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## II. The 2026 Four-Year Mid-Term Management Plan

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We revised upward the “2024 Five-Year Mid-Term Management Plan,” which was announced on June 7, 2024 and was being implemented, and newly launched the “2026 Four-Year Mid-Term Management Plan.”

\*Announcement date: (M/D/Y)

Consolidated (cumulative period)	FY2026/03 results		FY2029/03 Original target (June. 7, 2024)		FY2030/03 Revised target (May. 13, 2026)	
	Amount	Ratio to sales	Amount	Ratio to sales	Amount	Ratio to sales
Net sales	69,245 mil. yen	100.0 %	74,000 mil. yen	100.0 %	<b>90,000</b> mil. yen	<b>100.0</b> %
Operating profit	4,758 mil. yen	6.9 %	4,300 mil. yen	5.8 %	<b>7,200</b> mil. yen	<b>8.0</b> %
Ordinary profit	5,108 mil. yen	7.4 %	4,500 mil. yen	6.1 %	<b>7,600</b> mil. yen	<b>8.4</b> %
Profit attributable to owners of parent	3,696 mil. yen	5.3 %	3,200 mil. yen	4.3 %	<b>5,300</b> mil. yen	<b>5.9</b> %

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[Title]

**Nippon Air Conditioning Services revises its Mid-Term Management Plan upward on strong performance; launches new MTP targeting ¥90 billion in net sales for FY2030/03**

[Lead]

The following is a transcription of Nippon Air Conditioning Services Co., Ltd.’s presentation on financial results for the fiscal year ended March 31, 2026, released on June 4, 2026.

[Speaker]

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

## Company overview

### Company overview

Nippon Air Conditioning Services Co., Ltd.

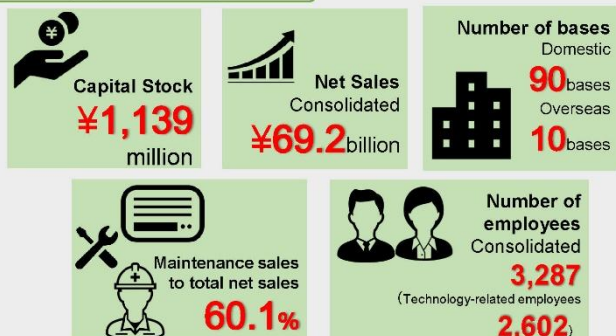
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Company overview	
Company Name	Nippon Air Conditioning Services Co., Ltd.
Securities code	4658
Business description	General building facility maintenance service
Head office	239-2 Terugaoka, Meito-ku Nagoya-shi, Aichi Japan
Total number of issued shares	35,784,000 shares
Number of shareholders	20,293



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

#### The Company at a Glance by Numbers



\*The number of employees, the total number of issued shares, and the number of shareholders are as of March 31, 2026. Net sales and maintenance sales to total net sales are actual results for FY2026/03. The number of bases (based on address) is as of May 31, 2026.  
 \*NACS BD Co., Ltd. has been excluded from the scope of consolidation and the scope of application of the equity method from the fiscal year ended March 31, 2024 onward as it does not have a material impact on the consolidated financial statements.  
 \*NACS Engineering Myanmar Co., Ltd. has suspended its business operations since April 2020 due to the unstable social conditions in Myanmar.

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Mr. Toshiaki Yorifuji: I am Toshiaki Yorifuji, President and Representative Director, Nippon Air Conditioning Services Co., Ltd. I will explain our financial results for the fiscal year ended March 31, 2026.

Let me begin with our company overview. Net sales for FY2026/03 amounted to ¥69.2 billion. We have 90 domestic bases and 10 overseas bases—reaching the milestone of 100 bases, as announced on May 20.

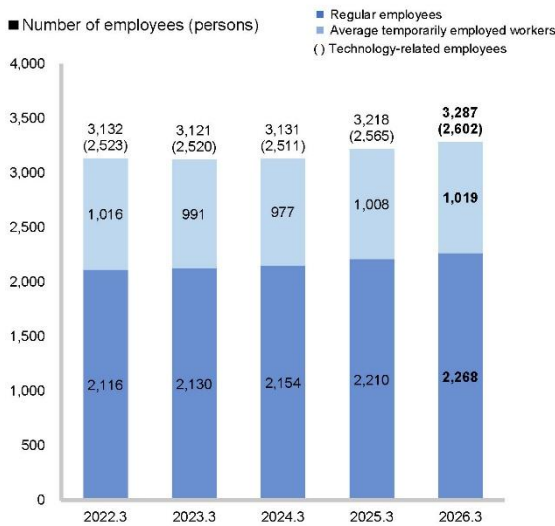
Maintenance sales accounted for 60.1% of total net sales. The number of employees was 3,287 on a consolidated basis, of whom 2,602 were technology-related employees.

## Number of employees

### Number of employees

Nippon Air Conditioning Services Co., Ltd.

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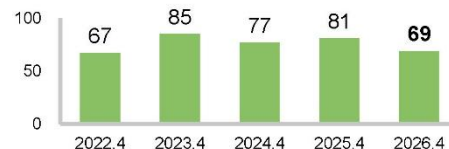
Technology-related employees account for approximately 80%

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 75.8 persons for the period from April 2022 to April 2026.

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This slide shows the trend in the number of our employees over the past five years. As of the end of FY2026/03, our headcount was 3,287, an increase of 69 from the end of FY2025/03. Technology-related employees account for approximately 80% of this total, making us a “technology-oriented company.”

The number of new graduates hired in April 2026 was 69, a decrease of 12 from the 81 hired in April 2025. With an average of 75.8 new graduate hires over the past five years, our hiring this year fell slightly short of that average.

## The Technical Training Center

### The Technical Training Center

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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 employees training conducted in April 2025

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



#### ► Role of the Technical Training Center

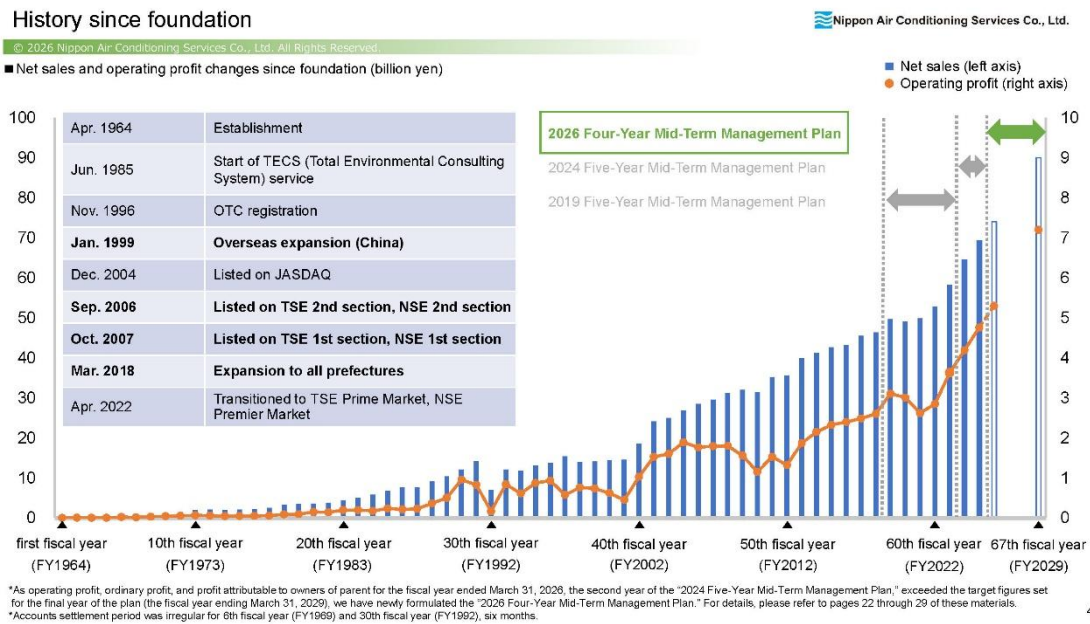
- Training facilities replicating maintenance sites such as cleanrooms and mechanical rooms have been installed.
- The time required for new employees to become fully competent can be shortened, and the technical capabilities of current employees can be enhanced and standardized.
- Highly effective in recruitment activities and in retaining employees after they join the Company.
- One of the Japan's leading measurement and testing facilities capable of performing in-house analyses of radioactive substances, chemical substances, and microbes (Environmental Management Department)

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Let me turn to the Technical and Training Center. We commenced full-scale operations in April 2025, conducting training programs for both new and existing employees throughout the year. In April of this year, we held our second annual group training course for new employees. We are confident that we were able to deliver an even better program by fully incorporating the lessons learned from the April 2025 training.

