

2Q of FY 2021 - 2022

Financial Results



JDC CORPORATION

Contribute to the creation of a more prosperous society

Code Number: 1887



JDC has celebrated
the 70th
anniversary of its
foundation.



Building of Kobe Plant Construction Works of
Narikoma Food Co., Ltd. (Hyogo Prefecture)

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2Q of FY 2021-2022 Highlights

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2Q of FY 2021-2022 Highlights



1 ■ **Revenue and profit decreased year on year**
Net sales (Full-year forecast achievement rate: 38.8%)
Operating profit (Full-year forecast achievement rate: 24.9%)

2 ■ **Orders decreased year on year**
Full-year forecast achievement rate of Civil Engineering & Building: 20.2%
Delays in progress due to delays in conclusion of contracts, mainly the contracts for design and construction projects, and other reasons.
Achievement of full-year forecasts is expected

3 ■ **Projections for the full year**
Delays in contract signing and construction start dates are expected to affect sales in 3-4Q, but improvements in construction profit, etc. can counter the effects
With plans to maximize revenue in the Development Business, the final profit figure is expected to reach the full-year forecast

4 ■ **Dividends plan**
Paid an interim dividend of 10 yen
Plans to pay a full-year dividend of 26 yen

[Reference] Design and Construction Projects (Building Business)



Strengthen initiatives for design and construction projects

Orders previously received

<p>Construction of U-FACTORY Tsurusato Elementary School Distribution Center</p>  <p>Purpose: Warehouse Size: Steel Structure, 2 floors Total Floor Area: 8,728.43 m² Completion: December 2021</p>	<p>Construction of 2-chome, Horidomecho, Nihonbashi Plan</p>  <p>Purpose: Hotel Size: Steel Structure, 11 floors Total Floor Area: 3,036.53 m² Completion: February 2022</p>	<p>Construction of Shin-Osaka Office Building Project</p>  <p>Purpose: Office Building Size: Steel Structure, 11 floors Total Floor Area: 10,891.36 m² Completion: February 2022</p>	<p>Construction of Sakaiminato Biomass Power Plant</p>  <p>Purpose: Power Plant Size: Fuel Building: Steel Structure, 1 floor Turbine Building: Steel Structure, 1 floor Administrative building: Steel Structure, 2 floors Total Floor Area: 2,351.6 m² Completion: October 2022</p>	<p>Construction of DPL Fujioka</p>  <p>Purpose: Warehouse Size: Steel Structure, 1 floor Total Floor Area: 22,448.13 m² Completion: December 2021</p>
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<p>Construction of 2-chome, Tokiwamachi, Chuo-ku, Osaka Plan</p>  <p>Purpose: Condominium Size: RC Structure, 31 floors Total Floor Area: 16,147.18 m² Completion: February 2024</p>	<p>Construction of Nihonbashi Bakurocho Office Building</p>  <p>Purpose: Office Building Size: Steel Structure, 10 floors Total Floor Area: 4,894.14 m² Completion: November 2022</p>
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Orders received in First Half of 93rd term

<p>Construction of Insource Kyushu Building</p>  <p>Purpose: Office Building Size: Steel Structure, 6 floors Total Floor Area: 868.98 m² Completion: August 2022</p>	<p>Construction of Chiba Fujimi Project</p>  <p>Purpose: Office Building Size: Steel Structure, 11 floors Total Floor Area: 16,803.93 m² Completion: February 2023</p>
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Ratio of orders received for design and construction projects: Average of 30% over the past 5 years



Target of 60% in this fiscal year

II

Results for 2Q of FY2021-2022 and Forecasts for FY2021-2022

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II

Results for 2Q of FY2021-2022 and Forecasts for FY2021-2022

1. [Consolidated] Financial Results for 2Q of FY2021-2022

[Consolidated] Summary



Net Sales

581 Hundred Million Yen

(Achievement against forecast : 38.8%)

