

Tokyo, February 8, 2018

# SHIMIZU CORPORATION

## Consolidated Financial Report [Japanese GAAP]

### For the nine months ended December 31, 2017



Shares Listed: First section of the Tokyo Stock Exchange and Nagoya Stock Exchange  
 Stock Code: 1803  
 URL: <https://www.shimz.co.jp/english/>  
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Scheduled date to file quarterly securities report: February 9, 2018  
 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)	
Nine months ended December 31, 2017	1,049,732	(4.5%)	76,658	(12.9%)	81,572	(10.7%)	57,840	(14.3%)
Nine months ended December 31, 2016	1,099,247	(7.8%)	88,051	31.3%	91,393	32.3%	67,524	55.3%

	Net Income per share (Yen)	Diluted Net Income per share (Yen)
Nine months ended December 31, 2017	73.72	73.67
Nine months ended December 31, 2016	86.07	86.02

#### (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 December 31, 2017	1,710,244	640,094	634,905	37.1%
As of March 31, 2017	1,688,197	576,879	571,773	33.9%

### 2. Dividends

	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	Year-End (Yen)	Total (Yen)
Year ended March 31, 2017	—	5.00	—	21.00	26.00
Year ending March 31, 2018	—	10.00	—		
Year ending March 31, 2018 (Forecast)				10.00	20.00

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

\* Year-End dividend of 21.00Yen for Year ended March 31, 2017 includes a special dividend of 16.00Yen.

End of 2Q dividend for Year ending March 31, 2018 and Year-End dividend of 10.00Yen for Year ending March 31, 2018(Forecast) each includes a special dividend of 3.00Yen.

### 3. Forecast of Consolidated Results of Operations

#### for the Fiscal Year Ending March 2018(From April 1, 2017 to March 31, 2018)

(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, 2018	1,600,000	2.1%	96,500	(25.1%)	100,000	(23.8%)	69,000	(30.3%)	87.95

(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)

Third Quarter of FY2017 ended December 31, 2017	788,514,613	FY2016 ended March 31, 2017	788,514,613
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② Number of treasury stocks at the end of the period

Third Quarter of FY2017 ended December 31, 2017	3,960,257	FY2016 ended March 31, 2017	3,949,498
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③ Average number of shares issued during the period

Third Quarter of FY2017 ended December 31, 2017	784,557,644	Third Quarter of FY2016 ended December 31, 2017	784,579,160
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**This report is not subject to quarterly review procedures.**

**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 Third Quarter (From:Apr 1, 2017 To :Dec 31, 2017 )		Previous Third Quarter (From:Apr 1, 2016 To :Dec 31, 2016 )		Increase (Decrease) Rate(%)		Forecast (From:Apr 1, 2017 To :Mar 31, 2018 )		Progress (%)
Construction Contracts		934.7		1,002.2	(67.4)	(6.7)		1,430.0	65.4
Gross Profit	13.0%	121.4	12.9%	129.5	(8.0)	(6.2)	11.0%	158.0	76.9
Real Estate and Other		114.9		97.0	17.9	18.5		170.0	67.6
Gross Profit	11.9%	13.7	14.5%	14.1	(0.4)	(2.9)	11.2%	19.0	72.2
<b>Net Sales</b>		<b>1,049.7</b>		<b>1,099.2</b>	<b>(49.5)</b>	<b>(4.5)</b>		<b>1,600.0</b>	<b>65.6</b>
Gross Profit	12.9%	135.1	13.1%	143.6	(8.4)	(5.9)	11.1%	177.0	76.4
S,G & A Expenses		58.5		55.5	2.9	5.3		80.5	72.7
<b>Operating Income</b>	<b>7.3%</b>	<b>76.6</b>	<b>8.0%</b>	<b>88.0</b>	<b>(11.3)</b>	<b>(12.9)</b>	<b>6.0%</b>	<b>96.5</b>	<b>79.4</b>
Net Financial Revenue		3.6		2.9	0.6	22.5		2.0	—
Others		1.2		0.3	0.9	249.2		1.5	—
<b>Ordinary Income</b>	<b>7.8%</b>	<b>81.5</b>	<b>8.3%</b>	<b>91.3</b>	<b>(9.8)</b>	<b>(10.7)</b>	<b>6.3%</b>	<b>100.0</b>	<b>81.6</b>
Special Gains(Losses)		6.2		5.6	0.6	10.7		5.0	—
<b>Income Before Taxes</b>		<b>87.8</b>		<b>97.0</b>	<b>(9.2)</b>	<b>(9.5)</b>		<b>105.0</b>	<b>83.6</b>
Income Taxes		29.9		29.4	0.5	1.8		36.0	—
Net Income Attributable to Non-Controlling Interests		(0.0)		0.0	(0.0)	—		0.0	—
<b>Net Income Attributable to Shareholders of the Corporation</b>	<b>5.5%</b>	<b>57.8</b>	<b>6.1%</b>	<b>67.5</b>	<b>(9.6)</b>	<b>(14.3)</b>	<b>4.3%</b>	<b>69.0</b>	<b>83.8</b>

