

Tokyo, November 9, 2020

# SHIMIZU CORPORATION

## Consolidated Financial Report [Japanese GAAP]

### For the six months ended September 30, 2020



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 10, 2020  
 Scheduled date to commence dividend payments: December 2, 2020  
 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, 2020	683,276	(18.2%)	46,034	(26.2%)	48,997	(24.9%)	38,331	(19.6%)
Six months ended September 30, 2019	834,850	14.4%	62,379	26.5%	65,272	25.7%	47,694	30.5%

	Net Income per share (Yen)	Diluted Net Income per share (Yen)
Six months ended September 30, 2020	50.25	48.67
Six months ended September 30, 2019	61.29	61.28

### (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, 2020	1,832,588	758,784	752,874	41.1%
As of March 31, 2020	1,904,934	736,412	730,479	38.3%

## 2. Dividends

	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	Year-End (Yen)	Total (Yen)
Year ended March 31, 2020	—	18.00	—	20.00	38.00
Year ending March 31, 2021	—	12.00	—	—	—
Year ending March 31, 2021(Forecast)	—	—	—	12.00	24.00

(Note) Revision of the forecasts of cash dividends since the latest announcement: None  
 End of 2Q dividend of 18.00Yen for Year ended March 31, 2020 includes a special dividend of 8.00Yen.  
 Year-End dividend of 20.00Yen for Year ended March 31, 2020 includes a special dividend of 10.00Yen.  
 End of 2Q dividend of 12.00Yen for Year ending March 31, 2021 and Year-End dividend of 12.00Yen for Year  
 ending March 31, 2021 (forecast) include a special dividend of 2.00Yen each.

## 3. Forecast of Consolidated Results of Operations for the Fiscal Year Ending March 2021 (From April 1, 2020 to March 31, 2021)

(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, 2021	1,485,000	(12.6%)	82,500	(38.4%)	84,000	(39.1%)	61,000	(38.4%)	79.96

(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 : None

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 FY2020 ended September 30, 2020	788,514,613	FY2019 ended March 31, 2020	788,514,613
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② Number of treasury stocks at the end of the period

Second Quarter of FY2020 ended September 30, 2020	25,659,396	FY2019 ended March 31, 2020	25,658,204
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③ Average number of shares issued during the period

Second Quarter of FY2020 ended September 30, 2020	762,855,881	Second Quarter of FY2019 ended September 30, 2019	778,206,988
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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.

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## PERFORMANCE RESULTS

### (1) Consolidated

(Billions of Yen)

	Current Second Quarter		Previous Second Quarter		Increase (Decrease)		Forecast	Progress (%)	
	〔From:Apr 1, 2020〕 〔To :Sep 30, 2020〕		〔From:Apr 1, 2019〕 〔To :Sep 30, 2019〕		Rate(%)				
Construction Contracts	610.9		725.9		(115.0)		1,320.0	46.3	
Gross Profit	12.3%	75.0	12.2%	88.5	(13.4)	(15.2)	11.2%	148.0	50.7
Real Estate and Other	72.3		108.9		(36.5)		165.0	43.9	
Gross Profit	16.6%	12.0	14.6%	15.8	(3.8)	(24.2)	14.8%	24.5	49.1
<b>Net Sales</b>	<b>683.2</b>		<b>834.8</b>		<b>(151.5)</b>		<b>1,485.0</b>	<b>46.0</b>	
Gross Profit	12.7%	87.0	12.5%	104.3	(17.2)	(16.6)	11.6%	172.5	50.5
S, G & A Expenses	41.0		42.0		(0.9)		90.0	45.6	
<b>Operating Income</b>	6.7%	<b>46.0</b>	7.5%	<b>62.3</b>	<b>(16.3)</b>	<b>(26.2)</b>	5.6%	<b>82.5</b>	<b>55.8</b>
Net Financial Revenue	1.9		2.5		(0.5)		1.0	—	
Others	0.9		0.3		0.6		0.5	—	
<b>Ordinary Income</b>	7.2%	<b>48.9</b>	7.8%	<b>65.2</b>	<b>(16.2)</b>	<b>(24.9)</b>	5.7%	<b>84.0</b>	<b>58.3</b>
Special Gains (Losses)	7.1		6.3		0.7		5.0	—	
Income Before Taxes	56.1		71.6		(15.5)		89.0	63.1	
Income Taxes	17.7		24.2		(6.5)		28.0	—	
Net Income Attributable to Non-Controlling Interests	0.0		(0.2)		0.3		0.0	—	
<b>Net Income Attributable to Shareholders of the Corporation</b>	5.6%	<b>38.3</b>	5.7%	<b>47.6</b>	<b>(9.3)</b>	<b>(19.6)</b>	4.1%	<b>61.0</b>	<b>62.8</b>

(Consolidated)	Current Second Quarter	Previous Fiscal Year	Increase(Decrease)	
	〔 Sep 30, 2020 〕	〔 Mar 31, 2020 〕	Rate(%)	
Interest-bearing Debt	458.5	441.3	17.2	3.9
[Nonrecourse Borrowings and Bonds]	[ 102.3 ]	[ 78.1 ]	[ 24.1 ]	[ 31.0 ]

### (2) Nonconsolidated

(Billions of Yen)

