



FY 2024-2025 Financial Results Presentation

July 15, 2025

JDC CORPORATION

FY 2024-2025 Highlights

FY 2024-2025 Results Outline

Full-year Forecasts for FY 2025-2026

Losses Recorded in the Civil Engineering Segment

Medium-Term Management Plan 2027

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■FY 2024–2025 Results

Net sales: ¥123.3 B; Operating profit: ¥2.3 B; Ordinary profit: ¥1.9 B;
Net profit attributable to owners of parent: ¥1.3 B

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■Full-year Forecasts for FY 2025–2026

Net sales: ¥131.0 B (+6.2% YoY); Operating profit: ¥3.5 B (+51.0% YoY)

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■Progress Overview by Business

Civil Engineering: Recorded allowance for doubtful accounts; Higher construction costs due to catch-up construction within a large-scale project; Recorded segment loss due to stalled negotiations on additional contracts for a large-scale construction project subcontracting at one of our consolidated subsidiaries.

Building Business: Focused on orders offering adequate profitability levels, allowing for a profit recovery.

Development Business: Sold a portion of our real estate for sale holdings and secured stable, recurring revenue from renewable energy.

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■Returns to Shareholders

In line with MTMP 2024, we plan to maintain our dividend policy targeting a DOE of 2.5–3.0%.

- Interim dividend: ¥10/share;
- Year-end dividend forecast: ¥12/share ► Total annual dividend: ¥22/share

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Medium-Term Management Plan 2027 - Outline

[Consolidated] Performance

(Unit: ¥ M)	LFY Results FY 2023-2024	FY 2024-2025		FY 2024-2025 Forecast (Revised 05/26/2025)
		Results	Year-on-Year	
Net Sales	135,701	123,349	- 12,352	123,100
Operating Profit	- 9,404	2,318	11,722	2,000
Ordinary Profit	- 9,343	1,945	11,288	1,600
Profit Attributable to Owners of Parent	- 7,191	1,332	8,523	1,200

[Consolidated] Segment Results

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JDC Corporation Securities Code: 1887

(Unit: ¥ M)		LFY Results FY 2023-2024	FY 2024-2025	
			Amount	YoY Change
Net Sales	Civil Engineering Business	40,605	37,727	- 2,878
	Building Business	88,184	74,628	- 13,556
	Development Business	7,010	12,772	5,762
	Total	135,701	123,349	- 12,352
Segment Profit	Civil Engineering Business	- 6,294	- 4,550	1,744
	Building Business	- 3,612	2,582	6,194
	Development Business	2,056	5,905	3,849
	Total	- 7,851	3,938	11,789
Adjustment Amount		- 1,553	- 1,620	- 67
Operating Profit		- 9,404	2,318	11,722

*Inter-segment transactions included.

*The adjustment amount corresponds to head office expenses not affiliated with any particular segment (new business & R&D expenses) and inter-segment transaction eliminations.

Adjustments not included in net sales for the Civil Engineering, Building, and Development Businesses.

[Consolidated] Balance Sheet

(Unit: ¥ M)	FY 2023-2024		FY 2024-2025		YoY Change	Main Increase/Decrease
	Amount	% Ratio	Amount	% Ratio		
Current Assets	100,724	69.1%	112,609	80.1%	11,885	Assets MVTF&F (1) -10,524 NR, ARCCC & other (2) -10,146 Cash & deposits -3,810 PGE for sale (3) 14,989 Real estate for sale 6,436 <small>(1) Machinery, vehicles, tools, furniture and fixtures, net (2) Notes receivable, accounts receivable from completed construction contracts and other (3) Power generation equipment for sale</small>
Non-current Assets	44,952	30.9%	28,039	19.9%	- 16,913	
Total Assets	145,677	100.0%	140,649	100.0%	- 5,028	
Current Liabilities	52,681	36.2%	55,627	39.6%	2,946	Liabilities Long-term borrowings -5,617 NP, APCC & other (4) -4,205 Short-term borrowings 5,809 ARCCiP (5) 2,869 <small>(4) Notes payable, accounts payable for construction contracts and other (5) Advances received on construction contracts in progress</small>
Non-current Liabilities	24,404	16.8%	18,592	13.2%	- 5,812	
Total Liabilities	77,085	52.9%	74,219	52.8%	- 2,866	
(Of which Interest-bearing Debt)	(30,005)	—	(30,022)	—		
Net Assets	68,591	47.1%	66,429	47.2%	- 2,162	
Total Liabilities and Net Assets	145,677	100.0%	140,649	100.0%	- 5,028	
Capital Adequacy Ratio (%)	(47.0%)		(47.1%)			

FY 2024-2025 Highlights

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Medium-Term Management Plan 2027 - Outline

[Consolidated] Full-year Forecasts

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(Unit: ¥ M)	FY 2024-2025	FY 2025-2026 Forecast		
		Results Forecast	Year-on-Year	
			Change	Change (%)
Net Sales	123,349	131,000	7,651	6.2%
Operating Profit	2,318	3,500	1,182	51.0%
(Operating Profit Margin)	(1.8%)	(2.6%)	—	—
Ordinary Profit	1,945	2,900	955	49.1%
Profit Attributable to Owners of Parent	1,332	2,000	668	50.0%

[Consolidated] Results Forecast by Segment

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(Unit: ¥ M)		FY 2024-2025	FY 2025-2026	
			Forecast	YoY Change
Net Sales	Civil Engineering Business	37,727	44,600	6,873
	Building Business	74,628	79,700	5,072
	Development Business	12,772	8,600	- 4,172
	Total	123,349	131,000	7,651
Segment Profit	Civil Engineering Business	- 4,550	600	5,150
	Building Business	2,582	2,000	- 582
	Development Business	5,905	2,900	- 3,005
	Total	3,938	5,500	1,562
Adjustment Amount		- 1,620	- 2,000	- 380
Operating Profit		2,318	3,500	1,182

[Consolidated] Orders & Projects in Progress Forecast

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(Unit: ¥ M)

FY 2023-2024	Orders			Net Sales		Projects in Progress		
	Results	YoY (%)	Ratio (%)	Results	Ratio (%)	Results	YoY (%)	Ratio (%)
Civil Engineering Business	50,264	-27.9%	41.9%	40,605	31.5%	75,153	-16.8%	46.2%
Building Business	69,714	-9.7%	58.1%	88,184	68.5%	87,538	-7.5%	53.8%
Total	119,978	-15.9%	100.0%	128,740	100.0%	162,691	-11.0%	100.0%

FY 2024-2025	Orders			Net Sales		Projects in Progress		
	Results	YoY (%)	Ratio (%)	Results	Ratio (%)	Results	YoY (%)	Ratio (%)
Civil Engineering Business	42,459	-15.5%	28.7%	37,727	33.6%	79,885	6.3%	40.3%
Building Business	105,243	51.0%	71.3%	74,628	66.4%	118,153	35.0%	59.7%
Total	147,702	23.1%	100.0%	112,355	100.0%	198,038	21.7%	100.0%

FY 2025-2026 (Forecast)	Orders			Net Sales		Projects in Progress		
	Forecast	YoY (%)	Ratio (%)	Forecast	Ratio (%)	Forecast	YoY (%)	Ratio (%)
Civil Engineering Business	49,400	16.3%	43.9%	43,400	35.3%	85,885	7.5%	45.8%
Building Business	63,200	-39.9%	56.1%	79,700	64.7%	101,653	-14.0%	54.2%
Total	112,600	-23.8%	100.0%	123,100	100.0%	187,538	-5.3%	100.0%

* Orders and net sales figures now exclude internal company transactions, which have increased.

■ FY 2024-2025 Dividend Forecast:

We expect to distribute dividends according to the MTMP 2024 policy target of DOE 2.5~3.0%.

	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025 (Forecast)
Net Profit	¥7,389 M	¥3,291 M	¥-7,191 M	¥1,332 M
Dividend	¥26	¥26	¥22	¥22
DOE	3.0%	2.8%	2.5%	2.7%
Dividend Payout Ratio	30.8%	66.8%	—	132.4%

Annual : ¥22/sh.

Year-end
dividend
forecast:
¥12/sh.

Interim
dividend:
¥10/sh.

FY 2024-2025
(Forecast)

■ Regarding Share Repurchases:

Repurchased 4 million shares in the period: July 17, 2024 ~ September 30.
Total acquisition amount was approximately ¥1.9 B and the totality of shares purchased was canceled by January 31, 2025.

