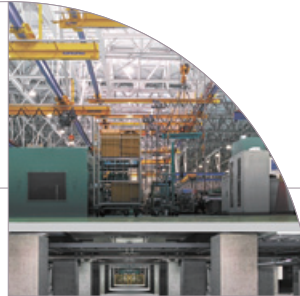
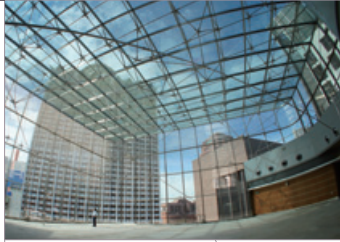




A Smart Solutions Company



2015

Annual Report

Year ended March 31, 2015

SHIMIZU CORPORATION

A Smart Solutions Company is a company or group of companies that provides customers with added value and timely solutions. This is done through proactive participation, investment, and management in promising spheres of business surrounding the core construction business, as opposed to focusing solely on basic construction tasks.

Contents

Shimizu Corporation is...	2	Financial Section	33-69
Three Facilities that Support Shimizu's Business Strengths	4	Consolidated Balance Sheet	34
Message from the President	6	Consolidated Statement of Income	36
Consolidated Financial Highlights	8	Consolidated Statement of Comprehensive Income	37
Aiming to be a Smart Solutions Company	9	Consolidated Statement of Changes in Net Assets	38
Enhancing Sustainable Development	11	Consolidated Statement of Cash Flows	39
Towards a Balanced Approach to Global Project Selection	14	Notes to Consolidated Financial Statements	40
Major Project Completions	18	Independent Auditor's Report	65
Review of Operations	24	<i>Supplemental Information</i>	
Management	29	Nonconsolidated Balance Sheet	66
International Business Network	30	Nonconsolidated Statement of Income	68
Investor Information	32	Nonconsolidated Breakdown of Orders	69

Our Vision

“Today’s Work, Tomorrow’s Heritage”

As members of society, corporations are expected not only to fulfill their responsibilities, but also to actively contribute to their communities. Our corporate slogan “Today’s Work, Tomorrow’s Heritage,” reflects the Shimizu Group’s strong commitment to leave a lasting heritage for future generations by acting with sincerity and a sense of responsibility. Our aim is to be considered a valued and necessary corporate member of society.

Management Strategies—Smart Vision 2010

Announced in 2010, Smart Vision 2010 is the Shimizu Group’s long-term vision to become a Smart Solutions Company. With the construction business positioned at its core, we aim to turn the three priority fields of our long-term vision—Global business, Sustainability business, and Building stock management—into profitable businesses. Our goal is to advance the sustainability of society and of construction while creating value that surpasses customer expectations. (See page 9)

Our Ability

Optimizing Building Value

Since our foundation in 1804, the Shimizu Group has supplied high quality buildings that meet the needs of the times, contributing to society through its construction work. Today, we continually seek to provide value that surpasses customer expectations.

Introduction of Cutting-edge Technology

The source of the Shimizu Group’s ability to maximize building value lies in its capabilities of trailblazing technology development and accurate technological implementation. Shimizu is an industry leader in such technologies as smart grid control. The company also leads in the development of energy-related technologies as well as other state-of-the-art technologies in earthquake resistance and disaster prevention and reduction. These are indispensable for building smart communities which are, comfortable, earthquake resistant and people and eco-friendly cities and facilities.

Insight into the Next Generation

The Shimizu Group is focusing on addressing issues in the environment, BCP (Business Continuity Planning), and energy as the core areas that will support its next-generation construction business. We are contributing to a much more prosperous and sustainable society by creating and proposing ecoBCP solutions that incorporate these three interconnected fields.

Two Centuries of Heritage

As the Shimizu Group has shown by being the first company in Japan's construction industry to set up an engineering department and to establish an institute of technology, the heritage that we have passed on for more than 200 years is the spirit of craftsmanship in order



to "produce excellent quality." Shimizu won a high degree of trust in these capabilities

when it constructed **the Tsukiji Hotel**, Japan's first western-style hotel, in 1868. In 1970, we demonstrated our technology capabilities in the infrastructure sector with the construction of Japan's first underground LNG storage tank for Tokyo Gas Co., Ltd.'s Negishi Terminal.

Shimizu has also applied its state-of-the-art technologies to ancient, traditional



Japanese structures. In 1980, we completed repairs to **the Great Buddha Hall of Todai-ji**, in Nara. In 1997, we constructed **Umihotaru**, an artificial island used as



a rest station on the Aqua-Line across Tokyo Bay that has become a popular tourist spot, as well as the Aqua-Line tunnel.

Smart Solution Leadership

In recent years, the Shimizu Group has been concentrating on strengthening the competitiveness of its core construction business and on the three operations that will support the next generation construction industry, the building stock management, global, and sustainability businesses. All of our business activities will prioritize environmental considerations as Shimizu aims to be a company that continues to grow and evolve in tune with the Earth's environment.

In Singapore, the Shimizu Group constructed a mega-office business park called **the Mapletree Business City**, which was completed in 2010. Shimizu constructed four buildings with a total of more than 230,000



square meters of office space in only 26 months, including demolition of previous structures. These buildings have received the highest ranking of "green buildings" possible in Singapore.

Furthermore, the **Albuquerque Business District**



Smart Grid Demonstration Project consigned by the New Energy and Industrial Technology Development

Shimizu's Technology Assets

	1960	1970	1980	1990
Construction Characteristics and Trends	<ul style="list-style-type: none"> • Modernization of buildings/facilities • Emergence of large-scale construction projects • Diversified needs for buildings/facilities 	<ul style="list-style-type: none"> • Demands for tower buildings • Needs for larger capacity energy storage facilities 	<ul style="list-style-type: none"> • Business expansion as an engineering contractor 	<ul style="list-style-type: none"> • High-performance/high-tech facilities • Challenges for unused spaces (deep subterranean, desert and outer space)
Representative Construction Methods and Technologies	<ul style="list-style-type: none"> • High-tension suspension roof structure • Diaphragm wall using ultra-high strength concrete • High-rise building construction technology • In-ground LNG storage tank construction technology 	<ul style="list-style-type: none"> • Deep diaphragm wall technology • Seismic response control system • Building Environmental Control System by Shimizu (BECSS) • Introduction of P&Z cantilever erection system technology 	<ul style="list-style-type: none"> • Rock oil tank system • Seismic isolation system • Soil purification technology • Concrete-filled steel tubes (CFT) structure • Spray robot (SSR-1) for fireproof cover 	<ul style="list-style-type: none"> • Front navigating I (F-NAVI) shield tunneling method • Mechanical shield docking construction method • Reinforced concrete and steel tube (RCST) structure • RC core wall structure

And Next

Organization (NEDO) was launched in 2012. In this project, a 400kw micro grid was connected to a smart grid and functions such as demand response and hitless switching for stand-alone operation were developed.

Back in Japan, in 2012, Shimizu, which is emphasizing its ecoBCP solutions concept, completed construction of its new Head Office with superior disaster prevention and environmentally friendly features. Completed in March 2014, the **YOKOHAMA i-MARK PLACE** is a building that Shimizu has been involved with from the development stage and personifies our ecoBCP concept. Its development plan was highly evaluated for its efforts to enhance energy conservation, earthquake resistance and other disaster prevention measures, and the energy conservation awareness of tenants. Reflecting this assessment, the building was awarded the highest rank of DBJ Green Building Certification*, "Platinum (Plan) 2013."



* DBJ Green Building Certification: A real estate scoring model developed by the Development Bank of Japan Inc. that takes into account the environmental awareness of buildings and convenience of tenants as well as the various needs of the building owners and stakeholders.

The Shimizu Group remains committed to solving environmental and energy problems on a global scale. Leveraging cutting-edge technology, we have proposed various strategies to solve the environmental problems of our society.

For instance, Shimizu develops zero-energy buildings that use energy conservation capabilities of such facilities and environment-friendly communities such as comfortable and disaster-resistant smart communities.

In addition, we are creating ideas for new possibilities.

One is **GREEN FLOAT**, a floating island on the sea with a carbon-negative system that recycles resources to realize harmony



between people and nature. Another idea is **OCEAN SPIRAL**, a futuristic concept for a deep sea city that can harness the power of the deep-sea in order to help renew the earth.



2000

2010

2025

- Information networking via internet
- Rapid progress of IT
- Energy conservation/Low carbon
- Security-enhancements

- Activities toward smart community
- Ultra-environmentally friendly

- Concrete transportation system for dams
- Micro-grid technology
- Structural health monitoring system
- Shimizu Hybrid Intensive Seismic Control system (seismic motion reduction technology for high-rise buildings)
- Advanced Fire Resistant Concrete

- New reinforced-concrete & steel structure
- ecoBCP solution-related technology
- 4D system (4D construction simulation system)
- Building Information Modeling (BIM)
- Comprehensive disaster-diagnostics system
- Grid-support System
- Shimizu Drywall Clipless Ceiling System
- Completion of Advanced Earthquake Engineering Laboratory

- GREEN FLOAT
- LUNA RING
- OCEAN SPIRAL

Three Facilities that Support Shimizu's Business Strengths

The Institute of Technology—The decade ahead: Pursuit of innovation and new values

In 1944, Shimizu became the first company in the construction industry to set up a technology research organization with the establishment of the Institute of Technology. Since then, the institute has played an important role in modernizing construction technology in Japan.

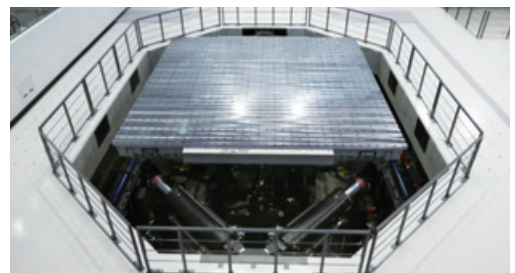
The Great East Japan Earthquake of March 11, 2011 highlighted the need for measures to mitigate earthquake damage. In April 2015, the Advanced Earthquake Engineering Laboratory, the center of R&D for upgrading safety against earthquake disaster, commenced operation. Our research encompasses a broad range from software for risk analysis and evaluation to hardware for disaster mitigation, and skills for evacuation and disaster recovery. This support helps customers establish an even better business continuity plan.



The Institute of Technology



Equipped with two state-of-the-art shaking tables, the Advanced Earthquake Engineering Laboratory can perform integrated measurements and analysis for the development of new technologies.



The large-scale shaking table E-Beetle replicates the effects of actual observed earthquake motions in the world.



The large-stroke shaking table E-Spider is capable of replicating the shaking of high-rise buildings induced by long-period ground motions.

Head Office materializes Shimizu's potential

Located in Tokyo's Kyobashi district, Shimizu's Head Office building opened in August 2012. Aiming to be an outstanding environmentally-friendly office, the building has a range of advanced technology built in, including a hybrid exterior with solar panels, a radiant cooling system, and a lighting control system that takes advantage of natural light. Furthermore, we are using emission reduction credits created and acquired using the U.N. Clean Development Mechanism (CDM) to offset the building's carbon emissions and achieve carbon neutrality. This was the first time in Japan that internally created CDM credits were used to make a large building carbon neutral. In March 2015, our Head Office was certified carbon neutral in accordance with a system established by Japan's Ministry of the Environment.



Head Office

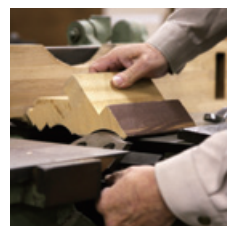
Tokyo Mokkajou Arts & Crafts Furnishings—A traditional repository of craftsmanship

The sawmill got its start in 1884 in the Fukagawa-shimada-cho district of Tokyo, known as the Kiba district of Tokyo's Koto Ward today. Shimizu is the only major company in the construction industry to have a factory that possesses a high level of woodworking technology.

The carpentry skills of the craftsmen working here have been passed down over the generations. Utilizing those skills, Shimizu strives to implement technology innovations to meet the needs of the times.



The Kabukiza theatre cypress stage supplied and installed by Tokyo Mokkajou. To achieve uniformity, 1,600 square meters of cypress materials from the same mountain were used, with the flooring laid with perfect minimum spacing between each floorboard. (photo by Tadahisa Yoshikawa)



A craftsman (above) uses a plane and another craftsman (left) fashions wood into round shapes or large blocks appropriate for their use.

Message from the President



Review of Operations

The gradual recovery of Japan's economy continued in fiscal 2014. Public works expenditures remained high, corporate earnings improved and there was an easing in the impact of the drop in demand following the April 2014 consumption tax hike.

Currently, there are numerous positive signs concerning corporate activity in Japan. The Nikkei Average has returned to the highest level in more than a decade and companies are reporting strong earnings and raising wages.

In Japan's construction industry, there was an increase in overall orders from the previous fiscal year reflecting large public-sector projects and increased capital expenditures by manufacturers.

Net sales of the Shimizu Group increased 4.7% to ¥1,567.8 billion mainly because of growth in completed construction contracts. Earnings benefited from the increase in completed construction contracts and a higher gross profit on construction contracts resulting from measures to improve the profitability of construction projects. Ordinary income was up 92.1% to ¥56.2 billion and net income rose 135.3% to ¥33.3 billion.

“Shimizu is dedicated to further progress by steadily advancing toward the goals of the Midterm Management Plan 2014.”

The dividend for the fiscal year was ¥8 per share compared with ¥7 per share for the previous fiscal year as we raised the year-end dividend to ¥4.5. For fiscal 2015, we plan to pay a dividend of ¥10 per share.

Stability and sustained growth through construction business progress, growth in three key areas and a stronger business foundation

In 2014, Japan enacted the Amended Act for Promoting Quality Assurance in Public Works, part of a package of three amended acts designed to establish a framework for sound growth in the construction industry. In response, the Japan Federation of Construction Contractors, an association of 140 major construction firms, has decided to take actions for improvements in six areas, including proper conduct in sales activities, improving wages, providing social security coverage for workers, reducing working time, and improving working environments. Shimizu is determined to make progress with measures for dealing with all of these issues.

In June 2014, Shimizu announced its Midterm Management Plan 2014 (see page 9). One goal is to meet the substantial growth in construction demand that is expected in Japan, but the plan also reflects economic changes that are foreseen following the 2020 Tokyo Olympics and Paralympics. There are three central components: more progress in the construction business; steady growth in three key business areas (building stock management, global, sustainability); and building a stronger management foundation for all operations.

“Progress” is the key word in our core construction business. We will respond to the expected increase in the volume of construction work in Japan, and maintain excellence in quality and safety along with an appropriate level of earnings, by becoming more competitive at every stage of the business and by progressing toward a construction process of even greater productivity, safety and reliability. In addition, we will continue to take actions to become more profitable as we aggressively target orders for projects with substantial added value.

We are also developing and strengthening the three key business areas and reinforcing the foundation for our operations as a base for sustained growth after 2020. In the three key areas, we want a number of businesses to grow to the point where they can contribute to earnings five or 10 years from now.

To establish a strong management foundation for the Shimizu Group, we must strengthen our supply chain, a critical element of the construction business. We must also improve workplace environments and promote social security enrollment at subcontractors and public health care participation. We believe that making these improvements will help make the Shimizu Group more competitive.

Human resources management is another priority. Economic globalization and a falling population mean that Japan must take steps to create a society in which people of different gender, nationality, age and ability can work, learn and live together while realizing their full potential. The Shimizu Group is confident that promoting and embracing workplace diversity will make our organization even more energetic and successful. The construction industry has an obligation to contribute to economic and social progress through construction and associated activities. The Shimizu Group has consistently met the demands and expectations of society by taking on a broad array of challenges, enabling us to thrive and grow for more than 210 years. We are proud of our position as one of Japan’s leading construction organizations, and will aim to achieve sustainable growth that is backed by a long-term perspective and a solid business and management infrastructure.



Yoichi Miyamoto

President

Consolidated Financial Highlights

Shimizu Corporation and its subsidiaries
Years ended March 31, 2011 through 2015

					Millions of Yen (unless otherwise indicated)	Thousands of U.S. Dollars (unless otherwise indicated)
	2011	2012	2013	2014	2015	2015
For the year:						
Construction orders awarded	¥1,217,238	¥1,242,347	¥1,254,950	¥1,474,084	¥1,581,494	\$13,146,254
Net sales	1,303,755	1,336,194	1,416,044	1,497,578	1,567,843	13,032,783
Construction contracts	1,197,145	1,224,532	1,271,745	1,352,242	1,444,843	12,010,333
Real estate development and other	106,609	111,661	144,298	145,335	123,000	1,022,450
Operating income	20,175	17,566	13,101	26,054	50,032	415,898
Ordinary income	18,815	16,159	17,330	29,277	56,246	467,549
Income before income taxes and minority interests	20,365	13,586	14,447	30,269	55,682	462,861
Net income	10,848	1,430	5,901	14,191	33,397	277,617
Return on sales (percent)	0.8%	0.1%	0.4%	0.9%	2.1%	2.1%
Net income per share of common stock (yen and U.S. dollars)	¥ 13.83	¥ 1.82	¥ 7.52	¥ 18.09	¥ 42.56	\$ 0.35
Cash dividends per share of common stock (yen and U.S. dollars)	¥ 7.00	¥ 7.00	¥ 7.00	¥ 7.00	¥ 8.00	\$ 0.06
At year-end:						
Total assets	¥1,423,613	¥1,410,975	¥1,456,441	¥1,512,686	¥1,703,399	\$14,159,596
Net assets	296,461	307,002	358,094	376,048	481,896	4,005,791
Net assets per share of common stock (yen and U.S. dollars)	¥ 373.99	¥ 387.74	¥ 452.79	¥ 474.43	¥ 607.82	\$ 5.05
Number of shares issued at year-end	788,514,613	788,514,613	788,514,613	788,514,613	788,514,613	788,514,613

Note: Yen amounts have been translated into U.S. dollars, for convenience only, at the exchange rate of ¥120.30=US\$1.

Aiming to be a Smart Solutions Company

At the Shimizu Group, we seek to be a Smart Solutions Company, with the construction business positioned at its core. Our goal is to advance the sustainability of society and of construction while providing value that surpasses customer expectations.

WE CREATED SMART VISION 2010 AS A LONG-TERM VISION FOR THE SHIMIZU GROUP IN 2020. TO ACHIEVE THIS VISION, WE ESTABLISHED A MIDTERM MANAGEMENT POLICY THAT SPANS A FIVE-YEAR PERIOD. BASED ON THIS POLICY, WE ARE IMPLEMENTING A ROLLING THREE-YEAR MANAGEMENT PLAN THAT IS REVISED AND RENEWED EVERY YEAR TO COVER THE NEXT THREE YEARS.

FUNDAMENTAL POLICIES –SUSTAINED GROWTH, FURTHER EVOLUTION–

Business Enhancement Policies

1. Strengthening competitiveness to overcome a contracting domestic market and achieve sustained growth and expanded market share
2. Establishing business foundations in three key areas to build a base for future revenues
3. Strengthening Group company management through synergies generated by focusing on the “environment” in all areas of business

Foundation Enhancement Policies

1. Building a management structure to promote sustained growth by enabling flexible responses to the business environment while minimizing the impact of economic cycles on our businesses
2. Establishing management systems suited to business diversification, including global expansion and support of stock management

MIDTERM MANAGEMENT PLAN 2014: SUMMARY

1. Progress in the construction business

- Progress in sales and solutions
- Technological and human resource progress
- Progress in site management

2. Steady growth in three key businesses: stock management business, global business, and sustainability business

- Stabilizing earnings in investment and development business and engineering business
- Securing sustained growth and stable earnings in global business
- Focused investments to ensure profitability in three new business areas into the future (ecoBCP*1 business, sustainable green business, and new businesses)

3. Further enhancements in management foundations

- Strengthening technological capabilities
- Strengthening human resource management
- Strengthening the corporate structure
- Strengthening promotion of CSR

Shimizu is aiming to raise its corporate value (Shimizu Value) by contributing to the creation of value for both society and customers and improving shareholder value through the above three strategies.

