

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

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 Toshiaki Yorifuji  
 Executive Officer  
 Inquiries: Accounting Division General Manager Tomoaki Yokoi TEL 052-773-2511  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024  
 Scheduled date to file Securities Report: June 24, 2024  
 Scheduled date to commence dividend payments: June 24, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2024	58,232	10.1	3,630	27.5	3,863	26.6	2,725	40.4
Year ended March 31, 2023	52,886	6.0	2,847	8.8	3,051	8.9	1,940	(31.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	79.40	78.37	12.1	9.6	6.2
Year ended March 31, 2023	56.67	55.84	9.4	8.4	5.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	42,949	24,212	55.5	693.46
As of March 31, 2023	37,561	21,705	56.8	622.02

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,421	(1,798)	(287)	6,242
Year ended March 31, 2023	921	(697)	(1,016)	5,885

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	14.00	–	14.00	28.00	959	49.4	4.6
Year ended March 31, 2024	–	15.00	–	24.00	39.00	1,339	49.1	5.9
Year ending March 31, 2025 (Forecast)	–	20.00	–	20.00	40.00		49.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	61,000	4.8	3,700	1.9	3,900	1.0	2,800	2.7	81.48

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	1,421,638 shares	As of March 31, 2023	1,509,467 shares
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Average number of shares during the period

Year ended March 31, 2024	34,323,617 shares	Year ended March 31, 2023	34,243,961 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,582	6,989
Notes receivable - trade	197	398
Electronically recorded monetary claims - operating	1,025	1,137
Accounts receivable - trade	7,268	7,636
Accounts receivable from completed construction contracts	5,743	6,867
Contract assets	1,299	1,774
Costs on construction contracts in progress	675	682
Raw materials and supplies	51	21
Accounts receivable - other	221	510
Other	392	371
Allowance for doubtful accounts	(10)	(1)
<b>Total current assets</b>	<b>23,445</b>	<b>26,387</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	6,125	6,439
Accumulated depreciation	(3,376)	(3,516)
Buildings, net	2,748	2,923
Machinery and equipment	1,839	1,839
Accumulated depreciation	(832)	(941)
Machinery and equipment, net	1,006	898
Land	4,480	4,480
Construction in progress	7	1,195
Other	1,319	1,445
Accumulated depreciation	(1,114)	(1,122)
Other, net	205	322
<b>Total property, plant and equipment</b>	<b>8,448</b>	<b>9,819</b>
<b>Intangible assets</b>		
Software	52	44
Other	21	18
<b>Total intangible assets</b>	<b>74</b>	<b>62</b>
<b>Investments and other assets</b>		
Investment securities	4,859	5,902
Deferred tax assets	496	474
Other	237	308
Allowance for doubtful accounts	(1)	(5)
<b>Total investments and other assets</b>	<b>5,592</b>	<b>6,679</b>
<b>Total non-current assets</b>	<b>14,115</b>	<b>16,562</b>
<b>Total assets</b>	<b>37,561</b>	<b>42,949</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,797	5,787
Electronically recorded obligations - operating	1,703	2,099
Short-term borrowings	640	870
Current portion of long-term borrowings	157	259
Accounts payable - other	362	404
Accrued expenses	1,982	2,472
Income taxes payable	378	815
Contract liabilities	473	589
Provision for bonuses for directors (and other officers)	47	62
Provision for loss on orders received	78	86
Other	615	1,045
<b>Total current liabilities</b>	<b>12,237</b>	<b>14,492</b>
<b>Non-current liabilities</b>		
Long-term borrowings	200	578
Deferred tax liabilities	115	264
Provision for retirement benefits for directors (and other officers)	66	98
Provision for executive officers' retirement benefits	35	40
Retirement benefit liability	3,124	3,176
Asset retirement obligations	49	67
Other	26	18
<b>Total non-current liabilities</b>	<b>3,617</b>	<b>4,244</b>
<b>Total liabilities</b>	<b>15,855</b>	<b>18,737</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,139	1,139
Capital surplus	1,159	1,163
Retained earnings	17,459	19,176
Treasury shares	(931)	(875)
<b>Total shareholders' equity</b>	<b>18,827</b>	<b>20,603</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,614	3,297
Foreign currency translation adjustment	39	46
Remeasurements of defined benefit plans	(162)	(118)
<b>Total accumulated other comprehensive income</b>	<b>2,491</b>	<b>3,225</b>
Share acquisition rights	223	205
Non-controlling interests	162	177
<b>Total net assets</b>	<b>21,705</b>	<b>24,212</b>
<b>Total liabilities and net assets</b>	<b>37,561</b>	<b>42,949</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	52,886	58,232
Cost of sales	43,557	47,257
Gross profit	9,329	10,975
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	453	506
Share-based payment expenses	39	39
Salaries, allowances and bonuses	3,841	4,285
Provision for bonuses for directors (and other officers)	47	62
Retirement benefit expenses	111	115
Provision for retirement benefits for directors (and other officers)	30	33
Provision for executive officers' retirement benefits	7	4
Other	1,950	2,296
Total selling, general and administrative expenses	6,481	7,344
Operating profit	2,847	3,630
Non-operating income		
Interest income	11	14
Dividend income	101	118
Dividend income of insurance	9	9
Insurance claim income	5	15
Foreign exchange gains	61	74
Other	25	20
Total non-operating income	216	251
Non-operating expenses		
Interest expenses	8	8
Financing expenses	0	0
Provision of allowance for doubtful accounts	–	6
Commission expenses	0	–
Other	2	3
Total non-operating expenses	12	19

