

Financial Results Briefing for the Nine Months Ended December 31, 2024

Presentation Materials

February 12, 2025

SHIN NIPPON AIR TECHNOLOGIES CO.,LTD.



- **Record highs** in net sales of completed construction contracts, gross profit on completed construction contracts, operating profit, ordinary profit, and orders carried forward
- **Net sales of completed construction contracts: (¥88,568 million, up 3.4% year-on-year)**
 - Construction projects progressed steadily and increased both in Japan and overseas, mainly for construction work carried over
- **Gross profit on completed construction contracts (¥12,630 million, up 11.2% year-on-year)**
 - Profits increased due to increased order profitability and improved construction efficiency
- **Operating profit (¥5,262 million, up 3.8% year-on-year)**
- **Ordinary profit (¥5,815 million, up 5.4% year-on-year)**
- **Orders carried forward (¥131,847 million, up 7.0% year-on-year)**

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[Summary of the Consolidated Financial Results]

We achieved record highs in net sales of completed construction contracts, gross profit on completed construction contracts, operating profit, ordinary profit, and orders carried forward.

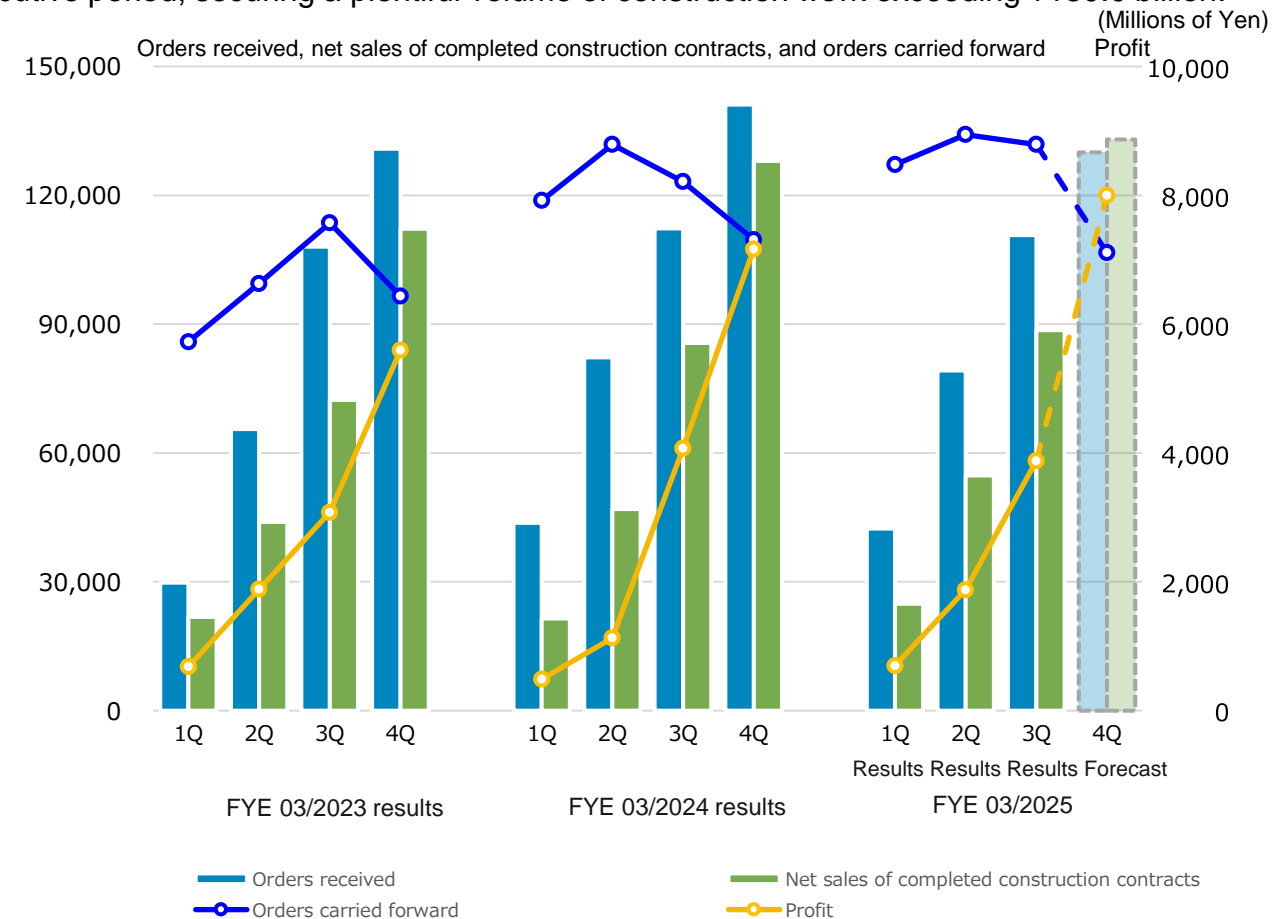
[Orders received] Within Japan, our order volume remained at the same high level year-on-year due to orders for redevelopment projects and large-scale industrial projects such as data centers.

[Net sales of completed construction contracts] Construction projects progressed steadily and increased both in Japan and overseas, mainly for construction work carried over.

[Profit] Gross profit on completed construction contracts increased due to improved order profitability and construction efficiency. While personnel expenses and SG&A expenses were up due to active investments in human capital, operating profit and ordinary profit increased.

[Orders carried forward] Third quarter figure exceeded ¥100.0 billion for the third consecutive period, securing a plentiful volume of construction work exceeding ¥130.0 billion.

