



Reference Materials of Financial Results
for the Fiscal Year Ended March 31, 2025

June 2025

TSE Prime Market, NSE Premier Market

Securities code: 4658

| Company overview | |
|-------------------------------|---|
| Company Name | Nippon Air Conditioning Services Co., Ltd. |
| Securities code | 4658 |
| Business description | General building facility maintenance service |
| Head office | 239-2 Terugaoka, Meito-ku Nagoya-shi, Aichi Japan |
| Total number of issued shares | 35,784,000 shares |
| Number of shareholders | 13,138 |

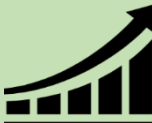


Apr. 1964 The company is established in Higashijukucho, Nakamura-ku Nagoya-shi, Aichi.

The Company at a Glance by Numbers



Capital Stock
¥1,139
million



Net Sales
Consolidated
¥64.4 billion



Number of bases
Domestic **89** bases
Overseas **10** bases



Maintenance sales
to total net sales
61.8%



Number of employees
Consolidated **3,218**
(Technology-related employees **2,565**)

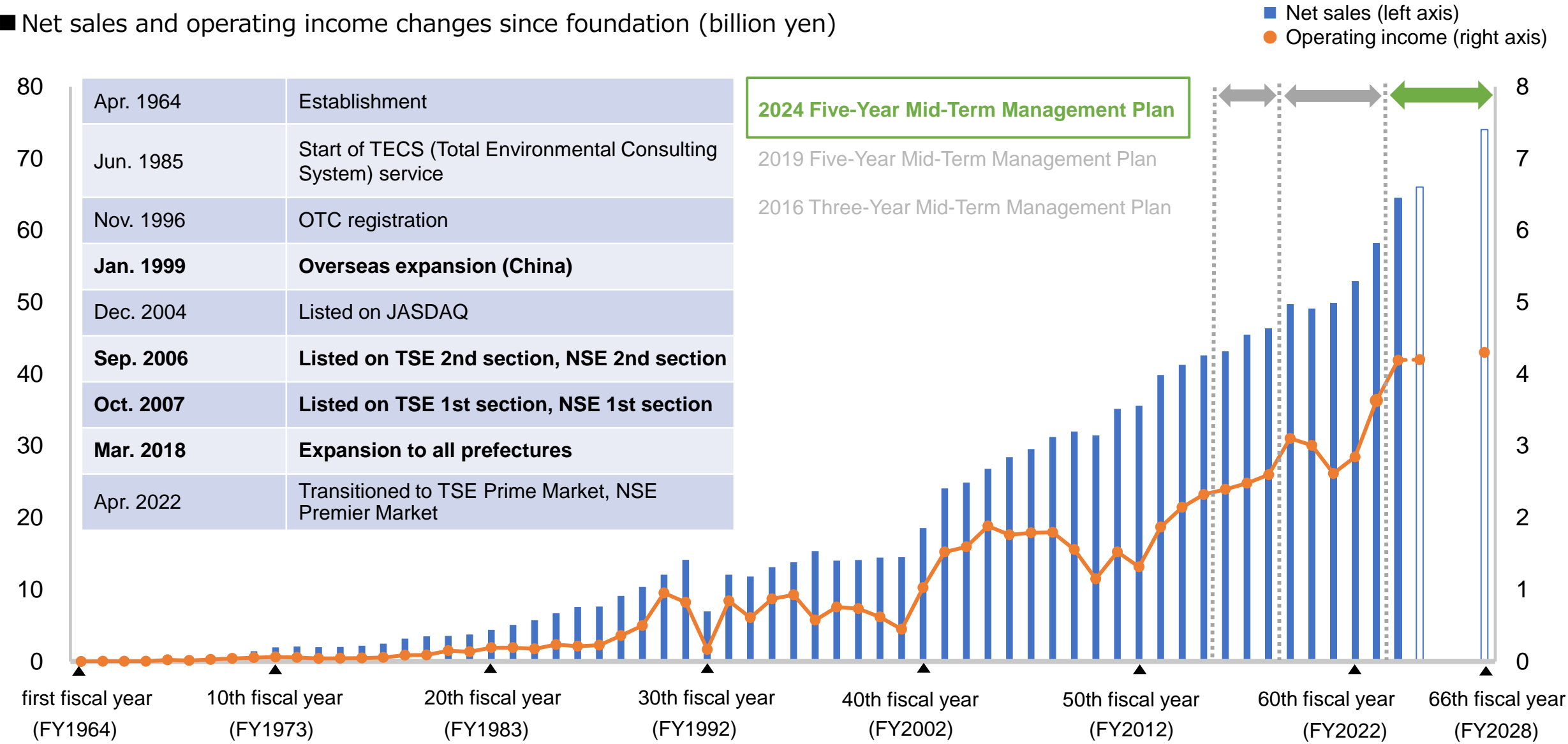
*The number of employees, the total number of shares issued, and the number of shareholders are as of March 31, 2025. Net sales and maintenance sales to total net sales are actual results for FY03/2025. The number of bases (based on address) is as of May 31, 2025.

*NACS BD Co., Ltd., which was a consolidated subsidiary in the fiscal year ended March 31, 2023, has been excluded from the scope of consolidation from the fiscal year ended March 31, 2024 onward due to a decline in materiality.

History since foundation

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■ Net sales and operating income changes since foundation (billion yen)



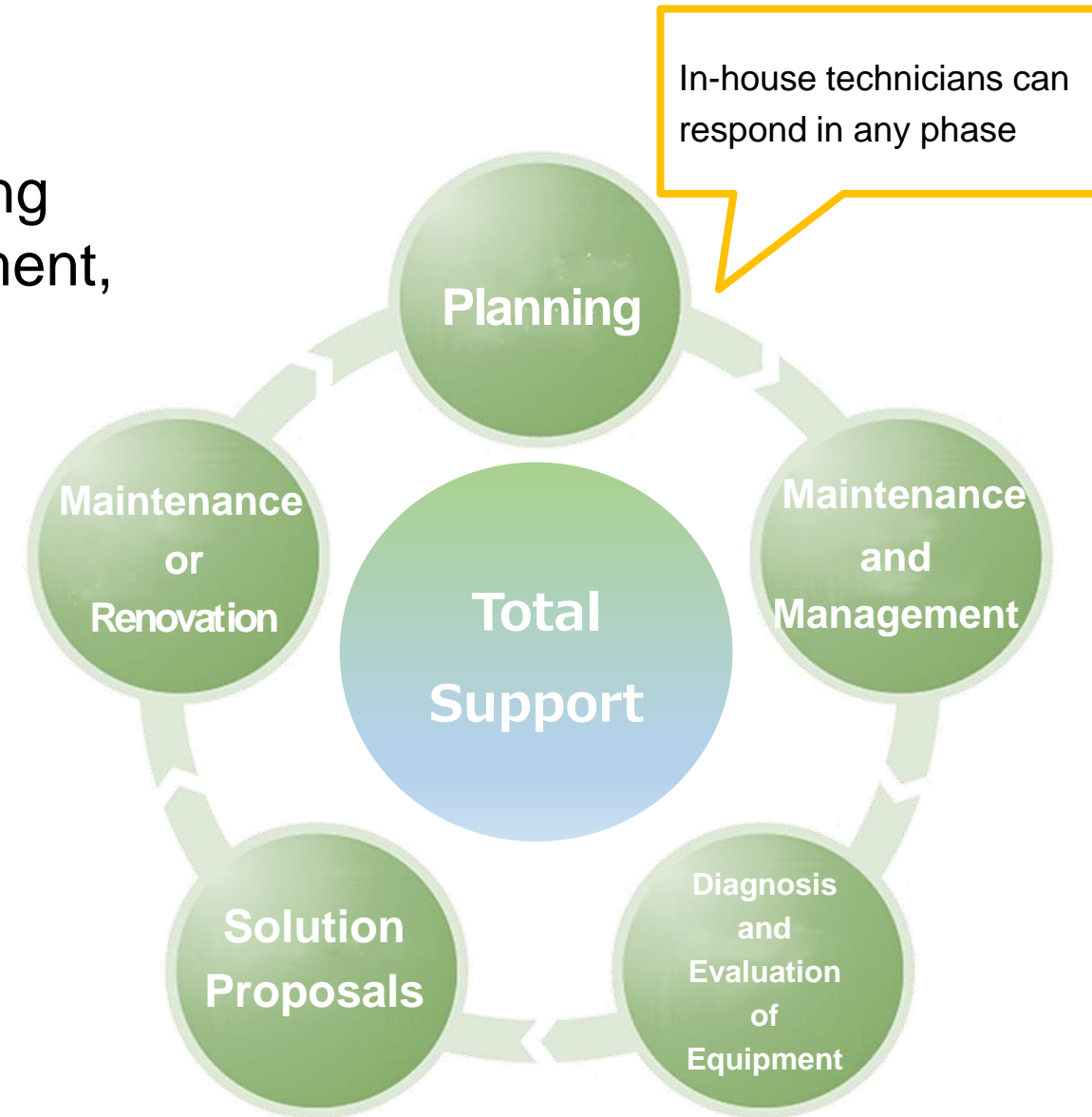
*Accounts settlement period was irregular for 6th fiscal year (FY1969) and 30th fiscal year (FY1992), six months.




■ Business Overview

Comprehensive support encompassing building facility maintenance, operation, and management, facility and environmental diagnosis, solution formulation, and renewal projects

✓ What sets us apart from the competition

1. Advanced technological capabilities
2. Solution capabilities
3. Total support capabilities



| Business division | Overview | Net sales composition |
|--|---|-----------------------|
| <p>PM</p> <p>Preventive Maintenance</p> | <p>We conduct inspection, maintenance, repair, replacement, etc. of overall equipment/systems of buildings (mainly air conditioning) by visiting clients' facility.</p>  | <p>36%</p> |
| <p>FM</p> <p>Facility Management</p> | <p>Our resident employees provide integrated management that optimally combines maintenance services with daily maintenance and management at clients' facility.</p>  | <p>26%</p> |
| <p>RAC</p> <p>Reform and Construction</p> | <p>We mainly engage in renovation work of existing equipment such as air conditioning and plumbing sanitary system.</p>  | <p>38%</p> |

| | |
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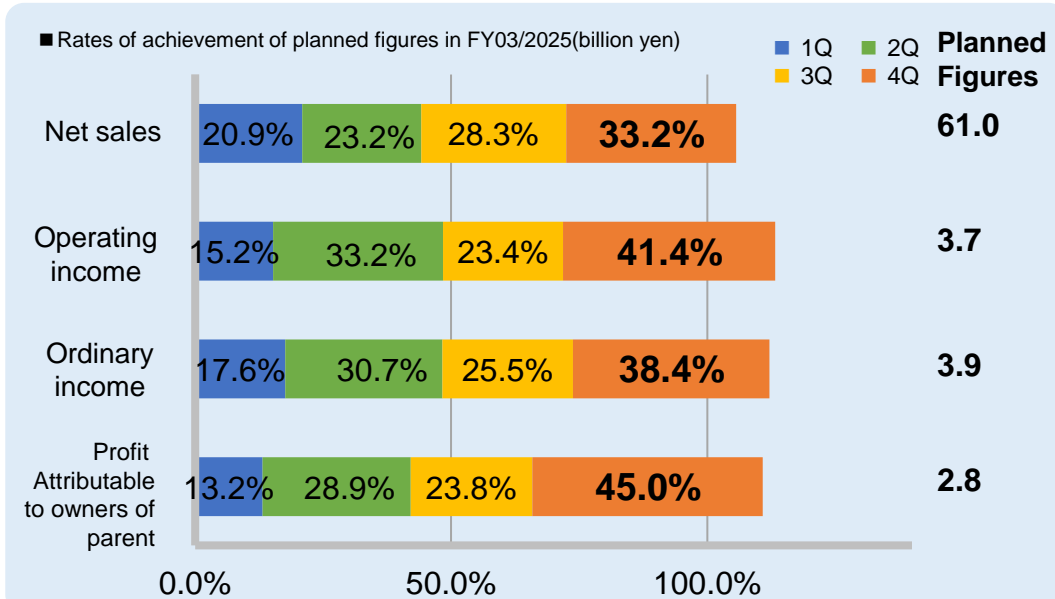
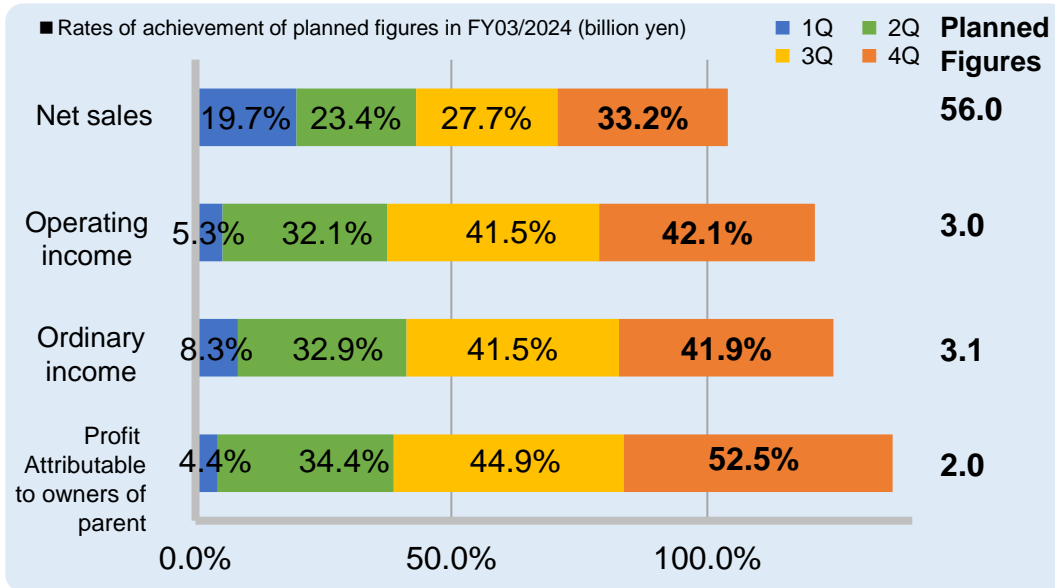
Net sales : ¥**64.4** billion[+10.7%]

Operating income : ¥**4.1** billion[+15.5%]

Profit attributable
to owners of parent : ¥**3.1** billion[+13.8%]

I . Results for the fiscal year ended March 31, 2025

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Core businesses such as maintenance and renovation work performed steadily, resulting in both sales and profit exceeding forecasts.

