

SHIMIZU CORPORATION

Consolidated Financial Report [Japanese GAAP] For the year ended March 31, 2023



Shares Listed: Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market
 Stock Code: 1803
 URL: <https://www.shimz.co.jp/en/>
 Representative: Kazuyuki Inoue, President and Director
 Inquiries: Takayuki Hachiya, General Manager, Accounting Department
 TEL: +81-3-3561-1111

Scheduled date of general meeting of shareholders: June 29, 2023
 Scheduled date to file securities report: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Supplementary documents on 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 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)	
	Year ended March 31, 2023	30.4%	54,647	21.0%	56,546	12.2%	49,057	2.7%
Year ended March 31, 2022	1,933,814	1.8%	45,145	(54.9%)	50,419	(52.2%)	47,761	(38.1%)

	Net Income per share (Yen)	Diluted Net Income per share (Yen)	ROE (Ratio of Net Income to Owners' Equity)	ROA (Ratio of Ordinary Income to Total assets)	Ratio of Operating Income to Net Sales
Year ended March 31, 2023	66.29	—	5.9%	2.5%	2.8%
Year ended March 31, 2022	64.09	—	5.8%	2.5%	3.0%

(Reference) Equity in earnings of affiliates Year ended March 31, 2023 : (506) Millions of Yen Year ended March 31, 2022 : 242 Millions of Yen

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Ratio of Owners' Equity attributable to shareholders of the Corporation	Net Assets per share (Yen)
As of March 31, 2023	2,448,010	907,277	34.8%	1,150.70
As of March 31, 2022	2,128,356	875,172	38.7%	1,116.89

(Reference) Owners' Equity (Net Assets less non-controlling interests) As of March 31, 2023 : 852,559 Millions of Yen As of March 31, 2022 : 824,496 Millions of Yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities (Millions of Yen)	Cash Flows from Investing Activities (Millions of Yen)	Cash Flows from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at End of Year (Millions of Yen)
As of March 31, 2023	83,842	(52,434)	65,635	386,750
As of March 31, 2022	77,772	(89,308)	19,634	287,134

2. Dividends

	Dividends per share					Total amount of Dividends (Millions of Yen)	Dividends payout ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	Year-End (Yen)	Total (Yen)			
Year ended March 31, 2022	—	11.50	—	11.50	23.00	17,042	35.9%	2.1%
Year ended March 31, 2023	—	10.50	—	10.50	21.00	15,558	31.7%	1.9%
Year ending March 31, 2024(Forecast)	—	13.50	—	13.50	27.00		40.0%	

(Note) End of 2Q dividend and Year-End dividend of 11.50Yen for Year ending March 31, 2022 each includes a special dividend of 1.50Yen.

3. Forecast of Consolidated Results of Operations

for the Fiscal Year Ending March 2024 (From April 1, 2023 to March 31, 2024)

(Percentage figures are changes from 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, 2024	0.6%	57,500	5.2%	54,000	(4.5%)	50,000	1.9%	67.49	
Year ending March 31, 2024	1,945,000	0.6%	57,500	5.2%	54,000	(4.5%)	50,000	1.9%	67.49	

Explanatory Notes

(1) Changes in major subsidiaries during the period

(Changes in specified subsidiaries accompanying changes to the scope of consolidation) : **Yes**

Newly added subsidiaries: 3 companies (SCB Boylston PO, LLC / SCB Boylston Holding, LLC / SC Boylston Investment, LLC)

Excluded subsidiaries: None

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

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

② Changes in accounting policies other than ① above : **None**

③ Changes in accounting estimates : **None**

④ Restatements : **None**

The Group has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021) effective from the beginning of the year ending March 31, 2023.

(3) Number of shares issued (Common stock)

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

FY2022 ended March 31, 2023	788,514,613	FY2021 ended March 31, 2022	788,514,613

② Number of treasury stocks at the end of the period

FY2022 ended March 31, 2023	47,611,399	FY2021 ended March 31, 2022	50,309,352

③ Average number of shares issued during the period

FY2022 ended March 31, 2023	740,004,227	FY2021 ended March 31, 2022	745,168,592

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Financial Highlights

(1) Nonconsolidated Results of Operations

(Percentage figures are changes from the previous fiscal year)

	Net Sales (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)	
Year ended March 31, 2023	1,557,325	21.0%	33,198	(4.8%)	41,389	(5.8%)	41,754	(8.7%)
Year ended March 31, 2022	1,287,352	3.0%	34,859	(61.3%)	43,926	(55.5%)	45,735	(36.8%)

	Net Income per share (Yen)	Diluted Net Income per share (Yen)
Year ended March 31, 2023	56.36	—
Year ended March 31, 2022	61.26	—

(2) Nonconsolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Ratio of Owners' Equity to Total Assets	Net Assets per share (Yen)
As of March 31, 2023	2,016,732	714,361	35.4%	964.18
As of March 31, 2022	1,749,528	699,210	40.0%	943.72

