

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 15, 2024 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, 2023 [Japanese GAAP]



January 15, 2024

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

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

Phone: +81-3-6777-7881

Scheduled date of filing quarterly securities report: January 15, 2024

Scheduled date of commencing dividend payments: February 1, 2024

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (The session will be held live through the Internet on January 24, 2024, 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, 2023 (June 1, 2023 to November 30, 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	%
Six months ended November 30, 2023	65,090	0.0	(7,878)	—	(7,998)	—	(5,192)	—
November 30, 2022	65,068	11.9	1,025	(59.7)	1,058	(65.6)	672	(69.4)

(Note) Comprehensive income: Six months ended November 30, 2023: ¥(4,585) million [–%]
Six months ended November 30, 2022: ¥836 million [(59.9)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months ended November 30, 2023	(62.31)		—	
November 30, 2022	7.87		7.86	

(Note) Diluted net income per share for the six months ended November 30, 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 November 30, 2023	163,369		72,188		44.1	
As of May 31, 2023	162,339		78,029		48.0	

(Reference) Equity: As of November 30, 2023: ¥72,039 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	–	10.00			
Fiscal year ending May 31, 2024 (Forecast)			–	12.00	22.00

(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 ended
November 30, 2023: ¥10.00 ordinary dividends

Year-end dividends for the fiscal year ending
May 31, 2024 (forecast): ¥10.00 ordinary dividends and ¥2.00 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	139,000	(9.9)	(5,600)	–	(5,700)	–	(3,800)	–	(45.55)	

(Note) Revision to the financial results forecast announced most recently: Yes

* 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):
 - November 30, 2023: 93,255,000 shares
 - May 31, 2023: 93,255,000 shares
 - 2) Total number of treasury shares at the end of the period:
 - November 30, 2023: 9,795,946 shares
 - May 31, 2023: 9,966,846 shares
 - 3) Average number of shares during the period:
 - Six months ended November 30, 2023: 83,324,728 shares
 - Six months ended November 30, 2022: 85,411,271 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) (858,700 shares as of November 30, 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 (905,015 shares for the six months ended November 30, 2023 and 1,009,191 shares for the six months ended November 30, 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 six months ended November 30, 2023 and 131,699 shares for the six months ended November 30, 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.

Financial results briefing will be held live through the Internet on Wednesday, January 24, 2024, 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 session ends.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended November 30, 2023 (June 1, 2023 to November 30, 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	%
Six months ended November 30, 2023	55,167	(2.9)	(8,509)	–	(8,177)	–	(5,318)	–
November 30, 2022	56,799	11.2	498	(72.3)	1,183	(64.9)	965	(64.6)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended November 30, 2023	(63.82)	–
November 30, 2022	11.30	11.28

(Note) Diluted net income per share for the six months ended November 30, 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 November 30, 2023	137,966	67,201	48.7
As of May 31, 2023	141,471	73,261	51.8

(Reference) Equity: As of November 30, 2023: ¥67,201 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	116,800	(14.3)	(6,600)	–	(4,400)	–	(52.75)

(Note) Revision to the financial results forecast announced most recently: Yes

* 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, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	24,170	18,825
Notes receivable, accounts receivable from completed construction contracts and other	70,039	69,979
Real estate for sale	5,929	9,015
Costs on construction contracts in progress	948	2,091
Costs on development business and other	5,069	5,405
Advances paid	3,193	3,347
Other	5,285	3,219
Allowance for doubtful accounts	(27)	(41)
Total current assets	114,608	111,841
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,858	6,670
Machinery, vehicles, tools, furniture and fixtures, net	12,683	12,397
Land	7,726	7,744
Other, net	2,462	3,382
Total property, plant and equipment	29,730	30,195
Intangible assets	1,908	2,014
Investments and other assets		
Investment securities	11,634	12,305
Retirement benefit asset	1,832	1,954
Deferred tax assets	95	2,056
Other	2,584	3,032
Allowance for doubtful accounts	(55)	(31)
Total investments and other assets	16,091	19,318
Total non-current assets	47,731	51,527
Total assets	162,339	163,369

