of serving further incentives for “enhancing corporate value” through the improvement of the company’s economic and social value, based on the Company’s 10-Year Plan 2035 and Mid-Term Business Plan announced on May 15, 2025. For details on the revised executive compensation system, please refer to the “Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method” at the end of this announcement.

Current Plan was originally approved at the 74th Annual General Shareholders’ Meeting held on June 27, 2019 (hereinafter the “Original Resolution”). Subsequently, the Company decide to add Corporate Officers to the beneficiaries of Current Plan which has remained in effect to today.

The Board of Directors of the Company has decided to propose the Revisions to further promote value-sharing with shareholders by granting Directors, etc. the same rights of shareholders, such as exercising voting rights and receiving dividends in addition to the purpose upon the introduction of the Current Plan to clarify the link between the compensation of Executive Directors and Corporate Officers (hereinafter “Directors, etc.”) and the Company’s operating performance and stock value and enhancing their motivation to contribute to the improvement of operating performance in the medium- to long-term and to boost corporate value by sharing not only the benefit of stock price increases but also the risk of stock price decreases with shareholders.

2. Contents of the Proposed Plan

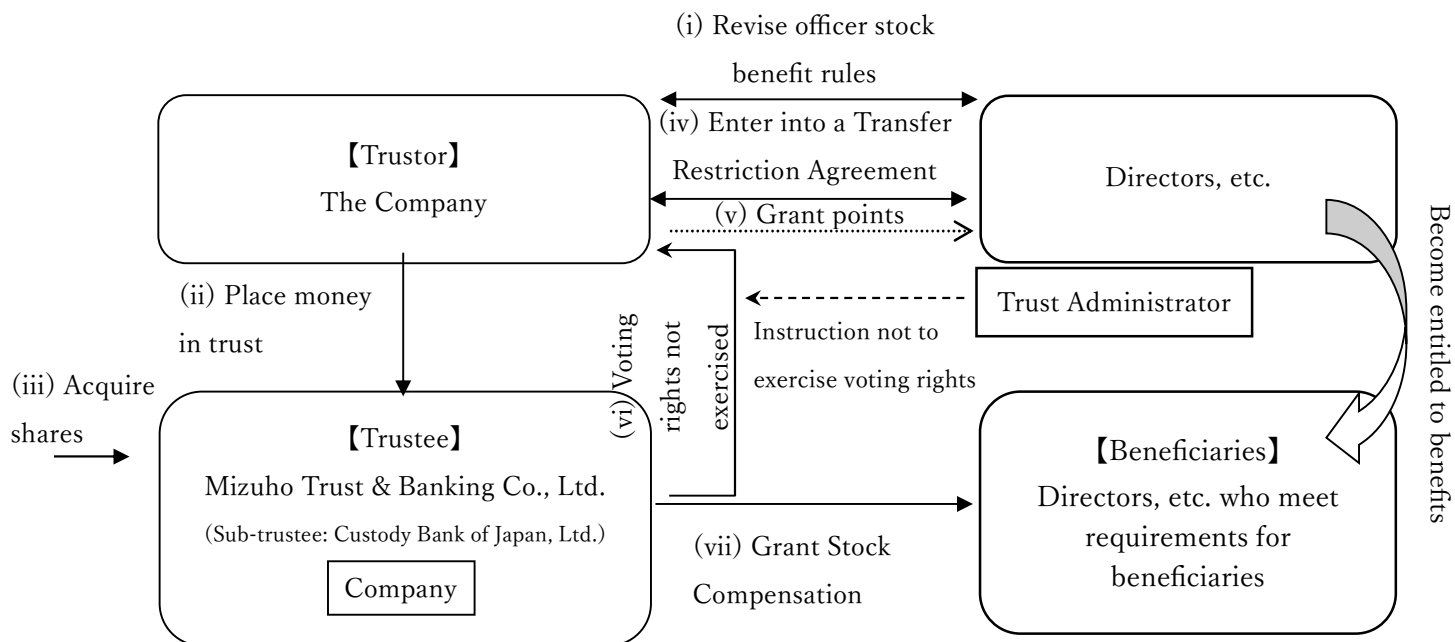
(1) Outline of the Proposed Plan

The Proposed Plan is a performance-linked stock-based compensation plan under which the trust (hereinafter, the trust established under the Current Plan and the Proposed Plan is referred to as the