(Reference) Owners' Equity As of March 31, 2023 : 714,361 Millions of Yen As of March 31, 2022 : 699,210 Millions of Yen

2. Forecast of Nonconsolidated Results of Operations for the Fiscal Year Ending March 2024 (From April 1, 2023 to March 31, 2024)

(Percentage figures are changes from 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)
Year ending March 31, 2024	1,530,000	(1.8%)	31,000	(6.6%)	36,500	(11.8%)	44,000	5.4%	59.39

This report is not subject to audit 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 Fiscal Year		Previous Fiscal Year		Increase (Decrease)	
	〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		〔 From:Apr 1, 2021 To :Mar 31, 2022 〕		Rate(%)	
Construction Contracts		1,693.8		1,295.9	397.9	30.7
Gross Profit	6.6%	111.0	6.3%	81.1	29.8	36.8
Real Estate and Other		239.9		186.9	52.9	28.3
Gross Profit	20.8%	49.9	31.3%	58.4	(8.5)	(14.6)
Net Sales		1,933.8		1,482.9	450.8	30.4
Gross Profit	8.3%	161.0	9.4%	139.6	21.3	15.3
S, G & A Expenses		106.3		94.5	11.8	12.5
Operating Income	2.8%	54.6	3.0%	45.1	9.5	21.0
Net Financial Revenue		1.9		3.2	(1.3)	(40.6)
Others		(0.0)		1.9	(2.0)	—
Ordinary Income	2.9%	56.5	3.4%	50.4	6.1	12.2
Special Gains (Losses)		18.7		14.2	4.5	31.6
Income Before Taxes		75.3		64.7	10.6	16.4
Income Taxes		23.8		17.1	6.7	39.3
Net Income Attributable to Non-Controlling Interests		2.4		(0.1)	2.6	—
Net Income Attributable to Shareholders of the Corporation	2.5%	49.0	3.2%	47.7	1.2	2.7

(Consolidated)	Current Fiscal Year		Previous Fiscal Year		Increase(Decrease)	
	〔 Mar 31, 2023 〕		〔 Mar 31, 2022 〕		Rate(%)	
Interest-bearing Debt		577.2		495.1	82.1	16.6
[Nonrecourse Borrowings and Bonds]		86.8		104.5	(17.7)	(17.0)

Debt/Equity Ratio	0.68 times	0.60 times
-------------------	------------	------------

(2) Nonconsolidated

(Billions of Yen)

	Current Fiscal Year		Previous Fiscal Year		Increase (Decrease)	
	〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		〔 From:Apr 1, 2021 To :Mar 31, 2022 〕		Rate(%)	
Construction Contracts		1,428.1		1,163.4	264.6	22.7
[Architectural Construction]		1,189.5		936.0	253.5	27.1
[Civil Engineering]		238.5		227.4	11.0	4.9
Gross Profit	5.2%	74.6	5.2%	59.9	14.6	24.5
[Architectural Construction]	4.1%	48.6	2.8%	26.4	22.1	83.6
[Civil Engineering]	10.9%	26.0	14.7%	33.4	(7.4)	(22.2)
Real Estate and Other		129.2		123.8	5.3	4.3
Gross Profit	27.3%	35.3	40.4%	50.0	(14.6)	(29.3)
Net Sales		1,557.3		1,287.3	269.9	21.0
Gross Profit	7.1%	110.0	8.5%	109.9	0.0	0.0
S, G & A Expenses		76.8		75.1	1.6	2.2
Operating Income	2.1%	33.1	2.7%	34.8	(1.6)	(4.8)
Net Financial Revenue		7.7		7.4	0.3	4.3
Others		0.4		1.6	(1.1)	(73.7)
Ordinary Income	2.7%	41.3	3.4%	43.9	(2.5)	(5.8)
Special Gains (Losses)		17.6		16.4	1.2	7.7
Income Before Taxes		59.0		60.3	(1.2)	(2.1)
Income Taxes		17.2		14.5	2.6	18.5
Net Income	2.7%	41.7	3.6%	45.7	(3.9)	(8.7)

(Nonconsolidated)	Current Fiscal Year		Previous Fiscal Year		Increase(Decrease)	
	〔 Mar 31, 2023 〕		〔 Mar 31, 2022 〕		Rate(%)	
Interest-bearing Debt		463.7		374.3	89.3	23.9
[Nonrecourse Borrowings]		26.7		28.0	(1.3)	(4.6)

PERFORMANCE FORECASTS

(1) Consolidated

(Billions of Yen)