(billion yen, %)

| Consolidated (cumulative period) | FY/03/2024 | | | FY/03/2025 | | |
|--|------------|----------------|---------------------------|------------|----------------|---------------------------|
| | 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 | 64.4 | 100.0 | +10.7 |
| Maintenance service sales | 36.6 | 63.0 | +5.8 | 39.8 | 61.8 | +8.5 |
| Net sales of completed construction contracts | 21.5 | 37.0 | +18.3 | 24.6 | 38.2 | +14.3 |
| Gross profit on sales | 10.9 | 18.8 | +17.6 | 12.9 | 20.1 | +18.1 |
| Gross profit on maintenance sales | 7.5 | 20.6 | +12.4 | 8.5 | 21.4 | +13.1 |
| Gross profit on completed construction contracts | 3.4 | 15.9 | +31.2 | 4.4 | 18.0 | +29.1 |
| Selling, general and administrative expenses | 7.3 | 12.6 | +13.3 | 8.7 | 13.6 | +19.4 |
| Operating income | 3.6 | 6.2 | +27.5 | 4.1 | 6.5 | +15.5 |
| Ordinary income | 3.8 | 6.6 | +26.6 | 4.3 | 6.8 | +13.2 |
| Profit before income taxes | 3.8 | 6.6 | +29.8 | 4.3 | 6.8 | +13.0 |
| Profit attributable to owners of parent | 2.7 | 4.7 | +40.4 | 3.1 | 4.8 | +13.8 |
| Earnings per share(unit:yen) | 79.40 | - | +40.1 | 89.98 | - | +13.3 |

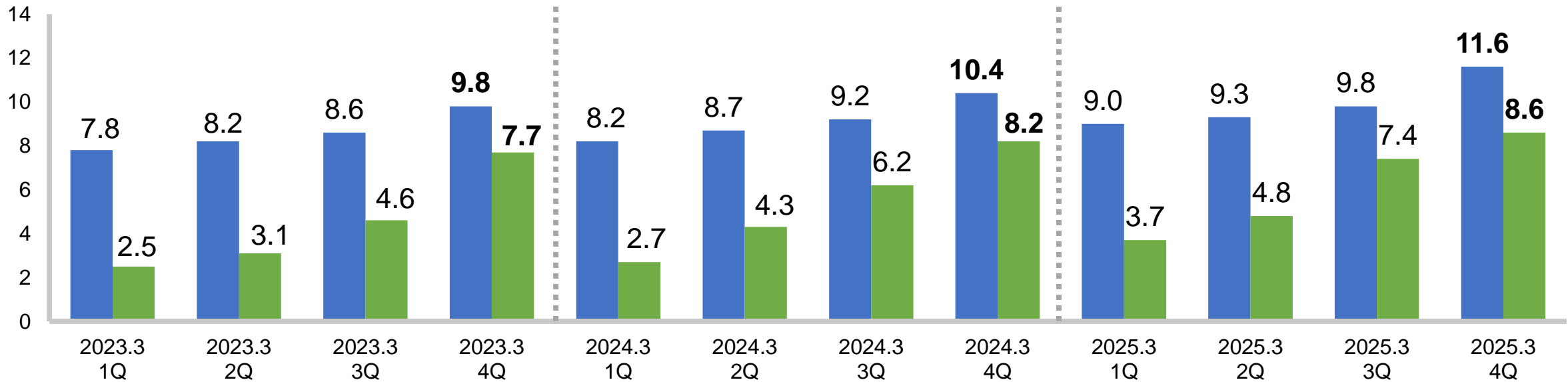
I . Results for the fiscal year ended March 31, 2025

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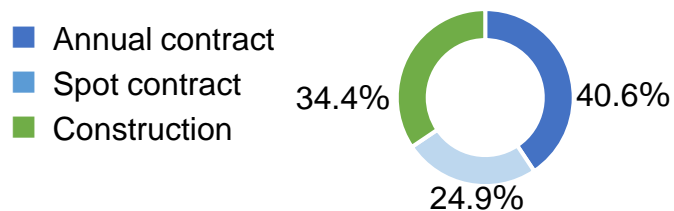
Net sales reached a record high for the fourth consecutive year. Net sales of the mainstay maintenance services reached a record high for the 14th consecutive year due to an increase in spot maintenance services at manufacturing plants and office buildings. Net sales of the renovation work also reached record highs for the third consecutive fiscal year as the work at these facilities proceeded at a good pace.

■ Net sales by quarter (billion yen)

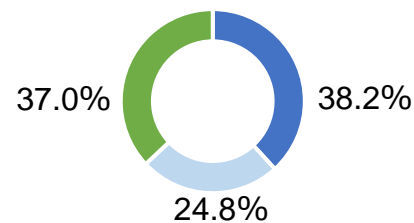
■ Maintenance services net sales
■ Renovation work construction work volume



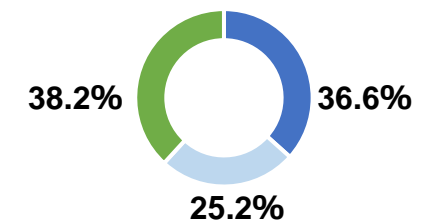
Net sales composition in FY2023/03



Net sales composition in FY2024/03



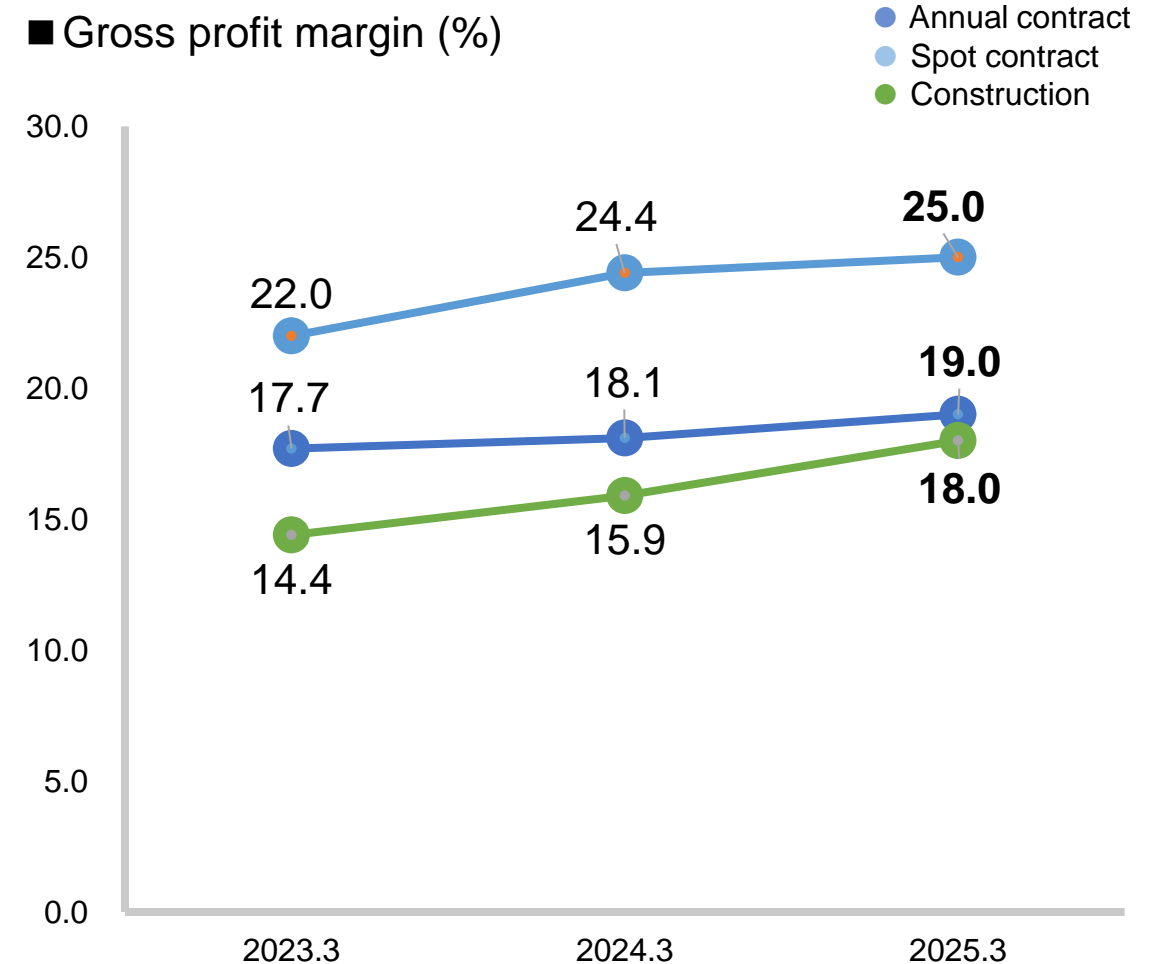
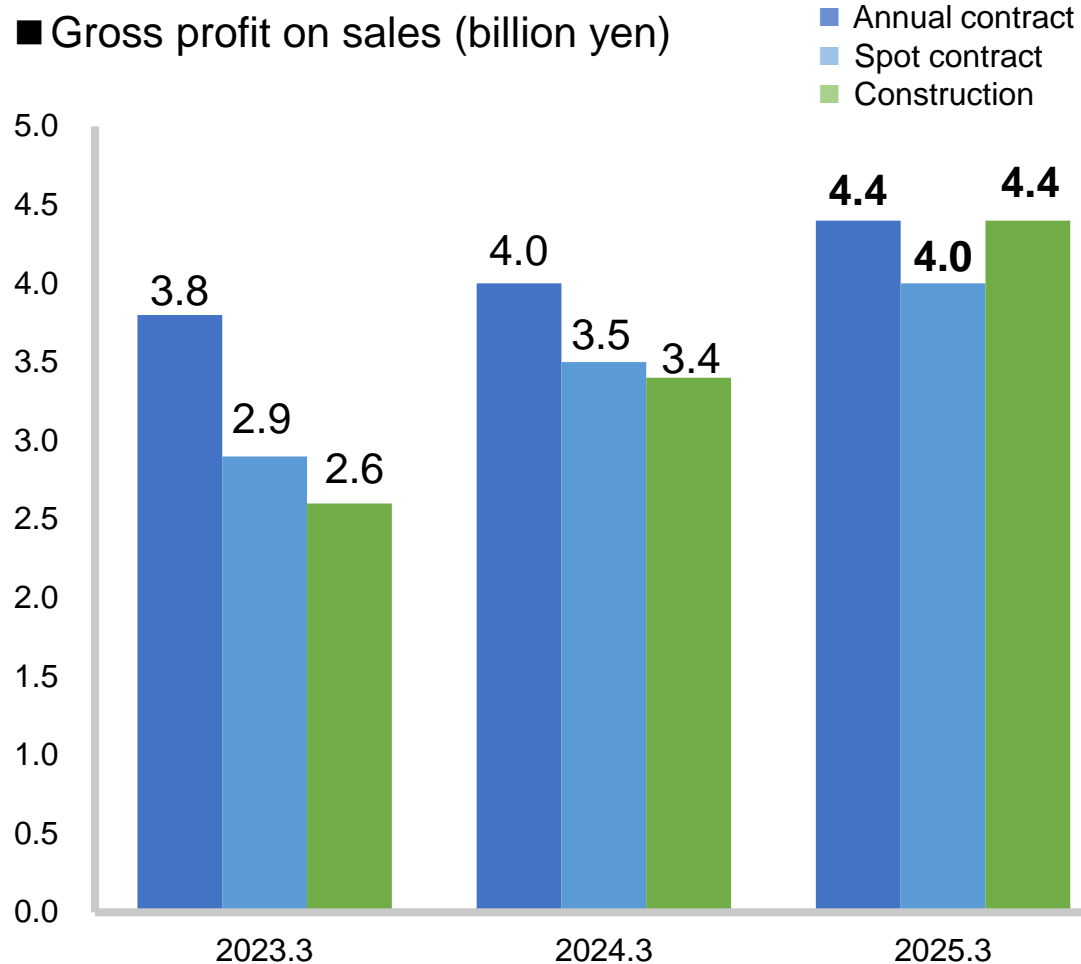
Net sales composition in FY2025/03



I . Results for the fiscal year ended March 31, 2025

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Profits increased in all categories of annual contracts, spot contracts, and construction by absorbing increases in costs due to rising procurement costs of materials and supplies and rising labor costs.



