Dear Shareholders

Kazuyuki Inoue  
President and Representative Director  
SHIMIZU CORPORATION  
2-16-1 Kyobashi, Chuo-ku, Tokyo

Notice of the 114th Annual General Meeting of Shareholders

You are cordially invited to attend the 114th Annual General Meeting of Shareholders of SHIMIZU CORPORATION (the “Corporation”). The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting or the Internet, etc. Prior to voting, please examine the following “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights so that your vote is received by 5:10 p.m. on Tuesday, June 28, 2016 (JST).

Details

1. Date and Time:  
   Wednesday, June 29, 2016, at 10:00 a.m. (JST)

2. Place:  
   Shimizu Hall, 2nd Floor of the Head Office  
   2-16-1 Kyobashi, Chuo-ku, Tokyo

3. Purpose of the Meeting
   Matters to be reported:  
   Following matters for the 114th fiscal year (from April 1, 2015 to March 31, 2016)
   b. Audit Reports of the Accounting Auditor on Consolidated Financial Statements and Non-Consolidated Financial Statements of the Corporation

   Matters to be resolved:
   Proposal 1: Appropriation of Surplus
   Proposal 2: Election of Two (2) Directors
   Proposal 3: Election of Three (3) Audit & Supervisory Board Members
   Proposal 4: Payment of Directors’ Bonuses
4. **Exercising Voting Rights**
   We ask shareholders exercise their voting rights. Prior to voting, please examine the following “Reference Documents for the General Meeting of Shareholders.” You may exercise your voting rights by one of the following three methods:

   **Attending the General Meeting of Shareholders**
   Date and Time of the General Meeting of Shareholders:
   Wednesday, June 29, 2016, at 10:00 a.m. (JST)

   **Postal voting**
   Exercise due date: To be received no later than 5:10 p.m. on Tuesday, June 28, 2016 (JST)

   **Internet**
   Exercise due date: No later than 5:10 p.m. on Tuesday, June 28, 2016 (JST)

   (1) **Points of attention in attending the General Meeting of Shareholders**
   You are kindly requested to present the enclosed Voting Form to the receptionist when you attend the meeting.
   If you intend to exercise your voting rights by proxy, one other shareholder who possesses voting rights may attend the meeting as your proxy. In the case of attendance by a proxy, your Voting Form, the proxy’s Voting Form and a letter of proxy must be presented to the receptionist.

   (2) **Exercising voting rights by postal voting**
   Please return the enclosed Voting Form indicating your vote for or against each proposal so that your vote is received by 5:10 p.m. on Tuesday, June 28, 2016 (JST).

   (3) **Treatment of multiple exercises of voting rights**
   If you exercise your voting rights both by postal voting and via the Internet, etc., only the vote via the Internet, etc. will be treated as valid.
   If you exercise your voting rights via the Internet, etc. multiple times, only the last vote exercised will be treated as valid. In addition, if you exercise your voting rights by PC, smartphone or mobile phone multiple times, only the last vote exercised will be treated as valid.

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* If any changes have been made to items in the attached documents and Reference Documents for the General Meeting of Shareholders, revised items will be posted on our website (http://www.shimz.co.jp/).
Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

We propose the following with respect to appropriation of surplus.

1. Matters regarding year-end dividend

The Corporation considers the strengthening of its financial position, which forms a basis of the long term growth and stable dividends as one of the most important management issues and takes it as a basic policy that the Corporation provides dividends backed by operating results. Based on this policy, in considering the year-end dividend for the current fiscal year, we take into account the business results for the current fiscal year and future management environment and accordingly propose the payment of ¥11 per share as a return of its profits to shareholders, ¥5 of regular dividend plus ¥6 of special dividend, bringing full-year dividends including the midyear dividend to ¥16 per share.

(1) Dividend property allotment to shareholders and total amount thereof

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per share of common stock of the Corporation</td>
<td>¥11.00 (¥5 for regular dividend and ¥6 for special dividend)</td>
</tr>
<tr>
<td>Total amount of dividend</td>
<td>¥8,645,164,924</td>
</tr>
</tbody>
</table>

(2) Effective date of dividend of surplus:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>¥8,645,164,924</td>
</tr>
</tbody>
</table>

2. Other matters regarding appropriation of surplus

(1) Item and amount of decrease in surplus:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained earnings carried forward</td>
<td>¥39,900,000,000</td>
</tr>
</tbody>
</table>

(2) Item and amount of increase in surplus:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent reserve</td>
<td>¥39,900,000,000</td>
</tr>
</tbody>
</table>
## Proposal 2: Election of Two (2) Directors

Directors Seikichi Kurosawa, Tatsuo Kakiya and Susumu Hoshii will retire at the conclusion of this meeting. Accordingly, we propose to elect two (2) directors.

The candidates for directors are as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>(Date of birth)</th>
<th>Career summary</th>
<th>Number of the Corporation’s shares held</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tadashi Okamoto</td>
<td>(September 12, 1954)</td>
<td>April 1977 Joined the Corporation&lt;br&gt;April 2004 Manager, Civil Engineering Dept., KYUSHU Branch of the Corporation&lt;br&gt;April 2007 Deputy Manager, HOKURIKU Branch of the Corporation&lt;br&gt;April 2010 Manager, SHIKOKU Branch, KANSAI Construction and Civil Engineering Headquarters of the Corporation&lt;br&gt;April 2011 Executive Officer, Manager, SHIKOKU Branch, KANSAI Construction and Civil Engineering Headquarters of the Corporation&lt;br&gt;April 2013 Managing Officer, Manager, TOKYO Civil Engineering Branch, Civil Engineering Headquarters of the Corporation&lt;br&gt;April 2015 Senior Managing Officer, General Manager, Civil Engineering Headquarters of the Corporation</td>
<td>24,978</td>
</tr>
<tr>
<td></td>
<td>Koichiro Higashide</td>
<td>(July 11, 1952)</td>
<td>April 1976 Joined the Corporation&lt;br&gt;April 2002 Manager, Accounting Dept., Investment and Development Div. of the Corporation&lt;br&gt;May 2005 Deputy Manager, KYUSHU Branch of the Corporation&lt;br&gt;June 2007 Manager, Finance Dept. of the Corporation&lt;br&gt;April 2010 Executive Officer, Secretarial Dept. of the Corporation&lt;br&gt;April 2013 Managing Officer, Manager, Corporate Planning Div. of the Corporation</td>
<td>23,136</td>
</tr>
</tbody>
</table>

[Reasons for nomination as a candidate for Director, etc.]

Tadashi Okamoto possesses abundant experience and high level of knowledge regarding business activities of the Shimizu Group, which he has gained through managing business operations related to civil engineering. He supervises civil engineering business as General Manager of Civil Engineering Headquarters.

Koichiro Higashide possesses abundant experience and high level of knowledge regarding business activities of the Shimizu Group, which he has gained through managing business operations related to accounting and finance, secretary and planning. He supervises management planning as Manager of Corporate Planning Div.

Note: None of the candidates for directors have special interests in the Corporation.
Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The terms of office of audit & supervisory board members Hiroshi Tarui and Shingo Shutou will expire at the conclusion of this meeting. In addition, audit & supervisory board member Junichi Takami will retire at the conclusion of this meeting. Accordingly, we propose to elect three (3) audit & supervisory board members.

The Audit & Supervisory Board has given its prior consent to this Proposal 3. The candidates for audit & supervisory board members are as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>(Date of birth)</th>
<th>Career summary</th>
<th>Number of the Corporation’s shares held</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hiroshi Tarui</td>
<td>(August 8, 1951)</td>
<td>April 1976 Joined the Corporation&lt;br&gt;November 2006 Manager, Legal Dept. of the Corporation&lt;br&gt;February 2012 Manager, Legal Dept., and Manager, Corporate Ethics Help-Line Office of the Corporation&lt;br&gt;June 2012 Audit &amp; Supervisory Board Member (Full-time) of the Corporation (up to the present)</td>
<td>17,344</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member, etc.] Hiroshi Tarui has acquired abundant experience and high level of knowledge on compliance by engaging in business operations related to legal affairs over a long time. As an audit &amp; supervisory board member, he monitors the Corporation’s management from the viewpoint of compliance, etc.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Chihiro Arakawa</td>
<td>(December 2, 1954)</td>
<td>April 1977 Joined the Corporation&lt;br&gt;August 1999 Manager, Accounting Dept., KYUSHU Branch of the Corporation&lt;br&gt;February 2005 Deputy Manager, Finance Dept. of the Corporation&lt;br&gt;May 2006 Manager, Accounting Dept., Building Headquarters of the Corporation&lt;br&gt;June 2008 Deputy Manager, HOKURIKU Branch of the Corporation&lt;br&gt;June 2010 Manager, Audit Dept. of the Corporation (up to the present)</td>
<td>11,446</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;New candidate&gt;</td>
<td>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member, etc.] Chihiro Arakawa has acquired abundant experience and considerable degree of knowledge on finance and accounting by engaging in business operations related to accounting, finance, and auditing. As the Manager of Audit Dept., he executes internal auditing regarding an appropriate execution of business operations.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Name (Date of birth)</td>
<td>Career summary (Position and significant concurrent positions outside the Corporation)</td>
<td>Number of the Corporation’s shares held</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>---------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Kaoru Ishikawa (November 7, 1950)</td>
<td><strong>No. Name</strong>&lt;br&gt;<strong>Date of birth</strong>&lt;br&gt;<strong>Career summary</strong>&lt;br&gt;<strong>Number of the Corporation’s shares held</strong>&lt;br&gt;<strong>&lt;New candidate&gt;</strong>&lt;br&gt;<strong>&lt;External Auditor&gt;</strong>&lt;br&gt;<strong>&lt;Independent Reviewer&gt;</strong>&lt;br&gt;April 1972 Joined the Ministry of Foreign Affairs&lt;br&gt;September 2002 Manager, International Society Cooperation Dept., Foreign Policy Bureau&lt;br&gt;January 2005 Chief, Economic Affairs Bureau&lt;br&gt;January 2007 Ambassador Extraordinary and Plenipotentiary of Japan to Egypt&lt;br&gt;June 2010 Ambassador Extraordinary and Plenipotentiary of Japan to Canada&lt;br&gt;April 2013 Retired the Ministry of Foreign Affairs&lt;br&gt;June 2013 Senior Managing Director, The Japan Forum on International Relations, Inc.&lt;br&gt;April 2014 Specially-appointed Professor, Kawamura Gakuen Woman’s University (incumbent)&lt;br&gt;May 2014 Director, Kawamura Gakuen (incumbent) (up to the present)&lt;br&gt;[Significant concurrent positions outside the Corporation]&lt;br&gt; Director, Kawamura Gakuen&lt;br&gt;Director, The Society for Promotion of Japanese Diplomacy&lt;br&gt;[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member, etc.]&lt;br&gt;Although Kaoru Ishikawa does not have direct experience of corporate management, he has played a leading role in the field of diplomacy and possesses abundant experience and specialist knowledge regarding international affairs. The Corporation deems that he can utilize these strengths to monitor the Corporation’s management from a global standpoint.</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. None of the candidates for audit & supervisory board members have any special interests in the Corporation.
2. Kaoru Ishikawa is a candidate for external auditor. Mr. Ishikawa fulfills the Standards regarding the Independence of External Officers set by the Corporation. If Mr. Ishikawa is elected, the Corporation plans to designate Mr. Ishikawa as an independent reviewer who will not have a conflict of interests with general shareholders, and to submit notification of this to the financial instruments exchange on which the Corporation is listed.
3. Kaoru Ishikawa is a relative who is within the third degree of kinship (the spouse of a niece) of Mitsuaki Shimizu, Director of the Corporation.
4. The Corporation entered into a limited liability agreement with Hiroshi Tarui pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 33 of the Articles of Incorporation. The maximum amount of the liability for damage based on said contract is the minimum amount prescribed in laws and regulations. In the event he is reelected, it is anticipated that said contract will continue to remain in force. If Chihiro Arakawa and Kaoru Ishikawa are elected, the Corporation plans to enter into a similar limited liability agreement with them.
Proposal 4: Payment of Directors’ Bonuses

In consideration of factors such as operating results in the current fiscal year, we propose to pay directors’ bonuses to the eleven (11) directors (including two (2) external directors) who were in office during the current fiscal year of ¥176 million in total (including ¥3.9 million for the external directors).

