

Notice of the 157th General Meeting of Shareholders

Date	Thursday, June 29, 2017, 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:
Share Consolidation
- Item No.3:
Election of Eleven (11) Members of the Board

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., Wednesday, June 28, 2017.

TAISEI CORPORATION

Securities Code:1801

IMPORTANT NOTE:

This notice and attached documents are English translations of the “Notice of the 157th General Meeting of Shareholders (*Dai-157-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.



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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.

As I deliver this “Notice of the 157th General Meeting of Shareholders”, I would like to say a few words about our business.

In the fiscal year 2016, the second year of the Medium-term Business Plan (2015-2017), amid solid market environment, we have achieved our record-high profits for two consecutive years.

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 the steady and sustainable growth of our group by increasing our mid-to-long term competitiveness, taking into consideration the relative uncertainty of market conditions following the year 2020.

Furthermore, as one of leading companies in the industry, we will take the initiative in advancing productivity and addressing work style reforms to secure and develop workers in the construction industry.

With regard to dividends for this period, we propose an annual cash dividend of 20 yen per share (including an interim dividend of 8 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 12, 2017, acquisition of the Company’s own share, the maximum limitation of which is 40 million shares (25 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

Yoshituki Murata



Taisei Group Philosophy 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.

Taisei Spirit 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 157th 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 157th 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: Thursday, June 29, 2017, 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 Audit Reports of Accounting Auditor and Audit & Supervisory Board for Consolidated Financial Statements, for fiscal year ended March 31, 2017 (the 157th Business Year commenced April 1, 2016 and ended March 31, 2017)
 2. Non-Consolidated Financial Statements, for fiscal year ended March 31, 2017 (the 157th Business Year commenced April 1, 2016 and ended March 31, 2017)

(2)Matters to be voted on by Shareholders:

Item No.1: Appropriation of Earned Surplus

Item No.2: Share Consolidation

Item No.3: Election of Eleven (11) Members of the Board

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: **Thursday, June 29, 2017, 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 Wednesday, June 28, 2017 (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 Wednesday, June 28, 2017 (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, the following items are not included in this Notice, but posted on the Company’s website stipulated below.

- Systems and Policies of the Company
- Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
- Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements

Provided, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial 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, the Business Report, the Consolidated Financial Statements and the Non-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 Wednesday, June 28, 2017, 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 through 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, 2017 is proposed to be ¥12.00 per share as stated below.

As the result, the total dividend for the fiscal year ended March 31, 2017, including the interim dividend, is ¥20.00 per share, ¥4.00 increase compared to the dividend of the previous fiscal year.

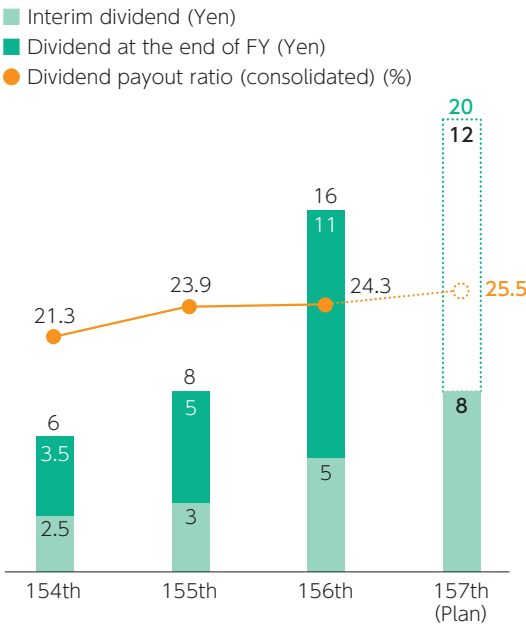
1 Matters Concerning the Year-end Dividend

- (1) Cash dividend and its total amount:
Common stock: ¥12.00 per share
Total Amount: ¥13,744,136,172-
- (2) Effective date of dividend of surplus:
June 30, 2017

2 Matters Concerning Accumulation of Other Reserve

- (1) Item of increased surplus and its amount
Other reserve: ¥64,000,000,000-
- (2) Item of decreased surplus and its amount
Retained earnings carried forward: ¥64,000,000,000-

[Reference: Annual cash dividend per share]



Item No.2 Share Consolidation

1. Reason for the Share Consolidation

Japanese stock exchanges have announced an “Action Plan for Consolidating Trading Units,” with the aim of consolidating trading units for the common stock of all listed companies in Japan to 100 shares. The deadline for the transition has been set to October 1, 2018.

We, as a company listed in Tokyo Stock Exchange and Nagoya Stock Exchange, respect the intent and will change the trading unit of our stock to 100 shares. We will also consolidate our shares, taking into consideration the fluctuations in mid-to-long term stock prices, for the purpose of bringing the investment units to the appropriate level.

2. Ratio of the Consolidation

We propose to consolidate five shares of our stock into one share.

For the shareholders whose number of shares would include a fractional amount that represents less than one full share of stock as a result of the share consolidation, we will dispose such shares all together, in accordance with the provisions of the Companies Act, and will pay the price of those shares to the shareholders in accordance with such fractional amount.

3. Effective Date of the Share Consolidation

October 1, 2017

4. Total Number of Authorized Shares on the Effective Date

440 million shares (currently 2.2 billion shares)

Under the provisions of Article 182, paragraph (2) of the Companies Act, by consolidating the shares, the Articles of Incorporation relating to the total number of authorized shares will be considered to be amended on the effective date.

[For your reference]

Subject to the approval of this proposal and its coming into effect, we voted to reduce the share unit from 1,000 to 100 shares during the board meeting held on May 12, 2017. Therefore, when this proposal is approved in its original form, the Articles of Incorporation will be partially amended on October 1, 2017 as follows:

(The parts to be amended are indicated with underlining.)

Current Articles of Incorporation	Proposed Articles of Incorporation
Chapter II Shares	Chapter II Shares
Article 6 (Total Number of Authorized Shares)	Article 6 (Total Number of Authorized Shares)
The total number of shares authorized to be issued by the Company shall be Two Billion and Two Hundred Million (2,200,000,000) shares.	The total number of shares authorized to be issued by the Company shall be <u>Four Hundred Forty Million (440,000,000)</u> shares.
Article 8 (Number of A Unit of Shares)	Article 8 (Number of A Unit of Shares)
The number of one (1) Unit of Shares (<i>Tangen Kabushiki</i>) of the Company shall be One Thousand (1,000) shares.	The number of one (1) Unit of Shares (<i>Tangen Kabushiki</i>) of the Company shall be <u>One Hundred (100)</u> shares.

Item No.3 Election of Eleven (11) Members of the Board

The terms of all of the Members of the Board expire at the closing of this General Meeting of Shareholders.

Therefore, for the purpose of the sustainable growth and improvement of corporate value of the Company, an election of eleven (11) Members of the Board including one additional External Member of the Board is proposed.