	Current Second Quarter		Previous Second Quarter		Increase (Decrease)		Forecast	Progress (%)	
	〔From:Apr 1, 2020〕 〔To :Sep 30, 2020〕		〔From:Apr 1, 2019〕 〔To :Sep 30, 2019〕		Rate(%)				
Construction Contracts	554.1		654.0		(99.9)		1,200.0	46.2	
[Architectural Construction]	[ 428.0 ]	[ 511.6 ]	[ (83.5) ]	[ (16.3) ]	[ 955.0 ]	[ 44.8 ]			
[Civil Engineering]	[ 126.0 ]	[ 142.4 ]	[ (16.4) ]	[ (11.5) ]	[ 245.0 ]	[ 51.4 ]			
Gross Profit	12.3%	67.9	12.3%	80.2	(12.3)	(15.4)	10.6%	127.0	53.5
[Architectural Construction]	[ 9.9% ]	[ 42.5 ]	[ 10.9% ]	[ 55.8 ]	[ (13.3) ]	[ (23.9) ]	[ 9.7% ]	[ 93.0 ]	[ 45.7 ]
[Civil Engineering]	[ 20.2% ]	[ 25.4 ]	[ 17.1% ]	[ 24.4 ]	[ 0.9 ]	[ 4.1 ]	[ 13.9% ]	[ 34.0 ]	[ 74.7 ]
Real Estate and Other	30.3		38.5		(8.1)		75.0	40.5	
Gross Profit	23.6%	7.1	24.8%	9.5	(2.3)	(25.1)	21.3%	16.0	44.7
<b>Net Sales</b>	<b>584.4</b>		<b>692.6</b>		<b>(108.1)</b>		<b>1,275.0</b>	<b>45.8</b>	
Gross Profit	12.8%	75.0	13.0%	89.8	(14.7)	(16.4)	11.2%	143.0	52.5
S, G & A Expenses	32.8		33.4		(0.6)		72.0	45.6	
<b>Operating Income</b>	7.2%	<b>42.2</b>	8.1%	<b>56.3</b>	<b>(14.1)</b>	<b>(25.1)</b>	5.6%	<b>71.0</b>	<b>59.5</b>
Net Financial Revenue	5.4		6.4		(0.9)		5.5	—	
Others	0.3		(0.4)		0.7		0.0	—	
<b>Ordinary Income</b>	8.2%	<b>48.0</b>	9.0%	<b>62.3</b>	<b>(14.3)</b>	<b>(23.0)</b>	6.0%	<b>76.5</b>	<b>62.8</b>
Special Gains (Losses)	7.0		6.3		0.6		5.0	—	
Income Before Taxes	55.0		68.7		(13.6)		81.5	67.6	
Income Taxes	16.2		21.7		(5.5)		24.0	—	
<b>Net Income</b>	6.6%	<b>38.8</b>	6.8%	<b>46.9</b>	<b>(8.0)</b>	<b>(17.2)</b>	4.5%	<b>57.5</b>	<b>67.6</b>

(Nonconsolidated)	Current Second Quarter	Previous Fiscal Year	Increase(Decrease)	
	〔 Sep 30, 2020 〕	〔 Mar 31, 2020 〕	Rate(%)	
Interest-bearing Debt	350.6	326.8	23.8	7.3
[Nonrecourse Borrowings]	[ 30.0 ]	[ — ]	[ 30.0 ]	[ — ]

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2020.

## PERFORMANCE FORECASTS

(1) Consolidated

(Billions of Yen)

	Current Fiscal Year Forecast		Previous Fiscal Year Result		Increase (Decrease)	
	〔 From:Apr 1, 2020 To :Mar 31, 2021 〕		〔 From:Apr 1, 2019 To :Mar 31, 2020 〕		Rate(%)	
Construction Contracts		1,320.0		1,517.8	(197.8)	(13.0)
Gross Profit	11.2%	148.0	13.1%	198.7	(50.7)	(25.5)
Real Estate and Other		165.0		180.4	(15.4)	(8.5)
Gross Profit	14.8%	24.5	14.9%	26.9	(2.4)	(8.9)
<b>Net Sales</b>		<b>1,485.0</b>		<b>1,698.2</b>	<b>(213.2)</b>	<b>(12.6)</b>
Gross Profit	11.6%	172.5	13.3%	225.6	(53.1)	(23.6)
S, G & A Expenses		90.0		91.7	(1.7)	(1.9)
<b>Operating Income</b>	5.6%	<b>82.5</b>	7.9%	<b>133.8</b>	<b>(51.3)</b>	<b>(38.4)</b>
Net Financial Revenue		1.0		5.2	(4.2)	(81.0)
Others		0.5		(1.1)	1.6	—
<b>Ordinary Income</b>	5.7%	<b>84.0</b>	8.1%	<b>137.9</b>	<b>(53.9)</b>	<b>(39.1)</b>
Special Gains (Losses)		5.0		3.3	1.6	48.6
Income Before Taxes		89.0		141.3	(52.3)	(37.0)
Income Taxes		28.0		42.2	(14.2)	(33.7)
Net Income Attributable to Non-Controlling Interests		0.0		0.1	(0.1)	(100.0)
<b>Net Income Attributable to Shareholders of the Corporation</b>	4.1%	<b>61.0</b>	5.8%	<b>98.9</b>	<b>(37.9)</b>	<b>(38.4)</b>
<b>Interest-bearing Debt</b>		<b>Less than 530.0</b>		<b>441.3</b>	<b>88.6</b>	<b>20.1</b>

