

FY 2021 – 2022

# Financial Results



JDC CORPORATION

Contribute to the creation of a more prosperous society

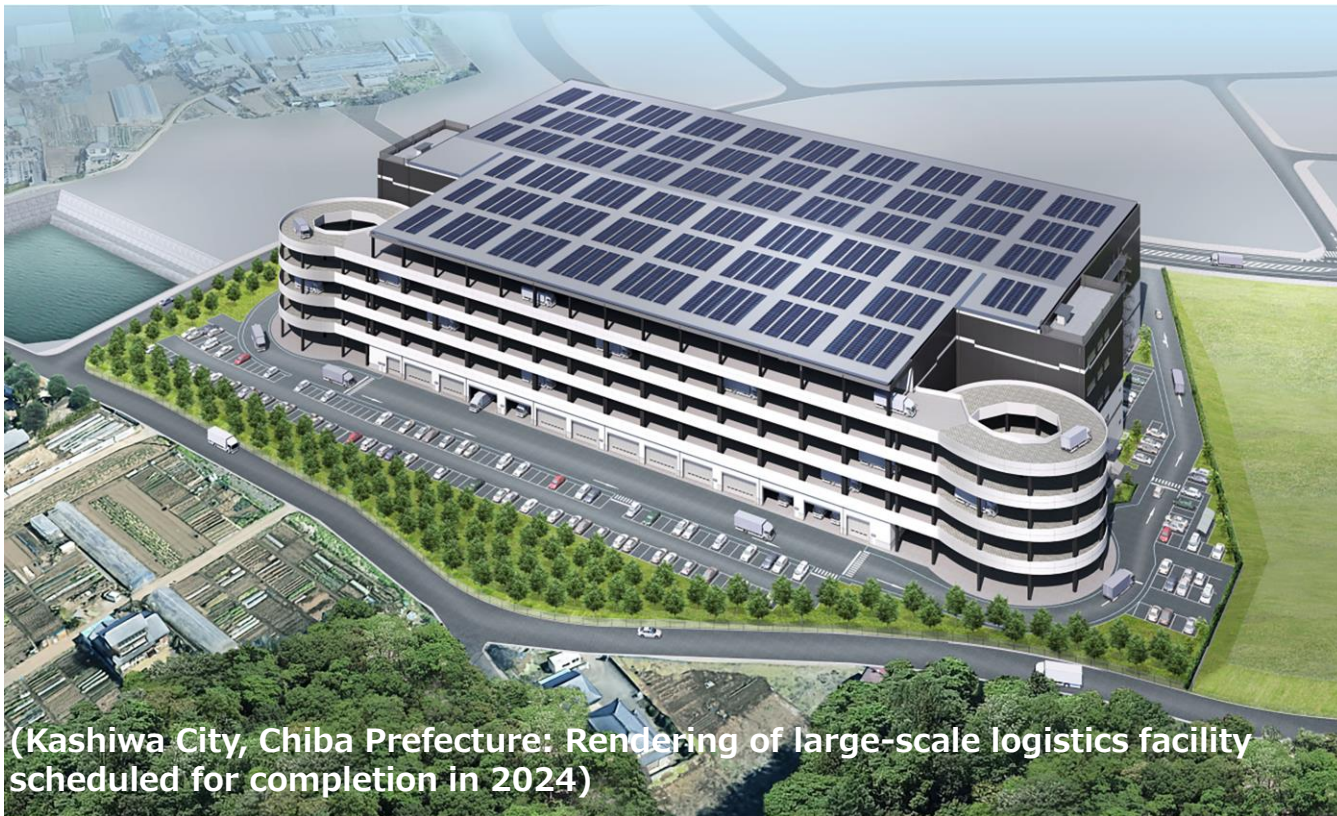
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IZUMI PEAK BASE™

2022.7.28 GRAND OPEN





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# **FY 2021-2022 Highlights (Review of the Previous Mid-term Plan)**

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1

## ■ Revenue increased and profit decreased year on year

Full-year forecast achievement rate Net sales: 100.1% Operating profit: 109.0% Profit: 108.7%

2

## ■ Orders increased year on year

Construction Business (Civil Engineering & Building): Remained at the high level of 141.8 billion yen, up 2.8% year on year.

Although the Civil Engineering Business struggled, the Construction Business received more orders than expected due to strengthened design capabilities.

Projects in process are expected to contribute to financial results in the next fiscal year, at approximately 190 billion yen.

3

## ■ Full-year review

Construction Business: Profit decreased significantly year on year due to a reduction in profitable projects.

Development Business: Increase stable profit in the solar power generation business, etc. and stabilize various profits through real estate development.

Profit attributable to owners of parent reached the initial plan.

4

## ■ Return to stakeholders

Paid an annual dividend of 26 yen per share as planned (achieved the target payout ratio of 30%) .

Decided to acquire treasury share (maximum: 5 million shares \* All treasury share acquired will be retired.

# Review of the Previous Mid-term Plan

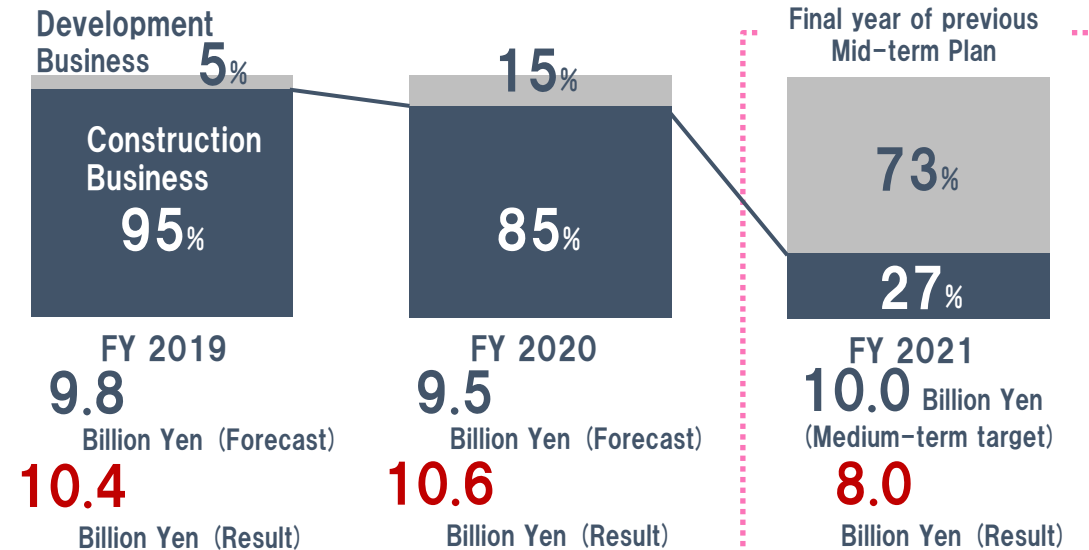
## Largely Achieved the Previous Mid-term Plan

Steady progress of business portfolio reforms promoted in the previous Mid-term Plan in anticipation of the earthquake reconstruction business coming to an end.

Development Business (Real Estate Development Business and Energy Business) have grown into pillars of profit supporting the Company for three years.

Profit reached the plan.