The candidates of the Members of the Board are as follows:

No.	Name of the Candidate Position and Title	Attendance at the Board	No.	Name of the Candidate Position and Title	Attendance at the Board
1	Takashi Yamauchi Chairman, Representative Director	Re-election 11 out of 13 Meetings (85%)	7	Norihiko Yaguchi Senior Managing Executive Officer, Member of the Board Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division	Re-election 13 out of 13 Meetings (100%)
2	Yoshiyuki Murata President and Chief Executive Officer, Representative Director	Re-election 12 out of 13 Meetings (92%)	8	Yasushi Yoshinari Managing Executive Officer, Member of the Board Chief of Medical & Welfare Business Division	Re-election 13 out of 13 Meetings (100%)
3	Kazuhiko Dai Executive Vice President, Representative Director Chief of Marketing & Sales Division (Integrated); Chief of Marketing & Sales (Civil Engineering) Division; In charge of Safety Administration	Re-election 13 out of 13 Meetings (100%)	9	Toru Tsuji Member of the Board	Re-election External Member Independent Officer 13 out of 13 Meetings (100%)
4	Shigeyuki Sakurai Executive Vice President, Representative Director Chief of Business Administration Division	Re-election 13 out of 13 Meetings (100%)	10	Fumio Sudo Member of the Board	Re-election External Member Independent Officer 12 out of 13 Meetings (92%)
5	Masahiro Sakai Executive Vice President, Member of the Board Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Building Construction) Divisions	Re-election 13 out of 13 Meetings (100%)	11	Atsuko Nishimura	New Candidate External Member Independent Officer — (—)
6	Shigeyoshi Tanaka Executive Vice President, Member of the Board Chief of Civil Engineering Division	Re-election 13 out of 13 Meetings (100%)			

Notes: The position and title of each candidate mentioned above are as of the date of this General Meeting of Shareholders.



1 Takashi Yamauchi

Re-election

Birthday

June 12, 1946 (Age 71)

Number of the Company's Shares Held by the Candidate

285,000

Term of Office as Member of the Board

12 years

Attendance at the Board

11 out of 13 Meetings (85%)

History, Post and Important Concurrent Position of the Candidate

1969.06: Joined the Company
1999.06: Executive Officer
2002.04: Managing Executive Officer
2004.06: Senior Managing Executive Officer
2005.06: Senior Managing Executive Officer, Member of the Board

2007.04: President and Chief Executive Officer, Representative Director
2015.04: Chairman, Representative Director [Present Position]

Important Concurrent Position

Chairman of Japan Federation of Construction Contractors
External Director of the Building & Housing Center of Japan
External Director of Royal Park Hotel Co., Ltd.

The reasons for nominating him as a candidate of the Member of the Board

Mr. Takashi Yamauchi assumed the leadership of business management as President and Chief Executive Officer from April 2007, during which time he produced excellent results in improving business performance and he appropriately managed board meetings as Chairman of the Board. Since April 2015, he has led discussions at board meetings as Chairman and Representative Director and contributed to the meaningfulness of discussions. As Mr. Takashi Yamauchi can be expected to contribute to further improvement of the value of the Company because of his excellent leadership, we nominated him as a candidate for Member of the Board again.



2 Yoshiyuki Murata

Re-election

Birthday

July 19, 1954 (Age 62)

Number of the Company's Shares Held by the Candidate

56,000

Term of Office as Member of the Board

4 years

Attendance at the Board

12 out of 13 Meetings (92%)

History, Post and Important Concurrent Position of the Candidate

1977.04: Joined the Company
2011.04: Executive Officer
2013.04: Managing Executive Officer

2013.06: Managing Executive Officer, Member of the Board
2015.04: President and Chief Executive Officer, Representative Director [Present Position]

The reasons for nominating him as a candidate of the Member of the Board

Mr. Yoshiyuki Murata was appointed as a Member of the Board in June 2013. Since April 2015, he has directed business management as President and Chief Executive Officer and has appropriately managed board meetings as Chairman of the Board. As Mr. Yoshiyuki Murata can be expected to contribute to the reinforcement of decision-making and supervising functions of the board meetings based on his broad experience and knowledge as an executive of the Company and subsidiary, we nominated him as a candidate for Member of the Board again.



3 Kazuhiko Dai

Re-election

Birthday

January 29, 1952 (Age 65)

Number of the Company's Shares Held by the Candidate

50,000

Term of Office as Member of the Board

4 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1974.04: Joined the Company
2007.04: Executive Officer
2010.04: Managing Executive Officer
2011.04: Senior Managing Executive Officer
2013.06: Senior Managing Executive Officer, Member of the Board
2015.04: Executive Vice President, Representative Director

2017.04: Executive Vice President, Representative Director
Chief of Marketing & Sales Division (Integrated);
Chief of Marketing & Sales (Civil Engineering) Division;
In charge of Safety Administration
[Present Position]

The reasons for nominating him as a candidate of the Member of the Board

Mr. Kazuhiko Dai has many years of experience in the civil engineering business, and he has successively held various posts such as Chief of Marketing & Sales (Civil Engineering) Division and Chief of Marketing & Sales Division (Integrated). He was appointed as a Member of the Board in June 2013, and he has been involved in the management of the Company as Representative Director and Executive Officer since April 2015. As Mr. Kazuhiko Dai can be expected to contribute to improvement of the value of the Company through the development and promotion of sales strategies by making use of his broad knowledge about the Company's businesses in general, including civil engineering business, we nominated him as a candidate for Member of the Board again.



4 Shigeyuki Sakurai

Re-election

Birthday

August 15, 1955 (Age 61)

Number of the Company's Shares Held by the Candidate

38,637

Term of Office as Member of the Board

4 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1979.04: Joined the Company
2011.04: Executive Officer
2013.04: Managing Executive Officer
2013.06: Managing Executive Officer, Member of the Board
2015.04: Senior Managing Executive Officer, Representative Director

2017.04: Executive Vice President, Representative Director
Chief of Business Administration Division
[Present Position]

The reasons for nominating him as a candidate of the Member of the Board

Mr. Shigeyuki Sakurai was appointed as a Member of the Board in June 2013, and he has been involved in the management of the Company as Representative Director and Executive Officer since April 2015. He has successively held various posts such as General Manager of Finance Department, General Manager of Accounting Department and Chief of Business Administration Division and he has contributed a lot to the improvement of the financial standing of the Company in a difficult business environment by making use of his considerable expert knowledge in the accounting and financial fields. As we judged that his broad experience and knowledge are absolutely necessary to reinforce the decision-making and supervising functions of the board meetings, we nominated him as a candidate for Member of the Board again.



5 Masahiro Sakai

Re-election

Birthday

March 9, 1953 (Age 64)

Number of the Company's Shares Held by the Candidate

14,208

Term of Office as Member of the Board

4 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1977.04: Joined the Company	2017.04: Executive Vice President, Member of the Board Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing Sales (Building Construction) Divisions [Present Position]
2012.04: Executive Officer	
2013.04: Managing Executive Officer	
2013.06: Managing Executive Officer, Member of the Board	
2015.04: Senior Managing Executive Officer, Member of the Board	

The reasons for nominating him as a candidate of the Member of the Board

Mr. Masahiro Sakai was appointed as a Member of the Board in June 2013, and he has been involved in the management of the Company as Member of the Board and Executive Officer since then. He has successively held various posts such as Chief of Yokohama Branch, Chief of Marketing & Sales (Building Construction) Division and Deputy Chief of Marketing & Sales Division (Integrated), and he has considerable expert knowledge based on his wide experience. As Mr. Masahiro Sakai can be expected to contribute to further improvement of the value of the Company through the development and implementation of sales strategies with an eye toward the time after the Tokyo Olympics and Paralympics, we nominated him as a candidate for Member of the Board again.



6 Shigeyoshi Tanaka

Re-election

Birthday

November 1, 1954 (Age 62)

Number of the Company's Shares Held by the Candidate

32,000

Term of Office as Member of the Board

2 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1979.04: Joined the Company	2017.04: Executive Vice President, Member of the Board Chief of Civil Engineering Division [Present Position]
2011.04: Executive Officer	
2013.04: Managing Executive Officer	
2015.04: Senior Managing Executive Officer	
2015.06: Senior Managing Executive Officer, Member of the Board	

The reasons for nominating him as a candidate of the Member of the Board

Mr. Shigeyoshi Tanaka was appointed as a Member of the Board in June 2015, and he has been involved in the management of the Company as Member of the Board and Executive Officer since then. He has successively held various posts such as Chief of Kyushu Branch and Chief of Corporate Planning Office. At present, he is performing his duties as Chief of Civil Engineering Division. As Mr. Shigeyoshi Tanaka has considerable expert knowledge based on his broad experience and as he can be expected to contribute to the improvement of the value of the Company through the development and promotion of strategies to overcome challenges such as reinforcement of production systems in the civil engineering sector, we nominated him as a candidate for Member of the Board again.