By further increasing the quality and volume of this training program, we aim to further advance our technical capabilities and develop employees who are ready to contribute immediately. The center is designed to replicate real-world work environments, allowing trainees to learn through hands-on practice what cannot be taught in a classroom setting. We have received positive feedback from the worksites where new employees have been assigned, indicating that they are seeing tangible results from the training.

## History since foundation



This slide presents the historical trends in net sales and operating profit since our foundation. As I mentioned earlier, we opened our 100th base in May. After achieving our founding goal of expanding into all prefectures in Japan, which we accomplished in 2018, we have now reached this milestone of 100 bases.

The bar chart shows the trend in net sales. Notably, FY2019, when we launched the 2019 Five-Year Mid-Term Management Plan, was a year severely impacted by the COVID-19 pandemic—a challenge faced not only by our company but by many businesses.

Then, in 2024, we formulated and implemented the 2024 Five-Year Mid-Term Management Plan. The business environment surrounding us has been exceptionally favorable, allowing us to make greater progress toward our targets than initially expected. Accordingly, we have formulated a new 2026 Four-Year Mid-Term Management Plan and have begun initiatives under the Plan. I will elaborate on the details later.

As shown on the slide, we have continued to grow steadily since our founding in 1964.

## Maintenance and management cycle of building facilities

Maintenance and management cycle of building facilities

Nippon Air Conditioning Services Co., Ltd.

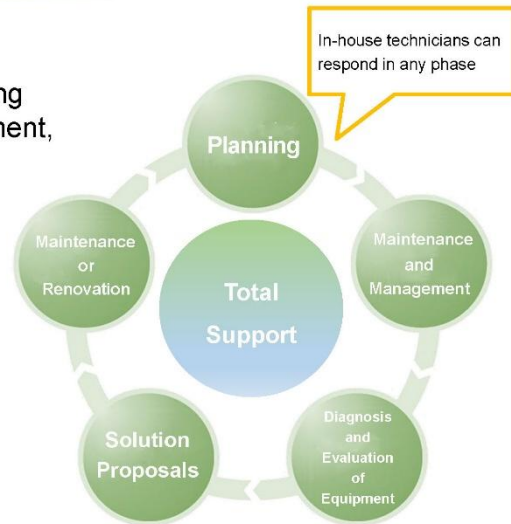
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### ■ Business Overview

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**



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Here is our business overview. We specialize in providing comprehensive support, encompassing building facility maintenance, operation, and management, facility and environmental diagnostics, solution formulation, and renewal projects. By supporting lifecycle management for our clients, we have established relationships that ensure a steady stream of business over the long term.

As stated on the slide under “What sets us apart from the competition,” we have three key strengths. The first one is our advanced technological capabilities. About 80% of our employees are technology-related employees, and many hold multiple government-certified qualifications.

The second one is our solution capabilities. As an independent company, we can offer flexible solutions without being constrained by any specific manufacturer. For example, we can propose combinations of products from companies A, B, and C—something manufacturers often find difficult to accommodate—which we consider one of our strengths.

Our third strength is total support capabilities. We maintain a broad network capable of serving a wide variety of customers, which enables us to provide total support. While our target facilities—those with specialized environments—tend to be located in suburban areas, we have set up sales offices in those areas and built a system to provide support there.

We believe these strengths give us a significant competitive edge over other companies in the industry.

## Business division

Business division Nippon Air Conditioning Services Co., Ltd.

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Business division	Overview	Net sales composition
<p><b>PM</b> 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><b>36%</b></p>
<p><b>FM</b> 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><b>24%</b></p>
<p><b>RAC</b> Reform and Construction</p>	<p>We mainly engage in renovation work of existing equipment such as air conditioning and plumbing sanitary system.</p> 	<p><b>40%</b></p>

\*For net sales composition, actual number in the fiscal year ended March 31, 2026 is used.

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Let me walk you through the three business divisions that enable us to provide total support.

Preventive Maintenance (PM), at the top, is the division that sends our employees to clients' facilities to conduct inspections, maintenance, and repairs on equipment. It accounts for 36% of our total net sales, almost unchanged from 36% in FY2025/03.

The next division is Facility Management (FM), in which our resident employees stationed at clients' facilities conduct daily inspections primarily at large hospitals and factories. It accounts for 24% of total net sales, compared with 26% in FY2025/03.

The last one is Reform and Construction, which we refer to internally as "RAC." This division engages in replacement and renovation projects arising at PM and FM worksites. Its net sales composition is 40%, up from 38% in FY2025/03. We view this division as the key driver of our revenue growth.

## Financial highlights

### I. Financial highlights

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Net sales : **¥69.2 billion**[+7.5%]

Operating profit : **¥4.7 billion**[+13.5%]

Profit attributable  
to owners of parent : **¥3.6 billion**[+19.1%]

\*For net sales, operating profit, profit attributable to owners of parent, the number in the fiscal year ended March 31, 2026 is used.

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Here are the highlights of our financial results. The slide shows the actual results for FY2026/03. Net sales came in at ¥69.2 billion, up 7.5% YoY, with operating profit at ¥4.75 billion, up 13.5% YoY. Profit attributable to owners of parent was ¥3.69 billion, an increase of 19.1% YoY.

## Financial Results

### I. Financial Results

Nippon Air Conditioning Services Co., Ltd.

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(billion yen, %)

Consolidated (cumulative period)	FY2024/03			FY2025/03			FY2026/03		
	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	58.2	100.0	+10.1	64.4	100.0	+10.7	69.2	100.0	+7.5
Maintenance service sales	36.6	63.0	+5.8	39.8	61.8	+8.5	41.6	60.1	+4.6
Net sales of completed construction contracts	21.5	37.0	+18.3	24.6	38.2	+14.3	27.5	39.9	+12.1
Gross profit on sales	10.9	18.8	+17.6	12.9	20.1	+18.1	14.9	21.5	+15.1
Gross profit on maintenance sales	7.5	20.6	+12.4	8.5	21.4	+13.1	9.5	22.8	+11.4
Gross profit on completed construction contracts	3.4	15.9	+31.2	4.4	18.0	+29.1	5.4	19.6	+22.2
Selling, general and administrative expenses (SG&A expenses)	7.3	12.6	+13.3	8.7	13.6	+19.4	10.1	14.7	+15.8
Operating profit	3.6	6.2	+27.5	4.1	6.5	+15.5	4.7	6.9	+13.5
Ordinary profit	3.8	6.6	+26.6	4.3	6.8	+13.2	5.1	7.4	+16.8
Profit before income taxes	3.8	6.6	+29.8	4.3	6.8	+13.0	5.1	7.4	+17.6
Profit attributable to owners of parent	2.7	4.7	+40.4	3.1	4.8	+13.8	3.6	5.3	+19.1
Earnings per share (unit : yen)	79.40	-	+40.1	89.98	-	+13.3	106.79	-	+18.7

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Here are our financial results. The slide compares figures for FY2024/03, FY2025/03, and FY2026/03. Among net sales, maintenance service sales, and net sales of completed construction contracts shown in the table, net sales of completed construction contracts has been increasing each year, maintaining double-digit growth. Currently, replacement work is extremely active, which is likely driving both net sales and profits.

Gross profit on completed construction contracts has also been posting double-digit growth. Currently, we are seeing a significant increase in work in this sector. In particular, capital investment in the manufacturing sector is very active, and we believe this will be a major factor contributing toward achieving our targets for FY2027/03.

Furthermore, a supply shortage persists across the industry, leaving companies like ours, which take on such projects, fully stretched to capacity. Amid these circumstances, our ability to selectively accept orders and the reduction in unprofitable site operations were major factors that contributed to the increase in profits.

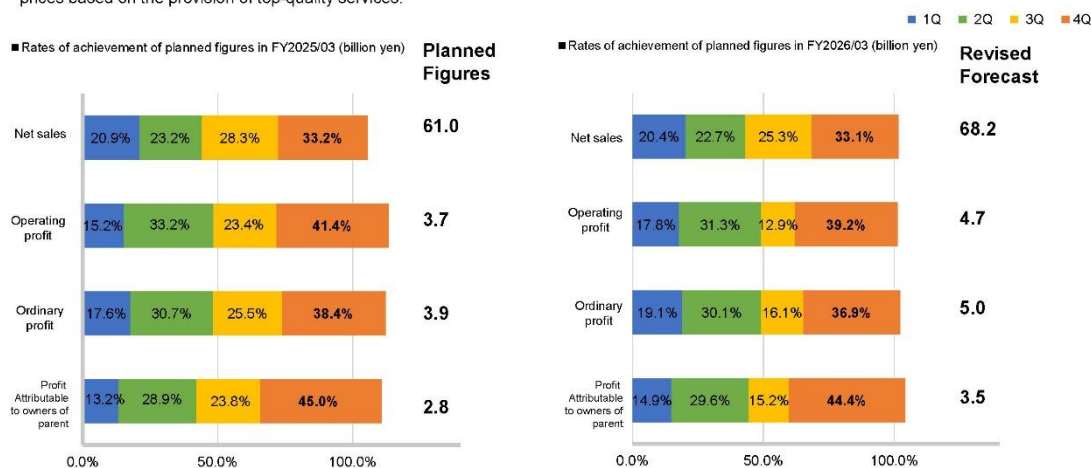
## Rates of achievement of planned figures

### I. Rates of achievement of planned figures

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Although profit growth slowed in the second half due to the impact of the provision for performance-based bonuses, net sales and profits exceeded forecasts due to various factors including easing of competitive environment, winning of profitable projects, and receiving of orders at reasonable prices based on the provision of top-quality services.



