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 April 15, 2024 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 Three Months Ended August 31, 2024 [Japanese GAAP]

October 15, 2024

Company name: JDC CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 1887
URL: https://www.n-kokudo.co.jp/
Representative: Isao Hayashi, Representative Director and President
Contact: Hironori Otoishi, Deputy Director of Management Division and General Manager of Accounting Department
Phone: +81-3-6777-7881
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended August 31, 2024 (June 1, 2024 to August 31, 2024)

(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, 2024	31,317	(7.7)	2,297	–	2,225	–	1,728	–
August 31, 2023	33,927	19.2	(666)	–	(644)	–	(463)	–

(Note) Comprehensive income: Three months ended August 31, 2024: ¥2,029 million [–%]
Three months ended August 31, 2023: ¥(68) million [–%]

	Net Income per Share	Diluted Net Income per Share
Three months ended	Yen	Yen
August 31, 2024	21.10	21.08
August 31, 2023	(5.56)	–

(Note) Diluted net income per share for the three months ended August 31, 2023 is not stated as net loss per share was recorded, although potential shares exist.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2024	136,109	67,905	49.8
As of May 31, 2024	145,677	68,591	47.0

(Reference) Equity: As of August 31, 2024: ¥67,757 million
As of May 31, 2024: ¥68,442 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	–	10.00	–	12.00	22.00
Fiscal year ending May 31, 2025	–				
Fiscal year ending May 31, 2025 (Forecast)		10.00	–	12.00	22.00

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

(Note) Breakdown of dividends

Interim dividends for the six months ended November 30, 2023: ¥10.00 ordinary dividends
Year-end dividends for the fiscal year ended May 31, 2024: ¥10.00 ordinary dividends and ¥2.00 special dividends
Interim dividends for the six months ending November 30, 2024 (forecast): ¥10.00 ordinary dividends
Year-end dividends for the fiscal year ending May 31, 2025 (forecast): ¥10.00 ordinary dividends and ¥2.00 special dividends

3. Forecast of Consolidated Financial Results for Fiscal Year Ending May 31, 2025 (June 1, 2024 to May 31, 2025)

(% 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	110,000	(18.9)	4,000	–	3,400	–	2,600	–	31.00

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

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

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1): No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury stock):
August 31, 2024: 93,255,000 shares
May 31, 2024: 93,255,000 shares

2) Total number of treasury shares at the end of the period:
August 31, 2024: 13,233,346 shares
May 31, 2024: 9,735,146 shares

3) Average number of shares during the period:
Three months ended August 31, 2024: 81,932,946 shares
Three months ended August 31, 2023: 83,300,240 shares

(Note) 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) (795,100 shares as of August 31, 2024 and 821,900 shares as of May 31, 2024). 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 (809,633 shares for the three months ended August 31, 2024 and 925,314 shares for the three months ended August 31, 2023).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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, 2024 (June 1, 2024 to August 31, 2024)

(1) Non-consolidated Operating Results

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

	Net Sales		Operating Profit		Ordinary Profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2024	26,828	(7.6)	2,284	–	3,089	–	2,579	–
August 31, 2023	29,036	14.8	(1,061)	–	(646)	–	(369)	–

	Net Income per Share	Diluted Net Income per Share
Three months ended	Yen	Yen
August 31, 2024	31.48	31.47
August 31, 2023	(4.44)	–

(Note) Diluted net income per share for the three months ended August 31, 2023 is not stated as net loss per share was recorded, although potential shares exist.

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of August 31, 2024	111,154	62,494	56.2
As of May 31, 2024	120,088	62,335	51.9

(Reference) Equity: As of August 31, 2024: ¥62,494 million
As of May 31, 2024: ¥62,335 million

2. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending May 31, 2025 (June 1, 2024 to May 31, 2025)

(% 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	86,000	(24.8)	2,500	–	2,000	–	23.00

(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.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of May 31, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	21,947	11,660
Notes receivable, accounts receivable from completed construction contracts and other	56,304	54,808
Real estate for sale	9,530	12,125
Costs on construction contracts in progress	1,111	1,913
Costs on development business and other	5,536	4,137
Advances paid	3,892	3,937
Other	2,429	2,570
Allowance for doubtful accounts	(27)	(32)
Total current assets	100,724	91,121
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,206	6,105
Machinery, vehicles, tools, furniture and fixtures, net	11,807	11,527
Land	5,338	5,338
Other, net	3,631	4,433
Total property, plant and equipment	26,983	27,404
Intangible assets	1,814	1,778
Investments and other assets		
Investment securities	11,241	10,648
Retirement benefit asset	2,202	2,166
Deferred tax assets	22	–
Other	2,767	3,070
Allowance for doubtful accounts	(79)	(79)
Total investments and other assets	16,154	15,805
Total non-current assets	44,952	44,988
Total assets	145,677	136,109