Operating Profit

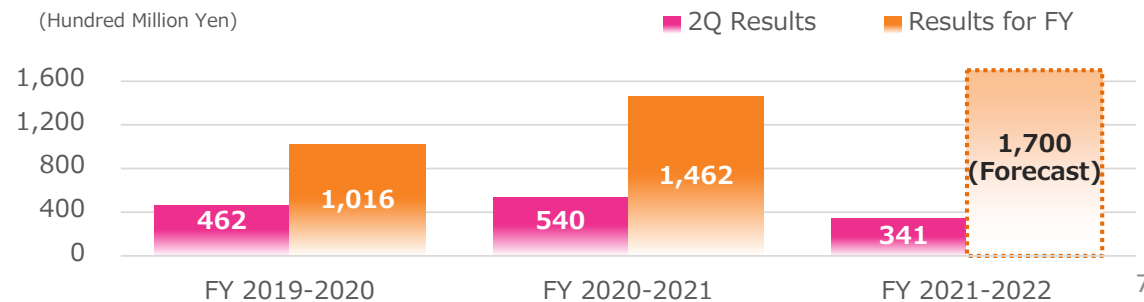
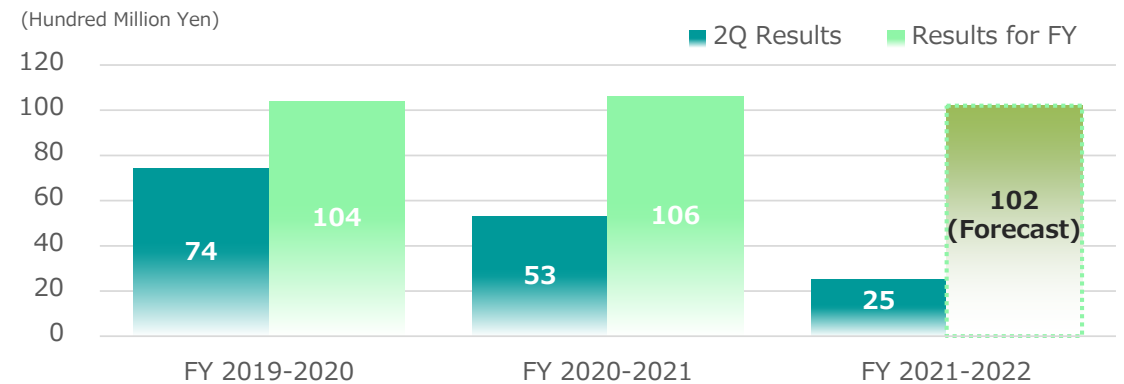
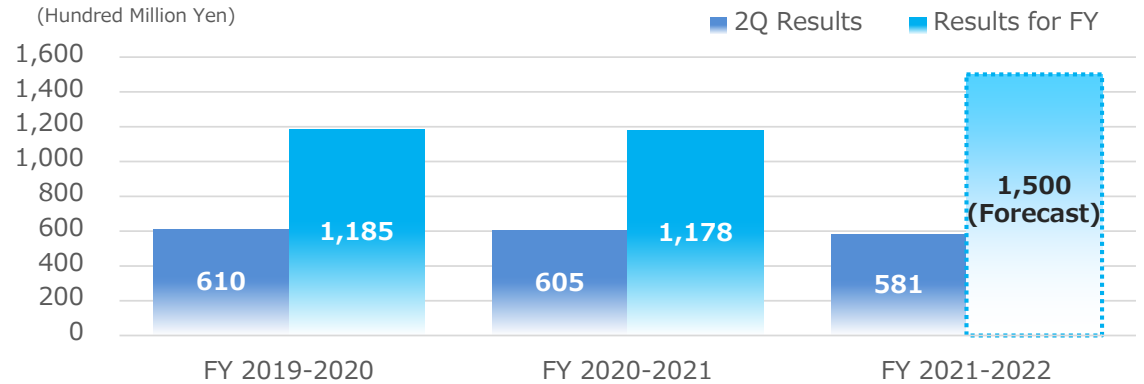
25 Hundred Million Yen