\*The revised forecast announced on January 30, 2026 is used as the forecast for FY2026/03.

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The charts represent the rates of achievement against the planned figures. In an effort to enhance human capital, we set aside provisions for performance-based special bonuses in 2H. While this somewhat slowed profit growth, both net sales and profits exceeded forecasts. This was achieved through a combination of factors, including an easing of the competitive environment, the winning of profitable projects, and the receipt of orders at reasonable prices based on the provision of top quality services.

At the time of the 3Q financial results announcement, we made an upward revision to our full-year forecast. The revised forecast had projected net sales of ¥68.2 billion, operating profit of ¥4.7 billion, ordinary profit of ¥5.0 billion, and profit attributable to owners of parent of ¥3.55 billion. However, the final results came in at net sales of ¥69.2 billion, operating profit of ¥4.75 billion, ordinary profit of ¥5.1 billion, and profit attributable to owners of parent of ¥3.69 billion, exceeding the forecasts in all categories.

## Net sales by quarter

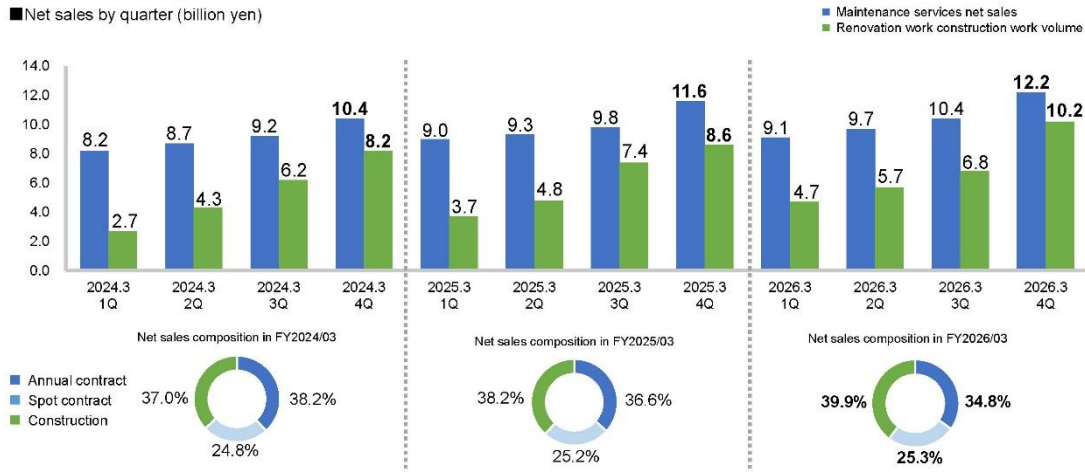
### I. Net sales by quarter

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Net sales reached a record high for the fifth consecutive year. Net sales of the mainstay maintenance services reached a record high for the 15th consecutive year due to an increase in spot maintenance services at manufacturing plants, etc. Renovation projects, which saw a Quarter over Quarter decrease in large-scale projects including manufacturing plants, hospitals, and bank, small-scale projects proceeded at a good pace at manufacturing plants and other facilities, also reached record highs for the fourth consecutive fiscal year.

■ Net sales by quarter (billion yen)



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This slide shows our net sales by quarter.

Our mainstay maintenance services saw a significant increase, primarily in spot maintenance at manufacturing plants. As a result, net sales reached a record high for the 15th consecutive year.

For renovation projects, large-scale projects at hospitals decreased YoY, but projects at manufacturing plants and other facilities increased steadily.

Manufacturing plants have been particularly active in investing in improvements to the working environment in recent years. As summer heat becomes more intense, we have received many requests for solutions to address deteriorating working conditions. We believe that our efforts to develop and implement various solutions to accommodate these needs have made a significant contribution.

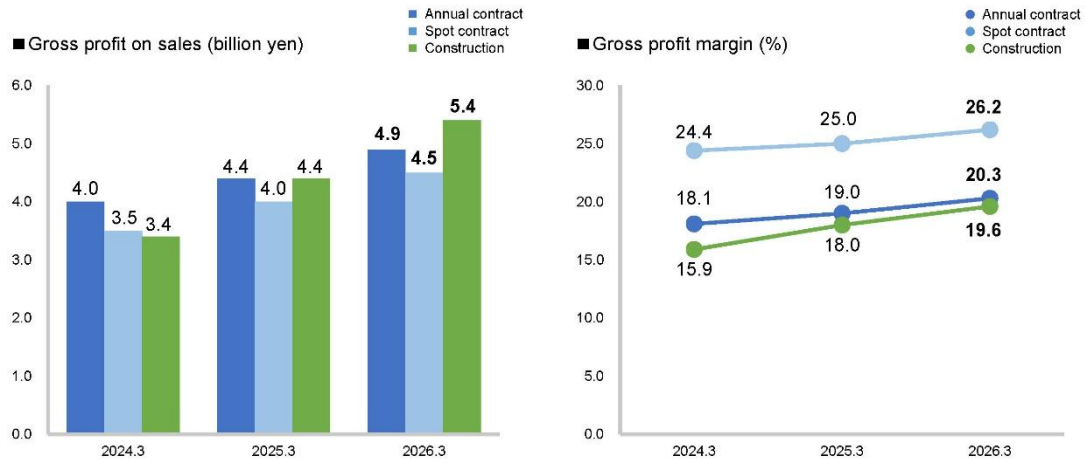
## Gross profit on sales

### I. Gross profit on sales

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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.



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This slide presents gross profit on sales and gross profit margin. By successfully passing wage increases through to prices, we were able to expand profits across all categories—annual contracts, spot contracts, and renovation work.

In particular, as shown in the graph on the right side, gross profit margin has been increasing every year. Notably, the profit margin for renovation work—shown in green—has improved substantially. Since we expect the high volume of inquiries to continue, this trend is likely to persist for some time.

Turning to annual contracts, we have a very large number of contracts with hospitals. In this context, we often receive questions asking, “Hospital management has been challenging lately—how is your business faring in that area?” However, I believe you can see from this slide that profits have grown steadily each year.

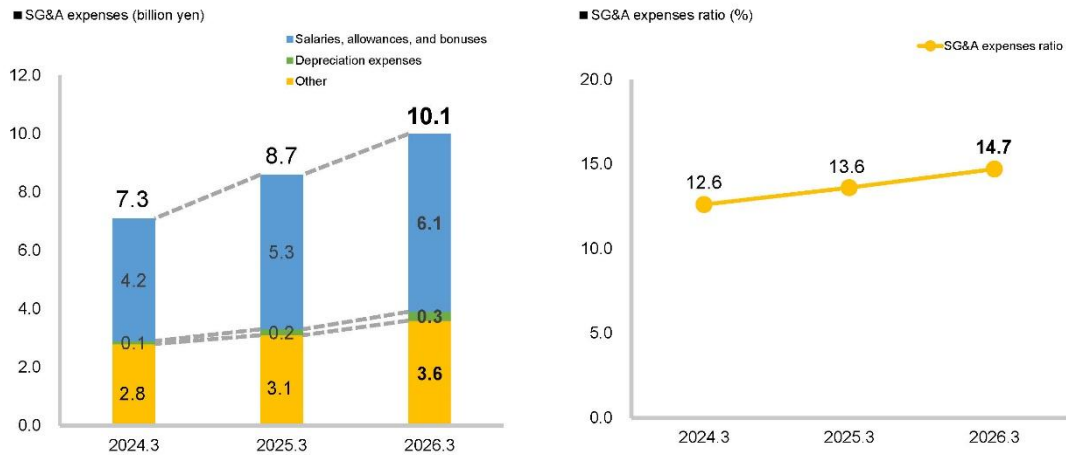
## SG&A expenses

### I. SG&A expenses

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SG&A expenses increased due to rising labor costs from base pay raises, provision for performance-based bonuses for employees, and higher depreciation expenses mainly associated with the Company's Technical Training Center and the new office building of its subsidiary, Nippon Air Conditioning Hokuriku Co., Ltd.



