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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2023 [Japanese GAAP]



October 16, 2023

Company name: JDC CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1887

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

Representative: Isao Hayashi, Representative Director and President

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Scheduled date of filing quarterly securities report: October 16, 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 Three Months Ended August 31, 2023 (June 1, 2023 to August 31, 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	%
Three months ended August 31, 2023	33,927	19.2	(666)	–	(644)	–	(463)	–
August 31, 2022	28,474	8.3	717	(34.9)	872	(21.5)	542	(25.5)

(Note) Comprehensive income: Three months ended August 31, 2023: ¥(68) million [–%]  
Three months ended August 31, 2022: ¥742 million [(12.1)%]

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended August 31, 2023	(5.56)	–
August 31, 2022	6.27	6.26

(Note) Diluted net income per share for the three months ended August 31, 2023 is not stated as net loss per share was recorded, although potential shares exist.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2023	157,345	76,624	48.6
As of May 31, 2023	162,339	78,029	48.0

(Reference) Equity: As of August 31, 2023: ¥76,479 million  
As of May 31, 2023: ¥77,884 million

## 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ended May 31, 2023	Yen –	Yen 10.00	Yen –	Yen 16.00	Yen 26.00
Fiscal year ending May 31, 2024	–				
Fiscal year ending May 31, 2024 (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 months ended November 30, 2022: ¥10.00 ordinary dividends

Year-end dividends for  
the fiscal year ended May 31, 2023: ¥10.00 ordinary dividends and ¥6.00 special dividends

Interim dividends for the six months ending  
November 30, 2023 (forecast): ¥10.00 ordinary dividends

Year-end dividends for the fiscal year ending  
May 31, 2024 (forecast): ¥10.00 ordinary dividends and ¥6.00 special dividends

## 3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2024 (June 1, 2023 to May 31, 2024)

(% 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	149,000	(3.4)	6,500	44.8	6,500	40.1	4,600	39.8	55.00

(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): No
- (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: No
  - 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, 2023: 93,255,000 shares
    - May 31, 2023: 93,255,000 shares
  - 2) Total number of treasury shares at the end of the period:
    - August 31, 2023: 9,932,446 shares
    - May 31, 2023: 9,966,846 shares
  - 3) Average number of shares during the period:
    - Three months ended August 31, 2023: 83,300,240 shares
    - Three months ended August 31, 2022: 86,407,324 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) (903,000 shares as of August 31, 2023 and 937,400 shares as of May 31, 2023). 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 (925,314 shares for the three months ended August 31, 2023 and 1,023,849 shares for the three months ended August 31, 2022).
  2. The shares of JDC Corporation owned by Custody Bank of Japan, Ltd. (trust account E) as trust property of the Stock Benefit Trust (Employee Stockholding Association Purchase-type) are included in the treasury shares that are deducted in the calculation of the average number of shares during the period (– shares for the three months ended August 31, 2023 and 179,377 shares for the three months ended August 31, 2022). The Stock Benefit Trust (Employee Stockholding Association Purchase-type) has been terminated in May 2023.

\* 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, 2023 (June 1, 2023 to August 31, 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	%
Three months ended August 31, 2023	29,036	14.8	(1,061)	–	(646)	–	(369)	–
August 31, 2022	25,292	9.1	522	(41.7)	1,287	(30.4)	1,035	(32.4)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended August 31, 2023	(4.44)	–
August 31, 2022	11.98	11.96

(Note) Diluted net income per share for the three months ended August 31, 2023 is not stated as net loss per share was recorded, although potential shares exist.

### (2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2023	136,529	71,950	52.7
As of May 31, 2023	141,471	73,261	51.8

(Reference) Equity: As of August 31, 2023: ¥71,950 million

As of May 31, 2023: ¥73,261 million

## 2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2024 (June 1, 2023 to May 31, 2024)

(% 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	123,000	(9.7)	4,800	17.0	3,400	6.5	40.00

(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, 2023	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	24,170	15,336
Notes receivable, accounts receivable from completed construction contracts and other	70,039	71,385
Real estate for sale	5,929	5,946
Costs on construction contracts in progress	948	1,407
Costs on development business and other	5,069	5,331
Advances paid	3,193	3,051
Other	5,285	5,141
Allowance for doubtful accounts	(27)	(42)
<b>Total current assets</b>	<b>114,608</b>	<b>107,557</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,858	6,753
Machinery, vehicles, tools, furniture and fixtures, net	12,683	12,351
Land	7,726	7,742
Other, net	2,462	2,794
<b>Total property, plant and equipment</b>	<b>29,730</b>	<b>29,643</b>
Intangible assets	1,908	2,767
Investments and other assets		
Investment securities	11,634	12,232
Retirement benefit asset	1,832	1,874
Deferred tax assets	95	50
Other	2,584	3,274
Allowance for doubtful accounts	(55)	(55)
<b>Total investments and other assets</b>	<b>16,091</b>	<b>17,376</b>
<b>Total non-current assets</b>	<b>47,731</b>	<b>49,787</b>
<b>Total assets</b>	<b>162,339</b>	<b>157,345</b>