(Million yen)

	As of May 31, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	36,457	31,017
Current portion of bonds payable	3,000	3,000
Short-term borrowings	1,381	10,590
Income taxes payable	346	245
Advances received on construction contracts in progress	4,273	5,628
Advances received on development projects	16	33
Deposits received	5,322	4,081
Provision for warranties for completed construction	732	759
Provision for loss on construction contracts	1,253	1,849
Provision for bonuses for directors (and other officers)	34	33
Other	3,933	3,219
Total current liabilities	56,752	60,458
Non-current liabilities		
Long-term borrowings	23,740	27,486
Provision for share awards	478	437
Provision for loss on litigation	9	2
Retirement benefit liability	444	383
Other	2,884	2,412
Total non-current liabilities	27,558	30,722
Total liabilities	84,310	91,180
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	17,007	17,013
Retained earnings	57,441	50,901
Treasury shares	(3,309)	(3,240)
Total shareholders' equity	76,152	69,687
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,068	2,626
Deferred gains or losses on hedges	(27)	38
Remeasurements of defined benefit plans	(309)	(313)
Total accumulated other comprehensive income	1,731	2,351
Non-controlling interests	144	149
Total net assets	78,029	72,188
Total liabilities and net assets	162,339	163,369

(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, 2022	For the six months ended November 30, 2023
Net sales		
Net sales of completed construction contracts	62,056	61,971
Net sales in development business and other	3,012	3,119
Total net sales	65,068	65,090
Cost of sales		
Cost of sales of completed construction contracts	57,803	66,859
Cost of sales in development business and other	1,775	1,687
Total cost of sales	59,578	68,546
Gross profit		
Gross profit (loss) on completed construction contracts	4,252	(4,887)
Gross profit on development business and other	1,237	1,431
Gross profit (loss)	5,490	(3,455)
Selling, general and administrative expenses	4,464	4,422
Operating profit (loss)	1,025	(7,878)
Non-operating income		
Interest income	1	3
Dividend income	196	170
Foreign exchange gains	101	19
Surrender value of insurance policies	37	1
Other	21	57
Total non-operating income	358	252
Non-operating expenses		
Interest expenses	132	153
Interest expenses of rental payments	34	36
Commission for commitment line	9	55
Bad debt expenses	80	–
Non deducted consumption tax	24	86
Other	43	41
Total non-operating expenses	325	372
Ordinary profit (loss)	1,058	(7,998)
Extraordinary income		
Gain on sale of non-current assets	34	48
Gain on sale of investment securities	11	442
Gain on sale of shares of subsidiaries and associates	–	55
Total extraordinary income	45	546
Extraordinary losses		
Loss on valuation of investment securities	16	–
Compensation for damage, etc.	–	7
Other	–	0
Total extraordinary losses	16	8
Profit (loss) before income taxes	1,087	(7,460)
Income taxes – current	252	186
Income taxes – deferred	152	(2,464)
Total income taxes	405	(2,278)
Profit (loss)	681	(5,182)
Profit attributable to non-controlling interests	9	10
Profit (loss) attributable to owners of parent	672	(5,192)

Quarterly Consolidated Statement of Comprehensive Income

Six months ended November 30

(Million yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Profit (loss)	681	(5,182)
Other comprehensive income		
Valuation difference on available-for-sale securities	121	535
Deferred gains or losses on hedges	27	65
Remeasurements of defined benefit plans, net of tax	5	(4)
Total other comprehensive income	155	597
Comprehensive income	836	(4,585)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	827	(4,595)
Comprehensive income attributable to non-controlling interests	9	10