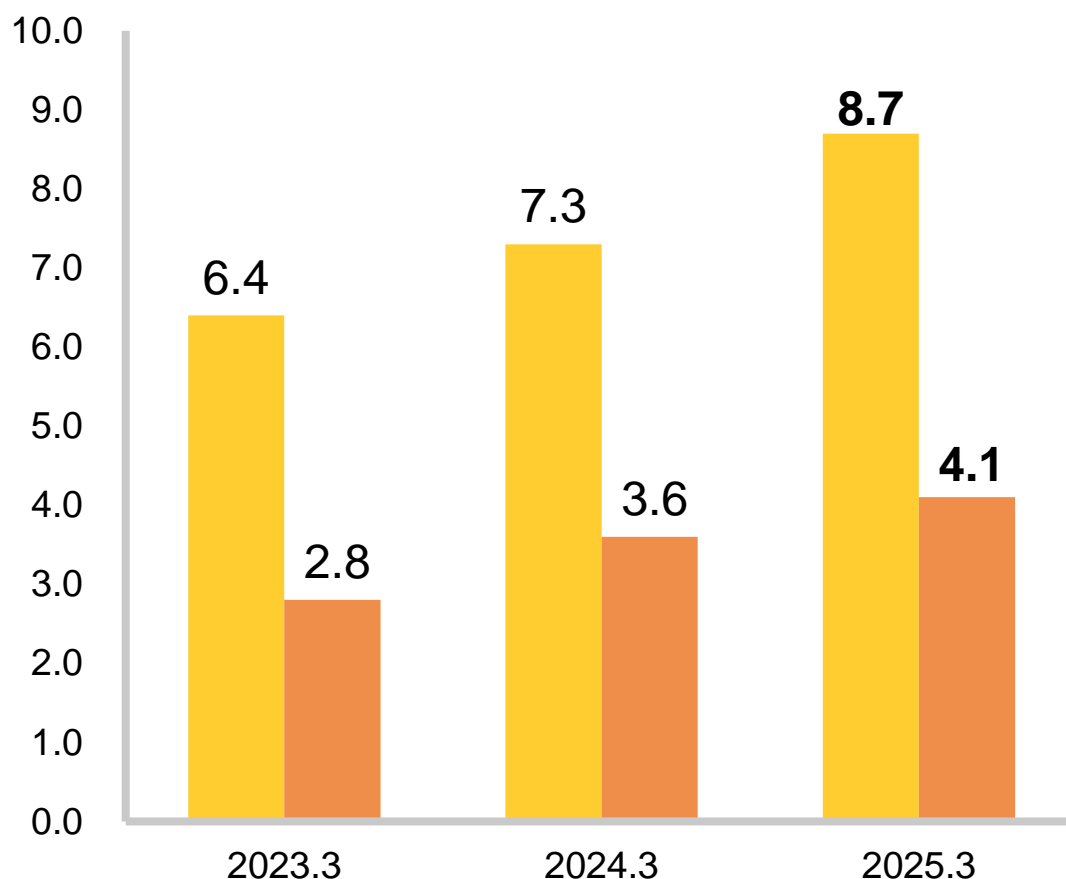
I . Results for the fiscal year ended March 31, 2025

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Provision for performance-based bonuses for employees and the distribution of shareholder benefits to commemorate the 60th anniversary, 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.

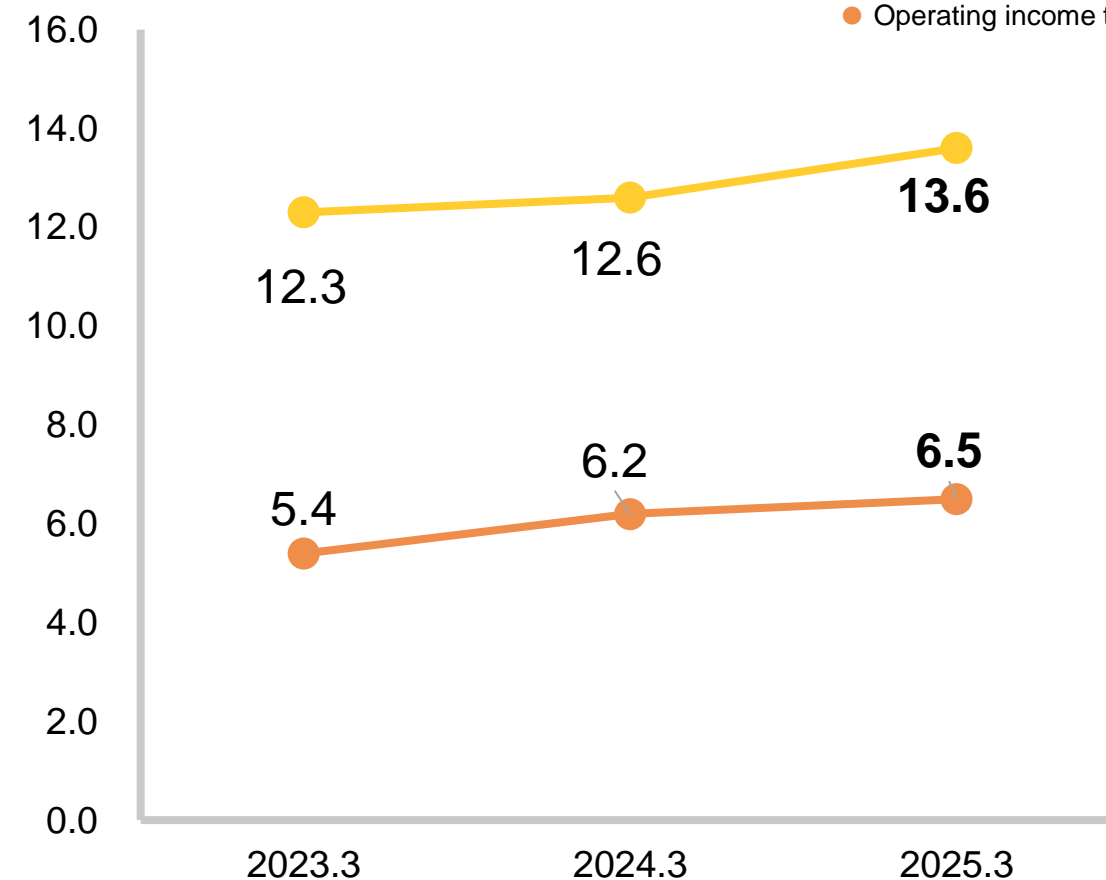
■ Selling, general and administrative expenses
/ Operating income (billion yen)

■ Selling, general and administrative expenses
■ Operating income



■ Selling, general and administrative expenses ratio
/ Operating income to sales (%)

● Selling, general and administrative expenses ratio
● Operating income to sales

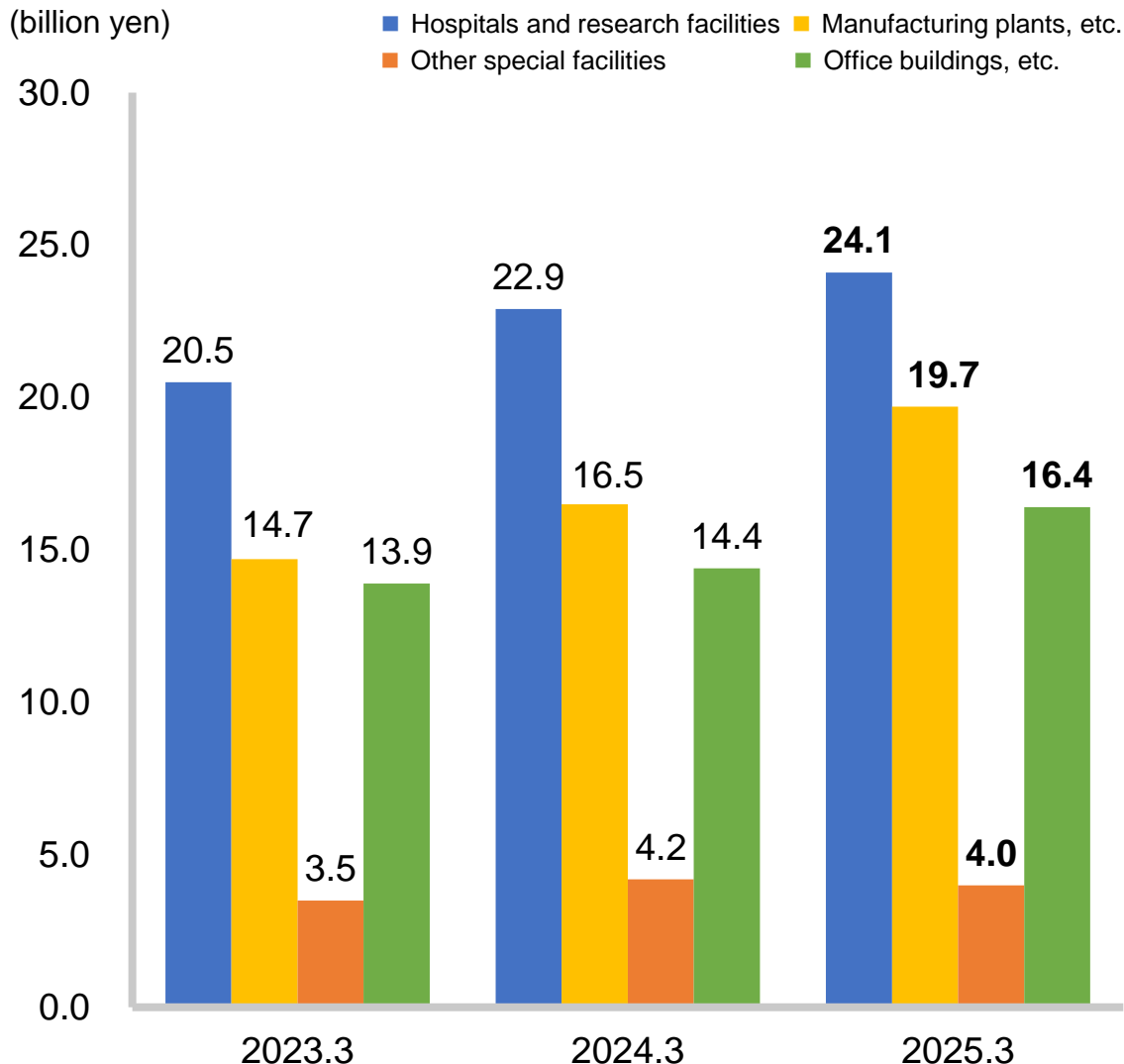


I . Results for the fiscal year ended March 31, 2025

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■ Net sales by facilities of which services are entrusted

(billion yen)



① Hospitals and research facilities

- Increased in both maintenance and construction work due mainly to an increase in large projects for equipment renewals, renovations, expansions, etc. at research facilities.

② Manufacturing plants, etc.

- Increased in both maintenance and construction due to delivery of a large project for constructing solar power facilities for in-house consumption, and an increase in equipment renewal and renovation projects.

③ Other special facilities

- Construction volume slightly decreased due to the absence of large-scale construction projects at sports facilities, etc., although repair and maintenance projects related to data centers increased.