(2) Nonconsolidated

(Billions of Yen)

	Current Fiscal Year Forecast		Previous Fiscal Year Result		Increase (Decrease)	
	〔 From:Apr 1, 2020 To :Mar 31, 2021 〕		〔 From:Apr 1, 2019 To :Mar 31, 2020 〕		Rate(%)	
Construction Contracts		1,200.0		1,356.7	(156.7)	(11.6)
[Architectural Construction]		[ 955.0 ]		[ 1,073.4 ]	[ (118.4) ]	[ (11.0) ]
[Civil Engineering]		[ 245.0 ]		[ 283.2 ]	[ (38.2) ]	[ (13.5) ]
Gross Profit	10.6%	127.0	13.0%	176.1	(49.1)	(27.9)
[Architectural Construction]	9.7%	[ 93.0 ]	11.4%	[ 122.4 ]	[ (29.4) ]	[ (24.0) ]
[Civil Engineering]	13.9%	[ 34.0 ]	19.0%	[ 53.7 ]	[ (19.7) ]	[ (36.7) ]
Real Estate and Other		75.0		60.8	14.1	23.2
Gross Profit	21.3%	16.0	21.5%	13.0	2.9	22.2
<b>Net Sales</b>		<b>1,275.0</b>		<b>1,417.6</b>	<b>(142.6)</b>	<b>(10.1)</b>
Gross Profit	11.2%	143.0	13.4%	189.2	(46.2)	(24.4)
S, G & A Expenses		72.0		73.9	(1.9)	(2.7)
<b>Operating Income</b>	5.6%	<b>71.0</b>	8.1%	<b>115.2</b>	<b>(44.2)</b>	<b>(38.4)</b>
Net Financial Revenue		5.5		9.4	(3.9)	(41.6)
Others		0.0		(2.0)	2.0	—
<b>Ordinary Income</b>	6.0%	<b>76.5</b>	8.7%	<b>122.6</b>	<b>(46.1)</b>	<b>(37.6)</b>
Special Gains (Losses)		5.0		3.3	1.6	50.4
Income Before Taxes		81.5		126.0	(44.5)	(35.3)
Income Taxes		24.0		36.6	(12.6)	(34.5)
<b>Net Income</b>	4.5%	<b>57.5</b>	6.3%	<b>89.3</b>	<b>(31.8)</b>	<b>(35.7)</b>
<b>Interest-bearing Debt</b>		<b>Less than 390.0</b>		<b>326.8</b>	<b>63.1</b>	<b>19.3</b>

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2020.

## BREAKDOWN OF SALES AND GROSS PROFIT (NONCONSOLIDATED)

### (1) Performance Results

(Billions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕			Previous Second Quarter Result 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕			Increase (Decrease)				
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit		
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)		
Construction business											
Architectural Construction											
Domestic	416.5	11.2%	46.6	491.2	11.3%	55.4	(74.7)	(15.2%)	(8.8)	(15.9%)	
Overseas	11.5	(35.8)	(4.1)	20.3	1.9	0.3	(8.8)	(43.2)	(4.5)	—	
Sub total	428.0	9.9	42.5	511.6	10.9	55.8	(83.5)	(16.3)	(13.3)	(23.9)	
Civil Engineering											
Domestic	117.0	21.8	25.5	131.2	17.3	22.6	(14.2)	(10.9)	2.8	12.5	
Overseas	9.0	(1.3)	(0.1)	11.1	15.6	1.7	(2.1)	(19.1)	(1.8)	—	
Sub total	126.0	20.2	25.4	142.4	17.1	24.4	(16.4)	(11.5)	0.9	4.1	
Domestic	533.5	13.5	72.1	622.5	12.6	78.1	(89.0)	(14.3)	(5.9)	(7.7)	
Overseas	20.5	(20.7)	(4.2)	31.5	6.8	2.1	(10.9)	(34.7)	(6.3)	—	
Total	554.1	12.3	67.9	654.0	12.3	80.2	(99.9)	(15.3)	(12.3)	(15.4)	
Real Estate and Other	30.3	23.6	7.1	38.5	24.8	9.5	(8.1)	(21.2)	(2.3)	(25.1)	
Grand Total	584.4	12.8	75.0	692.6	13.0	89.8	(108.1)	(15.6)	(14.7)	(16.4)	

### (2) Performance Forecasts

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From:Apr 1, 2020 To :Mar 31, 2021 〕			Previous Fiscal Year Result 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕			Increase (Decrease)				
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit		
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)		
Construction business											
Architectural Construction											
Domestic	920.0	10.8%	99.0	1,022.4	12.0%	122.9	(102.4)	(10.0%)	(23.9)	(19.5%)	
Overseas	35.0	(17.1)	(6.0)	50.9	(1.1)	(0.5)	(15.9)	(31.4)	(5.4)	—	
Sub total	955.0	9.7	93.0	1,073.4	11.4	122.4	(118.4)	(11.0)	(29.4)	(24.0)	
Civil Engineering											
Domestic	230.0	14.8	34.0	262.3	19.0	49.7	(32.3)	(12.3)	(15.7)	(31.6)	
Overseas	15.0	0.0	0.0	20.9	19.2	4.0	(5.9)	(28.4)	(4.0)	(100.0)	
Sub total	245.0	13.9	34.0	283.2	19.0	53.7	(38.2)	(13.5)	(19.7)	(36.7)	
Domestic	1,150.0	11.6	133.0	1,284.7	13.4	172.6	(134.7)	(10.5)	(39.6)	(23.0)	
Overseas	50.0	(12.0)	(6.0)	71.9	4.8	3.4	(21.9)	(30.5)	(9.4)	—	
Total	1,200.0	10.6	127.0	1,356.7	13.0	176.1	(156.7)	(11.6)	(49.1)	(27.9)	
Real Estate and Other	75.0	21.3	16.0	60.8	21.5	13.0	14.1	23.2	2.9	22.2	
Grand Total	1,275.0	11.2	143.0	1,417.6	13.4	189.2	(142.6)	(10.1)	(46.2)	(24.4)	

