

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 2023

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: November 14, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (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	%
Six months ended September 30, 2023	24,130	10.3	1,123	66.7	1,278	55.6	776	67.8
Six months ended September 30, 2022	21,874	1.2	673	(26.2)	821	(16.8)	462	(71.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	22.65	22.35
Six months ended September 30, 2022	13.52	13.31

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	36,486	22,408	60.3
As of March 31, 2023	37,561	21,705	56.8

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	14.00	–	14.00	28.00
Year ending March 31, 2024	–	15.00			
Year ending March 31, 2024 (Forecast)			–	15.00	30.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	56,000	5.9	3,000	5.4	3,100	1.6	2,000	3.1	58.35

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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: No
- 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 September 30, 2023	35,784,000 shares	As of March 31, 2023	35,784,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,438,020 shares	As of March 31, 2023	1,509,467 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	34,299,339 shares	Six months ended September 30, 2022	34,239,311 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,582	7,618
Notes receivable, accounts receivable from completed construction contracts and other	14,508	10,236
Electronically recorded monetary claims - operating	1,025	1,082
Inventories	726	1,556
Other	613	801
Allowance for doubtful accounts	(10)	(1)
<b>Total current assets</b>	<b>23,445</b>	<b>21,293</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,748	2,700
Land	4,480	4,480
Construction in progress	7	609
Other, net	1,212	1,191
<b>Total property, plant and equipment</b>	<b>8,448</b>	<b>8,982</b>
<b>Intangible assets</b>		
Software	52	49
Other	21	18
<b>Total intangible assets</b>	<b>74</b>	<b>68</b>
<b>Investments and other assets</b>		
Investment securities	4,859	5,350
Other	733	793
Allowance for doubtful accounts	(1)	(2)
<b>Total investments and other assets</b>	<b>5,592</b>	<b>6,141</b>
<b>Total non-current assets</b>	<b>14,115</b>	<b>15,192</b>
<b>Total assets</b>	<b>37,561</b>	<b>36,486</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,797	3,884
Electronically recorded obligations - operating	1,703	1,461
Short-term borrowings	640	640
Current portion of long-term borrowings	157	135
Accounts payable - other	362	262
Accrued expenses	1,982	1,932
Income taxes payable	378	529
Provision for bonuses for directors (and other officers)	47	–
Provision for loss on orders received	78	83
Other	1,088	1,382
<b>Total current liabilities</b>	<b>12,237</b>	<b>10,312</b>
<b>Non-current liabilities</b>		
Long-term borrowings	200	140
Provision for retirement benefits for directors (and other officers)	66	83
Provision for executive officers' retirement benefits	35	38
Retirement benefit liability	3,124	3,153
Asset retirement obligations	49	49
Other	142	301
<b>Total non-current liabilities</b>	<b>3,617</b>	<b>3,765</b>
<b>Total liabilities</b>	<b>15,855</b>	<b>14,078</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,139	1,139
Capital surplus	1,159	1,164
Retained earnings	17,459	17,743
Treasury shares	(931)	(885)
<b>Total shareholders' equity</b>	<b>18,827</b>	<b>19,161</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,614	2,935
Foreign currency translation adjustment	39	62
Remeasurements of defined benefit plans	(162)	(142)
<b>Total accumulated other comprehensive income</b>	<b>2,491</b>	<b>2,855</b>
Share acquisition rights	223	214
Non-controlling interests	162	176
<b>Total net assets</b>	<b>21,705</b>	<b>22,408</b>
<b>Total liabilities and net assets</b>	<b>37,561</b>	<b>36,486</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	21,874	24,130
Cost of sales	18,099	19,716
Gross profit	3,775	4,414
Selling, general and administrative expenses	3,101	3,291
Operating profit	673	1,123
Non-operating income		
Interest income	7	8
Dividend income	52	59
Dividend income of insurance	9	9
Foreign exchange gains	70	58
Other	15	24
Total non-operating income	156	160
Non-operating expenses		
Interest expenses	4	3
Expense related to restricted stock	–	1
Other	3	0
Total non-operating expenses	8	5
Ordinary profit	821	1,278
Extraordinary income		
Gain on sale of non-current assets	1	4
Total extraordinary income	1	4
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Loss on sale of equity invested in associates	–	0
Total extraordinary losses	0	2
Profit before income taxes	821	1,279
Income taxes	353	496
Profit	468	783
Profit attributable to non-controlling interests	6	6
Profit attributable to owners of parent	462	776

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	468	783
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	321
Foreign currency translation adjustment	72	30
Remeasurements of defined benefit plans, net of tax	17	19
Total other comprehensive income	53	371
Comprehensive income	522	1,155
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	499	1,140
Comprehensive income attributable to non-controlling interests	23	14