

Tokyo, November 10, 2014

# SHIMIZU CORPORATION

## Consolidated Financial Report [Japanese GAAP]

### For the six months ended September 30, 2014



Shares Listed: First section of the Tokyo Stock Exchange and Nagoya Stock Exchange  
 Stock Code: 1803  
 URL: <http://www.shimz.co.jp/english/>  
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 Scheduled date to file quarterly securities report: November 11, 2014  
 Scheduled date to commence dividend payments: December 2, 2014  
 Supplementary documents on quarterly financial results: Yes(in Japanese)  
 Holding of financial results presentation: Yes(for analysts and institutional investors)

## 1. Financial Highlights

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

### (1) Results of Operations

(Percentage figures are changes from the same period in the previous fiscal year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
Six months ended September 30, 2014	681,262	4.6%	16,093	178.3%	19,713	154.8%	11,708	272.5%
Six months ended September 30, 2013	651,554	8.8%	5,782	35.8%	7,738	49.3%	3,143	92.4%

	Net Income per share (Yen)	Diluted Net Income per share (Yen)
Six months ended September 30, 2014	14.92	14.89
Six months ended September 30, 2013	4.01	3.97

### (2) Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Shareholders' Equity attributable to owners of the parent (Millions of Yen)	Ratio of Shareholders' Equity attributable to owners of the parent
As of September 30, 2014	1,532,264	404,233	400,494	26.1%
As of March 31, 2014	1,512,686	376,048	372,261	24.6%

## 2. Dividends

	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	Year-End (Yen)	Total (Yen)
Fiscal Year 2013	—	3.50	—	3.50	7.00
Fiscal Year 2014	—	3.50			
Fiscal Year 2014 (Forecast)			—	3.50	7.00

(Note) Revision of the forecasts of cash dividends since the latest announcement: None

## 3. Forecast of Consolidated Results of Operations

for the Fiscal Year Ending March 2015(From April 1, 2014 to March 31, 2015)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Net Income per share(Yen)
Fiscal Year 2014	1,500,000	0.2%	39,000	49.7%	40,000	36.6%	24,000	69.1%	30.59

(Note) Revision of the forecasts of consolidated results since the latest announcement: None

## Explanatory Notes

(1) Changes in major subsidiaries during the period : None

(2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and in accounting estimates, and restatements

①Changes in accounting policies due to amendment of accounting standards : Yes

②Changes in accounting policies other than ① above : None

③Changes in accounting estimates : None

④Restatements : None

(4) Number of shares issued (Common stock)

①Number of issued shares at the end of the period (including treasury stock)

Second Quarter of FY2014 ended September 30, 2014	788,514,613	FY2013 ended March 31, 2014	788,514,613
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②Number of treasury stocks at the end of the period

Second Quarter of FY2014 ended September 30, 2014	3,875,998	FY2013 ended March 31, 2014	3,857,373
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③Average number of shares issued during the period

Second Quarter of FY2014 ended September 30, 2014	784,648,781	Second Quarter of FY2013 ended September 30, 2013	784,685,988
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### Information regarding the status of quarterly review procedures

This report is not subject to quarterly review procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, quarterly review procedures of consolidated financial statements required pursuant to the Financial Instruments and Exchange Act are in progress.

### Explanation regarding appropriate use of forecasts, and other specific comments

The forecast figures are based on the information that the Company is able to obtain at the present point. However, actual results may be different due to various factors, including, but not limited to, changes in the future economic conditions.

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**SHIMIZU CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**as at March 31, 2014 and September 30, 2014**