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2020.

## CONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Second Quarter [Sep 30, 2020]	Previous Fiscal Year [Mar 31, 2020]	Increase (Decrease)
<b>(ASSETS)</b>			
Current Assets:			
Cash	148,524	351,722	(203,198)
Notes and accounts receivable-trade	411,430	546,148	(134,718)
Marketable securities (*)	233,020	1,020	232,000
Real estate for sale	2,401	2,836	(434)
Costs on uncompleted construction contracts	76,483	77,949	(1,466)
Costs on uncompleted real estate development projects	7,959	16,472	(8,512)
PFI projects and other inventories	49,195	47,883	1,312
Other current assets	107,426	102,651	4,775
Less: Allowance for doubtful accounts	(676)	(775)	98
<b>Total current assets</b>	<b>1,035,764</b>	<b>1,145,908</b>	<b>(110,144)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	150,153	149,310	842
Machinery, vehicles, tools, furniture and fixtures	23,514	20,011	3,502
Land	227,374	207,472	19,902
Construction in progress	45,357	31,645	13,712
<b>Total tangible fixed assets</b>	<b>446,400</b>	<b>408,440</b>	<b>37,960</b>
Intangible fixed assets	13,506	12,091	1,415
Investments and other assets:			
Investment securities	316,464	319,598	(3,133)
Other investments	22,404	20,852	1,551
Less: Allowance for doubtful accounts	(1,952)	(1,957)	5
<b>Total investments and other assets</b>	<b>336,916</b>	<b>338,493</b>	<b>(1,576)</b>
<b>Total non-current assets</b>	<b>796,824</b>	<b>759,025</b>	<b>37,798</b>
<b>Total assets</b>	<b>1,832,588</b>	<b>1,904,934</b>	<b>(72,345)</b>

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

As of Sep 30, 2020: 233,000 million yen

As of Mar 31, 2020: 1,000 million yen

(Millions of Yen)

	Current Second Quarter [Sep 30, 2020]	Previous Fiscal Year [Mar 31, 2020]	Increase (Decrease)
<b>(LIABILITIES)</b>			
Current Liabilities:			
Notes and accounts payable-trade	259,890	319,164	(59,273)
Short-term borrowings	143,708	112,774	30,933
Current portion of non-recourse borrowings	8,273	6,957	1,316
Commercial papers	—	80,000	(80,000)
Current portion of bonds payable	10,000	10,000	—
Current portion of convertible bond-type bonds with subscription rights to shares	30,001	30,016	(15)
Current portion of non-recourse bonds payable	1,265	2,764	(1,499)
Income taxes payable	18,444	25,637	(7,193)
Advances received on uncompleted construction contracts	85,064	101,390	(16,325)
Warranty reserve	3,647	3,932	(285)
Reserve for expected losses on construction contracts in process	5,588	6,071	(483)
Reserve for directors' bonuses	—	289	(289)
Reserve for loss on anti-monopoly act	1,820	1,820	—
Other current liabilities	140,433	170,734	(30,300)
<b>Total current liabilities</b>	<b>708,137</b>	<b>871,553</b>	<b>(163,415)</b>
Non-Current Liabilities:			
Bonds payable	110,000	60,000	50,000
Non-recourse bonds payable	22,602	23,235	(632)
Long-term borrowings	62,524	70,360	(7,835)
Non-recourse borrowings	70,221	45,207	25,014
Net defined benefit liability	57,358	57,293	65
Other non-current liabilities	42,959	40,872	2,086
<b>Total non-current liabilities</b>	<b>365,666</b>	<b>296,968</b>	<b>68,698</b>
<b>Total liabilities</b>	<b>1,073,804</b>	<b>1,168,521</b>	<b>(94,717)</b>
<b>(NET ASSETS)</b>			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital	43,116	43,116	0
Retained earnings	533,921	510,873	23,047
[Contingent Reserve]	[355,600]	[295,200]	[60,400]
Less: Treasury stock, at cost	(21,614)	(21,613)	(1)
<b>Total shareholders' equity</b>	<b>629,788</b>	<b>606,741</b>	<b>23,046</b>
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	104,557	104,898	(340)
Deferred gain (loss) on hedging, net of taxes	58	(169)	227
Revaluation reserve for land, net of taxes	25,864	25,864	—
Foreign currency translation adjustments	(3,067)	(1,985)	(1,082)
Remeasurements of defined benefit plans	(4,327)	(4,870)	542
<b>Total accumulated other comprehensive income</b>	<b>123,085</b>	<b>123,737</b>	<b>(652)</b>
Non-controlling Interests	5,910	5,932	(22)
<b>Total net assets</b>	<b>758,784</b>	<b>736,412</b>	<b>22,372</b>
<b>Total liabilities and net assets</b>	<b>1,832,588</b>	<b>1,904,934</b>	<b>(72,345)</b>

