

Financial Results Briefing for the Six Months Ended September 30, 2024

Presentation Materials

November 13, 2024

SHIN NIPPON AIR TECHNOLOGIES CO.,LTD.



My name is Hiroshima, and I am the President of Shin Nippon Air Technologies.

Thank you for joining our financial results briefing.

Today, I will begin by going over the key financial takeaways and business environment. I will then present the consolidated financial results for the second quarter, our consolidated earnings forecast for the fiscal year ending March 31, 2025, shareholder returns, and the state of progress of our mid-term business plan.

Without further ado, I will begin the presentation.

Key Financial Takeaways for the Six Months Ended September 30, 2024

- **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: (¥54,773 million, up 16.6% year-on-year)**
 - With an abundance of construction work carried over, we worked to spread out the volume of construction work and ensure process compliance, thereby achieving net sales of construction exceeding planned volumes
- **Gross profit on completed construction contracts (¥7,314 million, up 36.0% year-on-year)**
 - We achieved significantly higher profits through increased order profitability and higher construction efficiency (due to digital transformation, etc.)
- **Operating profit (¥2,490 million, up 75.9% year-on-year)**
- **Ordinary profit (¥2,862 million, up 69.4% year-on-year)**
- **Orders carried forward (¥134,127 million, up 1.8% year-on-year)**

These are the key takeaways from our latest 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.

This was due to our efforts to improve profitability, first by responding to the abundance of construction work brought forward from the previous fiscal year by evening out the volume of work and strictly adhering to processes, as well as by improving operational efficiency from order receipt to construction. As a result, we achieved net sales of completed construction contracts and profits significantly higher than last year.

- With higher corporate earnings and improved employment and income environments, Japan's industrial sector is showing signs of gradual recovery. However, the outlook remains uncertain due to the continued impact of soaring raw material prices and inflation.
- The construction sector has seen robust capital investment in data centers, the semiconductor industry, precision equipment, and automotive-related industries. Real estate investment in redevelopment and other projects has also remained strong, especially in major metropolitan areas.
- Rising costs of materials, labor, and transportation, delays in deliveries, and labor shortages are serious concerns, making it necessary to take appropriate measures to review prices and secure profits.
- We are accelerating initiatives related to the digital economy and green energy, including efforts aimed at carbon neutrality and leveraging AI and IoT to produce technological innovations.
- Addressing sustainability-related issues has become an important management theme that not only reduces risk but also opens profit opportunities. These include climate change and other global environmental challenges, respect for human rights, consideration for employee health and the working environment, the fair and appropriate treatment of suppliers and other business partners, and risk management for natural disasters.

Regarding the business environment in FY2024, the Japanese economy is showing signs of a gradual recovery, with higher corporate earnings and improvements in the employment and income environments.

Nevertheless, the outlook remains uncertain due to the continued impact of soaring raw material prices and inflation.

In the construction sector, we see robust capital investment in data centers, the semiconductor industry, precision equipment, and automotive-related industries. Real estate investment in redevelopment and other projects has also remained strong, especially in major metropolitan areas. On the other hand, we need to ensure profitability in the face of serious problems such as the rising costs of materials, labor, and transportation, delays in deliveries, and labor shortages. In addition, technological innovations with AI and IoT are fueling an expansion of digital economic activity. We are also accelerating our initiatives related to green energy and those aimed at achieving carbon neutrality.

Furthermore, addressing various sustainability-related issues has become an important theme for management. Examples include climate change and other global environmental challenges, as well as making considerations for the health and working environment of employees.

1.	Consolidated Financial Results for the Six Months Ended September 30, 2024	P. 3
2.	Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025	P. 10
3.	Shareholder Returns	P. 14
4.	State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II	P. 17

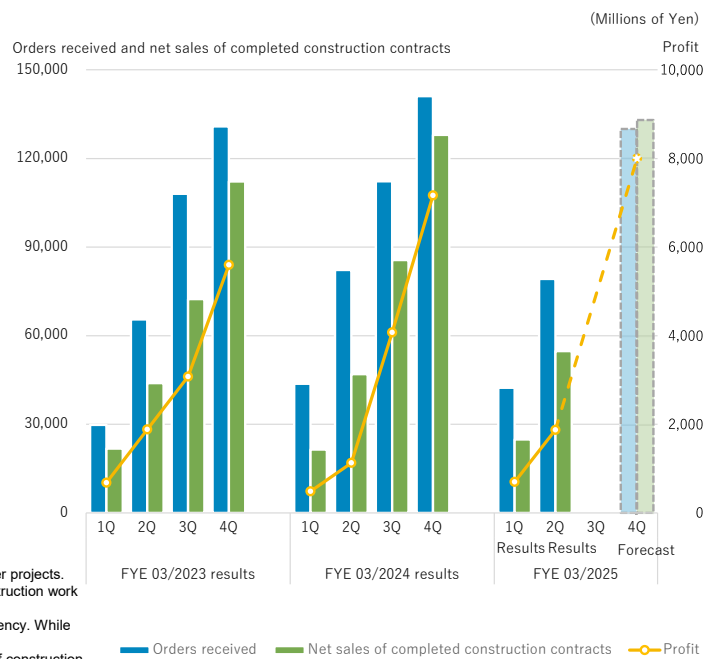


I will now give the floor to Mr. Inoue, General Manager of the Administration Division, to present the consolidated financial results for the first half of the fiscal year ending March 31, 2025.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024

[Summary of the Consolidated Financial Results]

(Millions of Yen)	1H ended September 30, 2022	1H ended September 30, 2023	1H ended September 30, 2024	YoY change	YoY change (%)
Orders received	65,538	82,265	79,238	(3,027)	(3.7%)
Net sales of completed construction contracts	43,952	46,969	54,773	7,803	16.6%
Gross profit on completed construction contracts	5,784	5,376	7,314	1,937	36.0%
%	13.2%	11.4%	13.4%	2.0 pts	—
Operating profit	2,147	1,415	2,490	1,074	75.9%
%	4.9%	3.0%	4.5%	1.5 pts	—
Ordinary profit	2,785	1,690	2,862	1,172	69.4%
%	6.3%	3.6%	5.2%	1.6 pts	—
Profit*	1,884	1,129	1,876	746	66.1%
%	4.3%	2.4%	3.4%	1.0 pts	—
Orders carried forward	99,470	131,815	134,127	2,312	1.8%



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

[Orders received] Within Japan, remained at the same level year-on-year due to orders for redevelopment projects and other projects.
 [Net sales of completed construction contracts] Increased in Japan and overseas due to the favorable development of construction work carried over in all fields.