### Composition Ratio of Operating Profit



### Profit Attributable to Owners of Parent



### FY 2021 Indices

Item	Target	Result
ROE	8% or above	9.7%
Capital adequacy ratio	Around 45%	51.2%
Payout ratio	30%	32.1%

# II

## Results of FY2021-2022 and Forecasts for FY2022-2023

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## II

# Results of FY2021-2022 and Forecasts for FY2022-2023

## 1. Financial Results for FY2021-2022

# [Consolidated] Summary



## Net Sales

**1,268** Hundred Million Yen

(Achievement against forecast : 100.1%)

## Operating income

**80** Hundred Million Yen

(Achievement against forecast : 109.0%)

## Net income

**74** Hundred Million Yen

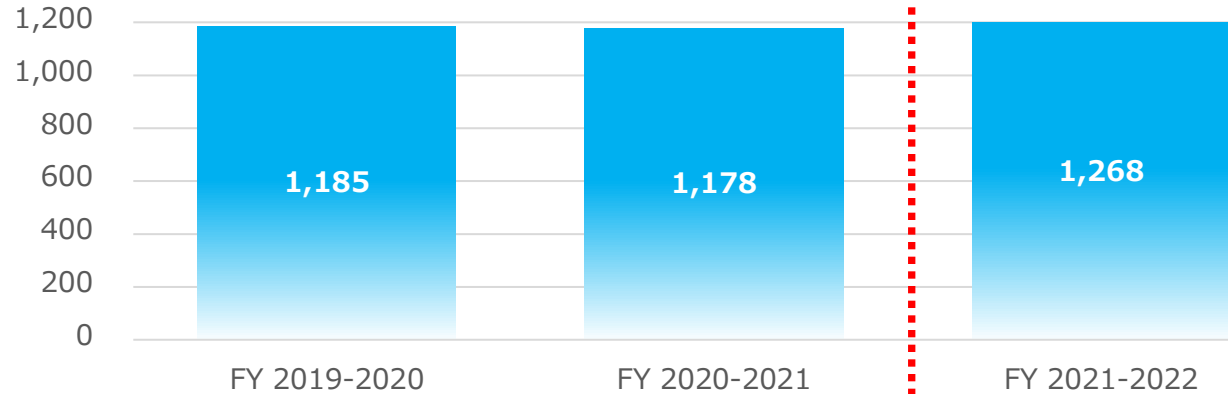
(Achievement against forecast : 108.7%)

## Orders

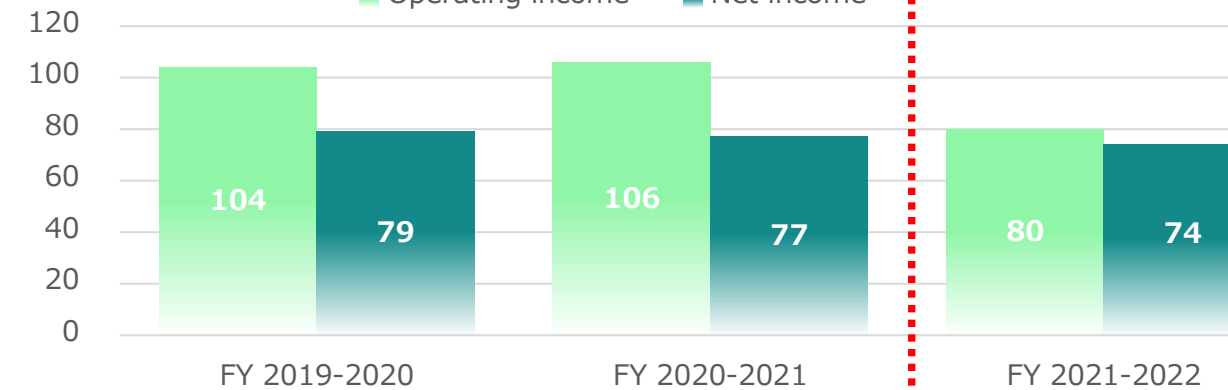
**1,556** Hundred Million Yen

(Increase Year-on-year : 6.4%)

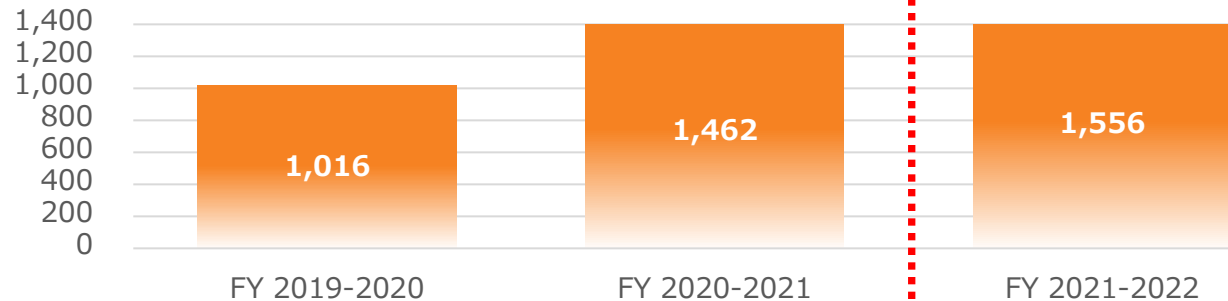
(Hundred Million Yen)



(Hundred Million Yen)



(Hundred Million Yen)





# [Consolidated] Performance

(Million Yen)

	FY 2020-2021	FY 2021-2022			
		Forecasts	Results	Changes	Achievement Rate
Net Sales	117,803	126,700	126,790	7.6%	100.1%
Operating Profit	10,564	7,300	7,957	(24.7%)	109.0%
Ordinary Profit	10,585	7,600	8,398	(20.7%)	110.5%
Profit Attributable to Owners of Parent	7,713	6,800	7,389	(4.2%)	108.7%
Orders	146,190	170,000	155,602	6.4%	91.5%

# [Consolidated] Segment Information

(Million Yen)

		FY 2020-2021		FY 2021-2022		Change	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	55,216	46.9%	54,071	42.6%	(1,145)	(2.1%)
	Building Business	54,348	46.1%	58,924	46.5%	4,576	8.4%
	Development Business	8,238	7.0%	13,795	10.9%	5,557	67.5%
	Total	117,803	100.0%	126,790	100.0%	8,987	7.6%
Selling, general and administrative expenses		8,459	—	9,039	—	580	6.9%
Operating Profit	Civil Engineering Business	3,903	36.8%	628	7.9%	(3,275)	(83.9%)
	Building Business	5,073	47.8%	1,542	19.2%	(3,531)	(69.8%)
	Development Business	1,637	15.4%	5,823	72.9%	4,186	255.7%
	Total	10,564	100.0%	7,957	100.0%	(2,607)	(24.7%)

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

# [Consolidated] Balance Sheet



(Million Yen)

	As of May 31, 2021		As of May 31, 2022		Changes		Major Increase and Decrease
	Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage	
Current Assets	99,823	67.1%	110,532	71.4%	10,709	10.7%	<b>Current Assets</b>
Non-Current Assets	48,943	32.9%	44,192	28.6%	(4,751)	(9.7%)	Notes receivable, accounts receivable from completed construction contracts 15,039
Total Assets	148,766	100.0%	154,724	100.0%	5,958	4.0%	Real estate for sale (3,491)
Current Liabilities	39,486	26.5%	43,809	28.3%	4,323	10.9%	Advances paid (2,676)
Non-Current Liabilities	35,069	23.6%	30,968	20.0%	(4,101)	(11.7%)	<b>Non-Current Assets</b>
Total Liabilities	74,555	50.1%	74,778	48.3%	223	0.3%	Machinery, vehicles, tools, furniture and fixtures (5,970)
Liability with Interest	35,668	24.0%	30,035	19.4%	(5,635)	(15.8%)	Buildings and structures (3,081)
Net Assets	74,211	49.9%	79,946	51.7%	5,735	7.7%	<b>Current Liabilities</b>
Total Liabilities and Net Assets	148,766	100.0%	154,724	100.0%	5,958	4.0%	Notes payable, accounts payable for construction contracts 6,085
Capital Adequacy Ratio	49.6%		51.2%			1.6P	Short term borrowings (1,540)
							Advances received on construction contracts in progress 1,800
							Deposits received (621)
							<b>Non-Current Liabilities</b>
							Long-term borrowings (4,260)

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



(Million Yen)

## FY 2020-2021

	Orders	Year-on-year change	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Year-on-year change	Composition Ratio
Civil Engineering Business	68,297	20,387	49.5%	55,216	50.4%	82,443	13,081	51.0%
Building Business	69,690	18,841	50.5%	54,348	49.6%	79,159	15,342	49.0%
Total	137,987	39,228	100.0%	109,564	100.0%	161,602	28,423	100.0%

## FY 2021-2022

	Orders	Year-on-year change	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Year-on-year change	Composition Ratio
Civil Engineering Business	48,096	(20,201)	33.9%	54,071	47.9%	76,468	(5,975)	40.2%
Building Business	93,731	24,041	66.1%	58,924	52.1%	113,966	34,807	59.8%
Total	141,828	3,841	100.0%	112,995	100.0%	190,434	28,832	100.0%

