Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Net sales : ¥26.9 billion[+11.6%]

Operating income : ¥1.79 billion[+59.6%]

Profit attributable to owners of parent : ¥1.17 billion[+51.7%]

* For net sales, operating income, net income attributable to owners of the parent, the number in the 2nd quarter of fiscal year ending March 31, 2025 is used.

[Title]

Nippon Air Conditioning Services achieves a record-high 1H operating profit, up 59.6% YoY, contributed primarily by steady sales of maintenance services

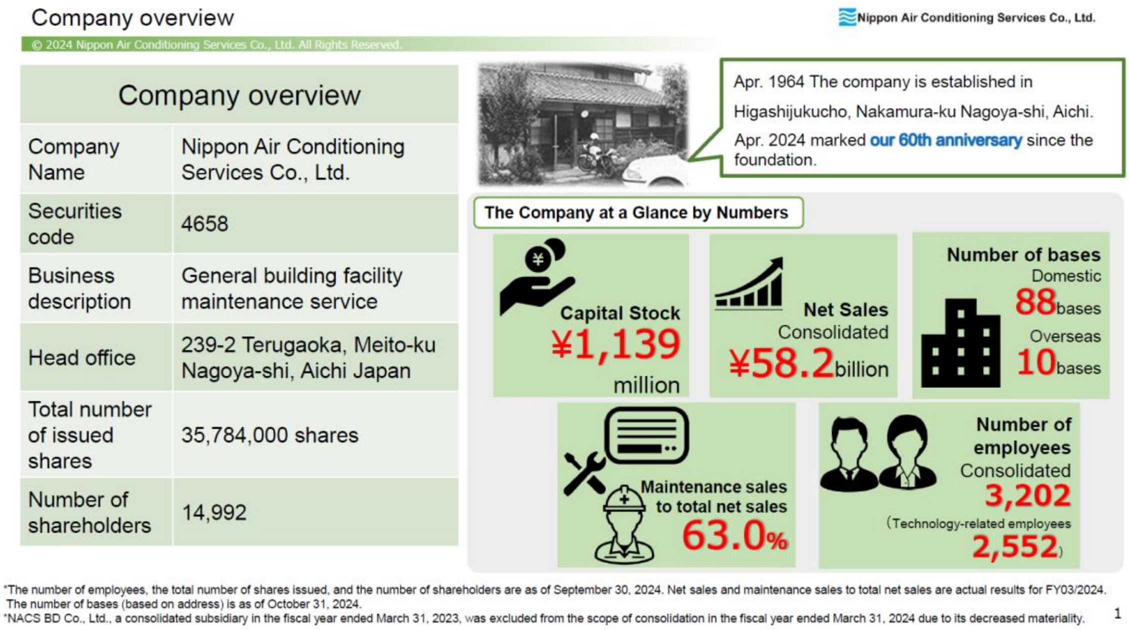
[Lead]

The following is a transcription of the presentation of the financial results for the second quarter of the fiscal year ending March 31, 2025 of Nippon Air-Conditioning Services Co., Ltd., which was released on November 15, 2024.

[Speaker]

Mr. Toshiaki Yorifuji, President and Representative Director, Nippon Air-Conditioning Services Co., Ltd.

Company overview



Mr. Toshiaki Yorifuji: I’m Toshiaki Yorifuji, President and Representative Director of Nippon Air-Conditioning Services Co., Ltd. I will now explain our financial results for the second quarter of the fiscal year ending March 31, 2025.

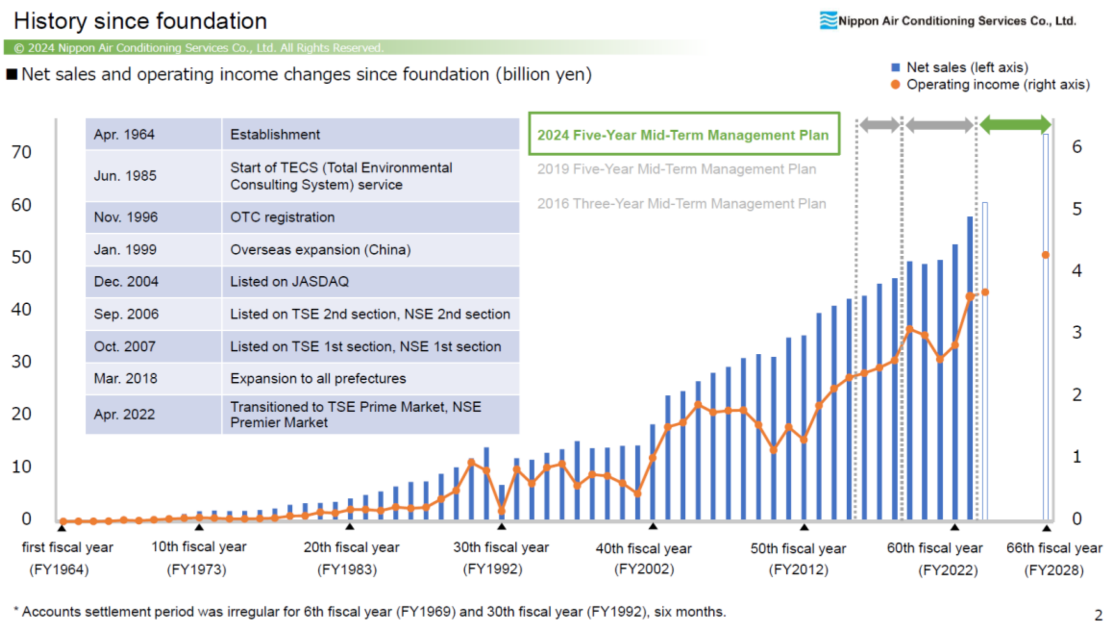
First, let me give you a brief overview of our company. We started our business in 1964. This year marks the 60th anniversary of our founding.

Our head office is in Meito-ku, Nagoya-shi, and our core business is the maintenance of equipment in existing buildings.

Net sales for FY2023 are 58.2 billion yen on a consolidated basis. We have 88 domestic bases and 10 overseas baes.

The number of employees as of September 30, 2024 is 3,202, of which 2,552, or about 80%, are technical related employees.

History since foundation



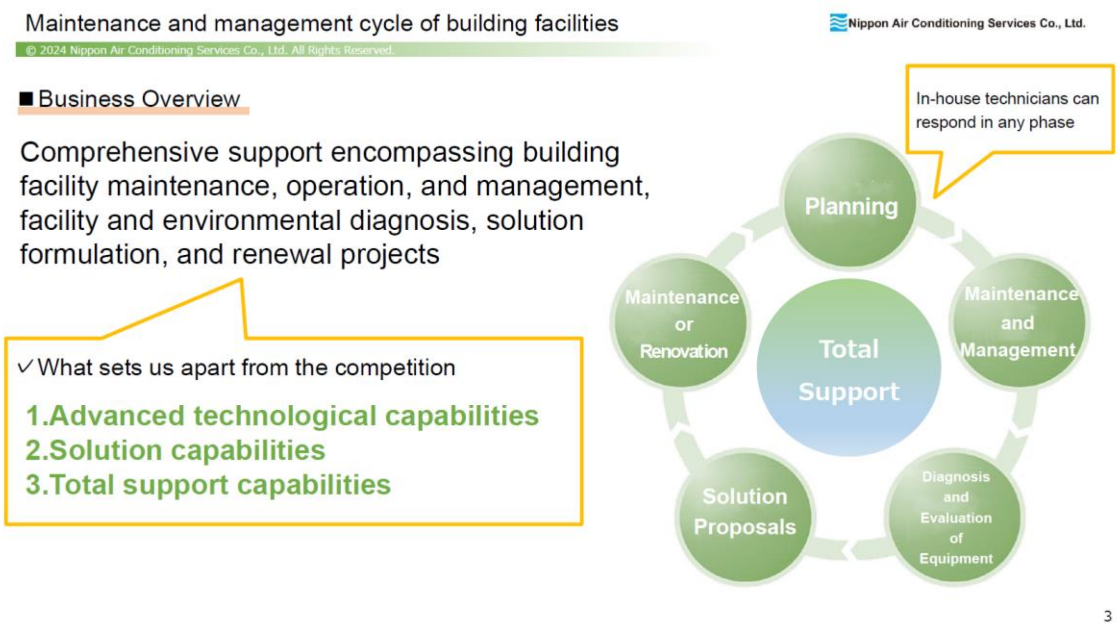
We have been growing steadily, though gradually, since our establishment in April 1964.

