

Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document is a partial English translation of the Japanese Financial Statements disclosed at the Tokyo Stock Exchange on October 15, 2021 presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the translation and the Japanese original, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended August 31, 2021 [Japanese GAAP]



October 15, 2021

Company name: JDC CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1887

URL: <https://www.n-kokudo.co.jp/>

Representative: Takeo Asakura, Representative Director and President

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Scheduled date of filing quarterly securities report: October 15, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended August 31, 2021 (June 1, 2021 to August 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the corresponding period of the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended August 31, 2021	26,294	(0.2)	1,102	29.1	1,111	18.9	727	(7.7)
August 31, 2020	26,354	4.9	854	(60.2)	934	(58.8)	788	(49.6)

(Note) Comprehensive income: Three months ended August 31, 2021: ¥844 million [(12.2)%]
Three months ended August 31, 2020: ¥961 million [(23.8)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Three months ended August 31, 2021	8.34		8.32	
August 31, 2020	9.06		9.03	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2021	141,753	73,632	51.7
As of May 31, 2021	148,766	74,211	49.6

(Reference) Equity: As of August 31, 2021: ¥73,271 million
As of May 31, 2021: ¥73,830 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen				
Fiscal year ended May 31, 2021	-	10.00	-	16.00	26.00
Fiscal year ending May 31, 2022	-				
Fiscal year ending May 31, 2022 (Forecast)		10.00	-	16.00	26.00

(Note) Revision to the dividend forecast announced most recently: No

(Note) Breakdown of dividends

Interim dividends for
the six month ended November 30, 2020: ¥10.00 ordinary dividends
Year-end dividends for
the fiscal year ended May 31, 2021: ¥10.00 ordinary dividends and ¥6.00 special dividends
Interim dividends for the six month ended
November 30, 2021 (forecast): ¥10.00 ordinary dividends
Year-end dividends for the fiscal year ending
May 31, 2022 (forecast): ¥10.00 ordinary dividends and ¥6.00 special dividends

3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2022 (June 1, 2021 to May 31, 2022)
(% indicates changes from the previous corresponding period.)

	Net Sales		Operating Profit		Ordinary Profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	150,000	27.3	10,200	(3.5)	9,900	(6.5)	6,800	(11.8)	77.00

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
New: One company (Company name) Nobeoka Solar Power LLC
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) : No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury stock):
August 31, 2021: 98,255,000 shares
May 31, 2021: 98,255,000 shares
 - 2) Total number of treasury shares at the end of the period:
August 31, 2021: 10,998,446 shares
May 31, 2021: 11,064,846 shares
 - 3) Average number of shares during the period:
Three months ended August 31, 2021: 87,220,136 shares
Three months ended August 31, 2020: 86,968,233 shares

- (Notes)
1. The total number of treasury shares at the end of the period includes shares owned by Custody Bank of Japan, Ltd. (trust account E) as trust property of the Board Benefit Trust (J-ESOP) (1,079,900 shares as of August 31, 2021 and 1,118,700 shares as of May 31, 2021). The shares of JDC Corporation owned by Custody Bank of Japan, Ltd. (trust account E) constitute the treasury shares that are deducted in the calculation of the average number of shares during the period (1,105,218 shares for the three months ended August 31, 2021 and 1,206,267 shares for the three months ended August 31, 2020).
 2. The total number of treasury shares at the end of the period includes shares owned by Custody Bank of Japan, Ltd. (trust account E) as trust property of the Stock Benefit Trust (Employee Stockholding Association Purchase-type) (462,200 shares as of August 31, 2021 and 489,800 shares as of May 31, 2021). The shares of JDC Corporation owned by Custody Bank of Japan, Ltd. (trust account E) constitute the treasury shares that are deducted in the calculation of the average number of shares during the period

(473,300 shares for the three months ended August 31, 2021 and 179,953 shares for the three months ended August 31, 2020).

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The forecasts are based on certain assumptions relating to economic situations and market trends deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Three Months Ended August 31, 2021 (June 1, 2021 to August 31, 2021)

(1) Non-consolidated Operating Results

(% indicates changes from the corresponding period of the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended August 31, 2021	23,189	(4.6)	897	(13.5)	1,849	104.7	1,532	98.8
August 31, 2020	24,307	4.1	790	(62.9)	903	(60.1)	770	(51.2)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Three months ended August 31, 2021	17.57		17.52	
August 31, 2020	8.86		8.82	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	%	Million yen	%	%	
As of August 31, 2021	117,699		69,163		58.8	
As of May 31, 2021	123,319		68,781		55.8	