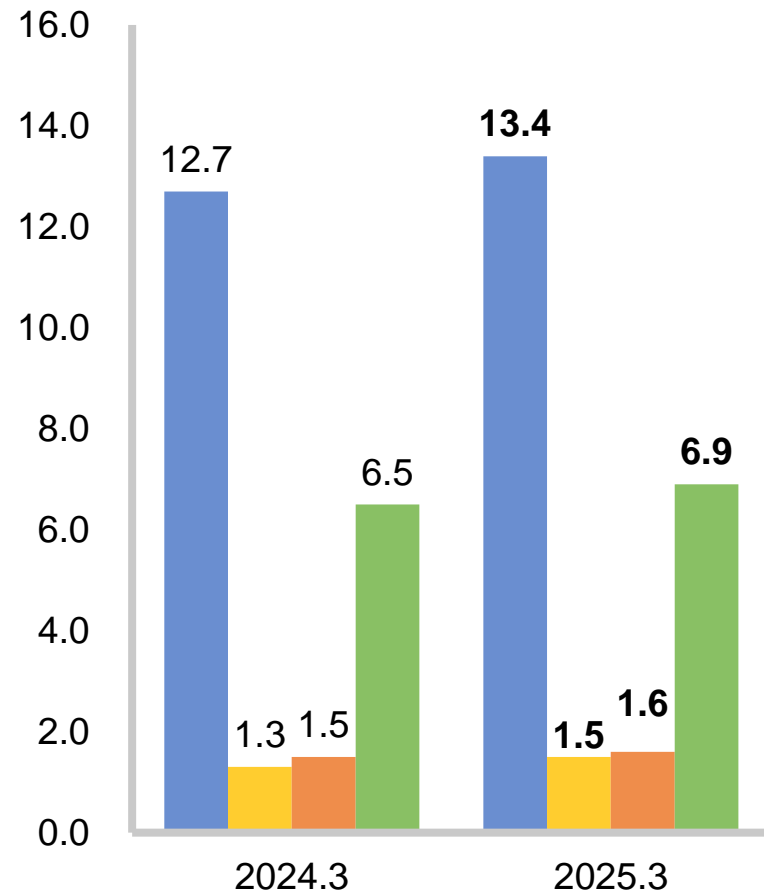
④ Office buildings, etc.

- Both maintenance and construction work increased. An increase in large-scale renovation work at banks, schools, and general office buildings, etc. contributed to the results.

I . Results for the fiscal year ended March 31, 2025

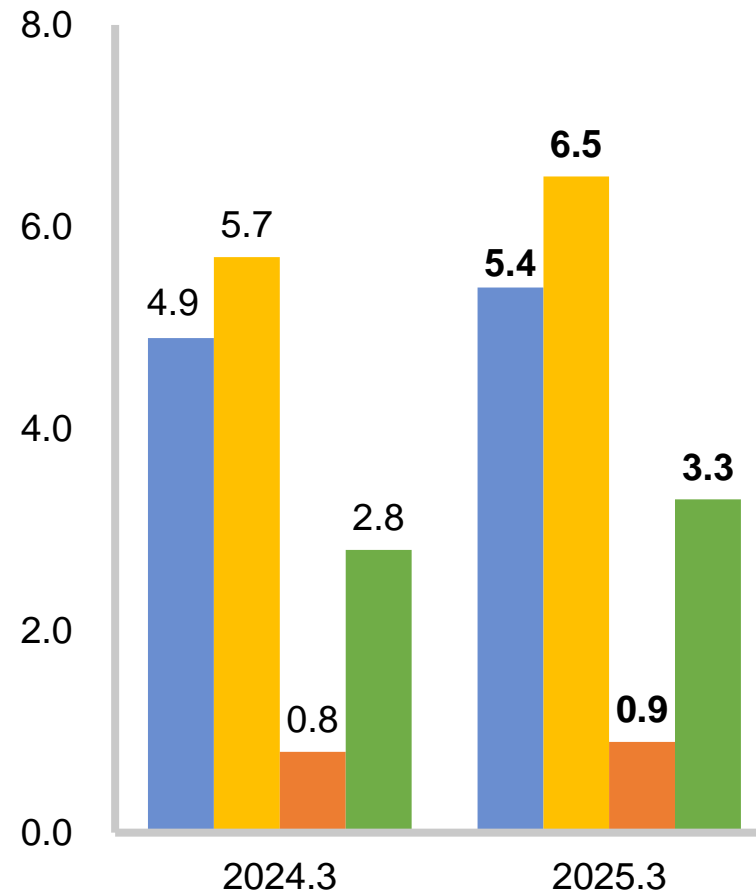
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■ Annual contract sales (billion yen)



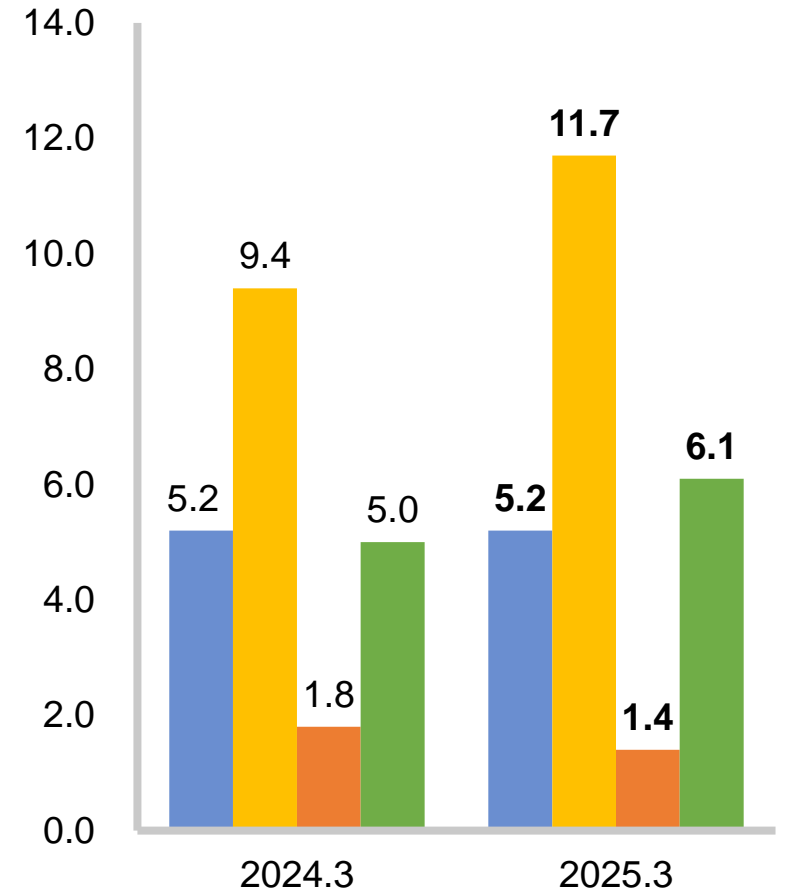
number of cases : 2,990 cases **2,964 cases**
average unit price : ¥7,277 thousand **¥7,752 thousand**

■ Maintenance services net sales (billion yen)



number of cases : 37,032 cases **37,255 cases**
average unit price : ¥378 thousand **¥423 thousand**

■ Renovation work construction work volume (billion yen)



number of cases : 4,598 cases **4,473 cases**
average unit price : ¥4,479 thousand **¥5,237 thousand**

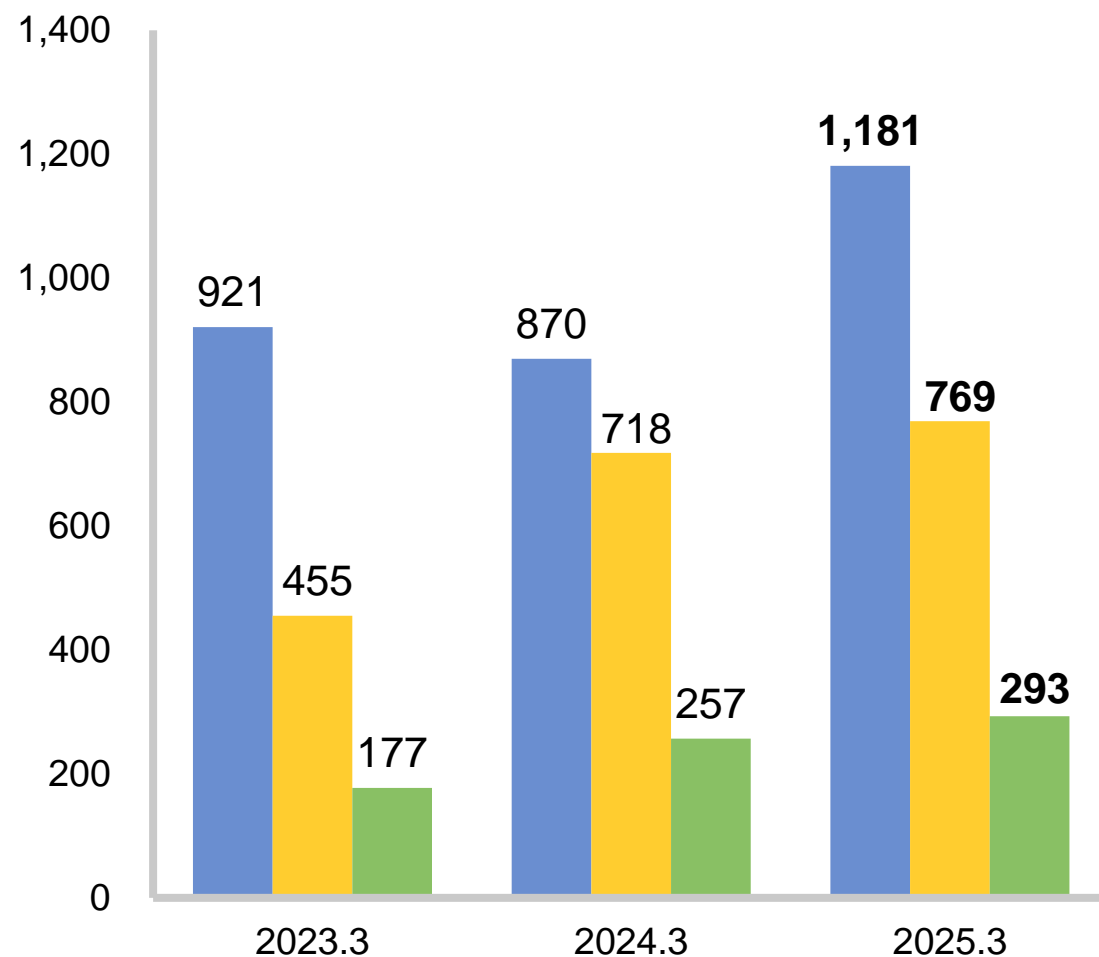
*Number of cases and average unit price only count domestic ones.

I . Results for the fiscal year ended March 31, 2025

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■ Overseas net sales by region (million yen)

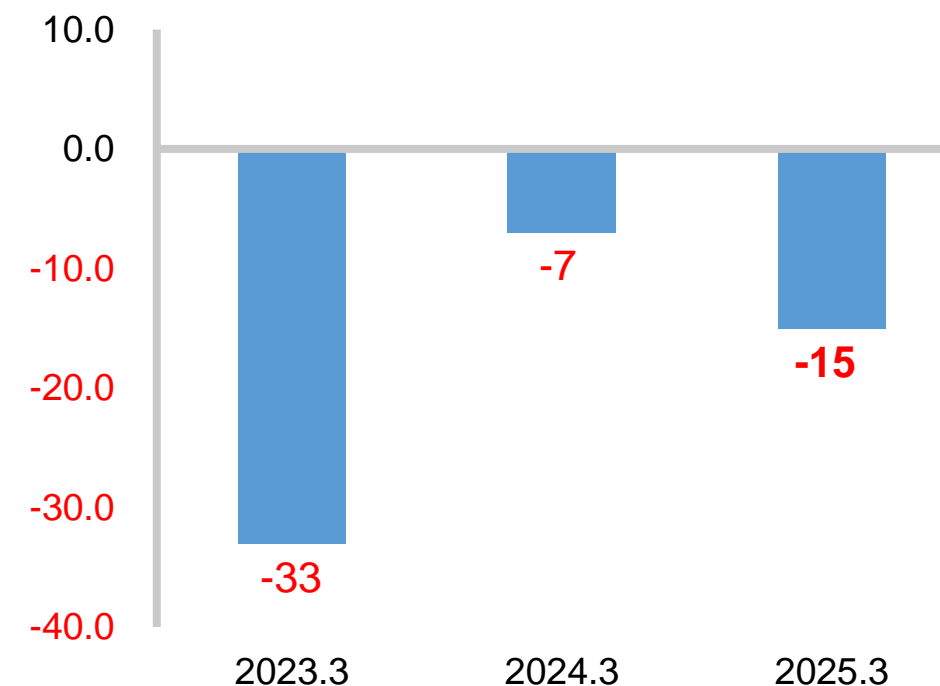
■ China ■ Singapore
■ Other regions



Net sales in four countries outside Japan : ¥ 2.2 billion

Maintenance contracts increased in China and Singapore.
Overall, both orders received and the completion of heat mitigation and energy-saving projects remained strong, but operating income turned negative due to an increase in selling, general and administrative expenses.