(Reference)

Interest-bearing debt	458,597	441,315	17,281
[Nonrecourse borrowings and bonds]	[102,362]	[78,164]	[24,198]



## CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Second Quarter 〔From:Apr 1, 2020〕 〔To :Sep 30, 2020〕		Previous Second Quarter 〔From:Apr 1, 2019〕 〔To :Sep 30, 2019〕		Increase (Decrease)
Net Sales:					
Construction contracts		610,904		725,907	(115,002)
Real estate development and other		72,371		108,943	(36,571)
<b>Total net sales</b>		<b>683,276</b>		<b>834,850</b>	<b>(151,574)</b>
Cost of Sales:					
Construction contracts		535,853		637,405	(101,551)
Real estate development and other		60,340		93,065	(32,725)
<b>Total cost of sales</b>		<b>596,194</b>		<b>730,471</b>	<b>(134,276)</b>
Gross profit:					
Construction contracts	[12.3%]	75,050	[12.2%]	88,501	(13,450)
Real estate development and other	[16.6%]	12,031	[14.6%]	15,878	(3,846)
<b>Total gross profit</b>	12.7%	<b>87,082</b>	12.5%	<b>104,379</b>	<b>(17,297)</b>
Selling, General and Administrative Expenses		41,047		42,000	(953)
<b>Operating income</b>	6.7%	<b>46,034</b>	7.5%	<b>62,379</b>	<b>(16,344)</b>
Non-Operating Income:					
Interest income		583		529	53
Dividend income		2,809		3,057	(248)
Foreign exchange gain		868		—	868
Other non-operating income		1,222		1,237	(14)
<b>Total non-operating income</b>		<b>5,483</b>		<b>4,824</b>	<b>659</b>
Non-Operating Expenses:					
Interest expenses		1,420		1,061	359
Foreign exchange loss		—		375	(375)
Other non-operating expenses		1,100		495	605
<b>Total non-operating expenses</b>		<b>2,521</b>		<b>1,931</b>	<b>589</b>
<b>Ordinary income</b>	7.2%	<b>48,997</b>	7.8%	<b>65,272</b>	<b>(16,274)</b>
Special Gains:					
Gain on sales of fixed assets		186		60	125
Gain on sales of investment securities		11,792		7,193	4,599
<b>Total special gains</b>		<b>11,978</b>		<b>7,253</b>	<b>4,724</b>
Special Losses:					
Loss on sales of fixed assets		7		0	7
Loss on sales of investment securities		4		105	(100)
Loss on devaluation of investment securities		787		754	33
Loss related to infectious diseases		4,027		—	4,027
<b>Total special losses</b>		<b>4,826</b>		<b>859</b>	<b>3,967</b>
Income before income taxes		56,149		71,666	(15,517)
Income taxes		17,739		24,251	(6,511)
Net income		38,409		47,415	(9,006)
Net income (loss) attributable to non-controlling interests		77		(279)	356
<b>Net income attributable to shareholders of the Corporation</b>	5.6%	<b>38,331</b>	5.7%	<b>47,694</b>	<b>(9,362)</b>

(Reference)

Interest and dividend income	3,392	3,587	(194)
Interest expenses	1,420	1,061	359
Net financial revenue	1,972	2,526	(554)

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕	Previous Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕	Increase (Decrease)
Net income	38,409	47,415	(9,006)
Other comprehensive income:			
Net unrealized gain (loss) on other securities, net of taxes	(377)	(3,699)	3,322
Deferred gain (loss) on hedging, net of taxes	227	(32)	260
Foreign currency translation adjustment	(1,245)	(556)	(688)
Remeasurements of defined benefit plans	533	407	125
Share of other comprehensive income of associates accounted for using equity method	99	32	66
Total other comprehensive income	(762)	(3,848)	3,085
<b>Comprehensive income</b>	<b>37,646</b>	<b>43,567</b>	<b>(5,920)</b>
Comprehensive income attributable to:			
Shareholders of the Corporation	37,679	43,772	(6,093)
Non-controlling interests	(32)	(205)	172

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕	Previous Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕	Increase (Decrease)
Cash Flows from Operating Activities:			
Income before income taxes	56,149	71,666	(15,517)
Adjustments for:			
Depreciation and amortization	7,790	6,461	1,328
Increase (decrease) in allowance for doubtful accounts	(103)	(132)	28
Increase (decrease) in reserve for expected losses on construction contracts in process	(483)	(1,748)	1,264
Increase (decrease) in net defined benefit liability	627	209	417
Loss (gain) on sales of fixed assets	(178)	(60)	(118)
Loss (gain) on valuation of investment securities	787	754	33
Loss (gain) on sales of investment securities	(11,788)	(7,087)	(4,700)
Interest and dividend income	(3,392)	(3,587)	194
Interest expenses	1,420	1,061	359
(Increase) decrease in notes and accounts receivable-trade	134,767	111,966	22,801
(Increase) decrease in real estate for sale	440	18,915	(18,475)
(Increase) decrease in costs on uncompleted construction contracts	1,455	(6,287)	7,742
(Increase) decrease in uncompleted real estate development projects	8,512	6,516	1,995
(Increase) decrease in PFI projects and other inventories	(1,304)	5,299	(6,603)
Increase (decrease) in notes and accounts payable-trade	(57,437)	(37,867)	(19,570)
Increase (decrease) in advances received on uncompleted construction contracts	(16,215)	(9,274)	(6,941)
Other, net	(37,347)	10,525	(47,873)
Subtotal	83,699	167,331	(83,632)
Interest and dividends received	3,813	4,227	(414)
Interest paid	(1,290)	(1,083)	(206)
Income taxes paid	(24,952)	(31,038)	6,086
Net cash provided by (used in) operating activities	61,269	139,437	(78,167)