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I will now explain our SG&A expenses.

SG&A expenses have been increasing every year. The primary factor is the rise in labor costs, and the Company has also set aside provisions for performance-based bonuses for employees. Another factor contributing to the increase in SG&A expenses is higher depreciation expenses associated with our Technical and Training Center and the new office building of our subsidiary, Nippon Air Conditioning Hokuriku Co., Ltd.

As shown in the chart on the right side of the slide, the SG&A expense ratio for FY2026/03 was 14.7%. Given that SG&A expense ratios in our industry are typically around 20%, we do not believe our figure is particularly high.

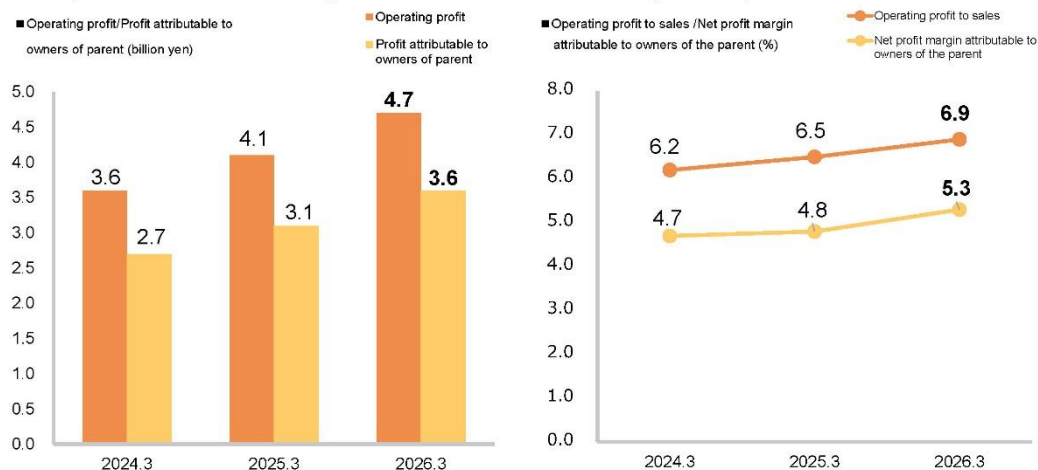
## Operating profit / Profit attributable to owners of parent

### I. Operating profit / Profit attributable to owners of parent

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In addition to the increase in operating profit driven by steady growth in net sales from maintenance and renovation work, profit attributable to owners of parent also increased due to the application of the Tax Measure to Promote Wage Increases, etc.



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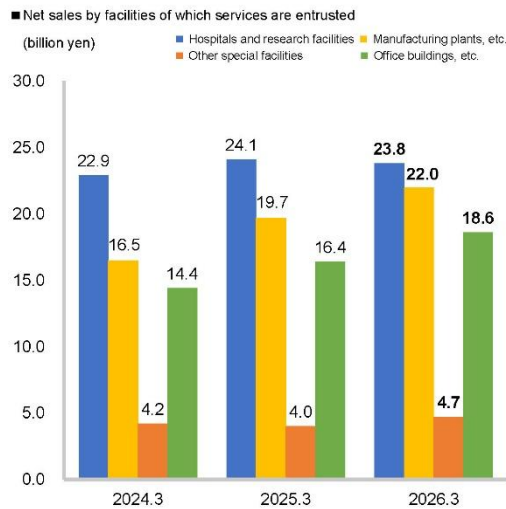
Turning to operating profit and profit attributable to owners of parent. Operating profit increased, driven by steady growth in net sales from maintenance services, particularly renovation work. Profit attributable to owners of parent also increased, partly due to the application of the Tax Measure to Promote Wage Increases. Ultimately, the operating profit margin, came in at 6.9%, and the net profit margin attributable to owners of parent was 5.3%. We effectively absorbed the increase in SG&A expenses and finished with profit margins above FY2025/03 levels.

## Net sales by entrusted facility type

### I. Net sales by facilities of which services are entrusted

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#### ① Hospitals and research facilities

- Although maintenance increased due to a rise in equipment maintenance projects at hospitals, overall results declined slightly due to a decrease in large-scale construction projects at hospitals.

#### ② Manufacturing plants, etc.

- Increased in both maintenance and construction work due to an increase in equipment renewal and installation projects.

#### ③ Other special facilities

- Increased in both maintenance and construction work. Steadily increased in repair and maintenance projects for data centers, at a good pace.

#### ④ Office buildings, etc.

- Increased in construction work due to renewal projects of large-scale air conditioning at schools, etc.

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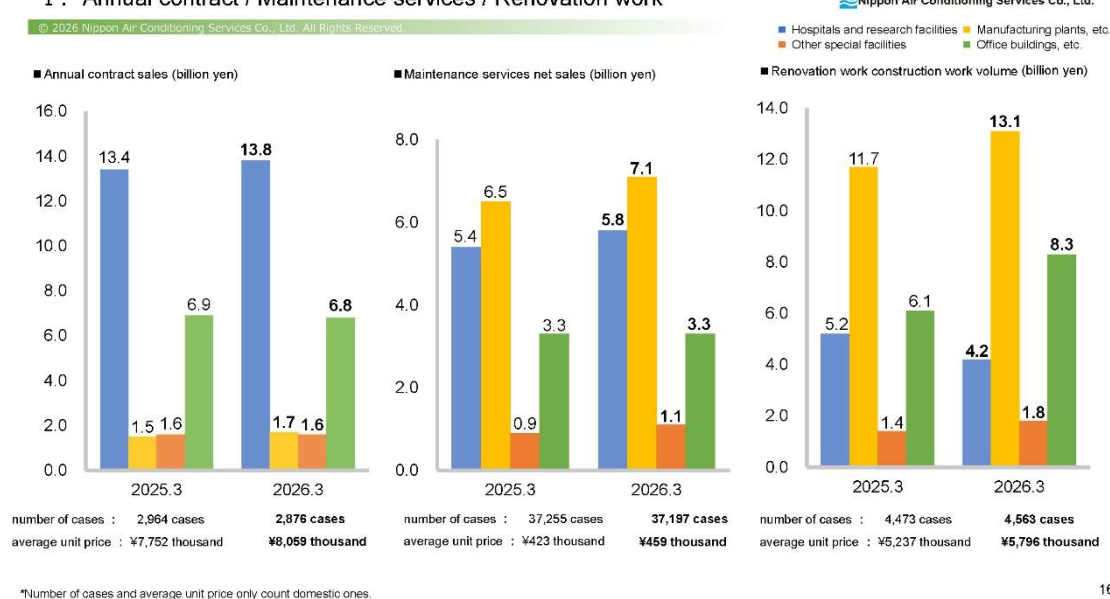
This slide shows net sales by facilities of which services are entrusted. As you can see from the bar chart on the left side, net sales from hospitals and research facilities declined slightly. This is because major renovation projects recorded in FY2025/03 have now subsided. On the other hand, net sales from manufacturing plants, etc.—shown in yellow next to them—have grown steadily.

Other special facilities include data centers, for which we are currently seeing a sharp increase in inquiries. Generally, the defects liability period for data centers ends about two years after their operational launch, after which maintenance work is typically contracted to our company. Therefore, we expect to see an increase in work in this sector going forward.

Additionally, the office buildings, etc., shown in green, include school air conditioning systems. About 20 years ago, we were entrusted with many projects to install air-conditioning equipment in classrooms, leading to significant growth in our net sales. After a certain period has passed, we are seeing a shift to equipment replacement projects, and the volume of such contracts has been increasing.

## Annual contract / Maintenance services / Renovation work

### I . Annual contract / Maintenance services / Renovation work



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Let me report on a YoY comparison of results by business division with FY2025/03. The left side of the slide shows annual contract sales. As I touched upon earlier, the blue portions—representing net sales from hospitals and research facilities—include annual contracts with hospitals. We often receive questions asking, “Aren’t you struggling in this area?” However, we have been able to fully incorporate wage increases resulting from inflation into our contracts through negotiations each year, which has led to increased net sales. This growth is not driven by an increase in volume, but by rising unit prices.

The yellow portion represents manufacturing plants, while the orange portion refers to other special facilities. While net sales from special facilities have decreased slightly, net sales from manufacturing plants have increased.

Additionally, for office buildings, etc., shown in green, we are seeing a slight YoY decrease in annual contract revenue compared to FY2025/03. This is due to the impact of our withdrawal from unprofitable projects. As a strategic measure, we withdrew from office buildings with low annual contract values and shifted our focus to projects with higher profit margins.

