



Financial Section

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Consolidated Balance Sheets

Shimizu Corporation and its subsidiaries
As at March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2010	2010
ASSETS			
Current Assets:			
Cash (Note 8)	¥ 193,295	¥ 182,659	\$ 1,957,971
Notes and accounts receivable—trade	568,983	426,118	4,567,680
Marketable securities (Notes 8 and 10)	35,000	36,000	385,893
Costs on uncompleted construction contracts (Notes 4.2) and 5.3))	520,025	247,244	2,650,278
Real estate and uncompleted real estate development projects (Notes 4.2) and 5.3))	71,168	68,476	734,014
PFI projects and other inventories (Notes 4.2) and 5.3))	65,471	42,648	457,155
Deferred tax assets (Note 14)	33,388	28,514	305,651
Other current assets	92,916	68,626	735,626
Less: Allowance for doubtful accounts	(2,754)	(1,806)	(19,366)
Total current assets	1,577,494	1,098,481	11,774,906
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures (Note 5.2))	118,254	130,517	1,399,046
Machinery, equipment and vehicles (Note 5.2))	44,446	45,379	486,432
Land (Notes 5.1) and 5.2))	114,423	133,993	1,436,315
Construction in progress	2,656	8,381	89,839
Less: Accumulated depreciation	(95,053)	(101,912)	(1,092,425)
Total tangible fixed assets	184,726	216,359	2,319,210
Intangible fixed assets	2,851	4,259	45,663
Investments and other assets:			
Investment securities (Notes 5.2), 5.3) and 10)	200,134	234,202	2,510,475
Deferred tax assets (Note 14)	8,076	1,510	16,187
Other investments (Note 5.2))	21,433	22,885	245,318
Less: Allowance for doubtful accounts	(7,180)	(7,919)	(84,895)
Less: Allowance for investment loss	–	(3,247)	(34,805)
Total investments and other assets	222,463	247,431	2,652,279
Total non-current assets	410,042	468,050	5,017,153
Total assets	¥1,987,536	¥1,566,531	\$16,792,060

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

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2010	2010
LIABILITIES			
Current Liabilities:			
Notes and accounts payable—trade	¥ 464,357	¥ 349,837	\$ 3,750,001
Short-term borrowings (Notes 5.2) and 20)	196,668	185,997	1,993,757
Current portion of project finance borrowings (Notes 5.3) and 20)	18,990	2,779	29,793
Current portion of bonds payable (Note 19)	–	60,000	643,155
Advances received on uncompleted construction contracts	477,061	225,171	2,413,677
Warranty reserve	3,262	3,024	32,422
Reserve for expected losses on construction contracts in process	42,302	32,339	346,654
Other current liabilities	100,446	97,035	1,040,148
Total current liabilities	1,303,089	956,186	10,249,612
Non-Current Liabilities:			
Bonds payable (Note 19)	100,000	40,000	428,770
Long-term borrowings (Note 20)	145,012	125,647	1,346,845
Project finance borrowings (Notes 5.3) and 20)	30,717	28,510	305,609
Deferred tax liabilities (Note 14)	1,474	1,531	16,421
Deferred tax liabilities for revaluation reserve for land (Note 5.1))	24,442	24,438	261,963
Reserve for employees' retirement benefits (Note 12)	56,350	55,542	595,376
Reserve for expected losses on affiliates' businesses	3,093	2,927	31,377
Other non-current liabilities	18,766	20,536	220,138
Total non-current liabilities	379,858	299,134	3,206,503
Total liabilities	1,682,948	1,255,320	13,456,115
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2009 and 2010	¥ 74,365	¥ 74,365	\$ 797,141
Additional paid-in capital	43,170	43,166	462,716
Retained earnings	142,597	129,875	1,392,165
Less: Treasury stock, at cost 3,613 thousand shares as at March 31, 2010	–	(1,551)	(16,629)
3,500 thousand shares as at March 31, 2009	(1,515)	–	–
Total shareholders' equity	258,617	245,855	2,635,394
Valuation and Translation Adjustments:			
Net unrealized gains on other securities, net of taxes (Note 10)	20,019	41,381	443,580
Deferred gains (losses) on hedging, net of taxes (Note 11)	16	(101)	(1,092)
Revaluation reserve for land, net of taxes (Note 5.1))	19,683	20,050	214,930
Foreign currency translation adjustments	(3,514)	(3,459)	(37,082)
Total valuation and translation adjustments	36,204	57,871	620,335
Minority Interests	9,766	7,483	80,215
Total net assets	304,588	311,210	3,335,945
Total liabilities and net assets	¥1,987,536	¥1,566,531	\$16,792,060

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

Consolidated Statements of Income

Shimizu Corporation and its subsidiaries
For the years ended March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2010	2010
Net Sales:			
Construction contracts (Notes 4.11) and 6.1))	¥1,728,365	¥1,453,467	\$15,580,102
Real estate development and other	159,207	135,810	1,455,792
	1,887,572	1,589,278	17,035,894
Cost of Sales:			
Construction contracts (Note 6.2))	1,651,026	1,365,423	14,636,337
Real estate development and other (Note 6.3))	141,775	130,099	1,394,571
	1,792,802	1,495,523	16,030,908
Gross profit:			
Construction contracts	77,338	88,043	943,764
Real estate development and other	17,431	5,711	61,221
	94,770	93,755	1,004,986
Selling, General and Administrative Expenses (Note 6.4))	72,441	71,631	767,838
Operating income	22,328	22,123	237,147
Non-Operating Income (Expenses):			
Interest and dividend income	4,572	3,617	38,774
Interest expenses	(5,222)	(5,913)	(63,389)
Equity in earnings of affiliates	1,187	956	10,251
Loss on disposal of fixed assets (Note 4.16))	–	(4,171)	(44,711)
Other, net (Note 4.16))	(2,070)	1,008	10,813
Ordinary income	20,794	17,621	188,886
Special Gains (Losses):			
Gain on sales of fixed assets (Note 6.6))	71	1,137	12,189
Penalty income on development projects	–	3,495	37,473
Loss on sales of fixed assets (Note 6.7))	(82)	(122)	(1,312)
Loss on devaluation of investment securities	(9,751)	(5,252)	(56,305)
Impairment loss on fixed assets (Note 6.8))	–	(15,768)	(169,024)
Provision of allowance for investment loss	–	(3,247)	(34,805)
Income (Loss) before income taxes and minority interests	11,031	(2,136)	(22,898)
Provision for Income Taxes (Note 14):			
Current	9,252	6,470	69,356
Deferred	(4,971)	(1,817)	(19,483)
	4,281	4,652	49,872
Minority Interests in Net Income of Consolidated Subsidiaries	459	61	658
Net Income (Loss)	¥ 6,290	¥ (6,850)	\$ (73,429)

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

Consolidated Statements of Changes in Net Assets

Shimizu Corporation and its subsidiaries
For the years ended March 31, 2009 and 2010