[Profit] Gross profit on completed construction contracts increased due to improved order profitability and construction efficiency. While SG&A expenses were up due to active investments in human capital, operating profit, ordinary profit and profit increased.
 [Orders carried forward] 1H figure exceeded ¥130.0 billion for the second consecutive period, securing a plentiful volume of construction work.

* 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.

My name is Inoue, and I am the General Manager of the Administration Division.

I would like to start by going over the summary of consolidated financial results. Orders received decreased 3.7% year-on-year to ¥79,238 million. Both in Japan and overseas, orders received remained at the same level year-on-year, primarily due to large-scale industrial projects in the new construction segment. Net sales of completed construction contracts rose 16.6% year-on-year to ¥54,773 million. Affiliated companies also made steady progress both in Japan and overseas, resulting in significantly higher consolidated revenues. Despite increased investments in human capital, digital transformation, and growth businesses, profits increased significantly year-on-year due to improved order profitability, the widespread implementation of cost reduction activities, and increased operational efficiency, such that gross profit on completed construction contracts rose 36.0% year-on-year to ¥7,314 million and the gross profit margin on completed construction contracts increased by 2.0 percentage points year-on-year to 13.4%.

Operating profit, ordinary profit, and profit all increased significantly compared to the previous fiscal year, with operating profit amounting to ¥2,490 million, a 75.9% increase year-on-year, ordinary profit coming to ¥2,862 million, which is an increase of 69.4% year-on-year, and profit totaling ¥1,876 million, which is a 66.1% increase year-on-year.

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. Among these, orders carried forward increased 1.8% year-on-year to ¥134,127 million, marking the second consecutive period when it exceeded ¥130.0 billion.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 [Consolidated Balance Sheets]

SHIN NIPPON AIR TECHNOLOGIES CO.,LTD.

Assets	As of March 31, 2024	As of September 30, 2024	Change	Liabilities and net assets	As of March 31, 2024	As of September 30, 2024	(Millions of Yen)
							Change
Cash and deposits	13,629	13,889	260	Notes payable, accounts payable for construction contracts and other	23,197	15,503	(7,694)
Notes receivable, accounts receivable from completed construction contracts and other	65,078	44,543	(20,534)	Short-term borrowings	9,816	1,316	(8,500)
Other	5,589	7,427	1,838	Other	15,212	10,665	(4,546)
Total current assets	84,297	65,861	(18,435)	Total current liabilities	48,226	27,485	(20,740)
Property, plant and equipment	2,253	2,278	25	Total non-current liabilities	3,530	4,224	694
Intangible assets	1,802	1,760	(42)	Total liabilities	51,756	31,710	(20,046)
Investments and other assets	28,998	28,312	(685)	Shareholders' equity	52,477	53,045	567
[Investment securities]	[27,233]	[26,466]	[(766)]	Other	13,117	13,456	339
Total non-current assets	33,054	32,351	(702)	Total net assets	65,594	66,502	907
Total assets	117,351	98,213	(19,138)	Total liabilities and net assets	117,351	98,213	(19,138)

[Assets] Increase in "cash and deposits" of ¥260 million, decrease in "notes receivable, accounts receivable from completed construction contracts and other" of ¥20,534 million due to the collection of construction fees, and decrease in "investment securities" of ¥766 million due to sales and marked-to-market valuation.

[Liabilities] Decrease in "notes payable, accounts payable for construction contracts and other" of ¥7,694 million due to the payment of construction fees, decrease in "short-term borrowings" of ¥8,500 million due to repayments of loans, and decrease in "other" (taxes, etc.) of ¥4,546 million.

[Net Assets] "Profit" of ¥1,876 million, decrease due to dividend payments of ¥1,599 million, and a positive ¥339 million in "other" (comprising a decrease in "valuation difference on available-for-sale securities" and increase in "foreign currency translation adjustment").

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Please allow me to give you an overview of the consolidated balance sheets.

Total assets were ¥98,213 million, down ¥19,138 million from the previous fiscal year. Major factors included a ¥20,534 million decrease in "notes receivable, accounts receivable from completed construction contracts and other" due to the collection of construction fees and a ¥766 million decrease resulting from sales of investment securities and marked-to-market valuation.

Total liabilities were ¥31,710 million, down ¥20,046 million from the previous fiscal year. Major factors included a decrease of ¥7,694 million in "notes payable, accounts payable for construction contracts and other" due to the payment of construction fees and a decrease of ¥8,500 million in "short-term borrowings" due to the repayment of loans.

Total net assets increased by ¥907 million over the previous fiscal year to a total of ¥66,502 million. Major factors included an increase of ¥1,876 million in "profit," a decrease of ¥1,599 million from the payment of dividends, and an increase of ¥339 million in "other," including a decrease in "valuation difference on available-for-sale securities" and an increase in "foreign currency translation adjustment."

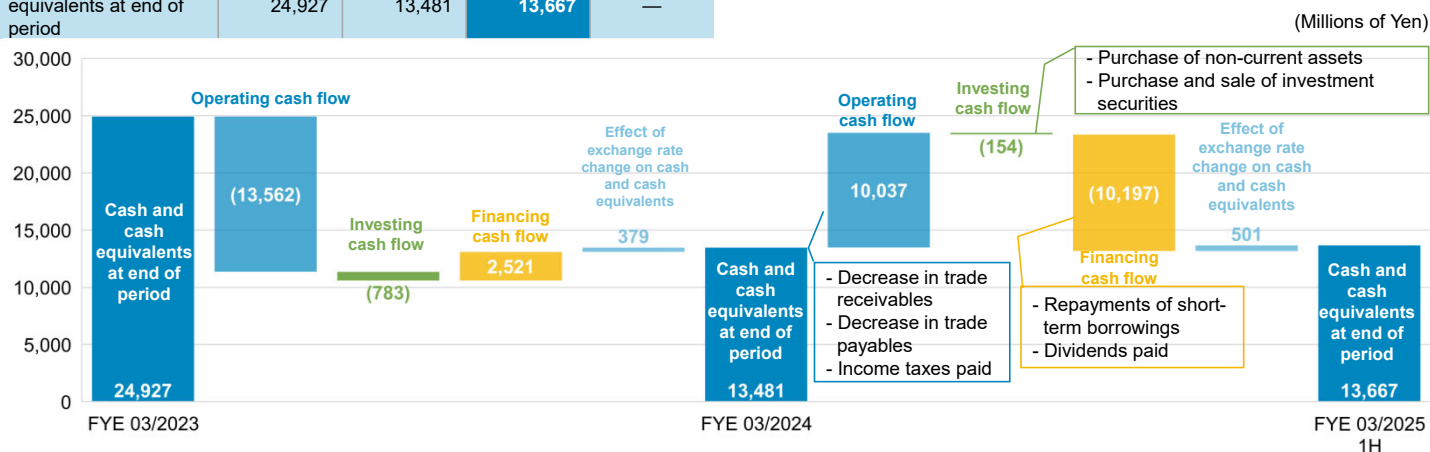
1. Consolidated Financial Results for the Six Months Ended September 30, 2024 [Consolidated Cash Flows]

