

Notice of the 156th General Meeting of Shareholders

Date	Wednesday, June 29, 2016, 10:00 A.M. (Tokyo time)
Place	The Main Hall, 52nd floor Taisei Corporation Head Office Shinjuku Center building 25-1, Nishi -Shinjuku 1-chome Shinjuku-ku, Tokyo 163-0606, Japan

Matters to be voted on by Shareholders

- Item No.1:
Appropriation of Earned Surplus
- Item No.2:
Deduction of the Amount of Capital Reserve
- Item No.3:
Election of Three (3) Audit & Supervisory Board Members

If you cannot attend the General Meeting of Shareholders

Please exercise your voting rights by post or through the Internet by 5:30 P.M., Tuesday, June 28, 2016 (Tokyo time).

TAISEI CORPORATION

Securities Code:1801

IMPORTANT NOTE:

This notice and attached documents are English translations of the “Notice of the 156th General Meeting of Shareholders (*Dai-156-kai Teiji Kabunushi Sokai Shoshu Go-Tsuchi*)”, “Reference Materials for the General Meeting of Shareholders (*Kabunushi Sokai Sanko Shorui*)” and “Business Report (*Jigyō Hokoku*)” of Taisei Corporation and are prepared solely for the convenience of Shareholders who are non-Japanese speakers. In the event that any of the information contained in these English translations is inconsistent with the information contained in the Japanese original documents, the Japanese original texts shall prevail.



For a Lively World

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Greeting from President and Chief Executive Officer

To Our Shareholders,

I would like to express my gratitude for your continuous support.

First of all, I would like to offer my deep condolences to sufferers of “Kumamoto Earthquake 2016”, and sincerely pray for their recovery from the disaster as early as possible.

As I deliver this “Notice of the 156th General Meeting of Shareholders”, I would like to say a few words about our business.

In the first year of the Medium-term Business Plan (2015–2017), launched in April last year, we have achieved the results that we targeted for the final year of it. This early success is primarily due to favorable market conditions, which have contributed to our record-high profits.

Based on our primary policy of “Deep cultivation of the core business of the construction industry”, we will continue to strive to respond appropriately to the present high demand by pursuing national projects (such as the New National Stadium and the Chuo Shinkansen Project) and large private-sector projects. We will also continue to seek to achieve our newly established business targets by increasing our mid- to long-term competitiveness, taking into consideration the relative uncertainty of market conditions following the year 2020.

We will uphold our group philosophy of “Creating a vibrant environment for all members of society”, by tailoring our values to incorporate the diversity of values of society and our clients as a whole. This is primarily with the aim of retaining the trust of all of our stakeholders—including our shareholders— and sustainably developing our corporate group.

With regards to dividends for this period, we propose an annual cash dividend of 16 yen per share (including an interim dividend of 5 yen). In determining this figure, we have taken into consideration the fact that we have significantly exceeded the original targets of our Medium-term Business Plan, and positively revised our initial overview of the business environment and other market factors.

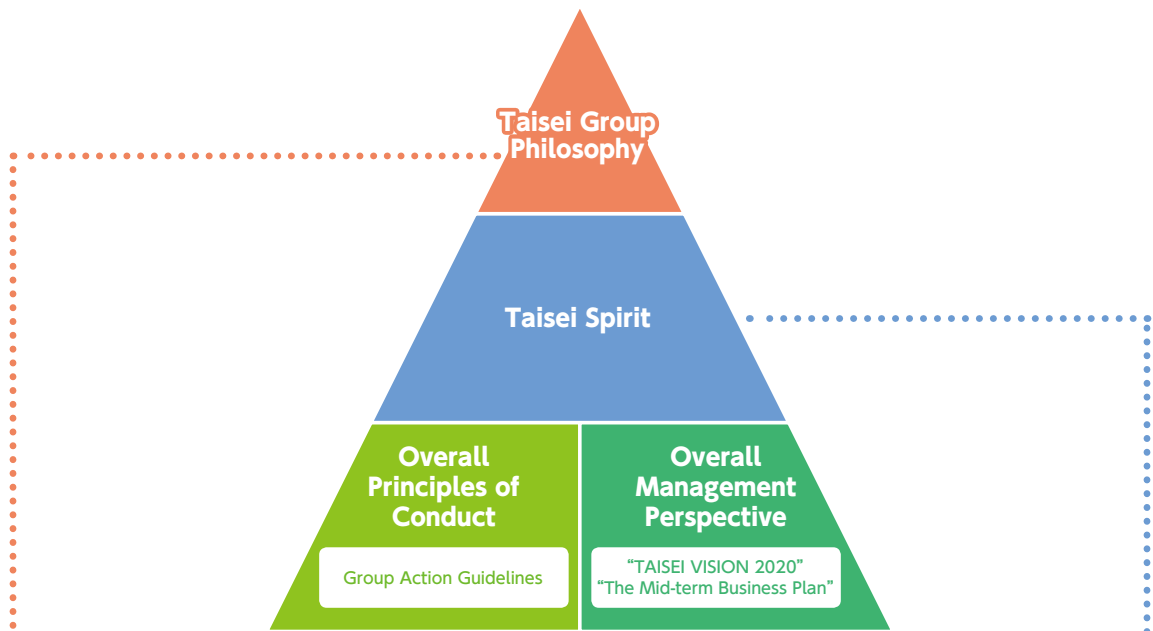
Additionally, at the Board meeting on May 13, 2016, acquisition of the Company’s own share, the maximum limitation of which is 30 million shares (20 billion yen), was resolved in order to increase shareholder returns and to improve the capital efficiency.

I sincerely appreciate your continuous and invaluable guidance and support.



President and Chief Executive Officer

Yoshiyuki Murata



Objectives to be pursued by the Taisei Group(Goals)

To create a vibrant environment for all members of society

We seek in an environmentally sustainable manner to create safe and attractive spaces with exceptional value and to create a global community filled with hopes and dreams for the benefit of future generations.

Key concepts that all Taisei Group officers and employees must adhere to in order to pursue and realize the Taisei Group Philosophy

Active and Transparent Culture

We value diversity and, through open and active communication lines and networks both internal and external to the Taisei Group, seek to cultivate a transparent and active corporate culture in which all of our officers and employees are able to reach their full potential.

Value Creation

Not limited to our understanding of society at large, we carefully take into account the needs of our clients and using all of the technology and know-how at our disposal, together with our passion for innovation and ingenuity, seek to construct innovative and valuable engineering projects that inspire and impress our clients.

Evolution of Tradition

We aim to instill within the Taisei Group the Japanese tradition of *monozukuri*(precise, superb craftsmanship)and continually challenge ourselves to provide ever more valuable contributions to society and ensure our continued development and growth as a respected corporate group.

Group Slogan

For a Lively World

The Taisei Group Philosophy, the Taisei Spirit and the Action Guidelines for Taisei Personnel and the Taisei Group as a Whole can be summed up in the Group Slogan.

To Our Shareholders

NOTICE OF THE 156th GENERAL MEETING OF SHAREHOLDERS

Taisei Corporation would like to take this occasion to express particular thanks for the support of our shareholders.

Notice is hereby given that the 156th General Meeting of Shareholders of Taisei Corporation (the "Company") will be held as indicated below.

Since those unable to attend the Meeting are entitled to exercise their voting rights by post or through the Internet, you, if unable to attend, are requested to study the attached documents, and to exercise your voting rights through either of the methods described on page 4.

1. Date: Wednesday, June 29, 2016, 10:00 A.M. (Tokyo time)

2. Place: The Main Hall, 52nd floor
Taisei Corporation Head Office
Shinjuku Center Building
25-1, Nishi-Shinjuku 1-chome
Shinjuku-ku, Tokyo 163-0606, Japan

3. Agenda:

- (1)Subjects to be reported:** 1. Business Report, Consolidated Financial Statements, and Auditing Reports of Accounting Auditor and Audit & Supervisory Board for Consolidated Financial Statements, for fiscal year ended March 31, 2016 (the 156th Business Year commenced April 1, 2015 and ended March 31, 2016)
2. Financial Statements, for fiscal year ended March 31, 2016 (the 156th Business Year commenced April 1, 2015 and ended March 31, 2016)

(2)Matters to be voted on by Shareholders:

Item No.1: Appropriation of Earned Surplus

Item No.2: Deduction of the Amount of Capital Reserve

Item No.3: Election of Three (3) Audit & Supervisory Board Members

Your presence at the Meeting is cordially requested.

Yours sincerely,

TAISEI CORPORATION
Yoshiyuki MURATA
President and Chief Executive Officer
Chairman of the Board

Instructions of exercising your voting right

If you can attend the Meeting



Date of the Meeting: **Wednesday, June 29, 2016, 10:00 A.M. (Tokyo Time)**

Shareholders attending the Meeting are requested to submit the Voting Form to the reception desk at the Place of the Meeting.

If exercising your voting rights by proxy, you can appoint one of other Shareholders of the Company who is entitled to vote and ask that person to attend the General Meeting of Shareholders as your proxy.

In this case, please be advised that a Letter of Proxy shall be submitted along with a Voting Form.

If you cannot attend the Meeting

Exercising your voting right by post



Please indicate your preferences on each item of the matters to be voted on in the enclosed Voting Form, and return the Form by post to be received no later than 5:30 P.M. on Tuesday, June 28, 2016 (Tokyo time). In case no preferences are indicated on any of the items, we treat that you cast an affirmative vote to such item.

Exercising your voting right through the Internet



Please access the designated website for voting of the Company (<http://www.it-soukai.com/>), enter the “Giketsuken-koushi (Voting) Code” and “Password” as indicated on the enclosed Voting Form, and follow the instructions on the screen to enter your preferences no later than 5:30 P.M. on Tuesday, June 28, 2016 (Tokyo time).

For more information, please refer to the next page.

Reference for Institutional Investors

The “Electronic Voting Platform” operated by ICJ is available for the institutional investors.

Note 1: Regarding the attached documents of this Notice, in accordance with laws and regulations and article 16 of the Articles of Incorporation of the Company, “Systems and Policies of the Company”, “Notes to Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” are not included in this Notice, but posted on the Company’s website stipulated below. Provided, the Business Report, the Consolidated Financial Statements, and the None-Consolidated Statements, which were audited by the Audit & Supervisory Board Members and the Accounting Auditors include the above documents posted on the Company’s website.

