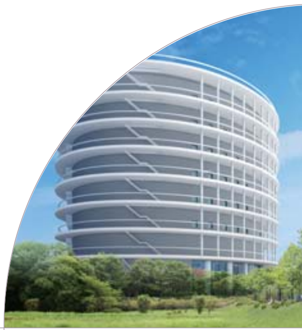
A Smart
Solutions Company



2013
Annual Report
Year ended March 31, 2013

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

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.

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. Our goal is to advance the sustainability of society and of construction while creating value that surpasses customer expectations.

Our Ability

Maximizing 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 and the use of 4D technology, as well as other innovations in construction processes.

Insight into the Next Generation

The Shimizu Group is focusing on addressing issues in the environment, BCP, 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.

Note: "ecoBCP" is a registered trademark of Shimizu Corporation in Japan.

Shimizu Corporation is...

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.

Being a Smart Solutions Company

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.

Among recent smart solutions, in the micro grid demonstration project at **Hangzhou Dianzi University** in China (2008), the Shimizu Group built a 400-kilowatt-class micro grid system with 50% solar power generation and established stable control technology. The New Energy and Industrial Technology Development Organization (NEDO) of Japan commissioned the project. In Singapore, the Shimizu Group constructed a mega-office business

Shimiz's Technology Assets

	1960	1970	1980	1990
Construction Characteristics and Trends	• *Modernization of buildings/facilities* • *Emergence of large-scale construction projects* • *Diversified needs for buildings/facilities*	• *Demands for tower buildings* • *Needs for larger capacity energy storage facilities*	• *Business expansion as an engineering contractor*	• *High-performance/high-tech facilities* • *Challenges for unused spaces (deep subterranean, desert and outer space)*
Representative Construction Methods and Technologies	• High-tension suspension roof structure • Diaphragm wall using ultra-high strength concrete • High-rise building construction technology • In-ground LNG storage tank construction technology	• Deep diaphragm wall technology • Seismic response control system • Building Environmental Control System by Shimizu (BECSS) • Introduction of P&Z cantilever erection system technology	• Rock oil tank system • Seismic isolation system • Soil purification technology • Concrete-filled steel tubes (CFT) structure • Spray robot (SSR-1) for fireproof cover	• Front navigating I (F-NAVI) shield tunneling method • Mechanical shield docking construction method • Reinforced concrete and steel tube (RCST) structure • RC core wall structure

park called the **Mapletree Business City**, which was completed in 2010. Shimizu constructed four buildings

with a total of more than 30,000 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. Back in Japan, in 2012, Shimizu, which is emphasizing its ecoBCP solutions concept (See page 11), completed construction of its new Head Office with superior disaster prevention and environmentally friendly features. In 2013, we completed **Tokyo Square Garden**, which has state-of-the-art environmental technology enabling it to reduce CO_2 emissions to 45% that of a normal tenant building.

And Next

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

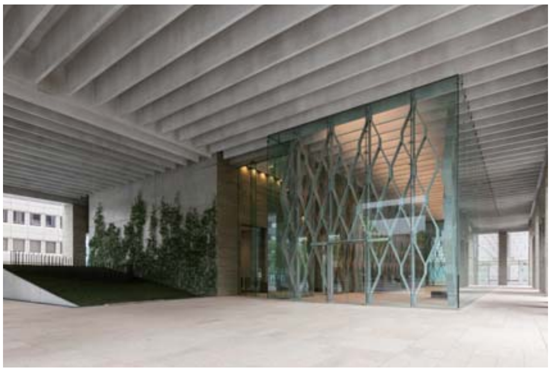
Scheduled for completion in 2013, **Seichio-No-le "Office in the Forest"** project uses the energy conservation and generation capabilities of the facilities to achieve a zero energy building. Moreover, the project is regenerating natural forest and using environmentally friendly construction methods as well as contributing to the prosperity of the region by promoting local production and local consumption. In addition, we are proceeding with our botanical city concept, **Green Float**, a plan to create carbon negative cities where people can live in harmony with nature. We plan to build floating, self-sufficient artificial islands in the Equatorial ocean, with construction to begin sometime in 2025.

2000		2010		2025
• *Information networking via internet* • *Rapid progress of IT* • *Energy conservation/Low cabon* • *Security-enhancements*		• *Activities toward smart comunity* • *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	• Green Float • Luna Ring

Three Facilities that Support Shimizu's Business Strengths

New Head Office materializes Shimizu's potential

Located in Tokyo's Kyobashi District, Shimizu's new Head Office building opened in August 2012. Aiming to be a 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. The building is expected to achieve a 62% reduction in annual carbon-dioxide emissions compared with the average CO_2 emissions of Tokyo office buildings in 2005. Through the optimal control of facilities and equipment, energy-efficient use of computers, and additional technological innovations, Shimizu plans to reduce the building's CO_2 emissions to 70% of the 2005 average by 2015 and eventually achieve zero-carbon operations by combining carbon emission rights.

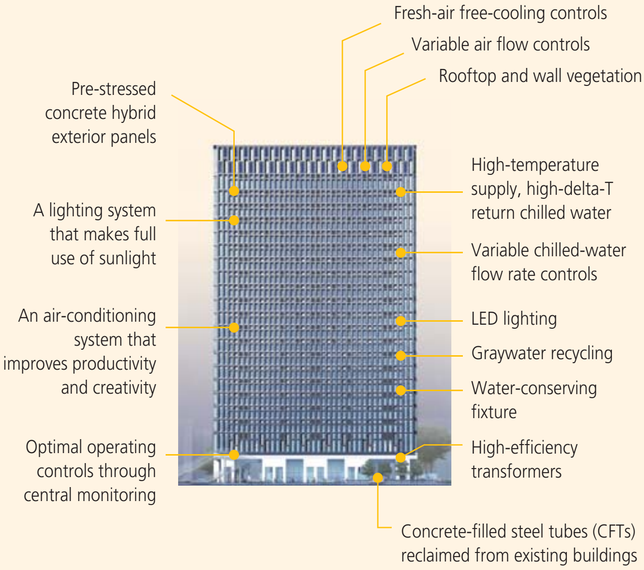


The area of the first-floor entrance would serve as a space for providing aid in the event of a disaster.

Building uses radiant ceiling panels, hybrid radiant panels, and ambient lighting.

New Head Office

NEW HEAD OFFICE DEPLOYS VARIOUS ENVIRONMENTAL TECHNOLOGIES.



The Institute of Technology—Developing leading-edge technology

In 1943, 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 Institute's R&D encompasses not only construction and civil engineering, but also a wide range of other areas, such as machinery, electricity, physics, chemistry, and agriculture. Furthermore, the Institute not only develops technology, it also serves as a source of technological information and data on the verification of technology for society as a whole.

Materials Laboratory

The centrally located Institute of Technology

6-MN structural testing machine

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

The sawmill got its start in year 17 of the Meiji Era or 1884 with the opening of a lumber dovetailing plant 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 plant 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 interior of Ise Jingu Geku Kaguraden (Hall for special prayer) built by the sawmill. Although steel was used for the structural framework to increase durability, our craftsmen fashioned the cedar wood around the framework to give the appearance of an all-wood structure.

Examples of the craftsmanship of the sawmill workers.

A craftsman (above) covers plywood or flame retardant baseboard with natural wood veneer and another craftsman (left) fashions wood into round wood shapes or large blocks appropriate for their use .

Message from the President

"Focusing on our corporate strengths, we target stable earnings, creation of new value, and a recovery in profitability"

Review of Operations

Japan's economy in fiscal 2012 reflected the turmoil in European economies and the stagnation in the U.S. economy and remained weak, despite solid restoration demand due to the earthquake.

In the construction sector, industry-wide orders awarded outperformed the previous fiscal year throughout the year, mainly due to the growth in public-sector orders led by earthquake restoration projects. However, there was no reprieve in the fierce competition for orders, and business conditions remained difficult. Under these circumstances, the Shimizu Group recorded net sales of ¥1,416.0 billion, a 6.0% increase from a year earlier, on the strength of growth from completed construction contracts and real estate development projects.

In terms of profitability, ordinary income rose 7.2% year on year, to ¥17.3 billion. This was despite a decline in gross profits on completed construction contracts caused by a deterioration in construction profitability, resulting from higher gross profits in real estate development and other areas. Net income increased by ¥4.4 billion, to ¥5.9 billion, due to an adjustment of deferred tax assets in fiscal 2011, which was caused by a change of the corporate tax rate.

The Company paid a year-end dividend of ¥3.50 per share, equal to the mid-year dividend, resulting in full-year dividends amounting to ¥7.0 per share.

Today's economies and societies are changing at a rapid pace: the progress of information technology is creating a "flat world;" the rise of emerging countries is polarizing markets; and there have been frequent changes of administrations. It is an age where it has become extremely difficult to anticipate the future. To keep the Company moving forward amid these trends, I want to once again focus on our strengths in order to ensure the future development of the Company.

In our current three-year management plan that takes effect at the beginning of in fiscal 2013, our greatest issue is "Strengthening Profitability in our Core Business of Construction." We are taking steps to cope with the changes in our business environment, such as tight demand and supply conditions for labor and materials nationwide, and soaring labor and material costs. In addition to further strengthening our production and production system reform, we are endeavoring to ensure profits at the point of award through the integration of the three essential factors of sales, engineering, and operations (See page 8).

On the other hand, we are also focusing on creating new value in the three priority fields of our long-term vision—stock management, global, and sustainability operations.

Amid a growing rediscovery of the importance of maintaining and managing building stock, it is forecast that in Japan the proportion of stock management related business in the construction market will rise as high as in Europe. Against this backdrop, we have established an action policy of becoming “A Company that Makes the Most of Buildings.” By strengthening collaboration among the members of the Shimizu Group, we are developing a Building Service Provider (BSP) business that provides comprehensive facility operation and management services after the completion of facilities, as well as opportunities in infrastructure revitalization business.

In our global operations, we will respond to the demand from Japanese companies for our services in setting up overseas production bases. In addition, we will actively work to win projects from local interests. Moreover, it will be our strategy to expand our business fields overseas to include, among others, investment development projects and large-scale infrastructure projects in emerging and other countries.

Our sustainability operations will continue to pursue our ecoBCP solutions business (See page 11). Developed by Shimizu, ecoBCP solutions hinge on the core fields of our sustainability operations, the environment, energy conservation, and client business continuity planning (BCP). We will concentrate our efforts on supplying housing and offices that attain those standards. At the same time, we will explore the business potential of electric power generation, green energy, and other businesses in the renewable energy field. By accumulating a record of concrete projects, I want to develop these businesses into one of our sources of earnings in the future.

Amid the various recent changes in our business environment, I believe the role of construction companies will become increasingly important. I want to respond solidly to the demands and expectations that society places on construction companies: restoration work related to the Great East Japan Earthquake, creating a disaster-resilient country based on disaster prevention and reduction measures, maintaining and managing an aging infrastructure, and reinforcing the functions of major cities to boost our international competitiveness. Through these actions, we will seek to fulfill the ideals of our corporate slogan “Today’s Work, Tomorrow’s Heritage.” Going forward, it is my hope that Shimizu will be a company that can continue to coexist and prosper with society on a broad basis.

Yoichi Miyamoto

Yoichi Miyamoto
President

Aiming to be a Smart Solutions Company

Growing alongside society and creating environments where people can enjoy comfort and peace of mind. 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.

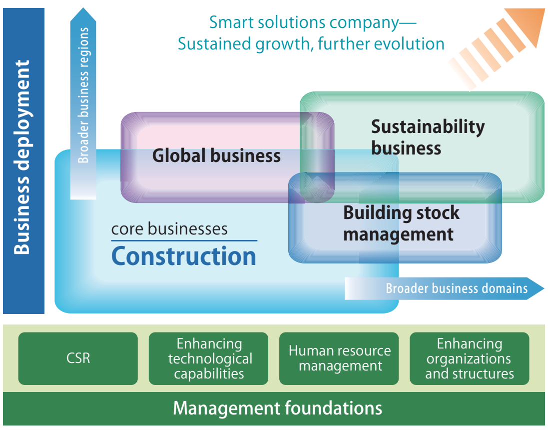
FUNDAMENTAL POLICIES
–SUSTAINED GROWTH, FURTHER EVOLUTION–

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



For details concerning the fundamental policies, please visit the following site: http://www.shimz.co.jp/english/about/strategy/index.html

THREE-YEAR MEDIUM-TERM MANAGEMENT PLAN (FY 2013–2015)

MANAGEMENT POLICIES

Actively strengthen profitability in the core construction business by responding properly to changes in society and in customers, and aggressively expand business domains in order to generate stable profits and deliver sustainable growth across the whole Shimizu Group.

Key Measures

Strengthen profitability in the core construction business

- Ensure profits are secured when orders are won, through close cooperation between sales, design and construction teams
- Secure profits by ensuring front-loading practices in upstream areas
- Step up efforts to improve *monozukuri* (the handing down of specialized technologies, knowledge, and skills) and reform production systems
- Steadily put into practice ecoBCP solutions centered on environmental, energy, and disaster risk mitigation technologies

Enhance initiatives in the three key areas of Smart Vision 2010

- Promote the BSP* business by improving cooperation across the Shimizu Group in the stock management field
- Promote the creation of profit-generating businesses in the sustainability field, such as renewable energy, smart communities, and emissions credit projects
- Improve the Group's competitiveness in the global market by continuing to train personnel and thoroughly managing risk

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

Reinforce business and personnel foundations

- Rebuild organizational systems and teams to match them to the scale of the business
- Further enhance productivity and efficiency of back-office departments
- Implement various measures to train personnel and improve employee motivation

Consolidated Financial Highlights

Shimizu Corporation and its subsidiaries
Years ended March 31, 2009 through 2013

					Millions of Yen (unless otherwise indicated)	Thousands of U.S. Dollars (unless otherwise indicated)
	2009	2010	2011	2012	2013	2013
For the year:						
Construction orders awarded	¥1,357,983	¥1,118,382	¥1,217,238	¥1,242,347	¥1,254,950	$13,332,094
Net sales	1,887,572	1,589,278	1,303,755	1,336,194	1,416,044	15,043,498
Construction contracts	1,728,365	1,453,467	1,197,145	1,224,532	1,271,745	13,510,525
Real estate development and other	159,207	135,810	106,609	111,661	144,298	1,532,973
Operating income	22,328	22,123	20,175	17,566	13,101	139,189
Ordinary income	20,794	17,621	18,815	16,159	17,330	184,112
Income (Loss) before income taxes and minority interests	11,031	(2,136)	20,365	13,586	14,447	153,488
Net income (loss)	6,290	(6,850)	10,848	1,430	5,901	62,690
Return on sales (percent)	0.3%	(0.4)%	0.8%	0.1%	0.4%	0.4%
Net income (loss) per share of common stock (yen and U.S. dollars)	¥ 8.01	¥ (8.73)	¥ 13.83	¥ 1.82	¥ 7.52	$ 0.08
Cash dividends per share of common stock (yen and U.S. dollars)	¥ 7.00	¥ 7.00	¥ 7.00	¥ 7.00	¥ 7.00	$ 0.07
At year-end:						
Total assets	¥1,987,536	¥1,566,531	¥1,423,613	¥1,410,975	¥1,456,441	$15,472,659
Net assets	304,588	311,210	296,461	307,002	358,094	3,804,254
Net assets per share of common stock (yen and U.S. dollars)	¥ 375.56	¥ 386.96	¥ 373.99	¥ 387.74	¥ 452.79	$ 4.81
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 ¥94.13=US$1.