(Reference) Standards regarding the Independence of External Officers (External Directors and External Auditors)

The Corporation deems an external officer or a candidate for external officer to have independence against the Corporation if he or she satisfies the following requirements:

1. An external officer shall not be currently acting, nor have acted in the ten years before taking office, as a person who executes business (executive director or executive officer and other employee) of the Corporation or its subsidiaries.
2. An external officer shall not currently be an important person who executes business (executive director, accounting advisor, managing officer, executive officer or manager and other important employee) of a major shareholder (a shareholder who holds 10% or more of the voting rights) of the Corporation.
3. An external officer shall not currently be an important person who executes business of a major business partner of the Corporation (a business partner in the case when the amount received by the Corporation from such business partner in the most recent fiscal year exceeds 2% of annual consolidated net sales of the Corporation).
4. An external officer shall not currently be an important person who executes business of a business partner who has major transactions with the Corporation (a business partner in the case when the amount paid by the Corporation to such business partner in the most recent fiscal year exceeds 2% of annual consolidated net sales of the business partner).
5. An external officer shall not currently be an important person who executes business of a financial institution with which the Corporation has a financing reliance that is non-substitutable.
6. An external officer shall not currently be a person who provides professional service of an attorney, certified public accountant or other consultant gaining from the Corporation a substantial amount of remuneration (more than ¥10 million in the most recent fiscal year) other than remuneration for directors and audit & supervisory board members.
7. An external officer shall not be a relative (a spouse or a relative who is within the second degree of kinship) of an important person who executes business of the Corporation or its subsidiaries.
Attached documents to Notice of the 114th Annual General Meeting of Shareholders

Business Report
(for the year ended March 31, 2016)

[Yen amounts have been rounded down to the nearest billion (million)]

I Current Conditions of the Corporate Group (Consolidated)

1. Review of Operations and Results

<Consolidated financial results in the current fiscal year>
In fiscal 2015, ended March 31, 2016, the Japanese economy was on a recovery trend in capital expenditures for the first half, and corporate earnings were on an improving trend centered on non-manufacturing companies; however, towards the end of the fiscal year, weakness was seen in the economy due to the economic slowdown in China and emerging countries, as well as stagnation of the consumption trend.

For the construction industry overall, orders were about the same level as the previous fiscal year due to increases in private-sector orders for both manufacturing companies and non-manufacturing companies, despite decreases in public-sector orders as a counteraction to large projects by public agencies in the previous fiscal year and some other reasons.

Against this backdrop, Shimizu Corporation and its subsidiaries (the Shimizu Group) reported consolidated net sales of ¥1,664.9 billion, up 6.2% year on year, thanks in part to an increase in net sales from completed construction contracts.

Ordinary income rose 69.8% year on year to ¥95.5 billion and net income increased 77.6% year on year to ¥59.3 billion as a result of an increase in completed construction contracts, greater gross profits from completed construction contracts due to improved margins on construction projects, and other developments.

The Group will pay a year-end dividend of ¥11.00 per share, adding a special dividend of ¥6.00 per share to the ordinary dividend of ¥5.00 per share, which makes the full-year dividend ¥16.00 per share, after addition of the midyear dividend.

As of the end of fiscal 2015, the year-end consolidated balance of interest-bearing debt stood at ¥392.4 billion, an increase of ¥16.9 billion from the end of the previous fiscal year.

Construction business
Net sales in the construction business increased 4.9% year on year to ¥1,516.0 billion. Segment profits increased 49.4% to ¥158.5 billion for various reasons including an increase in net sales and improved margins on construction projects for the Corporation (non-consolidated).

Real estate development and other businesses
Net sales in the real estate development and other businesses rose 21.0% year on year to ¥148.8 billion because of several developments including an increase in profits of the Corporation (non-consolidated), but segment profits was ¥16.8 billion, about level with the previous fiscal year.

<Consolidated forecasts for the next fiscal year>
In fiscal 2016, ending March 31, 2017, there is increasing uncertainty about the Japanese economy’s future outlooks, such as slowdown in overseas economies and concern regarding deterioration of business confidence due to the ongoing appreciation of the yen.

As for the construction industry, we expect the high level of orders to continue due to real estate investment remaining active, centered in the Tokyo metropolitan area, as well as expectations for early execution of the budget for public-sector projects, despite concerns of economic slowdown.

Under these conditions, for fiscal 2016, the Shimizu Group forecasts consolidated net sales of ¥1,570.0 billion (down 5.7% year on year), ordinary income of ¥96.0 billion (up 0.5%), and net income of ¥65.0 billion (up 9.6%).
The Group also projects interest-bearing debt at the fiscal year-end will not exceed ¥350.0 billion (down ¥42.4 billion from the end of the previous fiscal year).

Construction orders awarded and contracts, net sales and backlog

<table>
<thead>
<tr>
<th></th>
<th>Backlog as at March 31, 2015</th>
<th>Construction orders awarded and contracts</th>
<th>Net sales</th>
<th>Backlog as at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architectural construction</td>
<td>958,588</td>
<td>1,000,775</td>
<td>1,067,585</td>
<td>891,777</td>
</tr>
<tr>
<td>Civil engineering</td>
<td>463,832</td>
<td>283,858</td>
<td>282,762</td>
<td>464,928</td>
</tr>
<tr>
<td>Total</td>
<td>1,422,420</td>
<td>1,284,633</td>
<td>1,350,347</td>
<td>1,356,706</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>25,725</td>
<td>57,266</td>
<td>56,485</td>
<td>26,505</td>
</tr>
<tr>
<td>Total</td>
<td>1,448,145</td>
<td>1,341,900</td>
<td>1,406,833</td>
<td>1,383,212</td>
</tr>
</tbody>
</table>

Major project orders awarded

<table>
<thead>
<tr>
<th></th>
<th>District of Kasuga/Korakuen Station Front Urban Redevelopment Association</th>
<th>District of Kasuga/Korakuen Station Front Urban Redevelopment Project (North District)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural construction</td>
<td>Prologis, Inc.</td>
<td>Prologis Park Ibaraki (Project Management Services)</td>
</tr>
<tr>
<td></td>
<td>Tokyu Land Corporation</td>
<td>MM21-32 District Office Project (provisional name)</td>
</tr>
<tr>
<td>Civil engineering</td>
<td>Ministry of Land, Infrastructure, Transport and Tourism</td>
<td>Tokyo Outer Ring Road-Central JCT North Side A Lamp Shield</td>
</tr>
<tr>
<td></td>
<td>Vietnam Expressway Corporation</td>
<td>North - South Expressway Construction Project (Ben Luc - Long Thanh Section)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Package J1 Km 21+739.5-Km24+503Binh Khanh Bridge and Approach</td>
</tr>
</tbody>
</table>

Major construction contracts completed

|                              | Mitsubishi Estate Co., Ltd.                                              | Dai Nagoya Building Project                                                        |
|------------------------------|                                                                          |                                                                                   |
| Architectural construction   | Dai Nippon Printing Co., Ltd.                                            | Ichigaya Plant Development Project (Zone A)                                       |
|                              | Spade House Limited Liability Company                                    | Tokyo Plaza Ginza                                                                  |
| Civil engineering            | Eurus Rokkasho Solar Park Corporation                                    | Eurus Rokkasho Solar Park                                                           |
|                              | Central Nippon Expressway Company Limited                                 | Second Tomei Expressway Kannonyama Tunnel                                           |
2. Trends in Assets and Operating Results

(1) Trends in assets and operating results of the corporate group (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>111th Fiscal Year (Fiscal 2012)</th>
<th>112th Fiscal Year (Fiscal 2013)</th>
<th>113th Fiscal Year (Fiscal 2014)</th>
<th>114th Fiscal Year (Current fiscal year) (Fiscal 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,416,044</td>
<td>1,497,578</td>
<td>1,567,843</td>
<td>1,664,933</td>
</tr>
<tr>
<td>Net income</td>
<td>5,901</td>
<td>14,191</td>
<td>33,397</td>
<td>59,322</td>
</tr>
<tr>
<td>Net income per share (Yen)</td>
<td>7.52</td>
<td>18.09</td>
<td>42.56</td>
<td>75.61</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,456,441</td>
<td>1,512,686</td>
<td>1,703,399</td>
<td>1,722,936</td>
</tr>
<tr>
<td>Net assets</td>
<td>358,094</td>
<td>376,048</td>
<td>481,896</td>
<td>485,655</td>
</tr>
</tbody>
</table>

Note: Net income per share is calculated by deducting the number of treasury shares from the average total number of issued shares during the period.

(2) Trends in assets and operating results of the Corporation (Non-consolidated)

<table>
<thead>
<tr>
<th></th>
<th>111th Fiscal Year (Fiscal 2012)</th>
<th>112th Fiscal Year (Fiscal 2013)</th>
<th>113th Fiscal Year (Fiscal 2014)</th>
<th>114th Fiscal Year (Current fiscal year) (Fiscal 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction orders awarded and contracts</td>
<td>1,159,910</td>
<td>1,392,970</td>
<td>1,450,614</td>
<td>1,341,900</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,217,341</td>
<td>1,253,060</td>
<td>1,340,766</td>
<td>1,406,833</td>
</tr>
<tr>
<td>Net income</td>
<td>5,680</td>
<td>6,713</td>
<td>23,554</td>
<td>52,077</td>
</tr>
<tr>
<td>Net income per share (Yen)</td>
<td>7.23</td>
<td>8.54</td>
<td>29.97</td>
<td>66.26</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,233,028</td>
<td>1,287,900</td>
<td>1,445,421</td>
<td>1,453,426</td>
</tr>
<tr>
<td>Net assets</td>
<td>298,179</td>
<td>312,367</td>
<td>399,901</td>
<td>407,959</td>
</tr>
</tbody>
</table>

Note: Net income per share is calculated by deducting the number of treasury shares from the average total number of issued shares during the period.

3. Status of Financing

The Corporation issued bonds with share options by private placement as follows, and is planning to use the funds for investment in its new businesses related to development projects and energy, etc., for expansion of new business areas, as well as to provide a partial source for repayment of straight bonds.

October 2015  Euro/Yen Zero Coupon Convertible Bonds subject to Call due 2020  ¥30.0 billion

4. Status of Capital Investment

The amount of capital investment made in the current fiscal year is ¥15.8 billion. Most of this consisted of acquisition of fixed assets for rental business and other business operations. Of this capital investment, ¥8.6 billion was investment by the Corporation (non-consolidated).
5. Status of Major Subsidiaries (As at March 31, 2016)

<table>
<thead>
<tr>
<th>Name</th>
<th>Capital ( Millions of Yen)</th>
<th>Ratio of ownership by the Corporation (%)</th>
<th>Major business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shimizu Comprehensive Development Corporation</td>
<td>3,000</td>
<td>100</td>
<td>Purchase, sale, letting and management in connection with real estate</td>
</tr>
<tr>
<td>TTK Corporation</td>
<td>2,437</td>
<td>81.6</td>
<td>Contracted construction of bridges and frames</td>
</tr>
<tr>
<td>Daiichi Setsubi Engineering Corporation</td>
<td>400</td>
<td>94.3</td>
<td>Contracted construction of building facilities</td>
</tr>
<tr>
<td>Milx Corporation</td>
<td>372</td>
<td>100</td>
<td>Sale and leasing of construction materials and equipment in addition to insurance agency business</td>
</tr>
<tr>
<td>SC Machinery Corp.</td>
<td>200</td>
<td>100</td>
<td>Leasing of construction machinery</td>
</tr>
<tr>
<td>Katayama Stratech Corp.</td>
<td>100</td>
<td>100</td>
<td>Contracted construction of bridges and frames</td>
</tr>
<tr>
<td>SHIMIZU BLC Co., Ltd.</td>
<td>100</td>
<td>100</td>
<td>Contracted renewal of buildings and contracted building management business</td>
</tr>
</tbody>
</table>

Notes:
1. The ratios of ownership by the Corporation provided above are identical to the ratios of voting rights held.
2. Aiming at strengthening the competitiveness and profitability of Shimizu Group’s bridge and frame business, TTK Corporation and Katayama Stratech Corp. are scheduled to perform a business integration targeting November 2016.

6. Major Businesses (As at March 31, 2016)

The Shimizu Group’s main businesses areas are construction and development. It is also engaged in operations that are incidental to each of its business areas including the sale and leasing of construction materials and equipment as well as financing.

