

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 2023

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: August 10, 2023  
 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	11,043	6.0	159	49.9	257	31.7	87	98.7
Three months ended June 30, 2022	10,420	2.9	106	(51.5)	195	(23.6)	43	(34.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	2.55		2.52	
Three months ended June 30, 2022	1.28		1.26	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	36,198	22,042	59.8
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	–				
Year ending March 31, 2024 (Forecast)		15.00	–	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 three months ended June 30, 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 June 30, 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 June 30, 2023	1,506,167 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)

Three months ended June 30, 2023	34,276,290 shares	Three months ended June 30, 2022	34,277,329 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,582	9,170
Notes receivable, accounts receivable from completed construction contracts and other	14,508	8,897
Electronically recorded monetary claims - operating	1,025	1,069
Inventories	726	1,253
Other	613	597
Allowance for doubtful accounts	(10)	(10)
Total current assets	23,445	20,978
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,748	2,726
Land	4,480	4,480
Construction in progress	7	29
Other, net	1,212	1,224
Total property, plant and equipment	8,448	8,461
Intangible assets		
Software	52	52
Other	21	18
Total intangible assets	74	70
Investments and other assets		
Investment securities	4,859	5,928
Other	733	761
Allowance for doubtful accounts	(1)	(2)
Total investments and other assets	5,592	6,687
Total non-current assets	14,115	15,219
<b>Total assets</b>	<b>37,561</b>	<b>36,198</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	5,797	3,259
Electronically recorded obligations - operating	1,703	1,685
Short-term borrowings	640	720
Current portion of long-term borrowings	157	146
Accounts payable - other	362	344
Accrued expenses	1,982	2,444
Income taxes payable	378	191
Provision for bonuses for directors (and other officers)	47	–
Provision for loss on orders received	78	92
Other	1,088	1,333
<b>Total current liabilities</b>	<b>12,237</b>	<b>10,218</b>
<b>Non-current liabilities</b>		
Long-term borrowings	200	170
Provision for retirement benefits for directors (and other officers)	66	74
Provision for executive officers' retirement benefits	35	36
Retirement benefit liability	3,124	3,122
Asset retirement obligations	49	49
Other	142	483
<b>Total non-current liabilities</b>	<b>3,617</b>	<b>3,937</b>
<b>Total liabilities</b>	<b>15,855</b>	<b>14,156</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,139	1,139
Capital surplus	1,159	1,159
Retained earnings	17,459	17,065
Treasury shares	(931)	(927)
<b>Total shareholders' equity</b>	<b>18,827</b>	<b>18,436</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,614	3,352
Foreign currency translation adjustment	39	17
Remeasurements of defined benefit plans	(162)	(152)
<b>Total accumulated other comprehensive income</b>	<b>2,491</b>	<b>3,217</b>
Share acquisition rights	223	221
Non-controlling interests	162	167
<b>Total net assets</b>	<b>21,705</b>	<b>22,042</b>
<b>Total liabilities and net assets</b>	<b>37,561</b>	<b>36,198</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	10,420	11,043
Cost of sales	8,672	9,175
Gross profit	1,748	1,868
Selling, general and administrative expenses	1,642	1,708
Operating profit	106	159
Non-operating income		
Interest income	4	5
Dividend income	32	37
Foreign exchange gains	48	45
Other	6	12
Total non-operating income	92	101
Non-operating expenses		
Interest expenses	2	1
Commission expenses	0	–
Expense related to restricted stock	–	1
Other	0	0
Total non-operating expenses	3	3
Ordinary profit	195	257
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	195	257
Income taxes	147	167
Profit	48	89
Profit attributable to non-controlling interests	4	2
Profit attributable to owners of parent	43	87

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	48	89
Other comprehensive income		
Valuation difference on available-for-sale securities	(78)	738
Foreign currency translation adjustment	18	(19)
Remeasurements of defined benefit plans, net of tax	8	9
Total other comprehensive income	(50)	728
Comprehensive income	(1)	818
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(15)	812
Comprehensive income attributable to non-controlling interests	13	5