MANAGEMENT POLICIES

Flexibly respond to changes in the environment, move forward with efforts to develop the construction business and diversify Shimizu's earnings foundation, strive to further strengthen the business foundation that supports these efforts, and raise the corporate value of the whole Shimizu Group.

KEY MEASURES

1. Further improve profitability in the construction business

- Systematically secure profits from upstream phases of construction projects
- Strengthen competitiveness to win orders so that Shimizu can create and secure top projects
- Step up efforts to win long-term projects and major projects

2. Establish a system for undertaking construction that can handle strong construction demand

- Implement various measures to secure a sufficient workforce for the construction industry

3. Improve our ability to develop solutions that meet society's and customers' needs in areas such as environmental and energy measures, and disaster prevention and mitigation

- Promote ecoBCP solutions that combine environmental considerations and business continuity
- Contribute to initiatives to strengthen Japan's infrastructure and disaster recovery efforts through disaster prevention and mitigation, and infrastructure regeneration related technologies.

4. Optimally allocate management resources and focus investments in order to expand into new business fields

- Expand the stock management business (investment and development, BSP*2) by improving cooperation across the Shimizu Group
- Establish a business foundation and promote efforts to focus investments in the sustainability business field
- Move forward with company-wide efforts related to the global expansion of its various businesses, including the construction business, stock management business, and sustainability business

5. Create an efficient business makeup and raise corporate value

- Ensure rigorous compliance and management of business risks
- Work to undertake CSR activities tied to business activities and based on the CSV*3 concept

6. Promote business diversity and strengthen human resource management

- Promote the active participation of women and aggressively hire and train people with disabilities and non-Japanese
- Train staff to play an active role in various business fields and geographical regions
- Hand down manufacturing technologies and foster craftsmanship to secure "monozukuri" experts for the long-term benefit of the Shimizu Group

*1 ecoBCP: An approach that saves electricity and conserves energy (eco) under normal conditions while also taking into account the requirements of business continuity plans (BCP) for emergencies

*2 Building Service Provider: The complete provision of total facility operation and management services after the building has been completed

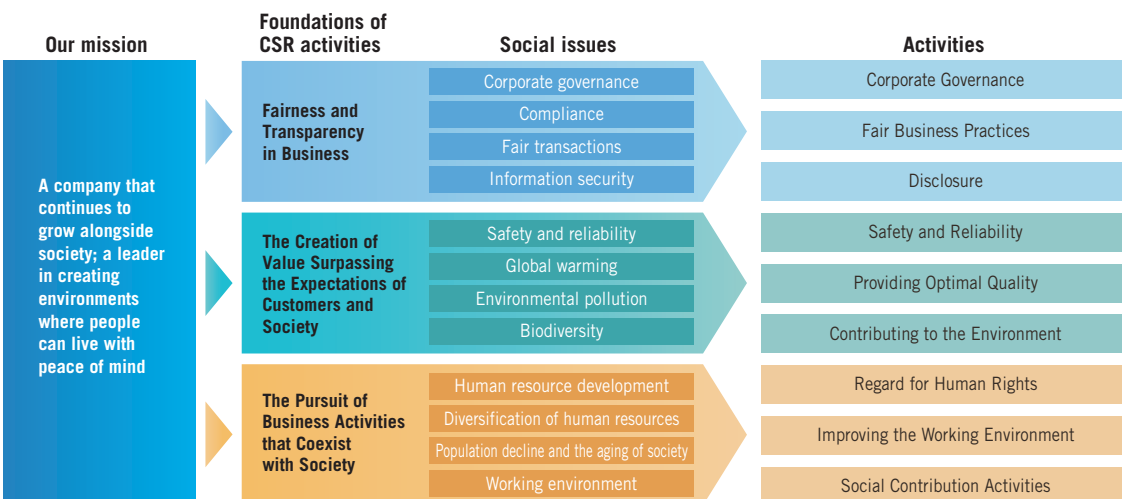
*3 Creating Shared Value: The idea that the corporation will grow by contributing to society

SMART VISION 2010 AND CORPORATE SOCIAL RESPONSIBILITY

In Smart Vision 2010, our long-term business vision, we have made corporate social responsibility (CSR) one of the tenets of our business foundations.

In March 2013, Shimizu became the first general contractor in Japan to sign the United Nations Global

Compact. Declaring that Shimizu will observe and put into practice the 10 basic principles advocated by the United Nations regarding human rights, labor, the environment, and anti-corruption. As a global company, we are dedicated to contributing to sustainable societies around the world.



Note: The United Nations Global Compact is a voluntary initiative whereby companies participate in a global framework for encouraging companies to act as good corporate citizens and help achieve sustainable growth. Each company is required to demonstrate responsible and creative leadership in reaching these goals.

Enhancing Sustainable Development

The Shimizu Group contributes to society through our construction business by creating environments where people can live in comfort and with peace of mind.

■ New Business Activities

Working with community partners to strengthen ecoBCP— Kyobashi Smart Community



Tokyo's Kyobashi district and the Shimizu Head Office (center high-rise)

Shimizu is dedicated to creating communities that are strong, flexible and kind to people and the environment. These communities are environmentally responsible, with measures for conserving electricity and other forms of energy and utilizing and sharing energy from renewable sources. During an emergency, these communities enable

companies to continue receiving energy and business operations (business continuity plan) and prevent disruptions in the lives of residents (life continuity plan). One example is the Kyobashi Smart Community in central Tokyo. The Kyobashi Smart Community Consortium, which is centered on the Shimizu Head Office, was established to increase the value of the Kyobashi district and make companies in this area more competitive. Business continuity and energy management are the central themes. The consortium became the first organization in Japan to obtain ISO 22301 (business continuity management systems) and ISO50001 (energy management) certifications. Furthermore, by efficiently sharing heat within this district through cooperation with heat suppliers and consumers, Kyobashi Smart Community has achieved an overall energy efficiency of 1.39, one of the highest in Japan.

Operating a 10MW solar power facility—The Ako Mega-solar Power Plant

Construction was completed in March 2014 at a 10MW mega-solar power plant located in the city of Ako in Hyogo prefecture. Shimizu operates this facility as part of its activities for using renewable energy sources for generating electricity. In April 2014, the Ako power plant started sending electricity to Kansai Electric Power and this supply of power is to continue for 20 years. In the field of renewable energy, Shimizu offers a full line of services for projects throughout Japan for mega-solar and wind power facilities. Our activities include planning, designs, the procurement of equipment,



The Ako Mega-solar Power Plant in Hyogo prefecture

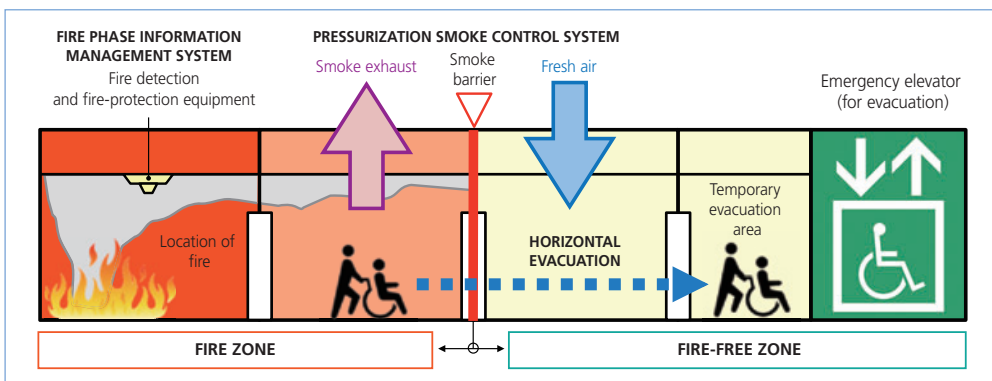
construction, operation and maintenance. We anticipate more growth in our businesses associated with renewable energy.

■ Safety and Reliability

Japan's first emergency evacuation elevator— The High-rise Hospital Evacuation Safety System

In the event of a fire, people usually use stairways to evacuate a building. However, in multi-story hospitals it is difficult for patients to evacuate via stairways. To solve this problem, we combined several evacuation systems that we had developed. The result is a fully automated high-rise hospital fire evacuation and safety system. The system automates all initial response measures, from

fire detection to the activation of equipment. In case of a fire, a fire-free zone is created on the affected floor using the fire compartmentalization and pressurization smoke control systems. This allows people to be quickly directed to safe locations. In addition, for the first time in Japan the system uses emergency elevators for assisted evacuations.

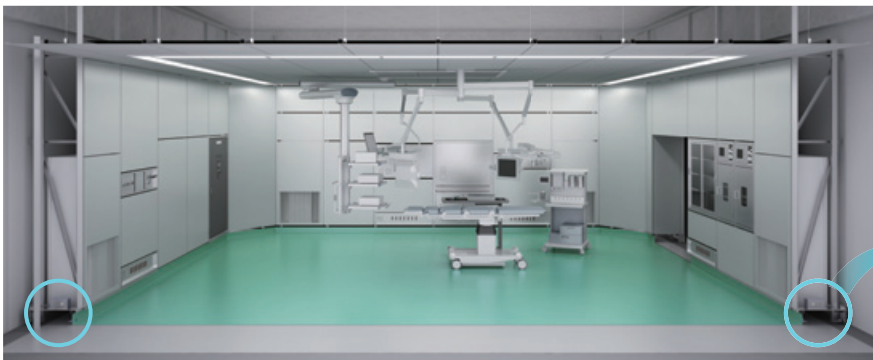


The high-rise hospital evacuation and safety system combines a number of systems to protect occupants trapped in fire.

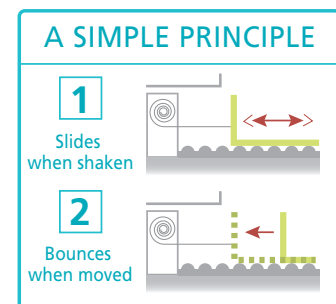
Protecting operating rooms from massive earthquakes— Shimizu Seismic Isolation Floor

The Great East Japan Earthquake of March 2011 damaged many hospitals and other medical facilities. In all, this disaster affected surgical procedures under way at about half of the hospitals in Kanto and Tohoku. Seismic isolation structures are one way to reduce building movement during an earthquake. But seismic isolation for an entire building is costly and requires more time for construction. In the same way, adding seismic isolation to an existing building poses a construction challenge, making it difficult to adopt the system in many cases. To increase

the use of this technology, Shimizu has developed and started offering a sectional floor seismic isolation system for operating rooms. Only a short time is needed to install this system. The simple structure consists of layers of thin sheets of steel. Top sheets slide during an earthquake for outstanding isolation from tremors. Even if a powerful earthquake strikes during surgery, there will be no significant movements of the operating table or medical equipment. Reducing operating room shaking means that surgery can continue once the earthquake ends.



The structure of the Shimizu Seismic Isolation Floor



■ Topics

One more century for a 1200-year-old building—Heisei renovation of Shosoin

Shosoin stands beside the Great Buddha Hall of Todai-ji in Nara. Constructed more than 1,200 years ago, Shosoin was designated a national treasure in 1997. In 1998, this temple was registered as a World Heritage Site as part of the Historic Monuments of Ancient Nara. Shosoin has been repaired and renovated many times to preserve the structure, most recently in 1913. The building underwent its first major renovation in 100 years due to concerns about possible roof leaks. The project was completed in October 2014, more than three years after



Shosoin

renovation work started in 2011. Major elements of the renovation included replacing all roof tiles, reinforcing the ceiling backing and restoring the building interior. For the tile replacement, which was the major part of the project, materials were reused as much as possible. Workers replaced the entire roof after removing all 35,400 roof tiles and inspecting them one by one to determine which ones could be used again.

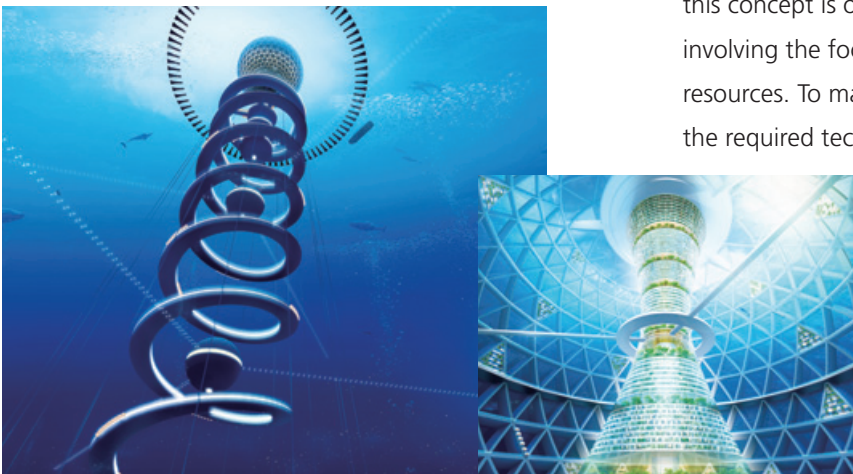


About 8,400 tiles were reused, including some tiles that were used when the building was constructed.

**Photo courtesy of the Imperial Household Agency
Kyoto Office*

“OCEAN SPIRAL” A city using the power of the deep sea to revitalize the earth

Vertically linking the power of the deep sea is the core concept for Shimizu’s OCEAN SPIRAL. This futuristic city is designed to help revitalize the planet by drawing on the unlimited potential of the deep ocean. About 70% of our planet’s surface is ocean and the deep sea is



approximately 80% of that area. We believe the deep sea can restore recycling on a global scale. But this potential is still not fully utilized. Our goal is the vertical integration of the atmosphere, sea surface and sea floor for the use of untapped deep sea resources. We believe this concept is one idea for solving global problems involving the food supply, energy, water, CO₂ and natural resources. To make this vision a reality, we plan to devise the required technologies by 2030. We want to create

innovative technologies by forming projects that use cooperation between the business and academic sectors as well as among individual companies.

Towards a Balanced Approach to Global Project Selection

While maintaining new contract volume, Shimizu made progress with diversifying its work portfolio

Overall, new award levels were healthy and turnover and project revenue was consistent for fiscal 2014. Subsidiaries performed very well, and new awards at direct operations had more diversity in terms of clients and regions.

Singapore

Singapore was again the most active market based on volume. As headline projects such as the Capitol Redevelopment Project and Yishun Hospital headed towards completion, new project awards took their place. Unlike in previous years, however, new contracts were not concentrated on offices and residences. Instead, there were new contracts for hospitals, data centers, industrial facilities, and major renovation projects.

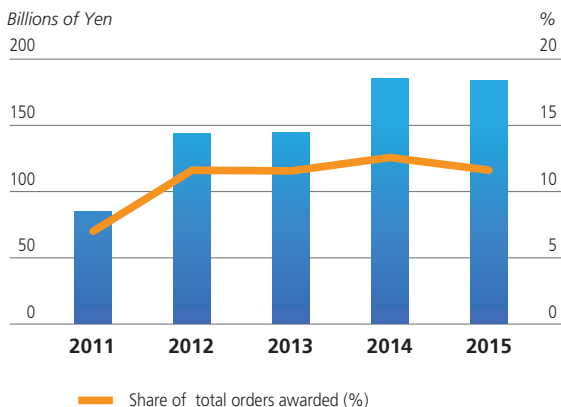
Following up on the successful completion of the National Heart Centre and with the Yishun Hospital project ending in 2015, Shimizu obtained its largest Singapore medical facility contract to date: the Changi General Hospital Medical Centre. This facility located near the airport

will serve the increasingly populated eastern suburbs of Singapore and continue our contribution to improving Singapore's health care infrastructure.

Shimizu has had an excellent track record for industrial projects in the Jurong area. This past year, Shimizu was awarded one of the largest contracts for this type of work yet: the civil engineering portion of the Aurora EOS Project. This contract will continue our presence in the Jurong area as well as expand our list of completed projects in this promising market.

One project in Singapore nearing completion is the Sky Habitat Condominium in Bishan, a luxury condominium designed by the famous architect Moshe Safdie. This is Shimizu's first overseas real estate development project in many years and is funded jointly with Japanese and local partners. Following up on this successful venture,

Overseas Construction Orders Awarded



Changi General Hospital Medical Centre, Singapore

the second investment project is under way – a data center in the Woodlands area with Shimizu again as the constructor. Focusing on Asia, Shimizu's overseas development arm continues to make headway and is currently studying prospective investment opportunities in several countries.

Infrastructure

Worldwide demand for infrastructure of all types is growing, especially in Asia. Shimizu is fully intent on capitalizing on this growth by establishing the capacity to become an impact player in regional infrastructure construction.

Following the two MRT projects awarded last year in Jakarta and Singapore, we obtained another major MRT project this year, the Ho Chi Minh Urban Railway Project

Line 1 in a joint venture with one partner. This section of Ho Chi Minh City's first underground rail system lies under some of the busiest sections of the city, requiring precise work planning and coordination.

Shimizu completed Malaysia's Pahang-Selangor Raw Water Transfer Tunnel, Southeast Asia's longest tunnel, this year. This tunnel, along with the Jakarta, Singapore and Vietnam MTR projects and many renovation projects for the Hong Kong MTR, firmly position us as a major builder of underground works. In addition, we will capitalize on our expansive Asian network and our vast track record in Japan and abroad to obtain orders for other infrastructure projects such as industrial plants, bridges, roads, and airports.



Sky Habitat Condominium in Bishan, Singapore



Woodlands Data Center, Singapore

Japanese Multinationals

This market segment continues to be strong but is changing because of a slight increase in regional diversity. Our traditional markets of China, Thailand, Vietnam and Indonesia remain steady, but this past year saw increased awards in Malaysia, Philippines and the UK. Even in China, our subsidiary's signature project was a factory in Amoy, Fujian Province, where we had no previous experience.

As the globalization of Japanese manufacturers continues, Shimizu must adapt to new areas, new requirements and new competition. However, Shimizu possesses an inherent advantage in this market. We are a Japanese company capable of taking on the design-build contracts favored by Japanese firms and we have a long relationship with many clients in Japan. We intend to use these strengths to maintain our presence in this segment in many regions.



TAIWAN TAOYUAN INTERNATIONAL AIRPORT ACCESS MRT SYSTEM CONSTRUCTION PROJECT - CONTRACT NO. CA450A CIVIL CONSTRUCTION, Taiwan

Other Markets

Recent efforts to obtain contracts from multinationals other than from Japan are another way we are diversifying our portfolio. These activities have begun bearing fruit. Mainly focusing on manufacturing facilities, Shimizu has obtained contracts from European, North American, and Asian multinationals. We are building facilities in unfamiliar countries where, in some cases, the quality and professional standards of contractors and/or architects are not up to the home office's standards. At every project, our clients can rely on us because of our uncompromising commitment to quality, safety and schedule as well as our concept-to-completion capabilities. We anticipate more growth in volume and the number of regions served in this market segment.

