

2Q of FY 2020 – 2021 Financial Results



JDC CORPORATION

Contribute to the creation of a more prosperous society

Code Number: 1887



Matsushima-Donguri Solar Power Plant (Miyagi Prefecture)



I	About JDC	2
II	Results of FY2019-2020 and Forecasts for FY2020-2021	6
III	Impact of the Novel Coronavirus (COVID-2019) on Business Activities	24
IV	Progress of Mid-term Plan	26

This document is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between this document and the Japanese original, the latter shall prevail.

About JDC

Our History	3
Our Group	4
Net Sales by Segment	5

Our History

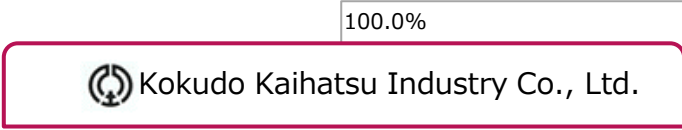
April 1951	Founded with the aim of developing and popularizing equipment for construction work Began rental business (with 13 pieces of equipment, including bulldozers)
October 1961	Listed in the second section of the Tokyo Stock Exchange
February 1964	Listed in the first section of the Tokyo Stock Exchange
February 1969	Selected for margin trading at the Tokyo Stock Exchange
October 1970	Listed in the first section of the Osaka Stock Exchange
January 1999	Commenced corporate reorganization proceedings
March 1999	Delisted from the Tokyo and Osaka Stock Exchange
October 2001	Established Kokudo BuilACE Corporation (former Japan Adox Co., Ltd.)
September 2003	Corporate reorganization proceedings concluded
August 2007	Established ANION Co., Ltd.
November 2009	Kokudo Koki Co., Ltd. merged with Kokudo Kaihatsu Industry Co., Ltd.
March 2016	Established Fukushima Ecocrete Co., Ltd.
September 2016	Established Civil Engineering Department and Building Department
November 2016	“JDC Vibration-free Floor System” acquires Performance Evaluation of Building Materials for the first time in Japan as a floor isolation device
April 2017	Established Business Development Department
March 2018	Acquired Marine Engineering Co., Ltd.
December 2018	Trade name of Japan Adox Co., Ltd. changed to Kokudo BuilACE Corporation
March 2019	Listed in the first section of the Tokyo Stock Exchange
July 2019	Tsukuba Mirai Center opened





Civil Engineering Business

Building Business

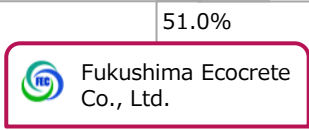


Earthwork with Heavy Machinery

Manufacture of Machines

Construction Equipment **Shield Machines**

- Civil engineering business and manufacture, sale, and rental of machinery for construction
- Developed business as a subcontractor for major general contractors outside the group and has human resources with abundant experience in construction management.

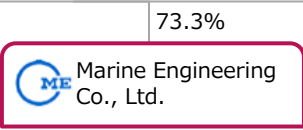


Construction Material

"OR Crete" Macadams

"OR Crete" Blocks

- Sale of recycled crushed stone, aggregate, etc. made primarily of coal ash generated from thermal power plants

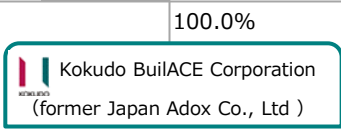


Construction

Dynamic compaction method

Refuse Press Method

- Soil Improvement Works



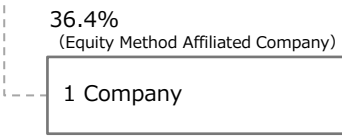
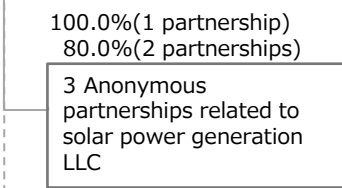
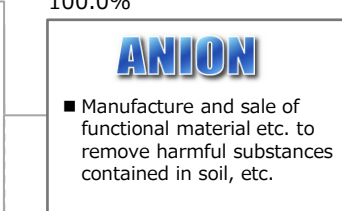
Construction

Large Scale Renovation

Renovation to Special Building

Seismic reinforcement and base isolation works

- Building renewal and renovation works
- Seismic reinforcement and base isolation works



Major Products and Services

Overview

Net Sales by Segment (FY 2019-2020)

Civil Engineering Business

- Construction works related to social infrastructure development such as dams, rivers, tunnels, roads, water and sewerage systems, and development construction works
- Orders received for environmentally friendly construction works using the Rotary Crushing and Mixing Method (Twister Method), and construction works related to earthquake disaster reconstruction.



Development Construction



Embankment Construction



Tunnel Construction



Twister Method



Earthwork with Heavy Machinery (Kokudo Kaihatsu Industry Co., Ltd.)

Civil Engineering Business
548 Hundred Million Yen
46.2%

Development Business
28 Hundred Million Yen
2.4%

Development Business

- Real estate business and renewable energy business



Renewable Energy Business



Real Estate Business

Building Business

- Design and construction of houses, offices, stores, factories, warehouses, etc.
- Skyscrapers and large-span building construction utilizing proprietary technologies
- Expansion of business utilizing original technology of floor isolation (affiliated company)



Skyscrapers



Logistic Facilities



Food Factories



Seismic reinforcement
(Kokudo BuilACE Company)

Building Business
609 Hundred Million Yen
51.4%

Reference Net Sales Composition by New Segments

From FY 2019-2020, we ceased using the affiliated company segment and adopted a three-segment structure (Civil Engineering Business, Building Business and Development Business), to reflect the performance of affiliated companies in each business to strengthen the consolidated management led by each business department and the utilization of group companies.

II

Results for 2Q of FY2020-2021 and Forecasts for FY2020-2021

1.	[Consolidated] Financial Results for 2Q of FY2020-2021	7
	[Consolidated] Summary	8
	[Consolidated] Performance	9
	[Consolidated] Segment Information	10
	[Consolidated] Balance Sheet	11
	[Consolidated] Orders and Projects in Process (Civil Engineering & Building Business)	12
2.	[Non-Consolidated] Financial Results for 2Q of FY2019-2020	13
	[Non-Consolidated] Orders	14
	[Non-Consolidated] Projects in Process	15
	[Non-Consolidated] Major Orders Received during 3-4Q	16
	[Non-Consolidated] Major Completed Works during 3-4Q	17
3.	Forecasts for FY 2020-2021	18
	[Consolidated] Forecast of Financial Results	19
	[Consolidated] Forecast of Financial Results by Segment	20
	[Consolidated] Forecast of Orders and Project in Process (Civil Engineering & Building Business)	21
	[Non-Consolidated] Forecast of Orders (Civil Engineering & Building Business)	22
	Dividends	23

II

Results for 2Q of FY2020-2021 and Forecasts for FY2020-2021

1. [Consolidated] Financial Results for 2Q of FY2020-2021

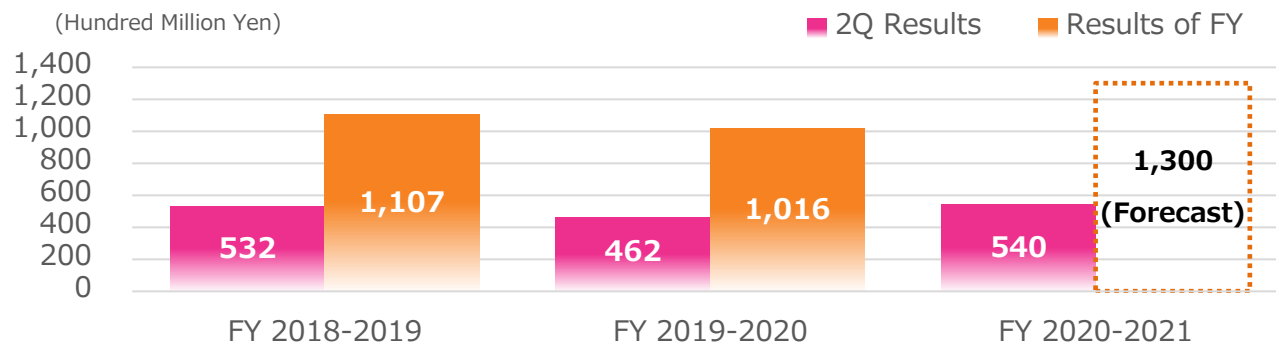
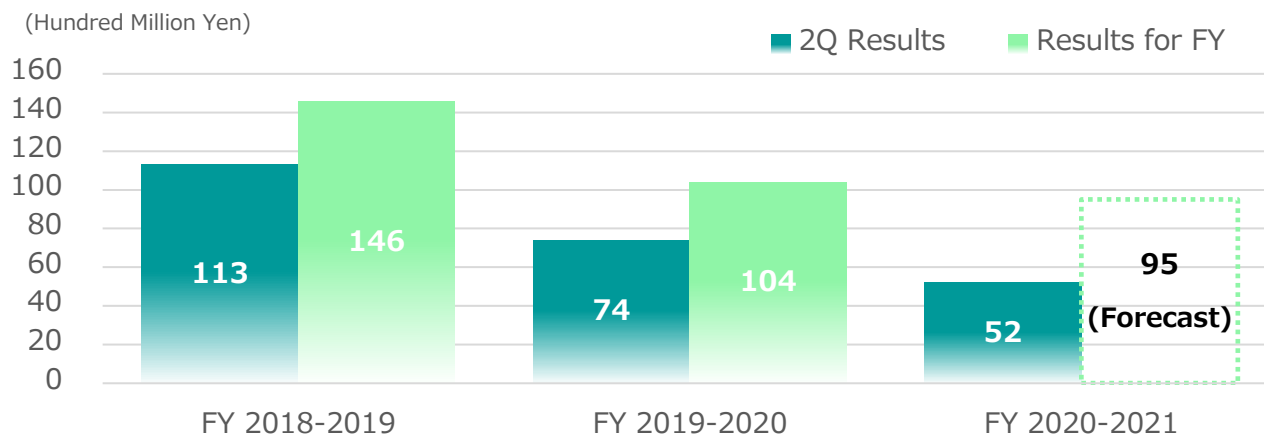
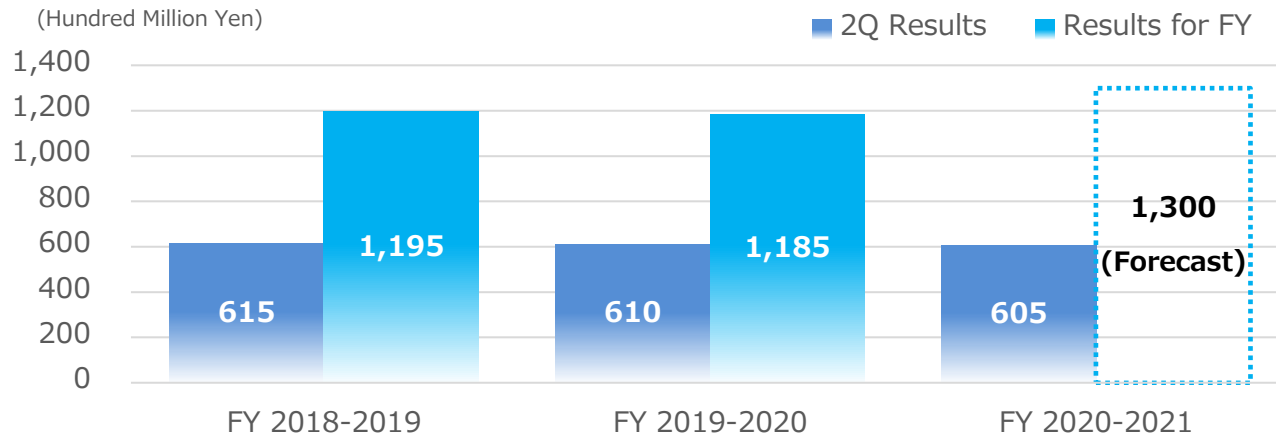
[Consolidated] Summary