	Millions of Yen		
	Sept. 30, 2014	March 31, 2014	Increase (Decrease)
<b>ASSETS</b>			
Current Assets:			
Cash	¥ 119,047	¥ 141,440	¥ (22,393)
Notes and accounts receivable-trade	384,854	478,446	(93,592)
Marketable securities	120,000	42,000	78,000
Real estate for sale	7,910	14,526	(6,616)
Costs on uncompleted construction contracts	69,757	55,469	14,288
Costs on uncompleted real estate development projects	44,599	42,771	1,828
PFI projects and other inventories	62,070	63,066	(996)
Other current assets	119,858	108,490	11,368
Less: Allowance for doubtful accounts	(1,023)	(1,299)	276
Total current assets	927,075	944,912	(17,837)
Non-Current Assets:			
Tangible fixed assets	237,140	230,659	6,481
Intangible fixed assets	4,430	4,291	139
Investments and other assets:			
Investment securities	345,598	315,895	29,703
Other investments	20,473	22,691	(2,218)
Less: Allowance for doubtful accounts	(2,453)	(5,763)	3,310
Total investments and other assets	363,618	332,823	30,795
Total non-current assets	605,188	567,774	37,414
Total assets	¥ 1,532,264	¥ 1,512,686	¥ 19,578

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

**SHIMIZU CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**as at March 31, 2014 and September 30, 2014**

	Millions of Yen		
	Sept. 30, 2014	March 31, 2014	Increase (Decrease)
<b>LIABILITIES</b>			
Current Liabilities:			
Notes and accounts payable-trade	¥ 357,723	¥ 435,934	¥ (78,211)
Short-term borrowings	130,168	127,786	2,382
Current portion of non-recourse borrowings	7,493	5,986	1,507
Current portion of non-recourse bonds payable	1,767	—	1,767
Advances received on uncompleted construction contracts	138,221	113,754	24,467
Warranty reserve	3,284	3,197	87
Reserve for expected losses on construction contracts in process	26,562	29,266	(2,704)
Other current liabilities	98,818	74,045	24,773
Total current liabilities	764,039	789,972	(25,933)
Non-Current Liabilities:			
Bonds payable	70,000	70,000	—
Non-recourse bonds payable	18,233	—	18,233
Long-term borrowings	86,993	106,716	(19,723)
Non-recourse borrowings	42,547	33,732	8,815
Reserve for expected losses on affiliates' businesses	3,616	3,881	(265)
Net defined benefit liability	61,615	62,588	(973)
Other non-current liabilities	80,985	69,746	11,239
Total non-current liabilities	363,991	346,666	17,325
Total liabilities	1,128,031	1,136,638	(8,607)
<b>NET ASSETS</b>			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2014 and September 30, 2014	74,365	74,365	—
Additional paid-in capital	43,143	43,143	0
Retained earnings	148,036	139,160	8,876
Less: Treasury stock, at cost	(1,521)	(1,507)	(14)
Total shareholders' equity	264,023	255,162	8,861
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	120,592	101,344	19,248
Deferred gain (loss) on hedging, net of taxes	40	(30)	71
Revaluation reserve for land, net of taxes	24,027	24,027	—
Foreign currency translation adjustments	(1,537)	(891)	(646)
Remeasurements of defined benefit plans	(6,651)	(7,350)	698
Total accumulated other comprehensive income	136,470	117,099	19,371
Minority Interests	3,739	3,786	(47)
Total net assets	404,233	376,048	28,185
Total liabilities and net assets	¥ 1,532,264	¥ 1,512,686	¥ 19,578

**SHIMIZU CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**for the six months ended September 30, 2013 and 2014**

	Millions of Yen		
	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase (Decrease)
Net Sales:			
Construction contracts	¥ 626,803	¥ 602,195	¥ 24,608
Real estate development and other	54,458	49,359	5,099
	681,262	651,554	29,708
Cost of Sales:			
Construction contracts	584,729	569,605	15,124
Real estate development and other	48,376	43,035	5,341
	633,106	612,640	20,466
Gross profit:			
Construction contracts	42,074	32,590	9,484
Real estate development and other	6,081	6,324	(243)
	48,155	38,914	9,241
Selling, General and Administrative Expenses	32,062	33,132	(1,070)
Operating income	16,093	5,782	10,311
Non-Operating Income (Expenses):			
Interest and dividend income	2,701	2,815	(114)
Interest expenses	(1,708)	(1,796)	88
Other, net	2,627	937	1,690
Ordinary income	19,713	7,738	11,975
Special Gains (Losses):			
Gain on sales of fixed assets	993	199	794
Loss on sales of fixed assets	(13)	(16)	3
Income before income taxes and minority interests	20,692	7,922	12,770
Provision for Income Taxes	9,098	4,438	4,660
Net Income Before Minority Interests	11,594	3,484	8,110
Minority Interests in Net Income (Loss) of Consolidated Subsidiaries	(114)	340	(454)
Net income	¥ 11,708	¥ 3,143	¥ 8,565

