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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 8, 2024

Company name: Shin Nippon Air Technologies Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 1952 URL: <https://www.snk.co.jp>
 Representative: Shinji Maekawa, President and Representative Director
 Contact: Kiyoshi Inoue, Director, Chief Financial Officer
 Phone: +81-3-3639-2700
 Scheduled date of filing quarterly securities report: February 8, 2024
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | 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 | 85,626 | 18.3 | 5,069 | 32.2 | 5,516 | 20.9 | 4,073 | 32.3 |
| December 31, 2022 | 72,386 | 3.6 | 3,834 | (16.0) | 4,562 | (7.8) | 3,078 | (8.3) |

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 5,501 million 54.5 %
 Nine months ended December 31, 2022: ¥ 3,560 million 6.1 %

| | Basic earnings per share | | Diluted earnings per share | |
|-------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended | | | | |
| December 31, 2023 | 175.78 | | 175.38 | |
| December 31, 2022 | 131.85 | | 131.38 | |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of | | | | |
| December 31, 2023 | 105,640 | 60,233 | 57.0 | 2,633.49 |
| March 31, 2023 | 109,146 | 58,212 | 53.2 | 2,487.19 |

(Reference) Equity: As of December 31, 2023: ¥ 60,164 million
 As of March 31, 2023: ¥ 58,105 million

2. Dividends

| | Annual dividends | | | | |
|----------------------------------------------|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2023 | - | 20.00 | - | 60.00 | 80.00 |
| Fiscal year ending March 31, 2024 | - | 30.00 | - | | |
| Fiscal year ending March 31, 2024 (Forecast) | | | | 50.00 | 80.00 |

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31 2023 : Special dividend 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|-----------------------------------------|-----|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 123,000 | 9.6 | 7,700 | 8.1 | 8,100 | 2.3 | 5,700 | 1.8 | 246.78 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- | | |
|--------------------------------------------------------------------------------|----|
| 1) Changes in accounting policies due to the revision of accounting standards: | No |
| 2) Changes in accounting policies other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatement: | No |
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- | | |
|--------------------|-------------------|
| December 31, 2023: | 24,282,225 shares |
| March 31, 2023: | 24,282,225 shares |
- 2) Number of treasury shares at the end of the period:
- | | |
|--------------------|------------------|
| December 31, 2023: | 1,436,232 shares |
| March 31, 2023: | 920,226 shares |
- 3) Average number of shares outstanding during the period:
- | | |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2023: | 23,173,468 shares |
| Nine months ended December 31, 2022: | 23,345,803 shares |

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---------------------------------------------------------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 25,004 | 13,138 |
| Notes receivable, accounts receivable from completed construction contracts and other | 51,490 | 55,411 |
| Electronically recorded monetary claims - operating | 2,788 | 1,718 |
| Costs on construction contracts in progress | 1,560 | 2,840 |
| Other inventories | 36 | 50 |
| Other | 929 | 3,671 |
| Allowance for doubtful accounts | (278) | (283) |
| Total current assets | 81,530 | 76,547 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 1,741 | 1,568 |
| Other, net | 887 | 712 |
| Total property, plant and equipment | 2,628 | 2,280 |
| Intangible assets | 1,062 | 1,178 |
| Investments and other assets | | |
| Investment securities | 21,989 | 23,816 |
| Retirement benefit asset | 119 | 158 |
| Deferred tax assets | 253 | 218 |
| Other | 1,743 | 1,602 |
| Allowance for doubtful accounts | (181) | (161) |
| Total investments and other assets | 23,924 | 25,633 |
| Total non-current assets | 27,615 | 29,093 |
| Total assets | 109,146 | 105,640 |

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|------------------------------------------------------------|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts | 27,836 | 24,431 |
| Electronically recorded obligations - operating | 3,810 | 4,226 |
| Short-term borrowings | 3,433 | 4,366 |
| Income taxes payable | 1,573 | 395 |
| Advances received on construction contracts in progress | 2,889 | 4,280 |
| Provision for loss on construction contracts | 1,033 | 453 |
| Provisions | 278 | 2,405 |
| Other | 7,763 | 1,257 |
| Total current liabilities | 48,618 | 41,818 |
| Non-current liabilities | | |
| Long-term borrowings | 249 | 124 |
| Deferred tax liabilities | 1,693 | 3,015 |
| Retirement benefit liability | 318 | 366 |
| Other | 53 | 82 |
| Total non-current liabilities | 2,315 | 3,588 |
| Total liabilities | 50,933 | 45,407 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,158 | 5,158 |
| Capital surplus | 6,918 | 6,963 |
| Retained earnings | 38,130 | 40,117 |
| Treasury shares | (1,456) | (2,856) |
| Total shareholders' equity | 48,751 | 49,382 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8,950 | 9,887 |
| Foreign currency translation adjustment | 403 | 894 |
| Total accumulated other comprehensive income | 9,354 | 10,782 |
| Share acquisition rights | 106 | 68 |
| Total net assets | 58,212 | 60,233 |
| Total liabilities and net assets | 109,146 | 105,640 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

| | For the nine months ended December 31, 2022 | For the nine months ended December 31, 2023 |
|---------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Net sales of completed construction contracts | 72,386 | 85,626 |
| Cost of sales of completed construction contracts | 62,936 | 74,267 |
| Gross profit on completed construction contracts | 9,450 | 11,359 |
| Selling, general and administrative expenses | 5,616 | 6,289 |
| Operating profit | 3,834 | 5,069 |
| Non-operating income | | |
| Interest income | 43 | 53 |
| Dividend income | 409 | 414 |
| Electricity sale income | 14 | 15 |
| Foreign exchange gains | 284 | - |
| Other | 18 | 22 |
| Total non-operating income | 769 | 507 |
| Non-operating expenses | | |
| Interest expenses | 9 | 9 |
| Electricity sale expenses | 15 | 15 |
| Foreign exchange losses | - | 26 |
| Other | 16 | 8 |
| Total non-operating expenses | 41 | 59 |
| Ordinary profit | 4,562 | 5,516 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 0 | - |
| Gain on sale of investment securities | - | 505 |
| Total extraordinary income | 0 | 505 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | - | 13 |
| Loss on retirement of non-current assets | - | 9 |
| Loss on valuation of investment securities | 21 | - |
| Total extraordinary losses | 21 | 22 |
| Profit before income taxes | 4,540 | 5,999 |
| Income taxes - current | 699 | 956 |
| Income taxes - deferred | 762 | 969 |
| Total income taxes | 1,462 | 1,925 |
| Profit | 3,078 | 4,073 |
| Profit attributable to owners of parent | 3,078 | 4,073 |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

| | For the nine months ended December 31, 2022 | For the nine months ended December 31, 2023 |
|-------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Profit | 3,078 | 4,073 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 219 | 936 |
| Foreign currency translation adjustment | 263 | 491 |
| Total other comprehensive income | 482 | 1,427 |
| Comprehensive income | 3,560 | 5,501 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,560 | 5,501 |