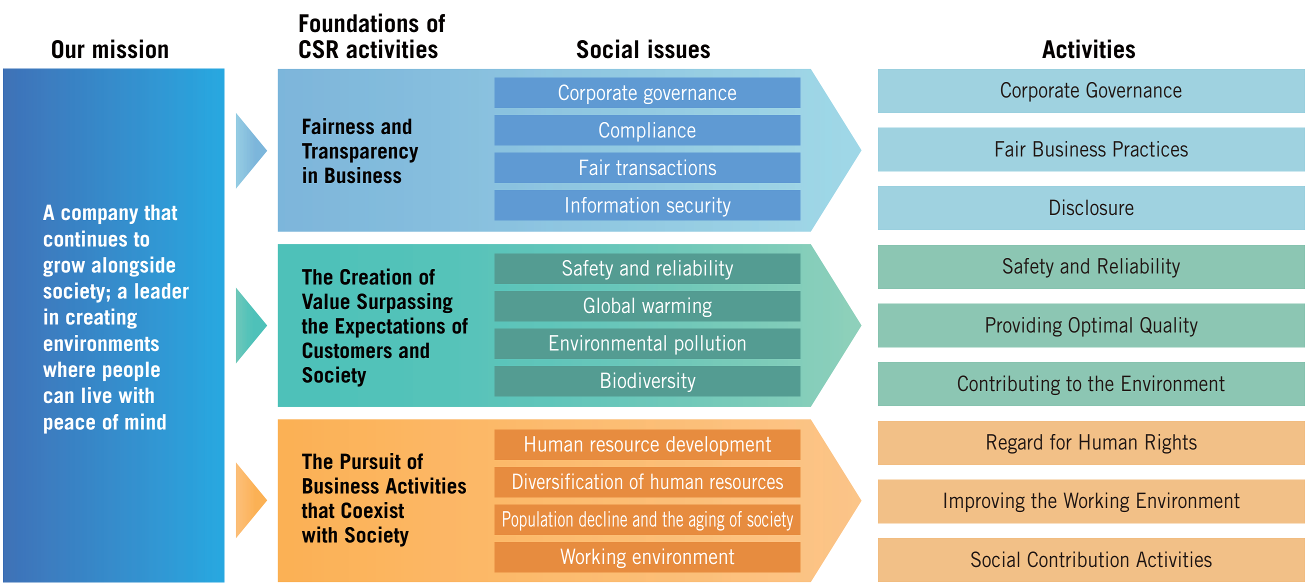
Enhancing Sustainable Development

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

■ 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. We base our CSR activities on the three pillars of fairness and transparency in business, the creation of value that surpasses the expectations of customers and society, and the pursuit of business activities that are in harmony with society. Based on those principles, in addition to our core construction business, we are expanding into the stock management, global, and sustainability businesses as growth fields. We have given priority to environmental considerations in all of these business activities, pursuing synergies as a method of strengthening our management (See page 8). Central to our efforts is our ecoBCP solutions concept, which combines energy conservation and savings with business continuity planning to prepare facilities for all eventualities. We are pursuing energy management and related services by building facilities that achieve ecoBCP standards and participating in electric power generation and sales in the renewable energy field.

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.



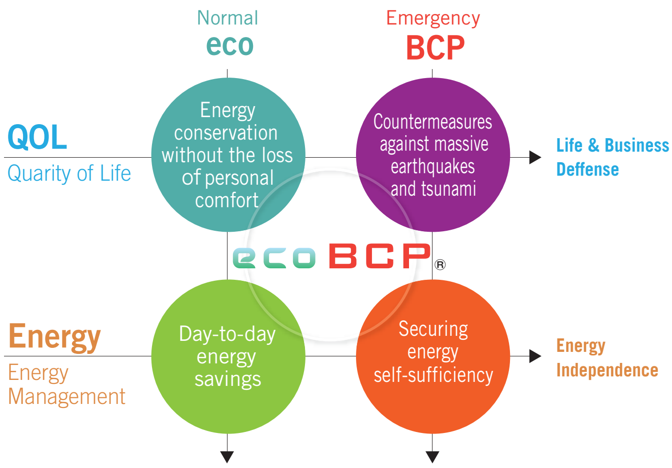
Note: The United Nations Global Compact is a voluntary initiative whereby companies participate in a global framework for encouraging companies to act as good corporate citizens and help achieve sustainable growth. Each company is required to demonstrate responsible and creative leadership in reaching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

■ Safety and Reliability

Shimizu offers ecoBCP solutions for the times

After the Great East Japan Earthquake, degree of disaster resistance and disaster recovery capabilities have gained in importance in designing facilities or developing communities. Independent energy sources to enable people and businesses to continue operating at a certain level have also become more important factors. Moreover, people believe more in the necessity of environmental protection strategies, such as promoting energy conservation or reducing CO_2 emissions, under normal conditions.

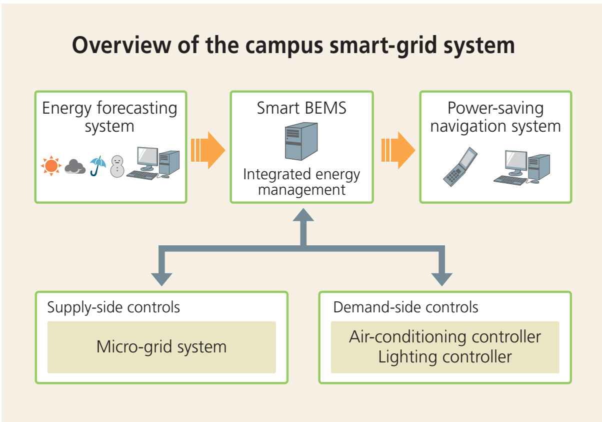
Leveraging Shimizu's proprietary technology, we have responded to these needs. We are taking concrete actions by promoting our ecoBCP solutions that combine "eco" solutions for normal conditions with "BCP" solutions for emergencies.



* "ecoBCP" is a registered trademark of Shimizu Corporation in Japan.

Chubu University Eco Campus: ecoBCP application for a large campus

Aerial view of Chubu University



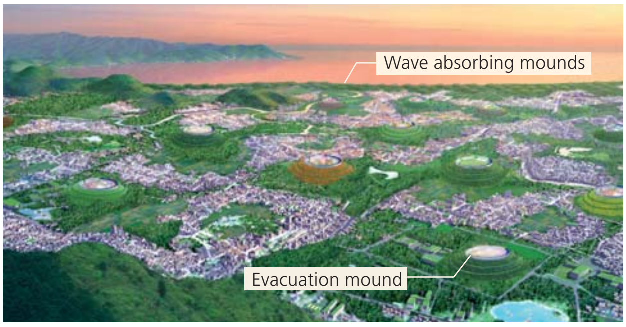
In July 2012, we commenced a project to build and operate a smart grid system for the Kasugai campus of Aichi Prefecture's Chubu University. The project is a joint three-year experiment by Chubu University and Shimizu. The smart grid system controls the overall balance between the electric power supply and demand depending on the electric power being used. The supply side includes solar power, cogeneration, and other sources, while the demand side includes air conditioning, lighting, laboratory and research equipment, and other devices. Operation of the smart grid began with the goal of controlling the demand for electricity by the campus and normalizing the electric power peak. In 2012, the new system achieved a 24% reduction in the summer peak in electric power and an overall reduction of 15% in electric power demand for the full year. In emergencies, the smart grid can produce its own electric power, supplying the energy indispensible for BCP measures.

Protecting people and cities from tsunamis

Our Arch Shelter building is capable of withstanding an earthquake of the intensity 7 class and tsunamis in the 20-meter high class. In addition, the building can house and protect a maximum of 2,400 building residents and evacuees in the event of such a disaster. One of the special features of the building is its hybrid structure. It combines an elliptical tubular outer structure that can absorb and deflect the force of the tsunami wave with an earthquake-resistant inner building.

On the other hand, our Green Mound concept is an urban system comprised of truncated cone shaped green mounds that dissipate the tsunami wave and can be used as evacuation areas. The system consists of wave-absorbing mounds placed in a staggered formation in the coastal green belt and evacuation mounds placed at regular intervals in residential areas exposed to possible tsunami damage. The wave-absorbing mounds absorb the initial force of the tsunami and control the distance the wave travels, while the evacuation mounds function as evacuation spots for residents.

The balconies around the exterior increase the strength and resistance of the structure as well as protecting the building from colliding flotsam.



Forming a truncated cone that offers the best shape for avoiding a full-force impact by a tsunami wave, a standard evacuation mound would have a base-diameter of 50 meters and a top-diameter of 10 meters and be a maximum of 10 meters high.

■ Providing High Quality

Two new laboratories aimed at strengthening proposal capability completed at the Institute of Technology

In February 2013, we completed construction of the Multipurpose Testing Laboratory and the Materials Laboratory. At our Multipurpose Testing Laboratory, our researchers are developing technologies that will contribute to the realization of a smart society. On the other hand, researchers at the Materials Laboratory are concerned with advanced and sustainable materials. With the opening of these two laboratories, our R&D activities aimed at strengthening our technology solution proposal capabilities, based on our ecoBCP concept, got under way.

The Multipurpose Testing Laboratory has a variety of facilities for testing and verifying Shimizu's environmental and energy technologies. For example, there is a ZEB (Zero Energy Building) solutions laboratory that conducts experiments aimed at realizing such buildings. There is also a testing laboratory for paired comparison, such as checking the impact of different types of facades on the interior environment of buildings.

On the other hand, the Materials Laboratory is pursuing such areas as multifaceted performance evaluation for construction materials, advanced high-performance materials, and advanced concrete technology to support a sustainable society.

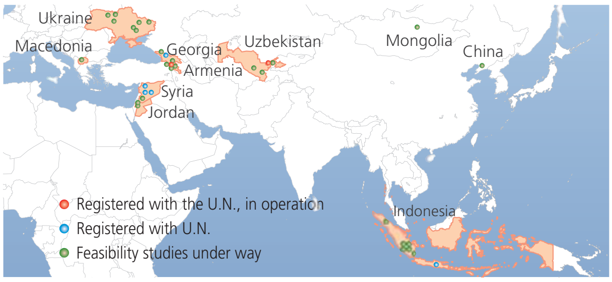
Multipurpose Testing Laboratory

■ Contributing to the Environment

Promoting clean development mechanism (CDM) projects

Shimizu has developed clean development mechanism (CDM) projects to reduce greenhouse gas emissions overseas. These measures help prevent global warming and contribute to sustainable development in developing countries while allowing Shimizu to acquire and use the carbon credits generated by the projects.

Development of CDM projects first began in 2000. Since then, we have undertaken a total of 37 project feasibility studies, including those launched under the new mechanism. To date, eight projects have been registered with the United Nations. Of these, two projects have been implemented and are currently contributing to emissions reductions. We will create Certified Emission Reductions (CERs); implementing all processes from project exploration to obtaining government approval, registering with the United Nations, design and construction, operations, and reporting on emissions reduction volumes to the United Nations.



Mangrove reforestation activities

In August 2012, a total of 75 employees and family members of Thai Shimizu Co., Ltd., our local subsidiary in Thailand, gathered in Chonburi Province in the south of Bangkok to plant mangrove trees as part of an environmental protection program for the coastal region. This marked the second time they have participated in the program. In total, they have planted 2,000 trees. The event represents a good opportunity for our employees and their children to experience environment protection activities and contributes to protecting the regional environment and reducing CO_2 emissions.

Planting mangrove trees.

A 10-megawatt mega solar power station in Hyogo Prefecture

Japan commenced its Feed-in Tariff (FIT) scheme for renewable energy in July 2012. The new scheme requires electric power companies to purchase electricity generated from various renewable energy sources at a fixed rate over the next 20 years. As a result, many individuals and corporations have applied to become electricity suppliers.

Based on Shimizu's policy of strengthening its stock management and sustainability operations set out in its long-term corporate vision, we are proceeding with preparations to build and operate a 10-megawatt (10,000 kW) mega solar power station in Ako, Hyogo Prefecture. The project will require a capital investment of approximately ¥3.5 billion. Construction has already begun with electric power supply scheduled to come on-stream in spring 2014.

Architectural rendering of a 10-megawatt mega solar power station.

Developing a Solid Footing for Growth

Fiscal 2012 was another year of growth for Shimizu overseas, as major ongoing projects in Singapore and elsewhere picked up steam.

Japanese Multinationals

One of Shimizu's main lines of operations is servicing the needs of our domestic clients abroad. The construction of overseas manufacturing facilities for Japanese multinationals is the most common service provided. The strong outbound surge by Japanese manufacturers continued in 2012, supported to an extent by the strong yen. This trend resulted in Shimizu achieving growth in this segment's orders for the fourth straight year.

Although all regions gained more work, Indonesia posted the largest gain relative to past performance. The surge in orders can be attributed to firm capital investment in Indonesia buoyed by strong internal demand. Although there are some concerns about the lack of available land around Jakarta as well as a tight skilled labor market, our Indonesian operations look to continue the growth trend in this segment.

Thailand continues to be a major market for Japan clients. However, 2012 was a little different as many of our clients scrambled to hedge against further natural disasters. The result was a large increase in orders for our Thai subsidiary.

China experienced some anxious moments due to the diplomatic spat between the governments and the resulting disruptions in trade. Despite that, Shimizu China expects to post outstanding levels of sales, as well as reporting normal levels of activity among our clients. Nevertheless, future client business trends require careful scrutiny.

Shimizu, through its American subsidiary, had done sporadic work in Mexico since 1998. However, 2012 saw another phase in our foray into this up-and-coming country as we opened a full-staff office in Queretaro, in the country's center. Major Japanese capital investment, mainly in the automotive industry, should maintain our strong activity in that area for years to come. Shimizu,

Overseas Construction Orders Awarded

Canon Business Machines (Philippines) New Factory by way of long experience in Mexico as well as servicing the automotive industry, looks to take advantage of this blossoming area.

In terms of completions, Shimizu finished up two major projects in India, another in the Philippines, as well as myriad others in China, Malaysia, United States, and Indonesia. Although our clients tend to be heavy in the automotive and electronics sectors, efforts for further diversification since the Lehman crisis have resulted in increases in work from chemicals, pharmaceuticals and consumer goods companies.

