

Tokyo, November 12, 2019

# SHIMIZU CORPORATION

## Consolidated Financial Report [Japanese GAAP]

### For the six months ended September 30, 2019



Shares Listed: First section of the Tokyo Stock Exchange and Nagoya Stock Exchange  
Stock Code: 1803  
URL: <https://www.shimz.co.jp/en/>  
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Scheduled date to file quarterly securities report: November 13, 2019  
Scheduled date to commence dividend payments: December 2, 2019  
Supplementary documents on quarterly financial results: Yes (in Japanese)  
Holding of financial results presentation: Yes (for analysts and institutional investors)

## 1. Consolidated Financial Highlights

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

### (1) Consolidated 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 attributable to shareholders of the Corporation (Millions of Yen)	
Six months ended September 30, 2019	834,850	14.4%	62,379	26.5%	65,272	25.7%	47,694	30.5%
Six months ended September 30, 2018	729,675	6.5%	49,306	(1.4%)	51,946	(1.3%)	36,561	(4.4%)

	Net Income per share (Yen)	Diluted Net Income per share (Yen)
Six months ended September 30, 2019	61.29	61.28
Six months ended September 30, 2018	46.60	46.59

### (2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Shareholders' Equity attributable to shareholders of the Corporation (Millions of Yen)	Ratio of Shareholders' Equity attributable to shareholders of the Corporation
As of September 30, 2019	1,844,055	745,071	739,565	40.1%
As of March 31, 2019	1,860,794	735,242	729,415	39.2%

## 2. Dividends

	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	Year-End (Yen)	Total (Yen)
Year ended March 31, 2019	—	13.00	—	23.00	36.00
Year ending March 31, 2020	—	18.00	—	—	—
Year ending March 31, 2020 (Forecast)	—	—	—	18.00	36.00

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

End of 2Q dividend of 13.00Yen for Year ended March 31, 2019 includes a special dividend of 6.00Yen.

Year-End dividend of 23.00Yen for Year ended March 31, 2019 includes a special dividend of 16.00Yen.

End of 2Q dividend of 18.00Yen for Year ending March 31, 2020 and Year-End dividend of 18.00Yen for Year ending March 31, 2020 (forecast) include a special dividend of 8.00Yen each.

## 3. Forecast of Consolidated Results of Operations for the Fiscal Year Ending March 2020 (From April 1, 2019 to March 31, 2020)

(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 attributable to shareholders of the Corporation (Millions of Yen)		Net Income per share (Yen)
Year ending March 31, 2020	1,760,000	5.7%	132,000	1.8%	135,000	0.8%	95,000	(4.7%)	122.96

(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

① Changes in accounting policies due to amendment of accounting standards : None

② Changes in accounting policies other than ① above : Yes

③ Changes in accounting estimates : None

④ Restatements : None

(4) Number of shares issued (Common stock)

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

Second Quarter of FY2019 ended September 30, 2019	788,514,613	FY2018 ended March 31, 2019	788,514,613
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② Number of treasury stocks at the end of the period

Second Quarter of FY2019 ended September 30, 2019	21,463,828	FY2018 ended March 31, 2019	3,964,206
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③ Average number of shares issued during the period

Second Quarter of FY2019 ended September 30, 2019	778,206,988	Second Quarter of FY2018 ended September 30, 2018	784,552,544
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**This report is not subject to quarterly review procedures by certified public accountants or audit firms.**

### 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.

## Contents

PERFORMANCE RESULTS .....	2
PERFORMANCE FORECASTS .....	3
BREAKDOWN OF SALES AND GROSS PROFIT (NONCONSOLIDATED) .....	4
CONSOLIDATED BALANCE SHEETS .....	5
CONSOLIDATED STATEMENTS OF INCOME .....	7
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME .....	8
CONSOLIDATED STATEMENTS OF CASH FLOWS .....	9
NONCONSOLIDATED BALANCE SHEETS .....	11
NONCONSOLIDATED STATEMENTS OF INCOME .....	13
BREAKDOWN OF ORDERS (NONCONSOLIDATED) .....	14
ORDERS, SALES AND BACKLOG (NONCONSOLIDATED) .....	15
ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED) .....	16

