

October 27, 2017

Taisei Corporation

Announcement of Revisions of Financial Forecast for the first half of the fiscal year ending March 2018

In view of recent trend in performance, Taisei Corporation has revised its consolidated and non-consolidated financial forecast for the first half of the fiscal year ending March 31, 2018 which were previously released on August 7, 2017 as follows.

The consolidated and non-consolidated forecast for the full year ending March 31, 2018 will be released on November 10, 2017, when the financial results for the first half of the fiscal year are announced.

1. Revised consolidated forecast for the first half of the fiscal year ending March 31,2018
(From April 1, 2017 to September 30, 2017)

(Unit: Million yen, %)

	Net sales	Operating income	Ordinary Income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	730,000	47,000	48,000	32,000	140.70
Revised forecast (B)	685,000	63,200	64,600	44,100	193.88
Change (B-A)	(45,000)	16,200	16,600	12,100	
Change (%)	(6.2)	34.5	34.6	37.8	
Results for the first half of the fiscal year ended March 2017	646,382	52,514	50,408	35,209	151.79

2. Revised non-consolidated forecast for the first half of the fiscal year ending March 31,2018
(From April 1, 2017 to September 30, 2017)

(Unit: Million yen, %)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	610,000	44,000	45,000	30,000	131.91
Revised forecast (B)	552,000	53,600	55,600	38,500	169.26
Change (B-A)	(58,000)	9,600	10,600	8,500	
Change (%)	(9.5)	21.8	23.6	28.3	
Results for the first half of the fiscal year ended March 2017	516,214	44,601	47,424	35,254	151.98

(note)

We conducted 1-for-5 consolidation of shares on October 1, 2017, and net income per share is calculated based on the assumption that the consolidation of shares was executed at the beginning of FY2016.

3. Reasons for the revisions

(1) Non-consolidated forecast

While net sales is expected to decrease by 58.0 billion yen compared to previous forecast, operating income is expected to increase by 9.6 billion yen reflecting an increase in construction gross profit due to improvement of construction gross margin ratio.

Ordinary income will increase by 10.6 billion yen and net income will increase by 8.5 billion yen in association with increase operating income.

Furthermore, gross margin ratio is expected to be 14.4% (civil engineering: 18.2%, building construction: 13.2%)

Previous forecast: 11.8% (civil engineering: 13.9%, building construction: 11.1%)

(2) Consolidated forecast

Operating income, ordinary income, and net income attributable to owners of parent are expected to increase by exceeding non-consolidated result due to strong performance of subsidiaries in addition to revisions to non-consolidated results.

Disclaimer

This "Announcement of Revisions of Financial Forecast for the first half of the fiscal year ending March 2018" announced in the Japanese language at the Tokyo Stock Exchange on October 27, 2017 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the Japanese announcement and this English translation, the former will prevail.