	FY ended March 31, 2023	FY ended March 31, 2024	1H ended September 30, 2024	(Millions of Yen) Three-year total
Cash flows from operating activities	12,820	(13,562)	10,037	9,295
Cash flows from investing activities	(1,168)	(783)	(154)	(2,105)
Cash flows from financing activities	(2,266)	2,521	(10,197)	(10,212)
Cash and cash equivalents at end of period	24,927	13,481	13,667	—

[Operating cash flow] ¥10,037 million due to cash inflow from a decrease in trade receivables, cash outflow from a decrease in trade payables, income tax paid, etc.

[Investing cash flow] Negative ¥154 million due to purchase of property, plant and equipment and intangible assets, purchase of investment securities, proceeds from sale of investment securities, etc.

[Financing cash flow] Negative ¥10,197 million due to repayments of short-term borrowings, dividends paid, etc.



I will now go over the consolidated cash flows.

Cash flows from operating activities came to ¥10,037 million, due to cash inflow from a decrease in trade receivables, cash outflow from a decrease in trade payables, income tax payments, and so on.

Cash flows from investing activities amounted to a negative ¥154 million due to the purchase of property, plant and equipment, software and other intangible assets, and investment securities.

Cash flows from financing activities came to a negative ¥10,197 million, due to repayments of short-term borrowings, payments of dividends, and other outflows.

As a result, the balance of cash and cash equivalents as of September 30, 2024 amounted to ¥13,667 million, up ¥186 million from the ¥13,481 million at the end of the previous fiscal year.

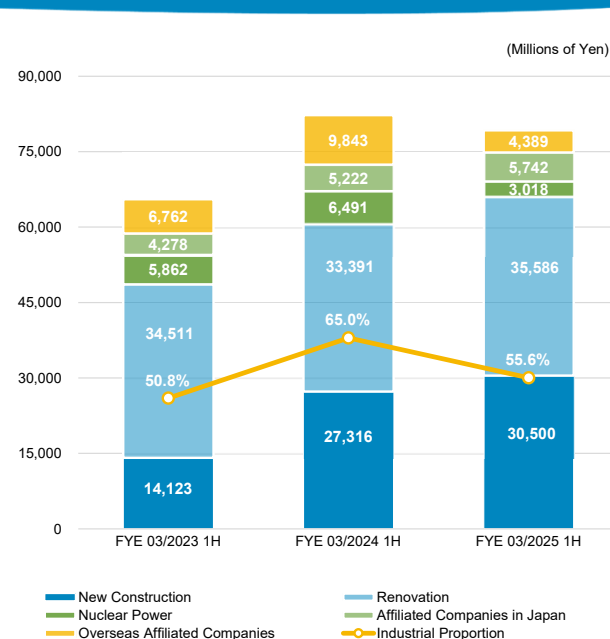
1. Consolidated Financial Results for the Six Months Ended September 30, 2024

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

			(Millions of Yen)				
			1H ended September 30, 2022	1H ended September 30, 2023	1H ended September 30, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	14,123	27,316	30,500	11.7%	38.5%
		Renovation	34,511	33,391	35,586	6.6%	44.9%
	Nuclear power		5,862	6,491	3,018	(53.5%)	3.8%
Orders received, non-consolidated			54,497	67,199	69,106	2.8%	87.2%
Affiliated Companies	Japan		4,278	5,222	5,742	9.9%	7.3%
	Overseas		6,762	9,843	4,389	(55.4%)	5.5%
Orders received, consolidated			65,538	82,265	79,238	(3.7%)	100.0%
			33,305	53,456	44,019	(17.7%)	—
(Of which, industrial)			50.8%	65.0%	55.6%	(9.4 pts)	—

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

[Affiliated companies] Although the order for a large overseas project was postponed to the second half of the fiscal year, orders in Japan are progressing steadily, and from a full-year perspective, business is proceeding according to plan.



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Here we have the orders received, net sales of completed construction contracts, and orders carried forward by segment.

Starting with orders received, the general new construction segment in Japan grew 11.7% year-on-year to ¥30,500 million on the back of an increase in redevelopment projects in the healthcare sector.

The renovation segment remained flat year-on-year, increasing 6.6% to ¥35,586 million. The nuclear power segment was down year-on-year, but this was because of orders received for a large project in the previous year. The segment has progressed according to plan, down 53.5% year-on-year to ¥3,018 million.

Non-consolidated orders received were up 2.8% year-on-year, amounting to ¥69,106 million, marking the second consecutive period in which orders received surpassed ¥60.0 billion.

Affiliated companies within Japan showed an increase in orders received of 9.9% year-on-year to ¥5,742 million, while overseas affiliates were down 55.4% to ¥4,389 million. Regarding the overseas affiliated companies, although the order for a large project was postponed to the second half of the fiscal year, business is proceeding according to plan, when seen from a full-year perspective.

On a consolidated basis, orders received decreased 3.7% year-on-year to ¥79,238 million, of which orders in the industrial field were ¥44,019 million, which is a year-on-year decrease of 17.7%.