## PERFORMANCE RESULTS

### (1) Consolidated

(Billions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕		Previous Second Quarter 〔 From:Apr 1, 2018 To :Sep 30, 2018 〕		Increase (Decrease) Rate(%)		Forecast 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Progress (%)
Construction Contracts	725.9		655.5		70.3	10.7	1,580.0	45.9
Gross Profit	12.2% 88.5		12.3% 80.4		8.0	10.0	12.5% 198.0	44.7
Real Estate and Other	108.9		74.1		34.8	47.0	180.0	60.5
Gross Profit	14.6% 15.8		12.1% 8.9		6.8	76.5	13.9% 25.0	63.5
Net Sales	834.8		729.6		105.1	14.4	1,760.0	47.4
Gross Profit	12.5% 104.3		12.3% 89.4		14.8	16.6	12.7% 223.0	46.8
S, G & A Expenses	42.0		40.1		1.8	4.5	91.0	46.2
Operating Income	7.5% 62.3		6.8% 49.3		13.0	26.5	7.5% 132.0	47.3
Net Financial Revenue	2.5		2.4		0.1	5.2	2.5	—
Others	0.3		0.2		0.1	53.6	0.5	—
Ordinary Income	7.8% 65.2		7.1% 51.9		13.3	25.7	7.7% 135.0	48.3
Special Gains (Losses)	6.3		3.2		3.1	99.3	5.0	—
Income Before Taxes	71.6		55.1		16.5	29.9	140.0	51.2
Income Taxes	24.2		18.5		5.6	30.7	45.0	—
Net Income Attributable to Non-Controlling Interests	(0.2)		0.0		(0.3)	—	0.0	—
Net Income Attributable to Shareholders of the Corporation	5.7% 47.6		5.0% 36.5		11.1	30.5	5.4% 95.0	50.2

(Consolidated)	Current Second Quarter 〔 Sep 30, 2019 〕	Previous Fiscal Year 〔 Mar 31, 2019 〕	Increase(Decrease) Rate(%)	
Interest-bearing Debt [Nonrecourse Borrowings and Bonds]	340.7 [ 75.3 ]	319.4 [ 58.6 ]	21.3 [ 16.6 ]	6.7 [ 28.4 ]

### (2) Nonconsolidated

(Billions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕		Previous Second Quarter 〔 From:Apr 1, 2018 To :Sep 30, 2018 〕		Increase (Decrease) Rate(%)		Forecast 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Progress (%)
Construction Contracts	654.0		595.3		58.7	9.9	1,410.0	46.4
[Architectural Construction]	[ 511.6 ]		[ 450.6 ]		[ 61.0 ]	[ 13.5 ]	[ 1,125.0 ]	[ 45.5 ]
[Civil Engineering]	[ 142.4 ]		[ 144.6 ]		[ (2.2) ]	[ (1.5) ]	[ 285.0 ]	[ 50.0 ]
Gross Profit	12.3% 80.2		12.0% 71.5		8.7	12.3	12.2% 172.0	46.7
[Architectural Construction]	[ 10.9% 55.8 ]		[ 10.8% 48.7 ]		[ 7.1 ]	[ 14.6 ]	[ 11.7% 132.0 ]	[ 42.3 ]
[Civil Engineering]	[ 17.1% 24.4 ]		[ 15.7% 22.7 ]		[ 1.6 ]	[ 7.3 ]	[ 14.0% 40.0 ]	[ 61.0 ]
Real Estate and Other	38.5		19.2		19.2	100.3	65.0	59.3
Gross Profit	24.8% 9.5		19.2% 3.6		5.8	158.7	19.2% 12.5	76.4
Net Sales	692.6		614.5		78.0	12.7	1,475.0	47.0
Gross Profit	13.0% 89.8		12.2% 75.1		14.6	19.5	12.5% 184.5	48.7
S, G & A Expenses	33.4		31.8		1.5	5.0	73.5	45.5
Operating Income	8.1% 56.3		7.0% 43.3		13.0	30.2	7.5% 111.0	50.8
Net Financial Revenue	6.4		6.6		(0.2)	(3.1)	7.0	—
Others	(0.4)		(0.0)		(0.3)	—	0.0	—
Ordinary Income	9.0% 62.3		8.1% 49.8		12.4	25.0	8.0% 118.0	52.9
Special Gains (Losses)	6.3		3.2		3.1	97.8	5.0	—
Income Before Taxes	68.7		53.1		15.6	29.4	123.0	55.9
Income Taxes	21.7		16.7		5.0	30.5	39.0	—
Net Income	6.8% 46.9		5.9% 36.4		10.5	28.9	5.7% 84.0	55.9

(Nonconsolidated)	Current Second Quarter 〔 Sep 30, 2019 〕	Previous Fiscal Year 〔 Mar 31, 2019 〕	Increase(Decrease) Rate(%)	
Interest-bearing Debt	229.7	229.2	0.4	0.2

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2019.