Note 2: In the event that any amendment is made in Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements or Consolidated Financial Statements, the Company will disclose the amended matter on the Company’s website.

The Company’s Website <http://www.taisei.co.jp/>

Instructions of exercising your voting right through the Internet

Please access “the Voting Rights Exercise Website” (the “Website”) from your personal computer or smart phone, and exercise your voting right through the Website using “Giketsuken-koushi (Voting) Code” and “Password” as indicated in the right side of the Voting Form enclosed with this Notice of the General Meeting of Shareholders. In addition, for the purpose of security, you will have to change the “Password” when you enter the Website for the first time.



The URL of the Website
<http://www.it-soukai.com/>

Deadline of exercising your voting right
By Tuesday, June 28, 2016, 5:30 P.M. (Tokyo time)

Attention

Please note that, when you access the Website, Giketsuken-koushi (Voting) Code” and “Password” as indicated in the right side of the Voting Form enclosed with this Notice of the General Meeting of Shareholders are necessary.

When you exercise your voting right both by post and through the Internet

In the event that a Shareholder votes both by mailing the Voting Form and through the Internet, only the voting though the Internet shall be treated as the valid voting. In addition, if you vote through the Internet more than once, the last voting shall be valid.

Matters to be noted regarding “Password”

“Password” (including the password changed by a Shareholder) is only valid for the General Meeting of Shareholders this year. At the time of next General Meeting of Shareholders, a new “Password” will be issued.

The “Password” is invalidated when a Shareholder inputs wrongly several times. If your password is invalidated, you need to follow instructions on the screen.

Contact for questions

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
TEL: 0120-768-524 (Toll Free Service for Domestic Shareholders) (Available: 9:00 A.M.-9:00 P.M. <Tokyo Time>, except Saturdays, Sundays and National Holidays)

Agenda and Reference Information

Item No.1 Appropriation of Earned Surplus

The Company has made it a basic policy to pay long-term stable dividend to Shareholders. The Company tries to reinforce internal reserve for the future business operation, and returns the profit to the Shareholders by way of a special dividend and the like when the business performance of the Company is well.

Comprehensively taking into account both achievement of much greater performance than the initial plan, and business surroundings in the future, etc., the cash dividend at the end of the fiscal year ended March 31, 2016 is proposed to be ¥11.00 per share as stated below.

As the result, the total dividend for the fiscal year ended March 31, 2016, including the interim dividend, is ¥16.00 per share, ¥8.00 increase compared to the dividend of the previous fiscal year.

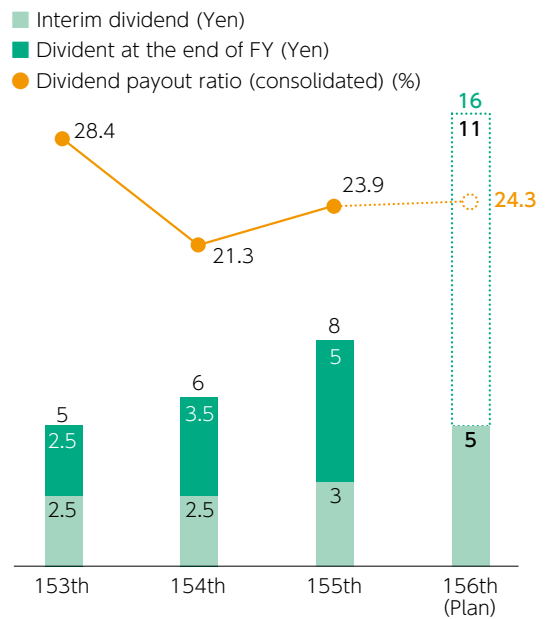
1 Matters Concerning the Year-end Dividend

- (1) Cash dividend and its total amount:
Common stock: ¥11.00 per share
Total Amount: ¥12,868,876,856-
- (2) Effective date of dividend of surplus:
June 30, 2016

2 Matters Concerning accumulation of other reserve

- (1) Item of increased surplus and its amount
Other reserve: ¥32,000,000,000-
- (2) Item of decreased surplus and its amount
Retained earnings carried forward: ¥32,000,000,000-

[Reference: Annual cash dividend per share]



Item No.2 Deduction of the Amount of Capital Reserve

In order to secure the flexibility and mobility of the capital policy, pursuant to Paragraph 1 of Article 448 of the Companies Act, deduction of the amount of capital reserve and transfer of the same amount to the account of other capital surplus are proposed as follows.

- Matters concerning deduction of the amount of capital reserve
 - Item of decreased reserve and its amount
Capital reserve: **¥36,146,000,000-**
out of total capital reserve: **¥66,832,281,116-**
 - Item of increased surplus and its amount
Other capital surplus: **¥36,146,000,000-**
- Effective date of deduction of the amount of capital reserve
August 31, 2016

Item No.3 Election of Three (3) Audit & Supervisory Board Members

The terms of offices of Messrs. Shigeru Morichi, and Kiwamu Miyakoshi who are currently Audit & Supervisory Board Members, expire at the closing of this General Meeting of Shareholders. Therefore, an election of three (3) Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has given prior consent to this item.

The candidates for the Audit & Supervisory Board Members are as follows:



1 Shigeru Morichi

Re-election

External
Member

Independent
Officer

Birthday

September 29, 1943 (Age 72)

Number of the Company's shares held by the Candidate

0

Term of Office as Audit & Supervisory Board Member

4 years

Attendance at the Board

12 out of 13 meetings (92%)

Attendance at the Audit and Supervisory Board

13 out of 14 meetings (93%)

History, Post and Important Concurrent Position of the Candidate

1966.04: Joined Japan National Railways
1987.03: Professor of Department of Civil Engineering,
School of Engineering, Tokyo Institute of
Technology
1996.04: Professor of Department of Civil Engineering,
School of Engineering, the University of Tokyo
2004.04: Professor of National Graduate Institute for
Policy Studies

2004.04: Vice Chairman of Institution for Transport Policy
Studies;
President of Institute for Transport Policy Studies
2011.04: Director of Policy Research Center, National
Graduate Institute for Policy Studies [Present
Position]
2012.06: Audit & Supervisory Board Member of the
Company [Present Position]

The reasons for nominating him as a candidate for the Audit & Supevisory Board Member

Mr. Shigeru Morichi has considerable experiences as a university professor and deep insight as an academic expert, while he has not been involved in management of a company in the past. Since the Company considers that Mr. Shigeru Morich will continuously fulfill his expected roles appropriately and sufficiently considering his personality and deep knowledge, we would like to nominate him as a candidate for External Audit & Supervisory Board Member.



2 Kiwamu Miyakoshi

Re-election

External
Member

Independent
Officer

Birthday

July 12, 1953 (Age 62)

Number of the Company's shares held by the Candidate

0

Term of Office as Audit & Supervisory Board Member

4 years

Attendance at the Board

13 out of 13 meetings (100%)

Attendance at the Audit and Supervisory Board

14 out of 14 meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1977.04: Joined National Police Agency
1987.04: First Secretary, Embassy of Japan in Germany,
Ministry of Foreign Affairs
1998.03: Chief Constable of Tokushima Prefectural Police
Headquarters
2004.07: Supervisor of Hanshin Expressway Public
Corporation
2005.09: Chief Constable of Ibaraki Prefectural Police
Headquarters

2010.03: Director General of Chugoku Regional Police
Bureau
2011.03: Director General of Kanto Regional Police
Bureau
2012.06: Audit & Supervisory Board Member of the
Company [Present Position]

The reasons for nominating him as a candidate for the Audit & Supevisory Board Member

Mr. Kiwamu Miyakoshi has considerable experiences and deep insight obtained from his experience as a police officer, while he has not been involved in management of a company in the past. Since the Company considers that Mr. Kiwamu Miyakoshi will continuously fulfill his expected roles appropriately and sufficiently considering his personality and deep knowledge, we would like to nominate him as a candidate for External Audit & Supervisory Board Member.



3 Kunitoshi Saito

New
Candidate

External
Member

Independent
Officer

Birthday

April 23, 1952 (Age 64)

Number of the Company's shares held by the Candidate

0

Term of Office as Audit & Supervisory Board Member

—

Attendance at the Board

—

Attendance at the Audit and Supervisory Board

—

History, Post and Important Concurrent Position of the Candidate

1977.04: Joined Board of Audit of Japan
2009.12: Director General of 3rd Bureau, Board of Audit

2011.05: Director General of 5th Bureau, Board of Audit
2013.03: Secretary General, Board of Audit

The reasons for nominating him as a candidate for the Audit & Supevisory Board Member

Mr. Kunitoshi Saito has considerable experiences as an officer at Board of Audit of Japan and deep insight as an expert in finance and accounting, while he has not been involved in management of a company in the past. Since the Company considers that Mr. Kunitoshi Saito will fulfill his expected roles appropriately and sufficiently considering his personality and deep knowledge, we would like to nominate him as a candidate for External Audit & Supervisory Board Member.

Notes:

1. There is no conflict of interests between the Company and the candidates.
2. Messrs. Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito are the candidates for External Audit & Supervisory Board Members.
3. In order for External Audit & Supervisory Board Members to fulfill their expected roles, the Articles of Incorporation provides that the Company may enter into contracts with External Audit & Supervisory Board Members to limit their maximum liability for damages to the Company within a certain range. According to this provision, the Company has entered into the contract with Messrs. Shigeru Morichi and Kiwamu Miyakoshi, and the Company will enter into the contract with Mr. Kunitoshi Saito when he is elected to limit their liability.

The gist of the contract is as follows.

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, External Audit & Supervisory Board Member shall be held liable for damages up to the higher of an amount of ¥ 10 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that the External Audit & Supervisory Board Member has performed his duties in good faith and without gross negligence.

4. Messrs. Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito meet the "Criteria of Independency" prescribed by the Company (refer to page 9). Messrs. Shigeru Morichi and Kiwamu Miyakoshi have been registered as independent officers as they meet the criteria of independency prescribed by Tokyo Stock Exchange. Furthermore, when Mr. Kunitoshi Saito is elected as provided in this original item No.3, he will be registered as an independent officer.