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	1,087	(7,460)
Depreciation	1,021	1,107
Amortization of goodwill	47	23
Increase (decrease) in allowance for doubtful accounts	46	13
Increase (decrease) in provision for warranties for completed construction	(65)	27
Increase (decrease) in provision for loss on construction contracts	150	595
Increase (decrease) in provision for bonuses for directors (and other officers)	2	(0)
Increase (decrease) in provision for loss on business liquidation	5	–
Increase (decrease) in retirement benefit liability	(27)	(61)
Decrease (increase) in retirement benefit asset	(122)	(121)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(3)
Increase (decrease) in provision for loss on litigation	–	(7)
Interest and dividend income	(198)	(174)
Interest expenses and interest expenses of rental payments	167	189
Loss (gain) on cancellation of insurance policies	(37)	(1)
Foreign exchange losses (gains)	(56)	(81)
Bad debt expenses	80	–
Loss (gain) on sale of non-current assets	(34)	(48)
Loss (gain) on sale of investment securities	(11)	(442)
Loss (gain) on valuation of investment securities	16	–
Loss (gain) on sale of shares of subsidiaries and associates	–	(55)
Decrease (increase) in trade receivables	(10,972)	1
Decrease (increase) in real estate for sale	(3,209)	(3,075)
Decrease (increase) in costs on construction contracts in progress	(204)	(1,147)
Decrease (increase) in costs on uncompleted development projects	(1,952)	(335)
Decrease (increase) in advances paid	3	(153)
Decrease (increase) in consumption taxes refund receivable	767	1,335
Increase (decrease) in trade payables	5,122	(5,431)
Increase (decrease) in advances received on construction contracts in progress	(2,326)	1,356
Increase (decrease) in advances received on development projects	9	17
Increase (decrease) in deposits received	1,117	(1,239)
Increase (decrease) in accrued consumption taxes	(749)	222
Other, net	(823)	(440)
Subtotal	(11,148)	(15,391)
Interest and dividends received	198	173
Interest paid	(180)	(189)
Income taxes paid	(2,380)	(394)
Net cash provided by (used in) operating activities	(13,510)	(15,802)

(Million yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,989)	(1,651)
Proceeds from sale of property, plant and equipment	39	31
Purchase of intangible assets	(198)	(1,044)
Purchase of investment securities	(2,424)	(168)
Proceeds from sale and redemption of investment securities	81	691
Loan advances	(91)	–
Proceeds from collection of loans receivable	6	6
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	1,404
Proceeds from cancellation of insurance funds	66	1
Other, net	(0)	0
Net cash provided by (used in) investing activities	(4,510)	(729)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	43	9,034
Proceeds from long-term borrowings	–	4,670
Repayments of long-term borrowings	(831)	(750)
Repayments to non-controlling shareholders	(228)	–
Repayments of lease liabilities	(90)	(104)
Purchase of treasury shares	(2,310)	–
Proceeds from sale of treasury shares	99	28
Dividends paid	(1,424)	(1,345)
Dividends paid to non-controlling interests	(510)	(6)
Net cash provided by (used in) financing activities	(5,253)	11,526
Effect of exchange rate change on cash and cash equivalents	56	81
Net increase (decrease) in cash and cash equivalents	(23,217)	(4,924)
Cash and cash equivalents at beginning of period	47,170	23,749
Cash and cash equivalents at end of period	23,952	18,825

4. Supplementary Information

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

1) Orders

(Million yen)