## PERFORMANCE FORECASTS

### (1) Consolidated

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From: Apr 1, 2019 To : Mar 31, 2020 〕		Previous Fiscal Year Result 〔 From: Apr 1, 2018 To : Mar 31, 2019 〕		Increase (Decrease) Rate(%)	
Construction Contracts		1,580.0		1,504.6	75.3	5.0
Gross Profit	12.5%	198.0	13.1%	196.8	1.1	0.6
Real Estate and Other		180.0		160.3	19.6	12.3
Gross Profit	13.9%	25.0	12.4%	19.8	5.1	26.0
Net Sales		1,760.0		1,664.9	95.0	5.7
Gross Profit	12.7%	223.0	13.0%	216.6	6.3	2.9
S, G & A Expenses		91.0		86.9	4.0	4.7
Operating Income	7.5%	132.0	7.8%	129.7	2.2	1.8
Net Financial Revenue		2.5		4.1	(1.6)	(39.6)
Others		0.5		0.0	0.4	419.4
Ordinary Income	7.7%	135.0	8.0%	133.9	1.0	0.8
Special Gains (Losses)		5.0		9.2	(4.2)	(46.0)
Income Before Taxes		140.0		143.2	(3.2)	(2.2)
Income Taxes		45.0		43.1	1.8	4.4
Net Income Attributable to Non-Controlling Interests		0.0		0.4	(0.4)	(100.0)
Net Income Attributable to Shareholders of the Corporation	5.4%	95.0	6.0%	99.6	(4.6)	(4.7)
Interest-bearing Debt	Less than 390.0		319.4		70.5	22.1

### (2) Nonconsolidated

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From: Apr 1, 2019 To : Mar 31, 2020 〕		Previous Fiscal Year Result 〔 From: Apr 1, 2018 To : Mar 31, 2019 〕		Increase (Decrease) Rate(%)	
Construction Contracts		1,410.0		1,348.1	61.8	4.6
[Architectural Construction]		1,125.0		1,047.9	77.0	7.4
[Civil Engineering]		285.0		300.1	(15.1)	(5.0)
Gross Profit	12.2%	172.0	12.8%	171.9	0.0	0.0
[Architectural Construction]	11.7%	132.0	11.6%	121.7	10.2	8.5
[Civil Engineering]	14.0%	40.0	16.7%	50.2	(10.2)	(20.4)
Real Estate and Other		65.0		58.6	6.3	10.9
Gross Profit	19.2%	12.5	19.1%	11.1	1.3	11.9
Net Sales		1,475.0		1,406.7	68.2	4.9
Gross Profit	12.5%	184.5	13.0%	183.1	1.3	0.7
S, G & A Expenses		73.5		69.5	3.9	5.7
Operating Income	7.5%	111.0	8.1%	113.5	(2.5)	(2.3)
Net Financial Revenue		7.0		8.3	(1.3)	(16.5)
Others		0.0		(0.2)	0.2	—
Ordinary Income	8.0%	118.0	8.7%	121.7	(3.7)	(3.1)
Special Gains (Losses)		5.0		8.7	(3.7)	(42.7)
Income Before Taxes		123.0		130.4	(7.4)	(5.7)
Income Taxes		39.0		37.7	1.2	3.4
Net Income	5.7%	84.0	6.6%	92.7	(8.7)	(9.4)
Interest-bearing Debt	Less than 250.0		229.2		20.7	9.0

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2019.

## BREAKDOWN OF SALES AND GROSS PROFIT (NONCONSOLIDATED)

### (1) Performance Results

(Billions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕			Previous Second Quarter Result 〔 From:Apr 1, 2018 To :Sep 30, 2018 〕			Increase (Decrease)			
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit	
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)	
Construction business										
Architectural Construction										
Domestic	491.2	11.3%	55.4	430.5	11.1%	47.7	60.7	14.1%	7.7	16.1%
Overseas	20.3	1.9	0.3	20.1	4.8	0.9	0.2	1.2	(0.5)	(59.3)
Sub total	511.6	10.9	55.8	450.6	10.8	48.7	61.0	13.5	7.1	14.6
Civil Engineering										
Domestic	131.2	17.3	22.6	138.0	15.9	21.9	(6.8)	(4.9)	0.6	3.1
Overseas	11.1	15.6	1.7	6.5	11.6	0.7	4.5	69.5	0.9	126.6
Sub total	142.4	17.1	24.4	144.6	15.7	22.7	(2.2)	(1.5)	1.6	7.3
Domestic	622.5	12.6	78.1	568.6	12.3	69.7	53.9	9.5	8.4	12.0
Overseas	31.5	6.8	2.1	26.7	6.5	1.7	4.8	18.1	0.3	22.8
Total	654.0	12.3	80.2	595.3	12.0	71.5	58.7	9.9	8.7	12.3
Real Estate and Other	38.5	24.8	9.5	19.2	19.2	3.6	19.2	100.3	5.8	158.7
Grand Total	692.6	13.0	89.8	614.5	12.2	75.1	78.0	12.7	14.6	19.5