(Achievement against forecast : 24.9%)

Orders

341 Hundred Million Yen

(Achievement against forecast : 20.0%)



[Consolidated] Performance



(Million Yen)

	2Q of FY 2020-2021	2Q of FY 2021-2022			
		Results	Change	Forecasts	Achievement Rate
Net Sales	60,518	58,138	(3.9%)	150,000	38.8%
Operating Profit	5,292	2,541	(52.0%)	10,200	24.9%
Ordinary Profit	5,294	3,078	(41.9%)	9,900	31.1%
Profit Attributable to Owners of Parent	4,035	2,200	(45.5%)	6,800	32.4%
Orders	54,022	34,064	(36.9%)	170,000	20.0%

[Consolidated] Segment Information



(Million Yen)

		2Q of FY 2020-2021		2Q of FY 2021-2022		Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	28,079	46.1%	25,377	43.5%	(2,702)	(9.6%)
	Building Business	26,416	43.4%	30,160	51.7%	3,744	14.2%
	Development Business	6,369	10.5%	2,755	4.7%	(3,614)	(56.7%)
	Total	60,518	100.0%	58,138	100.0%	(2,380)	(3.9%)
Selling, general and administrative expenses		4,213	—	4,273	—	60	1.4%
Operating Profit	Civil Engineering Business	3,074	57.9%	173	6.8%	(2,901)	(94.4%)
	Building Business	1,327	25.0%	1,102	43.0%	(225)	(17.0%)
	Development Business	907	17.1%	1,286	50.2%	379	41.8%
	Total	5,292	100.0%	2,541	100.0%	(2,751)	(52.0%)

※Elimination of intra-company transaction is reflected in the total of operating profit.

[Consolidated] Balance Sheet



(Million Yen)

	As of May 31, 2021		As of November 30, 2021		Changes		Major Increase and Decrease
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage	
Current Assets	99,823	67.1%	95,245	65.8%	(4,578)	(4.6%)	Current Assets
Non-Current Assets	48,943	32.9%	49,477	34.2%	534	1.1%	Cash and Deposits (16,238)
Total Assets	148,766	100.0%	144,723	100.0%	(4,043)	(2.7%)	Notes Receivable, Accounts Receivable from Completed Construction Contracts 10,863
Current Liabilities	39,486	26.5%	35,342	24.4%	(4,144)	(10.5%)	Current Liabilities
Non-Current Liabilities	35,069	23.6%	34,355	23.7%	(714)	(2.0%)	Notes payable, accounts payable for construction contracts 1,736
Total Liabilities	74,555	50.1%	69,698	48.2%	(4,857)	(6.5%)	Short Term Loans Payable (1,284)
(Liability with Interest)	(35,668)	(24.0%)	(31,768)	(22.0%)	[(3,900)]	[(10.9%)]	Non-Current Liabilities
Net Assets	74,211	49.9%	75,025	51.8%	814	1.1%	Long-term borrowings (1,002)
Total Liabilities and Net Assets	148,766	100.0%	144,723	100.0%	(4,043)	(2.7%)	
(Capital Adequacy Ratio)	(49.6%)	–	(51.6%)	–	–	(2.0P)	

[Consolidated] Orders and Projects in Process (Civil Engineering & Building Business)



(Million Yen)

	2Q of FY 2021-2022					
	Orders	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Composition Ratio
Civil Engineering Business	19,068	60.8%	25,377	45.7%	76,134	55.4%
Building Business	12,269	39.2%	30,160	54.3%	61,268	44.6%
Total	31,337	100.0%	55,537	100.0%	137,402	100.0%

[Non-Consolidated] Major Completed Works during 1-2Q



Civil Engineering Business

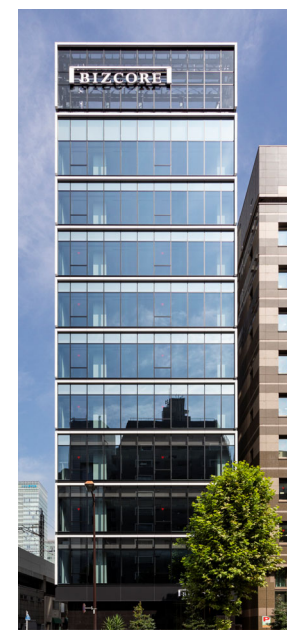
Disaster prevention and construction work associated with the construction of a solar power plant in Kitaibaraki City