Criteria of Independency

Any External Members of the Board or External Audit & Supervisory Board Members who does not fall within any of the followings shall be deemed independent by the Board:

1. A person who is an executive director, a corporate officer, an executive officer, a manager or other employee of a main business partner (refer to Note 1 below) (hereinafter an "Executive Officer/Employee");
2. A person who is an Executive Officer /Employee of one of our main financing banks;
3. A person who receives from the Company more than 10 million yen annually on an average basis for the last three fiscal years in consideration for services as a consultant, accountant, tax lawyer or lawyer (excluding remuneration as a Member of the Board or Executive Officer of the Company), or where the recipient of such remuneration is a legal entity or other organization, a person who belongs to such legal entity or organization;
4. A person who is a board member or other Executive Officer/Employee of a legal entity or other organization to which the Company donated more than "Certain Amount" defined in Note 2 below;
5. A person who fell within any of item 1 through 4 above during the last one (1) year period; and,
6. A person who is the spouse or relatives within the second degree of kinship of any of the following persons:
 - (1) A person who falls within the items1 through 5 above;
 - (2) A person who is an Executive Officer/Employee of the Company's subsidiary;
 - (3) A person who is a Member of the Board who is not an Executive Officer/Employee of the Company's subsidiary (applicable only when determining the independence of an External Audit & Supervisory Board Member); and,
 - (4) A person who fell within sub-items (2) or (3) above or who is an Executive Officer/Employee of the Company during the last one (1) year period (when determining the independence of an External Audit & Supervisory Board Member, including a Member of the Board who is not an Executive Officer/Employee).

Note 1: A main business partner is (1) a person/legal entity for which the Company is the main business partner (a business partner for which the average annual amount paid by the Company to such entity in compensation for its work in the immediately preceding three fiscal years by the Company is over 2% of the entity's consolidated net sales for the most recent fiscal year) and (2) the main business partner of the Company (a business partner for which the average annual amount received by the Company from such entity in compensation for its work in the immediately preceding three fiscal years is over 2 % of the Company's consolidated net sales for the most recent fiscal year).

Note 2: "Certain Amount" means donations with an annual average amount over the immediately preceding three fiscal years that exceeds (1) 10 million yen and (2) 2 % of the annual income for the most recent fiscal year of the party who received the donation by the Company.

1 Current State of the Affiliated Companies

(1) Progress and Results of Operations

The Japanese economy during this fiscal year weakened overall as the business result of a part of companies was relatively weak due to the slowdown of the economy of newly developing countries and as the personal consumption is not strong, while some part of sectors such as employment improve.

The domestic construction market was kept strong as a whole as orders from private-sectors such as a manufacturing sector remained in a high level while orders from public institutions decreased.

Under these circumstances, the Company and its affiliated companies (collectively, the “Affiliated Companies”) reported consolidated results of its operations as follows: orders received of ¥1,671.0 billion, a 5.4% decrease compared to the previous fiscal year, net sales of ¥1,545.8 billion, a 1.7% decrease, recurring income of ¥117.7 billion, a 58.1% increase, and net income for the year of ¥77.0 billion belonging to the shareholders of the Company, a 101.8% increase compared to the previous fiscal year.

The status for orders and sales in each segment is as follows.



(CIVIL ENGINEERING BUSINESS)

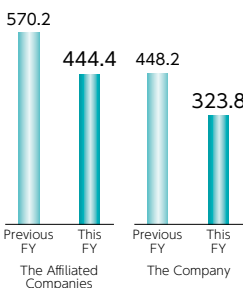
New orders for the Affiliated Companies during the current term were worth ¥444.4 billion, a 22.1% decrease compared to the previous fiscal year, as there was decrease in new orders received by the Company and its consolidated subsidiaries.

New orders for the Company were worth ¥323.8 billion, a 27.7% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 50.3%, 37.8% and 11.9%, respectively, and the percentage of orders received without competitive bidding out of the total was 44.7%.

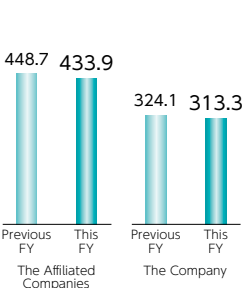
Net sales for the Affiliated Companies were ¥433.9 billion, a 3.3% decrease compared to the previous fiscal year, because a decrease in net sales was observed in both the Company and its consolidated subsidiaries.

Net sales for the Company were ¥313.3 billion, a 3.3% decrease.

Orders received
(one billion yen)



Net sales
(one billion yen)



(BUILDING CONSTRUCTION BUSINESS)

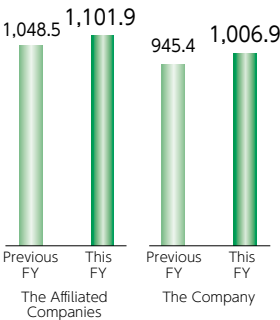
New orders for the Affiliated Companies during the current term were worth ¥1,101.9 billion, an 5.1% increase compared to the previous fiscal year, as there was growth in new orders received by the Company.

New orders for the Company were worth ¥1,006.9 billion, a 6.5% increase. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 14.2%, 85.6% and 0.2%, respectively, and the percentage of orders received without competitive bidding out of the total was 43.1%.

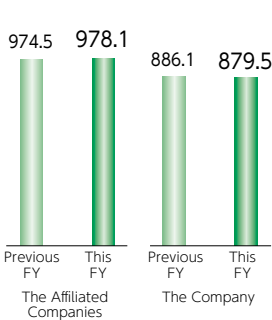
Net sales for the Affiliated Companies were ¥978.1 billion, a 0.4% increase, because an increase in net sales was observed in the consolidated subsidiaries. Net sales for the Company were ¥879.5 billion, a 0.7% decrease.

The major construction projects the Company accepted new orders for or completed in its civil engineering and building construction business divisions during the current term are as follows:

Orders received (one billion yen)



Net sales (one billion yen)



Major new orders received during FY ended March 2016



- ▲ Nishi-Shinagawa 1-chome Area 1st Type Urban Land Redevelopment New Construction of Building Facilities and Public Facilities (Block A) (Shinagawa-ku, Tokyo)

Owner:
Nishi-Shinagawa 1-chome Area Urban Land Development Consortium



- ▲ (Tentative Name) Marunouchi 3-2 Project Underground Demolition and New Construction (Chiyoda-ku, Tokyo)

Owner:
Mitsubishi Estate Co., Ltd.
The Tokyo Chamber of Commerce and Industry
Tokyo Kaikan Co., Ltd.



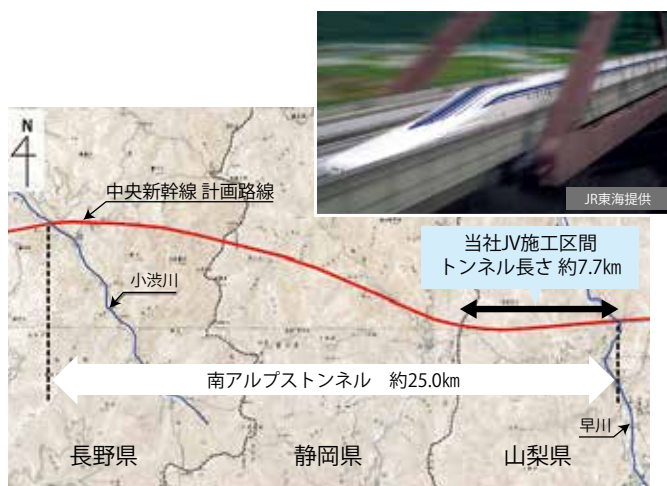
▲ (Tentative Name) TGMM Shibaura Project
New Construction (Building “A” and Hotel)
(Minato-ku, Tokyo)

Owner:
Mitsui Fudosan Co., Ltd.
Mitsubishi Estate Co., Ltd.



▲ Katsuradai Tunnel Work of Yokohama Ring
Road South Route
(From Kanazawa-ku, Yokohama, Kanagawa to
Sakae-ku, Yokohama, Kanagawa)

Owner:
East Nippon Expressway Company Limited



▲ New Construction of Chuo Shinkansen
Southern Alps Tunnel (Yamanashi Area)
(Minami-Koma-gun, Yamanashi)

Owner:
Central Japan Railway Company

Major projects completed during FY ended March 2016:

(Tentative Name) New Construction for New Tekko ➡
Building Reconstruction Project
(Chiyoda-ku, Tokyo)

Owner:
TEKKO BUILDING CO., LTD.



▲ Kita-Shinagawa 5-chome Area 1st Type Urban Land
Redevelopment
New Construction of Building Facilities for Office
Buildings “A1” “C1” and Residential Building “A2”
(Shinagawa-ku, Tokyo)

Owner:
Kita-Shinagawa 5-chome 1 District Urban
Redevelopment Consortium



▲ OUTER CIRCULAR HIGHWAY TO THE CITY OF
COLOMBO KADAWATHA TO KADUWELA (NS-1)
(The Democratic Socialist Republic of Sri Lanka)

Owner:
THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA, MINISTRY OF PORTS AND
HIGHWAYS, ROAD DEVELOPMENT AUTHORITY



▲ (Tentative Name) New Construction of LaLaport Ebina
(Ebina-shi, Kanagawa)

Owner:
Mitsui Fudosan Co., Ltd.



▲ Box Culvert Construction of Ken-O Expressway
(Okegawa Kitamoto District (No.1))
(From Kitamoto-shi, Saitama to Okegawa-shi, Saitama)

Owner:
Ministry of Land, Infrastructure, Transport and Tourism
Kanto Regional Development Bureau

(REAL ESTATE DEVELOPMENT BUSINESS)

In the real estate sales market, although in the condominium market, the supply of rooms was decreasing, the sales was kept strong as the sales were supported by the low rate of interest and the tax benefits at the time of purchase of residence. The real estate leasing market continued to recover as the vacancy rate for offices improved and the rent for some buildings exhibited a rising trend.