(Millions of Yen)	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY change	YoY change (%)
Orders received	108,061	112,289	110,754	(1,535)	(1.4%)
Net sales of completed construction contracts	72,386	85,626	88,568	2,941	3.4%
Gross profit on completed construction contracts	9,450	11,359	12,630	1,271	11.2%
%	13.1%	13.3%	14.3%	1.0pt	—
Operating profit	3,834	5,069	5,262	192	3.8%
%	5.3%	5.9%	5.9%	0.0 pts	—
Ordinary profit	4,562	5,516	5,815	298	5.4%
%	6.3%	6.4%	6.6%	0.2 pts	—
Profit*	3,078	4,073	3,879	(194)	(4.8%)
%	4.3%	4.8%	4.4%	(0.4 pts)	—
Orders carried forward	113,558	123,181	131,847	8,666	7.0%



* "Profit" refers to profit attributable to owners of parent

[Consolidated Balance Sheets]

[Assets] Decrease in “cash and deposits” of ¥2,409 million, decrease in “notes receivable, accounts receivable from completed construction contracts and other” of ¥15,377 million due to the collection of construction fees, and decrease in “investment securities” of ¥1,489 million due to sales and marked-to-market valuation.

[Liabilities] Decrease in “notes payable, accounts payable for construction contracts and other” of ¥5,339 million due to the payment of construction fees, decrease in “short-term borrowings” of ¥6,041 million due to repayments of loans, and decrease in “other” (taxes, etc.) of ¥3,458 million.

[Net Assets] “Profit” of ¥3,879 million, decrease due to dividend payments of ¥2,974 million, and a negative ¥538 million in “other” (comprising a decrease in “valuation difference on available-for-sale securities” and increase in “foreign currency translation adjustment”). (Millions of Yen)

Assets	As of March 31, 2024	As of December 31, 2024	Change
Cash and deposits	13,629	11,219	(2,409)
Notes receivable, accounts receivable from completed construction contracts and other	65,078	49,701	(15,377)
Other	5,589	10,658	5,069
Total current assets	84,297	71,579	(12,717)
Property, plant and equipment	2,253	2,238	(14)
Intangible assets	1,802	1,709	(93)
Investments and other assets	28,998	27,525	(1,472)
[Investment securities]	[27,233]	[25,744]	[(1,489)]
Total non-current assets	33,054	31,473	(1,581)
Total assets	117,351	103,052	(14,298)

Liabilities and net assets	As of March 31, 2024	As of December 31, 2024	Change
Notes payable, accounts payable for construction contracts and other	23,197	17,858	(5,339)
Short-term borrowings	9,816	3,775	(6,041)
Other	15,212	11,753	(3,458)
Total current liabilities	48,226	33,386	(14,840)
Total non-current liabilities	3,530	3,916	386
Total liabilities	51,756	37,303	(14,453)
Shareholders' equity	52,477	53,171	693
Other	13,117	12,578	(538)
Total net assets	65,594	65,749	154
Total liabilities and net assets	117,351	103,052	(14,298)

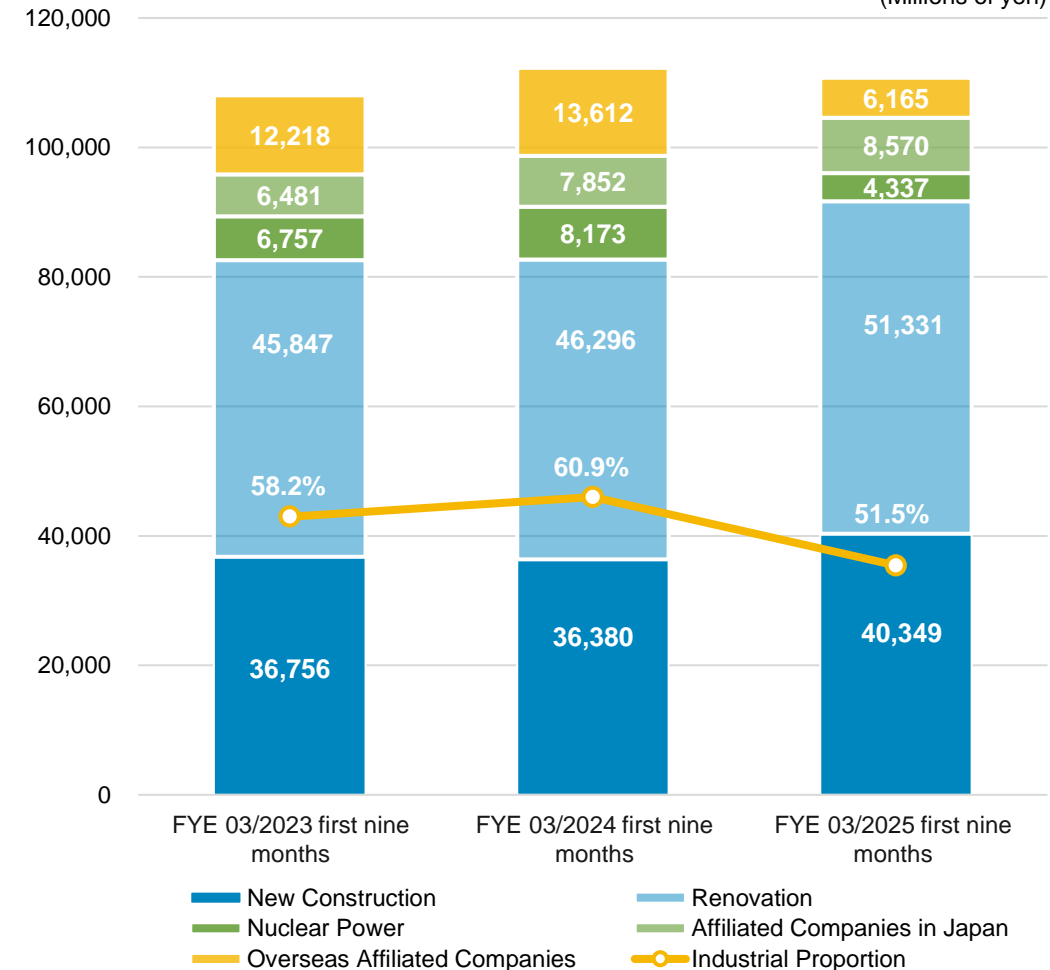
[Orders Received, Net Sales of Completed Construction Contracts, and Orders Carried Forward by Segment]

[Non-consolidated] New construction remained at a high level due to a significant increase in redevelopment projects in the healthcare sector and an increase in renovation projects in the industrial sector. Nuclear power is down year-on-year but progressing in line with the plan made at the beginning of the fiscal year.