Regarding regional diversification, we have operations in the Middle East, Africa and Europe. Shimizu believes that Africa and the Middle East have good prospects for future growth. We will undertake projects, such as



Donggi Senoro LNG Tank, Indonesia

Japanese Development Aid projects, that are immediately viable. We will also participate in relatively low-risk projects with the intent of determining what sort of work is optimal for Shimizu in these regions.

Currently in Africa, our long-standing Lusaka Office in Zambia finished an urban road construction project and has started constructing a regional medical facility. Both projects are funded by the Japanese government.

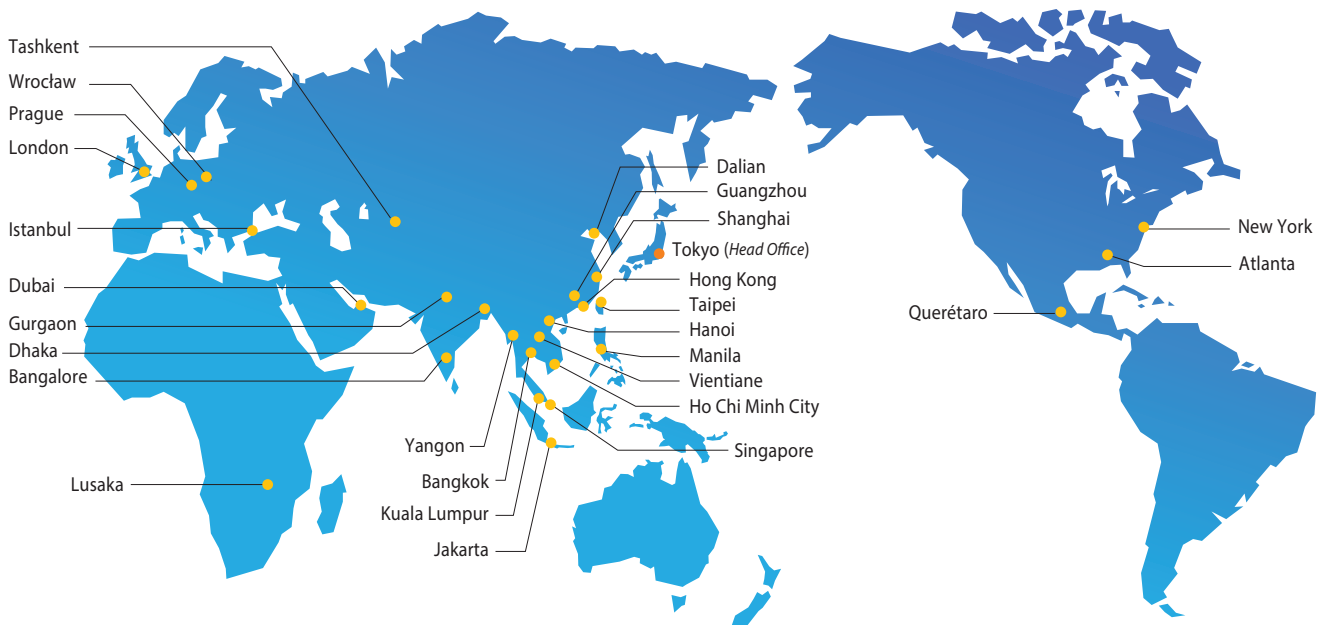
All in all, our performance in fiscal 2014 maintained the high standards set by the last three years. The goal of Shimizu's international operations is to build capacity to account for 20% of the entire construction business by 2020. In addition to consistent results of operations, we will pursue diversity in markets and regions to reduce our vulnerability to sector-specific economic downturns.

Economic growth is expected to continue in Asia, a region where Shimizu is firmly entrenched. We therefore expect to continue making progress with our global performance for the foreseeable future.

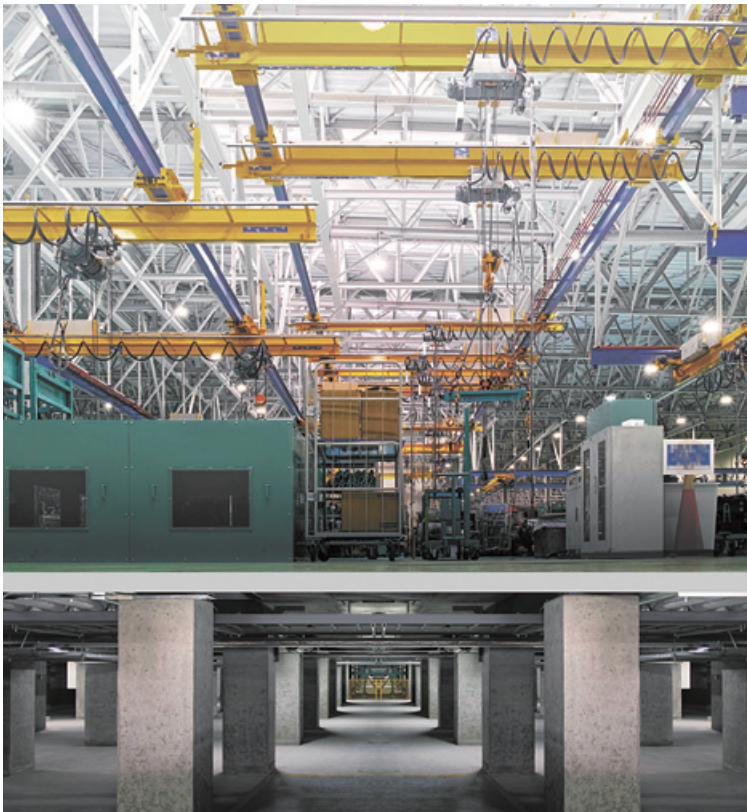


The Project for Improvement of the Living Environment in Southern Area of Lusaka

International Business Network



Major Project Completions



The dual-level floor uses prestressed concrete panels that measure four meters on each side and are 30cm thick. The panels rest on a steel frame, resulting in sufficient strength to support construction machinery weighing as much as 36 tons.



Located on a 710,000m² site, the Awazu Plant is one of the largest factories in Japan. The new assembly plant is the large building in front with solar panels on the roof.



Equipment and pipes are placed in pits along the tracked vehicle assembly line to open up more space for assembly line workers.

A next-generation assembly plant— The Komatsu Awazu Plant

KOMATSU AWAZU ASSEMBLY PLANT

Location: Komatsu, Ishikawa, Japan

Owner: Komatsu Ltd.

Design: SHIMIZU CORPORATION

Scale: Floors: O-2F-PHO

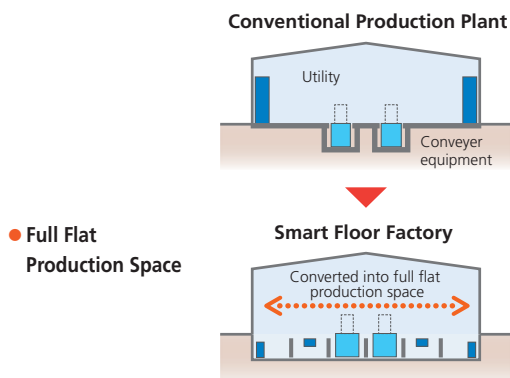
Size: Building area 27,875m², Floor area 32,220m²

Applied Technology and Construction Methods:

- Smart Floor Factory
- Heating and cooling system using pits
- Many technologies for the use of natural energy sources

Komatsu, one of the world's leading construction machinery manufacturers, completed work on an assembly plant in July 2014 at the company's largest manufacturing complex. The new plant is located in the city of Komatsu in Ishikawa prefecture, where the company was founded.

Komatsu's goal was to build a next-generation factory with outstanding environmental performance and productivity. To help accomplish this, Shimizu came up with the Smart Floor Factory concept, which is a dual-floor structure consisting of precast concrete panels that can be removed. The greatest benefit is the ability to place heating and cooling systems, electrical panels and other utility facilities in pits underneath the floor. This configuration increases available space in the production plant and provides the flexibility to alter production lines to match the requirements of specific products. Using this design boosts production volume by 50% while making the floor area 30% smaller than at a conventional assembly plant. Moreover, the entire pit system is used for heating and cooling and energy consumption is significantly lower due to the use of natural energy sources.





At night, the illuminated building sparkles like a jewel.



The large interior of the central, 7-story glass box



The atrium has a height of 23 meters.

The world's most difficult glass box— 268 Orchard

Location: 268 Orchard Road, Singapore

Owner: RE Properties

Design: Raymond Woo & Associates Architects

Façade

Design: SHIMIZU CORPORATION

Structure: Steel, reinforced concrete, B1-12F

Area: Site 2,490m², Floor area 16,971m²

State-of-the-art Technology:

All materials were measured using a 3D scanner to allow fabrication of the joints, which required a different shape for every node.

More than 100 massive structural calculations were used to be certain that the glass boxes will not break anywhere in case of a fire.



The glass boxes are carefully assembled.

A striking commercial and retail complex has been completed on Orchard Road, the premier shopping and entertainment district of Singapore. The building's beautiful and intricate design consists of three stacked "glass boxes." Never before had this type of structure been attempted. Extreme attention to detail was required for the use of high-strength stainless steel and tension cables to support the glass walls and roof. Both the design and construction were among the most difficult of any building project in the world.

The high strength stainless steel frames that support the 275kg high-transparency glass units measure 80 x150mm, a thickness smaller than the manufacturing limit. Furthermore, the frames, all of which have different shapes, had to be assembled with no gaps. All components were measured with a 3D scanner and joints were fabricated to match each node. Shimizu engineers in Japan worked as a unified team with the International Division, which played a central role on this project from its design to completion. Overall, this challenging project was completed with the participation of people from many countries along with procurement and construction activities using a global perspective.



West Gate Project

Region: Singapore
Client: JG2 Trustee Pte. Ltd.



Hana (condominium located at 8 Tomlinson Road)

Region: Singapore
Client: Pontiac Land Group



Mizuho Bank Office Fitting-out Works @ Asia Square Tower 2

Region: Singapore
Client: Mizuho Bank, Ltd.



AEM-C Plant II

Region: Czech Republic
Client: AISIN EUROPE MANUFACTURING CZECH s.r.o.



FCC NC Paper Mill Factory

Region: U.S.A.

Client: FCC (North Carolina), LLC.



KYB Mexico CVT New Factory

Region: Mexico

Client: KYB Mexico S.A. de C.V.



HOKTO MALAYSIA Mushroom Center

Region: Malaysia

Client: HOKTO MALAYSIA SDN.BHD.



Improvement of the Capacity of the Public Food Storage in the People's Republic of Bangladesh

Region: Bangladesh

Client: Directorate General of Food People's Republic of Bangladesh



SKYZ TOWER & GARDEN

Region: Tokyo

Client: Mitsui Fudosan Residential Co., Ltd.
Tokyo Tatemono Co., Ltd.
Mitsubishi Jisho Residence Co., Ltd.
Tokyu Land Corporation
Sumitomo Realty & Development Co., Ltd.
Nomura Real Estate Development Co., Ltd.



CENTOA Musashikosugi, PROUD TOWER Musashikosugi, KJ Residence Musashikosugi

Region: Kanagawa

Client: Central District of Kosugimachi 3-chome
Urban Redevelopment Association



Sapporo Racecourse Stand

Region: Hokkaido

Client: Japan Racing Association



Joban Expressway-Yamamoto

Region: Miyagi

Client: East Nippon Expressway Company Limited



SHIZUGIN Headquarter Tower

Region: Shizuoka
Client: The Shizuoka Bank, Ltd.



Seiwa Umeda Building

Region: Osaka
Client: Seiwa Sogo Tatemono Co., Ltd.



Second Tomei Expressway Tojo Tunnel and One Other Tunnel

Region: Aichi
Client: Central Nippon Expressway Company Limited



Aki General Hospital

Region: Kochi
Client: Kochi Prefecture

Review of Operations

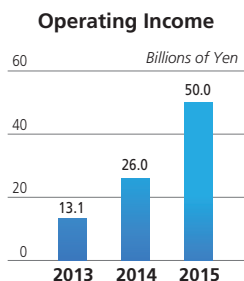
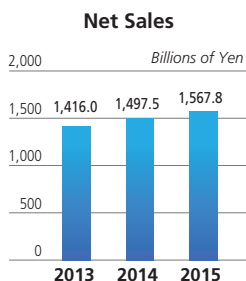
At A Glance (Consolidated)

<i>Review of Operations</i>	
<p>Shimizu Corporation and its Subsidiaries</p>	<p>This section is an overview of construction orders received in Japan in fiscal 2014 based on statistics compiled by the Japan Federation of Construction Contractors for 98 large construction companies.</p> <p>Private-sector construction orders increased 4.6% from the previous year to ¥9,350.8 billion and public-sector orders increased 23.4% to ¥5,089.4 billion. As a result, orders in Japan totaled ¥14,440.2 billion, an increase of 10.6%. This consists of ¥9,498.6 billion of architectural orders, up 6.4% from the previous year, and ¥4,941.5 billion of civil engineering orders, an increase of 19.4%.</p> <p>In fiscal 2014, the Shimizu Group's net sales increased 4.7% to ¥1,567.8 billion mainly because of growth in completed construction contracts. Earnings were higher. The primary reasons were growth in completed construction contracts and a higher gross profit on these contracts as the profitability of construction projects improved. Operating income increased 92.0% to ¥50.0 billion, ordinary income increased 92.1%, to ¥56.2 billion, and net income increased 135.3% to ¥33.3 billion.</p>
<p>Segment Information</p> <p>Segment sales include inter-segment sales and transfers between segments. Segment earnings exclude reserve additions and reversals recorded in association with the preparation of financial statements.</p>	<p>Construction Business of the Corporation</p> <p>Net sales in the construction business increased 5.2% to ¥1,307.7 billion. Segment earnings increased ¥31.1 billion to ¥47.7 billion mainly because of the growth in sales and an improvement in the profitability of construction projects.</p> <p>Real Estate Business of the Corporation</p> <p>Net sales in the real estate business decreased 14.8% to ¥21.0 billion. Segment earnings increased 33.0% to ¥5.8 billion, which was mainly the result of sales of properties with relatively high profit margins.</p> <p>Other</p> <p>This segment consists of the engineering business of Shimizu Corporation and other businesses at subsidiaries. Net sales decreased 7.8% to ¥440.4 billion and segment earnings decreased 6.0% to ¥18.8 billion.</p>

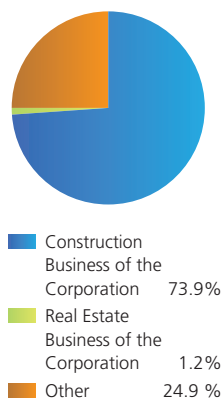
Results

(For the year ended March 31, 2015)

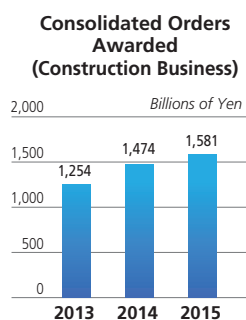
Notes



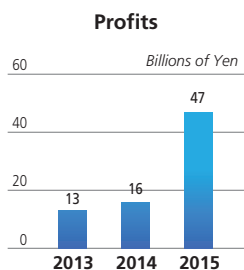
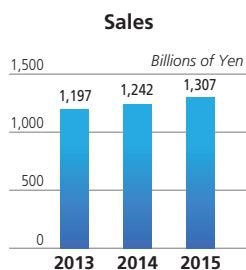
Sales Breakdown



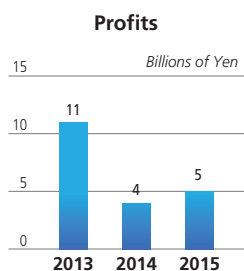
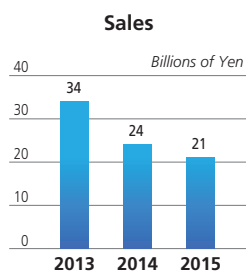
Note: Please refer to the Segment Information section on page 24.



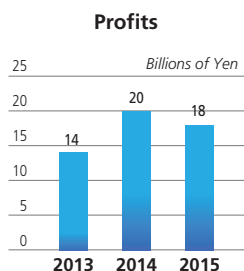
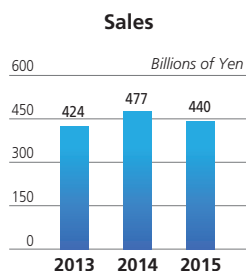
The Shimizu Group consists of Shimizu Corporation, 61 subsidiaries and 11 affiliates. In addition the core businesses of construction and development, group companies sell and lease construction materials and equipment that are used in each business. The Shimizu Group is also active in financial services and other business areas.



The "Construction business of the Corporation" includes the construction businesses operated by the head office and other branches of the Corporation.



The "Real Estate business of the Corporation" comprises the real estate development, rental, and sales businesses operated by the Corporation's Investment and Development Division.



The "Other" segment is composed of business segments not included in the reportable segments, and includes the engineering business operated by the Corporation and other businesses operated by subsidiaries.

Nonconsolidated Performance

Overview

Nonconsolidated net sales, which include overseas sales and the real estate business, increased 7.0% from the previous fiscal year to ¥1,340.7 billion. Orders awarded were up 4.1%, to ¥1,450.6 billion. Orders awarded were higher for the entire Japanese construction industry due to a number of large public-sector projects and, in the private sector, growth in capital expenditures by manufacturers. In Japan, net sales of the construction business increased 5.6% to ¥1,183.6 billion and orders awarded climbed 8.5% to ¥1,296.0 billion. Due to the growth in sales from completed construction contracts, operating income surged 287.1% to ¥35.3 billion and net income was up 250.9% to ¥23.5 billion.

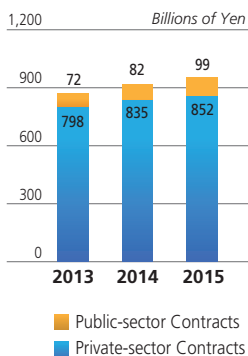
Domestic architectural construction

In fiscal 2014, Shimizu's nonconsolidated architectural construction sales in Japan totaled ¥951.9 billion, 3.7% more than one year earlier. Net sales to the public-sector increased 20.9% to ¥99.3 billion, which was 10.4% of architectural construction sales in Japan. Net sales to private-sector clients climbed 2.0% to ¥852.5 billion, which was 89.6% of architectural construction sales in Japan.

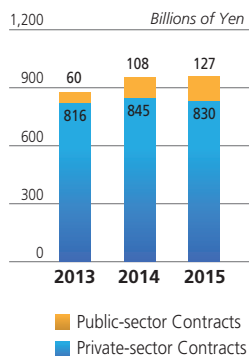
One major completion of the fiscal year was the SKYZ TOWER & GARDEN Project, which is a joint project of six real estate development companies. This is a 44-floor condominium building with a height of about 155 meters and 1,100 condominium units. The tower is in the Toyosu district of Tokyo, a waterfront area that will be near the site of many facilities used for the 2020 Tokyo Olympics and Paralympics. Shimizu developed the first tri-star shaped hybrid seismic isolation system to match

■ For the year ended March 31, 2015

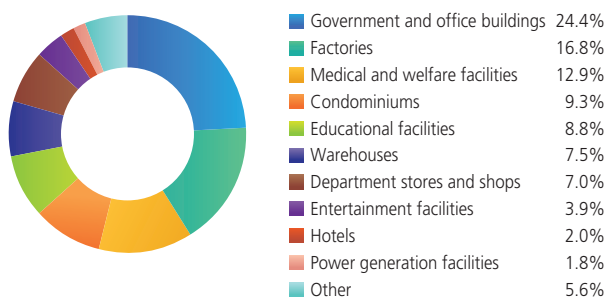
Nonconsolidated Architectural Construction Orders Completed



Nonconsolidated Architectural Construction Orders Awarded by Source



Nonconsolidated Architectural Construction Orders Awarded by Category



the distinctive profile of this building. The system greatly reduces building movements during an earthquake or strong winds.