Construction Site	Ibaraki Prefecture
Outline	Development construction of a solar power plant(25.5MW) Cutting and Filling 1,053,760㎡ Disaster prevention works (reservoirs, settlings, sewage works length 3,595m)
Construction Period	February 2019 ~ June 2021

Building Business

Construction of BIZCORE KandaSudacho Project



Construction Site	Tokyo Prefecture
Purpose	Office Building
Outline	Steel Structure, 11 floors Total Floor Area 1,988.55㎡ Building Area 205.22㎡
Construction Period	October 2020 ~ September 2021

II

Results for 2Q of FY2021-2022 and Forecasts for FY2021-2022

2. Forecasts for FY 2021-2022

[Consolidated] Forecast of Financial Results



(Million Yen)

	FY 2020-2021	FY 2021-2022(Forecast)		
		Forecast	Changes	
			Amount	Percentage
Net Sales	117,803	150,000	32,197	27.3%
Gross Profit	19,024	19,050	26	0.1%
(Gross Profit Margin)	(16.1%)	(12.7%)	–	[(3.4P)]
Selling, general and administrative expenses	8,459	8,850	391	4.6%
Operating Profit	10,564	10,200	(364)	(3.4%)
(Operating Profit Margin)	(9.0%)	(6.8%)	–	[(2.2P)]
Ordinary Profit	10,585	9,900	(685)	(6.5%)
Profit Attributable to Owners of Parent	7,713	6,800	(913)	(11.8%)

[Consolidated] Forecast of Financial Results by Segment



(Million Yen)

		FY 2020-2021		FY 2021-2022 (Forecast)		Changes	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	55,565	47.0%	63,000	42.0%	7,435	13.4%
	Building Business	54,359	46.0%	72,000	48.0%	17,641	32.5%
	Development Business	8,299	7.0%	15,000	10.0%	6,701	80.7%
	Total	117,803	100.0%	150,000	100.0%	32,197	27.3%
Selling, general and administrative expenses		8,459	—	8,850	—	391	4.6%
Operating Profit	Civil Engineering Business	3,903	36.8%	2,662	26.1%	(1,241)	(31.8%)
	Building Business	5,073	47.8%	2,061	20.2%	(3,012)	(59.4%)
	Development Business	1,637	15.4%	5,477	53.7%	3,840	234.6%
	Total	10,564	100.0%	10,200	100.0%	(364)	(3.4%)

※Elimination of intra-company transaction is reflected in the total of operating profit.

※Operating income by segment was revised because the allocation method of common management costs was changed in consultation with the audit corporation. There is no change in the total operating income. 15

[Consolidated] Forecast of Orders and Project in Process (Civil Engineering & Building Business)



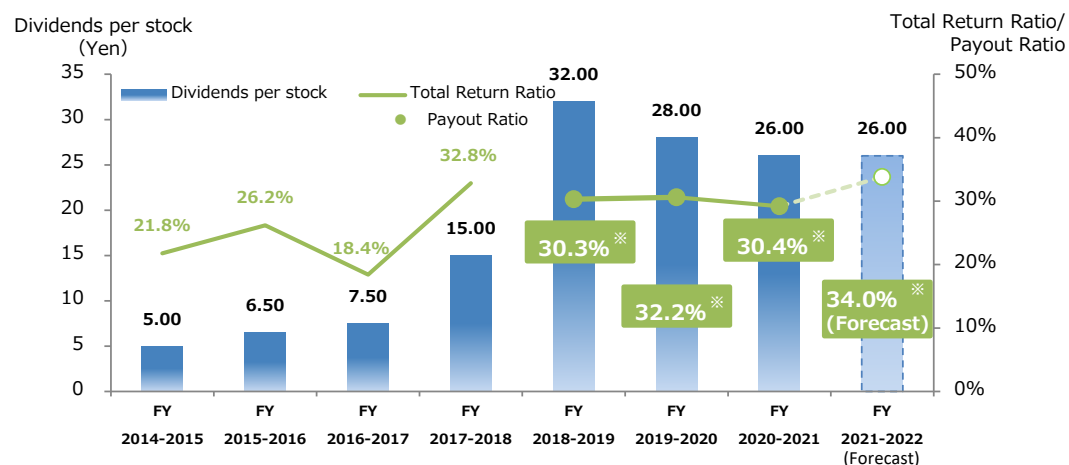
(Million Yen)