[Affiliated companies] Orders in Japan in the industrial sector are increasing and progressing steadily. An order for a large overseas project is scheduled for the fourth quarter, and from a full-year perspective, business is expected to proceed according to plan.

(Millions of yen)

			Millions of yen				
			Nine months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	36,756	36,380	40,349	10.9%	36.4%
		Renovation	45,847	46,296	51,331	10.9%	46.3%
	Nuclear power		6,757	8,173	4,337	(46.9%)	3.9%
Orders received, non-consolidated			89,361	90,851	96,018	5.7%	86.7%
Affiliated Companies	Japan		6,481	7,825	8,570	9.5%	7.7%
	Overseas		12,218	13,612	6,165	(54.7%)	5.6%
Orders received, consolidated			108,061	112,289	110,754	(1.4%)	100.0%
			62,859	68,344	57,052	(16.5%)	—
(Of which, industrial)			58.2%	60.9%	51.5%	(9.4 pts)	—

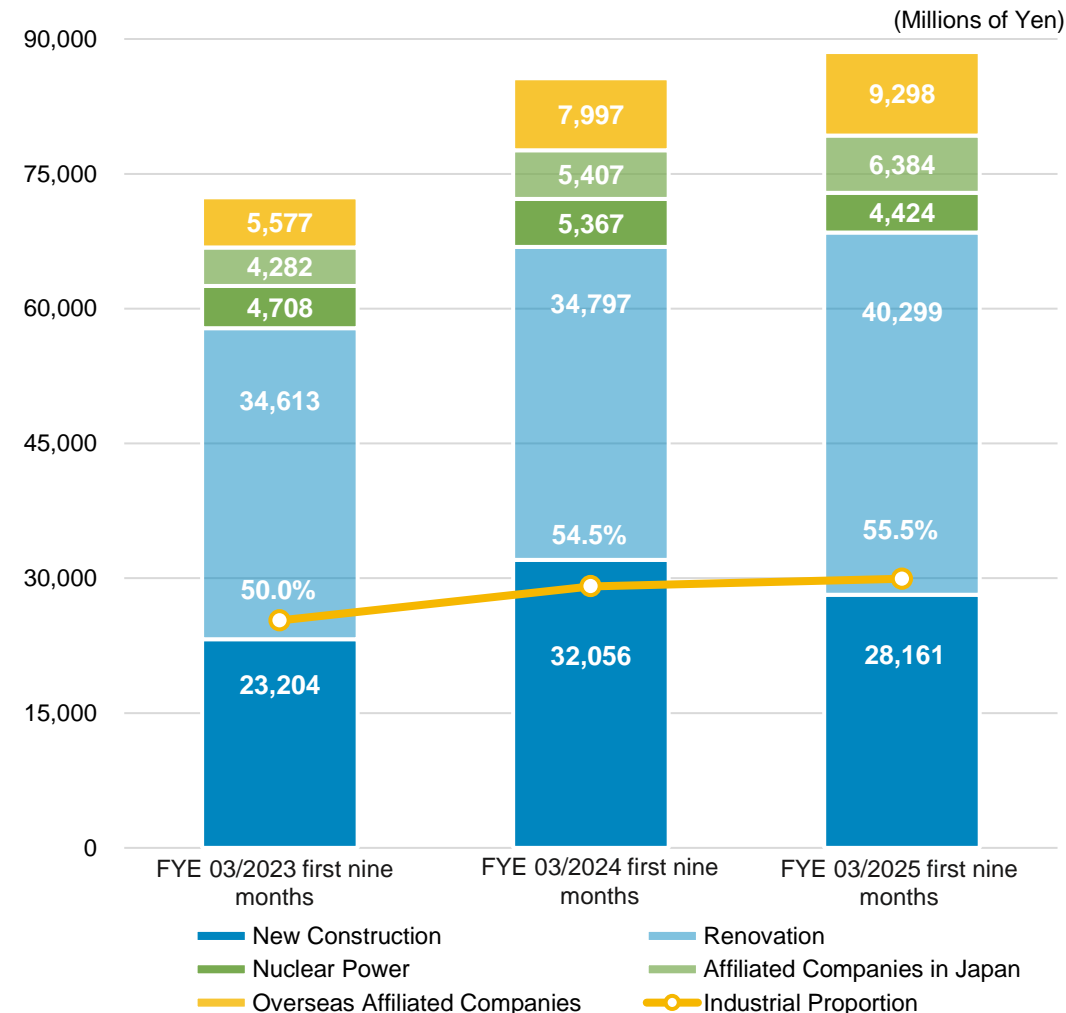


[Orders Received, Net Sales of Completed Construction Contracts, and Orders Carried Forward by Segment]

[Non-consolidated] Although new construction is down compared to the same period of the previous year, it is progressing in line with the plan made at the beginning of the fiscal year. Renovations in the healthcare and industrial sectors are progressing smoothly and remain at a high level that exceeds the same period of the previous year. Although the nuclear power sector is down compared to the same period of the previous year, it is progressing in line with the plan made at the beginning of the fiscal year.

[Affiliated companies] Construction work in the industrial sector both in Japan and overseas progressed steadily, remaining at a high level that exceeds the same period of the previous year.

