

SHIMIZU CORPORATION
CONSOLIDATED BALANCE SHEETS
as at March 31, 2002 and 2003

	Millions of Yen		Thousands of
	2002	2003	U.S. Dollars
			2003
ASSETS			
Current Assets:			
Cash	¥ 182,128	¥ 131,678	\$ 1,095,494
Notes and accounts receivable —trade	328,663	314,964	2,620,339
Marketable securities	1,449	699	5,817
Costs on uncompleted construction contracts	566,374	562,942	4,683,380
Real estate and uncompleted real estate development projects	59,849	50,812	422,730
Other inventories	5,386	5,182	43,112
Accounts receivable —other	-	94,210	783,779
Deferred tax assets	47,893	61,624	512,686
Other current assets	140,698	83,790	697,089
Less: Allowance for doubtful accounts	<u>(4,535)</u>	<u>(5,553)</u>	<u>(46,206)</u>
Total current assets	<u>1,327,910</u>	<u>1,300,350</u>	<u>10,818,224</u>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	179,770	156,217	1,299,650
Machinery, equipment, vessels and vehicles	41,456	41,491	345,189
Land	198,546	178,950	1,488,774
Construction in progress	712	864	7,190
Less: Accumulated depreciation	<u>(103,522)</u>	<u>(102,329)</u>	<u>(851,324)</u>
Total tangible fixed assets	<u>316,964</u>	<u>275,195</u>	<u>2,289,480</u>
Intangible fixed assets	<u>1,813</u>	<u>2,051</u>	<u>17,066</u>
Investments and other:			
Investments in securities	197,986	171,712	1,428,556
Deferred tax assets	37,153	25,558	212,631
Other investments	52,421	50,171	417,404
Less: Allowance for doubtful accounts	<u>(3,740)</u>	<u>(5,329)</u>	<u>(44,334)</u>
Total investments and other	<u>283,820</u>	<u>242,113</u>	<u>2,014,257</u>
Total non-current assets	<u>602,598</u>	<u>519,360</u>	<u>4,320,805</u>
Total assets	<u>¥ 1,930,508</u>	<u>¥ 1,819,711</u>	<u>\$ 15,139,029</u>

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SHIMIZU CORPORATION
CONSOLIDATED BALANCE SHEETS
as at March 31, 2002 and 2003

	Millions of Yen		Thousands of U.S. Dollars
	2002	2003	2003
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes and accounts payable —trade.....	¥ 419,446	¥ 423,021	\$ 3,519,310
Short-term borrowings	192,350	184,926	1,538,491
Commercial paper	95,000	77,000	640,599
Current portion of bonds payable	25,531	10,000	83,194
Current portion of convertible bonds payable	2,369	-	-
Advances received on uncompleted construction contracts	511,650	516,379	4,296,003
Warranty reserve	1,318	1,298	10,806
Other current liabilities	108,945	94,213	783,803
Total current liabilities	<u>1,356,612</u>	<u>1,306,839</u>	<u>10,872,210</u>
Non-Current Liabilities:			
Bonds payable	10,000	-	-
Long-term borrowings	179,040	158,704	1,320,339
Deferred tax liabilities for revaluation reserve for land.....	13,842	12,711	105,756
Reserve for employees' retirement benefits	77,813	71,071	591,276
Reserve for directors' retirement benefits	2,812	3,253	27,068
Other non-current liabilities	49,353	42,795	356,038
Total non-current liabilities	<u>332,863</u>	<u>288,537</u>	<u>2,400,480</u>
Minority Interests in Consolidated Subsidiaries	<u>10,268</u>	<u>10,679</u>	<u>88,845</u>
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2002 and 2003 ..	74,365	74,365	618,679
Additional paid-in capital	43,143	43,143	358,931
Retained earnings	61,629	64,957	540,411
Revaluation reserve for land, net of taxes.....	19,194	18,675	155,370
Net unrealized gains on other securities, net of taxes	30,556	13,701	113,985
Foreign currency translation adjustments	1,908	(661)	(5,506)
Less: Treasury stock	(34)	(526)	(4,378)
Total shareholders' equity	<u>230,764</u>	<u>213,654</u>	<u>1,777,493</u>
Total liabilities and shareholders' equity	<u>¥ 1,930,508</u>	<u>¥ 1,819,711</u>	<u>\$ 15,139,029</u>

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SHIMIZU CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
for the years ended March 31, 2002 and 2003