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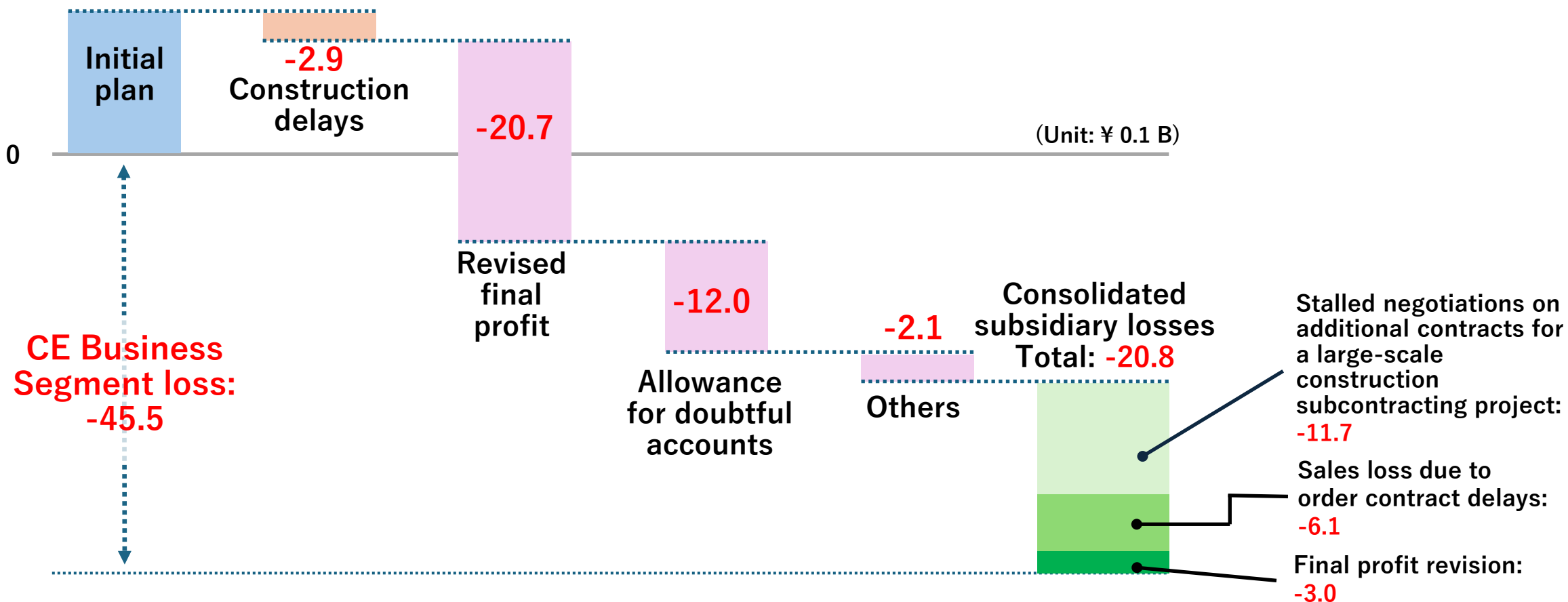
Medium-Term Management Plan 2027 - Outline

Losses in the Civil Engineering Business

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Although JDC sought to recover performance in H2, the Company recorded a segment loss due to: (i) additional allowances for doubtful accounts in response to concerns over collecting construction payments, (ii) anticipated increases in construction costs stemming from expedited work on large-scale projects, and (iii) stalled negotiations on additional contracts related to major subcontracted projects at consolidated subsidiaries.



Measures to Prevent Future Incidents

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Starting LFY, we started adopting stricter review criteria in the order acceptance process. We are enhancing project selection through improved risk analysis and are in the process of revamping our project portfolio.

At the construction level, we are working – primarily through our Results Management Task Force HQ and Construction Guidance Enhancement Office – to improve quality, profitability, and ensure thorough execution of preventive measures to avoid recurrence.

	Basic Policy	Initiatives	Evaluation criteria / Monitoring indicators
Order receipt stage	<p>Reflect risk in the price ≡ Pass on orders that don't allow us to do this</p>	<p>■ More granular project selection More cautious approach at time of order acquisition</p> <ul style="list-style-type: none"> Large private sector projects → Stricter evaluation by Screening Committee Public sector projects → Put in place solo & JVSP/JVSB* initiative methods <p>■ Improve project selection granularity through EPC Department</p> <ul style="list-style-type: none"> Create risk analysis flow chart/framework (prior to order acceptance) Build calculation logic for cost ON amounts based on a risk assessment <p>■ Improve cost estimation system</p>	<p>■ All 7 risk factors</p> <ol style="list-style-type: none"> ① Credit ② JDC borrowing risk ③ HQ initiative policy ④ Construction processes/methods ⑤ Contract policies ⑥ Cost estimate competitiveness ⑦ Others
Construction stage	<p>Monitor progress for discrepancies versus plan/budget and quickly identify changes</p>	<p>■ Performance Management Task Force HQ Meeting (Once/month) Manage and monitor the CE Business, especially the following sites:</p> <ul style="list-style-type: none"> Worksites worth ¥2 B or more, within JDC-only and JV sponsor projects Worksites for JV subs we started monitoring more carefully in FY 2024-2025 through HQ and branch support <p>■ Business HQ meeting (monthly) & Regional Head meeting (twice/year)</p> <ul style="list-style-type: none"> Construction sites that came up in the meeting are candidates Set up key management worksites, depending on importance <p>■ Periodic reports of all worksites (quarterly)</p> <ul style="list-style-type: none"> Review of QA, COGS, and processes by the Construction Instruction Enhancement Office <p>■ Inspection by Head of Business HQ (ongoing basis)</p> <ul style="list-style-type: none"> All construction sites / Monthly reports for the first six months of a project 	<p>■ Construction progress – mismatch vs. plan</p> <ul style="list-style-type: none"> Primarily the difference between percentage-of-completion accounting & completed work accounting (amount basis) Difference vs. schedule (time basis) <p>Enhance Construction Supervision</p> <ul style="list-style-type: none"> Achieve worksite guidance through regional CE Department working together with the Construction Guidance Enhancement Office Review QA, COGS, and processes in accordance with our construction policy and execute PDCA.

*JV (Joint Venture): Joint corporate group created for multiple companies to accept orders for construction projects. The company with the largest investment share is called the Sponsor (SP) with the other companies being called subs (SB).

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Medium-Term Management Plan 2027 - Outline

We will realize JDC Corp's philosophy of 'We will contribute to the creation of a more prosperous society'

The JDC Corporation's targets for the future are making the Company's management philosophy of "We will contribute to the creation of a more prosperous society" a reality.

To this end, we have identified [climate change] and the [2030 problem] as two important social issues we will be addressing, and adopted "becoming an innovative construction company" as our long-term vision to solve these issues.

We will work to "create a more prosperous society," leveraging economic and social value in the execution of sustainability management geared toward improving our corporate value, and, to this end, we have reformed our key materialities.

Within the scope of MTMP 2027 – starting in FY 2025-2026 – our mission is to put in place a revised management foundation to generate profits in a sustained manner over time and achieve a return to a growth trajectory.

Medium-Term Management Plan 2027

Put in place once again a management structure allowing us to generate profits in a sustained manner and return to a growth trajectory

MTMP - Outline

- Recovery in profitability in the Building Business
- Steady investment in growth domains
- Expand into new businesses starting with existing domains
- Promote hiring of talent supporting sustained growth and DX strategies

Third FY quantitative targets

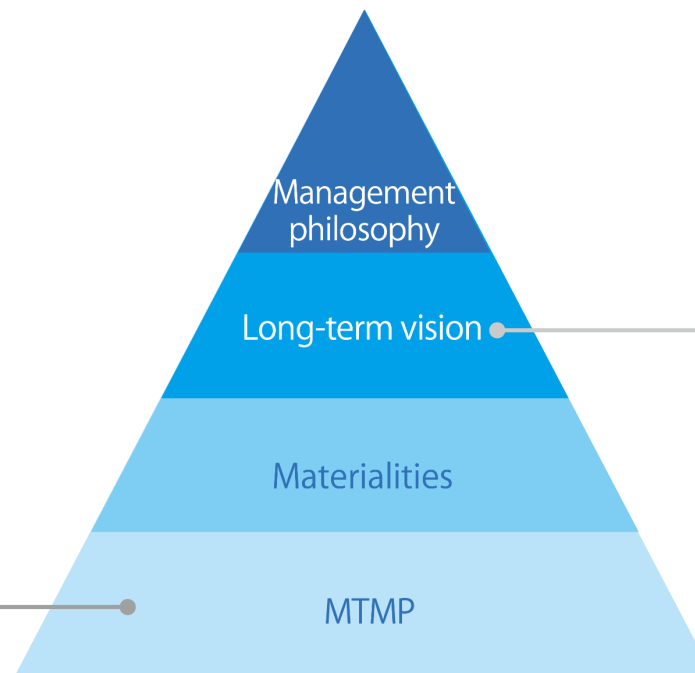
ROE **8.0** %

Operating Profit **9.0** B yen

Quantitative targets over 3 years

3-year Total investment **74.0** B yen

DOE **2.5~3.5** %



Long-term Vision (through 2030)

[Innovative construction company] to solve social issues

What is an [innovative construction company]?