The Corporation, which is the main business corporation in the Shimizu Group, has obtained a Specific Construction Business License (specific-26 no. 3200) and an Ordinary Construction Business License (ordinary-26 no. 3200) from the relevant minister in accordance with the Construction Business Act, and carries out construction, civil engineering, and related business accordingly.

The Corporation has also obtained a license from the relevant minister as a Building Lots and Buildings Traders (13 no. 1081) in accordance with the Building Lots and Buildings Transaction Business Act, and carries out businesses related to real estate accordingly.
7. Major Branches (As at March 31, 2016)

(1) The Corporation

<table>
<thead>
<tr>
<th>Branches</th>
<th>Head Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOKKAIDO Branch</td>
<td>2-16-1 Kyobashi, Chuo-ku, Tokyo</td>
</tr>
<tr>
<td>HOKURIKU Branch</td>
<td></td>
</tr>
<tr>
<td>TOKYO Branch</td>
<td></td>
</tr>
<tr>
<td>CHIBA Branch</td>
<td></td>
</tr>
<tr>
<td>KANSAI Branch</td>
<td></td>
</tr>
<tr>
<td>SHIKOKU Branch</td>
<td></td>
</tr>
<tr>
<td>KYUSHU Branch</td>
<td></td>
</tr>
<tr>
<td>International Div.</td>
<td>(Singapore)</td>
</tr>
<tr>
<td>Engineering Headquarters</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
<tr>
<td>Investment and Development Div.</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
<tr>
<td>Institute of Technology</td>
<td>(Koto-ku, Tokyo)</td>
</tr>
</tbody>
</table>

International business network

(2) Major subsidiaries

<table>
<thead>
<tr>
<th>Corporation</th>
<th>(Chuo-ku, Tokyo)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shimizu Comprehensive</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
<tr>
<td>TTK Corporation</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
<tr>
<td>Daiichi Setsubi</td>
<td>(Minato-ku, Tokyo)</td>
</tr>
<tr>
<td>Milx Corporation</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
<tr>
<td>SC Machinery Corp.</td>
<td>(Yokohama)</td>
</tr>
<tr>
<td>Katayama Stratech Corp.</td>
<td>(Osaka)</td>
</tr>
<tr>
<td>SHIMIZU BLC Co., Ltd.</td>
<td>(Chuo-ku, Tokyo)</td>
</tr>
</tbody>
</table>

8. Status of Employees (As at March 31, 2016)

(1) Employees of the corporate group (Consolidated)

<table>
<thead>
<tr>
<th>Business</th>
<th>Number of employees (including contract workers)</th>
<th>Change from March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction business</td>
<td>14,608</td>
<td>+ 212</td>
</tr>
<tr>
<td>Real estate development and other businesses</td>
<td>1,032</td>
<td>− 159</td>
</tr>
<tr>
<td>Total</td>
<td>15,640</td>
<td>+ 53</td>
</tr>
</tbody>
</table>

(2) Status of employees of the Corporation (Non-consolidated) (including contract workers) 10,466

* Employees of the Corporation excluding contract workers are shown below.

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Change from March 31, 2015</th>
<th>Increase of</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,541</td>
<td></td>
<td>181</td>
</tr>
<tr>
<td>43.3</td>
<td>Average years of continuous service</td>
<td>16.9 years</td>
</tr>
</tbody>
</table>
9. Status of Major Creditors (As at March 31, 2016)

<table>
<thead>
<tr>
<th>Creditor</th>
<th>Amount borrowed (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>53,953</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>49,819</td>
</tr>
<tr>
<td>The Hachijuni Bank, Ltd.</td>
<td>11,016</td>
</tr>
<tr>
<td>The Dai-ichi Life Insurance Company, Limited</td>
<td>9,465</td>
</tr>
<tr>
<td>The Norinchukin Bank</td>
<td>9,219</td>
</tr>
<tr>
<td>The Chiba Bank, Ltd.</td>
<td>6,552</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>6,498</td>
</tr>
<tr>
<td>The Hyakugo Bank, Ltd.</td>
<td>5,084</td>
</tr>
<tr>
<td>Fukoku Mutual Life Insurance Company</td>
<td>5,002</td>
</tr>
<tr>
<td>Development Bank of Japan Inc.</td>
<td>4,436</td>
</tr>
</tbody>
</table>

10. Issues to Be Addressed

Shimizu has created Smart Vision 2010, a long-term vision outlining the ideal shape of the Shimizu Group’s businesses 10 years into the future, and Midterm Management Plan, which establishes the company’s management policies for the coming five-year period. Based on these documents, Shimizu has created a three-year medium-term management plan, which defines the Group’s business strategies for the next three years. This management plan is updated each year on a rolling basis. Fiscal 2016 is the first year of the three-year medium-term management plan, which is based on the Midterm Management Plan 2014 created in July 2014, and under this plan, Shimizu’s main sources of revenues will be the domestic construction business. The plan also includes measures to establish management foundations in new business areas.

THREE-YEAR MEDIUM-TERM MANAGEMENT PLAN (FY2016-FY2018): SUMMARY

Management Policies
Accurately capture changes in society and customers, steadily move forward with efforts to develop the construction business and expand Shimizu’s earnings foundation, strive to strengthen the management system and business foundation, and realize the sustainable growth of the Shimizu Group

Key measures
1. Manage quality, safety and processes thoroughly and improve productivity further by creating a reliable production system
   - Reinforce jobsite management abilities by improving awareness of craftsmanship
   - Reinforce efforts for innovation activities in step with business operators

2. Improve labor environment to ensure an adequate workforce for the construction industry
   - Reduce working hours by raising awareness and improving business efficiency (making use of ICT, etc.)
   - Reinforce the Shimizu Supply Chain including improved treatment of skilled workers

3. Further improve profitability in the construction business
   - Systematically secure profits from upstream phases of construction projects
   - Expand orders by enhancing information gathering, technical capabilities, solution-proposal capabilities
   - Work strategically toward major long-term projects with a view to the period 2020 onward
   - Promote high quality solution activities to meet the needs of society and customers, including environmental and energy measures, disaster prevention, and natural disaster reduction
4. Create management system for expansion of profit base
   • Improve the profitability of the stock management business (investment and development, BSP*1) in a single unit as the Shimizu Group
   • Promote commercialization of sustainability business areas centered on energy
   • Move forward with company-wide efforts related to global expansion of various businesses, including the stock management business and sustainability business, in addition to the construction business.

5. Proactively promote business diversity and investment in human resources
   • Promote the active participation of women and aggressively hire and train people with disabilities and non-Japanese
   • Promote “investment in human resources” for securing and development of outstanding human resources

6. Promote CSR and establish corporate governance
   • Work to undertake CSR activities and social contribution activities tied to business activities
   • Carry out corporate governance by promoting management with compliance

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

■ Construction business (domestic)
Shimizu is aiming at improving productivity together with business operators by creating a system for undertaking construction that can positively meet strong construction demand while ensuring thoroughgoing quality, safety and process management.
In addition, Shimizu is working to improve the work environment to ensure an adequate workforce for the construction industry, and strategically to create long-term major projects in order to further improve profitability of the construction business.

■ Global business
Shimizu has been steadily taking orders from local capital overseas and for projects of multinational enterprises in addition to steady orders from projects from Japanese companies. In addition, Shimizu will aggressively take orders for civil engineering infrastructure projects such as bridges and tunnels.

■ Stock management business
Shimizu is working hard to create superior projects with high value-added making use of the sales and technical capabilities of the Shimizu Group as an investment and development business, and is also focusing its energy on the BSP business, which provides total facilities operation and management services after construction is completed.

■ Sustainability business
Shimizu promotes the energy service business with “ecoBCP *2” at the core, integrating the “environmental considerations” and “business continuity plans,” and has aggressive initiatives in the field of renewable energy generation – including solar power, wind power, and geothermal power. In addition, Shimizu will move forward projects within the sustainable green business area, such as agriculture, forestry, and fisheries.

■ Strengthening of management foundation
Shimizu actively will move forward efforts in diversity management including proactive efforts to hire and develop female employees, and promote “investment in human resources” for securing and developing outstanding human resources, as well as to fortify CSR and corporate governance.

Through these initiatives, we will seek to instill our corporate message, “Today’s Work, Tomorrow’s Heritage,” into the daily activities of all our officers and employees in order to contribute to rebuilding after the Great East Japan Earthquake, etc., and supporting Japan’s economic growth.
II  Current Conditions of the Corporation (Non-consolidated)

1. Status of Shares of the Corporation (As at March 31, 2016)

(1) Total number of authorized shares: 1,500,000,000 shares
(2) Total number of issued shares: 788,514,613 shares
(3) Number of shareholders: 46,229 (decrease of 4,140 from March 31, 2015)
(4) Major shareholders (Top ten)

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares held (Thousands of Shares)</th>
<th>Percentage of total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHIMIZU &amp; CO., LTD.</td>
<td>60,129</td>
<td>7.65</td>
</tr>
<tr>
<td>The SHIMIZU FOUNDATION</td>
<td>38,100</td>
<td>4.84</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>37,076</td>
<td>4.71</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>32,494</td>
<td>4.13</td>
</tr>
<tr>
<td>Employee’s Stock Ownership Plan</td>
<td>18,709</td>
<td>2.38</td>
</tr>
<tr>
<td>HOUSING RESEARCH FOUNDATION JYUSO-KEN</td>
<td>17,420</td>
<td>2.21</td>
</tr>
<tr>
<td>Mizuho Bank, Ltd.</td>
<td>16,197</td>
<td>2.06</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 4)</td>
<td>12,407</td>
<td>1.57</td>
</tr>
<tr>
<td>The Dai-ichi Life Insurance Company, Limited</td>
<td>10,564</td>
<td>1.34</td>
</tr>
<tr>
<td>Fukoku Mutual Life Insurance Company</td>
<td>10,552</td>
<td>1.34</td>
</tr>
</tbody>
</table>

Note: Percentage of total is calculated excluding 2,590,529 shares of treasury stock.
2. Officers of the Corporation

(1) Status of directors and audit & supervisory board members (As at March 31, 2016)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position in the Corporation</th>
<th>Areas of responsibility in the Corporation and significant concurrent positions outside the Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yoichi Miyamoto</td>
<td>President and Representative Director</td>
<td></td>
</tr>
<tr>
<td>Seikichi Kurosawa</td>
<td>Executive Vice President and Representative Director</td>
<td>In charge of Administration at Head Office, General Affairs, Associated Companies and IR</td>
</tr>
<tr>
<td>Tatsuo Kakiya</td>
<td>Executive Vice President and Representative Director</td>
<td>In charge of Civil Engineering</td>
</tr>
<tr>
<td>Susumu Hoshii</td>
<td>Executive Vice President and Representative Director</td>
<td>In charge of Marketing &amp; Sales Promotion</td>
</tr>
<tr>
<td>Osamu Terada</td>
<td>Executive Vice President and Representative Director</td>
<td>General Manager, Building Construction Headquarters, and in charge of Overseas</td>
</tr>
<tr>
<td>Kanji Tanaka</td>
<td>Director</td>
<td>In charge of Kansai Area</td>
</tr>
<tr>
<td>Toshiyuki Imaki</td>
<td>Director</td>
<td>In charge of Tokyo Metropolitan Area, Manager, TOKYO Branch</td>
</tr>
<tr>
<td>Kazuyuki Inoue</td>
<td>Director</td>
<td>In charge of Marketing &amp; Sales Promotion</td>
</tr>
<tr>
<td>Mitsuaki Shimizu</td>
<td>Director</td>
<td>Chairman of SHIMIZU &amp; CO., LTD.</td>
</tr>
<tr>
<td>Yo Takeuchi</td>
<td>Director</td>
<td>Lawyer (Sidley Austin Nishikawa Foreign Law Joint Enterprise) President and Representative Director of All Nippon Asset Management Co., Ltd. External Auditor of PRONEXUS Inc.</td>
</tr>
<tr>
<td>Aya Murakami</td>
<td>Director</td>
<td>Professor of Teikyo University</td>
</tr>
<tr>
<td>Junichi Takami</td>
<td>Audit &amp; Supervisory Board Member (Full-time)</td>
<td></td>
</tr>
<tr>
<td>Hiroshi Tarui</td>
<td>Audit &amp; Supervisory Board Member (Full-time)</td>
<td></td>
</tr>
<tr>
<td>Shingo Asakura</td>
<td>Audit &amp; Supervisory Board Member (Full-time)</td>
<td></td>
</tr>
<tr>
<td>Shingo Shutou</td>
<td>Audit &amp; Supervisory Board Member</td>
<td></td>
</tr>
<tr>
<td>Tetsuya Nishikawa</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>Lawyer (Kasahara Law Office) External Auditor of SEKIDO Co., Ltd. External Director of LAC Co., Ltd.</td>
</tr>
</tbody>
</table>

Notes:  
1. Director Yo Takeuchi and Aya Murakami are external directors. The Corporation has designated Mr. Takeuchi and Ms. Murakami as independent reviewer, who will have no conflicting interests with general shareholders, and it submitted notification of this to the financial instruments exchange on which the Corporation is listed. Mr. Takeuchi also serves as an external corporate auditor for PRONEXUS Inc., and the Corporation conducts business with PRONEXUS Inc., such as outsourcing printing operations, but this does not impact the independence of Mr. Takeuchi. There are no other relationships between concurrent places of work of Mr. Takeuchi and Ms. Murakami and the Corporation that should be disclosed.