7 Norihiko Yaguchi

Re-election

Birthday

May 17, 1954 (Age 63)

Number of the Company's Shares Held by the Candidate

39,167

Term of Office as Member of the Board

2 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1978.04: Joined the Company
2012.04: Executive Officer
2015.04: Managing Executive Officer
2015.06: Managing Executive Officer, Member of the Board

2017.04: Senior Managing Executive Officer, Member of the Board
Chief of Architecture & Engineering Division (Integrated);
Chief of Building Construction Division
[Present Position]

Important Concurrent Position
Director of Construction-ec.com Co., Ltd.

The reasons for nominating him as a candidate of the Member of the Board

Mr. Norihiko Yaguchi has many years of experience in the building construction business. He has successively held various posts such as Chief of Chugoku Branch and Chief of Architecture & Engineering Division (Integrated), and he has been involved in the management of the Company as Member of the Board and Executive Officer since June 2015. As Mr. Norihiko Yaguchi has broad knowledge about the Company's businesses in general including building construction business, and as he can be expected to contribute to the improvement of the value of the Company through the development and promotion of strategies to overcome challenges such as reinforcement of construction systems in the building construction sector, we nominated him as a candidate for Member of the Board again.



8 Yasushi Yoshinari

Re-election

Birthday

May 15, 1956 (Age 61)

Number of the Company's Shares Held by the Candidate

40,000

Term of Office as Member of the Board

2 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1979.04: Joined the Company
2011.04: Executive Officer
2015.04: Managing Executive Officer

2015.06: Managing Executive Officer, Member of the Board
Chief of Medical & Welfare Business Division
[Present Position]

The reasons for nominating him as a candidate of the Member of the Board

Mr. Yasushi Yoshinari was appointed as a Member of the Board in June 2015, and he has been involved in the management of the Company as Member of the Board and Executive Officer since then. At present, he is performing his duties as Chief of Medical & Welfare Business Division by making use of his broad experience. As Mr. Yasushi Yoshinari can be expected to contribute to further improvement of the value of the Company in the future because of his high information-gathering and analytical ability, we nominated him as a candidate for Member of the Board again.



9 Toru Tsuji

Re-election

External
Member

Independent
Officer

Birthday

February 10, 1939 (Age 78)

Number of the Company's Shares Held by the Candidate

17,000

Term of Office as Member of the Board

6 years

Attendance at the Board

13 out of 13 Meetings (100%)

History, Post and Important Concurrent Position of the Candidate

1961.04: Joined Marubeni-Iida Co., Ltd.	1999.04: President and Chief Executive Officer, Representative Director
1991.06: Member of the Board of Marubeni Corporation	2003.04: Chairman of the Board, Representative Director
1995.06: Managing Executive Officer, Member of the Board	2004.04: Chairman of the Board, Member of the Board
1996.04: Managing Executive Officer, Representative Director	2008.04: Corporate Advisor, Member of the Board
1997.06: Senior Managing Executive Officer, Representative Director	2008.06: Corporate Advisor
	2011.06: Member of the Board of the Company [Present Position]

The reasons for nominating him as a candidate of the Member of the Board

Ever since Mr. Toru Tsuji was appointed as an External Board Member in 2011, he has contributed to the strengthening of the functions of the board meetings and he has made many useful proposals and given much good advice at board meetings by making use of his broad experience as a former top executive of a general trading company. As Mr. Toru Tsuji can be expected to contribute to the improvement of the value of the Company in the mid-to-long term by making use of his broad knowledge from an international point of view and to strengthen management supervision through decision making concerning important matters such as the election and dismissal of executives and international businesses, we nominated him as a candidate for External Board Member again.



10 Fumio Sudo

Re-election

External
Member

Independent
Officer

Birthday

March 3, 1941 (Age 76)

Number of the Company's Shares Held by the Candidate

52,000

Term of Office as Member of the Board

6 years

Attendance at the Board

12 out of 13 Meetings (92%)

History, Post and Important Concurrent Position of the Candidate

1964.04: Joined Kawasaki Steel Corporation	2003.04: President and Chief Executive Officer, Representative Director of JFE Steel Corporation
1994.06: Member of the Board	2005.04: President and Chief Executive Officer, Representative Director of JFE Holdings, Inc.
1997.06: Managing Executive Officer, Member of the Board	2010.04: Director
2000.06: Executive Vice President, Representative Director	2010.06: Honorary Advisor
2001.06: President and Chief Executive Officer, Representative Director	2011.06: Member of the Board of the Company [Present Position]
2002.09: Member of the Board of JFE Holdings, Inc. (Part-time)	

Important Concurrent Position

External Director of NEW OTANI CO., LTD.
External Director of Takeda Pharmaceutical Company Limited.
External Director of Tokyo Electric Power Company Holdings, Inc.

The reasons for nominating him as a candidate of the Member of the Board

Ever since Mr. Fumio Sudo was appointed as an External Board Member in 2011, he has contributed to the strengthening of the functions of the board meetings and he has made many useful proposals and given much good advice at board meetings by making use of his broad experience as a top executive at several companies. As Mr. Fumio Sudo can be expected to contribute to the improvement of the value of the Company by capitalizing on mid-to-long term perspectives amid a drastically changing management environment and to strengthen management supervision through decision making concerning important matters such as the election and dismissal of executives and management strategies, we nominated him as a candidate for External Board Member again.



11 Atsuko Nishimura

New
Candidate

External
Member

Independent
Officer

Birthday

May 5, 1953 (Age 64)

Number of the Company's
Shares Held by the Candidate

0

Term of Office as Member of
the Board

—

Attendance at the Board

—

History, Post and Important Concurrent Position of the Candidate

1979.04: Joined Ministry of Foreign Affairs of Japan	2008.06: Administrative Vice President of the Japan Foundation
1995.07: Director, Non-Proliferation of Weapons-Related Resources, Foreign Policy Bureau	2012.04: Advisor of Japan Oil, Gas and Metals National Corporation
1997.06: Director, First Africa Division, Middle Eastern and African Affairs Bureau	2014.04: Ambassador Extraordinary and Plenipotentiary to Grand Duchy of Luxembourg
1999.08: Minister/Counsellor of Permanent Mission of Japan to the United Nations	2016.07: Ambassador Extraordinary and Plenipotentiary for Women, Human Rights and Humanitarian Affairs
2001.06: Minister of Embassy of Japan in Belgium	
2004.09: Professor of Tohoku University Graduate School of Law	

The reasons for nominating her as a candidate of the Member of the Board

While Ms. Atsuko Nishimura has not been involved in management of business company in the past, she has broad knowledge based on many years of experience as a diplomatic official. As Ms. Atsuko Nishimura can be expected to contribute to the improvement of the value of the Company in the mid-to-long term by making use of her rich international sensibilities and objective viewpoints and to the strengthening of management supervision through decision making concerning important matters such as the election and dismissal of executives and international businesses, we nominated her as a candidate for External Board Member.