Motivation

Create a workplace with motivated employees and ample opportunities for growth/advancement.

Automation & DX

Work to further improve our [proprietary technology] & raise productivity.

Problem solving

Leverage problem solving to address social issues and build a prosperous society.

Social issues JDC is tackling

Climate change

- Decarbonized society
- Extreme weather
- Environmental preservation

2030 problem

- Shrinking population
- Regional inequality
- Modernize infrastructure

Quantitative targets for 2030

ROE **10** %

Capital adequacy ratio **40** % or more

D/E ratio **0.7** X or less

Please refer to pages 23-24 for our attempts to address social issues

The Civil Engineering & Building Businesses recorded significant losses in FY 2023-2024, prompting us to review the MTMP quantitative targets. While the Building Business returned to a recovery trend, recovery was slow and late in the CE Business, meaning we came in short of most quantitative targets.

Financial Indicators - Results

Financial indicators	Initial targets (July 2022)	Revised targets (July 2024)	Final-year results (FY 2024-2025)	
ROE	Around 10%	Around 5%	2.0%	
Operating Profit	¥11.0 B	¥4.0 B	¥2.3 B	
Segment Profit	CE Business	¥3.8 B	¥1.3 B	<p>CE Business – Significant losses for the 3rd consecutive FY</p> <p>Insufficient checks prior to order acceptance, project delays, the need for remedial work, and tight schedules led to higher construction costs, lowering profitability.</p> <p>Building Business posted a significant loss in FY 2023-2024</p> <ul style="list-style-type: none"> Secured orders exceeding construction capabilities. Rising cost of building materials and delays in cost pass-throughs to clients. Insufficient granularity in cost estimates/ designs. <p>→ Implemented result management/profit. Improvement measures and already achieved recovery in the final year of MTMP 2024.</p>
	Building Business	¥3.8 B	¥600 M	
	Devel. Business	3-year avg. ¥4.8 B	Unchanged	
3-year Investment	¥63.0 B	¥37.0 B	¥33.0 B	<p>Profit growth in the Development Business</p> <p>Profit growth through agile sale of real estate holdings. Renewable energy output capacity grew by 23.1 MW.</p>
DOE	2.5 ~ 3.0%	Unchanged	2.7%	<p>Investment fell short of the plan</p> <p>Insufficient cash flow resulting from large losses.</p> <p>Continue distribution of stable dividends.</p>

* Results & financial details (consolidated)

(Unit: ¥ M)		2023.5	2024.5	2025.5
Net Sales		154,202	135,701	123,349
Segment Profit	CE Business	-2,544	-6,294	-4,550
	Building Business	501	-3,612	2,582
	Development Business	8,427	2,056	5,905
Operating Profit		4,487	-9,404	2,318
Ordinary Profit		4,639	-9,343	1,945
Profit Attributable to Owners of Parent		3,291	-7,191	1,332
ROE		4.2%	-9.8%	2.0%
DOE		2.8%	2.5%	2.7%
Dividend payout ratio		66.8%	* * *	132.4%
Net assets		78,029	68,591	66,429
Capital Adequacy Ratio		48.0%	47.0%	47.1%

Results in Each Business

CE Business / R&D Automation & DX efforts



Actual use of automated construction systems



Autonomous rotary crushing mixing machine [TMSP1800]

Started an automation pilot in 2024 with the adoption of the Kajima Corporation's automated construction system A⁴CSEL (quad-accel). JDC developed autonomous machinery using our proprietary rotary crushing mixing method®.

Building Business

Growth in deep expertise projects

We have build a track record in the design and construction of large-scale logistics centers, which had been a focus area for us. Completed construction contracts for our Kokudo BuilACE subsidiary - which focuses primarily in renovation



Large-scale logistics facility

work - grew 2.8x in 3 years. Growth in area of remodeling.

Development Business

New investment in the real estate business

Fushimi Dai-ichi Bld. (Nagoya City)



Carry out investment in rental housing and office buildings, and improve the value of properties through renovation work and leasing. We also expanded our hotel conversion business and carried out investment in and sale of logistics facilities.

Development Business

Growth in renewable energy business

Power output grew by 23.1 MW (megawatts) in 3 years. Reached 110.5 MW cumulative in capacity for proprietary projects.



Nobeoka Kujira Ike Solar Power Plant (Nobeoka City, Miyazaki Prefecture)

New Businesses

Materials as springboard to infrastructure renewal market

We are in the process of building a factory for the production of functional adsorbents in Minamisōma, Fukushima Prefecture used to prevent wear-and-tear and extend the usable life of reinforced concrete structures.



Progress in non-Financial Indicators

Environment: Put in place a framework to manage environmental information (CO₂ emissions) and enhance the environmental business. Aim to achieve our 2030 target and 2050 net zero target.

Health: Chosen as KENKO Investment for Health Company (4 times total)

Workstyles: 2 days-off/week for on-site workers is going well.

Female participation: Promote female participation/advancement & corporate culture reform and achieved paternity leave percentage target.

Safety: Created Safety & Sanitation Office answering directly to the President, and carried out the strict enforcement of basic rules and PDCA, resulting in an improvement in work accidents.

Corporate governance: Achieved over 50% Outside Director representation over 3 years.



Health & Productivity Management Stocks refers to a joint program by METI and the TSE to select the top company in each industry within the scope of health and productivity. JDC has been chosen a total of 4 times, the most in the construction industry.

Category	Non-financial indicators	Target	2023.5	2024.5	2025.5
Environment	Reduction in CO ₂ emissions (vs. FY 2020-2021 levels)	Scope 1,2 2030 target 42% reduction	+13.4%	-19.6%	-31.9%
		Scope 3 2030 target 25% reduction	-60.8%	-17.7%	-61.6%
Health	Percentage of employees undergoing secondary health examinations	100%	98.3%	99.4%	95.0%
Workstyles	Percentage of sites w/ 2 days off/ week	100%	77.0%	76.9%	92.0%
Female representation	Percentage of eligible employees taking paternity leave	100%	75.0%	95.7%	91.7%
Safety	Accident frequency	0.80 or below	1.25	1.91	0.71
	Work leave (4 days or longer) due to falls or construction machinery	0	3	8	1
Governance	Percentage of Outside Directors	50% or above	55.6%		

* Accident frequency: percentage of deaths and injuries resulting from workplace-related accidents per 1 million work hours.

* Scope1,2: CO₂ emissions resulting from corporate activities *Scope3: Indirect supply chain CO₂ emissions excluding Scope1,2 emissions

* FY 2024-2025 CO₂ emissions based on provisional data; Actual numbers to be disclosed once finalized data is available.

Sustainability Management

In order for society to continue to exist in a sustainable manner and grow, the JDC Group is advancing sustainability management measures. The Group has formulated financial and non-financial targets within its economic and social value, and, through this feedback loop, we will work to grow corporate value.

This constitutes our management policy.

Illustration of sustainability management Improve corporate value



Sustainability Management Organization



Revised Materialities (Key Challenges)

In line with our sustainability management policy, in order to advance toward our financial targets (including business operations) and non-financial targets, we have reviewed the Group's materialities.

Grow alongside society	01. Contribute to the creation of a more prosperous society through our business Contribute to the creation of a more prosperous society through our business, by extending the usable life of buildings, modernizing aging infrastructure, addressing natural disasters – which have grown in intensity, etc.
	02. Ensuring quality, continuous technical development, and the advancement of DX Address climate change by achieving carbon neutrality and make sure we leave a hospitable environment and society for the next generation.
Pursue sustainability	03. Work to create a carbon neutral society In order to continue earning our clients' trust, we will further enhance the quality of our services and our proprietary technology. Simultaneous, we will advance DX efforts to improve productivity, save labor, and maximize our value proposition.
	04. Create a workplace where diverse talent can feel motivated and thrive Train talent with the requisite capacity and aptitude and create an attractive workplace where employees can feel motivated.
Enhance management foundation	05. Create a safe and secure workplace Our top absolute priority is "Safety First," and we will work to eliminate work-related accidents and other disasters to create a safe and healthy workplace.
	06. Carry out fair and transparent corporate activities, building trust In order for us to continue living up to stakeholders hopes, continue earning society's trust and being needed, we will be further enhancing our risk management structure through strict compliance and internal governance, strengthening corporate governance.