Orders awarded increased 0.5% to ¥958.7 billion. Public-sector orders increased 17.5% to ¥127.9 billion, which was 13.3% of all architectural construction orders in Japan. Private-sector orders were down 1.7% to ¥830.7 billion, 86.7% of all architectural construction orders in Japan. The rush to place orders before the April 2014 consumption tax hike was responsible for this decline.

One major new order is the Construction Work at the New Saitama Prefectural Pediatric Care Center. This is one of a number of projects involving a new center for the city of Saitama, which is on the north side of the Tokyo area. The new hospital will replace the aging building that the center uses in a different location. Able to provide state-of-the-art medical care, the building is also designed to withstand earthquakes. (Major construction orders awarded are listed in the table to the right.)

Major Construction Orders Completed

<i>Client</i>	<i>Project name</i>
Mitsui Fudosan Residential Co., Ltd. Tokyo Tatemono Co., Ltd. Mitsubishi Jisho Residence Co., Ltd. Tokyu Land Corporation Sumitomo Realty & Development Co., Ltd. Nomura Real Estate Development Co., Ltd.	SKYZ TOWER & GARDEN Project
Japan Racing Association	Sapporo Racecourse Stand Renovation, etc.

Major Construction Orders Awarded

<i>Client</i>	<i>Project name</i>
Saitama Prefectural Government	Construction Work at the New Saitama Prefectural Pediatric Care Center
Nomura Real Estate Development Co., Ltd.	Yokohama Nomura Building Project (provisional name)



Construction Work at the New Saitama Prefectural Pediatric Care Center

Domestic civil engineering

Nonconsolidated civil engineering sales in Japan increased 14.2% to ¥231.7 billion. Orders awarded were up 40.4% to ¥337.3 billion from the previous year. The big increase in orders awarded was attributable to strong public-sector orders and the receipt of several orders for large projects. Net sales from public-sector projects increased 6.7% to ¥131.6 billion, representing 56.8% of Shimizu's civil engineering sales in Japan. Private-sector sales increased 26.0% to ¥100.1 billion, accounting for 43.2% of civil engineering sales in Japan.

Major completed construction contracts included the Second Tomei Expressway Tojo Tunnel and one other tunnel for the Central Nippon Expressway Co., Ltd. and the construction work of the Joban Expressway-Yamamoto for the East Nippon Expressway Co., Ltd. The Tojo Tunnel project is part of the construction of a second expressway that will link Tokyo and Nagoya. Shimizu Construction has participated in highway, bridge, service area and many other construction projects for this new expressway.

Orders awarded by public-sector clients were up 85.6% to ¥245.1 billion, which was 72.7% of all civil engineering orders in Japan. Private-sector orders awarded decreased 14.8% to ¥92.1 billion, or 27.3% of domestic orders awarded. Major new orders include the Oizumi-Minami Sector of the Tokyo (Outer Ring) Road Main Route Tunnel (Southward) for East Nippon Expressway Co., Ltd. and the Yanba Dam Main Construction Project for the Ministry of Land, Infrastructure, Transport and Tourism.

Major Civil Engineering Orders Completed

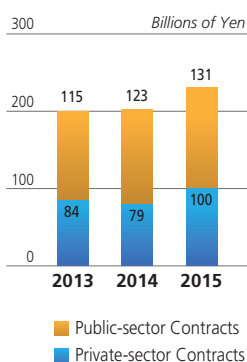
Client	Project name
Central Nippon Expressway Company Limited	Second Tomei Expressway Tojo Tunnel and One Other Tunnel
East Nippon Expressway Company Limited	Joban Expressway-Yamamoto

Major Civil Engineering Orders Awarded

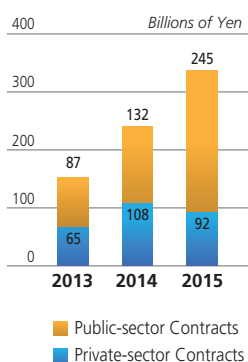
Client	Project name
East Nippon Expressway Company Limited	Tokyo Outer Ring Main Route Tunnel (Southward) Oizumi-Minami
Ministry of Land, Infrastructure, Transport and Tourism	Yamba Dam Main Construction Project

■ For the year ended March 31, 2015

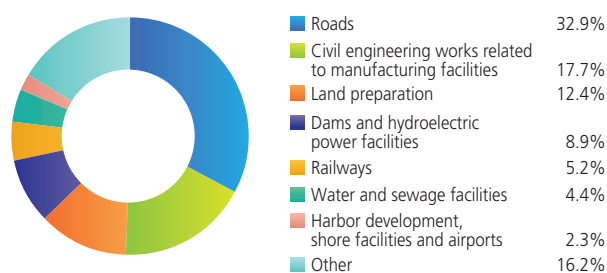
Nonconsolidated Civil Engineering Orders Completed



Nonconsolidated Civil Engineering Orders Awarded by Source



Nonconsolidated Civil Engineering Orders Awarded by Category



Management

As of June 26, 2015

Board of Directors

President and Representative Director

Yoichi Miyamoto

Executive Vice Presidents and Representative Directors

Seikichi Kurosawa

Tatsuo Kakiya

Susumu Hoshii

Osamu Terada

Directors

Kanji Tanaka

Toshiyuki Imaki

Kazuyuki Inoue

Mitsuaki Shimizu

Yo Takeuchi

Aya Murakami

Note: Director Kanji Tanaka, Toshiyuki Imaki and Kazuyuki Inoue concurrently serves the post of the Executive Officer.
Director Yo Takeuchi and Aya Murakami are external directors.

Executive Officers

Senior Managing Officers

Kanji Tanaka

Toshiyuki Imaki

Hirokazu Shirata

Shigeru Tanaka

Shigeru Namioka

Tadashi Okamoto

Kazuyuki Inoue

Managing Officers

Eiji Katsuura

Hiroshi Takenami

Koichiro Higashide

Kazuo Nakamoto

Chiyuki Iwakawa

Koji Ikeda

Toru Yamaji

Shigeki Kuriyama

Yoshiyuki Ono

Tadashi Tsujino

Toshihiko Kubo

Yutaka Ishikawa

Masahiro Hosokawa

Executive Officers

Akimasa Ikemoto

Seiji Umetsu

Yoshihiro Kura

Tatsuya Kurosawa

Masahiro Indo

Masatoshi Misawa

Tsunehiko Yamanaka

Shinya Fukudome

Masaki Yamaguchi

Shutaro Kubo

Nobuaki Miura

Shigeki Ono

Toyoji Sone

Hiroshi Terada

Shinichi Ishikawa

Makoto Saito

Shinichi Takiguchi

Koichi Ishimizu

Katsuro Sugihara

Hiroshi Fujimura

Masaichi Kawamura

Hiroyuki Kurita

Kazuyoshi Nasuhara

Akihiko Takeda

Takashi Kawata

Naoki Kita

Hideharu Ushiba

Yukio Kajitani

Audit & Supervisory Board Members

Junichi Takami

Hiroshi Tarui

Shingo Asakura

Shingo Shutou

Tetsuya Nishikawa

Note: Audit & Supervisory Board Members Shingo Asakura, Shingo Shutou and Tetsuya Nishikawa are external auditors.

International Business Network



Domestic Offices

Shimizu Corporation Head Office

No.16-1 Kyobashi 2-chome, Chuo-ku, Tokyo 104-8370, Japan
Phone: 81-3-3561-1111 <http://www.shimz.co.jp/>

Branches

Tokyo, Yokohama, Chiba, Osaka, Kobe, Takamatsu, Sapporo, Sendai, Kanazawa, Saitama, Nagoya, Hiroshima, Fukuoka
Local Offices (74 locations)

- Overseas Offices
- Overseas Subsidiaries and Affiliates

Overseas Offices

Asia

Singapore

- Shimizu Corporation
- Shimizu Investment (Asia) Pte. Ltd.
8 Kallang Avenue #05-01, Aperia Tower 1, Singapore 339509
Phone: 65-6220-0406 Facsimile: 65-6224-9890

Malaysia

Kuala Lumpur

- Shimizu Corporation
12-3, 12th Floor, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Phone: 60-3-2070-0000 Facsimile: 60-3-2072-0222

Indonesia

Jakarta

- Shimizu Corporation
- PT Shimizu Bangun Cipta Kontraktor
Gedung Setiabudi Atrium Lantai 6, Suite 601, Jl. H.R. Rasuna Said Kav 62 Kuningan Jakarta 12920, Indonesia
Phone: 62-21-2904-7777 Facsimile: 62-21-5290-2067

Philippines

Manila

- Shimizu Corporation
- Shimizu Philippine Contractors, Inc.
5th Floor, King's Court Building I, 2129 Chino Roces Avenue, Makati, Metro Manila, Philippines
Phone: 63-2-811-2981 Facsimile: 63-2-811-2985

Thailand

Bangkok

- Shimizu Corporation
- Thai Shimizu Co., Ltd.
Unit 2301, 23rd Floor, Empire Tower, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand
Phone: 66-2-230-0333 Facsimile: 66-2-230-0303

Lao

Vientiane

- Shimizu Corporation
Room No.1B, 3rd Floor, ANZ Bank Building, 33, Lanexang Avenue, Ban Hatsady, Chanthabury District, Vientiane, Lao
Phone: 856-21-222-737 Facsimile: 856-21-222-737

Myanmar

Yangon

- Shimizu Corporation
Sedona Business Suite, Room #03-16, Level 3, No.1, Kaba Aye Pagoda Road, Yankin Township, Yangon, The Republic of the Union of Myanmar
Phone: 95-1-544-056 Facsimile: 95-1-544-064

Vietnam

Hanoi

- Shimizu Corporation
- Shimizu Vietnam Co., Ltd.
3rd Floor, Lang Ha Building, 14 Lang Ha, Ba Dinh District, Hanoi, Vietnam
Phone: 84-4-3772-0500 Facsimile: 84-4-3772-3570

Ho Chi Minh City

- Shimizu Corporation
3rd Floor, Y Ban Office Building, 69 Thach Thi Thanh, Tan Dinh Ward,
District 1, Ho Chi Minh City, Vietnam
Phone: 84-8-3824-1807 Facsimile: 84-8-3824-1809

Bangladesh

Dhaka

- Shimizu Corporation
c/o Sonargaon Hotel, 107 Kazi Nazrul, Islam Avenue,
Karwan Bazar, Dhaka, Bangladesh
Phone: 880-2-814-0353 Facsimile: 880-2-811-3540

India

Bangalore

- Shimizu Corporation
- Shimizu Corporation India Pte. Ltd.
No 2 PRESTIGE EMERALD, 5th Level, Lavelle Road- Madras Bank Road,
Bangalore- 560001, India
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Gurgaon

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- Shimizu Corporation India Pte. Ltd.
301, 3rd Floor, Time Tower, Sector 28, Main MG Road,
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China

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- Shimizu Corporation (China) Ltd.
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China
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Dalian

- Shimizu Corporation (China) Ltd.
c/o Inn Fine Hotel Room 700, 135 Jinma Road,
Dalian Economic & Technical Development Zone, Dalian 116600, China
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Guangzhou

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- Shimizu Corporation
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- Shimizu Corporation
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Middle East

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- Shimizu Corporation
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- Shimizu Corporation
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Poland

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Uzbekistan

Tashkent

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North America

U.S.A.

Atlanta

- Shimizu North America LLC
1000 Parkwood Circle, Suite 820, Atlanta, GA 30339, U.S.A.
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New York

- Shimizu Corporation
- Shimizu North America LLC
- Shimizu International Finance (U.S.A), Inc.
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Mexico

Querétaro

- Shimizu North America LLC
Av. Tecnológico Norte #950-B, Piso 15-A, Corporativo Blanco,
Col. San Pablo, Querétaro, Qro. C.P.76125 MEXICO
Phone: 52-442-189-4160 Facsimile: 52-442-189-4161

Investor Information

Head Office: Shimizu Corporation
No.16-1 Kyobashi 2-chome,
Chuo-ku, Tokyo 104-8370, Japan
Phone: 81-3-3561-1111

URL: <http://www.shimz.co.jp/>

Date of Establishment: 1804

Common Stock: ¥74,365 million

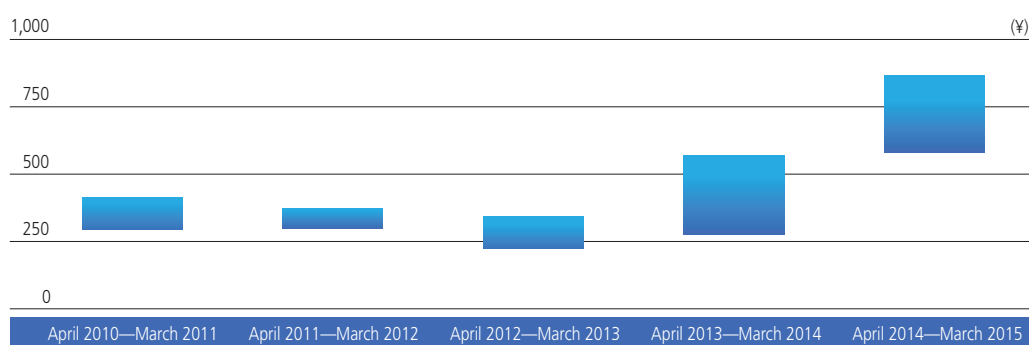
Employees: Consolidated: 15,587
Nonconsolidated: 10,547

Transfer Agent: The Mitsubishi UFJ Trust and Banking Corporation

Shareholder	Shares held (thousands)	Percentage of total
SHIMIZU & CO., LTD.	60,129	7.65%
The Master Trust Bank of Japan, Ltd. (Trust Account)	41,032	5.22
The SHIMIZU FOUNDATION	38,100	4.85
Japan Trustee Services Bank, Ltd. (Trust Account)	25,196	3.21
Employee's Stock Ownership Plan	21,258	2.70
HOUSING RESEARCH FOUNDATION JYUSO-KEN	17,420	2.22
Mizuho Bank, Ltd.	16,197	2.06
Japan Trustee Services Bank, Ltd. (Trust Account 4)	11,756	1.50
The Dai-ichi Life Insurance Company, Limited	10,564	1.34
Fukoku Mutual Life Insurance Company	10,552	1.34

Note: "Percentage of total" is calculated excluding 2,552,740 shares of treasury stock.

**Stock Price Range
on the
Tokyo Stock
Exchange:**





Financial Section
p33-69

Consolidated Balance Sheet

Shimizu Corporation and its subsidiaries
As at March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2014	2015	2015
ASSETS			
Current Assets:			
Cash (Note 9)	¥ 141,440	¥ 176,482	\$ 1,467,019
Notes and accounts receivable—trade	478,446	472,367	3,926,575
Marketable securities (Notes 9 and 11)	42,000	66,239	550,617
Real estate for sale (Notes 4.2) and 5.3))	14,526	26,353	219,068
Costs on uncompleted construction contracts (Notes 4.2) and 5.3))	55,469	63,232	525,623
Costs on uncompleted real estate development projects (Note 4.2))	42,771	32,755	272,285
PFI projects and other inventories (Notes 4.2) and 5.3))	63,066	63,748	529,911
Deferred tax assets (Note 14)	23,662	27,313	227,045
Other current assets	84,827	111,410	926,102
Less: Allowance for doubtful accounts	(1,299)	(1,229)	(10,221)
Total current assets	944,912	1,038,673	8,634,027
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures (Note 5.2))	146,422	162,152	1,347,900
Machinery, equipment and vehicles (Note 5.2))	49,271	55,030	457,447
Land (Notes 5.1) and 5.2))	128,033	132,534	1,101,699
Construction in progress	23,126	4,165	34,623
Less: Accumulated depreciation	(116,195)	(122,653)	(1,019,566)
Total tangible fixed assets	230,659	231,229	1,922,104
Intangible fixed assets	4,291	4,281	35,587
Investments and other assets:			
Investments securities (Notes 5.2), 5.3) and 11)	315,895	409,927	3,407,541
Deferred tax assets (Note 14)	1,531	1,479	12,300
Other investments (Note 5.2))	21,160	20,211	168,011
Less: Allowance for doubtful accounts	(5,763)	(2,403)	(19,977)
Total investments and other assets	332,823	429,215	3,567,876
Total non-current assets	567,774	664,725	5,525,568
Total assets	¥1,512,686	¥1,703,399	\$14,159,596

The accompanying notes are an integral part of these financial statements.

