

Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document is a partial English translation of the Japanese Financial Statements disclosed at the Tokyo Stock Exchange on January 14, 2021 presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between the translation and the Japanese original, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended November 30, 2020 [Japanese GAAP]



January 14, 2021

Company name: JDC CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1887

URL: <https://www.n-kokudo.co.jp/>

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Scheduled date of filing quarterly securities report: January 14, 2021

Scheduled date of commencing dividend payments: February 1, 2021

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (To prevent the spread of the novel coronavirus (COVID-19) disease, the session will be held live through the Internet on January 25, 2021, and the video clip will be available on JDC CORPORATION's website later.)

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

1. Consolidated Financial Results for the Six Months Ended November 30, 2020 (June 1, 2020 to November 30, 2020)

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

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
November 30, 2020	60,518	(0.8)	5,292	(28.8)	5,294	(30.5)	4,035	(25.5)
November 30, 2019	61,003	(0.8)	7,438	(34.3)	7,616	(33.2)	5,413	(37.3)

(Note) Comprehensive income: Six months ended November 30, 2020: ¥4,018 million [(29.5)%]
Six months ended November 30, 2019: ¥5,695 million [(26.9)%]

	Net Income per Share	Diluted Net Income per Share
Six months ended	Yen	Yen
November 30, 2020	46.51	46.32
November 30, 2019	62.20	61.96

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of November 30, 2020	132,251	70,429	53.0
As of May 31, 2020	133,937	68,317	50.8

(Reference) Equity: As of November 30, 2020: ¥70,121 million
As of May 31, 2020: ¥68,001 million

2. Dividends

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

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

Interim dividends for

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

Year-end dividends for

the fiscal year ended May 31, 2019: ¥10.00 ordinary dividends and ¥8.00 special dividends

Interim dividends for the six months ended

November 30, 2020: ¥10.00 ordinary dividends

Year-end dividends for the fiscal year ending

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

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

(% indicates changes from the previous corresponding period.)

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

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

* Notes:

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

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

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

November 30, 2020: 98,255,000 shares

May 31, 2020: 98,255,000 shares

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

November 30, 2020: 11,626,546 shares

May 31, 2020: 11,113,346 shares

3) Average number of shares during the period:

Six months ended November 30, 2020: 86,746,120 shares

Six months ended November 30, 2019: 87,021,541 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) (1,163,800 shares as of

November 30, 2020 and 1,212,800 shares as of May 31, 2020). The shares of JDC Corporation owned by Custody Bank of Japan, Ltd. (trust account E) constitute the treasury shares that are deducted in the calculation of the average number of shares during the period (1,192,444 shares for the six months ended November 30, 2020 and 1,332,913 shares for the six months ended November 30, 2019).

2. The total number of treasury shares at the end of the period includes shares owned by Custody Bank of Japan, Ltd. (trust account E) as trust property of the Stock Benefit Trust (Employee Stockholding Association Purchase-type) (628,700 shares as of November 30, 2020 and 0 shares as of May 31, 2020). The shares of JDC Corporation owned by Custody Bank of Japan, Ltd. (trust account E) constitute the treasury shares that are deducted in the calculation of the average number of shares during the period (430,062 shares for the six months ended November 30, 2020 and 0 shares for the six months ended November 30, 2019).

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

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

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended November 30, 2020 (June 1, 2020 to November 30, 2020)

(1) Non-consolidated Operating Results

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

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
November 30, 2020	54,167	(4.8)	4,774	(33.5)	4,839	(34.6)	3,688	(30.0)
November 30, 2019	56,871	0.6	7,179	(34.4)	7,402	(33.4)	5,266	(37.7)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months ended				
November 30, 2020		42.51		42.34
November 30, 2019		60.52		60.28

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2020	118,187	66,131	56.0
As of May 31, 2020	118,533	64,357	54.3

(Reference) Equity: As of November 30, 2020: ¥66,131 million

As of May 31, 2020: ¥64,357 million

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

(% indicates changes from the previous corresponding period.)