## Civil Engineering Business

### Hayato solar power plant site preparation work



Construction Site	Kagoshima prefecture
Outline	Cutting and Filling : 600,000m <sup>3</sup> Regulating pond construction(1 new location,2 existing locations) Logging, reinforced earth walls, drainage, slopes, water supply, paving(general construction works for each)
Construction Period	January 2020 to January 2022

## Building Business

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



Construction Site	Hyogo prefecture
Purpose	Food factory
Outline	Steel Structure, 5 floors Building area : 6,964.95m <sup>2</sup> Total floor area : 23,770.19m <sup>2</sup>
Construction Period	October 2020 to January 2022

## II

# Results of FY2021-2022 and Forecasts for FY2022-2023

## 2. Forecasts for FY 2022-2023

# [Consolidated] Forecast of Financial Results

(Million Yen)

	FY 2021-2022	FY 2022-2023(Forecast)		
		Forecast	Changes	
			Amount	Percentage
Net Sales	126,790	171,000	44,210	34.9%
Gross Profit	16,996	17,700	704	4.1%
Gross Profit Margin	13.4%	10.3%	—	(3.1P)
Selling, general and administrative expenses	9,039	7,160	(1,879)	(20.8%)
Adjustment amount*	(36)	(1,540)	1,504	—
Operating Profit	7,957	9,000	1,043	13.1%
(Operating Profit Margin)	6.3%	5.3%	—	(1.0P)
Ordinary Profit	8,398	9,100	702	8.4%
Profit Attributable to Owners of Parent	7,389	6,300	(1,089)	(14.7%)

\*Adjustment amount reflect new business expenses, R&D expenses, and inter-segment transaction eliminations (consolidation eliminations).

# [Consolidated] Forecast of Financial Results by Segment



(Million Yen)

		FY 2021-2022		FY 2022-2023 (Forecast)		Changes	
		Amount	Composition Ratio	Amount	Composition Ratio	Amount	Percentage
Net Sales	Civil Engineering Business	54,071	42.6%	64,000	42.0%	9,929	18.4%
	Building Business	58,924	46.5%	95,000	48.0%	36,076	61.2%
	Development Business	13,795	10.9%	12,000	10.0%	(1,795)	(13.0%)
	Total	126,790	100.0%	171,000	100.0%	44,210	34.9%
Selling, general and administrative expenses		9,039	—	7,160	—	(1,879)	(20.8%)
Segment Profit	Civil Engineering Business	628	7.9%	2,740	29.4%	2,112	336.3%
	Building Business	1,542	19.2%	2,670	26.5%	1,128	74.1%
	Development Business	5,823	72.9%	5,130	44.1%	(693)	(11.9%)
	Total	—	—	10,540	—	—	—
Adjustment amount*		(36)	—	(1,540)	—	1,504	—
Operating Profit		7,957	100.0%	9,000	100.0%	1,043	13.1%

\*Adjustment amount reflect new business expenses, R&D expenses, and inter-segment transaction eliminations (consolidation eliminations).



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



(Million Yen)

## FY 2021-2022

	Orders	Year-on-year change	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Year-on-year change	Composition Ratio
Civil Engineering Business	48,096	(20,201)	33.9%	54,071	47.9%	76,468	(5,975)	40.2%
Building Business	93,731	24,041	66.1%	58,924	52.1%	113,966	34,807	59.8%
Total	141,828	3,841	100.0%	112,995	100.0%	190,434	28,832	100.0%

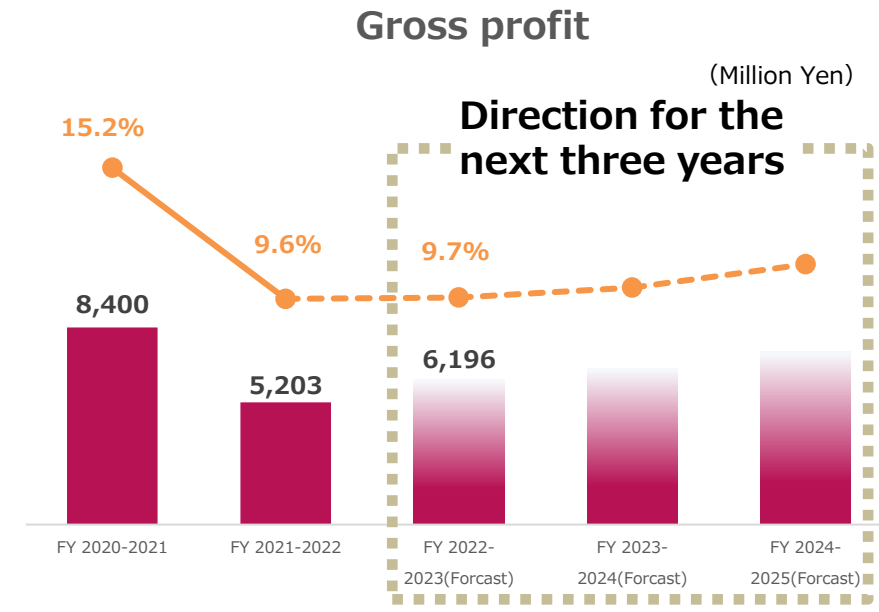
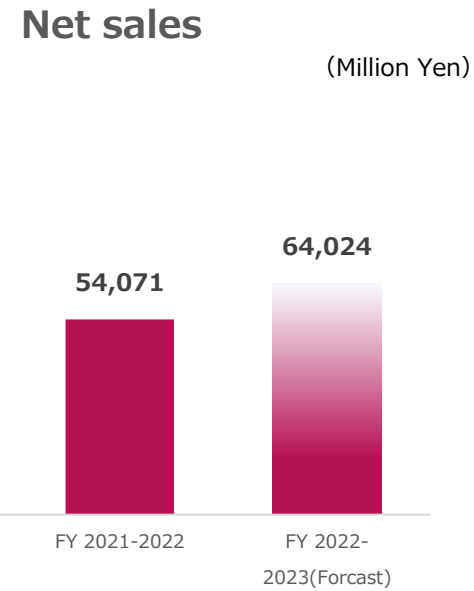
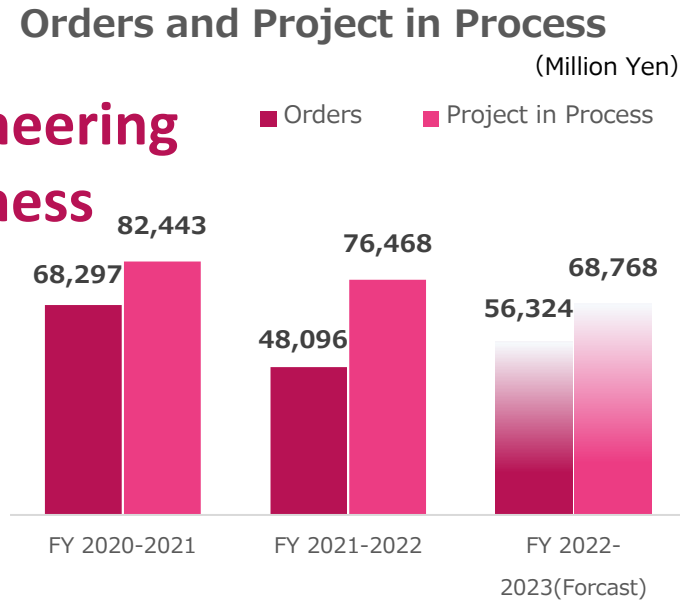
## FY 2022-2023(Forecast)

	Orders	Year-on-year change	Composition Ratio	Net Sales	Composition Ratio	Projects in Process	Year-on-year change	Composition Ratio
Civil Engineering Business	56,300	8,204	37.8%	64,000	40.3%	68,768	(7,700)	38.1%
Building Business	92,700	(1,031)	62.2%	95,000	59.7%	111,666	(2,300)	61.9%
Total	149,000	7,172	100.0%	159,000	100.0%	180,434	(10,000)	100.0%

