

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 31, 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 Accounting Division
 Inquiries: General Manager Tomoaki Yokoi TEL 052-773-2511
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	12,748	15.4	563	252.8	685	166.8	368	321.9
Three months ended June 30, 2023	11,043	6.0	159	49.9	257	31.7	87	98.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	10.73		10.60	
Three months ended June 30, 2023	2.55		2.52	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	40,062	24,288	59.7
As of March 31, 2024	42,949	24,212	55.5

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, 2024	–	15.00	–	24.00	39.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		20.00	–	20.00	40.00

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) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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, 2024	35,784,000 shares	As of March 31, 2024	35,784,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,363,938 shares	As of March 31, 2024	1,421,638 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, 2024	34,362,699 shares	Three months ended June 30, 2023	34,276,290 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	6,989	8,587
Notes receivable, accounts receivable from completed construction contracts and other	16,676	11,016
Electronically recorded monetary claims - operating	1,137	1,362
Inventories	703	1,109
Other	882	516
Allowance for doubtful accounts	(1)	(1)
Total current assets	26,387	22,590
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,923	2,905
Land	4,480	4,480
Construction in progress	1,195	1,404
Other, net	1,220	1,203
Total property, plant and equipment	9,819	9,993
Intangible assets		
Software	44	42
Other	18	18
Total intangible assets	62	60
Investments and other assets		
Investment securities	5,902	6,635
Other	782	787
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	6,679	7,417
Total non-current assets	16,562	17,472
Total assets	42,949	40,062

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,787	3,537
Electronically recorded obligations - operating	2,099	1,879
Short-term borrowings	870	550
Current portion of long-term borrowings	259	259
Accounts payable - other	404	316
Accrued expenses	2,472	2,979
Income taxes payable	815	284
Provision for bonuses for directors (and other officers)	62	–
Provision for loss on orders received	86	85
Other	1,635	1,461
Total current liabilities	14,492	11,355
Non-current liabilities		
Long-term borrowings	578	513
Provision for retirement benefits for directors (and other officers)	98	91
Provision for executive officers' retirement benefits	40	41
Retirement benefit liability	3,176	3,188
Asset retirement obligations	67	67
Other	283	517
Total non-current liabilities	4,244	4,419
Total liabilities	18,737	15,774
Net assets		
Shareholders' equity		
Share capital	1,139	1,139
Capital surplus	1,163	1,158
Retained earnings	19,176	18,717
Treasury shares	(875)	(838)
Total shareholders' equity	20,603	20,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,297	3,802
Foreign currency translation adjustment	46	56
Remeasurements of defined benefit plans	(118)	(109)
Total accumulated other comprehensive income	3,225	3,749
Share acquisition rights	205	173
Non-controlling interests	177	188
Total net assets	24,212	24,288
Total liabilities and net assets	42,949	40,062

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, 2023	Three months ended June 30, 2024
Net sales	11,043	12,748
Cost of sales	9,175	10,306
Gross profit	1,868	2,442
Selling, general and administrative expenses	1,708	1,879
Operating profit	159	563
Non-operating income		
Interest income	5	6
Dividend income	37	68
Dividend income of insurance	–	0
Foreign exchange gains	45	47
Other	12	5
Total non-operating income	101	128
Non-operating expenses		
Interest expenses	1	2
Expense related to restricted stock	1	1
Other	0	1
Total non-operating expenses	3	5
Ordinary profit	257	685
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	257	685
Income taxes	167	314
Profit	89	371
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	87	368

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	89	371
Other comprehensive income		
Valuation difference on available-for-sale securities	738	504
Foreign currency translation adjustment	(19)	18
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	728	533
Comprehensive income	818	904
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	812	892
Comprehensive income attributable to non-controlling interests	5	11