“Trust”) acquires shares of the Company using funds contributed by the Company and grants the Company’s shares and cash equivalent to the market value of such shares (hereinafter “Stock Compensation”) to Directors, etc. in accordance with the director stock benefit rules and the corporate officer stock benefit rules (hereinafter “officer stock benefit rules”) determined by the Company. In principle, the Company’s shares will be granted to Directors, etc. at a fixed time each year, while cash equivalent to the market value of the Company’s shares will be provided to Directors, etc. upon resignation. When Directors, etc. receive the Company’s shares during their term of office, they must enter into a Comprehensive Transfer Restriction Agreement with the Company as set out in Section 3 below prior to receiving such shares. These shares granted to Directors, etc. will be subject to restrictions on transfer and other forms of disposal until their resignation.

In connection with the transition to the Proposed Plan, points already granted under the Current Plan to Directors, etc. who remain in office at the conclusion of the General Shareholders’ meeting will be converted to points under the Proposed Plan, subject to approval of the proposal regarding the Proposed Plan at the General Shareholders’ meeting. At a time determined by the Company following the conclusion of the General Shareholders’ meeting, such Directors, etc. will receive shares based on the number of the converted points. The shares granted to such Directors, etc. will also be subject to restrictions on transfer and other forms of disposal under the Comprehensive Transfer Restriction Agreement above.

<Scheme of Proposed Plan>



- (i) Subject to approval of the resolution regarding officers' compensation under the Proposed Plan at the General Shareholders' Meeting, the Company will revise officer stock benefit rules within the scope approved at the General Shareholders' Meeting.
- (ii) The Company will place money in trust within the scope approved under the resolution at the General Shareholders' Meeting in (i).
- (iii) The Trust will use funds entrusted by the Company in (ii) to acquire shares in the Company either via the stock market or by subscribing to treasury shares disposed of by the Company.
- (iv) Directors, etc. will enter into a Transfer Restriction Agreement with the Company. The agreement stipulates that the Company's shares received during their term of office will be subject to restrictions on transfer and other forms of disposal until their resignation and includes provisions for free acquisition by the Company under certain conditions.
- (v) The Company will grant points to Directors, etc. in accordance with the officer stock benefit rules.
- (vi) In accordance with instructions from the trust administrator, independent from the Company, the Trust will refrain from exercising voting rights associated with the Company's shares held within the Trust account.
- (vii) At a certain time each year, the Trust will provide Directors, etc. who meet requirements for beneficiaries set forth in the officer stock benefit rules (hereinafter "Beneficiaries") with the Company's shares based on the number of points they have been granted. However, If Directors, etc. meet certain requirements set forth in the officer stock benefit rules, a portion of the granted points will be settled in cash equivalent to the market value of the Company's shares.

(2) Beneficiaries of the Proposed Plan

Executive Directors and Corporate Officers (excluding those who concurrently serve as Directors)

(3) Period of Trust

From August 2019 until the termination of the Trust (The Trust shall continue without determining a specific expiry date as long as the Proposed Plan remains in effect. The Proposed Plan shall be terminated upon the occurrence of events such as the delisting of the Company's shares or abolition of the officer stock benefit rules.)

(4) Amount of Trust Money

The Company established the Trust by contributing funds to enable it to acquire in advance the number of shares reasonably deemed necessary to cover share grants for a certain period under the Current Plan. The Company will use the remaining Company shares and money held in the trust assets as funds for grants under the Current Plan and the Proposed Plan once the plan has been revised following approval of the proposal regarding the Revisions at the General Shareholders' Meeting.

