

Communication with Shareholders and Investors

Taikisha is working for the proactive dialogue with shareholders to contribute to the improvement of corporate value well as the appropriate information disclosure.

Basic Policy

Taikisha promptly discloses important information regarding Taikisha based on the transparency, fairness and consistency stated in the Taikisha Management Vision: "Conduct businesses under free and fair competition in compliance with laws and the spirit thereof; contribute to customer/ business partner, shareholder, employee, community/ society and global environment with transparency and integrity." Based on such disclosed information, Taikisha holds constructive dialogues with shareholders, which contribute to sustainable growth and the medium- to long-term improvement of corporate value.

Basic Policy for Shareholder Returns

Based on the basic policy, Taikisha is working to improve corporate value through enhancement of shareholder returns by changing the dividend policy and purchasing treasury shares as stated in the 10-Year Plan 2035

Dividend policy

- We consider the return of profits to shareholders through dividends to be one of our highest priorities, and aim to achieve a dividend on equity ratio (DOE) of 4.0% and stable dividends. (ratio revision effective from FY2025)
- Basic Policy  
DOE4.0%=Aimed ROE level 10%×Dividend payout ratio 40%

DOE  
4.0%

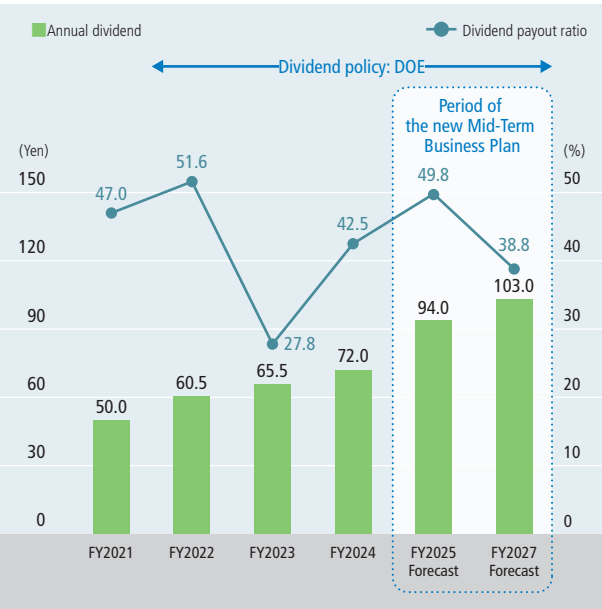
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Aimed ROE level  
10%

×

Dividend payout ratio  
40%

● Transition in annual dividend and dividend total payout ratio



\*The Company conducted a 2-for-1 split of its common shares, effective April 1, 2025. The annual dividend is calculated assuming that the share split had been conducted at the beginning of FY2021.

and the Medium-Term Business Plan released in May 2025.

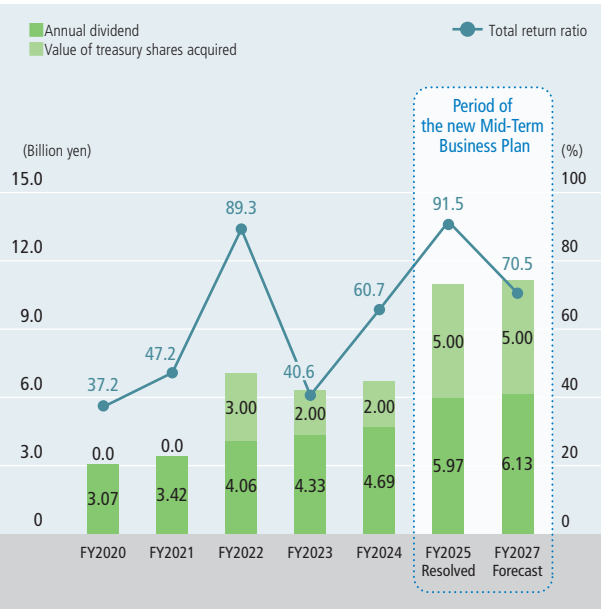
We continuously work to enhance the shareholder returns based on the following policy.