	Following Fiscal Year Forecast		Current Fiscal Year Result		Increase (Decrease)	
	〔 From:Apr 1, 2023 To :Mar 31, 2024 〕		〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		Rate(%)	
Construction Contracts		1,695.0		1,693.8	1.1	0.1
Gross Profit	7.4%	126.0	6.6%	111.0	14.9	13.4
Real Estate and Other		250.0		239.9	10.0	4.2
Gross Profit	18.8%	47.0	20.8%	49.9	(2.9)	(5.9)
Net Sales		1,945.0		1,933.8	11.1	0.6
Gross Profit	8.9%	173.0	8.3%	161.0	11.9	7.5
S, G & A Expenses		115.5		106.3	9.1	8.6
Operating Income	3.0%	57.5	2.8%	54.6	2.8	5.2
Net Financial Revenue		(1.5)		1.9	(3.4)	—
Others		(2.0)		(0.0)	(1.9)	—
Ordinary Income	2.8%	54.0	2.9%	56.5	(2.5)	(4.5)
Special Gains (Losses)		25.0		18.7	6.2	33.0
Income Before Taxes		79.0		75.3	3.6	4.9
Income Taxes		25.5		23.8	1.6	6.9
Net Income Attributable to Non-Controlling Interests		3.5		2.4	1.0	43.9
Net Income Attributable to Shareholders of the Corporation	2.6%	50.0	2.5%	49.0	0.9	1.9
Interest-bearing Debt		Less than 630.0		577.2	52.7	9.1

(2) Nonconsolidated

(Billions of Yen)

	Following Fiscal Year Forecast		Current Fiscal Year Result		Increase (Decrease)	
	〔 From:Apr 1, 2023 To :Mar 31, 2024 〕		〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		Rate(%)	
Construction Contracts		1,390.0		1,428.1	(38.1)	(2.7)
[Architectural Construction]		[1,150.0]		[1,189.5]	[(39.5)]	[(3.3)]
[Civil Engineering]		[240.0]		[238.5]	[1.4]	[0.6]
Gross Profit	6.0%	84.0	5.2%	74.6	9.3	12.5
[Architectural Construction]	5.0%	[58.0]	4.1%	[48.6]	[9.3]	[19.3]
[Civil Engineering]	10.8%	[26.0]	10.9%	[26.0]	[(0.0)]	[(0.2)]
Real Estate and Other		140.0		129.2	10.7	8.3
Gross Profit	22.1%	31.0	27.3%	35.3	(4.3)	(12.3)
Net Sales		1,530.0		1,557.3	(27.3)	(1.8)
Gross Profit	7.5%	115.0	7.1%	110.0	4.9	4.5
S, G & A Expenses		84.0		76.8	7.1	9.4
Operating Income	2.0%	31.0	2.1%	33.1	(2.1)	(6.6)
Net Financial Revenue		7.0		7.7	(0.7)	(9.8)
Others		(1.5)		0.4	(1.9)	—
Ordinary Income	2.4%	36.5	2.7%	41.3	(4.8)	(11.8)
Special Gains (Losses)		25.0		17.6	7.3	41.5
Income Before Taxes		61.5		59.0	2.4	4.1
Income Taxes		17.5		17.2	0.2	1.2
Net Income	2.9%	44.0	2.7%	41.7	2.2	5.4
Interest-bearing Debt		Less than 520.0		463.7	56.2	12.1

BREAKDOWN OF SALES AND GROSS PROFIT (NONCONSOLIDATED)

(1) Performance Results

(Billions of Yen)

	Current Fiscal Year Result 〔 From:Apr 1, 2022 To :Mar 31, 2023 〕			Previous Fiscal Year Result 〔 From:Apr 1, 2021 To :Mar 31, 2022 〕			Increase (Decrease)				
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit		
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)		
Construction business											
Architectural Construction											
Domestic	1,142.8	4.5%	50.8	906.2	5.1%	46.3	236.5	26.1%	4.4	9.7%	
Overseas	46.7	(4.8)	(2.2)	29.7	(66.8)	(19.8)	16.9	56.9	17.6	—	
Sub total	1,189.5	4.1	48.6	936.0	2.8	26.4	253.5	27.1	22.1	83.6	
Civil Engineering											
Domestic	196.0	11.7	23.0	200.3	15.2	30.4	(4.3)	(2.2)	(7.4)	(24.4)	
Overseas	42.4	7.2	3.0	27.0	11.4	3.0	15.4	56.9	(0.0)	(1.2)	
Sub total	238.5	10.9	26.0	227.4	14.7	33.4	11.0	4.9	(7.4)	(22.2)	
Domestic	1,338.8	5.5	73.8	1,106.6	6.9	76.7	232.2	21.0	(2.9)	(3.8)	
Overseas	89.2	0.9	0.8	56.8	(29.6)	(16.8)	32.3	56.9	17.6	—	
Total	1,428.1	5.2	74.6	1,163.4	5.2	59.9	264.6	22.7	14.6	24.5	
Real Estate and Other	129.2	27.3	35.3	123.8	40.4	50.0	5.3	4.3	(14.6)	(29.3)	
Grand Total	1,557.3	7.1	110.0	1,287.3	8.5	109.9	269.9	21.0	0.0	0.0	

(2) Performance Forecasts

(Billions of Yen)