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

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

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

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

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of May 31, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	27,772	24,908
Notes receivable, accounts receivable from completed construction contracts and other	36,353	41,128
Costs on construction contracts in progress	4,157	2,691
Costs on development business and other	327	245
Advances paid	3,394	4,470
Other	8,220	4,873
Allowance for doubtful accounts	(9)	(8)
Total current assets	80,216	78,309
Non-current assets		
Property, plant and equipment	39,688	40,214
Intangible assets	619	758
Investments and other assets		
Investment securities	9,015	8,929
Retirement benefit asset	1,063	1,091
Deferred tax assets	673	105
Other	3,144	3,262
Allowance for doubtful accounts	(483)	(420)
Total investments and other assets	13,412	12,968
Total non-current assets	53,721	53,942
Total assets	133,937	132,251

(Million yen)

	As of May 31, 2020	As of November 30, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	23,185	20,458
Short-term borrowings	1,212	5,114
Income taxes payable	1,603	1,041
Advances received on construction contracts in progress	10,275	5,829
Advances received on development projects	159	265
Deposits received	8,197	8,924
Provision for warranties for completed construction	733	962
Provision for loss on construction contracts	169	103
Provision for bonuses	-	92
Provision for bonuses for directors (and other officers)	119	48
Provision for loss on business liquidation	157	132
Other	3,127	2,570
Total current liabilities	48,940	45,543
Non-current liabilities		
Long-term borrowings	13,175	12,922
Provision for share-based remuneration	618	593
Provision for loss on litigation	12	7
Retirement benefit liability	492	490
Other	2,380	2,264
Total non-current liabilities	16,680	16,277
Total liabilities	65,620	61,821
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	18,301	18,333
Retained earnings	46,109	48,554
Treasury shares	(2,267)	(2,590)
Total shareholders' equity	67,156	69,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,455	1,430
Remeasurements of defined benefit plans	(610)	(618)
Total accumulated other comprehensive income	845	811
Non-controlling interests	315	308
Total net assets	68,317	70,429
Total liabilities and net assets	133,937	132,251

(2) Quarterly Consolidated Statements of Income and Quarterly Comprehensive Income
Quarterly Consolidated Statement of Income
Six months ended November 30

(Million yen)

	For the six months ended November 30, 2019	For the six months ended November 30, 2020
Net sales		
Net sales of completed construction contracts	58,619	53,216
Net sales in development business and other	2,383	7,301
Total net sales	61,003	60,518
Cost of sales		
Cost of sales of completed construction contracts	47,053	44,869
Cost of sales in development business and other	1,992	6,142
Total cost of sales	49,046	51,011
Gross profit		
Gross profit on completed construction contracts	11,566	8,347
Gross profit on development business and other	391	1,159
Total gross profit	11,957	9,506
Selling, general and administrative expenses	4,518	4,213
Operating profit	7,438	5,292
Non-operating income		
Interest income	2	0
Dividend income	209	169
Other	109	57
Total non-operating income	321	227
Non-operating expenses		
Interest expenses	77	90
Interest expenses of rental payments	34	31
Other	30	103
Total non-operating expenses	142	226
Ordinary profit	7,616	5,294
Extraordinary income		
Gain on sales of non-current assets	-	37
Gain on sales of investment securities	106	278
Reversal of provision for loss on litigation	70	-
Total extraordinary income	176	315
Extraordinary losses		
Impairment loss	20	-
Total extraordinary losses	20	-
Profit before income taxes	7,773	5,610
Income taxes - current	755	959
Income taxes - deferred	1,581	598
Total income taxes	2,337	1,557
Profit	5,436	4,052
Profit attributable to non-controlling interests	23	17
Profit attributable to owners of parent	5,413	4,035

Quarterly Consolidated Statement of Comprehensive Income

Six months ended November 30

(Million yen)

	For the six months ended November 30, 2019	For the six months ended November 30, 2020
Profit	5,436	4,052
Other comprehensive income		
Valuation difference on available-for-sale securities	284	(25)
Remeasurements of defined benefit plans, net of tax	(24)	(8)
Total other comprehensive income	259	(34)
Comprehensive income	5,695	4,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,672	4,001
Comprehensive income attributable to non-controlling interests	23	17

