

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 January 14, 2022 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 Six Months Ended November 30, 2021 [Japanese GAAP]



January 14, 2022

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

Contact: Hironori Otoishi, Deputy Director of Management Division and General Manager of Accounting Department

Phone: +81-3-3403-3311

Scheduled date of filing quarterly securities report: January 14, 2022

Scheduled date of commencing dividend payments: February 1, 2022

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (To prevent the spread of the novel coronavirus (COVID-19) disease, the session will be held live through the Internet on January 19, 2022, and the video clip will be available on JDC CORPORATION's website later.)

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

### 1. Consolidated Financial Results for the Six Months Ended November 30, 2021 (June 1, 2021 to November 30, 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	%
Six months ended								
November 30, 2021	58,138	(3.9)	2,541	(52.0)	3,078	(41.9)	2,200	(45.5)
November 30, 2020	60,518	(0.8)	5,292	(28.8)	5,294	(30.5)	4,035	(25.5)

(Note) Comprehensive income: Six months ended November 30, 2021: ¥2,089 million [(48.0)%]  
Six months ended November 30, 2020: ¥4,018 million [(29.5)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months ended				
November 30, 2021	25.21		25.14	
November 30, 2020	46.51		46.32	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	Million yen		Million yen		%	
As of November 30, 2021	144,723		75,025		51.6	
As of May 31, 2021	148,766		74,211		49.6	

(Reference) Equity: As of November 30, 2021: ¥74,654 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
Fiscal year ended May 31, 2021	Yen –	Yen 10.00	Yen –	Yen 16.00	Yen 26.00
Fiscal year ending May 31, 2022	–	10.00			
Fiscal year ending May 31, 2022 (Forecast)			–	16.00	26.00

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

(Note) Breakdown of dividends

Interim dividends for

the six months 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 months ended November 30, 2021: ¥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 Attributable to Owners of Parent		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):

November 30, 2021: 98,255,000 shares

May 31, 2021: 98,255,000 shares

2) Total number of treasury shares at the end of the period:

November 30, 2021: 10,721,046 shares

May 31, 2021: 11,064,846 shares

3) Average number of shares during the period:

Six months ended November 30, 2021: 87,305,269 shares

Six months ended November 30, 2020: 86,746,120 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) (1,074,900 shares as of November 30, 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 (1,090,923 shares for the six months ended November 30, 2021 and 1,192,444 shares for the six months ended November 30, 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) (326,000 shares as of November 30, 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 (421,290 shares for the six months ended November 30, 2021 and 430,062 shares for the six months ended November 30, 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.

Financial results briefing session will be held live through the Internet on Wednesday, January 19, 2022, and the video clip will be available on JDC CORPORATION's website later. The briefing material used in this session will also be posted on the website immediately after the live stream ends.

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Six Months Ended November 30, 2021 (June 1, 2021 to November 30, 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	%
Six months ended								
November 30, 2021	51,067	(5.7)	1,798	(62.3)	3,372	(30.3)	2,724	(26.1)
November 30, 2020	54,167	(4.8)	4,774	(33.5)	4,839	(34.6)	3,688	(30.0)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended		
November 30, 2021	31.20	31.11
November 30, 2020	42.51	42.34

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of November 30, 2021	121,601	70,269	57.8
As of May 31, 2021	123,319	68,781	55.8

(Reference) Equity: As of November 30, 2021: ¥70,269 million

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 November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	46,954	30,716
Notes receivable, accounts receivable from completed construction contracts and other	32,502	43,365
Costs on construction contracts in progress	1,276	1,448
Costs on development business and other	2,448	2,617
Advances paid	4,011	3,506
Other	12,638	13,596
Allowance for doubtful accounts	(8)	(4)
Total current assets	99,823	95,245
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,928	7,779
Machinery, vehicles, tools, furniture and fixtures, net	14,663	15,027
Land	9,246	9,251
Other, net	2,649	2,951
Total property, plant and equipment	34,487	35,008
Intangible assets	766	824
Investments and other assets		
Investment securities	9,084	9,264
Retirement benefit asset	1,695	1,705
Deferred tax assets	94	135
Other	2,850	2,570
Allowance for doubtful accounts	(35)	(32)
Total investments and other assets	13,688	13,643
Total non-current assets	48,943	49,477
<b>Total assets</b>	<b>148,766</b>	<b>144,723</b>

