

May 12 2017

Notice regarding Change in the Number of Shares Per Share Unit,
Consolidation of Shares, and Partial Amendment of Articles of Incorporation

Taisei Corporation (the "Company"), at the Board of Directors meeting hold on May 12, 2017, resolved to make a partial amendment of the article of incorporation regarding Change in the Number of Shares Per Share Unit under Article 195, paragraph 1 of the Companies Act, and to submit the matter of the consolidation of shares to the 157th General meeting of Shareholders in June 29, 2017.

Partial amendment of the articles of incorporation and consolidation of shares will take effect on October 1, 2017, subject to the approval at the General meeting of Shareholders of the proposal regarding the consolidation of shares.

1. Change in the Number of Shares Per Share Unit

(1) Reason for change

Japanese stock exchanges have announced the Action Plan for Consolidation Trading Units, aiming to consolidated 100 shares of common stock of domestic companies listed on Japanese stock exchanges into one trading unit by October 2018.

As a company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange the Company shall respect this intention, change its number of shares constituting one share unit from 1,000 shares to 100 shares.

(2) Content of change

The Company changes its number of shares constituting one share unit from 1,000 shares to 100 shares.

(3) Schedule for change

October 1,2017

(4) Conditions to change

This amendment is subject to the approval at the General meeting of Shareholders of the proposal regarding the consolidation of shares set forth in 2. below.

2. Consolidation of Shares

(1) Objectives of Consolidation of Shares

As stated in 1. Change in the Number of Shares Per Share Unit, the Company has decided to change its number of share per share unit in order to adjust price level ¥50,000 and more, below ¥500,000 where stock exchanges prefer, and the objectives of adjusting the investment unit to an appropriate level taking into consideration change in stock prices in the medium to long term. The company decided to carry out a consolidation of shares of the company shares under which every 5 shares will be consolidated into 1 share.

(2) Content of consolidation

① Type of shares to be consolidated

Common shares

② Rate of consolidation

On October 1,2017, the company will consolidate its shares held by shareholders who are recorded in the final shareholder register as of September 30,2017 at a rate of 1 share for every 5 shares.

③ Number of shares to be reduced by the consolidation

Total number of shares outstanding before the consolidation (as of March 31,2017)	1,146,752,860 shares
Number of shares to be reduced by the consolidation	917,402,288 shares
Total number of shares outstanding after the consolidation	229,350,572 shares

The “number of shares to be reduced by the consolidation” and the “total number of shares outstanding after the consolidation” are theoretical values calculated based on the total number of shares outstanding before the consolidation and the rate of the consolidation of shares.

(3) Influence by Consolidation of Shares

Total number of shares outstanding decrease one-fifth after the consolidation of shares, the net assets will not change before or after the consolidation.

Thus, net assets value per share will multiply fivefold, and apart from market fluctuations or other factors, the shareholder’s asset value will not be affected.

(4) Number of shareholders to be reduced by the consolidation

The shareholder composition based on the register of shareholders as of March 31,2017 is as follows.

	Number of shareholders (percentage)	Total number of shares (percentage)
Fewer than 5 shares	529 persons (0.6%)	824 shares (0.0%)
5 or more shares	87,793 persons (99.4%)	1,146,752,036 shares (100.0%)
Total	88,322 persons (100.0%)	1,146,752,860 shares (100.0%)

(notes)

Shareholders who own less than 5 shares would lose their status as a shareholder. Please note that in accordance with Article 194, paragraph 1 of the Companies Act and the Article 10 of the Company's Articles of Incorporation, shareholders who own less than 1 share unit may request the Company to sell to them the number of shares needed to make up one share unit. Additionally, in accordance with Article 192, Paragraph 1 of the same Act, shareholders may request that the Company purchase from them their shares that are less than one share unit. Please ask your securities company or the Company's shareholder register manager.

(5) Treatment of fractions less than 1 share

If a fraction less than 1 share arises as a result of the consolidation of shares, the Company will dispose of the fractions in blocks and deliver the proceeds of the disposition to shareholders who had the fractions in proportion to the fractions attributed to them, pursuant to the provisions of Article 235 of the Companies Act.

(6) Total number of authorized shares on the effective date

Associated with the decrease in the total number of shares outstanding due to the consolidation of shares, the Company will reduce the total number of authorized shares on October 1,2017 to ensure the proper number of authorized shares by the same rate as the consolidation of shares.