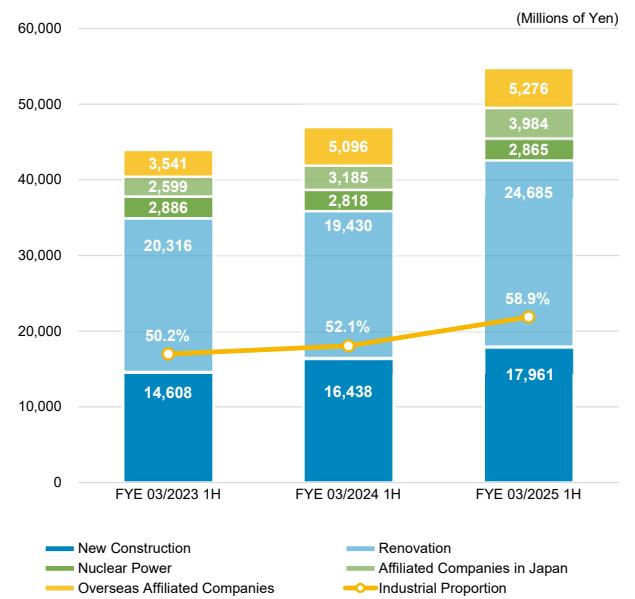
1. Consolidated Financial Results for the Six Months Ended September 30, 2024

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

			(Millions of Yen)				
			1H ended September 30, 2022	1H ended September 30, 2023	1H ended September 30, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	14,608	16,438	17,961	9.3%	32.8%
		Renovation	20,316	19,430	24,685	27.0%	45.1%
		Nuclear power	2,886	2,818	2,865	1.7%	5.2%
Non-consolidated net sales of completed construction contracts			37,811	38,687	45,511	17.6%	83.1%
Affiliated Companies	Japan		2,599	3,185	3,984	25.1%	7.3%
	Overseas		3,541	5,096	5,276	3.5%	9.6%
Consolidated net sales of completed construction contracts			43,952	46,969	54,773	16.6%	100.0%
(Of which, industrial)			22,050	24,472	32,276	31.9%	—
			50.2%	52.1%	58.9%	6.8 pts	—

[Non-consolidated] Construction progressed steadily for both new construction and renovations, with plentiful construction work carried over. Results exceeded those of the same period in the previous fiscal year and remain at a high level. The nuclear power sector has remained at the same level as in the same period of the previous year.

[Affiliated companies] The industrial sector saw gains both within Japan and overseas, with particularly significant growth among affiliated companies in Japan.



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I will now talk about the net sales of completed construction contracts.

With the steady progression of large amounts of construction work carried over, the general new construction segment within Japan grew 9.3% year-on-year to ¥17,961 million, while the renovation segment grew 27% year-on-year to ¥24,685 million. The nuclear power sector grew 1.7% year-on-year to ¥2,865 million.

On a non-consolidated basis, net sales of completed construction contracts increased 17.6% year-on-year to ¥45,511 million. Affiliated companies in Japan saw 25.1% growth year-on-year to ¥3,984 million, while overseas affiliates grew 3.5% year-on-year to ¥5,276 million. These are record highs and have continued to progress at a high level.

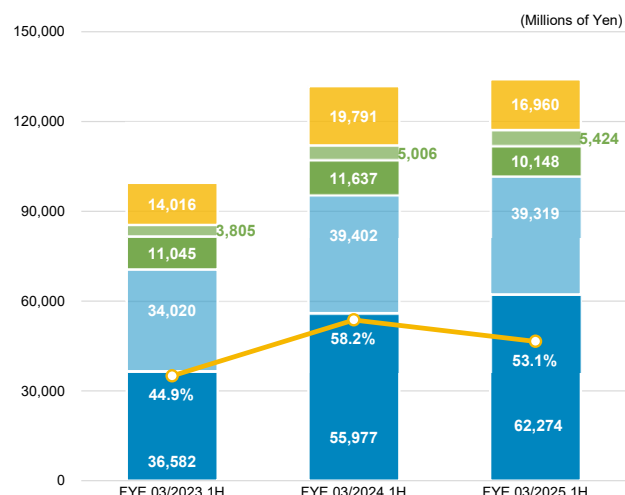
Affiliated companies showed growth both within Japan and overseas, primarily in the industrial sector. Domestic affiliates in particular exhibited significant growth.

On a consolidated basis, net sales of completed construction contracts amounted to ¥54,773 million, up 16.6% year-on-year, of which the industrial sector accounted for ¥32,276 million, which is a year-on-year increase of 31.9%.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024

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

			(Millions of Yen)				
			1H ended September 30, 2022	1H ended September 30, 2023	1H ended September 30, 2024	YoY	Ratio
Non-consolidated Japan	General	New construction	36,582	55,977	62,274	11.2%	46.4%
		Renovation	34,020	39,402	39,319	(0.2%)	29.3%
	Nuclear power		11,045	11,637	10,148	(12.8%)	7.6%
Non-consolidated orders carried forward			81,648	107,017	111,742	4.4%	83.3%
Affiliated Companies	Japan		3,805	5,006	5,424	8.4%	4.1%
	Overseas		14,016	19,791	16,960	(14.3%)	12.6%
Consolidated orders carried forward			99,470	131,815	134,127	1.8%	100.0%
(Of which, industrial)			44,659	76,650	71,277	(7.0%)	—
			44.9%	58.2%	53.1%	(5.1 pts)	—



[Non-consolidated] Having secured high volumes of construction work, new construction is proceeding according to plan in both the healthcare and industrial sectors. Renovations have secured a high level of construction work, mainly in the industrial sector. 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. Regarding affiliated companies overseas, although the volume of construction work has decreased year-on-year, a sufficient amount of construction work has been secured.

Let us move on to orders carried forward on a consolidated basis.

Year-on-year, we have a 1.8% increase to ¥134,127 million.

On a non-consolidated basis, we have secured a high level of orders carried forward in the new construction segment, primarily in the healthcare and industrial sectors, as well as in the renovation segment, with a 4.4% year-on-year increase to ¥111,742 million.

In addition, affiliated companies both in Japan and overseas have secured an abundant volume of construction work, with orders carried forward exceeding ¥130.0 billion on a consolidated basis, marking the second consecutive year with year-on-year increases.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 P. 3
2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 P. 10
3. Shareholder Returns P. 14
4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II P. 17



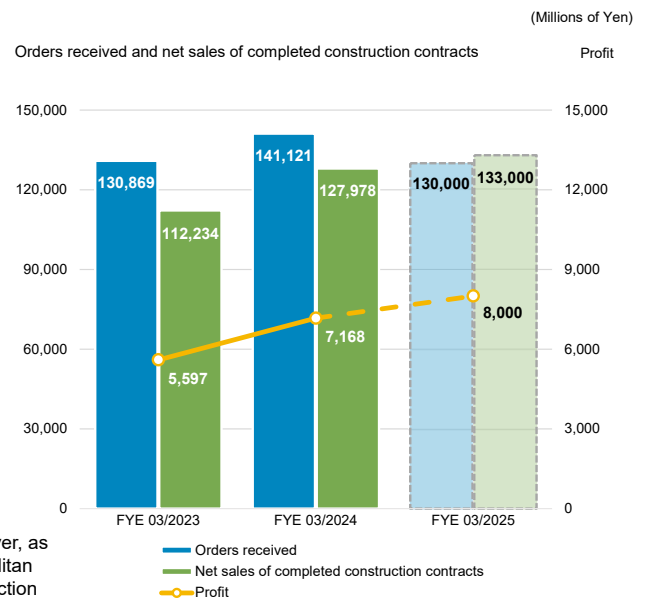
I, Hiroshima, will speak about the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025.