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended November 30, 2019	For the six months ended November 30, 2020
Cash flows from operating activities		
Profit before income taxes	7,773	5,610
Depreciation	808	856
Impairment loss	20	-
Increase (decrease) in allowance for doubtful accounts	(6)	(63)
Increase (decrease) in provision for warranties for completed construction	(280)	229
Increase (decrease) in provision for loss on construction contracts	(332)	(65)
Increase (decrease) in provision for bonuses	85	92
Increase (decrease) in provision for bonuses for directors (and other officers)	(77)	(57)
Increase (decrease) in provision for loss on business liquidation	(35)	(25)
Increase (decrease) in retirement benefit liability	(12)	2
Decrease (increase) in retirement benefit asset	(138)	(36)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(7)	(3)
Increase (decrease) in provision for loss on litigation	(72)	(4)
Interest and dividend income	(211)	(169)
Interest expenses and interest expenses of rental payments	111	122
Foreign exchange losses (gains)	(56)	(27)
Loss (gain) on sales of non-current assets	-	(37)
Loss (gain) on sales of investment securities	(106)	(278)
Decrease (increase) in trade receivables	(16,383)	(4,771)
Decrease (increase) in real estate for sale	-	4,353
Decrease (increase) in costs on construction contracts in progress	(150)	1,466
Decrease (increase) in costs on uncompleted development projects	134	81
Decrease (increase) in advances paid	(1,869)	(1,075)
Increase (decrease) in trade payables	4,322	(2,726)
Increase (decrease) in advances received on construction contracts in progress	(4,713)	(4,445)
Increase (decrease) in advances received on development projects	(49)	106
Increase (decrease) in deposits received	2,864	727
Decrease (increase) in consumption taxes refund receivable	(360)	419
Increase (decrease) in accrued consumption taxes	(189)	(197)
Increase (decrease) in accrued expenses	(642)	(525)
Other, net	(988)	(1,357)
Subtotal	(10,564)	(1,801)
Interest and dividends received	211	169
Interest paid	(111)	(123)
Income taxes paid	(2,863)	(1,474)
Net cash provided by (used in) operating activities	(13,328)	(3,230)

	For the six months ended November 30, 2019	For the six months ended November 30, 2020
Cash flows from investing activities		
Payments into time deposits	(200)	-
Proceeds from withdrawal of time deposits	-	100
Purchase of property, plant and equipment	(6,261)	(2,474)
Proceeds from sales of property, plant and equipment	-	1,089
Purchase of intangible assets	(102)	(203)
Purchase of investment securities	(306)	(1)
Proceeds from sales of investment securities	4,613	326
Purchase of shares of subsidiaries and associates	-	(16)
Other, net	0	14
Net cash provided by (used in) investing activities	(2,257)	(1,166)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,699	4,000
Proceeds from long-term borrowings	5	471
Repayments of long-term borrowings	(1,030)	(823)
Repayments to non-controlling shareholders	(1)	-
Repayments of lease obligations	(67)	(70)
Purchase of treasury shares	-	(470)
Proceeds from sales of treasury shares	-	111
Dividends paid	(2,827)	(1,588)
Dividends paid to non-controlling interests	(27)	(23)
Net cash provided by (used in) financing activities	750	1,605
Effect of exchange rate change on cash and cash equivalents	56	26
Net increase (decrease) in cash and cash equivalents	(14,779)	(2,763)
Cash and cash equivalents at beginning of period	34,111	27,522
Cash and cash equivalents at end of period	19,331	24,758

4. Supplementary Information

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

1) Orders

(Million yen)

