

May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Nippon Air Conditioning Services Co., Ltd.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 4658
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 Representative: Toshiaki Yorifuji, President & Representative Director
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 Telephone: +81-52-773-2511
 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	64,438	10.7	4,191	15.5	4,373	13.2	3,102	13.8
March 31, 2024	58,232	10.1	3,630	27.5	3,863	26.6	2,725	40.4

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,382 million [(2.7)%]
 For the fiscal year ended March 31, 2024: ¥3,474 million [48.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	89.98	89.11	12.5	9.6	6.5
March 31, 2024	79.40	78.37	12.1	9.6	6.2

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	48,568	26,124	53.1	746.33
March 31, 2024	42,949	24,212	55.5	693.46

Reference: Equity
 As of March 31, 2025: ¥25,806 million
 As of March 31, 2024: ¥23,829 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	4,961	(3,470)	378	8,141
March 31, 2024	2,421	(1,798)	(287)	6,242

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	15.00	-	24.00	39.00	1,339	49.1	5.9
March 31, 2025	-	20.00	-	25.00	45.00	1,554	50.0	6.3
Fiscal year ending March 31, 2026 (Forecast)		23.00		23.00	46.00		50.5	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	66,000	2.4	4,200	0.2	4,400	0.6	3,150	1.5	91.10

Note: Since the Company manages business performance on an annual basis, it does not forecast business results for the second quarter (cumulative).

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to Appendix P.17, "4. Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy)"

- (3) Number of issued shares (common shares)

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

As of March 31, 2025	35,784,000 shares
As of March 31, 2024	35,784,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,206,748 shares
As of March 31, 2024	1,421,638 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	34,480,657 shares
Fiscal year ended March 31, 2024	34,323,617 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	45,110	12.9	2,629	5.9	3,115	6.2	2,377	8.0
March 31, 2024	39,960	9.6	2,482	20.5	2,932	22.9	2,201	39.2

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	68.96	68.29
March 31, 2024	64.15	63.32

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	36,511	20,015	54.5	575.43
March 31, 2024	32,263	19,095	58.5	549.72

Reference: Equity

As of March 31, 2025: ¥19,896 million

As of March 31, 2024: ¥18,889 million

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 ~ March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	45,500	0.9	2,800	6.5	3,400	9.1	2,500	5.1	72.30

Note: Since the Company manages business performance on an annual basis, it does not forecast business results for the second quarter (cumulative).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 4 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

(Method of accessing the contents of the financial results briefing)

The Company plans to hold an earnings briefing for analysts on June 6, 2025. The financial results briefing materials to be used on the day of the event will be posted on the Company's website as soon as possible after the event.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,989	8,996
Notes receivable - trade	398	420
Electronically recorded monetary claims - operating	1,137	1,279
Accounts receivable - trade	7,636	8,599
Accounts receivable from completed construction contracts	6,867	6,483
Contract assets	1,774	1,585
Costs on construction contracts in progress	682	605
Raw materials and supplies	21	17
Accounts receivable - other	510	182
Other	371	503
Allowance for doubtful accounts	(1)	(11)
Total current assets	26,387	28,662
Non-current assets		
Property, plant and equipment		
Buildings	6,439	9,029
Accumulated depreciation	(3,516)	(3,689)
Buildings, net	2,923	5,339
Machinery and equipment	1,839	1,857
Accumulated depreciation	(941)	(1,050)
Machinery and equipment, net	898	807
Land	4,480	5,587
Construction in progress	1,195	622
Other	1,445	1,788
Accumulated depreciation	(1,122)	(1,215)
Other, net	322	572
Total property, plant and equipment	9,819	12,929
Intangible assets		
Software	44	52
Other	18	20
Total intangible assets	62	73
Investments and other assets		
Investment securities	5,902	6,094
Deferred tax assets	474	454
Other	308	358
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	6,679	6,901
Total non-current assets	16,562	19,905
Total assets	42,949	48,568