(Million yen)

	As of May 31, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,393	24,315
Short-term borrowings	7,186	7,317
Income taxes payable	332	175
Advances received on construction contracts in progress	6,174	5,114
Advances received on development projects	83	91
Deposits received	4,329	1,865
Provision for warranties for completed construction	967	727
Provision for loss on construction contracts	668	472
Provision for bonuses	–	533
Provision for bonuses for directors (and other officers)	38	39
Other	6,508	2,217
Total current liabilities	52,681	42,870
Non-current liabilities		
Long-term borrowings	21,227	21,665
Provision for share awards	419	405
Retirement benefit liability	396	396
Other	2,361	2,866
Total non-current liabilities	24,404	25,333
Total liabilities	77,085	68,204
Net assets		
Shareholders' equity		
Share capital	5,012	5,012
Capital surplus	17,014	17,014
Retained earnings	48,059	48,776
Treasury shares	(3,213)	(4,908)
Total shareholders' equity	66,873	65,895
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,600	1,902
Deferred gains or losses on hedges	0	42
Remeasurements of defined benefit plans	(31)	(82)
Total accumulated other comprehensive income	1,569	1,862
Non-controlling interests	148	147
Total net assets	68,591	67,905
Total liabilities and net assets	145,677	136,109

(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, 2023	For the three months ended August 31, 2024
Net sales		
Net sales of completed construction contracts	32,301	25,877
Net sales in development business and other	1,626	5,439
Total net sales	33,927	31,317
Cost of sales		
Cost of sales of completed construction contracts	31,455	24,132
Cost of sales in development business and other	876	2,693
Total cost of sales	32,331	26,825
Gross profit		
Gross profit on completed construction contracts	845	1,745
Gross profit on development business and other	749	2,746
Total gross profit	1,595	4,491
Selling, general and administrative expenses	2,262	2,193
Operating profit (loss)	(666)	2,297
Non-operating income		
Interest income	3	38
Dividend income	157	203
Foreign exchange gains	25	–
Other	4	2
Total non-operating income	189	243
Non-operating expenses		
Interest expenses	74	63
Interest expenses of rental payments	18	16
Commission for commitment line	55	7
Foreign exchange losses	–	176
Other	20	51
Total non-operating expenses	168	314
Ordinary profit (loss)	(644)	2,225
Extraordinary income		
Gain on sale of non-current assets	–	60
Gain on sale of investment securities	–	7
Total extraordinary income	–	68
Extraordinary losses		
Loss on retirement or abandonment of noncurrent assets	0	1
Compensation for damage, etc.	7	–
Total extraordinary losses	7	1
Profit (loss) before income taxes	(652)	2,293
Income taxes - current	65	172
Income taxes - deferred	(261)	384
Total income taxes	(196)	556
Profit (loss)	(456)	1,736
Profit attributable to non-controlling interests	6	7
Profit (loss) attributable to owners of parent	(463)	1,728

Quarterly Consolidated Statement of Comprehensive Income

Three months ended August 31

(Million yen)

	For the three months ended August 31, 2023	For the three months ended August 31, 2024
Profit (loss)	(456)	1,736
Other comprehensive income		
Valuation difference on available-for-sale securities	414	301
Deferred gains or losses on hedges	(20)	42
Remeasurements of defined benefit plans, net of tax	(5)	(50)
Total other comprehensive income	388	293
Comprehensive income	(68)	2,029
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(74)	2,022
Comprehensive income attributable to non-controlling interests	6	7

4. 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, 2023		For the three months ended August 31, 2024		Change		For the fiscal year ended May 31, 2024	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	6,382	49.5%	901	4.0%	(5,480)	(85.9)%	30,489	28.4%
	Private sector in Japan	816	6.3%	2,456	10.9%	1,639	200.7%	8,859	8.3%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	7,198	55.8%	3,358	14.8%	(3,840)	(53.3)%	39,349	36.7%
Building Business	Public sector in Japan	2,499	19.4%	–	–	(2,499)	(100.0)%	3,870	3.6%
	Private sector in Japan	2,020	15.7%	12,918	57.1%	10,897	539.2%	41,716	38.9%
	Overseas	314	2.4%	1,958	8.7%	1,644	522.7%	16,786	15.7%
	Subtotal	4,834	37.5%	14,877	65.7%	10,042	207.7%	62,372	58.2%
Total	Public sector in Japan	8,881	68.8%	901	4.0%	(7,979)	(89.8)%	34,359	32.0%
	Private sector in Japan	2,837	22.0%	15,375	67.9%	12,537	441.8%	50,576	47.2%
	Overseas	314	2.4%	1,958	8.7%	1,644	522.7%	16,786	15.7%
	Subtotal	12,033	93.3%	18,235	80.6%	6,201	51.5%	101,722	94.8%
Other Business		866	6.7%	4,394	19.4%	3,528	407.5%	5,530	5.2%
Grand total		12,899	100.0%	22,630	100.0%	9,730	75.4%	107,252	100.0%