Category		For the six months ended November 30, 2019		For the six months ended November 30, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	11,821	29.8%	9,674	21.3%	(2,146)	(18.2)%	18,740	20.9%
	Private sector in Japan	4,992	12.6%	5,567	12.3%	574	11.5%	19,657	21.9%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	16,814	42.4%	15,242	33.6%	(1,571)	(9.3)%	38,397	42.8%
Building Business	Public sector in Japan	4,502	11.4%	2	0.0%	(4,500)	(100.0)%	5,422	6.0%
	Private sector in Japan	14,964	37.8%	23,318	51.3%	8,354	55.8%	39,219	43.8%
	Overseas	2,124	5.4%	494	1.1%	(1,629)	(76.7)%	4,068	4.5%
	Subtotal	21,590	54.5%	23,814	52.4%	2,224	10.3%	48,710	54.3%
Total	Public sector in Japan	16,323	41.2%	9,677	21.3%	(6,646)	(40.7)%	24,163	27.0%
	Private sector in Japan	19,956	50.4%	28,885	63.6%	8,928	44.7%	58,876	65.7%
	Overseas	2,124	5.4%	494	1.1%	(1,629)	(76.7)%	4,068	4.5%
	Subtotal	38,404	96.9%	39,056	86.0%	652	1.7%	87,108	97.2%
Other Business		1,219	3.1%	6,354	14.0%	5,134	421.1%	2,533	2.8%
Grand total		39,623	100.0%	45,411	100.0%	5,787	14.6%	89,641	100.0%

2) Net sales

(Million yen)

Category		For the six months ended November 30, 2019		For the six months ended November 30, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	20,595	36.2%	14,511	26.8%	(6,084)	(29.5)%	34,675	32.1%
	Private sector in Japan	6,356	11.2%	7,879	14.5%	1,522	24.0%	11,628	10.8%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	26,951	47.4%	22,390	41.3%	(4,561)	(16.9)%	46,304	42.9%
Building Business	Public sector in Japan	1,480	2.6%	2,985	5.5%	1,504	101.6%	4,145	3.8%
	Private sector in Japan	25,588	45.0%	19,757	36.5%	(5,831)	(22.8)%	50,928	47.2%
	Overseas	1,604	2.8%	2,646	4.9%	1,041	64.9%	3,993	3.7%
	Subtotal	28,673	50.4%	25,389	46.9%	(3,284)	(11.5)%	59,067	54.7%
Total	Public sector in Japan	22,075	38.8%	17,496	32.3%	(4,579)	(20.7)%	38,821	36.0%
	Private sector in Japan	31,945	56.2%	27,636	51.0%	(4,308)	(13.5)%	62,557	58.0%
	Overseas	1,604	2.8%	2,646	4.9%	1,041	64.9%	3,993	3.7%
	Subtotal	55,625	97.8%	47,779	88.2%	(7,846)	(14.1)%	105,372	97.6%
Other Business		1,245	2.2%	6,387	11.8%	5,141	412.8%	2,565	2.4%
Grand total		56,871	100.0%	54,167	100.0%	(2,704)	(4.8)%	107,937	100.0%

3) Projects in process

(Million yen)

Category		For the six months ended November 30, 2019		For the six months ended November 30, 2020		Change		For the fiscal year ended May 31, 2020	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	46,867	37.2%	34,870	30.0%	(11,997)	(25.6)%	39,706	31.8%
	Private sector in Japan	12,611	10.0%	19,691	17.0%	7,080	56.1%	22,003	17.6%
	Overseas	-	-	-	-	-	-	-	-
	Subtotal	59,479	47.2%	54,561	47.0%	(4,917)	(8.3)%	61,710	49.4%
Building Business	Public sector in Japan	12,515	9.9%	7,785	6.7%	(4,730)	(37.8)%	10,770	8.6%
	Private sector in Japan	41,976	33.3%	44,454	38.3%	2,478	5.9%	40,891	32.7%
	Overseas	11,947	9.5%	9,350	8.1%	(2,596)	(21.7)%	11,502	9.2%
	Subtotal	66,439	52.7%	61,590	53.0%	(4,848)	(7.3)%	63,165	50.6%
Total	Public sector in Japan	59,383	47.1%	42,655	36.7%	(16,727)	(28.2)%	50,477	40.4%
	Private sector in Japan	54,587	43.3%	64,146	55.2%	9,558	17.5%	62,895	50.4%
	Overseas	11,947	9.5%	9,350	8.1%	(2,596)	(21.7)%	11,502	9.2%
	Subtotal	125,918	100.0%	116,152	100.0%	(9,765)	(7.8)%	124,875	100.0%
Other Business		41	0.0%	2	0.0%	(38)	(93.2)%	36	0.0%
Grand total		125,959	100.0%	116,155	100.0%	(9,804)	(7.8)%	124,911	100.0%