Millions of Yen

	Shareholders' Equity				Valuation and Translation Adjustments						Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized gains on other securities, net of taxes	Deferred gains (losses) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Minority interests		
Balance as at March 31, 2008	¥ 74,365	¥ 43,190	¥ 141,466	¥ (1,220)	¥ 65,519	¥ (78)	¥ 20,030	¥ (864)	¥ 7,058	¥ 349,468	
Cash dividends paid (¥7.00 per share)	-	-	(5,507)	-	-	-	-	-	-	(5,507)	
Net income for the year	-	-	6,290	-	-	-	-	-	-	6,290	
Reversal of revaluation reserve for land, net of taxes	-	-	347	-	-	-	-	-	-	347	
Purchase and disposal of treasury stock, at cost	-	(20)	-	(295)	-	-	-	-	-	(315)	
Changes other than shareholders' equity	-	-	-	-	(45,500)	94	(347)	(2,649)	2,708	(45,695)	
Balance as at March 31, 2009	¥ 74,365	¥ 43,170	¥ 142,597	¥ (1,515)	¥ 20,019	¥ 16	¥ 19,683	¥ (3,514)	¥ 9,766	¥ 304,588	
Cash dividends paid (¥7.00 per share)	-	-	(5,504)	-	-	-	-	-	-	(5,504)	
Net income for the year	-	-	(6,850)	-	-	-	-	-	-	(6,850)	
Reversal of revaluation reserve for land, net of taxes	-	-	(367)	-	-	-	-	-	-	(367)	
Purchase and disposal of treasury stock, at cost	-	(3)	-	(35)	-	-	-	-	-	(39)	
Changes other than shareholders' equity	-	-	-	-	21,362	(118)	367	54	(2,283)	19,383	
Balance as at March 31, 2010	¥ 74,365	¥ 43,166	¥ 129,875	¥ (1,551)	¥ 41,381	¥ (101)	¥ 20,050	¥ (3,459)	¥ 7,483	¥ 311,210	

Thousands of U.S. Dollars (Note 2)

	Shareholders' Equity				Valuation and Translation Adjustments						Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized gains on other securities, net of taxes	Deferred gains (losses) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Minority interests		
Balance as at March 31, 2009	\$ 797,141	\$ 462,751	\$ 1,528,539	\$ (16,245)	\$ 214,591	\$ 179	\$ 210,988	\$ (37,671)	\$ 104,692	\$ 3,264,965	
Cash dividends paid (¥7.00 per share)	-	-	(59,002)	-	-	-	-	-	-	(59,002)	
Net income for the year	-	-	(73,429)	-	-	-	-	-	-	(73,429)	
Reversal of revaluation reserve for land, net of taxes	-	-	(3,941)	-	-	-	-	-	-	(3,941)	
Purchase and disposal of treasury stock, at cost	-	(34)	-	(384)	-	-	-	-	-	(418)	
Changes other than shareholders' equity	-	-	-	-	228,989	(1,271)	3,941	589	(24,476)	207,771	
Balance as at March 31, 2010	\$ 797,141	\$ 462,716	\$ 1,392,165	\$ (16,629)	\$ 443,580	\$ (1,092)	\$ 214,930	\$ (37,082)	\$ 80,215	\$ 3,335,945	

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 Statements of Cash Flows

Shimizu Corporation and its subsidiaries
For the years ended March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2010	2010
Cash Flows from Operating Activities:			
Income (Loss) before income taxes and minority interests	¥ 11,031	¥ (2,136)	\$ (22,898)
Adjustments for:			
Depreciation and amortization	11,125	10,413	111,628
Impairment loss on fixed assets	–	15,768	169,024
Increase (decrease) in allowance for doubtful accounts	1,066	(224)	(2,406)
Increase (decrease) in reserve for expected losses on construction contracts in process	21,101	(9,963)	(106,799)
Increase (decrease) in reserve for employees' retirement benefits	(1,161)	(808)	(8,663)
Loss (gain) on sales of fixed assets	58	57	617
Loss (gain) on valuation of investment securities	9,751	5,252	56,305
Loss (gain) on sales of investment securities	(47)	(1,072)	(11,494)
Interest and dividend income	(4,572)	(3,617)	(38,774)
Interest expenses	5,222	5,913	63,389
(Increase) decrease in notes and accounts receivable—trade	(232,535)	122,915	1,317,563
(Increase) decrease in costs on uncompleted construction contracts	81,879	271,715	2,912,593
(Increase) decrease in real estate for development business	5,226	(22,448)	(240,629)
(Increase) decrease in PFI projects and other inventories	(18,263)	22,760	243,980
Increase (decrease) in notes and accounts payable—trade	20,993	(113,003)	(1,211,310)
Increase (decrease) in advances received on uncompleted construction contracts	4,379	(251,795)	(2,699,058)
Other, net	19,301	27,424	293,965
Sub total	(65,442)	77,153	827,032
Interest and dividend received	4,663	3,738	40,073
Interest paid	(4,995)	(5,923)	(63,490)
Income taxes paid	(24,871)	(3,370)	(36,134)
Net cash (used in) provided by operating activities	(90,645)	71,598	767,480
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(9,144)	(17,222)	(184,610)
Proceeds from sale of tangible fixed assets	382	143	1,543
Acquisition of marketable securities and investment securities	(1,182)	(11,590)	(124,237)
Proceeds from sale of marketable securities and investment securities	299	2,798	30,002
Other, net	175	(1,657)	(17,770)
Net cash (used in) provided by investing activities	(9,470)	(27,527)	(295,072)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	12,917	(14,616)	(156,674)
Net increase (decrease) in commercial paper	(50,000)	–	–
Proceeds from long-term borrowings	118,950	58,300	624,933
Repayments of long-term borrowings	(30,980)	(73,835)	(791,460)
Proceeds from project finance borrowings	5,128	602	6,452
Repayments of project finance borrowings	(2,381)	(19,020)	(203,884)
Proceeds from issuance of bonds	100,000	–	–
Redemption of bonds	(30,000)	–	–
Dividends	(5,507)	(5,504)	(59,002)
Other, net	(695)	(497)	(5,333)
Net cash (used in) provided by financing activities	117,430	(54,571)	(584,969)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,870)	864	9,271
Net Increase (Decrease) in Cash and Cash Equivalents	12,444	(9,635)	103,289
Cash and Cash Equivalents at Beginning of Year	214,326	228,295	2,447,154
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	1,524	–	–
Cash and Cash Equivalents at End of Year (Note 8)	¥ 228,295	¥ 218,659	\$ 2,343,865

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	<p>The accompanying consolidated financial statements have been prepared based on the accounts maintained by Shimizu Corporation (the "Corporation") and its subsidiaries 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.</p>
2. U.S. Dollar Amounts	<p>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 ¥93.29 to U.S.\$1, the rate of exchange prevailing at March 31, 2010, 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.</p>
3. Principles of Consolidation	<p>1) Scope of Consolidation The Corporation had 54 subsidiaries as at March 31, 2010 (50 for 2009). The consolidated financial statements for the years ended March 31, 2010 and 2009 include the accounts of the Corporation and all subsidiaries. The Corporation had 11 affiliates as at March 31, 2010 (12 for 2009). As at March 31, 2010 and 2009, the equity method was applied to all affiliates.</p> <p>2) Financial Statements of Subsidiaries The financial year-end of all overseas subsidiaries and one 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 having occurred during the period from January 1 to March 31.</p> <p>3) Valuation of Subsidiaries' Assets and Liabilities Assets and liabilities of consolidated subsidiaries are valued at market value, as at the date of acquisition of the controlling interest in such subsidiaries.</p> <p>4) Difference between the Cost of Investment and Equity in the Net Assets of a Subsidiary Any difference between the cost of investment in a subsidiary and the amount of the underlying equity in the net assets of the subsidiary is principally amortized over a five-year period on a straight-line basis.</p> <p>5) Elimination of Unrealized Intercompany Profits All significant unrealized intercompany profits included in assets such as "Costs on uncompleted construction contracts" among the Corporation and its subsidiaries have been eliminated on consolidation and the portion thereof attributable to minority interests is reported as "Minority Interests." In connection with the elimination of unrealized intercompany profits, the depreciation expense is also adjusted to eliminate any profit from the cost of assets purchased through intercompany transactions.</p>
4. Summary of Significant Accounting Policies	<p>1) Valuation of Securities The Corporation and its subsidiaries classify securities into two different categories, held-to-maturity debt securities and other securities. The Corporation and its subsidiaries hold no trading securities. Held-to-maturity debt securities are valued at amortized cost. Other securities with market quotations are valued at the prevailing market price as at the balance sheet date. Other securities without market quotations are stated at cost, cost being determined by the moving average method. Net unrealized gains on other securities with market quotations are reported net of taxes as a separated component of "Net Assets" and the cost of sales is determined by the moving average method.</p> <p>2) Valuation of Inventories 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 a 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 a decline in earnings)</p> <p>3) Depreciation Method for Tangible Fixed Assets Depreciation for tangible fixed assets (excluding lease 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.</p>

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) Allowance for Investment Loss

Allowance for Investment Loss is provided based on the evaluation of the financial condition of investees.