2. Audit & supervisory board members Shingo Asakura, Shingo Shutou and Tetsuya Nishikawa are external auditors. The Corporation has designated all three of them as independent reviewers, who will have no conflicting interests with general shareholders, and it submitted notification of this to the financial instruments exchange on which the Corporation is listed.
3. On April 1, 2016, the following changes were made in the position and areas of responsibilities in the Corporation of directors.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position in the Corporation</th>
<th>Areas of responsibility in the Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yoichi Miyamoto</td>
<td>Chairman of the Board and Representative Director</td>
<td></td>
</tr>
<tr>
<td>Kazuyuki Inoue</td>
<td>President and Representative Director</td>
<td></td>
</tr>
<tr>
<td>Toshiyuki Imaki</td>
<td>Executive Vice President and Director</td>
<td>In charge of Tokyo Metropolitan Area, Manager, TOKYO Branch</td>
</tr>
<tr>
<td>Susumu Hoshii</td>
<td>Director</td>
<td></td>
</tr>
</tbody>
</table>

(2) Outline of limited liability agreement

The Corporation entered into a limited liability agreement with all of the external director and auditors pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Articles 26 and 33 of the Articles of Incorporation, to the effect that if an external director or an external auditor causes damage to the Corporation by neglecting to perform his or her duties, provided such external director or external auditor has acted in good faith and without gross negligence, his or her liability shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(3) Amounts of remuneration, etc. to directors and audit & supervisory board members

<table>
<thead>
<tr>
<th>Directors</th>
<th>11 persons ¥655 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit &amp; supervisory board members</td>
<td>5 persons ¥102 million</td>
</tr>
<tr>
<td>(including ¥71 million to 5 external officers)</td>
<td></td>
</tr>
</tbody>
</table>

Note: The amounts of remuneration, etc., given above include ¥176 million in bonuses for 11 directors based on the proposal, Payment of Directors’ Bonuses, to be resolved at the 114th Annual General Meeting of Shareholders.

(4) External officers

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Major activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Yo Takeuchi</td>
<td>Attended 19 of the 20 meetings of the Board of Directors held during the current fiscal year and made appropriate statements based on the experience and insight he has gained through his involvement in financial administration and corporate management and specialist knowledge as a lawyer.</td>
</tr>
<tr>
<td>Director</td>
<td>Aya Murakami</td>
<td>Attended all 16 meetings of the Board of Directors held since she assumed office in June 2015 and made appropriate statements based on the experience and insight she has accumulated in public labor and welfare administration and specialist knowledge as a professor.</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Member</td>
<td>Shingo Asakura</td>
<td>Attended all 20 meetings of the Board of Directors and all 26 meetings of the Audit &amp; Supervisory Board held during the current fiscal year and made appropriate statements based on his experience and insight as an officer involved in corporate management at a financial institution.</td>
</tr>
<tr>
<td>Title</td>
<td>Name</td>
<td>Major activities</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Member</td>
<td>Shingo Shutou</td>
<td>Attended all 20 meetings of the Board of Directors and all 26 meetings of the Audit &amp; Supervisory Board held during the current fiscal year and made appropriate statements based on the experience and insight he has accumulated in defense-related business.</td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Member</td>
<td>Tetsuya Nishikawa</td>
<td>Attended 19 of the 20 meetings of the Board of Directors and 25 of the 26 meetings of the Audit &amp; Supervisory Board held during the current fiscal year and made appropriate statements based on the experience and insight he has accumulated in police and defense-related business and specialist knowledge as a lawyer.</td>
</tr>
</tbody>
</table>
Executive officers and their positions and areas of responsibility in the Corporation as at March 31, 2016 are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and areas of responsibility in the Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kanji Tanaka*</td>
<td>Senior Managing Officer In charge of Kansai Area</td>
</tr>
<tr>
<td>Toshiyuki Imaki*</td>
<td>Senior Managing Officer In charge of Tokyo Metropolitan Area, Manager, TOKYO Branch</td>
</tr>
<tr>
<td>Hirokazu Shirata</td>
<td>Senior Managing Officer General Manager, Safety Administration &amp; Environment Div.</td>
</tr>
<tr>
<td>Shigeru Tanaka</td>
<td>Senior Managing Officer In charge of Monozukuri, Manager, Production Control Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Shigeru Namioka</td>
<td>Senior Managing Officer In charge of Technology, CSR and New Business Promotion</td>
</tr>
<tr>
<td>Tadashi Okamoto</td>
<td>Senior Managing Officer General Manager, Civil Engineering Headquarters</td>
</tr>
<tr>
<td>Kazuyuki Inoue*</td>
<td>Senior Managing Officer In charge of Marketing &amp; Sales Promotion</td>
</tr>
<tr>
<td>Eiji Katsuura</td>
<td>Managing Officer General Manager, Marketing &amp; Sales Promotion Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Hiroshi Takenami</td>
<td>Managing Officer Manager, TOHOKU Branch</td>
</tr>
<tr>
<td>Koichiro Higashide</td>
<td>Managing Officer Manager, Corporate Planning Div.</td>
</tr>
<tr>
<td>Kazuo Nakamoto</td>
<td>Managing Officer Manager, International Div.</td>
</tr>
<tr>
<td>Chiyuki Iwakawa</td>
<td>Managing Officer Manager, NAGOYA Branch</td>
</tr>
<tr>
<td>Koji Ikeda</td>
<td>Managing Officer Manager, KANSAI Branch</td>
</tr>
<tr>
<td>Toru Yamaji</td>
<td>Managing Officer Manager, KYUSHU Branch</td>
</tr>
<tr>
<td>Shigeki Kuriyama</td>
<td>Managing Officer General Manager, Design Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Yoshiyuki Ono</td>
<td>Managing Officer General Manager, Engineering Headquarters, in charge of Information Systems Dept.</td>
</tr>
<tr>
<td>Tadashi Tsujino</td>
<td>Managing Officer Manager, Human Resources Dept.</td>
</tr>
<tr>
<td>Toshihiko Kubo</td>
<td>Managing Officer Deputy General Manager, Marketing &amp; Sales Promotion Div., Building Construction Headquarters, Manager, Development Promotion Dept., Marketing &amp; Sales Promotion Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Yutaka Ishikawa</td>
<td>Managing Officer Manager, Technology Planning Div., Manager, Institute of Technology</td>
</tr>
<tr>
<td>Masahiro Hosokawa</td>
<td>Managing Officer In charge of Power Energy Marketing</td>
</tr>
<tr>
<td>Akimasa Ikemoto</td>
<td>Executive Officer Manager, YOKOHAMA Branch</td>
</tr>
<tr>
<td>Seiji Umetsu</td>
<td>Executive Officer Manager, SHIKOKU Branch</td>
</tr>
<tr>
<td>Yoshihiro Kura</td>
<td>Executive Officer Manager, KOBE Branch</td>
</tr>
<tr>
<td>Tatsuya Kurosawa</td>
<td>Executive Officer General Manager, Investment and Development Div.</td>
</tr>
<tr>
<td>Masahiro Indo</td>
<td>Executive Officer General Manager, Production Technology Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Masatoshi Misawa</td>
<td>Executive Officer Manager, Procurement &amp; Estimation Center, Building Construction Headquarters</td>
</tr>
<tr>
<td>Tsunehiko Yamanaka</td>
<td>Executive Officer Manager, KANTO Branch</td>
</tr>
<tr>
<td>Shinya Fukudome</td>
<td>Executive Officer Manager, CHIBA Branch</td>
</tr>
<tr>
<td>Name</td>
<td>Position and areas of responsibility in the Corporation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Masaki Yamaguchi</td>
<td>Executive Officer  Manager, HOKURIKU Branch</td>
</tr>
<tr>
<td>Shutaro Kubo</td>
<td>Executive Officer  General Manager, Civil Engineering Marketing Div. I., Civil Engineering Headquarters</td>
</tr>
<tr>
<td>Nobuaki Miura</td>
<td>Executive Officer  General Manager, Nuclear Projects Div.</td>
</tr>
<tr>
<td>Shigeki Ono</td>
<td>Executive Officer  Manager, Building Construction Planning Div., Building Construction Headquarters, Deputy Manager, TOKYO Branch, in charge of Energy Engineering Construction</td>
</tr>
<tr>
<td>Toyoji Sone</td>
<td>Executive Officer  Head of Finance &amp; Accounting, Manager, Finance Dept.</td>
</tr>
<tr>
<td>Hiroshi Terada</td>
<td>Executive Officer  Deputy General Manager, Design Div., Building Construction Headquarters, Manager, Proposal Promotion Dept., Design Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Shinichi Ishikawa</td>
<td>Executive Officer  In charge of Technology, Civil Engineering Headquarters</td>
</tr>
<tr>
<td>Makoto Saito</td>
<td>Executive Officer  In charge of Marketing &amp; Sales Promotion, Building Construction Headquarters</td>
</tr>
<tr>
<td>Shinichi Takiguchi</td>
<td>Executive Officer  In charge of Marketing &amp; Sales Promotion, Building Construction Headquarters</td>
</tr>
<tr>
<td>Koichi Ishimizu</td>
<td>Executive Officer  Manager, HIROSHIMA Branch</td>
</tr>
<tr>
<td>Katsuro Sugihara</td>
<td>Executive Officer  Manager, TOKYO Civil Engineering Branch</td>
</tr>
<tr>
<td>Hiroshi Fujimura</td>
<td>Executive Officer  Deputy General Manager, Marketing &amp; Sales Promotion Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Masaichi Kawamura</td>
<td>Executive Officer  Deputy General Manager, Marketing &amp; Sales Promotion Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Hiroyuki Kurita</td>
<td>Executive Officer  Manger, Sustainable Green Business Promotion Div.</td>
</tr>
<tr>
<td>Kazuyoshi Nasuhara</td>
<td>Executive Officer  Manager, ecoBCP Promotion Div.</td>
</tr>
<tr>
<td>Akihiko Takeda</td>
<td>Executive Officer  Mechanical &amp; Electrical・BLC Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Takashi Kawata</td>
<td>Executive Officer  General Manager, Civil Engineering Technology Div. Civil Engineering Headquarters</td>
</tr>
<tr>
<td>Naoki Kita</td>
<td>Executive Officer  Deputy Manager, International Div.</td>
</tr>
<tr>
<td>Hideharu Ushiba</td>
<td>Executive Officer  In charge of Structure, Building Construction Headquarters, Deputy General Manager, Design Div., Building Construction Headquarters</td>
</tr>
<tr>
<td>Yukio Kajitani</td>
<td>Executive Officer  In charge of Civil Engineering, Kansai Area</td>
</tr>
<tr>
<td>Hiroaki Taniguchi</td>
<td>Executive Officer  Manager, HOKKAIDO Branch</td>
</tr>
</tbody>
</table>

Note: * indicates those who serve as Director concurrently.
3. Accounting Auditor

(1) Name of accounting auditor
Ernst & Young ShinNihon LLC

(2) Amount of remuneration, etc. in the current fiscal year

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount of remuneration, etc. for the services provided as accounting auditor for the Corporation in the current fiscal year</th>
<th>Total cash and other economic benefits to be paid by the Corporation and its subsidiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ernst &amp; Young ShinNihon LLC</td>
<td>¥95 million</td>
<td>¥178 million</td>
</tr>
</tbody>
</table>

Notes:
1. For the amount of remuneration, etc. to the accounting auditor in the current fiscal year mentioned above, no distinction is made between the amount of remuneration for auditing based on the Companies Act and the amount of remuneration for auditing based on the Financial Instruments and Exchange Act of Japan in the audit agreement between the Corporation and the accounting auditor. Also, it is not possible to effectively distinguish these two amounts. Accordingly the total of these amounts is provided.
2. The Audit & Supervisory Board checks the content of the audit plan by the accounting auditor, amount of audit time by individual audit item and changes in audit fee, and the audit record for past years by obtaining necessary materials and reports from the related internal departments and the accounting auditor, in accordance with the Practical Guidelines for Cooperation with Accounting Auditors, published by the Japan Audit & Supervisory Board Members Association, and examines the properness of the amount of audit time and the amount of fees for this fiscal year, and as a result gave consent under Article 399, paragraph 1 of the Companies Act as to fees for the accounting auditor.

