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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2020 [Japanese GAAP]



October 15, 2020

Company name: JDC Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1887
 URL: <https://www.n-kokudo.co.jp/>
 Representative: Takeo Asakura, Representative Director and President
 Contact: Hironori Otoishi, General Manager of Finance Division, Administration Department
 Phone: +81-3-3403-3311
 Scheduled date of filing quarterly securities report: October 15, 2020
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Not available
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended August 31, 2020 (June 1, 2020 to August 31, 2020)

(1) Consolidated Operating Results (% indicates changes from the corresponding period of the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended August 31, 2020	26,354	4.9	854	(60.2)	934	(58.8)	788	(49.6)
August 31, 2019	25,114	4.6	2,143	6.8	2,267	5.6	1,563	(29.8)

(Note) Comprehensive income: Three months ended August 31, 2020: ¥961 million [(23.8)%]
 Three months ended August 31, 2019: ¥1,262 million [(12.2)%]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Three months ended August 31, 2020	9.06		9.03	
August 31, 2019	17.96		17.90	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2020	130,771	67,220	51.2
As of May 31, 2020	133,937	68,317	50.8

(Reference) Equity: As of August 31, 2020: ¥66,915 million
 As of May 31, 2020: ¥68,001 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ended May 31, 2020	Yen -	Yen 10.00	Yen -	Yen 18.00	Yen 28.00
Fiscal year ending May 31, 2021	-				
Fiscal year ending May 31, 2021 (Forecast)		10.00	-	13.00	23.00

(Note) Revision to the dividend forecast announced most recently: No

(Note) Breakdown of dividends

Interim dividends for

the six month ended November 30, 2019: ¥10.00 ordinary dividends

Year-end dividends for

the fiscal year ended May 31, 2020: ¥10.00 ordinary dividends and ¥8.00 special dividends

Interim dividends for the six month ended

November 30, 2020 (forecast): ¥10.00 ordinary dividends

Year-end dividends for the fiscal year ending

May 31, 2021 (forecast): ¥10.00 ordinary dividends and ¥3.00 special dividends

3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2021 (June 1, 2020 to May 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	130,000	9.7	9,500	(8.4)	9,300	(4.9)	6,500	(18.3)	75.00

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury stock):

August 31, 2020: 98,255,000 shares

May 31, 2020: 98,255,000 shares

2) Total number of treasury shares at the end of the period:

August 31, 2020: 11,888,646 shares

May 31, 2020: 11,113,346 shares

3) Average number of shares during the period:

Three months ended August 31, 2020: 86,968,233 shares

Three months ended August 31, 2019: 87,008,854 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) (1,194,300 shares as of August 31, 2020 and 1,212,800 shares as of May 31, 2020). 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 (1,206,267 shares for the three months ended August 31, 2020 and 1,345,600 shares for the three months ended August 31, 2019).

2. 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 Stock Benefit Trust (Employee Stockholding Association Purchase-type) (793,800 shares as of August 31, 2020 and 0 shares as of May 31, 2020). 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

(179,953 shares for the three months ended August 31, 2020 and 0 shares for the three months ended August 31, 2019).

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The forecasts are based on certain assumptions relating to economic situations and market trends deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Three Months Ended August 31, 2020 (June 1, 2020 to August 31, 2020)

(1) Non-consolidated Operating Results

(% indicates changes from the corresponding period of the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended August 31, 2020	24,307	4.1	790	(62.9)	903	(60.1)	770	(51.2)
August 31, 2019	23,352	4.6	2,131	8.3	2,261	5.0	1,580	(30.6)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Three months ended August 31, 2020	8.86		8.82	
August 31, 2019	18.16		18.09	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	%	Million yen	%	%	
As of August 31, 2020	115,768		63,254		54.6	
As of May 31, 2020	118,533		64,357		54.3	

(Reference) Equity: As of August 31, 2020: ¥63,254 million

As of May 31, 2020: ¥64,357 million

2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2021 (June 1, 2020 to May 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	114,000	5.6	7,400	(16.8)	5,100	(30.6)	58.85	

