

Financial Section

Six-Year Summary

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31

	Millions of Yen (except for per share figures)						Thousands of U.S. Dollars*
	1999	2000	2001	2002	2003	2004	2004 (except for per share figures)
Revenue:							
Net sales:							
Construction	¥1,531,586	¥1,424,314	¥1,541,306	¥1,488,297	¥1,449,265	¥1,383,890	\$13,055,566
Real estate (including other)	241,385	256,993	209,086	185,537	195,373	214,622	2,024,736
Total	1,772,971	1,681,307	1,750,392	1,673,834	1,644,638	1,598,512	15,080,302
% change from previous year	(3.1)%	(5.2)%	4.1%	(4.4)%	(1.7)%	(2.8)%	
Costs and expenses							
Cost of sales	1,592,758	1,480,357	1,547,466	1,486,537	1,469,436	1,419,901	13,395,292
Selling, general and administrative	138,800	157,311	136,179	131,771	125,712	118,712	1,119,925
Total	1,731,558	1,637,668	1,683,645	1,618,308	1,595,148	1,538,613	14,515,217
Operating income	41,413	43,639	66,747	55,526	49,490	59,899	565,085
Income (loss) before income taxes and other items							
taxes and other items	23,481	(85,505)	20,228	(52,383)	29,013	27,782	262,094
Income taxes	32,043	(28,950)	12,094	(13,115)	14,212	11,886	112,132
Net income (loss)	¥ (5,670)	¥ (52,802)	¥ 8,382	¥ (30,997)	¥ 14,999	¥ 10,353	\$ 97,670
Per 100 shares of common stock							
(in yen and dollars):							
Shareholders' equity	¥ 29,317	¥ 19,252	¥ 23,867	¥ 18,443	¥ 18,091	¥ 21,170	\$ 200
Net income (loss)	(588)	(5,473)	869	(3,213)	1,552	1,080	10
Cash dividends	700	500	500	500	500	500	5
Financial ratios:							
Net income (loss) as a percentage of total revenue	(0.3)%	(3.1)%	0.5%	(1.9)%	0.9%	0.6%	
Total costs and expenses as a percentage of total revenue	97.7%	97.4%	96.2%	96.7%	97.0%	96.3%	
Dividends paid as a percentage of net income	—	—	57.6%	—	32.2%	46.3%	
Financial position data:							
Current assets	¥1,719,364	¥1,403,912	¥1,286,330	¥1,197,769	¥1,173,621	¥1,076,988	\$10,160,264
Current liabilities	1,899,790	1,577,480	1,424,921	1,309,900	1,217,421	1,141,804	10,771,736
Net property and equipment	610,677	506,468	465,119	391,612	385,440	314,858	2,970,358
Long-term debt	433,329	333,452	361,851	317,026	345,301	307,733	2,903,142
Shareholders' equity	282,852	185,748	230,265	177,931	174,538	204,243	1,926,821
Other data:							
New orders received during the year ..	¥1,634,592	¥1,699,684	¥1,605,048	¥1,659,277	¥1,601,842	¥1,539,253	\$14,521,255
Contract backlog at end of the year ..	1,957,879	1,976,256	1,830,912	1,816,355	1,773,559	1,714,300	16,172,642
Shares issued (thousands)	964,803	964,803	964,803	964,803	964,803	964,803	

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of US \$ 1 = ¥106

Financial Review

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31

Operations

During the year under review, in general, severe business conditions in Japan's domestic construction market continued, while the Japanese economy entered a recovery trend. Within that context, Taisei Corporation and its consolidated subsidiaries (the "Taisei Corporation Group") devoted all of its efforts to boosting profits.

As a result, though net sales declined 2.8% year-on-year to ¥1.599 trillion, operating income grew 21.0% to ¥59.9 billion.

Early adoption of the accounting standard for impairment of fixed assets, for enhancing financial soundness, resulted in the recording of an impairment loss of ¥52.6 billion and net income of ¥10.4 billion, a year-on-year decrease of 31.0%.

The dividend was maintained at the level of the previous year, with a distribution of ¥5 per share.

Financial Position

As of March 31, 2004, total consolidated assets had declined ¥121.3 billion from the level of a year ago to ¥1.772 trillion. Net property and equipment declined significantly to ¥70.6 billion due to the recording of impairment losses.