Category		For the six months ended November 30, 2022		For the six months ended November 30, 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	3,900	9.9%	10,661	31.1%	6,761	173.4%	11,755	9.9%
	Private sector in Japan	5,153	13.1%	2,231	6.5%	(2,921)	(56.7)%	13,358	11.2%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	9,053	23.0%	12,893	37.6%	3,839	42.4%	25,113	21.1%
Building Business	Public sector in Japan	333	0.8%	2,681	7.8%	2,347	703.0%	2,003	1.7%
	Private sector in Japan	20,740	52.6%	15,693	45.7%	(5,046)	(24.3)%	58,261	49.0%
	Overseas	7,521	19.1%	1,391	4.1%	(6,129)	(81.5)%	18,614	15.6%
	Subtotal	28,595	72.6%	19,766	57.6%	(8,829)	(30.9)%	78,879	66.3%
Total	Public sector in Japan	4,234	10.7%	13,343	38.9%	9,109	215.1%	13,758	11.6%
	Private sector in Japan	25,893	65.7%	17,924	52.2%	(7,968)	(30.8)%	71,619	60.2%
	Overseas	7,521	19.1%	1,391	4.1%	(6,129)	(81.5)%	18,614	15.6%
	Subtotal	37,649	95.6%	32,659	95.1%	(4,989)	(13.3)%	103,993	87.4%
Other Business		1,743	4.4%	1,670	4.9%	(73)	(4.2)%	14,997	12.6%
Grand total		39,393	100.0%	34,330	100.0%	(5,062)	(12.9)%	118,991	100.0%

2) Net sales

(Million yen)

Category		For the six months ended November 30, 2022		For the six months ended November 30, 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	5,998	10.6%	3,946	7.2%	(2,052)	(34.2)%	13,512	9.9%
	Private sector in Japan	11,393	20.1%	9,895	17.9%	(1,498)	(13.2)%	21,020	15.4%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	17,392	30.6%	13,841	25.1%	(3,551)	(20.4)%	34,532	25.3%
Building Business	Public sector in Japan	114	0.2%	278	0.5%	164	143.7%	371	0.3%
	Private sector in Japan	33,626	59.2%	35,446	64.3%	1,820	5.4%	79,176	58.1%
	Overseas	3,903	6.9%	3,942	7.1%	38	1.0%	7,158	5.3%
	Subtotal	37,644	66.3%	39,667	71.9%	2,022	5.4%	86,705	63.6%
Total	Public sector in Japan	6,113	10.8%	4,224	7.7%	(1,888)	(30.9)%	13,883	10.2%
	Private sector in Japan	45,020	79.3%	45,341	82.2%	321	0.7%	100,196	73.5%
	Overseas	3,903	6.9%	3,942	7.1%	38	1.0%	7,158	5.3%
	Subtotal	55,037	96.9%	53,508	97.0%	(1,528)	(2.8)%	121,238	89.0%
Other Business		1,762	3.1%	1,658	3.0%	(103)	(5.9)%	15,005	11.0%
Grand total		56,799	100.0%	55,167	100.0%	(1,632)	(2.9)%	136,243	100.0%

3) Projects in process

(Million yen)

Category		For the six months ended November 30, 2022		For the six months ended November 30, 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	23,469	14.8%	30,526	22.2%	7,057	30.1%	23,810	15.0%
	Private sector in Japan	32,718	20.7%	23,633	17.2%	(9,084)	(27.8)%	31,297	19.8%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	56,187	35.5%	54,160	39.4%	(2,027)	(3.6)%	55,108	34.8%
Building Business	Public sector in Japan	219	0.1%	4,034	2.9%	3,815	1736.9%	1,632	1.0%
	Private sector in Japan	85,325	53.9%	57,543	41.8%	(27,782)	(32.6)%	77,296	48.8%
	Overseas	16,484	10.4%	21,772	15.8%	5,288	32.1%	24,323	15.4%
	Subtotal	102,029	64.5%	83,350	60.6%	(18,678)	(18.3)%	103,251	65.2%
Total	Public sector in Japan	23,688	15.0%	34,561	25.1%	10,872	45.9%	25,442	16.1%
	Private sector in Japan	118,043	74.6%	81,176	59.0%	(36,867)	(31.2)%	108,593	68.6%
	Overseas	16,484	10.4%	21,772	15.8%	5,288	32.1%	24,323	15.4%
	Subtotal	158,216	100.0%	137,510	100.0%	(20,706)	(13.1)%	158,359	100.0%
Other Business		19	0.0%	42	0.0%	23	118.7%	30	0.0%
Grand total		158,236	100.0%	137,553	100.0%	(20,682)	(13.1)%	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%