

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 April 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 Nine Months Ended February 29, 2024 [Japanese GAAP]



April 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: April 15, 2024

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 29, 2024 (June 1, 2023 to February 29, 2024)

(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 29, 2024	98,429	(0.5)	(10,560)	–	(10,692)	–	(7,057)	–
February 28, 2023	98,905	15.5	414	(83.0)	494	(82.9)	224	(89.6)

(Note) Comprehensive income: Nine months ended February 29, 2024: ¥(6,355) million [–%]
Nine months ended February 28, 2023: ¥633 million [(71.3)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Nine months ended February 29, 2024	(84.64)		–	
February 28, 2023	2.64		2.63	

(Note) Diluted net income per share for the nine months ended February 29, 2024 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 February 29, 2024	171,592		69,577		40.5	
As of May 31, 2023	162,339		78,029		48.0	

(Reference) Equity: As of February 29, 2024: ¥69,437 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: 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):
 - February 29, 2024: 93,255,000 shares
 - May 31, 2023: 93,255,000 shares
 - 2) Total number of treasury shares at the end of the period:
 - February 29, 2024: 9,769,246 shares
 - May 31, 2023: 9,966,846 shares
 - 3) Average number of shares during the period:
 - Nine months ended February 29, 2024: 83,374,460 shares
 - Nine months ended February 28, 2023: 84,902,328 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) (832,000 shares as of February 29, 2024 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 (884,513 shares for the nine months ended February 29, 2024 and 999,210 shares for the nine months ended February 28, 2023).
 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 nine months ended February 29, 2024 and 98,137 shares for the nine months ended February 28, 2023). 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 Nine Months Ended February 29, 2024 (June 1, 2023 to February 29, 2024)

(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 29, 2024	83,392	(3.5)	(11,311)	–	(10,938)	–	(7,242)	–
February 28, 2023	86,452	13.1	(195)	–	531	(83.1)	499	(81.2)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended February 29, 2024	(86.86)	–
February 28, 2023	5.88	5.87

(Note) Diluted net income per share for the nine months ended February 29, 2024 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 February 29, 2024	146,904	64,580	44.0
As of May 31, 2023	141,471	73,261	51.8

(Reference) Equity: As of February 29, 2024: ¥64,580 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: 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, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	24,170	15,037
Notes receivable, accounts receivable from completed construction contracts and other	70,039	80,266
Real estate for sale	5,929	8,977
Costs on construction contracts in progress	948	2,104
Costs on development business and other	5,069	5,436
Advances paid	3,193	3,407
Other	5,285	4,028
Allowance for doubtful accounts	(27)	(47)
Total current assets	114,608	119,210
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,858	6,592
Machinery, vehicles, tools, furniture and fixtures, net	12,683	12,080
Land	7,726	7,744
Other, net	2,462	3,642
Total property, plant and equipment	29,730	30,060
Intangible assets	1,908	1,884
Investments and other assets		
Investment securities	11,634	12,489
Retirement benefit asset	1,832	1,936
Deferred tax assets	95	2,908
Other	2,584	3,133
Allowance for doubtful accounts	(55)	(31)
Total investments and other assets	16,091	20,436
Total non-current assets	47,731	52,381
Total assets	162,339	171,592

(Million yen)

	As of May 31, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	36,457	29,585
Current portion of bonds payable	3,000	3,000
Short-term borrowings	1,381	27,177
Income taxes payable	346	121
Advances received on construction contracts in progress	4,273	7,061
Advances received on development projects	16	26
Deposits received	5,322	4,723
Provision for warranties for completed construction	732	745
Provision for loss on construction contracts	1,253	1,439
Provision for bonuses	–	557
Provision for bonuses for directors (and other officers)	34	44
Other	3,933	2,762
Total current liabilities	56,752	77,246
Non-current liabilities		
Long-term borrowings	23,740	21,679
Provision for share awards	478	424
Provision for loss on litigation	9	0
Retirement benefit liability	444	390
Other	2,884	2,273
Total non-current liabilities	27,558	24,767
Total liabilities	84,310	102,014
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	17,007	17,013
Retained earnings	57,441	48,193
Treasury shares	(3,309)	(3,226)
Total shareholders' equity	76,152	66,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,068	2,760
Deferred gains or losses on hedges	(27)	(4)
Remeasurements of defined benefit plans	(309)	(312)
Total accumulated other comprehensive income	1,731	2,443
Non-controlling interests	144	140
Total net assets	78,029	69,577
Total liabilities and net assets	162,339	171,592