The rightmost line on the bar graph shows our sales target of 74 billion yen for FY2028, which is the final year of the 2024 Five-Year Mid-Term Management Plan announced in June of this year.

To achieve the goal of the new mid-term plan, we are proceeding with our business activities based on our long-term vision and management philosophy.

We have had three goals since our founding. The first goal was to expand our business overseas, which we achieved in 1999 when we entered the Chinese market. The second goal was the listing on the TSE and NSE, which we achieved in 2006. The third goal was to expand into all prefectures of Japan, which we achieved in 2018.

Maintenance and management cycle of building facilities



Our business outline is comprehensive support encompassing building facility maintenance, operation, and management, facility and environmental diagnosis, solution formulation, and renewal projects. What makes us different from others is that we can provide our own services at any of the stages shown in the diagram on the right.

Our strength lies in our ability to provide not only maintenance and management, renovation, and renewal work, but also total support, including environmental diagnosis of various type of facilities and solution proposals.

We have earned a high reputation for our ability to communicate with our customers on a day-to-day basis to accurately understand and respond to their needs.

Business division

Business division	Overview	Net sales composition
PM Preventive Maintenance	We conduct inspection, maintenance, repair, replacement, etc. of overall equipment/systems of buildings (mainly air conditioning) by visiting clients' facility.	37%
FM Facility Management	Our resident employees provide integrated management that optimally combines maintenance services with daily maintenance and management at clients' facility.	31%
RAC Reform and Construction	We mainly engage in renovation work of existing equipment such as air conditioning and plumbing sanitary system.	32%

* For net sales composition, actual number in the 2nd Quarter of fiscal year ending March 31, 2025 is used.

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We have three main business divisions.

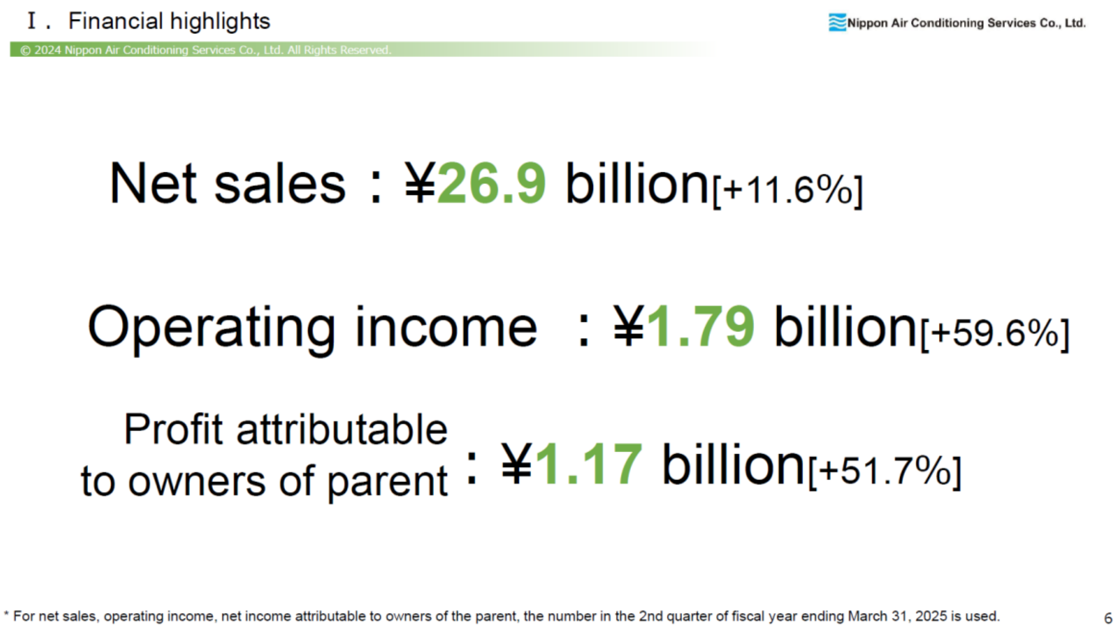
Preventive Maintenance, or PM, is the division that goes from our sales offices to the clients' facilities to perform inspections and maintenance. Our sales offices are located in all 47 prefectures of Japan, covering the entire country.

Facility Management, or FM, is the division in which our employees are stationed at clients' facilities, such as hospitals, to maintain and manage facilities.

Reform and Construction, or RAC, is the division that performs renovation work for facilities mainly derived from the business of PM and FM.

In terms of the sales composition by business division, PM accounts for 37%, FM for 31%, and RAC for 32%.

Financial highlights



Next, I will provide an overview of the financial results for the second quarter of the fiscal year ending March 31, 2025.

For the first half of the fiscal year ending March 31, 2025, net sales were 26.9 billion yen, up 11.6% from the same period last year.

Operating income was 1.79 billion yen, up 59.6% from the same period last year, which is a record high for 1H. Profit attributable to owners of parent was 1.17 billion yen, up 51.7% from the same period last year.

Results for the 2nd quarter of fiscal year ending March 31, 2025

Ⅰ． Results for the 2nd quarter of fiscal year ending March 31, 2025

Nippon Air Conditioning Services Co., Ltd.

(billion yen, %)

Consolidated (cumulative period)	FY03/2023 2Q			FY03/2024 2Q			FY03/2025 2Q		
	Amount	Ratio to sales	Year-on-year growth ratio	Amount	Ratio to sales	Year-on-year growth ratio	Amount	Ratio to sales	Year-on-year growth ratio
Net sales	21.8	100.0	+1.2	24.1	100.0	+10.3	**26.9**	**100.0**	**+11.6**
Maintenance service sales	16.1	73.8	+1.9	17.0	70.5	+5.5	**18.3**	**68.2**	**+7.9**
Net sales of completed construction contracts	5.7	26.2	-0.9	7.1	29.5	+23.8	**8.5**	**31.8**	**+20.5**
Gross profit on sales	3.7	17.3	-1.5	4.4	18.3	+16.9	**5.4**	**20.2**	**+23.3**
Gross profit on maintenance sales	3.0	19.0	-0.6	3.5	20.7	+14.6	**4.0**	**21.8**	**+13.8**
Gross profit on completed construction contracts	0.7	12.3	-5.1	0.8	12.6	+27.1	**1.4**	**16.8**	**+60.5**
Selling, general and administrative expenses	3.1	14.2	+6.2	3.2	13.6	+6.1	**3.6**	**13.6**	**+10.9**
Operating income	0.6	3.1	-26.2	1.1	4.7	+66.7	**1.7**	**6.7**	**+59.6**
Ordinary income	0.8	3.8	-16.8	1.2	5.3	+55.6	**1.8**	**7.0**	**+47.4**
Profit before income taxes	0.8	3.8	-23.3	1.2	5.3	+55.7	**1.8**	**7.0**	**+46.6**
Profit attributable to owners of parent	0.4	2.1	-71.0	0.7	3.2	+67.8	**1.1**	**4.4**	**+51.7**
Earnings per share (unit : yen)	13.52	—	-70.6	22.65	—	+67.5	**34.24**	**—**	**+51.2**