2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

	(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%	0.0 pt	—
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	—

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

[Forecast] Including our affiliated companies, we have an abundance of construction work carried over, as well as many large-scale industrial projects and redevelopment projects in major metropolitan areas. We are therefore strategically planning how to maintain a balance with the construction work we have on hand as we receive and complete orders. Although there are concerns about human capital investments and rising material costs caused by inflation, we plan to increase our year-on-year revenues and profits by improving operational efficiency and reducing costs. In terms of our results, we have maintained a high level of performance through the first half of the fiscal year.



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Regarding the full-year forecast, the Group has an abundance of construction work carried over, large industrial projects, and many redevelopment projects in major metropolitan areas.

The forecasts reflect how we have strategically received and completed construction orders while balancing these various types of construction work on hand.

Although there are concerns about human capital investments and rising material costs, we aim to increase our year-on-year revenues and profits by further improving operational efficiency and reducing costs.

As a result, our first half results have significantly surpassed those of last year.

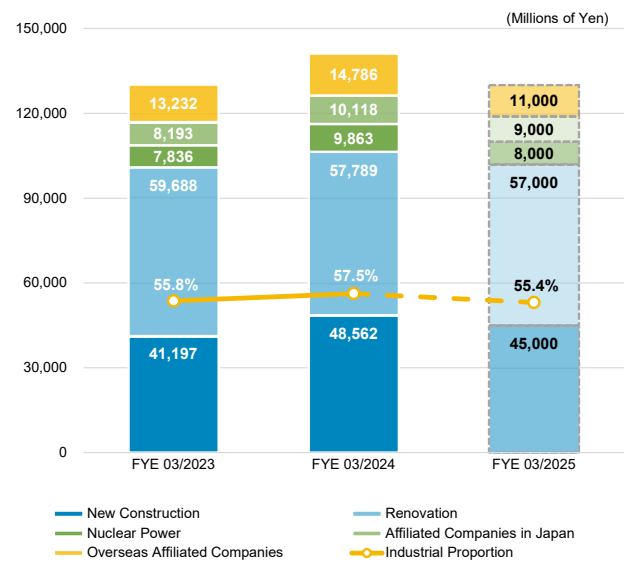
As for our full-year forecast, the figures we announced at the beginning of the fiscal year remain unchanged at this time.

We expect orders received of ¥130.0 billion, net sales of completed construction contracts of ¥133.0 billion, gross profit on completed construction contracts of ¥19.4 billion, operating profit of ¥9.3 billion, ordinary profit of ¥9.8 billion, and profit of ¥8.0 billion.

2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

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

			(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)	—



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Next, let us turn to our forecast for orders received by segment.

As with the overall forecast, at this time there is no change from the figures announced at the beginning of the fiscal year.

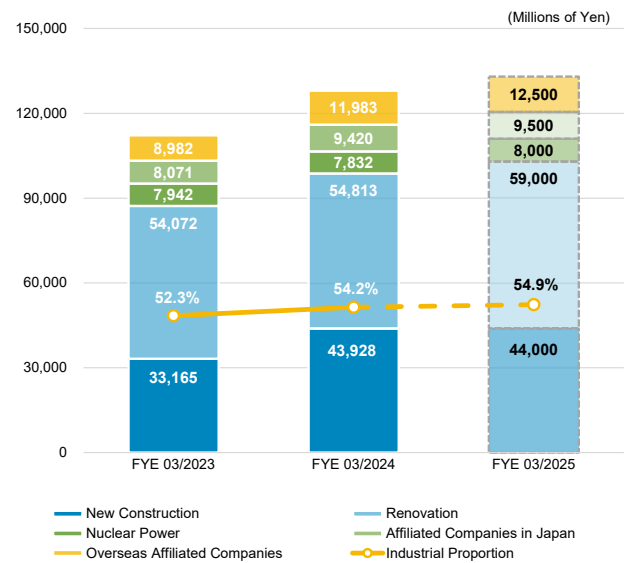
On a non-consolidated basis, we expect orders received of ¥110.0 billion of which ¥45.0 billion will be in the new construction segment, ¥57.0 billion in the renovation segment, and ¥8.0 billion in the nuclear power segment.

In addition, we expect ¥9.0 billion from affiliated companies in Japan and ¥11.0 billion from overseas affiliates. Combined, the consolidated forecast is ¥130.0 billion.

2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

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

			(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%
(Of which, industrial)			58,712	69,346	73,000	5.3%	—
			52.3%	54.2%	54.9%	0.7 pts	—



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I will now go over our forecast for net sales of completed construction contracts.

Again, at this time, there is no change from the figures we announced at the beginning of the fiscal year.

On a non-consolidated basis, we expect net sales of completed construction contracts to amount to ¥111.0 billion, of which ¥44.0 billion will be in the new construction segment, ¥59.0 billion in the renovation segment, and ¥8.0 billion in the nuclear power segment.

In addition, we expect ¥9.5 billion from affiliated companies in Japan and ¥12.5 billion from overseas affiliates. Combined, the consolidated forecast is ¥133.0 billion.

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 P. 3
2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 P. 10
3. Shareholder Returns P. 14
4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II P. 17



Next, I will go over shareholder returns.