	Millions of Yen		Thousands of
	2002	2003	U.S. Dollars
			2003
Net Sales:			
Completed construction contracts	¥ 1,433,177	¥ 1,404,941	\$ 11,688,363
Real estate development and other.....	<u>150,860</u>	<u>144,691</u>	<u>1,203,756</u>
	<u>1,584,038</u>	<u>1,549,632</u>	<u>12,892,119</u>
Cost of Sales:			
Completed construction contracts	1,314,022	1,296,900	10,789,523
Real estate development and other.....	<u>126,850</u>	<u>128,080</u>	<u>1,065,557</u>
	<u>1,440,872</u>	<u>1,424,980</u>	<u>11,855,081</u>
Gross profit	143,166	124,652	1,037,038
Selling, General and Administrative Expenses	<u>91,344</u>	<u>81,021</u>	<u>674,053</u>
Operating income	51,821	43,630	362,985
Non-Operating Income (Expenses):			
Interest and dividend income	3,163	2,617	21,777
Interest expenses	(8,607)	(5,686)	(47,310)
Other, net.....	<u>(9,680)</u>	<u>(7,530)</u>	<u>(62,650)</u>
Ordinary income	36,697	33,031	274,800
Special Gains (Losses):			
Net gains on sale of investments in securities	7,186	1,801	14,988
Gains on liquidation of development projects	-	8,106	67,444
Net losses on sale of tangible fixed assets	(11,507)	(79)	(660)
Valuation losses on investments in securities	(2,481)	(7,272)	(60,505)
Losses on liquidation of subsidiaries and affiliates	<u>(5,286)</u>	<u>(18,080)</u>	<u>(150,416)</u>
Income before income taxes and minority interests	24,607	17,507	145,650
Provision for Income Taxes:			
Current	6,225	4,065	33,824
Deferred	7,853	6,095	50,712
Minority Interests	<u>(450)</u>	<u>(518)</u>	<u>(4,310)</u>
Net income	<u>¥ 10,077</u>	<u>¥ 6,827</u>	<u>\$ 56,803</u>

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SHIMIZU CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended March 31, 2002 and 2003

	Millions of Yen		Thousands of U.S. Dollars
	2002	2003	2003
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 24,607	¥ 17,507	\$ 145,650
Adjustments for:			
Depreciation and amortization	11,910	10,796	89,822
Increase in allowance for doubtful accounts	1,691	2,625	21,846
Decrease in reserve for employees' retirement benefits	(6,142)	(6,742)	(56,092)
Valuation losses on marketable securities and investments in securities ...	2,481	7,272	60,505
Net gains on sale of marketable securities and investments in securities ..	(7,186)	(1,801)	(14,988)
Net losses on sale of tangible fixed assets	11,507	259	2,158
Interest and dividend income	(3,163)	(2,617)	(21,777)
Interest expenses	8,607	5,686	47,306
Decrease in notes and accounts receivable	22,978	13,389	111,393
Decrease in costs on uncompleted construction contracts	22,856	2,930	24,378
Decrease in real estate for development business	6,020	8,818	73,367
Increase (decrease) in notes and accounts payable	(35,562)	3,978	33,098
Increase (decrease) in advances received on uncompleted construction contracts	(32,606)	4,916	40,902
Other, net	2,814	(25,769)	(214,384)
Sub total	30,815	41,251	343,189
Interest and dividend received	3,491	2,635	21,929
Interest paid	(8,620)	(5,623)	(46,787)
Income taxes paid	(7,659)	(4,872)	(40,533)
Net cash provided by operating activities	18,027	33,391	277,798
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(9,906)	(9,337)	(77,681)
Proceeds from sale of tangible fixed assets	27,120	19,986	166,278
Acquisition of marketable securities and investments in securities	(8,464)	(14,415)	(119,931)
Proceeds from sale of marketable securities and investments in securities ...	31,746	5,688	47,325
Other, net	398	(5,372)	(44,694)
Net cash provided by investing activities	40,894	(3,450)	(28,703)
Cash Flows from Financing Activities:			
Net decrease in short-term borrowings	(31,077)	(8,717)	(72,524)
Net (decrease) increase in commercial paper	40,000	(18,000)	(149,750)
Proceeds from long-term borrowings	29,300	37,800	314,475
Repayments of long-term borrowings	(97,402)	(56,378)	(469,041)
Proceeds from issuance of bonds	5,531	-	-
Repayments of bonds payable	(31,743)	(27,984)	(232,813)
Dividends	(3,942)	(3,941)	(32,794)
Other, net	174	(215)	(1,791)
Net cash used in financing activities	(89,160)	(77,437)	(644,239)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,037	(2,953)	(24,575)
Net Decrease in Cash and Cash Equivalents	(29,201)	(50,450)	(419,719)
Cash and Cash Equivalents at Beginning of Year	211,329	182,128	1,515,214
Cash and Cash Equivalents at End of Year	¥ 182,128	¥ 131,678	\$ 1,095,494