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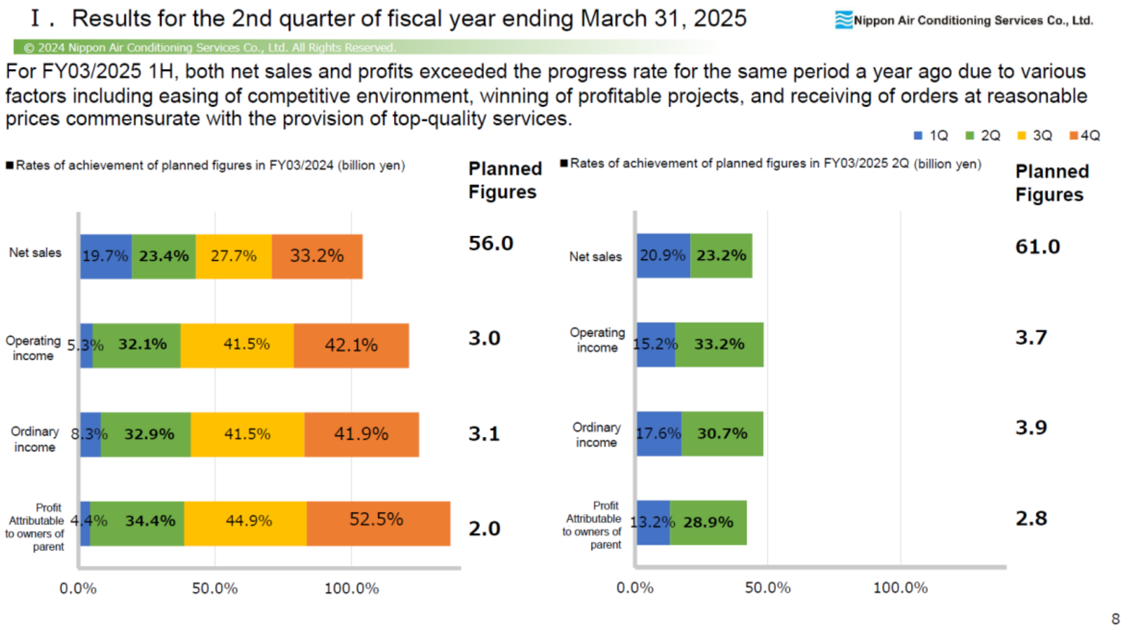
The slide shows more details of the operating results for the first half of the fiscal year ending March 31, 2025.

Maintenance services continued to grow steadily at a faster pace than the same period of the previous two fiscal years, reaching a record high for 1H for the fourth consecutive years, while renewal work reached a new record high.

This was owing to factors such as the easing of competitive environment caused by the industry's lack of supply capacity in response to rising demand for capital investment, winning of profitable projects thanks to the easing of competition, and the receiving of orders at reasonable prices commensurate with the provision of high-quality services.

In addition, profits went up, because growth in sales exceeded an increase in SG&A expenses caused by the base-pay increase and the distribution of shareholder benefits to commemorate the 60th anniversary.

Results for the 2nd quarter of fiscal year ending March 31, 2025



The graphs show the rates of achievement toward the planned figures for the previous fiscal year versus those for the current fiscal year.

For the period under review, as I mentioned earlier, we were able to get off to a better-than-expected start in the first quarter, thanks to factors such as the easing of competition caused by the lack of supply capacity in the industry in response to rising demand for capital investment and the resulting increase in orders for profitable projects. As a result, the progress rate toward the planned figure of 61.0 billion yen, which is 5.0 billion yen higher YoY, has exceeded the progress rate for the same period last year.

Also, operating income, ordinary income, and profit attributable to owners of parent have all exceeded the previous year's rates of achievement, absorbing the rise in cost of sales and SG&A expenses due to the salary increase for regular employees, which was implemented this fiscal year as in the previous year.

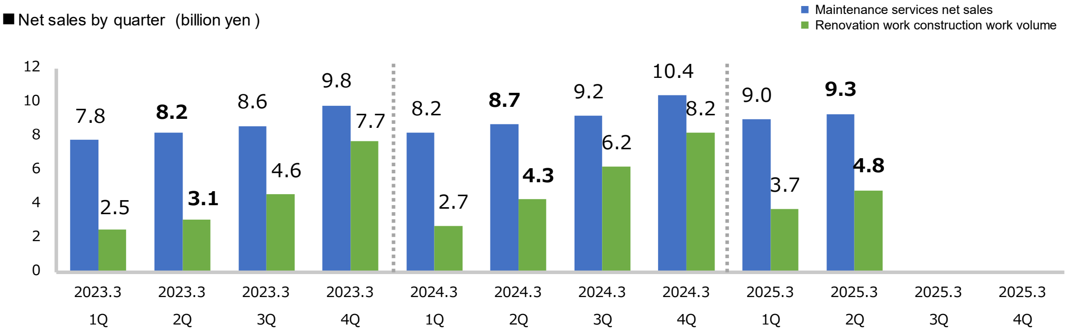
Results in the 2nd quarter of fiscal year ending March 31, 2025

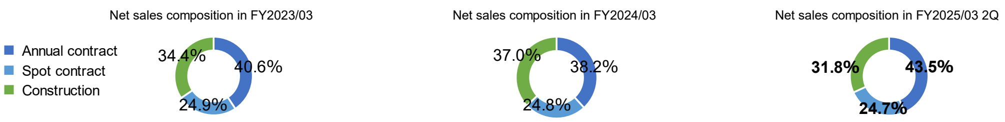
Ⅰ. Results for the 2nd quarter of fiscal year ending March 31, 2025

Nippon Air Conditioning Services Co., Ltd.

For FY03/2025 1H, net sales reached a record high for the second consecutive year. Net sales of the mainstay maintenance services reached a record high for the fourth consecutive year due to an increase in spot maintenance services at manufacturing plants and office buildings. Net sales of the renovation work also reached a record high as the work at these facilities proceeded at a good pace.

■Net sales by quarter (billion yen)



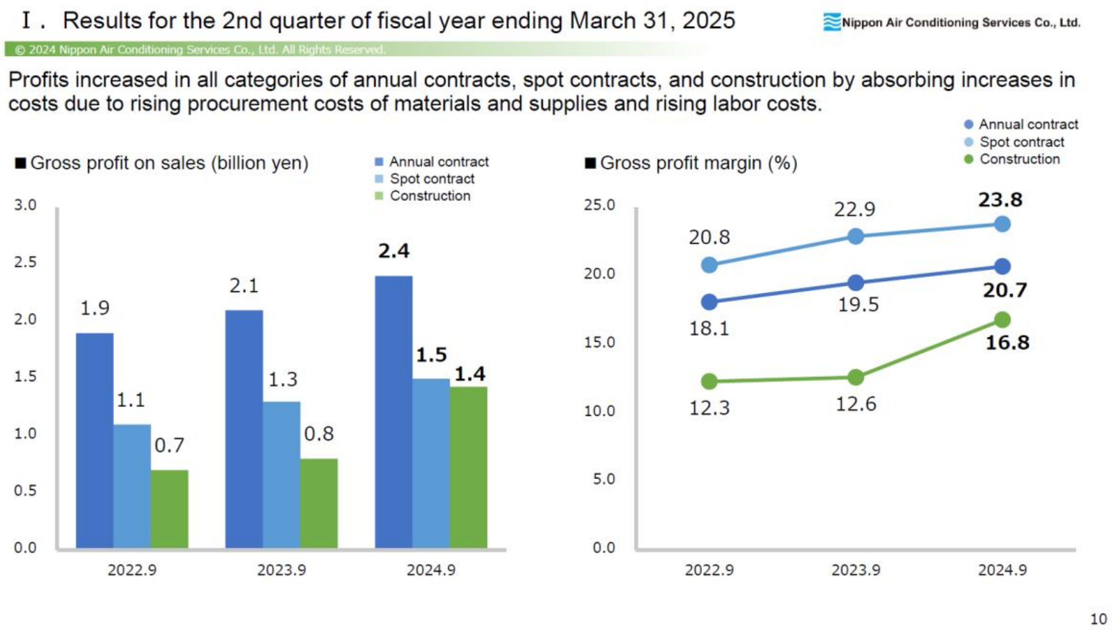


Let’s move on to quarterly sales. Overall sales for the second quarter reached a record high for the second consecutive year.