Stock Split

In order to raise the level of its stock price and improve liquidity, the Company will enact a stock split with a record date* of December 31, 2024. The Company shall conduct 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]		[Schedule of stock split]	
- Total number of issued shares before the stock split:	24,282,225 shares	- Date of public notice of	
- Number of shares to be increased by this stock split:	24,282,225 shares	the record date (scheduled):	Thursday, December 12, 2024
- Total number of issued shares after the stock split:	48,564,450 shares	- Record date:	Tuesday, December 31, 2024
- Total number of shares authorized to be issued after the stock split:	84,252,100 shares	- Effective date:	Wednesday, January 1, 2025

There will be 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 will [purchase 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: Tuesday, November 12, 2024 to Friday, February 28, 2025

The status of treasury stock as of October 31, 2024

- Total number of issued shares (excluding treasury stock):	22,920,569 shares
- Number of treasury stock:	1,361,656 shares

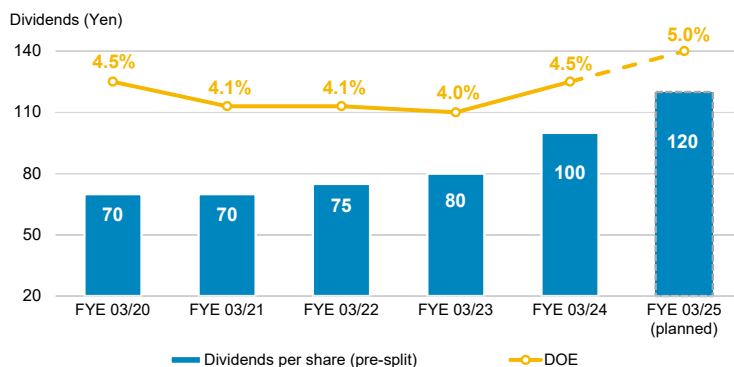
On November 11, 2024, we announced a stock split and treasury stock purchase as a means of returning profits to shareholders.

The purpose of the stock split is to reduce the stock price per investment unit and increase liquidity.

In addition, we will purchase treasury stock up to a maximum total of ¥1.0 billion in order to increase shareholder returns and improve capital efficiency.

Dividend-related

		FYE March 31, 2023	FYE March 31, 2024	(Yen)	
				FYE March 31, 2025 Forecast*	
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 has scheduled 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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In order to ensure a stable return of profits to our shareholders, we maintain a dividend on equity ratio (DOE) of no less than 5%.

In addition, during the period of the long-term management policy SNK Vision 2030, we will pay a progressive dividend up to the fiscal year ending March 31, 2030 and will not reduce dividends, in order to provide a stable return of profits to shareholders. We plan to pay a total annual dividend of ¥120 per share, made up of ¥60 at the second quarter end and ¥60 at fiscal year end, based on a pre-split conversion. Besides, as I explained above, we have scheduled a stock split of our common stock at a 2-for-1 ratio with the effective date of January 1, 2025, so the post-split year-end dividend per share is planned to be ¥30.

1.	Consolidated Financial Results for the Six Months Ended September 30, 2024	P. 3
2.	Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025	P. 10
3.	Shareholder Returns	P. 14
4.	State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II	P. 17



I will now hand over the floor to General Manager Imanaka, who will explain the state of progress of the mid-term business plan SNK Vision 2030 Phase II.

My name is Imanaka, and I am the general manager of the Management & Planning Office. I will now explain the progress we are making with Phase II of our mid-term business plan, which is the second stage of our 10-year vision and long-term management policy SNK Vision 2030.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

Identifying and working on the materiality of our fundamental issues to “contribute to the sustainability of society” and “enhance the sustainability of management”

Fundamental issues	Materiality
Promoting proactive efforts to contribute to the global environment	<ul style="list-style-type: none"> - Preventing global warming by achieving carbon neutrality - Protecting the natural environment (combating water, air, and soil pollution) and creating a society that coexists with nature
Promoting technological innovation	<ul style="list-style-type: none"> - Providing superior construction and air quality - Developing new technologies to solve social problems, mitigate disasters, and increase resilience - Promoting technology cooperation and joint development through industry-academia-government and regional cooperation initiatives, etc.
Strengthening capabilities at the work site (ensuring safety and quality, supporting supply chain relationships, improving technical capabilities)	<ul style="list-style-type: none"> - Eliminating occupational accidents - Strengthening supply chains - Improving productivity
Improving employee engagement and increasing respect for human rights	<ul style="list-style-type: none"> - Health and productivity management, promoting a work-life balance - Developing the next generation of human resources - Diversity & inclusion - Respect for human rights - Promoting engagement with stakeholders
Thoroughly practicing corporate ethics	<ul style="list-style-type: none"> - Maintaining compliance - Optimizing risk management - Strengthening information security - Engaging in fair business practices

In Phase II, our mid-term business plan, we have identified 17 material issues to contribute to the sustainability of society and enhance the sustainability of management.

Through these efforts, we aim to be a group of engineers who leverage knowledge and technology to create a sustainable global environment and increase the value of our customers' assets.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

[Materiality]

- Preventing global warming by achieving carbon neutrality
- Protecting the natural environment (combating water, air, and soil pollution) and creating a society that coexists with nature

Initiatives aimed at obtaining Science Based Targets (SBT) certification

Rating evaluations based on the efforts for the Carbon Disclosure Project (CDP) A-list and Task Force on Climate-related Financial Disclosure (TCFD)

➤The Group considers environmental issues to be important management concerns for the achievement of a sustainable global environment.

The Company has already submitted a letter of commitment to obtain SBT certification and is setting GHG emission reduction targets based on scientific evidence in order to obtain SBT certification within the current fiscal year
With 2021 as the base year, the Company aims to achieve the following GHG reductions by 2030

[Concrete reduction targets]

- Scope 1 + Scope 2: 60.6% reduction (41.6% reduction in FY2023)
- Scope 3: 22.5% reduction (3.3% increase in FY2023)



➤The Group has put in place a governance structure to enable the Board of Directors and management team to regularly monitor climate-related issues and make strategic decisions

Having assessed the impact of climate change on our business and embarked on our long-term strategy of developing low-carbon technologies, improving energy efficiency, and expanding the use of renewable energy, we are proactively and effectively addressing climate-related risks and opportunities. As a result of these efforts, we have been selected as a Carbon Disclosure Project (CDP) A-score company and by global index provider FTSE Russell as a component of the FTSE Blossom Japan Sector Relative Index.



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In its efforts to achieve a sustainable global environment, the Group considers environmental challenges to be important management issues.

To reach a decarbonized society, we aim to obtain SBT certification by setting greenhouse gas emission reduction targets based on scientific evidence, raising the rate at which we adopt renewable energy, and proactively proposing energy-saving improvements.

In concrete terms, we are targeting a 60.6% reduction in Scope 1 and Scope 2 emissions, as well as a 22.5% reduction in Scope 3 emissions by the end of FY2030. Having assessed the impact of climate change on its business operations, the Group has enacted proactive and effective measures.

As a result, we received an A score, the highest rating possible, from the international evaluation organization CDP.