	FY 2021-2022 (Forecast)					
	Orders	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Composition Ratio
Civil Engineering Business	65,000	41.9%	63,000	46.7%	84,443	46.5%
Building Business	90,000	58.1%	72,000	53.3%	97,159	53.5%
Total	155,000	100.0%	135,000	100.0%	181,602	100.0%

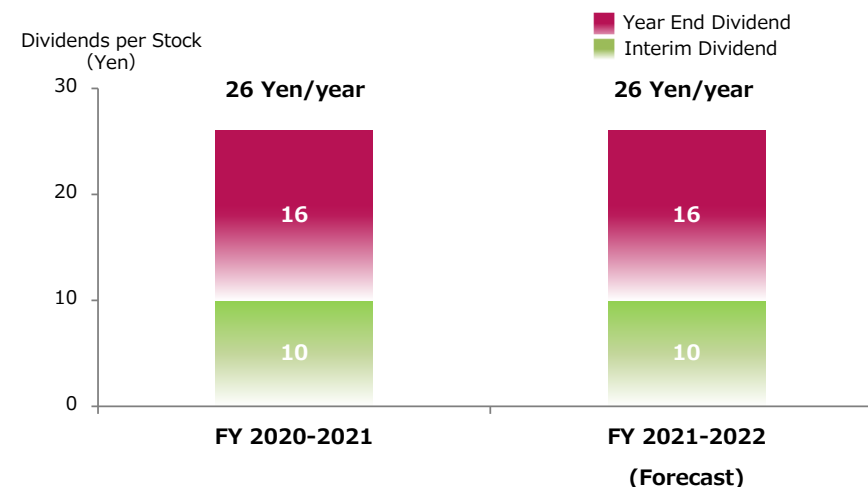
Dividends



Dividends per stock, Total Return Ratio, and Payout Ratio



Forecast of Dividends for FY 2021-2022



■ Dividend Policy

Aim for Pay Out Ratio 30%

While maintaining a secure financial basis, we will provide continuous return to stakeholders.

■ Forecast of Dividends for FY 2021-2022 FY 2021-2022 (Forecast)

26 Yen/year

(Will Maintain compared to the previous year)

Pay Out Ratio (Forecast)

34.0%

* The payout ratio is calculated by dividing the total dividends by profit attributable to owners of parent (excluding special/extraordinary profit or loss such as asset transfers).

Topics in First Half of FY 2021-2022

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Strengthen ability to respond to infrastructure deterioration in Japan



TOSHIN KAKEN, which deals with operation, maintenance and renewal needs of infrastructure, joins the Group

- **Sharing of knowhow with TOSHIN KAKEN CO., LTD, which engages in waterproofing and water sealing works**
Focus on fields where demand is expected to grow, such as the operation, maintenance and renewal (civil engineering renewal) of infrastructure
- **Synergistic effects with technologies held by the Group**
Strengthen our ability to respond to businesses where the handling of water is important, such as embankment repairs and shield tunneling

■ About TOSHIN KAKEN CO., LTD

- TOSHIN KAKEN was founded in Gotanda, Shinagawa-ku in August 1965 (incorporated on October 3, 1968). Since it began engaging in waterproofing and water sealing works for underground structures such as subways, electric power, tunnels and dams, it has established itself as a pioneer in the industry through improvements in technical capabilities, a highly skilled workforce, and a construction system that utilizes the latest equipment.
- It possesses a wide range of construction skills, as its scope of business includes “injection water sealing,” “urethane spray waterproofing (SQS method),” “sheet waterproofing (subway utility tunnel),” “epoxy resin anti-corrosion” and “epoxy resin injection (microcapsule method).” It enjoys an established reputation for its technical and construction capabilities, and has a long track record of transactions mainly with large and medium-sized general contractors.