■ Operating income overseas (million yen)



*"Other regions" of net sales overseas by region are Thailand and Vietnam.

*Overseas operating income is calculated based on the simple sum of the operating income from overseas Group companies.

I . Status of cash flows

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| Consolidated (cumulative period) | FY03/2024 | | FY03/2025 | |
|--|-------------------------|---|-------------------------|---|
| | Amount (billion yen) | Year-on-year change (billion yen) | Amount (billion yen) | Year-on-year change (billion yen) |
| Cash flows from operating activities | 2.4 | +1.5 | 4.9 | +2.5 |
| Cash flows from investing activities | (1.7) | -1.1 | (3.4) | -1.6 |
| Cash flows from financing activities | (0.2) | +0.7 | 0.3 | +0.6 |
| Cash and cash equivalent growth | 0.3 | +1.1 | 1.8 | +1.5 |
| 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 | 6.2 | +0.3 | 8.1 | +1.8 |

Cash flows from operating activities increased



A decrease in trade receivables and
an increase in trade payables

Cash flows from investing activities decreased



Expenditures to acquire property, plant
and equipment

I . Financial position

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| Consolidated (as of the end of period) | FY03/2024 | | FY03/2025 | |
|---|-------------------------|-------------------------------------|-------------------------|-------------------------------------|
| | Amount (billion yen) | Year-on-year growth ratio (%) | Amount (billion yen) | Year-on-year growth ratio (%) |
| Current assets | 26.3 | +12.5 | 28.6 | +8.6 |
| Fixed assets | 16.5 | +17.3 | 19.9 | +20.2 |
| Total assets | 42.9 | +14.3 | 48.5 | +13.1 |
| Interest-bearing debts | 1.7 | +68.0 | 3.6 | +110.6 |
| Other liabilities | 17.0 | +14.7 | 18.7 | +10.5 |
| Total liabilities | 18.7 | +18.2 | 22.4 | +19.8 |
| Total net assets | 24.2 | +11.5 | 26.1 | +7.9 |
| Total liabilities and net assets | 42.9 | +14.3 | 48.5 | +13.1 |

Interest-bearing debts:

Up from 1.7 to 3.6 billion yen



An increase in long-term borrowings
related to the construction of
our Technical Training Center and the
relocation of our Kyushu Office

I . Forecast for the fiscal year ending March 31, 2026

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Although unstable geopolitical conditions, inflation, 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) | FY03/2025 (results) | | | FY03/2026 (forecast) | | |
|--|---------------------|----------------|---------------------------|----------------------|----------------|---------------------------|
| | Amount | Ratio to sales | Year-on-year growth ratio | Amount | Ratio to sales | Year-on-year growth ratio |
| Net sales | 64.4 | 100.0 | +10.7 | 66.0 | 100.0 | +2.4 |
| Maintenance service sales | 39.8 | 61.8 | +8.5 | 41.0 | 62.1 | +2.9 |
| Renovation work construction work volume | 24.6 | 38.2 | +14.3 | 25.0 | 37.9 | +1.6 |
| Gross profit on sales | 12.9 | 20.1 | +18.1 | 13.2 | 20.0 | +1.9 |
| Selling, general and administrative expenses | 8.7 | 13.6 | +19.4 | 9.0 | 13.6 | +2.7 |
| Operating income | 4.1 | 6.5 | +15.5 | 4.2 | 6.4 | +0.2 |
| Ordinary income | 4.3 | 6.8 | +13.2 | 4.4 | 6.7 | +0.6 |
| Profit attributable to owners of parent | 3.1 | 4.8 | +13.8 | 3.1 | 4.8 | +1.5 |

*Following the fiscal years ended March 31, 2024 and March 31, 2025, we raised salaries for regular employees in April 2025, with an average increase of 5.7%.

| | |
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Thrive, for growth

Contributing to the **sustainability** of customer businesses activities

PURPOSE

Contributing to the sustainability of customer businesses and enhancing the value of society as a whole

MISSION

Bringing together the technological capabilities and human resources to maintain optimal environments and give our clients peace of mind through top quality service

VISION

Improving the happiness of all stakeholders in a sustainable manner

VALUE

Sustainable value creation and returns through enhancing the value of human capital

VALUE Sustainable value creation and returns through enhancing the value of human capital

01 Increasing engagement to maximize the performance of our greatest asset, our employees

- ▶ We plan to maintain an employee engagement score of 70 pt or higher.

✓ **2025.03 (result) An employee engagement 72.0pt**

*Employee Engagement Score...A KPI that measures employee engagement (whether they possess a sense of contribution to the organization and its work and are actively engaged) as opposed to the conventional measure of employee satisfaction (with work, promotions, pay, etc.).

02 Improving the Core Technical Capabilities Index to improve the technical capabilities of employees, who lie at the core of top quality services

- ▶ We plan to achieve a Core Technical Capability Index CAGR of 3% or higher.

✓ **2025.03 (result) Core Technical Capability Index CAGR 0.7%**

*Core Technical Capability Index...A KPI reconstructed from the previous Technical Capability Index (number of official technical qualifications obtained × qualification points ÷ number of technical employees) that uses official qualifications considered to better correlate with the growth of our core business.

03 Focusing on customers seeking to improve the sustainability of their business activities, with a particular emphasis on facilities with special environments

- ▶ We plan to achieve a sales ratio of facilities with special environments to general facilities of 7:3.

✓ **2025.03 (result) Ratio of sales of facilities with special environment 74.4%**

*Facilities with special environments...Hospitals and research facilities, manufacturing plants, etc., and other special facilities.

04 Strengthening energy-saving proposals to improve the sustainability of customer business activities

- ▶ We plan to reduce greenhouse gas emissions from customer business activities (by 10,000 t CO₂ per year or more).

✓ **2025.03 (result) Reduction of greenhouse gas emissions 14,481.67 t CO₂**

VALUE Sustainable value creation and returns through enhancing the value of human capital

05 Expanding and strengthening overseas operations to improve the sustainability of our business activities

- ▶ We plan to achieve overseas net sales of 3.5 billion yen and overseas operating income of 175 million yen (and overseas operating income margin of 5%).

✓ **2025.03 (result)** Overseas net sales **2.2 billion yen**, Overseas operating income **-15 million yen**
(Overseas operating income margin **-0.7%**)

06 Maintaining profit levels to achieve sustainable improvement in the happiness of all stakeholders

- ▶ Based on the premise of sustained net sales growth, we aim to maintain an average operating income margin of around 6% during the period covered by this plan.

✓ **2025.03 (result)** Operating income margin **6.5%**

07 Maintaining capital productivity in excess of the cost of capital required to create corporate value

- ▶ We aim to maintain an average ROE of around 10% during the period covered by this plan, above the cost of equity of around 8%.

✓ **2025.03 (result)** ROE **12.5%**

*Cost of equity...Assumed based on dialogue with investors, etc.

08 Implementing sustainable shareholder returns

- ▶ We aim for a minimum annual dividend per share of 40 yen, a dividend payout ratio of approximately 50%, and a dividend on equity ratio of approximately 5%.

✓ **2025.03 (projected figures)** Annual dividends per share **45.00 yen**, Payout ratio **50.0%**, Dividend on equity ratio **6.3%**

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

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In the first year, net sales increased due to a less competitive market environment, the acquisition of highly profitable projects, and orders received at appropriate prices, etc. reflecting the delivery of high-quality services. As a result, profit was secured despite higher personnel expenses and other costs.

| KPIs | 2025.03 (results) | 2029.03 (target) | Achievement rate |
|--|----------------------|-----------------------|------------------|
| Net sales | 64,438mil. yen | 74,000mil. yen | 87.1% |
| Operating income | 4,191mil. yen | 4,300mil. yen | 97.5% |
| Average operating income margin during the period covered by this plan | 6.5% | maintain around 6.0% | |
| Ordinary income | 4,373mil. yen | 4,500mil. yen | 97.2% |
| Profit attributable to owners of parent | 3,102mil. yen | 3,200mil. yen | 97.0% |
| Earnings per share | 89.98yen | 93.00yen | 96.8% |
| Average ROE during the period covered by this plan | 12.5% | maintain around 10.0% | |

| KPIs | 2025.03 (results) | 2029.03 (target) | Achievement rate |
|---|----------------------|-------------------------|------------------|
| Ratio of sales of facilities with special environment | 74.4% | around 70.0% | |
| Overseas operating income | -15mil. yen | 175mil. yen | -8.7% |
| An employee engagement | 72.0pt | maintain 70.0pt or more | |
| Core Technical Capability Index CAGR | 0.7% | 3.0% or more | |
| Payout ratio | 50.0% | around 50.0% | |
| Annual dividends per share | 45.00yen | around 46.00yen | 97.8% |
| Dividend on equity ratio | 6.3% | around 5.0% | |

*The 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 CO₂ or more per year) is managed separately as a sustainability indicator.

*Payout ratio, annual dividends per share, and dividend on equity ratio are projected figures.

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

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The construction of the Technical Training Center, aimed at accelerating the process of enhancing human capital value as a key to expanding our corporate value, was completed in November 2024. Full-scale operation began in April 2025, with on-going training programs conducted for new and current employees.



▲ ▼ A scene from the new employee training conducted in April 2025



► Role of the Technical Training Center

- Training facilities replicating maintenance sites such as cleanrooms and mechanical rooms have been installed.
- New employees: 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.
- The Environmental Management Department (environmental analysis [physicochemical, radiation], microbe testing, work environment measurement, and research and development, etc.), as well as other related departments, have been transferred.

| | |
|----------------------------|--|
| Location | Minami-ku, Nagoya-shi |
| Construction completed | November 2024 |
| Commencement of operations | April 2025 |
| Total floor area | 4,184.70m ² |
| Scale | Five aboveground floors |
| Purpose | To accelerate the process of enhancing human capital value, the key to expanding our corporate value |

VISION toward the fiscal year ending March 31, 2029

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► Stay on the right path and continue human capital-focused growth to enhance corporate value.

Net sales : **74** bil. yen

EPS : **93** yen

Provide quality services at a fair price

Operating income margin : **6**%

Net increase in employees : **250~300** persons

Productivity improvement through the utilization of training facilities

Governance that contributes to enhancing corporate value
Corporate culture of acting in good faith

ROE : **10**%

The cost of equity : **6~8**%

Creation of a positive equity spread

Expand corporate value

Positive equity spread : **2~4**%

Total market capitalization : **50** bil. yen

Stable and sustainable profit distribution based on profit growth from core business operations

DOE : **5**%

Payout ratio : **50**%

Governance that contributes to enhancing corporate value
Corporate culture of acting in good faith



Improving the happiness of all stakeholders in a sustainable manner



We will do what we must.