Net sales of the Affiliated Companies in the real estate segment were ¥121.3 billion, a 11.8% decrease compared to the previous fiscal year due to the decrease in the revenues of both the Company and consolidated subsidiaries.

(OTHER BUSINESSES)

The Affiliated Companies recorded an increase of net sales in this segment of ¥12.4 billion, a 0.3% increase compared to the previous fiscal year due to the increase in the revenues of the consolidated subsidiaries.

The new orders received, net sales, and total balance of contract backlog for each segment of the Affiliated Companies are as follows:

(Unit: ¥ Billion)

	Backlog at the Beginning of this Period (April 1, 2015)	New Orders Received	Net Sales	Backlog carried over Next Period
CIVIL ENGINEERING	642.5	444.4	433.9	653.0
BUILDING CONSTRUCTION	1,303.7	1,101.9	978.1	1,427.5
REAL ESTATE DEVELOPMENT BUSINESS	9.9	112.2	121.3	0.8
OTHER BUSINESSES	—	12.4	12.4	—
TOTAL:	1,956.2	1,671.0	1,545.8	2,081.4

The new orders received, net sales, and total balance of contract backlog for each segment of the Company are as follows:

(Unit: ¥ Billion)

	Backlog at the Beginning of this Period (April 1, 2015)	New Orders Received	Net Sales	Backlog carried over Next Period
CIVIL ENGINEERING	599.4	323.8	313.3	610.0
BUILDING CONSTRUCTION	1,229.4	1,006.9	879.5	1,356.9
SUB TOTAL:	1,828.9	1,330.8	1,192.8	1,966.9
REAL ESTATE DEVELOPMENT BUSINESS	8.4	8.8	16.9	0.2
OTHER BUSINESSES	—	12.0	12.0	—
TOTAL:	1,837.3	1,351.8	1,221.9	1,967.2

(2) Investments in Plant and Equipment

The Affiliated Companies' investment of plant and equipment during FY ended March 2016 was 9.8 billion yen in total. Major investment was the new procurement and renewal of the construction machineries.

(3) Fund Raising

The Company issued an unsecured straight corporate bond for 10 billion yen (35th issue) in September 2015.

(4) Issues to be dealt with

Securing sufficient employees and labors becomes a major issue for the construction industry as the industry is getting busier toward the 2020 Tokyo Olympics and Paralympics. On the other hand, we are gravely concerned over the spreading public distrust in the entire construction industry caused by the data falsification of the piling work.

The Taisei Group, as a leading construction company, will take the initiative to improve working conditions and productivity to secure sufficient employees and labors and to make serious efforts to regain the lost public trust in the industry.

Although we expect the robust construction demand will continue for a while, we are not optimistic about the market environment beyond the 2020 Olympics and Paralympics, taking into consideration the decreasing population and financial constraints.

Recognizing these circumstances, we have started the Medium-Term Business Plan (2015–2017) from FY2015 and are working with full force toward achieving our management goals listed below.

Medium-Term Business Plan (2015-2017) (Outline)

Basic Policy

Deep cultivation of our primary business of construction

Management Goals

- ① Undertaking strategic approaches regarding focused projects
- ② Actively contributing to improving infrastructures
- ③ Promoting the development of next-generation technologies
- ④ Establishing next-generation business models in the focused fields
- ⑤ Strengthening domestic construction projects
- ⑥ Developing the structure for healthy growth of overseas projects
- ⑦ Improving the total strength of the Taisei Group
- ⑧ Developing the business foundation

① Undertaking strategic approaches regarding focused projects

We will focus on the projects with an eye toward the year 2020 and beyond, including national projects, such as the New National Stadium and the Chuo Shinkansen Project, large private-sector projects utilizing our technological strengths, and overseas projects, such as participation in infrastructure export jointly promoted by the government and the private sector.

② Actively contributing to improving infrastructures

We will continue to participate actively in earthquake disaster reconstruction projects and social infrastructure development projects aimed at making the country more resilient against disasters, contributing to the development of Japan's social infrastructure.

③ Promoting the development of next-generation technologies

We are promoting the development of construction technologies and technologies for differentiation with an eye toward the year 2020 and beyond in order to further boost our competitiveness in the construction business and differentiate from other construction competitors.

④ Establishing next-generation business models in the focused fields

We will increase our mid- to long-term competitiveness by establishing highly value-added business models in the five focused fields of renewal and replacement, nuclear power, environment, engineering, and urban development, where we can offer high added value to our customers.

⑤ Strengthening domestic construction projects

We will further improve our construction capabilities by increasing our workforce, using labor-saving and energy-saving construction methods and ICT, and strengthening cooperation with specialist sub-contractors as well as further improving our procurement capabilities in order to appropriately meet the robust construction demand of both the government and the private sector.

⑥ Developing the structure for healthy growth of overseas projects

We will achieve the gradual growth of our overseas business and establish the structure securing its earnings with an eye toward the year 2020 and beyond, attaching its top priority to the steady profitability of our overseas business.

⑦ Improving the total strength of the Taisei Group

We will create higher synergy effects through cooperation among group companies in the fields where we can leverage our strengths, such as projects of preventing the spread of fires in urban areas densely packed with wooden buildings and the quakeproofing of existing public and private infrastructures.

⑧ Developing the business foundation

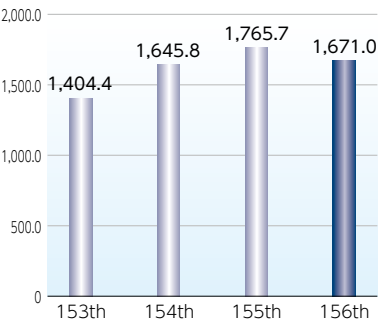
We have established a corporate governance system that meets the needs of the times. In addition, we are actively tackling diversity management as mid-term challenges of the construction industry, such as enhancement of the use of female workers and foreign workers, and changing working styles by using ICT.

(5) Transition of Assets and Income

(Transition of Assets and Income of the Affiliated Companies)

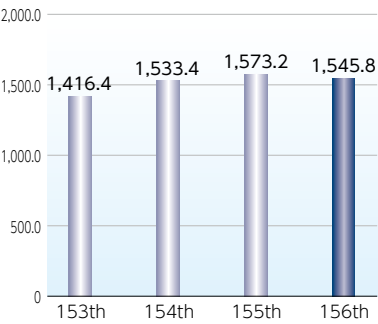
New Orders Received

(unit:one billion yen)



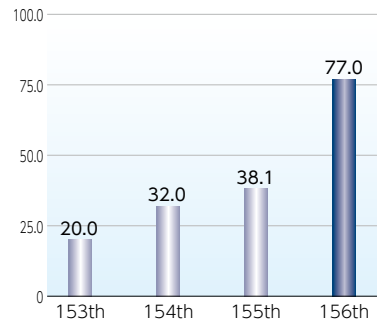
Net Sales

(unit:one billion yen)



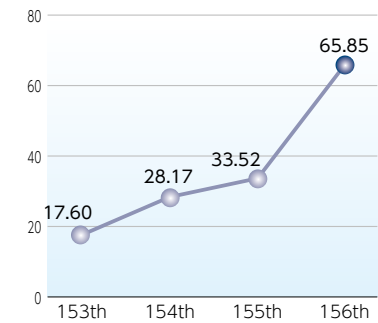
Net Income or (Loss)

(unit:one billion yen)



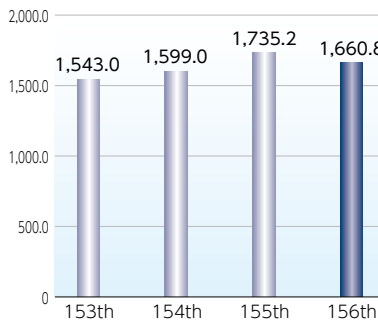
Net Income or (Loss) per Share

(unit:yen)



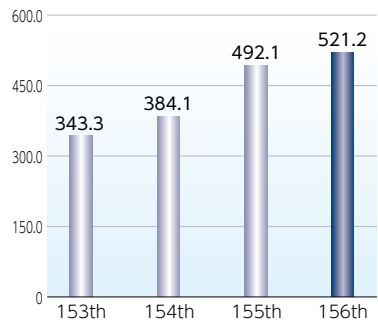
Total Assets

(unit:one billion yen)



Total Net Assets

(unit:one billion yen)

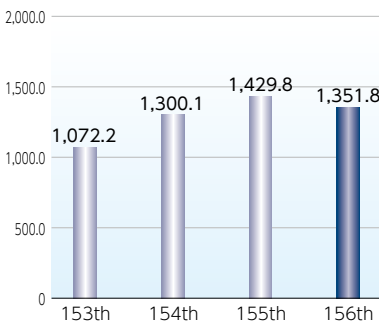


(Unit: ¥ Billion)	FY Ended March 2013	FY Ended March 2014	FY Ended March 2015	FY Ended March 2016 (Current FY)
New Orders Received	1,404.4	1,645.8	1,765.7	1,671.0
Net Sales	1,416.4	1,533.4	1,573.2	1,545.8
Net Income	20.0	32.0	38.1	77.0
Net Income per Share (*Unit: Yen)	*17.60	*28.17	*33.52	*65.85
Total Assets	1,543.0	1,599.0	1,735.2	1,660.8
Total Net Assets	343.3	384.1	492.1	521.2

(Transition of Assets and Income of the Company)

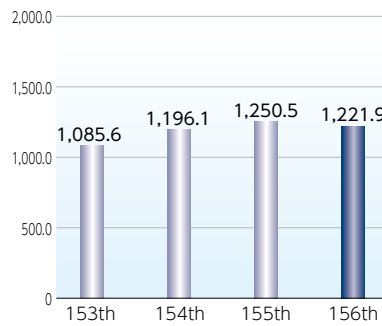
New Orders Received

(unit:one billion yen)



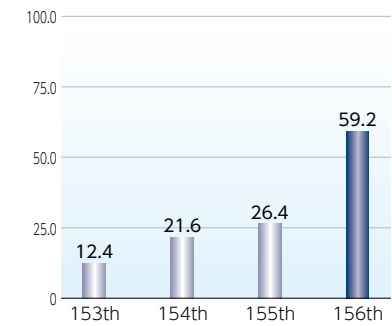
Net Sales

(unit:one billion yen)