**SHIMIZU CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**for the six months ended September 30, 2013 and 2014**

	Millions of Yen		
	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase (Decrease)
Income before minority interests	¥ 11,594	¥ 3,484	¥ 8,110
Other comprehensive income:			
Net unrealized gain (loss) on other securities, net of taxes	19,224	23,297	(4,073)
Deferred gain (loss) on hedging, net of taxes	69	(69)	138
Foreign currency translation adjustment	(694)	1,988	(2,682)
Remeasurements of defined benefit plans	705	—	705
Share of other comprehensive income of associates accounted for using equity method	4	72	(68)
Total other comprehensive income	19,309	25,289	(5,980)
Comprehensive income	¥ 30,903	¥ 28,774	¥ 2,129
Comprehensive income attributable to:			
Shareholders of the Corporation	¥ 31,080	¥ 28,297	¥ 2,783
Minority interests	(176)	476	(652)

**SHIMIZU CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**for the six months ended September 30, 2013 and 2014**

	Millions of Yen		
	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase (Decrease)
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 20,692	¥ 7,922	¥ 12,770
Adjustments for:			
Depreciation and amortization	5,437	4,991	446
Increase (decrease) in allowance for doubtful accounts	(3,591)	(110)	(3,481)
Increase (decrease) in reserve for expected losses on construction contracts in process	(2,739)	(2,632)	(107)
Increase (decrease) in reserve for employees' retirement benefits	—	(137)	137
Increase (decrease) in net defined benefit liability	(416)	—	(416)
Loss (gain) on sales of fixed assets	11	(35)	46
Loss (gain) on sales of investment securities	(990)	(147)	(843)
Interest and dividend income	(2,701)	(2,815)	114
Interest expenses	1,708	1,796	(88)
(Increase) decrease in notes and accounts receivable-trade	94,220	17,676	76,544
(Increase) decrease in real estate for sale	6,645	4,903	1,742
(Increase) decrease in costs on uncompleted construction contracts	(14,104)	(12,861)	(1,243)
(Increase) decrease in uncompleted real estate development projects	(1,827)	(13,831)	12,004
(Increase) decrease in PFI projects and other inventories	996	(6,135)	7,131
Increase (decrease) in notes and accounts payable-trade	(78,896)	(21,679)	(57,217)
Increase (decrease) in advances received on uncompleted construction contracts	23,788	11,861	11,927
Other, net	13,646	(5,594)	19,240
Subtotal	61,877	(16,830)	78,707
Interest and dividends received	3,073	3,052	21
Interest paid	(1,637)	(1,809)	172
Income taxes paid	(3,943)	(394)	(3,549)
Net cash provided by (used in) operating activities	59,370	(15,981)	75,351
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(15,028)	(11,186)	(3,842)
Proceeds from sales of tangible fixed assets	14	183	(169)
Acquisition of marketable securities and investment securities	(608)	(58)	(550)
Proceeds from sales of marketable securities and investment securities	1,520	1,276	244
Other, net	(59)	(952)	893
Net cash provided by (used in) investing activities	(14,162)	(10,737)	(3,425)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	(1,149)	(4,678)	3,529
Net increase (decrease) in commercial paper	—	(10,000)	10,000
Proceeds from long-term borrowings	9,900	18,340	(8,440)
Repayments of long-term borrowings	(26,131)	(18,618)	(7,513)
Proceeds from non-recourse borrowings	14,712	—	14,712
Repayments of non-recourse borrowings	(4,389)	(4,383)	(6)
Proceeds from issuance of non-recourse bonds payable	20,000	—	20,000
Dividends	(2,750)	(2,751)	1
Other, net	(102)	(177)	75
Net cash provided by (used in) financing activities	10,087	(22,268)	32,355
Effect of exchange rate changes on cash and Cash Equivalents	311	3,396	(3,085)
Net increase (decrease) in cash and cash equivalents	55,606	(45,590)	101,196
Cash and cash equivalents at beginning of year	183,440	216,634	(33,194)
Cash and cash equivalents at end of period	¥ 239,047	¥ 171,043	¥ 68,004