A delay in recovery in the Civil Engineering Business led to an underperformance versus MTMP 2024 quantitative targets. To reflect our learnings from this, the JDC Corporation will be rebuilding a management foundation allowing for sustained profit generation, in order to once again outline our Company's [growth trajectory] over the medium-to-long term.

MTMP 2027 (FY 2025-2026 ~ FY 2027-2028)

MTMP 2027 - Mission

Rebuild a management foundation for sustained profit generation to return to a growth trajectory

Policy for each business

CE Business

Return to a sustainable, stable business

Improve our business structure over this 3-year period to secure stable profits

Dev. Business

Invest in growth domains to increase profits

Steady investment balancing investment and ROI

Building Business

Stable → Growth business

Offer support across a property's life cycle, including design, construction, and maintenance

New businesses

Create new businesses and collaborative community development

Grow our functional adsorbent business & expand collaborative community development

Quantitative targets

Final year: FY 2027-2028

ROE **8.0 %**

Operating Profit **¥9.0B**

3-year investment amount **¥74.0B**

DOE **3.0~3.5 %**

Management foundation

Corporate functions

Enhance management foundation to pursue sustained growth

ESG management

Carry out initiatives toward decarbonization; safety & sanitation; and corporate governance

Talent strategy

Promote use of human capital in the context of [hiring], [employee retention], and [training]

DX strategy

Adoption of smart sites; Deliver DX in construction through AI & ICT

Financial strategy

Stabilize financial foundation
Diversify ways to raise capital
Invest in growth areas

Capital strategy

Stable returns to shareholders
Define adequate capital levels
Improve capital efficiency

■ MTMP 2027 Mission

Rebuild a management foundation for sustained profit generation to return to a growth trajectory

The CE & Construction Businesses recorded large losses in FY 2023-2024, coupled with a large loss in the CE Business in FY 2024-2025, as well. We are currently executing the following measures in the two businesses to prevent similar problems in the future.

Within the 3 years of MTMP 2027, we will work to improve our management foundation allowing us to generate stable profits and return to a growth trajectory.

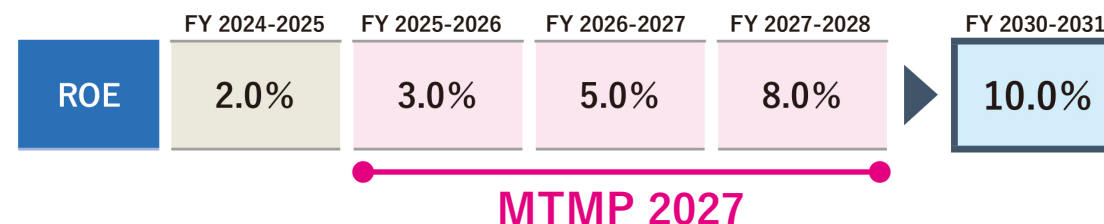
■ Steady measures to prevent future problems

The Results Management Task Force HQ, set up in 2024, reviews the feasibility of the plan and its execution status and reports progress to the Board of Directors. We will enhance monitoring of construction progress and in COGS, with a special emphasis on key management sites, preventing future losses and unprofitable projects, thus improving results.

Measures for each process	① Measures within the order receipt process Adopt stricter criteria, be selective about projects, carefully review contract terms, prevent delays
	② Measures within the design process Review drawings with requests from clients, leverage better plans in improving costs estimates, determine economic feasibility & construction efficiency
	③ Measures within the construction process Enhance construction management framework, enhance QA management, reduce operational management & construction errors

■ Quantitative Indicators for FY 2030-2031

We are guiding for an ROE of 10.0% by FY 2030-2031, which is the final year of the long-term vision.



■ MTMP 2027 – Financial Targets

Toward the targets for FY 2030-2031 and over the duration of MTMP 2027, we will rebuild a management foundation capable of generating stable profits.

Financial indicators		MTMP 2024 Initial target	FY 2024-2025 Results	MTMP 2027 Final FY
ROE		≈10%	2.0%	8.0%
Operating profit		¥11.0 B	¥2.3 B	¥9.0 B
Segment profit	CE Business	¥3.8 B	-¥4.5 B	¥2.3 B
	Building Business	¥3.8 B	¥2.5 B	¥3.5 B
	Development Business	3-year avg. ¥4.8 B	3-year avg. ¥5.4 B	¥5.0 B
Investment (3 years)		¥63.0 B	¥33.0 B	¥74.0 B
DOE		2.5~3.0%	2.7%	3.0~3.5%

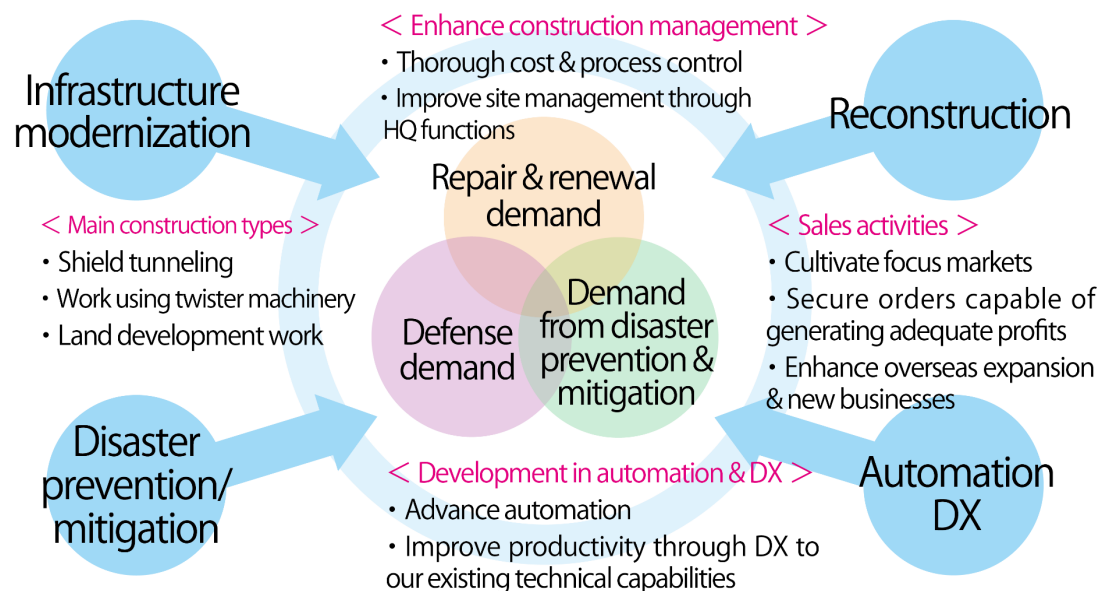
By focusing on orders capable of delivering adequate profits and by enhancing our construction management framework, we seek to improve our business structure and focus on businesses where we can leverage our competitive advantages, so that this business can once again become a sustainable and stable business.

Basic Initiatives in the CE Business

In the Civil Engineering Business, we are focusing on initiatives pertaining to infrastructure modernization, disaster prevention/mitigation, and reconstruction, allowing us to contribute to addressing social issues by offering “infrastructure solutions.”

We are working to achieve growth in shield tunneling projects, work using our proprietary rotary crushing mixing method® (Twister®), and large-scale land development work.

Lastly, we will continue focusing on further productivity improvements from automation & DX, efforts which we started in MTMP 2024.