Sales of maintenance services, our mainstay business, reached a record high for the fourth consecutive year, mainly because of a gain in spot maintenance at manufacturing plants, office buildings, and other facilities.

The second quarter also marked a new record high for renovation work, mainly because of strong growth in the number of projects completed at manufacturing plants and office buildings.

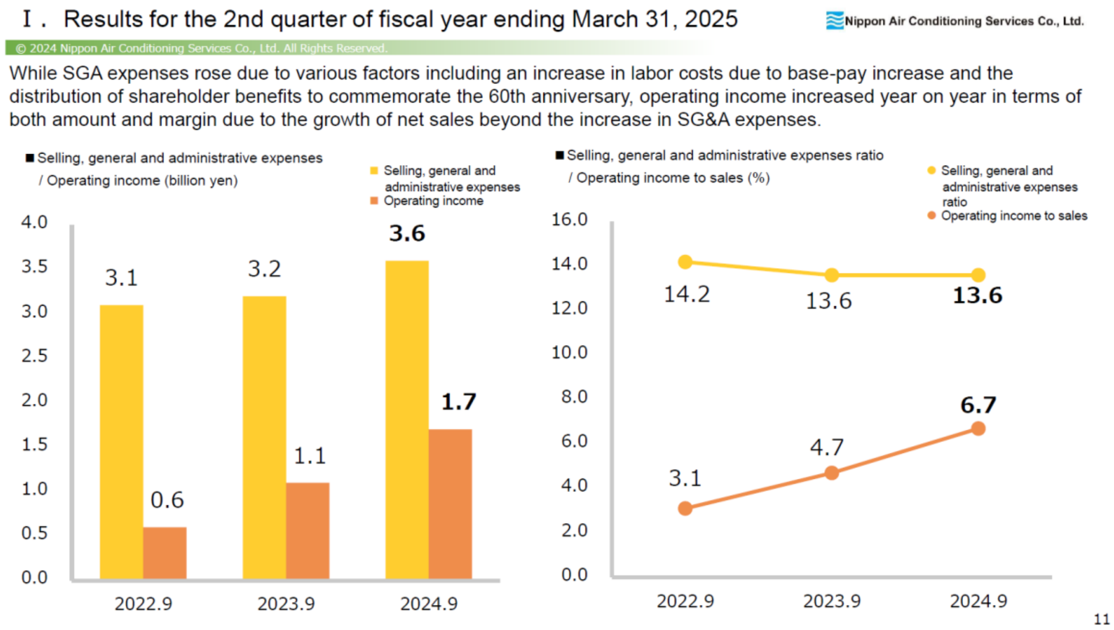
Results for the 2nd quarter of fiscal year ending March 31, 2025



Gross profit increased in all categories, including annual contracts, spot contracts, and construction, absorbing the cost increase due to higher procurement prices of materials and supplies and rising labor costs.

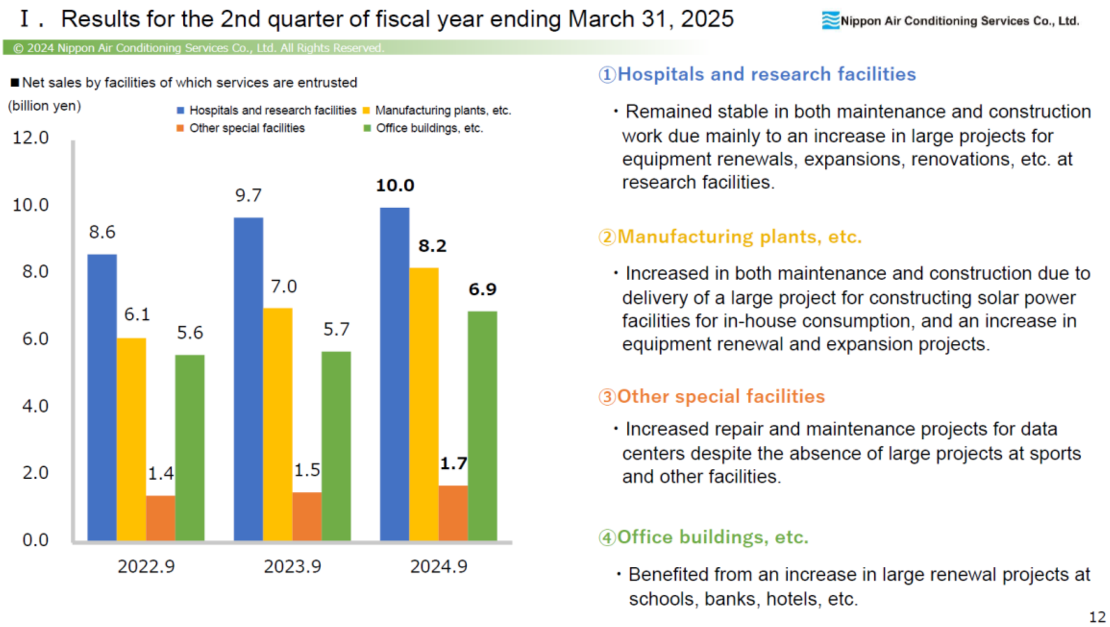
Gross profit margin on completed construction contracts grew significantly compared to the previous two fiscal years thanks to the favorable order-receiving environment.

Results for the 2nd quarter of fiscal year ending March 31, 2025



SG&A expenses rose due to various factors including an increase in labor costs resulting from the base-pay increase and the distribution of shareholder benefits to commemorate the 60th anniversary. Yet, operating income increased year on year in terms of both amount and margin due to the growth of net sales beyond the increase in SG&A expenses.

Results for the 2nd quarter of fiscal year ending March 31, 2025



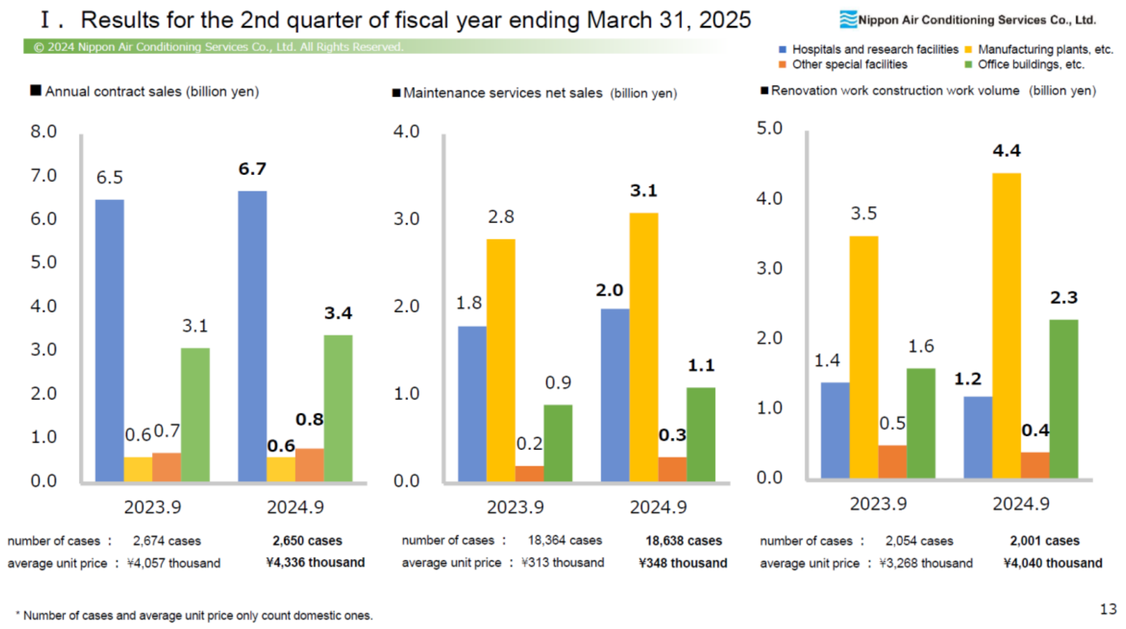
In terms of net sales by facilities of which services are entrusted, spot projects and construction work remained steady at hospitals and research facilities.