### (2) Performance Forecasts

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕			Previous Fiscal Year Result 〔 From:Apr 1, 2018 To :Mar 31, 2019 〕			Increase (Decrease)			
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit	
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)	
Construction business										
Architectural Construction										
Domestic	1,070.0	12.0%	128.0	1,006.3	11.8%	118.8	63.6	6.3%	9.1	7.7%
Overseas	55.0	7.3	4.0	41.6	6.8	2.8	13.3	32.2	1.1	41.8
Sub total	1,125.0	11.7	132.0	1,047.9	11.6	121.7	77.0	7.4	10.2	8.5
Civil Engineering										
Domestic	265.0	14.5	38.5	286.2	16.7	47.8	(21.2)	(7.4)	(9.3)	(19.5)
Overseas	20.0	7.5	1.5	13.9	17.3	2.4	6.0	43.5	(0.9)	(37.8)
Sub total	285.0	14.0	40.0	300.1	16.7	50.2	(15.1)	(5.0)	(10.2)	(20.4)
Domestic	1,335.0	12.5	166.5	1,292.5	12.9	166.7	42.4	3.3	(0.2)	(0.1)
Overseas	75.0	7.3	5.5	55.5	9.4	5.2	19.4	35.0	0.2	5.1
Total	1,410.0	12.2	172.0	1,348.1	12.8	171.9	61.8	4.6	0.0	0.0
Real Estate and Other	65.0	19.2	12.5	58.6	19.1	11.1	6.3	10.9	1.3	11.9
Grand Total	1,475.0	12.5	184.5	1,406.7	13.0	183.1	68.2	4.9	1.3	0.7

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2019.

## CONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Second Quarter [Sep 30, 2019]	Previous Fiscal Year [Mar 31, 2019]	Increase (Decrease)
(ASSETS)			
Current Assets:			
Cash	154,209	150,978	3,231
Notes and accounts receivable-trade	528,892	641,061	(112,168)
Marketable securities (*)	150,000	79,000	71,000
Real estate for sale	5,807	24,722	(18,915)
Costs on uncompleted construction contracts	85,327	79,069	6,258
Costs on uncompleted real estate development projects	14,061	20,577	(6,516)
PFI projects and other inventories	48,450	53,750	(5,300)
Other current assets	96,836	97,801	(965)
Less: Allowance for doubtful accounts	(926)	(1,060)	133
<b>Total current assets</b>	<b>1,082,658</b>	<b>1,145,901</b>	<b>(63,242)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	95,956	82,669	13,286
Machinery, vehicles, tools, furniture and fixtures	17,607	17,191	416
Land	197,239	165,454	31,785
Construction in progress	45,932	34,532	11,399
<b>Total tangible fixed assets</b>	<b>356,735</b>	<b>299,847</b>	<b>56,887</b>
Intangible fixed assets	9,565	7,948	1,616
Investments and other assets:			
Investment securities	376,335	387,746	(11,411)
Other investments	20,744	21,332	(587)
Less: Allowance for doubtful accounts	(1,985)	(1,983)	(1)
<b>Total investments and other assets</b>	<b>395,094</b>	<b>407,095</b>	<b>(12,000)</b>
<b>Total non-current assets</b>	<b>761,396</b>	<b>714,892</b>	<b>46,503</b>
<b>Total assets</b>	<b>1,844,055</b>	<b>1,860,794</b>	<b>(16,739)</b>

(\*) Marketable securities includes following amounts of negotiable certificate of deposits.

As of Sep 30, 2019: 150,000 million yen

As of Mar 31, 2019: 79,000 million yen



(Millions of Yen)

	Current Second Quarter [Sep 30, 2019]	Previous Fiscal Year [Mar 31, 2019]	Increase (Decrease)
(LIABILITIES)			
Current Liabilities:			
Notes and accounts payable-trade	315,573	354,466	(38,892)
Short-term borrowings	120,912	121,179	(267)
Current portion of non-recourse borrowings	6,775	7,432	(657)
Current portion of bonds payable	10,000	20,000	(10,000)
Current portion of non-recourse bonds payable	15,320	879	14,440
Income taxes payable	24,612	31,609	(6,997)
Advances received on uncompleted construction contracts	136,083	145,533	(9,449)
Warranty reserve	3,344	3,209	134
Reserve for expected losses on construction contracts in process	6,425	8,175	(1,749)
Reserve for directors' bonuses	—	267	(267)
Reserve for loss on anti-monopoly act	1,820	1,820	—
Other current liabilities	153,672	143,294	10,377
Total current liabilities	794,540	837,868	(43,327)
Non-Current Liabilities:			
Bonds payable	60,000	40,000	20,000
Convertible bond-type bonds with subscription rights to shares	30,031	30,046	(15)
Non-recourse bonds payable	13,499	13,180	319
Long-term borrowings	44,471	49,520	(5,049)
Non-recourse borrowings	39,731	37,161	2,569
Net defined benefit liability	55,493	55,873	(380)
Other non-current liabilities	61,215	61,900	(684)
Total non-current liabilities	304,442	287,683	16,759
Total liabilities	1,098,983	1,125,551	(26,568)
(NET ASSETS)			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital	43,116	43,116	—
Retained earnings	473,421	443,802	29,619
[Contingent Reserve]	[295,200]	[229,800]	[65,400]
Less: Treasury stock, at cost	(17,156)	(1,609)	(15,547)
Total shareholders' equity	573,746	559,674	14,071
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	146,368	150,079	(3,711)
Deferred gain (loss) on hedging, net of taxes	(83)	(54)	(28)
Revaluation reserve for land, net of taxes	25,864	25,864	—
Foreign currency translation adjustments	(2,562)	(1,955)	(607)
Remeasurements of defined benefit plans	(3,767)	(4,193)	425
Total accumulated other comprehensive income	165,819	169,741	(3,922)
Non-controlling Interests	5,506	5,826	(320)
Total net assets	745,071	735,242	9,829
Total liabilities and net assets	1,844,055	1,860,794	(16,739)