6) Warranty Reserve

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

7) Reserve for Expected Losses on Construction Contracts in Process

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

8) 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.

(Change of Accounting Policy)

Effective from the consolidated fiscal year ended March 31, 2010, the Corporation has adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No. 19, July 31, 2008).

This change did not have any effect on the Corporation's consolidated financial statements for the consolidated fiscal year ended March 31, 2010.

9) Reserve for Expected Losses on Affiliates' Businesses

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

10) Accounting for Hedging

Hedging instruments are valued at fair value and accounted for using the deferral method of accounting. With regard to some interest rate swaps which meet certain requirements, the Corporation and its subsidiaries use 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 and hedged items:

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.

11) Recognizing Revenues and Cost of Construction Contracts

Revenues and costs of construction contracts that commenced on or after April 1, 2009, 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.

(Change of Accounting Policy)

Until the year ended March 31, 2009, the percentage-of-completion method was used when the contract amount was ¥2 billion or more and the construction period was over one year, and the completed-contract method was used otherwise. Effective from the consolidated fiscal year ended March 31, 2010, the Corporation and its consolidated subsidiaries have adopted new accounting standards, “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, December 27, 2007).

This change increases revenue from construction contracts by ¥62,762 million (\$672,767 thousand), and gross profit from construction contracts, operating income and ordinary income by ¥3,994 million (\$42,818 thousand) each, and it reduces the net loss before income taxes by ¥3,994 million (\$42,818 thousand), compared to amounts calculated by the previous method.

The effect of this change on business segments is shown in “Segment Information” (Note 16).

12) Consumption Tax

Consumption tax payable or receivable is excluded from each account in the consolidated statements of income.

13) Foreign Currency Translation

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

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

14) Cash Flows

Cash and cash equivalents in the consolidated 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.

15) Income Taxes

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

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

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

16) Change of Presentation Method

(Consolidated Statements of Income)

In the previous consolidated fiscal year, "Loss on disposal of fixed assets" was included in "Other, net" under "Non-Operating Income (Expenses)." Effective from the consolidated fiscal year ended March 31, 2010, however, since the balance became more than 10% of total non-operating expenses, this item is presented separately.

5. Notes to Consolidated Balance Sheets

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.

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Excess amount of the book value of land after revaluation over the fair value	¥15,415	—	—

Note: Total fair value of land after revaluation at March 31, 2010 is not less than book value of land after revaluation.

2) Assets Pledged as Collateral

The following assets are pledged as collateral for short-term borrowings of ¥1,810 million.

As at March 31	Millions of Yen
	2009
Buildings and structures	¥ 124
Machinery, equipment and vehicles	395
Land	632
Total	¥1,151

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥1,510 million.

	Millions of Yen	
As at March 31	2009	
Buildings and structures	¥124	
Machinery, equipment and vehicles	395	
Land	283	
Total	¥803	

The following assets are pledged as collateral for short-term borrowings of ¥1,390 million (\$14,899 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	2010	2010
Buildings and structures	¥ 112	\$ 1,202
Machinery, equipment and vehicles	309	3,315
Land	632	6,776
Total	¥1,053	\$11,293

The following assets, which are included above, are pledged as factory foundation collateral at subsidiaries for short-term borrowings of ¥1,090 million (\$11,683 thousand).

	Millions of Yen	Thousands of U.S. Dollars
As at March 31	2010	2010
Buildings and structures	¥112	\$1,202
Machinery, equipment and vehicles	309	3,315
Land	283	3,043
Total	¥705	\$7,561

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	2009	2010	2010
Investment securities	¥369	¥369	\$3,955
Other investments	496	493	5,289
Total	¥865	¥862	\$9,244

3) Other Notes to Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2009	2010	2010
Contingent liabilities from guaranteeing indebtedness	¥ 5,379	¥ 2,919	\$ 31,292

(Consolidated liabilities excluding guarantee amounts of other companies)

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2009	2010	2010
The total amount of business assets pledged as collateral for "Project finance borrowings" by subsidiaries engaged in PFI business	¥51,301	¥34,201	\$366,616

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
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."	¥ –	¥14,951	\$160,268

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		Thousands of U.S. Dollars
	2009	2010	2010
Breakdown of Real estate and uncompleted real estate development projects			
Real estate	¥31,182	¥42,056	\$450,815
Uncompleted real estate development projects	39,985	26,419	283,198

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Breakdown of PFI projects and other inventories			
Merchandise	¥ 905	¥ 947	\$ 10,153
Materials and supplies	325	497	5,335
PFI and other projects	64,240	41,203	441,666

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Investment securities			
Investments in affiliates	¥14,308	¥15,014	\$160,942

6. Notes to Consolidated Statements of Income

- 1) Revenue recognized using the percentage-of-completion method was ¥672,927 million (\$7,213,288 thousand) for the fiscal year ended March 31, 2010.
- 2) Provision of reserve for expected losses on construction contracts in process included in cost of sales was ¥19,306 million (\$206,946 thousand).
- 3) Inventory write-down of ¥5,608 million (\$60,123 thousand) due to reduced profitability was included in cost of sales for the year ended March 31, 2010.
- 4) The major components of "Selling, General and Administrative Expenses" were as follows:

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Salaries and allowances to employees	¥22,248	¥22,632	\$242,604
Retirement benefit expenses for employees	2,347	2,520	27,013
Provision of allowance for doubtful accounts	1,503	1,070	11,479

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

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Research and development costs	¥ 7,868	¥ 7,683	\$ 82,363

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

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Land	¥ 5	¥ 1	\$ 15
Investment securities	52	1,113	11,938
Others	13	21	235

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

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Land	¥ 49	¥ 13	\$ 142
Investment securities	5	41	444
Others	28	67	726

8) Impairment loss on fixed assets

Impairment loss on fixed assets were as follows:

For the year ended March 31, 2010

Purpose	Type	Location	Impairment loss (Millions of Yen)	Impairment loss (Thousands of U.S. Dollars)
Business-use assets	Buildings, and other	Kyoto, and other	¥15,768	\$169,024

The Group groups its assets primarily into units whose income and expenditure are continuously monitored.

Of the fixed assets held by the Corporation and its consolidated subsidiaries, the book values of three business-use assets, including commercial facilities, and one idle asset were adjusted downward to amounts deemed recoverable because their profitability significantly declined, and an impairment loss was posted as a special loss.

The recoverable value of assets or assets group is primarily estimated from the net sale value based on real estate appraisal standards.

7. Notes to Consolidated Statements of Changes in Net Assets

1) Type and number of outstanding shares

For the year ended March 31, 2009	Number of shares (Thousands)			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Type of shares				
Issued stock:				
Common stock	788,514	–	–	788,514
Treasury stock:				
Common stock	2,829	1,087	416	3,500

Notes: 1. The increase in 1,087 thousand shares of treasury stock is mainly due to the purchases of shares in quantities less than the minimum trading unit of shares.

2. The decrease in 416 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, 2010	Number of shares (Thousands)			
	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Type of shares				
Issued stock:				
Common stock	788,514	–	–	788,514
Treasury stock:				
Common stock	3,500	136	23	3,613

Notes: 1. The increase in 136 thousand shares of treasury stock is mainly due to the purchases of shares in quantities less than the minimum trading unit of shares.