Furthermore, spot maintenance in the center of the slide is growing steadily across all sectors, with manufacturing plants and similar facilities particularly driving this growth. For renovation work on the right side, contract sales from manufacturing plants and similar facilities are also increasing. We also see growth in the office building category, including air conditioning work for schools.

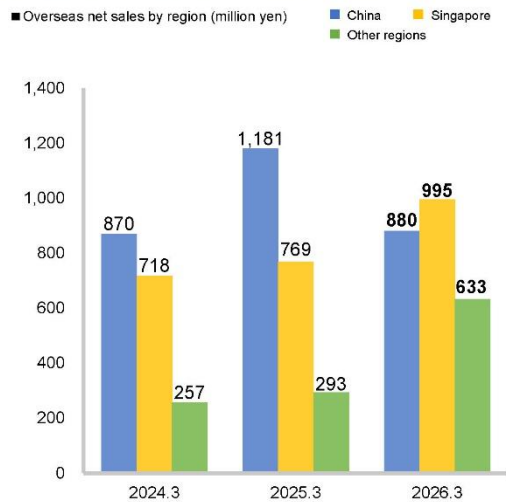
Regarding the number of cases and average unit price shown below each chart, net sales are increasing due to rising unit prices, despite a slight decrease in the number of cases.

## Overseas net sales and operating profit

### I. Overseas net sales and operating profit

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### Net sales in four countries outside Japan : ¥ 2.5 billion

Although China saw decreases in both sales and profits due to a decline in demand for renovation work, overseas net sales and profits improved due to an increase in large-scale energy saving projects in Singapore and an increase in the projects for heat mitigation in Vietnam.

### ■ Operating profit overseas (million yen)



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

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

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Here are our overseas net sales and operating profit. For FY2026/03, China's performance appears to have somewhat rebounded to the level seen in FY2024/03. However, due in part to the weakening and unstable economy in China, we are facing some challenges there. On the other hand, other countries, particularly Singapore and Vietnam, are showing solid growth.

If you look at the operating profit on the right side of the slide, you can see the results were disappointing, affected by sluggish performance in China, despite our high expectations for a turnaround in FY2026/03.

So far in FY2027/03, inquiries have increased YoY, and net sales are also growing. We are currently focusing our efforts on achieving a positive operating profit by the end of this fiscal year.

## Status of cash flows

### I. Status of cash flows

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Consolidated (cumulative period)	FY2025/03		FY2026/03	
	Amount (billion yen)	Year-on-year change (billion yen)	Amount (billion yen)	Year-on-year change (billion yen)
Cash flows from operating activities	4.9	+2.5	2.7	-2.2
Cash flows from investing activities	(3.4)	-1.6	(1.5)	+1.9
Cash flows from financing activities	0.3	+0.6	(2.0)	-2.4
Cash and cash equivalent growth	1.8	+1.5	(0.8)	-2.7
Balance of cash and cash equivalent at beginning of the period	6.2	+0.3	8.1	+1.8
Balance of cash and cash equivalent at end of the period	8.1	+1.8	7.2	-0.8

#### Cash flows from operating activities decreased

▼  
Although profit before income taxes increased, it decreased due to a decline in increase (decrease) in trade payables and other factors

#### Cash flows from investing activities increased

▼  
Increased due to a decrease in the purchase of property, plant and equipment and other factors

#### Cash flows from financing activities decreased

▼  
Decreased due to a decline in proceeds from long-term borrowings and other factors

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Here is the status of cash flows for FY2026/03. Cash flows from operating activities decreased YoY despite an increase in profit before income taxes, primarily due to a decrease in trade payables.

Cash flows from investing activities increased primarily due to a decrease in the purchase of property, plant and equipment.

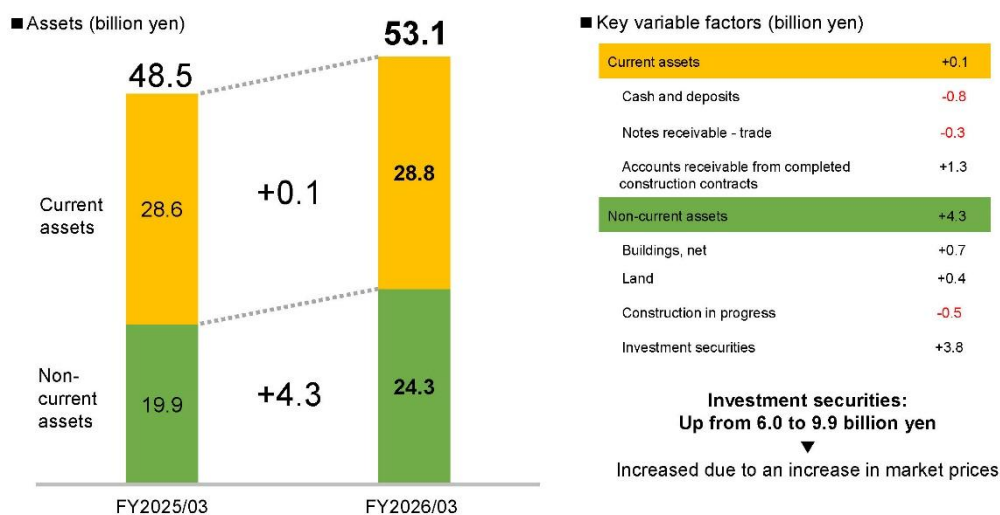
Cash flows from financing activities decreased due to a decline in proceeds from long-term borrowings and other factors.

## Assets

### I. Assets

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Turning to the assets section at the end of FY2026/03. The yellow portions at the top of the chart represent current assets, while the green portions at the bottom represent non-current assets. We consider our current assets overall to be largely unchanged, although accounts receivable from completed construction contracts increased.

In non-current assets, investment securities increased significantly from ¥6.09 billion to ¥9.96 billion. As indicated on the slide by the phrase “Increased due to an increase in market prices,” we believe the main factor was a rise in valuation.

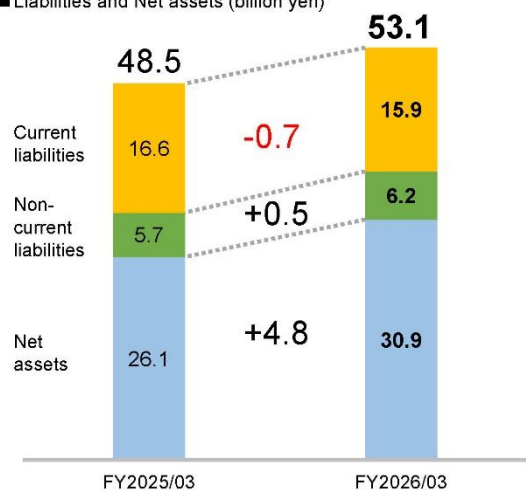
## Liabilities and Net assets

### I. Liabilities and Net assets

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#### ■ Liabilities and Net assets (billion yen)



#### ■ Key variable factors (billion yen)

<b>Current liabilities</b>	<b>-0.7</b>
Electronically recorded obligations - operating	-1.1
Accrued expenses	+0.6
<b>Non-current liabilities</b>	<b>+0.5</b>
Long-term borrowings	-0.3
Deferred tax liabilities	+0.9
<b>Net assets</b>	<b>+4.8</b>
Retained earnings	+2.0
Valuation difference on available-for-sale securities	+2.6

**Valuation difference on available-for-sale securities:  
Up from 3.3 to 6.0 billion yen**

Increased due to an increase in market prices

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Turning to liabilities and net assets. There have been no major changes in current liabilities. On the other hand, under non-current liabilities, deferred tax liabilities increased slightly. Also, as I have just explained, net assets increased due to a rise in valuation difference on available-for-sale securities.

## Forecast for the fiscal year ending March 31, 2027

### I. Forecast for the fiscal year ending March 31, 2027

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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)	FY2026/03 (results)			FY2027/03 (forecast)		
	Amount	Ratio to sales	Year-on-year growth ratio	Amount	Ratio to sales	Year-on-year growth ratio
Net sales	69.2	100.0	+7.5	<b>74.0</b>	<b>100.0</b>	<b>+6.9</b>
Maintenance service sales	41.6	60.1	+4.6	<b>44.0</b>	<b>59.5</b>	<b>+5.6</b>
Renovation work construction work volume	27.5	39.9	+12.1	<b>30.0</b>	<b>40.5</b>	<b>+8.7</b>
Gross profit on sales	14.9	21.5	+15.1	<b>16.5</b>	<b>22.3</b>	<b>+10.6</b>
SG&A expenses	10.1	14.7	+15.8	<b>11.2</b>	<b>15.1</b>	<b>+10.3</b>
Operating profit	4.7	6.9	+13.5	<b>5.3</b>	<b>7.2</b>	<b>+11.4</b>
Ordinary profit	5.1	7.4	+16.8	<b>5.6</b>	<b>7.6</b>	<b>+9.6</b>
Profit attributable to owners of parent	3.6	5.3	+19.1	<b>3.9</b>	<b>5.3</b>	<b>+5.5</b>

\*Following the fiscal years ended March 31, 2024, 2025, and 2026, we raised salaries for regular employees in April 2026, with an average increase of 5.2%.