(2) Quarterly Consolidated Statements of Income and Quarterly Comprehensive Income
Quarterly Consolidated Statement of Income
Nine months ended February 28/29

(Million yen)

	For the nine months ended February 28, 2023	For the nine months ended February 29, 2024
Net sales		
Net sales of completed construction contracts	94,694	93,751
Net sales in development business and other	4,210	4,678
Total net sales	98,905	98,429
Cost of sales		
Cost of sales of completed construction contracts	89,059	99,583
Cost of sales in development business and other	2,751	2,856
Total cost of sales	91,811	102,440
Gross profit		
Gross profit (loss) on completed construction contracts	5,635	(5,832)
Gross profit on development business and other	1,458	1,821
Gross profit (loss) total	7,093	(4,010)
Selling, general and administrative expenses	6,678	6,549
Operating profit (loss)	414	(10,560)
Non-operating income		
Interest income	3	8
Dividend income	263	235
Foreign exchange gains	145	45
Surrender value of insurance policies	84	0
Other	32	73
Total non-operating income	529	363
Non-operating expenses		
Interest expenses	201	241
Interest expenses of rental payments	54	53
Commission for commitment line	45	61
Bad debt expenses	80	–
Non deducted consumption tax	8	71
Other	58	67
Total non-operating expenses	449	494
Ordinary profit (loss)	494	(10,692)
Extraordinary income		
Gain on sale of non-current assets	35	131
Gain on sale of investment securities	11	442
Gain on sale of shares of subsidiaries and associates	–	55
Total extraordinary income	46	629
Extraordinary losses		
Loss on valuation of investment securities	37	–
Loss on retirement or abandonment of noncurrent assets	6	6
Compensation for damage, etc.	–	90
Total extraordinary losses	43	97
Profit (loss) before income taxes	497	(10,159)
Income taxes - current	268	244
Income taxes - deferred	(5)	(3,359)
Total income taxes	262	(3,114)
Profit (loss)	234	(7,044)
Profit attributable to non-controlling interests	10	12
Profit (loss) attributable to owners of parent	224	(7,057)

Quarterly Consolidated Statement of Comprehensive Income

Nine months ended February 28/29

(Million yen)

	For the nine months ended February 28, 2023	For the nine months ended February 29, 2024
Profit (loss)	234	(7,044)
Other comprehensive income		
Valuation difference on available-for-sale securities	314	669
Deferred gains or losses on hedges	74	22
Remeasurements of defined benefit plans, net of tax	9	(3)
Total other comprehensive income	398	688
Comprehensive income	633	(6,355)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	622	(6,368)
Comprehensive income attributable to non-controlling interests	10	12

4. 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, 2023		For the nine months ended February 29, 2024		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	8,694	13.9%	15,205	23.0%	6,511	74.9%	11,755	9.9%
	Private sector in Japan	7,349	11.8%	5,166	7.8%	(2,183)	(29.7)%	13,358	11.2%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	16,044	25.7%	20,372	30.8%	4,327	27.0%	25,113	21.1%
Building Business	Public sector in Japan	2,003	3.2%	3,870	5.8%	1,866	93.2%	2,003	1.7%
	Private sector in Japan	34,684	55.5%	37,269	56.3%	2,584	7.5%	58,261	49.0%
	Overseas	7,528	12.0%	2,446	3.7%	(5,082)	(67.5)%	18,614	15.6%
	Subtotal	44,216	70.7%	43,585	65.8%	(630)	(1.4)%	78,879	66.3%
Total	Public sector in Japan	10,698	17.1%	19,076	28.8%	8,378	78.3%	13,758	11.6%
	Private sector in Japan	42,034	67.3%	42,435	64.1%	400	1.0%	71,619	60.2%
	Overseas	7,528	12.0%	2,446	3.7%	(5,082)	(67.5)%	18,614	15.6%
	Subtotal	60,260	96.4%	63,957	96.6%	3,696	6.1%	103,993	87.4%
Other Business		2,238	3.6%	2,247	3.4%	8	0.4%	14,997	12.6%
Grand total		62,499	100.0%	66,205	100.0%	3,705	5.9%	118,991	100.0%