Thousands of
U.S. Dollars
(Note 2)

	Millions of Yen	Thousands of U.S. Dollars (Note 2)	
	2014	2015	2015
LIABILITIES			
Current Liabilities:			
Notes and accounts payable—trade	¥ 435,934	¥ 454,576	\$ 3,778,689
Short-term borrowings (Notes 5.2), 10.2 and 20)	127,786	132,401	1,100,592
Current portion of non-recourse borrowings (Notes 5.3), 10.2 and 20)	5,986	7,511	62,441
Current portion of non-recourse bonds payable (Notes 5.3), 10.2 and 19)	–	2,101	17,464
Income taxes payable	4,006	22,423	186,394
Advances received on uncompleted construction contracts	113,754	86,690	720,617
Warranty reserve	3,197	3,228	26,837
Reserve for expected losses on construction contracts in process	29,266	29,042	241,420
Reserve for directors' bonuses	–	51	423
Other current liabilities	70,038	92,535	769,209
Total current liabilities	789,972	830,562	6,904,091
Non-Current Liabilities:			
Bonds payable (Notes 10.2 and 19)	70,000	90,000	748,129
Non-recourse bonds payable (Notes 5.3), 10.2 and 19)	–	17,899	148,786
Long-term borrowings (Notes 10.2 and 20)	106,716	85,469	710,472
Non-recourse borrowings (Notes 5.3), 10.2 and 20)	33,732	40,197	334,143
Deferred tax liabilities (Note 14)	30,996	57,198	475,462
Deferred tax liabilities for revaluation reserve for land (Note 5.1))	21,136	19,017	158,081
Reserve for expected losses on affiliates' businesses	3,881	7,033	58,462
Net defined benefit liability (Note 13)	62,588	55,074	457,812
Other non-current liabilities	17,613	19,051	158,362
Total non-current liabilities	346,666	390,940	3,249,713
Total liabilities	1,136,638	1,221,502	10,153,805
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2014 and 2015	74,365	74,365	618,165
Additional paid-in capital	43,143	43,143	358,634
Retained earnings	139,160	167,283	1,390,553
Less: Treasury stock, at cost 3,890 thousand shares as at March 31, 2015	–	(1,533)	(12,743)
Less: Treasury stock, at cost 3,857 thousand shares as at March 31, 2014	(1,507)	–	–
Total shareholders' equity	255,162	283,259	2,354,610
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes (Note 11)	101,344	169,474	1,408,765
Deferred gain (loss) on hedging, net of taxes (Note 12)	(30)	41	344
Revaluation reserve for land, net of taxes (Note 5.1))	24,027	25,667	213,358
Foreign currency translation adjustments	(891)	1,758	14,614
Remeasurements of defined benefit plans	(7,350)	(3,291)	(27,362)
Total accumulated other comprehensive income	117,099	193,649	1,609,720
Minority Interests	3,786	4,987	41,460
Total net assets	376,048	481,896	4,005,791
Total liabilities and net assets	¥1,512,686	¥1,703,399	\$14,159,596

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Income

Shimizu Corporation and its subsidiaries
For the year ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2014	2015	2015
Net Sales:			
Construction contracts (Notes 4.11) and 6.1))	¥1,352,242	¥1,444,843	\$12,010,333
Real estate development and other	145,335	123,000	1,022,450
	1,497,578	1,567,843	13,032,783
Cost of Sales:			
Construction contracts (Note 6.2))	1,271,723	1,338,723	11,128,206
Real estate development and other (Note 6.3))	130,080	106,121	882,143
	1,401,803	1,444,845	12,010,349
Gross profit:			
Construction contracts	80,519	106,119	882,126
Real estate development and other	15,255	16,878	140,306
	95,774	122,998	1,022,433
Selling, General and Administrative Expenses (Note 6.4))	69,720	72,966	606,535
Operating income	26,054	50,032	415,898
Non-Operating Income (Expenses):			
Interest and dividend income	4,816	5,038	41,880
Interest expenses	(3,565)	(3,327)	(27,664)
Equity in earnings of affiliates	1,373	1,629	13,542
Reversal of allowance for doubtful accounts	32	1,503	12,494
Foreign exchange gain	1,193	2,353	19,565
Loss on disposal of fixed assets	(31)	(733)	(6,098)
Other, net	(595)	(248)	(2,068)
Ordinary income	29,277	56,246	467,549
Special Gains (Losses):			
Gain on sales of fixed assets (Note 6.6))	1,015	3,170	26,351
Loss on sales of fixed assets (Note 6.7))	(24)	(110)	(920)
Loss on affiliates' businesses	-	(3,623)	(30,118)
Income before income taxes and minority interests	30,269	55,682	462,861
Provision for Income Taxes (Note 14):			
Current	7,903	25,826	214,685
Deferred	7,163	(4,276)	(35,546)
	15,067	21,550	179,139
Net Income Before Minority Interests	15,202	34,131	283,722
Minority Interests in Net Income of Consolidated Subsidiaries	1,010	734	6,104
Net Income	¥ 14,191	¥ 33,397	\$ 277,617

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Shimizu Corporation and its subsidiaries

For the year ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2014	2015	2015
Income Before Minority Interests	¥15,202	¥34,131	\$283,722
Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	12,886	68,084	565,954
Deferred gain (loss) on hedging, net of taxes	(30)	69	579
Revaluation reserve for land, net of taxes	–	1,948	16,200
Foreign currency translation adjustment	2,835	2,933	24,385
Remeasurements of defined benefit plans	–	4,007	33,311
Share of other comprehensive income of associates accounted for using equity method	66	153	1,274
Total other comprehensive income (Note 7)	15,758	77,197	641,707
Comprehensive Income	¥30,960	¥111,329	\$925,429
Comprehensive income attributable to:			
Shareholders of the Corporation	¥29,827	¥110,257	\$916,517
Minority interests	1,132	1,072	8,912

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Net Assets

Shimizu Corporation and its subsidiaries
For the year ended March 31, 2015

	Millions of Yen										
	Shareholders' Equity				Accumulated Other Comprehensive Income						
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized gain (loss) on other securities, net of taxes	Deferred gain (loss) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance as at April 1, 2013	¥ 74,365	¥ 43,143	¥ 131,202	¥ (1,489)	¥ 88,435	¥ (31)	¥ 23,296	¥ (3,618)	-	¥ 2,790	¥ 358,094
Cumulative effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2013	¥ 74,365	¥ 43,143	¥ 131,202	¥ (1,489)	¥ 88,435	¥ (31)	¥ 23,296	¥ (3,618)	-	¥ 2,790	¥ 358,094
Cash dividends paid (¥7.00 per share)	-	-	(5,502)	-	-	-	-	-	-	-	(5,502)
Net income for the year	-	-	14,191	-	-	-	-	-	-	-	14,191
Reversal of revaluation reserve for land, net of taxes	-	-	(731)	-	-	-	-	-	-	-	(731)
Purchase and disposal of treasury stock, at cost	-	0	-	(17)	-	-	-	-	-	-	(17)
Changes other than shareholders' equity	-	-	-	-	12,909	0	731	2,726	(7,350)	996	10,013
Balance as at April 1, 2014	¥ 74,365	¥ 43,143	¥ 139,160	¥ (1,507)	¥ 101,344	¥ (30)	¥ 24,027	¥ (891)	¥ (7,350)	¥ 3,786	¥ 376,048
Cumulative effects of changes in accounting policies	-	-	(82)	-	-	-	-	-	-	-	(82)
Restated balance as at April 1, 2014	¥ 74,365	¥ 43,143	¥ 139,078	¥ (1,507)	¥ 101,344	¥ (30)	¥ 24,027	¥ (891)	¥ (7,350)	¥ 3,786	¥ 375,966
Cash dividends paid (¥7.00 per share)	-	-	(5,501)	-	-	-	-	-	-	-	(5,501)
Net income for the year	-	-	33,397	-	-	-	-	-	-	-	33,397
Reversal of revaluation reserve for land, net of taxes	-	-	309	-	-	-	-	-	-	-	309
Purchase and disposal of treasury stock, at cost	-	0	-	(25)	-	-	-	-	-	-	(25)
Changes other than shareholders' equity	-	-	-	-	68,129	72	1,639	2,649	4,058	1,200	77,750
Balance as at March 31, 2015	¥ 74,365	¥ 43,143	¥ 167,283	¥ (1,533)	¥ 169,474	¥ 41	¥ 25,667	¥ 1,758	¥ (3,291)	¥ 4,987	¥ 481,856

	Thousands of U.S. Dollars (Note 2)										
	Shareholders' Equity				Accumulated Other Comprehensive Income						
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized gain (loss) on other securities, net of taxes	Deferred gain (loss) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance as at April 1, 2014	\$618,165	\$358,633	\$1,156,781	\$(12,528)	\$ 842,432	\$(255)	\$199,730	\$(7,412)	\$(61,100)	\$31,478	\$3,125,923
Cumulative effects of changes in accounting policies	-	-	(683)	-	-	-	-	-	-	-	(683)
Restated balance as at April 1, 2014	\$618,165	\$358,633	\$1,156,097	\$(12,528)	\$ 842,432	\$(255)	\$199,730	\$(7,412)	\$(61,100)	\$31,478	\$3,125,240
Cash dividends paid (¥7.00 per share)	-	-	(45,734)	-	-	-	-	-	-	-	(45,734)
Net income for the year	-	-	277,617	-	-	-	-	-	-	-	277,617
Reversal of revaluation reserve for land, net of taxes	-	-	2,572	-	-	-	-	-	-	-	2,572
Purchase and disposal of treasury stock, at cost	-	1	-	(214)	-	-	-	-	-	-	(213)
Changes other than shareholders' equity	-	-	-	-	566,332	599	13,628	22,027	33,738	9,982	646,308
Balance as at March 31, 2015	\$618,165	\$358,634	\$1,390,553	\$(12,743)	\$1,408,765	\$ 344	\$213,358	\$ 14,614	\$(27,362)	\$41,460	\$4,005,791

The accompanying notes are an integral part of these financial statements.

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distribution of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

Consolidated Statement of Cash Flows

Shimizu Corporation and its subsidiaries
For the year ended March 31, 2015

Thousands of
U.S. Dollars
(Note 2)

	Millions of Yen		
	2014	2015	2015
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 30,269	¥ 55,682	\$ 462,861
Adjustments for:			
Depreciation and amortization	10,237	11,387	94,656
Increase (decrease) in allowance for doubtful accounts	(211)	(3,455)	(28,726)
Increase (decrease) in reserve for expected losses on construction contracts in process	(7,251)	(259)	(2,157)
Increase (decrease) in reserve for employees' retirement benefits	(52,570)	-	-
Increase (decrease) in net defined benefit liability	51,511	(1,775)	(14,761)
Loss (gain) on sales of fixed assets	(73)	(1,100)	(9,150)
Loss (gain) on valuation of investment securities	(918)	(1,958)	(16,279)
Interest and dividend income	(4,816)	(5,038)	(41,880)
Interest expenses	3,565	3,327	27,664
(Increase) decrease in notes and accounts receivable—trade	(71,577)	7,830	65,093
(Increase) decrease in real estate for sale	26,797	4,620	38,405
(Increase) decrease in costs on uncompleted construction contracts	2,652	(7,554)	(62,798)
(Increase) decrease in uncompleted real estate development projects	(18,928)	10,015	83,257
(Increase) decrease in PFI projects and other inventories	(6,602)	(679)	(5,647)
Increase (decrease) in notes and accounts payable—trade	45,691	14,574	121,151
Increase (decrease) in advances received on uncompleted construction contracts	18,059	(28,323)	(235,440)
Other, net	(6,055)	4,413	36,687
Subtotal	19,778	61,706	512,936
Interest and dividends received	5,040	5,379	44,714
Interest paid	(3,614)	(3,288)	(27,332)
Income taxes paid	(3,808)	(7,691)	(63,935)
Net cash provided by (used in) operating activities	17,395	56,105	466,383
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(27,547)	(19,790)	(164,511)
Proceeds from sales of tangible fixed assets	365	1,638	13,619
Acquisition of marketable securities and investment securities	(1,929)	(3,803)	(31,615)
Proceeds from sales of marketable securities and investment securities	2,477	2,669	22,192
Other, net	(1,341)	1,641	13,641
Net cash provided by (used in) investing activities	(27,977)	(17,644)	(146,672)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	(26,271)	6,646	55,248
Net increase (decrease) in commercial paper	(10,000)	-	-
Proceeds from long-term borrowings	53,140	27,942	232,271
Repayments of long-term borrowings	(36,883)	(51,252)	(426,041)
Proceeds from non-recourse borrowings	3,084	3,402	28,279
Repayments of non-recourse borrowings	(5,847)	(6,721)	(55,876)
Proceeds from issuance of bonds	-	20,000	166,251
Proceeds from issuance of non-recourse bonds	-	20,000	166,251
Dividends	(5,502)	(5,501)	(45,734)
Other, net	(311)	(208)	(1,729)
Net cash provided by (used in) financing activities	(28,592)	14,305	118,918
Effect of exchange rate changes on Cash and Cash Equivalents	5,979	5,339	44,385
Net Increase (decrease) in Cash and Cash Equivalents	(33,193)	58,106	483,014
Cash and Cash Equivalents at beginning of year	216,634	183,440	1,524,858
Increase (decrease) in Cash and Cash Equivalents resulting from Change of Scope of Consolidation	-	935	7,775
Cash and Cash Equivalents at end of year (Note 9)	¥183,440	¥242,482	\$2,015,648

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

Shimizu Corporation and its subsidiaries

1. Basis of Presentation of Consolidated Financial Statements	The accompanying consolidated financial statements have been prepared based on the accounts maintained by Shimizu Corporation (the "Corporation") and its subsidiaries (collectively the "Group") prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Corporation as required by the Financial Instruments and Exchange Law of Japan.
2. U.S. Dollar Amounts	The accounts of consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto have been translated from the original Japanese yen into U.S. dollars on the basis of ¥120.30 to U.S.\$1, the rate of exchange prevailing at March 31, 2015, and have been then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.
3. Principles of Consolidation	<p>1) Scope of Consolidation The Corporation had 61 subsidiaries as at March 31, 2015. The consolidated financial statements for the year ended March 31, 2015 include the accounts of the Corporation and all subsidiaries. The Corporation had 11 affiliates as at March 31, 2015. As at March 31, 2015, the equity method was applied to all affiliates.</p> <p>2) Financial Statements of Subsidiaries The financial year-end of 11 overseas subsidiaries and one domestic subsidiary is December 31, and the financial year-end of one domestic subsidiary is March 26. Consolidation of these subsidiaries is therefore performed by using their financial statements as at December 31 and March 26, respectively, and certain adjustments are made to reflect any significant transactions during the period from year-end balance sheet dates for these subsidiaries to March 31.</p> <p>3) Amortization of Goodwill Goodwill is principally amortized over a five-year period on a straight-line basis from the year of acquisition.</p> <p>4) Elimination of Unrealized Intercompany Profits All significant unrealized intercompany profits included in assets such as "Costs on uncompleted construction contracts" among the Group has been eliminated on consolidation and the portion thereof attributable to minority interests is reported as "Minority Interests." In connection with the elimination of unrealized intercompany profits, the depreciation expense is also adjusted to eliminate any profit from the cost of assets purchased through intercompany transactions.</p>
4. Summary of Significant Accounting Policies	<p>1) Valuation of Securities The Group classifies securities into two different categories, held-to-maturity debt securities and other securities. The Group holds no trading securities. Held-to-maturity debt securities are valued at amortized cost. Other securities with market quotations are valued at the prevailing market price as at the balance sheet date. Other securities without market quotations are stated at cost, cost being determined by the moving average method. Net unrealized gains on other securities with market quotations are reported net of taxes as a separated component of "Net Assets" and the cost of sales is determined by the moving average method.</p> <p>2) Valuation of Inventories Real estate for sale: At cost on an individual basis. (The carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings) Costs on uncompleted construction contracts: At cost on an individual basis. Costs on uncompleted real estate development projects: At cost on an individual basis. (The carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings) PFI projects and other inventories: At cost on an individual basis or at cost, cost being determined by the moving average method. (The carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings)</p>

3) Depreciation Method for Tangible Fixed Assets

Depreciation for tangible fixed assets (excluding leased assets) is computed by the declining balance method, at rates based on the estimated useful lives of the assets. Some subsidiaries use the straight-line method.

4) Allowance for Doubtful Accounts

For receivables classified as "normal," the allowance for doubtful accounts is provided based on a historical default ratio. For receivables classified as "doubtful" or "bankrupt," the allowance for doubtful accounts is provided based on individual assessment on the probability of collection.

5) Warranty Reserve

An allowance to cover the costs of repairs for damages related to completed construction work for which the Group is responsible is provided based on previous warranty experience.

6) Reserve for Expected Losses on Construction Contracts in Process

An allowance is provided for estimated future losses related to the construction contracts in process.

7) Accounting Method for Retirement Benefits

Net defined benefit liability has been recorded mainly at the amount calculated based on the projected benefit obligation and the fair value of the plan assets as at the balance sheet date.

Method of attributing the projected benefit obligations to periods of service: Benefit formula basis

Method used for Amortization of actuarial gain or loss: Straight-line method (10 years - amortized from the following financial year)

Method used for Amortization of prior service cost: Straight-line method (10 years)

Adoption of simplified methods in the Group: Some consolidated subsidiaries apply a simplified method to compute their net defined benefit liability and retirement benefit expenses.

8) Reserve for Directors' bonuses

An allowance is provided for bonus payment to directors based on payment estimates.

9) Reserve for Expected Losses on Affiliates' Businesses

The reserve for expected losses on affiliated businesses as at the balance sheet date is determined based on estimated losses related to affiliated businesses.

10) Accounting for Hedging

Hedging instruments are valued at fair value and accounted by using the deferral method of accounting.

With regard to some interest rate swaps which meet certain requirements, the Group uses the special treatment, based on the short-cut method, assuming that there is no ineffectiveness in the hedging relationship between hedged items and hedging instruments.

Hedging instruments: Derivative transactions (interest rate swaps, foreign exchange contracts and foreign exchange non-deliverable forward contracts)

Hedged items: Assets and liabilities which are exposed to interest and foreign exchange market fluctuation risks.

Hedging policy: Derivative transactions are used solely for hedging the risks associated with existing or future assets and liabilities.

Derivative transactions are never entered into for the purpose of trading or speculation.

11) Recognizing Revenues and Costs of Construction Contracts

Revenues and costs of construction contracts, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. The percentage of completion is calculated based on the cost incurred to date as a percentage of the estimated total cost. The completed-contract method is applied to all other construction contracts.

12) Consumption Taxes

Consumption taxes payable or receivable are excluded from each account in the consolidated statements of income.

13) Foreign Currency Translation

The balance sheet of overseas subsidiaries is translated into Japanese yen at the exchange rates prevailing at the balance sheet date except for shareholders' equity which is translated at historical rates. The revenues and expenses of overseas subsidiaries are translated into Japanese yen at the exchange rates prevailing at the balance sheet date.

Differences arising from such translations are shown as "Foreign currency translation adjustments" and are included in "Net Assets."

14) Cash Flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, bank deposits payable on demand, and time deposits, which are readily convertible into cash and subject to minor risks of fluctuations in value.

15) Income Taxes

Income taxes of the Corporation and its domestic subsidiaries consist of corporate income taxes, local inhabitants' taxes and enterprise taxes.

The Corporation and its domestic subsidiaries account for deferred taxes in accordance with the regulations for preparation of consolidated financial statements in Japan. Deferred income taxes are determined using the asset and liability approach, whereby deferred tax assets and liabilities are recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the financial statements.

In addition, the consolidated overseas subsidiaries provide for deferred income taxes relating to temporary differences between reporting for tax and accounting purposes in accordance with accounting principles generally accepted in the relevant countries.

16) Change of Accounting Policy

(Application of accounting standard for retirement benefits and its guidance)

Effective from the year ended March 31, 2015, the Corporation has applied the provisions set forth in the main clauses of Paragraph 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and Paragraph 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015), reviewed its calculation method for retirement benefit obligations and current service costs, and changed its method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Corporation has changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting the estimated timing and present value of the benefit payment amount.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for retirement benefit obligations and current service costs has been added to or deducted from retained earnings as of April 1, 2014.

As a result, as of April 1, 2014, net defined benefit liability increased by ¥127 million (\$1,059 thousand) and retained earnings decreased by ¥82 million (\$683 thousand). The impact of these changes on financial results, net assets per share, net income per share and diluted net income per share for the year ended March 31, 2015, is immaterial.

17) Changes of Presentation Method

(Consolidated balance sheet)

In the previous fiscal year, "Income taxes payable" was included in "Other current liabilities" under "Current liabilities." Effective from the year ended March 31, 2015, however, this item is listed separately because it accounts for more than 1% of total liabilities and net assets. In line with this change in presentation, the consolidated balance sheet for the last fiscal year has been reclassified.

As a result, the ¥74,045 million presented as "Other current liabilities" under "Current liabilities." on the consolidated balance sheet for the last fiscal year is reclassified into "Income taxes payable" at ¥4,006 million, and "Other current liabilities" at ¥70,038 million.

(Consolidated statement of income)

In the previous fiscal year, "Reversal of allowance for doubtful accounts" was included in "Other" under "Non-operating income." Effective from the year ended March 31, 2015, however, this item is listed separately because it accounts for more than 10% of non-operating income. In line with this change in presentation, the consolidated statement of income for the last fiscal year has been reclassified.

As a result, the ¥1,703 million presented as "other, net" on the consolidated statement of income for the last fiscal year is reclassified into "Reversal of allowance for doubtful accounts" at ¥32 million, and "Other, net" at ¥1,671 million.

