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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2022 [Japanese GAAP]



October 17, 2022

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

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Scheduled date of filing quarterly securities report: October 17, 2022

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, 2022 (June 1, 2022 to August 31, 2022)

(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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2022	28,474	8.3	717	(34.9)	872	(21.5)	542	(25.5)
August 31, 2021	26,294	(0.2)	1,102	29.1	1,111	18.9	727	(7.7)

(Note) Comprehensive income: Three months ended August 31, 2022: ¥742 million [(12.1)%]  
Three months ended August 31, 2021: ¥844 million [(12.2)%]

	Net Income per Share		Diluted Net Income per Share	
Three months ended	Yen		Yen	
August 31, 2022	6.27		6.26	
August 31, 2021	8.34		8.32	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2022	147,742	76,655	51.8
As of May 31, 2022	154,724	79,946	51.2

(Reference) Equity: As of August 31, 2022: ¥76,579 million  
As of May 31, 2022: ¥79,148 million

### 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Fiscal year ended	Yen				
May 31, 2022	-	10.00	-	16.00	26.00
Fiscal year ending May 31, 2023	-				
Fiscal year ending May 31, 2023 (Forecast)		10.00	-	16.00	26.00

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

(Note) Breakdown of dividends

Interim dividends for the six months ended November 30, 2021:	¥10.00 ordinary dividends
Year-end dividends for the fiscal year ended May 31, 2022:	¥10.00 ordinary dividends and ¥6.00 special dividends
Interim dividends for the six months ending November 30, 2022 (forecast):	¥10.00 ordinary dividends
Year-end dividends for the fiscal year ending May 31, 2023 (forecast):	¥10.00 ordinary dividends and ¥6.00 special dividends

### 3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2023 (June 1, 2022 to May 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	171,000	34.9	9,000	13.1	9,100	8.3	6,300	(14.7)	71.00

(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): Yes

Excluded: One company (Company name) Silent partnership operated by Utsunomiya-Kita Solar Power Generation LLC as proprietor

(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: Yes

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, 2022: 98,255,000 shares

May 31, 2022: 98,255,000 shares

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

August 31, 2022: 13,625,546 shares

May 31, 2022: 10,399,046 shares

3) Average number of shares during the period:

Three months ended August 31, 2022: 86,407,324 shares

Three months ended August 31, 2021: 87,220,136 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) (1,006,000 shares as of August 31, 2022 and 1,037,500 shares as of May 31, 2022). 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 (1,023,849 shares for the three months ended August 31, 2022 and 1,105,218 shares for the three months ended August 31, 2021).

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) (167,400 shares as of August 31, 2022 and 197,400 shares as of May 31, 2022). 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 (179,377 shares for the three months ended August 31, 2022 and 473,300 shares for the three months ended August 31, 2021).

\* 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, 2022 (June 1, 2022 to August 31, 2022)

### (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, 2022	25,292	9.1	522	(41.7)	1,287	(30.4)	1,035	(32.4)
August 31, 2021	23,189	(4.6)	897	13.5	1,849	104.7	1,532	98.8

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended August 31, 2022	11.98	11.96
August 31, 2021	17.57	17.52

### (2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2022	128,359	72,509	56.5
As of May 31, 2022	133,497	74,619	55.9

(Reference) Equity: As of August 31, 2022: ¥72,509 million

As of May 31, 2022: ¥74,619 million

## 2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2023 (June 1, 2022 to May 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net Sales		Ordinary Profit		Profit		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	146,600	29.6	7,500	(10.9)	5,200	(33.4)	59.00

(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.

## 1. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of May 31, 2022	As of August 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	47,591	31,149
Notes receivable, accounts receivable from completed construction contracts and other	47,541	50,314
Real estate for sale	5,645	6,059
Costs on construction contracts in progress	866	1,091
Costs on development business and other	2,933	5,087
Advances paid	1,335	1,492
Other	4,623	6,537
Allowance for doubtful accounts	(4)	(83)
<b>Total current assets</b>	<b>110,532</b>	<b>101,649</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,688	6,603
Machinery, vehicles, tools, furniture and fixtures, net	11,419	11,104
Land	8,158	8,158
Other, net	3,684	5,724
<b>Total property, plant and equipment</b>	<b>29,951</b>	<b>31,591</b>
Intangible assets	1,817	1,816
Investments and other assets		
Investment securities	8,249	8,477
Retirement benefit asset	1,647	1,687
Deferred tax assets	162	90
Other	2,396	2,461
Allowance for doubtful accounts	(31)	(31)
<b>Total investments and other assets</b>	<b>12,424</b>	<b>12,685</b>
<b>Total non-current assets</b>	<b>44,192</b>	<b>46,093</b>
<b>Total assets</b>	<b>154,724</b>	<b>147,742</b>