Strengthening the competitive advantages
of our core businesses

| | |
|--|------------------|
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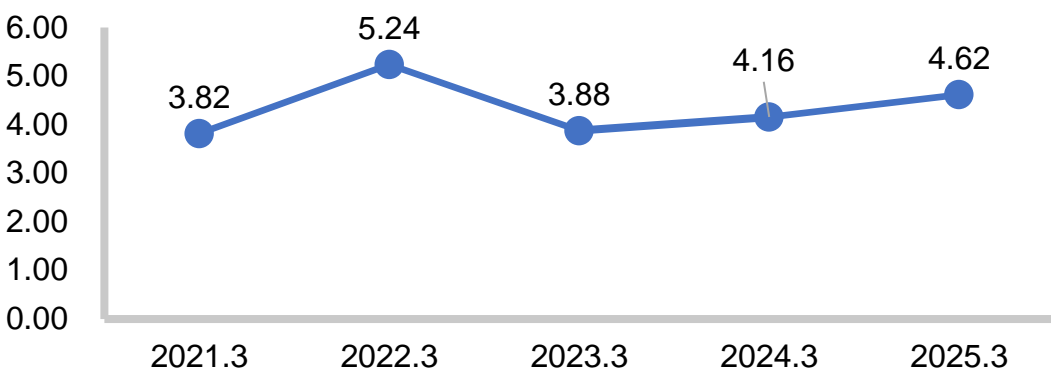
III. Stock-related information

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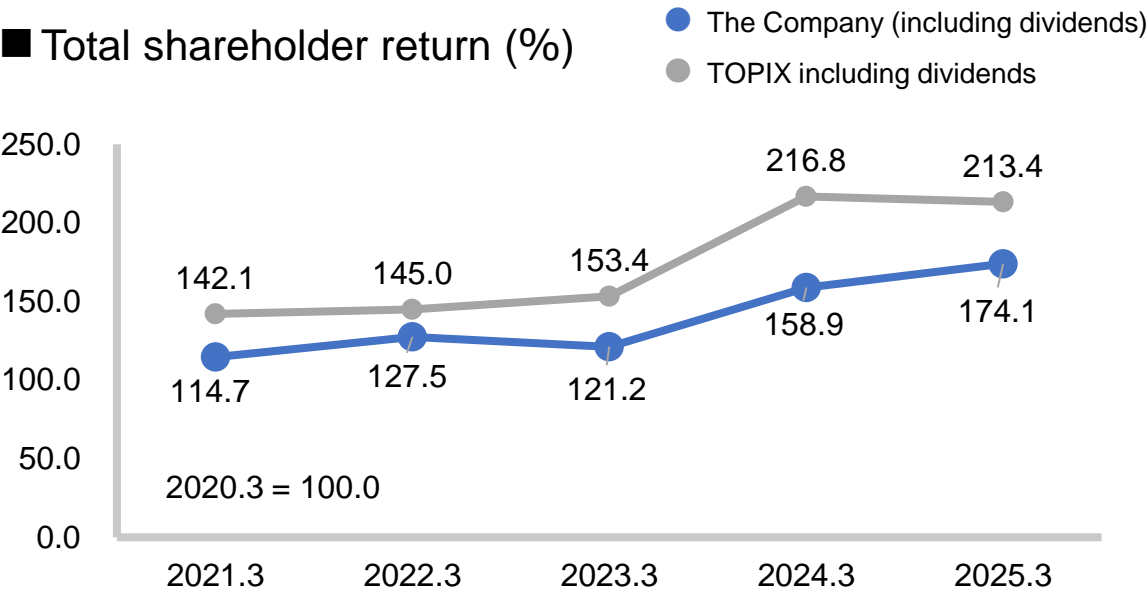
| Stock-related information | |
|-----------------------------|-----------------------|
| Stock price | ¥1,081 |
| Total market capitalization | ¥38.6 billion |
| Dividends | ¥46.00 per share |
| Dividend payout ratio | 50.5% |
| Dividend yield | 4.26% |
| Number of shareholders | 13,138 |
| PER | 11.87x (EPS : ¥91.10) |
| PBR | 1.45x (BPS : ¥746.33) |
| ROE | 12.5% |

*For stock price, closing price as of May 23, 2025 is used.
*For dividends and EPS, predicted numbers in the fiscal year ending March 31, 2026 are used.
*For number of shareholder, as of the end of March 2025 is used.
*For BPS and ROE, actual number in the fiscal year ended March 31, 2025 are used.
*Total market capitalization is based on total shares issued and outstanding (including treasury stock) as of March 31, 2025.

■ Dividend yield (%)



■ Total shareholder return (%)

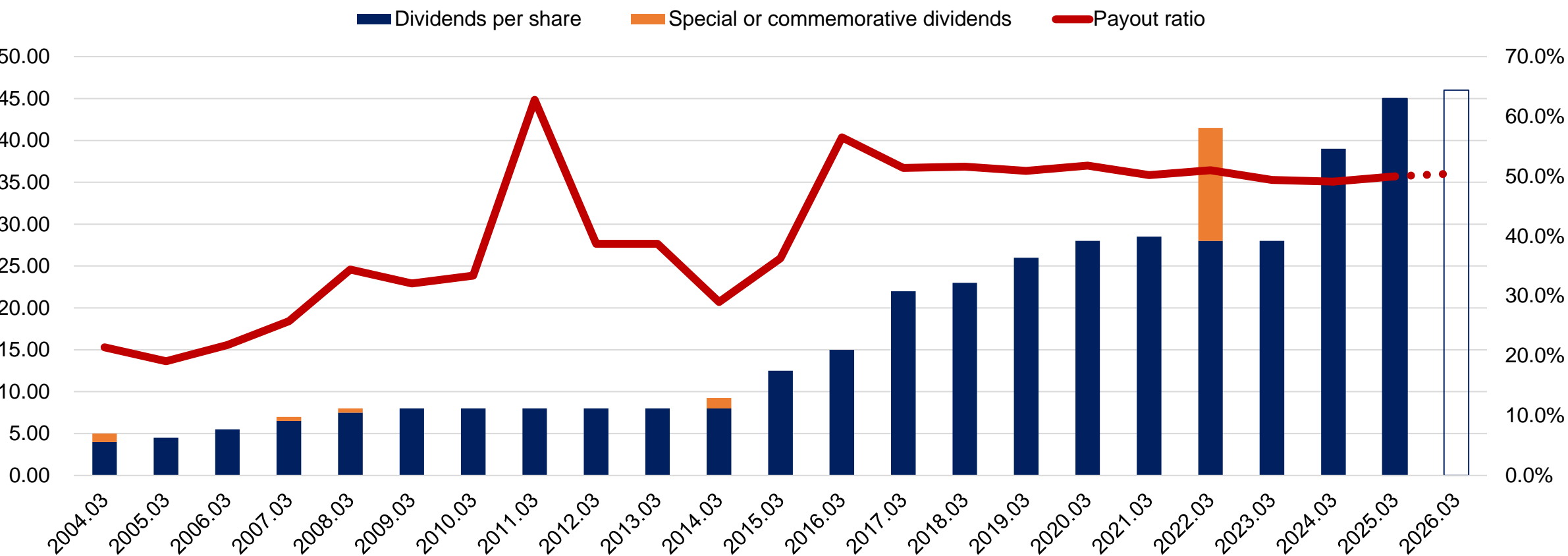


III. Shareholder Returns

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We plan to pay an annual dividend of 45 yen per share (interim dividend of 20 yen and year-end dividend of 25 yen) for FY03/2025.
We plan to pay an annual dividend of 46 yen per share (interim dividend of 23 yen and year-end dividend of 23 yen) for FY03/2026.

► Dividend per share and dividend payout ratio (yen, %)



*Dividend per share...Adjusted for the 2-for-1 stock splits of treasury stock executed in April 2014 and April 2016.
*Special or commemorative dividends...2004.03 (1.00 yen), 2007.03 (0.50 yen), 2008.03 (0.50 yen), 2014.03 (1.25 yen), 2022.03 (13.50 yen).

Profit growth through sustainable growth of core businesses



Stable and sustainable returns



During the period covered by the 2024 Five-Year Mid-term Management Plan, the minimum annual dividend per share will be set to 40 yen; the target consolidated dividend payout ratio will be around 50%; and the target dividend on equity ratio will be approximately 5%. The goal is sustainable returns.

**Minimum annual dividend
of 40 yen**

Maintain ROE around 10%

**Sustained
returns**

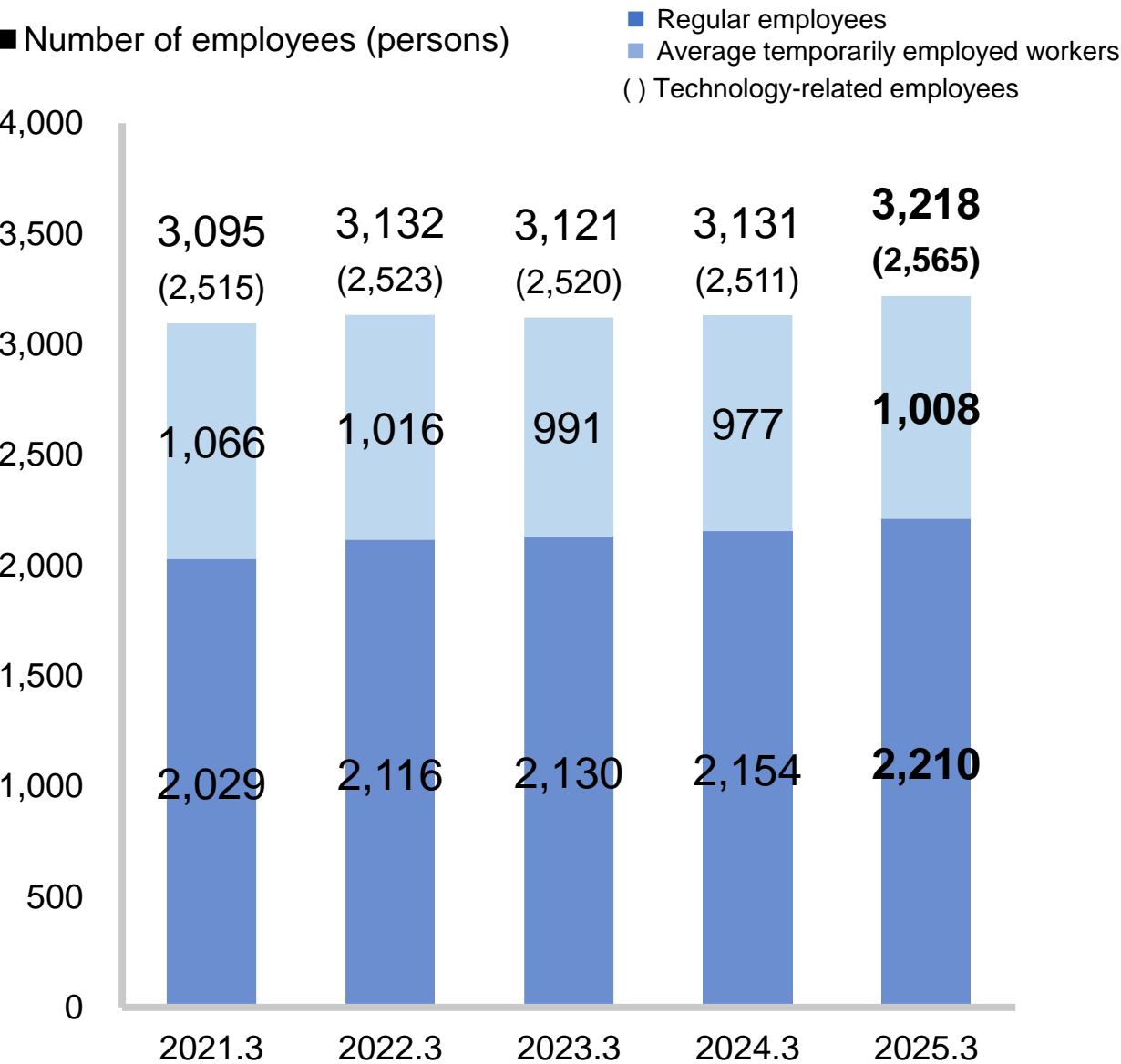
**Maintain a target consolidated
dividend payout ratio of
around 50%**

**Aiming for dividend on equity
ratio of around 5%**

| | |
|--|------------------|
| I . Overview of financial results for FY03/2025 | p.05-p.16 |
| II . The 2024 Five-Year Mid-Term Management Plan | p.17-p.25 |
| III . Shareholder Returns | p.26-p.29 |
| IV . Supplementary materials | p.30-p.43 |

IV. Number of employees

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Technology-related employees
account for approximately 80%

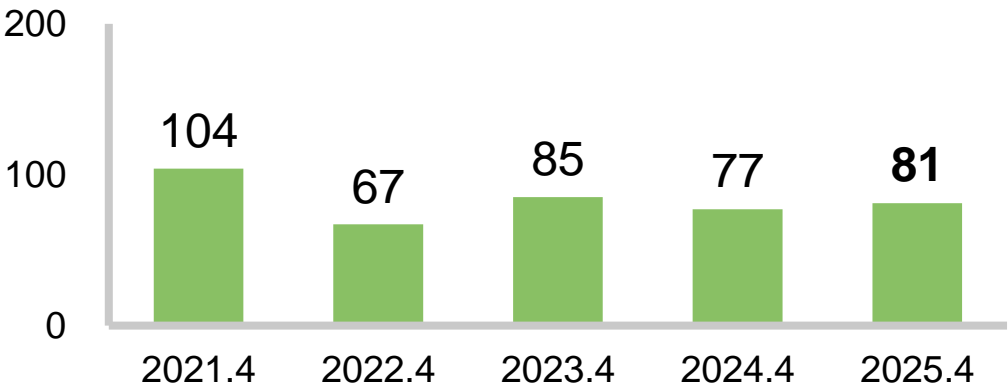
Technology-oriented company



Systems for improving
technological capabilities

- Systematic training curriculum
- Linking promotions to official qualifications
- Instructor system, etc.

■ Number of new graduates hired (persons)



*The average number of new graduates hired was 82.8 persons for the period from April 2021 to April 2025.