Rotary Crushing and Mixing Method® Received MLIT Minister's Prize



Received MLIT Minister's Prize for the "3Rs Promotion Merit Awards*"

■ Acclaimed for many achievements including provision of recycled improved soil, purification of contaminated soil, and sieving of rubble

- Provision of high-quality recycled improved soil for retarding basin projects, repairs of embankments, and land fills of harbors
- Purification of soil contaminated with VOC (volatile organic compounds) or oil
- Sieving and removal of rubble in debris accumulated after heavy rain or tsunami, etc.



Rotary Crushing and Mixing Method (a.k.a. Twister®)

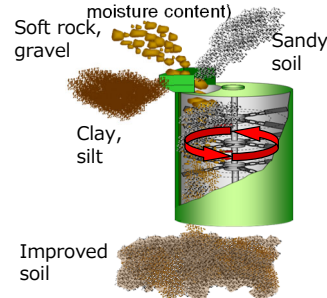
■ Recycling of cohesive soil with high moisture content: Change the nature of the soil that is difficult to use, so that it can be fully utilized



Before recycling (cohesive soil with high moisture content)

Supplying cohesive soil with high moisture content

After recycling (improved cohesive soil with high moisture content)



■ Works to separate rubbles and improve soil

■ Works to raise /widen embankment

- Contribute to "soil recycling," as applicable to a wide range of soil, including cohesive soil with high moisture content which is difficult to handle by conventional methods
- Realize CO₂ reduction and lower cost by effectively utilizing soil on the site

*The "3Rs (Reduce, Reuse, and Recycle) Promotion Merit Awards" have been implemented annually by the 3Rs Promotion Council since 1992, and gives out awards to organizations or companies that have taken the initiative to work on the 3Rs (Reduce: Prevent generation of unwanted materials; Reuse: Reuse materials; Recycle: Recycle as energy) and achieved significant results.

Initiatives for Workstyle Reform

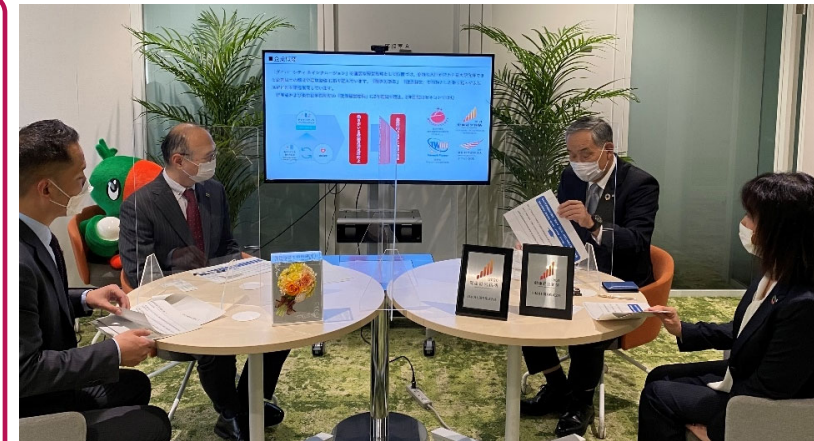
Selected for Tokyo Labor Bureau's "Companies with Best Practices," a first in the construction industry

■ JDC selected for "Companies with Best Practices," which aims for the reduction of long working hours