(Million yen)

	As of May 31, 2022	As of August 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	23,447	21,729
Short-term borrowings	1,151	1,271
Income taxes payable	1,858	96
Advances received on construction contracts in progress	7,282	7,334
Advances received on development projects	25	29
Deposits received	4,724	5,901
Provision for warranties for completed construction	780	714
Provision for loss on construction contracts	114	103
Provision for bonuses	-	612
Provision for bonuses for directors (and other officers)	48	35
Provision for loss on business liquidation	142	148
Other	4,232	2,178
Total current liabilities	43,809	40,156
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	24,101	23,886
Provision for share awards	529	513
Provision for loss on litigation	7	7
Retirement benefit liability	518	512
Other	2,811	3,012
Total non-current liabilities	30,968	30,931
Total liabilities	74,778	71,087
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,551	18,551
Retained earnings	56,427	55,544
Treasury shares	(2,168)	(4,049)
Total shareholders' equity	77,823	75,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,626	1,800
Deferred gains or losses on hedges	(38)	(20)
Remeasurements of defined benefit plans	(262)	(260)
Total accumulated other comprehensive income	1,324	1,519
Non-controlling interests	797	75
Total net assets	79,946	76,655
Total liabilities and net assets	154,724	147,742

## (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, 2021	For the three months ended August 31, 2022
<b>Net sales</b>		
Net sales of completed construction contracts	24,100	26,870
Net sales in development business and other	2,193	1,604
<b>Total net sales</b>	<b>26,294</b>	<b>28,474</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	21,580	24,508
Cost of sales in development business and other	1,262	873
<b>Total cost of sales</b>	<b>22,842</b>	<b>25,381</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	2,520	2,362
Gross profit on development business and other	931	730
<b>Total gross profit</b>	<b>3,451</b>	<b>3,092</b>
<b>Selling, general and administrative expenses</b>	<b>2,348</b>	<b>2,375</b>
<b>Operating profit</b>	<b>1,102</b>	<b>717</b>
<b>Non-operating income</b>		
Interest income	0	0
Dividend income	169	183
Foreign exchange gains	-	102
Other	7	55
<b>Total non-operating income</b>	<b>178</b>	<b>342</b>
<b>Non-operating expenses</b>		
Interest expenses	92	70
Interest expenses of rental payments	14	17
Provision of allowance for doubtful accounts	-	78
Other	61	21
<b>Total non-operating expenses</b>	<b>169</b>	<b>187</b>
<b>Ordinary profit</b>	<b>1,111</b>	<b>872</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	-	18
<b>Total extraordinary income</b>	<b>-</b>	<b>18</b>
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	-	16
<b>Total extraordinary losses</b>	<b>-</b>	<b>16</b>
<b>Profit before income taxes</b>	<b>1,111</b>	<b>873</b>
<b>Income taxes - current</b>	<b>35</b>	<b>83</b>
<b>Income taxes - deferred</b>	<b>330</b>	<b>242</b>
<b>Total income taxes</b>	<b>365</b>	<b>325</b>
<b>Profit</b>	<b>745</b>	<b>547</b>
<b>Profit attributable to non-controlling interests</b>	<b>17</b>	<b>5</b>
<b>Profit attributable to owners of parent</b>	<b>727</b>	<b>542</b>

Quarterly Consolidated Statement of Comprehensive Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2021	For the three months ended August 31, 2022
Profit	745	547
Other comprehensive income		
Valuation difference on available-for-sale securities	231	173
Deferred gains or losses on hedges	(120)	18
Remeasurements of defined benefit plans, net of tax	(12)	2
Total other comprehensive income	98	194
Comprehensive income	844	742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	826	737
Comprehensive income attributable to non-controlling interests	17	5



## 2. Supplementary Information

### (1) [Non-consolidated] Status of orders, net sales and projects in process

#### 1) Orders

(Million yen)