All in all, Japanese client business has remained at a very high peak, necessitating the use of global resources to provide our customary service quality. Strong demand and a push by clients into new countries have kept this line of business profitable, but we are already adjusting to account for tougher competition and further client localization.

Singapore

Singapore remains our largest market for local work, and construction for the large-scale projects awarded last year continues at a hectic pace. The biggest among them is the Capitol Development Project, a multi-building renovation and new construction involving conservation buildings, "Stamford House," "Capitol Theatre," and the "Capitol Building." Slated for completion in late 2014, this complex project, which includes a connection to an underground mass rapid transit (MRT) line, best highlights Shimizu's capabilities in planning, coordination and in-house engineering.

Singapore was a tough market for construction work in 2012, so Shimizu concentrated on another segment which utilizes its planning ability—renovations and fit-outs. Easily surpassing last year's totals, major new orders awarded, including a financial firm office and major shopping mall renovations, will continue to provide new challenges for our fit-out unit.

PT.Procter & Gamble Indonesia New Factory

Capitol Development Project, Singapore

A slight decrease in newly awarded projects reflected our busy order books, but several segments still managed to increase their year-on activities.

Infrastructure

In the field of infrastructure, Singapore was also in the news as Shimizu won orders for a new water-carrying tunnel for Singapore's NEWater system. The construction will feature a 4-meter-wide tunnel that holds a 2.2 meter-wide water pipe for NEWater, an ambitious project to utilize recycled industrial water for other uses.

Tunnels are a key area of interest for Shimizu, as our experience and capabilities using both TBM and NATM

Pahang-Selangor Raw Water Transfer Project, Malaysia
TBM-3 Breakthrough Ceremony

technologies are extensive. Currently, we are approximately 80% into the Pahang-Selangor Raw Water Transfer Project, part of a 4-firm joint venture to construct a tunnel over 40km delivering water under 1,200-meter-high mountains into the Kuala Lumpur area. The project is scheduled to be completed in 2014.

Infrastructure demand in Asian developing countries is forecasted to balloon in the coming years. Shimizu is steadily positioning itself to benefit from this coming boom. In addition to tunnels, we are focusing on MRT projects, for which we have overseas experience in Singapore, India and Taiwan. Some target countries include Indonesia, Vietnam, and India.

Also high on our infrastructure priorities list are certain projects in the energy sector. Being a leading LNG tank civil constructor in Japan, Shimizu has successfully completed projects in Taiwan. We are currently working on a 170,000 kiloliter above-ground tank in Sulawesi, Indonesia. As energy demand grows exponentially in Asia, we feel this market will grow quickly, and our experience, including building such facilities in earthquake-prone Japan will be a major sales point in obtaining contracts.

Other Markets

Shimizu returned to Africa in 2012. The phased implementation of the Lusaka Roads Project aims to improve road conditions in Zambia's capital using Japan's Overseas Development Aid funding. Although we plan to

Donggi Senoro LNG Tank, Indonesia

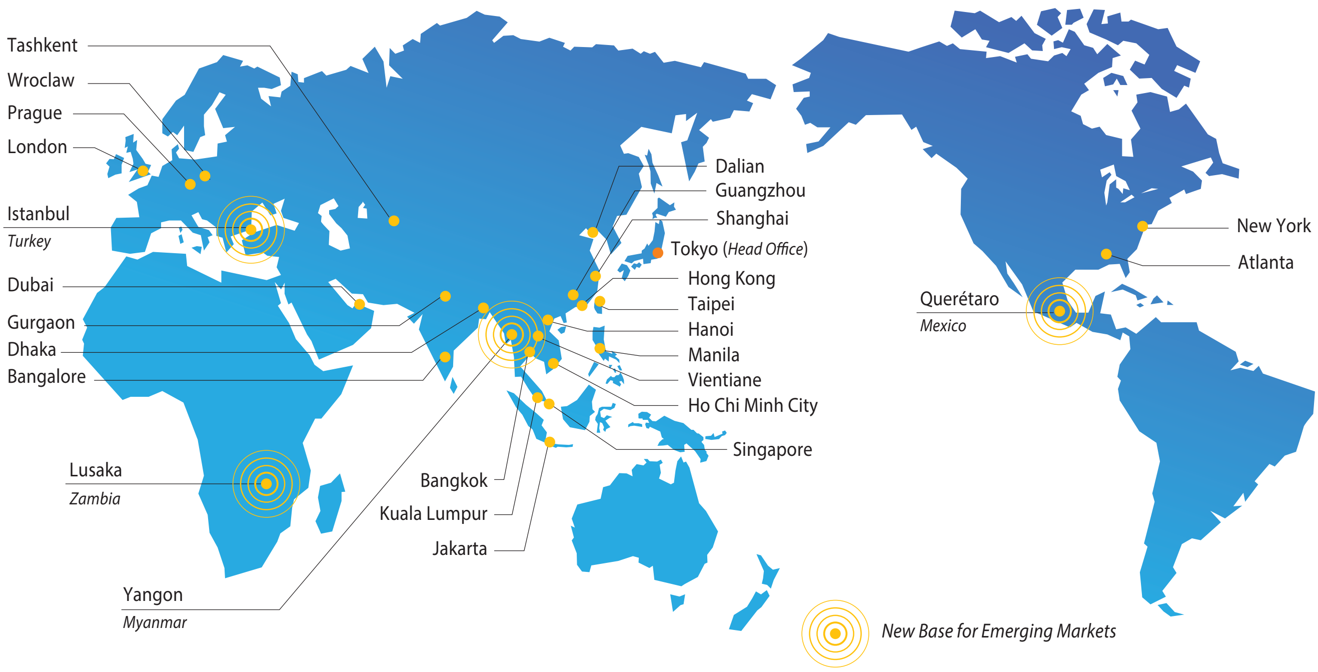
view Africa on a project by project basis for the time being, our presence there will give us a better perspective on the state of that continent's market.

Also in 2012, Shimizu opened a liaison office in Istanbul. We feel Turkey may be a viable market for us in the future and plan to collect information. Our Dubai office remains our hub in the Middle East; as all our outstanding contracts in the U.A.E. were amicably settled last year, 2013 may be see a fresh beginning for Shimizu in that region.

Another new office opening in 2012 came in the form of the reinstatement of our Yangon office. As democratization and easing of market restrictions in Myanmar continues at a high pace, many parties, including the Japanese government as well as private companies, are poised to break into this promising country. Shimizu has already begun office fit-out operations in Yangon, and will be in a good position to pursue any new projects arising in this region.

Overall, 2012 was a very successful year for Shimizu overseas. With increased globalization and hearty competition, continuing this success is not an easy task. Shimizu, however, will draw upon its experience, global resources, and tradition of meeting challenges to develop an ever more solid business footing for its international operations.

International Business Network



Major Project Completions

The combination of Kabukiza theatre and Kabukiza Tower complex, GINZA KABUKIZA

The theater's approximately 1,200-square-meter stage was made using 1,200 100-year-old cypress trees.

Theater lobby on first floor

GINZA KABUKIZA, **fusion of tradition and the latest advance technologies**

Location: Chuo Ward, Tokyo

Client: KS Building Capital SPC, Kabuki-za Co., Ltd.

Development Work Outsourcer: SHOCHIKU Co., Ltd.

Design and Supervision: Mitsubishi Jisho Sekkei Inc., Kengo Kuma Associates

Structure and Scale:
Steel-framed reinforced concrete (SRC) construction (Damping structure) B4-29F-PH2

Size: Total site area 5,905 m^2, Total floor space 93,530 m^2

State-of-the art Technology:

- Inverted construction method allowing basement and upper stories to be built at the same time.
- One of the largest mega trusses in Japan
- Building Information Modeling (BIM)
- Acoustic experiments

The mega truss is 12 meters high and 52 meters long, weighing a total of 1,600 tons. It is one of the largest trusses to be used in the construction of a high-rise building in Japan.

In April 2013, a grand opening was held for GINZA KABUKIZA in Tokyo's Ginza. The new complex contains the traditional Kabukiza theatre, which is familiar to many Japanese, and a new office tower with the latest functions. To support the high-rise tower, the upper part of the theater was constructed using a strong mega truss structure made of a combined steel triangle framework. To reproduce the traditional design of the theater, the project employed the traditional temple construction know how perfected by master temple builders and BIM,* carefully reproducing the finest details. Moreover, to achieve the same acoustic qualities of the previous theater, we built a 10:1 scale model of the inside of the theater in the Acoustic Laboratory of the Shimizu Institute of Technology and ran acoustic experiments to test the design.

* Building Information Modeling: Digital 3D construction model that combines the 3D shape of the building with various groups of physical and functional information.

A luxurious residential development with a unique facade design

Each apartment unit has double-volume balcony with free flow of space and city view

Swimming pool with cabanas on the 1st storey

ARDMORE RESIDENCE, an architecturally distinct residential tower

Location: 7 Ardmore Park, Singapore
Client: Irvine Investments Pte Ltd (Subsidiary of Pontiac Land Group)
Design: UNStudio (Amsterdam, Holland)
Project Architect: Architects 61 Pte Ltd
Structure and Scale:
Steel-bar reinforced concrete
B1-36F-Roof-Upper Roof
Size: Total site area 5,595 m^2, Total floor area 21,711 m^2
State-of-the art Technology:

- **Mega Column Construction**
  3D inclining-slanted ten meter high metal formwork with seamless joints
  Temporary reinforced concrete buttress wall to support the construction of free-standing mega columns up to the 7th storey

- **Precast Facade**
  Implementation of 3D modeling in designing facade panel moduling to form precise shape of facade design. A total of 1,147 pieces precast components were required to construct the building facade.

Ardmore Residence is a high-end residential complex located in Ardmore Park—Singapore's premier residential address. As the four mega columns, standing from B1 up to the 7th storey at 27 meters high, and transfer beams at the 7th storey are the critical path of structure construction, a detailed construction method was carefully planned with precision engineering. To achieve a monolithic seamless off-formed concrete surface, a ten-meter high metal form was specially made and reinforcement bars were rearranged to allow workers to cast concerete inside the metal form. A three-dimensional surveying technique using laser surveying equipment was deployed during the casting in order to control the inclining position of free-standing mega columns. To build the unique-curvy-designed facade, a 3D modeling was used to produce a precast panel moduling design with the finest details in order to meet the facade design intent. An 1:1 scale model was built at a precast yard prior to mass production of the precast panels.

Factory, Nipro Medical (Hefei) Co., Ltd.

Country: China
Client: Nipro Medical (Hefei) Co., Ltd.

PPT Sequencial Painting Factory

Country: Thailand
Client: PCM Processing (Thailand)

Citizen Watch Manufacturing (Thailand) Factory Phase1

Country: Thailand
Client: Citizen Watch Manufacturing (Thailand)

Guiuan Meteorological Radar Tower Building
Country: Philippines
Client: Philippine Atmospheric, Geophysical And Astronomical Services Administration (PAGASA)

Mt. Merapi Sabo Dams (PA-RD5)
Country: Indonesia
Client: Directorate General of Water Resources, Ministry of Public Works

DBS Regional Headquarters at Marina Bay Financial Centre Tower 3
Country: Singapore
Client: DBS Bank Ltd.

Wisma Atria (Additions & Alterations)
Country: Singapore
Client: Starhill Global REIT

Otemachi Financial City North Tower

Region: Tokyo
Client: NTT Urban Development Co.
Mitsubishi Estate Co., Ltd.
Tokyo Tatemono Co., Ltd.
The Sankei Building Co., Ltd.

Park Court Roppongi Hilltop

Region: Tokyo
Client: Urban Redevelopment Association in the southern district of Roppongi 1-chome

Kansai Medical University Hirakata school building

Region: Osaka
Client: Kansai Medical University

Izumo Taisha

Region: Shimane
Client: Izumo Oyashiro

Mega City Towers
Region: Osaka
Client: Sumitomo Realty & Development Co., Ltd.

University Building 17
Region: Tokyo
Client: Aoyama Gakuin University

Hamanose dam project, second stage
Region: Miyazaki
Client: Ministry of Agriculture, Forestry and Fisheries

Continuous Grade Separation Project near Chofu Station, Zone 4, no.3 (civil engineering work)
Region: Tokyo
Client: Keio Corporation

Review of Operations

At A Glance (Consolidated)

Review of Operations

Shimizu Corporation and its Subsidiaries

According to the Japan Federation of Construction Contractors, Japanese private-sector construction orders in 2012 totaled ¥7,143.9 billion, up 1.2% from the previous year. Public-sector orders also grew, rising 7.2% year on year to ¥2,773.7 billion. Consequently, domestic orders totaled ¥9,938.0 billion, up 2.8% from last year.

Breaking down fiscal 2012 orders into the categories of architectural construction and civil engineering, orders in the domestic architectural construction market rose 4.1% year on year to ¥7,226.6 billion.

Orders in the domestic civil engineering construction market decreased 0.6% to ¥2,711.3 billion.

Facing these business conditions, the Shimizu Group posted net sales of ¥1,416.0 billion, up 6.0% from fiscal 2011, on the strength of growth from completed construction contracts and real estate development projects.While gross profits increased in real estate development and other areas, lower gross profits on completed construction contracts due to a deterioration in construction profitability resulted in a 25.4% decline in operating income, to ¥13.1 billion. In contrast, ordinary income, which includes such income as interest earned and exchange gains, increased 7.2%, to ¥17.3 billion. Net income surged ¥4.4 billion from ¥1.4 billion in the previous fiscal year, to ¥5.9 billion. One of the contributing factors was a reaction to fiscal 2012's increase in the provision for income taxes due to the use of deferred tax assets in connection with lower corporate tax rates.

Segment Information*

*The segment results include internal sales and transfers between segments. Additionally, reported segment profits exclude transfers to and from reserves booked during the preparation of financial statements. Segment profits have been adjusted against operating income on the consolidated statements of income.

Construction Business of the Corporation

Net sales of the Corporation in the construction business rose 4.1% from a year earlier, to ¥1,197.1 billion. Segment profits, however, declined 50.3%, to ¥13.8 billion, primarily because of a deterioration of profitability on large-scale domestic projects.

Real Estate Business of the Corporation

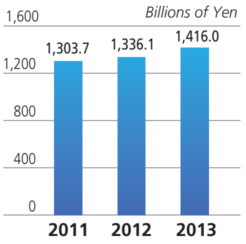
The real estate business of the Corporation recorded net sales of ¥34.6 billion, gaining 4.5% from the previous fiscal year. Segment profits jumped 88.9%, to ¥11.4 billion, because of such factors as the recognition of sales related to large-scale real estate development projects in the fiscal year under review.

Other

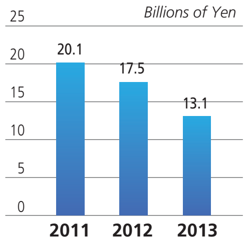
Other sales in the engineering business operated by Shimizu Corporation and in various other businesses conducted by subsidiaries expanded 21.7% from fiscal 2011, to ¥424.9 billion. Segment profits increased ¥10.6 billion from the previous fiscal year, to ¥14.3 billion. This growth can be attributed to the improved profitability of some subsidiaries, including domestic real estate and overseas construction companies.