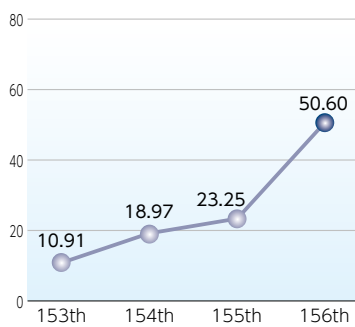
Net Income or (Loss)

(unit:one billion yen)



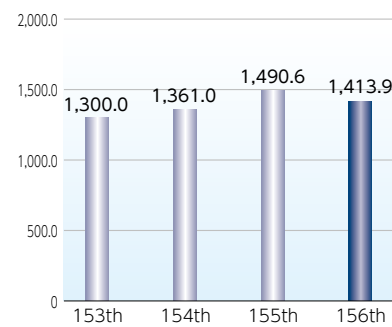
Net Income or (Loss) per Share

(unit:yen)



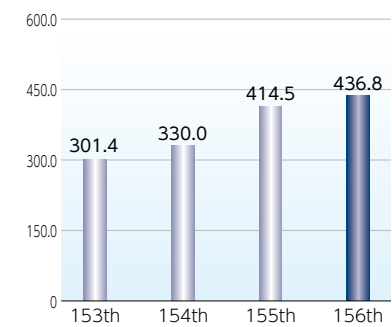
Total Assets

(unit:one billion yen)



Total Net Assets

(unit:one billion yen)



(Unit: ¥ Billion)	FY Ended March 2013	FY Ended March 2014	FY Ended March 2015	FY Ended March 2016 (Current FY)
New Orders Received	1,072.2	1,300.1	1,429.8	1,351.8
Net Sales	1,085.6	1,196.1	1,250.5	1,221.9
Net Income	12.4	21.6	26.4	59.2
Net Income per Share (*Unit: Yen)	*10.91	*18.97	*23.25	*50.60
Total Assets	1,300.0	1,361.0	1,490.6	1,413.9
Total Net Assets	301.4	330.0	414.5	436.8

(6) Main Lines of Business

The Affiliated Companies’ main business segments are as follows:

Civil engineering business	All the business related to Civil Engineering works
Building construction business	All the business related to Building Construction works
Real estate development business	Sale & purchase, lease, management, brokerage and all the other businesses related to real estate
Other businesses	Projects incidental or related to construction such as research undertaking, provision of technology and environmental measurements, leisure-related businesses, and other services

The Company, licensed by the Ministry of Land, Infrastructure and Transport as an Ordinary and Special Construction Contractor (license (HAN/TOKU-2 3) No. 3 0 0) under the Construction Business Act, and as a Licensed Real-Estate Transaction Agent (license (13) No. 607) under the Building Lots and Building Transaction Business Act, is engaged mainly in the following lines of business operations:

- (a) Planning, surveying, design, supervision, construction, engineering and consulting services, related to civil engineering, building construction, and other construction works of all kinds;
- (b) Sale, purchase, lease, brokerage and management of real estate; and
- (c) Urban development, regional development, etc.

(7) Major Subsidiaries and Technological Tie-ups

(a)The major subsidiaries are as follows:

Name of Company	Paid-up Capital	% of Equity Ownership	Major Lines of Business
	(¥ bn.)	(%)	
Taisei Rotec Corporation	11.3	100.0	Design, construction and supervision of works related to pavement and other civil engineering work as well as the manufacture and sale of asphalt for pavement
Taisei-Yuraku Real Estate Co., Ltd.	10.0	100.0	Sale, lease, sub-lease, management, brokerage, appraisal, and consultation of real estate, and insurance agent business, guarding, renewal
Taisei U-Lec Co., Ltd.	4.5	100.0	Research, surveying, planning, design, supervision, construction and technical assistance for building construction, civil engineering and all the other construction works
Taisei Setsubi Co., Ltd.	0.6	99.9	Works for air-conditioning facilities, sanitary engineering and electrical engineering, and all the other businesses related to building facilities

(b)The major technological tie-ups with the Company are as follows:

- The Foundation Delft Hydraulics (Netherlands)
- SK Engineering & Construction Co., Ltd (South Korea)
- Bouygues Travaux Publics (France)
- CH2M HILL (U.S.A)

(8) Major Offices

(a) The Company

Head Office:

25-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo, Japan

Branch Offices:

- Tokyo Branch(Shinjuku-ku, Tokyo)
- Kansai Branch(Osaka City)
- Nagoya Branch(Nagoya City)
- Kyushu Branch(Fukuoka City)
- Sapporo Branch(Sapporo City)
- Tohoku Branch(Sendai City)
- Chugoku Branch(Hiroshima City)
- Yokohama Branch(Yokohama City)
- Hokushinetsu Branch(Niigata City)
- Shikoku Branch(Takamatsu City)
- Chiba Branch(Chiba City)
- Kanto Branch(Saitama City)
- Kobe Branch(Kobe City)
- Kyoto Branch(Kyoto City)
- International Operations Headquarters(Shinjuku-ku, Tokyo)

Overseas Offices:

- Taipei Office
- Kuala Lumpur Office
- Jakarta Office
- India Office(New Delhi)
- Middle East Office(Doha)
- North Africa Office(Egypt)
- U.S.A. Office(California)

Taisei Technology Center(Yokohama City)

(b) Major Subsidiaries

- Taisei Rotec Corporation(Shinjuku-ku, Tokyo)
- Taisei-Yuraku Real Estate Co., Ltd.(Chuo-ku, Tokyo)
- Taisei U-Lec Co., Ltd.(Shinagawa-ku, Tokyo)
- Taisei Setsubi Co., Ltd.(Shinjuku-ku, Tokyo)

(9) Status of Employees

(a) The Affiliated Companies

(*Decrease)

Business Segments	Number of Employees (Unit: Persons)	
	At the Year-End	Change from Previous Year End
CIVIL ENGINEERING BUSINESS	3,795 [936]	49 [23]
BUILDING CONSTRUCTION BUSINESS	7,794 [1,412]	*38 [70]
REAL ESTATE DEVELOPMENT BUSINESS	2,012 [1,641]	28 [*8]
OTHER BUSINESSES	147 [22]	8 [*7]
TOTAL:	13,748 [4,011]	47 [78]

- Notes:
1. The "Number of Employees" includes the workers on loan from other companies and excludes the employees on loan working in other companies.
 2. The [number] shows the yearly average of temporary employees, which is not included in the "Number of Employees".

(b) The Company

Number of Employees (Unit: Persons)		Average Age	Average Years of Employment
At the Year-End	Change from Previous Year End		
8,072	65	42.8	18.8

- Notes:
1. The "Number of Employees" includes the workers on loan from other companies and excludes the employees on loan working in other companies.
 2. The number of employees which includes the employees on loan working in other companies and excludes the workers on loan from other companies is 8,095.

(10) Major Companies Providing Loans to the Affiliated Companies

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	72.9
Mizuho Trust & Banking Co., Ltd.	18.5
Resona Bank, Limited.	14.2
The Norinchukin Bank	8.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8.2

2 Matters concerning the Shares of the Company

(1) Number of shares authorized: 2,200,000,000-

(2) Number of shares issued: 1,171,268,860-

Number of shares issued includes the Company’s own shares, number of which are 1,370,964-.

(3) Number of Shareholders: 99,451-

(4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares held (Unit: Thousand shares)	Ratio of Shares held (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	82,537	7.06
The Master Trust Bank of Japan, Ltd. (Trust Account)	67,151	5.74
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	39,289	3.36
Taisei Associates’ Shareholding Plan	25,703	2.20
Taisei Employees’ Shareholding Plan	23,002	1.97
State Street Bank West Client-Treaty 505234	15,990	1.37
Japan Trustee Services Bank, Ltd. (Trust Account No.7)	15,023	1.28
Meiji Yasuda Life Insurance Company	14,238	1.22
The Bank of New York Mellon SANV 10	13,260	1.13
Mitsubishi Estate Co., Ltd.	12,133	1.04

Note: The Company’s own shares (1,370,964-) are excluded in calculating the Ratio of Shares held.

3 Matters concerning Members of the Board and Audit & Supervisory Board Members

(1) Members of the Board and Audit & Supervisory Board Members

Name	Position <i>Business In Charge</i>	Important Concurrent Position
Takashi Yamauchi	President Emeritus Member of the Board (Representative Director)	External Director of the Building & Housing Center of Japan
Yoshiyuki Murata	President and Chief Executive Officer Chairman of the Board (Representative Director)	
Kazuhiko Dai	Member of the Board (Representative Director) <i>Chief of Marketing & Sales Division (Integrated); Chief of Marketing & Sales (Civil Engineering) Division; Deputy Chief of Corporate Planning Office; and In charge of Safety Administration</i>	
Shigeyuki Sakurai	Member of the Board (Representative Director) <i>Chief of Business Administration Division;and Deputy Chief of Corporate Planning Office</i>	
Masahiro Sakai	Member of the Board <i>Deputy Chief of Marketing & Sales Division (Integrated); Supervising Marketing & Sales (Building Construction) Division;and Deputy Chief of Corporate Planning Office</i>	
Shigeyoshi Tanaka	Member of the Board <i>Chief of Civil Engineering Division; and Deputy Chief of Corporate Planning Office</i>	
Yasushi Yoshinari	Member of the Board <i>Chief of Medical & Welfare Business Division</i>	
Norihiko Yaguchi	Member of the Board <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division; and Deputy Chief of Corporate Planning Office</i>	Director of Construction-ec.com Co., Ltd
Toru Tsuji	Member of the Board External Member Independent Officer	
Fumio Sudo	Member of the Board External Member Independent Officer	External Director of LIXIL Group Corporation External Director of NEW OTANI CO., LTD. External Director of Takeda Pharmaceutical Company Limited External Director of Tokyo Electric Power Company, Incorporated
Misao Akune	Senior Audit & Supervisory Board Member (full-time)	
Takashi Matsuyama	Audit & Supervisory Board Member (full-time)	
Terunobu Maeda	Audit & Supervisory Board Member External Member Independent Officer	Chairperson of the Medium and Small Business Research Institute Chairperson of Japan Economic Research Institute Outside Audit & Supervisory Board Member of the Higo Bank, Ltd.
Shigeru Morichi	Audit & Supervisory Board Member External Member Independent Officer	Director of Policy Research Center of National Graduate Institute for Policy Studies
Kiwamu Miyakoshi	Audit & Supervisory Board Member External Member Independent Officer	