	Following Fiscal Year Forecast 〔 From:Apr 1, 2023 To :Mar 31, 2024 〕			Current Fiscal Year Result 〔 From:Apr 1, 2022 To :Mar 31, 2023 〕			Increase (Decrease)				
	Sales	Gross Profit		Sales	Gross Profit		Sales		Gross Profit		
		Profit Rate (%)			Profit Rate (%)		Rate (%)		Rate (%)		
Construction business											
Architectural Construction											
Domestic	1,115.0	5.2%	58.0	1,142.8	4.5%	50.8	(27.8)	(2.4%)	7.1	14.0%	
Overseas	35.0	0.0	0.0	46.7	(4.8)	(2.2)	(11.7)	(25.1)	2.2	—	
Sub total	1,150.0	5.0	58.0	1,189.5	4.1	48.6	(39.5)	(3.3)	9.3	19.3	
Civil Engineering											
Domestic	200.0	12.0	24.0	196.0	11.7	23.0	3.9	2.0	0.9	4.3	
Overseas	40.0	5.0	2.0	42.4	7.2	3.0	(2.4)	(5.9)	(1.0)	(34.3)	
Sub total	240.0	10.8	26.0	238.5	10.9	26.0	1.4	0.6	(0.0)	(0.2)	
Domestic	1,315.0	6.2	82.0	1,338.8	5.5	73.8	(23.8)	(1.8)	8.1	11.0	
Overseas	75.0	2.7	2.0	89.2	0.9	0.8	(14.2)	(15.9)	1.1	145.2	
Total	1,390.0	6.0	84.0	1,428.1	5.2	74.6	(38.1)	(2.7)	9.3	12.5	
Real Estate and Other	140.0	22.1	31.0	129.2	27.3	35.3	10.7	8.3	(4.3)	(12.3)	
Grand Total	1,530.0	7.5	115.0	1,557.3	7.1	110.0	(27.3)	(1.8)	4.9	4.5	

CONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Fiscal Year [Mar 31, 2023]	Previous Fiscal Year [Mar 31, 2022]	Increase (Decrease)
(ASSETS)			
Current Assets:			
Cash	372,780	250,134	122,645
Notes and accounts receivable-trade	837,373	684,217	153,155
Marketable securities (Negotiable certificates of deposits)	14,000	37,000	(23,000)
Real estate for sale	1,997	7,097	(5,099)
Costs on uncompleted construction contracts	43,858	30,742	13,115
Costs on uncompleted real estate development projects	25,336	14,419	10,916
Other inventories	3,530	2,909	621
Other current assets	156,423	124,711	31,711
Less: Allowance for doubtful accounts	(1,403)	(1,147)	(255)
Total current assets	1,453,897	1,150,085	303,812
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	227,815	226,287	1,527
Machinery, vehicles, tools, furniture and fixtures	81,396	39,729	41,666
Land	294,949	298,667	(3,718)
Construction in progress	31,087	49,941	(18,854)
Total tangible fixed assets	635,247	614,625	20,622
Intangible fixed assets	21,465	21,069	395
Investments and other assets:			
Investment securities	312,968	326,835	(13,867)
Deffered tax assets	9,188	2,722	6,465
Other investments	17,118	14,948	2,170
Less: Allowance for doubtful accounts	(1,875)	(1,930)	54
Total investments and other assets	337,399	342,576	(5,176)
Total non-current assets	994,112	978,271	15,841
Total assets	2,448,010	2,128,356	319,654

(Millions of Yen)

	Current Fiscal Year [Mar 31, 2023]	Previous Fiscal Year [Mar 31, 2022]	Increase (Decrease)
(LIABILITIES)			
Current Liabilities:			
Notes and accounts payable-trade	424,343	325,953	98,389
Short-term borrowings	225,655	130,609	95,046
Current portion of non-recourse borrowings	8,430	8,758	(328)
Commercial papers	—	50,000	(50,000)
Current portion of non-recourse bonds payable	—	13,761	(13,761)
Advances received on uncompleted construction contracts	152,680	107,630	45,049
Deposits received	145,101	109,336	35,764
Warranty reserve	4,117	3,353	764
Reserve for expected losses on construction contracts in process	65,454	54,117	11,336
Other current liabilities	60,303	44,673	15,630
Total current liabilities	1,086,086	848,195	237,891
Non-Current Liabilities:			
Bonds payable	130,000	110,000	20,000
Non-recourse bonds payable	—	8,208	(8,208)
Long-term borrowings	134,781	99,945	34,836
Non-recourse borrowings	78,403	73,857	4,546
Deferred tax liabilities	1,496	7,231	(5,735)
Deferred tax liabilities for revaluation reserve for land	17,497	17,644	(147)
Net defined benefit liability	60,177	55,899	4,277
Other non-current liabilities	32,289	32,202	87
Total non-current liabilities	454,646	404,988	49,657
Total liabilities	1,540,732	1,253,184	287,548
(NET ASSETS)			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital	43,691	43,678	13
Retained earnings	625,324	592,199	33,125
Less: Treasury stock, at cost	(41,299)	(43,282)	1,983
Total shareholders' equity	702,081	666,959	35,121
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	121,937	132,308	(10,371)
Deferred gain (loss) on hedging, net of taxes	198	214	(15)
Revaluation reserve for land, net of taxes	25,495	25,831	(336)
Foreign currency translation adjustments	3,401	(898)	4,300
Remeasurements of defined benefit plans	(555)	80	(635)
Total accumulated other comprehensive income	150,477	157,536	(7,059)
Non-controlling Interests	54,718	50,675	4,042
Total net assets	907,277	875,172	32,105
Total liabilities and net assets	2,448,010	2,128,356	319,654