2. The decrease in 23 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, 2009

Resolution approved by	Type of shares	Amount (Millions of Yen)	Amount per share (Yen)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 27, 2008)	Common stock	¥2,754	¥3.50	March 31, 2008	June 30, 2008
Board of directors (November 12, 2008)	Common stock	¥2,752	¥3.50	September 30, 2008	December 9, 2008

For the year ended March 31, 2010

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 26, 2009)	Common stock	¥2,752	¥3.50	March 31, 2009	June 29, 2009
Board of directors (November 12, 2009)	Common stock	¥2,752	¥3.50	September 30, 2009	December 3, 2009

(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, 2009

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 26, 2009)	Common stock	Retained earnings	¥2,752	¥3.50	March 31, 2009	June 29, 2009

For the year ended March 31, 2010

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 29, 2010)	Common stock	Retained earnings	¥2,751	\$29,497	¥3.50	\$0.03	March 31, 2010	June 30, 2010

8. Note to Consolidated Statements of Cash Flows

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

	Millions of Yen		Thousands of U.S. Dollars
As at March 31	2009	2010	2010
Cash (as per consolidated balance sheets)	¥193,295	¥182,659	\$1,957,971
Marketable securities (Negotiable certificate of deposit)	35,000	36,000	385,893
Cash and cash equivalents	¥228,295	¥218,659	\$2,343,865

9. Financial Instruments

For the year ended March 31, 2010

1. Overview

1) Policy for financial instruments

The Shimizu 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 11) 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 statements on the consolidated balance sheets as at March 31, 2010 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		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash	¥ 182,659	¥ 182,659	¥ -
(2) Notes and accounts receivable—trade	426,118	425,855	(263)
(3) Marketable securities	36,000	36,000	-
(4) Investment securities	188,248	188,248	-
Liabilities			
(5) Notes and accounts payable—trade	349,837	349,837	-
(6) Short-term borrowings	185,997	185,997	-
(7) Bonds payable and current portion of bonds payable	100,000	100,154	154
(8) Long-term borrowings	125,647	126,539	892
(9) Project finance borrowings and current portion of project finance borrowings	31,289	32,231	941
Derivative transactions			
(10) Derivative transactions(*)	(13)	(13)	-

Thousands of U.S. Dollars

	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash	\$1,957,971	\$1,957,971	\$ –
(2) Notes and accounts receivable—trade	4,567,680	4,564,855	(2,825)
(3) Marketable securities	385,893	385,893	–
(4) Investment securities	2,017,889	2,017,889	–
Liabilities			
(5) Notes and accounts payable—trade	3,750,001	3,750,001	–
(6) Short-term borrowings	1,993,757	1,993,757	–
(7) Bonds payable and current portion of bonds payable	1,071,926	1,073,581	1,655
(8) Long-term borrowings	1,346,845	1,356,413	9,568
(9) Project finance borrowings and current portion of project finance borrowings	335,402	345,497	10,094
Derivative transactions			
(10) Derivative transactions(*)	(143)	(143)	–

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

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

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

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

(2) Notes and accounts receivable—trade

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

(4) Investment securities

The fair value of stocks is determined based on the stock market price and the fair value of bonds is determined based on the stock market price or prices quoted by financial institutions. Among "Investment securities," non-listed shares, etc. (¥45,953 million (\$492,585 thousand) in the consolidated balance sheets) are not included in the above because determining the fair value for them is extremely difficult.

(7) Bonds payable and Current portion of bonds payable

The fair value of bonds is based on the present value of the total of the principal and interest discounted by an interest rate determined taking into account the remaining period of each bond and current credit risk.

(8) Long-term borrowings, (9) 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 if a similar new borrowings agreement would be entered into to the total of principal and interest. Some long-term borrowings and project finance borrowings are subject of special treatment of interest rate swap, and these are calculated by applying a discount rate to be applied if a similar new borrowings agreement would be entered into to the total principal and interest, which are treated together with the interest rate swap.

(10) 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, 2010	Millions of Yen		
	Less than 1 year	Over 1 year less than 5 years	Over 5 years
Cash	¥ 182,659	¥ –	¥ –
Notes and accounts receivable—trade	399,476	26,432	210
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	–	20	–
Other	–	50	–
Other (negotiable certificate of deposit)	36,000	–	–
Total	¥ 618,135	¥ 26,502	¥ 210

As at March 31, 2010	Thousands of U.S. Dollars		
	Less than 1 year	Over 1 year less than 5 years	Over 5 years
Cash	\$1,957,971	\$ –	\$ –
Notes and accounts receivable—trade	4,282,089	283,337	2,254
Marketable securities and investment securities			
Other marketable securities with maturities			
Bonds			
Bonds payable	–	214	–
Other	–	535	–
Other (negotiable certificate of deposit)	385,893	–	–
Total	\$6,625,954	\$284,087	\$2,254

3. Anticipated redemptions after balance sheet date for corporate bonds and long-term borrowings

Refer to “Corporate Bonds” (Note 19) and “Borrowings” (Note 20) in the Notes to Consolidated Financial Statements.

(Additional information)

Effective from the fiscal year ended March 31, 2010, the Corporation adopted new accounting standards, “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 10, 2008).

10. Securities

For the year ended March 31, 2009

1) Other securities (with market value)

As at March 31, 2009	Millions of Yen		
	Acquisition cost	Book value	Difference
Securities with unrealized gains			
Stocks	¥ 83,172	¥ 124,093	¥ 40,920
Sub total	83,172	124,093	40,920
Securities with unrealized losses			
Stocks	36,252	28,662	(7,590)
Sub total	36,252	28,662	(7,590)
Total	¥ 119,425	¥ 152,755	¥ 33,329

2) Main types and consolidated balance sheet amounts of securities without market value

As at March 31	Millions of Yen	
	2009	
Negotiable certificates of deposit	¥35,000	
Non-listed shares	17,049	
Non-listed preferred investment securities	12,953	
Investment in anonymous association	3,067	

3) Other securities sold

For the fiscal year ended March 31, 2009	Millions of Yen		
	Sales amount	Total gain on sales	Total loss on sales
Shares	¥ 299	¥ 52	¥ (5)

For the year ended March 31, 2010

1) Other securities (with market value)

As at March 31, 2010	Millions of Yen		
	Book value	Acquisition cost	Difference
Securities with unrealized gains			
Stocks	¥ 165,073	¥ 93,979	¥ 71,094
Sub total	165,073	93,979	71,094
Securities with unrealized losses			
Stocks	23,175	26,307	(3,132)
Other	36,000	36,000	-
Sub total	59,175	62,307	(3,132)
Total	¥ 224,248	¥ 156,287	¥ 67,961

Note: Among other securities, non-listed shares, etc. (¥30,938 million (\$331,642 thousand) in the consolidated balance sheets) are not included in the above because determining their fair values is extremely difficult.

As at March 31, 2010	Thousands of U.S. Dollars		
	Book value	Acquisition cost	Difference
Securities with unrealized gains			
Stocks	\$1,769,469	\$1,007,392	\$762,076
Sub total	1,769,469	1,007,392	762,076
Securities with unrealized losses			
Stocks	248,420	281,999	(33,579)
Other	385,893	385,893	-
Sub total	634,313	667,892	(33,579)
Total	\$2,403,782	\$1,675,285	\$728,497

2) Other securities sold

For the fiscal year ended March 31, 2010	Millions of Yen		
	Sales amount	Total gain on sales	Total loss on sales
Shares, etc.	¥ 2,798	¥ 1,113	¥ (41)

For the fiscal year ended March 31, 2010	Thousands of U.S. Dollars		
	Sales amount	Total gain on sales	Total loss on sales
Shares, etc.	\$30,002	\$11,938	\$(444)

3) Securities with impairment loss

For the consolidated fiscal year ended March 31, 2010, an impairment loss of ¥5,252 million (\$56,305 thousand) on other securities was recognized.

11. Derivatives

The fiscal year ended March 31, 2009

1. Information on Derivatives

1) General

The Corporation and its subsidiaries use derivative financial instruments, which consist of interest rate swaps, foreign currency swaps and forward foreign exchange contracts.