(Million yen)

	As of May 31, 2023	As of August 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	36,457	28,043
Current portion of bonds payable	3,000	3,000
Short-term borrowings	1,381	9,375
Income taxes payable	346	109
Advances received on construction contracts in progress	4,273	4,481
Advances received on development projects	16	17
Deposits received	5,322	3,354
Provision for warranties for completed construction	732	762
Provision for loss on construction contracts	1,253	264
Provision for bonuses	–	541
Provision for bonuses for directors (and other officers)	34	39
Other	3,933	3,106
<b>Total current liabilities</b>	<b>56,752</b>	<b>53,096</b>
<b>Non-current liabilities</b>		
Long-term borrowings	23,740	24,097
Provision for share awards	478	460
Provision for loss on litigation	9	2
Retirement benefit liability	444	402
Other	2,884	2,660
<b>Total non-current liabilities</b>	<b>27,558</b>	<b>27,624</b>
<b>Total liabilities</b>	<b>84,310</b>	<b>80,720</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,012	5,012
Capital surplus	17,007	17,007
Retained earnings	57,441	55,630
Treasury shares	(3,309)	(3,291)
<b>Total shareholders' equity</b>	<b>76,152</b>	<b>74,358</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,068	2,483
Deferred gains or losses on hedges	(27)	(47)
Remeasurements of defined benefit plans	(309)	(314)
<b>Total accumulated other comprehensive income</b>	<b>1,731</b>	<b>2,120</b>
Non-controlling interests	144	145
<b>Total net assets</b>	<b>78,029</b>	<b>76,624</b>
<b>Total liabilities and net assets</b>	<b>162,339</b>	<b>157,345</b>

## (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, 2022	For the three months ended August 31, 2023
Net sales		
Net sales of completed construction contracts	26,870	32,301
Net sales in development business and other	1,604	1,626
Total net sales	28,474	33,927
Cost of sales		
Cost of sales of completed construction contracts	24,508	31,455
Cost of sales in development business and other	873	876
Total cost of sales	25,381	32,331
Gross profit		
Gross profit on completed construction contracts	2,362	845
Gross profit on development business and other	730	749
Total gross profit	3,092	1,595
Selling, general and administrative expenses	2,375	2,262
Operating profit (loss)	717	(666)
Non-operating income		
Interest income	0	3
Dividend income	183	157
Foreign exchange gains	102	25
Other	55	4
Total non-operating income	342	189
Non-operating expenses		
Interest expenses	70	74
Interest expenses of rental payments	17	18
Commission for commitment line	4	55
Provision of allowance for doubtful accounts	78	–
Other	17	20
Total non-operating expenses	187	168
Ordinary profit (loss)	872	(644)
Extraordinary income		
Gain on sale of non-current assets	18	–
Total extraordinary income	18	–
Extraordinary losses		
Loss on valuation of investment securities	16	–
Compensation for damage, etc.	–	7
Other	–	0
Total extraordinary losses	16	7
Profit (loss) before income taxes	873	(652)
Income taxes - current	83	65
Income taxes - deferred	242	(261)
Total income taxes	325	(196)
Profit (loss)	547	(456)
Profit attributable to non-controlling interests	5	6
Profit (loss) attributable to owners of parent	542	(463)

Quarterly Consolidated Statement of Comprehensive Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2022	For the three months ended August 31, 2023
Profit (loss)	547	(456)
Other comprehensive income		
Valuation difference on available-for-sale securities	173	414
Deferred gains or losses on hedges	18	(20)
Remeasurements of defined benefit plans, net of tax	2	(5)
Total other comprehensive income	194	388
Comprehensive income	742	(68)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	737	(74)
Comprehensive income attributable to non-controlling interests	5	6



## 2. Supplementary Information

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

#### 1) Orders

(Million yen)