(Million yen)

	As of May 31, 2021	As of November 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,362	19,098
Short-term borrowings	2,691	1,407
Income taxes payable	1,685	488
Advances received on construction contracts in progress	5,482	5,158
Advances received on development projects	213	145
Deposits received	5,345	4,749
Provision for warranties for completed construction	961	848
Provision for loss on construction contracts	49	35
Provision for bonuses	–	13
Provision for bonuses for directors (and other officers)	19	37
Provision for loss on business liquidation	126	128
Other	5,547	3,232
Total current liabilities	39,486	35,342
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	28,361	27,359
Provision for share awards	570	548
Provision for loss on litigation	4	19
Retirement benefit liability	496	503
Other	2,636	2,925
Total non-current liabilities	35,069	34,355
Total liabilities	74,555	69,698
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,450	18,494
Retained earnings	51,348	52,128
Treasury shares	(2,425)	(2,286)
Total shareholders' equity	72,386	73,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,619	1,609
Deferred gains or losses on hedges	–	(104)
Remeasurements of defined benefit plans	(175)	(200)
Total accumulated other comprehensive income	1,444	1,305
Non-controlling interests	380	370
Total net assets	74,211	75,025
Total liabilities and net assets	148,766	144,723

(2) Quarterly Consolidated Statements of Income and Quarterly Comprehensive Income  
Quarterly Consolidated Statement of Income  
Six months ended November 30

(Million yen)

	For the six months ended November 30, 2020	For the six months ended November 30, 2021
<b>Net sales</b>		
Net sales of completed construction contracts	53,216	53,990
Net sales in development business and other	7,301	4,148
<b>Total net sales</b>	<b>60,518</b>	<b>58,138</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	44,869	48,790
Cost of sales in development business and other	6,142	2,533
<b>Total cost of sales</b>	<b>51,011</b>	<b>51,323</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	8,347	5,199
Gross profit on development business and other	1,159	1,614
<b>Total gross profit</b>	<b>9,506</b>	<b>6,814</b>
<b>Selling, general and administrative expenses</b>	<b>4,213</b>	<b>4,273</b>
<b>Operating profit</b>	<b>5,292</b>	<b>2,541</b>
<b>Non-operating income</b>		
Interest income	0	0
Dividend income	169	180
Surrender value of insurance policies	–	625
Other	57	53
<b>Total non-operating income</b>	<b>227</b>	<b>859</b>
<b>Non-operating expenses</b>		
Interest expenses	90	189
Interest expenses of rental payments	31	29
Other	103	104
<b>Total non-operating expenses</b>	<b>226</b>	<b>323</b>
<b>Ordinary profit</b>	<b>5,294</b>	<b>3,078</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	37	21
Gain on sale of investment securities	278	–
<b>Total extraordinary income</b>	<b>315</b>	<b>21</b>
<b>Profit before income taxes</b>	<b>5,610</b>	<b>3,099</b>
Income taxes - current	959	819
Income taxes - deferred	598	51
<b>Total income taxes</b>	<b>1,557</b>	<b>871</b>
<b>Profit</b>	<b>4,052</b>	<b>2,228</b>
Profit attributable to non-controlling interests	17	27
<b>Profit attributable to owners of parent</b>	<b>4,035</b>	<b>2,200</b>

Quarterly Consolidated Statement of Comprehensive Income

Six months ended November 30

(Million yen)

	For the six months ended November 30, 2020	For the six months ended November 30, 2021
Profit	4,052	2,228
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(10)
Deferred gains or losses on hedges	–	(104)
Remeasurements of defined benefit plans, net of tax	(8)	(24)
Total other comprehensive income	(34)	(138)
Comprehensive income	4,018	2,089
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,001	2,062
Comprehensive income attributable to non-controlling interests	17	27