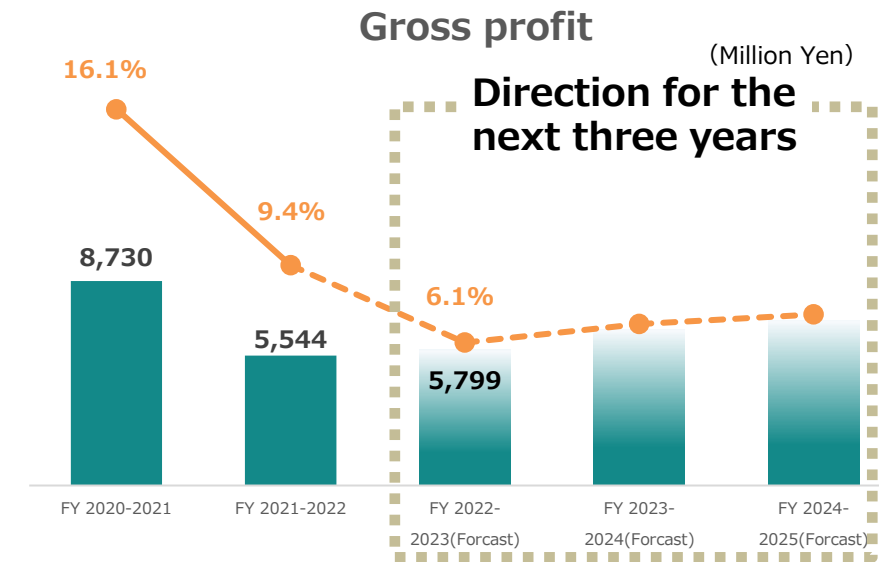
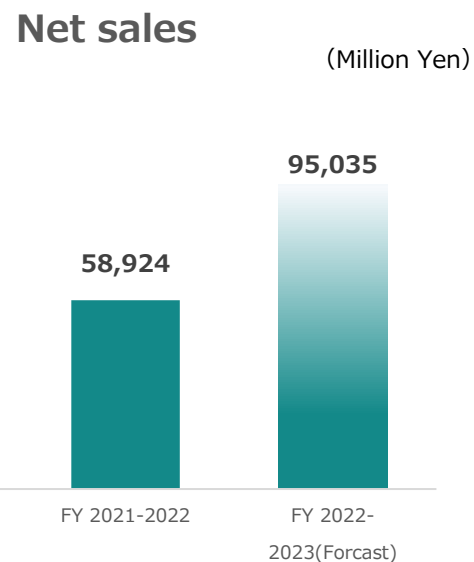
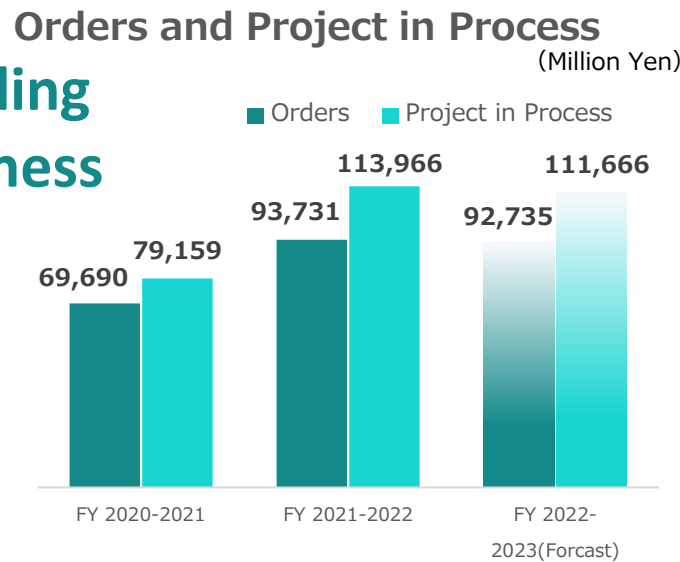
# [Consolidated] Forecast of Orders and Project in Process, Net sales, Gross profit (Civil Engineering & Building Business)



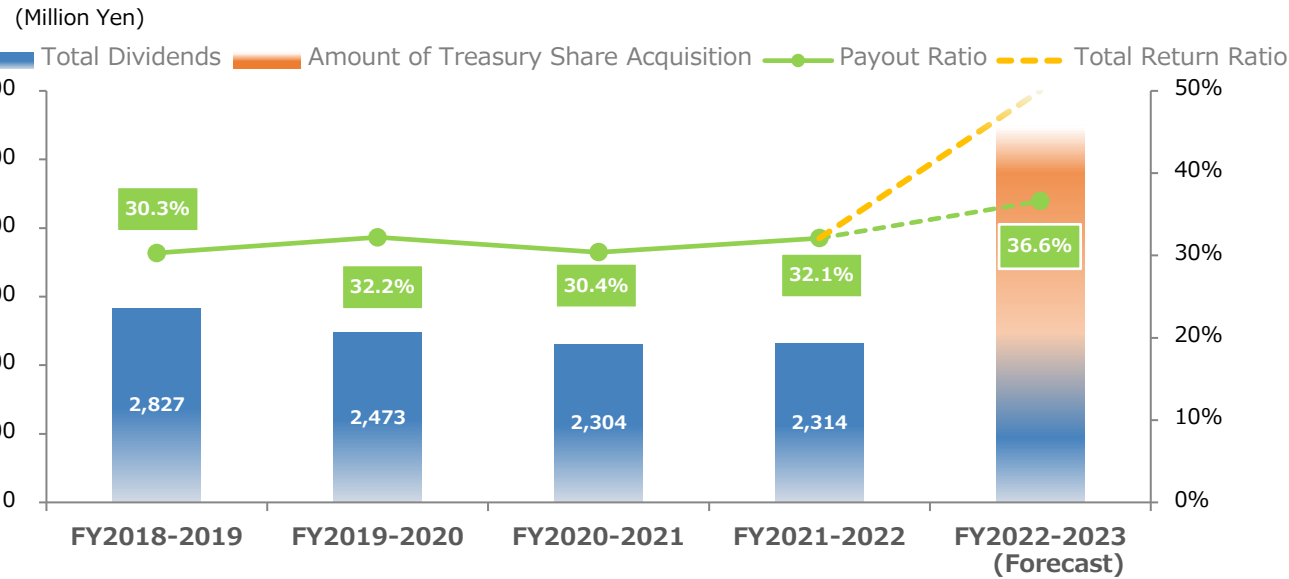
## Civil Engineering Business



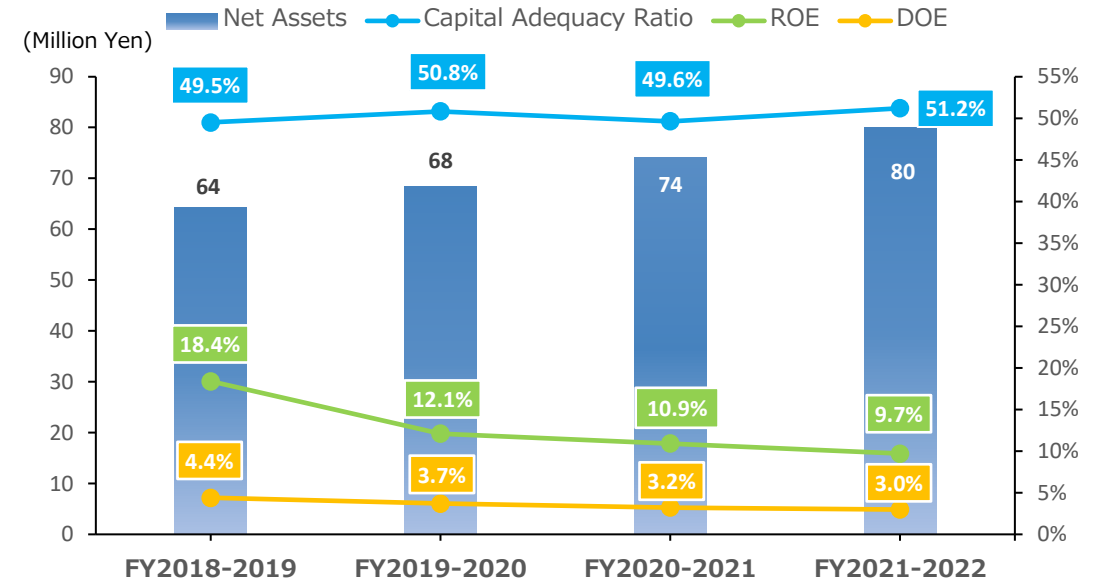
## Building Business



## ■ Total Dividends/Payout Ratio (Amount of Treasury Share Acquisition/Total Return Ratio)



## ■ Net Assets • Capital Adequacy Ratio/DOE (Dividend on Equity) • ROE (Return on Equity)



### ■ Dividends for FY 2021-2022

**26 Yen/year**

(Will maintain compared to the previous year)

**Payout Ratio will maintain at 30% or above**

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).