(Reference) Equity: As of August 31, 2021: ¥69,163million

As of May 31, 2021: ¥68,781 million

2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2022 (June 1, 2021 to May 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	127,000	24.2	8,300	(10.1)	5,800	(14.7)	66.00	

(Note) Revision to the financial results forecast announced most recently: No

* Explanation of the proper use of financial results forecast and other notes

The forecasts are based on certain assumptions relating to economic situations and market trends deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of May 31, 2021	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	46,954	35,614
Notes receivable, accounts receivable from completed construction contracts and other	32,502	36,776
Costs on construction contracts in progress	1,276	1,355
Costs on development business and other	2,448	2,497
Advances paid	4,011	4,558
Other	12,638	11,701
Allowance for doubtful accounts	(8)	(4)
Total current assets	99,823	92,500
Non-current assets		
Buildings and structures, net	7,928	7,888
Machinery, vehicles, tools, furniture and fixtures, net	14,663	14,514
Land	9,246	9,247
Other, net	2,649	2,971
Total property, plant and equipment	34,487	34,622
Intangible assets	766	791
Investments and other assets		
Investment securities	9,084	9,158
Retirement benefit asset	1,695	1,715
Deferred tax assets	94	114
Other	2,850	2,886
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	13,688	13,838
Total non-current assets	48,943	49,252
Total assets	148,766	141,753

(Million yen)

	As of May 31, 2021	As of August 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,362	18,634
Short-term borrowings	2,691	2,541
Income taxes payable	1,685	110
Advances received on construction contracts in progress	5,482	4,242
Advances received on development projects	213	166
Deposits received	5,345	3,311
Provision for warranties for completed construction	961	853
Provision for loss on construction contracts	49	30
Provision for bonuses	—	623
Provision for bonuses for directors (and other officers)	19	70
Provision for loss on business liquidation	126	127
Other	5,547	2,154
Total current liabilities	39,486	32,868
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	28,361	28,221
Provision for share awards	570	550
Provision for loss on litigation	4	0
Retirement benefit liability	496	490
Other	2,636	2,989
Total non-current liabilities	35,069	35,253
Total liabilities	74,555	68,121
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,450	18,450
Retained earnings	51,348	50,655
Treasury shares	(2,425)	(2,389)
Total shareholders' equity	72,386	71,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,619	1,851
Deferred gains or losses on hedges	—	(120)
Remeasurements of defined benefit plans	(175)	(188)
Total accumulated other comprehensive income	1,444	1,542
Non-controlling interests	380	360
Total net assets	74,211	73,632
Total liabilities and net assets	148,766	141,753

(2) Quarterly Consolidated Statements of Income and Quarterly Comprehensive Income

Quarterly Consolidated Statement of Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2020	For the three months ended August 31, 2021
Net sales		
Net sales of completed construction contracts	25,251	24,100
Net sales in development business and other	1,102	2,193
Total net sales	26,354	26,294
Cost of sales		
Cost of sales of completed construction contracts	22,588	21,580
Cost of sales in development business and other	798	1,262
Total cost of sales	23,386	22,842
Gross profit		
Gross profit on completed construction contracts	2,663	2,520
Gross profit on development business and other	304	931
Total gross profit	2,968	3,451
Selling, general and administrative expenses	2,114	2,348
Operating profit	854	1,102
Non-operating income		
Interest income	0	0
Dividend income	159	169
Other	35	7
Total non-operating income	194	178
Non-operating expenses		
Interest expenses	46	92
Interest expenses of rental payments	16	14
Other	52	61
Total non-operating expenses	114	169
Ordinary profit	934	1,111
Extraordinary income		
Gain on sale of non-current assets	23	—
Total extraordinary income	23	—
Profit before income taxes	957	1,111
Income taxes - current	38	35
Income taxes - deferred	117	330
Total income taxes	156	365
Profit	801	745
Profit attributable to non-controlling interests	12	17
Profit attributable to owners of parent	788	727

Quarterly Consolidated Statement of Comprehensive Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2020	For the three months ended August 31, 2021
Profit	801	745
Other comprehensive income		
Valuation difference on available-for-sale securities	161	231
Deferred gains or losses on hedges	—	(120)
Remeasurements of defined benefit plans, net of tax	(1)	(12)
Total other comprehensive income	159	98
Comprehensive income	961	844
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	948	826
Comprehensive income attributable to non-controlling interests	12	17

3. Supplementary Information

[Non-consolidated] Status of Orders, net sales and projects in process

1) Orders

(Million yen)