Notes:

- The age of each candidate shown is as of the date of this General Meeting of Shareholders.
- There is no conflict of interests between the Company and the candidates.
- Messrs. Toru Tsuji and Fumio Sudo and Ms. Atsuko Nishimura are the candidates for External Members of the Board.
- In order for External Members of the Board 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 (*gyomushikkou torishimari yaku*)) 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. Toru Tsuji and Fumio Sudo, and the Company will enter into the contract with Ms. Atsuko Nishimura when she 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 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 External Member of the Board has performed his/her duties in good faith and without gross negligence.
- Messrs. Toru Tsuji and Fumio Sudo and Ms. Atsuko Nishimura meet the “Criteria of Independency” prescribed by the Company (refer to page 15). Messrs. Toru Tsuji and Fumio Sudo have been registered as independent officers as they meet the criteria of independency prescribed by Tokyo Stock Exchange. Furthermore, when Ms. Atuko Nishimura is elected as provided in this original item No.3, she 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 items 1 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 continued to recover overall as capital investment has been moderately bouncing back responding to strong corporate performance, and consumer spending has been gradually picking up.

In the domestic construction market, both government and private investments in construction were steady, allowing the construction industry to maintain a solid business environment.

Under these circumstances, the Company and its affiliated companies (collectively, the “Affiliated Companies”) reported consolidated results of its operations as follows: orders received of ¥1,655.0 billion, a 1.0% decrease compared to the previous fiscal year, net sales of ¥1,487.2 billion, a 3.8% decrease, recurring income of ¥144.5 billion, a 22.8% increase, and net income for the year of ¥90.5 billion belonging to the shareholders of the Company, a 17.5% increase compared to the previous fiscal year.

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



(CIVIL ENGINEERING BUSINESS)

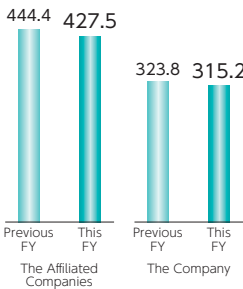
New orders for the Affiliated Companies during the current term were worth ¥427.5 billion, a 3.8% decrease compared to the previous fiscal year, as there was decrease in new orders received by the Company and its consolidated subsidiaries.

New orders for the Company were worth ¥315.2 billion, a 2.7% decrease. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 70.9%, 37.3% and -8.2%, respectively, and the percentage of orders received without competitive bidding out of the total was 36.3%.

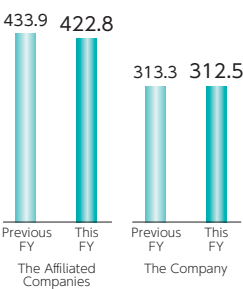
Net sales for the Affiliated Companies were ¥422.8 billion, a 2.6% decrease compared to the previous fiscal year, because a decrease in net sales was observed in its consolidated subsidiaries.

Net sales for the Company were ¥312.5 billion, almost equal to the previous fiscal year.

Orders received
(one billion yen)



Net sales
(one billion yen)



(BUILDING CONSTRUCTION BUSINESS)

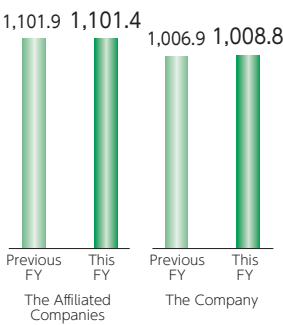
New orders for the Affiliated Companies during the current term were worth ¥1,101.4 billion, almost equal to the previous fiscal year.

New orders for the Company were worth ¥1,008.8 billion, almost equal to the previous fiscal year. The percentages of new orders from government agencies, private companies and overseas construction projects out of the total were 24.7%, 73.9% and 1.4%, respectively, and the percentage of orders received without competitive bidding out of the total was 43.9%.

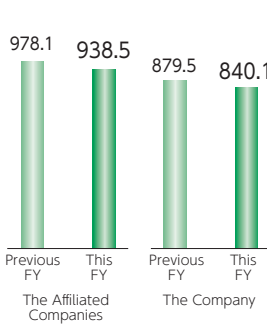
Net sales for the Affiliated Companies were ¥938.5 billion, a 4.1% decrease, because a decrease in net sales was observed in both the Company and the consolidated subsidiaries.

Net sales for the Company were ¥840.1 billion, a 4.5% decrease.

Orders received
(one billion yen)



Net sales
(one billion yen)



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:

Major new orders received during FY ended March 2017:

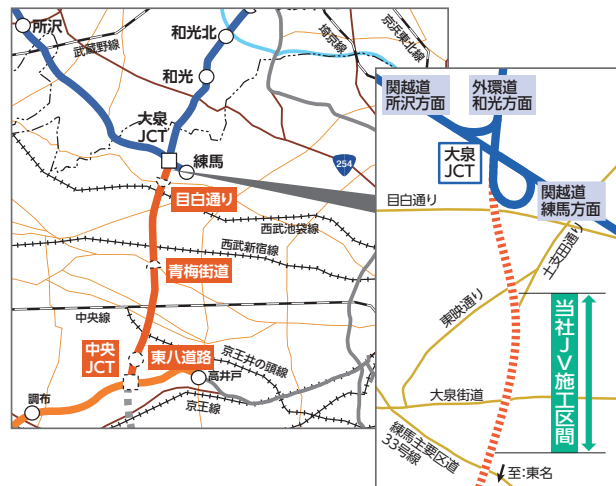


- ▲ New National Stadium Development Project (2nd Period)
(From Shinjuku-ku, Tokyo to Shibuya-ku, Tokyo)
Owner:
JAPAN SPORT COUNCIL



◀(Tentative Name) Toranomom 2-10 Project
(Minato-ku, Tokyo)

Owner:
Hotel Okura Co., Ltd.

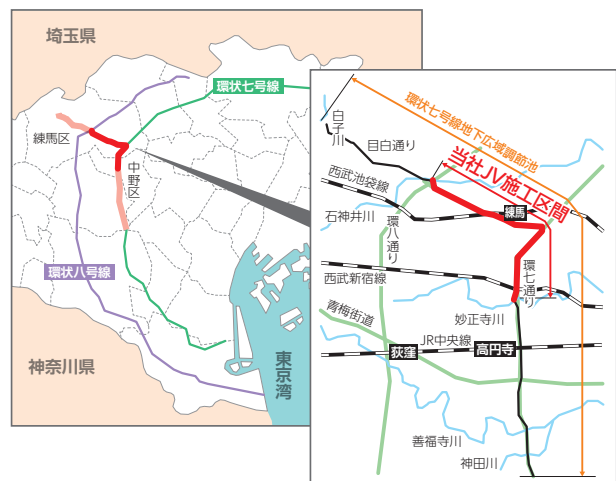


▲ Toyosu 2nd District 2-1 Project
(Towers A and C)
(Koto-ku, Tokyo)

Owner:
Mitsui Fudosan Co., Ltd.

▲ Construction Work of the Tokyo Outer Ring Road at Oizumi South
(Nerima-ku, Tokyo)

Owner:
East Nippon Expressway Company Limited



▲ Construction of Wide-area Balancing Reservoir under the Loop Route No.7 (Shakujii River Section)
(From Nakano-ku, Tokyo to Nerima-ku, Tokyo)

Owner:
Tokyo Metropolitan Government



▲ Urban Renewal of Roppongi 3-chome East District (Minato-ku, Tokyo)

Owner:
Cooperative for Urban Renewal of Roppongi
3-chome East District

Construction of SAITAMA RED CROSS HOSPITAL ➡
(Saitama-shi, Saitama)

Owner:
JAPANESE RED CROSS SOCIETY



▲ (Tentative Name) MM 59th Town Area
B Block Development Plan
(Yokohama-shi, Kanagawa)

Owner:
Okada Building Co., Ltd.