			(Millions of Yen)				
			Nine months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	23,204	32,056	28,161	(12.1%)	31.8%
		Renovation	34,613	34,797	40,299	15.8%	45.5%
	Nuclear power		4,708	5,367	4,424	(17.6%)	5.0%
Non-consolidated net sales of completed construction contracts			62,526	72,221	72,885	0.9%	82.3%
Affiliated Companies	Japan		4,282	5,407	6,384	18.1%	7.2%
	Overseas		5,577	7,997	9,298	16.3%	10.5%
Consolidated net sales of completed construction contracts			72,386	85,626	88,568	3.4%	100.0%
			36,195	46,653	49,123	55.5%	—
(Of which, industrial)			50.0%	54.5%	55.5%	1.0 pts	—



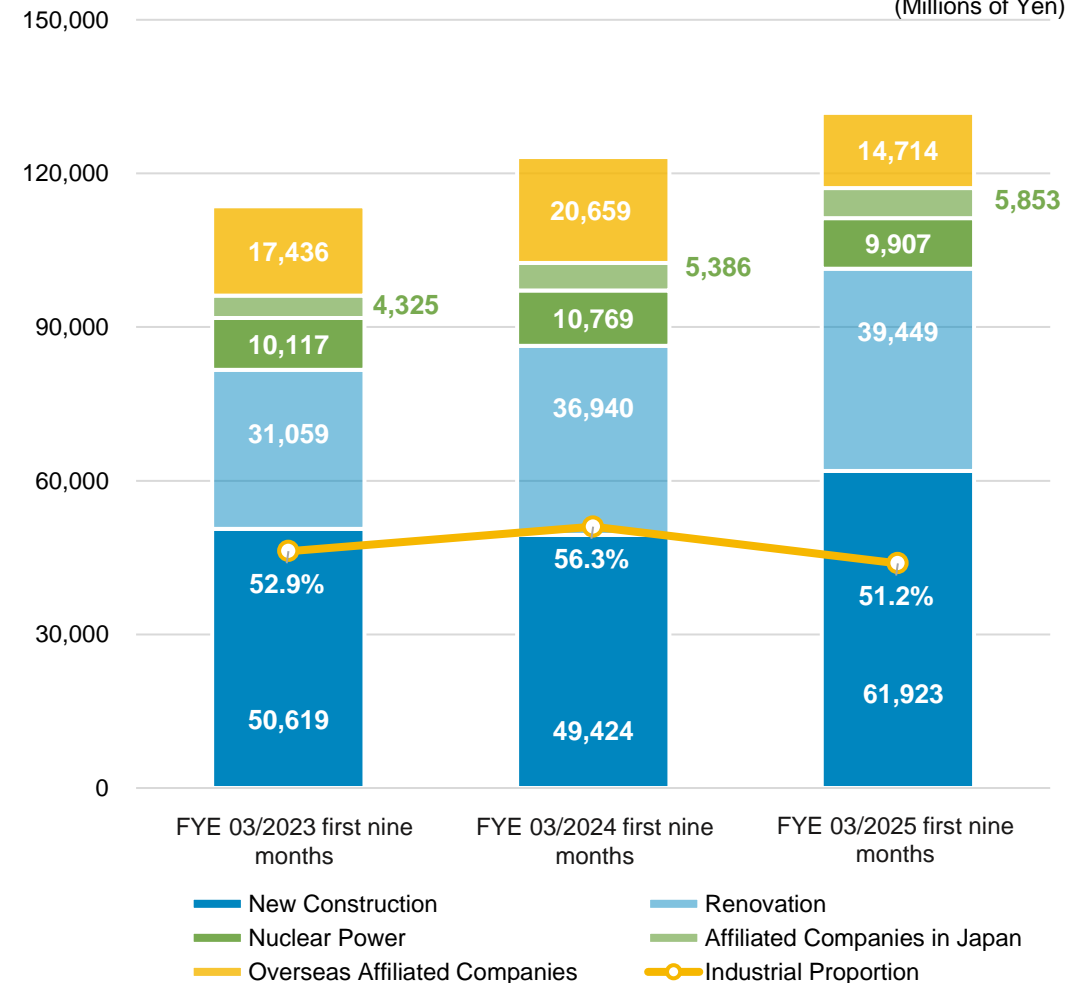
1. Consolidated Financial Results for the Nine Months Ended December 31, 2024

[Orders Received, Net Sales of Completed Construction Contracts, and Orders Carried Forward by Segment]

[Non-consolidated] Having secured a large amount of construction work, new construction in both the healthcare and industrial sectors is trending at a high level and significantly exceeding the same period of the previous year. Renovations have increased, mainly in the industrial sector, securing a high level of construction work carried forward. Although it has declined on a year-on-year basis, the nuclear power sector has secured a high level of construction work carried forward.

[Affiliated companies] Affiliated companies in Japan have secured abundant volumes of construction work, continuing to set the tone for increasing revenues. An order for a large overseas project is scheduled for the fourth quarter, and from a full-year perspective, business is expected to proceed according to plan.

			(Millions of Yen)				
			Nine months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	50,619	49,424	61,923	25.3%	47.0%
		Renovation	31,059	36,940	39,449	6.8%	29.9%
	Nuclear power		10,117	10,769	9,907	(8.0%)	7.5%
Non-consolidated orders carried forward			91,796	97,135	111,280	14.6%	84.4%
Affiliated Companies	Japan		4,325	5,386	5,853	8.7%	4.4%
	Overseas		17,436	20,659	14,714	(28.8%)	11.2%
Consolidated orders carried forward			113,558	123,181	131,847	7.0%	100.0%
			60,069	69,357	67,463	(2.7%)	—
(Of which, industrial)			52.9%	56.3%	51.2%	(5.1 pts)	—