(Millions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2020 〕 〔 To :Sep 30, 2020 〕	Previous Second Quarter 〔 From:Apr 1, 2019 〕 〔 To :Sep 30, 2019 〕	Increase (Decrease)
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(46,090)	(63,477)	17,386
Proceeds from sales of tangible fixed assets	217	135	81
Acquisition of marketable securities and investment securities	(735)	(1,449)	714
Proceeds from sales of marketable securities and investment securities	14,573	14,806	(232)
Other, net	(1,836)	(1,876)	40
Net cash provided by (used in) investing activities	(33,870)	(51,860)	17,989
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	32,677	1,973	30,703
Net increase (decrease) in commercial papers	(80,000)	—	(80,000)
Proceeds from long-term borrowings	—	2,600	(2,600)
Repayments of long-term borrowings	(9,359)	(9,788)	428
Proceeds from non-recourse borrowings	30,000	6,767	23,232
Repayments of non-recourse borrowings	(3,515)	(4,854)	1,339
Proceeds from issuance of bonds	50,000	20,000	30,000
Redemption of bonds	—	(10,000)	10,000
Proceeds from issuance of non-recourse bonds	—	15,200	(15,200)
Redemption of non-recourse bonds	(2,132)	(439)	(1,692)
Purchase of treasury shares	(1)	(15,547)	15,546
Dividends	(15,283)	(18,075)	2,791
Other, net	(232)	(252)	20
Net cash provided by (used in) financing activities	2,152	(12,417)	14,569
Effect of exchange rate changes on Cash and Cash Equivalents	(749)	(927)	178
Net increase (decrease) in Cash and Cash Equivalents	28,801	74,231	(45,429)
Cash and Cash Equivalents at beginning of year	352,722	229,978	122,744
Cash and Cash Equivalents at end of period	381,524	304,209	77,314

## NONCONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Second Quarter [Sep 30, 2020]	Previous Fiscal Year [Mar 31, 2020]	Increase (Decrease)
<b>(ASSETS)</b>			
Current Assets:			
Cash	85,160	269,962	(184,802)
Notes receivable and accounts receivable from completed construction contracts	387,630	503,830	(116,199)
Marketable securities (*)	233,000	1,000	232,000
Real estate for sale	0	0	(0)
Costs on uncompleted construction contracts	71,863	73,805	(1,942)
Costs on uncompleted real estate development projects	688	5,885	(5,197)
Other current assets	101,651	96,479	5,172
Less: Allowance for doubtful accounts	(624)	(713)	88
<b>Total current assets</b>	<b>879,369</b>	<b>950,249</b>	<b>(70,880)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	123,724	123,343	381
Machinery, vehicles, tools, furniture and fixtures	11,993	8,885	3,107
Land	167,571	152,820	14,751
Construction in progress	34,803	23,199	11,603
<b>Total tangible fixed assets</b>	<b>338,092</b>	<b>308,248</b>	<b>29,843</b>
Intangible fixed assets	8,118	6,567	1,550
Investments and other assets:			
Investment securities	325,889	327,528	(1,638)
Other investments	14,476	13,910	565
Less: Allowance for doubtful accounts	(2,052)	(2,075)	23
<b>Total investments and other assets</b>	<b>338,313</b>	<b>339,362</b>	<b>(1,049)</b>
<b>Total non-current assets</b>	<b>684,524</b>	<b>654,179</b>	<b>30,344</b>
<b>Total assets</b>	<b>1,563,893</b>	<b>1,604,429</b>	<b>(40,536)</b>

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

As of Sep 30, 2020: 233,000 million yen

As of Mar 31, 2020: 1,000 million yen

(Millions of Yen)

