

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: Nippon Air Conditioning Services Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4658 URL <https://www.nikku.co.jp/>
 Representative: President & Representative Director Yoji Tanaka
 Executive Officer
 Inquiries: Accounting Department Director Tomoaki Yokoi TEL 052-773-2511
 Scheduled date to file Quarterly Securities Report: August 12, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	10,420	2.9	106	(51.5)	195	(23.6)	43	(34.4)
Three months ended June 30, 2021	10,128	(1.2)	219	(21.0)	255	(19.1)	66	(38.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	1.28		1.26	
Three months ended June 30, 2021	1.92		1.89	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	32,925	19,802	58.9
As of March 31, 2022	35,140	20,482	57.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	27.50	–	14.00	41.50
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		14.00	–	14.00	28.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,000	4.2	2,900	10.8	3,000	7.1	1,900	(32.7)	55.22

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2022	35,784,000 shares	As of March 31, 2022	35,784,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,621,067 shares	As of March 31, 2022	1,378,717 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	34,277,329 shares	Three months ended June 30, 2021	34,817,696 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	7,253	8,661
Notes receivable, accounts receivable from completed construction contracts and other	12,140	8,156
Electronically recorded monetary claims - operating	730	771
Inventories	657	1,037
Other	883	620
Allowance for doubtful accounts	(11)	(11)
Total current assets	21,653	19,235
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,845	2,824
Land	4,046	4,380
Construction in progress	10	0
Other, net	1,336	1,303
Total property, plant and equipment	8,238	8,508
Intangible assets		
Software	49	55
Other	26	28
Total intangible assets	76	84
Investments and other assets		
Investment securities	4,412	4,303
Other	765	793
Allowance for doubtful accounts	(5)	(1)
Total investments and other assets	5,171	5,096
Total non-current assets	13,487	13,689
Total assets	35,140	32,925

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,832	3,071
Electronically recorded obligations - operating	1,487	1,370
Short-term borrowings	320	811
Current portion of long-term borrowings	176	173
Accounts payable - other	394	272
Accrued expenses	1,771	2,237
Income taxes payable	938	166
Provision for bonuses for directors (and other officers)	35	–
Provision for loss on orders received	106	110
Other	884	1,203
Total current liabilities	10,948	9,417
Non-current liabilities		
Long-term borrowings	357	316
Provision for retirement benefits for directors (and other officers)	120	127
Provision for executive officers' retirement benefits	35	37
Retirement benefit liability	3,109	3,139
Asset retirement obligations	48	48
Other	37	35
Total non-current liabilities	3,709	3,704
Total liabilities	14,657	13,122
Net assets		
Shareholders' equity		
Share capital	1,139	1,139
Capital surplus	1,168	1,168
Retained earnings	16,482	16,042
Treasury shares	(807)	(1,000)
Total shareholders' equity	17,983	17,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,337	2,259
Foreign currency translation adjustment	9	19
Remeasurements of defined benefit plans	(235)	(226)
Total accumulated other comprehensive income	2,111	2,052
Share acquisition rights	241	241
Non-controlling interests	145	158
Total net assets	20,482	19,802
Total liabilities and net assets	35,140	32,925

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	10,128	10,420
Cost of sales	8,357	8,672
Gross profit	1,770	1,748
Selling, general and administrative expenses	1,551	1,642
Operating profit	219	106
Non-operating income		
Interest income	3	4
Dividend income	29	32
Foreign exchange gains	–	48
Other	12	6
Total non-operating income	45	92
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	6	–
Commission expenses	0	0
Other	0	0
Total non-operating expenses	10	3
Ordinary profit	255	195
Extraordinary income		
Gain on sale of non-current assets	0	0
Other	0	–
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Total extraordinary losses	1	0
Profit before income taxes	254	195
Income taxes	186	147
Profit	68	48
Profit attributable to non-controlling interests	1	4
Profit attributable to owners of parent	66	43

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	68	48
Other comprehensive income		
Valuation difference on available-for-sale securities	(304)	(78)
Foreign currency translation adjustment	59	18
Remeasurements of defined benefit plans, net of tax	8	8
Total other comprehensive income	(237)	(50)
Comprehensive income	(169)	(1)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(177)	(15)
Comprehensive income attributable to non-controlling interests	8	13