### ■ Forecast of Dividends for FY 2022-2023 and Dividend Policy

**26 Yen/year**

(Will maintain compared to the previous year)

**DOE 2.5 - 3.0% level**

To date, we have targeted a payout ratio of 30% for return to stakeholders. However, in view of the impact from profit fluctuations, going forward we will adopt "DOE," which is based on shareholders' equity, in order to continuously implement a more stable return to stakeholders.

At the same time, we aim to enhance shareholder value over the medium to long term, including through the flexible acquisition of treasury share.

**Decided to Acquire Treasury Share 5 million shares/3.0 billion yen (Maximum)**

5.6% of total outstanding shares (excluding treasury share)

Acquisition period: From July 19, 2022 to April 28, 2023  
 Acquisition method: Market purchases including Off-Auction Own Share Repurchase Trading (ToSTNeT-3) on the Tokyo Stock Exchange  
 Other: All acquired shares will be **retired**

# Long-term Goals/ Mid-term Plan 2024

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# Long-term Goals/Mid-term Plan 2024

## Long-term Goals and Mid-term Plan 2024

**Management Philosophy** We will contribute to the creation of a more prosperous society.

**Long-term Goals (until FY 2030)** To be a “cutting-edge construction company” that solves social issues.

**Mid-term Plan 2024 (Three years until FY 2024)**

Create “unique strengths”

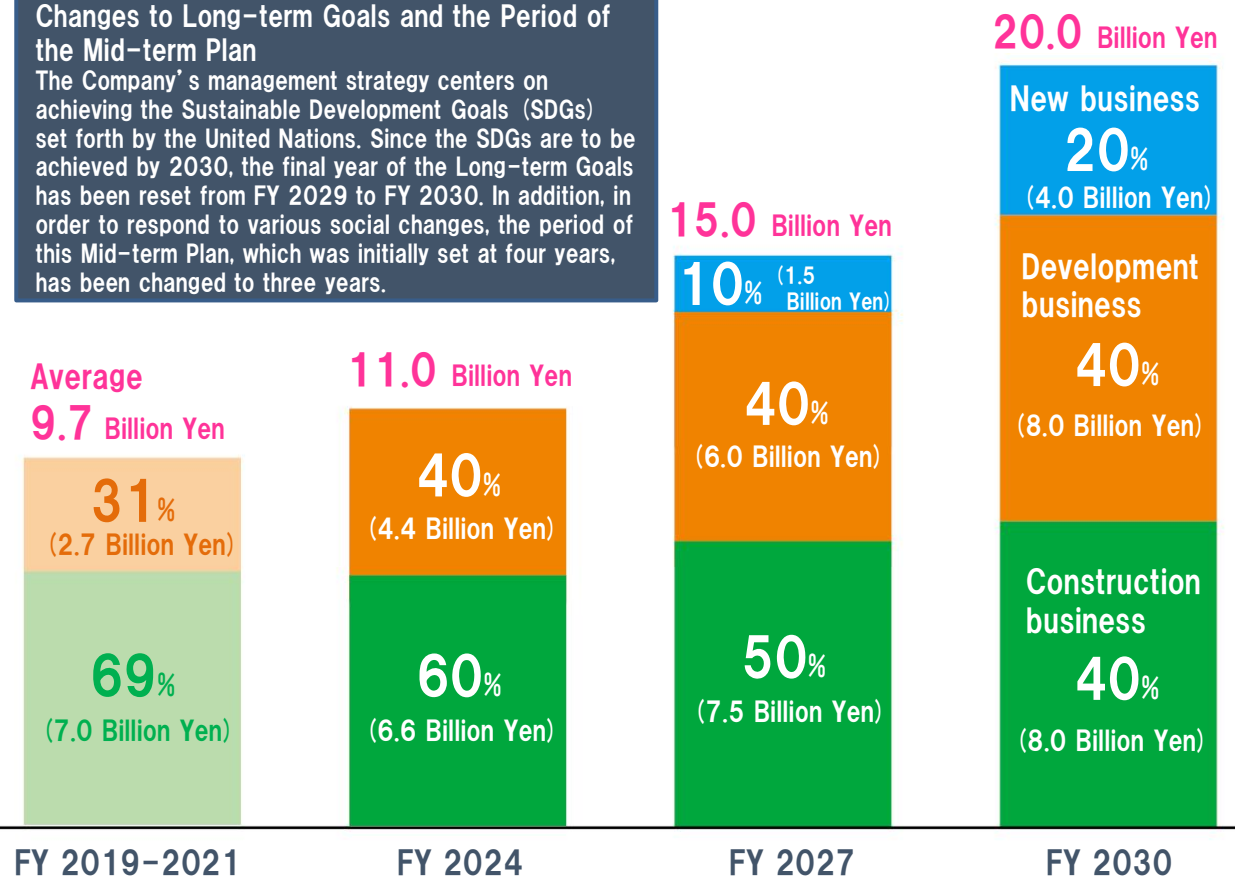
- (1) Shift construction from “people” to “machinery”.
- (2) Build new business domains.

In the previous Mid-term Plan, we established “construction × machinery × ICT” as our long-term goal, and promoted mechanization with the aim of improving productivity. Going forward, we will add DX (Digital Transformation) with the aim of realizing a new productivity revolution. In addition, we will create “unique strengths” that only JDC Corporation possesses to build new business domains not limited to the Construction Business, and will raise the profitability of the entire Group by increasing our market share in certain domains.

## Operating Profit Target by FY 2030

The “Mid-term Plan 2024” is a period during which we will improve profits in the Construction Business, expand the Development Business, and focus on creating new business. From FY 2027, we will promote the establishment of a new business portfolio with the aim of generating profits from new business.

**Changes to Long-term Goals and the Period of the Mid-term Plan**  
 The Company’s management strategy centers on achieving the Sustainable Development Goals (SDGs) set forth by the United Nations. Since the SDGs are to be achieved by 2030, the final year of the Long-term Goals has been reset from FY 2029 to FY 2030. In addition, in order to respond to various social changes, the period of this Mid-term Plan, which was initially set at four years, has been changed to three years.



To Realize our Management Philosophy, “We will Contribute to the Creation of a More Prosperous Society.”



The history of the Company’s founding lies in the reconstruction of a country left in devastation after the war, and began with the business of renting heavy equipment with an accompanying operator. By transitioning from construction methods relying heavily on human power to construction methods utilizing construction machinery, we realized the social issue of a “productivity revolution in the construction industry.” We have achieved the mechanization and DX transformation in the construction industry, and will once again provide society with a “productivity revolution in the construction industry,” become a “cutting-edge construction company” that solves social issues in the world, and realize our Management Philosophy, “We will contribute to the creation of a more prosperous society.”

## JDC Corporation’s Vision

To be a “Cutting-edge Construction Company” that Solves Social Issues

We will become a “cutting-edge construction company” that transcends the concept of the construction industry, and become a company that solves various social issues in the world, and provides new value on a global scale.