Notes:

1. Messrs. Toru Tsuji and Fumio Sudo are External Members of the Board. Messrs. Toru Tsuji and Fumio Sudo meet the requirements of impartiality prescribed by Tokyo Stock Exchange and are registered as independent officers according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
2. Messrs. Terunobu Maeda, Shigeru Morichi and Kiwamu Miyakoshi are External Audit & Supervisory Board Members. Messrs. Terunobu Maeda, Shigeru Moriuchi and Kiwamu Miyakoshi meet the requirements of independency prescribed by Tokyo Stock Exchange and are registered as independent officers according to Sub-clause 436-2 of Securities Listing Regulations of Tokyo Stock Exchange.
3. Mr. Misao Akune has been engaged in management of the Company for over the years and has considerable knowledge and insight about finance and accounting.
4. Mr. Terunobu Maeda has been engaged in banking and management for over the years and has considerable knowledge and insight about finance and accounting.
5. During FY ended March 2016, change of important concurrent position is as follows;

Classification	Name	Important concurrent posts	Details of change	Date of change
Audit & Supervisory Board Member	Terunobu Maeda	Commissioner of National Public Safety Commission	Leaving of post	February 21, 2016

(2) Descriptions of the Contract to Limit the Liability

In order for External Members of the Board and Audit & Supervisory Board Members to fulfill their expected roles, the Articles of Incorporation provides that the Company may enter into contracts with Members of the Board (other than an executive Member of the Board (*gyomusikkou torisimari yaku*)) and Audit & Supervisory Board Members to limit their maximum liability for damages to the Company within a certain range.

The gist of the Contracts to limit the liability that the Company has entered into with Messrs. Toru Tsuji and Fumio Sudo as the Member of the Board, and all the Audit & Supervisory Board Members in accordance with the relevant provisions of the Articles of Incorporation is as follows:

(Contracts to Limit the Liability with Members of the Board)

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, External Members of the Board shall be held liable for damages up to the higher of an amount of ¥ 10 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that the External Member of the Board has performed his duties in good faith and without gross negligence.

(Contracts to Limit the Liability with Audit & Supervisory Board Member)

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, Audit & Supervisory Board Member shall be held liable for damages up to the higher of an amount of ¥ 10 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that the Audit & Supervisory Board Member has performed his duties in good faith and without gross negligence.

(3) Amounts of Remuneration and Others Paid to Members of the Board and Audit & Supervisory Board Member

(Unit: ¥ Million)

Category	Total		External Members of the Board and External Audit & Supervisory Board Member	
	Number of Payees	Amount Paid	Number of Payees	Amount Paid
Member of the Board	13	498	2	26
Audit & Supervisory Board Member	8	106	4	39

Notes:

- 1. Maximum amount of remunerations for Members of the Board in total is ¥70 million per month as resolved at 146th General Meeting of Shareholders held on June 27, 2006.
- 2. Maximum amount of remunerations for Audit & Supervisory Board Member in total is ¥12 million per month as resolved at 134th General Meeting of Shareholders held on June 29, 1994.

(4) Matters concerning External Members of the Board and External Audit & Supervisory Board Members

① Concurrent posts of External Members of the Board and External Audit & Supervisory Board Members)

The status is as described in “(1) Members of the Board and Audit & Supervisory Board Members”

There are no relationships to be mentioned between the Company and the organizations at which each External Member of the Board and/or Audit & Supervisory Board Member concurrently holds a post.

② Major Activities of External Members of the Board and External Audit & Supervisory Board Members)

Classification	Name	Major activities
Member of the Board	Toru Tsuji	He attended all the board meetings held in the current fiscal year. Based on the deep insights obtained from his experience as a manager in a different industry and from his neutral position and view as an external member of the board, he offered useful opinions to the Company’ s management in order to establish an internal control system and strengthen corporate governance.
Member of the Board	Fumio Sudo	He attended 12 out of a total of 13 board meetings held during the current fiscal year. Based on the deep insights obtained from his experience as a manager in a different industry and from his neutral position and view as an external member of the board, he offered useful opinions to the Company’ s management in order to establish an internal control system and strengthen corporate governance.
Audit & Supervisory Board Member	Terunobu Maeda	He attended all of the board meetings and audit & supervisory board meetings held during the current fiscal year. He offered his opinions as and when appropriate based on his broad knowledge of finance and accounting, and offered opinions regarding the execution of duties of audit & supervisory board member.
Audit & Supervisory Board Member	Shigeru Morichi	He attended 12 out of a total of 13 board meetings held in the current fiscal year and 13 of a total of 14 audit & supervisory board meetings held during the same period. He offered his opinions as and when appropriate based on the deep insights obtained from his experience as a university professor, and offered opinions regarding the execution of duties of audit & supervisory board member.
Audit & Supervisory Board Member	Kiwamu Miyakoshi	He attended all of the board meetings and audit & supervisory board meetings held during the current fiscal year. He offered his opinions as and when appropriate based on the deep insights obtained from his experience as a police officer, and offered opinions regarding the execution of duties of audit & supervisory board member.

(FOR YOUR REFERENCE)

The Executive Officers (“*Shikko-Yakuin*”) as of April 1, 2016, are as follows:

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiyuki Murata
Executive Vice President <i>Supervising International Marketing & Business Development Division; Supervising International Operations Headquarters</i>	Satoru Ogata
Executive Vice President <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Toshio Tominaga
Executive Vice President <i>Chief of Marketing & Sales Division (Integrated); Chief of Marketing & Sales (Civil Engineering) Division; Deputy Chief of Corporate Planning Office; In charge of Safety Administration</i>	Kazuhiko Dai
Senior Managing Executive Officer <i>Chief of Marketing & Sales (West Japan) Division</i>	Junichi Ikeguchi
Senior Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division II</i>	Shigeru Konnai
Senior Managing Executive Officer <i>Chief of Civil Engineering Division; Deputy Chief of Corporate Planning Office</i>	Shigeyoshi Tanaka
Senior Managing Executive Officer <i>Chief of Business Administration Division; Deputy Chief of Corporate Planning Office</i>	Shigeyuki Sakurai
Senior Managing Executive Officer <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Building Construction) Divisions; Deputy Chief of Corporate Planning Office</i>	Masahiro Sakai
Senior Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Yoshinobu Shigeji
Senior Managing Executive Officer <i>Chief of Urban Development Division</i>	Katsuyuki Kanai
Managing Executive Officer <i>In charge of Civil Engineering</i>	Shigeki Watanabe
Managing Executive Officer <i>In charge of Technology</i>	Kazuhiko Hombu
Managing Executive Officer <i>In charge of Technology</i>	Hiroshi Kanazawa
Managing Executive Officer <i>Chief of Nuclear Facilities Division</i>	Hirofumi Kamata
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division; General Manager of Marketing & Sales Department; In charge of Olympic Projects</i>	Masahiro Oshima
Managing Executive Officer <i>Chief of Tokyo Branch</i>	Tamotsu Umehara
Managing Executive Officer <i>Chief of Marketing & Sales Promotion Division; Deputy Chief of Corporate Planning Office</i>	Takeo Horinouchi
Managing Executive Officer <i>Chief of Design Division</i>	Haruhiko Kouno
Managing Executive Officer <i>Deputy, in charge of Civil Engineering, International Operations Headquarters; Deputy Chief of International Marketing & Business Development Division, in charge of Civil Engineering</i>	Satoru Tsutae
Managing Executive Officer <i>In charge of International Projects, International Operations Headquarters</i>	Masafumi Anami
Managing Executive Officer <i>Chief of International Operations Headquarters</i>	Yoshitaka Inoue
Managing Executive Officer <i>Chief of Medical & Welfare Business Division</i>	Yasushi Yoshinari
Managing Executive Officer <i>Chief of Proposal & Solutions Division; In charge of Olympic Projects</i>	Tetsuya Shibayama
Managing Executive Officer <i>Chief of Nagoya Branch</i>	Shoji Kondo
Managing Executive Officer <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division; Deputy Chief of Corporate Planning Office</i>	Norihiko Yaguchi
Managing Executive Officer <i>Chief of Kansai Branch</i>	Takao Kanai
Managing Executive Officer <i>Chief of Yokohama Branch</i>	Hiroshi Shirakawa
Managing Executive Officer <i>Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department</i>	Yoshinori Nishida
Managing Executive Officer <i>Chief of Engineering Division</i>	Tsuyoshi Nakanishi
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division III</i>	Masaharu Okada

