

Translation

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

October 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
 Inquiries: Accounting Division General Manager Tomoaki Yokoi TEL 052-773-2511
 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Scheduled date to commence dividend payments: December 2, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	26,930	11.6	1,791	59.6	1,883	47.4	1,178	51.7
Six months ended September 30, 2023	24,130	10.3	1,123	66.7	1,278	55.6	776	67.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	34.24		33.86	
Six months ended September 30, 2023	22.65		22.35	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	41,964	24,810	58.3
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	–	20.00			
Year ending March 31, 2025 (Forecast)			–	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 six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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 September 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 September 30, 2024	1,277,538 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)

Six months ended September 30, 2024	34,419,874 shares	Six months ended September 30, 2023	34,299,339 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	6,989	8,761
Notes receivable, accounts receivable from completed construction contracts and other	16,676	11,671
Electronically recorded monetary claims - operating	1,137	1,176
Inventories	703	1,460
Other	882	883
Allowance for doubtful accounts	(1)	(1)
Total current assets	26,387	23,952
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,923	3,642
Land	4,480	5,510
Construction in progress	1,195	1,046
Other, net	1,220	1,275
Total property, plant and equipment	9,819	11,475
Intangible assets		
Software	44	48
Other	18	18
Total intangible assets	62	67
Investments and other assets		
Investment securities	5,902	5,966
Other	782	507
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	6,679	6,468
Total non-current assets	16,562	18,011
Total assets	42,949	41,964

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,787	4,126
Electronically recorded obligations - operating	2,099	1,554
Short-term borrowings	870	550
Current portion of long-term borrowings	259	739
Accounts payable - other	404	299
Accrued expenses	2,472	1,819
Income taxes payable	815	755
Provision for bonuses for directors (and other officers)	62	–
Provision for loss on orders received	86	12
Provision for shareholder benefit program	–	45
Other	1,635	1,105
Total current liabilities	14,492	11,010
Non-current liabilities		
Long-term borrowings	578	2,686
Provision for retirement benefits for directors (and other officers)	98	100
Provision for executive officers' retirement benefits	40	43
Retirement benefit liability	3,176	3,206
Asset retirement obligations	67	67
Other	283	38
Total non-current liabilities	4,244	6,143
Total liabilities	18,737	17,153
Net assets		
Shareholders' equity		
Share capital	1,139	1,139
Capital surplus	1,163	1,174
Retained earnings	19,176	19,527
Treasury shares	(875)	(785)
Total shareholders' equity	20,603	21,055
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,297	3,332
Foreign currency translation adjustment	46	165
Remeasurements of defined benefit plans	(118)	(99)
Total accumulated other comprehensive income	3,225	3,399
Share acquisition rights	205	152
Non-controlling interests	177	203
Total net assets	24,212	24,810
Total liabilities and net assets	42,949	41,964

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, 2023	Six months ended September 30, 2024
Net sales	24,130	26,930
Cost of sales	19,716	21,487
Gross profit	4,414	5,442
Selling, general and administrative expenses	3,291	3,650
Operating profit	1,123	1,791
Non-operating income		
Interest income	8	9
Dividend income	59	75
Dividend income of insurance	9	1
Foreign exchange gains	58	3
Other	24	13
Total non-operating income	160	103
Non-operating expenses		
Interest expenses	3	8
Expense related to restricted stock	1	1
Other	0	1
Total non-operating expenses	5	12
Ordinary profit	1,278	1,883
Extraordinary income		
Gain on sale of non-current assets	4	0
Total extraordinary income	4	0
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	1	7
Loss on sale of equity invested in associates	0	–
Total extraordinary losses	2	7
Profit before income taxes	1,279	1,876
Income taxes	496	690
Profit	783	1,185
Profit attributable to non-controlling interests	6	6
Profit attributable to owners of parent	776	1,178

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	783	1,185
Other comprehensive income		
Valuation difference on available-for-sale securities	321	34
Foreign currency translation adjustment	30	138
Remeasurements of defined benefit plans, net of tax	19	19
Total other comprehensive income	371	193
Comprehensive income	1,155	1,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,140	1,352
Comprehensive income attributable to non-controlling interests	14	26