## (3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended November 30, 2020	For the six months ended November 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,610	3,099
Depreciation	856	1,059
Increase (decrease) in allowance for doubtful accounts	(63)	(7)
Increase (decrease) in provision for warranties for completed construction	229	(112)
Increase (decrease) in provision for loss on construction contracts	(65)	(14)
Increase (decrease) in provision for bonuses	92	13
Increase (decrease) in provision for bonuses for directors (and other officers)	(57)	32
Increase (decrease) in provision for loss on business liquidation	(25)	2
Increase (decrease) in retirement benefit liability	2	(7)
Decrease (increase) in retirement benefit asset	(36)	(32)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	(10)
Increase (decrease) in provision for loss on litigation	(4)	14
Interest and dividend income	(169)	(181)
Interest expenses and interest expenses of rental payments	122	218
Loss (gain) on cancellation of insurance policies	–	(625)
Foreign exchange losses (gains)	(27)	(29)
Loss (gain) on sale of non-current assets	(37)	(21)
Loss (gain) on sale of investment securities	(278)	–
Decrease (increase) in trade receivables	(4,771)	(10,856)
Decrease (increase) in real estate for sale	4,353	96
Decrease (increase) in costs on construction contracts in progress	1,466	(171)
Decrease (increase) in costs on uncompleted development projects	81	(169)
Decrease (increase) in advances paid	(1,075)	505
Increase (decrease) in trade payables	(2,726)	1,735
Increase (decrease) in advances received on construction contracts in progress	(4,445)	(323)
Increase (decrease) in advances received on development projects	106	(67)
Increase (decrease) in deposits received	727	(596)
Decrease (increase) in consumption taxes refund receivable	419	(2,135)
Increase (decrease) in accrued consumption taxes	(197)	(2,355)
Increase (decrease) in accrued expenses	(525)	(132)
Other, net	(1,357)	821
Subtotal	(1,801)	(10,251)
Interest and dividends received	169	181
Interest paid	(123)	(221)
Income taxes paid	(1,474)	(1,974)
Net cash provided by (used in) operating activities	(3,230)	(12,265)

	For the six months ended November 30, 2020	For the six months ended November 30, 2021
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	100	–
Purchase of property, plant and equipment	(2,474)	(960)
Proceeds from sale of property, plant and equipment	1,089	27
Purchase of intangible assets	(203)	(125)
Purchase of investment securities	(1)	(454)
Proceeds from sale and redemption of investment securities	326	260
Purchase of shares of subsidiaries and associates	(16)	–
Proceeds from cancellation of insurance funds	–	939
Other, net	14	(48)
Net cash provided by (used in) investing activities	(1,166)	(362)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4,000	–
Proceeds from long-term borrowings	471	–
Repayments of long-term borrowings	(823)	(2,285)
Repayments of lease obligations	(70)	(72)
Purchase of treasury shares	(470)	–
Proceeds from sale of treasury shares	111	116
Dividends paid	(1,588)	(1,419)
Dividends paid to non-controlling interests	(23)	(37)
Net cash provided by (used in) financing activities	1,605	(3,698)
Effect of exchange rate change on cash and cash equivalents	26	29
Net increase (decrease) in cash and cash equivalents	(2,763)	(16,297)
Cash and cash equivalents at beginning of period	27,522	46,954
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	60
Cash and cash equivalents at end of period	24,758	30,716

#### 4. Supplementary Information

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

##### 1) Orders

(Million yen)

