

Financial Section

Consolidated Statements of Income

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2006	2006
Revenue:			
Net sales (Note 12):			
Construction	¥ 1,477,387	¥ 1,543,289	\$13,137,729
Real estate (including other)	230,566	200,705	1,708,564
	1,707,953	1,743,994	14,846,293
Costs and expenses (Note 12):			
Cost of sales (Note 16)	1,541,694	1,576,103	13,417,069
Selling, general and administrative expenses (Note 16)	117,303	112,717	959,538
	1,658,997	1,688,820	14,376,607
Operating income	48,956	55,174	469,686
Other income (expense):			
Interest and dividend income	4,194	7,117	60,586
Interest expense	(8,858)	(7,685)	(65,421)
Gain on sale of investment securities	2,643	4,562	38,835
Write-down of real estate for sale	(1,704)	(3,422)	(29,131)
Impairment losses on fixed assets (Note 17)	(19)	(926)	(7,883)
Other, net	(3,225)	(4,722)	(40,197)
	(6,969)	(5,076)	(43,211)
Income before income taxes and other items	41,987	50,098	426,475
Income taxes (Note 7):			
Current	3,967	5,143	43,781
Deferred	16,528	13,921	118,507
	20,495	19,064	162,288
Income before minority interests	21,492	31,034	264,187
Minority interest in net income of consolidated subsidiaries	(2,394)	(2,671)	(22,738)
Net income	¥ 19,098	28,363	241,449
Amounts per share of common stock:			
	Yen		U.S. Dollars (Note 1)
Net income (Note 18)	¥ 19.76	26.57	\$ 0.226
Cash dividends applicable to the year	5.00	6.00	0.051

See accompanying notes.

Consolidated Statements of Shareholders' Equity

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2005 and 2006

	Number of shares of common stock (thousands)	Millions of Yen						
		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	964,803	¥ 94,348	¥61,505	¥16,528	¥2,450	¥ 31,116	¥(1,674)	¥ (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)	—	—	—
Increase 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)
Net income	—	—	—	28,363	—	—	—	—
Net unrealized holding gains on securities	—	—	—	—	—	67,201	—	—
Foreign currency translation adjustments	—	—	—	(2)	—	—	457	—
Decrease due to exclusion of subsidiaries from the consolidated scope	—	—	—	(5)	—	—	—	—
Treasury stock	—	—	—	—	—	—	—	(43)
Gain on exchange of treasury stock	—	—	2	—	—	—	—	—
Cash dividends paid (¥5.50 per share)	—	—	—	(5,854)	—	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(34)	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	143	(3,375)	—	—	—
Increase due to revaluation of assets of consolidated overseas subsidiaries	—	—	—	550	—	—	—	—
Balance at March 31, 2006	1,064,803	¥112,448	¥79,475	¥54,143	¥ (980)	¥101,252	¥(1,029)	¥(158)

	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, 2005	\$ 957,249	\$676,539	\$263,744	\$20,388	\$289,870	\$(12,650)	\$(979)
Net income	—	—	241,449	—	—	—	—
Net unrealized holding gains on securities	—	—	—	—	572,069	—	—
Foreign currency translation adjustments	—	—	(17)	—	—	3,890	—
Decrease due to exclusion of subsidiaries from the consolidated scope	—	—	(43)	—	—	—	—
Treasury stock	—	—	—	—	—	—	(366)
Gain on exchange of treasury stock	—	17	—	—	—	—	—
Cash dividends paid (\$0.047 per share)	—	—	(49,834)	—	—	—	—
Bonuses to directors and corporate auditors	—	—	(289)	—	—	—	—
Reversal of revaluation reserve for land	—	—	1,217	(28,731)	—	—	—
Increase due to revaluation of assets of consolidated overseas subsidiaries	—	—	4,682	—	—	—	—
Balance at March 31, 2006	\$957,249	\$676,556	\$460,909	\$(8,343)	\$861,939	\$(8,760)	\$(1,345)

See accompanying notes.