In order for the Proposed Plan to function as an appropriate incentive toward enhancing the Company's medium- to long-term corporate value, the Company will not set an upper limit on the amount of money to be contributed to the Trust, taking into consideration the impact of stock price fluctuations on the number of shares to be acquired by the Trust.

On condition that the Revisions is approved at the General Shareholders' Meeting, the Company will revise the Current Plan to the Proposed Plan for two fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028 (hereinafter, the period covering the said two fiscal years is referred to as the "BBT-RS Initial Target Period" and the BBT-RS Initial Target Period and each period that begins after the BBT-RS Initial Target Period and is determined in advance by the Board of Directors from time to time (in principle, linked to the period of the Mid-Term Business Plan, with a minimum of 3 fiscal years and maximum of 4 fiscal years), are individually referred to as the "Target Period") and for each subsequent Target Period.

The Company will, in principle, make additional contributions to the Trust for each Target Period until the termination of the Proposed Plan, providing funds deemed necessary for the Trust to acquire in advance the number of shares reasonably expected to be required for delivering shares to Directors, etc. based on the Proposed Plan. However, if the Company makes such additional contributions, any remaining Company shares (excluding shares that are equivalent to points awarded to Directors, etc. in the latest Target Period but have not been provided yet) and money held in the trust assets (collectively the "Residual Assets") will be used as funds for grants under the Proposed Plan in subsequent Target Periods. The Company will calculate the amount of additional contributions after taking these Residual Assets into account. The Company will disclose any decisions regarding additional contributions in a timely and appropriate manner.

(5) Method for the Trust to Acquire the Company's Shares and the Number of Shares to be Acquired

The Trust will acquire the Company's shares using the funds contributed as specified in (4) above, either via the stock market or by subscribing to treasury shares disposed of by the Company.

The maximum number of points awarded to Directors, etc. is 158,880 per fiscal year (of which 132,400 points for Executive Directors) as specified in (6) below, so the maximum number of the Company's shares to be acquired by the Trust for BBT-RS Initial Target Period is 317,760 (of which 264,800 points for Executive Directors). For example, if the Board of Directors determines each period that begins after the Initial Target Period to be 3 fiscal years in the future, the maximum number of the Company's shares to be acquired by the Trust for the Target Period is 476,640 (of which 397,200 points for Executive Directors). Details of the acquisition of the Company's shares through the Trust shall be disclosed in a timely and appropriate manner.

(6) Upper limit on Stock Compensation for Directors, etc.

For each fiscal year, Directors, etc. shall be granted points determined after taking into consideration matters such as their positions and performance achievement levels in accordance with the

officer stock benefit rules. The maximum total number of points that can be granted to Directors, etc. shall be 158,880 points (of which 132,400 points for Executive Directors). This was decided after comprehensively taking into consideration the current level of officers' compensation, the trend and future prospects for the number of Directors, etc., and other factors, and is deemed to be fair and adequate.

The points granted to Directors, etc. shall be converted to the number of the Company's shares by converting one point to one share of common stock of the Company, upon the Granting of Stock Compensation in (7) below (however, in the event a stock split, a gratis allotment of shares, or a stock consolidation of the Company's shares is carried out after the approval and resolution by shareholders at the General Shareholders' Meeting, the Company shall reasonably adjust the limit of the number of points, the number of points already granted or their conversion ratio, in accordance with the ratios of such stock-related actions).

The number of points used as the basis for Stock Compensation grants to Directors, etc. described in (7) below will, in principle, be the number of points granted to each individual by the time of confirmation of their beneficiary rights specified in (7) below (hereinafter, points calculated in this manner will be referred to as the "Number of Confirmed Points").

(7) Granting of Stock Compensation

In principle, Director, etc. who meet the beneficiary requirements will receive the Company's shares from the Trust at a fixed time each year based on the Number of Confirmed Points set out in (6), after completion of the designated beneficiary confirmation procedures. However, if Directors, etc. meet certain requirements set forth in the officer stock benefit rules, a portion of the granted points will be settled in cash equivalent to the market value of the Company's shares upon resignation, in principle, in lieu of the share grant. The Trust may sell the Company's shares in order to fund the cash payment.