(Consolidated)	Current Third Quarter ( Dec 31, 2017 )	Previous Fiscal Year ( Mar 31, 2017 )	Increase(Decrease) Rate(%)
Interest-bearing Debt	343.0	340.0	3.0 0.9
[Nonrecourse Borrowings and Bonds]	57.5	59.1	(1.5) (2.6)

### (2) Nonconsolidated

(Billions of Yen)

	Current Third Quarter (From:Apr 1, 2017 To :Dec 31, 2017 )		Previous Third Quarter (From:Apr 1, 2016 To :Dec 31, 2016 )		Increase (Decrease) Rate(%)		Forecast (From:Apr 1, 2017 To :Mar 31, 2018 )		Progress (%)
Construction Contracts		829.4		891.6	(62.1)	(7.0)		1,250.0	66.4
[Architectural Construction]		640.3		687.1	(46.7)	(6.8)		980.0	65.3
[Civil Engineering]		189.0		204.4	(15.3)	(7.5)		270.0	70.0
Gross Profit	12.9%	107.0	12.8%	113.6	(6.6)	(5.8)	10.8%	135.5	79.0
[Architectural Construction]	13.0%	82.9	13.0%	89.0	(6.1)	(6.9)	11.1%	108.5	76.5
[Civil Engineering]	12.8%	24.1	12.0%	24.6	(0.4)	(2.0)	10.0%	27.0	89.4
Real Estate and Other		40.7		27.6	13.1	47.4		65.0	62.7
Gross Profit	21.1%	8.6	24.8%	6.8	1.7	25.8	20.8%	13.5	63.8
<b>Net Sales</b>		<b>870.2</b>		<b>919.2</b>	<b>(49.0)</b>	<b>(5.3)</b>		<b>1,315.0</b>	<b>66.2</b>
Gross Profit	13.3%	115.6	13.1%	120.5	(4.8)	(4.0)	11.3%	149.0	77.6
S,G & A Expenses		46.2		43.8	2.3	5.4		64.0	72.2
<b>Operating Income</b>	<b>8.0%</b>	<b>69.4</b>	<b>8.3%</b>	<b>76.6</b>	<b>(7.2)</b>	<b>(9.4)</b>	<b>6.5%</b>	<b>85.0</b>	<b>81.7</b>
Net Financial Revenue		6.2		5.9	0.3	6.0		5.0	—
Others		0.0		(0.2)	0.3	—		0.0	—
<b>Ordinary Income</b>	<b>8.7%</b>	<b>75.7</b>	<b>9.0%</b>	<b>82.3</b>	<b>(6.5)</b>	<b>(7.9)</b>	<b>6.8%</b>	<b>90.0</b>	<b>84.2</b>
Special Gains(Losses)		8.3		4.2	4.1	95.7		7.0	—
<b>Income Before Taxes</b>		<b>84.1</b>		<b>86.5</b>	<b>(2.4)</b>	<b>(2.8)</b>		<b>97.0</b>	<b>86.8</b>
Income Taxes		26.9		25.8	1.0	4.2		31.0	—
<b>Net Income</b>	<b>6.6%</b>	<b>57.2</b>	<b>6.6%</b>	<b>60.7</b>	<b>(3.5)</b>	<b>(5.8)</b>	<b>5.0%</b>	<b>66.0</b>	<b>86.8</b>

(Nonconsolidated)	Current Third Quarter ( Dec 31, 2017 )	Previous Fiscal Year ( Mar 31, 2017 )	Increase(Decrease) Rate(%)
Interest-bearing Debt	250.1	247.4	2.6 1.1

(\* ) Forecasts have not been changed from the announcement made on Nov 8, 2017.