Construction and maintenance Companies
approx. ¥2.2 trillion



Approx. 70% of the air conditioning and heat source system market
is for existing buildings



we project a target for the Company of
approx. ¥1.5 trillion

IV. Comparison with other companies in the same business

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| | The Company | Company A | Company B | Company C |
|-----------------------------|------------------------|-----------------|-----------------|-----------------|
| Total market capitalization | ¥38.6 billion | ¥261.7 billion | ¥6.9 billion | ¥7.5 billion |
| PER | 11.87x | 22.57x | 6.90x | 6.72x |
| PBR | 1.45x | 2.36x | 0.71x | 0.34x |
| ROE | 12.5% | 10.9% | 9.7% | 4.6% |
| Net sales | ¥64.4 billion | ¥337.9 billion | ¥28.0 billion | ¥34.6 billion |
| Operating income | ¥4.1 billion | ¥16.4 billion | ¥1.1 billion | ¥1.4 billion |
| Operating income to sales | 6.5% | 4.9% | 4.1% | 4.1% |
| Average annual salary | ¥6,260 thousand | ¥5,110 thousand | ¥4,130 thousand | ¥3,800 thousand |
| Average age | 40.2 years old | 46.2 years old | 50.0 years old | 53.0 years old |

Characteristics of the Company compared to other companies in the same sector

- (1) Average annual salary significantly exceeds the average figure for the other three companies. The average age is also lower.
- (2) Even so, we maintain a comparable income to sales ratio.
- (3) Stock price indicators suggest our shares are undervalued.



We need to boost the creation of added value and strengthen IR activities.

*For total market capitalization of individual companies, closing price as of May 23, 2025 is used.

*For EPS of individual companies, predicted number as of FY2025 is used (actual results for FY2024 for Company A), for BPS, ROE, net sales, operating income, operating income to sales, the actual numbers for FY2024 are used.

*For average annual salary and average age, the actual numbers for FY2023 are used.

*Total market capitalization of individual companies is based on total shares issued and outstanding (including treasury stock) as of the end of FY2024.

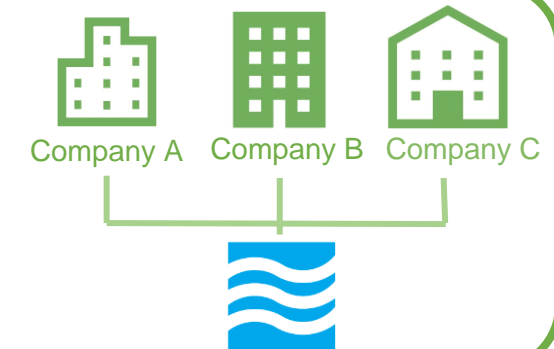
IV. Nippon Air Conditioning Services Three key advantages

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① Advanced technological capabilities



② Independence from manufactures



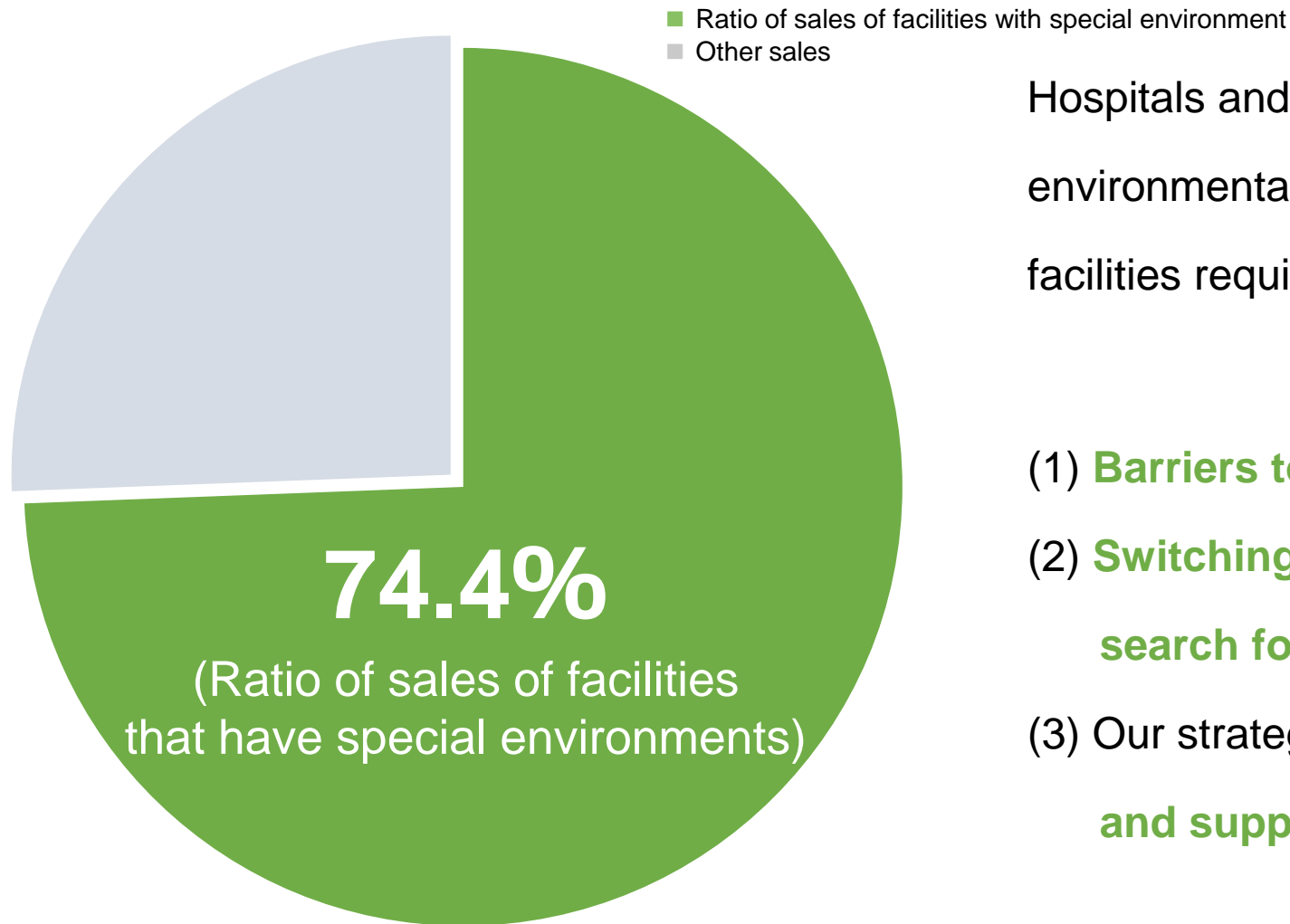
③ Vast service network



IV. ① Advanced technological capabilities

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■ Ratio of sales of facilities with special environment (%)



Hospitals and manufacturing plants must meet strict environmental demands, thus maintenance at these facilities requires sophisticated technological capabilities.



- (1) **Barriers to entry** for competitors are high.
- (2) **Switching costs** and **costs associated with the search for suitable service vendors** are high.
- (3) Our strategy is to erect barriers on **both the demand and supply sides.**

*Ratio of sales of facilities that have special environments, the number in the fiscal year ended March 31, 2025 is used.

*Sophisticated technological capabilities refer to the capacity to respond promptly to various problems and propose improvement at early stages and the capacity to execute at high level at all times.

Central surveillance service



Daily measurement service



Regular maintenance service



Solution proposals



Environmental diagnosis service



Disinfection and decontamination service



“Is it possible to create such and such environment?”
or “How can we improve the situation?”



Boosting added value by identifying needs
based on dialogue with customers



Linking with the sustainability
of the customer’s business activities,
from the perspective of **ESG (environment)**

IV. ① Advanced technological capabilities

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Examples of the **technological capabilities** required are shown below.

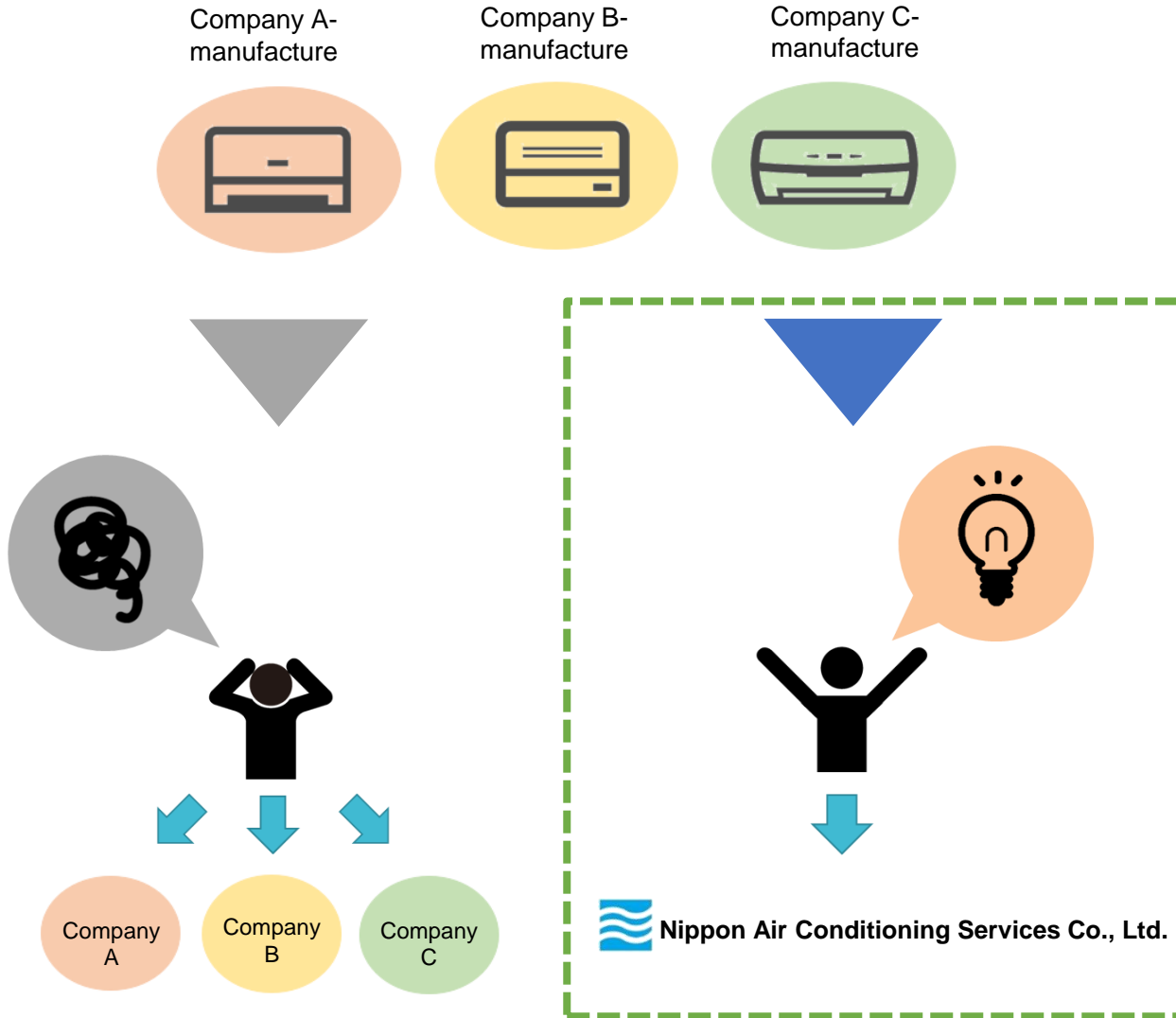


*Picture: Environmental performance measurement / diagnosis, Clean equipment maintenance, Environmental hygiene management, High efficiency filter maintenance, Work environment measurement, Safety cabinet performance inspection / decontamination / sterilization / cleaning etc.

IV. ②Independence from manufactures

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There is air-conditioning equipment from various makers inside buildings.



(1) As an independent company, we are not subject to restrictions imposed by manufacturers.

(2) Our skilled employees allow us to complete work rapidly without outside help.

▼
(1) By offering **flexibility and diversity** in our services, we help customers create optimal environments.

(2) **The burden** on customers' equipment maintenance personnel is **reduced**.