Net Sales
605 Hundred Million Yen
(Achievement against forecast : 46.6%)

Operating Profit
52 Hundred Million Yen
(Achievement against forecast : 55.7%)

Orders
540 Hundred Million Yen
(Achievement against forecast : 41.5%)



[Consolidated] Performance

(Million Yen)

	2Q of FY 2020-2021	2Q of FY 2020-2021			
		Results	Change	Forecasts	Achievement Rate
Net Sales	61,003	60,518	(0.8%)	130,000	46.6%
Operating Profit	7,438	5,292	(28.8%)	9,500	55.7%
Ordinary Profit	7,616	5,294	(30.5%)	9,300	56.9%
Profit Attributable to Owners of Parent	5,413	4,035	(25.5%)	6,500	62.1%
Orders	46,218	54,022	16.9%	130,000	41.6%

[Consolidated] Segment Information

(Million Yen)

		2Q of FY 2019-2020		2Q of FY 2020-2021		Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	30,394	49.8%	27,768	45.9%	(2,626)	(8.6%)
	Building Business	29,181	47.8%	26,411	43.6%	(2,770)	(9.5%)
	Development Business	1,427	2.3%	6,338	10.5%	4,911	344.1%
	Total	61,003	100.0%	60,518	100.0%	(485)	(0.8%)
Selling, general and administrative expenses		4,518	—	4,213	—	(305)	(6.8%)
Operating Profit	Civil Engineering Business	6,455	86.8%	3,074	58.1%	(3,381)	(52.4%)
	Building Business	713	9.6%	1,327	25.1%	614	86.0%
	Development Business	282	3.8%	907	17.1%	625	220.9%
	Total	7,438	100.0%	5,292	100.0%	(2,146)	(28.8%)

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

[Consolidated] Balance Sheet



(Million Yen)

	As of May 31, 2020		As of November 30, 2020		Changes		Major Increase and Decrease
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage	
Current Assets	80,216	56.7%	78,309	59.2%	(1,907)	(2.4%)	Current Assets
Non-Current Assets	53,721	43.3%	53,942	40.8%	221	0.4%	Cash and Deposits (2,863)
Total Assets	133,937	100.0%	132,251	100.0%	(1,686)	(1.3%)	Notes Receivable, Accounts Receivable from Completed Construction Contracts 4,774
Current Liabilities	48,940	36.5%	45,543	34.4%	(3,396)	(6.9%)	Costs on Construction Contracts in Progress (1,466)
Non-Current Liabilities	16,680	12.5%	16,277	12.3%	(402)	(2.4%)	Advances Paid 1,075
Total Liabilities	65,620	49.0%	61,821	46.7%	(3,799)	(5.8%)	Real Estate for Sale (3,346)
(Liability with Interest)	(16,140)	(12.0%)	(19,718)	(14.9%)	(3,577)	22.1%	Non-Current Assets
Net Assets	68,317	51.0%	70,429	53.3%	2,122	3.1%	Construction in Progress 1,288
Total Liabilities and Net Assets	133,937	100.0%	132,251	100.0%	(1,686)	(1.3%)	Current Liabilities
(Capital Adequacy Ratio)	(50.8%)		(53.0%)			2.2P	Notes payable, accounts payable for construction contracts (2,726)
							Short Term Loans Payable 3,901
							Advances Received on Uncompleted Construction Contracts (4,445)
							Deposits Received 727

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



(Million Yen)

	2Q of FY 2020-2021					
	Orders	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Composition Ratio
Civil Engineering Business	22,364	47.4%	27,768	51.3%	63,648	50.5%
Building Business	24,865	52.6%	26,411	48.7%	62,271	49.5%
Total	47,230	100.0%	54,179	100.0%	125,919	100.0%

II

Results of FY2019-2020 and Forecasts for FY2020-2021

2. [Non-Consolidated] Financial Results for FY2019-2020

[Non-Consolidated] Orders



(Million Yen)

		2Q of FY 2019-2020		2Q of FY 2020-2021			
		Orders	Composition Ratio	Orders	Composition Ratio	Changes	
						Amount	Percentage
Civil Engineering Business	Public Sector in Japan	11,821	29.8%	9,674	21.3%	(2,146)	(18.7%)
	Private Sector in Japan	4,992	12.6%	5,567	12.3%	574	11.5%
	Overseas	—	—	—	—	—	—
	Subtotal	16,814	42.4%	15,242	33.6%	(1,571)	(9.3%)
Building Business	Public Sector in Japan	4,502	11.4%	2	0.0%	(4,500)	(100.0%)
	Private Sector in Japan	14,964	37.8%	23,318	51.3%	8,354	55.8%
	Overseas	2,124	5.4%	494	1.1%	(1,629)	(76.7%)
	Subtotal	21,590	54.5%	23,814	52.4%	2,224	10.3%
Total	Public Sector in Japan	16,323	41.2%	9,677	21.3%	(6,646)	(40.7%)
	Private Sector in Japan	19,956	50.4%	28,885	63.6%	8,928	44.7%
	Overseas	2,124	5.4%	494	1.1%	(1,629)	(76.7%)
	Subtotal	38,404	96.9%	39,056	86.0%	652	1.7%
Other Business		1,219	3.1%	6,354	14.0%	5,134	421.1%
Gross Total		39,623	100.0%	45,411	100.0%	5,787	14.6%

[Non-Consolidated] Projects in Process



KOKUDO

(Million Yen)

		2Q of FY 2019-2020		2Q of FY 2020-2021			
		Orders	Composition Ratio	Orders	Composition Ratio	Changes	
						Amount	Percentage
Civil Engineering Business	Public Sector in Japan	46,867	37.2%	34,870	30.0%	(11,997)	(25.6%)
	Private Sector in Japan	12,611	10.0%	19,691	17.0%	7,080	56.1%
	Overseas	—	—	—	—	—	—
	Subtotal	59,479	47.2%	54,561	47.0%	(4,917)	(8.3%)
Building Business	Public Sector in Japan	12,515	9.9%	7,785	6.7%	(4,730)	(37.8%)
	Private Sector in Japan	41,976	33.3%	44,454	38.3%	2,478	5.9%
	Overseas	11,947	9.5%	9,350	8.1%	(2,596)	(21.7%)
	Subtotal	66,439	52.7%	61,590	53.0%	(4,848)	(7.3%)
Total	Public Sector in Japan	59,383	47.1%	42,655	36.7%	(16,727)	(28.2%)
	Private Sector in Japan	54,587	43.3%	64,146	55.2%	9,558	17.5%
	Overseas	11,947	9.5%	9,350	8.1%	(2,596)	(21.7%)
	Subtotal	125,918	100.0%	116,152	100.0%	(9,756)	(7.8%)
Other Business		41	0.0%	2	0.0%	(38)	(93.2%)
Gross Total		125,959	100.0%	116,155	100.0%	(9,804)	(7.8%)

Civil Engineering Business

Reiwa 2nd year No.1 Rainwater Main Pipeline Construction Work of Handa-Kawada



Construction Site	Mie Prefecture
Outline	<ul style="list-style-type: none"> • Sewer Construction (Soil-pressed pipe-jacking method, diameter $\Phi 2600\text{mm}$) L=521m • Shaft (Steel sheet-pile punched) 3 places • Supporting soil improvement works 4places • 2 special manholes
Construction Period	August 2020 ~ February 2023

Building Business

Construction of Shin-Osaka Office Building



Construction Site	Osaka Prefecture
Purpose	Office Building
Outline	Steel Structure, 11 floors Total Floor Area 10,756.81㎡ Building Area 1,004.96㎡
Construction Period	October 2020 ~ February 2022

Civil Engineering Business

Development construction of Oboro Mega-Solar



Construction Site	Hokkaido Prefecture
Outline	Development construction of a solar power plant(36.7MW) Cutting and Filling 475,000㎡ Slope Construction 44,000㎡ Disaster prevention works (3 reservoirs, 10 settlings, sewage works length 9,300m)
Construction Period	June 2017 ~ July 2020

Building Business

Construction of Kouzu Project



Construction Site	Osaka Prefecture
Purpose	Condominium
Outline	RC Structure, 30 floors Building Area 931.46㎡ Total Floor Area 24141.53㎡
Construction Period	May 2018 ~ November 2020

II

Results of FY2019-2020 and Forecasts for FY2020-2021

3. Forecasts for FY 2020-2021

Consolidated] Forecast of Financial Results

(Million Yen)

	FY 2019-2020	FY 2020-2021(Forecast)		
		Forecast	Changes	
			Amount	Percentage
Net Sales	118,529	130,000	11,471	9.7%
Gross Profit	20,126	18,850	(1,276)	(6.3%)
(Gross Profit Margin)	17.0%	14.5%	—	(2.5P)
Selling, general and administrative expenses	9,758	9,350	(408)	(4.2%)
Operating Profit	10,367	9,500	(867)	(8.4%)
(Operating Profit Margin)	8.7%	7.3%	—	(1.4P)
Ordinary Profit	9,783	9,300	(483)	(4.9%)
Profit Attributable to Owners of Parent	7,955	6,500	(1,455)	(18.3%)

[Consolidated] Forecast of Financial Results by Segment

(Million Yen)

		FY 2019-2020		FY 2020-2021 (Forecast)		Changes	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	54,813	46.2%	58,000	44.6%	3,187	5.8%
	Building Business	60,893	51.4%	67,000	51.5%	6,107	10.0%
	Development Business	2,823	2.4%	5,000	3.9%	2,177	77.1%
	Total	118,529	100.0%	130,000	100.0%	11,471	9.7%
Selling, general and administrative expenses		9,758	—	9,350	—	(408)	(4.2%)
Operating Profit	Civil Engineering Business	8,138	78.5%	5,129	54.0%	(3,009)	(37.0%)
	Building Business	1,704	16.4%	3,542	37.3%	1,838	107.9%
	Development Business	554	5.3%	829	8.7%	275	49.6%
	Total	10,367	100.0%	9,500	100.0%	(867)	(8.4%)

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

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

(Million Yen)