(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, 2020	As of August 31, 2020
Assets		
Current assets		
Cash and deposits	27,772	16,931
Notes receivable, accounts receivable from completed construction contracts and other	36,353	43,599
Costs on construction contracts in progress	4,157	3,592
Costs on development business and other	327	256
Advances paid	3,394	3,607
Other	8,220	8,529
Allowance for doubtful accounts	(9)	(9)
Total current assets	80,216	76,506
Non-current assets		
Property, plant and equipment	39,688	40,094
Intangible assets	619	738
Investments and other assets		
Investment securities	9,015	9,243
Retirement benefit asset	1,063	1,083
Deferred tax assets	673	492
Other	3,144	3,034
Allowance for doubtful accounts	(483)	(420)
Total investments and other assets	13,412	13,433
Total non-current assets	53,721	54,265
Total assets	133,937	130,771

(Million yen)

	As of May 31, 2020	As of August 31, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	23,185	19,856
Short-term borrowings	1,212	5,860
Income taxes payable	1,603	83
Advances received on construction contracts in progress	10,275	8,834
Advances received on development projects	159	266
Deposits received	8,197	8,824
Provision for warranties for completed construction	733	733
Provision for loss on construction contracts	169	135
Provision for bonuses	-	585
Provision for bonuses for directors (and other officers)	119	85
Provision for loss on business liquidation	157	143
Other	3,127	1,313
Total current liabilities	48,940	46,722
Non-current liabilities		
Long-term borrowings	13,175	13,374
Provision for share-based remuneration	618	609
Provision for loss on litigation	12	12
Retirement benefit liability	492	482
Other	2,380	2,351
Total non-current liabilities	16,680	16,829
Total liabilities	65,620	63,551
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,301	18,301
Retained earnings	46,109	45,307
Treasury shares	(2,267)	(2,711)
Total shareholders' equity	67,156	65,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,455	1,616
Remeasurements of defined benefit plans	(610)	(611)
Total accumulated other comprehensive income	845	1,005
Non-controlling interests	315	304
Total net assets	68,317	67,220
Total liabilities and net assets	133,937	130,771

(2) Quarterly Consolidated Statements of Income and Quarterly Comprehensive Income
 Quarterly Consolidated Statement of Income
 Three months ended August 31

(Million yen)

	For the three months ended August 31, 2019	For the three months ended August 31, 2020
Net sales		
Net sales of completed construction contracts	24,069	25,251
Net sales in development business and other	1,044	1,102
Total net sales	25,114	26,354
Cost of sales		
Cost of sales of completed construction contracts	19,806	22,588
Cost of sales in development business and other	861	798
Total cost of sales	20,667	23,386
Gross profit		
Gross profit on completed construction contracts	4,263	2,663
Gross profit on development business and other	183	304
Total gross profit	4,446	2,968
Selling, general and administrative expenses	2,303	2,114
Operating profit	2,143	854
Non-operating income		
Interest income	1	0
Dividend income	199	159
Other	37	35
Total non-operating income	238	194
Non-operating expenses		
Interest expenses	38	46
Interest expenses of rental payments	17	16
Foreign exchange losses	40	-
Other	16	52
Total non-operating expenses	113	114
Ordinary profit	2,267	934
Extraordinary income		
Gain on sales of non-current assets	-	23
Gain on sales of investment securities	36	-
Total extraordinary income	36	23
Profit before income taxes	2,304	957
Income taxes - current	24	38
Income taxes - deferred	700	117
Total income taxes	725	156
Profit	1,579	801
Profit attributable to non-controlling interests	15	12
Profit attributable to owners of parent	1,563	788

Quarterly Consolidated Statement of Comprehensive Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2019	For the three months ended August 31, 2020
Profit	1,579	801
Other comprehensive income		
Valuation difference on available-for-sale securities	(304)	161
Remeasurements of defined benefit plans, net of tax	(12)	(1)
Total other comprehensive income	(316)	159
Comprehensive income	1,262	961
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,246	948
Comprehensive income attributable to non- controlling interests	15	12

4. Supplementary Information

[Non-consolidated] Status of Orders, net sales and projects in process

1) Orders

(Million yen)