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Turning to our outlook for the fiscal year ending March 31, 2027. The global environment remains highly uncertain, reflecting ongoing developments in the Middle East. We procure a wide range of materials to support our operations, and prices for certain materials have risen sharply. Although we are not currently facing any material shortages, future developments could affect the growth of net sales and profits.

That said, we are not a manufacturing company, and as long as the necessary materials are available, we can continue to execute projects. Accordingly, we intend to procure materials with sufficient lead time and carry out our work while maintaining project schedules at each site.

For the fiscal year ending March 31, 2027, we are targeting net sales of ¥74.0 billion, representing YoY growth of 6.9%. We also aim to increase operating profit from ¥4.75 billion to ¥5.3 billion, representing YoY growth of 11.4%.

## Progress of the “2024 Five-Year Mid-Term Management Plan”

### II. Progress of the “2024 Five-Year Mid-Term Management Plan”

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[Main reasons for differences from targets]

- (i) Growing demand for heat countermeasures to improve working environments, particularly in manufacturing plants and other workplaces.  
 (ii) Supply-side capacity continues to fall short of customer demand for capital investment.

KPIs	2026.03 (results)	2029.03 (target)	Achievement rate or status as of the end of March 2026	KPIs	2026.03 (results)	2029.03 (target)	Achievement rate or status as of the end of March 2026
Net sales	69,245mil. yen	74,000mil. yen	93.6%	Ratio of sales of facilities with special environment	73.1%	around 70.0%	○
Operating profit	4,758mil. yen	4,300mil. yen	110.7%	Overseas operating profit	-3mil. yen	175mil. yen	-2.0%
Average operating profit margin during the period covered by this plan	6.7%	maintain around 6.0%	○	An employee engagement	72.6pt	maintain 70.0pt or more	○
Ordinary profit	5,108mil. yen	4,500mil. yen	113.5%	Core Technical Capability Index CAGR	-1.4%	3.0% or more	×
Profit attributable to owners of parent	3,696mil. yen	3,200mil. yen	115.5%	Payout ratio	50.6%	around 50.0%	○
Earnings per share	106.79yen	93.00yen	114.8%	Annual dividends per share	54.00yen	around 46.00yen	○
Average ROE during the period covered by this plan	12.8%	maintain around 10.0%	○	Dividend on equity ratio	6.6%	around 5.0%	○
				Reduction of greenhouse gas emissions	18,390.03 t-CO <sub>2</sub>	10,000 t-CO <sub>2</sub> or more per year	○

\*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).  
 \*\*Average operating profit margin during the period covered by this plan and Average ROE during the period covered by this plan are based on the average of the fiscal years ended March 2025 and March 2026.

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Next, let me review the 2024 Five-Year Mid-Term Management Plan. In the table on this slide, the targets set under the 2024 Five-Year Mid-Term Management Plan are shown to the right of the results for the fiscal year ended March 31, 2026. The column on the right of that shows the achievement rate or status as of the end of March 2026 against the targets for the fiscal year ending March 31, 2029. Let's take a look at our progress based on the results for the fiscal year ended March 31, 2026.

In terms of the achievement rate, net sales reached 93.6%, falling slightly short of the target. On the other hand, operating profit, ordinary profit, profit attributable to owners of parent, and EPS all exceeded their respective targets.

We had targeted maintaining an average operating profit margin of approximately 6% during the period covered by this plan. The average for the first two years was 6.7%, achieving the target. We had also targeted maintaining an average ROE of approximately 10% during the period covered by this plan. The average for the first two years was 12.8%, achieving the target as well.

Please look at the table on the right side of the slide. The sales ratio of facilities with special environments, one of our KPIs, reflects our focus on facilities with special environments, where we have a strong competitive advantage. The ratio reached 73.1%, and the target was fully achieved.

On the other hand, overseas operating profit remains a challenge. Although our target for the fiscal year ending March 2029 is ¥175 million, the result for the fiscal year ended March 2026 was negative ¥3 million. This remains a challenge.

The employee engagement score (labeled as “an employee engagement” in the table) achieved its

target.

Regarding the Core Technical Capability Index CAGR, as a technology-oriented company, we view promoting the acquisition of national licenses required to enhance our technical capabilities as an important objective.

Achieving a Core Technical Capability Index CAGR of at least 3% is an extremely challenging target. As experienced employees reach retirement age, many new hires join the Company without professional qualifications, making it very difficult to maintain this level. We aim to achieve this target by promoting the acquisition of professional licenses among our mid-career employees.

The payout ratio was 50.6%, achieving the target. Annual dividends per share were ¥54, significantly exceeding the target of ¥46 for the fiscal year ending March 2029. The dividend on equity ratio (DOE) was 6.6%.

With regard to the reduction of greenhouse gas emissions, we set a target of reducing emissions by 10,000 t-CO<sub>2</sub> or more per year as part of our environmentally conscious management, including measures to address global warming. In the fiscal year ended March 2026, we achieved a reduction of 18,390 t-CO<sub>2</sub>, significantly exceeding the target.

Meanwhile, challenges remained in achieving our targets for three metrics: net sales, overseas operating profit, and the Core Technical Capability Index CAGR. To address these challenges steadily, we established new numerical targets.

## The 2026 Four-Year Mid-Term Management Plan

### II. The 2026 Four-Year Mid-Term Management Plan

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We revised upward the “2024 Five-Year Mid-Term Management Plan,” which was announced on June 7, 2024 and was being implemented, and newly launched the “2026 Four-Year Mid-Term Management Plan.”

\*Announcement date: (M/D/Y)

Consolidated (cumulative period)	FY2026/03 results		FY2029/03 Original target (June. 7, 2024)		FY2030/03 Revised target (May. 13, 2026)	
	Amount	Ratio to sales	Amount	Ratio to sales	Amount	Ratio to sales
Net sales	69,245 mil. yen	100.0 %	74,000 mil. yen	100.0 %	90,000 mil. yen	100.0 %
Operating profit	4,758 mil. yen	6.9 %	4,300 mil. yen	5.8 %	7,200 mil. yen	8.0 %
Ordinary profit	5,108 mil. yen	7.4 %	4,500 mil. yen	6.1 %	7,600 mil. yen	8.4 %
Profit attributable to owners of parent	3,696 mil. yen	5.3 %	3,200 mil. yen	4.3 %	5,300 mil. yen	5.9 %

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Based on the review I just discussed, we launched the 2026 Four-Year Mid-Term Management Plan, which was announced on May 13.

Please refer to the table on this slide. The blue section on the left shows the results for the fiscal year ended March 2026, while the gray section in the center shows the original targets for the fiscal year ending March 2029. As explained earlier, we have already significantly exceeded some of those targets.

Accordingly, we have established revised targets for the fiscal year ending March 2030, consisting of net sales of ¥90,000 million, operating profit of ¥7,200 million, ordinary profit of ¥7,600 million, and profit attributable to owners of parent of ¥5,300 million, and have commenced initiatives toward achieving these targets.

## PMVV

### II. PMVV



25

This slide illustrates our management framework. The framework remains unchanged from that presented in the 2024 Five-Year Mid-Term Management Plan, and we intend to continue advancing our initiatives under this framework.

By bringing together our technological capabilities and human resources to provide top-quality service, we will further expand sustainable initiatives aimed at improving the happiness of all stakeholders in a sustainable manner.

