

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

Company name: Nippon Air Conditioning Services Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 4658 URL <https://www.nikku.co.jp/>  
 Representative: President & Representative Director Yoji Tanaka  
 Executive Officer  
 Inquiries: Accounting Department Director Tomoaki Yokoi TEL 052-773-2511  
 Scheduled date to file Quarterly Securities Report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	39,617	12.5	2,367	61.5	2,565	56.2	1,675	64.8
Nine months ended December 31, 2022	35,221	3.1	1,465	(8.9)	1,642	(6.3)	1,016	(51.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	48.81		48.18	
Nine months ended December 31, 2022	29.69		29.25	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	38,863	22,792	57.6
As of March 31, 2023	37,561	21,705	56.8

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	14.00	–	14.00	28.00
Year ending March 31, 2024	–	15.00	–		
Year ending March 31, 2024 (Forecast)				15.00	30.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	56,000	5.9	3,000	5.4	3,100	1.6	2,000	3.1	58.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2023	35,784,000 shares	As of March 31, 2023	35,784,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	1,438,030 shares	As of March 31, 2023	1,509,467 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	34,314,940 shares	Nine months ended December 31, 2022	34,238,812 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,582	7,245
Notes receivable, accounts receivable from completed construction contracts and other	14,508	12,227
Electronically recorded monetary claims - operating	1,025	1,162
Inventories	726	2,243
Other	613	675
Allowance for doubtful accounts	(10)	(4)
Total current assets	23,445	23,550
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,748	2,715
Land	4,480	4,480
Construction in progress	7	782
Other, net	1,212	1,205
Total property, plant and equipment	8,448	9,183
Intangible assets		
Software	52	45
Other	21	18
Total intangible assets	74	63
Investments and other assets		
Investment securities	4,859	5,285
Other	733	782
Allowance for doubtful accounts	(1)	(2)
Total investments and other assets	5,592	6,065
Total non-current assets	14,115	15,312
Total assets	37,561	38,863

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,797	4,836
Electronically recorded obligations - operating	1,703	1,798
Short-term borrowings	640	1,180
Current portion of long-term borrowings	157	264
Accounts payable - other	362	220
Accrued expenses	1,982	1,470
Income taxes payable	378	372
Provision for bonuses for directors (and other officers)	47	–
Provision for loss on orders received	78	75
Other	1,088	1,555
<b>Total current liabilities</b>	<b>12,237</b>	<b>11,773</b>
<b>Non-current liabilities</b>		
Long-term borrowings	200	643
Provision for retirement benefits for directors (and other officers)	66	92
Provision for executive officers' retirement benefits	35	39
Retirement benefit liability	3,124	3,171
Asset retirement obligations	49	67
Other	142	283
<b>Total non-current liabilities</b>	<b>3,617</b>	<b>4,297</b>
<b>Total liabilities</b>	<b>15,855</b>	<b>16,071</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,139	1,139
Capital surplus	1,159	1,164
Retained earnings	17,459	18,126
Treasury shares	(931)	(885)
<b>Total shareholders' equity</b>	<b>18,827</b>	<b>19,544</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,614	2,875
Foreign currency translation adjustment	39	108
Remeasurements of defined benefit plans	(162)	(133)
<b>Total accumulated other comprehensive income</b>	<b>2,491</b>	<b>2,850</b>
Share acquisition rights	223	214
Non-controlling interests	162	182
<b>Total net assets</b>	<b>21,705</b>	<b>22,792</b>
<b>Total liabilities and net assets</b>	<b>37,561</b>	<b>38,863</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	35,221	39,617
Cost of sales	29,090	32,232
Gross profit	6,131	7,384
Selling, general and administrative expenses	4,665	5,017
Operating profit	1,465	2,367
Non-operating income		
Interest income	9	11
Dividend income	101	117
Dividend income of insurance	9	9
Foreign exchange gains	44	42
Other	20	30
Total non-operating income	185	211
Non-operating expenses		
Interest expenses	6	6
Provision of allowance for doubtful accounts	–	3
Other	1	3
Total non-operating expenses	8	13
Ordinary profit	1,642	2,565
Extraordinary income		
Gain on sale of non-current assets	1	5
Total extraordinary income	1	5
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Loss on sale of equity invested in associates	–	0
Total extraordinary losses	0	2
Profit before income taxes	1,642	2,568
Income taxes	615	885
Profit	1,027	1,682
Profit attributable to non-controlling interests	10	7
Profit attributable to owners of parent	1,016	1,675

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,027	1,682
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	260
Foreign currency translation adjustment	110	81
Remeasurements of defined benefit plans, net of tax	26	29
Total other comprehensive income	46	371
Comprehensive income	1,073	2,054
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,045	2,034
Comprehensive income attributable to non-controlling interests	28	20