## PERFORMANCE FORECASTS

### (1) Consolidated

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From:Apr 1, 2017 To :Mar 31, 2018 〕		Previous Fiscal Year Result 〔 From:Apr 1, 2016 To :Mar 31, 2017 〕		Increase (Decrease) Rate(%)	
Construction Contracts		1,430.0		1,410.1	19.8	1.4
Gross Profit	11.0%	158.0	13.3%	187.7	(29.7)	(15.9)
Real Estate and Other		170.0		157.3	12.6	8.1
Gross Profit	11.2%	19.0	13.9%	21.8	(2.8)	(13.0)
<b>Net Sales</b>		<b>1,600.0</b>		<b>1,567.4</b>	<b>32.5</b>	<b>2.1</b>
Gross Profit	11.1%	177.0	13.4%	209.6	(32.6)	(15.6)
S,G & A Expenses		80.5		80.7	(0.2)	(0.4)
<b>Operating Income</b>	<b>6.0%</b>	<b>96.5</b>	<b>8.2%</b>	<b>128.8</b>	<b>(32.3)</b>	<b>(25.1)</b>
Net Financial Revenue		2.0		2.8	(0.8)	(29.1)
Others		1.5		(0.4)	1.9	—
<b>Ordinary Income</b>	<b>6.3%</b>	<b>100.0</b>	<b>8.4%</b>	<b>131.1</b>	<b>(31.1)</b>	<b>(23.8)</b>
Special Gains(Losses)		5.0		5.9	(0.9)	(15.3)
Income Before Taxes		105.0		137.0	(32.0)	(23.4)
Income Taxes		36.0		37.9	(1.9)	(5.1)
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>	<b>4.3%</b>	<b>69.0</b>	<b>6.3%</b>	<b>98.9</b>	<b>(29.9)</b>	<b>(30.3)</b>
<b>Interest-bearing Debt</b>		<b>Less than 350.0</b>		<b>340.0</b>	<b>9.9</b>	<b>2.9</b>

### (2) Nonconsolidated

(Billions of Yen)

	Current Fiscal Year Forecast 〔 From:Apr 1, 2017 To :Mar 31, 2018 〕		Previous Fiscal Year Result 〔 From:Apr 1, 2016 To :Mar 31, 2017 〕		Increase (Decrease) Rate(%)	
Construction Contracts		1,250.0		1,245.0	4.9	0.4
[Architectural Construction]		980.0		956.3	23.6	2.5
[Civil Engineering]		270.0		288.6	(18.6)	(6.5)
Gross Profit	10.8%	135.5	13.2%	164.3	(28.8)	(17.5)
[Architectural Construction]	11.1%	108.5	13.5%	128.6	(20.1)	(15.7)
[Civil Engineering]	10.0%	27.0	12.3%	35.6	(8.6)	(24.2)
Real Estate and Other		65.0		46.5	18.4	39.7
Gross Profit	20.8%	13.5	20.9%	9.7	3.7	38.8
<b>Net Sales</b>		<b>1,315.0</b>		<b>1,291.5</b>	<b>23.4</b>	<b>1.8</b>
Gross Profit	11.3%	149.0	13.5%	174.0	(25.0)	(14.4)
S,G & A Expenses		64.0		63.7	0.2	0.4
<b>Operating Income</b>	<b>6.5%</b>	<b>85.0</b>	<b>8.5%</b>	<b>110.2</b>	<b>(25.2)</b>	<b>(22.9)</b>
Net Financial Revenue		5.0		5.6	(0.6)	(11.7)
Others		0.0		(1.0)	1.0	—
<b>Ordinary Income</b>	<b>6.8%</b>	<b>90.0</b>	<b>8.9%</b>	<b>114.8</b>	<b>(24.8)</b>	<b>(21.7)</b>
Special Gains(Losses)		7.0		4.1	2.8	69.3
Income Before Taxes		97.0		119.0	(22.0)	(18.5)
Income Taxes		31.0		32.9	(1.9)	(6.0)
<b>Net Income</b>	<b>5.0%</b>	<b>66.0</b>	<b>6.7%</b>	<b>86.0</b>	<b>(20.0)</b>	<b>(23.3)</b>
<b>Interest-bearing Debt</b>		<b>Less than 250.0</b>		<b>247.4</b>	<b>2.5</b>	<b>1.0</b>

(\*) Forecasts have not been changed from the announcement made on Nov 8, 2017.

## CONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Third Quarter [Dec 31, 2017]	Previous Fiscal Year [Mar 31, 2017]	Increase (Decrease)
<b>(ASSETS)</b>			
Current Assets:			
Cash	127,936	172,803	(44,867)
Notes and accounts receivable-trade	441,733	449,049	(7,316)
Marketable securities	127,150	143,000	(15,850)
Real estate for sale	23,079	39,479	(16,400)
Costs on uncompleted construction contracts	108,907	76,851	32,056
Costs on uncompleted real estate development projects	31,438	29,613	1,825
PFI projects and other inventories	48,101	52,033	(3,932)
Other current assets	122,286	97,121	25,165
Less: Allowance for doubtful accounts	(792)	(861)	69
<b>Total current assets</b>	<b>1,029,841</b>	<b>1,059,091</b>	<b>(29,250)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	77,644	80,395	(2,751)
Machinery, vehicles, tools, furniture and fixtures	15,002	15,220	(218)
Land	151,227	146,711	4,516
Construction in progress	10,790	4,368	6,422
<b>Total tangible fixed assets</b>	<b>254,664</b>	<b>246,696</b>	<b>7,968</b>
Intangible fixed assets	5,485	4,574	911
Investments and other assets:			
Investment securities	403,566	359,902	43,664
Other investments	18,801	20,139	(1,338)
Less: Allowance for doubtful accounts	(2,116)	(2,206)	90
<b>Total investments and other assets</b>	<b>420,251</b>	<b>377,835</b>	<b>42,416</b>
<b>Total non-current assets</b>	<b>680,402</b>	<b>629,106</b>	<b>51,296</b>
<b>Total assets</b>	<b>1,710,244</b>	<b>1,688,197</b>	<b>22,047</b>

(Millions of Yen)

	Current Third Quarter [Dec 31, 2017]	Previous Fiscal Year [Mar 31, 2017]	Increase (Decrease)
<b>(LIABILITIES)</b>			
Current Liabilities:			
Notes and accounts payable-trade	334,174	390,395	(56,221)
Short-term borrowings	128,353	121,171	7,182
Current portion of non-recourse borrowings	6,461	7,197	(736)
Current portion of bonds payable	—	15,000	(15,000)
Current portion of non-recourse bonds payable	879	659	220
Advances received on uncompleted construction contracts	122,669	93,530	29,139
Warranty reserve	2,824	3,037	(213)
Reserve for expected losses on construction contracts in process	10,686	13,008	(2,322)
Reserve for directors' bonuses	—	273	(273)
Other current liabilities	118,925	146,594	(27,669)
<b>Total current liabilities</b>	<b>724,975</b>	<b>790,868</b>	<b>(65,893)</b>
Non-Current Liabilities:			
Bonds payable	70,000	50,000	20,000
Convertible bond-type bonds with subscription rights to shares	30,083	30,106	(23)
Non-recourse bonds payable	14,280	14,940	(660)
Long-term borrowings	57,006	64,600	(7,594)
Non-recourse borrowings	35,953	36,335	(382)
Net defined benefit liability	59,100	59,915	(815)
Other non-current liabilities	78,750	64,551	14,199
<b>Total non-current liabilities</b>	<b>345,174</b>	<b>320,449</b>	<b>24,725</b>
<b>Total liabilities</b>	<b>1,070,149</b>	<b>1,111,318</b>	<b>(41,169)</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	339,666	306,128	33,538
[Contingent Reserve]	[167,100]	[101,300]	[ 65,800 ]
Less: Treasury stock, at cost	(1,605)	(1,592)	(13)
<b>Total shareholders' equity</b>	<b>455,542</b>	<b>422,017</b>	<b>33,525</b>
Accumulated Other Comprehensive Income:			
Net unrealized gain (loss) on other securities, net of taxes	161,871	132,894	28,977
Deferred gain (loss) on hedging, net of taxes	(127)	(20)	(107)
Revaluation reserve for land, net of taxes	25,984	26,044	(60)
Foreign currency translation adjustments	(1,065)	(638)	(427)
Remeasurements of defined benefit plans	(7,299)	(8,522)	1,223
<b>Total accumulated other comprehensive income</b>	<b>179,362</b>	<b>149,756</b>	<b>29,606</b>
Non-controlling Interests	5,189	5,105	84
<b>Total net assets</b>	<b>640,094</b>	<b>576,879</b>	<b>63,215</b>
<b>Total liabilities and net assets</b>	<b>1,710,244</b>	<b>1,688,197</b>	<b>22,047</b>
<b>(Reference)</b>			
Interest-bearing debt	343,018	340,010	3,008
[Nonrecourse borrowings and bonds]	[ 57,575]	[ 59,132]	[ (1,557)]

## CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Third Quarter (From:Apr 1, 2017) (To :Dec 31, 2017)		Previous Third Quarter (From:Apr 1, 2016) (To :Dec 31, 2016)		Increase (Decrease)
Net Sales:					
Construction contracts		934,795		1,002,214	(67,419)
Real estate development and other		114,936		97,033	17,903
<b>Total net sales</b>		<b>1,049,732</b>		<b>1,099,247</b>	<b>(49,515)</b>
Cost of Sales:					
Construction contracts		813,333		872,684	(59,351)
Real estate development and other		101,227		82,917	18,310
<b>Total cost of sales</b>		<b>914,560</b>		<b>955,602</b>	<b>(41,042)</b>
Gross profit:					
Construction contracts	[13.0%]	121,462	[12.9%]	129,529	(8,067)
Real estate development and other	[11.9%]	13,709	[14.5%]	14,115	(406)
<b>Total gross profit</b>	12.9%	<b>135,172</b>	13.1%	<b>143,645</b>	<b>(8,473)</b>
Selling, General and Administrative Expenses		58,513		55,593	2,920
<b>Operating income</b>	7.3%	<b>76,658</b>	8.0%	<b>88,051</b>	<b>(11,393)</b>
Non-Operating Income:					
Interest income		783		734	49
Dividend income		4,758		4,431	327
Foreign exchange gain		316		—	316
Other non-operating income		2,029		1,782	247
<b>Total non-operating income</b>		<b>7,887</b>		<b>6,948</b>	<b>939</b>
Non-Operating Expenses:					
Interest expenses		1,892		2,187	(295)
Foreign exchange loss		—		503	(503)
Other non-operating expenses		1,081		916	165
<b>Total non-operating expenses</b>		<b>2,973</b>		<b>3,606</b>	<b>(633)</b>
<b>Ordinary income</b>	7.8%	<b>81,572</b>	8.3%	<b>91,393</b>	<b>(9,821)</b>
Special Gains:					
Gain on sales of fixed assets		6,249		1,653	4,596
Reversal of reserve for expected losses on affiliates' businesses		—		4,172	(4,172)
<b>Total special gains</b>		<b>6,249</b>		<b>5,825</b>	<b>424</b>
Special Losses:					
Loss on sales of fixed assets		2		12	(10)
Loss on devaluation of investment securities		—		169	(169)
<b>Total special losses</b>		<b>2</b>		<b>181</b>	<b>(179)</b>
Income before income taxes		87,819		97,038	(9,219)
Income taxes		29,987		29,453	534
Net income		57,832		67,584	(9,752)
Net income (loss) attributable to non-controlling interests		(8)		59	(67)
<b>Net income attributable to shareholders of the Corporation</b>	5.5%	<b>57,840</b>	6.1%	<b>67,524</b>	<b>(9,684)</b>

(Reference)

Interest and dividend income	5,542	5,166	376
Interest expenses	1,892	2,187	(295)
Net financial revenue	3,649	2,979	670



## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	Current Third Quarter (From:Apr 1, 2017 To :Dec 31, 2017)	Previous Third Quarter (From:Apr 1, 2016 To :Dec 31, 2016)	Increase (Decrease)
Net income	57,832	67,584	(9,752)
Other comprehensive income:			
Net unrealized gain (loss) on other securities, net of taxes	28,910	10,384	18,526
Deferred gain (loss) on hedging, net of taxes	14	(77)	91
Foreign currency translation adjustment	(346)	(5,382)	5,036
Remeasurements of defined benefit plans	1,218	1,475	(257)
Share of other comprehensive income of associates accounted for using equity method	(30)	57	(87)
Total other comprehensive income	29,766	6,456	23,310
<b>Comprehensive income</b>	<b>87,598</b>	<b>74,041</b>	<b>13,557</b>
Comprehensive income attributable to:			
Shareholders of the Corporation	87,506	74,362	13,144
Non-controlling interests	92	(321)	413

## NONCONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	Current Third Quarter [Dec 31, 2017]	Previous Fiscal Year [Mar 31, 2017]	Increase (Decrease)
<b>(ASSETS)</b>			
Current Assets:			
Cash	62,325	111,060	(48,735)
Notes receivable and accounts receivable from completed construction contracts	406,637	407,809	(1,172)
Marketable securities	127,000	143,000	(16,000)
Real estate for sale	6,461	14,713	(8,252)
Costs on uncompleted construction contracts	102,013	71,643	30,370
Other current assets	113,175	87,989	25,186
Less: Allowance for doubtful accounts	(742)	(766)	24
<b>Total current assets</b>	<b>816,871</b>	<b>835,450</b>	<b>(18,579)</b>
Non-Current Assets:			
Tangible fixed assets:			
Buildings and structures	68,147	70,906	(2,759)
Machinery, vehicles, tools, furniture and fixtures	5,390	4,860	530
Land	125,594	122,984	2,610
Construction in progress	9,054	3,641	5,413
<b>Total tangible fixed assets</b>	<b>208,186</b>	<b>202,393</b>	<b>5,793</b>
Intangible fixed assets	4,189	3,249	940
Investments and other assets:			
Investment securities	415,141	380,200	34,941
Other investments	14,827	15,661	(834)
Less: Allowance for doubtful accounts	(2,247)	(2,264)	17
<b>Total investments and other assets</b>	<b>427,721</b>	<b>393,597</b>	<b>34,124</b>
<b>Total non-current assets</b>	<b>640,098</b>	<b>599,240</b>	<b>40,858</b>
<b>Total assets</b>	<b>1,456,969</b>	<b>1,434,690</b>	<b>22,279</b>