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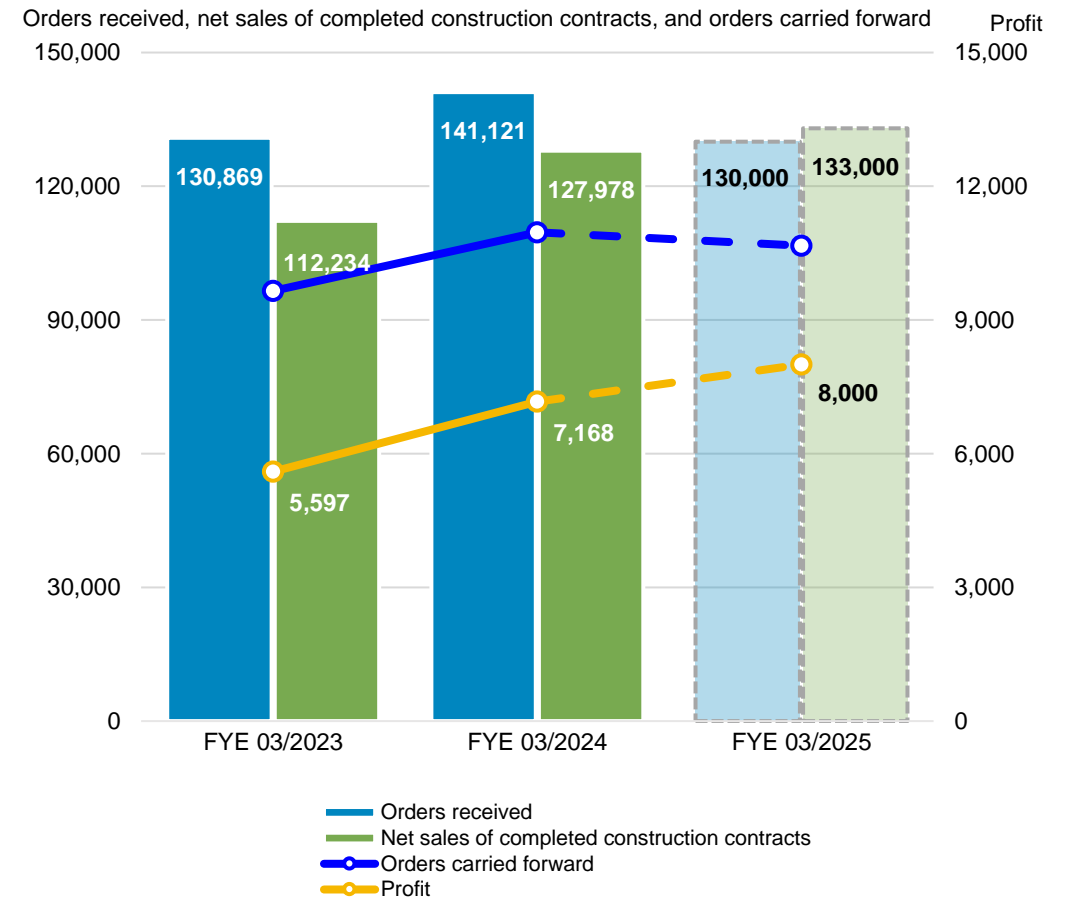


2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 SHIN NIPPON AIR TECHNOLOGIES CO.,LTD.

[Forecast] Including our affiliated companies, we have an abundance of construction work carried over, as well as many redevelopment projects in major metropolitan areas and large-scale industrial projects such as data centers. We are therefore strategically planning how to complete the amount of construction work we have on hand through an appropriate construction system as we receive and complete orders. Despite concerns about human capital investments and rising material costs caused by inflation, we have improved operational efficiency through digitalization and reduced costs, and our results through the first nine months of the fiscal year have maintained a high level of performance and shown year-on-year increases in revenues and profits.

(Millions of Yen)

	FYE March 31, 2023 Results	FYE March 31, 2024 Results	FYE March 31, 2025 Forecast	YoY change	YoY change (%)
Orders received	130,869	141,121	130,000	(11,121)	(7.9%)
Net sales of completed construction contracts	112,234	127,978	133,000	5,021	3.9%
Gross profit on completed construction contracts	15,676	18,699	19,400	700	3.7%
%	14.0%	14.6%	14.6%	0.0pt	—
Operating profit	7,124	9,235	9,300	64	0.7%
%	6.3%	7.2%	7.0%	(0.2 pts)	—
Ordinary profit	7,914	9,725	9,800	74	0.8%
%	7.1%	7.6%	7.4%	(0.2 pts)	—
Profit*	5,597	7,168	8,000	831	11.6%
%	5.0%	5.6%	6.0%	0.4 pts	—
ROE	10.0%	11.6%	11.7%	0.1 pts	—
Orders carried forward	96,519	109,662	106,662	(3,000)	(2.7%)



* "Profit" refers to profit attributable to owners of parent

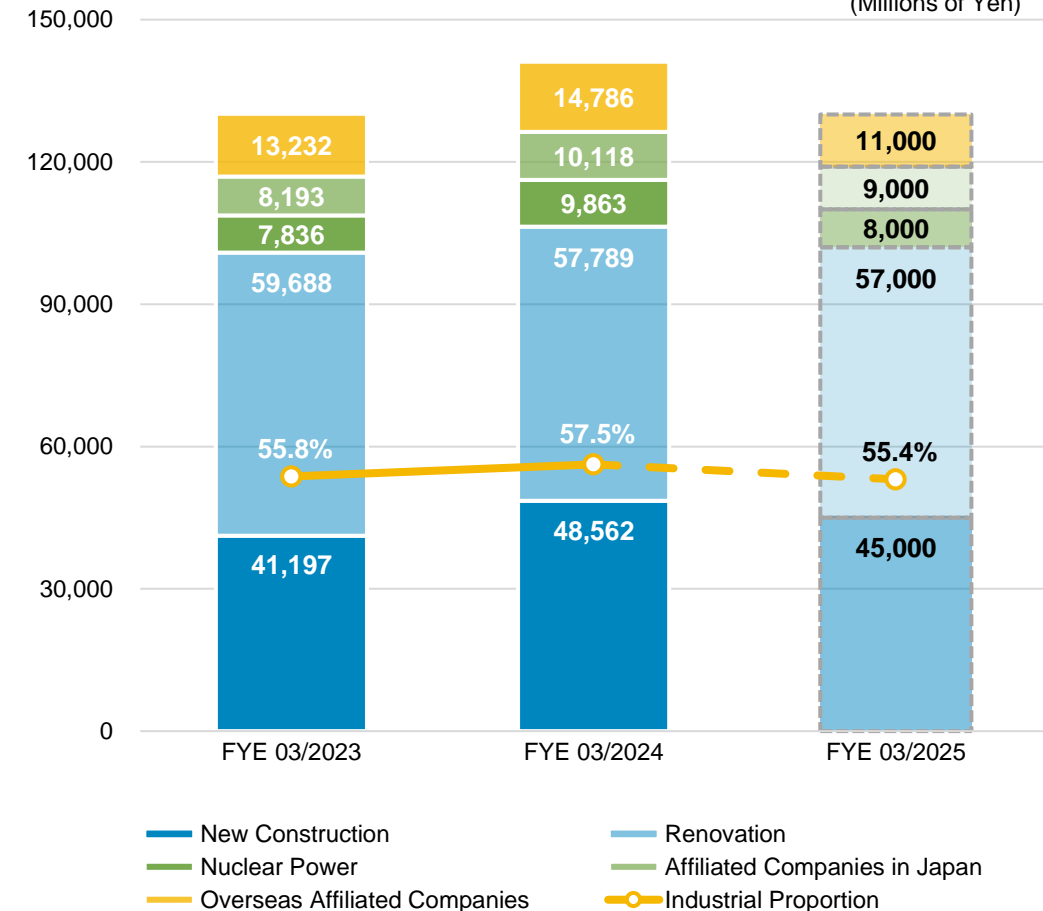
[Orders Received and Net Sales of Completed Construction Contracts by Segment]