## Issues that the Company must address

### II. Issues that the Company must address

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#### (1) Strengthening human capital: enhancing human capital through expanded engagement and recruiting

01	02	03	04
<p>Improving compensation for employees, the most important stakeholder, based on the premise of the continuous improvement of the operating profit margin, which indicates the strengthening of the competitive advantage of the core business</p>	<p>Increasing engagement to maximize the performance of its greatest asset, its employees</p>	<p>Increase in the number of employees as a source of corporate value</p>	<p>Increase in the number of female employees, which is essential for accelerating the expansion of corporate value</p>
<p>➔ Achieving an increase in salary levels of <b>approximately 5%</b> on average, based on the premise of the continuous improvement of the operating profit margin</p>	<p>➔ Achieving an engagement score of <b>75 pt or higher</b></p>	<p>➔ Achieving net increase of <b>+100 employees/year</b></p>	<p>➔ Achieving a <b>17%</b> female ratio among regular employees</p>
<p>✓ FY2026/03(achievements): 5.7% on average</p>	<p>✓ FY2026/03(achievements): 72.6 pt</p>	<p>✓ FY2026/03(achievements): +69 persons</p>	<p>✓ FY2026/03(achievements): 12.6%</p>
<p><small>*Salary levels: A figure that includes regular salary increases for all full-time employees. *The numerical targets for 01 is on a non-consolidated basis.</small></p>	<p><small>*Engagement score: A figure aimed at measuring engagement (whether employees have a sense of contribution to the organization and their work and actively participate). *The numerical targets for 02 is on a non-consolidated basis.</small></p>		

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In formulating the 2026 Four-Year Mid-Term Management Plan, we identified three key issues to be addressed based on our review of past performance and initiatives. The first is “strengthening human capital,” the second is “rebuilding comprehensive technical competence,” and the third is “formulating and executing capital policy.” We have established four KPIs for each of these issues, and I will explain them in sequence.

The first issue is strengthening human capital. To address this issue, we will enhance human capital through expanded engagement and recruiting. The first KPI focuses on “improving compensation for employees, the most important stakeholder, based on the premise of the continuous improvement of the operating profit margin, which indicates the strengthening of the competitive advantage of the core business.”

In FY2025, we implemented an average wage increase of 5.7%. We intend to maintain average salary increases of approximately 5%.

The second KPI focuses on “increasing engagement to maximize the performance of our greatest asset, our employees.” This engagement score is based on the results of our annual employee survey. Previously, the survey was conducted as an employee satisfaction survey. However, beginning in the fiscal year ended March 2024, we changed the metric to an engagement score. We have set a target of 75 points or higher and are working toward achieving it.

The third KPI focuses on the “increase in the number of employees as a source of corporate value.” We are targeting a net increase of 100 employees per year. For the fiscal year ended March 2026, the actual increase was limited to 69 employees. Under the 2024 Five-Year Mid-Term Management Plan, however, our target had been an annual increase of 50 employees. We have since raised that

target and now aim to achieve a net increase of 100 employees each year.

The fourth KPI focuses on the “increase in the number of female employees, which is essential for accelerating the expansion of corporate value.” To achieve this, we need to review various aspects of our operations, including improving workplace conditions and further segmenting work processes. In recent years, more women have been building successful careers at construction sites. We intend to create a work environment where women can thrive and expand their opportunities to contribute in a wider range of roles.

The female ratio among regular employees stood at 12.6% as of the fiscal year ended March 2026. This level remains relatively low, reflecting the nature of our business as a technology-oriented company with a large proportion of on-site operations. Going forward, we aim to increase this proportion to 17%.

## Issues that the Company must address

### II. Issues that the Company must address

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(2) **Rebuilding of comprehensive technical competence: rebuilding of comprehensive technical competence, including on-site responsiveness, management skills, proposal development capability, negotiation ability, and administrative processing skills**

05	06	07	08
<p>Improving the gross profit margin on annual contracts, spot contracts, and renewal work in the core business</p> <p>→ Improving the gross profit margin (annual contracts <b>+0.5% pt/year</b>, spot contracts <b>+1.0% pt/year</b>, renewal work <b>+1.0% pt/year</b>)</p> <p>✓ FY2026/03(achievements): Annual contracts 20.3%, spot contracts 26.2%, renewal work 19.6%</p>	<p>Improving the Core Technical Capabilities Index to improve the technical capabilities of employees, who lie at the core of top quality services</p> <p>→ Achieving Core Technical Capability Index CAGR of <b>3% or higher</b></p> <p>✓ FY2026/03(achievements): <b>-1.4%</b></p> <p><small>*Core Technical Capability Index: A figure calculated based on official qualifications that are strategically positioned to drive long-term growth of the core business (number of official technical qualifications obtained × qualification points ÷ number of technical employees). *The numerical targets for 06 is on a non-consolidated basis.</small></p>	<p>Focusing on customers seeking to improve the sustainability of their business activities, with a particular emphasis on facilities with special environments (through environmental improvement, energy conservation, etc.)</p> <p>→ Maintaining a sales ratio of facilities with special environments to general facilities of <b>7:3</b></p> <p>✓ FY2026/03(achievements): Sales ratio of facilities with special environments <b>73.1%</b></p> <p><small>*Facilities with special environments: Hospitals and research facilities, manufacturing plants, etc., and other special facilities</small></p>	<p>Expanding overseas operations to serve as a future revenue base</p> <p>→ Achieving overseas net sales of <b>4.5 billion yen</b> and overseas operating profit of <b>225 million yen</b></p> <p>✓ FY2026/03(achievements): Overseas net sales 2.5 billion yen and overseas operating profit <b>-3 million yen</b></p> <p><small>*Overseas net sales and overseas operating profit: figures calculated as simple aggregates.</small></p>

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The second issue is rebuilding comprehensive technical competence. We will work to rebuild comprehensive technical competence, including on-site responsiveness, management skills, proposal development capability, negotiation ability, and administrative processing skills.

The fifth KPI focuses on “improving the gross profit margin on annual contracts, spot contracts, and renewal work in the core business.” We intend to improve profitability across these areas steadily. In particular, the Business Planning & Promotion Department, which was newly established in April 2025, is working to improve productivity, including through a review of day-to-day operations.

For example, we closely analyze the actual labor hours required for each task, including time spent on-site and on administrative work. We identify inefficiencies and work to improve productivity, aiming to enhance profitability.

The sixth KPI focuses on “improving the Core Technical Capabilities Index to improve the technical capabilities of employees, who lie at the core of top quality services.” To achieve this objective, we have introduced an incentive scheme that provides payments based on the difficulty level of the professional qualifications obtained. We will further strengthen our efforts to achieve this KPI and enhance the Company's overall technical capabilities.

The seventh KPI is “focusing on customers seeking to improve the sustainability of their business activities, with a particular emphasis on facilities with special environments (through environmental improvement, energy conservation, etc.)”

We believe it is important to maintain a sales ratio of approximately 7:3 between facilities with special environments and general facilities, while consistently keeping the ratio for facilities with

special environments above 70%. We view this ratio as one of our core strengths and a key factor underpinning our competitive advantage. Accordingly, we intend to maintain this target going forward.

The eighth KPI focuses on “expanding overseas operations to serve as a future revenue base.” Specifically, we are targeting overseas net sales of ¥4.5 billion and overseas operating profit of ¥225 million.

## Issues that the Company must address

### II. Issues that the Company must address

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#### (3) Formulation and execution of capital policy: promoting complex management aimed at maximizing corporate value

09	10	11	12
Raising profit levels to achieve the long-term vision	Reducing investment securities to improve capital efficiency	Improving capital productivity aiming to expand a positive equity spread	Implementing proactive and sustainable shareholder returns
→ Achieving an operating profit margin of <b>8%</b>	→ Achieving a ratio of investment securities to net assets of <b>15% or less</b>	→ Achieving a ROE of <b>15%</b>	→ Achieving a dividend payout ratio of <b>50%</b> , based on the premise of a progressive dividend, a DOE of <b>7.6%</b> , and an employee stock ownership plan participation rate of <b>50%</b>
✓ FY2026/03(achievements): 6.9%	✓ FY2026/03(achievements): 32.2%, investment securities 9,967 mil. yen, and net assets 30,940 mil. yen	✓ FY2026/03(achievements): 13.1%	✓ FY2026/03(achievements): Dividend payout ratio 50.6%, DOE 6.6%, and employee stock ownership plan participation rate 37.8%
			<small>*In the event that gains on the sale of investment securities arise, shareholder returns will be implemented based on EPS including those gains.</small>

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The third issue is formulating and executing capital policy. To address this issue, we will promote complex management aimed at maximizing corporate value.

The ninth KPI focuses on “raising profit levels to achieve the long-term vision.” Specifically, we are targeting an operating profit margin of 8%.

As I mentioned earlier regarding improvements in the gross profit margin of renovation work, our goal is not simply to improve profitability through price pass-through. We also intend to enhance productivity by streamlining our operational processes and eliminating inefficiencies, enabling us to compete effectively while maintaining appropriate pricing.

This approach will enable us to build a foundation for long-term customer relationships. Through these efforts to enhance productivity, achieving an operating profit margin of 8% is well within reach.

The tenth KPI focuses on “reducing investment securities to improve capital efficiency.” In 2022, we sold a portion of our strategically held shares, which enabled us to reduce the ratio of investment securities to net assets to the 10% range.