## What is a “cutting-edge construction company”?

- Engage in initiatives to improve productivity, including labor savings, through **mechanization and DX transformation**
- Become a company where it is safe and comfortable to work through **workstyle reforms**
- Build a robust business portfolio **capable of responding to change**

Focus on 4 initiatives to support these



# Mid-term Plan 2024 (Policy and Numerical Targets)

Create “Unique Strengths”

① Shift Construction from “People” to “Machinery”

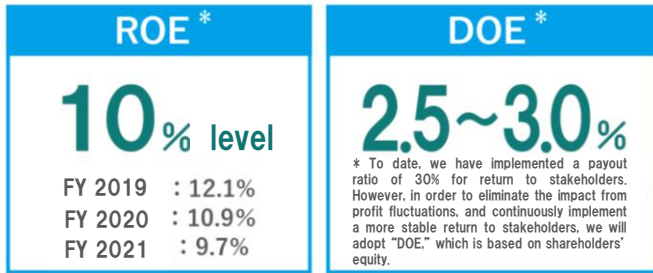
② Build New Business Domains

What to achieve over three years to meet profit targets

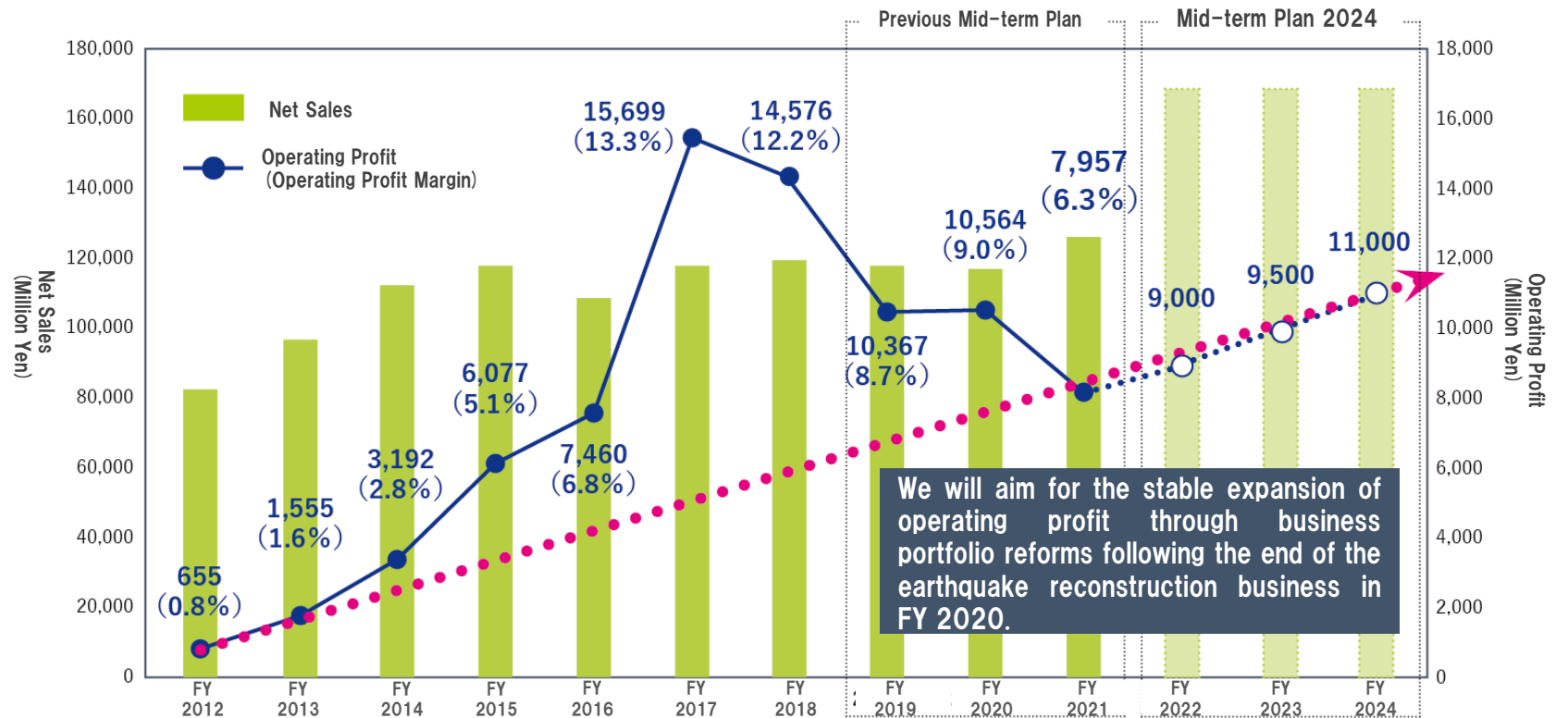
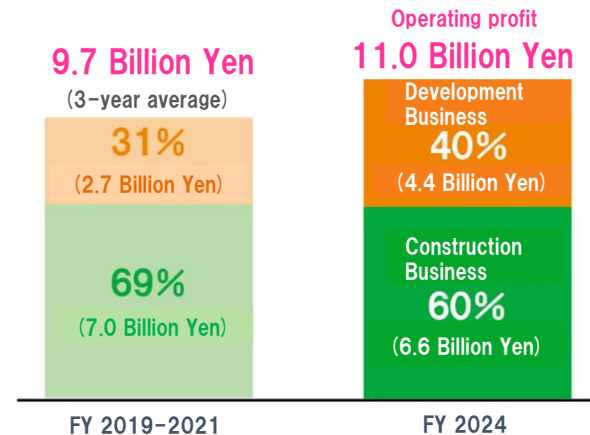
**Improve profit productivity**  
Implement mechanization and DX transformation of construction, and improve gross profit productivity per employee by 30% compared with FY 2021.

**Create “areas of strength”**  
Create “areas of strength” that can provide high added value, and promote business portfolio reforms.

## Numerical Targets for FY 2022-2024



\*ROE: Profit attributable to owners of parent ÷ ((equity at beginning of period + equity at end of period) ÷ 2)  
\*DOE: Dividend per share ÷ ((equity at beginning of period per share + equity at end of period per share) ÷ 2)



## Civil Engineering Business

### Engineering and Construction Utilizing Mechanical Power

Segment Profit\*



Construction machinery known as a “Scraper.” Promote initiatives to systemize optimal evacuation management, optimal soil distribution speed, soil removal, soil leveling, rolling compaction, and quality assurance management.  
\*EPC: An acronym for Engineering, Procurement, and Construction, referring to a business that undertakes all aspects related to design, procurement, and construction.

- Strengthen mechanization and DX transformation
- Expand business at affiliated companies
- Create business from an EPC\* perspective
- Promote collaboration to solve regional issues
- Participate in overseas civil engineering works

## Construction Business

### High Profitability through New Collaborations and Mechanization

Segment Profit\*



Construction of a large-scale logistics facility is planned as part of a land readjustment project in Kashiwa City, Chiba Prefecture that has been promoted in collaboration with the Civil Engineering Business and the Development Business.

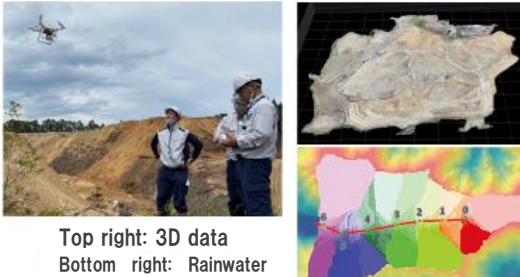
- Strengthen differentiated business
- Strengthen collaboration with regional general contractors and in design works
- Establish a profit structure (streamlined base, strengthened on-site operations)
- Expand the refurbishment business (facility related, energy creation collaboration)
- Strengthen business in collaboration with energy creation

\* Segment profit refers to gross profit minus selling, general and administrative expenses. Operating profit refers to the sum of each segment’s profit minus adjustments (new business expenses, R&D expenses, etc.)

## Achieve “Mechanization and DX Transformation” in Construction, and Create “Unique Strengths”

### Full-swing Transition to ICT at Earthwork Sites

Utilizing data obtained from UAV (drone) surveying, we are developing an automatic data provision system for on-site heavy equipment work.



Top right: 3D data  
Bottom right: Rainwater catchment area data

### Developing the Twister, New Machinery

Our proprietary “rotary crushing and mixing method” (Twister®). We are currently developing a new type of self-propelled machinery suitable for small-scale sites, and are carrying out trial operations with a view to mass production.



New self-propelled machine

### Promoting Mechanization



Above: Column steel formwork  
Right: Suction mounting machine

We are promoting the implementation of mechanization in the Construction Business, and are considering the introduction of construction robots in the future.

### Bar Arrangement System using MR/AI

We introduced MR and AI for the planning and execution of bar arrangement work for finished form management. AI automatically measures the diameter and pitch of reinforcing bars, thereby contributing to labor savings.



### DX Transformation of On-site Work

We are working to improve operations using DX tools at worksites, and are introducing online morning assemblies, digital signage, and safety-related systems, etc.



Attendants can participate in online morning assemblies using a smartphone. (Left: interior contractor; top right: frame contractor; bottom right: on-site office)



## Development Business

### Development and Investment to Realize Revenue Expansion

Segment Profit

FY 2019–2021 average

**2,700**  
Million Yen

FY 2022–2024 average

**4,800**  
Million Yen

\* In real estate transactions, operating profit fluctuates depending on the item sold; therefore, the 3-year average is shown.