CE Business – Quantitative Indicators

Quantitative indicators	FY 2024-2025 Results
Net sales	¥37.7 B
Segment profit	-¥4.5 B

MTMP 2027
2028.5 target

¥50.0 B

¥2.3 B

Market Growth Factors

Demand	Description	Market impact (2025 – 2030)
Repair & renewal	Growing demand for renewal projects as infrastructure continues to age. The government aspires for an infrastructure maintenance style focusing on prevention, so demand for repair work is also on the rise.	Yearly avg: approx. ¥6.2 trillion*1 Total: approx. ¥37.2 trillion
Defense	Expenses with defense have gone up as Japan is working on a full-scale enhancement of its national defense capabilities. Within this, efforts to increase the resilience of facilities have led to higher demand from defense.	Yearly avg: approx. ¥1.0 trillion*2 Total: approx. ¥6.0 trillion
Disaster prevention/mitigation	As weather damage becomes more severe and there are calls to prepare for a potential upcoming large-scale earthquake, there has been an increase in demand from the disaster prevention/mitigation side.	Yearly avg: approx. ¥3.0 trillion*3 Total: approx. ¥15.0 trillion

*1: Estimated as social capital within areas within the remit of MLIT

*2: Expenses for improving the resilience of facilities is included in the defense budget.

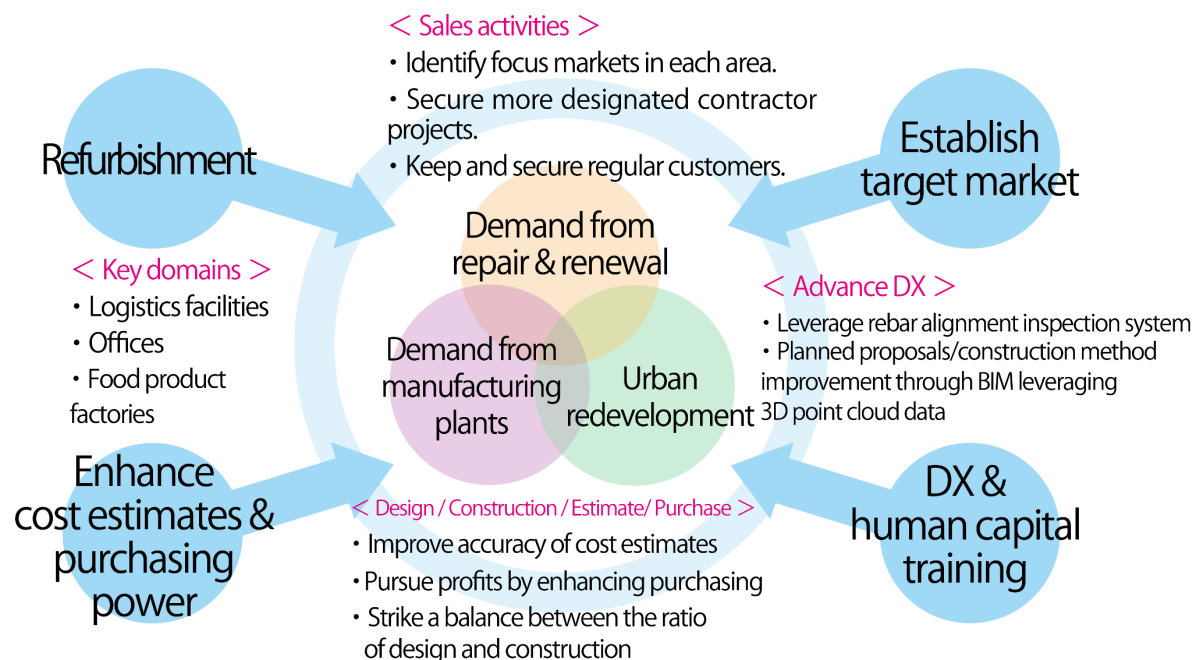
Estimate assumes levels for FY 2028 and beyond in line with Ministry of Defense budget for FY 2027.

*3: Assumes budget levels for FY 2026 and beyond to be in line with Cabinet Secretariat levels for FY 2025.

Identify focus markets in each area and secure orders capable of generating adequate/commensurate profits.
Carry out thorough on-site management centered around quality assurance to
[transform this from a stable business into a growth business]

Basic Initiatives in the Building Business

We will identify focus markets in each area of our key domains like logistics facilities, office buildings, and food product factories. We will naturally work to improve design and construction quality, but also cost estimates and purchasing power. We will work to improve not just profitability for the JDC Group, but also for our clients, while also continuing management functions after the completion of construction projects, as we aim to offer “total support for all buildings,” addressing the needs of our clients.



Building Business – Quantitative Indicators

Quantitative indicators	FY 2024-2025 Results	MTMP 2027 2028.5 target
Net sales	¥74.6 B	¥87.0 B
Segment profit	¥2.5 B	¥3.5 B

Market Growth Factors

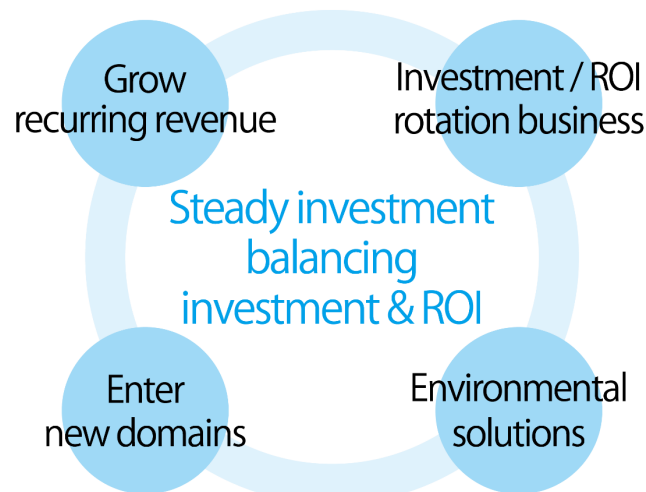
Demand	Description	Market impact
Repair & renewal	A large part of the market consists of repairs and renovation.	Market for repairs and renovations of office buildings is expected to maintain its scale through around 2040.
Manufacturing plant	Strong volume of orders from manufacturers for the construction of plants, primarily in the area of semiconductors.	Increase in the percentage of manufacturers deciding to enhance their domestic manufacturing bases in Japan. We expect significant movement here to continue, going forward.
Urban redevelopment	Redevelopment efforts in large urban areas has been making progress against the backdrop of efforts by the Japanese government to replace older properties and improve large cities' international competitiveness.	We expect demand to continue for the foreseeable future, as there are many re-development projects for major metropolitan areas through 2030.

* Based on [Construction and Economy], publish March 2024 by the Research Institute of Construction and Economy.
We used the report's construction investment amount estimate to show the total of the items corresponding to building investment.
When a range is provided, we use the high-end estimate.

We seek to grow recurring revenue^{*1} through steady investment striking a balance between investment and ROI and deliver non-recurring revenue^{*2} through the sale of development properties. Through these efforts, we expect to generate approx. ¥14.0 B in gross profit and approx. ¥12.0 B in segment profit.

Basic initiatives in the Development Business

In the Development Business, we will continue steady investment striking a balance between investment and ROI. Alongside working to diversify our financing methods by leveraging project finance^{*3}, we will also use structured finance^{*4}.



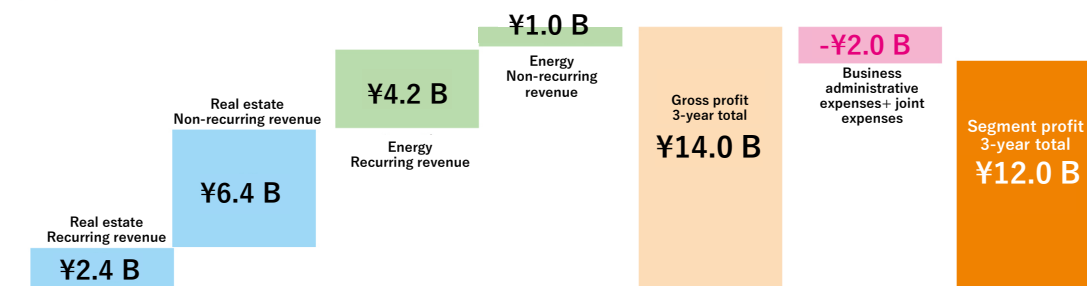
<Initiatives in the Real Estate Business>

- Grow real estate revenue, combining recurring & non-recurring revenue.
- Enter areas peripheral to real estate. (Created asset management company)
- Develop & invest in new real estate business w/ growth potential (including overseas).

<Initiatives in the Energy Business>

- Further develop & acquire photo-voltaic power generation sites, and aim to become a long-term stable photo-voltaic power operator.
- Enter market for grid-type storage battery facilities.
- Improve value of existing power-generation sites.
- Sell high unit margin FIT projects.