2) Policy

The Corporation and its subsidiaries use derivative financial instruments to hedge risks in current and future assets and liabilities. The Corporation and its subsidiaries do not hold or issue derivative financial instruments for trading or speculative purposes.

3) Objective

The Corporation and its subsidiaries enter into interest rate swaps to reduce the risk associated with interest rate changes, and enter into foreign currency swaps and forward foreign exchange contracts to reduce the risk associated with foreign exchange rate changes.

Hedging instruments and hedged items are described in "10) Accounting for Hedging" under "4. Summary of Significant Accounting Policies" in the section "Notes to Consolidated Financial Statements."

4) Risk

The interest rate swaps, foreign currency swaps and forward foreign exchange contracts entered into by the Corporation and its subsidiaries are susceptible to risk associated with interest rate changes and foreign exchange rate changes. However, this risk is limited because all derivative transactions are entered into solely to hedge exposure to such changes. In addition, because the counterparties to these derivative transactions are limited to creditworthy international financial institutions, the Corporation and its subsidiaries do not anticipate any losses arising from the default of counterparties.

5) Management of Risk

Derivative transactions entered into by the Corporation and its subsidiaries have been made in accordance with the internal management regulations of the Corporation, and the transactions are assessed and confirmed in accordance with these regulations.

The Corporation and its subsidiaries report the status of these transactions to the chief financial officer every half financial year.

2. Market Value of Derivative Transactions

Information on derivatives is not presented, since all derivative transactions are accounted for by the hedge accounting method.

The fiscal year ended March 31, 2010

1. Derivative transactions for which hedge accounting is not applied

Not applicable.

2. Derivative transactions for which hedge accounting is applied

1) Currency-related transaction

Fiscal year ended March 31, 2010

Hedging method	Transaction type	Main hedged item	Millions of Yen			
			Contract amount	Contract over 1 year	Market value	
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions				
			Buy			
			U.S. dollar	¥ 14	¥-	¥ (0)
	Euro	82	-	(13)		

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

Fiscal year ended March 31, 2010

Hedging method	Transaction type	Main hedged item	Thousands of U.S. Dollars			
			Contract amount	Contract over 1 year	Market value	
Deferred hedge method	Foreign exchange forward contract	Forecasted foreign currency transactions				
			Buy			
			U.S. dollar	\$158	\$-	\$ (1)
	Euro	888	-	(142)		

2) Interest-related transaction

Fiscal year ended March 31, 2010			Millions of Yen		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Market value
Special treatment of interest rate swap	Interest rate swap transaction Payment fixed/receiving variable	Long-term borrowings and project finance borrowings	¥ 50,459	¥ 42,059	(Note)

Fiscal year ended March 31, 2010			Thousands of U.S. Dollars		
Hedging method	Transaction type	Main hedged item	Contract amount	Contract over 1 year	Market value
Special treatment of interest rate swap	Interest rate swap transaction Payment fixed/receiving variable	Long-term borrowings and project finance borrowings	\$540,883	\$450,841	(Note)

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

12. Retirement Benefits

1) Summary of Employees' Retirement Benefit Plans

The Corporation and certain consolidated subsidiaries have lump-sum retirement payment plans, tax qualified pension plans and defined benefit pension plans. As at March 31, 2010, the Corporation and 23 consolidated subsidiaries (23 for 2009) offered lump-sum retirement payment plans and the Corporation and 7 consolidated subsidiaries (7 for 2009) also offered either a tax qualified pension plan or a defined benefit pension plan.

2) Projected Benefit Obligations

As at March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Projected benefit obligations	¥(174,496)	¥(168,505)	\$(1,806,257)
Plan assets	96,481	97,060	1,040,414
Funded status	(78,014)	(71,445)	(765,843)
Unrecognized prior service cost	(1,069)	(836)	(8,961)
Unrecognized actuarial differences	22,733	16,738	179,428
Reserve for employees' retirement benefits	¥ (56,350)	¥ (55,542)	\$ (595,376)

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

3) Retirement Benefit Expenses for Employees

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Service cost	¥ 6,130	¥ 6,000	\$ 64,322
Interest cost	3,465	3,403	36,484
Expected return on plan assets	(1,688)	(1,619)	(17,357)
Amortization of prior service cost	(233)	(233)	(2,499)
Amortization of actuarial differences	3,572	4,161	44,611
Retirement benefit expenses for employees	¥11,247	¥11,713	\$125,561

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

	2009	2010
Method of attributing the projected benefit obligations to periods of service	Straight-line basis	Straight-line basis
Discount rate	2.0%	2.0%
Expected rates of return on plan assets	1.7% (mainly)	1.7% (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 differences	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)

13. Stock Options

The fiscal year ended March 31, 2009

The stock options outstanding as of March 31, 2009 were as follows:

Stock Option	Company Name	Persons Granted	Number of Options Granted	Date of Grant	Vesting Conditions	Eligible Employment Period	Exercise Period
2004	Super Regional, Inc.	2 directors	240 shares	December 4, 2003	Persons granted stock options must be a director or regular employee of the Company at the time of exercise.	No specified period	From December 1, 2005 to November 18, 2013
2005	Super Regional, Inc.	2 directors 2 employees	380 shares	June 28, 2004	Persons granted stock options must be a director or regular employee of the Company at the time of exercise.	No specified period	From June 12, 2006 to June 10, 2014

The stock option activity is as follows:

Number of stock options	Shares	
	2004	2005
Non-vested		
March 31, 2008 — Outstanding	—	—
Granted	—	—
Canceled	—	—
Vested	—	—
March 31, 2009 — Outstanding	—	—
Vested		
March 31, 2008 — Outstanding	240	300
Vested	—	—
Exercised	240	—
Canceled	—	—
March 31, 2009 — Outstanding	—	300

Price information is as follows:

For the fiscal year ended March 31, 2009	Yen	
	2004	2005
Exercise price	¥50,000	¥50,000
Average stock price at exercise	37,783	—
Fair value price at grant date	—	—

The fiscal year ended March 31, 2010

Not applicable.

14. Deferred Tax Accounting

1) As at March 31, 2009 and 2010, the significant components of deferred tax assets and liabilities were as follows:

As at March 31	Millions of Yen 2009
Deferred tax assets	
Non-deductible portion of reserves and allowances	¥ 45,084
Losses on write-down of assets	14,088
Tax losses carried forward	6,070
Other	22,851
Sub total	88,094
Less: valuation reserve	(29,884)
Total deferred tax assets	58,210
Deferred tax liabilities	
Net unrealized gains on other securities	(13,257)
Other	(4,961)
Total deferred tax liabilities	(18,219)
Net deferred tax assets	¥ 39,990

As at March 31	Millions of Yen 2010	Thousands of U.S. Dollars 2010
Deferred tax assets		
Non-deductible portion of reserves and allowances	¥ 40,103	\$ 429,875
Losses on write-down of assets	18,662	200,047
Non-deductible depreciation of fixed assets	11,442	122,655
Tax losses carried forward	6,284	67,366
Other	17,269	185,112
Sub total	93,761	1,005,057
Less: valuation reserve	(33,915)	(363,545)
Total deferred tax assets	59,846	641,512
Deferred tax liabilities		
Net unrealized gains on other securities	(26,537)	(284,458)
Other	(4,817)	(51,635)
Total deferred tax liabilities	(31,354)	(336,094)
Net deferred tax assets	¥ 28,492	\$ 305,418

2) For the year ended March 31, 2009, the reconciliation of the statutory tax rate to the effective income tax rate was as follows:

As at March 31	2009
Statutory tax rate	40.5%
Increase (decrease) in taxes resulting from permanent differences:	
Expenses not deductible for income tax purposes	18.8%
Income not included for income tax purposes	(8.0%)
Decrease of valuation reserve and other	(12.4%)
Effective income tax rate	38.8%

Note: For the year ended March 31, 2010, the reconciliation is not presented because there was a net loss before adjustment for income taxes.