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,787	6,360
Electronically recorded obligations - operating	2,099	2,778
Short-term borrowings	870	550
Current portion of long-term borrowings	259	699
Accounts payable - other	404	696
Accrued expenses	2,472	3,210
Income taxes payable	815	999
Contract liabilities	589	757
Provision for bonuses for directors (and other officers)	62	41
Provision for loss on orders received	86	7
Other	1,045	594
Total current liabilities	14,492	16,696
Non-current liabilities		
Long-term borrowings	578	2,356
Deferred tax liabilities	264	96
Provision for retirement benefits for directors (and other officers)	98	116
Provision for executive officers' retirement benefits	40	46
Retirement benefit liability	3,176	3,029
Asset retirement obligations	67	67
Other	18	34
Total non-current liabilities	4,244	5,747
Total liabilities	18,737	22,443
Net assets		
Shareholders' equity		
Share capital	1,139	1,139
Capital surplus	1,163	1,164
Retained earnings	19,176	20,761
Treasury shares	(875)	(742)
Total shareholders' equity	20,603	22,323
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,297	3,367
Foreign currency translation adjustment	46	126
Remeasurements of defined benefit plans	(118)	(11)
Total accumulated other comprehensive income	3,225	3,482
Share acquisition rights	205	119
Non-controlling interests	177	198
Total net assets	24,212	26,124
Total liabilities and net assets	42,949	48,568

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	58,232	64,438
Cost of sales	47,257	51,479
Gross profit	10,975	12,958
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	506	499
Share-based payment expenses	39	44
Salaries, allowances and bonuses	4,285	5,352
Provision for bonuses for directors (and other officers)	62	41
Retirement benefit expenses	115	56
Provision for retirement benefits for directors (and other officers)	33	36
Provision for executive officers' retirement benefits	4	6
Other	2,296	2,729
Total selling, general and administrative expenses	7,344	8,767
Operating profit	3,630	4,191
Non-operating income		
Interest income	14	16
Dividend income	118	159
Dividend income of insurance	9	1
Insurance claim income	15	3
Foreign exchange gains	74	6
Other	20	32
Total non-operating income	251	218
Non-operating expenses		
Interest expenses	8	25
Financing expenses	0	3
Provision of allowance for doubtful accounts	6	-
Other	3	7
Total non-operating expenses	19	36
Ordinary profit	3,863	4,373
Extraordinary income		
Gain on sale of non-current assets	5	0
Gain on sale of investment securities	-	4
Total extraordinary income	5	5
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	1	16
Impairment losses	5	0
Loss on valuation of investments in capital of subsidiaries and associates	1	0
Other	1	-
Total extraordinary losses	10	17
Profit before income taxes	3,858	4,361
Income taxes - current	1,282	1,546
Income taxes - deferred	(156)	(295)
Total income taxes	1,125	1,250
Profit	2,732	3,110
Profit attributable to non-controlling interests	7	8
Profit attributable to owners of parent	2,725	3,102

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,732	3,110
Other comprehensive income		
Valuation difference on available-for-sale securities	683	69
Foreign currency translation adjustment	14	93
Remeasurements of defined benefit plans, net of tax	43	107
Total other comprehensive income	741	271
Comprehensive income	3,474	3,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,458	3,360
Comprehensive income attributable to non-controlling interests	15	21

Consolidated statement of changes in equity

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
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
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 statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,139	1,163	19,176	(875)	20,603
Dividends of surplus			(1,514)		(1,514)
Profit attributable to owners of parent			3,102		3,102
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		133	134
Change in scope of consolidation					-
Other			(2)		(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	1,585	133	1,719
Balance at end of period	1,139	1,164	20,761	(742)	22,323

	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	3,297	46	(118)	3,225	205	177	24,212
Dividends of surplus							(1,514)
Profit attributable to owners of parent							3,102
Purchase of treasury shares							(0)
Disposal of treasury shares							134
Change in scope of consolidation							-
Other							(2)
Net changes in items other than shareholders' equity	69	79	107	257	(86)	21	192
Total changes during period	69	79	107	257	(86)	21	1,912
Balance at end of period	3,367	126	(11)	3,482	119	198	26,124