- Every year in November, as part of the "Eliminate Overwork Campaign" implemented by the Ministry of Health, Labour and Welfare, the Director General of the Tokyo Labor Bureau visits "Companies with Best Practices" - the companies that actively make efforts to reduce long working hours - and gathers information on their initiatives to introduce the practices to a wide range of companies in Tokyo through the Ministry's website
- Within the jurisdiction of the Tokyo Labor Bureau, JDC is the first company in the construction industry to be selected for "Companies with Best Practices"

■ Details of main initiatives

- Action guidelines to reduce working hours were formulated and disseminated
- Training sessions on workstyle reforms were held, with the aim of changing the awareness of employees
- Support system for five-day work week was introduced
- Awards were given out for workstyle reforms, and good examples were compiled in a pamphlet and implemented across the Company
- Improved operational efficiency via utilization of ICT
- Introduced company-wide flexi-time system (no core time for on-site employees)
- Arranged talks between the industrial physician (public health nurse) and employees who work long hours as well as their managers
- Regular monitoring of attendance, sending out alerts, etc.



Second person from the left is Hiroshi Tsujita, Director General of the Tokyo Labor Bureau, and third person from the left is Takeo Asakura, President of JDC

ESG Management



Expression of Agreement to TCFD

JDC hereby expresses its agreement to TCFD, and shall conduct information disclosure in line with the disclosure framework suggested by TCFD, with the aim of resolving social problems including the problem of climate change. "Task Force on Climate-Related Financial Disclosures (TCFD)": Established by the Financial Stability Board (FSB) to review management and financial information plans while considering the effects of climate change



■ Environment (E)

We aim to realize net carbon neutral by operating 100MW scale solar power plants.

Solar Power Plants	FY 2020-2021		FY 2021-2022/2022-2023 (Goal)		FY 2023-2024 (Goal)	
	Amount of electricity generated (converted to number of general households)* ¹	Amount of CO ₂ reduction (t/year)* ²	Amount of electricity generated (converted to number of general households)* ¹	Amount of CO ₂ reduction (t/year)* ²	Amount of electricity generated (converted to number of general households)* ¹	Amount of CO ₂ reduction (t/year)* ²
Number of Power Plants	11 Places (84.0 MW)		11 Places (84.0 MW)		12 Places (96.6 MW)	
Total	22,278* ³	35,658* ³	31,311	50,115	36,578* ⁴	58,543* ⁴

*1 Calculated based on electricity consumption per general household of 3,000 kWh/year

*2 Calculated based on the Industry's Self-regulated Rules for Labeling established by Japan Photovoltaic Energy Association

*3 Matsushima-Donguri MS contributed only to the results for the second half of the fiscal year

*4 Nobeoka MS expected to contribute from spring 2023

Fukushima Ecrete Co., Ltd. (Group Company)

- Recycling coal ash generated in Fukushima Prefecture as part of the reconstruction project
- Utilizing the material for reconstruction and contributing to job creation

Started Collaboration on "Functional Adsorbent" (with TODA KOGYO CORP.)

- Using our proprietary "functional adsorbent," we started test water treatment in Bangladesh.
- It can treat approximately 8,000 liters of water per day. Supplies safe water to a village suffering from serious arsenic pollution via collaboration with TODA KOGYO CORP.

■ Social (S)

- Selected under the "2021 Health & Productivity Stock Selection Program"
- Approved under the "2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)"

(For 2 years in a row)



"Tokyo Sports Promotion Company 2021"
"Aichi Women's Brilliance Companies: Outstanding Company"



■ Governance (G)