Total number of authorized shares before the change	Total number of authorized shares after the change (as of October 1,2017)
2,200,000,000 shares	440,000,000 shares

(7) Conditions for Consolidation of Shares

The consolidation of shares will be subject to the approval of proposals for the consolidation of shares proposed at the General meeting of Shareholders.

3. Partial amendment of Articles of Incorporation

(1) Reason for the change

The company amend Articles 8 of incorporation (The number of shares constituting one share unit) in order to change the number of shares constituting one share unit from 1,000 shares to 100 shares, as stated in "1. Change in the Number of Shares Per Share Unit". The company amend Article 6 of incorporation (The total number of authorized shares) in order to implement the consolidation of shares, stated in "2. Consolidation of Shares" and reduce the total number of authorized shares by the same rate as the consolidation of shares.

The amendment of Articles 8, 6 of incorporation are not subject to the approval of proposals at the General meeting of Shareholders, under Articles 182, paragraph 2 and 195, paragraph 1 of the Companies Act.

(2) Content of change

Details are as follows:

Current Articles of incorporation	Proposal of amendment of Articles of Incorporation
Chapter 2 Stock (The total number of authorized shares) Article 6 The total number of authorized shares shall be <u>2,200,000,000</u> . (The number of shares constituting one share unit) Article 8 The number of shares constituting one share unit shall be <u>1,000</u> .	Chapter 2 Stock (The total number of authorized shares) Article 6 The total number of authorized shares shall be <u>440,000,000</u> . (The number of shares constituting one share unit) Article 8 The number of shares constituting one share unit shall be <u>100</u> .

(3) Conditions for the change

The consolidation of shares will be subject to the approval of proposals for the Consolidation of shares proposed at the General meeting of Shareholders.

4. Schedule of Change in the Number of Shares Per Shares Unit, Consolidation of Shares, and Partial Amendment of Articles of Incorporation

Date of resolution at the Board of Directors meeting	May 12,2017
Date of resolution at the General meeting of Shareholders	June 29,2017 (schedule)
Effective date of change of the number of shares per share unit	October 1,2017 (schedule)
Effective date of consolidation of shares	October 1,2017 (schedule)
Effective date of partial amendment of the Articles of Incorporation	October 1,2017 (schedule)

Although the effective date of change in the number of shares per share unit and the consolidation of shares will be October 1,2017 as described above, the date when the trading unit on the Tokyo Stock Exchange and the Nagoya Stock Exchange will be changed from 1,000 shares to 100 shares will be September 27,2017 in relation to the book-entry procedure after the trading of shares.

【Appendix】

Questions and Answers regarding Change in the Number of Shares Per Share Unit and consolidation of shares.

(reference)

Questions and Answers regarding Change in the Number of Shares Per Share Unit
and Consolidation of Shares.

Q1. What is the change in the number of shares per share unit?

- A. The change in the number of shares per share unit is a change in the number of shares that constitute a voting right at the General meeting of Shareholders and in the number of shares that constitute a trading unit at a stock exchange. The Company will change in the number of shares per share unit from 1,000 shares to 100 shares.

Q2. What is the consolidation of shares?

- A. The consolidation of shares is consolidating a number of shares to reduce the number of shares. The Company will consolidate 5 shares into 1 share.

Q3. What is the purpose of change in the number of shares per share unit and the Consolidation of Shares?

- A. Japanese stock exchange have announced the Action Plan for Consolidating Trading Units, aiming to consolidate 100 shares of common stock of domestic companies listed on Japanese stock exchange into one trading unit to enhance the convenience of investors.

As a company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company shall respect this intention, change its number of shares constituting one share unit from 1,000 shares to 100 shares. In addition, the Company has decided to change its number of share per share unit in order to adjust price level ¥50,000 and more, below ¥500,000 where stock exchanges prefer, and the objectives of adjusting the investment unit to an appropriate level taking into consideration change in stock prices in the medium to long term. The company decided to carry out a consolidation of shares of the company shares under which every 5 shares will be consolidated into 1 share.

Q4. With the consolidation of shares, the number of shares held will decrease. Will this affect the asset value?