As for manufacturing plants, etc., both maintenance and construction work increase, contributed by a large project for constructing solar power facilities for in-house consumption and an increase in equipment renewal and expansion projects.

As for other special facilities, repair and maintenance projects for data centers increased, although there were no large construction projects at sports and other facilities.

As for office buildings, etc., an increase in large renewal projects for schools, banks, hotels, etc. contributed to the growth.

Results for the 2nd quarter of fiscal year ending March 31, 2025

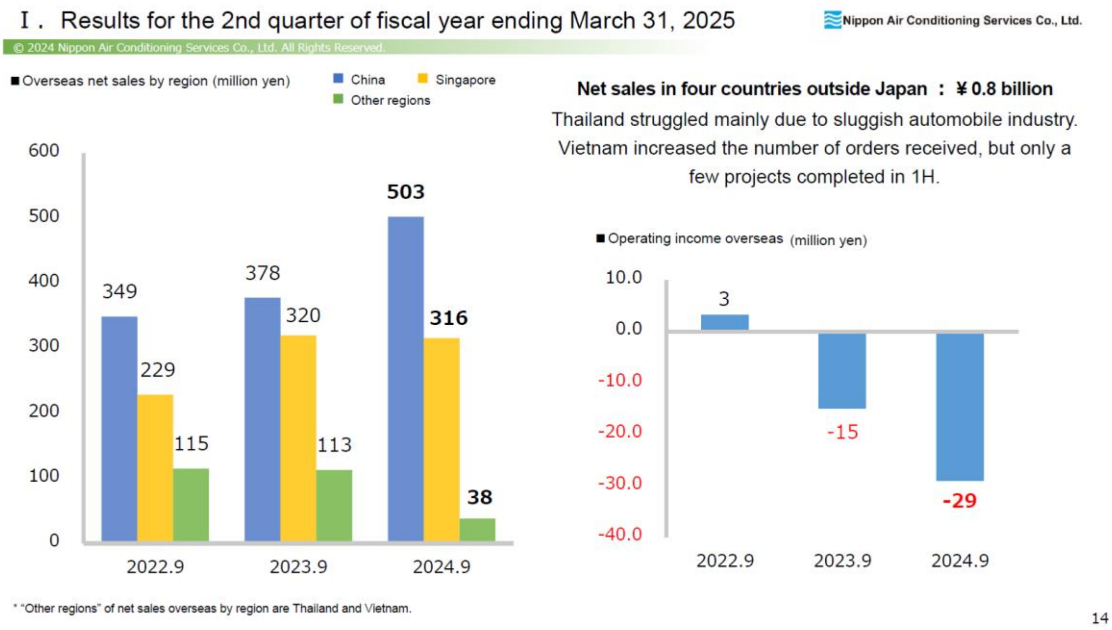


The graph breaks down net sales by facilities of which services are entrusted, into annual contracts, maintenance services, etc., and renovation work construction work volume.

Annual contracts were stable, while growth in maintenance services, etc. was driven by manufacturing plants and office buildings.

In the renovation work construction work volume, sales of manufacturing plants and office buildings grew due to higher unit prices and the receipt of orders for large-scale projects.

Results for the 2nd quarter of fiscal year ending March 31, 2025



Regarding overseas sales, Thailand struggled due to the sluggish automobile industry and other factors. In Vietnam, although orders are increasing, not many projects were completed in the first half of the year.

In China, sales increased, and overall overseas sales exceeded those for the previous two fiscal years.

Although the deficit is growing in terms of overseas operating income, we believe that our overseas business will be the foundation for improving our corporate value in the future. We will increase the number of foreign engineers while continuing to support them with personnel from Japan, aiming to raise the level of our technical capabilities and secure profits.

Status of cash flows

Ⅰ. Status of cash flows

Nippon Air Conditioning Services Co., Ltd.

Consolidated (cumulative period)	FY03/2024 2Q		FY03/2025 2Q	
	Amount (billion yen)	Year-on-year change (billion yen)	Amount (billion yen)	Year-on-year change (billion yen)
Cash flows from operating activities	2.3	+1.9	2.1	-0.2
Cash flows from investing activities	(0.8)	-0.3	(1.9)	-1.0
Cash flows from financing activities	(0.5)	+0.00	1.4	+2.0
Cash and cash equivalent growth	0.9	+1.5	1.6	+0.7
Balance of cash and cash equivalent at beginning of the period	5.8	-0.7	6.2	+0.3
Balance of cash and cash equivalent at end of the period	6.8	+0.7	7.9	+1.0

Cash flows from investing activities decreased

▼

Expenditures to acquire property, plant and equipment

Cash flows from financing activities increased

▼

Increased long-term borrowings to finance construction costs of our Technical Training Center

Regarding cash flow, during the second quarter of the fiscal year ending March 31, 2025, net cash used in investing activities increased due to a rise in expenditures for the acquisition of property, plant and equipment related to the acquiring of land for the relocation of our Kyushu office.

In addition, net cash was provided by financing activities because of an increase in long-term borrowings to finance construction costs of our Technical Training Center.

Financial position

Ⅰ． Financial position

Nippon Air Conditioning Services Co., Ltd.

Consolidated (as of the end of period)	FY03/2024		FY03/2025 2Q	
	Amount (billion yen)	Year-on-year growth ratio (%)	Amount (billion yen)	Year-on-year growth ratio (%)
Current assets	2.6	+12.5	23.9	-9.2
Fixed assets	1.6	+17.3	18.3	+10.5
Total assets	4.2	+14.3	42.2	-1.6
Interest-bearing debts	1.7	+68.0	4.0	+132.0
Other liabilities	17.0	+14.7	13.4	-21.1
Total liabilities	18.7	+18.2	17.4	-6.9
Total net assets	24.2	+11.5	24.8	+2.5
Total liabilities and net assets	42.9	+14.3	42.2	-1.6

Interest-bearing debts:

Up from 1.7 to 4.0 billion yen

▼

Increased long-term debt related to the construction of our Technical Training Center

Regarding the financial position, interest-bearing debt increased due to an increase in long-term borrowings for the construction of our Technical Training Center.

Forecast for the fiscal year ending March 31, 2025

Ⅰ. Forecast for the fiscal year ending March 31, 2025

Nippon Air Conditioning Services Co., Ltd.

Although unstable geopolitical conditions, persistently high costs, and other unfavorable factors are expected to continue, we aim to achieve a year-on-year increase in both sales and profits by uncovering latent customer needs for energy and cost savings.