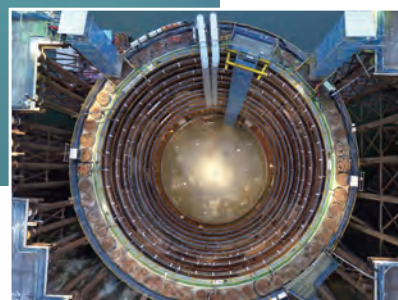




◀ Land Preparation (First Phase) at the Area of Nobiru Northern Hills (Higashimatsushima-shi, Miyagi)
Owner:
Urban Renaissance Agency



▲ Construction of the Intake of Tunnel Outlet Facility in Redevelopment of Amagase Dam (Uji-shi, Kyoto)
Owner:
Ministry of Land, Infrastructure, Transport and Tourism Kinki Regional Development Bureau



(REAL ESTATE DEVELOPMENT BUSINESS)

As for the real estate sales market, the demand in the condominium market was steady mainly for properties in midtown areas amid continuously high sales prices due to the increase in land prices. In suburban areas, however, there were some properties that were not sold even after a long period of time. The building leasing market remains steady as the rate of vacancy has decreased because the corporate demand for relocation and increase in work area floor space is still strong, and the average rent continued to rise.

Net sales of the Affiliated Companies in the real estate segment were ¥115.2 billion, a 5.0% 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 a decrease of net sales in this segment of ¥10.6 billion, a 14.8% decrease compared to the previous fiscal year due to the decrease in the revenues of both the Company and 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, 2016)	New Orders Received	Net Sales	Backlog carried over Next Period
CIVIL ENGINEERING	653.0	427.5	422.8	657.8
BUILDING CONSTRUCTION	1,427.5	1,101.4	938.5	1,590.4
REAL ESTATE DEVELOPMENT BUSINESS	0.8	115.3	115.2	0.9
OTHER BUSINESSES	—	10.6	10.6	—
TOTAL:	2,081.4	1,655.0	1,487.2	2,249.2

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, 2016)	New Orders Received	Net Sales	Backlog carried over Next Period
CIVIL ENGINEERING	610.0	315.2	312.5	612.7
BUILDING CONSTRUCTION	1,356.9	1,008.8	840.1	1,525.5
SUB TOTAL:	1,966.9	1,324.1	1,152.6	2,138.3
REAL ESTATE DEVELOPMENT BUSINESS	0.2	13.8	13.8	0.3
OTHER BUSINESSES	—	10.1	10.1	—
TOTAL:	1,967.2	1,348.2	1,176.7	2,138.7

(2) Investments in Plant and Equipment

The Affiliated Companies’ investment of plant and equipment during FY ended March 2017 was 8.8 billion yen in total. Major investments were expansion of the facility and reinforcement of the experiment facility in Taisei Technology Center.

(3) Fund Raising

The Company did not raise funds during FY ended March 2017 by either increasing capital or issuing corporate bonds.

(4) Issues to be dealt with

Although the market environment is expected to remain strong for a while, taking into consideration the declining population and financial constraints, the market environment after the 2020 Olympics is uncertain and we believe that one of our major challenges is to secure and develop sufficient employees and labors.

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

With respect to the violation of Anti-Monopoly Act by Taisei Rotec Corporation, one of our subsidiaries, we take this matter very seriously and will be further committed to ensuring that the entire group including Taisei Rotec Corporation will comply with laws and regulations. We will strive to prevent recurrence and restore the public trust in us as soon as possible.

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 are focusing 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 energy and overseas fields as well as in the five focused fields of renewal and replacement, nuclear power, the 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

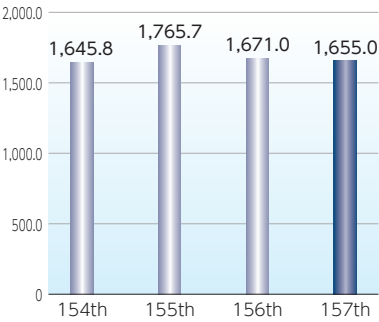
We have established a corporate governance system that meets the needs of the times. In addition, we are actively tackling diversity management as mid-term challenges of the construction industry, such as enhancement of the use of female workers and foreign workers, and changing working styles by using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

(5) Transition of Assets and Income

(Transition of Assets and Income of the Affiliated Companies)

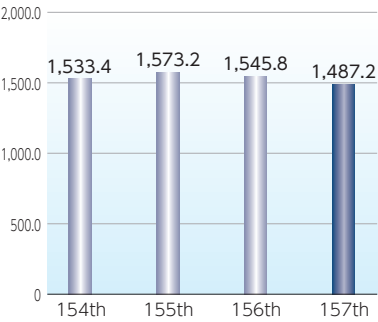
New Orders Received

(unit: one billion yen)



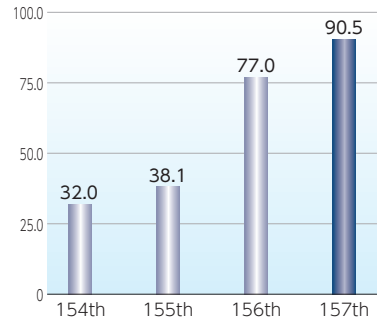
Net Sales

(unit: one billion yen)



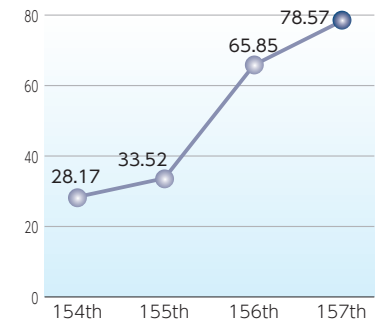
Net Income or (Loss)

(unit: one billion yen)



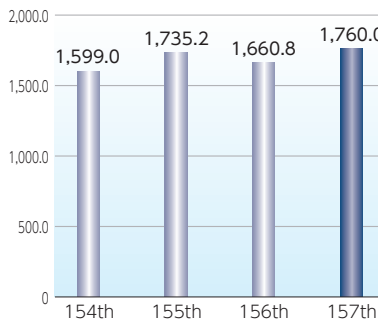
Net Income or (Loss) per Share

(unit: yen)



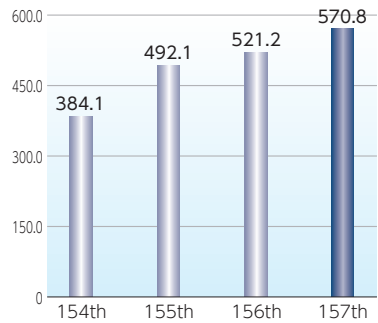
Total Assets

(unit: one billion yen)



Total Net Assets

(unit: one billion yen)

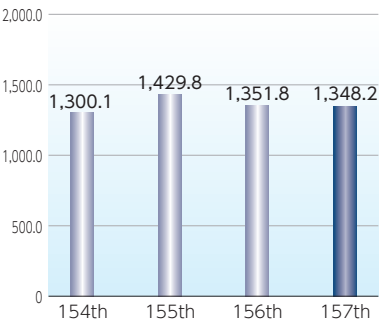


(Unit: ¥ Billion)	FY Ended March 2014	FY Ended March 2015	FY Ended March 2016	FY Ended March 2017 (Current FY)
New Orders Received	1,645.8	1,765.7	1,671.0	1,655.0
Net Sales	1,533.4	1,573.2	1,545.8	1,487.2
Net Income or (Loss)	32.0	38.1	77.0	90.5
Net Income or (Loss) per Share (*Unit: Yen)	*28.17	*33.52	*65.85	*78.57
Total Assets	1,599.0	1,735.2	1,660.8	1,760.0
Total Net Assets	384.1	492.1	521.2	570.8

(Transition of Assets and Income of the Company)