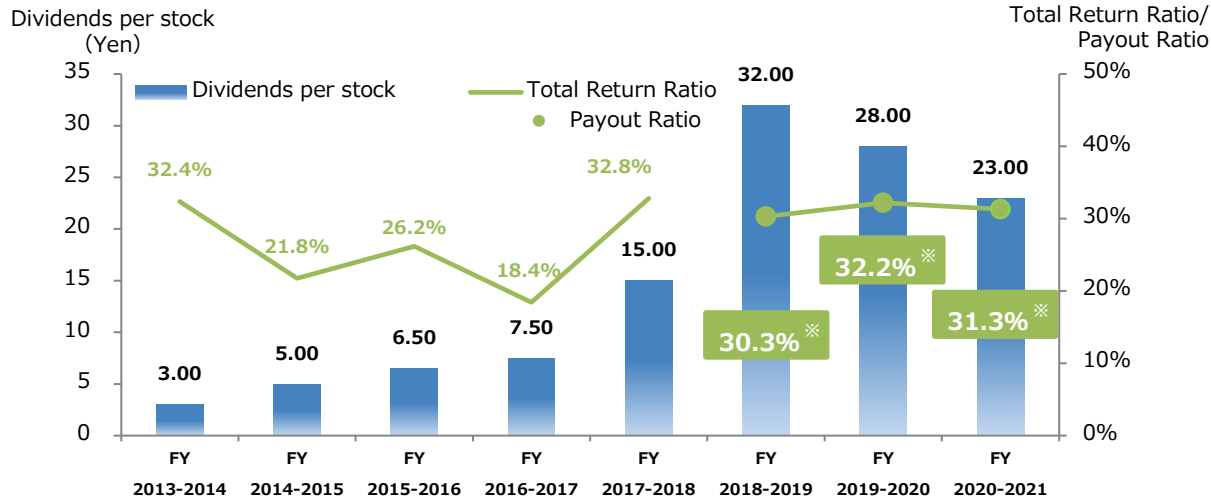
	FY 2020-2021 (Forecast)					
	Orders	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Composition Ratio
Civil Engineering Business	60,000	48.0%	58,000	46.4%	71,362	53.6%
Building Business	65,000	52.0%	67,000	53.6%	61,817	46.4%
Total	125,000	100.0%	125,000	100.0%	133,179	100.0%

[Non-Consolidated] Forecast of Orders (Civil Engineering & Building Business)

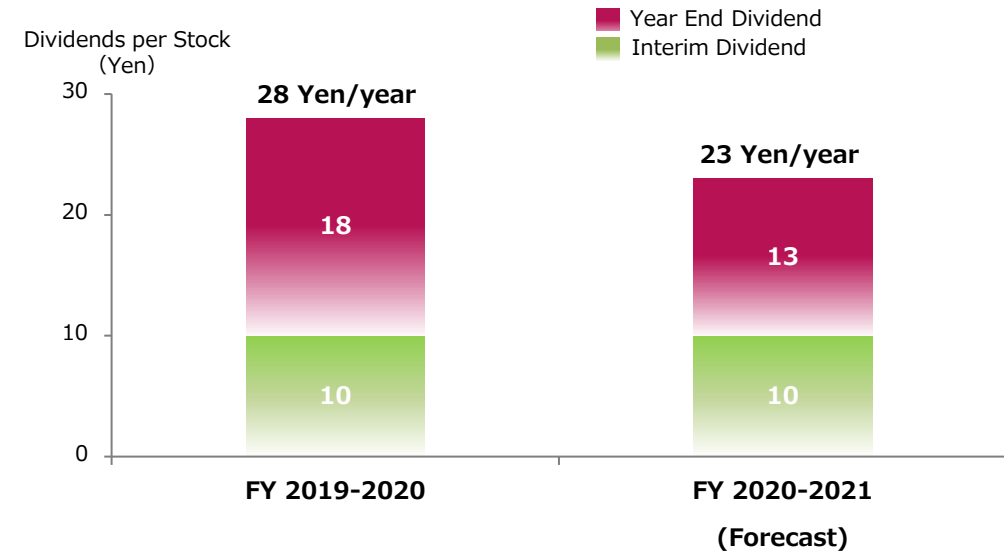
(Million Yen)

	FY 2019-2020	FY 2020-2021 (Forecast)		
		Forecast	Changes	
			Amount	Percentage
Orders	87,108	112,000	24,892	28.6%
Civil Engineering Business	38,397	50,000	11,603	30.2%
Domestic	38,397	50,000	11,603	30.2%
Overseas	—	—	—	—
Building Business	48,710	62,000	13,290	27.3%
Domestic	44,642	57,000	12,358	27.7%
Overseas	4,068	5,000	932	22.9%

Dividends per stock, Total Return Ratio, and Payout Ratio



Forecast of Dividends for FY 2020-2021



Dividend Policy

Aim for Pay Out Ratio 30%

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

About Interim Dividend

Carried out from FY 2019-2020

- To enrich chances of return to stakeholders, and for long term possession of stocks, we have introduced interim dividend from this fiscal year.

* 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).

Impact of the Novel Coronavirus (COVID-2019) on Business Activities

Impact of the Spread of Infection ————— 25

Impact on Financial Results

- **No significant impact on the consolidated and non-consolidated financial results** for the first half of the current fiscal year
- **Slight impact on the orders received for the entire Group**, although some clients reviewed or delayed their plans for hotel projects, etc., due to the loss of inbound demand

Impact on Business Activities

- Demand remains robust in the focus areas of the Mid-term Plan (Civil Engineering Business: development construction related to mega solar power plants, Building Business: skyscrapers and large-sized logistic facilities). We aim to differentiate from competitors by taking advantage of our strengths to avoid excessive competition
- In expanding new overseas business (described later), plant construction, adjustments, and setup were conducted 100% remotely while the global spread of infection prevented us from sending engineers from Japan, and the plants started test operations without delay
(Cf. Thai subsidiary was established in the first half of the current fiscal year, after being delayed for similar reasons)
- The Suga administration is likely to put continued focus on further enhancement of disaster prevention, disaster mitigation, and building national resilience, which will be tailwind for us who aim to increase market share in embankment construction by utilizing our original technology

Impact on Material and Procurement

- In the 4th quarter of the previous fiscal year, when the infection was spreading across the world, delivery of some supplies for the building business was delayed. There is no significant impact on material and procurement in the first half of the current fiscal year for both civil engineering and building businesses
- For the time being, impact on material costs and labor costs is unlikely

Progress of Mid-term Plan

Goals of Mid-term Plan	27
Investment Plan in Mid-term Plan Phase I	28
Priority Measures in Mid-term Plan Phase I	29
Large-Scale Site Preparation Works Using Machinery	30
Status and Future Expansion of Development Construction Related to Mega Solar Power Plants	31
Strengthening Capability Against Natural Disaster (Use of Twister Method)	32
Status and Future Expansion of Use of Twister Method	33
Specializing in Specific Areas and Strengthening Order Receipt Structure	34
Status and Future Expansion of Skyscrapers	35
Status and Future Expansion of Production and Logistic Facilities	36
Expansion of Stock Profitable Business and Entry into Development Business	37
Status and Future Expansion of Renewable Energy Business	38
Renewable Energy Business: Completion of Matsushima MS	39
Status and Future Expansion of Real Estate Development Business	40
New Business Expansion Using Three Businesses' Strengths	41
Full-scale Expansion of Overseas Business in Southeast Asia	42
Workstyle Reform and Health Management	43
ESG Management	44

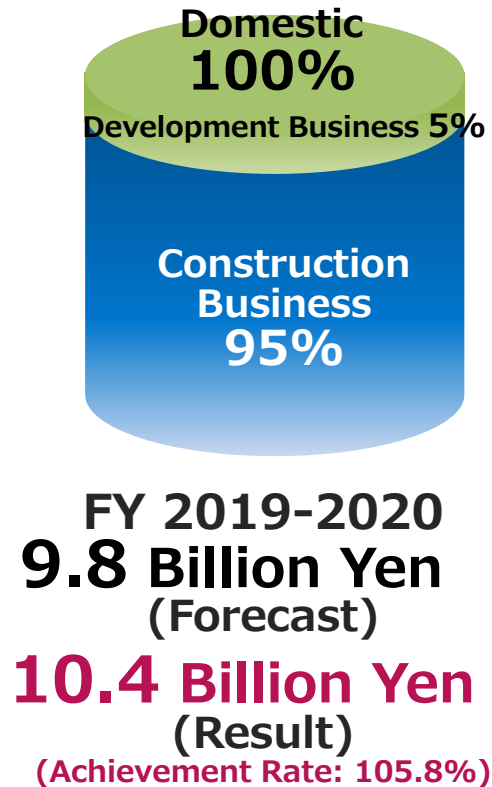
Goals of Mid-term Plan

■ Mid-term Plan Move75 Phase I

Manage the scale of 10 billion yen for operating profit at the end of Phase I

Change the composition ratio to construction business 70%, development business 30%

Composition Ratio of Operating Profit



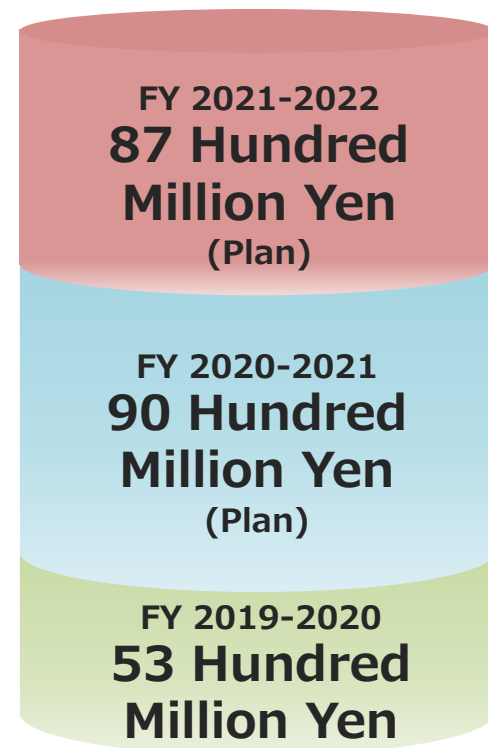
Investment Plan in Mid-term Plan Phase I

Plan to invest 23 billion yen during the three years of Phase I, mainly in the development business

Plan to invest 9 billion yen during FY 2020-2021. In FY 2021-2022, consider investment with a close eye on the state of real estate market, etc.

■ Phase I Investment Plan: 23 Billion Yen

From FY 2019-2020 to FY 2021-2022



Breakdown of Phase I Investment Plan

- Major Projects in FY 2020-2021
 - Real Estate Development Business
 - Renewable Energy Business
 - Investment related to Twister Method
 - Information Systems
- Major Projects in FY 2019-2020
 - Real Estate Development Business
Approx. 26 Hundred Million Yen
 - Renewable Energy Business
Approx. 12 Hundred Million Yen
 - Information Systems
Approx. 8 Hundred Million Yen

Priority Measures in Mid-term Plan Phase I

■ Priority Measures and Initiatives by Segment

Civil Engineering Business Establishment of Energy Saving Technology by Machinery × ICT

- Expansion of orders of large-scale site preparation works using machinery
Increase in orders of development construction related to mega solar power plants using scrapers
- Strengthening capability against natural disaster using twister method (rotary crushing and mixing method)
Increase in the number of our twisters, establishment of a structure for direct construction by group companies centered on Kokudo Kaihatsu Industry Co., Ltd.

Building Business Specializing in Specific Areas and Strengthening Order Receipt Structure

- Reform of departmental organizations: Reorganization into “Production and Logistic Business Division,” and “Housing and Living Business Division” and specialization in those areas
[Housing and Living Business] Focus on skyscrapers [Production and Logistic Business] Increase orders for factories, logistics, and offices
- Strengthening cooperation with civil engineering and development businesses
Sell the strength of uniting civil engineering works and building construction works, take in building construction orders for land readjustment projects

Development Business Expansion of Stock Profitable Business and Entry into Development Business

- Renewable energy business: Establishment of a structure for 100 MW scale (completion of Matsushima-Donguri Solar Power Plant, etc.)
- Real estate development business: Continued investment in profitable properties, entry into land readjustment projects (Kashiwa City Kashiwa Interchange West Land Readjustment Project, etc.)