[Forecast] New construction redevelopment projects in the healthcare sector and industrial projects such as data centers, including renovations, are progressing in line with the plan made at the beginning of the fiscal year. We have strategically formulated plans for orders received, considering how we would complete the amount of construction work we have on hand through an appropriate construction system.

(Millions of Yen)

			FYE March 31, 2023 Results	FYE March 31, 2024 Results	FYE March 31, 2025 Forecast	YoY	Ratio
Non-consolidated Japan	General	New construction	41,197	48,562	45,000	(7.3%)	34.6%
		Renovation	59,688	57,789	57,000	(1.4%)	43.8%
	Nuclear power		7,836	9,863	8,000	(18.9%)	6.2%
Orders received, non-consolidated			108,723	116,216	110,000	(5.3%)	84.6%
Affiliated Companies	Japan		8,193	10,118	9,000	(11.0%)	6.9%
	Overseas		13,232	14,786	11,000	(25.6%)	8.5%
Orders received, consolidated			130,869	141,121	130,000	(7.9%)	100.0%
(Of which, industrial)			72,973	81,213	72,000	(11.3%)	—
			55.8%	57.5%	55.4%	(2.1 pts)	—

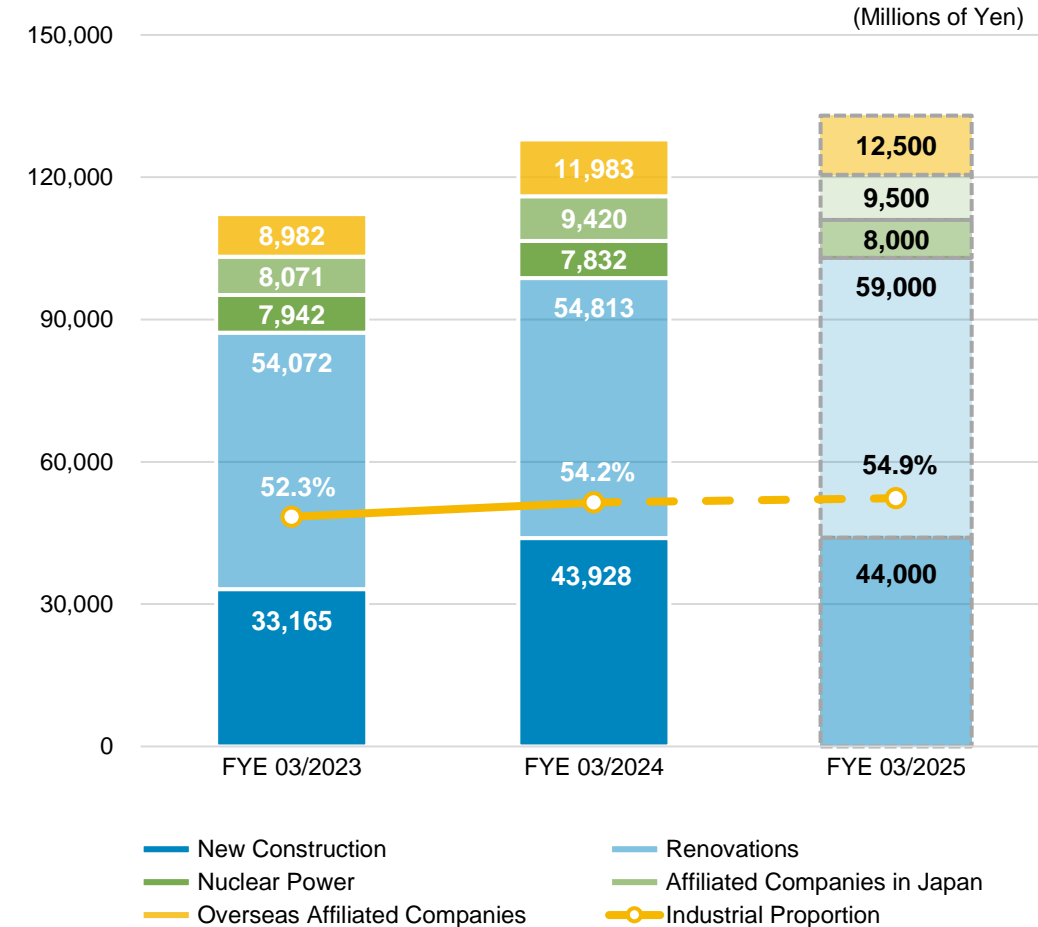
(Millions of Yen)



[Orders Received and Net Sales of Completed Construction Contracts by Segment]

[Forecast] Overall, renovation work in the healthcare and industrial sectors has increased, and is progressing in line with the plan made at the beginning of the fiscal year. In the fourth quarter, we will strive to avoid risks such as delays in construction and secure net sales of completed construction contracts while establishing an appropriate construction system.