(Reference)

Interest-bearing debt	577,271	495,140	82,131
[Nonrecourse borrowings and bonds]	[86,834]	[104,585]	[(17,751)]

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)
Net Sales:			
Construction contracts	1,693,895	1,295,969	397,925
Real estate development and other	239,919	186,992	52,927
Total net sales	1,933,814	1,482,961	450,852
Cost of Sales:			
Construction contracts	1,582,828	1,214,775	368,053
Real estate development and other	189,983	128,510	61,473
Total cost of sales	1,772,812	1,343,286	429,526
Gross profit:			
Construction contracts	[6.6%] 111,066	[6.3%] 81,193	29,872
Real estate development and other	[20.8%] 49,935	[31.3%] 58,481	(8,545)
Total gross profit	8.3% 161,002	9.4% 139,675	21,326
Selling, General and Administrative Expenses	106,354	94,529	11,824
Operating income	2.8% 54,647	3.0% 45,145	9,502
Non-Operating Income:			
Interest and dividend income	5,946	5,935	10
Foreign exchange gain	864	2,088	(1,224)
Other non-operating income	1,970	2,465	(494)
Total non-operating income	8,781	10,490	(1,708)
Non-Operating Expenses:			
Interest expenses	3,997	2,656	1,340
Other non-operating expenses	2,885	2,559	325
Total non-operating expenses	6,882	5,216	1,666
Ordinary income	2.9% 56,546	3.4% 50,419	6,127
Special Gains:			
Gain on sales of investment securities	19,022	10,044	8,977
Gain on negative goodwill	—	6,414	(6,414)
Other special gains	331	8	322
Total special gains	19,354	16,468	2,885
Special Losses:			
Loss on sales of investment securities	9	19	(9)
Loss on devaluation of investment securities	433	255	178
Loss on step acquisitions	—	1,865	(1,865)
Other special losses	113	42	71
Total special losses	556	2,182	(1,625)
Income before income taxes	75,344	64,705	10,638
Income taxes current	30,200	29,952	248
Income taxes deferred	(6,346)	(12,824)	6,477
Total income taxes	23,854	17,128	6,726
Net income	51,489	47,577	3,912
Net income(loss) attributable to non-controlling interests	2,431	(183)	2,615
Net income attributable to shareholders of the Corporation	2.5% 49,057	3.2% 47,761	1,296

(Reference)

Interest and dividend income	5,946	5,935	10
Interest expenses	3,997	2,656	1,340
Net financial revenue	1,949	3,279	(1,330)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)
Net income	51,489	47,577	3,912
Other comprehensive income:			
Net unrealized gain (loss) on other securities, net of taxes	(10,321)	(1,473)	(8,848)
Deferred gain (loss) on hedging, net of taxes	(15)	(22)	6
Foreign currency translation adjustments	4,753	2,612	2,141
Remeasurements of defined benefit plans	(807)	743	(1,550)
Share of other comprehensive income of associates accounted for using equity method	(141)	(100)	(40)
Total other comprehensive income	(6,532)	1,759	(8,292)
Comprehensive income	44,956	49,336	(4,379)
Comprehensive income attributable to:			
Shareholders of the Corporation	42,334	49,504	(7,169)
Non-controlling interests	2,621	(167)	2,789

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)
Cash Flows from Operating Activities:			
Income before income taxes	75,344	64,705	10,638
Adjustments for:			
Depreciation and amortization	25,798	20,213	5,584
Gain on negative goodwill	—	(6,414)	6,414
Loss (gain) on step acquisitions	—	1,865	(1,865)
Increase (decrease) in allowance for doubtful accounts	196	(177)	374
Increase (decrease) in reserve for expected losses on construction contracts in process	11,315	39,506	(28,190)
Increase (decrease) in net defined benefit liability	3,100	3,315	(214)
Loss (gain) on sales of fixed assets	(218)	33	(251)
Loss (gain) on valuation of investment securities	433	255	178
Loss (gain) on sales of investment securities	(19,012)	(10,025)	(8,987)
Interest and dividend income	(5,946)	(5,935)	(10)
Interest expenses	3,997	2,656	1,340
(Increase) decrease in notes and accounts receivable-trade	(152,223)	(39,265)	(112,957)
(Increase) decrease in real estate for sale	37,603	8,408	29,194
(Increase) decrease in costs on uncompleted construction contracts	(13,095)	1,138	(14,233)
(Increase) decrease in uncompleted real estate development projects	(10,916)	2,724	(13,641)
(Increase) decrease in other inventories	(618)	694	(1,312)
Increase (decrease) in notes and accounts payable-trade	97,884	6,398	91,485
Increase (decrease) in advances received on uncompleted construction contracts	44,584	9,189	35,394
Other, net	8,412	6,562	1,850
Subtotal	106,640	105,848	792
Interest and dividends received	6,156	6,542	(385)
Interest paid	(3,892)	(2,787)	(1,105)
Income taxes paid	(25,062)	(31,831)	6,769
Net cash provided by (used in) operating activities	83,842	77,772	6,070