Results

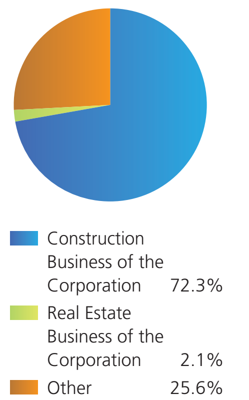
Net Sales



Operating Income

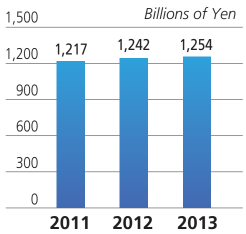


Sales Breakdown



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

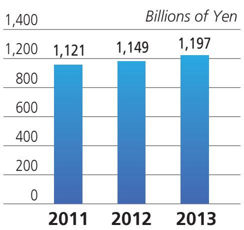
Consolidated Orders Awarded (Construction Business)



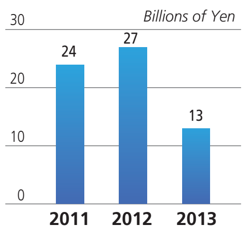
Notes

The Shimizu Group consists of Shimizu Corporation, 56 subsidiaries, and 10 affiliates. In addition to its core businesses of construction and development, the Group sells and leases construction materials and equipment related to each business. It is also active in financial services and other business areas.

Sales

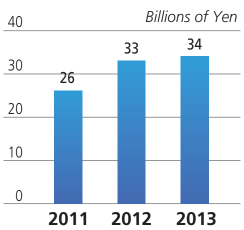


Profits

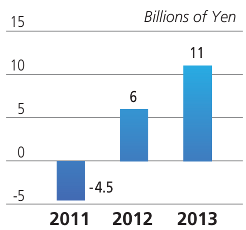


The "Construction business of the Corporation" includes the construction businesses operated by the head office and other branches of the Corporation.

Sales

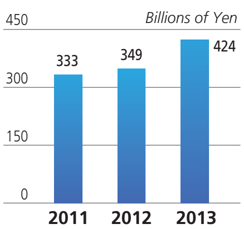


Profits

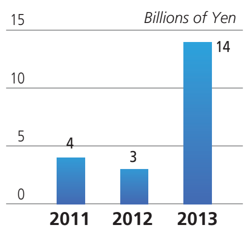


The "Real Estate business of the Corporation" comprises the real estate development, rental, and sales businesses operated by the Corporation's Investment and Development Division.

Sales



Profits



The "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.

Nonconsolidated Performance

Overview

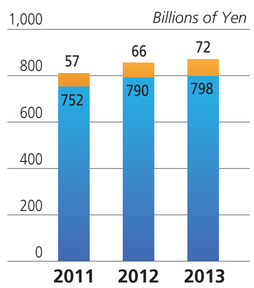
Including overseas sales and other related businesses, nonconsolidated total net sales rose 2.7% from the previous fiscal year, to ¥1,217.3 billion. Orders awarded edged down 2.0%, to ¥1,159.9 billion. Looking solely at domestic results, net sales of the construction business climbed 1.0% year on year, to ¥1,072.0 billion, with orders awarded falling 2.7%, to ¥1,031.2 billion. Operating income declined substantially because of worsening construction profitability, decreasing 85.8% from the previous fiscal year, to ¥2.3 billion. Net income slide 2.2% over the same period, to ¥5.6 billion.

Domestic architectural construction

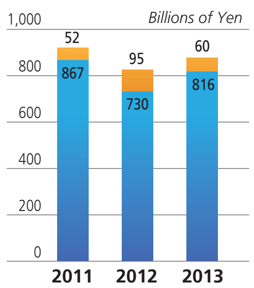
In fiscal 2012, net sales of Shimizu's nonconsolidated domestic architectural construction business totaled ¥871.3 billion, increasing 1.6% from a year earlier. Orders awarded totaled ¥877.6 billion, rising 6.3% from fiscal 2011.

Breaking down net sales by source, net sales to the public-sector rose 8.8% year on year, to ¥72.4 billion, or 8.3% of Shimizu's domestic architectural construction net sales. Net sales to private-sector clients grew 1.0% over the same period, to ¥798.9 billion, or 91.7% of Shimizu's domestic architectural construction net sales. One of the major construction contracts completed during the fiscal year under review was the GINZA KABUKIZA new building project commissioned by the KS Building Capital SPC and Kabuki-za Co., Ltd. Kabukiza theatre, which has been located for more than a century in Tokyo's Ginza, Japan's most prestigious commercial district, needed to be replaced with a new structure. The project built a new complex that includes a theater and a skyscraper office tower with the latest functions. The reopening of the theater, which is familiar to many Japanese, was covered extensively in the media. (Major construction orders completed are shown in the table right)

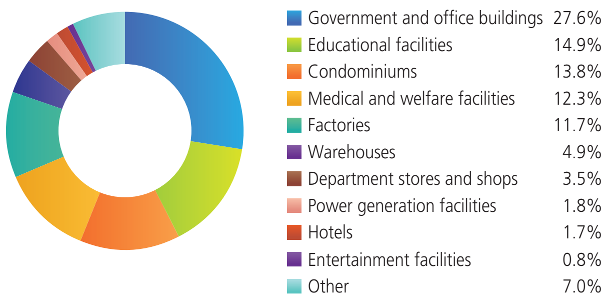
Nonconsolidated Architectual Construction Orders Completed



Nonconsolidated Architectual Construction Orders Awarded by Source



Nonconsolidated Architectual Construction Orders Awarded by Category



Orders awarded from the public-sector dropped 36.0% from the previous fiscal year, to ¥60.9 billion, contributing 6.9% of all domestic architectural construction orders awarded to Shimizu.

In the private-sector, architectural construction orders awarded Shimizu increased 11.8% year on year, to ¥816.7 billion, accounting for 93.1% of all domestic architectural construction orders awarded to Shimizu. Major project orders awarded in the fiscal year under review are shown in the table left. All of the orders are large-scale redevelopment projects for major cities in Japan. Among them, the Development Project for the Area of Meieki 3-Chome no.27 (Dai Nagoya Building) is a 34-story complex with approximately 147,000 square meters of floor space that includes an office building and commercial district in front of Nagoya Station, the gateway to the Chubu region of Japan. There are high expectations that the complex will become an international and widely used business base.

Major Construction Orders Completed

Client	*Project name*
NTT Urban Development Co. Mitsubishi Estate Co., Ltd. Tokyo Tatemono Co., Ltd. The Sankei Building Co., Ltd.	Otemachi Financial City North Tower
KS Building Capital SPC Kabuki-za Co., Ltd.	GINZA KABUKIZA
Kyobashi Development SPC The Dai-ichi Life Insurance Co., Ltd. Katakura Industries Co., Ltd. SHIMIZU & Co., Ltd. Kyobashi Sanchome SPC J and S Insurance Services Co., Ltd.	Tokyo Square Garden

Major Construction Orders Awarded

Client	*Project name*
Mitsubishi Estate Co., Ltd.	Development Project for the Area of Meieki 3-chome no.27 (Dai Nagoya Building)
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.	Development Project the district of Toyosu 3-2
Dai Nippon Printing Co., Ltd.	Dai Nippon Printing Ichigaya Plant Development Project (Zone A)

Domestic civil engineering business (Nonconsolidated)

Nonconsolidated net sales of the domestic civil engineering business totaled ¥200.6 billion, down 1.8% year on year. In reaction to the large earthquake restoration related orders received last year for large-scale highway construction and disposal of rubble from the disaster, orders awarded fell 34.4%, to ¥153.5 billion from the previous year. Road, industrial civil engineering, and land reclamation projects accounted for major shares of these orders.

Net sales from public-sector projects declined 5.6% year on year, to ¥115.7 billion, representing 57.7% of Shimizu's domestic civil engineering net sales. Private-sector sales increased 4.0%, to ¥84.9 billion, accounting for the remaining 42.3% share. Major completed construction contracts included the Hamanose dam project, second stage for Japan's Ministry of Agriculture, Forestry and Fisheries and the Continuous Grade Separation Project near Chofu Station, Zone 4, no.3 (civil engineering work) ordered by Keio Corporation. The latter project created underground lines for sections of the Keio and Sagamihara railway lines in Tokyo. Shimizu used a single tunnel boring machine to dig a tunnel for four lines, one in each quarter of the tunnel, just under the surface of the original operating lines. This construction eliminated 18 railway crossings that had been causing chronic traffic congestion in the area.

Orders awarded by public-sector clients dropped 45.3% from a year earlier, to ¥87.5 billion, contributing 57.0% of orders awarded to Shimizu in its domestic civil engineering business. Private-sector orders awarded decreased 10.8% year on year, to ¥65.9 billion, or 43.0% of domestic orders awarded. Major orders were received from two clients. The Japan Railway Construction, Transport and Technology Agency commissioned construction of the Mutual Direct Train Service between Tokyu Line and Sotetsu Line, construction at Shin-Yokohama Station, and other. Aichi Prefecture commissioned Development of the Site for Toyota-Okazaki Area East Zone, no. 1.

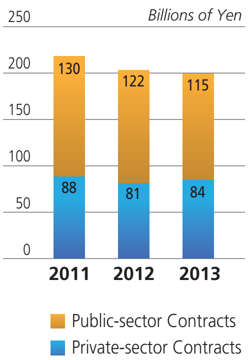
Major Civil Engineering Orders Completed

Client	*Project name*
Ministry of Agriculture, Forestry and Fisheries	Hamanose dam project, second stage
Keio Corporation	Continuous Grade Separation Project near Chofu Station, Zone 4, no.3 (civil engineering work)

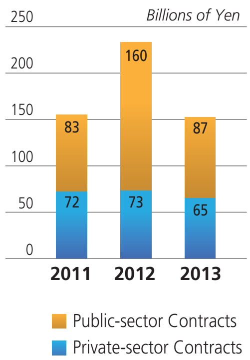
Major Civil Engineering Orders Awarded

Client	*Project name*
Japan Railway Construction, Transport and Technology Agency	Mutual Direct Train Service between Tokyu Line and Sotetsu Line, Shin-Yokohama Station, other
Aichi Prefecture	Development of the Site for Toyota-Okazaki Area East Zone, no.1

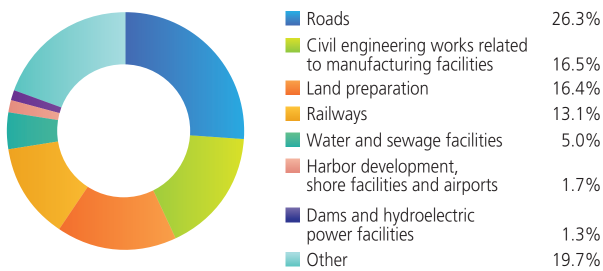
Nonconsolidated Civil Engineering Orders Completed



Nonconsolidated Civil Engineering Orders Awarded by Source



Nonconsolidated Civil Engineering Orders Awarded by Category



Financial Section

Contents

Financial Section

Consolidated Balance Sheet

Shimizu Corporation and its subsidiaries
As at March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	**2013**	**2013**
ASSETS			
Current Assets:			
Cash (Note 9)	¥ 150,773	**¥ 158,634**	**$ 1,685,269**
Notes and accounts receivable—trade	426,963	**406,492**	**4,318,416**
Marketable securities (Notes 9 and 11)	59,020	**58,000**	**616,169**
Costs on uncompleted construction contracts (Notes 4.2) and 5.3))	78,148	**58,116**	**617,403**
Real estate and uncompleted real estate development projects (Notes 4.2) and 5.3))	46,168	**57,405**	**609,856**
PFI projects and other inventories (Notes 4.2) and 5.3))	51,322	**56,461**	**599,824**
Deferred tax assets (Note 14)	26,050	**29,302**	**311,296**
Other current assets	90,776	**100,807**	**1,070,934**
Less: Allowance for doubtful accounts	(1,538)	**(1,522)**	**(16,174)**
Total current assets	927,685	**923,697**	**9,812,995**
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures (Note 5.2))	137,206	**148,202**	**1,574,443**
Machinery, equipment and vehicles (Note 5.2))	46,763	**47,541**	**505,058**
Land (Notes 5.1) and 5.2))	143,028	**130,791**	**1,389,479**
Construction in progress	18,320	**3,355**	**35,643**
Less: Accumulated depreciation	(113,428)	**(111,334)**	**(1,182,770)**
Total tangible fixed assets	231,889	**218,556**	**2,321,854**
Intangible fixed assets	3,732	**4,017**	**42,679**
Investments and other assets:			
Investment securities (Notes 5.2), 5.3) and 11)	223,398	**295,182**	**3,135,906**
Deferred tax assets (Note 14)	9,497	**1,361**	**14,467**
Other investments (Note 5.2))	21,255	**19,345**	**205,519**
Less: Allowance for doubtful accounts	(6,483)	**(5,719)**	**(60,764)**
Total investments and other assets	247,668	**310,170**	**3,295,129**
Total non-current assets	483,290	**532,744**	**5,659,663**
Total assets	¥1,410,975	**¥1,456,441**	**$15,472,659**

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

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	**2013**	**2013**
LIABILITIES			
Current Liabilities:			
Notes and accounts payable—trade	¥ 398,364	**¥ 388,901**	**$ 4,131,539**
Short-term borrowings (Notes 5.2) ,10.2 and 20)	168,410	**153,984**	**1,635,869**
Current portion of project finance borrowings (Notes 5.3), 10.2 and 20)	6,063	**5,847**	**62,116**
Commercial paper (Note 10.2 and 20)	–	**10,000**	**106,236**
Advances received on uncompleted construction contracts	112,527	**94,546**	**1,004,425**
Warranty reserve	2,790	**3,173**	**33,716**
Reserve for expected losses on construction contracts in process	24,998	**36,518**	**387,954**
Other current liabilities	90,032	**85,148**	**904,582**
Total current liabilities	803,186	**778,120**	**8,266,441**
Non-Current Liabilities:			
Bonds payable (Note 10.2 and 19)	70,000	**70,000**	**743,652**
Long-term borrowings (Note 10.2 and 20)	95,572	**90,630**	**962,824**
Project finance borrowings (Notes 5.3), 10.2 and 20)	35,284	**36,635**	**389,196**
Deferred tax liabilities (Note 14)	1,191	**26,537**	**281,927**
Deferred tax liabilities for revaluation reserve for land (Note 5.1))	21,315	**21,186**	**225,072**
Reserve for employees' retirement benefits (Note 13)	54,595	**52,568**	**558,463**
Reserve for expected losses on affiliates' businesses	2,274	**4,304**	**45,731**
Other non-current liabilities	20,552	**18,364**	**195,095**
Total non-current liabilities	300,786	**320,226**	**3,401,962**
Total liabilities	1,103,972	**1,098,346**	**11,668,404**
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2012 and 2013	74,365	**74,365**	**790,027**
Additional paid-in capital	43,143	**43,143**	**458,339**
Retained earnings	130,838	**131,202**	**1,393,842**
Less: Treasury stock, at cost 3,819 thousand shares as at March 31, 2013	–	**(1,489)**	**(15,824)**
3,809 thousand shares as at March 31, 2012	(1,488)	**–**	**–**
Total shareholders' equity	246,858	**247,221**	**2,626,385**
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes (Note 11)	39,101	**88,435**	**939,502**
Deferred gain (loss) on hedging, net of taxes (Note 12)	(57)	**(31)**	**(330)**
Revaluation reserve for land, net of taxes (Note 5.1))	23,263	**23,296**	**247,490**
Foreign currency translation adjustments	(4,901)	**(3,618)**	**(38,437)**
Total accumulated other comprehensive income	57,405	**108,082**	**1,148,225**
Minority Interests	2,738	**2,790**	**29,643**
Total net assets	307,002	**358,094**	**3,804,254**
Total liabilities and net assets	¥1,410,975	**¥1,456,441**	**$15,472,659**