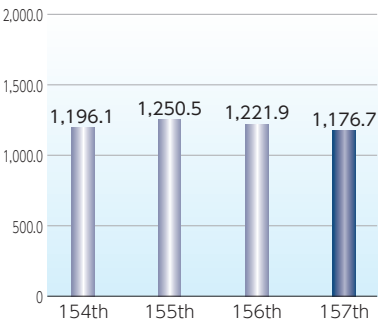
New Orders Received

(unit: one billion yen)



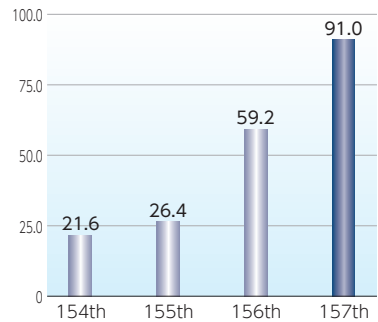
Net Sales

(unit: one billion yen)



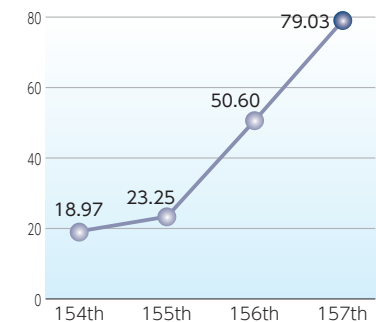
Net Income or (Loss)

(unit: one billion yen)



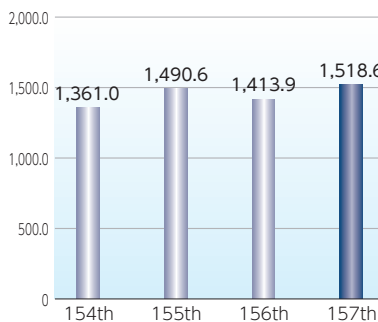
Net Income or (Loss) per Share

(unit: yen)



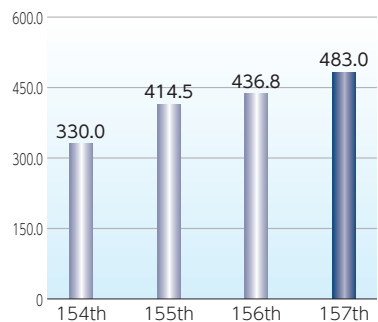
Total Assets

(unit: one billion yen)



Total Net Assets

(unit: one billion yen)



(Unit: ¥ Billion)	FY Ended March 2014	FY Ended March 2015	FY Ended March 2016	FY Ended March 2017 (Current FY)
New Orders Received	1,300.1	1,429.8	1,351.8	1,348.2
Net Sales	1,196.1	1,250.5	1,221.9	1,176.7
Net Income or (Loss)	21.6	26.4	59.2	91.0
Net Income or (Loss) per Share (*Unit: Yen)	*18.97	*23.25	*50.60	*79.03
Total Assets	1,361.0	1,490.6	1,413.9	1,518.6
Total Net Assets	330.0	414.5	436.8	483.0

(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-28) No. 300) under the Construction Business Act, and as a Licensed Real-Estate Transaction Agent (license (14) 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-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 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 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
- Philippine Office(Manila)
- Kuala Lumpur Office
- Jakarta Office
- India Office(Gurgaon)
- Middle East Office(Doha, Dubai)
- North Africa Office(Cairo)

Taisei Technology Center(Yokohama City)

(b) Major Subsidiaries

Domestic

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

Overseas

- Taisei (Thailand) Co., Ltd.(Thailand)
- Vinata International J/V Ltd. Co.(Vietnam)
- Taisei Myanmar Co., Ltd.(Myanmar)

(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	3,907 [866]	112 [*70]
BUILDING CONSTRUCTION BUSINESS	7,907 [1,381]	113 [*31]
REAL ESTATE DEVELOPMENT BUSINESS	2,014 [1,684]	2 [43]
OTHER BUSINESSES	149 [25]	2 [3]
TOTAL:	13,977 [3,956]	229 [*55]

- 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		
8,415	343	42.9	18.3

- 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 8,417.

(10) Major Companies Providing Loans to the Affiliated Companies

Name of Lender	Loaned Amount (Unit: ¥ Billion)
Mizuho Bank Co., Ltd.	71.3
Mizuho Trust & Banking Co., Ltd.	18.7
Resona Bank, Limited.	14.2
The Norinchukin Bank	7.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7.5

(11) Other Important Matters Related to the Current State of the Affiliated Companies

The Company has established and operated the internal control systems, placing the compliance as a basic policy of our group. However, there were violations of Anti-Monopoly Act, which are bid rigging on the road paving work and cartel relating to the asphalt mixture, by Taisei Rotec Corporation, one of our subsidiaries. Regarding the above violations, we will implement measures to prevent recurrence in Taisei Rotec Corporation. Furthermore, we will review the internal control systems, including the compliance, of the Affiliated Companies and establish the improvement measures at the Company’s compliance committee which consists of external experts and Members of the Board of the Company. We will ensure thorough compliance in the Affiliated Companies and strive to prevent recurrence and restore public trust in us as soon as possible by implementing such improvement measures.

2 Matters Concerning the Shares of the Company

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

(2) Number of shares issued: 1,146,752,860-

Number of shares issued includes the Company’s own shares, number of which are 1,408,179-.

Note: Because we canceled our treasury shares as of September 30, 2016, the total number of issued shares was reduced by 24,516,000 shares from the end of the previous fiscal year.

(3) Number of Shareholders: 88,322-

(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)	72,183	6.30
The Master Trust Bank of Japan, Ltd. (Trust Account)	67,624	5.90
Retirement Benefit Trust in Mizuho Trust (Mizuho Bank, Ltd. Account)	39,289	3.43
Taisei Associates’ Shareholding Plan	26,251	2.29
Taisei Employees’ Shareholding Plan	21,271	1.86
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	20,932	1.83
State Street Bank West Client-Treaty 505234	18,051	1.58
GOVERNMENT OF NORWAY	15,537	1.36
Japan Trustee Services Bank, Ltd. (Trust Account No.1)	15,455	1.35
Japan Trustee Services Bank, Ltd. (Trust Account No.7)	15,417	1.35

Note: The Company’s own shares (1,408,179-) are excluded in calculating the Ratio of Shares Held.

(5) Other Important Matters Concerning the Shares

We acquired 24,516,000 shares of our common stock based on a resolution made at the board meeting held on May 13, 2016, and canceled all of those shares as of September 30, 2016 based on a resolution made at the board meeting held on September 23, 2016.

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	Chairman Member of the Board (Representative Director)	External Director of the Building & Housing Center of Japan External Director of Royal Park Hotel Co., Ltd.
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 <div>External MemberIndependent Officer</div>	
Fumio Sudo	Member of the Board <div>External MemberIndependent Officer</div>	External Director of NEW OTANI CO., LTD. External Director of Takeda Pharmaceutical Company Limited. External Director of Tokyo Electric Power Company Holdings, Inc.
Misao Akune	Audit & Supervisory Board Member (full-time)	
Takashi Matsuyama	Audit & Supervisory Board Member (full-time)	
Terunobu Maeda	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	Chairperson of the Medium and Small Business Research Institute Chairperson of Japan Economic Research Institute Chairman of Japan Association of Retired Industrial Persons Outside Audit & Supervisory Board Member of the Higo Bank, Ltd.
Shigeru Morichi	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	Director of Policy Research Center of National Graduate Institute for Policy Studies
Kiwamu Miyakoshi	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	External Director of LIXIL VIVA CORPORATION
Kunitoshi Saito	Audit & Supervisory Board Member <div>External MemberIndependent Officer</div>	