15. Investment and Rental Properties

The fiscal year ended March 31, 2010

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 centers.

The carrying values, changes during the year, and fair values of those properties are as follows:

	Millions of Yen		
	As of March 31, 2009	Increase (Decrease)	Balance As at March 31, 2010
Carrying value	¥ 64,987	¥ 33,473	¥ 98,460
Fair value			¥ 130,756

	Thousands of U.S. Dollars		
	As of March 31, 2009	Increase (Decrease)	Balance As at March 31, 2010
Carrying value	\$696,616	\$358,806	\$1,055,422
Fair value			\$1,401,615

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

2. The changes during the year primarily consist of real estate acquisitions (increase: ¥52,473 million (\$562,473 thousand)) and impairment loss (decrease: ¥15,728 million (\$168,601 thousand)).

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

Income from rental business during the year ended March 31, 2010 was as follows:

	Millions of Yen			
	Net sales of rental business	Cost of sales of rental business	Gross profit of rental business	Other loss
Consolidated statement of income	¥ 11,212	¥ 9,039	¥ 2,172	¥ (16,071)

	Thousands of U.S. Dollars			
	Net sales of rental business	Cost of sales of rental business	Gross profit of rental business	Other loss
Consolidated statement of income	\$120,189	\$96,899	\$23,289	\$(172,273)

Note: Other loss is primarily the impairment loss (¥15,728 million (\$168,601 thousand)) recorded as a special loss.

(Additional Information)

Effective from the consolidated fiscal year ended March 31, 2010, the Corporation adopted new accounting standards, "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20, November 28, 2008) and "Implementation Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23, November 28, 2008).

16. Segment
Information

1) Business Segments

For the year ended March 31, 2009	Millions of Yen					
	Construction	Real estate development	Other	Total	Eliminations	Consolidated
I. Net sales and Operating income						
Net sales						
Customers	¥1,728,365	¥ 75,294	¥ 83,912	¥1,887,572	¥ -	¥1,887,572
Intersegment or transfer	30,038	1,007	66,986	98,032	(98,032)	-
Total	1,758,403	76,302	150,899	1,985,604	(98,032)	1,887,572
Operating expenses	1,749,215	68,095	144,028	1,961,340	(96,096)	1,865,244
Operating income	9,187	8,206	6,870	24,264	(1,936)	22,328
II. Assets, Depreciation and amortization, and Capital expenditures						
Assets	1,654,649	192,317	272,108	2,119,075	(131,539)	1,987,536
Depreciation and amortization	4,963	3,453	2,768	11,185	(59)	11,125
Capital expenditures	¥ 3,800	¥ 3,841	¥ 2,733	¥ 10,375	¥ -	¥ 10,375

For the year ended March 31, 2010	Millions of Yen					
	Construction	Real estate development	Other	Total	Eliminations	Consolidated
I. Net sales and Operating income						
Net sales						
Customers	¥1,453,467	¥ 42,734	¥ 93,076	¥1,589,278	¥ -	¥1,589,278
Intersegment or transfer	34,757	1,154	77,527	113,439	(113,439)	-
Total	1,488,225	43,888	170,603	1,702,717	(113,439)	1,589,278
Operating expenses	1,467,718	46,367	164,699	1,678,786	(111,631)	1,567,155
Operating income (loss)	20,506	(2,479)	5,904	23,931	(1,807)	22,123
II. Assets, Depreciation and amortization, Impairment loss, and Capital expenditures						
Assets	1,268,312	219,166	233,781	1,721,260	(154,728)	1,566,531
Depreciation and amortization	4,408	3,387	2,673	10,469	(55)	10,413
Impairment loss	24	15,400	343	15,768	-	15,768
Capital expenditures	¥ 5,626	¥ 11,370	¥ 2,220	¥ 19,216	¥ (575)	¥ 18,641

Thousands of U.S. Dollars

For the year ended March 31, 2010	Construction	Real estate development	Other	Total	Eliminations	Consolidated
I. Net sales and Operating income						
Net sales						
Customers	\$15,580,102	\$ 458,083	\$ 997,708	\$17,035,894	\$ -	\$17,035,894
Intersegment or transfer	372,576	12,372	831,036	1,215,985	(1,215,985)	-
Total	15,952,679	470,456	1,828,745	18,251,880	(1,215,985)	17,035,894
Operating expenses	15,732,865	497,029	1,765,457	17,995,352	(1,196,605)	16,798,747
Operating income (loss)	219,814	(26,573)	63,287	256,527	(19,380)	237,147
II. Assets, Depreciation and amortization, Impairment loss, and Capital expenditures						
Assets	13,595,369	2,349,308	2,505,960	18,450,638	(1,658,578)	16,792,060
Depreciation and amortization	47,259	36,310	28,655	112,225	(597)	111,628
Impairment loss	267	165,076	3,680	169,024	-	169,024
Capital expenditures	\$ 60,308	\$ 121,881	\$ 23,800	\$ 205,990	\$ (6,172)	\$ 199,818

Notes: 1. Outline of the businesses:

- Construction business: Construction, civil engineering
- Real estate development business: Sales, purchases and rentals of real estate
- Other business: Sales of construction materials, leasing financing, etc.

2. Change of accounting policy

For the year ended March 31, 2010

As described in "11) Recognizing Revenues and Cost of Construction Contracts" under "4. Summary of Significant Accounting Policies" in the section "Notes to Consolidated Financial Statements," effective from the consolidated fiscal year ended March 31, 2010, the Corporation has adopted the new accounting standards, the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007).

This change increases net sales and operating income in the "Construction business" segment by ¥63,425 million (\$679,877 thousand) and ¥4,014 million (\$43,031 thousand), respectively, compared to the amounts that would have been reported if the previous method had been applied consistently.

2) Geographical Segments

As net sales in Japan of all business segments and Japan-based assets of all business segments represented over 90% of total net sales and total assets for the years ended March 31, 2009 and 2010, respectively, geographical segment information has not been presented.

3) Overseas Net Sales

Fiscal year ended March 31, 2009

Overseas net sales for the year ended March 31, 2009 have not been presented because they represented less than 10% of total net sales.

Fiscal year ended March 31, 2010

	Millions of Yen		
	Asia	Other regions	Total
I Overseas net sales	¥ 95,212	¥ 66,660	¥ 161,873
II Consolidated net sales	-	-	1,589,278
III Ratio of overseas net sales to consolidated net sales (%)	6.0%	4.2%	10.2%

Thousands of U.S. Dollars

	Asia	Other regions	Total
I Overseas net sales	\$1,020,610	\$714,551	\$ 1,735,161
II Consolidated net sales	–	–	17,035,894
III Ratio of overseas net sales to consolidated net sales (%)	6.0%	4.2%	10.2%

Notes: 1. Geographical segments have been formed by geographical proximity of countries or regions.

2. Countries or regions in each geographical segment

(1) Asia: Singapore, Malaysia, Taiwan

(2) Other regions: UAE, USA

3. Overseas net sales is comprised of net sales in countries or regions other than Japan by the Corporation and its consolidated subsidiaries.

4. Change of accounting policy

As described in "11) Recognizing Revenues and Cost of Construction Contracts" under "4. Summary of Significant Accounting Policies" in the section "Notes to Consolidated Financial Statements," effective from the consolidated fiscal year ended March 31, 2010, the Corporation has adopted the new accounting standards, the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007).

This change increases overseas net sales in "Asia" and "Other regions" by ¥1,609 million (\$17,249 thousand) and ¥163 million (\$1,754 thousand), respectively, compared to the amounts that would have been reported if the previous method had been applied consistently.

17. Related Party Transactions

For the year ended March 31, 2009
(Additional Information)

Effective from the consolidated fiscal year ended March 31, 2009, the Corporation adopted new accounting standards, "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11, October 17, 2006) and "Implementation Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13, October 17, 2006).