Overseas Business

Plan for Business Expansion Mainly in Southeast Asia and Establishment of Overseas Business Strategy Division

- Establishment of local subsidiary in Thailand: Obtained approval in October 2020; planning, order receipt, and construction management for construction business in ASEAN countries
- Establishment of local subsidiary in Bangladesh: Application for approval scheduled in 2021, test operations of water treatment plants started in December 2020

Expansion of Orders for Construction Related to Solar Power Plants and Other Large-Scale Site Preparation Works

Large-scale site preparation works, which is our strength since the establishment of the Company, achieved further shortening of the construction period and labor saving by use of scrapers, and contributed to expansion of orders.

Amendment of the Feed-in Tariff (FIT) Act increased the needs for accelerating the commercialization of solar power generation business. We are taking in last-minute demands for development construction related to mega solar power plants.

Scraper: Self-contained heavy equipment that performs excavation, loading, carrying, and leveling



▲ Scraper and tractor introduced in 2018 which realized high speed running compared to than former machines (15 km/h→45 km/h)

■ Strength of Large-Scale Site Preparation Works Using Scraper

- Shortening of Construction Period by 20%:
Self-containment and capability against high-speed running contributed to productivity improvement

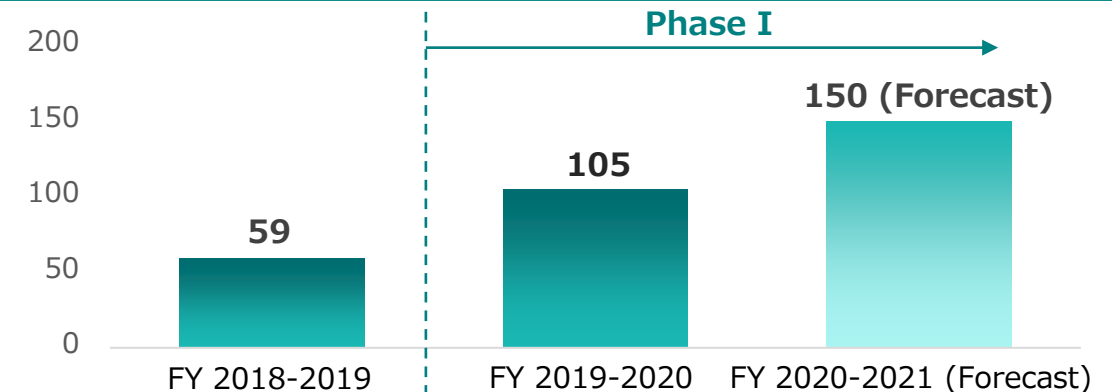
• Cost Reduction:

Reduction in heavy equipment contributed to reduction of maintenance, carrying, and personnel costs

■ Future Actions

- Further Improvement of Productivity:
Technology development to couple two scrapers
- Interface with ICT Equipment:
Utilize accumulated data and optimize the amount of soil to remove, speed, etc. using AI

Orders (Development Construction Related to Mega Solar Power Plants) Result and Plan (Hundred Million Yen)



Actions for "After Mega Solar Power Plants"

- The needs for accelerating the commercialization of solar power generation are expected to gradually decrease at the beginning of Phase II.
- The logistics market is brisk. In particular, demand for large-sized logistics facilities is increasing in suburban areas. Demand for large-scale site preparation works on land where building construction is difficult (e.g., land with large height differences) is expected.
- Taking advantage of the fact that we can cooperate with building and development businesses, we aim to receive orders for land readjustment projects and other large-scale site preparation works.

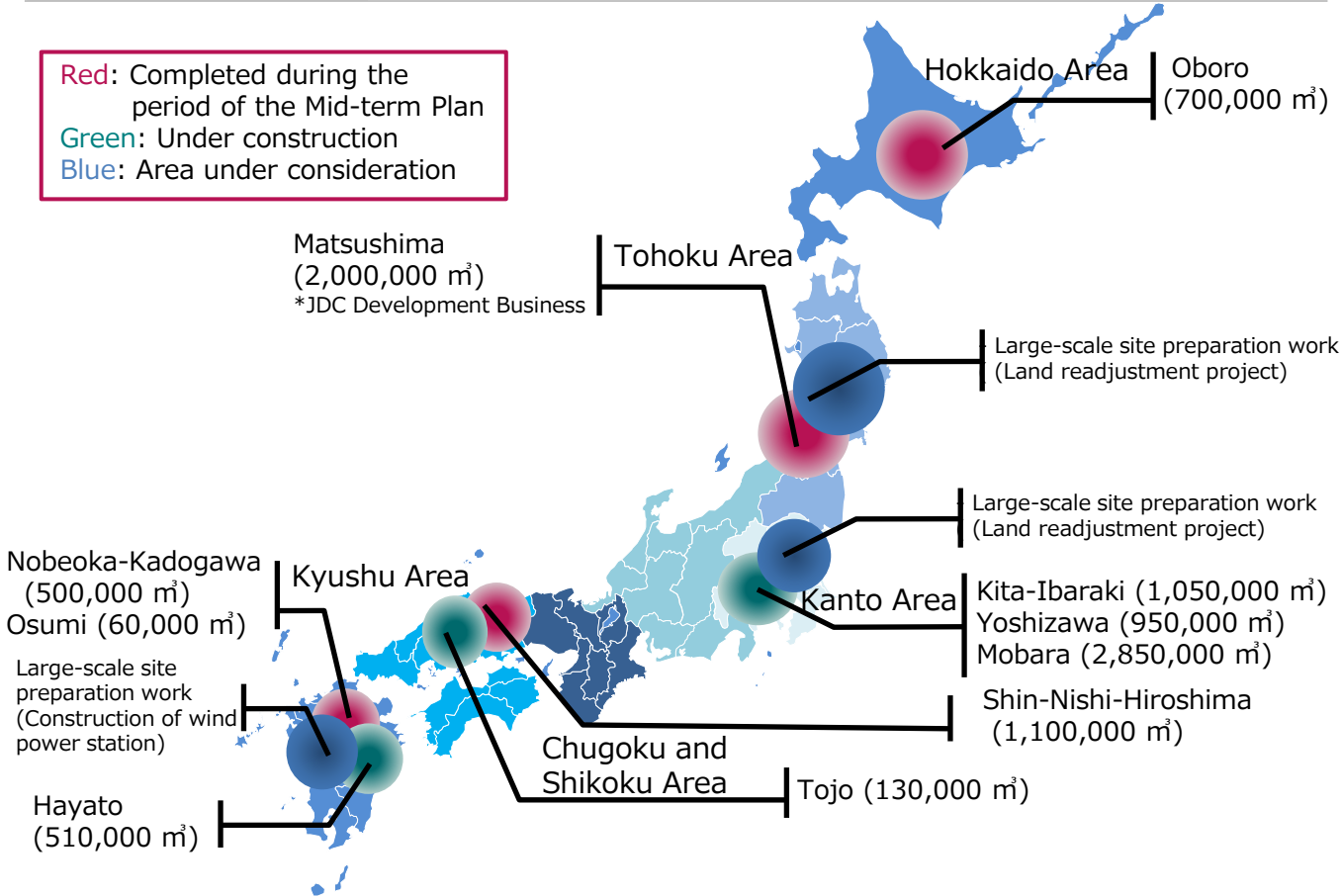
Responding to the needs of society and taking advantage of our strengths, we have received numbers of inquiry on development construction related to mega solar power plants.

For Phase II of the Mid-term Plan, we aim to expand orders for large-scale site preparation works involving logistic facilities and land readjustment projects.

■ Status of Development Construction Related to Mega Solar Power Plants

Orders Received	4 (During the period of the Mid-term Plan)
Under Construction	5 *Including 1 carried over from previous Mid-term Plan
Cumulative construction	27 (Cumulative earthwork: 18,020,000 m ³)

Red: Completed during the period of the Mid-term Plan
 Green: Under construction
 Blue: Area under consideration



■ Completion During the First Half of the Fiscal Year: 2 sites

Matsushima-Donguri Solar Power Plant (Miyagi Prefecture) *JDC Development Business



Earthwork: 2,000,000 m³
 Construction Period: August 2017–May 2020
 Capacity: 54 MW

Civil Engineering Works for Construction of Oboro Solar Power Plant (Hokkaido)



Earthwork: 700,000 m³
 Construction Period: August 2017–October 2019
 Capacity: 30 MW

After Mega Solar Power Plants

Projects currently under consideration

- Land Readjustment Projects :Tohoku Area
:Kanto Area
- Construction of Wind Power Station :Kyushu Area

Use and Enhancement of Our Original Technology and Establishment of a Structure for Direct Construction

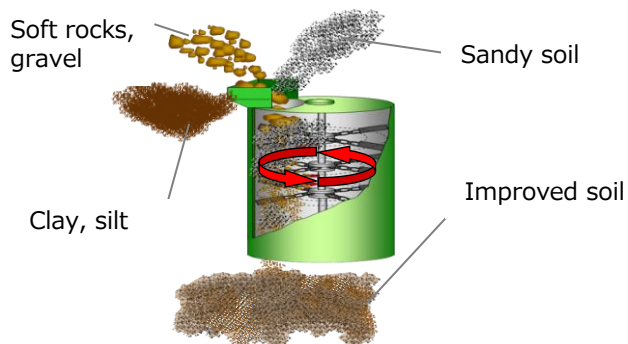
We make full use of our original technology (twister method) in response to natural disasters, which frequently occur recently, and contribute to building national resilience against disasters as an entire Group.

We plan to increase the number of twisters and develop new models. Resources shall be concentrated at Group companies to enhance regional sales activities and establish a structure for direct construction.