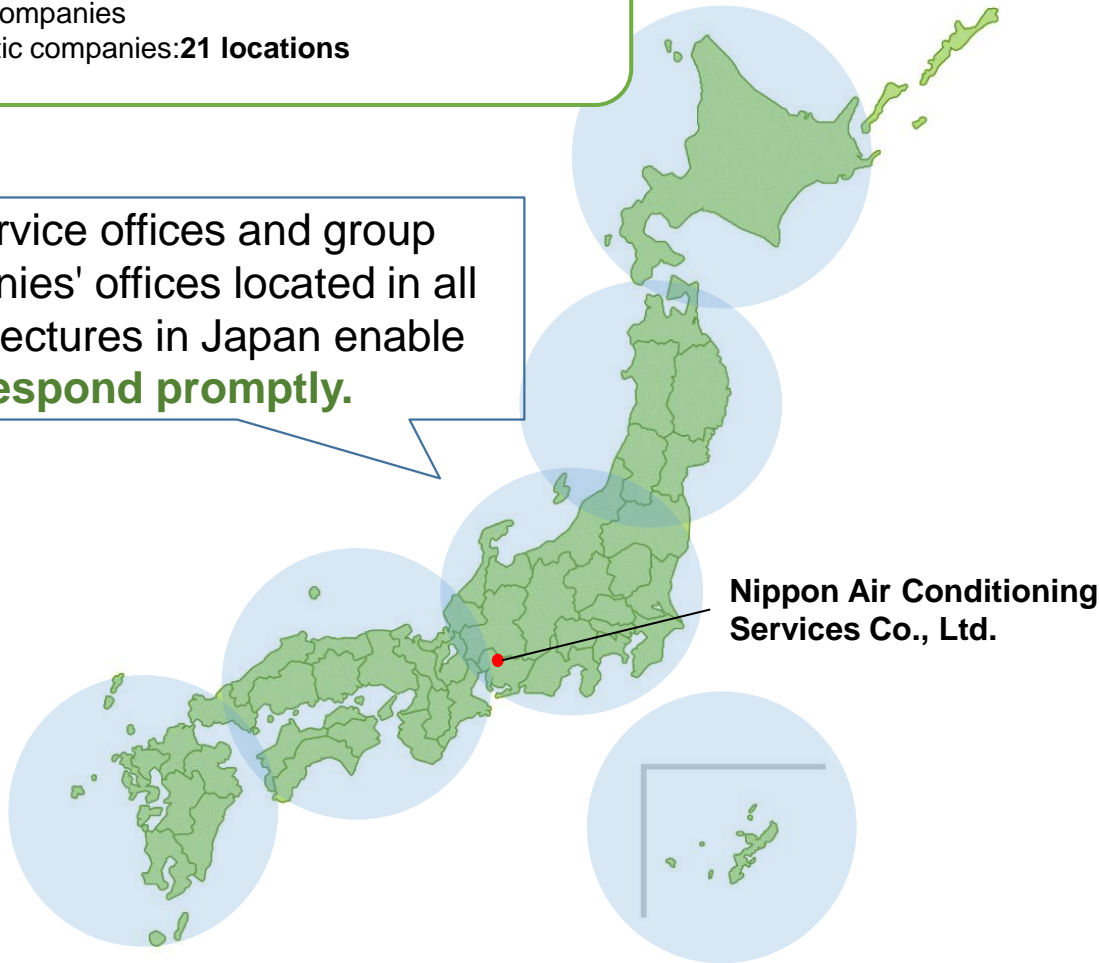
IV. ③Vast service network

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Japan

- Nippon Air Conditioning Services Co., Ltd.
Head office, branches and sales offices:**68 locations**
- Group Companies
5domestic companies:**21 locations**

Our service offices and group companies' offices located in all 47 prefectures in Japan enable us to **respond promptly**.



Overseas

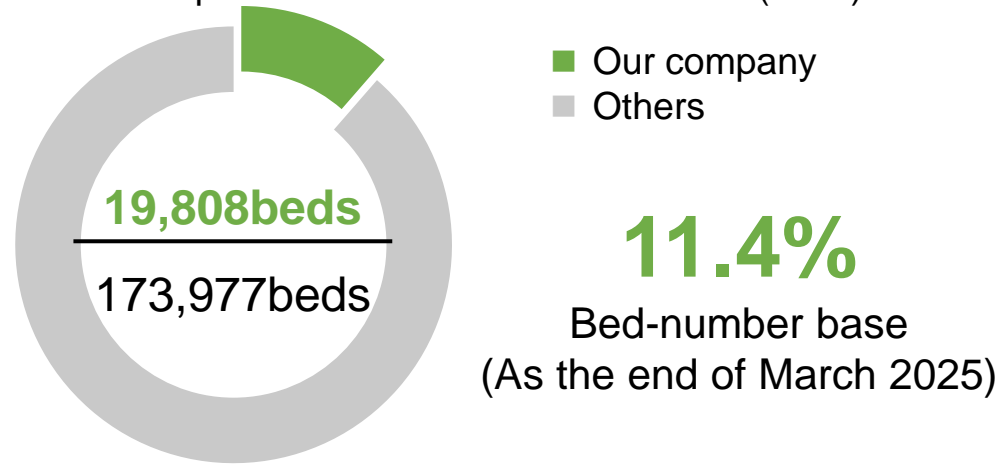
- China
 - Suzhou Nikku Suntec Electromechanical Technology Co., Ltd.
(an overseas consolidated subsidiary)
 - Shanghai Nikku Suntec International Trading Co., Ltd.
(an overseas consolidated subsidiary)
- Singapore
 - Evar Air-conditioning & Engineering Pte Ltd
(an overseas consolidated subsidiary)
 - NACS Singapore Pte. Ltd. (an overseas consolidated subsidiary)
- Vietnam
 - NACS ENGINEERING VIETNAM CO., LTD.
(an overseas consolidated subsidiary)
- Thailand
 - NACS KUCHO(THAILAND) CO., LTD.
(an overseas consolidated subsidiary)
- Myanmar
 - NACS Engineering Myanmar Co., Ltd.
(an overseas consolidated subsidiary)
- Bangladesh
 - NACS BD Co., Ltd. (an overseas non-consolidated subsidiary)

*The number of bases (based on address) is as of May 31, 2025.

IV. Share in large-scale domestic hospitals

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- Percentage of acceptance of outsourcing for domestic hospitals that have 600 beds or more (beds)



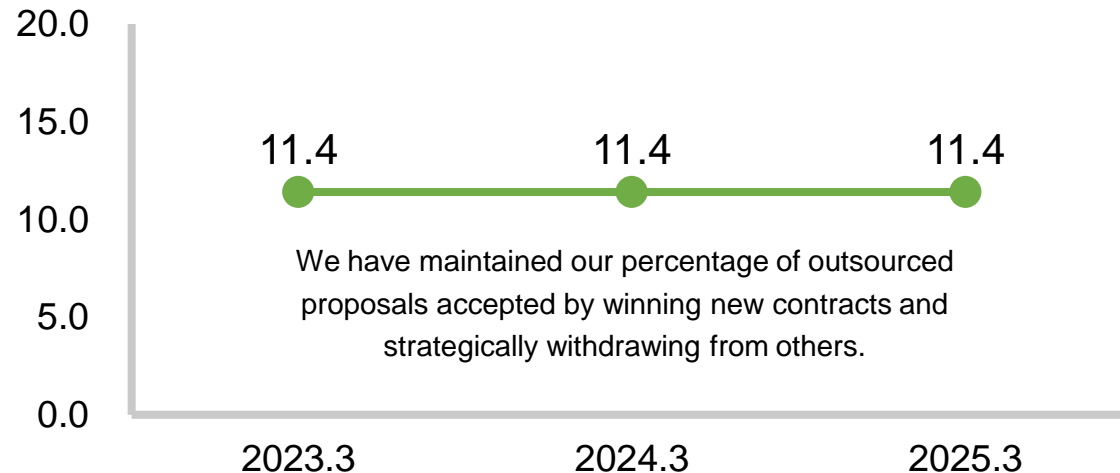
Our strengths include facilities maintenance at large hospitals, founded on our many years of experience at facilities with special environments.



Integrated management

Maintenance of environmental performance

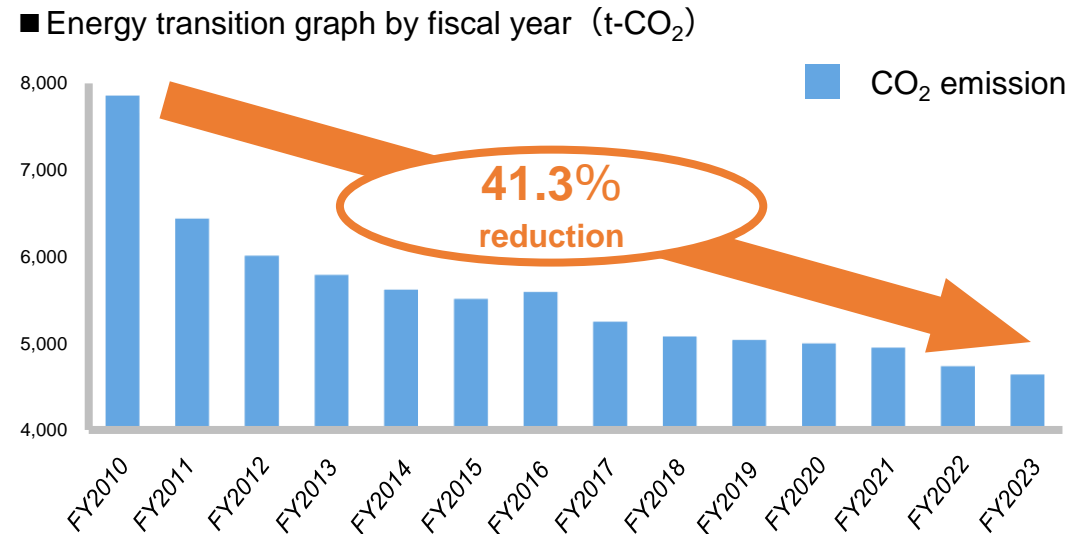
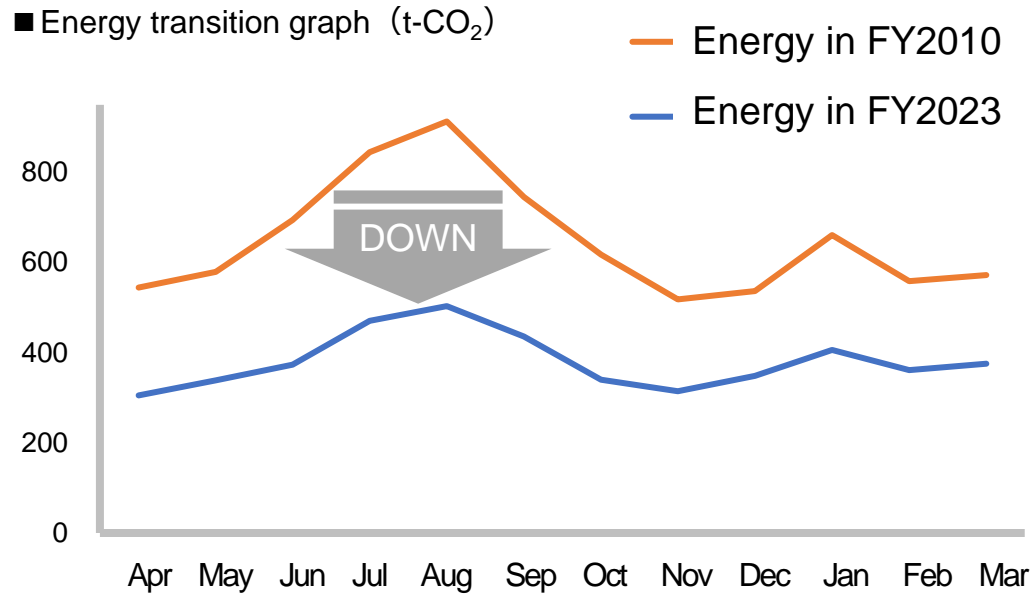
- Our percentage of outsourced proposals accepted (%)



We optimize facility operations for both stable operations and energy savings.

IV. Hospital energy savings (example)

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Midsized Tokyo hospital(450 beds scale)

Total floor area approx. 48,000 sqm

Succeeded in saving a significant amount of energy by maintaining a thorough site understanding and continued careful operations management.

As maintaining the hospital environment is such a high priority, It is difficult to save energy in hospitals.



From the viewpoint of facility management, however, there are many opportunities to save energy with no compromises made with regard to safety.

Energy savings can be achieved as only a facility management company can, by understanding the "excess" energy in a facility and approaching the excess energy.

IV. Acquire patents by developing new technologies

| First patent (April 2023) | Second patent (November 2023) |
|---|---|
| Microbe decontamination technique that enables <u>safety and efficient operations</u> | Safer microbe decontamination technique that uses Vinegar and Oxydol and no deleterious substance |



Pharmaceutical
and medical
research facilities



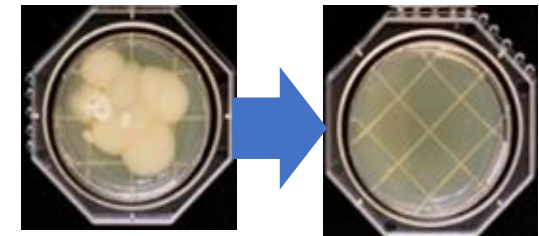
Large-scale hospitals



Pharmaceutical
plants



Food & beverage
factories



etc.

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