Adoption of these standards has expanded the scope of disclosure to include information on transactions of the Corporation filing the consolidated financial statements with its consolidated subsidiaries and related parties.

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		Nature of Transaction	Amounts of Transaction		Balance at the end of the year	
					Held (held by Others)	Relationship		Millions of Yen	Account	Millions of Yen	
Junichi Oyamada	Director and close relative	–	–	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	11	–	–	–

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

For the year ended March 31, 2010

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	Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction			Balance at the end of the year	
								Millions of Yen	Thousands of U.S. Dollars	Account	Millions of Yen	Thousands of U.S. Dollars
Junichi Oyamada	Director and close relative	-	-	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	15	161	-	-	-

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	Held (held by Others)	Relationship	Nature of Transaction	Amounts of Transaction			Balance at the end of the year	
								Millions of Yen	Thousands of U.S. Dollars	Account	Millions of Yen	Thousands of U.S. Dollars
Junichi Oyamada	Director and close relative	-	-	Corporate auditor of the Corporation; lawyer	Direct: 0.0%	Corporate lawyer	Lawyer compensation	4	43	-	-	-

18. Amounts per Share

	Yen		U.S. Dollars
	2009	2010	2010
Net assets per share of common stock	¥375.56	¥386.96	\$ 4.14
Basic net income (loss) per share of common stock	¥ 8.01	¥ (8.73)	\$(0.09)
Diluted net income per share of common stock	¥ 8.00	-	-

Note: For the year ended March 31, 2010, diluted net income per share of common stock is not presented despite the existence of diluted shares because there was a net loss per share of common stock.

1. Basis of net assets per share of common stock

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Net assets	¥304,588	¥311,210	\$3,335,945
Amounts deducted from net assets	9,766	7,483	80,215
Minority interests	9,766	7,483	80,215
Net assets applicable to common stock	294,821	303,726	3,255,729
Number of shares of common stock at the year end	785,014	784,901	784,901
	thousand shares	thousand shares	thousand shares

2. Basis of net income (loss) per share of common stock

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Net income (loss)	¥6,290	¥(6,850)	\$(73,429)
Net income (loss) not attributed to common shares	-	-	-
Net income (loss) attributed to common shares	6,290	(6,850)	(73,429)
Average number of shares issued and outstanding during the period	785,255	784,967	784,967
	thousand shares	thousand shares	thousand shares

3. Basis of diluted net income per share of common stock

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Adjustment in net income (Stock subscription rights of affiliated companies decrease the equity investment earnings when they are exercised.)	¥(7)	¥-	\$-
Number of common stock increased share warrants	-	-	-

4. Summary of diluted stock not included in the calculation of diluted net income per share due to absence of dilution effect

	Shares	
	2009	2010
Common stock associated with the issuance of stock acquisition rights by one equity-method affiliate	300	300

Notes: 1. For the year ended March 31, 2010, in addition, there exist 315 shares of common stock associated with the issuance of stock acquisition rights by one equity-method affiliate that were not included in the above calculation despite the existence of a dilution effect because there was a net loss per share of common stock.

2. In accordance with the "Accounting Standard for Net Income per Share" (Implementation Guidance No. 9, revised on January 31, 2006), the calculation of consolidated diluted net income per share takes into account stock options issued by consolidated subsidiaries or affiliated companies that are unlisted. There is no diluted stock in the issuing companies.

19. Corporate Bonds

Issued by	Issue type	Issue date	Millions of Yen						
			Balance at March 31, 2009	Balance at March 31, 2010	Thousands of U.S. Dollars	Interest Rate (%)	Collateral	Maturity	Remarks
Corporation	10th unsecured straight bond	Oct. 20, 2008	¥ 20,000	¥ 20,000	\$ 214,385	1.163	None	Oct. 20, 2010	(*)
Corporation	11th unsecured straight bond	Oct. 20, 2008	20,000	20,000	214,385	1.163	None	Oct. 20, 2010	(*)
Corporation	12th unsecured straight bond	Nov. 5, 2008	20,000	20,000	214,385	1.099	None	Nov. 5, 2010	(*)
Corporation	13th unsecured straight bond	Dec. 19, 2008	24,000	24,000	257,262	1.331	None	Dec. 19, 2013	(*)
Corporation	14th unsecured straight bond	Jan. 29, 2009	16,000	16,000	171,508	1.185	None	Jan. 29, 2014	(*)
Total	-	-	¥100,000	¥100,000	\$1,071,926	-	-	-	-

Notes: (*) Limited to qualified institutional investors and with early redemption clause

Aggregate annual maturities of long-term borrowings due within five years from the balance sheet date are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Within 1 year	¥60,000	\$643,155
Over 3 years less than 4 years	40,000	428,770

20. Borrowings

Item	Millions of Yen				
	Balance at March 31, 2009	Balance at March 31, 2010	Thousands of U.S. Dollars	Average interest rate (%)	Repayment term
Short-term borrowings	¥130,907	¥119,185	\$1,277,582	1.12	–
Current portion of long-term borrowings	84,751	69,591	745,968	1.59	–
Current portion of lease obligations	317	274	2,947	–	–
Long-term borrowings (Excluding current portion)	175,730	154,157	1,652,455	1.72	2011–2031
Lease obligations (Excluding current portion)	377	387	4,153	–	–
Total	¥392,083	¥343,597	\$3,683,106	–	–

Note: The “average interest rate” is the weighted average interest rate for the average balance of borrowings during the fiscal year under review.

The average interest rate on lease obligations is not presented because lease obligations carried on the consolidated balance sheet represent the amount before deducting for 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 maturities of long-term borrowings and lease obligations, excluding the current portion, due to be paid back within five years from the balance sheet date are as follows:

Long-term borrowings	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	¥30,556	\$327,540
Over 2 years less than 3 years	31,537	338,054
Over 3 years less than 4 years	28,340	303,794
Over 4 years less than 5 years	21,539	230,889

Lease obligations (excluding current portion)	Millions of Yen	Thousands of U.S. Dollars
Over 1 year less than 2 years	¥193	\$2,074
Over 2 years less than 3 years	105	1,132
Over 3 years less than 4 years	55	589
Over 4 years less than 5 years	10	116

Report of Independent Auditors

The Board of Directors
Shimizu Corporation

We have audited the accompanying consolidated balance sheets of Shimizu Corporation and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Shimizu Corporation and consolidated subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information:

As described in Note 4 11), effective from the consolidated fiscal year ended March 31, 2010, the Corporation and its consolidated subsidiaries have adopted new accounting standards, "Accounting Standard for Construction Contracts" and "Guidance on Accounting Standard for Construction Contracts."

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.