A. Before and after the implementation of the consolidation of shares, there will be no change in the Company's assets or capital. So, apart from market fluctuations or other factors, the shareholders assets value will not affected. The number of shares will be reduced to one -fifth of the number before the consolidation, but net assets value per share will multiply fivefold after consolidation. Theoretically, the share prices will multiply fivefold before the consolidation.

Q5. Will this affect dividends?

A. Although share ownership will become one-fifth after the consolidation of shares, we will set dividend per share taking the 1-for-5 ratio into account after the effective date of the consolidation of shares. Thus, apart from change in performance results or other factors, total dividends of each shareholder after the consolidation of shares will not be affected. However, dividends will not be paid on the fractional shares resulting from the consolidation of shares.

Q6. What will happen to share ownership and voting rights?

A. Share ownership after the consolidation of shares will be the number of shares recorded in the latest shareholder register as of the close of September 30,2017 multiplied by one-fifth (any fraction less than one share shall be rounded off). The number of voting rights will be one per 100 shares owned.

Specifically, share ownership and voting rights will be as follows before and after the effective date of the change in the number of shares per share unit and the consolidation of shares.

	Before effective date		After effective date		
	Share ownership	Voting rights	Share ownership	Voting rights	Fractional shares
Example①	3,693	3	738	7	0.6
Example②	2,500	2	500	5	None
Example③	1,000	1	200	2	None
Example④	981	None	196	1	0.2
Example⑤	500	None	100	1	None
Example⑥	494	None	98	None	0.8
Example⑦	2	None	None	None	0.4

If a fraction of less than 1 share is created due to the consolidation of shares (as in Example ①, ④, ⑥, ⑦ above), the Company will sell all such fractional shares together, and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares they held. The Company plans to send notice of the amount to be paid around early in December 2017.

By making use of the system for adding to their holdings or for the purchase of their shares prior to the effective date of the consolidation of shares, shareholders may avoid the sale of their fractional shares. For specific procedures, please contact your securities company or the Company's Manager of Shareholder Name Register noted below.

Q7. Can shareholders acquire or dispose of shares constituting less than 1 share unit?

- A. After the consolidation of shares, shareholders may use the system for adding to their holdings or for the purchase of their shares. For specific procedures, please contact your securities company or the Company's Manager of Shareholder Name Register noted below

Q8. What will happen to the shareholder special benefit plan?

- A. The shareholder special benefit plan changes as below. Regarding standards for concerned will apply from sending of Coupons to shareholders listed on the register of shareholders at the end of March 2018.

The number of shares		Content of special benefit			
Before effective date	After effective date	(1) Special benefit coupon (Karuzawa kogen golf club)	(2)		(3) Simple earthquake risk diagnosis application
			Construction contract price · Brokerage fee discount coupon		
			Holding Period		
			Less than 3 years	More than 3 years	
More than 1,000 shares Less than 10,000 shares	More than 100 shares Less than 1,000 shares	A coupon (2,000Yen) B coupon (2,000Yen)	¥10,000 coupon×3	¥30,000 coupon×3	-
More than 10,000 shares	More than 1,000 shares	A coupon (5,000Yen) B coupon (5,000Yen)	¥30,000 coupon×3	¥50,000 coupon×3	1 Sheet

Q10. Please tell us the specific schedule for your plans.

A. The schedule is as follows.

June 29,2017	General meeting of Shareholders
September 26,2017	Final trading day using 1,000 share unit
September 27,2017	First day of trading using 100 share unit
October 1,2017	Effective date of change in the number of shares per share unit, consolidation of shares, and Partial Amendment of Articles of Incorporation
Early November 2017	Sending of share allocation notice (schedule)
Early December 2017	First day of payment of disposal proceeds of fractional shares (schedule)

【Inquiries】

Manager of Shareholder Name Register

Mizuho Trust & Banking Co.,Ltd.

2-8-4 Izumi, Suginami-ku

Tokyo, Japan 168-8507

Securities Transfer Agent

Mizuho Trust & Banking Co.,Ltd.

Tell: 0120-288-324(toll free)

Office hours: 9:00 am-5:00 pm (Mon-Fri), except weekends and public holidays

Disclaimer

This "Notice regarding Change in the Number of Shares Per Share Unit, Consolidation of Shares, and Partial Amendment of Articles of Incorporation" announced in the Japanese language at the Tokyo Stock Exchange on May 12, 2017 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.