Title Business in Charge	Name
Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Masao Yoshikawa
Managing Executive Officer <i>Chief of International Marketing & Business Development Division</i>	Hiroshi Suzuki
Managing Executive Officer <i>Deputy Chief, In charge of Civil Engineering, Kansai Branch</i>	Takeshi Kagata
Managing Executive Officer <i>General Manager of Next Generation Project Department, Civil Engineering Division</i>	Jirou Taniyama
Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Yoshiro Aikawa
Managing Executive Officer <i>Chief of Corporate Planning Office;</i>	Keiji Hirano
Managing Executive Officer <i>Chief of Tohoku Branch</i>	Masaaki Ito
Managing Executive Officer <i>Chief of Environment Division</i>	Makoto Imasaka
Managing Executive Officer <i>Chief of Taisei Technology Center</i>	Tatsuhiko Matsui
Executive Officer <i>In charge of Technology</i>	Atsuo Ogawa
Executive Officer <i>General Manager of Design Department, Civil Engineering Division</i>	Nobuyuki Hayashi
Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division I</i>	Hiroshi Tsuchiya
Executive Officer <i>Deputy Chief of Marketing & Sales (West Japan) Division; General Manager of Marketing & Sales (Building Construction) Department</i>	Shimpei Oguchi
Executive Officer <i>Chief of Hokushin-etsu Branch</i>	Susumu Morita
Executive Officer <i>In charge of Marketing & Sales (International Building Construction), Marketing & Sales Division (Integrated)</i>	Taku Yamamoto
Executive Officer <i>Chief of Sapporo Branch</i>	Noriaki Kon
Executive Officer <i>Deputy Chief of Business Administration Division</i>	Atsushi Yamamoto
Executive Officer <i>Deputy Chief of Marketing & Sales (Building Construction) Division I</i>	Tetsuya Hanyu
Executive Officer <i>Deputy Chief, in charge of Civil Engineering, Tohoku Branch; General Manager of Reconstruction Project Department (Civil Engineering)</i>	Masatoshi Yamakami
Executive Officer <i>Chief of Procurement Division; Deputy Chief of Corporate Planning Office</i>	Kyo Murai
Executive Officer <i>Chief of Shikoku Branch</i>	Shinichi Takeda
Executive Officer <i>Chief of Safety Administration Division</i>	Shun Kitano
Executive Officer <i>Chief of Chugoku Branch</i>	Hiroshi Kimura
Executive Officer <i>Chief of Chiba Branch</i>	Jo Iwata
Executive Officer <i>Chief of Kanto Branch</i>	Fumihiko Sudoh
Executive Officer <i>In charge of New National Stadium Project, Tokyo Branch</i>	Yuichi Kitaguchi
Executive Officer <i>In charge of Chuo Shinkansen Project, Tokyo Branch</i>	Hiroshi Harada
Executive Officer <i>Chief of Mechanical & Electrical Division</i>	Atsushi Suzuki
Executive Officer <i>Deputy Chief of Marketing & Sales (Building Construction) Division III; General Manager of Marketing & Sales Department</i>	Shunichi Sonoda

The Executive Fellows as of April 1, 2016, are as follows:

Title Business in Charge	Name
Executive Fellow <i>Deputy Chief of Design Division</i>	Osamu Hosozawa
Executive Fellow <i>Deputy Chief of Taisei Technology Center</i>	Satoshi Imamura
Executive Fellow <i>Deputy Chief of Environment Division</i>	Kazuyuki Shimamura
Executive Fellow <i>Executive Engineer, Environment Division</i>	Kazuro Sato

4 Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Descriptions of the Contract to Limit the Liability

The Articles of Incorporation provides that the Company may enter into a contract with Accounting Auditor to limit its maximum liability for damages to the Company within a certain range.

The gist of the Contract to limit the liability that the Company has entered into with Accounting Auditor in accordance with the relevant provision of the Articles of Incorporation is as follows:

With regard to the liability specified in Paragraph 1 of Article 423 of the Companies Act, Accounting Auditor shall be held liable for damages up to the higher of an amount of ¥ 100 million or the total amount specified in Items 1 and 2 of Paragraph 1 of Article 425 of the Companies Act, provided that Accounting Auditor has performed its duties in good faith and without gross negligence.

(3) The Amount of the Fee for Accounting Auditor for FY ended March 2016, etc.

Section	Fee
① The amount of fee for the services provided as Accounting Auditor for FY ended March 2016	¥ 89 million
② The total amount of money and financial benefits to be paid by the Company and its subsidiaries	¥ 191 million

Notes:

- Under the audit contract between the Company and Accounting Auditor, the fee is not divided into the fee for the audit under the Companies Act and the fee for the audit under the Financial Instruments and Exchange Act, and it is impracticable to divide the fee into those two parts. Therefore, the total amount of those fees is stated in the column 1 above.
- The Company and its subsidiaries paid Accounting Auditor a consideration for conducting a review of the costs and expenses arising in Japan to prepare tax returns in foreign countries and other services, that is not within the services specified in Paragraph 1 of Article 2 of the Certified Public Accountant Act.
- The Audit & Supervisory Board agrees the amount stipulated above after confirmation and review of the contents of the Accounting Auditor's audit plan, progress of its work and history of the audit fee for the Accounting Auditor, etc.

(4) The Policy to Decide on Dismissal or Non-reappointment of Accounting Auditor

The Audit & Supervisory Board of the Company will decide an agenda to be submitted to the General Meetings of Shareholders for dismissal or non-reappointment of Accounting Auditor if the Audit & Supervisory Board considers it is necessary to do so in such case that Accounting Auditor is unable to perform its duties.

In addition, if Accounting Auditor is found to fall under any of the items of Paragraph 1 of Article 340 of the Companies Act, the Audit & Supervisory Board will dismiss Accounting Auditor based on unanimous consent of the Audit & Supervisory Board Members. Furthermore, at the following General Meetings of Shareholders held after dismissal of Accounting Auditor, the abstract and reason of dismissal will be reported from the Audit & Supervisory Board Member.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (March 31, 2016)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	374,192	Notes and accounts payable, trade	442,758
Notes and accounts receivable, trade	443,635	Short-term borrowings	108,981
Cost of uncompleted contracts	84,548	Short-term non-recourse loans payable	100
Cost of development projects in progress	107,771	Straight bonds due within one year	10,000
Other inventories	4,008	Lease obligations	259
Deferred income tax assets	28,071	Income taxes payable	23,633
Other current assets	70,429	Advances received and progress billings on uncompleted contracts	160,172
Allowance for doubtful accounts	(353)	Deposit received	120,205
Total current assets	1,112,304	Allowance for warranty on completed contracts	3,316
Fixed assets:		Allowance for losses on construction contracts	22,117
Property, plant and equipment:		Allowance for losses on order received	43
Buildings and structures	49,359	Other current liabilities	36,190
Machinery, vehicles and equipment	6,758	Total current liabilities	927,777
Land	121,155	Long-term liabilities:	
Construction in progress	255	Straight bonds	40,000
Total property, plant and equipment	177,528	Non-recourse bonds payable	500
Intangibles	4,875	Long-term borrowings	90,564
Investments and other assets:		Long-term non-recourse loans payable	4,550
Investment securities	321,320	Lease obligations	546
Net defined benefit asset	10,944	Deferred income tax liabilities	8,262
Deferred income tax assets	627	Deferred income tax liabilities for revaluation of land	4,188
Other assets	36,483	Retirement benefits for directors and corporate auditors	411
Allowance for doubtful accounts	(3,262)	Allowance for losses on investments in subsidiaries and affiliates	39
Total investments and other assets	366,113	Allowance for environmental spending	119
Total fixed assets	548,516	Net defined benefit liability	43,926
		Other long-term liabilities	18,657
		Total long-term liabilities	211,766
		Total liabilities	1,139,544
			Millions of Yen
		NET ASSETS	
		Shareholders' equity:	
		Common stock	122,742
		Capital surplus	104,464
		Retained earnings	210,720
		Treasury stock	(394)
		Total shareholders' equity	437,533
		Accumulated other comprehensive income:	
		Unrealized gains on available-for-sale securities, net of taxes	85,160
		Unrealized losses on hedging derivatives, net of taxes	(213)
		Revaluation reserve for land	176
		Foreign currency translation adjustments	(2,158)
		Remeasurements of defined benefit plans	(2,623)
		Total accumulated other comprehensive income	80,342
		Non-controlling interests	3,402
		Total net assets	521,277
Total assets	1,660,821	Total liabilities and net assets	1,660,821

CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2016)

	Millions of Yen	
Net sales:		
Construction business	1,394,677	
Development projects	151,211	1,545,889
Cost of Sales:		
Construction business	1,226,706	
Development projects	121,596	1,348,302
Gross profit:		
Construction business	167,971	
Development projects	29,615	197,586
Selling, general and administrative expenses		80,118
Operating income		117,468
Non-operating income:		
Interest and dividends	3,651	
Investment gain on equity method	4,448	
Other non-operating income	1,019	9,119
Non-operating expenses:		
Interest expenses	2,795	
Foreign exchange losses	4,771	
Other non-operating expenses	1,316	8,884
Ordinary income		117,703
Extraordinary gains:		
Gains on return of assets from retirement benefits trust	4,021	
Other extraordinary gains	282	4,303
Extraordinary losses:		
Impairment losses on fixed assets	3,018	
Other extraordinary losses	1,192	4,210
Income before income taxes		117,796
Current	33,332	
Deferred	7,663	40,995
Net income		76,800
Net loss attributable to non-controlling interests		(244)
Net income attributable to owners of parent		77,045

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Year ended March 31, 2016)

	Millions of Yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2015	122,742	104,463	143,289	(355)	370,140
Changes during the period					
Dividends			(11,699)		(11,699)
Profit attributable to owners of parent			77,045		77,045
Sale of treasury stock		0		0	1
Acquisition of treasury stock				(39)	(39)
Reversal of revaluation reserve for land			(31)		(31)
Changes of scope of consolidation			96		96
Changes of scope of equity method			2,019		2,019
Changes other than shareholders' equity, net (*1)					
Total changes during the period		0	67,431	(38)	67,393
Balance as of March 31, 2016	122,742	104,464	210,720	(394)	437,533

	Millions of Yen							
	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains on available-for-sale securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2015	111,198	(4)	(69)	(1,485)	9,973	119,612	2,361	492,114
Changes during the period								
Dividends								(11,699)
Profit attributable to owners of parent								77,045
Sale of treasury stock								1
Acquisition of treasury stock								(39)
Reversal of revaluation reserve for land			(10)			(10)		(41)
Changes of scope of consolidation								96
Changes of scope of equity method	7	(254)	24		(18)	(241)		1,777
Changes other than shareholders' equity, net (*1)	(26,045)	45	232	(672)	(12,578)	(39,018)	1,040	(37,978)
Total changes during the period	(26,037)	(209)	246	(672)	(12,597)	(39,270)	1,040	29,163
Balance as of March 31, 2016	85,160	(213)	176	(2,158)	(2,623)	80,342	3,402	521,277

(*1) Excluding the reversal of revaluation reserve for land.