Category		For the six months ended November 30, 2020		For the six months ended November 30, 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	9,674	21.3%	3,955	14.7%	(5,719)	(59.1)%	24,385	18.9%
	Private sector in Japan	5,567	12.3%	9,899	36.9%	4,332	77.8%	29,596	22.9%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	15,242	33.6%	13,854	51.6%	(1,387)	(9.1)%	53,981	41.8%
Building Business	Public sector in Japan	2	0.0%	71	0.3%	69	3271.5%	43	0.0%
	Private sector in Japan	23,318	51.3%	9,998	37.3%	(13,319)	(57.1)%	57,935	44.9%
	Overseas	494	1.1%	617	2.3%	122	24.8%	9,144	7.1%
	Subtotal	23,814	52.4%	10,687	39.8%	(13,127)	(55.1)%	67,123	52.0%
Total	Public sector in Japan	9,677	21.3%	4,026	15.0%	(5,650)	(58.4)%	24,429	18.9%
	Private sector in Japan	28,885	63.6%	19,898	74.1%	(8,987)	(31.1)%	87,531	67.8%
	Overseas	494	1.1%	617	2.3%	122	24.8%	9,144	7.1%
	Subtotal	39,056	86.0%	24,542	91.4%	(14,514)	(37.2)%	121,105	93.8%
Other Business		6,354	14.0%	2,297	8.6%	(4,056)	(63.8)%	7,995	6.2%
Grand total		45,411	100.0%	26,839	100.0%	(18,571)	(40.9)%	129,101	100.0%

##### 2) Net sales

(Million yen)

Category		For the six months ended November 30, 2020		For the six months ended November 30, 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	14,511	26.8%	11,929	23.4%	(2,581)	(17.8)%	26,225	25.6%
	Private sector in Japan	7,879	14.5%	8,044	15.8%	165	2.1%	15,966	15.6%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	22,390	41.3%	19,974	39.1%	(2,415)	(10.8)%	42,191	41.3%
Building Business	Public sector in Japan	2,985	5.5%	1,395	2.7%	(1,589)	(53.3)%	8,697	8.5%
	Private sector in Japan	19,757	36.5%	23,304	45.6%	3,547	18.0%	37,317	36.5%
	Overseas	2,646	4.9%	4,096	8.0%	1,450	54.8%	6,009	5.9%
	Subtotal	25,389	46.9%	28,797	56.4%	3,408	13.4%	52,024	50.9%
Total	Public sector in Japan	17,496	32.3%	13,325	26.1%	(4,170)	(23.8)%	34,922	34.2%
	Private sector in Japan	27,636	51.0%	31,349	61.4%	3,713	13.4%	53,283	52.1%
	Overseas	2,646	4.9%	4,096	8.0%	1,450	54.8%	6,009	5.9%
	Subtotal	47,779	88.2%	48,772	95.5%	992	2.1%	94,216	92.1%
Other Business		6,387	11.8%	2,295	4.5%	(4,092)	(64.1)%	8,030	7.9%
Grand total		54,167	100.0%	51,067	100.0%	(3,099)	(5.7)%	102,246	100.0%

## 3) Projects in process

(Million yen)

Category		For the six months ended November 30, 2020		For the six months ended November 30, 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	34,870	30.0%	29,987	23.6%	(4,883)	(14.0)%	37,867	25.0%
	Private sector in Japan	19,691	17.0%	36,916	29.1%	17,224	87.5%	35,633	23.5%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	54,561	47.0%	66,903	52.6%	12,341	22.6%	73,500	48.4%
Building Business	Public sector in Japan	7,785	6.7%	790	0.6%	(6,995)	(89.9)%	2,116	1.4%
	Private sector in Japan	44,454	38.3%	48,196	37.9%	3,741	8.4%	61,509	40.5%
	Overseas	9,350	8.1%	11,158	8.8%	1,807	19.3%	14,638	9.6%
	Subtotal	61,590	53.0%	60,144	47.3%	(1,446)	(2.3)%	78,264	51.6%
Total	Public sector in Japan	42,655	36.7%	30,777	24.2%	(11,878)	(27.8)%	39,983	26.3%
	Private sector in Japan	64,146	55.2%	85,112	67.0%	20,966	32.7%	97,143	64.0%
	Overseas	9,350	8.1%	11,158	8.8%	1,807	19.3%	14,638	9.6%
	Subtotal	116,152	100.0%	127,048	100.0%	10,895	9.4%	151,764	100.0%
Other Business		2	0.0%	26	0.0%	23	835.6%	1	0.0%
Grand total		116,155	100.0%	127,074	100.0%	10,918	9.4%	151,766	100.0%