“Matsushima-Donguri Solar Power Plant,” boasting 50 MW panel output

## New Business/R&D Fields

### Create New Business Responding to Society Issues and Needs

In order to aim for our long-term goal of becoming a “cutting-edge construction company that solves social issues,” we have established social issues facing JDC. We will take on the challenge of creating a new business model.

### Real Estate Development Business

- Expand real estate development and investment business
- Steadily promote land readjustment projects
- Develop the campground and workation facilities business
- Develop environmentally friendly business such as energy creation and energy saving
- Utilize DX in real estate management

### Energy Business

- Acquire existing FIT and secondary projects
- Promote new FIT (FIP) projects
- Promote non-FIT and self-consumption projects
- Promote small hydropower business

Climate  
change  
issues

2030  
issues

## Take on the Challenge of a New Business Model, and Create a “Unique Business Domain”

### Campground and Workation Facilities

We are developing “IZUMIPEAK BASE,” campground and workation facilities with hot springs at Izumigatake in Sendai City, Miyagi Prefecture. Development is underway with the aim of effectively utilizing idle land that we have owned for many years, and creating new tourism resources in the area. The facilities are scheduled to open on July 28, 2022.



### Microgrid Industrial Park

We are expanding urban development using smart grids in collaboration with local governments. In Matsushima Town, Miyagi Prefecture, we are proceeding with the development of the land readjustment project, “Matsushima Innovation Hills” for the purpose of attracting companies and, we are promoting the plan as a microgrid industrial park.



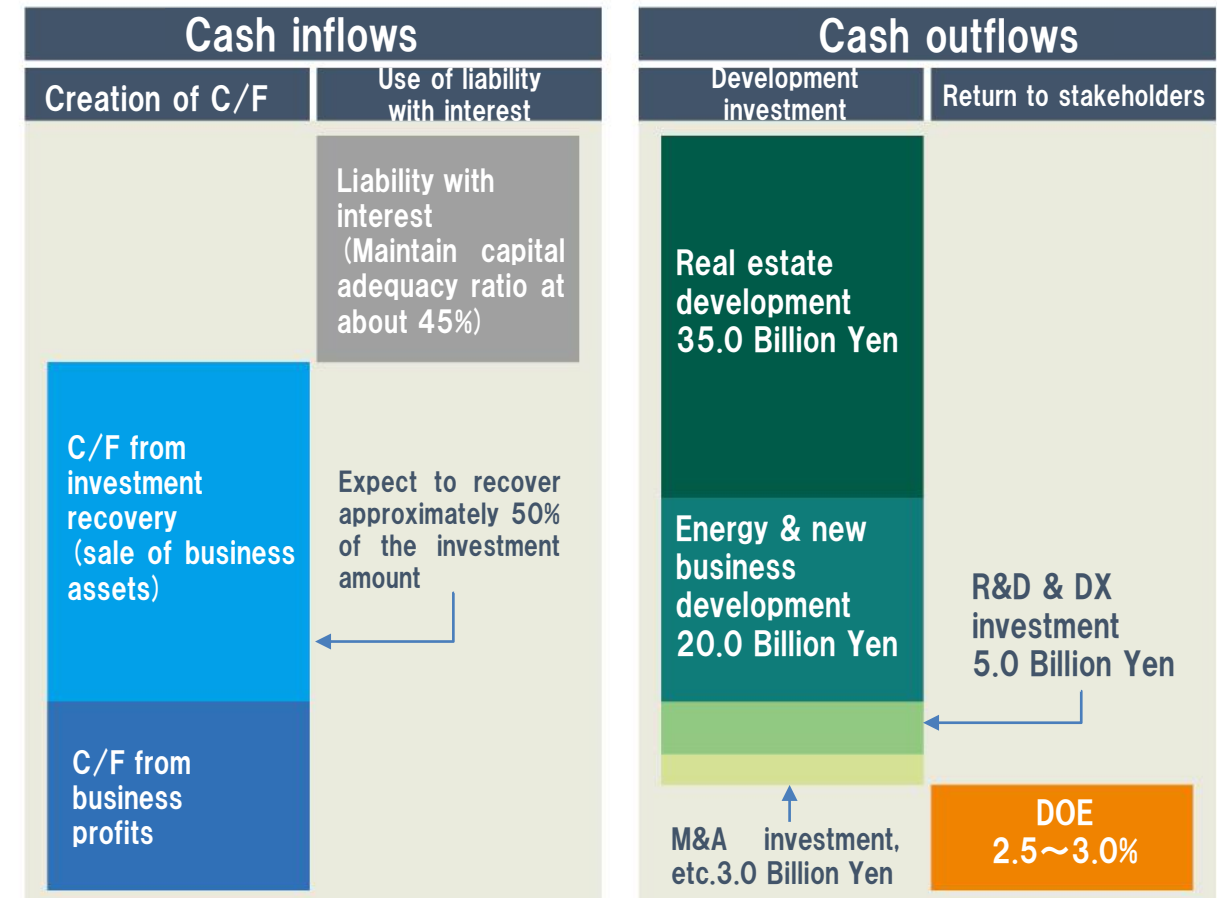
# Capital Strategy / Mid-term Plan 2024

We will expand development investment (real estate, energy, new business), and aim to further expand our stable earnings base as well as maintain and improve capital efficiency through timely and appropriate asset replacement. We will also actively engage in DX transformation of our business and R&D investment, improve the profitability of the Construction Business, continue with the development of new technologies, and focus on M&A and other alliances.

## <Investment Results and Plan>

Investment	Previous Mid-term Plan Results (FY 2019-2020)	Mid-term Plan 2024 (FY 2022-2024)
Real estate development investment	13.8 Billion Yen	35.0 Billion Yen
Energy & new business development investment	14.6 Billion Yen	20.0 Billion Yen
R&D & DX investment	2.6 Billion Yen	5.0 Billion Yen
M&A investment, etc. (including overseas business)	3.1 Billion Yen	3.0 Billion Yen
<b>Total amount of investment</b>	<b>34.1 Billion Yen</b>	<b>63.0 Billion Yen</b>

## <Cash Flow>

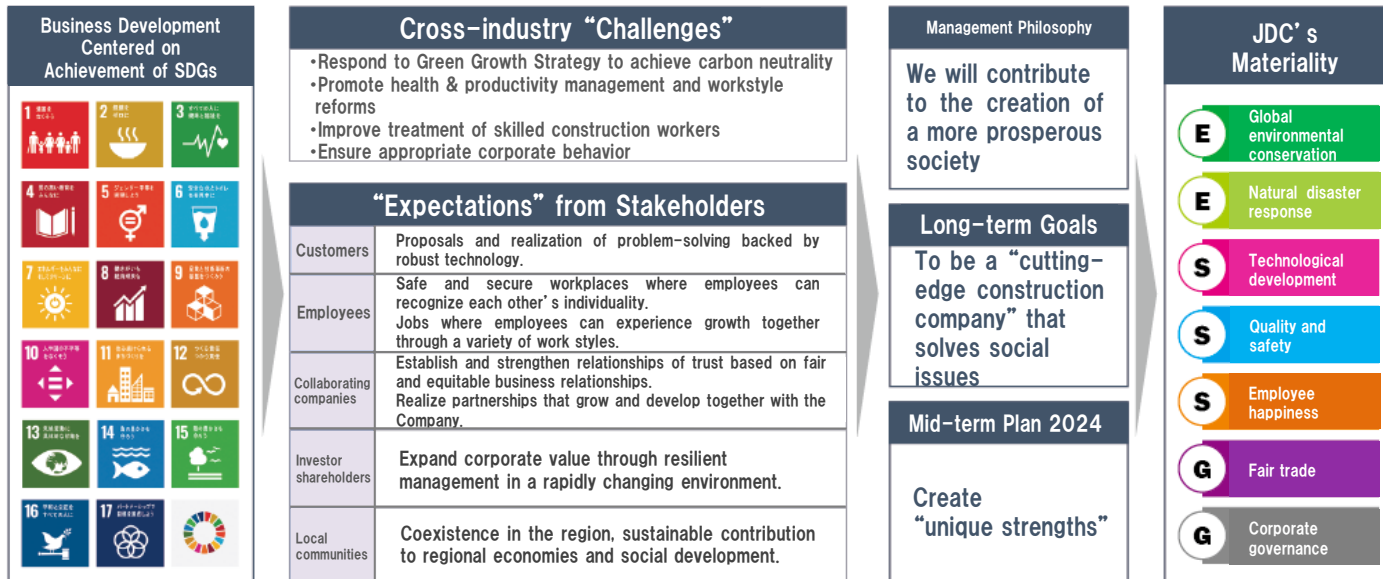


## Promotion of ESG Management

The Sustainable Development Goals (SDGs) set by the United Nations are aligned with our Management Philosophy, “We will Contribute to the Creation of a More Prosperous Society.” As such, we have positioned the achievement of the SDGs as one of the goals of our management plan, and established materiality for ESG management. In formulating the new Mid-term Plan, we have set KPIs (Key Performance Indicators) for non-financial information related to decarbonization, workstyle reforms, health & productivity management, labor, safety, and hygiene, and corporate governance.