**SHIMIZU CORPORATION**  
**NONCONSOLIDATED BALANCE SHEETS**  
**as at March 31, 2014 and September 30, 2014**

	Millions of Yen		
	Sept. 30, 2014	March 31, 2014	Increase (Decrease)
<b>ASSETS</b>			
Current Assets:			
Cash	¥ 70,013	¥ 91,296	¥ (21,283)
Notes receivable and accounts receivable from completed construction contracts	351,103	451,833	(100,730)
Marketable securities	120,000	42,000	78,000
Real estate for sale	3,169	5,108	(1,939)
Costs on uncompleted construction contracts	64,505	53,676	10,829
Costs on uncompleted real estate development projects	20,843	19,026	1,817
Other current assets	107,930	98,561	9,369
Less: Allowance for doubtful accounts	(918)	(1,196)	278
Total current assets	736,646	760,306	(23,660)
Non-Current Assets:			
Tangible fixed assets	194,520	188,509	6,011
Intangible fixed assets	3,116	3,165	(49)
Investments and other assets:			
Investment securities	354,084	322,113	31,971
Other investments	16,615	19,651	(3,036)
Less: Allowance for doubtful accounts	(2,534)	(5,846)	3,312
Total investments and other assets	368,165	335,918	32,247
Total non-current assets	565,802	527,594	38,208
Total assets	¥ 1,302,449	¥ 1,287,900	¥ 14,549

**SHIMIZU CORPORATION**  
**NONCONSOLIDATED BALANCE SHEETS**  
**as at March 31, 2014 and September 30, 2014**

	Millions of Yen		
	Sept. 30, 2014	March 31, 2014	Increase (Decrease)
<b>LIABILITIES</b>			
Current Liabilities:			
Notes payable and accounts payable for construction contracts	¥ 311,080	¥ 375,648	¥ (64,568)
Short-term borrowings	91,678	95,426	(3,748)
Advances received on uncompleted construction contracts	124,373	105,502	18,871
Warranty reserve	3,092	3,032	60
Reserve for expected losses on construction contracts in process	25,969	28,622	(2,653)
Other current liabilities	129,083	88,134	40,949
Total current liabilities	685,278	696,366	(11,088)
Non-Current Liabilities:			
Bonds payable	70,000	70,000	—
Long-term borrowings	82,140	94,241	(12,101)
Reserve for employees' retirement benefits	46,571	47,036	(465)
Reserve for expected losses on affiliates' businesses	4,354	4,354	—
Other non-current liabilities	74,856	63,534	11,322
Total non-current liabilities	277,922	279,166	(1,244)
Total liabilities	963,200	975,533	(12,333)
<b>NET ASSETS</b>			
Shareholders' Equity:			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 788,514 thousand shares as at March 31, 2014 and September 30, 2014	74,365	74,365	—
Additional paid-in capital	43,143	43,143	0
Retained earnings	78,934	71,139	7,795
Less: Treasury stock, at cost	(1,099)	(1,085)	(14)
Total shareholders' equity	195,344	187,563	7,781
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	119,825	100,794	19,031
Deferred gain (loss) on hedging, net of taxes	51	(18)	69
Revaluation reserve for land, net of taxes	24,027	24,027	—
Total valuation and translation adjustments	143,904	124,804	19,100
Total net assets	339,249	312,367	26,882
Total liabilities and net assets	¥ 1,302,449	¥ 1,287,900	¥ 14,549