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, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	**2013**	**2013**
Net Sales:			
Construction contracts (Notes 4.10) and 6.1))	¥1,224,532	**¥1,271,745**	**$13,510,525**
Real estate development and other	111,661	**144,298**	**1,532,973**
	1,336,194	**1,416,044**	**15,043,498**
Cost of Sales:			
Construction contracts (Note 6.2))	1,149,531	**1,211,428**	**12,869,740**
Real estate development and other (Note 6.3))	99,999	**121,572**	**1,291,542**
	1,249,530	**1,333,001**	**14,161,283**
Gross profit:			
Construction contracts	75,001	**60,317**	**640,784**
Real estate development and other	11,662	**22,725**	**241,430**
	86,663	**83,042**	**882,214**
Selling, General and Administrative Expenses (Note 6.4))	69,097	**69,940**	**743,024**
Operating income	17,566	**13,101**	**139,189**
Non-Operating Income (Expenses):			
Interest and dividend income	4,292	**4,689**	**49,816**
Interest expenses	(4,439)	**(3,854)**	**(40,947)**
Foreign exchange gain (loss)	(1,065)	**2,208**	**23,464**
Other, net	(194)	**1,185**	**12,589**
Ordinary income	16,159	**17,330**	**184,112**
Special Gains (Losses):			
Gain on sales of fixed assets (Note 6.6))	2,268	**4,692**	**49,850**
Loss on sales of fixed assets (Note 6.7))	(28)	**(181)**	**(1,926)**
Loss on devaluation of investment securities	(4,812)	**(4,693)**	**(49,863)**
Loss on affiliates' businesses	–	**(2,700)**	**(28,683)**
Income before income taxes and minority interests	13,586	**14,447**	**153,488**
Provision for Income Taxes (Note 14)**:**			
Current	9,935	**4,407**	**46,826**
Deferred	2,420	**4,175**	**44,363**
	12,355	**8,583**	**91,190**
Net Income Before Minority Interests	1,231	**5,864**	**62,298**
Minority Interests in Net Loss of Consolidated Subsidiaries	(198)	**(36)**	**(391)**
Net Income	¥ 1,430	**¥ 5,901**	**$ 62,690**

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, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	**2013**	**2013**
Income Before Minority Interests	¥ 1,231	**¥ 5,864**	**$ 62,298**
Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	12,417	**49,293**	**523,670**
Deferred gain (loss) on hedging, net of taxes	4	**15**	**159**
Revaluation reserve for land, net of taxes	2,996	**–**	**–**
Foreign currency translation adjustment	(616)	**1,344**	**14,288**
Share of other comprehensive income of associates accounted for using equity method	16	**80**	**859**
Total other comprehensive income (Note 7)	14,818	**50,733**	**538,977**
Comprehensive Income	¥16,050	**¥56,598**	**$601,276**
Comprehensive income attributable to:			
Shareholders of the Corporation	¥16,295	**¥56,545**	**$600,713**
Minority interests	(244)	**52**	**562**

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, 2013

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	Minority interests	Total net assets
Balance as at April 1, 2011	¥ 74,365	¥ 43,143	¥ 134,887	¥ (1,483)	¥ 26,677	¥ (69)	¥ 20,291	¥ (4,335)	¥ 2,985	¥ 296,461
Cash dividends paid (¥7.00 per share)	–	–	(5,502)	–	–	–	–	–	–	(5,502)
Net income for the year	–	–	1,430	–	–	–	–	–	–	1,430
Reversal of revaluation reserve for land, net of taxes	–	–	23	–	–	–	–	–	–	23
Purchase and disposal of treasury stock, at cost	–	–	(0)	(4)	–	–	–	–	–	(5)
Changes other than shareholders' equity	–	–	–	–	12,423	11	2,972	(566)	(246)	14,594
Balance as at April 1, 2012	¥ 74,365	¥ 43,143	¥ 130,838	¥ (1,488)	¥ 39,101	¥ (57)	¥ 23,263	¥ (4,901)	¥ 2,738	¥ 307,002
Cash dividends paid (¥7.00 per share)	–	–	(5,502)	–	–	–	–	–	–	(5,502)
Net income for the year	–	–	5,901	–	–	–	–	–	–	5,901
Reversal of revaluation reserve for land, net of taxes	–	–	(32)	–	–	–	–	–	–	(32)
Purchase and disposal of treasury stock, at cost	–	–	(1)	(0)	–	–	–	–	–	(2)
Changes other than shareholders' equity	–	–	–	–	49,334	26	32	1,283	51	50,728
Balance as at March 31, 2013	**¥ 74,365**	**¥ 43,143**	**¥ 131,202**	**¥ (1,489)**	**¥ 88,435**	**¥ (31)**	**¥ 23,296**	**¥ (3,618)**	**¥ 2,790**	**¥ 358,094**

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	Minority interests	Total net assets
Balance as at April 1, 2012	**$ 790,027**	**$ 458,339**	**$ 1,389,976**	**$ (15,815)**	**$ 415,393**	**$ (611)**	**$ 247,140**	**$ (52,070)**	**$ 29,094**	**$ 3,261,476**
Cash dividends paid (¥7.00 per share)	–	–	(58,454)	–	–	–	–	–	–	(58,454)
Net income for the year	–	–	62,690	–	–	–	–	–	–	62,690
Reversal of revaluation reserve for land, net of taxes	–	–	(349)	–	–	–	–	–	–	(349)
Purchase and disposal of treasury stock, at cost	–	–	(20)	(9)	–	–	–	–	–	(30)
Changes other than shareholders' equity	–	–	–	–	524,108	281	349	13,633	548	538,921
Balance as at March 31, 2013	**$ 790,027**	**$ 458,339**	**$ 1,393,842**	**$ (15,824)**	**$ 939,502**	**$ (330)**	**$ 247,490**	**$ (38,437)**	**$ 29,643**	**$ 3,804,254**

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, 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2012	**2013**	**2013**
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 13,586	**¥ 14,447**	**$ 153,488**
Adjustments for:			
Depreciation and amortization	9,440	**10,512**	**111,685**
Increase (decrease) in allowance for doubtful accounts	(3,885)	**(800)**	**(8,509)**
Increase (decrease) in reserve for expected losses on construction contracts in process	3,932	**11,517**	**122,361**
Increase (decrease) in reserve for employees' retirement benefits	(388)	**(2,030)**	**(21,568)**
Loss (gain) on sales of fixed assets	(1,033)	**154**	**1,639**
Loss (gain) on valuation of investment securities	4,812	**4,693**	**49,863**
Loss (gain) on sales of investment securities	(1,206)	**(4,665)**	**(49,563)**
Interest and dividend income	(4,292)	**(4,689)**	**(49,816)**
Interest expenses	4,439	**3,854**	**40,947**
(Increase) decrease in notes and accounts receivable—trade	(66,843)	**20,631**	**219,184**
(Increase) decrease in costs on uncompleted construction contracts	56,631	**20,471**	**217,485**
(Increase) decrease in real estate for development business	5,682	**14,953**	**158,860**
(Increase) decrease in PFI projects and other inventories	(3,389)	**(5,138)**	**(54,592)**
Increase (decrease) in notes and accounts payable—trade	33,988	**(9,388)**	**(99,742)**
Increase (decrease) in advances received on uncompleted construction contracts	(44,328)	**(18,871)**	**(200,479)**
Other, net	14,662	**(1,582)**	**(16,810)**
Subtotal	21,808	**54,071**	**574,436**
Interest and dividends received	4,448	**4,830**	**51,315**
Interest paid	(4,519)	**(3,890)**	**(41,326)**
Income taxes paid	(11,218)	**(8,647)**	**(91,863)**
Net cash provided by (used in) operating activities	10,518	**46,364**	**492,562**
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(21,131)	**(33,158)**	**(352,261)**
Proceeds from sales of tangible fixed assets	1,891	**392**	**4,172**
Acquisition of marketable securities and investment securities	(6,085)	**(6,817)**	**(72,423)**
Proceeds from sales of marketable securities and investment securities	1,854	**9,719**	**103,259**
Other, net	1,903	**118**	**1,256**
Net cash provided by (used in) investing activities	(21,566)	**(29,744)**	**(315,998)**
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	(110)	**(10,608)**	**(112,698)**
Net increase (decrease) in commercial paper	–	**10,000**	**106,236**
Proceeds from long-term borrowings	7,824	**31,720**	**336,980**
Repayments of long-term borrowings	(32,478)	**(40,574)**	**(431,048)**
Proceeds from project finance borrowings	9,904	**7,197**	**76,468**
Repayments of project finance borrowings	(3,306)	**(6,063)**	**(64,419)**
Proceeds from issuance of bonds	20,000	**20,000**	**212,472**
Redemption of bonds	(20,000)	**(20,000)**	**(212,472)**
Dividends	(5,502)	**(5,502)**	**(58,454)**
Other, net	(274)	**(214)**	**(2,278)**
Net cash provided by (used in) financing activities	(23,942)	**(14,045)**	**(149,213)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,487)	**4,286**	**45,538**
Net Increase (Decrease) in Cash and Cash Equivalents	(36,477)	**6,861**	**72,889**
Cash and Cash Equivalents at Beginning of Year	246,251	**209,773**	**2,228,549**
Cash and Cash Equivalents at End of Year (Note 9)	¥209,773	**¥216,634**	**$2,301,438**

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 Company 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 ¥94.13 to U.S.$1, the rate of exchange prevailing at March 31, 2013, 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

1) Scope of Consolidation

The Corporation had 56 subsidiaries as at March 31, 2013. The consolidated financial statements for the year ended March 31, 2013 include the accounts of the Corporation and all subsidiaries.

The Corporation had 10 affiliates as at March 31, 2013. As at March 31, 2013, the equity method was applied to all affiliates.

2) Financial Statements of Subsidiaries

The financial year-end of 8 overseas subsidiaries and 1 domestic subsidiary is December 31.

Consolidation of these subsidiaries is therefore performed by using their financial statements as at December 31, and certain adjustments are made to reflect any significant transactions during the period from January 1 to March 31.

3) Amortization of Goodwill

Goodwill is principally amortized over a five-year period on a straight-line basis from the year of acquisition.

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.

4. Summary of Significant Accounting Policies

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.

2) Valuation of Inventories

Costs on uncompleted construction contracts: At cost on an individual basis.

Real estate and 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)

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) Reserve for Employees' Retirement Benefits

The reserve for employees' retirement benefits as at the balance sheet date is determined based on the actuarial valuation of projected benefit obligations and the fair value of the plan assets.

8) 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.

9) Accounting for Hedging

Hedging instruments are valued at fair value and accounted for using the deferral method of accounting. With regard to some interest rate swaps which meet certain requirements, the Group uses the deferral method, 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 and foreign exchange 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.

10) 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.

11) Consumption Taxes

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

12) 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."

13) Cash Flows

Cash and cash equivalents in the consolidated statements 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.

14) 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.

15) Change of accounting policy that is difficult to distinguish from the change of accounting estimate

(Change in depreciation rates)

Effective from the year ended March 31, 2013, in accordance with the revision of the Corporation Tax Act, for tangible fixed assets acquired on or after April 1, 2012, the Corporation and its domestic consolidated subsidiaries apply depreciation rates based on the provisions of the revised Corporation Tax Act.

The effect of this change on the consolidated financial statements for the year ended March 31, 2013 was immaterial.

16) Standards issued but not yet effective

1. Summary

On May 17, 2012, the ASBJ issued "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25), which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000 and the other related practical guidance, being followed by partial amendments from time to time through 2009.The major changes are as follows:

(1) Treatment in the balance sheet — Actuarial gains and losses and prior service cost that have yet to be recognized in profit or loss shall be recognized within net assets (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(2) Treatment in the statement of income and the statement of comprehensive income — Actuarial gains and losses and prior service cost that arose in the current period and have yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and prior service cost that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

2. Scheduled effective date

The Corporation and certain consolidated subsidiaries expect to apply the revised accounting standard from the consolidated financial statements as at March 31, 2014 except for an amendment relating to the attribution period for estimated retirement benefits and discount rate which will be applied from the fiscal year beginning from April 1, 2014. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

3. The effects of applying revised accounting standard

At present, the Corporation and certain consolidated subsidiaries have not measured the effects of applying the revised accounting standard on the consolidated financial statements for the fiscal year ending on Mar 31, 2014 and thereafter.

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 ¥1,325 million.

	Millions of Yen
As at March 31	2012
Buildings and structures	¥ 87
Machinery, equipment and vehicles	187
Land	632
Total	¥907

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥1,025 million.

	Millions of Yen
As at March 31	2012
Buildings and structures	¥ 87
Machinery, equipment and vehicles	187
Land	283
Total	¥559

The following assets are pledged as collateral for short-term borrowings of ¥4,105 million ($43,609 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	**2013**	**2013**
Buildings and structures	**¥ 103**	**$ 1,098**
Machinery, equipment and vehicles	**144**	**1,530**
Land	**3,074**	**32,665**
Total	**¥3,322**	**$35,294**

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥1,025 million ($10,889 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	**2013**	**2013**
Buildings and structures	**¥ 80**	**$ 853**
Machinery, equipment and vehicles	**144**	**1,530**
Land	**283**	**3,016**
Total	**¥508**	**$5,400**

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

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2012	**2013**	**2013**
Investment securities	¥369	**¥369**	**$3,920**
Other investments	428	**425**	**4,521**
Total	¥797	**¥794**	**$8,441**

3) Other Notes to Consolidated Balance Sheet

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2012	**2013**	**2013**
Contingent liabilities from guaranteeing indebtedness			
Guarantees for housing loans of employees	¥1,213	**¥813**	**$8,637**

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
The total amount of business assets pledged as collateral for "Project finance borrowings" by subsidiaries engaged in PFI business	¥46,405	**¥50,630**	**$537,874**

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
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."	¥2,050	**¥2,204**	**$23,423**

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.