(3) Non-audit services
Ernst & Young ShinNihon LLC provides the Corporation with services including the issuance of various certificates for declaring tax outside of Japan.

(4) Policy for decisions on dismissal or non-reappointment of accounting auditor

If the Audit & Supervisory Board recognizes that the any of the items set forth in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, the Audit & Supervisory Board shall dismiss the accounting auditor based on the agreement of all of the audit & supervisory board members. In addition, if it is determined necessary to dismiss or not reappoint the accounting auditor for any of various reasons, such as there being an impediment that prevents the accounting auditor from performing its duties, the Audit & Supervisory Board shall make the issue regarding dismissing or non-reappointment of the accounting auditor purpose of the general meeting of shareholders.

(5) In the event the financial auditor becomes subject to an administrative order for business suspension in the past two years, matters regarding said order

Outline of the disciplinary action for business suspension issued by the Financial Services Agency on December 22, 2015

1) Subject of disciplinary action
Ernst & Young ShinNihon LLC

2) Details of disciplinary action
An administrative order for partial suspension of business for three months (suspension of taking on new business contracts) (from January 1, 2016 to March 31, 2016)

3) Reasons for the action
   • Certified public accounts who are the partners of the accounting firm, in negligence of due care, attested that the financial statements of other company, which contained material misstatements, were statements that contained no material misstatements.
   • The operations of the accounting firm were deemed to be significantly inappropriate.
4. Status of share options of the Corporation

Overview of Euro/Yen Zero Coupon Convertible Bonds subject to Call due 2020 (issued on October 16, 2015), issued in accordance with a resolution at a meeting of the Board of Directors held on September 30, 2015

<table>
<thead>
<tr>
<th>Number of subscription rights to shares</th>
<th>Class and number of shares underlying subscription rights to shares</th>
<th>Conversion value</th>
<th>Exercise period of subscription rights to shares</th>
<th>Total amount of face value of Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>Common stock Total amount of face value of Bonds divided by conversion value</td>
<td>¥1,352</td>
<td>From October 30, 2015 to October 2, 2020</td>
<td>¥30.0 billion</td>
</tr>
</tbody>
</table>
III System to Ensure the Appropriateness of Business Operations and the Status of its Implementation

Overview of Resolutions regarding the System to Ensure the Appropriateness of Business Operations

The Corporation made a resolution at a meeting of the Board of Directors held on April 24, 2015, and made a partial amendment to details of its “Basic Policy on Developing an Internal Control System” (Date amended: May 1, 2015) in order to develop a system to ensure the appropriateness of business operations. The outline of this system is as follows.

1. Compliance System
   1) In order to ensure that officers and employees perform their duties in compliance with laws and regulations and the Articles of Incorporation, the Corporation shall enact its “Corporate Code of Conduct” and work to thoroughly promote corporate ethics including compliance.
   2) In order to thoroughly promote its “Corporate Code of Conduct” and put it into practice by officers and employees, the Corporation shall educate and train its workforce and develop an internal structure by such means as appointing officers responsible for corporate ethics, putting in place a Corporate Ethics Committee and a Corporate Ethics Help-Line Office, and establishing a whistle-blowing system.
   3) In order to further promote thorough compliance with the Construction Business Act, the Corporation shall introduce and thoroughly promote measures to secure proper contracts and payments when dealing with business operators, and shall develop an internal structure for the establishment of a system to maintain construction system ledgers.
   4) In order to completely eliminate violations of the Anti-Trust Act, the Corporation shall undertake an appropriate review of its program for compliance with the Anti-Trust Act, and shall develop and thoroughly promote internal systems by such means as carrying out periodic transfers of sales personnel, thoroughly implementing education and training, establishing an internal check system and a system for whistle blowing to external law offices, formulating a code of conduct, and implementing strict internal punishments for offenders.
   5) In order to eradicate relations with anti-social forces or groups, the Corporation shall clearly indicate its eradication of anti-social actions in its “Corporate Code of Conduct,” and shall develop and thoroughly promote internal systems to put this into practice by such means as carrying out education and training, selecting employees to be in charge of preventing unfair demands, developing a whistle-blowing system for cases where unfair demands are received, and having clauses clearly indicating the Corporation’s eradication of relations with organized crime groups, etc. in contracts with business operators.
   6) In order to more fully prevent bribery both in Japan and overseas, the Corporation shall clearly indicate prohibition of bribery in its “Corporate Code of Conduct,” establish “Anti-Bribery Rules,” and develop an internal system, which includes establishing an implementation system, undertaking education and training activities, and implementing strict punishments for offenders.

2. Internal Audit System
   The Corporation shall put in place the Audit Dept. as an internal control and checking function, and it shall perform comprehensive audits of the activities of business execution sections based on audit plans approved by the Board of Directors. The audit results shall be reported to the directors and also to the audit & supervisory board members.

3. Risk Management System
   1) The Corporation shall formulate rules concerning general risk management and develop a system enabling the management of overall risks with the potential to have a serious impact on the corporate group composed of the Corporation and its subsidiaries as well as accurate responses to
risks when they occur.

2) For various types of risks by different functions including quality, safety, environment, natural disasters and information, the Corporation shall develop a system enabling advance prevention of occurrences and prevention of reoccurrences accurately by putting in place bodies such as divisions, departments and committees to respond to individual risks by function.

4. Structure for Efficient Execution of Business Operations

1) In order to distinguish the functions of the determination of strategy and the supervision of management from function of the execution of business operations, thus ensuring efficient operations, the Corporation shall have fewer directors and shall introduce the executive officer system.

2) In order to further invigorate deliberation by the Board of Directors and enhance the function of the supervision of management, the Corporation shall appoint external directors.

3) The Corporation shall put in place a structure of various types of meetings to efficiently carry out duties including the approval of important matters relating to the execution of operations and the determination of strategy, and matters shall be deliberated on, decided and implemented based on the “Authority List for Important Matters” appended to the rules of the Board of Directors specified by the Board of Directors.

4) The Corporation shall establish a committee for the recommendation of officers to appoint executive officers fairly and transparently, as well as a committee for the evaluation of officers to evaluate directors and executive officers and determine their remuneration fairly and transparently.

5) Executive officers shall execute operations in accordance with the rules on office organization, division of operations and delegation of authority specified by the Board of Directors.

5. Retention and Management of Information on Execution of Business Operations

The Corporation shall specify rules on documents and an information security policy, and shall appropriately retain and manage minutes of meetings of the Board of Directors, internal circulars for managerial decisions, various contract documents, and other important information showing the status of the execution of operations. In addition, the Corporation shall develop an internal system for the safe and effective use of electronic information.

6. System for Sound and Appropriate Business Operations at the Corporate Group

1) The Corporation shall hold regular meetings to share information with its subsidiaries and manage material matters related to subsidiaries’ conduct of operations and require that subsidiaries report on and obtain the approval of the Corporation for these matters as stipulated in the “Subsidiary Management Rules.”

2) The Corporation shall perform internal audits through its Audit Dept. and monitor the proper execution of business operations of subsidiaries as necessary by such means as transferring audit & supervisory board members.

3) In order to ensure the appropriateness of business operations, subsidiaries shall develop internal rules appropriate for their particular business and develop internal systems, including establishing a whistle-blowing system.

4) The Corporation shall develop and operate an internal control system necessary to ensure the reliability of financial reporting and to help maintain and enhance societal trust.
7. Matters Regarding the Auditing System of Audit & Supervisory Board Members

1) The Corporation shall put in place the “Audit & Supervisory Board Members Office (Full-time Employees)” as a full-time service body of employees assisting the audit & supervisory board members in order to enable audit & supervisory board members to exercise their authority as specified in relevant laws and regulations and to efficiently perform their audits.

2) The employees at the Audit & Supervisory Board Members Office shall perform their duties under the direct command of the audit & supervisory board members and shall have the authority to collect information necessary for auditing. Transfers, etc. of employees at the Audit & Supervisory Board Members Office shall be carried out after securing the advance consent of the Audit & Supervisory Board.

8. System for Making Reports to the Audit & Supervisory Board Members Regarding the Execution of Business Operations

1) Officers and employees shall make reports to the audit & supervisory board members without delay in cases of occurrences of matters relating to the Corporation and its subsidiaries, including statutory matters, events with the potential to cause serious loss of trust in or damage to the Corporation or its subsidiaries, and major wrongful activity such as internal misconduct or offences against laws and regulations. They shall also make reports on the results of internal audits performed by the Audit Dept. of the Corporation and the status of reporting through the whistle-blowing system.

2) The Corporation shall develop a system to ensure that officers and employees of the Corporation and its subsidiaries are not treated disadvantageously due to their making reports to the audit & supervisory board members.

9. Matters Regarding Expenses and Liabilities That Arise as a Result of Audit & Supervisory Board Members Performing Their Duties

Expenses and liabilities that arise as a result of audit & supervisory board members performing their duties shall be promptly handled by the Corporation based on claims submitted by audit & supervisory board members.

10. Ensuring the Authority of Audit & Supervisory Board Members to Attend Important Meetings

In order to ensure that audits of execution of business operations by audit & supervisory board members are performed effectively, the Representative Director and the audit & supervisory board members shall have regular opportunities to share management information, and audit & supervisory board members nominated by the Audit & Supervisory Board shall attend “Meetings of the President Office” and “Meetings of the Division Heads” and other important meetings.

11. Matters Regarding Audits of the Non-Consolidated Financial Statements, etc. by the Audit & Supervisory Board Members

1) In order for the audit & supervisory board members to judge the appropriateness of the audit methods and results of audits by the accounting auditor, and to ensure the independence of the accounting auditor from the directors, the audit & supervisory board members shall confirm the annual audit plan of the accounting auditor in advance and receive successive reports on the audit results.

2) The audit & supervisory board members and the accounting auditor shall be in coordination with each other, thus ensuring a system that enables effective auditing.
Overview of Status of Operation of System to Ensure the Appropriateness of Business Operations

The following is an overview of the status of operation of the system to ensure the appropriateness of the business of the Corporation in this fiscal year:

1. Compliance System

1) In order to thoroughly promote compliance, the Corporation has provided education and training to its officers and employees. In addition, it partially revised the “Corporate Code of Conduct” as of April 1, 2015, and thoroughly familiarized officers and employees with this.

2) Based on the whistle-blowing system, the Corporation has established three compliance hotlines, namely, the Corporate Ethics Help-Line Office, the Counseling Office and the External Help-Line, and has thoroughly familiarized employees with these. Furthermore, the operational status thereof is reported to the Corporate Ethics Committee and audit & supervisory board members.

3) Corporate Ethics Committee meetings are held biannually for companywide implementation and follow-up on measures for corporate ethics and thorough compliance.

2. Risk Management System

1) Risk Management Committee meetings are held biannually to understand and analyze risks that will have a major impact on the corporate group composed of the Corporation and its subsidiaries and to set key risk management items for tracking these risks.

2) To check the communications and initial response systems in case of massive earthquakes, the Corporation implements earthquake disaster drills on a regular basis.

3. System for Sound and Appropriate Business Operations at the Corporate Group

1) The President of the Corporation has held biannual meetings to share information with the presidents of subsidiaries, and to manage important matters relating to execution of operations at subsidiaries as stipulated in the “Subsidiary Management Rules.”