Category		For the three months ended August 31, 2021		For the three months ended August 31, 2022		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	3,627	48.5%	1,482	8.1%	(2,145)	(59.1)%	12,135	8.8%
	Private sector in Japan	865	11.6%	4,627	25.4%	3,761	434.4%	23,781	17.3%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	4,493	60.1%	6,110	33.5%	1,616	36.0%	35,917	26.1%
Building Business	Public sector in Japan	71	1.0%	307	1.7%	236	330.7%	80	0.1%
	Private sector in Japan	1,726	23.1%	7,561	41.5%	5,835	338.1%	82,979	60.4%
	Overseas	7	0.1%	3,256	17.9%	3,249	44639.3%	5,496	4.0%
	Subtotal	1,804	24.1%	11,126	61.0%	9,321	516.4%	88,556	64.4%
Total	Public sector in Japan	3,699	49.5%	1,790	9.8%	(1,908)	(51.6)%	12,215	8.9%
	Private sector in Japan	2,592	34.7%	12,189	66.9%	9,597	370.3%	106,761	77.7%
	Overseas	7	0.1%	3,256	17.9%	3,249	44639.3%	5,496	4.0%
	Subtotal	6,298	84.3%	17,236	94.6%	10,938	173.7%	124,474	90.6%
Other Business		1,175	15.7%	991	5.4%	(184)	(15.7)%	12,929	9.4%
Grand total		7,474	100.0%	18,227	100.0%	10,753	143.9%	137,403	100.0%

#### 2) Net sales

(Million yen)

Category		For the three months ended August 31, 2021		For the three months ended August 31, 2022		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	4,020	17.3%	3,224	12.7%	(796)	(19.8)%	24,529	21.7%
	Private sector in Japan	3,816	16.5%	5,797	22.9%	1,980	51.9%	19,886	17.6%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	7,836	33.8%	9,021	35.7%	1,184	15.1%	44,416	39.3%
Building Business	Public sector in Japan	634	2.7%	15	0.1%	(618)	(97.5)%	2,194	1.9%
	Private sector in Japan	11,429	49.3%	13,223	52.3%	1,794	15.7%	46,280	40.9%
	Overseas	2,124	9.2%	2,044	8.1%	(80)	(3.8)%	7,268	6.4%
	Subtotal	14,188	61.2%	15,283	60.4%	1,095	7.7%	55,742	49.3%
Total	Public sector in Japan	4,655	20.1%	3,240	12.8%	(1,414)	(30.4)%	26,724	23.6%
	Private sector in Japan	15,245	65.7%	19,021	75.2%	3,775	24.8%	66,166	58.5%
	Overseas	2,124	9.2%	2,044	8.1%	(80)	(3.8)%	7,268	6.4%
	Subtotal	22,025	95.0%	24,305	96.1%	2,280	10.4%	100,159	88.6%
Other Business		1,164	5.0%	987	3.9%	(177)	(15.2)%	12,916	11.4%
Grand total		23,189	100.0%	25,292	100.0%	2,103	9.1%	113,075	100.0%

### 3) Projects in process

(Million yen)

Category		For the three months ended August 31, 2021		For the three months ended August 31, 2022		Change		For the fiscal year ended May 31, 2022	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	37,569	27.6%	23,826	14.1%	(13,742)	(36.6)%	25,567	14.6%
	Private sector in Japan	32,588	24.0%	37,789	22.4%	5,200	16.0%	38,958	22.2%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	70,157	51.6%	61,615	36.6%	(8,542)	(12.2)%	64,526	36.7%
Building Business	Public sector in Japan	1,553	1.1%	291	0.2%	(1,261)	(81.2)%	-	-
	Private sector in Japan	51,806	38.1%	92,549	54.9%	40,742	78.6%	98,211	55.9%
	Overseas	12,520	9.2%	14,079	8.4%	1,558	12.4%	12,866	7.3%
	Subtotal	65,880	48.4%	106,920	63.4%	41,039	62.3%	111,077	63.2%
Total	Public sector in Japan	39,122	28.8%	24,118	14.3%	(15,004)	(38.4)%	25,567	14.6%
	Private sector in Japan	84,395	62.0%	130,338	77.3%	45,943	54.4%	137,170	78.1%
	Overseas	12,520	9.2%	14,079	8.4%	1,558	12.4%	12,866	7.3%
	Subtotal	136,038	100.0%	168,535	100.0%	32,497	23.9%	175,604	100.0%
Other Business		11	0.0%	41	0.0%	29	247.3%	37	0.0%
Grand total		136,050	100.0%	168,577	100.0%	32,527	23.9%	175,642	100.0%

### (2) [Non-consolidated] Order forecasts for Construction Business

(Million yen)

	For the fiscal year ended May 31, 2022		For the fiscal year ending May 31, 2023	
	Full-year result	Year-on-year change (%)	Full-year forecast	Year-on-year change (%)
Civil Engineering Business	35,917	(33.5)	37,300	3.8
Building Business	88,556	31.9	86,800	(2.0)
Total	124,474	2.8	124,100	(0.3)