(Reference)

Interest-bearing debt	340,741	319,400	21,341
[Nonrecourse borrowings and bonds]	[75,326]	[58,654]	[16,672]



# CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕		Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕		Increase (Decrease)
Net Sales:					
Construction contracts		725,907		655,574	70,333
Real estate development and other		108,943		74,101	34,842
<b>Total net sales</b>		<b>834,850</b>		<b>729,675</b>	<b>105,175</b>
Cost of Sales:					
Construction contracts		637,405		575,087	62,318
Real estate development and other		93,065		65,105	27,959
<b>Total cost of sales</b>		<b>730,471</b>		<b>640,193</b>	<b>90,277</b>
Gross profit:					
Construction contracts	[12.2%]	88,501	[12.3%]	80,486	8,014
Real estate development and other	[14.6%]	15,878	[12.1%]	8,995	6,882
<b>Total gross profit</b>	12.5%	<b>104,379</b>	12.3%	<b>89,482</b>	<b>14,897</b>
Selling, General and Administrative Expenses		42,000		40,175	1,824
<b>Operating income</b>	7.5%	<b>62,379</b>	6.8%	<b>49,306</b>	<b>13,072</b>
Non-Operating Income:					
Interest income		529		601	(72)
Dividend income		3,057		2,993	63
Foreign exchange gain		—		12	(12)
Other non-operating income		1,237		778	458
<b>Total non-operating income</b>		<b>4,824</b>		<b>4,386</b>	<b>437</b>
Non-Operating Expenses:					
Interest expenses		1,061		1,194	(133)
Foreign exchange loss		375		—	375
Other non-operating expenses		495		552	(57)
<b>Total non-operating expenses</b>		<b>1,931</b>		<b>1,746</b>	<b>184</b>
<b>Ordinary income</b>	7.8%	<b>65,272</b>	7.1%	<b>51,946</b>	<b>13,325</b>
Special Gains:					
Gain on sales of fixed assets		60		4	56
Gain on sales of investment securities		7,193		3,219	3,973
<b>Total special gains</b>		<b>7,253</b>		<b>3,224</b>	<b>4,029</b>
Special Losses:					
Loss on sales of fixed assets		0		15	(15)
Loss on sales of investment securities		105		—	105
Loss on devaluation of investment securities		754		—	754
<b>Total special losses</b>		<b>859</b>		<b>15</b>	<b>843</b>
Income before income taxes		71,666		55,155	16,510
Income taxes		24,251		18,557	5,693
<b>Net income</b>		<b>47,415</b>		<b>36,598</b>	<b>10,817</b>
Net income (loss) attributable to non-controlling interests		(279)		36	(315)
<b>Net income attributable to shareholders of the Corporation</b>	5.7%	<b>47,694</b>	5.0%	<b>36,561</b>	<b>11,133</b>

(Reference)

Interest and dividend income	3,587	3,595	(8)
Interest expenses	1,061	1,194	(133)
<b>Net financial revenue</b>	<b>2,526</b>	<b>2,401</b>	<b>124</b>

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕	Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕	Increase (Decrease)
Net income	47,415	36,598	10,817
Other comprehensive income:			
Net unrealized gain (loss) on other securities, net of taxes	(3,699)	16,682	(20,382)
Deferred gain (loss) on hedging, net of taxes	(32)	242	(275)
Foreign currency translation adjustment	(556)	(1,286)	730
Remeasurements of defined benefit plans	407	616	(209)
Share of other comprehensive income of associates accounted for using equity method	32	101	(69)
Total other comprehensive income	(3,848)	16,357	(20,205)
Comprehensive income	43,567	52,955	(9,388)
Comprehensive income attributable to:			
Shareholders of the Corporation	43,772	53,030	(9,258)
Non-controlling interests	(205)	(75)	(129)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕	Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕	Increase (Decrease)
Cash Flows from Operating Activities:			
Income before income taxes	71,666	55,155	16,510
Adjustments for:			
Depreciation and amortization	6,461	6,395	66
Increase (decrease) in allowance for doubtful accounts	(132)	(61)	(70)
Increase (decrease) in reserve for expected losses on construction contracts in process	(1,748)	(3,565)	1,817
Increase (decrease) in net defined benefit liability	209	496	(287)
Loss (gain) on sales of fixed assets	(60)	10	(71)
Loss (gain) on valuation of investment securities	754	—	754
Loss (gain) on sales of investment securities	(7,087)	(3,219)	(3,867)
Interest and dividend income	(3,587)	(3,595)	8
Interest expenses	1,061	1,194	(133)
(Increase) decrease in notes and accounts receivable-trade	111,966	2,699	109,267
(Increase) decrease in real estate for sale	18,915	(4,838)	23,754
(Increase) decrease in costs on uncompleted construction contracts	(6,287)	(20,088)	13,801
(Increase) decrease in uncompleted real estate development projects	6,516	9,566	(3,050)
(Increase) decrease in PFI projects and other inventories	5,299	(76)	5,376
Increase (decrease) in notes and accounts payable-trade	(37,867)	(100,141)	62,274
Increase (decrease) in advances received on uncompleted construction contracts	(9,274)	61,919	(71,194)
Other, net	10,525	(11,494)	22,020
Subtotal	167,331	(9,643)	176,975
Interest and dividends received	4,227	4,121	105
Interest paid	(1,083)	(1,202)	119
Income taxes paid	(31,038)	(19,681)	(11,356)
Net cash provided by (used in) operating activities	139,437	(26,407)	165,844