Total Profit Over 3 Years



Market Growth Factors

Demand	Description	Market impact
Redevelop urban areas	Redevelopment efforts in large urban areas has been making progress against the backdrop of efforts by the Japanese government to replace older properties and improve cities' international competitiveness.	We expect demand to continue for the foreseeable future, as there are many re-development projects for major metropolitan areas through 2030.
7 th basic Energy plan ^{*5}	The estimate is that renewable energy will account for around 40% to 50% of all energy produced by 2040. In terms of the breakdown, solar is expected to grow from 9.8% in FY 2023 to 23%~29%. Toward the adoption of renewable energy as the primary supply source, we are seeing integration of renewable energies with fluctuating output into the electricity market. Secure ability to adjust output through use of pumped-storage hydropower and storage batteries.	We expect growth in the photo-voltaic power generation market, for solar panels on roofs, agro-photovoltaic systems, on-site installations for companies, and off-site PPA ^{*6} . Adoption of grid-type storage battery facilities is expected to be between 14.1~23.8GWh ^{*7} through 2030.

^{*1} Recurring revenue: Refers to stable revenue from rents and the sale of renewable energy, and is indicated as a long-term profit structure.

^{*2} Non-recurring revenue: One-off revenue from things like asset sales. This model allows us to record revenue rapidly.

^{*3} Project finance: Receive financing for a specific business/project and use the cash flow from said project for repayments.

^{*4} Structured finance: A financing method that differs from traditional methods like borrowings and capital raises, in which financing is done on the basis of specific assets and businesses.

^{*5} Refer to METI's "Strategic Energy Plan" outline (February 2025)

^{*6} PPA (Power Purchase Agreement): Direct contracts between power producers and entities seeking to use that power, for the supply of renewable energy.

^{*7} Refer to Agency for Natural Resources and Energy "Grid-type storage batteries – Status and Challenges" (May 29, 2024)

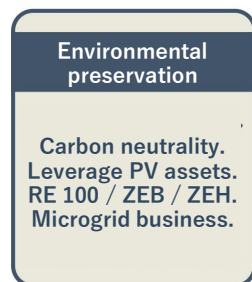
As a [partner to address challenges facing local communities], we seek to contribute to local economies and local communities throughout Japan, and support the creation of local revitalization resources. We have also entered the area of infrastructure revitalization (a social challenge) and contribute to the widespread adoption of renewable energies as a way to address climate change.

New Businesses – Basic Policy

We continue focusing on being a [local solution partner] – something we positioned as a goal in MTMP 2024. Going forward, we will be leveraging the JDC Group's knowledge, expertise, and technological capabilities in the areas of [environmental preservation], [regional revitalization], and [disaster response] to create new businesses and achieve regional co-creation.

We aim to become a partner in addressing the challenges faced by approximately 1,700 local municipalities across Japan.

Integrate the JDC Group's expertise to offer sustainable solutions



Create employment to help disaster areas

Minamisōma, Fukushima Prefecture **Building a functional adsorbent plant**

We are in the process of building a plant in Minamisōma, Fukushima Prefecture, for the production of functional adsorbents used to prevent the degradation of reinforced concrete structures and extend their usable life.

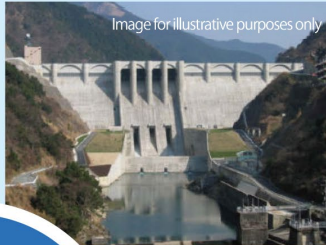


This business was chosen for METI's [Job Creation Support grant promoting economic independence & return of citizens]. Through this, we continue helping the victims of the 2011 Tohoku Earthquake.

Leverage hydroelectric power

Nationwide **Participate in a [hybrid dam] project**

Image for illustrative purposes only

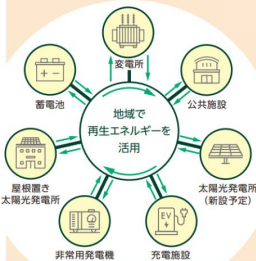


Participated in MLIT's [hybrid dam] project, which serves both flood control and hydroelectric power generation functions. This is a PPP*, with private-sector companies like JDC now becoming power producers by installing power production equipment at an existing dam.



Matsushima, Miyagi **Building a decarbonized industrial park**

We are planning a microgrid business installation at [Matsushima Innovation Hills], which is an industrial park currently being built in Matsushima, Miyagi Prefecture.



We are in the process of creating an independent electricity supply network within this area and putting in place a renewable energy system allowing for this area to be self-sufficient.

Entered the microgrid business

Sendai, Miyagi **Develop [Izumi Peak Base®]**

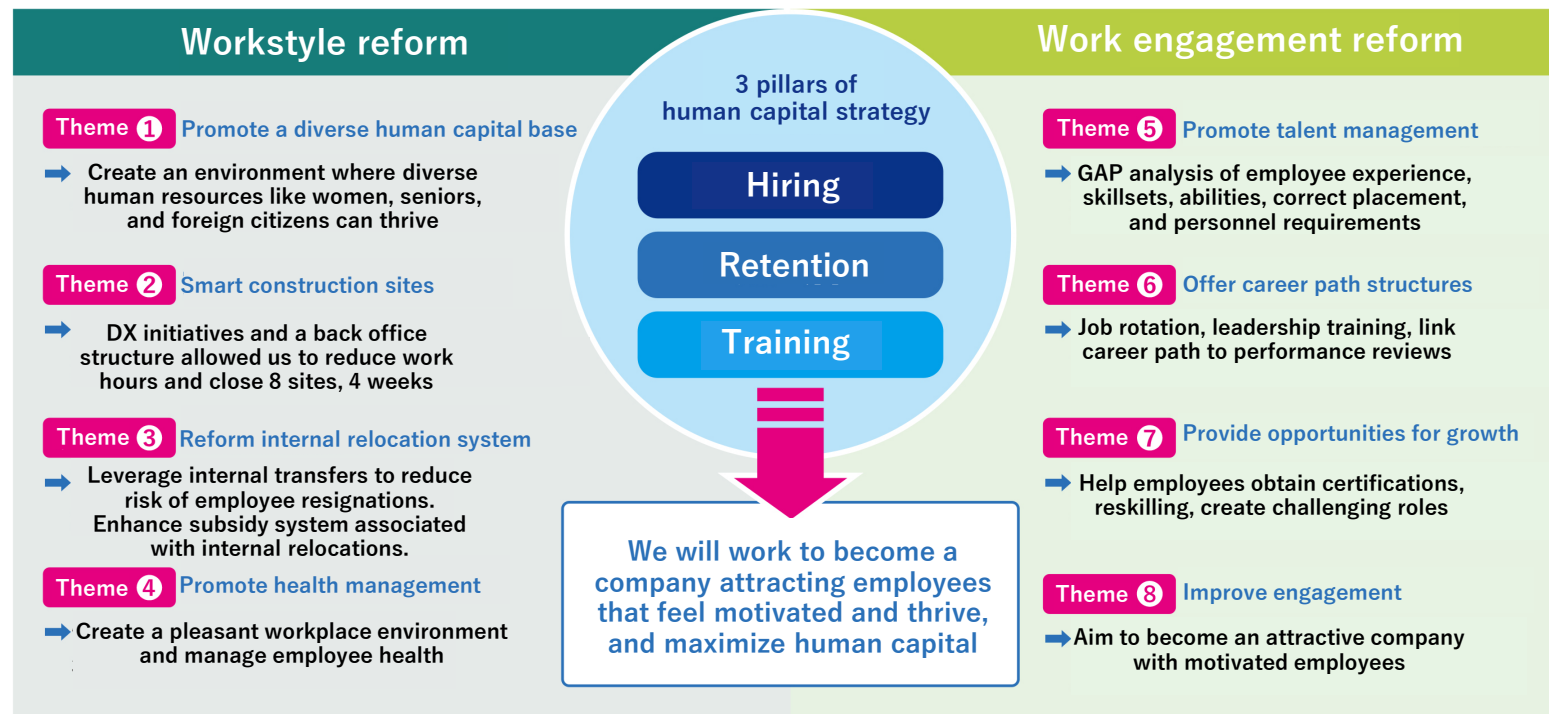
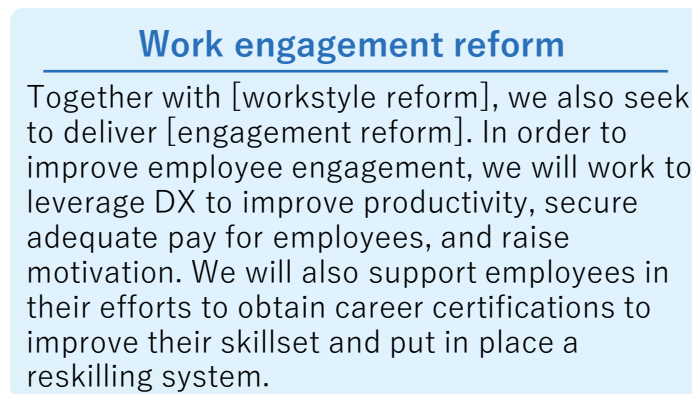
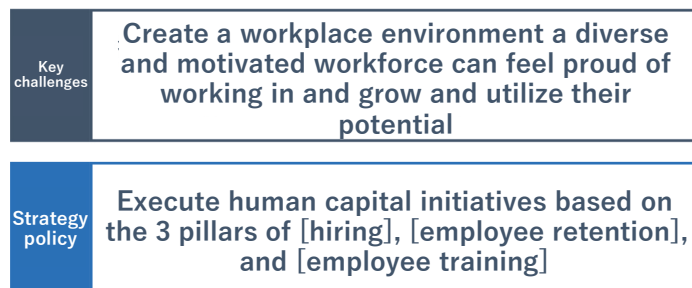
[Izumi Peak Base] is JDC's outdoor resort leveraging idle land owned by the company in Sendai, Miyagi Prefecture. We offer free Wi-Fi across all areas, allowing people to work and hold meetings amidst nature. There are few outdoor resort facilities in Japan that can also be used for corporate training, and, over 3 years in operation, approximately 100,000 people have visited Izumi Peak Base.