(billion yen, %)

Consolidated (cumulative period)	FY03/2024 (results)			FY03/2025 (forecast)		
	Amount	Ratio to sales	Year-on-year growth ratio	Amount	Ratio to sales	Year-on-year growth ratio
Net sales	58.2	100.0	+10.1	**61.0**	**100.0**	**+4.8**
Maintenance service sales	36.6	63.0	+5.8	**38.5**	**63.1**	**+4.9**
Renovation work construction work volume	21.5	37.0	+18.3	**22.5**	**36.9**	**+4.5**
Gross profit on sales	10.9	18.8	+17.6	**11.5**	**18.9**	**+4.8**
Selling, general and administrative expenses	7.3	12.6	+13.3	**7.8**	**12.8**	**+6.2**
Operating income	3.6	6.2	+27.5	**3.7**	**6.1**	**+1.9**
Ordinary income	3.8	6.6	+26.6	**3.9**	**6.4**	**+1.0**
Profit attributable to owners of parent	2.7	4.7	+40.4	**2.8**	**4.6**	**+2.7**

*We raised salaries for regular employees by an average of 6.8% in April 2023, and an average of 6.5% in April 2024.

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The forecast for the fiscal year ending March 31, 2025 is shown in green.

We will aim to grow sales and profits by uncovering latent customer needs related to energy and cost savings, while we expect the unstable geopolitical conditions and persistently high costs to continue.

We have made a good start in the first quarter of this fiscal year, with the combined positive factors of the elimination of the impact of COVID-19, the return to the domestic market, and the resolution of material shortages. We will make every effort to continue to achieve our targets for the current fiscal year.

Thrive, for growth

Next, I will explain the 2024 Five-Year Mid-Term Management Plan.

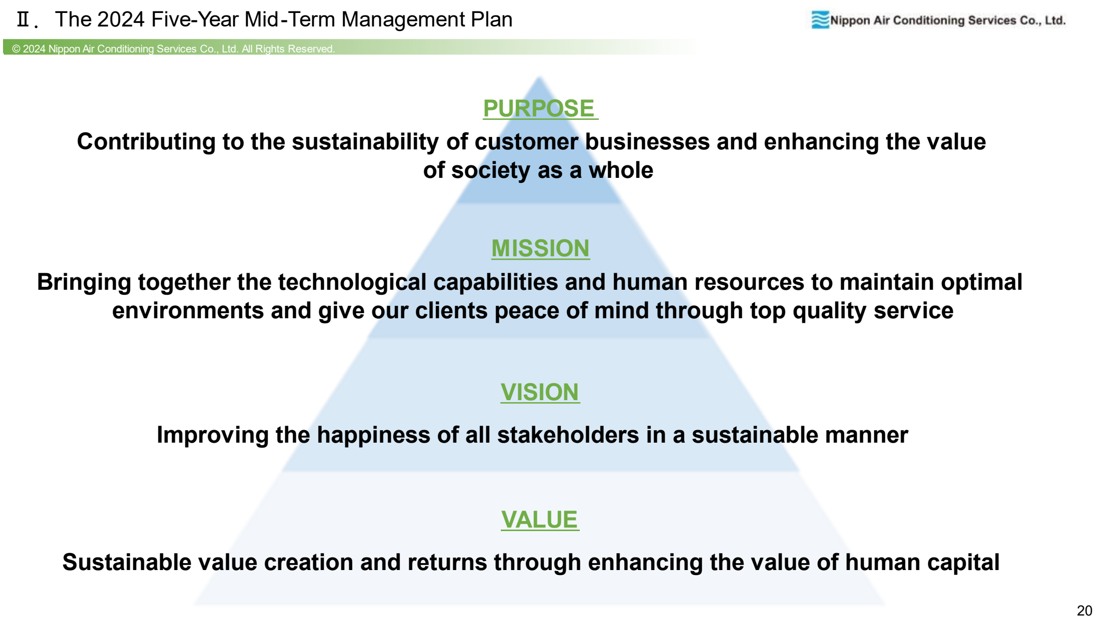
The previous 2019 Five-Year Mid-Term Management Plan reached its final year in the fiscal year ended March 31, 2024, so we have formulated a new plan.

Our company was established in 1964. This year marks the 60th anniversary of our founding.

To mark our 60th anniversary, we participated in the 61st Senden Kaigi Awards (sponsored by Senden Kaigi, Inc.) to see if there were any good taglines that could promote our company.

The winner of the contest, selected from among some 15,400 submissions, is "*Iki Tsuzukerutameni*" meaning "Thrive, for growth" in English. The Japanese word *iki* means "breath," "life," and "vitality. These three words are represented in "Iki" and is incorporated into a slogan to embody the new mid-term management plan.

The 2024 Five-Year Mid-Term Management Plan



I would like to explain the basic policy of the 2024 Five-Year Mid-Term Management Plan.

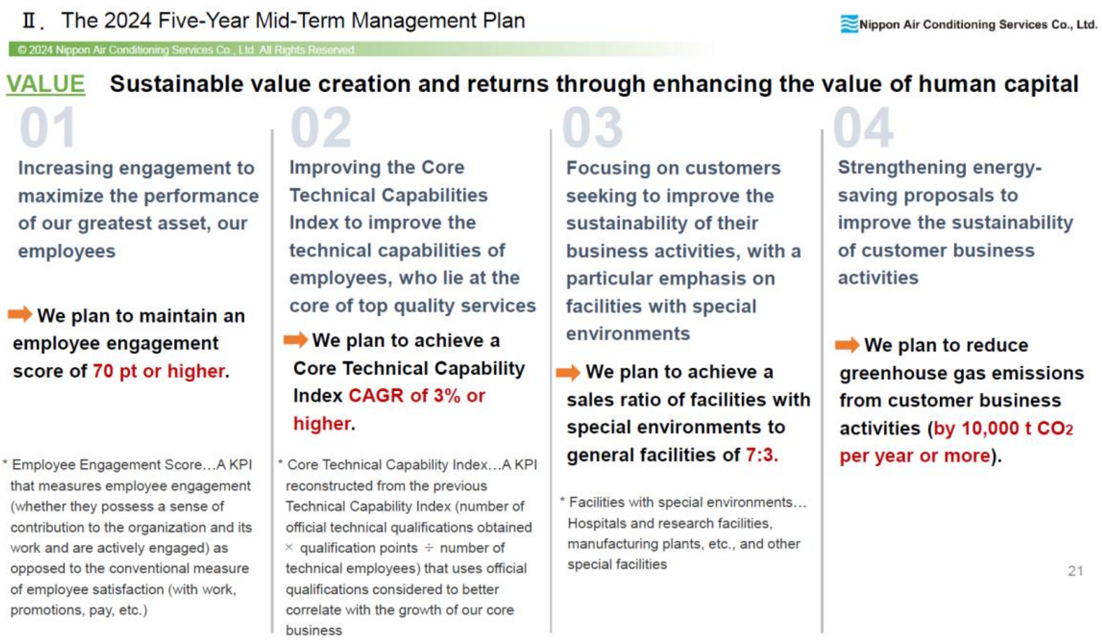
Our PURPOSE is “contributing to the sustainability of our customer businesses and enhancing the value of society as a whole.”

Our MISSION is “bringing together the technological capabilities and human resources to maintain optimal environments and give our clients peace of mind through top quality service.” We position this as our mission to be fulfilled.

Our VISION is “improving the happiness of all stakeholders in a sustainable manner.” This is our vision of what we aspire to be.

Our VALUE is “sustainable value-creation and returns through enhancing the value of human capital.” We hope to achieve the goals of our new mid-term management plan by instilling our action guidelines in our employees.

The 2024 Five-Year Mid-Term Management Plan



Let me explain about VALUE.

We would like to use eight indicators as KPIs.

The first is “increasing engagement to maximize the performance of our greatest asset, our employees.” We will aim to maintain an employee engagement score of 70 points or higher.