If Directors, etc. receive the Company's shares during their term of office, they must enter into a Comprehensive Transfer Restriction Agreement with the Company prior to receiving such shares, pursuant to Section 3 below. These shares granted to Directors, etc. will be subject to restrictions on transfer and other forms of disposal until their resignation.

Further, even if Director, etc. have been granted points, they will not be entitled to receive Stock Compensation if they resign for certain violations during their term of office or if they perform misconduct which may cause damage to the Company during their term of office.

(8) Exercise of Voting Rights

In accordance with instructions from the trust administrator, the voting rights attached to the Company's shares held in the Trust account shall not be exercised without exception. This approach intends to ensure neutrality in the Company's management regarding the exercise of the voting rights attached to the Company's shares held in the Trust account.

(9) Treatment of Dividends

The Trust shall receive dividends from the Company's shares held in the Trust account and allocate them to the payment of the costs for acquiring the Company's shares and to the trust fees for the Trust's trustees, etc. If the Trust is terminated, any residual funds in the Trust, including dividends, shall be provided to the Directors, etc. who are in office at the time based on the number of points held by each Directors, etc. on a pro-rata basis, in accordance with the provisions of the officer stock benefit rules.

(10) Termination of Trust

The Trust shall terminate upon the occurrence of events such as a delisting of the Company's shares or abolition of the officer stock benefit rules.

Of the Trust's residual assets as at the termination of the Trust, the Company plans to acquire all of the Company's shares without consideration and to cancel them by resolution of the Board of Directors. Of the Trust's residual assets as at the termination of the Trust, cash shall be provided to the Company, excluding the amount to be provided to Directors, etc. as described in (9) above.

4. Outline of the Comprehensive Transfer Restriction Agreement for the Company's shares granted to Directors, etc.

When Directors, etc. receive the Company's shares during their term of office under the Proposed Plan, they must enter into a Comprehensive Transfer Restriction Agreement with the Company (hereinafter the "Transfer Restriction Agreement") prior to receiving such shares. The Transfer Restriction Agreement will include the following provisions. (The grant of shares is conditional upon the execution of the Transfer Restriction Agreement.) However, if a Executive Director or Corporate Officer has already resigned at the time of the grant, the shares may be granted without the execution of the Transfer Restriction Agreement.

(a) Details of transfer restrictions

Directors, etc. may not transfer, pledge, or otherwise dispose of the Company's shares granted from the date of grant until the date they resign from all positions as Directors, etc. of the Company.

(b) Free acquisition by the Company

In the event of certain violations or if the conditions for lifting the transfer restrictions set forth in (c) below are not met, the Company will acquire the relevant shares without consideration.

(c) Lifting of transfer restrictions

If a Executive Director or Corporate Officer resigns from all positions as Directors, etc. of the Company for a legitimate reason or due to death, the transfer restrictions will be lifted at that time.

(d) Treatment in the event of corporate reorganization

If a merger agreement in which the Company is to be dissolved or any other corporate reorganization matter is approved at a General Shareholders' Meeting or equivalent body during the transfer restriction period, the Board of Directors will, by resolution, lift the transfer restrictions immediately before the business day preceding the effective date of the reorganization.

The Company's shares subject to transfer restrictions under the Transfer Restriction Agreement will be managed in a dedicated account opened by the eligible Executive Director or Executive Officer at a securities company designated by the Company to ensure that such shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period.

In addition to the above, the Transfer Restriction Agreement will include provisions regarding methods of declaration and notification under the agreement, procedures for amending the agreement, and other matters determined by the Board of Directors.