			(Millions of Yen)				
			FYE March 31, 2023 Results	FYE March 31, 2024 Results	FYE March 31, 2025 Forecast	YoY	Ratio
Non-consolidated Japan	General	New construction	33,165	43,928	44,000	0.2%	33.1%
		Renovation	54,072	54,813	59,000	7.6%	44.4%
	Nuclear power		7,942	7,832	8,000	2.1%	6.0%
Non-consolidated net sales of completed construction contracts			95,179	106,574	111,000	4.2%	83.5%
Affiliated Companies	Japan		8,071	9,420	9,500	0.8%	7.1%
	Overseas		8,982	11,983	12,500	4.3%	9.4%
Consolidated net sales of completed construction contracts			112,234	127,978	133,000	3.9%	100.0%
			58,712	69,346	73,000	5.3%	—
(Of which, industrial)			52.3%	54.2%	54.9%	0.7 pts	—



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Stock Split

In order to raise the level of its stock price and improve liquidity, the Company enacted a stock split with a record date* of December 31, 2024. The Company conducted a 2-for-1 stock split of shares for every common stock held by the shareholders as recorded on the final shareholder register on December 31, 2024.

(*For details, please refer to the “Notice of Stock Split, Revision of Dividend Forecast, and Partial Amendment (Expansion) of Shareholder Special Benefit Plan” released on November 11, 2024.)

[Number of shares to be increased due to the stock split]

- Total number of issued shares before the stock split:	24,282,225 shares
- Number of shares to be increased by this stock split:	24,282,225 shares
- Total number of issued shares after the stock split:	48,564,450 shares
- Total number of shares authorized to be issued after the stock split:	84,252,100 shares

[Schedule of stock split]

- Date of public notice of the record date:	Thursday, December 12, 2024
- Record date:	Tuesday, December 31, 2024
- Effective date:	Wednesday, January 1, 2025

There is no change in the amount of stated capital as a result of the stock split.

Purchase of Treasury Stock

To increase shareholder returns and improve capital efficiency, the Company [purchased treasury stock up to a maximum amount of ¥1.0 billion](#).

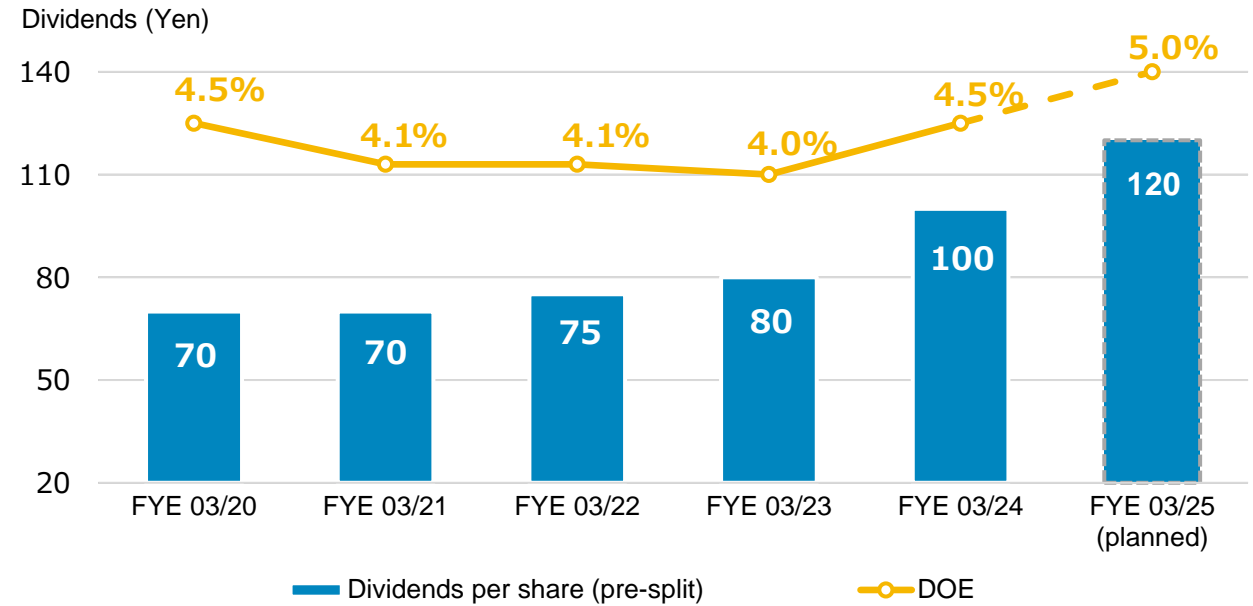
(*For details, please refer to the “Notice of Decision on Matters Concerning Purchase of Treasury Stock,” released on November 11, 2024.)

- Acquisition period: Originally planned from Tuesday, November 12, 2024 to Friday, February 28, 2025, but the purchase of treasury stock was completed on February 4, 2025.
- Total number of shares acquired: 521,200 shares
- Total acquisition price of shares: ¥999,975,672

(*For details, please refer to the “Notice Concerning the Status and Completion of Acquisition of Own Shares” released on February 6, 2025.)

Dividend-related

		(Yen)			
		FYE March 31, 2023	FYE March 31, 2024	FYE March 31, 2025 Forecast*	
				Before stock split	After stock split
Annual dividends per share	2nd quarter (final)	20	30	60	60
	Fiscal year-end	60	70	60	30 [60]
	Total	80	100	120	—
Consolidated dividend payout ratio		33.4%	32.2%	34.3%	34.3%
Dividend on equity ratio (DOE)		4.0%	4.5%	5.0%	5.0%



* The Company conducted a stock split of shares of its common stock at a 2-for-1 ratio with the effective date of January 1, 2025. The amount of dividends shown above that are before December 2024 are the dividends before the stock split. The figures shown in bracket [] show the conversion to pre-split shares.

