

Financial Section

Consolidated Statements of Income

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2004 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2005	2005
Revenue:			
Net sales (Note 12):			
Construction	¥ 1,383,890	¥ 1,477,387	\$13,757,212
Real estate (including other)	214,622	230,566	2,146,997
	1,598,512	1,707,953	15,904,209
Costs and expenses (Note 12):			
Cost of sales (Note 15)	1,419,901	1,541,694	14,356,029
Selling, general and administrative expenses (Note 15)	118,712	117,303	1,092,309
	1,538,613	1,658,997	15,448,338
Operating income	59,899	48,956	455,871
Other income (expense):			
Interest and dividend income	4,073	4,194	39,054
Interest expense	(10,174)	(8,858)	(82,484)
Gain on sale of investment securities	13,908	2,643	24,611
Gain on investment securities contribution to employees' retirement benefit trust	24,880	—	—
Gain on sale of reacquired land from the Organization for Promoting Urban Development	25,830	—	—
Write-down of real estate for sale	(17,560)	(1,704)	(15,867)
Impairment losses on fixed assets (Note 17)	(52,592)	(19)	(177)
Other, net	(20,482)	(3,225)	(30,031)
	(32,117)	(6,969)	(64,894)
Income before income taxes and other items	27,782	41,987	390,977
Income taxes (Note 7):			
Current	5,530	3,967	36,940
Deferred	6,356	16,528	153,906
	11,886	20,495	190,846
Income before minority interests	15,896	21,492	200,131
Minority interest in net income of consolidated subsidiaries	(5,543)	(2,394)	(22,293)
Net income	¥ 10,353	¥ 19,098	\$ 177,838
Amounts per share of common stock:			
	Yen		U.S. Dollars (Note 1)
Net income (Note 16)	¥ 10.80	¥ 19.76	\$ 0.184
Cash dividends applicable to the year	5.00	5.00	0.047

See accompanying notes.

Consolidated Statements of Shareholders' Equity

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2004 and 2005

	Millions of Yen							
	Number of shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Revaluation reserve for land	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2003	964,803	¥ 94,348	¥61,274	¥10,262	¥3,029	¥7,072	¥(1,405)	¥ (42)
Net income	—	—	—	10,353	—	—	—	—
Net unrealized holding gains on securities	—	—	—	—	—	24,044	—	—
Foreign currency translation adjustments	—	—	—	12	—	—	(269)	—
Increase of consolidated subsidiaries	—	—	—	(24)	—	—	—	—
Increase of affiliated companies	—	—	—	869	—	—	—	—
Treasury stock	—	—	—	—	—	—	—	12
Gain on exchange of treasury stock	—	—	231	—	—	—	—	—
Cash dividends paid (¥5.00 per share)	—	—	—	(4,796)	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(31)	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	111	(579)	—	—	—
Decrease due to revaluation of assets of consolidated overseas subsidiaries	—	—	—	(228)	—	—	—	—
Balance at March 31, 2004	964,803	94,348	61,274	16,528	3,029	7,072	(1,405)	¥ (30)
Net income	—	—	—	19,098	—	—	—	—
Net unrealized holding gains on securities	—	—	—	—	—	2,935	—	—
Foreign currency translation adjustments	—	—	—	—	—	—	188	—
Treasury stock	—	—	—	—	—	—	—	(85)
New stock issue	100,000	18,100	17,964	—	—	—	—	—
Gain on exchange of treasury stock	—	—	4	—	—	—	—	—
Cash dividends paid (¥5.00 per share)	—	—	—	(4,823)	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(15)	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	55	(55)	—	—	—
Decrease due to revaluation of assets of consolidated overseas subsidiaries	—	—	—	139	—	—	—	—
Balance at March 31, 2005	1,064,803	¥112,448	¥79,473	¥30,982	¥2,395	¥34,051	¥(1,486)	¥(115)

	Thousands of U.S. Dollars (Note 1)							
	Common stock	Capital surplus	Retained earnings	Revaluation reserve for land	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock	
Balance at March 31, 2004	\$ 878,555	\$572,726	\$153,906	\$22,814	\$289,748	\$(15,588)	\$ (279)	
Net income	—	—	177,838	—	—	—	—	
Net unrealized holding gains on securities	—	—	—	—	27,330	—	—	
Foreign currency translation adjustments	—	—	—	—	—	1,751	—	
Treasury stock	—	—	—	—	—	—	(792)	
New stock issue	168,544	167,278	—	—	—	—	—	
Gain on exchange of treasury stock	—	37	—	—	—	—	—	
Cash dividends paid (¥5.00 per share)	—	—	(44,911)	—	—	—	—	
Bonuses to directors and corporate auditors	—	—	(140)	—	—	—	—	
Reversal of revaluation reserve for land	—	—	512	(512)	—	—	—	
Decrease due to revaluation of assets of consolidated overseas subsidiaries	—	—	1,295	—	—	—	—	
Balance at March 31, 2005	\$1,047,099	\$740,041	\$288,500	\$22,302	\$317,078	\$(13,837)	\$(1,071)	

See accompanying notes.