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SHIMIZU CORPORATION
NONCONSOLIDATED BALANCE SHEETS
as at March 31, 2002 and 2003

	Millions of Yen		Thousands of U.S. Dollars
	2002	2003	2003
ASSETS			
Current Assets:			
Cash	¥ 147,420	¥ 99,662	\$ 829,137
Notes receivable.....	57,163	44,008	366,128
Accounts receivable from completed construction contracts	205,730	217,462	1,809,174
Marketable securities	120	398	3,318
Real estate held for sale	23,216	21,589	179,613
Costs on uncompleted construction contracts	527,252	526,074	4,376,661
Accounts receivable-other	86,123	92,842	772,401
Deferred tax assets	46,290	59,966	498,885
Other current assets	51,452	72,035	599,299
Less: Allowance for doubtful accounts	(4,013)	(4,673)	(38,882)
Total current assets	1,140,755	1,129,367	9,395,736
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	44,266	40,198	334,426
Machinery and equipment	1,008	1,302	10,832
Land	106,343	104,961	873,225
Other tangible fixed assets	627	1,149	9,562
Total tangible fixed assets	152,245	147,611	1,228,046
Intangible fixed assets	1,428	1,709	14,225
Investments and other:			
Investments in securities	181,570	155,811	1,296,265
Investments in subsidiaries and affiliates	45,983	39,881	331,796
Long-term loans	954	5,740	47,760
Claims in bankruptcy or reorganization proceedings	3,710	5,281	43,936
Deferred tax assets	21,799	14,059	116,963
Long-term guarantee and deposits	17,688	17,320	144,096
Other investments	21,218	20,079	167,049
Less: Allowance for doubtful accounts	(3,715)	(5,304)	(44,131)
Total investments and other	289,209	252,869	2,103,736
Total non-current assets	442,883	402,190	3,346,009
Total assets	¥ 1,583,639	¥ 1,531,557	\$ 12,741,745

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NONCONSOLIDATED BALANCE SHEETS
as at March 31, 2002 and 2003

	Millions of Yen		Thousands of U.S. Dollars
	2002	2003	2003
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes payable.....	¥ 55,961	¥ 52,346	\$ 435,493
Accounts payable for construction contracts	282,847	302,155	2,513,772
Short-term borrowings	143,792	142,366	1,184,415
Commercial paper	95,000	77,000	640,599
Current portion of bonds payable	20,000	10,000	83,194
Current portion of convertible bonds payable	2,369	-	-
Advances received on uncompleted construction contracts	467,516	474,419	3,946,916
Withholdings	84,499	78,244	650,952
Warranty reserve	1,261	1,263	10,509
Other current liabilities	13,006	20,232	168,326
Total current liabilities	<u>1,166,254</u>	<u>1,158,028</u>	<u>9,634,179</u>
Non-Current Liabilities:			
Bonds payable	10,000	-	-
Long-term borrowings	116,709	108,544	903,035
Deferred tax liabilities for revaluation reserve for land.....	13,842	12,711	105,756
Reserve for employees' retirement benefits	71,003	64,774	538,885
Reserve for directors' retirement benefits	2,197	2,502	20,818
Other non-current liabilities	9,148	8,325	69,265
Total non-current liabilities	<u>222,902</u>	<u>196,858</u>	<u>1,637,760</u>
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2002 and 2003.....	74,365	74,365	618,679
Additional paid-in capital	43,143	43,143	358,931
Retained earnings:			
Legal reserve	18,394	18,394	153,035
Voluntary reserve	3,529	3,034	25,243
Unappropriated retained earnings.....	5,559	5,651	47,014
Revaluation reserve for land, net of taxes.....	19,194	18,675	155,370
Net unrealized gains on other securities, net of taxes	30,330	13,610	113,229
Less: Treasury stock	(34)	(204)	(1,698)
Total shareholders' equity	<u>194,483</u>	<u>176,670</u>	<u>1,469,805</u>
Total liabilities and shareholders' equity	<u>¥ 1,583,639</u>	<u>¥ 1,531,557</u>	<u>\$ 12,741,745</u>

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SHIMIZU CORPORATION
NONCONSOLIDATED STATEMENTS OF INCOME
for the years ended March 31, 2002 and 2003