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Breakdown of real estate and uncompleted real estate development projects			
Real estate	¥22,533	**¥33,562**	**$356,552**
Uncompleted real estate development projects	23,635	**23,843**	**253,303**

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Breakdown of PFI projects and other inventories			
Merchandise	¥ 777	**¥ 795**	**$ 8,449**
Materials and supplies	556	**538**	**5,721**
PFI and other projects	49,988	**55,127**	**585,653**

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Investment securities			
Investments in affiliates	¥15,972	**¥16,931**	**$179,877**

During the fiscal year ended March 31, 2013, the following tangible fixed assets were transferred to real estate held for sale because of a change in the purpose for holding the assets.

	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Buildings and structures	**¥ 6,979**	**$ 74,152**
Machinery, equipment and vehicles	**178**	**1,900**
Land	**19,032**	**202,190**
Total	**¥26,191**	**$278,243**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Revenue recognized using the percentage-of-completion method	¥929,737	**¥1,037,047**	**$11,017,186**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Provision of reserve for expected losses on construction contracts in process included in cost of sales	¥19,201	**¥25,360**	**$269,421**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Inventory write-down due to reduced profitability included in cost of sales	¥2,307	**¥549**	**$5,834**

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

For the year ended March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Salaries and allowances to employees	¥22,409	**¥22,509**	**$239,129**
Retirement benefit expenses for employees	2,618	**2,015**	**21,406**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Research and development costs	¥7,103	**¥8,089**	**$85,936**

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

For the year ended March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Land	¥1,048	**¥ –**	**$ –**
Investment securities	1,208	**4,665**	**49,564**
Others	11	**26**	**286**

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

For the year ended March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Land	¥22	**¥175**	**$1,863**
Investment securities	2	**0**	**0**
Others	3	**5**	**62**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Net unrealized gain (loss) on other securities, net of taxes			
Gains (losses) arising during the year	¥10,962	**¥73,262**	**$778,310**
Reclassification adjustments	4,039	**178**	**1,897**
Total before tax effect	15,002	**73,440**	**780,207**
Tax effect	(2,584)	**(24,147)**	**(256,536)**
Net unrealized gain (loss) on other securities, net of taxes	12,417	**49,293**	**523,670**
Deferred gain (loss) on hedging, net of taxes			
Gains (losses) arising during the year	¥ (2)	**¥ 19**	**$ 212**
Reclassification adjustments	10	**4**	**44**
Total before tax effect	7	**24**	**257**
Tax effect	(3)	**(9)**	**(97)**
Deferred gain (loss) on hedging, net of taxes	4	**15**	**159**
Revaluation reserve for land, net of taxes			
Tax effect	¥ 2,996	**¥ –**	**$ –**
Foreign currency translation adjustments			
Gains (losses) arising during the year	¥ (716)	**¥ 1,344**	**$ 14,288**
Reclassification adjustments	100	**–**	**–**
Foreign currency translation adjustments	(616)	**1,344**	**14,288**
Share of other comprehensive income of associates accounted for using equity method			
Gains (losses) arising during the year	¥ 9	**¥ 69**	**$ 737**
Reclassification adjustments	7	**11**	**121**
Share of other comprehensive income of associates accounted for using equity method	16	**80**	**859**
Total other comprehensive income	¥14,818	**¥50,733**	**$538,977**

8. Notes to Consolidated Statement of Changes in Net Assets

1) Type and number of outstanding shares

For the year ended March 31, 2012 — 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	3,793	22	6	3,809

Notes: 1. The increase in 22 thousand shares of treasury stock is due to the purchases of shares in quantities less than the minimum trading unit of shares.
2. The decrease in 6 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, 2013 — 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	**3,809**	**20**	**11**	**3,819**

Notes: 1. The increase in 20 thousand shares of treasury stock is due to the purchases of shares in quantities less than the minimum trading unit of shares.
2. The decrease in 11 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, 2012

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 29, 2011)	Common stock	¥2,751	¥3.50	March 31, 2011	June 30, 2011
Board of directors (November 8, 2011)	Common stock	¥2,751	¥3.50	September 30, 2011	December 2, 2011

For the year ended March 31, 2013

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 28, 2012)	Common stock	**¥2,751**	**$29,227**	**¥3.50**	**$0.04**	**March 31, 2012**	**June 29, 2012**
Board of directors (November 12, 2012)	Common stock	**¥2,751**	**$29,227**	**¥3.50**	**$0.04**	**September 30, 2012**	**December 4, 2012**

(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, 2012

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 28, 2012)	Common stock	Retained earnings	¥2,751	¥3.50	March 31, 2012	June 29, 2012

For the year ended March 31, 2013

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 27, 2013)	Common stock	Retained earnings	**¥2,751**	**$29,226**	**¥3.50**	**$0.04**	**March 31, 2013**	**June 28, 2013**

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:

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2012	**2013**	**2013**
Cash (as per consolidated balance sheet)	¥150,773	**¥158,634**	**$1,685,269**
Marketable securities (Negotiable certificate of deposit)	59,000	**58,000**	**616,169**
Cash and cash equivalents	¥209,773	**¥216,634**	**$2,301,438**

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, 2012 and 2013, 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.

	Millions of Yen		
As at March 31, 2012	Carrying value	Fair value	Difference
Assets			
(1) Cash	¥150,773	¥150,773	¥ –
(2) Notes and accounts receivable—trade	426,963	426,740	(222)
(3) Marketable securities	59,020	59,020	–
(4) Investment securities	185,095	185,095	–
Liabilities			
(5) Notes and accounts payable—trade	398,364	398,364	–
(6) Short-term borrowings	168,410	168,410	–
(7) Commercial paper	–	–	–
(8) Bonds payable	70,000	70,633	633
(9) Long-term borrowings	95,572	96,902	1,329
(10) Project finance borrowings and current portion of project finance borrowings	41,347	42,945	1,597
Derivative transactions			
(11) Derivative transactions(*)	(4)	(4)	–

	Millions of Yen		
As at March 31, 2013	Carrying value	Fair value	Difference
Assets			
(1) Cash	**¥158,634**	**¥158,634**	**¥ –**
(2) Notes and accounts receivable—trade	**406,492**	**406,345**	**(147)**
(3) Marketable securities	**58,000**	**58,000**	**–**
(4) Investment securities	**255,005**	**255,005**	**–**
Liabilities			
(5) Notes and accounts payable—trade	**388,901**	**388,901**	**–**
(6) Short-term borrowings	**153,984**	**153,984**	**–**
(7) Commercial paper	**10,000**	**10,000**	**–**
(8) Bonds payable	**70,000**	**71,737**	**1,737**
(9) Long-term borrowings	**90,630**	**92,165**	**1,534**
(10) Project finance borrowings and current portion of project finance borrowings	**42,482**	**44,393**	**1,911**
Derivative transactions			
(11) Derivative transactions(*)	**19**	**19**	**–**

As at March 31, 2013	Carrying value	Fair value	Difference
	Thousands of U.S. Dollars		
Assets			
(1) Cash	**$1,685,269**	**$1,685,269**	**$ –**
(2) Notes and accounts receivable—trade	**4,318,416**	**4,316,849**	**(1,567)**
(3) Marketable securities	**616,169**	**616,169**	**–**
(4) Investment securities	**2,709,080**	**2,709,080**	**–**
Liabilities			
(5) Notes and accounts payable—trade	**4,131,539**	**4,131,539**	**–**
(6) Short-term borrowings	**1,635,869**	**1,635,869**	**–**
(7) Commercial paper	**106,236**	**106,236**	**–**
(8) Bonds payable	**743,652**	**762,105**	**18,453**
(9) Long-term borrowings	**962,824**	**979,131**	**16,307**
(10) Project finance borrowings and current portion of project finance borrowings	**451,313**	**471,617**	**20,304**
Derivative transactions			
(11) Derivative transactions(*)	**212**	**212**	**–**

(*) 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, (7) Commercial paper

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. (¥40,177 million ($426,826 thousand) in the consolidated balance sheets as at March 31, 2013 (¥38,303 million as at March 31, 2012)) are not included in the above because determining the fair value for them is extremely difficult.

(8) Bonds payable

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

(9) Long-term borrowings, (10) Project finance borrowings and current portion of project finance borrowings

The fair value of long-term borrowings and project finance borrowings is 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 project finance 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, 2012	Less than 1 year	Over 1 year less than 5 years	Over 5 years
	Millions of Yen		
Cash	¥150,773	¥ –	¥ –
Notes and accounts receivable—trade	397,020	29,892	50
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	20	1,000	–
Other	–	50	–
Other (negotiable certificate of deposit)	59,000	–	–
Total	¥606,813	¥30,942	¥50

As at March 31, 2013	Less than 1 year	Over 1 year less than 5 years	Over 5 years
			Millions of Yen
Cash	**¥158,634**	**¥ –**	**¥ –**
Notes and accounts receivable—trade	**373,326**	**33,128**	**37**
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	**–**	**1,020**	**–**
Other	**–**	**50**	**–**
Other (negotiable certificate of deposit)	**58,000**	**–**	**–**
Total	**¥589,960**	**¥34,198**	**¥37**

As at March 31, 2013	Less than 1 year	Over 1 year less than 5 years	Over 5 years
			Thousands of U.S. Dollars
Cash	**$1,685,269**	**$ –**	**$ –**
Notes and accounts receivable—trade	**3,966,072**	**351,944**	**399**
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	**–**	**10,836**	**–**
Other	**–**	**531**	**–**
Other (negotiable certificate of deposit)	**616,169**	**–**	**–**
Total	**$6,267,511**	**$363,312**	**$399**

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

As at March 31, 2012	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
						Millions of Yen
Short-term borrowings	¥168,410	¥ –	¥ –	¥ –	¥ –	¥ –
Bonds payable	–	20,000	–	–	25,000	25,000
Long-term borrowings	–	31,514	24,692	14,758	9,474	15,133
Project finance borrowings and current portion of project finance borrowings	6,063	5,252	5,273	5,295	5,317	14,145
Total	¥174,473	¥56,766	¥29,966	¥20,053	¥39,792	¥54,278

As at March 31, 2013	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
						Millions of Yen
Short-term borrowings	**¥153,984**	**¥ –**	**¥ –**	**¥ –**	**¥ –**	**¥ –**
Commercial paper	**10,000**	**–**	**–**	**–**	**–**	**–**
Bonds payable	**–**	**–**	**–**	**25,000**	**15,000**	**30,000**
Long-term borrowings	**–**	**31,982**	**18,998**	**13,714**	**10,587**	**15,347**
Project finance borrowings and current portion of project finance borrowings	**5,847**	**5,804**	**5,833**	**5,863**	**4,220**	**14,912**
Total	**¥169,831**	**¥37,787**	**¥24,831**	**¥44,578**	**¥29,807**	**¥60,260**

As at March 31, 2013	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
	Thousands of U.S. Dollars					
Short-term borrowings	**$1,635,869**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**
Commercial paper	**106,236**	**–**	**–**	**–**	**–**	**–**
Bonds payable	**–**	**–**	**–**	**265,590**	**159,354**	**318,708**
Long-term borrowings	**–**	**339,771**	**201,829**	**145,700**	**112,472**	**163,050**
Project finance borrowings and current portion of project finance borrowings	**62,116**	**61,664**	**61,974**	**62,294**	**44,840**	**158,422**
Total	**$1,804,222**	**$401,435**	**$263,804**	**$473,584**	**$316,667**	**$640,181**

11. Securities

1) Other securities (with market value)

As at March 31, 2012	Book value	Acquisition cost	Difference
	Millions of Yen		
Securities with unrealized gains			
Stocks	¥146,717	¥ 86,141	¥60,576
Other	6,291	3,399	2,891
Sub total	153,008	89,540	63,467
Securities with unrealized losses			
Stocks	32,086	36,200	(4,113)
Other	59,020	59,020	–
Sub total	91,106	95,220	(4,113)
Total	¥244,115	¥184,761	¥59,354

Note: Among other securities, non-listed shares, etc. (¥22,331 million in the consolidated balance sheets) are not included in the above because determining their fair values is extremely difficult.

As at March 31, 2013	Book value	Acquisition cost	Difference
	Millions of Yen		
Securities with unrealized gains			
Stocks	**¥247,414**	**¥113,750**	**¥133,664**
Sub total	**247,414**	**113,750**	**133,664**
Securities with unrealized losses			
Stocks	**7,591**	**8,460**	**(869)**
Other	**58,000**	**58,000**	**–**
Sub total	**65,591**	**66,460**	**(869)**
Total	**¥313,005**	**¥180,210**	**¥132,795**

As at March 31, 2013	Book value	Acquisition cost	Difference
	Thousands of U.S. Dollars		
Securities with unrealized gains			
Stocks	**$2,628,430**	**$1,208,435**	**$1,419,995**
Sub total	**2,628,430**	**1,208,435**	**1,419,995**
Securities with unrealized losses			
Stocks	**80,649**	**89,882**	**(9,233)**
Other	**616,169**	**616,169**	**–**
Sub total	**696,818**	**706,051**	**(9,233)**
Total	**$3,325,249**	**$1,914,487**	**$1,410,761**

Note: Among other securities, non-listed shares, etc. (¥23,245 million ($246,949 thousand) in the consolidated balance sheets) are not included in the above because determining their fair values is extremely difficult.

2) Other securities sold

For the year ended March 31, 2012	Sales amount	Total gain on sales	Total loss on sales
			Millions of Yen
Shares, etc.	¥ 1,854	¥ 1,208	¥ 2

For the year ended March 31, 2013	Sales amount	Total gain on sales	Total loss on sales
			Millions of Yen
Shares	**¥2,307**	**¥1,294**	**¥0**
Others	**7,412**	**3,371**	**–**
Total	**9,719**	**4,665**	**0**

For the year ended March 31, 2013	Sales amount	Total gain on sales	Total loss on sales
			Thousands of U.S. Dollars
Shares	**$24,514**	**$13,750**	**$0**
Others	**78,744**	**35,814**	**–**
Total	**103,259**	**49,564**	**0**

3) Securities with impairment loss

	Millions of Yen		Thousands of U.S. Dollars
For the year ended March 31	2012	**2013**	**2013**
Impairment loss on other securities	¥4,812	**¥4,693**	**$49,863**

12. Derivatives

1. Derivative transactions to which hedge accounting is not applied

The year ended March 31, 2012
Not applicable.

The year ended March 31, 2013
This item is omitted because of its immateriality.