Since then, we have not increased our holdings of strategically held shares. However, the market value of those holdings has risen steadily, and the ratio has now increased to 32.2%, as shown on the slide.

Recently, there have been increasing expectations that this ratio should be kept below 20%, and we have also received feedback raising concerns about capital efficiency. Accordingly, we intend to

begin reducing our holdings of investment securities. Specifically, we will continue to examine investments to improve operational efficiency, M&A opportunities, and share repurchases as a form of shareholder return, while proceeding with the reduction of these holdings.

The eleventh KPI focuses on “improving capital productivity with the aim of expanding a positive equity spread.” To achieve this objective, we will work toward an ROE of 15%.

The twelfth KPI focuses on “implementing proactive and sustainable shareholder returns.” Based on a progressive dividend policy, we aim to achieve a dividend payout ratio of 50%, a DOE of 7.5%, and an employee stock ownership plan participation rate of 60%.

Among these targets, we view the employee stock ownership plan participation rate as a broader form of employee return. We believe that further improving employee engagement through this initiative will help create a virtuous cycle that enhances corporate value, and we will continue to advance these efforts steadily.

That concludes my explanation of the issues and KPIs.

**Thrive, for growth. We will do what we must.**

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# Thrive, for growth We will do what we must.

Strengthening the competitive advantages of our core businesses,  
contributing to the **sustainability** of customer businesses activities.

The slide highlights the key phrases carried forward from the 2024 Five-Year Mid-Term Management Plan. We will continue advancing our initiatives while ensuring these concepts are fully understood and embraced by all employees.

Our slogan is “Thrive, for growth. We will do what we must.” Under this slogan, we will make substantial investments in our people while strengthening the competitive advantages of our core businesses and contributing to the sustainability of customer business activities, thereby improving the happiness of all stakeholders.

## Return Policy

### III. Return Policy

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Profit growth through sustainable growth of core businesses



### **Stable and sustainable returns**



During the period covered by the 2026 Four-Year Mid-term Management Plan, the Company Group will pay progressive dividends, with a target consolidated dividend payout ratio of 50%, an ROE target of 15%, and a DOE target of 7.5%. The goal is to provide sustainable returns.



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Turning to shareholder returns, we have also made significant changes to our return policy. As I mentioned earlier, based on the fundamental premise of achieving growth in both net sales and profits through the sustainable growth of our core business, we aim to realize stable and sustainable returns.

Specifically, during the period covered by the 2026 Four-Year Mid-Term Management Plan, we will pay progressive dividends, with a target consolidated dividend payout ratio of 50%, an ROE target of 15%, and a DOE target of 7.5%. The goal is to provide sustainable returns.

## Stock-related information

### III. Stock-related information

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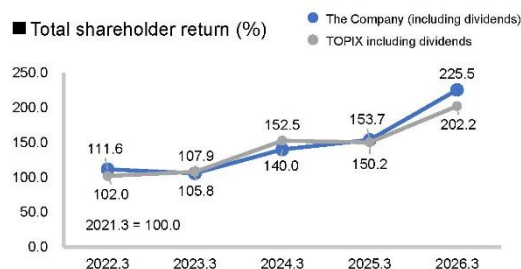
Stock-related information	
Stock price	¥1,521
Total market capitalization	¥54.4 billion
Dividends	¥57.00 per share
Dividend payout ratio	50.7%
Dividend yield	3.75%
Number of shareholders	20,293
PER	13.52x (EPS : ¥112.52)
PBR	1.72x (BPS : ¥883.78)
ROE	13.1%

\*For stock price, closing price as of June 2, 2026 is used.  
 \*For dividends and EPS, predicted numbers in the fiscal year ending March 31, 2027 are used.  
 \*For number of shareholder, as of the end of March 2026 is used.  
 \*For BPS and ROE, actual number in the fiscal year ended March 31, 2026 are used.  
 \*Total market capitalization is based on total shares issued and outstanding (including treasury stock) as of March 31, 2026.

#### ■ Dividend yield (%)



#### ■ Total shareholder return (%)



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Next, I would like to review our stock-related information. The figures on this slide are based on the closing stock price as of June 2, 2026. Although our stock price has eased slightly to ¥1,505 as of today, June 4, I will use the June 2 figures shown here for today's discussion.

Our stock price stood at ¥1,521, giving us a market capitalization of ¥54.4 billion. We paid dividends of ¥57 per share, representing a payout ratio of 50.7% and a dividend yield of 3.75%. In addition, PER was 13.52x, EPS was ¥112.52, PBR was 1.72x, BPS was ¥883.78, and ROE was 13.1%.

On the right-hand side of the slide, we present our dividend yield. As our stock price has remained firm recently, the dividend yield stands at 3.66%. Even so, we believe this remains an attractive level.

We believe our total shareholder return has outperformed the TOPIX.

## Dividend per share and dividend payout ratio

### III. Dividend per share and dividend payout ratio

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We plan to pay an annual dividend of 54 yen per share, which is 2 yen higher than 52 yen of the previous forecast (interim dividend of 23 yen and year-end dividend of 29 yen) for FY2026/03.

We plan to pay an annual dividend of 57 yen per share (interim dividend of 28.5 yen and year-end dividend of 28.5 yen) for FY2027/03.

#### ■ 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).

\*The year-end dividend for FY2026/03 is scheduled to be submitted for approval at the Company's 63rd Annual General Meeting of Shareholders to be held in June 2026.

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Dividend per share and the dividend payout ratio. For FY2026/03, we plan to pay an annual dividend of ¥54 per share, an increase of ¥2 from the previous forecast of ¥52 per share (interim dividend of ¥23 and year-end dividend of ¥29).

For FY2027/03, we plan to pay an annual dividend of ¥57 per share, consisting of an interim dividend of ¥28.50 and a year-end dividend of ¥28.50.

In addition, we have maintained a dividend payout ratio of approximately 50% over the past ten years. Ten years ago, the annual dividend was approximately ¥15 per share, and the stock price was around ¥500. Since then, the stock price has roughly tripled, while the annual dividend has increased approximately three- to fourfold.

## Secondary Offering of Shares

### III. Secondary Offering of Shares

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We conducted a secondary offering of shares to reduce strategic shareholdings in our shares, to broaden and diversify our shareholder base, and to enhance liquidity.

Details	
Number of shares	4,096,000 shares (including an Over-Allotment of 534,200 shares)
Selling shareholders and number of shares offered	MUFG Bank, Ltd. 1,640,000 shares Aichi Bank, Ltd. 1,336,000 shares The Gifu Shinkin Bank 800,000 shares Mitsubishi UFJ Trust and Banking Corporation 320,000 shares
Selling price	1,150 yen per share
Total amount of selling price	4.7 billion yen
Schedule	Resolution : December 5 → Conditions finalized : December 15 → Delivery : December 22

Individual investor	Institutional investors	Demand ratio	Changes in yield
<b>3,088 stockholders</b> purchased shares	<b>25 firms</b> purchased shares	Overall <b>Approx. 21 times</b>	<b>Approx. 5.2 times</b> (Average from Dec. 23, 2024 to Jan. 31, 2025 : 41,992shares) ↓ (Average from Dec. 23, 2025 to Jan. 31, 2026 : 220,448shares)

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In December 2025, we conducted a secondary offering of our shares. The offering was carried out to reduce strategic shareholdings in the Company's shares, broaden and diversify our shareholder base, and enhance liquidity.

During our meetings with institutional investors, we often heard that they wanted to invest in our shares but found it difficult to do so due to limited liquidity. In response to this feedback, we conducted the secondary offering with the aim of improving share liquidity.

The offering comprised 4,096,000 shares and was launched at an offering price of ¥1,150 per share. Since the offering, our stock price has remained above the offering price. A total of 3,088 individual investors and 25 institutional investors participated in the offering. Demand was approximately 21 times the number of shares offered, and average daily trading volume has increased by approximately 5.2 times. We believe that the offering has achieved its objective of improving share liquidity.

I believe many of the institutional investors watching today are particularly interested in whether our company will become a TOPIX constituent.

The topic of TOPIX often comes up in our discussions with investors. Our share price has roughly doubled over the past one to two years, reflecting the progress we have made.

That said, as the Nikkei Stock Average continues to rise, the hurdle for inclusion is also becoming higher. At present, we need to achieve a stock price of around ¥2,000, and we are exploring concrete initiatives each day to reach that goal. We would greatly appreciate your continued support as we work toward achieving it.

Our goal is to be a company that investors can look back on and say, “I’m glad I invested.” To achieve that, we will continue to devote our full efforts to addressing the challenges we face.

The following pages contain supplementary information that we hope you will find useful if time permits. Thank you very much for joining us today.