(Millions of Yen)

	Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)
Cash Flows from Investing Activities:			
Acquisition of tangible fixed assets	(68,575)	(109,766)	41,191
Proceeds from sales of tangible fixed assets	1,046	40	1,006
Acquisition of marketable securities and investment securities	(9,750)	(217)	(9,533)
Proceeds from sales of marketable securities and investment securities	27,341	13,235	14,106
Other, net	(2,497)	7,400	(9,897)
Net cash provided by (used in) investing activities	(52,434)	(89,308)	36,873
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	96,011	(21,386)	117,398
Net increase (decrease) in commercial papers	(50,000)	50,000	(100,000)
Proceeds from long-term borrowings	57,018	45,700	11,318
Repayments of long-term borrowings	(25,037)	(17,854)	(7,183)
Proceeds from non-recourse borrowings	11,518	15,819	(4,301)
Repayments of non-recourse borrowings	(8,786)	(8,518)	(268)
Proceeds from issuance of bonds	20,000	10,000	10,000
Redemption of bonds	—	(10,000)	10,000
Redemption of non-recourse bonds	(21,969)	(1,265)	(20,704)
Purchase of treasury stock	(1)	(20,104)	20,102
Proceeds from sale of shares of parent held by a subsidiary	4,004	—	4,004
Dividends	(16,237)	(22,277)	6,039
Other, net	(883)	(478)	(404)
Net cash provided by (used in) financing activities	65,635	19,634	46,001
Effect of exchange rate changes on Cash and Cash Equivalents	2,572	2,714	(141)
Net increase (decrease) in Cash and Cash Equivalents	99,615	10,812	88,803
Cash and Cash Equivalents at beginning of year	287,134	276,321	10,812
Cash and Cash Equivalents at end of year	386,750	287,134	99,615

NONCONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Fiscal Year [Mar 31, 2023]	Previous Fiscal Year [Mar 31, 2022]	Increase (Decrease)
(ASSETS)			
Current Assets:			
Cash	265,464	152,427	113,037
Notes receivable	35,309	19,601	15,708
Accounts receivable from completed construction contracts	648,208	511,617	136,590
Marketable securities (Negotiable certificates of deposits)	14,000	37,000	(23,000)
Real estate for sale	0	0	(0)
Costs on uncompleted construction contracts	41,310	28,621	12,688
Costs on uncompleted real estate development projects	10,097	7,044	3,053
Other current assets	147,499	125,914	21,585
Less: Allowance for doubtful accounts	(1,114)	(1,053)	(61)
Total current assets	1,160,775	881,172	279,602
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	164,881	182,657	(17,776)
Machinery and vehicles	50,919	7,618	43,301
Tools, furniture and fixtures	5,357	5,601	(243)
Land	219,561	228,223	(8,662)
Construction in progress	25,499	45,876	(20,376)
Total tangible fixed assets	466,219	469,976	(3,756)
Intangible fixed assets	14,880	14,469	410
Investments and other assets:			
Investment securities	286,635	302,219	(15,583)
Investments in subsidiaries and affiliates	63,945	65,342	(1,397)
Investments in other securities of subsidiaries and affiliates	6,718	5,357	1,361
Long-term loans	1,778	2,104	(325)
Claims in bankruptcy or reorganization proceedings	17	—	17
Long-term prepaid expenses	354	506	(152)
Deferred tax assets	6,308	—	6,308
Other investments	10,949	10,308	640
Less: Allowance for doubtful accounts	(1,851)	(1,929)	78
Total investments and other assets	374,857	383,909	(9,052)
Total non-current assets	855,957	868,355	(12,398)
Total assets	2,016,732	1,749,528	267,203

(Millions of Yen)