In the previous fiscal year, "Loss on disposal of fixed assets" was included in "Other" under "Non-operating expenses." Effective from the year ended March 31, 2015, however, this item is listed separately because it accounts for more than 10% of non-operating expenses. In line with this change in presentation, the consolidated statement of income for the last fiscal year has been reclassified.

As a result, the ¥2,298 million presented as "other, net" on the consolidated statement of income for the last fiscal year is reclassified into "Loss on disposal of fixed assets" at ¥31 million, and "Other, net" at ¥2,266 million.

5. Notes to Consolidated Balance Sheet

1) Revaluation Reserve for Land

According to the Land Revaluation Law enacted on March 31, 1998, land used for business and owned by the Corporation was revalued on March 31, 2002 and an unrealized gain from the revaluation of land was reported as "Revaluation reserve for land, net of taxes" as a separate component of "Net Assets" and the relevant deferred tax liabilities were reported as "Deferred tax liabilities for revaluation reserve for land" as a separate component of "Non-Current Liabilities."

Such revaluation was allowed only at one specific time under the Law and cannot be undertaken at each financial year-end.

According to the enforcement ordinance of the Law, there are several methods allowed to determine the revalued amount of land. The Corporation adopted a method of using the assessed value for property taxes with appropriate adjustments.

2) Assets Pledged as Collateral

The following assets are pledged as collateral for short-term borrowings of ¥4,555 million.

	Millions of Yen
As at March 31	2014
Buildings and structures	¥ 363
Machinery, equipment and vehicles	115
Land	4,738
Total	¥5,217

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥3,405 million.

	Millions of Yen
As at March 31	2014
Buildings and structures	¥ 72
Machinery, equipment and vehicles	115
Land	283
Total	¥472

The following assets are pledged as collateral for short-term borrowings of ¥4,950 million (\$41,147 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	2015	2015
Buildings and structures	¥ 349	\$ 2,909
Machinery, equipment and vehicles	101	841
Land	4,738	39,390
Total	¥5,189	\$43,140

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥3,800 million (\$31,587 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	2015	2015
Buildings and structures	¥ 72	\$ 605
Machinery, equipment and vehicles	101	841
Land	283	2,360
Total	¥458	\$3,807

The following assets are pledged as collateral for borrowings at affiliated companies and others.

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
Investment securities	¥173	¥173	\$1,438
Other investments	101	94	786
Total	¥274	¥274	\$2,224

3) Other Notes to Consolidated Balance Sheet

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
Contingent liabilities from guaranteeing indebtedness			
Guarantees for housing loans of employees	¥515	¥332	\$2,761

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
The total amount of notes receivable discounted at consolidated subsidiaries	¥4,827	¥806	\$6,700

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
The total amount of business assets pledged as collateral for "Non-recourse borrowings" by subsidiaries engaged in PFI business	¥63,152	¥54,862	\$456,051

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
The total amount of business assets of subsidiaries engaged in the real estate development business corresponding to "Non-recourse bonds payable"	¥ –	¥25,547	\$212,364

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
Amount of "Costs on uncompleted construction contracts," for which a construction loss is anticipated, matching with "Reserve for expected losses on construction contracts in process."	¥204	¥118	\$988

Note: "Costs on uncompleted construction contracts" for which a construction loss is anticipated and "Reserve for expected losses on construction contracts in process" are presented without being offset.

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
As at March 31			
Breakdown of PFI projects and other inventories			
Merchandise	¥ 715	¥ 673	\$ 5,602
Materials and supplies	574	569	4,732
PFI and other projects	61,776	62,505	519,576

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Investment securities			
Investments in affiliates	¥18,051	¥19,370	\$161,019

During the fiscal year ended March 31, 2015, the following tangible fixed assets were transferred to real estate for sale because of a change in the purpose for holding the assets.

	Millions of Yen		Thousands of U.S. Dollars
	2015	2015	2015
Buildings and structures	¥1,831		\$15,222
Machinery, equipment and vehicles	66		552
Land	3,760		31,261
Total	¥5,658		\$47,035

6. Notes to Consolidated Statement of Income

1) Revenue recognized using the percentage-of-completion method were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Revenue recognized using the percentage-of-completion method	¥1,155,193	¥1,256,283	\$10,442,920

2) Provision of reserve for expected losses on construction contracts in process included in cost of sales were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Provision of reserve for expected losses on construction contracts in process included in cost of sales	¥14,501	¥14,750	\$122,613

3) Inventory write-down due to reduced profitability included in cost of sales were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Inventory write-down due to reduced profitability included in cost of sales	¥56	¥369	\$3,070

4) The major components of "Selling, General and Administrative Expenses" were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Salaries and allowances to employees	¥23,054	¥23,550	\$195,765
Retirement benefit expenses for employees	2,136	1,973	16,405
Research and development costs	6,348	9,630	80,057

5) Research and development costs (included in construction costs and general and administrative expenses) were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Research and development costs	¥7,914	¥11,170	\$92,851

6) Gain on sales of fixed assets were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Land	¥ 58	¥ 733	\$ 6,099
Investment securities	934	2,031	16,883
Others	22	405	3,368

7) Loss on sales of fixed assets were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Land	¥ –	¥ 33	\$ 279
Investment securities	16	72	603
Others	7	4	37

7. Notes to
Consolidated
Statement of
Comprehensive
Income

Reclassification adjustments and tax effects related to other comprehensive income were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Net unrealized gain (loss) on other securities, net of taxes			
Gains (losses) arising during the year	¥ 20,305	¥ 93,595	\$ 778,015
Reclassification adjustments	(820)	(987)	(8,207)
Total before tax effect	19,485	92,607	769,807
Tax effect	(6,598)	(24,523)	(203,852)
Net unrealized gain (loss) on other securities, net of taxes	12,886	68,084	565,954
Deferred gain (loss) on hedging, net of taxes			
Gains (losses) arising during the year	¥ (28)	¥ 77	\$ 642
Reclassification adjustments	(19)	28	235
Total before tax effect	(48)	105	878
Tax effect	17	(35)	(299)
Deferred gain (loss) on hedging, net of taxes	(30)	69	579
Revaluation reserve for land, net of taxes			
Tax effect	¥ –	¥ 1,948	\$ 16,200
Foreign currency translation adjustments			
Gains (losses) arising during the year	¥ 2,835	¥ 2,933	\$ 24,385
Reclassification adjustments	0	–	–
Foreign currency translation adjustments	2,835	2,933	24,385
Remeasurements of defined benefit plans, net of taxes			
Gains (losses) arising during the year	¥ –	¥ 3,957	\$ 32,894
Reclassification adjustments	–	2,328	19,357
Total before tax effect	–	6,285	52,251
Tax effect	–	(2,278)	(18,939)
Remeasurements of defined benefit plans, net of taxes	–	4,007	33,311
Share of other comprehensive income of associates accounted for using equity method			
Gains (losses) arising during the year	¥ 39	¥ 167	\$ 1,394
Reclassification adjustments	26	(14)	(119)
Share of other comprehensive income of associates accounted for using equity method	66	153	1,274
Total other comprehensive income	¥ 15,758	¥ 77,197	\$ 641,707

8. Notes to Consolidated Statement of Changes in Net Assets

1) Type and number of outstanding shares

For the year ended March 31, 2014				Number of shares (Thousands)
Type of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock	788,514	–	–	788,514
Treasury stock:				
Common stock	3,819	38	0	3,857

Notes: 1. The increase in 38 thousand shares of treasury stock is mainly due to the purchases of shares in quantities less than the minimum trading unit of shares.
2. The decrease in 0 thousand shares of treasury stock is due to the sale of shares in quantities less than the minimum trading unit of shares.

For the year ended March 31, 2015				Number of shares (Thousands)
Type of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Common stock	788,514	–	–	788,514
Treasury stock:				
Common stock	3,857	33	0	3,890

Notes: 1. The increase in 33 thousand shares of treasury stock is mainly due to the purchase of shares in quantities less than the minimum trading unit of shares.
2. The decrease in 0 thousand shares of treasury stock is due to the sale of shares in quantities less than the minimum trading unit of shares.

2) Dividends

(1) Dividends paid to shareholders

For the year ended March 31, 2014					
Resolution approved by	Type of shares	Amount (Millions of Yen)	Amount per share (Yen)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 27, 2013)	Common stock	¥2,751	¥3.50	March 31, 2013	June 28, 2013
Board of directors (November 12, 2013)	Common stock	¥2,751	¥3.50	September 30, 2013	December 3, 2013

For the year ended March 31, 2015							
Resolution approved by	Type of shares	Amount (Millions of Yen)	Amount (Thousands of U.S. Dollars)	Amount per share (Yen)	Amount per share (U.S. Dollars)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 27, 2014)	Common stock	¥2,750	\$22,867	¥3.50	\$0.03	March 31, 2014	June 30, 2014
Board of directors (November 10, 2014)	Common stock	¥2,750	\$22,867	¥3.50	\$0.03	September 30, 2014	December 2, 2014

(2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year

For the year ended March 31, 2014						
Resolution approved by	Type of shares	Paid from	Amount (Millions of Yen)	Amount per share (Yen)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 27, 2014)	Common stock	Retained earnings	¥2,750	¥3.50	March 31, 2014	June 30, 2014

For the year ended March 31, 2015								
Resolution approved by	Type of shares	Paid from	Amount (Millions of Yen)	Amount (Thousands of U.S. Dollars)	Amount per share (Yen)	Amount per share (U.S. Dollars)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 26, 2015)	Common stock	Retained earnings	¥3,536	\$29,400	¥4.50	\$0.04	March 31, 2015	June 29, 2015

9. Notes to Consolidated Statement of Cash Flows

The reconciliation between cash and cash equivalents reported in the consolidated statement of cash flows and amounts reported in the consolidated balance sheet is as follows:

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Cash (as per consolidated balance sheet)	¥141,440	¥176,482	\$1,467,019
Marketable securities (Negotiable certificate of deposit)	42,000	66,000	548,628
Cash and cash equivalents	¥183,440	¥242,482	\$2,015,648

10. Financial Instruments

1) Overview

(1) Policy for financial instruments

The Group raises operating funds primarily through bank borrowings and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the Group's policy, the Group uses derivatives only for the purpose of reducing risks by hedge, and not for speculative purposes.

(2) Types of financial instruments, risk and risk management

Regarding credit risk associated with customer's operating receivables such as notes receivable and accounts receivable from construction contracts, the Group appropriately reduces such risk in response to the payment conditions and customer's credit situation.

Regarding investment securities held primarily for the purpose of maintaining business relationships, the Group regularly monitors their market value and the financial condition of investees, and reconsiders the holding purpose on an ongoing basis after the acquisition.

Regarding volatility risk of foreign exchange rates and interest rates, the Group conducts market risk management in line with its risk management rules for volatility in financial markets.

The Group manages liquidity risk associated with raising funds by appropriately planning fund raising based on a three-month cash flow projection prepared monthly and the fiscal year's cash flow projection.

(3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on market value or reasonable estimate if there is no market value. Since certain assumptions are used for estimating values, values could be different if different assumptions are applied. In addition, the derivative contract amounts described in "Derivatives" (Note 12) are not indicative of the actual market risk involved in derivative transactions.

2) Estimated fair value of financial instruments

The carrying value of the financial instruments on the consolidated balance sheet as at March 31, 2014 and 2015, and estimated fair value are shown below. The following table does not include financial instruments for which it is extremely difficult to determine the fair value.

As at March 31, 2014	Millions of Yen		
	Carrying value	Fair value	Difference
Assets			
(1) Cash	¥141,440	¥141,440	¥ -
(2) Notes and accounts receivable—trade	478,446	478,373	(72)
(3) Marketable securities	42,000	42,000	-
(4) Investment securities	273,375	273,375	-
Liabilities			
(5) Notes and accounts payable—trade	435,934	435,934	-
(6) Short-term borrowings	127,786	127,786	-
(7) Bonds payable	70,000	71,507	1,507
(8) Non-recourse bonds payable and current portion of non-recourse bonds payable	-	-	-
(9) Long-term borrowings	106,716	108,120	1,404
(10) Non-recourse borrowings and current portion of non-recourse borrowings	39,719	41,181	1,462
Derivative transactions(*)			
(11) Derivative transactions			
Hedge accounting is not applied	-	-	-
Hedge accounting is applied	(28)	(28)	-

As at March 31, 2015	Millions of Yen		
	Carrying value	Fair value	Difference
Assets			
(1) Cash	¥176,482	¥176,482	¥ –
(2) Notes and accounts receivable—trade	472,367	472,303	(63)
(3) Marketable securities	66,239	66,239	–
(4) Investment securities	370,438	370,438	–
Liabilities			
(5) Notes and accounts payable—trade	454,576	454,576	–
(6) Short-term borrowings	132,401	132,401	–
(7) Bonds payable	90,000	91,344	1,344
(8) Non-recourse bonds payable and current portion of non-recourse bonds payable	20,000	20,000	–
(9) Long-term borrowings	85,469	86,545	1,075
(10) Non-recourse borrowings and current portion of non-recourse borrowings	47,709	49,260	1,551
Derivative transactions(*)			
(11) Derivative transactions			
Hedge accounting is not applied	(264)	(264)	–
Hedge accounting is applied	77	77	–

As at March 31, 2015	Thousands of U.S. Dollars		
	Carrying value	Fair value	Difference
Assets			
(1) Cash	\$1,467,019	\$1,467,019	\$ –
(2) Notes and accounts receivable—trade	3,926,575	3,926,044	(530)
(3) Marketable securities	550,617	550,617	–
(4) Investment securities	3,079,287	3,079,287	–
Liabilities			
(5) Notes and accounts payable—trade	3,778,689	3,778,689	–
(6) Short-term borrowings	1,100,592	1,100,592	–
(7) Bonds payable	748,129	759,301	11,172
(8) Non-recourse bonds payable and current portion of non-recourse bonds payable	166,251	166,251	–
(9) Long-term borrowings	710,472	719,413	8,941
(10) Non-recourse borrowings and current portion of non-recourse borrowings	396,584	409,481	12,897
Derivative transactions(*)			
(11) Derivative transactions			
Hedge accounting is not applied	(2,197)	(2,197)	–
Hedge accounting is applied	642	642	–

(*) Net liabilities that arose from derivative transactions are presented on a net basis in parentheses.

Notes: 1. Method to determine the estimated fair value of financial instruments

(1) Cash, (3) Marketable securities, (5) Notes and accounts payable—trade, (6) Short-term borrowings

The Corporation uses carrying value for these amounts because they will be settled in the short term, meaning that carrying value approximate fair value.

(2) Notes and accounts receivable—trade

By receivables with separate fixed terms, the fair value is calculated by applying a discount rate determined taking into account the term of collection and the credit risk.

(4) Investment securities

The fair value of stocks is determined based on the stock market price and the fair value of bonds is determined based on the stock market price or prices quoted by financial institutions. Among "Investment securities," non-listed shares, etc. (¥39,488 million (\$328,253 thousand) in the consolidated balance sheets as at March 31, 2015 (¥42,519 million as at March 31, 2014)) are not included in the above because determining the fair value for them is extremely difficult.

(7) Bonds payable

The fair value of the bonds issued by the Corporation is based on the prevailing market price.

(8) Non-recourse bonds payable and current portion of non-recourse bonds payable

Carrying value is used as fair value as there is a variable interest rate and the value is reviewed on a short term basis to reflect the market interest rate, meaning that carrying value approximate fair value

(9) Long-term borrowings, (10) Non-recourse borrowings and current portion of non-recourse borrowings

The fair value of long-term borrowings and non-recourse borrowings are estimated by applying a discount rate to be applied to the total of principal and interest if a similar new borrowings agreement would be entered into. Some long-term borrowings and non-recourse borrowings are subject to special treatment of interest rate swap, and these are calculated by applying a discount rate to be applied to the total principal and interest with the consideration of the underlying interest rate swap if a similar new borrowings agreement would be entered into.

(11) Derivative transactions

The fair value of derivative transactions is valued from prices quoted by financial institutions.

2. Anticipated redemption amount after balance sheet date for monetary assets and securities with maturities.

As at March 31, 2014	Millions of Yen		
	Less than 1 year	Over 1 year less than 5 years	Over 5 years
Cash	¥141,440	¥ –	¥ –
Notes and accounts receivable—trade	459,264	19,115	65
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	–	1,020	–
Other	50	–	–
Other (negotiable certificate of deposit)	42,000	–	–
Total	¥642,755	¥20,135	¥65

As at March 31, 2015	Millions of Yen		
	Less than 1 year	Over 1 year less than 5 years	Over 5 years
Cash	¥176,482	¥ –	¥ –
Notes and accounts receivable—trade	453,551	18,784	31
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	1,239	482	–
Other	50	–	–
Other (negotiable certificate of deposit)	66,000	–	–
Total	¥697,273	¥19,266	¥31

Thousands of U.S. Dollars

As at March 31, 2015	Less than 1 year	Over 1 year less than 5 years	Over 5 years
Cash	\$1,467,019	\$ -	\$ -
Notes and accounts receivable—trade	3,770,168	156,143	264
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	10,301	4,008	-
Other	-	-	-
Other (negotiable certificate of deposit)	548,628	-	-
Total	\$5,796,118	\$160,152	\$264

3. Repayment schedule for short-term borrowings, bonds payable, non-recourse bonds payable and current portion of non-recourse bonds payable, long-term borrowings and non-recourse borrowings and current portion of non-recourse borrowings after each fiscal year end.