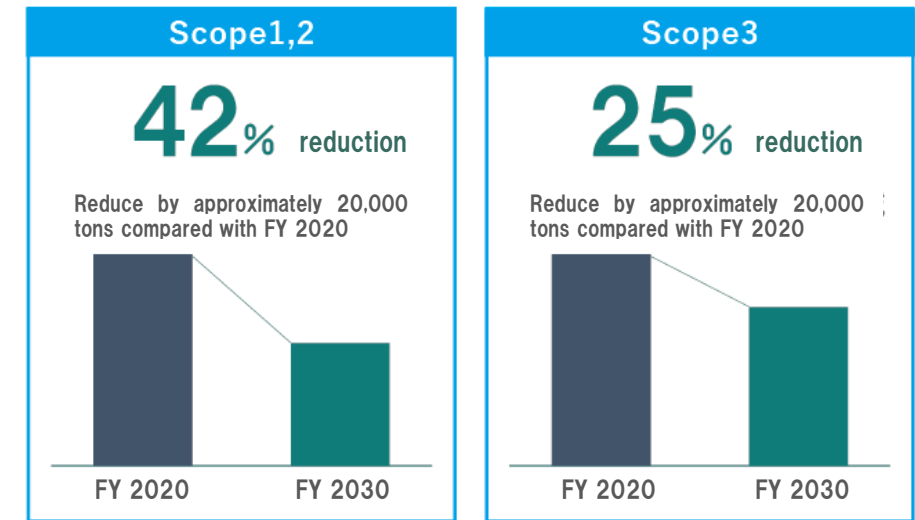
We will promote various initiatives to achieve these KPIs in order to become a “cutting-edge construction company” as set forth in our long-term goals.

### JDC’s Views of ESG Management



## KPIs for Non-financial Information

### Reduce CO2 emissions by FY 2030 (SBT pending)



\* Scope 1: Direct greenhouse gas emissions by business operators (fuel combustion, electricity usage)  
 \* Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by other companies  
 \* Scope 3: Indirect emissions other than those that fall under Scope 1 and Scope 2 (emissions by other companies related to activities by business operators)  
 \* SBT (Science Based Targets): Greenhouse gas emission reduction targets set by companies for 5 to 15 years from now, in line with levels sought by the Paris Agreement (aiming to limit the increase in global temperatures to less than 2° C above pre-industrial levels, and to keep the increase to 1.5°C)

- Specific Initiatives**
- Transition to HV and EV, including with commercial vehicles, etc.
  - Use biofuels for heavy equipment on site, and transition to HV
  - Introduce renewable energy to head office, branches, sales offices, and work sites, and reduce waste
  - Transition from blast furnace materials to electric furnace materials
  - Promote ZEB and ZEH, and propose the introduction of energy creation
  - Reduce CO2 by using rotary crushers and mixers (Twister)
  - Reduce haulage vehicles, etc. by using scrapers, etc.

## Human Resource Strategy

JDC Corporation is promoting various initiatives so that all employees can fully demonstrate their abilities. In order to achieve our goal of becoming a “cutting-edge construction company,” we will establish a human resource training system that includes career path support and management training.

### Future Direction of Human Resource Strategy

#### (1) Build a foundation

Promote the development of a foundation as a listed company and Prime Market company.

#### (2) Development

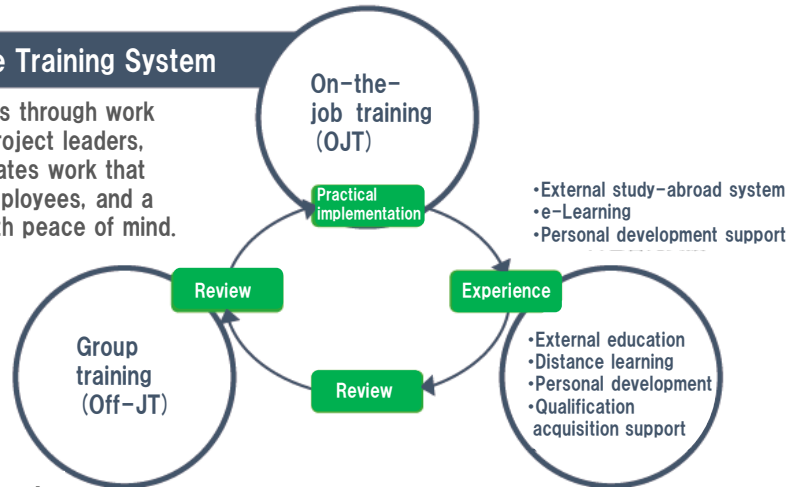
- Train next-generation management
- Create human resources and business that generate profits

#### (3) Become a cutting-edge construction company

Become a true diversity and inclusion organization as a “cutting-edge construction company”.

### Overview of Human Resource Training System

- Acquire technical and management skills through work
- Train 30-year-old center heads and project leaders, and create a culture that actively delegates work that comes with responsibilities to young employees, and a system where they can be entrusted with peace of mind.
- Enhance the career support system
- Train next-generation management



- Level-specific training
- Management human resource training program
- Division technology training program
- Training for promotion of female participation

### Enhance Employee Engagement

We strive to foster motivation among our employees so that they understand the future direction of the Company, and actively think for themselves and make a contribution. We will endeavor to improve profit productivity, reduce the turnover rate, and increase the hiring rate of young employees.

## KPIs for Non-financial Information

### Workstyle Reforms, Health & Productivity Management, Female Participation (until FY 2024)

A member of the top management of the Company became the Chief Health Officer (CHO), and formulated the Health & Productivity Management Declaration in September 2018. We are actively promoting workstyle reforms, health & productivity management, and the promotion of female participation, etc., and aim to become the No. 1 “White Company.”

#### Achievement rate of 2 days' off per week

**100%**  
 FY 2019: 57%  
 FY 2020: 72%  
 FY 2021: 77%

#### Childcare leave taken by males

**100%**  
 FY 2019: 35.7%  
 FY 2020: 43.8%  
 FY 2021: 60.0%

#### Rate of secondary health checks

**100%**  
 FY 2019: 93.3%  
 FY 2020: 97.9%  
 FY 2021: 95.9%

### Labor, Safety, and Hygiene (until FY 2024)

We will promote “working environment reforms” in order to facilitate mechanization and DX transformation of construction, replace work performed by “people” with “machines,” eliminate the labor shortage, and become a construction company where it is safe and comfortable to work.

\* Frequency rate: The number of casualties due to industrial accidents per one million working hours, which indicates the frequency of accidents.

#### Frequency rate\*

Below **0.80**  
 FY 2019: 0.73  
 FY 2020: 0.88  
 FY 2021: 1.12

#### 4 or more days off work due to crash or construction machinery

**0** incidents  
 Within general management  
 FY 2019: 2  
 FY 2020: 1  
 FY 2021: 3

### Corporate Governance (until FY 2024)

#### Percentage of Outside Directors

**50% or more**  
 FY 2019: 33.3%  
 FY 2020: 33.3%  
 FY 2021: 42.9%

#### System in FY 2022 (planned)

Outside Directors **5 / 9**  
 (Percentage of Outside Directors, including women Majority)

## 【Disclaimer】

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

Please be aware that actual information can result in different results depending on various factors. If there is any discrepancy between this translation and the Japanese original, the latter shall prevail.

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