	Current Second Quarter [Sep 30, 2020]	Previous Fiscal Year [Mar 31, 2020]	Increase (Decrease)
<b>(LIABILITIES)</b>			
Current Liabilities:			
Notes payable and accounts payable for construction contracts	225,957	269,070	(43,112)
Short-term borrowings	124,759	93,373	31,385
Current portion of non-recourse borrowings	1,300	—	1,300
Commercial papers	—	80,000	(80,000)
Current portion of bonds payable	10,000	10,000	—
Current portion of convertible bond-type bonds with subscription rights to shares	30,001	30,016	(15)
Income taxes payable	16,461	22,669	(6,207)
Advances received on uncompleted construction contracts	75,657	90,943	(15,285)
Warranty reserve	3,526	3,806	(279)
Reserve for expected losses on construction contracts in process	5,015	5,729	(713)
Reserve for directors' bonuses	—	289	(289)
Reserve for loss on anti-monopoly act	1,820	1,820	—
Other current liabilities	157,796	180,020	(22,224)
<b>Total current liabilities</b>	<b>652,296</b>	<b>787,738</b>	<b>(135,441)</b>
Non-Current Liabilities:			
Bonds payable	110,000	60,000	50,000
Long-term borrowings	45,884	53,436	(7,552)
Non-recourse borrowings	28,700	—	28,700
Reserve for employees' retirement benefits	44,833	44,476	357
Other non-current liabilities	39,177	38,634	543
<b>Total non-current liabilities</b>	<b>268,595</b>	<b>196,547</b>	<b>72,047</b>
<b>Total liabilities</b>	<b>920,892</b>	<b>984,286</b>	<b>(63,393)</b>
<b>(NET ASSETS)</b>			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital	43,144	43,144	0
Retained earnings	417,884	394,316	23,567
[Contingent Reserve]	[355,600]	[295,200]	[60,400]
Less: Treasury stock, at cost	(21,192)	(21,191)	(1)
<b>Total shareholders' equity</b>	<b>514,202</b>	<b>490,635</b>	<b>23,566</b>
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	102,874	103,811	(936)
Deferred gain (loss) on hedging, net of taxes	58	(168)	227
Revaluation reserve for land, net of taxes	25,864	25,864	—
<b>Total valuation and translation adjustments</b>	<b>128,797</b>	<b>129,507</b>	<b>(709)</b>
<b>Total net assets</b>	<b>643,000</b>	<b>620,143</b>	<b>22,857</b>
<b>Total liabilities and net assets</b>	<b>1,563,893</b>	<b>1,604,429</b>	<b>(40,536)</b>

(Reference)

Interest-bearing debt	350,644	326,826	23,817
[Nonrecourse borrowings]	[30,000]	[—]	[30,000]

## NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Second Quarter 〔 From:Apr 1, 2020 〕 〔 To :Sep 30, 2020 〕		Previous Second Quarter 〔 From:Apr 1, 2019 〕 〔 To :Sep 30, 2019 〕		Increase (Decrease)
Net Sales:					
Construction contracts		554,119		654,087	(99,968)
Real estate development and other		30,364		38,520	(8,156)
<b>Total net sales</b>		<b>584,483</b>		<b>692,607</b>	<b>(108,124)</b>
Cost of Sales:					
Construction contracts		486,194		573,789	(87,594)
Real estate development and other		23,211		28,973	(5,761)
<b>Total cost of sales</b>		<b>509,406</b>		<b>602,763</b>	<b>(93,356)</b>
Gross profit:					
Construction contracts	[12.3%]	67,924	[12.3%]	80,297	(12,373)
Real estate development and other	[23.6%]	7,152	[24.8%]	9,546	(2,394)
<b>Total gross profit</b>	12.8%	<b>75,076</b>	13.0%	<b>89,844</b>	<b>(14,768)</b>
Selling, General and Administrative Expenses		32,826		33,456	(629)
<b>Operating income</b>	7.2%	<b>42,249</b>	8.1%	<b>56,387</b>	<b>(14,138)</b>
Non-Operating Income:					
Interest income		259		185	74
Dividend income		6,121		6,981	(860)
Foreign exchange gain		777		—	777
Other non-operating income		490		367	122
<b>Total non-operating income</b>		<b>7,649</b>		<b>7,535</b>	<b>113</b>
Non-Operating Expenses:					
Interest expenses		888		738	149
Foreign exchange loss		—		353	(353)
Other non-operating expenses		964		458	506
<b>Total non-operating expenses</b>		<b>1,853</b>		<b>1,550</b>	<b>302</b>
<b>Ordinary income</b>	8.2%	<b>48,045</b>	9.0%	<b>62,372</b>	<b>(14,327)</b>
Special Gains:					
Gain on sales of fixed assets		—		30	(30)
Gain on sales of investment securities		11,779		7,193	4,586
<b>Total special gains</b>		<b>11,779</b>		<b>7,223</b>	<b>4,556</b>
Special Losses:					
Loss on sales of fixed assets		1		0	0
Loss on sales of investment securities		4		105	(100)
Loss on devaluation of investment securities		787		754	33
Loss related to infectious diseases		3,962		—	3,962
<b>Total special losses</b>		<b>4,756</b>		<b>859</b>	<b>3,896</b>
Income before income taxes		55,068		68,736	(13,667)
Provision for income taxes		16,217		21,795	(5,578)
<b>Net income</b>	6.6%	<b>38,851</b>	6.8%	<b>46,941</b>	<b>(8,089)</b>

(Reference)

Interest and dividend income	6,380	7,167	(786)
Interest expenses	888	738	149
<b>Net financial revenue</b>	<b>5,492</b>	<b>6,428</b>	<b>(935)</b>