On the other side of balance sheet, employees' severance and retirement benefits fell by ¥24.9 billion because of the increase of fair value of pension assets and so on. As a result of the Taisei Corporation Group's efforts to improve its financial position, total consolidated interest-bearing debt decreased by ¥57.2 billion to ¥584.5 billion.

Shareholders' equity increased ¥29.7 billion to ¥204.2 billion with an increase of net unrealized holding gains on securities in line with the recovery of the market value, and the ratio of total shareholders' equity to total assets increased 2.3 percentage points to 11.5%.

Cash Flows

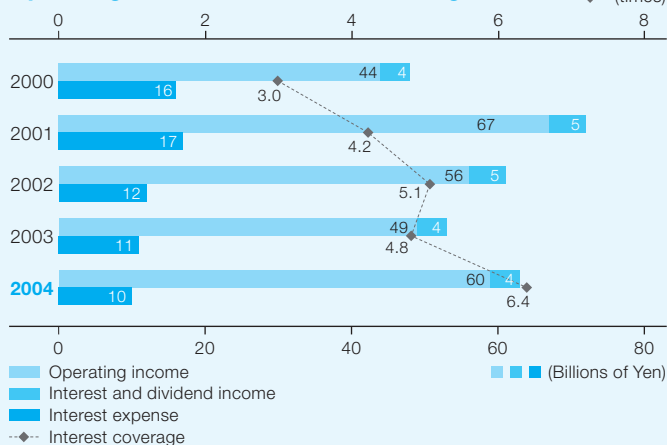
Net cash provided by operating activities increased by ¥53.1 billion over the year to ¥80.4 billion. The primary reason for the increase was ¥45.0 billion in net flows in inventories, from a ¥22.9 billion increase in the previous year to a ¥22.1 billion decrease.

Net cash used in investing activities amounted to ¥16.4 billion. The figure reflected increased purchase and reduced sale of marketable and investment securities.

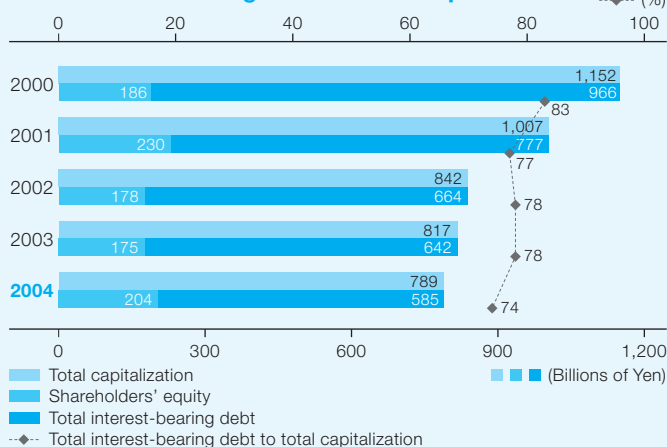
A significant portion of the net cash provided by operations were used to repay interest-bearing debt, so cash flows from financing activities ended the year in a net negative figure (cash used) of ¥63.1 billion.

As a result, cash and cash equivalents at end of year increased ¥0.7 billion for the year, coming to ¥129.6 billion.

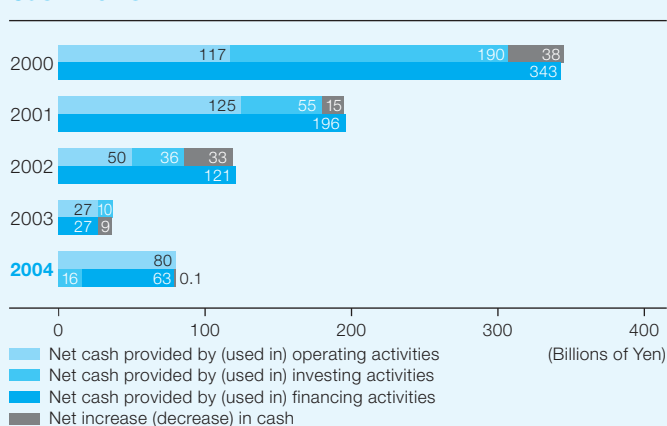
Operating Income and Interest Coverage



Total Interest-Bearing Debt to Total Capitalization



Cash Flows



Note: Net increase(decrease) in cash includes the effect of exchange rate changes, not the increase by newly consolidated and excluded subsidiaries.