2) The Corporation has conducted internal audits through its Audit Dept. according to the audit plan and monitored the proper execution of business operations of subsidiaries as necessary by such means as transferring audit & supervisory board members.

4. System for Ensuring Effectiveness of Audits by Audit & Supervisory Board Members

1) The Corporation has assigned three Full-time Employees to the Audit & Supervisory Board Members Office as a full-time service body assisting audit & supervisory board members.

2) Audit & Supervisory Board Members designated by the Audit & Supervisory Board have attended important meetings such as the “Meeting of the President Office,” “Meeting of the Division Head,” “Meeting of the Risk Management Committee” and “Meeting of the Corporate Ethics Committee.”
### Consolidated Balance Sheet
(As at March 31, 2016)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Amount</th>
<th>LIABILITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td>1,120,395</td>
<td><strong>Current liabilities:</strong></td>
<td>867,576</td>
</tr>
<tr>
<td>Cash</td>
<td>189,167</td>
<td>Notes and accounts payable—trade</td>
<td>441,301</td>
</tr>
<tr>
<td>Notes and accounts receivable—trade</td>
<td>548,925</td>
<td>Short-term borrowings</td>
<td>125,120</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>85,202</td>
<td>Current portion of non-recourse borrowings</td>
<td>9,458</td>
</tr>
<tr>
<td>Real estate held for sale</td>
<td>21,620</td>
<td>Current portion of bonds payable</td>
<td>25,000</td>
</tr>
<tr>
<td>Costs on uncompleted construction contracts</td>
<td>84,518</td>
<td>Current portion of non-recourse bonds payable</td>
<td>668</td>
</tr>
<tr>
<td>Costs on uncompleted real estate development projects</td>
<td>26,041</td>
<td>Income taxes payable</td>
<td>19,520</td>
</tr>
<tr>
<td>PFI projects and other inventories</td>
<td>57,983</td>
<td>Advances received on uncompleted construction contracts</td>
<td>102,916</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>26,539</td>
<td>Withholdings</td>
<td>83,049</td>
</tr>
<tr>
<td>Other current assets</td>
<td>81,372</td>
<td>Warranty reserve</td>
<td>3,799</td>
</tr>
<tr>
<td>Less: Allowance for doubtful accounts</td>
<td>(976)</td>
<td>Reserve for expected losses on construction contracts in process</td>
<td>22,950</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td>602,541</td>
<td>Reserve for directors’ bonuses</td>
<td>176</td>
</tr>
<tr>
<td><strong>Tangible fixed assets:</strong></td>
<td>231,382</td>
<td>Other current liabilities</td>
<td>33,615</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>82,093</td>
<td><strong>Non-current liabilities:</strong></td>
<td>369,704</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>14,485</td>
<td>Bonds payable</td>
<td>65,000</td>
</tr>
<tr>
<td>Land</td>
<td>132,083</td>
<td>Convertible bond-type bonds with subscription rights to shares</td>
<td>30,136</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>2,719</td>
<td>Non-recourse bonds payable</td>
<td>16,785</td>
</tr>
<tr>
<td><strong>Intangible fixed assets:</strong></td>
<td>4,274</td>
<td>Long-term borrowings</td>
<td>76,772</td>
</tr>
<tr>
<td><strong>Investments and other assets:</strong></td>
<td>366,884</td>
<td>Non-recourse borrowings</td>
<td>43,542</td>
</tr>
<tr>
<td>Investment securities</td>
<td>349,447</td>
<td>Deferred tax liabilities</td>
<td>32,131</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1,474</td>
<td>Deferred tax liabilities for revaluation reserve for land</td>
<td>17,847</td>
</tr>
<tr>
<td>Other investments</td>
<td>18,250</td>
<td>Reserve for expected losses on affiliates’ businesses</td>
<td>5,510</td>
</tr>
<tr>
<td>Less: Allowance for doubtful accounts</td>
<td>(2,288)</td>
<td>Net defined benefit liability</td>
<td>68,150</td>
</tr>
<tr>
<td><strong>Total current assets:</strong></td>
<td>1,722,936</td>
<td>Other non-current liabilities</td>
<td>13,828</td>
</tr>
<tr>
<td><strong>Total liabilities:</strong></td>
<td>1,237,281</td>
<td><strong>NET ASSETS:</strong></td>
<td>485,655</td>
</tr>
<tr>
<td><strong>Shareholders’ equity:</strong></td>
<td>335,457</td>
<td><strong>Common stock, no par value:</strong></td>
<td>74,365</td>
</tr>
<tr>
<td><strong>Additional paid-in capital:</strong></td>
<td>43,155</td>
<td><strong>Retained earnings:</strong></td>
<td>219,507</td>
</tr>
<tr>
<td><strong>Less: Treasury stock, at cost:</strong></td>
<td>(1,571)</td>
<td><strong>Accumulated other comprehensive income:</strong></td>
<td>145,258</td>
</tr>
<tr>
<td><strong>Accumulated other comprehensive income:</strong></td>
<td></td>
<td><strong>Net unrealized gain (loss) on other securities, net of taxes:</strong></td>
<td>131,849</td>
</tr>
<tr>
<td><strong>Deferred gain (loss) on hedging, net of taxes:</strong></td>
<td>15</td>
<td><strong>Revaluation reserve for land, net of taxes:</strong></td>
<td>26,293</td>
</tr>
<tr>
<td><strong>Foreign currency translation adjustments:</strong></td>
<td>756</td>
<td><strong>Remeasurements of defined benefit plans:</strong></td>
<td>(13,656)</td>
</tr>
<tr>
<td><strong>Non-controlling interests:</strong></td>
<td>4,939</td>
<td><strong>Total net assets:</strong></td>
<td>485,655</td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td>1,722,936</td>
<td><strong>Total liabilities and net assets:</strong></td>
<td>1,722,936</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Income
(For the year ended March 31, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>1,516,054</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>148,879</td>
</tr>
<tr>
<td><strong>Cost of sales:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>1,357,546</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>132,012</td>
</tr>
<tr>
<td><strong>Gross profit:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>158,508</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>16,866</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>80,706</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>94,668</td>
</tr>
<tr>
<td><strong>Non-operating income:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>5,632</td>
</tr>
<tr>
<td>Equity in earnings of affiliates</td>
<td>1,094</td>
</tr>
<tr>
<td>Other</td>
<td>1,560</td>
</tr>
<tr>
<td><strong>Non-operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>3,171</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>1,859</td>
</tr>
<tr>
<td>Other</td>
<td>2,423</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>95,501</td>
</tr>
<tr>
<td><strong>Special gains:</strong></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>729</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
<tr>
<td><strong>Special losses:</strong></td>
<td></td>
</tr>
<tr>
<td>Losses on affiliates’ businesses</td>
<td>2,406</td>
</tr>
<tr>
<td>Other</td>
<td>223</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>93,605</td>
</tr>
<tr>
<td>Provision for income taxes—current</td>
<td>32,402</td>
</tr>
<tr>
<td>Provision for income taxes—deferred</td>
<td>1,541</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>59,661</td>
</tr>
<tr>
<td>Net income attributable to non-controlling interests</td>
<td>339</td>
</tr>
<tr>
<td><strong>Net income attributable to shareholders of the Corporation</strong></td>
<td>59,322</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Changes in Net Assets
(For the year ended March 31, 2016)

(Millions of Yen)

<table>
<thead>
<tr>
<th></th>
<th>Balance as at April 1, 2015</th>
<th>Cash dividends paid</th>
<th>Net income attributable to shareholders of the Corporation</th>
<th>Reversal of revaluation reserve for land, net of taxes</th>
<th>Purchase of treasury stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>74,365</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>43,143</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>167,283</td>
<td>(7,466)</td>
<td>59,322</td>
<td>368</td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(1,533)</td>
<td></td>
<td></td>
<td></td>
<td>(39)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>283,259</td>
<td>(7,466)</td>
<td>59,322</td>
<td>368</td>
<td>(39)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gain (loss) on other securities, net of taxes</td>
<td>169,474</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred gain (loss) on hedging, net of taxes</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve for land, net of taxes</td>
<td>25,667</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>1,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>(3,291)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>193,649</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>4,987</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>481,896</td>
<td>(7,466)</td>
<td>59,322</td>
<td>368</td>
<td>(39)</td>
</tr>
</tbody>
</table>
Disposal of treasury stock | Increase or decrease of shares of consolidated subsidiaries | Changes other than shareholders’ equity | Total | Balance as at March 31, 2016 |
---|---|---|---|---|
Shareholders’ equity | | | | |
Common stock | | | | |
Additional paid-in capital | 0 | 11 | 12 | 43,155 |
Retained earnings | | | 52,224 | 219,507 |
Treasury stock | 0 | (38) | (1,571) | |
Total shareholders’ equity | 0 | 11 | 52,197 | 335,457 |
Accumulated other comprehensive income | | | | |
Net unrealized gain (loss) on other securities, net of taxes | (37,625) | (37,625) | 131,849 | |
Deferred gain (loss) on hedging, net of taxes | (25) | (25) | 15 | |
Revaluation reserve for land, net of taxes | 626 | 626 | 26,293 | |
Foreign currency translation adjustments | (1,001) | (1,001) | 756 | |
Remeasurements of defined benefit plans | (10,365) | (10,365) | (13,656) | |
Total accumulated other comprehensive income | (48,391) | (48,391) | 145,258 | |
Non-controlling interests | (34) | (12) | (47) | 4,939 |
Total net assets | 0 | (23) | (48,404) | 3,758 | 485,655 |
Notes to Consolidated Financial Statements

1. Basis of Presentation of Consolidated Financial Statements
   (1) Scope of consolidation
   The Corporation had 60 subsidiaries as at March 31, 2016. The consolidated financial statements for the
   year ended March 31, 2016 include the accounts of the Corporation and all subsidiaries.
   Major consolidated subsidiaries
   Shimizu Comprehensive Development Corporation, TTK Corporation, Daiichi Setsubi Engineering
   Corporation, Milx Corporation, SC Machinery Corp., Katayama Stratech Corp. and SHIMIZU BLC Co.,
   Ltd.
   Four companies that became subsidiaries of the Corporation in the year ended March 31, 2016 are
   included in the scope of consolidation. In addition, five companies that ceased to be subsidiaries of the
   Corporation are excluded from the scope of consolidation.

   (2) Application of equity method
   The Corporation had 13 affiliates as at March 31, 2016. As at March 31, 2016, the equity method was
   applied to all affiliates.
   Major affiliates
   THE NIPPON ROAD Co., Ltd.
   As at March 31, 2016, the equity method was applied to three companies that became affiliates of the
   Corporation in the year ended March 31, 2016. The equity method was not applied to one company that
   ceased to be an affiliate of the Corporation in the year ended March 31, 2016.

   (3) Financial statements of subsidiaries
   The financial year-end of 11 overseas subsidiaries and two domestic subsidiaries is December 31, and
   the financial year-end of one domestic subsidiary is March 26. Consolidation of these subsidiaries is
   therefore performed by using their financial statements as at December 31 and March 26, respectively,
   and certain adjustments are made to reflect any significant transactions during the period from the year-
   end balance sheet dates for these subsidiaries to March 31, the consolidated balance sheet date.
   The financial period of other consolidated subsidiaries is the same as the Corporation.

   (4) Accounting policies
   1) Valuation basis and method for significant assets
      a. Valuation of securities
         The Group classifies securities into two different categories, held-to-maturity debt securities and
         other securities. The Group holds no trading securities. Held-to-maturity debt securities are valued at
         amortized cost. Other securities with market quotations are valued at the prevailing market price as at
         the balance sheet date. Other securities without market quotations are stated at cost, cost being
determined by the moving average method. Net unrealized gains on other securities with market
quotations are reported net of taxes as a separated component of “Net assets” and the cost of sales is
determined by the moving average method.

      b. Valuation of inventories
         Real estate held for sale: At cost on an individual basis (the carrying value of inventories on the
balance sheet is presented at book value after write-down for decline in earnings).
         Costs on uncompleted construction contracts: At cost on an individual basis.
         Costs on uncompleted real estate development projects: At cost on an individual basis (the carrying
value of inventories on the balance sheet is presented at book value after write-down for decline in
earnings).
         PFI projects and other inventories: At cost on an individual basis or at cost, cost being determined by
the moving average method (the carrying value of inventories on the balance sheet is presented at
book value after write-down for decline in earnings).