	Millions of Yen		Thousands of U.S. Dollars
	2002	2003	2003
Net Sales:			
Completed construction contracts	¥ 1,261,496	¥ 1,263,268	\$ 10,509,722
Other related business.....	23,948	23,535	195,801
	<u>1,285,444</u>	<u>1,286,803</u>	<u>10,705,523</u>
Cost of Sales:			
Completed construction contracts	1,156,481	1,168,516	9,721,432
Other related business.....	20,807	20,313	168,993
	<u>1,177,288</u>	<u>1,188,829</u>	<u>9,890,425</u>
Gross profit	108,155	97,974	815,097
Selling, General and Administrative Expenses	71,341	61,508	511,721
Operating income	36,814	36,465	303,376
Non-Operating Income (Expenses):			
Interest and dividend income	3,257	2,697	22,444
Interest expenses	(7,003)	(4,674)	(38,886)
Other, net	(7,003)	(8,597)	(71,528)
Ordinary income	26,065	25,891	215,405
Special Gains (Losses):			
Net gains on sale of investments in securities	7,177	1,786	14,858
Extraordinary dividend income from subsidiaries and affiliates	-	11,818	98,321
Net losses on sale of tangible fixed assets	(11,507)	(140)	(1,168)
Valuation losses on investments in securities	(2,155)	(6,955)	(57,867)
Losses on liquidation of subsidiaries and affiliates	(7,329)	(15,512)	(129,053)
Valuation losses on investments in subsidiaries and affiliates.....	-	(7,927)	(65,954)
Income before income taxes	12,249	8,960	74,542
Provision for Income Taxes:			
Current	370	400	3,327
Deferred	6,758	5,541	46,098
Net income	¥ <u>5,121</u>	¥ <u>3,018</u>	\$ <u>25,116</u>
Unappropriated retained earnings carried forward.....	2,408	4,083	33,972
Transfer from revaluation reserve for land.....	-	519	4,321
Interim cash dividends.....	1,971	1,970	16,396
Unappropriated retained earnings.....	¥ <u>5,559</u>	¥ <u>5,651</u>	\$ <u>47,014</u>

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SHIMIZU CORPORATION
BREAKDOWN OF ORDERS (NONCONSOLIDATED)
for the years ended March 31, 2002 and 2003

(1) Orders awarded

		Millions of Yen			Thousands of U.S. Dollars
		2002	2003	change	2003
Architectural Construction	Domestic Operations	901,055	867,453	3.7%	7,216,750
	Overseas Operations	43,921	67,845	54.5%	564,439
	Sub total	944,976	935,299	1.0%	7,781,189
Civil Engineering	Domestic Operations	200,790	197,099	1.8%	1,639,766
	Overseas Operations	32,908	29,395	10.7%	244,552
	Sub total	233,698	226,495	3.1%	1,884,318
Construction business		1,178,674	1,161,794	1.4%	9,665,508
Other related business		22,814	24,144	5.8%	200,873
Total		1,201,489	1,185,939	1.3%	9,866,381

(2) Orders completed

		Millions of Yen			Thousands of U.S. Dollars
		2002	2003	change	2003
Architectural Construction	Domestic Operations	953,132	949,944	0.3%	7,903,028
	Overseas Operations	63,957	30,543	52.2%	254,107
	Sub total	1,017,089	980,487	3.6%	8,157,135
Civil Engineering	Domestic Operations	241,237	268,005	11.1%	2,229,661
	Overseas Operations	3,168	14,775	366.4%	122,924
	Sub total	244,406	282,780	15.7%	2,352,586
Construction business		1,261,496	1,263,268	0.1%	10,509,722
Other related business		23,948	23,535	1.7%	195,801
Total		1,285,444	1,286,803	0.1%	10,705,523

(3) Backlog at end of year

		Millions of Yen			Thousands of U.S. Dollars
		2002	2003	change	2003
Architectural Construction	Domestic Operations	1,130,196	1,047,705	7.3%	8,716,356
	Overseas Operations	48,732	86,034	76.5%	715,762
	Sub total	1,178,929	1,133,740	3.8%	9,432,118
Civil Engineering	Domestic Operations	501,724	430,818	14.1%	3,584,182
	Overseas Operations	77,946	92,566	18.8%	770,103
	Sub total	579,670	523,385	9.7%	4,354,285
Construction business		1,758,600	1,657,125	5.8%	13,786,404
Other related business		14,239	14,848	4.3%	123,535
Total		1,772,839	1,671,974	5.7%	13,909,939

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