In addition, FTSE Russell selected us as a component of the FTSE Blossom Japan Sector Relative Index.

We will continue with our efforts to achieve a sustainable global environment.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

[Materiality]

- Developing new technologies to solve social problems, mitigate disasters, and increase resilience
- Promoting technology cooperation and joint development through industry-academia-government and regional cooperation initiatives, etc.

Joint research with Chiba University's Research Institute of Disaster Medicine

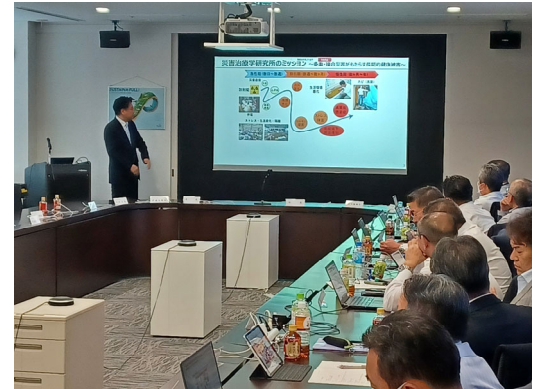
➤ Research on safe medical structures and air conditioning systems to respond to radiation disasters under the theme of Radiation Disaster Medical Treatment Studies

- (1) Radiation exposure countermeasures for container medical units
Issue: Considering operating in a radioactive environment
- (2) Contamination control in hospitals and elderly care facilities
Issue: Consideration of positive pressurization and countermeasures against infectious diseases and odors



The exterior of CoMU®

A container medical unit (Chiba University Container Medical Unit CoMU®)



Lecture by Dr. Tanaka, Director of Research Institute of Disaster Medicine at Chiba University School of Medicine, to the management team
Theme: "The Mission and Future of the Research Institute of Disaster Medicine"

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Allow me to explain our efforts to develop technologies to mitigate disaster and increase resilience and new technologies to solve emerging social issues.

Under the theme of Radiation Disaster Medical Treatment Studies, the Company is conducting research into safe medical structures and air conditioning systems that can respond to radiation disasters. In this effort, we are collaborating with Chiba University's Research Institute of Disaster Medicine to study countermeasures to address exposure in container medical units and contamination in hospitals and elderly care facilities.

Through these efforts, we will support the development of technologies to improve the safety of the medical environment in the event of a disaster.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

[Materiality]

- Preventing global warming by achieving carbon neutrality
- Promoting technology cooperation and joint development through industry-academia-government and regional cooperation initiatives, etc.

Collaboration with startups and venture capital firms

►Development of an internal knowledge sharing platform leveraging generative AI

Working with Deepreneur Inc. to develop a platform to effectively manage and utilize vast amounts of internal documents and information

Aiming to increase productivity to improve the performance of the entire organization
Became operational in May 2024 under the name "Knowledge Hiroba" (Knowledge Plaza)

►Formed a capital and business alliance with a startup that develops VPP* platforms

Having concluded a capital and business alliance with Shizen Connect Inc. with the goal of socially implementing VPP, we aim to contribute to the global environment by improving the sophistication of services and developing businesses in the field of energy management using VPP.

*Virtual Power Plant (VPP) is a system that offers the similar functions as a large power plant by combining and controlling resources that generate, store and use electricity, such as storage batteries, electric vehicles (EVs), private power generation equipment and air conditioning equipment owned by households and companies.

►Launched collaboration with multiple venture capital firms, each with its own strengths

In order to accelerate and deepen our collaboration with startups, the Company began collaborating with an incubation fund that possesses extensive experience in supporting startups in a wide range of fields and venture capital firms that specialize in supporting deep-tech startups

President Hiroshima speaking at the kickoff event for "mirai cross 2025," an initiative in which the Company participates



The mirai cross home page



Dialogue with startup leaders



President Hiroshima



Representative Director Sawada of Deepreneur Inc.

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Moving on, I will talk about our partnerships with startups and venture capital firms.

The Company has concluded a capital and business alliance with startup companies developing a VPP platform and an internal knowledge sharing platform that leverages generative AI.

We are also collaborating with several venture capital firms—each with its own unique strengths—to create new value.

In addition, at the kick-off event of "mirai cross 2025," an initiative in which the Company is a participant, President Hiroshima held a dialogue with Representative Director Sawada of Deepreneur Inc. to discuss the development of the platform, further accelerating collaboration with startup companies.

Through these activities, we will continue to proactively create new technologies and business models for the future.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

[Materiality]

- Providing superior construction and air quality - Developing new technologies to solve social problems, mitigate disasters, and increase resilience
- Promoting technology cooperation and joint development through industry-academia-government and regional cooperation initiatives, etc.
- Strengthening supply chains - Improving productivity - Health and productivity management, promoting a work-life balance
- Developing the next generation of human resources

Decision made to open SNK EBINA Innovation X HIVE, a base for new technology development, in early 2027

➤Engaging in research themes based on the social background and customers' demands, as well as developing future-oriented technologies

In addition to engaging in initiatives related to the environment, energy, nuclear power, new technology development, and improving construction techniques, we will offer problem-solving solutions using particulate visualization and simulation technology to develop future-oriented technologies.

➤Office spaces that emphasize work style reforms and well-being

As indicated by its name "SNK EBINA Innovation X HIVE," the new technology development base will be an office space created in the image of a HIVE with a lively atmosphere where a diverse group of innovators (I) can come together (X) and engage in technological development.

We will incorporate the latest ICT technologies and leverage natural energy and resources such as sunlight, geothermal heat, the atmosphere, and rainwater to obtain evaluation certifications such as CASBEE-Wellness Office and achieve ZEB status.



Illustration of the planned construction of MFIP Ebina, image courtesy of Mitsui Fudosan Co., Ltd.

EBINA | x HIVE

SNK EBINA Innovation X HIVE logo

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We made the decision to open SNK EBINA Innovation X HIVE, a base for new technology development at Mitsui Fudosan Industrial Park Ebina in early 2027.

In addition to engaging in research themes rooted in the social background and customers' demands, we will push forward with the development of future-oriented technologies.

Furthermore, we are emphasizing work style reforms and well-being to create an innovation-friendly environment.

Our aim is to make this new base a vibrant space where diverse members from a variety of sectors can come together in a lively atmosphere to promote technological development.

SNK EBINA Innovation X HIVE will embody this vision and serve as a driving force to bring new technology and value to customers.