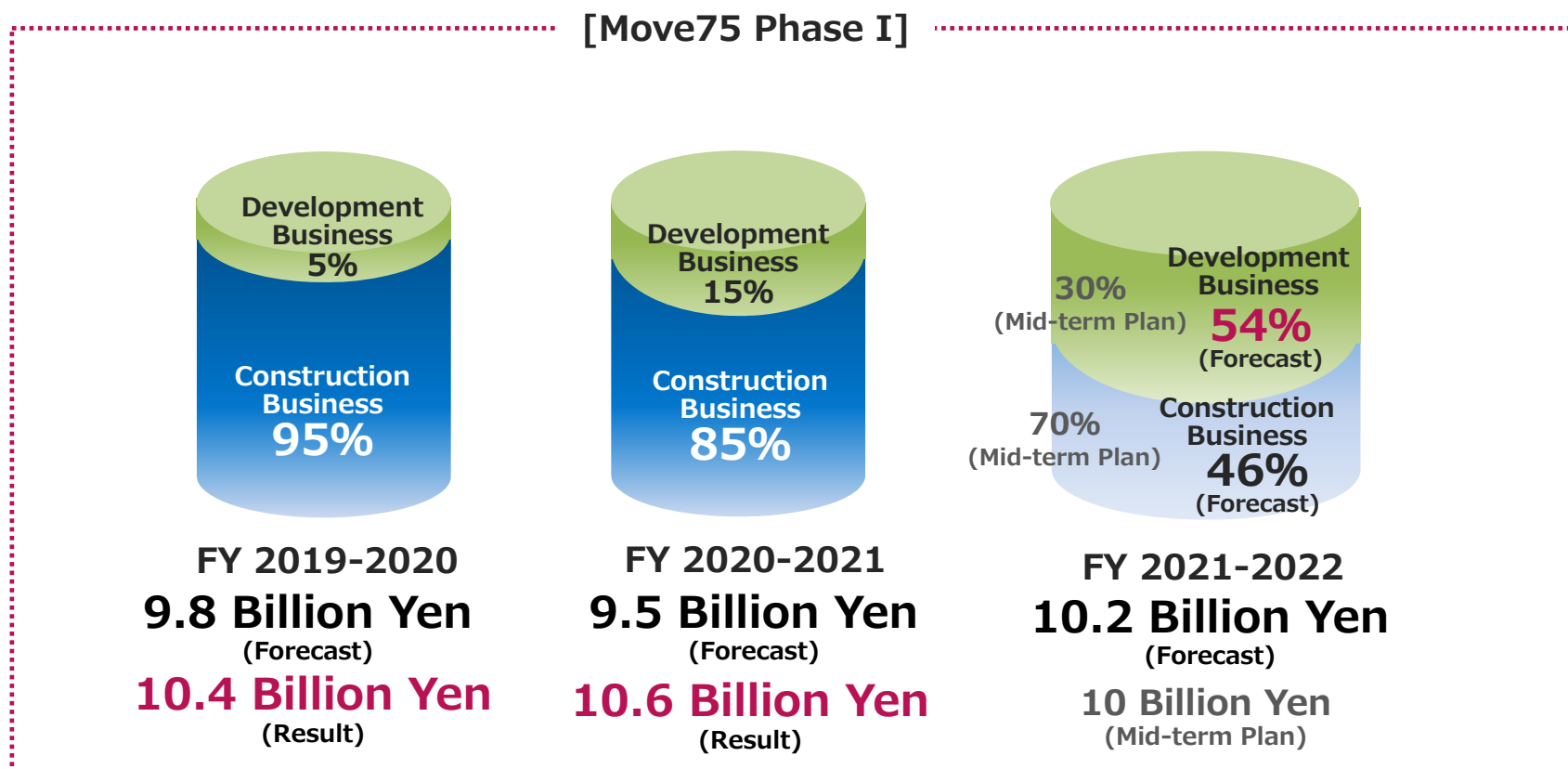
Enhancement of Information Disclosure

Issued Corporate Report 2021

Improvement of Internal Organizations

- Newly established the Vice President position
- Control three businesses and strengthen cooperative structure
 - Manage risk and promote streamlining management systems

■ Composition ratio of operating profit in Move75 Phase I of 3-year Mid-term Plan



【Disclaimer】

Regarding information on the properties of this material, it is based on judgment obtained from information available at the presentation date of this material.

Please be aware that actual information can result in different results depending on various factors.

If there is any discrepancy between this translation and the Japanese original, the latter shall prevail.

〈Contacts〉



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