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, Kiwamu Miyakoshi and Kunitoshi Saito are External Audit & Supervisory Board Members. Messrs. Terunobu Maeda, Shigeru Morichi, Kiwamu Miyakoshi and Kunitoshi Saito 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.
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. Mr. Kunitoshi Saito has been engaged in affairs of the Board of Audit of Japan for over the years and has considerable knowledge and insight about finance and accounting.
6. During FY 2016, change of important concurrent position is as follows:

Classification	Name	Important concurrent posts	Details of change	Date of change
Member of the Board	Takashi Yamauchi	External Director of Royal Park Hotel Co., Ltd.	Newly appointed to post	June 28, 2016
Member of the Board	Fumio Sudo	External Director of LIXIL Group Corporation	Leaving of post	June 15, 2016
Audit & Supervisory Board Member	Terunobu Maeda	Chairman of Japan Association of Retired Industrial Persons	Newly appointed to post	June 14, 2016
Audit & Supervisory Board Member	Kiwamu Miyakoshi	External Director of LIXIL VIVA CORPORATION	Newly appointed to post	June 3, 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 (*gyomushikkou torishimari 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	10	582	2	26
Audit & Supervisory Board Member	6	108	4	45

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 held in the current fiscal year and audit & supervisory board meetings held during the same period. He offered his opinions as and when appropriate based on his broad knowledge of finance and accounting.
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.
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.
Audit & Supervisory Board Member	Kunitoshi Saito	Since he assumed the position of External Audit & Supervisory Board Member in the 156th General Meeting of Shareholders held on June 29, 2016, 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 at the Board of Audit of Japan.

(FOR YOUR REFERENCE)

The Executive Officers (“Shikkou-Yakuin”) as of April 1, 2017

Title Business in Charge	Name
President and Chief Executive Officer	Yoshiyuki Murata
Executive Vice President <i>Chief of Marketing & Sales Division (Integrated); Chief of Marketing & Sales (Civil Engineering) Division; In charge of Safety Administration</i>	Kazuhiko Dai
Executive Vice President <i>Chief of Marketing & Sales (West Japan) Division</i>	Junichi Ikeguchi
Executive Vice President <i>Chief of Civil Engineering Division</i>	Shigeyoshi Tanaka
Executive Vice President <i>Chief of Business Administration Division</i>	Shigeyuki Sakurai
Executive Vice President <i>Deputy Chief of Marketing & Sales Division (Integrated), Supervising Marketing & Sales (Building Construction) Divisions</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
Senior Managing Executive Officer <i>Chief of Tokyo Branch</i>	Tamotsu Umehara
Senior Managing Executive Officer <i>Chief of Marketing & Sales Promotion Division</i>	Takeo Horinouchi
Senior Managing Executive Officer <i>Chief of Design Division</i>	Haruhiko Kono
Senior Managing Executive Officer <i>Chief of Nagoya Branch</i>	Shoji Kondo
Senior Managing Executive Officer <i>Chief of Architecture & Engineering Division (Integrated); Chief of Building Construction Division</i>	Norihiko Yaguchi
Senior Managing Executive Officer <i>Chief of Kansai Branch</i>	Takao Kanai
Managing Executive Officer <i>In charge of Technology; In charge of Energy & Environment</i>	Kazuhiko Hombu
Managing Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division; In charge of Olympic Projects</i>	Masahiro Oshima
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>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 Yokohama Branch</i>	Hiroshi Shirakawa
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
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>Deputy Chief of Civil Engineering Division; General Manager of Civil Engineering Department</i>	Jirou Taniyama
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division II</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 Taisei Technology Center</i>	Tatsuhiko Matsui
Managing Executive Officer <i>Chief of Marketing & Sales (Building Construction) Division I</i>	Hiroshi Tsuchiya
Managing Executive Officer <i>General Manager of Energy Business Strategy Department</i>	Susumu Morita
Managing Executive Officer <i>Chief of Sapporo Branch</i>	Noriaki Kon
Managing Executive Officer <i>In charge of Marketing & Sales (Building Construction), Marketing & Sales Division (Integrated)</i>	Tetsuya Hanyu

Title Business in Charge	Name
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>Deputy Chief of Marketing & Sales (West Japan) Division</i>	Shimpei Oguchi
Executive Officer <i>In charge of Marketing & Sales (International Building Construction), Marketing & Sales Division (Integrated)</i>	Taku Yamamoto
Executive Officer <i>Deputy Chief of Business Administration Division</i>	Atsushi Yamamoto
Executive Officer <i>Deputy Chief, in charge of Civil Engineering, Tohoku Branch; General Manager of Civil Engineering Department</i>	Masatoshi Yamakami
Executive Officer <i>Chief of Procurement Division</i>	Kyo Murai
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
Executive Officer <i>General Manager of Construction Engineering Department, Civil Engineering Division; General Manager of International Projects Management Department</i>	Makoto Ohta
Executive Officer <i>Deputy Chief of Architecture & Engineering Division (Integrated); General Manager of International Projects Management Department; General Manager of Profit Achievement Ratio (PAR) Management Section</i>	Yasumitsu Sakurai
Executive Officer <i>Chief of Nuclear Facilities Division</i>	Satoshi Imamura
Executive Officer <i>Deputy, in charge of Building Construction & Engineering, International Operations Headquarters</i>	Toru Inaba
Executive Officer <i>Chief of Environment Division</i>	Yasushi Kamezawa
Executive Officer <i>Chief of Kyusyu Branch</i>	Yoshihiro Teramoto
Executive Officer <i>Deputy Chief of Marketing & Sales (Building Construction) Division I; General Manager of Marketing & Sales Department</i>	Shinsaburo Sawa
Executive Officer <i>Deputy Chief of Marketing & Sales (West Japan) Division</i>	Shinji Kawamura
Executive Officer <i>General Manager of Secretarial Department</i>	Masahiko Okada
Executive Officer <i>Deputy Chief of Marketing & Sales (Civil Engineering) Division; General Manager of Marketing & Sales Department</i>	Yoshio Abe

The Executive Fellows as of April 1, 2017, are as follows:

Title Business in Charge	Name
Executive Fellow <i>Deputy Chief of Design Division</i>	Osamu Hosozawa
Executive Fellow <i>In charge of Energy & Environment</i>	Kazuyuki Shimamura
Executive Fellow <i>General Manager of Information Planning Department</i>	Toshihiko Tsuka

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 2017, etc.