[Outline of the Trust]

- (i) Name : Board Benefit Trust (BBT-RS)
- (ii) Trustor : The Company
- (iii) Trustee : Mizuho Trust & Banking Co., Ltd.
(Sub-trustee: Custody Bank of Japan, Ltd.)
- (iv) Beneficiaries : Directors, etc. who meet the beneficiary requirements stipulated in the officer stock benefit rules
- (v) Trust administrator : A third party who has no conflict of interest with the Company is to be appointed
- (vi) Type of trust : Monetary trust other than cash in trust (third party beneficiary trust)
- (vii) Trust agreement date : August 26, 2019
- (viii) Cash entrustment date: August 26, 2019
- (ix) Period of trust : From August 26, 2019 until the termination of trust
(The Trust shall continue without determining a specific expiry date as long as the Proposed Plan remains in effect.)

[Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method]

If the proposal regarding the Proposed Plan is approved at General Shareholders' Meeting, the Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method is scheduled to be revised as follows.

(i) Basic views on the system of compensation

Compensation to Executive Directors (Directors who concurrently serve as Corporate Officers) is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. Compensation to Non-Executive Directors (Outside Directors and Directors who do not concurrently serve as Corporate Officers; hereinafter the same applies) and Audit & Supervisory Board members is limited to basic compensation and no bonus and stock-based compensation shall be paid.

(ii) Compensation structure

Compensation to Directors and Audit & Supervisory Board Members is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. The types of compensation applicable according to officer classification are as follows:

- Executive Directors: Basic compensation, bonuses, stock-based compensation
- Non-Executive Directors: Basic compensation
- Audit & Supervisory Board Members: Basic compensation

(iii) Performance-linked compensation scheme

Performance-linked compensation is composed of bonus and stock-based compensation.

- a. The bonus is paid in cash after the Company's annual performance is finalized, with the aim of serving an incentive for the reliable achievement of annual performance targets and appropriate management. In principle, the bonus is calculated based on the standard bonus amount corresponding to the executive's position, taking into account the consolidated orders received, consolidated net sales of completed construction contracts, consolidated ordinary income, consolidated net income and the appraisal of each director for the relevant fiscal year. The Company has selected these metrics as the financial indicators for the calculation of the bonus since all of these metrics are key KPIs defined in the Company's Mid-Term Business Plan. The payout rate varies within a range of 0% to 150% depending on the degree to which the financial targets are achieved.
- b. The Company has introduced the Board Benefit Trust-Restricted Stock (BBT-RS) with the aim of the improvement of operating performance in the medium- to long-term and further promote value-sharing with shareholders. At a certain time in each year, the Company will grant points to Executive Directors, and the trust will provide them with the Company's shares based on the number of points they have been granted. However, a portion of the granted points will be settled in cash equivalent to the market value of the Company's shares.

In principle, the stock-based compensation is calculated based on the standard stock-based compensation amount corresponding to the executive's position, taking into account the relative TSR (TOPIX including

dividends), ROE, and non-financial indicators (initiatives for long-term strategies (including sustainability, investment in human capital and intellectual property, etc.) and strengthening of governance) for the relevant fiscal year. The Company has selected these metrics as the indicators for the calculation of the stock-based compensation since all of these metrics are key KPIs defined in the 10-Year Plan 2035 or are critical for achieving the 10-Year Plan 2035. The payout rate varies within a range of 0% to 200% depending on the degree to which targets are achieved.

c. The ratio of basic compensation to performance-linked compensation (bonus and stock-based compensation) is structured such that the weight of performance-linked compensation (bonus and stock-based compensation) increases higher for senior positions than for junior positions. The ratio of compensation paid to the Representative Director and President is 45.0:27.5:27.5 based on the standard payment amount.

The Nomination and Compensation Advisory Committee will periodically review the indicators for the calculation of performance-linked compensation and the composition and scheme of the compensation in light of changes in the business environment and other factors, and revise as necessary.

(iv) Level of compensation

The Nomination and Compensation Advisory Committee verifies the level of compensation by analyzing and comparing compensation data of industry peer companies from survey data compiled by a third-party organization.