Rotary Crushing and Mixing Method (Twister Method)

Disaster Recovery

Works to separate rubbles and improve soil



Disaster Countermeasure

Works to raise/widen embankment

- Applicable to a wide range of soil, including **cohesive soil with high moisture content** which is difficult to handle
- Realize **lower cost** and contribute to **CO₂ reduction** by effectively utilizing soil on the site

*Registered with Ministry of Land, Infrastructure, Transport and Tourism's NETIS (New Technology Information System)

[Future Actions]

- **Increase the number of twisters:** Plan to add 10 twisters this fiscal year (added 5 twisters during the first half)
- **Development of new models:** A new, self-propelled model for narrow areas will start operation from next fiscal year
- **Strengthening of Group capability** Concentrate resources and take charge of construction

Kokudo Kaihatsu Industry Co., Ltd.: Enhancement of sales activities for major local construction companies, establishment of a structure for direct construction

Marine Engineering Co., Ltd.: Consider expansion into airport, port and harbour works

Market Size for Improved Soil (River Projects)

December 2020 Cabinet Decision

Five-Year Acceleration Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience

Project costs for measures against storm and flood damage, large earthquakes, etc. Project costs: Approximately 2.4 trillion yen

Amount of improved soil computed based on project costs

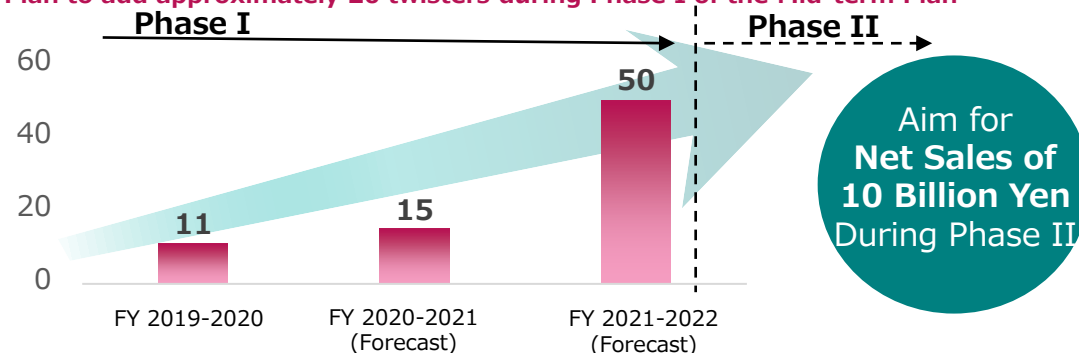
Approximately 20 million m³/year (Calculated by the Company)

Market size **40 billion yen/year** (During Mid-term Plan Phase I and II)

Result and Plan for Twister Business Orders (Hundred Million Yen)

Aim to expand market share by increasing the number of twisters and concentrating resources

Plan to add approximately 20 twisters during Phase I of the Mid-term Plan

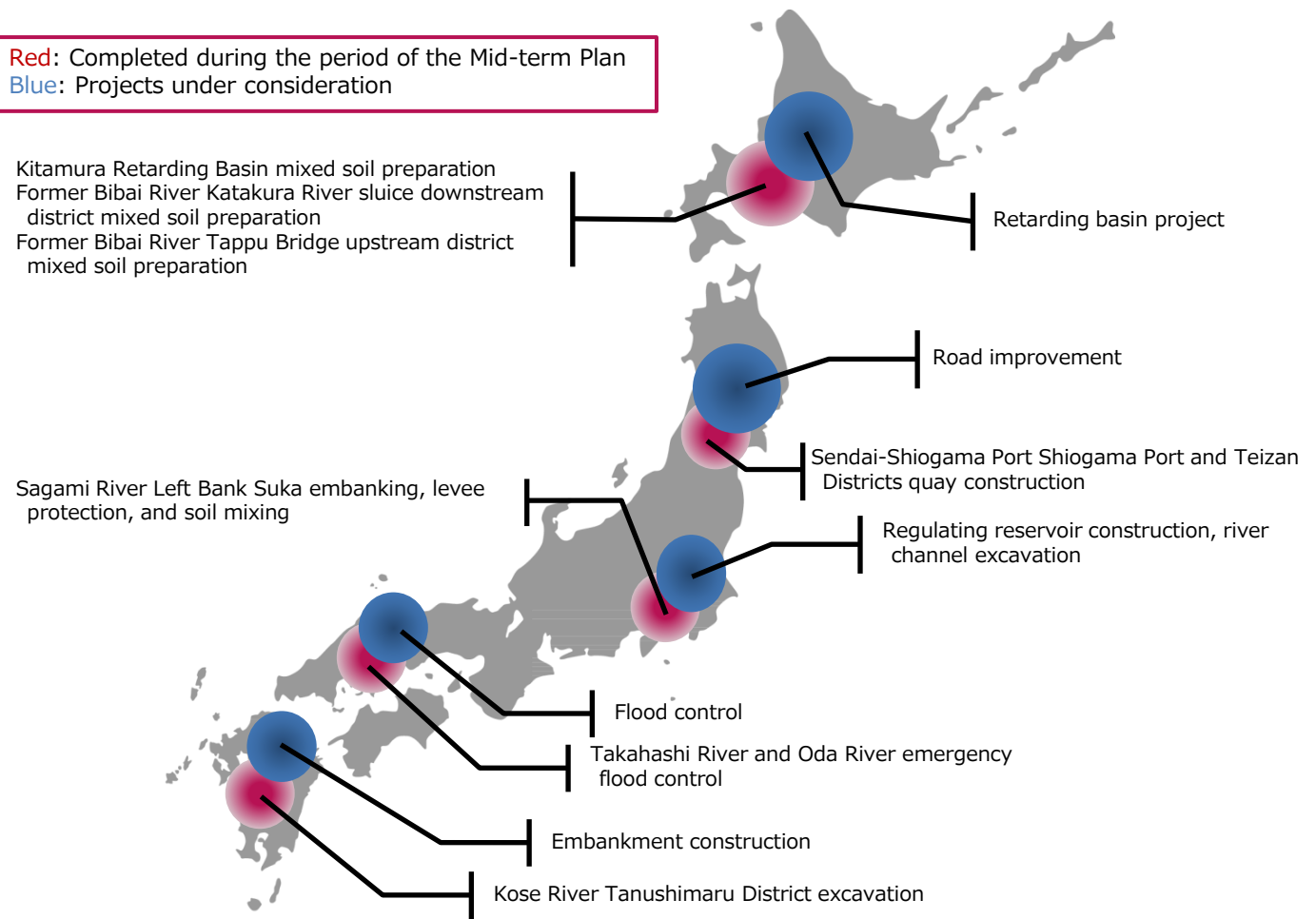


Disaster recovery and disaster countermeasures require urgent attention as natural disasters occur frequently in recent years.

Our technology contributes to works related to rivers and embankments across Japan.

Orders Received	23 (During the period of current Mid-term Plan)
Earthwork Scale	7,297,000 m ³ (cumulative) *Including 2,278,000 m ³ for rivers and tide embankments

Red: Completed during the period of the Mid-term Plan
Blue: Projects under consideration



- ### Projects and Areas Currently Under Consideration
- **Hokkaido Area** : Retarding Basin Project
 - **Tohoku Area** : Road Improvement
 - **Kanto Area** : Regulating Reservoir Construction, River Channel Excavation
 - **Chubu Area** : Embanking
 - **Chugoku and Shikoku Areas** : Flood Control
 - **Kyushu Area** : Embankment Construction

Organizational Reform of Building Department

Reorganize into “Housing and Living Business Division” and “Production and Logistic Business Division” and specialize business areas in these fields
 Aim to expand orders received mainly for large-sized production and logistic facilities to receive orders of 80 billion yen, together with skyscrapers, etc.

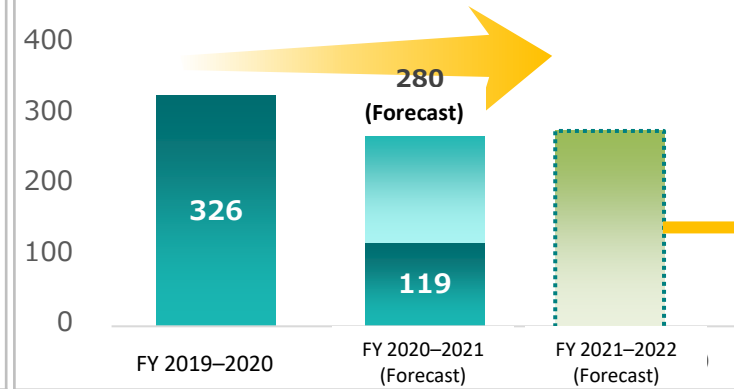
Building Department

Housing and Living Business Division ⇒ Skyscrapers, Medium/High-Rise Condominiums, and Hotels



- With technology and competitiveness as good as major contractors, with results mainly in the West Japan area
 Develop skyscrapers, medium/high-rise condominiums, and hotels, and steadily accumulate results
- Aim to receive orders in Chubu and East Japan areas based on abundant results and experience in West Japan area
- When hotel demand recovers, expect to secure orders of 30 billion yen

Orders (Non-Consolidated) Results and Plan (Hundred Million Yen)

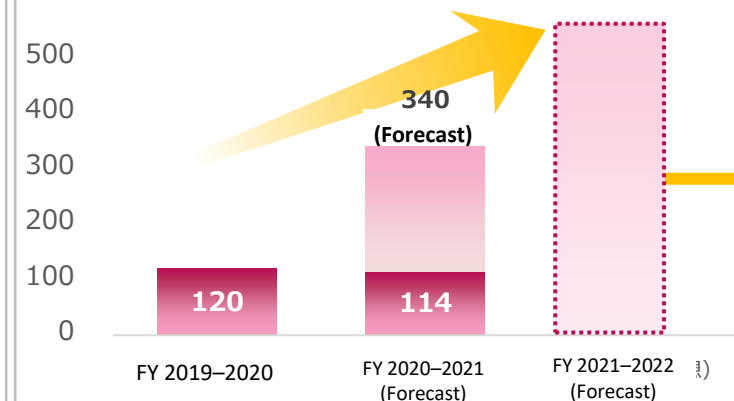


Production and Logistic Business Division ⇒ Large-Sized Production and Logistic Facilities, Small and Medium-Sized Offices



- Aim to expand orders received for production facilities, mainly food factories and large-sized logistic facilities for which demand is expected to grow
- Cooperate with Civil Engineering Business and Development Business to receive a series of orders; land acquisition, site preparation works, and construction works
- Cooperate with Development Business to capture needs for rebuilding and renewal works, etc. by utilizing experience in construction of small and medium-sized offices

Orders (Non-Consolidated) Results and Plan (Hundred Million Yen)



Aim to receive orders of 80 billion yen

Expand Areas Where Orders for Skyscrapers Are Received

Aim to expand orders received in Chubu and East Japan areas based on results accumulated in West Japan area

Results of Skyscrapers

Orders received	2 (During the period of the Mid-term Plan)
Completion	4 (During the period of the Mid-term Plan)
Under construction	3