(Millions of Yen)

	Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕	Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕	Increase (Decrease)
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(63,477)	(18,737)	(44,739)
Proceeds from sales of tangible fixed assets	135	19	116
Acquisition of marketable securities and investment securities	(1,449)	(570)	(878)
Proceeds from sales of marketable securities and investment securities	14,806	5,106	9,699
Other, net	(1,876)	(3,650)	1,773
Net cash provided by (used in) investing activities	(51,860)	(17,833)	(34,027)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	1,973	2,723	(749)
Proceeds from long-term borrowings	2,600	550	2,050
Repayments of long-term borrowings	(9,788)	(10,039)	250
Proceeds from non-recourse borrowings	6,767	—	6,767
Repayments of non-recourse borrowings	(4,854)	(3,232)	(1,622)
Proceeds from issuance of bonds	20,000	—	20,000
Redemption of bonds	(10,000)	—	(10,000)
Proceeds from issuance of non-recourse bonds	15,200	—	15,200
Redemption of non-recourse bonds	(439)	(439)	—
Purchase of treasury shares	(15,547)	(1)	(15,545)
Dividends	(18,075)	(12,574)	(5,501)
Other, net	(252)	(154)	(98)
Net cash provided by (used in) financing activities	(12,417)	(23,167)	10,750
Effect of exchange rate changes on Cash and Cash Equivalents	(927)	(1,194)	266
Net increase (decrease) in Cash and Cash Equivalents	74,231	(68,602)	142,833
Cash and Cash Equivalents at beginning of year	229,978	341,158	(111,180)
Cash and Cash Equivalents at end of period	304,209	272,556	31,653

## NONCONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Second Quarter [Sep 30, 2019]	Previous Fiscal Year [Mar 31, 2019]	Increase (Decrease)
<b>(ASSETS)</b>			
Current Assets:			
Cash	94,179	88,750	5,429
Notes receivable and accounts receivable from completed construction contracts	492,331	602,175	(109,844)
Marketable securities (*)	150,000	79,100	70,900
Real estate for sale	0	3,981	(3,981)
Costs on uncompleted construction contracts	78,479	72,949	5,530
Costs on uncompleted real estate development projects	4,140	3,324	815
Other current assets	87,255	89,554	(2,299)
Less: Allowance for doubtful accounts	(869)	(973)	104
<b>Total current assets</b>	<b>905,516</b>	<b>938,861</b>	<b>(33,344)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	84,645	71,520	13,125
Machinery, vehicles, tools, furniture and fixtures	7,905	7,217	688
Land	154,767	130,193	24,574
Construction in progress	39,471	33,475	5,996
<b>Total tangible fixed assets</b>	<b>286,790</b>	<b>242,406</b>	<b>44,384</b>
Intangible fixed assets	5,852	5,753	99
Investments and other assets:			
Investment securities	381,060	398,661	(17,601)
Other investments	13,767	13,931	(164)
Less: Allowance for doubtful accounts	(2,122)	(2,138)	16
<b>Total investments and other assets</b>	<b>392,705</b>	<b>410,454</b>	<b>(17,749)</b>
<b>Total non-current assets</b>	<b>685,348</b>	<b>658,614</b>	<b>26,734</b>
<b>Total assets</b>	<b>1,590,864</b>	<b>1,597,475</b>	<b>(6,610)</b>

(\*) Marketable securities includes following amounts of negotiable certificate of deposits.