**SHIMIZU CORPORATION****NONCONSOLIDATED STATEMENTS OF INCOME****for the six months ended September 30, 2013 and 2014**

	Millions of Yen		
	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase (Decrease)
Net Sales:			
Construction contracts	¥ 571,438	¥ 547,250	¥ 24,188
Real estate development and other	15,004	14,281	723
	586,443	561,531	24,912
Cost of Sales:			
Construction contracts	537,105	523,537	13,568
Real estate development and other	13,139	11,931	1,208
	550,245	535,469	14,776
Gross profit:			
Construction contracts	34,332	23,712	10,620
Real estate development and other	1,864	2,349	(485)
	36,197	26,062	10,135
Selling, General and Administrative Expenses	25,051	25,849	(798)
Operating income	11,146	212	10,934
Non-Operating Income (Expenses):			
Interest and dividend income	5,078	5,386	(308)
Interest expenses	(1,434)	(1,490)	56
Other, net	2,066	487	1,579
Ordinary income	16,857	4,596	12,261
Special Gains (Losses):			
Gain on sales of fixed assets	0	3	(3)
Loss on sales of fixed assets	(3)	0	(3)
Gain on sales of investment securities	861	120	741
Loss on sales of investment securities	—	(16)	16
Income before income taxes	17,715	4,705	13,010
Provision for Income Taxes:	7,087	2,139	4,948
Net income	¥ 10,628	¥ 2,566	¥ 8,062

**SHIMIZU CORPORATION**  
**BREAKDOWN OF ORDERS (NONCONSOLIDATED)**  
**for the six months ended September 30, 2013 and 2014**

(1) Construction orders awarded and contracts

Millions of Yen

			Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase(Decrease)	
						%
Architectural Construction	Domestic Operations		472,821	599,892	(127,071)	(21.2)
	Overseas Operations		54,172	18,862	35,310	187.2
	Sub total		526,993	618,754	(91,761)	(14.8)
Civil Engineering	Domestic Operations		200,217	102,612	97,605	95.1
	Overseas Operations		27,699	11,127	16,572	148.9
	Sub total		227,917	113,740	114,177	100.4
Construction business(orders)			754,910	732,495	22,415	3.1
Real estate development and other(contracts)			17,461	29,888	(12,427)	(41.6)
Total			772,372	762,383	9,989	1.3

(2) Net sales

Millions of Yen

			Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Increase(Decrease)	
						%
Architectural Construction	Domestic Operations		421,565	400,244	21,321	5.3
	Overseas Operations		39,768	45,648	(5,880)	(12.9)
	Sub total		461,333	445,893	15,440	3.5
Civil Engineering	Domestic Operations		101,483	93,798	7,685	8.2
	Overseas Operations		8,621	7,558	1,063	14.1
	Sub total		110,104	101,357	8,747	8.6
Construction business			571,438	547,250	24,188	4.4
Real estate development and other			15,004	14,281	723	5.1
Total			586,443	561,531	24,912	4.4

(3) Backlog

Millions of Yen

			Sept. 30, 2014	Sept. 30, 2013	Increase(Decrease)	
						%
Architectural Construction	Domestic Operations		898,411	1,010,367	(111,956)	(11.1)
	Overseas Operations		132,321	71,511	60,810	85.0
	Sub total		1,030,732	1,081,878	(51,146)	(4.7)
Civil Engineering	Domestic Operations		394,274	266,980	127,294	47.7
	Overseas Operations		61,171	24,626	36,545	148.4
	Sub total		455,446	291,606	163,840	56.2
Construction business			1,486,178	1,373,485	112,693	8.2
Real estate development and other			38,048	25,754	12,294	47.7
Total			1,524,227	1,399,239	124,988	8.9

**SHIMIZU CORPORATION**  
**FORECAST**  
**for the year ending March 31, 2015**

(1) Consolidated Operating Performance

Millions of Yen

	Net sales	Operating income	Ordinary income	Net income
Year ending March 31, 2015	1,500,000	39,000	40,000	24,000

(2) Nonconsolidated Operating Performance

Millions of Yen

	Net sales	Operating income	Ordinary income	Net income
Year ending March 31, 2015	1,300,000	27,500	30,000	18,000

(3) Construction orders awarded and contracts (Nonconsolidated)

Millions of Yen

	Construction business (orders)	Real estate development and other (contracts)	Total
Year ending March 31, 2015	1,100,000	40,000	1,140,000