Non-Consolidated Financial Statements

NON-CONSOLIDATED BALANCE SHEET (March 31, 2016)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	322,199	Notes payable, trade	87,528
Notes receivable, trade	7,554	Accounts payable, trade	293,948
Accounts receivable, trade	367,089	Short-term borrowings	64,505
Real estates for sale	51,484	Straight bonds due within one year	10,000
Cost of uncompleted contracts	79,363	Lease obligations	178
Cost of development projects in progress	2,267	Income taxes payable	21,490
Deferred income tax assets	24,991	Advances received and progress billings on uncompleted contracts	149,157
Other current assets	69,140	Deposits received	155,192
Allowance for doubtful accounts	(164)	Allowance for warranty on completed contracts	2,384
Total current assets	923,926	Allowance for losses on construction contracts	21,347
Fixed assets:		Other current liabilities	23,777
Property, plant and equipment:		Total current liabilities	829,511
Buildings and structures	20,757	Long-term liabilities:	
Machinery and vehicles	1,060	Straight bonds	40,000
Tools, furniture and fixtures	861	Long-term borrowings	63,590
Land	67,287	Lease obligations	402
Construction in progress	143	Retirement benefits for employees	14,845
Total property, plant and equipment	90,111	Deferred income tax liabilities	22,239
Intangibles	2,186	Allowance for losses on investments in subsidiaries and affiliates	1,225
Investments and other assets:		Allowance for environmental spending	105
Investment securities	285,676	Other long-term liabilities	5,186
Investments in subsidiaries and affiliates	84,276	Total long-term liabilities	147,593
Long-term loans receivable	8,697	Total liabilities	977,105
Claims provable in bankruptcy, claims provable in rehabilitation and other	75		Millions of Yen
Long-term prepaid expenses	434	NET ASSETS	
Other assets	28,221	Shareholders' equity:	
Allowance for doubtful accounts	(9,662)	Common stock	122,742
Total investments and other assets	397,719	Capital surplus:	
Total fixed assets	490,017	Additional paid-in-capital	66,832
		Other capital surplus	37,650
		Total capital surplus	104,482
		Retained earnings:	
		Other retained earnings:	
		Reserve for tax deferment on replacement of fixed assets	1,414
		Other reserve	62,500
		Retained earnings carried forward	63,193
		Total retained earnings	127,107
		Treasury stock	(394)
		Total shareholders' equity	353,937
		Accumulated gains from valuation:	
		Unrealized gains on available-for-sale securities, net of taxes	82,900
		Total accumulated gains from valuation	82,900
		Total net assets	436,838
Total assets	1,413,943	Total liabilities and net assets	1,413,943

NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2016)

	Millions of Yen	
Net sales:		
Construction business	1,192,876	
Development projects	29,056	1,221,932
Cost of Sales:		
Construction business	1,049,772	
Development projects	25,498	1,075,270
Gross profit:		
Construction business	143,104	
Development projects	3,558	146,662
Selling, general and administrative expenses		52,192
Operating income		94,470
Non-operating income:		
Interest and dividends	4,795	
Other non-operating income	615	5,411
Non-operating expenses:		
Interest expenses	2,007	
Foreign exchange losses	4,880	
Provision of allowance for doubtful accounts	22	
Other non-operating expenses	1,193	8,103
Ordinary income		91,778
Extraordinary gains:		
Gain on return of assets from retirement benefits trust	4,021	
Other extraordinary gains	87	4,108
Extraordinary losses:		
Impairment losses on fixed assets	2,065	
Losses on investments in subsidiaries and affiliates	1,654	
Other extraordinary losses	466	4,186
Income before income taxes		91,700
Income taxes:		
Current	26,065	
Deferred	6,433	32,498
Net income		59,202

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(Year ended March 31, 2016)

	Millions of Yen			
	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid-in-capital	Other capital surplus	Total capital surplus
Balance as of April 1, 2015	122,742	66,832	37,649	104,481
Changes during the period				
Reversal for reserve for tax deferment on replacement of fixed assets				
Provision of other reserve				
Dividends				
Net income				
Sale of treasury stock			0	0
Acquisition of treasury stock				
Changes other than shareholders' equity, net				
Total changes during the period	—	—	0	0
Balance as of March 31, 2016	12,742	66,832	37,650	104,482

	Millions of Yen					
	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders equity
	Other retained earnings			Total retained earnings		
	Reserve for tax deferment on replacement of fixed assets	Other reserve	Retained earnings carried forward			
Balance as of April 1, 2015	1,379	53,500	24,725	79,605	(355)	306,473
Changes during the period						
Reversal for reserve for tax deferment on replacement of fixed assets	34		(34)	—		—
Provision of other reserve		9,000	(9,000)	—		—
Dividends			(11,699)	(11,699)		(11,699)
Net income			59,202	59,202		59,202
Sale of treasury stock					0	1
Acquisition of treasury stock					(39)	(39)
Changes other than shareholders' equity, net						
Total changes during the period	34	9,000	38,468	47,502	(38)	47,464
Balance as of March 31, 2016	1,414	62,500	63,193	127,107	(394)	353,937

	Millions of Yen		
	Accumulated gains from valuation		Total net assets
	Unrealized gains on available-for-sale securities, net of taxes	Total accumulated gains from valuation	
Balance as of April 1, 2015	108,123	108,123	414,596
Changes during the period			
Reversal for reserve for tax deferment on replacement of fixed assets			—
Provision of other reserve			—
Dividends			(11,699)
Net income			59,202
Sale of treasury stock			1
Acquisition of treasury stock			(39)
Changes other than shareholders' equity, net	(25,222)	(25,222)	(25,222)
Total changes during the period	(25,222)	(25,222)	22,242
Balance as of March 31, 2016	82,900	82,900	436,838

Independent Auditor's Report

May 11, 2016

Yoshiyuki Murata
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC

Hiroto Kaneko
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tetsuya Hoshinaga
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Daijiro Otsu
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Taisei Corporation as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Taisei Corporation and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Notice of the 156th
General Meeting of Shareholders

Reference materials for the
General Meeting of Shareholders

Business Report

Consolidated
Financial Statements

Non-Consolidated
Financial Statements

Auditor's Report

Independent Auditor's Report

May 11, 2016

Yoshiyuki Murata
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC

Hiroto Kaneko
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tetsuya Hoshinaga
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Daijiro Otsu
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Taisei Corporation as at March 31, 2016 and for the year from April 1, 2015 to March 31, 2016 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit 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 and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Taisei Corporation for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Copy of the Audit Report by the Audit & Supervisory Board

Audit Report

With respect to performance of the duties of the Members of the Board during the 156th fiscal year from April 1, 2015 to March 31, 2016, the Audit & Supervisory Board prepared this Audit Report after deliberations based on the audit reports submitted by each Audit & Supervisory Board Member, and hereby reports as follows.

1. Methods and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established the audit policy and audit plan, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board received reports from the Members of the Board, etc. and the Independent Auditors regarding the status of performance of their duties, and requested their explanations as necessary.

(2) In accordance with the audit standards established by the Audit & Supervisory Board, and in conformity with the audit policies and the audit plan, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Members of the Board, Executive Officers, the Auditing Department and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and implemented the audit by the following methods.

① Each Audit & Supervisory Board Member attended the Board and other important meetings, received reports from the Members of the Board, etc. regarding the status of performance of their duties, and requested their explanations as necessary, examined important approval/decision documents, and inspected the status of the businesses and assets of the head office and other major offices. In addition, with respect to the subsidiaries of the Company, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchange information with members of the boards and audit & supervisory board members of each subsidiary, and received the business reports from the subsidiaries as necessary.

② Each Audit & Supervisory Board Member received regular reports from the Members of the Board and employees, etc., and requested further explanation and expressed his opinion as necessary concerning the status of structure and implementation of (i) the resolutions of the Board regarding the development and maintenance of the system to ensure that performance of duties by the Members of the Board as stated in the Business Report, complied with all laws and regulations, and the Articles of Incorporation of the Company and other systems set forth in Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as being necessary for ensuring appropriateness of the business operation of a stock company (kabusiki kaisha), and (ii) the systems (internal control systems) based on such resolutions. With respect to the internal control over financial reporting, the Audit & Supervisory Board received reports from the Members of the Board and KPMG AZSA LLC regarding the status of assessment and audit of the internal control, and requested their explanations as necessary.

③ Each Audit & Supervisory Board Member inspected whether the Independent Auditors maintained their independence and properly conducted their audit, and received reports from the Independent Auditors regarding the status of performance of their duties, and requested their explanations as necessary. Furthermore, each Audit & Supervisory Board Member was notified by the Independent Auditors that they had established a "system to ensure that performance of the duties of the Independent Auditors was properly conducted" (the matters set forth in Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audit" (the Business Accounting Council on October 28, 2005) and other standards, and requested explanations as necessary.

By these methods described above, we examined the Business Report and the accompanying supplemental schedules for this fiscal year, the non-consolidated financial statements (the balance sheet, the statement of income, the statement of changes in net assets and the related notes) and the accompanying supplemental schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes) for this fiscal year.

2. Results of Audit

(1) Audit Results of the Business Report, etc.

(i) We acknowledge that the Business Report and the accompanied supplemental schedules fairly present the status of the Company in conformity with laws and regulations, and the Articles of Incorporation of the Company.

(ii) We acknowledge that no misconduct or material fact constituting a violation of any laws and regulations, or the Articles of Incorporation of the Company was found with respect to performance of the duties of the Members of the Board.

(iii) We acknowledge that the resolutions by the Board concerning the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report, or performance of the duties of the Members of the Board concerning the internal control systems.

(2) Audit Results of the Financial Statements and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of the audit conducted by the Independent Auditors, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of the audit conducted by the Independent Auditors, KPMG AZSA LLC, are appropriate.
May 12, 2016

TAISEI CORPORATION

The Audit & Supervisory Board Taisei Corporation

Senior Audit & Supervisory Board Member (Full-Time): Misao Akune (seal)

Audit & Supervisory Board Member (Full-Time): Takashi Matsuyama (seal)

Audit & Supervisory Board Member (External Member): Terunobu Maeda (seal)

Audit & Supervisory Board Member (External Member): Shigeru Morichi (seal)

Audit & Supervisory Board Member (External Member): Kiwamu Miyakoshi (seal)

Notes to the Reader of the Audit Report:

The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.