(Millions of Yen)

	Current Third Quarter [Dec 31, 2017]	Previous Fiscal Year [Mar 31, 2017]	Increase (Decrease)
<b>(LIABILITIES)</b>			
Current Liabilities:			
Notes payable and accounts payable for construction contracts	293,417	341,768	(48,351)
Short-term borrowings	96,590	91,856	4,734
Current portion of bonds payable	—	15,000	(15,000)
Advances received on uncompleted construction contracts	99,467	77,322	22,145
Warranty reserve	2,720	2,863	(143)
Reserve for expected losses on construction contracts in process	10,330	12,347	(2,017)
Reserve for directors' bonuses	—	273	(273)
Other current liabilities	136,023	162,850	(26,827)
<b>Total current liabilities</b>	<b>638,550</b>	<b>704,282</b>	<b>(65,732)</b>
Non-Current Liabilities:			
Bonds payable	70,000	50,000	20,000
Convertible bond-type bonds with subscription rights to shares	30,083	30,106	(23)
Long-term borrowings	53,452	60,478	(7,026)
Reserve for employees' retirement benefits	43,752	42,966	786
Other non-current liabilities	78,628	64,977	13,651
<b>Total non-current liabilities</b>	<b>275,916</b>	<b>248,528</b>	<b>27,388</b>
<b>Total liabilities</b>	<b>914,466</b>	<b>952,810</b>	<b>(38,344)</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	241,064	208,093	32,971
[Contingent Reserve]	[167,100]	[101,300]	[65,800]
Less: Treasury stock, at cost	(1,183)	(1,170)	(13)
<b>Total shareholders' equity</b>	<b>357,391</b>	<b>324,432</b>	<b>32,959</b>
Valuation and Translation Adjustments:			
Net unrealized gain (loss) on other securities, net of taxes	159,128	131,418	27,710
Deferred gain (loss) on hedging, net of taxes	(1)	(15)	14
Revaluation reserve for land, net of taxes	25,984	26,044	(60)
<b>Total valuation and translation adjustments</b>	<b>185,111</b>	<b>157,446</b>	<b>27,665</b>
<b>Total net assets</b>	<b>542,503</b>	<b>481,879</b>	<b>60,624</b>
<b>Total liabilities and net assets</b>	<b>1,456,969</b>	<b>1,434,690</b>	<b>22,279</b>

(Reference)

