

Year in Review

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2012

Civil engineering

In the fiscal year ended March 31, 2012, the Taisei Corporation Group's civil engineering sales stood at 357.3 billion yen, an increase of 6.2% year on year, due to rising consolidated and non-consolidated sales. Operating income totaled 13.1 billion yen for the fiscal year under review, compared with an operating loss of 0.6 billion yen for the fiscal year ended March 31, 2011, due to a turnaround in the gross profit ratio during the year ended March 31, 2012.

Building construction

The Taisei Corporation Group's building construction sales in the year ended March 31, 2012, amounted to 893.0 billion yen, an increase of 8.1% year on year, due to rising non-consolidated sales during the year. Building construction operating income for the fiscal year under review stood at 30.8 billion yen, a decrease of 12.9% year on year, affected by the deteriorating gross profit ratio.

Real estate development

In the real estate sales market, condominium sales were relatively strong with support from the favorable tax measures and preferential interest rates for housing loans, despite buyers delaying their purchasing due to the effects of the earthquake. Meanwhile, in the real estate leasing market, operating conditions remained harsh. Vacancy

rates in office buildings remained high—though they are trending toward improvement—while rents continued to decline.

For the fiscal year ended March 31, 2012, the Taisei Corporation Group recorded 95.2 billion yen in real estate development sales, an increase of 20.3% year on year. However, an operating loss of 10.6 billion yen was posted by the Group for this segment, compared with an operating income of zero for the fiscal year ended March 31, 2011, due to a recognition of evaluation loss on the Company's preference shares for the fiscal year under review.

Other business

In the property management and other businesses, as economic uncertainty remains, companies continued to emphasize the reduction of costs. Competition among participating firms remained intense, amid changes in existing management companies and the review of specifications. These factors led to a difficult operating environment, overall.

In the fiscal year ended March 31, 2012, net sales across the Taisei Corporation Group in the year under review amounted to 54.4 billion yen, a decrease of 1.6% year on year. Operating income for the fiscal year under review stood at 2.2 billion yen, an increase of 35.7% year on year.

Major new orders received during FY ended March 2012:

Project	Client
Upper-level Section Redevelopment Project associated with the reconstruction of Shibaura Water Reclamation Center	NTT Urban Development Corporation Taisei Corporation Hulic Co., Ltd. Tokyo City-Development Co., Ltd.
Noi Bai International Airport Terminal 2 Construction Project	Northern Airports Corporation (Vietnam)
Kitashinagawa 5-chome 1st Area Redevelopment Operation Facility Construction (A1 Building and C1 Building)	Kitashinagawa 5-chome 1st Area Redevelopment Association
Shibaura Water Reclamation Center Storm water storage tanks Construction (Package 3)	Bureau of Sewerage Tokyo Metropolitan Government
Construction work of the Shinmeishin Expressway Kawanishi tunnel	West Nippon Expressway Company Limited Kansai Branch

Major projects completed during FY ended March 2012:

Project	Client
Nishi-Shinjuku 8-chome Naruko Area 1st Type Urban Land Redevelopment of facilities and public facilities construction	Nishi-Shinjuku 8-chome Naruko Area Urban Land Redevelopment Association
YOKOHAMA MITSUI BUILDING	Mitsui Fudosan Co., Ltd.
Southern Transport Development Project, JBIC Funded Section, Kottawa to Kurundugahahetekma, Package 2	Road Development Authority, Ministry of Highways (Sri Lanka)
Roppongi 3-chome Area 1st Type Urban Land Development New Facility Construction	Roppongi 3-chome Area Urban Land Development
Remodeling of Racecourse and other work for Chukyo Racecourse	NAGOYA HORSE RACING CO., LTD. Japan Racing Association