Create new tourism resources

*PPP (Public Private Partnership): Construction, maintenance, and operation of public infrastructure through a joint effort between the Government and private-sector companies. This structure benefits from the private sector's ingenuity and offers an efficient use for public funds and greater government efficiency.

We are creating an attractive workplace environment where employees can feel a sense of belonging and motivation. Over the next 3 years, we will be implementing initiatives to hire, keep, and train valuable human capital that can adapt to changes in the management environment.



KPI	Engagement score*	Employees with construction industry-related certifications*	Percentage achieved of our goal of closing 8 sites, 4 weeks	Employees eligible for secondary health examination	Eligible employees taking paternity leave	Hiring rate of female employees (including new grads. & mid-career)	Women in leadership positions
Targets by FY 2027-2028	64 ^{pt} or more	80%	100%	13.5%	100%	20%	4.0%

*Engagement score: Calculated with Atrac, Inc.'s engagement analysis tool [Wevox]. The FY 2024 benchmark score for construction/real estate companies of a similar size was 64.0 pt.
* Construction-related certifications: Licensed Architect (1st grade); Civil Engineering Construction Management Engineer (1st grade); Architectural Construction Management Engineer (1st grade)

Our DX initiatives have moved to phase 2 – digitalization. Within this, we will deliver DX in construction through adoption/development of systems and tools and transformation at the human capital and organization level; improving productivity and labor savings, and maximizing our value proposition.



Initiatives through to MTMP 2024

Work to deliver DX across all corporate processes, leveraging the adoption of management and business systems, AI & RPA, measuring and construction automation leveraging ICT, and BIM/CIM, etc.

Management & business systems

- Add flagship system ERP
- Use digital contracts
- Digitize workflows
- Adopt HR system, etc.

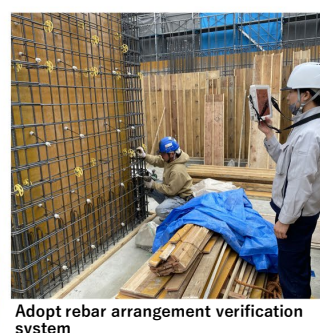
Adoption of AI & RPA

- Gen. AI usage guidelines
- AI tools to generate meeting minutes
- Improved work efficiency through RPA
- Digitize worksite documents, etc.



ICT / automation / worksite functions

- Construction automation trials
- Measurements using drones
- Automate loading functions for scrapers
- Worksite image management
- Technical knowledge AI search
- Tablet-based construction management
- Leverage BIM/CIM, etc.



MTMP 2027 - Policy

Leverage DX in construction to improve productivity & reduce costs, address labor shortages, improve quality and safety, and reduce environmental impact.

Key challenges

Promote DX: Improve productivity, achieve labor savings, maximize value proposition

Strategy policy

Deliver construction DX leading to improved productivity

Strategy themes

- 1 Promote DX via focus on worksite & practical applications**
→ Actively leverage existing systems and achieve more advanced business processes through business tools
- 2 Transform human capital and our organization**
→ Framework where all employees and all companies leverage DX
- 3 Leverage data and adopt AI**
→ Aggregate and analyze construction data and use AI to predict risks
- 4 Develop innovative DX in construction**
→ Use of smart technology at construction sites, technology like automating construction machinery and real-time monitoring using digital twins.

KPI Targets by FY 2027-2028

AI usage across all companies **100%**

Smart construction sites **10+**

Employees who have undergone training related to DX **100%**

In the interest of maintaining financial soundness, we are keeping the capital adequacy ratio target at 40% or above, and the D/E ratio target at 0.7x or below.

We are guiding for ¥72.0 B in own capital by the final FY of the MTMP, in line with FY 2023-2024 results, before we posted a large operating loss.

■ Medium-to-long-term Financial Strategy Policy

Regarding our financial strategy, to execute an investment plan (refer to p. 30) leveraging interest-bearing debt in growth investment, toward profitability improvements and a more robust business foundation, and also to ensure financial soundness, we are keeping the capital adequacy ratio target at 40% or above, and the D/E ratio*1 target at 0.7x or below.

We are guiding for ¥72.0 B in own capital by the final FY of the MTMP, in line with FY 2023-2024 results, before we posted a large operating loss. Additionally, we forecast ¥80.0 B for FY 2030-2031, the final year of JDC's long-term vision.

Financial indicators		FY 2021-2022	FY 2024-2025	MTMP 2027 FY 2027-2028 plan	FY 2030-2031 forecast
Financial indicators	Capital efficiency				
	ROE	9.7%	2.0%	8.0%	10.0%
	Capital adequacy ratio	51.2%	47.1%	40% or above	40% or above
	Own capital	¥79.9 B	¥66.2 B	¥72.0 B or above	¥80.0 B or above
	D/E ratio	0.38x	0.45x	0.7x or below	0.7x or below

*1 D/E Ratio (Debt-to-Equity): Interest-bearing liabilities divided by shareholders' equity. Indicator of a company's financial soundness.

*2 Syndicated loan: Loan provided by a group of financial institutions.

*3 Commitment line: Contract lending promise by a banking institution based on a specific credit line over a specific timeframe and on client invoices within this framework.

■ Enhance Finance

① Grow long-term borrowings

	FY 2024-2025 results	MTMP 2027 FY 2027-2028 target
Total borrowings	¥28.6 B	¥46.5 B

Grow transactions with financial institutions & financing sourcing contacts

→ Deepen pre-existing relationships with banks and grow borrowing using syndicated loans*2

Diversify sourcing methods

→ Access project finance agreements in our real estate and energy businesses

② Expand short-term credit lines

	FY 2024-2025 results	MTMP 2027 FY 2027-2028 target
Commitment lines, etc.	¥25.0 B	¥28.0 B

Expand out borrowing/financing lines

→ We are redoing our current commitment line*3 and expanding transactions with local banks

Expand financing by Group Companies

→ Secured a bank line of credit for Kokudo BuilACE Corporation in isolation

Over the next 3 years, we will be leveraging interest-bearing debt in a strategic manner to enhance profitability & expand the business foundation, investing ¥74.0 B in new businesses like Real Estate and Energy, and including R&D and M&A.

Investment Plan – Policy formulation

We had guided for ¥63.0 B in MTMP 2024, but realized investment totaled only ¥33.0 B due to weakness in the Building Business.