The second is “improving the Core Technical Capabilities Index to improve the technical capabilities of employees, who lie at the core of top quality services.” It was clearly identified that national licenses correlate better with the growth of our core business, while operating the Technical Capabilities Index, which was a KPI in the 2019 Five-Year Mid-Term Management Plan. We saw a parallel that sales would grow as the number of employees acquiring qualifications required on site increased. So, we would like to raise the Core Technical Capabilities Index first.

Third, we are “focusing on customers seeking to improve the sustainability of their business activities, with a particular emphasis on facilities with special environments.” This has been leaned on before. Yet, since profits from office buildings were surprisingly good, we will take some of that into account. Our guideline for the sales ratio is 70% for facilities with special environments and 30% for others. We think it is important to be flexible in adjusting.

The fourth is “strengthening energy-saving proposals to improve the sustainability of customer business activities.” We have been proposing products, but from now on we will aim to reduce greenhouse gas emissions in our customer business activities by more than 10,000 tons CO_2 per year.

The 2024 Five-Year Mid-Term Management Plan

The fifth is “expanding and strengthening overseas operations to improve the sustainability of our business activities.” For overseas business, we will target net sales of 3.5 billion yen with operating income of 175 million yen and the operating income margin of 5%.

The sixth is “maintaining profit levels to achieve sustainable improvement in the happiness of all stakeholders.” We would like to maintain the operating income margin of around 6%, compared to the 5.5% target of the previous mid-term management plan.

The seventh is “maintaining capital productivity in excess of the cost of capital required to create corporate value.” As set in the previous mid-term management plan, we aim to maintain an average ROE of around 10%, steadily exceeding the cost of equity of 8%.

The eighth is “implementing sustainable shareholder returns.” The new mid-term management plan sets a minimum annual dividend per share. We set the minimum annual dividend per share at 40 yen and aim for a sustainable return of profits with a target dividend payout ratio of 50% and a target dividend on equity ratio of 5%.

The 2024 Five-Year Mid-Term Management Plan

Ⅱ. The 2024 Five-Year Mid-Term Management Plan

Nippon Air Conditioning Services Co., Ltd.

We will strive to expand corporate value by reconsidering financial KPIs to track growth in the core businesses and non-financial KPIs selected for their strong correlation with the achievement of the financial KPIs.
The results will be indicated by the stock price, an objective indicator of a company's future potential.

Old KPIs	2024.03 (results)	New KPIs	2029.03 (target)
Net sales	58,232mil. yen	Net sales	74,000mil. yen
Operating income	3,630mil. yen	Operating income	4,300mil. yen
Operating income to sales	6.2%	Average operating income margin during the period covered by this plan	maintain around 6.0%
Ordinary income	3,863mil. yen	Ordinary income	4,500mil. yen
Profit attributable to owners of parent	2,725mil. yen	Profit attributable to owners of parent	3,200mil. yen
Earnings per share	79.40yen	Earnings per share	93.00yen
ROE	12.1%	Average ROE during the period covered by this plan	maintain around 10.0%

Old KPIs	2024.03 (results)	New KPIs	2029.03 (target)
Ratio of sales of facilities with special environment	75.2%	Ratio of sales of facilities with special environment	around 70.0%
Overseas operating income to sales	-0.2%	Overseas operating income	1.75bil. yen
Employee satisfaction levels (Non-consolidated)	67.3%	An employee engagement	maintain 70.0pt or more
Technological capabilities index (Non-consolidated)	22.8pt	Core Technical Capability Index CAGR	3.0% or more
Payout ratio	49.1%	Payout ratio	around 50.0%
Annual dividends per share	39.00yen	Annual dividends per share	around 46.00yen
		Dividend on equity ratio	around 5.0%

* The new KPI for annual dividend per share is calculated by multiplying EPS by the dividend payout ratio (This does not commit us to a specific predetermined dividend figure)
* The KPI for reduction of greenhouse gas emissions (10,000 t CO_2 or more per year) is managed separately as a sustainability indicator

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This is a summary of the targets of the 2024 Five-Year Mid-Term Management Plan.

In the fiscal year ending March 31, 2029, we aim to achieve net sales of 74 billion yen, operating income of 4.3 billion yen, average operating income margin of 6%, ordinary income of 4.5 billion yen, and profit attributable to owners of parent of 3.2 billion yen, earnings per share of 93 yen, and average ROE of 10% for the plan period.

We will target a sales ratio of approximately 70% for facilities with special environments and overseas operating income of 175 million yen on a non-consolidated basis. Furthermore, we aim to maintain an employee engagement score of 70 points or higher, and a core technical capability index CAGR of 3% or more.

We will also target the dividend payout ratio of about 50%, and the annual dividends per share is expected to be about 46 yen per share based on the value of EPS. The dividend on equity ratio is around 5%.

We have already started this fiscal year with these KPIs.

The 2024 Five-Year Mid-Term Management Plan

Ⅱ. The 2024 Five-Year Mid-Term Management Plan

Nippon Air Conditioning Services Co., Ltd.

To accelerate the process of enhancing human capital value, the key to expanding our corporate value, we are currently building a Technical Training Center that will become fully operational in April 2025.

▶ Rendering of the Technical Training Center

▶ Overview of the Technical Training Center

Location	Minami-ku, Nagoya-shi
Estimated completion	November 2024
Scheduled start of operations	April 2025
Total floor area	Approx. 4,100 m^2
Scale	Four aboveground floors + roof
Purpose	To accelerate the process of enhancing human capital value, the key to expanding our corporate value

▶ Role of the Technical Training Center

- Planning a training facility that simulates actual maintenance sites such as clean rooms, machine rooms, etc.
- New hires: Basic training on air conditioners, etc. that use actual equipment
- Current employees: Training on equipment capacity diagnostics using actual equipment, training for acquiring various certifications, etc.
- Environmental Management Department: Planning transfer of operations including environmental analysis (physicochemical, radiation), microbe testing, work environment measurement, and research and development.

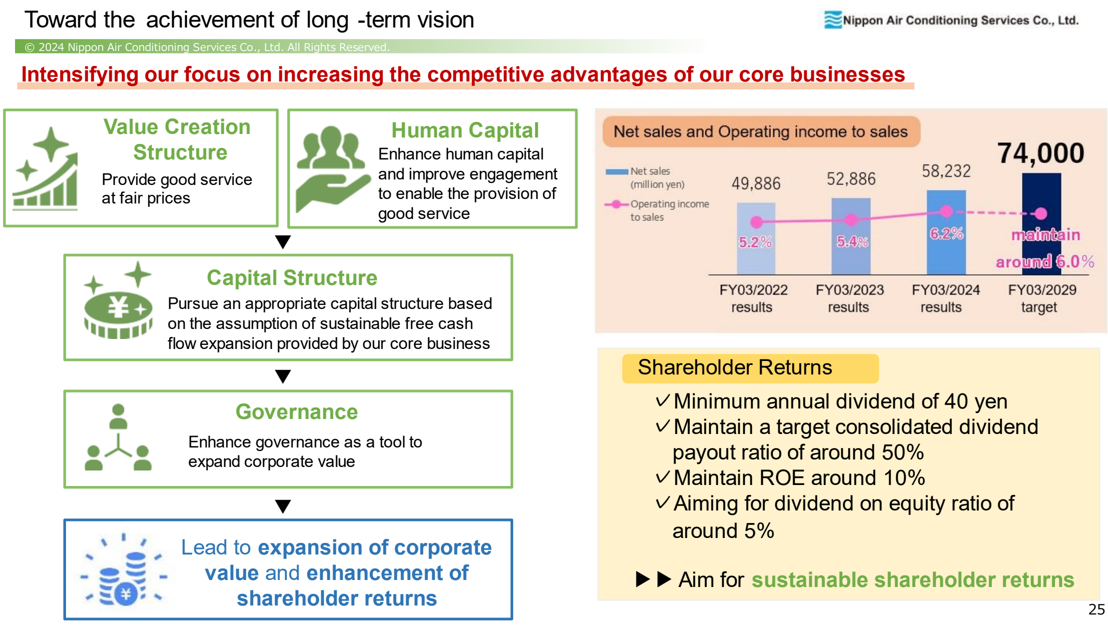
We believe that “enhancing human capital value” is an essential part of value-added creation. We are currently building the Technical Training Center in Minami-ku, Nagoya-shi to accelerate the process of “enhancing human capital value.”