   2) Depreciation method for tangible fixed assets
   Depreciation for tangible fixed assets (excluding leased assets) is computed by the declining balance
method, at rates based on the estimated useful lives of the assets. Some subsidiaries use the straight-
3) Recognizing provision of significant reserves
   a. 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.

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

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

   d. Reserve for directors' bonuses
      An allowance is provided for bonus payment to directors based on payment estimates.

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

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

5) Recognizing net defined benefit liability
   Net defined benefit liability is recognized at the amount obtained by deducting the fair value of the
   plan assets from projected retirement benefit obligations as at the balance sheet date.

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

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

2. Change of Accounting Policy
   (Application of Accounting Standard for Business Combinations, etc.)
   Effective from the year ended March 31, 2016, the Company has applied the "Accounting Standard for
   Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for
   Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), and the
   "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. As
   a result, the method of recording the amount of difference caused by changes in the Company’s
   ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company
   was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-
   related costs was changed to one in which they are recognized as expenses for the fiscal year in which
   they are incurred.
   Furthermore, for accounting treatment for business combinations carried out on or after the beginning
   of the year ended March 31, 2016, the accounting method was changed to one in which the reviewed
   acquisition cost allocation resulting from the finalization of the provisional fair value is reflected in the
   consolidated financial statements for the fiscal year to which the date of business combination belongs.
   In addition, the presentation method for “net income” was changed, and the presentation of “minority
   interests” was changed to “non-controlling interests.”
Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the year ended March 31, 2016. This change had an immaterial impact on the consolidated financial statements for the year ended March 31, 2016.

3. Notes to Consolidated Balance Sheet
(1) Assets pledged as collateral
1) The following assets are pledged as collateral for borrowings at affiliated companies and others.
   - Investment securities ¥173 million
   - Other investments ¥86 million
   Total ¥259 million

2) The total amount of business assets pledged as collateral for non-recourse borrowings of ¥53,000 million by subsidiaries engaged in PFI business ¥60,193 million

(2) The total amount of business assets of subsidiaries engaged in the real estate development business corresponding to non-recourse bonds payable of ¥17,453 million ¥22,567 million

(3) Accumulated depreciation of tangible fixed assets ¥129,142 million

(4) Contingent liabilities from guaranteeing indebtedness
   - Guarantees for housing loans of employees ¥219 million

(5) Notes receivable discounted
   - Notes receivable discounted at consolidated subsidiaries ¥115 million

(6) Revaluation reserve for land
According to the Land Revaluation Act 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 Act and cannot be undertaken at each financial year-end. According to the enforcement ordinance of the Act, 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.

(7) Amount of “Costs on uncompleted construction contracts,” matching with “Reserve for expected losses on construction contracts in process”
“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. Amount of “Costs on uncompleted construction contracts,” for which a construction loss is anticipated, matching with “Reserve for expected losses on construction contracts in process” ¥2,004 million
4. Notes to Consolidated Statement of Income
   (1) Revenue recognized using the percentage-of-completion method ¥1,319,145 million
   (2) Provision of reserve for expected losses on construction contracts in process included in cost of sales ¥11,489 million
   (3) Inventory write-down due to reduced profitability included in cost of sales ¥823 million
   (4) Research and development costs ¥8,557 million

5. Notes to Consolidated Statement of Changes in Net Assets
   (1) Type and number of outstanding shares as at March 31, 2016
      Common stock 788,514,613 shares

(2) Dividends
   1) Dividends paid to shareholders for the year ended March 31, 2016

<table>
<thead>
<tr>
<th>Resolution approved by</th>
<th>Type of shares</th>
<th>Amount (Millions of Yen)</th>
<th>Amount per share (Yen)</th>
<th>Shareholders’ cut-off date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual general meeting of shareholders</td>
<td>Common stock</td>
<td>3,536</td>
<td>4.50</td>
<td>March 31, 2015</td>
<td>June 29, 2015</td>
</tr>
<tr>
<td>(June 26, 2015)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of directors</td>
<td>Common stock</td>
<td>3,929</td>
<td>5.00</td>
<td>September 30, 2015</td>
<td>December 2, 2015</td>
</tr>
<tr>
<td>(November 9, 2015)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   2) Dividends with a shareholders’ cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year
   Matters regarding these dividends will be proposed at the annual general meeting of shareholders to be held on June 29, 2016.

<table>
<thead>
<tr>
<th>Resolution to be approved by</th>
<th>Type of shares</th>
<th>Paid from</th>
<th>Amount (Millions of Yen)</th>
<th>Amount per share (Yen)</th>
<th>Shareholders’ cut-off date</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual general meeting of shareholders (June 29, 2016)</td>
<td>Common stock</td>
<td>Retained earnings</td>
<td>8,645</td>
<td>11.00</td>
<td>March 31, 2016</td>
<td>June 30, 2016</td>
</tr>
</tbody>
</table>

   Note: Amount of dividend per share ¥11.00 includes a special dividend of ¥6.00.

6. Financial Instruments
   (1) Overview
      1) Policy for financial instruments
         The Group raises operating funds primarily through bank borrowings and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the Group’s policy, the Group uses derivatives only for the purpose of reducing risks by hedge, and not for speculative purposes.

      2) Types of financial instruments, risk and risk management
         Regarding credit risk associated with customer’s operating receivables such as notes receivable and accounts receivable from construction contracts, the Group appropriately reduces such risk in response to the payment conditions and customer’s credit situation.
         Regarding investment securities held primarily for the purpose of maintaining business relationships, the Group comprehensively takes into account the benefits to the Corporation gained through strengthening of relations with transaction partners, acquisition value and stock price fluctuation risk, etc., judges whether or not to acquire these, and reconsiders the purpose of holding acquisitions from the same viewpoint each year.
         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.
(2) Estimated fair value of financial instruments
The carrying value of the financial instruments on the consolidated balance sheet as at March 31, 2016, and estimated fair value are shown below.

(Millions of Yen)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Cash</td>
<td>189,167</td>
<td>189,167</td>
<td>–</td>
</tr>
<tr>
<td>2) Notes and accounts receivable—trade</td>
<td>548,925</td>
<td>548,925</td>
<td>–</td>
</tr>
<tr>
<td>3) Marketable securities</td>
<td>85,202</td>
<td>85,202</td>
<td>–</td>
</tr>
<tr>
<td>4) Investment securities</td>
<td>316,643</td>
<td>316,643</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5) Notes and accounts payable—trade</td>
<td>441,301</td>
<td>441,301</td>
<td>–</td>
</tr>
<tr>
<td>6) Short-term borrowings</td>
<td>125,120</td>
<td>125,120</td>
<td>–</td>
</tr>
<tr>
<td>7) Bonds payable and current portion of bonds payable</td>
<td>90,000</td>
<td>91,259</td>
<td>1,259</td>
</tr>
<tr>
<td>8) Convertible bond</td>
<td>30,136</td>
<td>31,929</td>
<td>1,792</td>
</tr>
<tr>
<td>9) Non-recourse bonds payable and current portion of non-recourse bonds payable</td>
<td>17,453</td>
<td>17,453</td>
<td>–</td>
</tr>
<tr>
<td>10) Long-term borrowings</td>
<td>76,772</td>
<td>78,467</td>
<td>1,695</td>
</tr>
<tr>
<td>11) Non-recourse borrowings and current portion of non-recourse borrowings</td>
<td>53,000</td>
<td>55,235</td>
<td>2,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Derivative transactions(*)</th>
<th>Carrying value</th>
<th>Fair value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>to which hedge accounting is not applied</td>
<td>(20)</td>
<td>(20)</td>
<td>–</td>
</tr>
<tr>
<td>to which hedge accounting is applied</td>
<td>43</td>
<td>43</td>
<td>–</td>
</tr>
</tbody>
</table>

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

Note: 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. (¥32,804 million in the consolidated balance sheet as at March 31, 2016) 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, 8) Convertible bond
The fair value of bonds with market quotations issued by the Corporation is based on the prevailing market price.
9) Non-recourse bonds payable and current portion of non-recourse bonds payable
Carrying value is used as fair value as there is a variable interest rate and the value is reviewed on a short term basis to reflect the market interest rate, meaning that carrying value approximate fair value.
10) Long-term borrowings, 11) Non-recourse borrowings and current portion of non-recourse borrowings
The fair value of these borrowings is estimated by applying a discount rate to be applied to the total of principal and interest if a similar new borrowings agreement would be entered into. Some long-term borrowings and non-recourse borrowings are subject to special treatment of interest rate swap, and these are calculated by applying a discount rate to be applied to the total principal and interest with the consideration of the underlying interest rate swap if a similar new borrowings agreement would be entered into.
12) Derivative transactions
The fair value of derivative transactions is valued from prices quoted by financial institutions.

7. Investment and Rental Properties
(1) Overview of investment and rental properties
The Corporation and certain consolidated subsidiaries own office buildings, residential units and other real estate properties for lease, mainly in Tokyo and other major urban cities in Japan.
(2) Carrying value and fair value of investment and rental properties

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying value</td>
<td>¥110,163 million</td>
</tr>
<tr>
<td>Fair value</td>
<td>¥179,909 million</td>
</tr>
</tbody>
</table>

Notes: 1. The carrying value is the amount after deducting accumulated depreciation from acquisition cost.
2. The fair value is mainly calculated by the Corporation based on real estate appraisal standards, or based on the appraisal report prepared by external certified appraisers.

8. Amounts per Share

| (1) Net assets per share of common stock | ¥612.70 |
| (2) Basic net income per share of common stock | ¥75.61 |

9. Other Information

The accounts of consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million.
Non-Consolidated Balance Sheet  
(As at March 31, 2016)  
(Millions of Yen)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Amount</th>
<th>LIABILITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td><strong>Current liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>874,887</td>
<td>Notes payable</td>
<td>764,077</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>131,204</td>
<td>Accounts payable for construction contracts</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from completed construction contracts</td>
<td>38,227</td>
<td>Short-term borrowings</td>
<td>369,063</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>439,898</td>
<td>Current portion of bonds payable</td>
<td>87,807</td>
</tr>
<tr>
<td>Real estate held for sale</td>
<td>85,000</td>
<td>Income taxes payable</td>
<td>25,000</td>
</tr>
<tr>
<td>Costs on uncompleted construction contracts</td>
<td>3,314</td>
<td>Advances received on uncompleted construction contracts</td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>80,805</td>
<td>Withholdings</td>
<td>90,537</td>
</tr>
<tr>
<td>Other current assets</td>
<td>24,855</td>
<td>Warranty reserve</td>
<td>112,946</td>
</tr>
<tr>
<td>Less: Allowance for doubtful accounts</td>
<td>72,425</td>
<td>Reserve for expected losses on construction contracts in process</td>
<td>3,240</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td>Reserve for directors’ bonuses</td>
<td>22,630</td>
</tr>
<tr>
<td><strong>Tangible fixed assets:</strong></td>
<td></td>
<td>Other current liabilities</td>
<td>176</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>578,538</td>
<td>Bonds payable</td>
<td>26,473</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>187,502</td>
<td>Convertible bond-type bonds with subscription rights to shares</td>
<td></td>
</tr>
<tr>
<td>Tools, furniture and fixtures</td>
<td>73,095</td>
<td>Long-term borrowings</td>
<td>65,000</td>
</tr>
<tr>
<td>Land</td>
<td>1,431</td>
<td>Deferred tax liabilities</td>
<td>71,955</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3,065</td>
<td>Deferred tax liabilities for revaluation reserve for land</td>
<td>37,052</td>
</tr>
<tr>
<td><strong>Intangible fixed assets</strong></td>
<td>107,315</td>
<td>Reserve for employees’ retirement benefits</td>
<td></td>
</tr>
<tr>
<td>Investments and other assets:**</td>
<td>3,117</td>
<td>Reserve for expected losses on affiliates’ businesses</td>
<td>17,847</td>
</tr>
<tr>
<td>Investment securities</td>
<td>387,918</td>
<td>Other non-current liabilities</td>
<td>43,911</td>
</tr>
<tr>
<td>Investments in subsidiaries and affiliates</td>
<td>336,566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in other securities of subsidiaries and affiliates</td>
<td>34,757</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term loans</td>
<td>4,025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims in bankruptcy or reorganization proceedings</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
<td>107,508</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>6,314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Allowance for doubtful accounts</td>
<td>(2,396)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,045,467</td>
<td><strong>NET ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity:</strong></td>
<td></td>
<td><strong>Retained earnings:</strong></td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>250,758</td>
<td>Legal reserve</td>
<td>134,398</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>74,365</td>
<td>Other retained earnings</td>
<td>18,394</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>43,144</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other additional paid-in capital</td>
<td>43,143</td>
<td>Reserve for advanced depreciation of fixed assets</td>
<td>116,003</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>1,453,426</td>
<td>Other retained earnings carried forward</td>
<td>48,592</td>
</tr>
<tr>
<td><strong>Total valuation and translation adjustments</strong></td>
<td></td>
<td><strong>Less : Treasury stock, at cost</strong></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gain (loss) on other securities, net of taxes</td>
<td>157,200</td>
<td>(1,149)</td>
<td></td>
</tr>
<tr>
<td>Deferred gain (loss) on hedging, net of taxes</td>
<td>130,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve for land, net of taxes</td>
<td>26,293</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>407,959</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Non-Consolidated Statement of Income
(For the year ended March 31, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>1,350,347</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>56,485</td>
</tr>
<tr>
<td><strong>Cost of sales:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>1,216,342</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>47,472</td>
</tr>
<tr>
<td><strong>Gross profit:</strong></td>
<td></td>
</tr>
<tr>
<td>Construction contracts</td>
<td>134,005</td>
</tr>
<tr>
<td>Real estate development and other</td>
<td>9,013</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>64,411</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>78,607</td>
</tr>
<tr>
<td><strong>Non-operating income:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>8,017</td>
</tr>
<tr>
<td>Other</td>
<td>983</td>
</tr>
<tr>
<td><strong>Non-operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>2,623</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>1,846</td>
</tr>
<tr>
<td>Other</td>
<td>1,960</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>81,177</td>
</tr>
<tr>
<td><strong>Special gains:</strong></td>
<td></td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>725</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
<tr>
<td><strong>Special losses:</strong></td>
<td></td>
</tr>
<tr>
<td>Losses on affiliates’ businesses</td>
<td>1,033</td>
</tr>
<tr>
<td>Other</td>
<td>223</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>80,649</td>
</tr>
<tr>
<td>Provision for income taxes—current</td>
<td>26,930</td>
</tr>
<tr>
<td>Provision for income taxes—deferred</td>
<td>1,642</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>52,077</td>
</tr>
</tbody>
</table>
## Non-Consolidated Statement of Changes in Net Assets
(For the year ended March 31, 2016)

