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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2023 [Japanese GAAP]



April 14, 2023

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: April 14, 2023

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 Nine Months Ended February 28, 2023 (June 1, 2022 to February 28, 2023)

(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	%
Nine months ended February 28, 2023	98,905	15.5	414	(83.0)	494	(82.9)	224	(89.6)
February 28, 2022	85,640	(0.4)	2,440	(69.1)	2,889	(63.4)	2,155	(63.1)

(Note) Comprehensive income: Nine months ended February 28, 2023: ¥633 million [(71.3)%]
Nine months ended February 28, 2022: ¥2,205 million [(63.6)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen	Yen	Yen	Yen
Nine months ended February 28, 2023	2.64	2.63		
February 28, 2022	24.66	24.60		

(2) Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of February 28, 2023	157,484	75,086			47.6	
As of May 31, 2022	154,724	79,946			51.2	

(Reference) Equity: As of February 28, 2023: ¥75,015 million
As of May 31, 2022: ¥79,148 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ended May 31, 2022	Yen —	Yen 10.00	Yen —	Yen 16.00	Yen 26.00
Fiscal year ending May 31, 2023	—	10.00	—		
Fiscal year ending May 31, 2023 (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, 2021: ¥10.00 ordinary dividends

Year-end dividends for
the fiscal year ended May 31, 2022: ¥10.00 ordinary dividends and ¥6.00 special dividends

Interim dividends for the six months ended
November 30, 2022: ¥10.00 ordinary dividends

Year-end dividends for the fiscal year ending
May 31, 2023 (forecast): ¥10.00 ordinary dividends and ¥6.00 special dividends

3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2023 (June 1, 2022 to May 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	171,000	34.9	9,000	13.1	9,100	8.3	6,300	(14.7)	71.00

(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) Silent partnership operated by Community Symbiosis Power Plant LLC as proprietor
Excluded: One company (Company name) Silent partnership operated by Utsunomiya-Kita Solar Power Generation LLC as proprietor
- (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):
February 28, 2023: 98,255,000 shares
May 31, 2022: 98,255,000 shares
 - 2) Total number of treasury shares at the end of the period:
February 28, 2023: 14,640,546 shares
May 31, 2022: 10,399,046 shares

3) Average number of shares during the period:

Nine months ended February 28, 2023: 84,902,328 shares

Nine months ended February 28, 2022: 87,391,114 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) (964,100 shares as of February 28, 2023 and 1,037,500 shares as of May 31, 2022). 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 (999,210 shares for the nine months ended February 28, 2023 and 1,081,987 shares for the nine months ended February 28, 2022).
 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) (– shares as of February 28, 2023 and 197,400 shares as of May 31, 2022). 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 (98,137 shares for the nine months ended February 28, 2023 and 383,074 shares for the nine months ended February 28, 2022).

* 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 Nine Months Ended February 28, 2023 (June 1, 2022 to February 28, 2023)

(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	%
Nine months ended February 28, 2023	86,452	13.1	(195)	–	531	(83.1)	499	(81.2)
February 28, 2022	76,439	0.2	1,583	(78.6)	3,143	(58.1)	2,660	(52.2)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended February 28, 2023	5.88	5.87
February 28, 2022	30.44	30.37

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of February 28, 2023	138,061	70,661	51.2
As of May 31, 2022	133,497	74,619	55.9

(Reference) Equity: As of February 28, 2023: ¥70,661 million

As of May 31, 2022: ¥74,619 million

2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2023 (June 1, 2022 to May 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net Sales		Ordinary Profit		Profit		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	146,600	29.6	7,500	(10.9)	5,200	(33.4)	59.00

(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.

1. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of May 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	47,591	21,359
Notes receivable, accounts receivable from completed construction contracts and other	47,541	63,908
Real estate for sale	5,645	8,841
Costs on construction contracts in progress	866	1,407
Costs on development business and other	2,933	5,029
Advances paid	1,335	2,569
Other	4,623	5,563
Allowance for doubtful accounts	(4)	(31)
Total current assets	110,532	108,648
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,688	6,413
Machinery, vehicles, tools, furniture and fixtures, net	11,419	10,485
Land	8,158	8,158
Other, net	3,684	6,143
Total property, plant and equipment	29,951	31,200
Intangible assets	1,817	1,891
Investments and other assets		
Investment securities	8,249	11,399
Retirement benefit asset	1,647	1,812
Deferred tax assets	162	55
Other	2,396	2,531
Allowance for doubtful accounts	(31)	(55)
Total investments and other assets	12,424	15,744
Total non-current assets	44,192	48,836
Total assets	154,724	157,484