Millions of Yen

As at March 31, 2014	Less than 1 year	Over 1 year less than 2 years	Over 2 years less than 3 years	Over 3 years less than 4 years	Over 4 years less than 5 years	Over 5 years
Short-term borrowings	¥127,786	¥ -	¥ -	¥ -	¥ -	¥ -
Bonds payable	-	-	25,000	15,000	10,000	20,000
Non-recourse bonds payable and current portion of non-recourse bonds payable	-	-	-	-	-	-
Long-term borrowings	-	30,481	32,358	14,730	13,048	16,097
Non-recourse borrowings and current portion of non-recourse borrowings	5,986	6,040	6,073	4,432	3,321	13,864
Total	¥133,773	¥36,522	¥63,431	¥34,163	¥26,370	¥49,961

Millions of Yen

As at March 31, 2015	Less than 1 year	Over 1 year less than 2 years	Over 2 years less than 3 years	Over 3 years less than 4 years	Over 4 years less than 5 years	Over 5 years
Short-term borrowings	¥132,401	¥ -	¥ -	¥ -	¥ -	¥ -
Bonds payable	-	25,000	15,000	10,000	20,000	20,000
Non-recourse bonds payable and current portion of non-recourse bonds payable	2,101	668	17,231	-	-	-
Long-term borrowings	-	23,466	18,338	16,656	11,732	15,275
Non-recourse borrowings and current portion of non-recourse borrowings	7,511	7,544	5,904	4,792	4,471	17,484
Total	¥142,013	¥56,678	¥56,473	¥31,449	¥36,204	¥52,760

Thousands of U.S. Dollars

As at March 31, 2015	Less than 1 year	Over 1 year less than 2 years	Over 2 years less than 3 years	Over 3 years less than 4 years	Over 4 years less than 5 years	Over 5 years
Short-term borrowings	\$1,100,592	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	207,813	124,688	83,125	166,251	166,251
Non-recourse bonds payable and current portion of non-recourse bonds payable	17,464	5,552	143,233	-	-	-
Long-term borrowings	-	195,064	152,439	138,460	97,528	126,978
Non-recourse borrowings and current portion of non-recourse borrowings	62,441	62,712	49,078	39,841	37,169	145,341
Total	\$1,180,498	\$471,143	\$469,440	\$261,428	\$300,948	\$438,570

11. Securities

1) Other securities (with market value)

As at March 31, 2014	Book value	Acquisition cost	Difference
Securities with unrealized gains			
Stocks	¥271,047	¥118,549	¥152,498
Sub total	271,047	118,549	152,498
Securities with unrealized losses			
Stocks	2,327	2,546	(218)
Other	42,000	42,000	-
Sub total	44,327	44,546	(218)
Total	¥315,375	¥163,095	¥152,280

As at March 31, 2015	Book value	Acquisition cost	Difference
Securities with unrealized gains			
Stocks	¥369,824	¥124,890	¥244,934
Sub total	369,824	124,890	244,934
Securities with unrealized losses			
Stocks	613	660	(46)
Corporate bonds	239	239	-
Other	66,000	66,000	-
Sub total	66,852	66,899	(46)
Total	¥436,677	¥191,789	¥244,887

As at March 31, 2015	Book value	Acquisition cost	Difference
Securities with unrealized gains			
Stocks	\$3,074,188	\$1,038,154	\$2,036,033
Sub total	3,074,188	1,038,154	2,036,033
Securities with unrealized losses			
Stocks	5,099	5,489	(390)
Corporate bonds	1,988	1,988	-
Other	548,628	548,628	-
Sub total	555,716	556,107	(390)
Total	\$3,629,905	\$1,594,261	\$2,035,643

2) Other securities sold

		Millions of Yen		
For the year ended March 31, 2014		Sales amount	Total gain on sales	Total loss on sales
Shares		¥2,477	¥ 934	¥16
		Millions of Yen		
For the year ended March 31, 2015		Sales amount	Total gain on sales	Total loss on sales
Shares		¥2,630	¥2,031	¥-
		Thousands of U.S. Dollars		
For the year ended March 31, 2015		Sales amount	Total gain on sales	Total loss on sales
Shares		\$21,864	\$16,883	\$-

12. Derivatives

1) Derivative transactions to which hedge accounting is not applied

(1) Currency-related transactions

The year ended March 31, 2014

Not applicable

The year ended March 31, 2015

		Millions of Yen			
Segmentation	Transaction type	Contract amount	Contract over 1 year	Fair value	Valuation gains and losses
Off-market transactions	Foreign exchange forward contract				
	Sell				
	U.S. dollar	¥35,778	-	¥(264)	¥(264)
	Total	¥35,778	-	¥(264)	¥(264)
		Thousands of U.S. Dollars			
Segmentation	Transaction type	Contract amount	Contract over 1 year	Fair value	Valuation gains and losses
Off-market transactions	Foreign exchange forward contract				
	Sell				
	U.S. dollar	\$297,410	-	\$(2,197)	\$(2,197)
	Total	\$297,410	-	\$(2,197)	\$(2,197)

Note: The fair value of derivative transactions is determined based on prices quoted by financial institutions.

2) Derivative transactions to which hedge accounting is applied

(1) Currency-related transactions

As at March 31, 2014

			Millions of Yen		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions			
	Buy				
	U.S. dollar		¥630	¥-	¥15
	Zambian Kwacha		227	-	(43)

Note: The fair value of derivative transactions is determined based on prices quoted by financial institutions.

As at March 31, 2015			Millions of Yen		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions			
	Buy				
	U.S. dollar		¥1,466	¥ –	¥144
	Sell				
	Singapore dollar		1,910	1,910	(72)
	Non-Deliverable-Forward (NDF)				
	Buy				
	Philippine Peso		64	64	4

As at March 31, 2015			Thousands of U.S. Dollars		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions			
	Buy				
	U.S. dollar		\$12,193	\$ –	\$1,204
	Sell				
	Singapore dollar		15,877	15,877	(600)
	Non-Deliverable-Forward (NDF)				
	Buy				
	Philippine Peso		538	538	39

Note: The fair value of derivative transactions is determined based on prices quoted by financial institutions.

(2) Interest-related transactions

As at March 31, 2014			Millions of Yen		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Special treatment of interest rate swap	Interest rate swap transaction	Long-term borrowings and non-recourse borrowings			
	Payment fixed/receiving variable		¥12,085	¥10,495	(Note)

Note: Since special treatment of interest rate swaps is made together with hedged long-term borrowings and non-recourse borrowings, their fair values of interest rate swaps have been included in those of the relevant long-term borrowings and non-recourse borrowings.

As at March 31, 2015			Millions of Yen		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Special treatment of interest rate swap	Interest rate swap transaction	Long-term borrowings and non-recourse borrowings			
	Payment fixed/receiving variable		¥7,797	¥6,565	(Note)

As at March 31, 2015			Thousands of U.S. Dollars		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
Special treatment of interest rate swap	Interest rate swap transaction	Long-term borrowings and non-recourse borrowings			
	Payment fixed/receiving variable		\$64,812	\$54,571	(Note)

Note: Since special treatment of interest rate swaps is made together with hedged long-term borrowings and non-recourse borrowings, their fair values of interest rate swaps have been included in those of the relevant long-term borrowings and non-recourse borrowings.

13. Retirement Benefits

1) Summary of Employees' Retirement Benefit Plans

The Corporation and certain consolidated subsidiaries have lump-sum retirement payment plans and defined benefit pension plans.

As at March 31, 2014, the Corporation and 23 consolidated subsidiaries offered lump-sum retirement payment plans and the Corporation and 6 consolidated subsidiaries also offered a defined benefit pension plan.

As at March 31, 2015, the Corporation and 24 consolidated subsidiaries offered lump-sum retirement payment plans and the Corporation and 7 consolidated subsidiaries also offered a defined benefit pension plan.

2) Defined benefit pension plan

(1) Reconciliation of Projected Benefit Obligations

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Projected benefit obligations as at April 1	¥166,214	¥158,941	\$1,321,213
Accumulative effects of changes in accounting policies	–	127	1,059
Restated balance	166,214	159,069	1,322,273
Service cost	5,874	5,782	48,067
Interest cost	1,625	1,534	12,753
Actuarial gain or loss	(2,471)	(72)	(601)
Retirement benefits paid	(13,152)	(12,956)	(107,704)
Other	852	1,354	11,262
Projected benefit obligations as at March 31	¥158,941	¥154,711	\$1,286,051

Note: Some consolidated subsidiaries used a simplified method to compute their projected benefit obligations.

(2) Reconciliation of Plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Plan assets as at April 1	¥94,290	¥96,353	\$800,940
Expected return on plan assets	1,104	760	6,324
Actuarial gain or loss	2,861	3,884	32,293
Contributions by the Corporation	7,445	7,418	61,665
Retirement benefits paid	(9,533)	(9,096)	(75,614)
Other	184	316	2,628
Plan assets as at March 31	¥96,353	¥99,637	\$828,238

(3) Reconciliation of Projected Benefit Obligations and Plan Assets and Net liability for retirement benefit in the consolidated balance sheet

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Funded projected benefit obligation	¥110,179	¥107,109	\$890,352
Plan assets	(96,353)	(99,637)	(828,238)
Unfunded projected benefit obligation	13,825	7,472	62,114
Net liability for projected benefit in the consolidated balance sheet	48,762	47,602	395,698
Net liability for projected benefit in the consolidated balance sheet	62,588	55,074	457,812
Net defined benefit liability	62,588	55,074	457,812
Net liability for projected benefit in the consolidated balance sheet	¥ 62,588	¥ 55,074	\$457,812

(4) Retirement Benefit Expenses

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Service cost	¥ 5,874	¥5,782	\$48,067
Interest cost	1,625	1,534	12,753
Expected return on plan assets	(1,104)	(760)	(6,324)
Amortization of actuarial gain or loss	3,078	2,462	20,470
Amortization of prior service cost	(133)	(133)	(1,112)
Other	668	468	3,896
Retirement benefit expenses	¥10,007	¥9,353	\$77,750

(5) Remeasurements of Defined Benefit Plans included in other comprehensive income

Remeasurements of defined benefit plans (before tax effect) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Prior service cost	–	¥ 133	\$ 1,112
Actuarial gain or loss	–	(6,419)	(53,364)
Total	–	¥(6,285)	\$(52,251)

(6) Remeasurements of Defined Benefit Plans included in accumulated other comprehensive income

Remeasurements of defined benefit plans (before tax effect) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Unrecognized prior service cost	¥ (307)	¥ (130)	\$ (1,084)
Unrecognized actuarial gain or loss	11,619	4,921	40,912
Total	¥11,311	¥4,791	\$39,827

(7) Plan assets

(a) Major components of plan assets were as follows:

	2014	2015
Stocks	14%	15%
Bonds	8%	9%
General account	77%	75%
Other	1%	1%
Total	100%	100%

(b) Method for estimation of expected return on plan assets

The expected return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

(8) Assumptions for actuarial calculations

Major components of the basis for actuarial calculations (figures are weighted averages)

	2014	2015
Discount rates	1.0%(mainly)	1.0%(mainly)
Expected rates of return on plan assets	1.2%(mainly)	0.8%(mainly)

14. Deferred Tax Accounting

1) As at March 31, 2014 and 2015, the significant components of deferred tax assets and liabilities were as follows:

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Deferred tax assets			
Net defined benefit liability	¥20,982	¥ 16,733	\$ 139,098
Non-deductible portion of reserves and allowances	16,046	14,860	123,527
Losses on write-down of assets	15,528	10,947	90,997
Tax losses carried forward	10,187	6,764	56,232
Other	20,045	26,083	216,821
Sub total	82,789	75,389	626,679
Less: valuation allowance	(32,930)	(23,628)	(196,414)
Total deferred tax assets	49,859	51,760	430,264
Deferred tax liabilities			
Net unrealized gains on other securities	(50,963)	(75,486)	(627,488)
Other	(4,698)	(4,683)	(38,933)
Total deferred tax liabilities	(55,661)	(80,170)	(666,422)
Net deferred tax assets (liabilities)	¥ (5,802)	¥(28,409)	\$(236,157)

2) As at March 31, 2014 and 2015, the reconciliation of the statutory tax rate to the effective income tax rate was as follows:

As at March 31	2014	2015
Statutory tax rate	37.8%	35.5%
Adjustments:		
Expenses not deductible permanently for income tax purposes	7.3%	2.8%
Income not included permanently for income tax purposes	(7.3%)	(2.6%)
Foreign corporation tax	2.1%	1.9%
Elimination of intercompany dividend income	5.5%	1.7%
Decrease of valuation allowance	(0.8%)	(3.6%)
Reversal of deferred tax assets due to tax rate change	5.2%	7.9%
Other	(0.0%)	(4.9%)
Effective income tax rate	49.8%	38.7%

3) Reversal of the amount of deferred tax assets and liabilities due to the change in the corporate tax rate

The " Act for Partial Revision of the Income Tax Act, etc. " (Act No. 9 of 2015) and the " Act for Partial Revision of the Local Tax Act, etc. " (Act No. 2 of 2015) were promulgated on March 31, 2015. The reduction of the corporate tax rate will be effective for fiscal year beginnings on or after April 1, 2015. therefore, the effective statutory tax rate used to measure the Corporation's deferred tax assets and liabilities was changed from 35.5% to 32.9% for temporary differences expected to be utilized in fiscal year beginning April 1, 2015 and from 35.5% to 32.2% for temporary differences expected to be utilized from fiscal year beginning April 1, 2016.

As a result of this change in the tax rates, deferred tax liabilities (net of the amount of deferred tax assets) decreased by ¥3,874 million(\$32,208 thousand), deferred tax liabilities for revaluation reserve for land decreased by ¥1,948 million (\$16,200 thousand), therefore, accumulated other comprehensive income increased by ¥10,213 million (\$84,901 thousand), deferred income taxes increased by ¥4,390 million (\$36,492 thousand).

15. Investment and Rental Properties

The Corporation and certain consolidated subsidiaries own office buildings, residential units and other real estate properties for lease, mainly in Tokyo and other major urban cities in Japan.

For the years ended March 31, 2014 and 2015, the carrying values, changes during the year, and fair values of those properties were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Carrying value			
Balance at beginning of year	¥ 96,326	¥106,171	\$ 882,556
Changes during the year	9,844	763	6,347
Balance at end of year	106,171	106,935	888,903
Fair value at end of year	131,708	169,223	1,406,682

Notes: 1. The carrying value is the amount after deducting accumulated depreciation from acquisition cost.

2. The changes during the year primarily consist of real estate acquisitions (increase: ¥ 21,449million), and transferred to real estate for sale(decrease: ¥ 7,761million) for the year ended March 31, 2014.

3. The changes during the year primarily consist of real estate acquisitions (increase: ¥ 11,592million (\$96,367thousand) , transferred to real estate for sale(decrease: ¥ 5,658million (\$ 47,035thousand))and depreciation (decrease: ¥4,259 million (\$35,407thousand))for the year ended March 31, 2015.

4. The fair value is mainly calculated by the Corporation based on real estate appraisal standards, or based on the appraisal report prepared by external certified appraisers.

For the years ended March 31, 2014 and 2015, incomes from rental business were as follows:

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Net sales on rental business	¥11,347	¥13,274	\$110,343
Cost of sales on rental business	8,112	11,011	91,530
Gross profit on rental business	3,235	2,263	18,813
Other profit	287	189	1,573

16. Segment Information

1) Segment Information

(1) Overview of Reportable Segment

The Group is engaged in construction, real estate development and other related businesses. Construction business and real estate business both operated by the Corporation are the main businesses of the Group. Construction business of the Corporation is operated by branches located in various regions. Real estate business of the Corporation, which involves development, rental and sales, is operated by the Investment and Development Division. The Board of Directors regularly reviews the management and operating results of each branch and division. Therefore, based on the aggregate criteria and the quantitative criteria, "Construction business of the Corporation," which consists of branches of the Corporation, and "Real estate business of the Corporation," conducted by the Investment and Development Division, are deemed to be the two reportable segments of the Group.

(2) Detail of the method used to calculate net sales, profit or loss, assets and liabilities by reportable segment

The accounting policies of the reportable segments are mostly the same as those in "4. Summary of Significant Accounting Policies." However, segment profit does not include provision and reversal amounts of reserves and allowances which are included in the consolidated financial statements.

Intersegment transactions are based on arm's length price.

(3) Net sales, profit or loss, assets and liabilities by reportable segment were as follows:

						Millions of Yen
For the year ended March 31, 2014	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	¥1,188,246	¥19,728	¥289,603	¥1,497,578	¥ –	¥1,497,578
Intersegment or transfer	54,457	5,028	187,984	247,470	(247,470)	–
Total	¥1,242,704	¥24,756	¥477,587	¥1,745,048	¥(247,470)	¥1,497,578
Segment profit (Note 1)	¥ 16,616	¥ 4,409	¥ 20,082	¥ 41,108	¥ (15,053)	¥ 26,054

- Notes: 1. Segment profits are adjusted to the operating income of the Corporation's consolidated statement of income.
2. "Other" segment is composed of business segments not included in the reportable segments, and includes Engineering business operated by the Corporation and other businesses operated by subsidiaries.
3. The adjustment of ¥15,053 million in segment profit was intersegment eliminations, etc.
4. The amounts of business segment assets have not been presented because they were not allocated to business segments.

						Millions of Yen
For the year ended March 31, 2015	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	¥1,291,005	¥20,940	¥255,898	¥1,567,843	¥ –	¥1,567,843
Intersegment or transfer	16,749	150	184,578	201,477	(201,477)	–
Total	¥1,307,754	¥21,091	¥440,476	¥1,769,321	¥(201,477)	¥1,567,843
Segment profit (Note 1)	¥ 47,757	¥ 5,863	¥ 18,881	¥ 72,502	¥ (22,470)	¥ 50,032

						Thousands of U.S. Dollars
For the year ended March 31, 2015	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	\$10,731,546	\$174,070	\$2,127,167	\$13,032,783	\$ –	\$13,032,783
Intersegment or transfer	139,227	1,250	1,534,315	1,674,793	(1,674,793)	–
Total	\$10,870,773	\$175,320	\$3,661,482	\$14,707,576	\$(1,674,793)	\$13,032,783
Segment profit (Note 1)	\$ 396,988	\$ 48,739	\$ 156,956	\$ 602,683	\$ (186,785)	\$ 415,898

- Notes: 1. Segment profits are adjusted to the operating income of the Corporation's consolidated statement of income.
2. "Other" segment is composed of business segments not included in the reportable segments, and includes Engineering business operated by the Corporation and other businesses operated by subsidiaries.
3. The adjustment of ¥22,470 million (\$186,785 thousand) in segment profit was intersegment eliminations, etc.
4. The amounts of business segment assets have not been presented because they were not allocated to business segments.

2) Related information

For the year ended March 31, 2014

(1) Product and Service Information

This item is omitted because the net sales from the Construction business including architectural construction, civil engineering and other related business represented over 90% of the net sales of the Corporation's consolidated statement of income.

(2) Geographical Segments

(a) Net sales

				Millions of Yen
	Japan	Asia	Other	Total
	¥1,334,784	¥148,918	¥13,874	¥1,497,578

Note: Revenues are classified in countries or regions based on locations of customers.

(b) Tangible fixed assets

This item is omitted because tangible assets located in Japan represented over 90% of the tangible fixed assets on the consolidated balance sheet.

(3) Information by main customers

This item is omitted because net sales to no single customer represented 10% or more of total net sales of the Corporation's consolidated statement of income.

For the year ended March 31, 2015

(1) Product and Service Information

This item is omitted because the net sales from the Construction business including architectural construction, civil engineering and other related business represented over 90% of the net sales of the Corporation's consolidated statement of income.

(2) Geographical Segments

(a) Net sales

				Millions of Yen	
	Japan	Asia	Other	Total	
	¥1,396,845	¥154,752	¥16,246	¥1,567,843	
				Thousands of U.S. Dollars	
	Japan	Asia	Other	Total	
	\$11,611,349	\$1,286,384	\$135,050	\$13,032,783	

Note: Revenues are classified in countries or regions based on locations of customers.

(b) Tangible fixed assets

This item is omitted because tangible assets located in Japan represented over 90% of the tangible fixed assets on the consolidated balance sheet.

(3) Information by main customers

This item is omitted because net sales to no single customer represented 10% or more of total net sales of the Corporation's consolidated statement of income.

3) Impairment loss on fixed assets by reportable segment

For the years ended March 31, 2014 and 2015

Not applicable.

4) Amortization of goodwill and unamortized balance by reportable segment

For the years ended March 31, 2014 and 2015

This item is omitted in accordance with Article 15-2 Paragraph 4 of the Regulations for Consolidated Financial Statements.

5) Gain on negative goodwill by reportable segment

This item is omitted in accordance with Article 15-2 Paragraph 4 of the Regulations for Consolidated Financial Statements.