2. Derivative transactions to which hedge accounting is applied

1) Currency-related transactions

As at March 31, 2012

Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
					Millions of Yen
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions			
	Buy				
	U.S. dollar		¥168	¥ –	¥(3)
	Non-Deliverable-Forward (NDF)				
	Buy				
	Philippine Peso		57	57	(0)

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

As at March 31, 2013

Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Fair value
					Millions of Yen
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions			
	Buy				
	U.S. dollar		**¥144**	**¥33**	**¥19**

As at March 31, 2013 — 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 Buy U.S. dollar	Forecasted foreign currency transactions	**$1,539**	**$350**	**$212**

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

2) Interest-related transactions

As at March 31, 2012 — 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 Payment fixed/ receiving variable	Long-term borrowings and project finance borrowings	¥22,941	¥21,981	(Note)

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

As at March 31, 2013 — 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 Payment fixed/ receiving variable	Long-term borrowings and project finance borrowings	**¥16,883**	**¥16,543**	(Note)

As at March 31, 2013 — 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 Payment fixed/ receiving variable	Long-term borrowings and project finance borrowings	**$179,358**	**$175,746**	(Note)

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

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) Projected Benefit Obligations

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Projected benefit obligations	¥(155,995)	**¥(166,214)**	**$(1,765,792)**
Plan assets	93,295	**94,290**	**1,001,709**
Funded status	(62,700)	**(71,923)**	**(764,083)**
Unrecognized actuarial gain or loss	8,637	**19,753**	**209,852**
Unrecognized prior service cost	(532)	**(398)**	**(4,232)**
Reserve for employees' retirement benefits	¥ (54,595)	**¥ (52,568)**	**$ (558,463)**

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

3) Retirement Benefit Expenses for Employees

For the year ended March 31	Millions of Yen 2012	Millions of Yen **2013**	Thousands of U.S. Dollars **2013**
Service cost	¥ 5,878	**¥ 5,790**	**$ 61,511**
Interest cost	3,124	**3,014**	**32,027**
Expected return on plan assets	(1,138)	**(1,096)**	**(11,645)**
Amortization of actuarial gain or loss	3,956	**2,257**	**23,978**
Amortization of prior service cost	(252)	**(348)**	**(3,705)**
Retirement benefit expenses for employees	¥11,568	**¥ 9,616**	**$102,165**

Note: The retirement benefit expenses of consolidated subsidiaries using a simplified computation method are included in "Service cost."

4) Assumptions and Policies Used to Calculate Projected Benefit Obligations

	2012	**2013**
Method of attributing the projected benefit obligations to periods of service	Straight-line basis	**Straight-line basis**
Discount rate	2.0%	**1.0% (mainly)**
Expected rates of return on plan assets	1.2% (mainly)	**1.2% (mainly)**
Amortization periods for prior service cost	10 years (amortized using the straight-line method)	**10 years (amortized using the straight-line method)**
Amortization periods for actuarial gain or loss	10 years (amortized from the following financial year using the straight-line method)	**10 years (amortized from the following financial year using the straight-line method)**

14. Deferred Tax Accounting

1) As at March 31, 2012 and 2013, the significant components of deferred tax assets and liabilities were as follows:

As at March 31	Millions of Yen 2012	Millions of Yen **2013**	Thousands of U.S. Dollars **2013**
Deferred tax assets			
Non-deductible portion of reserves and allowances	¥ 34,033	**¥ 37,714**	**$ 400,660**
Losses on write-down of assets	20,127	**16,600**	**176,357**
Tax losses carried forward	8,597	**14,523**	**154,290**
Other	27,613	**18,627**	**197,893**
Sub total	90,371	**87,465**	**929,202**
Less: valuation allowance	(31,471)	**(34,631)**	**$(367,912)**
Total deferred tax assets	58,899	**52,834**	**561,290**
Deferred tax liabilities			
Net unrealized gains on other securities	(20,217)	**(44,365)**	**(471,317)**
Other	(4,326)	**(4,347)**	**(46,183)**
Total deferred tax liabilities	(24,543)	**(48,712)**	**(517,501)**
Net deferred tax assets	¥ 34,356	**¥ 4,121**	**$ 43,788**

2) As at March 31, 2012 and 2013, the reconciliation of the statutory tax rate to the effective income tax rate was as follows:

As at March 31	2012	**2013**
Statutory tax rate	40.5%	**37.8%**
Adjustments:		
Expenses not deductible permanently for income tax purposes	11.8%	**10.2%**
Income not included permanently for income tax purposes	(14.8%)	**(19.9%)**
Elimination of intercompany dividend income	10.4%	**16.8%**
Increase of valuation allowance	13.0%	**9.5%**
Foreign corporation tax	4.9%	**5.3%**
Reversal of deferred tax assets due to tax rate change	31.6%	**–%**
Other	(6.5%)	**(0.3%)**
Effective income tax rate	90.9%	**59.4%**

15. Investment and Rental Properties

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

For the years ended March 31, 2012 and 2013, the carrying values, changes during the year, and fair values of those properties were as follows:

	Millions of Yen		Thousands of U.S. Dollars
For the year ended March 31	2012	**2013**	**2013**
Carrying value			
Balance at beginning of year	¥ 98,717	**¥107,333**	**$1,140,264**
Changes during the year	8,615	**(11,006)**	**(116,928)**
Balance at end of year	107,333	**96,326**	**1,023,335**
Fair value at end of year	132,259	**124,031**	**1,317,663**

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: ¥16,987 million) and sales of real estate (decrease: ¥5,657 million) for the year ended March 31, 2012.
3. The changes during the year primarily consist of real estate acquisitions (increase: ¥22,760 million ($241,800 thousand)), transferred to real estate (decrease: ¥26,191 million ($278,243 thousand)) and sales of real estate (decrease:¥7,567 million ($80,397 thousand)) for the year ended March 31, 2013.
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, 2012 and 2013, incomes from rental business were as follows:

	Millions of Yen		Thousands of U.S. Dollars
For the year ended March 31	2012	**2013**	**2013**
Net sales on rental business	¥13,952	**¥15,002**	**$159,384**
Cost of sales on rental business	10,835	**11,217**	**119,166**
Gross profit on rental business	3,117	**3,785**	**40,218**
Other profit	5,323	**10,054**	**106,811**

Notes: 1. Other profit primarily consisted of sale of the real estate (¥5,281 million) for the year ended March 31, 2012.
2. Other profit primarily consisted of sale of the real estate (¥9,899 million ($105,163 thousand)) for the year ended March 31, 2013.

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, 2012	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	¥1,125,783	¥33,010	¥177,400	¥1,336,194	¥ –	¥1,336,194
Intersegment or transfer	23,783	137	171,695	195,616	(195,616)	–
Total	¥1,149,566	¥33,148	¥349,096	¥1,531,811	¥(195,616)	¥1,336,194
Segment profit (Note 1)	¥ 27,926	¥ 6,075	¥ 3,719	¥ 37,722	¥ (20,156)	¥ 17,566

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 ¥20,156 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, 2013	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	**¥1,133,203**	**¥34,518**	**¥248,322**	**¥1,416,044**	**¥ –**	**¥1,416,044**
Intersegment or transfer	**63,901**	**118**	**176,630**	**240,650**	**(240,650)**	**–**
Total	**¥1,197,104**	**¥34,636**	**¥424,953**	**¥1,656,695**	**¥(240,650)**	**¥1,416,044**
Segment profit (Note 1)	**¥ 13,887**	**¥11,478**	**¥ 14,386**	**¥ 39,752**	**¥ (26,650)**	**¥ 13,101**

Thousands of U.S. Dollars

For the year ended March 31, 2013	Construction business of the Corporation	Real estate business of the Corporation	Other (Note 2)	Total	Adjustment (Note 3)	Consolidated
Net sales						
Customers	**$12,038,707**	**$366,707**	**$2,638,082**	**$15,043,498**	**$ –**	**$15,043,498**
Intersegment or transfer	**678,861**	**1,257**	**1,876,457**	**2,556,576**	**(2,556,576)**	**–**
Total	**$12,717,568**	**$367,965**	**$4,514,540**	**$17,600,074**	**$(2,556,576)**	**$15,043,498**
Segment profit (Note 1)	**$ 147,534**	**$121,943**	**$ 152,837**	**$ 422,315**	**$ (283,125)**	**$ 139,189**

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 ¥26,650 million ($283,125 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, 2012

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

(1) Net sales

This item is omitted because net sales to customers in Japan represented over 90% of the net sales of the Corporation's consolidated statement of income.

(2) 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, 2013

1. Product and Service Information

Net sales from external customers in the Construction business including architectural construction, civil engineering and other related business totaled ¥1,271,745 million ($13,510,525 thousand).

2. Geographical Segments

(1) Net sales

This item is omitted because net sales to customers in Japan represented over 90% of the net sales of the Corporation's consolidated statement of income.

(2) 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, 2012 and 2013

Not applicable.

4) Amortization of goodwill and unamortized balance by reportable segment

For the years ended March 31, 2012 and 2013

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

Not applicable.

17. Related Party Transactions

For the year ended March 31, 2012

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 Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction Millions of Yen	Account	Balance at the end of the year Millions of Yen
Junichi Oyamada	Director and close relative	–	–	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	¥18	–	–

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 Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction Millions of Yen	Account	Balance at the end of the year Millions of Yen
Junichi Oyamada	Director and close relative	–	–	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	¥5	–	–

Notes: 1. The amounts of transaction do not include consumption tax.
2. Terms and conditions of transaction and policy for determining them
They 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, 2013

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 Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction Millions of Yen	Amounts of Transaction Thousands of U.S. Dollars	Account	Balance at the end of the year Millions of Yen	Balance at the end of the year Thousands of U.S. Dollars
Junichi Oyamada	Director and close relative	–	–	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	**¥5**	**$56**	–	–	–

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 Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction Millions of Yen	Amounts of Transaction Thousands of U.S. Dollars	Account	Balance at the end of the year Millions of Yen	Balance at the end of the year Thousands of U.S. Dollars
Junichi Oyamada	Director and close relative	–	–	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	**¥5**	**$61**	–	–	–

Notes: 1. The amounts of transaction do not include consumption tax.
2. Terms and conditions of transaction and policy for determining them
They are determined based on former "Regulations Concerning the Standards for Attorney's Fees, etc." stipulated by Japan Federation of Bar Associations.

18. Amounts per Share

For the year ended March 31	Yen 2012	Yen 2013	U.S. Dollars 2013
Net assets per share of common stock	¥387.74	**¥452.79**	**$4.81**
Basic net income per share of common stock	¥ 1.82	**¥ 7.52**	**$0.07**
Diluted net income per share of common stock	¥ 1.80	**¥ 7.49**	**$0.07**

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 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Net income	¥1,430	**¥5,901**	**$62,690**
Net income not attributed to common share holders	–	**–**	**–**
Net income attributed to common shares	1,430	**5,901**	**62,690**
Average number of common shares issued and outstanding during the period	784,713 thousand shares	**784,703 thousand shares**	**784,703 thousand shares**

2) Diluted net income per share of common stock

For the year ended March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Adjustment in net income	¥(18)	**¥(22)**	**$(238)**
(Stock subscription rights of affiliated companies decrease the equity investment earnings when they are exercised.)			
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 2012	Shares 2013
Common stock associated with the issuance of stock acquisition rights by one equity-method affiliate	300	**–**

2. Basis of net assets per share of common stock

As at March 31	Millions of Yen 2012	Millions of Yen 2013	Thousands of U.S. Dollars 2013
Net assets	¥307,002	**¥358,094**	**$3,804,254**
Amounts deducted from net assets	2,738	**2,790**	**29,643**
Minority interests	2,738	**2,790**	**29,643**
Net assets applicable to common stock	304,264	**355,304**	**3,774,611**
Number of shares of common stock at end of year	784,704 thousand shares	**784,695 thousand shares**	**784,695 thousand shares**

19. Corporate Bonds

Issued by	Issue type	Issue date	Balance at April 1, 2012 Millions of Yen	Balance at March 31, 2013 Millions of Yen	Balance at March 31, 2013 Thousands of U.S. Dollars	Interest Rate (%)	Collateral	Maturity	Remarks
Corporation	13th unsecured straight bond	Dec. 19, 2008	¥12,000	**¥ –**	**$ –**	0.8207	None	Dec. 19, 2013	(*1)
Corporation	14th unsecured straight bond	Jan. 29, 2009	8,000	**–**	**–**	0.8207	None	Jan. 29, 2014	(*1)
Corporation	15th unsecured straight bond	Dec. 2, 2010	15,000	**15,000**	**159,354**	1.180	None	Dec. 1, 2017	(*2)
Corporation	16th unsecured straight bond	Feb. 2, 2011	15,000	**15,000**	**159,354**	1.040	None	Feb. 2, 2017	(*2)
Corporation	17th unsecured straight bond	Dec. 2, 2011	10,000	**10,000**	**106,236**	0.710	None	Dec. 2, 2016	(*2)
Corporation	18th unsecured straight bond	Mar. 6, 2012	10,000	**10,000**	**106,236**	0.947	None	Mar. 6, 2019	(*2)
Corporation	19th unsecured straight bond	Jun. 21, 2012	–	**10,000**	**106,236**	0.817	None	Jun. 21, 2019	(*2)
Corporation	20th unsecured straight bond	Mar. 8, 2013	–	**10,000**	**106,236**	0.599	None	Mar. 6, 2020	(*2)
Total	–	–	¥70,000	**¥70,000**	**$743,652**	–	–	–	–

Notes: (*1) Limited to qualified institutional investors and with early redemption clause
(*2) With limited inter-bond pari passu clause
Aggregate annual maturities of corporate bonds due within five years from the balance sheet date are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Over 3 years less than 4 years	**¥25,000**	**$265,590**
Over 4 years less than 5 years	**15,000**	**159,354**

20. Borrowings

Item	Balance at April 1, 2012 Millions of Yen	Balance at March 31, 2013 Millions of Yen	Balance at March 31, 2013 Thousands of U.S. Dollars	Average interest rate (%)	Repayment term
Short-term borrowings	¥128,537	**¥118,024**	**$1,253,847**	0.85	–
Current portion of long-term borrowings	45,936	**41,806**	**444,138**	1.40	–
Current portion of lease obligations	226	**252**	**2,686**	–	–
Long-term borrowings (Excluding current portion)	130,856	**127,265**	**1,352,021**	1.61	2014–2031
Lease obligations (Excluding current portion)	257	**189**	**2,013**	–	2014–2019
Commercial paper	–	**10,000**	**106,236**	0.11	–
Total	¥305,814	**¥297,539**	**$3,160,944**	–	–

Notes: The "average interest rate" is the weighted average interest rate for the average balance of borrowings during the fiscal year. 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.
The balances of borrowings above are inclusive of "Current portion of project finance borrowings" under Current Liabilities and "Project finance borrowings" under Non-Current Liabilities.
Aggregate annual repayment of long-term 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	**¥37,787**	**$401,435**
Over 2 years less than 3 years	**24,831**	**263,804**
Over 3 years less than 4 years	**19,578**	**207,994**
Over 4 years less than 5 years	**14,807**	**157,313**