(Million yen)

	As of May 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	23,447	28,512
Short-term borrowings	1,151	7,384
Income taxes payable	1,858	20
Advances received on construction contracts in progress	7,282	6,552
Advances received on development projects	25	67
Deposits received	4,724	5,896
Provision for warranties for completed construction	780	740
Provision for loss on construction contracts	114	307
Provision for bonuses	–	593
Provision for bonuses for directors (and other officers)	48	62
Provision for loss on business liquidation	142	128
Other	4,232	2,215
Total current liabilities	43,809	52,480
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	24,101	23,086
Provision for share awards	529	491
Provision for loss on litigation	7	7
Retirement benefit liability	518	465
Other	2,811	2,865
Total non-current liabilities	30,968	29,917
Total liabilities	74,778	82,398
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,551	18,573
Retained earnings	56,427	54,374
Treasury shares	(2,168)	(4,668)
Total shareholders' equity	77,823	73,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,626	1,941
Deferred gains or losses on hedges	(38)	35
Remeasurements of defined benefit plans	(262)	(253)
Total accumulated other comprehensive income	1,324	1,723
Non-controlling interests	797	70
Total net assets	79,946	75,086
Total liabilities and net assets	154,724	157,484

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

Quarterly Consolidated Statement of Income

Nine months ended February 28

(Million yen)

	For the nine months ended February 28, 2022	For the nine months ended February 28, 2023
Net sales		
Net sales of completed construction contracts	79,952	94,694
Net sales in development business and other	5,688	4,210
Total net sales	85,640	98,905
Cost of sales		
Cost of sales of completed construction contracts	73,277	89,059
Cost of sales in development business and other	3,617	2,751
Total cost of sales	76,895	91,811
Gross profit		
Gross profit on completed construction contracts	6,675	5,635
Gross profit on development business and other	2,070	1,458
Total gross profit	8,745	7,093
Selling, general and administrative expenses	6,305	6,678
Operating profit	2,440	414
Non-operating income		
Interest income	1	3
Dividend income	247	263
Foreign exchange gains	–	145
Surrender value of insurance policies	625	84
Other	33	32
Total non-operating income	907	529
Non-operating expenses		
Interest expenses	283	201
Interest expenses of rental payments	43	54
Bad debt expenses	–	80
Other	131	112
Total non-operating expenses	458	449
Ordinary profit	2,889	494
Extraordinary income		
Gain on sale of non-current assets	21	35
Gain on sale of investment securities	89	11
Total extraordinary income	110	46
Extraordinary losses		
Loss on valuation of investment securities	–	37
Loss on retirement or abandonment of noncurrent assets	–	6
Total extraordinary losses	–	43
Profit before income taxes	2,999	497
Income taxes - current	581	268
Income taxes - deferred	227	(5)
Total income taxes	808	262
Profit	2,190	234
Profit attributable to non-controlling interests	35	10
Profit attributable to owners of parent	2,155	224

Quarterly Consolidated Statement of Comprehensive Income

Nine months ended February 28

(Million yen)

	For the nine months ended February 28, 2022	For the nine months ended February 28, 2023
Profit	2,190	234
Other comprehensive income		
Valuation difference on available-for-sale securities	129	314
Deferred gains or losses on hedges	(82)	74
Remeasurements of defined benefit plans, net of tax	(33)	9
Total other comprehensive income	14	398
Comprehensive income	2,205	633
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,170	622
Comprehensive income attributable to non-controlling interests	35	10

2. Supplementary Information

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

1) Orders

(Million yen)