Section	Fee
① The amount of fee for the services provided as Accounting Auditor for FY ended March 2017	¥ 90 million
② The total amount of money and financial benefits to be paid by the Company and its subsidiaries	¥ 187 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 amounts stipulated above after confirmation and review of the contents of the Accounting Auditor's audit plan, progress of its work and history of 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, 2017)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	535,592	Notes and accounts payable, trade	424,493
Notes and accounts receivable, trade	420,131	Short-term borrowings	114,600
Cost of uncompleted contracts	67,053	Short-term non-recourse loans payable	100
Cost of development projects in progress	102,742	Straight bonds due within one year	10,000
Other inventories	3,462	Lease obligations	269
Deferred income tax assets	28,046	Income taxes payable	31,138
Other current assets	66,842	Advances received and progress billings on uncompleted contracts	175,689
Allowance for doubtful accounts	(297)	Deposit received	171,132
Total current assets	1,223,572	Allowance for warranties on completed contracts	3,391
Fixed assets:		Allowance for losses on construction contracts	15,666
Property, plant and equipment:		Allowance for losses on order received	14
Buildings and structures	47,773	Other current liabilities	40,497
Machinery, vehicles and equipment	7,461	Total current liabilities	986,994
Land	119,825	Long-term liabilities:	
Construction in progress	921	Straight bonds	30,000
Total property, plant and equipment	175,982	Non-recourse bonds payable	500
Intangibles	5,084	Long-term borrowings	79,995
Investments and other assets:		Long-term non-recourse loans payable	2,950
Investment securities	309,014	Lease obligations	482
Net defined benefit asset	10,777	Deferred income tax liabilities	11,350
Deferred income tax assets	3,029	Deferred income tax liabilities for revaluation of land	4,184
Other fixed assets	35,082	Retirement benefits for directors and corporate auditors	431
Allowance for doubtful accounts	(2,464)	Allowance for losses on investments in subsidiaries and affiliates	66
Total investments and other assets	355,439	Allowance for environmental spending	89
Total fixed assets	536,506	Allowance for losses on Anti-Monopoly Act	11,035
		Net defined benefit liability	41,262
		Other long-term liabilities	19,921
		Total long-term liabilities	202,270
		Total liabilities	1,189,264
			Millions of Yen
		NET ASSETS	
		Shareholders' equity:	
		Common stock	122,742
		Capital surplus	85,150
		Retained earnings	278,613
		Treasury stock	(1,110)
		Total shareholders' equity	485,395
		Accumulated other comprehensive income:	
		Unrealized gains on available-for-sale securities, net of taxes	82,463
		Unrealized losses on hedging derivatives, net of taxes	(158)
		Revaluation reserve for land	772
		Foreign currency translation adjustments	(2,969)
		Remeasurements of defined benefit plans	3,275
		Total accumulated other comprehensive income	83,383
		Non-controlling interests	2,034
		Total net assets	570,813
Total assets	1,760,078	Total liabilities and net assets	1,760,078

CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2017)

	Millions of Yen	
Net sales:		
Construction business	1,342,454	
Development projects	144,798	1,487,252
Cost of Sales:		
Construction business	1,148,961	
Development projects	112,007	1,260,968
Gross profit:		
Construction business	193,493	
Development projects	32,791	226,284
Selling, general and administrative expenses		85,461
Operating income		140,822
Non-operating income:		
Interest and dividends	3,913	
Foreign exchange gains	2,275	
Investment gain on equity method	1,378	
Other non-operating income	803	8,371
Non-operating expenses:		
Interest expenses	2,156	
Taxes and dues	758	
Litigation settlement	954	
Other non-operating expenses	734	4,602
Ordinary income		144,591
Extraordinary gains:		
Gains on sales of investment securities	2,878	
Other extraordinary gains	650	3,528
Extraordinary losses:		
Losses on Anti-Monopoly Act	11,640	
Other extraordinary losses	1,289	12,929
Income before income taxes		135,189
Current	45,505	
Deferred	(712)	44,793
Net income		90,396
Net loss attributable to non-controlling interests		(169)
Net income attributable to owners of parent		90,566

Non-Consolidated Financial Statements

NON-CONSOLIDATED BALANCE SHEET (March 31, 2017)

	Millions of Yen		Millions of Yen
ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and time deposits	486,206	Notes payable, trade	84,936
Notes receivable, trade	19,771	Accounts payable, trade	283,917
Accounts receivable, trade	329,705	Short-term borrowings	70,261
Real estates for sale	43,260	Straight bonds due within one year	10,000
Cost of uncompleted contracts	61,994	Lease obligations	199
Cost of development projects in progress	4,764	Income taxes payable	28,833
Deferred income tax assets	25,001	Advances received and progress billings on uncompleted contracts	166,471
Other current assets	64,668	Deposits received	210,814
Allowance for doubtful accounts	(170)	Allowance for warranties on completed contracts	1,727
Total current assets	1,035,202	Allowance for losses on construction contracts	14,968
Fixed assets:		Other current liabilities	29,741
Property, plant and equipment:		Total current liabilities	901,870
Buildings and structures	20,743	Long-term liabilities:	
Machinery and vehicles	1,686	Straight bonds	30,000
Tools, furniture and fixtures	845	Long-term borrowings	54,714
Land	67,954	Lease obligations	357
Construction in progress	799	Retirement benefits for employees	20,865
Total property, plant and equipment	92,029	Deferred income tax liabilities	20,575
Intangibles	2,406	Allowance for losses on investments in subsidiaries and affiliates	1,139
Investments and other assets:		Allowance for environmental spending	70
Investment securities	277,849	Other long-term liabilities	6,036
Investments in subsidiaries and affiliates	84,619	Total long-term liabilities	133,758
Long-term loans receivable	8,993	Total liabilities	1,035,629
Claims provable in bankruptcy, claims provable in rehabilitation and other	67		Millions of Yen
Long-term prepaid expenses	397	NET ASSETS	
Other fixed assets	26,283	Shareholders' equity:	
Allowance for doubtful accounts	(9,156)	Common stock	122,742
Total investments and other assets	389,055	Capital surplus:	
Total fixed assets	483,491	Additional paid-in-capital	30,686
		Other capital surplus	54,481
		Total capital surplus	85,167
		Retained earnings:	
		Other retained earnings:	
		Reserve for tax deferment on replacement of fixed assets	1,414
		Other reserve	94,500
		Retained earnings carried forward	100,249
		Total retained earnings	196,163
		Treasury stock	(1,110)
		Total shareholders' equity	402,962
		Accumulated gains from valuation:	
		Unrealized gains on available-for-sale securities, net of taxes	80,101
		Total accumulated gains from valuation	80,101
		Unrealized losses on hedging derivatives, net of taxes	(0)
		Total net assets	483,064
Total assets	1,518,693	Total liabilities and net assets	1,518,693

NON-CONSOLIDATED STATEMENT OF INCOME (Year ended March 31, 2017)

	Millions of Yen	
Net sales:		
Construction business	1,152,697	
Development projects	24,013	1,176,711
Cost of Sales:		
Construction business	984,570	
Development projects	15,570	1,000,141
Gross profit:		
Construction business	168,127	
Development projects	8,442	176,569
Selling, general and administrative expenses		57,937
Operating income		118,632
Non-operating income:		
Interest and dividends	9,242	
Foreign exchange gains	2,298	
Other non-operating income	270	11,811
Non-operating expenses:		
Interest expenses	1,504	
Taxes and dues	758	
Litigation settlement	954	
Other non-operating expenses	588	3,805
Ordinary income		126,638
Extraordinary gains:		
Gains on sales of investment securities	2,875	
Other extraordinary gains	73	2,948
Extraordinary losses:	700	700
Income before income taxes		128,886
Current	38,238	
Deferred	(439)	37,799
Net income		91,087

Independent Auditor's Report

May 10, 2017

Yoshiyuki Murata
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC

Hiroto Kaneko
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
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, 2017 and for the year from April 1, 2016 to March 31, 2017 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.

Independent Auditor's Report

May 10, 2017

Yoshiyuki Murata
President and Chief Executive Officer
Taisei Corporation

KPMG AZSA LLC

Hiroto Kaneko
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Katsunori Tsukahara
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, 2017 and for the year from April 1, 2016 to March 31, 2017 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.

Notice of the 157th
General Meeting of Shareholders

Reference Materials for the
General Meeting of Shareholders

Business Report

Consolidated
Financial Statements

Non-Consolidated
Financial Statements

Auditors' Report

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 157th fiscal year from April 1, 2016 to March 31, 2017, 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 (*kabushiki 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 KPGM 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.

As described in the Business Report, there was a violation of Anti-Monopoly Act by Taisei Rotec Corporation, one of our subsidiaries. The Audit & Supervisory Board takes this matter very seriously and will confirm and verify initiatives for further enhancement of compliance system in the Affiliated Companies.

(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, 2017

TAISEI CORPORATION

The Audit & Supervisory Board Taisei Corporation

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)

Audit & Supervisory Board Member (External Member): Kunitoshi Saito (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.

