

Taisei Corporation

Announcement of Revisions of Financial Forecast for the first half of the fiscal year ending March 2017

In view of recent trend in performance, Taisei Corporation has revised its consolidated and non-consolidated financial forecast for the first half of the fiscal year ending March 31, 2017 which were previously released on August 5, 2016 as follows.

The consolidated and non-consolidated forecast for the full year ending March 31, 2017 will be released on November 11, 2016, when the financial results for the first half of the fiscal year are announced.

1. Revised consolidated forecast for the first half of the fiscal year ending March 31, 2017
(From April 1, 2016 to September 30, 2016)

(Unit: Million yen, %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	690,000	35,000	35,000	24,000	20.68
Revised forecast (B)	646,000	52,500	50,400	35,200	30.35
Change (B-A)	(44,000)	17,500	15,400	11,200	
Change (%)	(6.4)	50.0	44.0	46.7	
Results for the first half of the fiscal year ended March 2016	727,063	44,355	44,250	31,568	26.98

2. Revised non-consolidated forecast for the first half of the fiscal year ending March 31, 2017
(From April 1, 2016 to September 30, 2016)

(Unit: Million yen, %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	550,000	28,000	34,000	25,000	21.54
Revised forecast (B)	516,000	44,600	47,400	35,200	30.35
Change (B-A)	(34,000)	16,600	13,400	10,200	
Change (%)	(6.2)	59.3	39.4	40.8	
Results for the first half of the fiscal year ended March 2016	587,309	36,345	36,940	26,766	22.88

3. Reasons for the revisions

(1) Non-consolidated forecast

While net sales is expected to decrease by 34.0 billion yen compared to previous forecast, operating income is expected to increase by 16.6 billion yen reflecting an increase in construction gross profit due to improvement of construction gross margin ratio.

Ordinary income will increase by 13.4 billion yen and net income will increase by 10.2 billion yen though non-operating income worsened due to foreign exchange losses recorded by appreciation of yen.

Furthermore, gross margin ratio is expected to be 13.7% (civil engineering: 14.2%, building construction: 13.5%)

Previous forecast: 10.1% (civil engineering: 10.7%, building construction: 9.8%)

(2) Consolidated forecast

While net sales is expected to decrease, operating income, ordinary income, and net income attributable to owners of parent are expected to increase by exceeding non-consolidated result due to strong performance of subsidiaries in addition to revisions to non-consolidated results.

Disclaimer

This "Announcement of Revisions of Financial Forecast for the first half of the fiscal year ending March 2017" announced in the Japanese language at the Tokyo Stock Exchange on October 24, 2016 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the Japanese announcement and this English translation, the former will prevail.

Forward-looking statements mentioned in this document are based on currently available information and assumptions and are subject to risks and uncertainties.