Category		For the nine months ended February 28, 2022		For the nine months ended February 28, 2023		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	5,477	13.0%	8,694	13.9%	3,217	58.7%	12,135	8.8%
	Private sector in Japan	13,189	31.2%	7,349	11.8%	(5,839)	(44.3)%	23,781	17.3%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	18,666	44.2%	16,044	25.7%	(2,622)	(14.0)%	35,917	26.1%
Building Business	Public sector in Japan	80	0.2%	2,003	3.2%	1,923	2401.0%	80	0.1%
	Private sector in Japan	19,610	46.5%	34,684	55.5%	15,073	76.9%	82,979	60.4%
	Overseas	738	1.8%	7,528	12.0%	6,789	919.0%	5,496	4.0%
	Subtotal	20,429	48.4%	44,216	70.7%	23,786	116.4%	88,556	64.4%
Total	Public sector in Japan	5,557	13.2%	10,698	17.1%	5,140	92.5%	12,215	8.9%
	Private sector in Japan	32,800	77.7%	42,034	67.3%	9,234	28.2%	106,761	77.7%
	Overseas	738	1.8%	7,528	12.0%	6,789	919.0%	5,496	4.0%
	Subtotal	39,096	92.6%	60,260	96.4%	21,164	54.1%	124,474	90.6%
Other Business		3,110	7.4%	2,238	3.6%	(872)	(28.0)%	12,929	9.4%
Grand total		42,206	100.0%	62,499	100.0%	20,292	48.1%	137,403	100.0%

2) Net sales

(Million yen)

Category		For the nine months ended February 28, 2022		For the nine months ended February 28, 2023		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	19,163	25.1%	9,539	11.0%	(9,624)	(50.2)%	24,529	21.7%
	Private sector in Japan	12,649	16.5%	16,501	19.1%	3,851	30.4%	19,886	17.6%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	31,813	41.6%	26,040	30.1%	(5,772)	(18.1)%	44,416	39.3%
Building Business	Public sector in Japan	2,194	2.9%	209	0.2%	(1,984)	(90.4)%	2,194	1.9%
	Private sector in Japan	33,645	44.0%	52,333	60.5%	18,688	55.5%	46,280	40.9%
	Overseas	5,706	7.5%	5,631	6.5%	(75)	(1.3)%	7,268	6.4%
	Subtotal	41,545	54.4%	58,174	67.3%	16,628	40.0%	55,742	49.3%
Total	Public sector in Japan	21,357	27.9%	9,749	11.3%	(11,608)	(54.4)%	26,724	23.6%
	Private sector in Japan	46,294	60.6%	68,834	79.6%	22,539	48.7%	66,166	58.5%
	Overseas	5,706	7.5%	5,631	6.5%	(75)	(1.3)%	7,268	6.4%
	Subtotal	73,359	96.0%	84,214	97.4%	10,855	14.8%	100,159	88.6%
Other Business		3,080	4.0%	2,237	2.6%	(843)	(27.4)%	12,916	11.4%
Grand total		76,439	100.0%	86,452	100.0%	10,012	13.1%	113,075	100.0%

3) Projects in process

(Million yen)

Category		For the nine months ended February 28, 2022		For the nine months ended February 28, 2023		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	24,275	20.7%	24,722	16.3%	447	1.8%	25,567	14.6%
	Private sector in Japan	35,603	30.4%	29,807	19.7%	(5,796)	(16.3)%	38,958	22.2%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	59,878	51.1%	54,530	35.9%	(5,348)	(8.9)%	64,526	36.7%
Building Business	Public sector in Japan	–	–	1,793	1.2%	1,793	–	–	–
	Private sector in Japan	47,477	40.6%	80,562	53.1%	33,085	69.7%	98,211	55.9%
	Overseas	9,670	8.3%	14,764	9.7%	5,093	52.7%	12,866	7.3%
	Subtotal	57,147	48.8%	97,120	64.0%	39,972	69.9%	111,077	63.2%
Total	Public sector in Japan	24,275	20.7%	26,516	17.5%	2,240	9.2%	25,567	14.6%
	Private sector in Japan	83,080	71.0%	110,370	72.8%	27,289	32.8%	137,170	78.1%
	Overseas	9,670	8.3%	14,764	9.7%	5,093	52.7%	12,866	7.3%
	Subtotal	117,026	100.0%	151,650	100.0%	34,624	29.6%	175,604	100.0%
Other Business		54	0.0%	38	0.0%	(15)	(28.9)%	37	0.0%
Grand total		117,081	100.0%	151,689	100.0%	34,608	29.6%	175,642	100.0%

(2) [Non-consolidated] Order forecasts for Construction Business

(Million yen)

	For the fiscal year ended May 31, 2022		For the fiscal year ending May 31, 2023	
	Full-year result	Year-on-year change (%)	Full-year forecast	Year-on-year change (%)
Civil Engineering Business	35,917	(33.5)	37,300	3.8
Building Business	88,556	31.9	86,800	(2.0)
Total	124,474	2.8	124,100	(0.3)