As of Sep 30, 2019: 150,000 million yen

As of Mar 31, 2019: 79,000 million yen

(Millions of Yen)

	Current Second Quarter [Sep 30, 2019]	Previous Fiscal Year [Mar 31, 2019]	Increase (Decrease)
(LIABILITIES)			
Current Liabilities:			
Notes payable and accounts payable for construction contracts	264,870	300,087	(35,216)
Short-term borrowings	92,456	95,491	(3,034)
Current portion of bonds payable	10,000	20,000	(10,000)
Income taxes payable	22,040	28,133	(6,093)
Advances received on uncompleted construction contracts	124,200	127,845	(3,645)
Warranty reserve	3,235	3,100	135
Reserve for expected losses on construction contracts in process	5,753	7,934	(2,181)
Reserve for directors' bonuses	—	267	(267)
Reserve for loss on anti-monopoly act	1,820	1,820	—
Other current liabilities	198,097	166,397	31,699
Total current liabilities	722,473	751,078	(28,605)
Non-Current Liabilities:			
Bonds payable	60,000	40,000	20,000
Convertible bond-type bonds with subscription rights to shares	30,031	30,046	(15)
Long-term borrowings	37,265	43,722	(6,456)
Reserve for employees' retirement benefits	44,344	44,279	64
Other non-current liabilities	59,568	60,438	(869)
Total non-current liabilities	231,209	218,486	12,723
Total liabilities	953,683	969,565	(15,882)
(NET ASSETS)			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital	43,144	43,144	—
Retained earnings	365,723	336,857	28,865
[Contingent Reserve]	[295,200]	[229,800]	[65,400]
Less: Treasury stock, at cost	(16,734)	(1,187)	(15,547)
Total shareholders' equity	466,499	453,180	13,318
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	144,809	148,823	(4,014)
Deferred gain (loss) on hedging, net of taxes	8	41	(32)
Revaluation reserve for land, net of taxes	25,864	25,864	—
Total valuation and translation adjustments	170,682	174,729	(4,047)
Total net assets	637,181	627,910	9,271
Total liabilities and net assets	1,590,864	1,597,475	(6,610)

(Reference)

Interest-bearing debt	229,753	229,260	493
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# NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Second Quarter 〔 From: Apr 1, 2019 〕 〔 To : Sep 30, 2019 〕		Previous Second Quarter 〔 From: Apr 1, 2018 〕 〔 To : Sep 30, 2018 〕		Increase (Decrease)
Net Sales:					
Construction contracts		654,087		595,314	58,772
Real estate development and other		38,520		19,227	19,293
Total net sales		692,607		614,541	78,066
Cost of Sales:					
Construction contracts		573,789		523,812	49,976
Real estate development and other		28,973		15,536	13,437
Total cost of sales		602,763		539,349	63,414
Gross profit:					
Construction contracts	[12.3%]	80,297	[12.0%]	71,501	8,796
Real estate development and other	[24.8%]	9,546	[19.2%]	3,690	5,855
Total gross profit	13.0%	89,844	12.2%	75,192	14,651
Selling, General and Administrative Expenses		33,456		31,870	1,586
Operating income	8.1%	56,387	7.0%	43,322	13,065
Non-Operating Income:					
Interest income		185		244	(58)
Dividend income		6,981		7,334	(352)
Foreign exchange gain		—		25	(25)
Other non-operating income		367		374	(6)
Total non-operating income		7,535		7,978	(443)
Non-Operating Expenses:					
Interest expenses		738		945	(207)
Foreign exchange loss		353		—	353
Other non-operating expenses		458		461	(3)
Total non-operating expenses		1,550		1,407	142
Ordinary income	9.0%	62,372	8.1%	49,892	12,479
Special Gains:					
Gain on sales of fixed assets		30		152	(122)
Gain on sales of investment securities		7,193		3,080	4,112
Total special gains		7,223		3,232	3,990
Special Losses:					
Loss on sales of fixed assets		0		15	(15)
Loss on sales of investment securities		105		—	105
Loss on devaluation of investment securities		754		—	754
Total special losses		859		15	843
Income before income taxes		68,736		53,110	15,626
Provision for income taxes		21,795		16,705	5,090
Net income	6.8%	46,941	5.9%	36,405	10,536

(Reference)

Interest and dividend income	7,167	7,578	(411)
Interest expenses	738	945	(207)
Net financial revenue	6,428	6,632	(204)



## BREAKDOWN OF ORDERS (NONCONSOLIDATED)

(Millions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2019 〕 〔 To :Sep 30, 2019 〕		Previous Second Quarter Result 〔 From:Apr 1, 2018 〕 〔 To :Sep 30, 2018 〕		Increase (Decrease)		Current Fiscal Year Forecast 〔From:Apr 1, 2019〕 〔To :Mar 31, 2020〕	Progress (%)
		Proportion (%)		Proportion (%)		Rate (%)		
Construction business (orders)								
Architectural Construction								
Domestic	297,813	71.6	422,003	73.8	(124,189)	(29.4)	860,000	34.6
Overseas	50,808	12.2	23,671	4.1	27,136	114.6	70,000	72.6
Sub total	348,621	83.8	445,674	77.9	(97,053)	(21.8)	930,000	37.5
Civil Engineering								
Domestic	62,390	15.0	114,670	20.1	(52,280)	(45.6)	220,000	28.4
Overseas	4,856	1.2	11,483	2.0	(6,626)	(57.7)	80,000	6.1
Sub total	67,247	16.2	126,153	22.1	(58,906)	(46.7)	300,000	22.4
Domestic	360,203	86.6	536,673	93.9	(176,470)	(32.9)	1,080,000	33.4
Overseas	55,665	13.4	35,154	6.1	20,510	58.3	150,000	37.1
Total	415,868	100	571,828	100	(155,959)	(27.3)	1,230,000	33.8
Real Estate and Other	23,632		30,059		(6,426)	(21.4)	70,000	33.8
Grand Total	439,501		601,888		(162,386)	(27.0)	1,300,000	33.8