Interest-bearing debt	250,126	247,441	2,685
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## NONCONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	Current Third Quarter (From:Apr 1, 2017 To :Dec 31, 2017)		Previous Third Quarter (From:Apr 1, 2016 To :Dec 31, 2016)		Increase (Decrease)
Net Sales:					
Construction contracts		829,489		891,632	(62,143)
Real estate development and other		40,769		27,653	13,116
<b>Total net sales</b>		<b>870,258</b>		<b>919,286</b>	<b>(49,028)</b>
Cost of Sales:					
Construction contracts		722,408		777,948	(55,540)
Real estate development and other		32,157		20,809	11,348
<b>Total cost of sales</b>		<b>754,565</b>		<b>798,757</b>	<b>(44,192)</b>
Gross profit:					
Construction contracts	[12.9%]	107,080	[12.8%]	113,683	(6,603)
Real estate development and other	[21.1%]	8,612	[24.8%]	6,844	1,768
<b>Total gross profit</b>	13.3%	<b>115,693</b>	13.1%	<b>120,528</b>	<b>(4,835)</b>
Selling, General and Administrative Expenses		46,235		43,862	2,373
<b>Operating income</b>	<b>8.0%</b>	<b>69,458</b>	<b>8.3%</b>	<b>76,666</b>	<b>(7,208)</b>
Non-Operating Income:					
Interest income		348		445	(97)
Dividend income		7,512		7,342	170
Foreign exchange gain		254		—	254
Other non-operating income		680		896	(216)
<b>Total non-operating income</b>		<b>8,796</b>		<b>8,684</b>	<b>112</b>
Non-Operating Expenses:					
Interest expenses		1,594		1,877	(283)
Foreign exchange loss		—		438	(438)
Other non-operating expenses		883		728	155
<b>Total non-operating expenses</b>		<b>2,478</b>		<b>3,044</b>	<b>(566)</b>
<b>Ordinary income</b>	<b>8.7%</b>	<b>75,776</b>	<b>9.0%</b>	<b>82,306</b>	<b>(6,530)</b>
Special Gains:					
Gain on sales of fixed assets		94		33	61
Gain on sales of investment securities		6,083		262	5,821
Gain on liquidation of subsidiaries and affiliates		2,223		—	2,223
Reversal of reserve for expected losses on affiliates' businesses		—		4,172	(4,172)
<b>Total special gains</b>		<b>8,401</b>		<b>4,468</b>	<b>3,933</b>
Special Losses:					
Loss on sales of fixed assets		1		5	(4)
Loss on sales of investment securities		—		0	(0)
Loss on devaluation of investment securities		—		169	(169)
<b>Total special losses</b>		<b>1</b>		<b>175</b>	<b>(174)</b>
Income before income taxes		84,176		86,599	(2,423)
Provision for income taxes		26,902		25,814	1,088
<b>Net income</b>	<b>6.6%</b>	<b>57,274</b>	<b>6.6%</b>	<b>60,785</b>	<b>(3,511)</b>

(Reference)

Interest and dividend income	7,861	7,788	73
Interest expenses	1,594	1,877	(283)
Net financial revenue	6,266	5,910	356

## BREAKDOWN OF ORDERS (NONCONSOLIDATED)

(Millions of Yen)

	Current Third Quarter Result (From:Apr 1, 2017 To :Dec 31, 2017)		Previous Third Quarter Result (From:Apr 1, 2016 To :Dec 31, 2016)		Increase (Decrease)		Current Fiscal Year Forecast (From:Apr 1, 2017 To :Mar 31, 2018)	Progress (%)
		Proportion (%)		Proportion (%)		Rate (%)		
Construction business (orders)								
Architectural Construction								
Domestic	745,785	72.6	784,671	76.2	(38,886)	(5.0)	1,050,000	71.0
Overseas	109,640	10.6	16,128	1.6	93,512	579.8	110,000	99.7
Sub total	855,426	83.2	800,800	77.8	54,626	6.8	1,160,000	73.7
Civil Engineering								
Domestic	164,704	16.0	227,065	22.1	(62,361)	(27.5)	230,000	71.6
Overseas	8,087	0.8	1,323	0.1	6,764	511.3	10,000	80.9
Sub total	172,791	16.8	228,388	22.2	(55,597)	(24.3)	240,000	72.0
Domestic	910,489	88.6	1,011,736	98.3	(101,247)	(10.0)	1,280,000	71.1
Overseas	117,728	11.4	17,451	1.7	100,277	574.6	120,000	98.1
Total	1,028,218	100	1,029,188	100	(970)	(0.1)	1,400,000	73.4
Real Estate and Other	47,896		37,207		10,689	28.7	55,000	87.1
Grand Total	1,076,115		1,066,395		9,720	0.9	1,455,000	74.0

(Reference: Overseas Construction Orders)

(Millions of Yen)

	Current Third Quarter Result (From:Apr 1, 2017 To :Dec 31, 2017)		Current Third Quarter Result (From:Apr 1, 2016 To :Dec 31, 2016)		Increase (Decrease)		Current Fiscal Year Forecast (From:Apr 1, 2017 To :Mar 31, 2018)	Progress (%)
						Rate (%)		
Shimizu Corporation	117,728		17,451		100,277	574.6	120,000	98.1
Subsidiaries	37,958		39,073		(1,115)	(2.9)	45,000	84.4
Total	155,687		56,525		99,162	175.4	165,000	94.4

(\*) Forecasts have been revised from the announcement made on Nov 8, 2017. For details, please refer to "ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED)" on page 13.