Ernst & Young ShinNihon LLC
June 29, 2010

Supplemental Information

Nonconsolidated Balance Sheets

Shimizu Corporation
As at March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
ASSETS			
Current Assets:			
Cash	¥ 161,948	¥ 161,961	\$ 1,736,109
Notes receivable	46,325	15,852	169,929
Accounts receivable from completed construction contracts	476,243	373,514	4,003,803
Marketable securities	35,000	36,000	385,893
Real estate held for sale	22,424	33,066	354,446
Costs on uncompleted construction contracts	491,943	235,311	2,522,370
Materials and supplies	196	181	1,950
Prepaid expenses	102	82	882
Deferred tax assets	30,449	26,051	279,250
Accounts receivable—other	39,489	28,587	306,434
Other current assets	44,227	31,451	337,137
Less: Allowance for doubtful accounts	(2,462)	(1,622)	(17,392)
Total current assets	1,345,888	940,439	10,080,816
Non-Current Assets:			
Tangible fixed assets:			
Buildings	40,205	44,107	472,799
Structures	1,378	1,262	13,535
Machinery and equipment	1,404	1,046	11,213
Vehicles	576	268	2,881
Tools, furniture and fixtures	2,972	2,692	28,861
Land	89,656	92,723	993,930
Construction in progress	2,520	8,148	87,350
Total tangible fixed assets	138,715	150,250	1,610,572
Intangible fixed assets:			
Leasehold	261	1,639	17,579
Software	1,668	1,706	18,295
Other intangible fixed assets	2	3	34
Total intangible fixed assets	1,931	3,350	35,909
Investments and other assets:			
Investment securities	184,506	216,608	2,321,883
Investments in subsidiaries and affiliates	26,659	26,842	287,727
Investments in other securities of subsidiaries and affiliates	2,500	3,306	35,437
Investments in capital	4	4	45
Long-term loans	46	43	469
Long-term loans to employees	150	119	1,281
Long-term loans to subsidiaries and affiliates	15,818	14,129	151,461
Claims in bankruptcy or reorganization proceedings	1,765	3,177	34,059
Long-term prepaid expenses	271	306	3,287
Deferred tax assets	6,013	—	—
Other investments	14,322	14,093	151,076
Less: Allowance for doubtful accounts	(7,093)	(8,004)	(85,805)
Less: Allowance for investment loss	—	(3,247)	(34,805)
Total investments and other assets	244,963	267,380	2,866,121
Total non-current assets	385,611	420,980	4,512,603
Total assets	¥1,731,500	¥1,361,420	\$14,593,420

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 ¥93.29 to U.S.\$1, the approximate rate prevailing at March 31, 2010.

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
LIABILITIES			
Current Liabilities:			
Notes payable	¥ 35,076	¥ 16,955	\$ 181,748
Accounts payable for construction contracts	369,426	283,296	3,036,732
Short-term borrowings	181,961	148,934	1,596,464
Current portion of bonds payable	–	60,000	643,155
Lease obligations	475	357	3,828
Accounts payable—other	8,534	21,342	228,778
Accrued expenses	12,077	11,216	120,233
Income taxes payable	–	4,683	50,206
Advances received on uncompleted construction contracts	428,956	215,082	2,305,528
Withholdings	90,338	69,786	748,057
Unearned revenue	5	0	0
Warranty reserve	3,249	2,762	29,611
Reserve for expected losses on construction contracts in process	40,533	30,954	331,814
Other current liabilities	283	273	2,935
Total current liabilities	1,170,918	865,646	9,279,094
Non-Current Liabilities:			
Bonds payable	100,000	40,000	428,770
Long-term borrowings	134,816	123,160	1,320,192
Lease obligations	491	463	4,971
Deferred tax liabilities	–	694	7,449
Deferred tax liabilities for revaluation reserve for land	24,442	24,438	261,963
Reserve for employees' retirement benefits	51,885	51,012	546,814
Reserve for expected losses on affiliates' business	3,237	3,237	34,698
Other non-current liabilities	7,392	7,560	81,041
Total non-current liabilities	322,265	250,567	2,685,901
Total liabilities	1,493,183	1,116,214	11,964,995
NET ASSETS			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2009 and 2010	¥ 74,365	¥ 74,365	\$ 797,141
Additional paid-in capital:			
Capital reserve	43,143	43,143	462,466
Other additional paid-in capital	26	23	250
Retained earnings:			
Legal reserve	18,394	18,394	197,179
Other retained earnings	64,027	49,226	527,674
Less: Treasury stock, at cost			
2,278 thousand shares as at March 31, 2010	–	(1,130)	(12,115)
2,165 thousand shares as at March 31, 2009	(1,094)	–	–
Total shareholders' equity	198,863	184,023	1,972,597
Valuation and Translation Adjustments:			
Net unrealized gains on other securities, net of taxes	19,825	41,139	440,982
Deferred gains (losses) on hedging, net of taxes	(55)	(7)	(85)
Revaluation reserve for land, net of taxes	19,683	20,050	214,930
Total valuation and translation adjustments	39,452	61,182	655,826
Total net assets	238,316	245,205	2,628,424
Total liabilities and net assets	¥1,731,500	¥1,361,420	\$14,593,420

Nonconsolidated Statements of Income

Shimizu Corporation

For the years ended March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Net Sales:			
Construction contracts	¥1,624,617	¥1,381,209	\$14,805,545
Other related business	68,428	30,659	328,645
	1,693,046	1,411,868	15,134,190
Cost of Sales:			
Construction contracts	1,561,283	1,306,241	14,001,945
Other related business	59,947	30,031	321,910
	1,621,231	1,336,272	14,323,856
Gross profit:			
Construction contracts	63,333	74,967	803,599
Other related business	8,480	628	6,734
	71,814	75,596	810,333
Selling, General and Administrative Expenses:			
Operating income	12,042	16,542	177,324
Non-Operating Income (Expenses):			
Interest and dividend income	6,100	4,727	50,673
Interest expenses	(4,725)	(5,504)	(59,000)
Provision of allowance for doubtful accounts	(9)	(7)	(78)
Loss on disposal of fixed assets	–	(3,185)	(34,142)
Other, net	(2,332)	473	5,075
Ordinary income	11,075	13,046	139,852
Special Gains (Losses):			
Gain on sales of fixed assets	69	1,129	12,110
Penalty income on development projects	–	2,957	31,698
Loss on sales of fixed assets	(81)	(122)	(1,310)
Loss on devaluation of investment securities	(9,751)	(5,243)	(56,209)
Impairment loss on fixed assets	–	(15,728)	(168,601)
Provision of allowance for investment loss	–	(3,247)	(34,805)
Income (Loss) before income taxes	1,311	(7,208)	(77,265)
Provision for Income Taxes:			
Current	4,546	3,903	41,837
Deferred	(3,841)	(2,182)	(23,392)
	705	1,720	18,445
Net Income (Loss)	¥ 605	¥ (8,928)	\$ (95,710)

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 ¥93.29 to U.S.\$1, the approximate rate prevailing at March 31, 2010.

Nonconsolidated Breakdown of Orders

Shimizu Corporation
For the years ended March 31, 2009 and 2010

(1) Construction orders awarded and contracts

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Construction business (orders)			
Architectural Construction			
Domestic Operations	¥ 988,546	¥ 809,279	\$ 8,674,878
Overseas Operations	45,361	37,977	407,087
Sub total	1,033,908	847,256	9,081,966
Civil Engineering			
Domestic Operations	228,505	188,225	2,017,640
Overseas Operations	1,766	17,439	186,935
Sub total	230,272	205,664	2,204,576
Total construction business	1,264,180	1,052,921	11,286,542
Other related business (contracts)	58,228	17,314	185,601
Total	¥1,322,408	¥1,070,236	\$11,472,144

(2) Net sales

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Construction business			
Architectural Construction			
Domestic Operations	¥1,265,015	¥ 971,227	\$10,410,843
Overseas Operations	103,247	120,044	1,286,791
Sub total	1,368,263	1,091,272	11,697,635
Civil Engineering			
Domestic Operations	215,435	257,739	2,762,775
Overseas Operations	40,918	32,197	345,134
Sub total	256,354	289,936	3,107,909
Total construction business	1,624,617	1,381,209	14,805,545
Other related business	68,428	30,659	328,645
Total	¥1,693,046	¥1,411,868	\$15,134,190

(3) Backlog

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Construction business			
Architectural Construction			
Domestic Operations	¥ 887,623	¥ 725,674	\$ 7,778,700
Overseas Operations	139,751	57,684	618,331
Sub total	1,027,374	783,359	8,397,031
Civil Engineering			
Domestic Operations	408,868	339,354	3,637,630
Overseas Operations	73,090	58,332	625,281
Sub total	481,959	397,687	4,262,912
Total construction business	1,509,333	1,181,046	12,659,943
Other related business	39,295	25,950	278,172
Total	¥1,548,629	¥1,206,996	\$12,938,116

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 ¥93.29 to U.S.\$1, the approximate rate prevailing at March 31, 2010.