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,858	4,361
Depreciation	397	475
Impairment losses	5	0
Increase (decrease) in allowance for doubtful accounts	4	9
Increase (decrease) in provision for bonuses for directors (and other officers)	14	(20)
Increase (decrease) in provision for loss on orders received	8	(78)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	32	17
Increase (decrease) in provision for retirement benefits for executive officers	4	6
Increase (decrease) in retirement benefit liability	115	7
Interest and dividend income	(132)	(175)
Interest expenses	8	25
Loss (gain) on sale of investment securities	-	(4)
Share-based payment expenses	39	44
Loss on valuation of investments in capital of subsidiaries and associates	1	0
Decrease (increase) in trade receivables	(2,256)	(525)
Decrease (increase) in inventories	16	83
Increase (decrease) in trade payables	379	1,245
Decrease (increase) in other current assets	(275)	203
Increase (decrease) in other current liabilities	1,042	496
Other, net	(102)	8
Subtotal	3,162	6,180
Interest and dividends received	132	175
Interest paid	(8)	(27)
Income taxes paid	(863)	(1,367)
Net cash provided by (used in) operating activities	2,421	4,961
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,659)	(3,317)
Proceeds from sale of property, plant and equipment	7	0
Purchase of intangible assets	(11)	(22)
Purchase of investment securities	(51)	(26)
Proceeds from sale of investment securities	-	8
Loan advances	(6)	(7)
Proceeds from collection of loans receivable	4	6
Other payments	(297)	(260)
Other proceeds	215	148
Net cash provided by (used in) investing activities	(1,798)	(3,470)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	230	(320)
Proceeds from long-term borrowings	700	2,800
Repayments of long-term borrowings	(219)	(581)
Dividends paid	(989)	(1,508)
Other, net	(8)	(11)
Net cash provided by (used in) financing activities	(287)	378
Effect of exchange rate change on cash and cash equivalents	21	30
Net increase (decrease) in cash and cash equivalents	357	1,899
Cash and cash equivalents at beginning of period	5,885	6,242
Cash and cash equivalents at end of period	6,242	8,141

(Notes on segment information, etc.)

Segment Information

Overview of Reporting Segments

The Group provides maintenance services that provide maintenance and maintenance of building facilities, equipment and environmental assessments, and solution proposals (energy-saving and cost-saving proposals, environmental improvement proposals) at each site in Japan and overseas, as well as renovation work derived from the sites that provide these services. We are developing business activities that integrate maintenance services and renewal work. In addition, we are developing a business that sells electricity using solar power generation.

Since the electricity sales business is not of much importance, the business that integrates maintenance services and renewal work is included in a single reporting segment, and the description is omitted.

Related Information

The previous fiscal year (April 1, 2023 to March 31, 2024)

1 Product and Service Information

(in millions of yen)

	Building Equipment Maintenance	Building equipment construction	sum
Sales to external customers	36,696	21,536	58,232

Note: Since the amount related to the electricity sales business is not important, it is included in the amount of "building equipment maintenance."

2 Regional information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3 Key customer information

There is no mention of sales to external customers because there are no counterparties that account for more than 10% of sales in the consolidated statements of income.

The current fiscal year (April 1, 2024 to March 31, 2025)

1 Product and Service Information

(in millions of yen)

	Building Equipment Maintenance	Building equipment construction	sum
Sales to external customers	39,830	24,608	64,438

Note: Since the amount related to the electricity sales business is not important, it is included in the amount of "building equipment maintenance."

2 Regional information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3 Key customer information

There is no mention of sales to external customers because there are no counterparties that account for more than 10% of sales in the consolidated statements of income.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

Since the Group has only one reporting segment, the description has been omitted.

The current fiscal year (April 1, 2024 to March 31, 2025)

Since the Group has only one reporting segment, the description has been omitted.

Information on amortization and unamortized balances of goodwill by reporting segment

Not applicable.

Information on Negative Goodwill Accrual Gains by Reporting Segment

Not applicable.