(Reference: Overseas Construction Orders)

(Millions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2019 〕 〔 To :Sep 30, 2019 〕		Previous Second Quarter Result 〔 From:Apr 1, 2018 〕 〔 To :Sep 30, 2018 〕		Increase (Decrease)		Current Fiscal Year Forecast 〔From:Apr 1, 2019〕 〔To :Mar 31, 2020〕	Progress (%)
						Rate (%)		
Shimizu Corporation	55,665		35,154		20,510	58.3	150,000	37.1
Subsidiaries	13,804		21,624		(7,820)	(36.2)	60,000	23.0
Total	69,469		56,779		12,690	22.3	210,000	33.1

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2019.

**ORDERS, SALES AND BACKLOG (NONCONSOLIDATED)**  
**for the six months ended September 30, 2018 and 2019**

(1) Construction orders awarded and contracts

(Millions of Yen)

		Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕	Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	297,813	422,003	(124,189)	(29.4)
	Overseas	50,808	23,671	27,136	114.6
	Sub total	348,621	445,674	(97,053)	(21.8)
Civil Engineering	Domestic	62,390	114,670	(52,280)	(45.6)
	Overseas	4,856	11,483	(6,626)	(57.7)
	Sub total	67,247	126,153	(58,906)	(46.7)
Construction business (orders)		415,868	571,828	(155,959)	(27.3)
Real estate development and other (contracts)		23,632	30,059	(6,426)	(21.4)
Total		439,501	601,888	(162,386)	(27.0)

(2) Net sales

(Millions of Yen)

		Current Second Quarter 〔 From: Apr 1, 2019 To : Sep 30, 2019 〕	Previous Second Quarter 〔 From: Apr 1, 2018 To : Sep 30, 2018 〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	491,280	430,525	60,754	14.1
	Overseas	20,374	20,124	249	1.2
	Sub total	511,655	450,650	61,004	13.5
Civil Engineering	Domestic	131,280	138,086	(6,805)	(4.9)
	Overseas	11,151	6,577	4,574	69.5
	Sub total	142,432	144,663	(2,231)	(1.5)
Construction business		654,087	595,314	58,772	9.9
Real estate development and other		38,520	19,227	19,293	100.3
Total		692,607	614,541	78,066	12.7

(3) Backlog

(Millions of Yen)

		Current Second Quarter [ Sep 30, 2019 ]	Previous Second Quarter [ Sep 30, 2018 ]	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,284,259	1,168,373	115,885	9.9
	Overseas	134,237	114,073	20,163	17.7
	Sub total	1,418,496	1,282,447	136,049	10.6
Civil Engineering	Domestic	359,537	444,553	(85,015)	(19.1)
	Overseas	44,301	29,977	14,323	47.8
	Sub total	403,838	474,531	(70,692)	(14.9)
Construction business		1,822,335	1,756,978	65,356	3.7
Real estate development and other		63,031	50,114	12,917	25.8
Total		1,885,366	1,807,092	78,273	4.3

**ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED)**  
**for the fiscal year ending March 2020**

(Billions of Yen)

		Current Fiscal Year Forecast 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Previous Fiscal Year Result 〔 From:Apr 1, 2018 To :Mar 31, 2019 〕	Increase (Decrease)	
					Rate(%)
Architectural Construction	Domestic	860.0	1,307.1	(447.1)	(34.2)
	Overseas	70.0	34.8	35.1	100.6
	Sub total	930.0	1,342.0	(412.0)	(30.7)
Civil Engineering	Domestic	220.0	246.6	(26.6)	(10.8)
	Overseas	80.0	39.4	40.5	102.7
	Sub total	300.0	286.1	13.8	4.8
Construction business (orders)		1,230.0	1,628.2	(398.2)	(24.5)
Real estate development and other (contracts)		70.0	97.2	(27.2)	(28.0)
Total		1,300.0	1,725.4	(425.4)	(24.7)

(Reference: Overseas Construction Orders)

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Previous Fiscal Year Result 〔 From:Apr 1, 2018 To :Mar 31, 2019 〕	Increase (Decrease)	
				Rate(%)
Shimizu Corporation	150.0	74.3	75.6	101.7
Subsidiaries	60.0	64.2	(4.2)	(6.6)
Total	210.0	138.5	71.4	51.5

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2019.