## BREAKDOWN OF ORDERS (NONCONSOLIDATED)

(Millions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕		Previous Second Quarter Result 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕		Increase (Decrease)		Current Fiscal Year Forecast 〔From:Apr 1, 2020〕 〔To :Mar 31, 2021〕	Progress (%)
		Proportion (%)		Proportion (%)		Rate (%)		
Construction business (orders)								
Architectural Construction								
Domestic	298,498	67.4	297,813	71.6	685	0.2	840,000	35.5
Overseas	8,790	2.0	50,808	12.2	(42,017)	(82.7)	15,000	58.6
Sub total	307,289	69.4	348,621	83.8	(41,332)	(11.9)	855,000	35.9
Civil Engineering								
Domestic	132,007	29.8	62,390	15.0	69,616	111.6	220,000	60.0
Overseas	3,448	0.8	4,856	1.2	(1,408)	(29.0)	25,000	13.8
Sub total	135,455	30.6	67,247	16.2	68,208	101.4	245,000	55.3
Domestic	430,505	97.2	360,203	86.6	70,302	19.5	1,060,000	40.6
Overseas	12,239	2.8	55,665	13.4	(43,425)	(78.0)	40,000	30.6
Total	442,745	100	415,868	100	26,876	6.5	1,100,000	40.2
Real Estate and Other	26,036		23,632		2,403	10.2	70,000	37.2
Grand Total	468,781		439,501		29,279	6.7	1,170,000	40.1

(Reference: Overseas Construction Orders)

(Millions of Yen)

	Current Second Quarter Result 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕		Previous Second Quarter Result 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕		Increase (Decrease)		Current Fiscal Year Forecast 〔From:Apr 1, 2020〕 〔To :Mar 31, 2021〕	Progress (%)
						Rate (%)		
Shimizu Corporation	12,239		55,665		(43,425)	(78.0)	40,000	30.6
Subsidiaries	10,772		13,804		(3,031)	(22.0)	35,000	30.8
Total	23,011		69,469		(46,457)	(66.9)	75,000	30.7

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2020.



**ORDERS, SALES AND BACKLOG (NONCONSOLIDATED)**  
**for the six months ended September 30, 2019 and 2020**

(1) Construction orders awarded and contracts

(Millions of Yen)

		Current Second Quarter 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕	Previous Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	298,498	297,813	685	0.2
	Overseas	8,790	50,808	(42,017)	(82.7)
	Sub total	307,289	348,621	(41,332)	(11.9)
Civil Engineering	Domestic	132,007	62,390	69,616	111.6
	Overseas	3,448	4,856	(1,408)	(29.0)
	Sub total	135,455	67,247	68,208	101.4
Construction business (orders)		442,745	415,868	26,876	6.5
Real estate development and other (contracts)		26,036	23,632	2,403	10.2
Total		468,781	439,501	29,279	6.7

(2) Net sales

(Millions of Yen)

		Current Second Quarter 〔 From:Apr 1, 2020 To :Sep 30, 2020 〕	Previous Second Quarter 〔 From:Apr 1, 2019 To :Sep 30, 2019 〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	416,519	491,280	(74,761)	(15.2)
	Overseas	11,567	20,374	(8,806)	(43.2)
	Sub total	428,087	511,655	(83,567)	(16.3)
Civil Engineering	Domestic	117,009	131,280	(14,271)	(10.9)
	Overseas	9,022	11,151	(2,129)	(19.1)
	Sub total	126,031	142,432	(16,400)	(11.5)
Construction business		554,119	654,087	(99,968)	(15.3)
Real estate development and other		30,364	38,520	(8,156)	(21.2)
Total		584,483	692,607	(108,124)	(15.6)

(3) Backlog

(Millions of Yen)

		Current Second Quarter [ Sep 30, 2020 ]	Previous Second Quarter [ Sep 30, 2019 ]	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,191,880	1,284,259	(92,378)	(7.2)
	Overseas	103,188	134,237	(31,049)	(23.1)
	Sub total	1,295,068	1,418,496	(123,427)	(8.7)
Civil Engineering	Domestic	368,664	359,537	9,126	2.5
	Overseas	123,513	44,301	79,212	178.8
	Sub total	492,177	403,838	88,339	21.9
Construction business		1,787,246	1,822,335	(35,088)	(1.9)
Real estate development and other		92,324	63,031	29,293	46.5
Total		1,879,570	1,885,366	(5,795)	(0.3)

**ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED)**  
**for the fiscal year ending March 2021**

(Billions of Yen)

		Current Fiscal Year Forecast 〔 From:Apr 1, 2020 To :Mar 31, 2021 〕	Previous Fiscal Year Result 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Increase (Decrease)	
					Rate(%)
Architectural Construction	Domestic	840.0	854.6	(14.6)	(1.7)
	Overseas	15.0	53.1	(38.1)	(71.8)
	Sub total	855.0	907.7	(52.7)	(5.8)
Civil Engineering	Domestic	220.0	187.5	32.4	17.3
	Overseas	25.0	99.4	(74.4)	(74.9)
	Sub total	245.0	286.9	(41.9)	(14.6)
Construction business (orders)		1,100.0	1,194.7	(94.7)	(7.9)
Real estate development and other (contracts)		70.0	79.6	(9.6)	(12.1)
Total		1,170.0	1,274.4	(104.4)	(8.2)

(Reference: Overseas Construction Orders)

(Billions of Yen)

		Current Fiscal Year Forecast 〔 From:Apr 1, 2020 To :Mar 31, 2021 〕	Previous Fiscal Year Result 〔 From:Apr 1, 2019 To :Mar 31, 2020 〕	Increase (Decrease)	
					Rate(%)
Shimizu Corporation		40.0	152.5	(112.5)	(73.8)
Subsidiaries		35.0	33.9	1.0	3.1
Total		75.0	186.5	(111.5)	(59.8)

(\*) Forecasts have not been changed from the announcement made on Jul 31, 2020.