Category		For the three months ended August 31, 2022		For the three months ended August 31, 2023		Change		For the fiscal year ended May 31, 2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	1,482	8.1%	6,382	49.5%	4,899	330.4%	11,755	9.9%
	Private sector in Japan	4,627	25.4%	816	6.3%	(3,810)	(82.3)%	13,358	11.2%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	6,110	33.5%	7,198	55.8%	1,088	17.8%	25,113	21.1%
Building Business	Public sector in Japan	307	1.7%	2,499	19.4%	2,191	712.0%	2,003	1.7%
	Private sector in Japan	7,561	41.5%	2,020	15.7%	(5,540)	(73.3)%	58,261	49.0%
	Overseas	3,256	17.9%	314	2.4%	(2,942)	(90.3)%	18,614	15.6%
	Subtotal	11,126	61.0%	4,834	37.5%	(6,291)	(56.5)%	78,879	66.3%
Total	Public sector in Japan	1,790	9.8%	8,881	68.8%	7,090	396.0%	13,758	11.6%
	Private sector in Japan	12,189	66.9%	2,837	22.0%	(9,351)	(76.7)%	71,619	60.2%
	Overseas	3,256	17.9%	314	2.4%	(2,942)	(90.3)%	18,614	15.6%
	Subtotal	17,236	94.6%	12,033	93.3%	(5,202)	(30.2)%	103,993	87.4%
Other Business		991	5.4%	866	6.7%	(125)	(12.6)%	14,997	12.6%
Grand total		18,227	100.0%	12,899	100.0%	(5,327)	(29.2)%	118,991	100.0%

#### 2) Net sales

(Million yen)

Category		For the three months ended August 31, 2022		For the three months ended August 31, 2023		Change		For the fiscal year ended May 31, 2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	3,224	12.7%	1,849	6.4%	(1,374)	(42.6)%	13,512	9.9%
	Private sector in Japan	5,797	22.9%	6,805	23.4%	1,008	17.4%	21,020	15.4%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	9,021	35.7%	8,655	29.8%	(366)	(4.1)%	34,532	25.3%
Building Business	Public sector in Japan	15	0.1%	87	0.3%	71	448.8%	371	0.3%
	Private sector in Japan	13,223	52.3%	17,065	58.8%	3,841	29.1%	79,176	58.1%
	Overseas	2,044	8.1%	2,360	8.1%	316	15.5%	7,158	5.3%
	Subtotal	15,283	60.4%	19,513	67.2%	4,229	27.7%	86,705	63.6%
Total	Public sector in Japan	3,240	12.8%	1,936	6.7%	(1,303)	(40.2)%	13,883	10.2%
	Private sector in Japan	19,021	75.2%	23,871	82.2%	4,850	25.5%	100,196	73.5%
	Overseas	2,044	8.1%	2,360	8.1%	316	15.5%	7,158	5.3%
	Subtotal	24,305	96.1%	28,168	97.0%	3,863	15.9%	121,238	89.0%
Other Business		987	3.9%	867	3.0%	(119)	(12.1)%	15,005	11.0%
Grand total		25,292	100.0%	29,036	100.0%	3,743	14.8%	136,243	100.0%

### 3) Projects in process

(Million yen)

Category		For the three months ended August 31, 2022		For the three months ended August 31, 2023		Change		For the fiscal year ended May 31, 2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	23,826	14.1%	28,342	19.9%	4,516	19.0%	23,810	15.0%
	Private sector in Japan	37,789	22.4%	25,308	17.8%	(12,480)	(33.0)%	31,297	19.8%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	61,615	36.6%	53,651	37.7%	(7,963)	(12.9)%	55,108	34.8%
Building Business	Public sector in Japan	291	0.2%	4,044	2.8%	3,752	1285.3%	1,632	1.0%
	Private sector in Japan	92,549	54.9%	62,251	43.8%	(30,298)	(32.7)%	77,296	48.8%
	Overseas	14,079	8.4%	22,277	15.7%	8,197	58.2%	24,323	15.4%
	Subtotal	106,920	63.4%	88,572	62.3%	(18,347)	(17.2)%	103,251	65.2%
Total	Public sector in Japan	24,118	14.3%	32,387	22.8%	8,269	34.3%	25,442	16.1%
	Private sector in Japan	130,338	77.3%	87,559	61.6%	(42,778)	(32.8)%	108,593	68.6%
	Overseas	14,079	8.4%	22,277	15.7%	8,197	58.2%	24,323	15.4%
	Subtotal	168,535	100.0%	142,224	100.0%	(26,311)	(15.6)%	158,359	100.0%
Other Business		41	0.0%	29	0.0%	(12)	(29.6)%	30	0.0%
Grand total		168,577	100.0%	142,253	100.0%	(26,323)	(15.6)%	158,390	100.0%

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

(Million yen)

	For the fiscal year ended May 31, 2023		For the fiscal year ending May 31, 2024	
	Full-year result	Year-on-year change (%)	Full-year forecast	Year-on-year change (%)
Civil Engineering Business	25,113	(30.1)%	34,900	39.0%
Building Business	78,879	(10.9)%	85,600	8.5%
Total	103,993	(16.5)%	120,500	15.9%