Purchase of treasury shares

- To improve capital efficiency and promptly implement financial policies, we plan to purchase treasury shares in the amount of ¥5 billion per year during the new Medium-Term Business Plan period, which started in FY2025.

We will increase the annual dividend for FY2025 to 94 yen per share.

● Transition in the total shareholder return and total shareholder return ratio

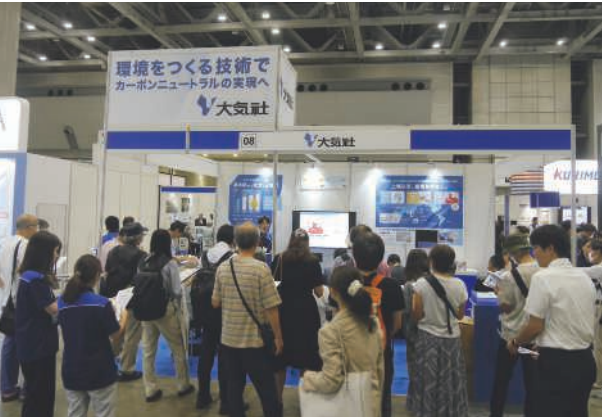


Stakeholder engagement

With regard to the status of dialogue with investors in FY2024, Taikisha held dialogues with a wide range of institutional investors in Japan and overseas, mainly with portfolio managers and analysts from major investment funds. The Company assigned the Director in charge of Corporate Planning Headquarters to control dialogue with investors. In addition to the individual interviews held by departments in charge of IR, the Company held biannual financial results briefing sessions by the Company's management team. Major interests of investors in these dialogues include the overview of operating performance as well as the construction demands in metropolitan area, trend of capital investments related to semiconductors, for data centers, and by automobile manufacturers, carbon neutrality-related technological development and growth strategy, progress of Medium-Term Business Plan, and views on capital policy and shareholder return.

Interests and opinions of investors obtained through dialogue were fed back to the management team in a timely manner by department in charge of IR through reporting and distribution of report at the Management Meeting and the meeting of the Board of Directors to promote sharing and use of information in the Company. In addition to

the dialogues with institutional investors, Taikisha held briefing sessions for individual investors led by the Chief Executive of Corporate Planning Headquarters several times to have opportunities to explain overview and strategy of each business of the Company and views on capital policy and shareholder return. These efforts serve as promoting active dialogue with individual investors.



The Nikkei IR Individual Investor Fair 2024

Selection for the ESG investment index and major external ratings and recognitions

Taikisha has been selected as a constituent of the following ESG investment indices. Taikisha's addition to the constituents of these indices, which place importance on ESG (environment, social and governance) evaluation by research firms, reflects its continuous engagement in ESG efforts.

ESG investment index	Overview of evaluation
MSCI Japan ESG Select Leaders Index	Adopted by GPIF. Index designed to select companies with high evaluation in ESG among the various industries in Japan. Selected for the third consecutive year since 2022.
FTSE Blossom Japan Sector Relative Index	Adopted by GPIF. Index that reflects the performance of Japanese companies that are well prepared for ESG issues. Selected for the third consecutive year since 2022.
S&P/JPX Carbon Efficient Index	Adopted by GPIF. Index that determines the weights of compositions by focusing on the carbon efficiency of companies. Selected for the forth consecutive year since 2021.
Sompo Sustainability Index	Investment product managed by Sompo Asset Management Co., Ltd. The index invests in a wide range of businesses that had been highly evaluated in terms of ESG. Selected for the seventh consecutive year since 2018.
Nikko Investor Relations	The survey on the richness of information disclosure related to all Japanese listed companies' websites. Nikko Investor Relations has set evaluation items from its unique perspective and surveys whether easy-to-understand information is posted, how comprehensive the ESG-related information is, and how well-established the global site is.

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2024 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX

