

## Financial Section

# Consolidated Balance Sheets

TAISEI CORPORATION and Consolidated Subsidiaries  
Years Ended March 31, 2006 and 2007

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2007	2007
<b>Current assets:</b>			
Cash and time deposits (Notes 3 and 6).....	¥ 124,887	¥ 155,552	\$ 1,317,679
Receivables:			
Trade notes (Note 4).....	19,986	24,368	206,421
Trade accounts (Note 15).....	405,906	517,519	4,383,897
Loans.....	102	86	728
Allowance for doubtful accounts.....	(1,382)	(1,572)	(13,316)
Inventories:			
Real estate development (Note 6).....	76,803	68,891	583,575
Raw materials and supplies.....	88,015	97,139	822,863
Cost of uncompleted contracts.....	236,233	206,544	1,749,631
Deferred income taxes (Note 8).....	52,760	55,992	474,307
Prepaid expenses and other current assets (Notes 4 and 6).....	75,477	76,426	647,404
<b>Total current assets.....</b>	<b>1,078,787</b>	<b>1,200,945</b>	<b>10,173,189</b>
<b>Property and equipment, at cost (Note 18):</b>			
Land (Note 6).....	182,074	169,251	1,433,723
Buildings and structures (Note 6).....	183,347	169,312	1,434,240
Machinery and equipment.....	72,317	67,447	571,343
Construction in progress.....	1,930	1,898	16,077
	439,668	407,908	3,455,383
Accumulated depreciation.....	(146,873)	(137,226)	(1,162,439)
<b>Net property and equipment.....</b>	<b>292,795</b>	<b>270,682</b>	<b>2,292,944</b>
<b>Investments and other assets:</b>			
Investments in unconsolidated subsidiaries and affiliated companies.....	5,645	9,474	80,254
Investment securities (Notes 5 and 6).....	360,147	403,114	3,414,773
Deferred income taxes (Note 8).....	13,528	11,803	99,983
Other assets (Note 6).....	104,689	100,295	849,598
Allowance for doubtful accounts.....	(8,408)	(6,994)	(59,246)
<b>Total investments and other assets.....</b>	<b>475,601</b>	<b>517,692</b>	<b>4,385,362</b>
<b>Total assets.....</b>	<b>¥ 1,847,183</b>	<b>¥ 1,989,319</b>	<b>\$ 16,851,495</b>

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2007	2007
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Short-term borrowings (Notes 6 and 7).....	¥ 98,180	¥ 115,022	\$ 974,350
Long-term debt due within one year (Notes 6 and 7) .....	126,500	92,083	780,034
Trade payables:			
Notes (Note 4).....	73,578	66,896	566,675
Accounts.....	431,451	526,367	4,458,848
Advances received and progress billings on uncompleted contracts.....	213,442	198,972	1,685,489
Income taxes payable (Note 8) .....	4,541	8,354	70,767
Deposits received.....	96,624	97,343	824,591
Allowance for losses on construction contracts .....	7,994	5,274	44,676
Other current liabilities (Note 4) .....	32,023	51,559	436,756
<b>Total current liabilities</b> .....	<b>1,084,333</b>	<b>1,161,870</b>	<b>9,842,186</b>
<b>Long-term debt</b> (Notes 6 and 7).....	<b>272,266</b>	<b>276,923</b>	<b>2,345,811</b>
<b>Employees' severance and retirement benefits</b> (Note 9).....	<b>38,152</b>	<b>29,891</b>	<b>253,206</b>
<b>Allowance for accrued severance indemnities to directors and corporate auditors</b> .....	<b>2,317</b>	<b>829</b>	<b>7,023</b>
<b>Deferred income taxes</b> (Note 8).....	<b>24,062</b>	<b>50,133</b>	<b>424,675</b>
<b>Deferred income taxes for revaluation of land</b> (Notes 8 and 16).....	<b>9,199</b>	<b>9,122</b>	<b>77,272</b>
<b>Allowance for losses on investments in subsidiaries and affiliates</b> .....	<b>-</b>	<b>1,084</b>	<b>9,183</b>
<b>Allowance for environmental spending</b> .....	<b>437</b>	<b>445</b>	<b>3,770</b>
<b>Other non-current liabilities</b> .....	<b>42,429</b>	<b>37,291</b>	<b>315,892</b>
<b>Total long-term debt</b> .....	<b>388,862</b>	<b>405,718</b>	<b>3,436,832</b>
<b>Contingent liabilities</b> (Note 14)			
<b>Net assets</b> (Notes 10 and 19):			
<b>Shareholders' equity :</b>			
Common stock			
Authorized: 2,200,000,000 shares			
Issued: 1,064,802,821 shares .....	112,448	112,448	952,546
Capital surplus .....	79,475	79,475	673,231
Retained earnings .....	54,143	74,893	634,418
Less-Treasury stock, at cost.....	(158)	(179)	(1,516)
<b>Total shareholders' equity</b> .....	<b>245,908</b>	<b>266,637</b>	<b>2,258,679</b>
<b>Accumulated gains from valuation and translation adjustments:</b>			
Unrealized holding gains on securities, net of taxes .....	101,252	124,240	1,052,435
Unrealized gains on hedging derivatives, net of taxes .....	-	136	1,152
Revaluation reserve for land (Note 16) .....	(980)	(999)	(8,462)
Foreign currency translation adjustments.....	(1,029)	(761)	(6,446)
<b>Total accumulated gains from valuation and translation adjustments</b> ..	<b>99,243</b>	<b>122,616</b>	<b>1,038,679</b>
<b>Minority interests:</b> .....	<b>28,837</b>	<b>32,478</b>	<b>275,120</b>
<b>Total net assets</b> .....	<b>373,988</b>	<b>421,731</b>	<b>3,572,478</b>
<b>Total liabilities and net assets</b> .....	<b>¥ 1,847,183</b>	<b>¥ 1,989,319</b>	<b>\$ 16,851,495</b>