Lease obligations (excluding current portion)	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	**¥107**	**$1,137**
Over 2 years less than 3 years	**59**	**628**
Over 3 years less than 4 years	**19**	**205**
Over 4 years less than 5 years	**2**	**24**

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, 2012 and March 31, 2013 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, 2013, 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, 2013, 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 ShinNihon LLC

June 27, 2013
Tokyo, Japan

Nonconsolidated Balance Sheet

Shimizu Corporation
As at March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
ASSETS			
Current Assets:			
Cash	¥ 125,835	**¥ 115,337**	**$ 1,225,298**
Notes receivable	11,939	**10,578**	**112,383**
Accounts receivable from completed construction contracts	379,986	**367,185**	**3,900,832**
Marketable securities	59,000	**58,000**	**616,169**
Real estate held for sale	14,249	**7,206**	**76,559**
Costs on uncompleted construction contracts	72,203	**55,513**	**589,753**
Materials and supplies	145	**150**	**1,602**
Prepaid expenses	96	**93**	**990**
Deferred tax assets	22,985	**26,918**	**285,975**
Accounts receivable—other	33,888	**45,454**	**482,891**
Other current assets	47,178	**47,922**	**509,110**
Less: Allowance for doubtful accounts	(1,310)	**(1,295)**	**(13,762)**
Total current assets	766,198	**733,066**	**7,787,804**
Non-Current Assets:			
Tangible fixed assets:			
Buildings	43,197	**60,418**	**641,857**
Structures	1,053	**1,453**	**15,443**
Machinery and equipment	482	**711**	**7,563**
Vehicles	278	**301**	**3,200**
Tools, furniture and fixtures	2,188	**3,358**	**35,675**
Land	102,328	**106,955**	**1,136,249**
Construction in progress	18,413	**3,254**	**34,579**
Total tangible fixed assets	167,941	**176,453**	**1,874,569**
Intangible fixed assets:			
Leasehold	1,612	**1,598**	**16,981**
Software	1,210	**1,333**	**14,170**
Other intangible fixed assets	8	**18**	**193**
Total intangible fixed assets	2,831	**2,950**	**31,345**
Investments and other assets:			
Investment securities	204,359	**274,513**	**2,916,326**
Investments in subsidiaries and affiliates	28,429	**28,429**	**302,022**
Investments in other securities of subsidiaries and affiliates	3,306	**3,306**	**35,121**
Investments in capital	4	**4**	**45**
Long-term loans	37	**34**	**369**
Long-term loans to employees	62	**41**	**444**
Long-term loans to subsidiaries and affiliates	7,874	**7,293**	**77,482**
Claims in bankruptcy or reorganization proceedings	3,019	**3,150**	**33,467**
Long-term prepaid expenses	2,256	**1,709**	**18,161**
Deferred tax assets	7,597	**–**	**–**
Other investments	8,971	**7,890**	**83,822**
Less: Allowance for doubtful accounts	(6,579)	**(5,815)**	**(61,777)**
Total investments and other assets	259,341	**320,558**	**3,405,485**
Total non-current assets	430,113	**499,962**	**5,311,401**
Total assets	¥1,196,312	**¥1,233,028**	**$13,099,205**

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 ¥94.13 to U.S.$1, the approximate rate prevailing at March 31, 2013.

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
LIABILITIES			
Current Liabilities:			
Notes payable	¥ 12,092	**¥ 9,994**	**$ 106,176**
Accounts payable for construction contracts	347,752	**334,239**	**3,550,831**
Short-term borrowings	111,009	**99,879**	**1,061,082**
Commercial paper	–	**10,000**	**106,236**
Lease obligations	327	**382**	**4,062**
Asset retirement obligations	3,441	**86**	**917**
Accounts payable—other	2,980	**16,278**	**172,932**
Accrued expenses	10,415	**10,450**	**111,022**
Income taxes payable	3,258	**–**	**–**
Advances received on uncompleted construction contracts	99,259	**83,541**	**887,514**
Withholdings	82,156	**66,086**	**702,072**
Warranty reserve	2,733	**3,111**	**33,052**
Reserve for expected losses on construction contracts in process	23,861	**35,431**	**376,407**
Other current liabilities	263	**253**	**2,695**
Total current liabilities	699,554	**669,735**	**7,115,004**
Non-Current Liabilities:			
Bonds payable	70,000	**70,000**	**743,652**
Long-term borrowings	92,726	**85,109**	**904,169**
Lease obligations	384	**470**	**4,994**
Asset retirement obligations	144	**28**	**305**
Deferred tax liabilities	–	**25,296**	**268,739**
Deferred tax liabilities for revaluation reserve for land	21,315	**21,186**	**225,072**
Reserve for employees' retirement benefits	49,975	**48,202**	**512,088**
Reserve for expected losses on affiliates' business	2,469	**5,169**	**54,913**
Other non-current liabilities	10,614	**9,650**	**102,522**
Total non-current liabilities	247,629	**265,113**	**2,816,458**
Total liabilities	947,184	**934,848**	**9,931,462**
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value Authorized: 1,500,000 thousand shares Issued: 788,514 thousand shares as at March 31, 2012 and 2013	74,365	**74,365**	**790,027**
Additional paid-in capital:			
Capital reserve	43,143	**43,143**	**458,339**
Retained earnings:			
Legal reserve	18,394	**18,394**	**195,419**
Contingent Reserve	44,000	**44,000**	**467,438**
Other retained earnings	8,120	**8,264**	**87,795**
Less: Treasury stock, at cost			
2,482 thousand shares as at March 31, 2013	–	**(1,067)**	**(11,345)**
2,474 thousand shares as at March 31, 2012	(1,067)	**–**	**–**
Total shareholders' equity	186,957	**187,099**	**1,987,675**
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	38,909	**87,771**	**932,444**
Deferred gain (loss) on hedging, net of taxes	(2)	**12**	**132**
Revaluation reserve for land, net of taxes	23,263	**23,296**	**247,490**
Total valuation and translation adjustments	62,170	**111,079**	**1,180,067**
Total net assets	249,127	**298,179**	**3,167,743**
Total liabilities and net assets	¥1,196,312	**¥1,233,028**	**$13,099,205**

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 ¥94.13 to U.S.$1, the approximate rate prevailing at March 31, 2013.

Nonconsolidated Statement of Income

Shimizu Corporation
For the year ended March 31, 2013

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
Net Sales:			
Construction contracts	¥1,139,137	**¥1,152,310**	**$12,241,694**
Other related business	45,726	**65,030**	**690,859**
	1,184,864	**1,217,341**	**12,932,553**
Cost of Sales:			
Construction contracts	1,074,073	**1,107,569**	**11,766,381**
Other related business	37,851	**50,093**	**532,172**
	1,111,924	**1,157,662**	**12,298,554**
Gross profit:			
Construction contracts	65,064	**44,741**	**475,312**
Other related business	7,875	**14,937**	**158,686**
	72,940	**59,678**	**633,999**
Selling, General and Administrative Expenses:	56,317	**57,324**	**608,988**
Operating income	16,622	**2,354**	**25,010**
Non-Operating Income (Expenses):			
Interest and dividend income	7,511	**10,637**	**113,007**
Interest expenses	(3,892)	**(3,249)**	**(34,522)**
Provision of allowance for doubtful accounts	(12)	**–**	**–**
Foreign exchange gain (loss)	(1,066)	**2,228**	**23,671**
Other, net	(1,093)	**145**	**1,542**
Ordinary income	18,067	**12,115**	**128,709**
Special Gains (Losses):			
Gain on sales of fixed assets	2,156	**4,690**	**49,827**
Loss on sales of fixed assets	(27)	**(177)**	**(1,886)**
Loss on devaluation of investment securities	(4,811)	**(4,661)**	**(49,522)**
Loss on affiliates' businesses	–	**(2,700)**	**(28,683)**
Income before income taxes	15,385	**9,266**	**98,445**
Provision for Income Taxes:			
Current	6,772	**437**	**4,642**
Deferred	3,056	**3,149**	**33,454**
	9,828	**3,586**	**38,097**
Net Income	¥ 5,557	**¥ 5,680**	**$ 60,347**

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 ¥94.13 to U.S.$1, the approximate rate prevailing at March 31, 2013.

Nonconsolidated Breakdown of Orders

Shimizu Corporation
For the year ended March 31, 2013

(1) Construction orders awarded and contracts

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
Construction business (orders)			
Architectural Construction			
Domestic Operations	¥ 825,547	**¥ 877,671**	**$ 9,324,031**
Overseas Operations	85,550	**61,449**	**652,817**
Subtotal	911,098	**939,120**	**9,976,848**
Civil Engineering			
Domestic Operations	234,104	**153,530**	**1,631,051**
Overseas Operations	11,323	**18,721**	**198,889**
Subtotal	245,428	**172,252**	**1,829,940**
Total construction business	1,156,526	**1,111,373**	**11,806,789**
Other related business (contracts)	26,615	**48,537**	**515,647**
Total	¥1,183,142	**¥1,159,910**	**$12,322,436**

(2) Net sales

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
Construction business			
Architectural Construction			
Domestic Operations	¥ 857,261	**¥ 871,376**	**$ 9,257,157**
Overseas Operations	57,064	**66,564**	**707,158**
Subtotal	914,326	**937,941**	**9,964,315**
Civil Engineering			
Domestic Operations	204,305	**200,678**	**2,131,932**
Overseas Operations	20,505	**13,690**	**145,446**
Subtotal	224,811	**214,369**	**2,277,379**
Total construction business	1,139,137	**1,152,310**	**12,241,694**
Other related business	45,726	**65,030**	**690,859**
Total	¥1,184,864	**¥1,217,341**	**$12,932,553**

(3) Backlog

	Millions of Yen		Thousands of U.S. Dollars
	2012	**2013**	**2013**
Construction business			
Architectural Construction			
Domestic Operations	¥ 804,424	**¥ 810,718**	**$ 8,612,758**
Overseas Operations	103,413	**98,298**	**1,044,286**
Subtotal	907,837	**909,017**	**9,657,045**
Civil Engineering			
Domestic Operations	305,314	**258,166**	**2,742,656**
Overseas Operations	16,025	**21,056**	**223,696**
Subtotal	321,340	**279,222**	**2,966,352**
Total construction business	1,229,178	**1,188,240**	**12,623,397**
Other related business	26,639	**10,146**	**107,796**
Total	¥1,255,817	**¥1,198,387**	**$12,731,194**

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 ¥94.13 to U.S.$1, the approximate rate prevailing at March 31, 2013.

International Business Network

Domestic Offices

Shimizu Corporation Head Office

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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 (75 locations)

● *Overseas Offices*
■ *Overseas Subsidiaries and Affiliates*

Overseas Offices

Asia

Singapore

● Shimizu Corporation
■ Shimizu Investment (Asia) Pte. Ltd.
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North America
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Atlanta
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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
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Management

As of June 27, 2013

Board of Directors

President and Representative Director

Yoichi Miyamoto

Executive Vice Presidents and Representative Directors

Kazuo Yoshida

Seikichi Kurosawa

Tatsuo Kakiya

Susumu Hoshii

Executive Vice President and Director

Kozo Kobashi

Directors

Mitsuaki Shimizu

Yo Takeuchi

Note: Director Yo Takeuchi is an external director.

Executive Officers

Senior Managing Officers

Takamitsu Miyazaki

Hiroshi Tojo

Osamu Terada

Hiroshi Takano

Kazuo Ide

Managing Officers

Hitoshi Minami

Hideyuki Yamamoto

Shigeru Hioki

Soichi Kubota

Hirokazu Shirata

Shigeru Tanaka

Kanji Tanaka

Yoshihide Akazawa

Toshiyuki Imaki

Shigeru Namioka

Eiji Katsuura

Hiroshi Takenami

Koichiro Higashide

Tadashi Okamoto

Kazuo Nakamoto

Yukihiko Tsuchiya

Executive Officers

Chiyuki Iwakawa

Yoshiyuki Ono

Toru Yamaji

Ken Yuchi

Koji Ikeda

Tadashi Tsujino

Kiyoshi Matsuura

Akimasa Ikemoto

Toshihiko Kubo

Yutaka Ishikawa

Seiji Umetsu

Kazuaki Shundo

Yoichi Obi

Toshimichi Inubushi

Ryouji Kouda

Masahiro Hosokawa

Yoshihiro Kura

Tatsuya Kurosawa

Kazuyuki Inoue

Masahiro Indo

Masatoshi Misawa

Tsunehiko Yamanaka

Shinichi Michie

Audit & Supervisory Board Members

Junichi Takami

Hiroshi Tarui

Shingo Asakura

Junichi Oyamada

Shingo Shutou

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

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: 15,616
Nonconsolidated: 10,721

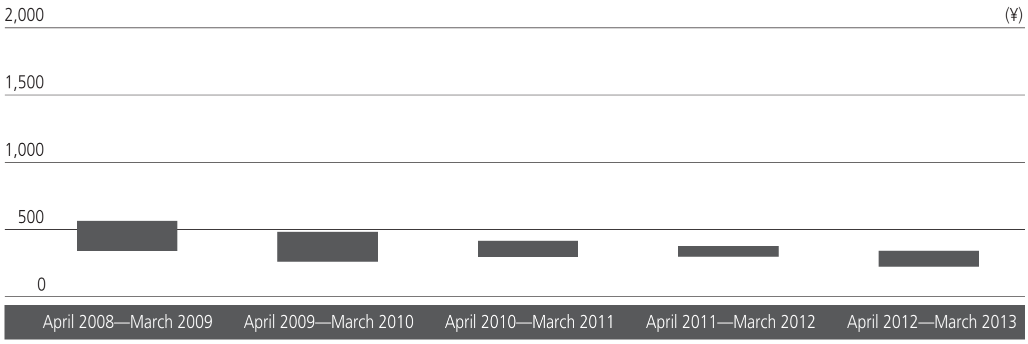
Transfer Agent: The Mitsubishi UFJ Trust and Banking Corporation

Major Shareholders:

Shareholder	Shares held (thousands)	Percentage of total
SHIMIZU & CO., LTD.	60,129	7.65%
The SHIMIZU FOUNDATION	38,100	4.85
The Master Trust Bank of Japan, Ltd. (Trust Account)	31,184	3.97
Japan Trustee Services Bank, Ltd. (Trust Account)	28,842	3.67
Employee's Stock Ownership Plan	24,176	3.08
HOUSING RESEARCH FOUNDATION JYUSO-KEN	17,420	2.22
Mizuho Corporate Bank, Ltd.	16,197	2.06
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	12,877	1.64
Japan Trustee Services Bank, Ltd. (Trust Account 4)	12,495	1.59
The Dai-ichi Life Insurance Company, Limited	10,564	1.34

Note: "Percentage of total" is calculated excluding 2,482,515 shares of treasury stock.

Stock Price Range on the Tokyo Stock Exchange:



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2013

Annual Report

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