

Independent Auditors' Report

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To the Board of Directors of Taisei Corporation

We have audited the accompanying consolidated balance sheets of Taisei Corporation (a Japanese corporation) and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Taisei Corporation and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following.

- (1) As discussed in Note 2(t) to the consolidated financial statements, effective for the year ended March 31, 2008, gains on investments in real-property-related SPCs (Special Purpose Companies) were transferred from other income to net sales (real estate (including other)).
- (2) As discussed in Note 19(2) to the consolidated financial statements, the Company issued the Mandatorily Acquirable Unsecured Subordinated Convertible Bonds with Stock Acquisition Right as of April 30, 2009 by a third-party allotment.
- (3) As discussed in Note 19(3) to the consolidated financial statements, on April 24, 2009, the Company contracted the share exchange agreement that would make TAISEI ROTEC CORPORATION, one of the Company's consolidated subsidiaries, into a wholly owned subsidiary of the Company.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 26, 2009