Category		For the three months ended August 31, 2019		For the three months ended August 31, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	7,416	31.5%	8,354	37.6%	937	12.6%	18,740	20.9%
	Private sector in Japan	1,759	7.5%	1,761	7.9%	1	0.1%	19,657	21.9%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	9,176	38.9%	10,115	45.5%	939	10.2%	38,397	42.8%
Building Business	Public sector in Japan	4,448	18.9%	1	0.0%	(4,446)	(100.0)%	5,422	6.0%
	Private sector in Japan	7,822	33.2%	11,182	50.3%	3,360	43.0%	39,219	43.8%
	Overseas	1,494	6.3%	270	1.2%	(1,224)	(81.9)%	4,068	4.5%
	Subtotal	13,765	58.4%	11,455	51.6%	(2,310)	(16.8)%	48,710	54.3%
Total	Public sector in Japan	11,865	50.3%	8,356	37.6%	(3,509)	(29.6)%	24,163	27.0%
	Private sector in Japan	9,582	40.6%	12,944	58.3%	3,361	35.1%	58,876	65.7%
	Overseas	1,494	6.3%	270	1.2%	(1,224)	(81.9)%	4,068	4.5%
	Subtotal	22,942	97.3%	21,570	97.1%	(1,371)	(6.0)%	87,108	97.2%
Other Business		636	2.7%	643	2.9%	6	1.0%	2,533	2.8%
Grand total		23,579	100.0%	22,213	100.0%	(1,365)	(5.8)%	89,641	100.0%

2) Net sales

(Million yen)

Category		For the three months ended August 31, 2019		For the three months ended August 31, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	8,753	37.5%	6,202	25.5%	(2,551)	(29.1)%	34,675	32.1%
	Private sector in Japan	2,065	8.8%	4,458	18.3%	2,392	115.8%	11,628	10.8%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	10,819	46.3%	10,660	43.9%	(158)	(1.5)%	46,304	42.9%
Building Business	Public sector in Japan	557	2.4%	1,594	6.6%	1,037	186.0%	4,145	3.8%
	Private sector in Japan	10,656	45.6%	10,063	41.4%	(592)	(5.6)%	50,928	47.2%
	Overseas	694	3.0%	1,367	5.6%	672	96.9%	3,993	3.7%
	Subtotal	11,908	51.0%	13,026	53.6%	1,117	9.4%	59,067	54.7%
Total	Public sector in Japan	9,311	39.9%	7,797	32.1%	(1,514)	(16.3)%	38,821	36.0%
	Private sector in Japan	12,722	54.5%	14,522	59.7%	1,800	14.1%	62,557	58.0%
	Overseas	694	3.0%	1,367	5.6%	672	96.9%	3,993	3.7%
	Subtotal	22,728	97.3%	23,686	97.4%	958	4.2%	105,372	97.6%
Other Business		624	2.7%	620	2.6%	(3)	(0.6)%	2,565	2.4%
Grand total		23,352	100.0%	24,307	100.0%	954	4.1%	107,937	100.0%

3) Projects in process

(Million yen)

Category		For the three months ended August 31, 2019		For the three months ended August 31, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	54,304	37.9%	41,862	34.2%	(12,442)	(22.9)%	39,706	31.8%
	Private sector in Japan	13,669	9.5%	18,786	15.4%	5,117	37.4%	22,003	17.6%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	67,973	47.4%	60,648	49.6%	(7,324)	(10.8)%	61,710	49.4%
Building Business	Public sector in Japan	13,384	9.3%	9,175	7.5%	(4,208)	(31.4)%	10,770	8.6%
	Private sector in Japan	49,766	34.7%	42,013	34.3%	(7,753)	(15.6)%	40,891	32.7%
	Overseas	12,228	8.5%	10,410	8.5%	(1,818)	(14.9)%	11,502	9.2%
	Subtotal	75,379	52.6%	61,599	50.4%	(13,780)	(18.3)%	63,165	50.6%
Total	Public sector in Japan	67,689	47.2%	51,038	41.7%	(16,651)	(24.6)%	50,477	40.4%
	Private sector in Japan	63,435	44.2%	60,799	49.7%	(2,636)	(4.2)%	62,895	50.4%
	Overseas	12,228	8.5%	10,410	8.5%	(1,818)	(14.9)%	11,502	9.2%
	Subtotal	143,353	99.9%	122,247	99.9%	(21,105)	(14.7)%	124,875	100.0%
Other Business		80	0.1%	69	0.1%	(11)	(13.9)%	36	0.0%
Grand total		143,433	100.0%	122,317	100.0%	(21,116)	(14.7)%	124,911	100.0%