(Millions of Yen)

<table>
<thead>
<tr>
<th>Shareholders’ equity</th>
<th>Balance as at April 1, 2015</th>
<th>Provision and reversal of reserve for advanced depreciation of fixed assets</th>
<th>Reserve for contingent reserve</th>
<th>Cash dividends paid</th>
<th>Net income for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>74,365</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve</td>
<td>43,143</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other additional paid-in capital</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total additional paid-in capital</td>
<td>43,143</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal reserve</td>
<td>18,394</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for advanced depreciation of fixed assets</td>
<td>6,008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent reserve</td>
<td>44,700</td>
<td>16,700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings carried forward</td>
<td>20,316</td>
<td>(3) (16,700)</td>
<td>(7,466)</td>
<td>52,077</td>
<td></td>
</tr>
<tr>
<td>Total retained earnings</td>
<td>89,419</td>
<td>– –</td>
<td>(7,466)</td>
<td>52,077</td>
<td></td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td>(1,111)</td>
<td>– –</td>
<td>(7,466)</td>
<td>52,077</td>
<td></td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>205,817</td>
<td>– –</td>
<td>(7,466)</td>
<td>52,077</td>
<td></td>
</tr>
<tr>
<td>Valuation and translation adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gain (loss) on other securities, net of taxes</td>
<td>168,365</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred gain (loss) on hedging, net of taxes</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve for land, net of taxes</td>
<td>25,667</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total valuation and translation adjustments</td>
<td>194,084</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>399,901</td>
<td>– –</td>
<td>– –</td>
<td>(7,466)</td>
<td>52,077</td>
</tr>
</tbody>
</table>
### Shareholders’ equity

<table>
<thead>
<tr>
<th>Reversal of revaluation reserve for land, net of taxes</th>
<th>Purchase of treasury stock</th>
<th>Disposal of treasury stock</th>
<th>Changes other than shareholders’ equity</th>
<th>Total</th>
<th>Balance as at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74,365</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,143</td>
</tr>
<tr>
<td>Other additional paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total additional paid-in capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,144</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,394</td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for advanced depreciation of fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,011</td>
</tr>
<tr>
<td>Contingent reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>61,400</td>
</tr>
<tr>
<td>Retained earnings carried forward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>48,592</td>
</tr>
<tr>
<td>Total retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>134,398</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(1,149)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>250,758</td>
</tr>
</tbody>
</table>

### Valuation and translation adjustments

<table>
<thead>
<tr>
<th>Reversal of revaluation reserve for land, net of taxes</th>
<th>Purchase of treasury stock</th>
<th>Disposal of treasury stock</th>
<th>Changes other than shareholders’ equity</th>
<th>Total</th>
<th>Balance as at March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net unrealized gain (loss) on other securities, net of taxes</td>
<td>(37,469)</td>
<td>(37,469)</td>
<td></td>
<td>130,896</td>
<td></td>
</tr>
<tr>
<td>Deferred gain (loss) on hedging, net of taxes</td>
<td>(40)</td>
<td>(40)</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve for land, net of taxes</td>
<td>626</td>
<td>626</td>
<td></td>
<td>26,293</td>
<td></td>
</tr>
<tr>
<td>Total valuation and translation adjustments</td>
<td>(36,883)</td>
<td>(36,883)</td>
<td></td>
<td>157,200</td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>368</td>
<td>(38)</td>
<td></td>
<td>(36,883)</td>
<td>8,057</td>
</tr>
</tbody>
</table>
Notes to Non-Consolidated Financial Statements

1. Summary of Significant Accounting Policies

1) Valuation basis and method for assets

1) Valuation of securities

The Corporation classifies securities into three different categories; held-to-maturity debt securities, investments in subsidiaries and affiliates, and other securities. The Corporation holds no trading securities. Held-to-maturity debt securities are valued at amortized cost. Investments in subsidiaries and affiliates are valued at cost, cost being determined by the moving average method. Other securities with market quotations are valued at the prevailing market price as at the balance sheet date. Other securities without market quotations are stated at cost, cost being determined by the moving average method. Net unrealized gains on other securities with market quotations are reported net of taxes as a separated component of “Net assets” and the cost of sales is determined by the moving average method.

2) Valuation of inventories

Real estate held for sale: At cost on an individual basis (the carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings).

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

Costs on uncompleted real estate development projects: At cost on an individual basis.

2) Depreciation method for fixed assets

1) Depreciation method for tangible fixed assets

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

2) Depreciation method for intangible fixed assets

Depreciation for intangible fixed assets is computed by the straight-line method.

3) Depreciation method for long-term prepaid expenses

Depreciation for long-term prepaid expenses is computed by the straight-line method.

3) Recognizing provision of reserves

1) 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.

2) Warranty reserve

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

3) Reserve for expected losses on construction contracts in process

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

4) Reserve for directors’ bonuses

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

5) 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.
6) Reserve for expected losses on affiliates’ businesses
The reserve for expected losses on affiliated businesses as at the balance sheet date is determined based on estimated losses related to affiliated businesses.

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

(5) Consumption taxes
Consumption taxes payable or receivable are excluded from each account in the non-consolidated statement of income.

2. Notes to Non-Consolidated Balance Sheet
(1) Assets pledged as collateral
Assets pledged as collateral for borrowings at affiliated companies and others

<table>
<thead>
<tr>
<th>Other current assets</th>
<th>¥28 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in subsidiaries and affiliates</td>
<td>¥548 million</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>¥3,436 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥4,013 million</strong></td>
</tr>
</tbody>
</table>

(2) Assets and liabilities accounted for as financial transactions
Assets and liabilities accounted for as financial transactions based on the Revised Accounting Practice Committee Report No. 15 of the Japanese Institute of Certified Public Accountants “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies”

面部 | ¥14,186 million |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>¥341 million</td>
</tr>
<tr>
<td>Tools, furniture and fixtures</td>
<td>¥25 million</td>
</tr>
<tr>
<td>Withholdings</td>
<td>¥14,992 million</td>
</tr>
</tbody>
</table>

(3) Accumulated depreciation of tangible fixed assets
¥73,633 million

(4) Contingent liabilities from guaranteeing indebtedness
Guarantees for housing loans of employees ¥218 million

(5) Receivables from and payables to subsidiaries and affiliates
Short-term receivables from subsidiaries and affiliates ¥3,475 million
Long-term receivables from subsidiaries and affiliates ¥6,282 million
Short-term payables to subsidiaries and affiliates ¥36,311 million
Long-term payables to subsidiaries and affiliates ¥412 million

(6) Revaluation reserve for land
According to the Land Revaluation Act 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 Act and cannot be undertaken at each financial year-end.
According to the enforcement ordinance of the Act, 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.
(7) Amount of “Costs on uncompleted construction contracts,” matching with “Reserve for expected losses on construction contracts in process”
“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.
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” ¥1,945 million

3. Notes to Non-Consolidated Statement of Income
(1) Revenue recognized using the percentage-of-completion method ¥1,226,352 million
(2) Revenue from sales to subsidiaries and affiliates ¥14,379 million
(3) Purchase of goods from subsidiaries and affiliates included in cost of sales ¥114,643 million
(4) Provision of reserve for expected losses on construction contracts in process included in cost of sales ¥11,329 million
(5) Amount of transactions other than operational transactions with subsidiaries and affiliates ¥1,024 million
(6) Research and development costs ¥8,401 million

4. Notes to Non-Consolidated Statement of Changes in Net Assets
Type and number of treasury shares as at March 31, 2016
Common stock 2,590,529 shares

5. Deferred Tax Accounting
The main factors for deferred tax assets are non-deductible portion of reserves and allowances and deductible temporary differences from losses on write-down of assets. The main factor for deferred tax liabilities is net unrealized gain on other securities.

6. Related Party Transactions
(1) Subsidiary
1) Nature of transaction

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Capital or investment (Millions of Yen)</th>
<th>Type of business</th>
<th>% of voting rights held (held by others)</th>
<th>Relation -ship</th>
<th>Nature of transaction</th>
<th>Amounts of transaction (Millions of Yen)</th>
<th>Account</th>
<th>Balance as at March 31, 2016 (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary</td>
<td>Shimizu Finance Co., Ltd.</td>
<td>2,000</td>
<td>Credit and finance</td>
<td>Direct 100%</td>
<td>Interlocking directorate, receipt of deposit of funds, etc.</td>
<td>Deposit of funds</td>
<td>94,200</td>
<td>Withholdings</td>
<td>18,400</td>
</tr>
</tbody>
</table>

2) Terms and conditions of transaction and policy for determining them
Interest on deposits is determined reasonably in consideration of market interest rates.
(2) Director and close relative

1) Nature of transaction

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Capital or investment (Millions of Yen)</th>
<th>Type of business</th>
<th>% of voting rights held (held by others)</th>
<th>Relation-ship</th>
<th>Nature of transaction</th>
<th>Amounts of transaction (Millions of Yen)</th>
<th>Account</th>
<th>Balance as at March 31, 2016 (Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director and close relative</td>
<td>Mitsuaki Shimizu</td>
<td>–</td>
<td>Director</td>
<td>Direct 0.5% (held by others)</td>
<td>Contract of construction work</td>
<td>Contract of construction work</td>
<td>222</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Notes: 1. The amounts of transaction do not include consumption taxes.
2. For the amounts of transaction for contract of construction work, revenue recognized using the percentage-of-completion method in the fiscal year ended March 31, 2016 is presented. The contract amount for contracted work is ¥648 million (net of taxes).

2) Terms and conditions of transaction and policy for determining them

Contract of construction work is determined based on general conditions of construction contracts. Work prices are determined based on reasonable estimates, as with regular transactions.

7. Amounts per Share

(1) Net assets per share of common stock ¥519.08
(2) Basic net income per share of common stock ¥66.26

8. Other Information

The accounts of non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million.