2) Net sales

(Million yen)

Category		For the nine months ended February 28, 2023		For the nine months ended February 29, 2024		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	9,539	11.0%	7,304	8.8%	(2,235)	(23.4)%	13,512	9.9%
	Private sector in Japan	16,501	19.1%	13,144	15.8%	(3,356)	(20.3)%	21,020	15.4%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	26,040	30.1%	20,448	24.5%	(5,591)	(21.5)%	34,532	25.3%
Building Business	Public sector in Japan	209	0.2%	680	0.8%	470	224.2%	371	0.3%
	Private sector in Japan	52,333	60.5%	54,185	65.0%	1,851	3.5%	79,176	58.1%
	Overseas	5,631	6.5%	5,835	7.0%	204	3.6%	7,158	5.3%
	Subtotal	58,174	67.3%	60,700	72.8%	2,526	4.3%	86,705	63.6%
Total	Public sector in Japan	9,749	11.3%	7,984	9.6%	(1,765)	(18.1)%	13,883	10.2%
	Private sector in Japan	68,834	79.6%	67,329	80.7%	(1,504)	(2.2)%	100,196	73.5%
	Overseas	5,631	6.5%	5,835	7.0%	204	3.6%	7,158	5.3%
	Subtotal	84,214	97.4%	81,149	97.3%	(3,065)	(3.6)%	121,238	89.0%
Other Business		2,237	2.6%	2,243	2.7%	5	0.3%	15,005	11.0%
Grand total		86,452	100.0%	83,392	100.0%	(3,059)	(3.5)%	136,243	100.0%

3) Projects in process

(Million yen)

Category		For the nine months ended February 28, 2023		For the nine months ended February 29, 2024		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	24,722	16.3%	31,712	22.5%	6,989	28.3%	23,810	15.0%
	Private sector in Japan	29,807	19.7%	23,318	16.5%	(6,488)	(21.8)%	31,297	19.8%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	54,530	35.9%	55,031	39.0%	501	0.9%	55,108	34.8%
Building Business	Public sector in Japan	1,793	1.2%	4,821	3.4%	3,028	168.8%	1,632	1.0%
	Private sector in Japan	80,562	53.1%	60,380	42.8%	(20,182)	(25.1)%	77,296	48.8%
	Overseas	14,764	9.7%	20,934	14.8%	6,170	41.8%	24,323	15.4%
	Subtotal	97,120	64.0%	86,136	61.0%	(10,983)	(11.3)%	103,251	65.2%
Total	Public sector in Japan	26,516	17.5%	36,534	25.9%	10,017	37.8%	25,442	16.1%
	Private sector in Japan	110,370	72.8%	83,699	59.3%	(26,671)	(24.2)%	108,593	68.6%
	Overseas	14,764	9.7%	20,934	14.8%	6,170	41.8%	24,323	15.4%
	Subtotal	151,650	100.0%	141,168	100.0%	(10,482)	(6.9)%	158,359	100.0%
Other Business		38	0.0%	34	0.0%	(3)	(10.3)%	30	0.0%
Grand total		151,689	100.0%	141,202	100.0%	(10,486)	(6.9)%	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)%	36,600	45.7%
Building Business	78,879	(10.9)%	73,400	(6.9)%
Total	103,993	(16.5)%	110,000	5.8%