	Current Fiscal Year [Mar 31, 2023]	Previous Fiscal Year [Mar 31, 2022]	Increase (Decrease)
(LIABILITIES)			
Current Liabilities:			
Notes payable	74,898	56,113	18,785
Accounts payable for construction contracts	267,449	198,387	69,061
Short-term borrowings	199,581	106,703	92,878
Current portion of non-recourse borrowings	1,300	1,300	—
Commercial papers	—	50,000	(50,000)
Income taxes payable	11,170	5,555	5,615
Advances received on uncompleted construction contracts	139,459	96,319	43,139
Deposits received	151,860	142,840	9,020
Warranty reserve	3,855	3,141	714
Reserve for expected losses on construction contracts in process	64,707	53,663	11,043
Other current liabilities	28,353	22,208	6,145
Total current liabilities	942,635	736,232	206,403
Non-Current Liabilities:			
Bonds payable	130,000	110,000	20,000
Long-term borrowings	107,437	79,645	27,792
Non-recourse borrowings	25,450	26,750	(1,300)
Deferred tax liabilities	—	3,743	(3,743)
Deferred tax liabilities for revaluation reserve for land	17,497	17,644	(147)
Reserve for employees' retirement benefits	51,692	48,632	3,059
Other non-current liabilities	27,657	27,668	(10)
Total non-current liabilities	359,735	314,084	45,650
Total liabilities	1,302,371	1,050,317	252,053
(NET ASSETS)			
Shareholders' Equity:			
Common stock, no par value	74,365	74,365	—
Additional paid-in capital:			
Capital reserve	43,143	43,143	—
Other additional paid-in capital	1	1	(0)
Total additional paid-in capital	43,144	43,145	(0)
Retained earnings:			
Legal reserve	18,394	18,394	—
Other retained earnings:			
Reserve for advanced depreciation of noncurrent assets	4,716	4,819	(102)
Contingent Reserve	405,100	405,100	—
Retained earnings brought forward	63,303	37,409	25,893
Total retained earnings	491,515	465,724	25,790
Less: Treasury stock, at cost	(41,299)	(41,298)	(1)
Total shareholders' equity	567,725	541,936	25,789
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	120,942	131,228	(10,286)
Deferred gain (loss) on hedging, net of taxes	198	214	(15)
Revaluation reserve for land, net of taxes	25,495	25,831	(336)
Total valuation and translation adjustments	146,636	157,274	(10,638)
Total net assets	714,361	699,210	15,150
Total liabilities and net assets	2,016,732	1,749,528	267,203
(Reference)			
Interest-bearing debt	463,768	374,398	89,370
[Nonrecourse borrowings]	[26,750]	[28,050]	[(1,300)]

NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)
Net Sales:			
Construction contracts	1,428,105	1,163,489	264,616
Real estate development and other	129,219	123,863	5,356
Total net sales	1,557,325	1,287,352	269,972
Cost of Sales:			
Construction contracts	1,353,426	1,103,504	249,922
Real estate development and other	93,886	73,861	20,024
Total cost of sales	1,447,312	1,177,365	269,946
Gross profit:			
Construction contracts	[5.2%] 74,679	[5.2%] 59,985	14,694
Real estate development and other	[27.3%] 35,333	[40.4%] 50,001	(14,668)
Total gross profit	7.1% 110,013	8.5% 109,987	25
Selling, General and Administrative Expenses	76,814	75,128	1,685
Operating income	2.1% 33,198	2.7% 34,859	(1,660)
Non-Operating Income:			
Interest and dividend income	9,889	8,987	902
Foreign exchange gain	813	2,092	(1,279)
Other non-operating income	964	1,505	(540)
Total non-operating income	11,667	12,585	(917)
Non-Operating Expenses:			
Interest expenses	2,124	1,540	584
Other non-operating expenses	1,351	1,977	(625)
Total non-operating expenses	3,476	3,517	(40)
Ordinary income	2.7% 41,389	3.4% 43,926	(2,536)
Special Gains:			
Gain on sales of investment securities	18,888	10,019	8,868
Gain on extinguishment of tie-in shares	—	6,662	(6,662)
Other special gains	313	4	309
Total special gains	19,202	16,686	2,516
Special Losses:			
Loss on sales of investment securities	9	19	(9)
Loss on devaluation of investment securities	325	255	70
Loss on devaluation of shares of subsidiaries and associates	1,093	—	1,093
Other special losses	108	2	106
Total special losses	1,538	277	1,260
Income before income taxes	59,053	60,335	(1,281)
Income taxes current	22,575	25,084	(2,509)
Income taxes deferred	(5,275)	(10,484)	5,208
Total income taxes	17,299	14,599	2,699
Net income	2.7% 41,754	3.6% 45,735	(3,981)

(Reference)

Interest and dividend income	9,889	8,987	902
Interest expenses	2,124	1,540	584
Net financial revenue	7,764	7,447	317

BREAKDOWN OF ORDERS (NONCONSOLIDATED)

(Millions of Yen)