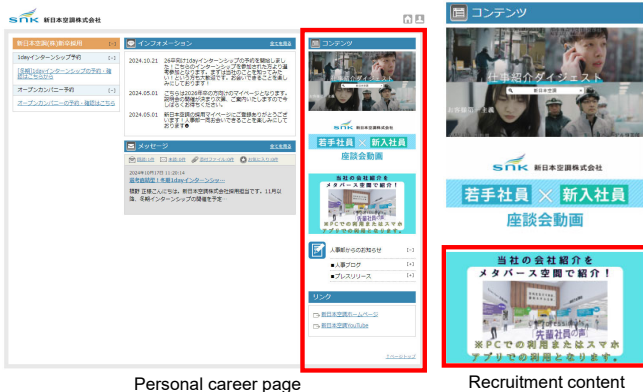
4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II

- Developing the next generation of human resources
- Diversity & inclusion

Using the metaverse platform METAGO to secure a diverse workforce: Creating innovative meeting places where the real and digital come together

➤ Providing a platform for real-time interaction with diverse human resources

With the goal of attracting interest from diverse human resources, we provide an environment where students from distant locations can easily join company tours and deepen their understanding of our company. Communication through avatars is also possible, creating an environment that facilitates the sharing of true feelings and reducing hiring mismatches. Furthermore, we will enrich content and approach job seekers from new angles as part of our activities to recruit new graduates and mid-career candidates.



Personal career page

Recruitment content



Staff members explain our businesses



Description of our proprietary technologies

[Excerpted from our questionnaire to participants]

Q: How much do recruitment activities using the metaverse affect your level of interest in the Company?

- Significantly: 27.0% - Somewhat: 48.7% - Not much: 16.2% - Not at all: 8.1%

As part of efforts to secure the next generation of talent, we have launched a new recruiting initiative leveraging the metaverse to deepen job seekers' interest in and understanding of our company.

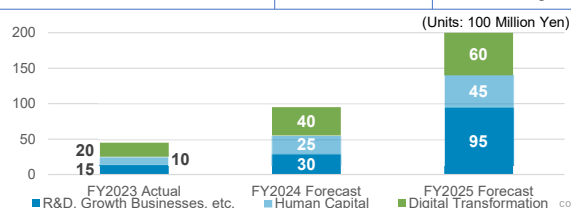
Through this initiative, we offer an avenue for more people to feel what is attractive about our company.

Going forward, we will further flesh out our content and develop a multifaceted approach to job seekers in order to secure excellent human resources.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II [Investment Plan]

Investment area	Key measures to be implemented by the end of FYE March 31, 2025	Total planned investment, FY2023–FY2024	Plan up FYE March 31, 2026
R&D, growth businesses, environment, etc.	<ul style="list-style-type: none"> R&D - Development of proprietary technology Growth businesses - Capital increase to overseas subsidiaries - Opening logistics center Environment - Investing in green bonds and social bonds Other - Creating comfortable working spaces 	Approx. ¥3.0 billion	<ul style="list-style-type: none"> R&D - Expansion of R&D Growth businesses - Collaborating with startups - Expanding logistics centers nationwide - Utilizing M&A Environment - ESG investments, etc.
Human capital	<ul style="list-style-type: none"> - Wage increases and personnel increases - Introducing training to increase employee engagement - Introduction of a restricted stock incentive plan for the employee shareholders association 	Approx. ¥2.5 billion	<ul style="list-style-type: none"> - Strengthening branding - Acquiring and training human resources (new graduates and mid-career hires) - Improving engagement - Enhancing reskilling, etc.
Digital transformation	<ul style="list-style-type: none"> - Optimizing core systems and developing digital tools - Adopting generative AI 	Approx. ¥4.0 billion	<ul style="list-style-type: none"> - Promoting the digitalization of the work site - Utilizing generative AI - Promoting digital integration, etc.

Investing ¥15.0–20.0 billion over 3 years (FY2023–FY2025)



■ R&D, Growth Businesses, etc. ■ Human Capital ■ Digital Transformation copyright © SHIN NIPPON AIR TECHNOLOGIES CO.,LTD. all rights reserved.24

Our investment plan for future growth is to invest a total of 15.0–20.0 billion yen over three years from FY2023 in R&D, growth businesses, the environmental sector, and other areas, as well as in human capital and digital transformation.

In FY2024 in particular, we will pursue growth strategies such as R&D in proprietary technologies, collaborating with startups, increasing the capital of overseas subsidiaries, and opening logistics centers, as well as promoting ESG investments that leverage green bonds and social bonds.

We are also working to create comfortable office spaces, raising wages, increasing and training our human resources, as well as proactively engaging in digital transformation by optimizing core systems, developing digital tools, and introducing generative AI.

By the end of FY2024, we plan to have invested a cumulative total of ¥9.5 billion in these initiatives since FY2023.

We will continue to steadily implement initiatives based on this plan.

4. State of Progress of the Mid-Term Business Plan SNK Vision 2030 Phase II [Cross-Shareholdings]

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

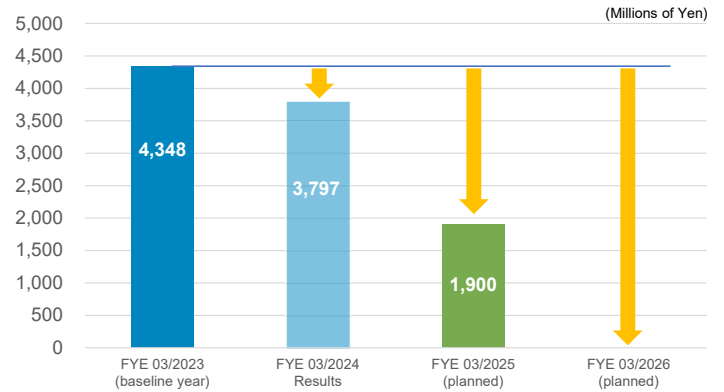


Target reduction of cross-shareholdings (20%)

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

Reduction: (¥4,348 million)

Breakdown of target reduction of cross-shareholdings



When it comes to cross-shareholdings, we holistically review the significance of each stock before deciding whether to hold or sell it.

In accordance with our policy on cross-shareholdings, we aim to reduce our holdings by 20% or more by the end of FY2025, compared to the end of FY2022.

In concrete terms, the market value of the cross-shareholdings at the end of FY2022 was ¥21,738 million.

By the end of FY2025, we will have reduced our holdings by at least ¥4,348 million.

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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That concludes our financial results briefing for the six months ended September 30, 2024.

Thank you for your attention.