17. Related Party Transactions

For the year ended March 31, 2014

1) Related party transactions between the Corporation and related parties

Directors and major shareholders (individual shareholders only), etc., of the Corporation

Related Party	Category	Address	Capital or Investment	Type of Business	% of Voting Rights	Relationship	Nature of Transaction	Amounts of Transaction	Account	Balance at the end of the year
					Held (held by Others)			Millions of Yen		Millions of Yen
Mitsuaki Shimizu	Director and close relative	-	-	Director of the Corporation	Direct: 0.9%	Construction Contract	Construction Contract	¥69	-	-
Junichi Oyamada	Director and close relative	-	-	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	¥5	-	-

2) Related party transactions between subsidiaries and related parties

Directors and major shareholders (individual shareholders only), etc., of the Corporation

Related Party	Category	Address	Capital or Investment	Type of Business	% of Voting Rights		Relationship	Nature of Transaction	Amounts of Transaction		Balance at the end of the year	
					Held (held by Others)				Millions of Yen	Account	Millions of Yen	
Junichi Oyamada	Director and close relative	-	-	Corporate auditor of the Corporation; lawyer	Direct: 0.0%		Corporate lawyer	Lawyer compensation	¥7	-	-	-

Notes: 1. The amounts of transaction do not include consumption tax.

2. A transaction amount of the construction contract is the revenue recognized using the percentage-of-completion method for the fiscal year ended March 31, 2014. The contract amount is ¥613 million excluding consumption tax.

3. Terms and conditions of transaction and policy for determining them

(1) The construction contract is based on "General Conditions of Construction Contract," and the contract amount is determined based on the appropriate estimation as other general contracts.

(2) The lawyer compensations are determined based on former "Regulations Concerning the Standards for Attorney's Fees, etc." stipulated by Japan Federation of Bar Associations.

For the year ended March 31, 2015

1) Related party transactions between the Corporation and related parties

Directors and major shareholders (individual shareholders only), etc., of the Corporation

Related Party	Category	Address	Capital or Investment	Type of Business	% of Voting Rights		Relationship	Nature of Transaction	Amounts of Transaction		Balance at the end of the year		
					Held (held by Others)				Millions of Yen	Thousands of U.S. Dollars	Account	Millions of Yen	Thousands of U.S. Dollars
Mitsuki Shimizu	Director and close relative	-	-	Director of the Corporation	Direct: 0.5%		Construction Contract	Construction Contract	¥425	\$3,538	Notes and accounts receivable—trade	¥8	\$74

2) Related party transactions between subsidiaries and related parties

Directors and major shareholders (individual shareholders only), etc., of the Corporation

Related Party	Category	Address	Capital or Investment	Type of Business	% of Voting Rights		Relationship	Nature of Transaction	Amounts of Transaction		Balance at the end of the year		
					Held (held by Others)				Millions of Yen	Thousands of U.S. Dollars	Account	Millions of Yen	Thousands of U.S. Dollars
Kazuyuki Inoue				Executive officer of the Corporation	Direct: 0.0%				¥46	\$386		-	-
Fujiko Inoue	Director and close relative	-	-	Close relative of the executive officer of the Corporation	-		Sale of Condominium	Sale of Condominium	19	159		-	-
Yuya Inoue				Close relative of the executive officer of the Corporation	-				14	119		-	-

Notes: 1. The amounts of transaction do not include consumption tax.

2. A transaction amount of the construction contract is the revenue recognized using the percentage-of-completion method for the fiscal year ended March 31, 2015. The contract amount is ¥613 million (\$5,099 thousand) excluding consumption tax.

3. For the amounts of notes and accounts receivable—trade from completed construction contracts related to the contract of construction work and the balance as at March 31, 2015, the accounts receivable recognized to date using the percentage-of-completion method as at March 31, 2015 are stated.

4. Terms and conditions of transaction and policy for determining them

(1) The construction contract is based on "General Conditions of Construction Contract," and the contract amount is determined based on the appropriate estimation as other general contracts.

(2) The terms for the sale of the condominium were determined in the same manner as general transactions.

(3) Kazuyuki Inoue, an executive officer of the Corporation, Fujiko Inoue and Yuya Inoue purchased the condominium jointly.

5. Kazuyuki Inoue was elected a director of the Corporation at the shareholders meeting held on June 26, 2015.

18. Amounts per Share

For the year ended March 31	Yen		U.S. Dollars
	2014	2015	2015
Net assets per share of common stock	¥474.43	¥607.82	\$5.05
Basic net income per share of common stock	¥ 18.09	¥ 42.56	\$0.35
Diluted net income per share of common stock	¥ 18.05	¥ 42.53	\$0.35

1) Basis of net income per share of common stock and diluted net income per share of common stock

(1) Net income per share of common stock

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Net income	¥14,191	¥33,397	\$277,617
Net income not attributed to common share holders	–	–	–
Net income attributed to common shares	14,191	33,397	277,617
Average number of common shares issued and outstanding during the period	784,675 thousand shares	784,640 thousand shares	784,640 thousand shares

(2) Diluted net income per share of common stock

For the year ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Adjustment in net income (Stock subscription rights of affiliated companies decrease the equity investment earnings when they are exercised)	¥(25)	¥(26)	\$(219)
Number of common stock increased by share warrants	–	–	–

(3) Summary of diluted stock not included in the calculation of diluted net income per share due to absence of dilution effect

For the year ended March 31	Shares	
	2014	2015
Common stock associated with the issuance of stock acquisition rights by one equity-method affiliate	–	–

2) Basis of net assets per share of common stock

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Net assets	¥376,048	¥481,896	\$4,005,791
Amounts deducted from net assets	3,786	4,987	41,460
Minority interests	3,786	4,987	41,460
Net assets applicable to common stock	372,261	476,909	3,964,331
Number of shares of common stock at end of year	784,657 thousand shares	784,624 thousand shares	784,624 thousand shares

19. Corporate Bonds

Issued by	Issue type	Issue date	Balance at	Balance at		Interest Rate (%)	Collateral	Maturity	Remarks
			April 1, 2014	Millions of Yen	Thousands of U.S. Dollars				
Corporation	15th unsecured straight bond	Dec. 2, 2010	¥15,000	¥15,000	\$124,688	1.180	None	Dec. 1, 2017	(*)
Corporation	16th unsecured straight bond	Feb. 2, 2011	15,000	15,000	124,688	1.040	None	Feb. 2, 2017	(*)
Corporation	17th unsecured straight bond	Dec. 2, 2011	10,000	10,000	83,125	0.710	None	Dec. 2, 2016	(*)
Corporation	18th unsecured straight bond	Mar. 6, 2012	10,000	10,000	83,125	0.947	None	Mar. 6, 2019	(*)
Corporation	19th unsecured straight bond	Jun. 21, 2012	10,000	10,000	83,125	0.817	None	Jun. 21, 2019	(*)
Corporation	20th unsecured straight bond	Mar. 8, 2013	10,000	10,000	83,125	0.599	None	Mar. 6, 2020	(*)
Corporation	21th unsecured straight bond	Dec. 4, 2014	–	10,000	83,125	0.390	None	Dec. 3, 2021	(*)
Corporation	22th unsecured straight bond	Mar. 6, 2015	–	10,000	83,125	0.377	None	Mar. 5, 2021	(*)
MM21-46 SPC	1st general secured specified corporate bond (Note 2)	May. 2, 2014		20,000 (2,101)	166,251 (17,464)	0.283	Yes	May 31, 2017	(*)
Total	–	–	¥70,000	¥110,000 (2,101)	\$914,380 (17,464)	–	–	–	–

Note: (*)With limited inter-bond pari passu clause

- Aggregate annual maturities of non-recourse bonds bracketed due within one year from the balance sheet date
- Non-recourse bonds
- Aggregate annual maturities of corporate bonds, non-recourse bonds due within five years from the balance sheet date are as follows:

Corporate bonds	Millions of Yen	Thousands of U.S. Dollars
Over 1 years less than 2 years	¥25,000	\$207,813
Over 2 years less than 3 years	15,000	124,688
Over 3 years less than 4 years	10,000	83,125
Over 4 years less than 5 years	20,000	166,251

Non-recourse bonds	Millions of Yen	Thousands of U.S. Dollars
Less than 1 year	¥ 2,101	\$ 17,464
Over 1 years less than 2 years	668	5,552
Over 2 years less than 3 years	17,231	143,233

20. Borrowings

Item	Balance at	Balance at		Average interest rate (%)	Repayment term
	April 1, 2014	March 31, 2015	March 31, 2015		
	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars		
Short-term borrowings	¥ 91,656	¥ 98,342	\$ 817,477	0.70	–
Current portion of long-term borrowings	36,130	34,058	283,115	1.17	–
Current portion of non-recourse borrowings	5,986	7,511	62,441	1.57	–
Current portion of lease obligations	256	242	2,014	–	–
Long-term borrowings (Excluding current portion)	106,716	85,469	710,472	1.16	2016–2031
Non-recourse borrowings (Excluding current portion)	33,732	40,197	334,143	1.69	2016–2031
Lease obligations (Excluding current portion)	303	375	3,121	–	2016–2021
Total	¥274,781	¥266,197	\$2,212,784	–	–

Notes: 1. The “average interest rate” is the weighted average interest rate for the average balance of borrowings during the fiscal year.

2. The average interest rate on lease obligations is not presented because lease obligations carried on the consolidated balance sheet represent the amount before deducting interest equivalents.

3. Aggregate annual repayment of long-term borrowings, non-recourse borrowings and lease obligations, excluding the current portion, due to be repaid within five years from the balance sheet date are as follows:

Long-term borrowings (excluding current portion)	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	¥23,466	\$195,064
Over 2 years less than 3 years	18,338	152,439
Over 3 years less than 4 years	16,656	138,460
Over 4 years less than 5 years	11,732	97,528

Non-recourse borrowings (excluding current portion)	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	¥7,544	\$62,712
Over 2 years less than 3 years	5,904	49,078
Over 3 years less than 4 years	4,792	39,841
Over 4 years less than 5 years	4,471	37,169

Lease obligations (excluding current portion)	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	¥171	\$1,422
Over 2 years less than 3 years	99	824
Over 3 years less than 4 years	68	570
Over 4 years less than 5 years	29	245

21. Asset Retirement Obligations

In accordance with Article 92, Paragraph 2 of “Regulation for Consolidated Financial Statements” the amount of asset retirement obligations as at April 1, 2014 and March 31, 2015 has not been presented because it represented less than 1% of total liabilities and net assets on the consolidated balance sheets.

Independent Auditor's Report

The Board of Directors
Shimizu Corporation

We have audited the accompanying consolidated financial statements of Shimizu Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls 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. 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 consolidated financial position of Shimizu Corporation and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

Ernst & Young Shinbikon LLC

June 26, 2015

Tokyo, Japan

Nonconsolidated Balance Sheet

Shimizu Corporation
As at March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
ASSETS			
Current Assets:			
Cash	¥ 91,296	¥ 119,443	\$ 992,884
Notes receivable	11,364	14,221	118,216
Accounts receivable from completed construction contracts	440,468	414,626	3,446,605
Marketable securities	42,000	66,000	548,628
Real estate for sale	5,108	8,887	73,875
Costs on uncompleted construction contracts	53,676	62,302	517,895
Costs on uncompleted real estate development projects	19,026	9,201	76,487
Materials and supplies	211	195	1,622
Prepaid expenses	101	99	826
Deferred tax assets	21,697	25,561	212,485
Other current assets	76,550	100,152	832,519
Less: Allowance for doubtful accounts	(1,196)	(967)	(8,046)
Total current assets	760,306	819,724	6,814,002
Non-Current Assets:			
Tangible fixed assets:			
Buildings	58,735	69,868	580,788
Structures	1,395	1,460	12,143
Machinery and equipment	589	970	8,068
Vehicles	374	337	2,804
Tools, furniture and fixtures	3,076	3,182	26,451
Land	104,087	108,360	900,750
Construction in progress	20,251	3,168	26,338
Total tangible fixed assets	188,509	187,348	1,557,345
Intangible fixed assets:			
Leasehold	1,584	1,570	13,057
Software	1,564	1,537	12,779
Other intangible fixed assets	16	43	358
Total intangible fixed assets	3,165	3,151	26,195
Investments and other assets:			
Investment securities	294,380	385,983	3,208,508
Investments in subsidiaries and affiliates	27,732	32,614	271,106
Investments in other securities of subsidiaries and affiliates	-	3,305	27,477
Investments in capital	0	0	0
Long-term loans	31	28	238
Long-term loans to employees	21	16	140
Long-term loans to subsidiaries and affiliates	6,828	6,830	56,776
Claims in bankruptcy or reorganization proceedings	3,225	1	12
Long-term prepaid expenses	1,684	1,424	11,845
Other investments	7,860	7,489	62,258
Less: Allowance for doubtful accounts	(5,846)	(2,497)	(20,764)
Total investments and other assets	335,918	435,197	3,617,599
Total non-current assets	527,594	625,697	5,201,140
Total assets	¥1,287,900	¥1,445,421	\$12,015,142

Notes: (1) Yen amounts have been rounded down to the nearest million.

(2) U.S. dollar amounts have been translated at the exchange rate of ¥120.30 to U.S.\$1, the approximate rate prevailing at March 31, 2015.

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
LIABILITIES			
Current Liabilities:			
Notes payable	¥ 11,833	¥ 10,394	\$ 86,404
Accounts payable for construction contracts	363,814	386,699	3,214,461
Short-term borrowings	95,426	89,130	740,898
Lease obligations	446	365	3,038
Accounts payable—other	5,091	3,045	25,314
Accrued expenses	10,369	11,295	93,897
Income taxes payable	—	19,524	162,301
Advances received on uncompleted construction contracts	105,502	77,373	643,170
Withholdings	71,885	104,795	871,115
Warranty reserve	3,032	3,123	25,968
Reserve for expected losses on construction contracts in process	28,622	28,440	236,409
Reserve for directors' bonuses	—	51	423
Asset retirement obligations	87	87	724
Other current liabilities	253	259	2,153
Total current liabilities	696,366	734,585	6,106,281
Non-Current Liabilities:			
Bonds payable	70,000	90,000	748,129
Long-term borrowings	94,241	79,959	664,663
Lease obligations	416	553	4,596
Deferred tax liabilities	33,633	57,579	478,635
Deferred tax liabilities for revaluation reserve for land	21,136	19,017	158,081
Reserve for employees' retirement benefits	47,036	45,461	377,900
Reserve for expected losses on affiliates' businesses	4,354	8,484	70,523
Asset retirement obligations	29	25	213
Other non-current liabilities	8,318	9,854	81,912
Total non-current liabilities	279,166	310,934	2,584,656
Total liabilities	975,533	1,045,519	8,690,938
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2014 and 2015	74,365	74,365	618,165
Additional paid-in capital:			
Capital reserve	43,143	43,143	358,632
Other additional paid-in capital	0	0	1
Retained earnings:			
Legal reserve	18,394	18,394	152,908
Contingent Reserve	44,000	44,700	371,571
Other retained earnings	8,744	26,324	218,825
Less: Treasury stock, at cost			
2,552 thousand shares as at March 31, 2015	—	(1,111)	(9,235)
2,520 thousand shares as at March 31, 2014	(1,085)	—	—
Total shareholders' equity	187,563	205,817	1,710,869
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	100,794	168,365	1,399,548
Deferred gain (loss) on hedging, net of taxes	(18)	51	427
Revaluation reserve for land, net of taxes	24,027	25,667	213,358
Total valuation and translation adjustments	124,804	194,084	1,613,334
Total net assets	312,367	399,901	3,324,204
Total liabilities and net assets	¥1,287,900	¥1,445,421	\$12,015,142

Notes: (1) Yen amounts have been rounded down to the nearest million.

(2) U.S. dollar amounts have been translated at the exchange rate of ¥120.30 to U.S.\$1, the approximate rate prevailing at March 31, 2015.

Nonconsolidated Statement of Income

Shimizu Corporation

For the year ended March 31, 2015

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Net Sales:			
Construction contracts	¥1,212,849	¥1,301,656	\$10,820,085
Real estate development and other	40,211	39,109	325,101
	1,253,060	1,340,766	11,145,187
Cost of Sales:			
Construction contracts	1,155,891	1,218,107	10,125,582
Real estate development and other	33,297	29,590	245,969
	1,189,189	1,247,697	10,371,552
Gross profit:			
Construction contracts	56,957	83,548	694,503
Real estate development and other	6,913	9,519	79,131
	63,870	93,068	773,634
Selling, General and Administrative Expenses:			
Operating income	9,137	35,373	294,039
Non-Operating Income (Expenses):			
Interest and dividend income	8,706	7,058	58,671
Interest expenses	(2,917)	(2,780)	(23,112)
Reversal of allowance for doubtful accounts	41	1,478	12,287
Foreign exchange gain	1,008	2,301	19,134
Loss on disposal of fixed assets	(20)	(694)	(5,773)
Other, net	169	(153)	(1,271)
Ordinary income	16,126	42,583	353,974
Special Gains (Losses):			
Gain on sales of fixed assets	921	1,903	15,819
Loss on sales of fixed assets	(23)	(43)	(362)
Loss on devaluation of shares of subsidiaries and affiliates	(1,267)	-	-
Loss on affiliates' businesses	-	(4,130)	(34,330)
Income before income taxes	15,757	40,312	335,100
Provision for Income Taxes:			
Current	2,191	21,156	175,860
Deferred	6,852	(4,398)	(36,559)
	9,043	16,757	139,301
Net Income	¥ 6,713	¥ 23,554	\$ 195,799

Notes: (1) Yen amounts have been rounded down to the nearest million.

(2) U.S. dollar amounts have been translated at the exchange rate of ¥120.30 to U.S.\$1, the approximate rate prevailing at March 31, 2015.

Nonconsolidated Breakdown of Orders

Shimizu Corporation

For the year ended March 31, 2015

(1) Construction orders awarded and contracts

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Construction business (orders)			
Architectural Construction			
Domestic Operations	¥ 954,062	¥ 958,713	\$ 7,969,352
Overseas Operations	97,421	82,072	682,232
Subtotal	1,051,483	1,040,785	8,651,584
Civil Engineering			
Domestic Operations	240,227	337,307	2,803,887
Overseas Operations	35,603	43,277	359,750
Subtotal	275,830	380,585	3,163,637
Total construction business	1,327,314	1,421,371	11,815,222
Real estate development and other (contracts)	65,656	29,243	243,085
Total	¥1,392,970	¥1,450,614	\$12,058,307

(2) Net sales

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Construction business			
Architectural Construction			
Domestic Operations	¥ 917,625	¥ 951,901	\$ 7,912,726
Overseas Operations	77,803	95,369	792,761
Subtotal	995,429	1,047,270	8,705,488
Civil Engineering			
Domestic Operations	202,854	231,748	1,926,422
Overseas Operations	14,566	22,637	188,175
Subtotal	217,420	254,386	2,114,597
Total construction business	1,212,849	1,301,656	10,820,085
Real estate development and other	40,211	39,109	325,101
Total	¥1,253,060	¥1,340,766	\$11,145,187

(3) Backlog

	Millions of Yen		Thousands of U.S. Dollars
	2014	2015	2015
Construction business			
Architectural Construction			
Domestic Operations	¥ 847,155	¥ 853,967	\$ 7,098,650
Overseas Operations	117,917	104,620	869,662
Subtotal	965,072	958,588	7,968,312
Civil Engineering			
Domestic Operations	295,539	401,098	3,334,154
Overseas Operations	42,093	62,733	521,479
Subtotal	337,633	463,832	3,855,634
Total construction business	1,302,705	1,422,420	11,823,946
Real estate development and other	35,591	25,725	213,840
Total	¥1,338,297	¥1,448,145	\$12,037,787

Notes: (1) Yen amounts have been rounded down to the nearest million.

(2) U.S. dollar amounts have been translated at the exchange rate of ¥120.30 to U.S.\$1, the approximate rate prevailing at March 31, 2015.

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2015

Annual Report