	Current Fiscal Year Result 〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		Previous Fiscal Year Result 〔 From:Apr 1, 2021 To :Mar 31, 2022 〕		Increase (Decrease)	
		Proportion (%)		Proportion (%)		Rate (%)
Construction business (orders)						
Architectural Construction						
Domestic	1,101,137	78.5	1,123,513	79.1	(22,376)	(2.0)
Overseas	41,550	3.0	22,829	1.6	18,721	82.0
Sub total	1,142,688	81.5	1,146,342	80.7	(3,654)	(0.3)
Civil Engineering						
Domestic	195,520	14.0	216,341	15.3	(20,820)	(9.6)
Overseas	63,070	4.5	57,378	4.0	5,691	9.9
Sub total	258,591	18.5	273,719	19.3	(15,128)	(5.5)
Domestic	1,296,657	92.5	1,339,854	94.4	(43,196)	(3.2)
Overseas	104,621	7.5	80,207	5.6	24,413	30.4
Total	1,401,279	100	1,420,062	100	(18,782)	(1.3)
Real Estate and Other	114,608		123,399		(8,791)	(7.1)
Grand Total	1,515,887		1,543,461		(27,573)	(1.8)

(Reference: Overseas Construction Orders)

(Millions of Yen)

	Current Fiscal Year Result 〔 From:Apr 1, 2022 To :Mar 31, 2023 〕		Previous Fiscal Year Result 〔 From:Apr 1, 2021 To :Mar 31, 2022 〕		Increase (Decrease)	
						Rate (%)
Shimizu Corporation	104,621		80,207		24,413	30.4
Subsidiaries	73,964		39,704		34,260	86.3
Total	178,586		119,911		58,674	48.9

ORDERS, SALES AND BACKLOG (NONCONSOLIDATED)
for the fiscal year ended March 31, 2022 and 2023

(1) Construction orders awarded and contracts

(Millions of Yen)

		Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,101,137	1,123,513	(22,376)	(2.0)
	Overseas	41,550	22,829	18,721	82.0
	Sub total	1,142,688	1,146,342	(3,654)	(0.3)
Civil Engineering	Domestic	195,520	216,341	(20,820)	(9.6)
	Overseas	63,070	57,378	5,691	9.9
	Sub total	258,591	273,719	(15,128)	(5.5)
Construction business (orders)		1,401,279	1,420,062	(18,782)	(1.3)
Real estate development and other (contracts)		114,608	123,399	(8,791)	(7.1)
Total		1,515,887	1,543,461	(27,573)	(1.8)

(2) Net sales

(Millions of Yen)

		Current Fiscal Year 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Previous Fiscal Year 〔From:Apr 1, 2021〕 〔To :Mar 31, 2022〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,142,840	906,259	236,580	26.1
	Overseas	46,723	29,783	16,939	56.9
	Sub total	1,189,563	936,043	253,520	27.1
Civil Engineering	Domestic	196,053	200,370	(4,317)	(2.2)
	Overseas	42,489	27,075	15,413	56.9
	Sub total	238,542	227,446	11,096	4.9
Construction business		1,428,105	1,163,489	264,616	22.7
Real estate development and other		129,219	123,863	5,356	4.3
Total		1,557,325	1,287,352	269,972	21.0

(3) Backlog

(Millions of Yen)

		Current Fiscal Year 〔 Mar 31, 2023 〕	Previous Fiscal Year 〔 Mar 31, 2022 〕	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,393,234	1,434,937	(41,702)	(2.9)
	Overseas	80,507	85,679	(5,172)	(6.0)
	Sub total	1,473,741	1,520,616	(46,875)	(3.1)
Civil Engineering	Domestic	437,743	438,275	(532)	(0.1)
	Overseas	161,270	140,689	20,581	14.6
	Sub total	599,014	578,965	20,048	3.5
Construction business		2,072,755	2,099,582	(26,826)	(1.3)
Real estate development and other		78,610	93,221	(14,611)	(15.7)
Total		2,151,365	2,192,803	(41,437)	(1.9)

ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED)
for the fiscal year ending March 2024

(Millions of Yen)

		Following Fiscal Year Forecast 〔From:Apr 1, 2023〕 〔To :Mar 31, 2024〕	Current Fiscal Year Result 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Increase (Decrease)	
					Rate(%)
Architectural Construction	Domestic	1,045,000	1,101,137	(56,137)	(5.1)
	Overseas	15,000	41,550	(26,550)	(63.9)
	Sub total	1,060,000	1,142,688	(82,688)	(7.2)
Civil Engineering	Domestic	190,000	195,520	(5,520)	(2.8)
	Overseas	30,000	63,070	(33,070)	(52.4)
	Sub total	220,000	258,591	(38,591)	(14.9)
Construction business (orders)		1,280,000	1,401,279	(121,279)	(8.7)
Real estate development and other (contracts)		120,000	114,608	5,391	4.7
Total		1,400,000	1,515,887	(115,887)	(7.6)

(Reference: Overseas Construction Orders)

(Millions of Yen)

		Following Fiscal Year Forecast 〔From:Apr 1, 2023〕 〔To :Mar 31, 2024〕	Current Fiscal Year Result 〔From:Apr 1, 2022〕 〔To :Mar 31, 2023〕	Increase (Decrease)	
					Rate(%)
Shimizu Corporation		45,000	104,621	(59,621)	(57.0)
Subsidiaries		55,000	73,964	(18,964)	(25.6)
Total		100,000	178,586	(78,586)	(44.0)