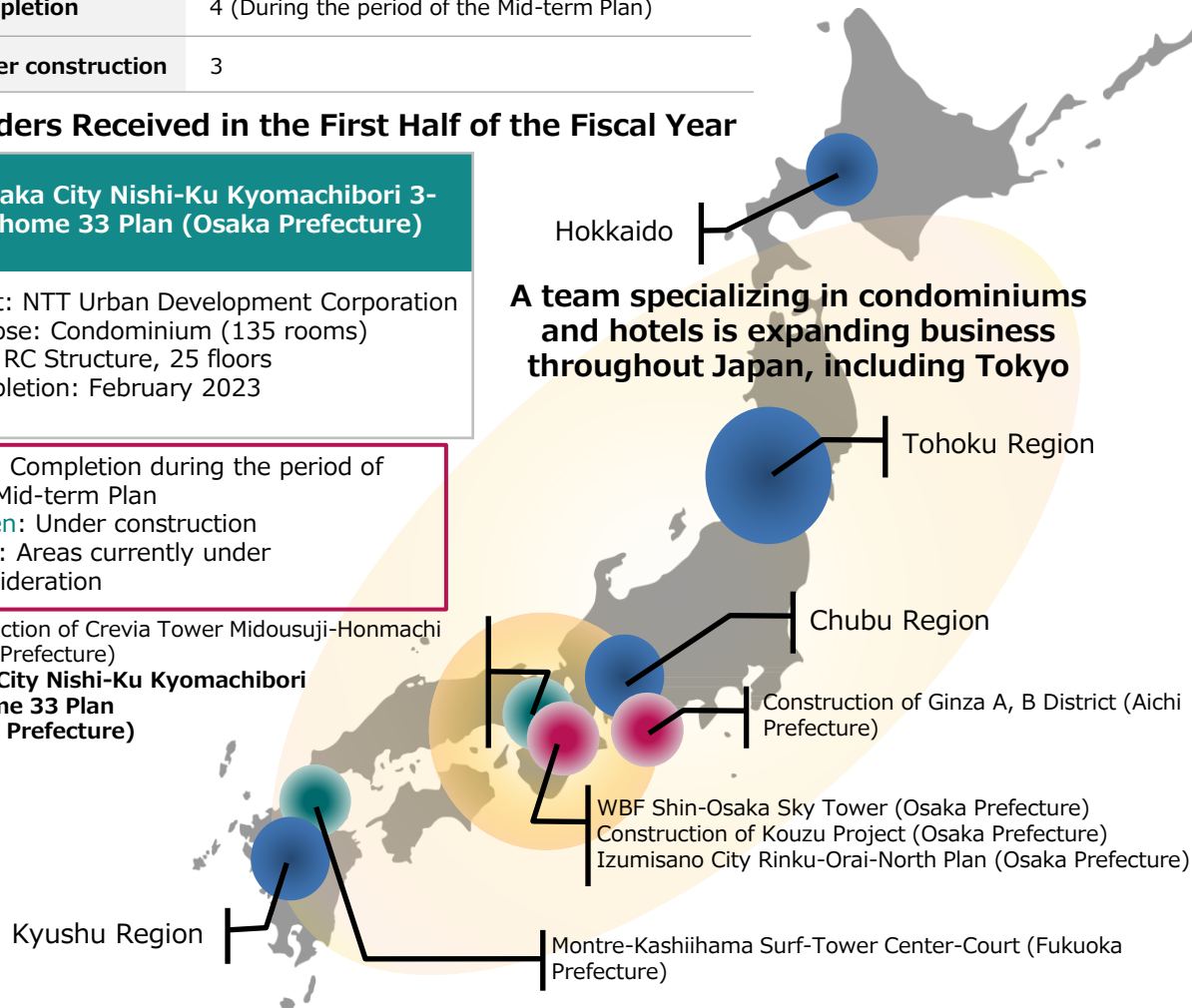
Orders Received in the First Half of the Fiscal Year

Osaka City Nishi-Ku Kyomachibori 3-Chome 33 Plan (Osaka Prefecture)

Client: NTT Urban Development Corporation
 Purpose: Condominium (135 rooms)
 Size: RC Structure, 25 floors
 Completion: February 2023

Red: Completion during the period of the Mid-term Plan
 Green: Under construction
 Blue: Areas currently under consideration

A team specializing in condominiums and hotels is expanding business throughout Japan, including Tokyo



Skyscrapers Completed

WBF Shin-Osaka Sky Tower (Osaka Prefecture)



Purpose: Hotel (404 rooms)
 Size: Steel Structure, 32 floors
 Completion: December 2019

Construction of Ginza A,B District (Aichi Prefecture)



Purpose: Condominium (81 rooms)
 Size: RC Structure, 28 floors
 Completion: March 2020

Construction of Kouzu Project (Osaka Prefecture)



Purpose: Condominium (220 rooms)
 Size: RC Structure, 30 floors
 Completion: November 2020

Izumisano City Rinku-Orai-North Plan (Osaka Prefecture)



Purpose: Hotel (700 rooms)
 Size: Steel Structure, 22 floors
 Completion: November 2020

Skyscrapers in Construction

Construction of Montre-Kashiihama Surf-Tower Center-Court (Fukuoka Prefecture)



Purpose: Condominium (588 rooms)
 Size: RC Structure, 32 floors
 Completion: February 2021

Construction of Crevia-tower Midousuji-Hommachi (Osaka Prefecture)



Purpose: Condominium (170 rooms)
 Size: RC Structure, 30 floors
 Completion: February 2022

Focus on Large-Sized Logistic Facilities to Meet the Needs in the Expanding EC Market

Aim to receive orders for logistic facilities by making full use of our comprehensive capabilities in the EC market that is expected to expand due to the COVID-2019 pandemic

Results of Production and Logistic Building

Orders received	15 (During the period of the Mid-term Plan)
Large-sized logistic facilities	2
Completion	4 (During the period of the Mid-term Plan)
Under construction	2

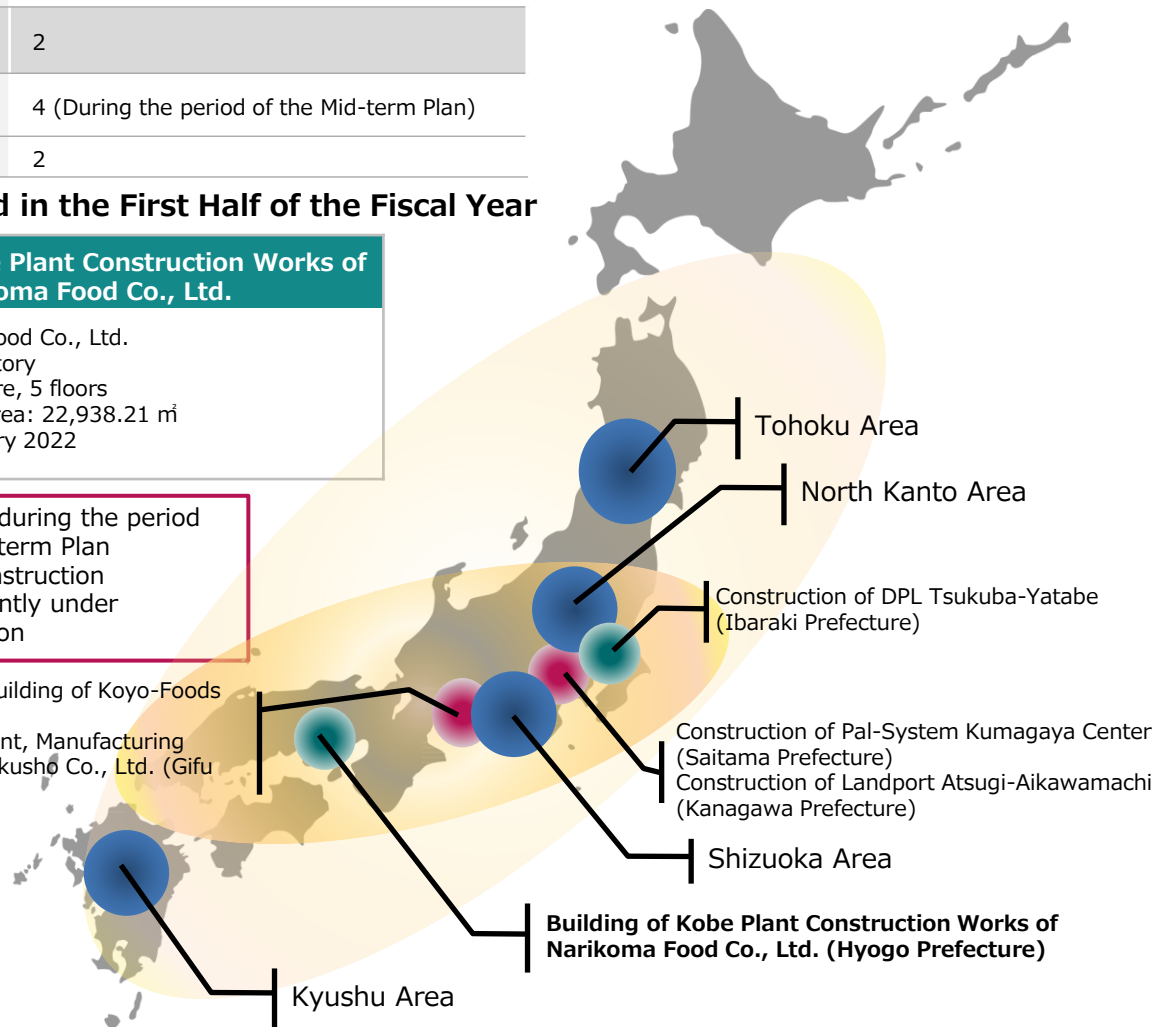
Orders Received in the First Half of the Fiscal Year

Building of Kobe Plant Construction Works of Narikoma Food Co., Ltd.

Client: Narikoma Food Co., Ltd.
 Purpose: Food Factory
 Size: Steel Structure, 5 floors
 Total Floor Area: 22,938.21 m²
 Completion: January 2022

Red: Completion during the period of the Mid-term Plan
Green: Under construction
Blue: Areas currently under consideration

Rebuilding of Factory Building of Koyo-Foods Ltd. (Aichi Prefecture)
 Construction of Seki Plant, Manufacturing Group of Aoyama Seisakusho Co., Ltd. (Gifu Prefecture)



Facilities Completed

Rebuilding of Factory Building of Koyo Co., Ltd.



Purpose: Food Factory (frozen noodles)
 Size: Steel Structure, 1 floor
 Total Floor Area: 7,240.35 m²
 Completion: June 2020

Construction of Seki Plant, Manufacturing Group of Aoyama Seisakusho Co., Ltd.



Purpose: Office and Factory
 Size: Steel Structure, 1 Floor (4 Main Buildings and 8 Attached Buildings)
 Total Floor Area: 18,528.82 m²
 Completion: October 2020

Facilities to Be Completed

Construction of DPL Tsukuba-Yatabe



Purpose: Warehouse
 Size: Steel Structure, 2 floors
 Total Floor Area: 41,293 m²
 Completion: June 2021

Construction Works Currently Under Consideration

Aim to win orders for construction works outside of major metropolitan areas

- Large-sized logistic facilities
 - Gunma Prefecture
 - Hyogo Prefecture
- Food factories
 - Saga Prefecture

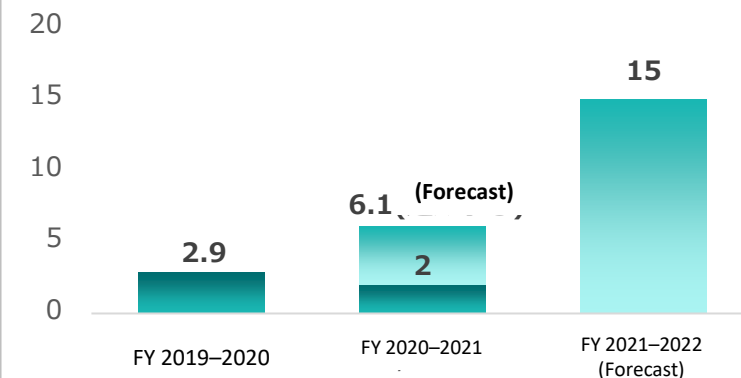
Transform into a profitable structure that is less susceptible to economic fluctuations
 Aim to achieve operating profit of 3 billion yen in the last year of Mid-term Plan Phase I

Renewable Energy Business



- We implement initiatives to achieve the Sustainable Development Goals (“SDGs”) set by the United Nations in order to achieve our management philosophy, “we will contribute to the creation of a more prosperous society”
- Entered the solar power generation business as our own business in 2013 to commit on the spread of renewable energy

Operating Profit: Results and Plan (Hundred Million Yen)