2) Net sales

(Million yen)

Category		For the three months ended August 31, 2023		For the three months ended August 31, 2024		Change		For the fiscal year ended May 31, 2024	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	1,849	6.4%	3,777	14.1%	1,927	104.2%	11,596	10.1%
	Private sector in Japan	6,805	23.4%	2,705	10.1%	(4,100)	(60.2)%	16,442	14.4%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	8,655	29.8%	6,482	24.2%	(2,172)	(25.1)%	28,038	24.5%
Building Business	Public sector in Japan	87	0.3%	547	2.0%	460	528.6%	1,296	1.1%
	Private sector in Japan	17,065	58.8%	13,113	48.9%	(3,952)	(23.2)%	71,803	62.8%
	Overseas	2,360	8.1%	2,313	8.6%	(46)	(2.0)%	7,728	6.8%
	Subtotal	19,513	67.2%	15,974	59.5%	(3,539)	(18.1)%	80,827	70.7%
Total	Public sector in Japan	1,936	6.7%	4,324	16.1%	2,387	123.3%	12,892	11.3%
	Private sector in Japan	23,871	82.2%	15,818	59.0%	(8,052)	(33.7)%	88,245	77.1%
	Overseas	2,360	8.1%	2,313	8.6%	(46)	(2.0)%	7,728	6.8%
	Subtotal	28,168	97.0%	22,456	83.7%	(5,712)	(20.3)%	108,866	95.2%
Other Business		867	3.0%	4,371	16.3%	3,504	403.9%	5,531	4.8%
Grand total		29,036	100.0%	26,828	100.0%	(2,207)	(7.6)%	114,398	100.0%

3) Projects in process

(Million yen)

Category		For the three months ended August 31, 2023		For the three months ended August 31, 2024		Change		For the fiscal year ended May 31, 2024	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage	Amount	Composition ratio
Civil Engineering Business	Public sector in Japan	28,342	19.9%	39,828	27.1%	11,485	40.5%	42,703	28.2%
	Private sector in Japan	25,308	17.8%	23,466	16.0%	(1,841)	(7.3)%	23,715	15.7%
	Overseas	–	–	–	–	–	–	–	–
	Subtotal	53,651	37.7%	63,295	43.0%	9,643	18.0%	66,419	43.9%
Building Business	Public sector in Japan	4,044	2.8%	3,658	2.5%	(385)	(9.5)%	4,206	2.8%
	Private sector in Japan	62,251	43.8%	47,014	32.0%	(15,237)	(24.5)%	47,209	31.2%
	Overseas	22,277	15.7%	33,026	22.5%	10,749	48.3%	33,381	22.1%
	Subtotal	88,572	62.3%	83,699	56.9%	(4,873)	(5.5)%	84,796	56.1%
Total	Public sector in Japan	32,387	22.8%	43,486	29.6%	11,099	34.3%	46,909	31.0%
	Private sector in Japan	87,559	61.6%	70,480	47.9%	(17,078)	(19.5)%	70,924	46.9%
	Overseas	22,277	15.7%	33,026	22.5%	10,749	48.3%	33,381	22.1%
	Subtotal	142,224	100.0%	146,994	100.0%	4,770	3.4%	151,215	100.0%
Other Business		29	0.0%	52	0.0%	23	79.4%	29	0.0%
Grand total		142,253	100.0%	147,046	100.0%	4,793	3.4%	151,244	100.0%

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

(Million yen)

	For the fiscal year ended May 31, 2024		For the fiscal year ending May 31, 2025	
	Full-year result	Year-on-year change (%)	Full-year forecast	Year-on-year change (%)
Civil Engineering Business	39,349	56.7%	33,300	(15.4)%
Building Business	62,372	(20.9)%	58,000	(7.0)%
Total	101,722	(2.2)%	91,300	(10.2)%