Construction is scheduled for completion at the end of November this year, with full-scale operations scheduled to begin in April 2025. New graduate hires for the next fiscal year will be able to start their training here.

Until now it has taken about five years for new graduate hires to be able to perform their jobs. But we believe we can shorten the time to three to four years by establishing clean rooms and facilities like those at our customers' facilities.

We will focus on this initiative because we believe it will contribute greatly to productivity improvement.

Toward the achievement of long-term vision



In the context of achieving our long-term vision, I would like to summarize the 2024 Five-Year Mid-Term Management Plan.

Based on the policy of "intensifying our focus on increasing the competitive advantages of our core businesses," we aim to expand corporate value and enhance shareholder returns by steadily promoting initiatives on "value creation structure," "human capital," "capital structure," and "governance."

Our targets are to maintain net sales of 74 billion yen and an average operating income margin for the plan period of around 6.0% in the fiscal year ending March 31, 2029.

We also make endeavors to provide stable and sustainable returns to shareholders.

We will do what we must.

We introduced the tagline, “Thrive, for growth” earlier.

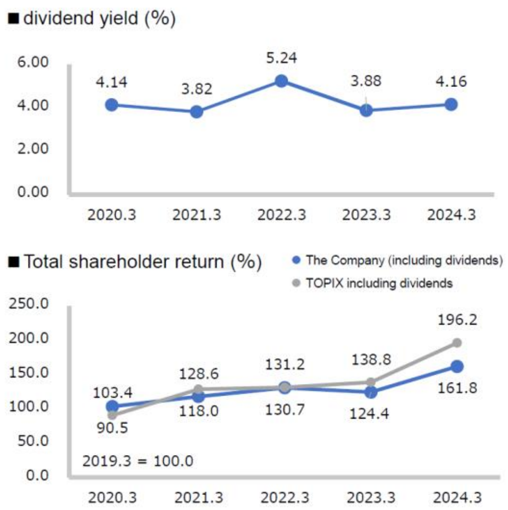
“Thrive, for growth” and “We will do what we must.” We will achieve the goals of the new mid-term management plan by firmly instilling these mottos in our employees.

Stock-related information

Ⅲ. Stock-related information

Nippon Air Conditioning Services Co., Ltd.

Stock-related information	
Stock price	¥1,025
Total market capitalization	¥36.6 billion
Dividends	¥40.00 per share
Dividend payout ratio	49.1%
Dividend yield	3.90%
Number of shareholders	14,992
PER	12.58x (EPS : ¥81.48)
PBR	1.48x (BPS : ¥693.46)
ROE	12.1%



* For stock price, closing price as of November 6, 2024 is used.
* For dividends and EPS, predicted numbers in the fiscal year ending March 31, 2025 are used.
* For number of shareholder, as of the end of September 2024 is used.
* For BPS and ROE, actual number in the fiscal year ended March 31, 2024 are used.
* Total market capitalization is based on total shares issued and outstanding (including treasury stock) as of September 30, 2024.

Next, I will explain shareholder returns.

The most recent stock price has been in the 1,000-yen range, with the total market capitalization of about 36.6 billion yen.

The annual dividend forecast for the fiscal year ending March 31, 2025 is 40 yen per share.

The dividend payout ratio is 49.1%. The dividend yield is 3.90%. The number of shareholders is 14,992. The PER is 12.58x. The PBR is 1.48x.

The graph on the right shows the dividend yield and total shareholder return with 2019 indexed as 100.0.

Compared to TOPIX including dividends, the Company has underperformed TOPIX in recent years. So, we should further improve our ability to create added value and strengthen IR activities.

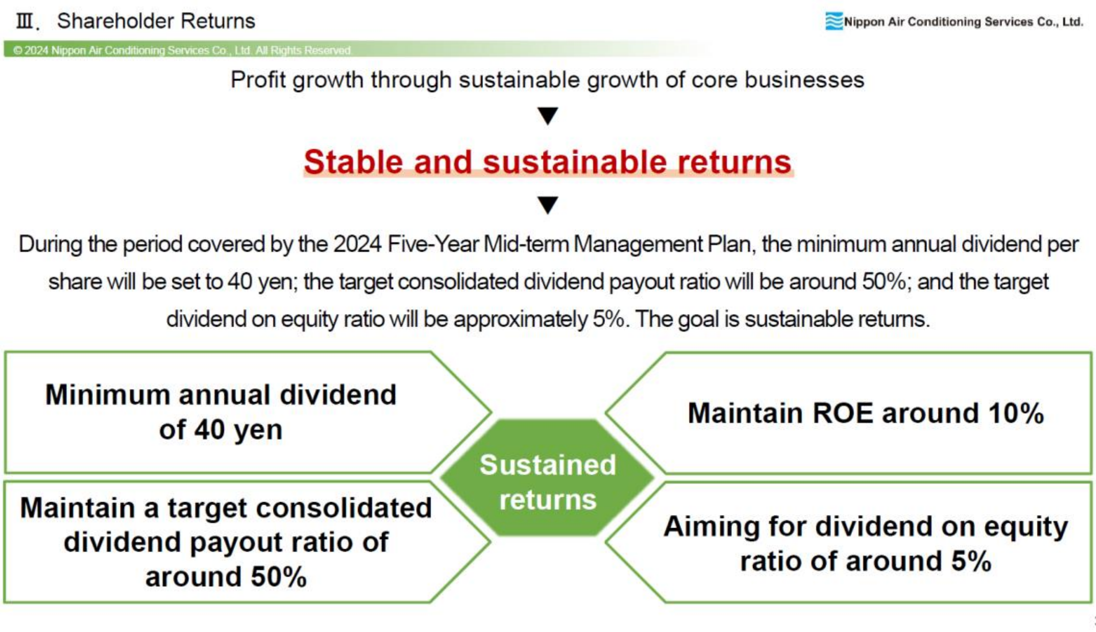
Shareholder Returns

The graph on the slide shows dividends in the past shareholder returns. We have paid progressive dividends for 17 consecutive fiscal years.

However, in the orange portion of the fiscal year ended March 31, 2022, we returned an extraordinary income from the sale of policy shareholdings as special dividends. In the following year, the dividend was reduced. I think it is appropriate to describe it as a return to the business-as-usual level.

For the current fiscal year, we plan to pay an annual dividend of 40 yen per share (comprising 20 yen interim dividend and 20 yen year-end dividend).

Shareholder Returns



The slide shows our shareholder returns policy.

To implement “stable and sustainable returns,” we set the minimum annual dividend per share at 40 yen per share and aim to maintain the consolidated dividend payout ratio at around 50%.

Furthermore, we will maintain ROE at around 10% and the dividends on equity ratio at around 5%. We intend to implement these measures in a stable manner.

Disclaimer

Disclaimer

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The following pages are the supplementary materials. We hope you will look at them when you have time.

We will continue to make further efforts to enhance our corporate value, and we look forward to your continued support and guidance.

This concludes the presentation of financial results for the second quarter of the fiscal year ending March 31, 2025. Thank you very much for your attention.