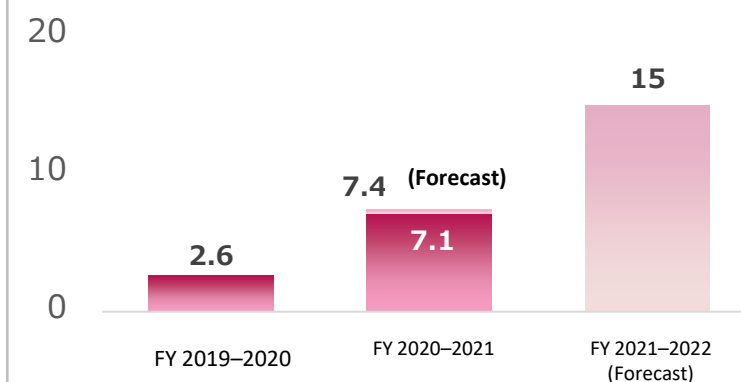


Real Estate Development Business

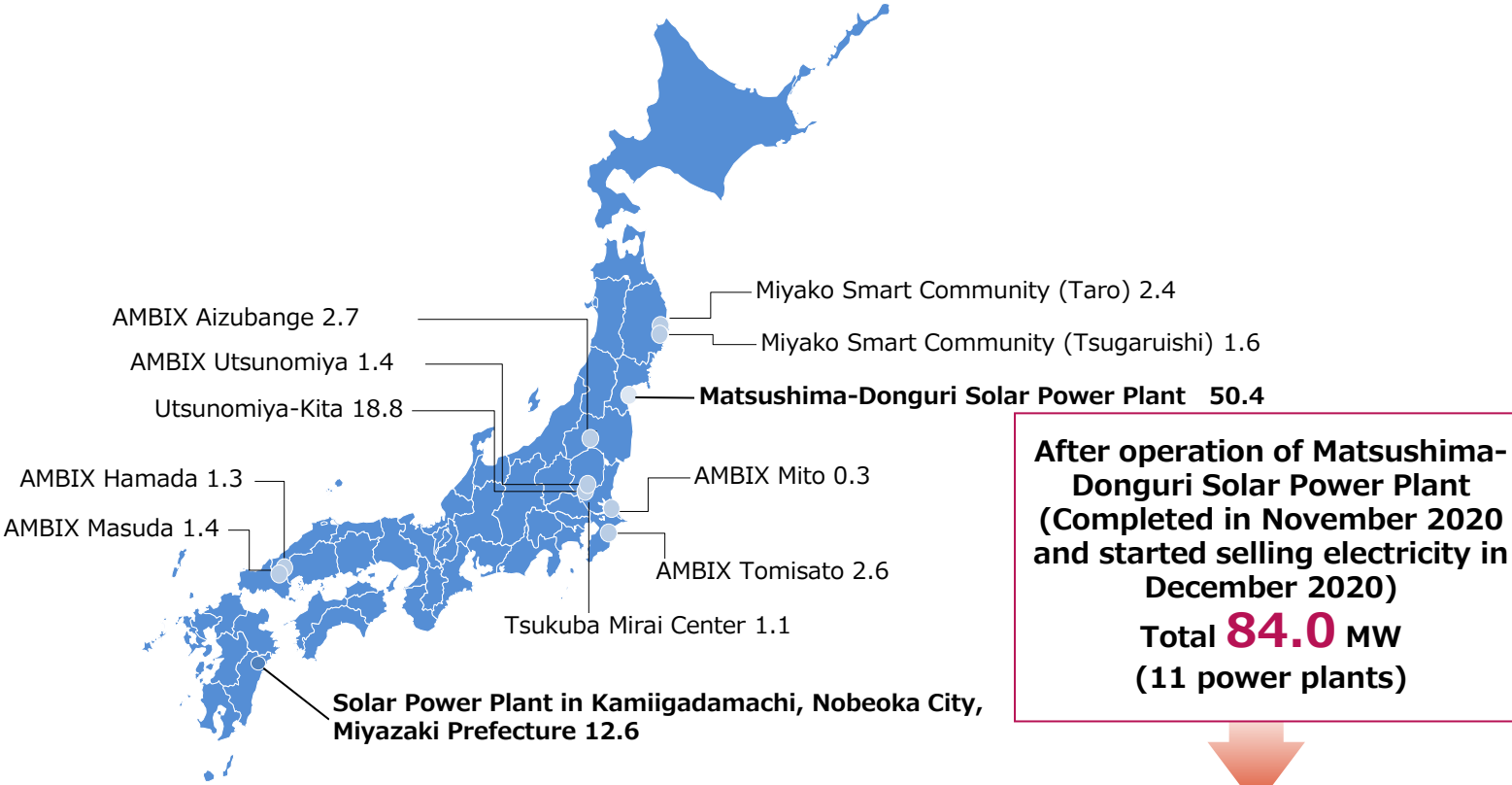


- Implement assertive investment in profitable properties to realize stable stock profit
- Consider replacement and effective utilization of our properties
- Take on new business such as “Land Readjustment Project” using each business’ strengths

Operating profit: Results and Plan (Hundred Million Yen)



About to achieve our goal of 100 MW capacity for our own solar power generation business



After operation of Matsushima-Donguri Solar Power Plant (Completed in November 2020 and started selling electricity in December 2020)
Total 84.0 MW (11 power plants)

Solar Power Plant in Kamiigadamachi, Nobeoka City, Miyazaki Prefecture

Start Operation:	Spring 2023 (planned)
Panel Capacity (kW):	12,600
PCS Capacity (kW):	10,000
Expected Capacity (kWh/year):	15,800,000
Converted to Number of General Households:	5,267

Planned Operation of 12.6 MW in Miyazaki Prefecture (Spring 2023)
Total 96.6 MW (planned) (12 Power Plants)

Major Solar Power Generation Facilities



Utsunomiya-Kita Solar Power Plant (Utsunomiya City, Tochigi Prefecture) (1)
 • Output: 18,837 kw (Number of Panels Installed: 71,085)
 • Solar Power Generation System (Hitachi, Ltd.)
 • Rated Output: 13,860 kw
 • Start of Selling Electricity: April 2017



AMBIX Solar Tomisato (Tomisato City, Chiba Prefecture)
 • Output: 2,675 kw (Number of Panels Installed: 10,920)
 • Solar Power Generation System (Hitachi Systems, Ltd.)
 • Rated Output: 1,996 kw
 • Start of Selling Electricity: January 2014



Taro Solar Power Plant (Miyako City, Iwate Prefecture) (2)
 • Output: 2,356 kw (Number of Panels Installed: 9,240)
 • Solar Power Generation System (Hitachi, Ltd.)
 • Rated Output: 1,980 kw
 • Start of Selling Electricity: October 2015



AMBIX Solar Aizubange (Aizubange-Machi, Kawanuma-Gun, Fukushima Prefecture)
 • Output: 2,693 kw (Number of Panels Installed: 10,164)
 • Solar Power Generation System (Hitachi Systems, Ltd.)
 • Rated Output: 1,996 kw
 • Start of Selling Electricity: October 2016



Tsugaruishi Solar Power Plant (Miyako City, Iwate Prefecture) (2)
 • Output: 1,607 kw (Number of Panels Installed: 6,300)
 • Solar Power Generation System (Hitachi, Ltd.)
 • Rated Output: 1,320 kw
 • Start of Selling Electricity: September 2015



AMBIX Solar Hamada (Hamada City, Shimane Prefecture)
 • Output: 1,332 kw (Number of Panels Installed: 5,124)
 • Solar Power Generation System (Hitachi Systems, Ltd.)
 • Rated Output: 1,000 kw
 • Start of Selling Electricity: December 2015

Notes: 1. Business Owner: Utsunomiya-Kita Solar Power Generation LLC
 2. Business Owner: Miyako Power Generation LLC

Matsushima-Donguri Solar Power Plant, which had been under construction by JDC since 2018, was completed and started selling electricity

Matsushima-Donguri Solar Power Plant (Miyagi Prefecture)



Business Entity	Matsushima Solar Power LLC
Location	63-1 Hatayaizumigahara, Matsushima-machi, Miyagi-gun, Miyagi Prefecture
Total Development Cost	Approximately 12 Billion Yen
Period of Selling Electricity	20 Years from 2020 (Scheduled)
Unit Price of Electricity	36 Yen (Excluding Tax)
Buyer of Electricity	Tohoku Electric Power Co., Inc.
Construction	JDC Corporation
Module	Canadian Solar
Power Conditioner	Hitachi, Ltd.

Matsushima-Donguri Solar Power Plant
 (December 2020)
Total 50.4 MW
Approx. 2 Billion Yen/Year
 (Estimated Earning)

Contributing to the Local Community Through Solar Power Generation Business

Matsushima-Donguri Solar Power Plant Completion Ceremony was held on November 12

- Donated a 3D diorama of Matsushima Town to commemorate the completion
- Constructed on the former site of a pit for land elevation (160 ha), acquired in 2012 after the Great East Japan Earthquake

Scale (The third largest in the Prefecture)

- Capacity: Approx. 50 MW (electricity for approx. 18,000 households)
- Amount of CO₂ Reduction: 29,000 t/Year

Presentation Ceremony of the Memento (at Matsushima Town Hall)



Matsushima Town Mayor Koichi Sakurai (right)



Demonstration of the memento, projection mapping diorama

Implement assertive investment in profitable properties to realize stable stock profit

Investment in Stock Profit

Secure Stable Profit

Azu Shinagawa



Purpose: Office
 Acquisition Cost: 17 Hundred Million Yen
 Obtained: November 2019
 Earning (Estimated): 1.0 Hundred Million Yen/Year

Landport Atsugi-Aikawamachi (JDC Development Business)



Place: Aikou-Gun, Kanagawa Prefecture
 Purpose: Multi Tenant type Logistic Facility
 Total Development Cost: Approximately 17 Billion Yen
 Completion: March 2020
 Earning (Estimated): 3.0 Hundred Million Yen/Year

L-Place Nishi-Kasai



Purpose: Dormitory
 Acquisition Cost: 8.9 Hundred Million Yen
 Obtained: March 2020
 Earning (Estimated): 0.7 Hundred Million Yen/Year

AMBIX Midorino (JDC Development Business)



Purpose: House and Store
 Total Development Cost: 11 Hundred Million Yen
 Completion: August 2020
 Earning (Estimated): 0.6 Hundred Million Yen/Year

Sale of Real Estate Owned by JDC

Real Estate Sold in the First Half of the Fiscal Year

Life Fukuizumi



Purpose: Commercial Facility
 Sold: September 2020

Karakusa Hotel Sapporo



Purpose: Accommodations
 Sold: September 2020

Utilization of Real Estate Owned by JDC

Real Estate Owned by JDC

■ Total of 4 properties owned by JDC, including **Otowa Building (Bunkyo-Ward, Tokyo)**

New Projects under Consideration

- Land Readjustment Projects
 - Kashiwa City Kashiwa Interchange West Land Readjustment Project (Chiba Prefecture)
 - Matsushima Innovation Hills (Miyagi Prefecture)
 - Entry into Land Readjustment Projects within Saitama Prefecture and Chiba Prefecture
- Other
 - Effective utilization of unused land owned by JDC

Consider redevelopment, etc.