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary profit	3,051	3,863
Extraordinary income		
Gain on sale of non-current assets	1	5
Total extraordinary income	1	5
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	2	1
Impairment losses	1	5
Loss on valuation of investments in capital of subsidiaries and associates	–	1
Compensation for damage	61	–
Loss on reversal of foreign currency translation adjustment	14	–
Other	0	1
Total extraordinary losses	79	10
Profit before income taxes	2,972	3,858
Income taxes - current	1,031	1,282
Income taxes - deferred	(9)	(156)
Total income taxes	1,022	1,125
Profit	1,950	2,732
Profit attributable to non-controlling interests	10	7
Profit attributable to owners of parent	1,940	2,725

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,950	2,732
Other comprehensive income		
Valuation difference on available-for-sale securities	276	683
Foreign currency translation adjustment	37	14
Remeasurements of defined benefit plans, net of tax	72	43
Total other comprehensive income	387	741
Comprehensive income	2,338	3,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,320	3,458
Comprehensive income attributable to non-controlling interests	17	15

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,139	1,168	16,482	(807)	17,983
Changes during period					
Dividends of surplus			(960)		(960)
Profit attributable to owners of parent			1,940		1,940
Purchase of treasury shares				(192)	(192)
Disposal of treasury shares		(9)		68	59
Change in scope of consolidation					–
Other			(2)		(2)
Net changes in items other than shareholders' equity					
Total changes during period	–	(9)	977	(123)	843
Balance at end of period	1,139	1,159	17,459	(931)	18,827

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,337	9	(235)	2,111	241	145	20,482
Changes during period							
Dividends of surplus							(960)
Profit attributable to owners of parent							1,940
Purchase of treasury shares							(192)
Disposal of treasury shares							59
Change in scope of consolidation							–
Other							(2)
Net changes in items other than shareholders' equity	276	30	72	380	(17)	17	379
Total changes during period	276	30	72	380	(17)	17	1,223
Balance at end of period	2,614	39	(162)	2,491	223	162	21,705



Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,139	1,159	17,459	(931)	18,827
Changes during period					
Dividends of surplus			(995)		(995)
Profit attributable to owners of parent			2,725		2,725
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		55	59
Change in scope of consolidation			(11)		(11)
Other			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	4	1,716	55	1,776
Balance at end of period	1,139	1,163	19,176	(875)	20,603

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,614	39	(162)	2,491	223	162	21,705
Changes during period							
Dividends of surplus							(995)
Profit attributable to owners of parent							2,725
Purchase of treasury shares							(0)
Disposal of treasury shares							59
Change in scope of consolidation							(11)
Other							(1)
Net changes in items other than shareholders' equity	683	6	43	733	(18)	14	730
Total changes during period	683	6	43	733	(18)	14	2,506
Balance at end of period	3,297	46	(118)	3,225	205	177	24,212

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,972	3,858
Depreciation	380	397
Impairment losses	1	5
Increase (decrease) in allowance for doubtful accounts	(4)	4
Increase (decrease) in provision for bonuses for directors (and other officers)	11	14
Increase (decrease) in provision for loss on orders received	(28)	8
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(53)	32
Increase (decrease) in provision for retirement benefits for executive officers	0	4
Increase (decrease) in retirement benefit liability	119	115
Interest and dividend income	(113)	(132)
Interest expenses	8	8
Share-based payment expenses	39	39
Loss on valuation of investments in capital of subsidiaries and associates	–	1
Loss on reversal of foreign currency translation adjustment	14	–
Decrease (increase) in trade receivables	(2,633)	(2,256)
Decrease (increase) in inventories	(68)	16
Increase (decrease) in trade payables	1,169	379
Decrease (increase) in other current assets	274	(275)
Increase (decrease) in other current liabilities	333	1,042
Other, net	(36)	(102)
Subtotal	2,387	3,162
Interest and dividends received	113	132
Interest paid	(9)	(8)
Income taxes paid	(1,570)	(863)
Net cash provided by (used in) operating activities	921	2,421
Cash flows from investing activities		
Purchase of property, plant and equipment	(553)	(1,659)
Proceeds from sale of property, plant and equipment	1	7
Purchase of intangible assets	(33)	(11)
Purchase of investment securities	(47)	(51)
Loan advances	(4)	(6)
Proceeds from collection of loans receivable	4	4
Other payments	(134)	(297)
Other proceeds	70	215
Net cash provided by (used in) investing activities	(697)	(1,798)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	320	230
Proceeds from long-term borrowings	–	700
Repayments of long-term borrowings	(176)	(219)
Dividends paid	(958)	(989)
Purchase of treasury shares	(192)	(0)
Other, net	(8)	(8)
Net cash provided by (used in) financing activities	(1,016)	(287)
Effect of exchange rate change on cash and cash equivalents	28	21
Net increase (decrease) in cash and cash equivalents	(764)	357
Cash and cash equivalents at beginning of period	6,649	5,885
Cash and cash equivalents at end of period	5,885	6,242