**ORDERS, SALES AND BACKLOG (NONCONSOLIDATED)**  
**for the nine months ended December 31, 2016 and 2017**

(1) Construction orders awarded and contracts

(Millions of Yen)

		Current Third Quarter ( From:Apr 1, 2017 To :Dec 31, 2017 )	Previous Third Quarter ( From:Apr 1, 2016 To :Dec 31, 2016 )	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	745,785	784,671	(38,886)	(5.0)
	Overseas	109,640	16,128	93,512	579.8
	Sub total	855,426	800,800	54,626	6.8
Civil Engineering	Domestic	164,704	227,065	(62,361)	(27.5)
	Overseas	8,087	1,323	6,764	511.3
	Sub total	172,791	228,388	(55,597)	(24.3)
Construction business (orders)		1,028,218	1,029,188	(970)	(0.1)
Real estate development and other (contracts)		47,896	37,207	10,689	28.7
Total		1,076,115	1,066,395	9,720	0.9

(2) Net sales

(Millions of Yen)

		Current Third Quarter ( From:Apr 1, 2017 To :Dec 31, 2017 )	Previous Third Quarter ( From:Apr 1, 2016 To :Dec 31, 2016 )	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	605,526	650,749	(45,223)	(6.9)
	Overseas	34,866	36,412	(1,546)	(4.2)
	Sub total	640,393	687,162	(46,769)	(6.8)
Civil Engineering	Domestic	169,955	182,805	(12,850)	(7.0)
	Overseas	19,140	21,664	(2,524)	(11.7)
	Sub total	189,095	204,469	(15,374)	(7.5)
Construction business		829,489	891,632	(62,143)	(7.0)
Real estate development and other		40,769	27,653	13,116	47.4
Total		870,258	919,286	(49,028)	(5.3)

(3) Backlog

(Millions of Yen)

		Current Third Quarter [ Dec 31, 2017 ]	Previous Third Quarter [ Dec 31, 2016 ]	Increase (Decrease)	Rate(%)
Architectural Construction	Domestic	1,148,858	967,699	181,159	18.7
	Overseas	114,253	37,715	76,538	202.9
	Sub total	1,263,111	1,005,415	257,696	25.6
Civil Engineering	Domestic	442,567	440,454	2,113	0.5
	Overseas	29,079	48,393	(19,314)	(39.9)
	Sub total	471,646	488,847	(17,201)	(3.5)
Construction business		1,734,758	1,494,262	240,496	16.1
Real estate development and other		47,821	36,059	11,762	32.6
Total		1,782,579	1,530,321	252,258	16.5

## ORDERS AND CONTRACTS FORECAST (NONCONSOLIDATED) for the fiscal year ending March 2018

### (1) Comparison with Previous Fiscal Year Result

(Billions of Yen)

		Current Fiscal Year Forecast 〔 From:Apr 1, 2017 To :Mar 31, 2018〕	Previous Fiscal Year Result 〔 From:Apr 1, 2016 To :Mar 31, 2017〕	Increase (Decrease)	
					Rate(%)
Architectural Construction	Domestic	1,050.0	1,082.9	(32.9)	(3.0)
	Overseas	110.0	29.6	80.4	271.6
	Sub total	1,160.0	1,112.6	47.4	4.3
Civil Engineering	Domestic	230.0	311.5	(81.5)	(26.2)
	Overseas	10.0	0.1	9.9	—
	Sub total	240.0	311.6	(71.6)	(23.0)
Construction business (orders)		1,400.0	1,424.3	(24.3)	(1.7)
Real estate development and other (contracts)		55.0	60.7	(5.7)	(9.4)
Total		1,455.0	1,485.0	(30.0)	(2.0)

### (2) Comparison with Previous Forecast announced on Nov 8, 2017

(Billions of Yen)

		Current Fiscal Year Forecast 〔 From:Apr 1, 2017 To :Mar 31, 2018〕	Previous Forecast (announced on Nov 8, 2017) 〔 From:Apr 1, 2017 To :Mar 31, 2018〕	Increase (Decrease)	
					Rate(%)
Architectural Construction	Domestic	1,050.0	1,070.0	(20.0)	(1.9)
	Overseas	110.0	75.0	35.0	46.7
	Sub total	1,160.0	1,145.0	15.0	1.3
Civil Engineering	Domestic	230.0	230.0	—	—
	Overseas	10.0	25.0	(15.0)	(60.0)
	Sub total	240.0	255.0	(15.0)	(5.9)
Construction business (orders)		1,400.0	1,400.0	—	—
Real estate development and other (contracts)		55.0	55.0	—	—
Total		1,455.0	1,455.0	—	—

### (Reference: Overseas Construction Orders)

(Billions of Yen)

	Current Fiscal Year Forecast	Previous Forecast (announced on Nov 8, 2017)	Increase (Decrease)	
				Rate(%)
Shimizu Corporation	120.0	100.0	20.0	20.0
Subsidiaries	45.0	45.0	—	—
Total	165.0	145.0	20.0	13.8