Category		For the three months ended August 31, 2020		For the three months ended August 31, 2021		Change		For the fiscal year ended May 31, 2021	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	8,354	37.6%	3,627	48.5%	(4,726)	(56.6)%	24,385	18.9%
	Private sector in Japan	1,761	7.9%	865	11.6%	(895)	(50.8)%	29,596	22.9%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	10,115	45.5%	4,493	60.1%	(5,621)	(55.6)%	53,981	41.8%
Building Business	Public sector in Japan	1	0.0%	71	1.0%	69	4312.0%	43	0.0%
	Private sector in Japan	11,182	50.3%	1,726	23.1%	(9,456)	(84.6)%	57,935	44.9%
	Overseas	270	1.2%	7	0.1%	(263)	(97.3)%	9,144	7.1%
	Subtotal	11,455	51.6%	1,804	24.1%	(9,650)	(84.2)%	67,123	52.0%
Total	Public sector in Japan	8,356	37.6%	3,699	49.5%	(4,656)	(55.7)%	24,429	18.9%
	Private sector in Japan	12,944	58.3%	2,592	34.7%	(10,352)	(80.0)%	87,531	67.8%
	Overseas	270	1.2%	7	0.1%	(263)	(97.3)%	9,144	7.1%
	Subtotal	21,570	97.1%	6,298	84.3%	(15,272)	(70.8)%	121,105	93.8%
Other Business		643	2.9%	1,175	15.7%	532	82.8%	7,995	6.2%
Grand total		22,213	100.0%	7,474	100.0%	(14,739)	(66.4)%	129,101	100.0%

2) Net sales

(Million yen)

Category		For the three months ended August 31, 2020		For the three months ended August 31, 2021		Change		For the fiscal year ended May 31, 2021	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	6,202	25.5%	4,020	17.3%	(2,181)	(35.2)%	26,225	25.6%
	Private sector in Japan	4,458	18.3%	3,816	16.5%	(642)	(14.4)%	15,966	15.6%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	10,660	43.9%	7,836	33.8%	(2,823)	(26.5)%	42,191	41.3%
Building Business	Public sector in Japan	1,594	6.6%	634	2.7%	(960)	(60.2)%	8,697	8.5%
	Private sector in Japan	10,063	41.4%	11,429	49.3%	1,365	13.6%	37,317	36.5%
	Overseas	1,367	5.6%	2,124	9.2%	757	55.4%	6,009	5.9%
	Subtotal	13,026	53.6%	14,188	61.2%	1,162	8.9%	52,024	50.9%
Total	Public sector in Japan	7,797	32.1%	4,655	20.1%	(3,142)	(40.3)%	34,922	34.2%
	Private sector in Japan	14,522	59.7%	15,245	65.7%	722	5.0%	53,283	52.1%
	Overseas	1,367	5.6%	2,124	9.2%	757	55.4%	6,009	5.9%
	Subtotal	23,686	97.4%	22,025	95.0%	(1,661)	(7.0)%	94,216	92.1%
Other Business		620	2.6%	1,164	5.0%	544	87.7%	8,030	7.9%
Grand total		24,307	100.0%	23,189	100.0%	(1,117)	(4.6)%	102,246	100.0%

3) Projects in process

(Million yen)

Category		For the three months ended August 31, 2020		For the three months ended August 31, 2021		Change		For the fiscal year ended May 31, 2021	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	41,862	34.2%	37,569	27.6%	(4,293)	(10.3)%	37,867	25.0%
	Private sector in Japan	18,786	15.4%	32,588	24.0%	13,801	73.5%	35,633	23.5%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	60,648	49.6%	70,157	51.6%	9,508	15.7%	73,500	48.4%
Building Business	Public sector in Japan	9,175	7.5%	1,553	1.1%	(7,622)	(83.1)%	2,116	1.4%
	Private sector in Japan	42,013	34.3%	51,806	38.1%	9,793	23.3%	61,509	40.5%
	Overseas	10,410	8.5%	12,520	9.2%	2,110	20.3%	14,638	9.6%
	Subtotal	61,599	50.4%	65,880	48.4%	4,281	7.0%	78,264	51.6%
Total	Public sector in Japan	51,038	41.7%	39,122	28.8%	(11,915)	(23.3)%	39,983	26.3%
	Private sector in Japan	60,799	49.7%	84,395	62.0%	23,595	38.8%	97,143	64.0%
	Overseas	10,410	8.5%	12,520	9.2%	2,110	20.3%	14,638	9.6%
	Subtotal	122,247	99.9%	136,038	100.0%	13,790	11.3%	151,764	100.0%
Other Business		69	0.1%	11	0.0%	(57)	(82.7)%	1	0.0%
Grand total		122,317	100.0%	136,050	100.0%	13,733	11.2%	151,766	100.0%