

Tokyo, April 26, 2023

Company Name: Shimizu Corporation  
 Representative: Kazuyuki Inoue, President and Director  
 Shares Listed: Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market  
 Stock Code: 1803  
 Inquiries: Takayuki Hachiya, General Manager, Accounting Department  
 TEL: +81-3-3561-1111

## Announcement Regarding Revision of Financial Forecasts

Shimizu Corporation (hereinafter the “Corporation”) hereby announces that it has revised its financial forecasts for the fiscal year ending March 31, 2023 which was announced on January 31, 2023.

The year-end dividend forecast for the fiscal year ending March 2023 is 10.50 yen per share (21 yen per year) as initially announced, resulting in a dividends payout ratio of 31.7%.

### 1. Revision of Forecast of Consolidated Results of Operations for the fiscal year ending March 2023 (From April 1, 2022 to March 31, 2023)

(Millions of Yen unless otherwise indicated)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to shareholders of the Corporation	Net Income per share (Yen)
Previous forecast (A)	1,960,000	71,500	70,000	51,500	69.59
Revised forecast (B)	1,933,800	54,600	56,500	49,000	66.22
Change (B) – (A)	(26,200)	(16,900)	(13,500)	(2,500)	
Change rate (%)	(1.3)	(23.6)	(19.3)	(4.9)	
(Reference) Results Fiscal year ended March 2022	1,482,961	45,145	50,419	47,761	64.09

### 2. Revision of Forecast of Nonconsolidated Results of Operations for the fiscal year ending March 2023 (From April 1, 2022 to March 31, 2023)

(Millions of Yen unless otherwise indicated)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Previous forecast (A)	1,590,000	50,000	55,500	46,500	62.76
Revised forecast (B)	1,557,300	33,100	41,300	41,700	56.28
Change (B) – (A)	(32,700)	(16,900)	(14,200)	(4,800)	
Change rate (%)	(2.1)	(33.8)	(25.6)	(10.3)	
(Reference) Results Fiscal year ended March 2022	1,287,352	34,859	43,926	45,735	61.26

### 3. Reasons for the revisions

#### < Forecast of Nonconsolidated Results of Operations >

Incidents such as those described below have taken place in certain large-scale domestic architectural construction projects.

(1) Further losses are expected from projects which have recorded "Reserve for expected losses on construction contracts in process" in previous fiscal years, due to increased cost during the procurement stage of the projects, resulting from continuing construction cost escalation throughout FY2022.

(2) Acceleration costs were incurred due to construction schedules becoming tight because of reasons such as the delay in the delivery of materials as result of the lockdown in China. Although efforts were made to reduce the costs by improving construction efficiency, losses are expected because not all of the increased costs were able to be absorbed.

In addition, due to reasons such as the Japanese Yen becoming weak and increase of labor costs, estimated total costs of large-scale overseas architectural construction projects which have recorded "Reserve for expected losses on construction contracts in process" in previous fiscal years have risen.

Due to the provision of "Reserve for expected losses on construction contracts in process", resulting mainly from the above factors, the gross profit on Construction contracts is expected to decrease from the previous forecast.

As a result, Operating Income is expected to decrease by 16.9 billion yen from the previous forecast. Ordinary Income and Net Income are expected to decrease by 14.2 billion yen and 4.8 billion yen respectively from the previous forecast.

The profit rate for Construction business is expected to be 5.2% (Architectural Construction 4.1%, Civil Engineering 10.9%), compared to the previous forecast of 6.6% (Architectural Construction 5.9%, Civil Engineering 10.2%).

< Forecast of Consolidated Results of Operations >

The consolidated financial forecast has been revised mainly due to the revision of the non-consolidated financial forecast.

(Note)

The forecasts are based on information that the Corporation is able to obtain at the present point. However, actual results may be different due to various factors.

(Reference)

Results of orders (Non-consolidated)

(Billions of Yen)

	Current Fiscal Year Result	Previous Forecast (as of Jan 31, 2023)
Architectural Construction [Overseas]	1,142.6 [ 41.5]	1,010.0 [ 30.0]
Civil Engineering [Overseas]	258.5 [ 63.0]	240.0 [ 30.0]
Construction business [Overseas]	1,401.2 [ 104.6]	1,250.0 [ 60.0]
Real estate and other	114.6	120.0
Total	1,515.8	1,370.0

Disclaimer: This is an English translation of the original announcement made by the Corporation in Japanese at the Tokyo Stock Exchange on April 26, 2023. The translation is for reference purposes only. If and when there are any discrepancies between the original announcement and the English translation, the original announcement shall prevail.