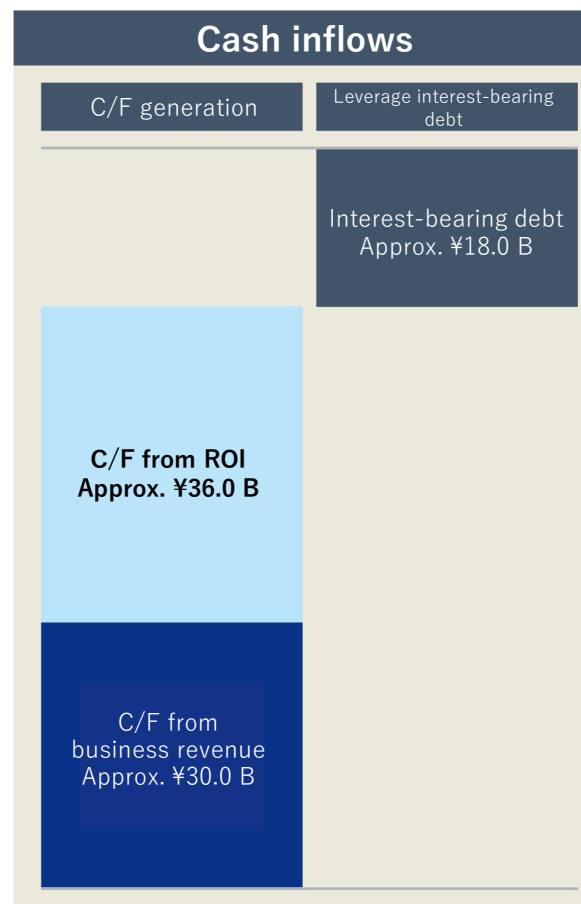
This impacted our ability to build up future recurring revenue in the Development Business and revenue from the rotation and development of our real estate holdings.

In MTMP 2027, with a view toward enhancing profitability & our business foundation, we will leverage interest-bearing debt in a strategic manner, and carry out pro-active investment in the Development Business (Real Estate & Energy), which we position as a growth area.

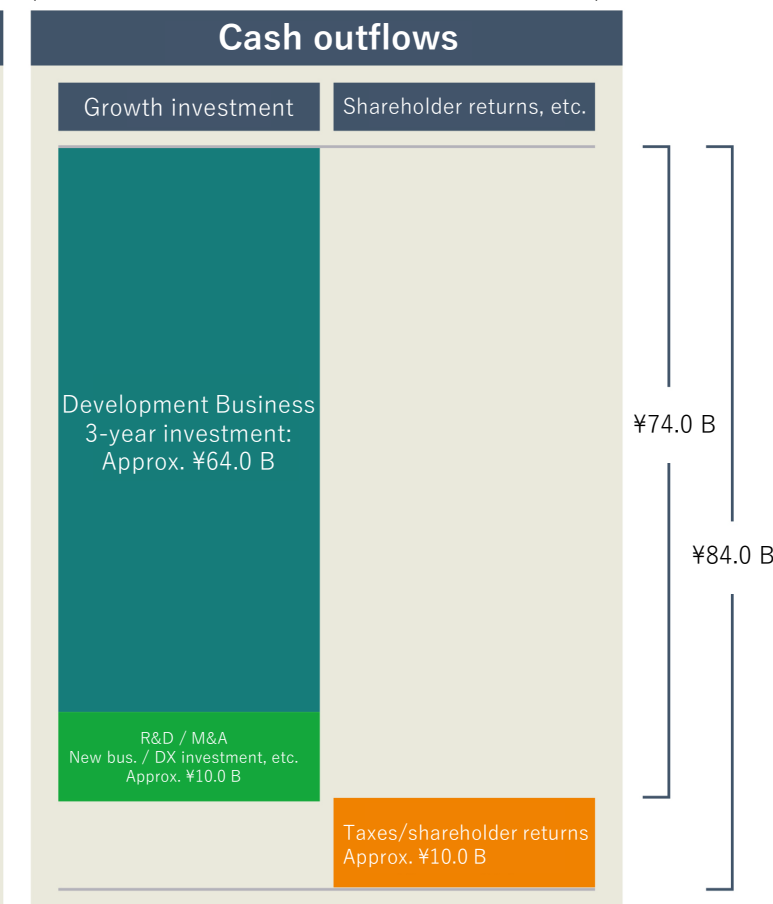
We expect to invest ¥74.0 B over the next 3 years.

Investment breakdown		Amount over 3 years
Development Business	Real estate development investment	¥42.0 B
	Energy development investment	¥22.0 B
R&D (Research & Development)		¥1.8 B
New business / M&A / DX investment, etc.		¥8.2 B
Total investment over 3 years: ¥74.0 B		

Cash flow



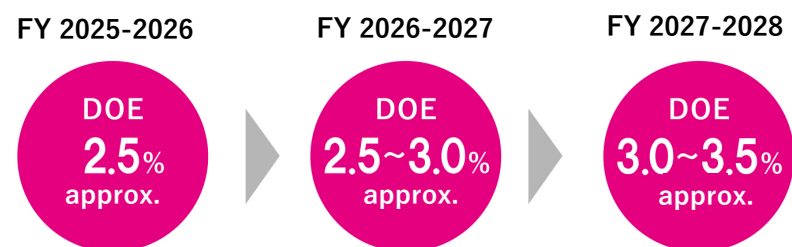
(Cumulative: FY 2025-2026 ~ FY 2027-2028)



In order to execute stable returns to shareholders, we are guiding for a DOE of between 2.5% and 3.5% over the course of MTMP 2027, and will be carrying out measures to raise the PBR multiple – from a perspective of stability, profitability, future potential, and relationships.

■ MTMP 2027 – Dividend Policy

Within MTMP 2027, we continue to employ DOE, which is an indicator using shareholders' equity as key criterion. Premised on a recovery in profitability, we have set a DOE of between 2.5% and 3.5% as a dividend policy, and will be raising this target every year through FY 2027-2028 (final FY of MTMP)



Premised on a recovery in profitability, we will gradually raise the DOE target.

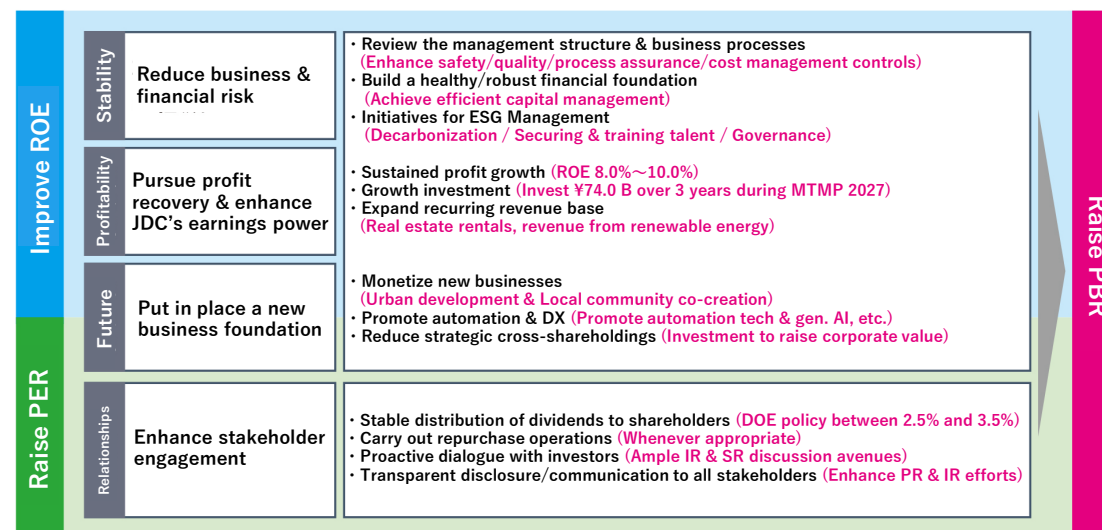
* Dividend track record in MTMP 2024

	FY 2022-2023	FY 2023-2024	FY 2024-2025
Net profit	¥3,291 M	-¥7,191 M	¥1,332 M
Dividend	¥26	¥22	¥22
DOE	2.8%	2.5%	2.7%
Dividend payout ratio	66.8%	—	132.4%

■ Market Assessment & Initiatives to Improve Capital Profitability

JDC Corp.'s PBR (Price-to-Book Value Ratio) multiple has dropped below 1x due to a decrease in the operating profit margin and in ROE (Return on Equity) and a drop in the stock price due to weaker results. In FY 2024-2025, we started implementing measures to [improve market assessment and capital profitability].

Within this, we want to improve ROE and PER (Price-to-Earnings Ratio) and will be executing the initiatives listed below – from a perspective of stability, profitability, future potential, and relationships, and will continue working to improve PBR.



Any forward-looking statements contained in the present document are premised on information available to the Company as of the date of this presentation, as well as of certain determinations deemed reasonable, and therefore are not a guarantee of future performance.

We request that stakeholders bear in mind that realized results may differ materially from the forecasts.

In case of any discrepancies between this translation and the Japanese original, the latter shall prevail.



Official
website



Web magazine



YouTube



X (Formerly Twitter)



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