Shareholder Returns Policy

The Group considers the return of profits to shareholders as one of its most important management initiatives, and to ensure stable return of profits to our shareholders, maintains a basic policy of profit distribution with a **dividend on equity ratio (DOE) of no less than 5%**.

In order to ensure the growth targets of our 10-year vision and long-term management policy SNK Vision 2030, the Group will pay a progressive dividend during the period up to the fiscal year ending March 31, 2030 and **will not reduce dividends (annual dividends) during this period**.

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Cross-Shareholdings

Our Policy on Cross-Shareholdings

In order to maintain and strengthen fruitful business relationships and alliances and from the perspective of enhancing corporate value, we may hold shares in companies we deem necessary.

Although we make decisions on whether to hold or sell shares after holistically reviewing the significance of holding each individual stock, we have set an initial target of **reducing cross-shareholdings by 20% by the end of FY2025, compared to the end of FY2022.**

Actual and forecast reduction of cross-shareholdings

Reduction targets by the end of FY2025

Market value at the end of FY2022: ¥21,738 million

Target reduction of cross-shareholdings (20%)

Target amount by the end of FY2025: ¥17,390 million

Reduction: (¥4,348 million)

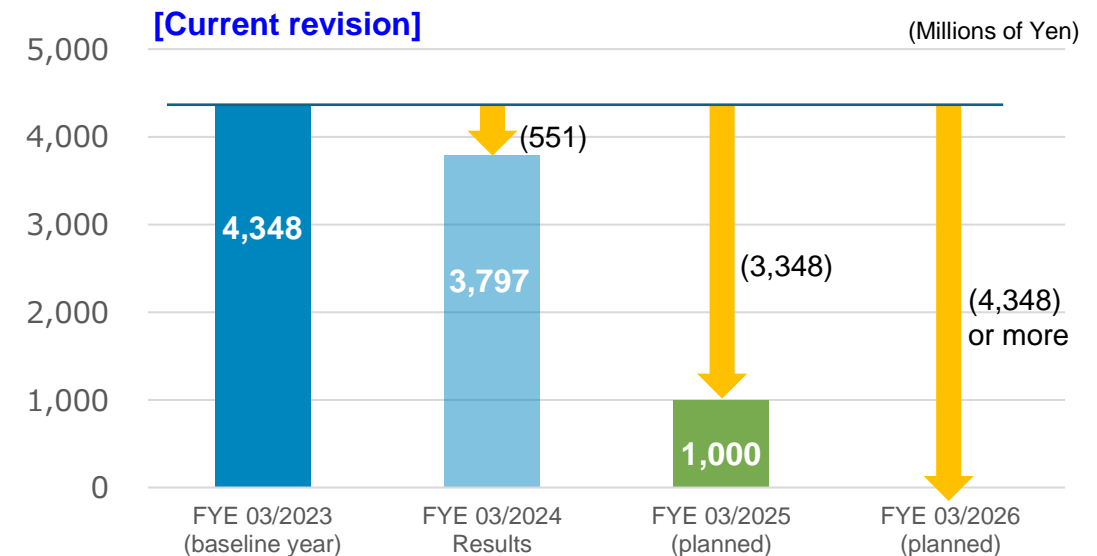
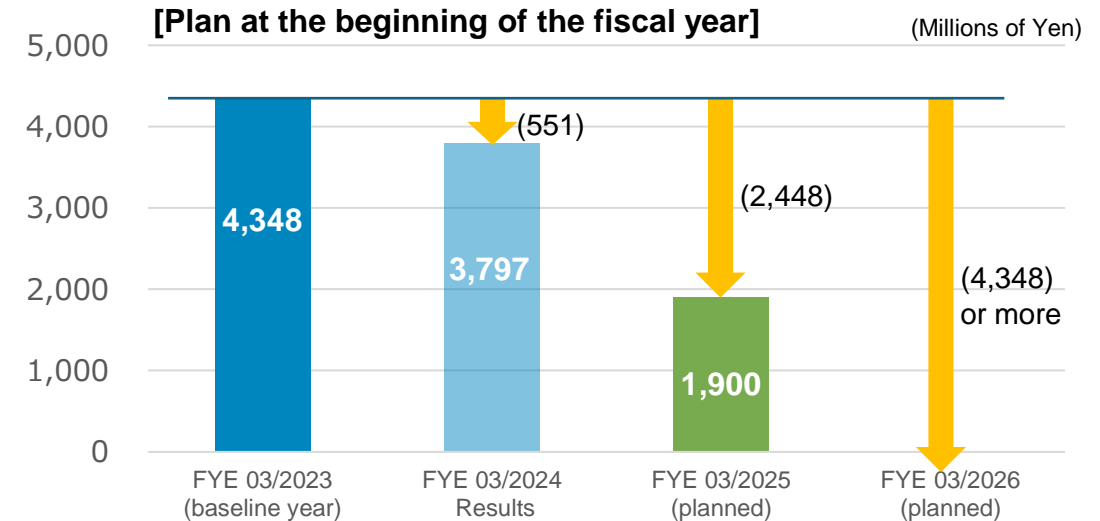
[Plan at the beginning of the fiscal year]

Total reduction by the end of FY2024 (planned): (¥2,448 million)

[Current revision]

Total reduction by the end of FY2024 (planned): (¥3,348 million)

Breakdown of target reduction of cross-shareholdings



Disclaimer

The data disclosed and the forward-looking statements—including earnings forecasts—in this document are based on information currently available to the Group and are subject to various risks and uncertainties. Actual results may therefore differ substantially from these forecasts.

Although we have taken the utmost care in preparing the various data and materials, the Company assumes no responsibility for any damages or losses caused by errors in the information, falsification of data by third parties, or other problems related to this document, regardless of the reason for such damage or loss.

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