Develop Land Readjustment Projects Through Cooperation of Each Business

Civil Engineering Business

Recognized for its large-scale site preparation works utilizing machinery



Building Business

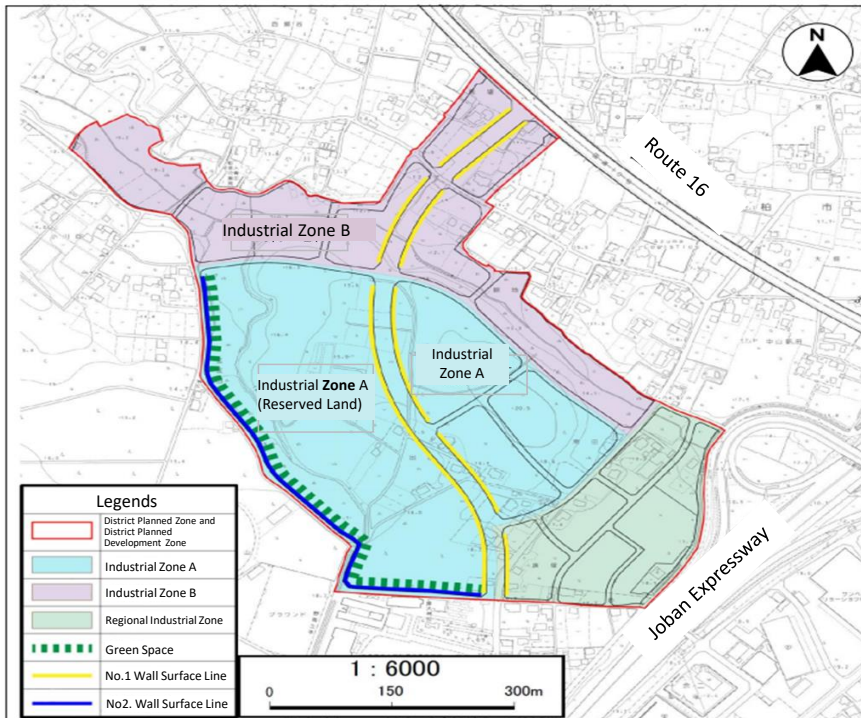
Provides construction technologies based on experience in construction of logistic facilities, factories, etc.



Development Business

Accumulated know-how in real estate development, mega solar business, etc. Able to support from planning to operation

Kashiwa City Kashiwa Interchange West Land Readjustment Project (Chiba Prefecture)



- Civil Engineering Business**
 Succeeded in receiving orders as the construction agent for site preparation works with a construction area of 30.4 ha
 - Building Business**
 Expand into design and construction of logistic facilities, etc.
 By uniting civil engineering works and building construction works, it is possible to shorten construction period and reduce construction costs
 - Development Business**
 Plan to acquire land within land for readjustment
 (Joban Expressway Kashiwa Interchange west area)
- * Kashiwa City webpage ("Kashiwa City Kashiwa Interchange West Land Readjustment Project")

New Projects under Consideration

- Matsushima Innovation Hills (Miyagi Prefecture)**
 Considering land readjustment project (70 ha)
 Ahead of the above, Matsushima-Donguri Solar Power Plant was completed in November 2020



- Entry into land readjustment projects within Saitama Prefecture and Chiba Prefecture**
- Promote commercialization through effective utilization of unused land owned by JDC**

■ Bangladesh: Completion of Test Water Treatment Plants Using Our Proprietary Functional Adsorbent



Remotely-held opening ceremony



Ceremony at the site



Water treatment facilities in the plant



[Functional Adsorbent]

- We have been improving LDH (Layered Double Hydroxide), which is used to remove anion since March 2004
- By nanosizing the substance, we have succeeded to improve its ability and manufacture material adaptable to a wide range of ion species (patented in 2007)
- This technology is first in Japan, according to our investigation

- In December 2020, test water treatment plants were completed and started test operations in Bangladesh (Despite restrictions on overseas travel due to COVID-2019, we started operations successfully by remotely connecting Japan and Bangladesh)
 - Using our proprietary functional adsorbent, the plants supply safe water to a village suffering from serious arsenic pollution
 - The plants can treat approximately 8,000 liters of water per day (satisfy the demand for water in a village)
- We plan to supply water for schools (500–800 liters per day) after system verification by operating about 6 months, and potentially establish small water-supply systems

▶ Aim for sales of 10 billion yen in 2030, including infrastructure development

■ Establishment of Local Subsidiary in Thailand: Obtained Approval in October 2020

- Name of Local Subsidiary : **KOKUDO JDC (Thailand) Co., Ltd.**
- Business Activities: Expansion of Construction Business as a Hub in the ASEAN Region

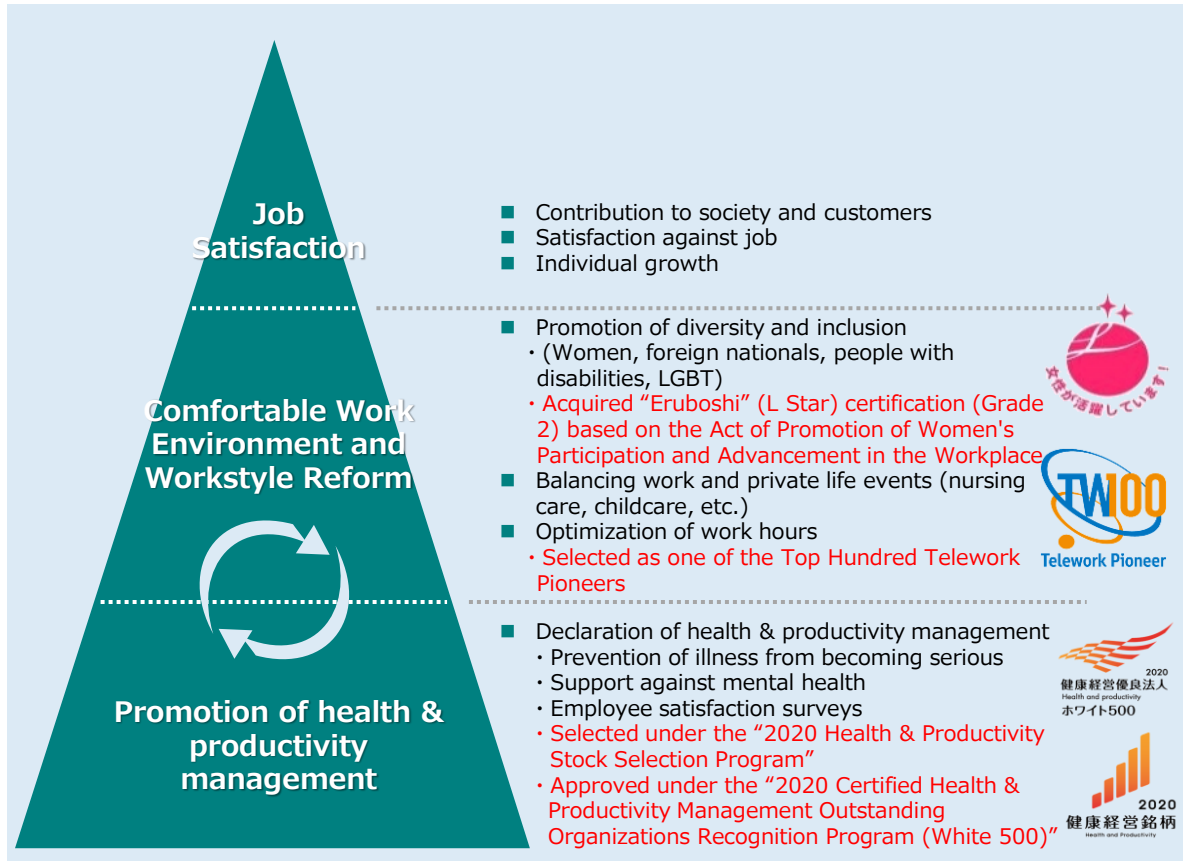
Workstyle Reform and Health Management

Based on our management philosophy, “we will contribute to the creation of a more prosperous society,” we promote SDGs business management. As part of the initiatives, we act in pursuit of workstyle reform and health management to realize diversity and inclusion.

Advancing workstyle reform: With the aim of fully implementing a five-day workweek at construction sites, we promote productivity improvement with a focus on construction sites (Annual overtime target of 720 hours: In FY 2021-2022)

Health management: Our president himself assumed the position of Chief Health Officer (CHO), and we established “Declaration of health & productivity management” in September 2018. The Company, health insurance association, and communication council (employee organization) closely work together.

■ Actions During the Full Year



■ Results During the First Half of the Fiscal Year

Certified as a Company Implementing Diverse Workstyles (Gold) by Saitama Prefecture

Saitama Sales Office earned Gold certification (met 5 out of 9 criteria) in the system for recognizing companies implementing diverse workstyles, driven forward by Saitama Prefecture. We will continue to create an environment where diverse human resources can showcase their abilities to the fullest.



Sapporo Sales Office Was Featured on the Japan Federation of Construction Contractors Website as a Case Study of Workstyle Reform



Unified efforts by Sapporo Sales Office staff to support construction sites in neighboring areas at busy times were featured in October 2020. Reducing long work hours is a challenge for the entire construction industry. We will review the issues found in the above initiatives and continue to advance workstyle reform with the aim of fully implementing a five-day workweek at construction sites.

ESG Management

■ Environment (E)

Japan has declared to reduce greenhouse gas emissions to net zero by 2050.
We will realize net carbon neutral by operating 100MW scale solar power plants.

Solar Power Plants	FY 2019-2020		FY 2020-2021 (Goal)		FY 2021-2022 (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	10 Places (33.6MW)		11 Places (84.0MW)		11 Places (84.0MW)	
Total	13,244	21,200	22,278*3	35,658*3	31,311	50,115

*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

Fukushima Ecocrete 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

Rotary crushing and mixing method (Twister Method)

- Significantly increases the recycling rate of the soil generated in construction works
- Contribute to CO₂ reduction as there is no need to dispose of remaining soil

Bangladesh: Water Treatment Using Our Proprietary Functional Adsorbent

- Can treat 8,000 liters of water per day (satisfies the demand for water in a village), and supplies safe water to a village suffering from serious arsenic pollution
- Plan to supply water for schools (500–800 liters per day) after system verification, and potentially establish small water-supply systems

■ Social (S)

JDC Foundation Inc. decided to support new projects in FY 2020

Decided to support academic research and human resource development projects conducive to the SDGs as follows:

- ◆ Grants for academic research 10 projects
- ◆ Grants for educational facilities 7 projects
- ◆ Scholarship 1 project

March 2020

- Selected under the "2020 Health & Productivity Stock Selection Program"
- Approved under the "2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)"



■ Governance (G)

Enhancement of Information Disclosure

- Commenced distributing a video clip of the financial results briefing session
- Commenced holding briefing sessions for retail investors
- Disclosure of summary of consolidated financial results and presentation materials for financial results briefing session in English

Establishment of advisory committee

Established a voluntary nomination and compensation committee in August 2020

【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.

〈Contacts〉



KOKUDO

JDC CORPORATION

Planning Division

Project Management Group

Tel : 03-5410-5720

E-mail : jdc-ir@n-kokudo.co.jp

URL : <http://www.jdc-corporation.com/>

JDC Corporation was listed in the first section of the Tokyo Stock Exchange on March 5, 2019.

