

ANNUAL REPORT 2021

Year ended March 31, 2021



Profile

Shin Nippon Air Technologies Co., Ltd. (SNK or the Company) is a leading Japanese engineering company and applies its proprietary engineering systems to control not only air, water and heat, but also all other aspects of air conditioning, electrical and sanitary facilities. The Company offers comprehensive engineering solutions based on air conditioning, which range from the creation of a better human environment for offices, shopping centers, hospitals, hotels, museums, etc.; the creation of industrial facilities, such as clean rooms, and constant temperature and humidity rooms for semiconductor plants, pharmaceutical plants, R&D centers and similar facilities; to the construction of district heating & cooling systems.

SNK was incorporated in 1969 to take over the air conditioning construction activities of Toyo Carrier Engineering Co., Ltd., a company which had been established in 1930 as a joint venture between the Mitsui Group and Carrier Corporation of USA, an early pioneer in the field of air conditioning systems. The Company and its predecessor have an outstanding record of achievements, including providing air conditioning systems for Japan's first nuclear reactor at the Japan Atomic Energy Research Institute (1957) and for Japan's first skyscraper, the Kasumigaseki Building (1968); the construction of a district heating and cooling system for the Shinjuku New City (1971); and air conditioning for the Johyoh fast breeder reactor in Ibaraki Prefecture (1974).

Since entering overseas markets in 1973, SNK has executed projects in 36 countries for the provision of air conditioning and electrical facilities, as well as for firefighting, water supply, and sewage treatment and sanitary facilities; and has developed into a comprehensive engineering and construction company.

The Company currently has three overseas subsidiaries, based in China, Sri Lanka and Singapore, which assist its customers in developing their operations throughout Asia through the provision of engineering and construction of facilities.

In recent years, SNK has been placing great emphasis on making proposals for engineering solutions in the energy saving and environmental fields. The Company's solutions have earned it a high reputation in Japan and in those countries throughout the world where it carries on business.

Contents

Financial Highlights	
1	
Message from the President	
2	
Major construction projects recently completed	
4	
Topics	
5	
Consolidated Balance Sheet	
7	
Consolidated Statement of Income	
9	
Consolidated Statement of Comprehensive Income	
10	
Consolidated Statement of Changes in Equity	
11	
Consolidated Statement of Cash Flows	
12	
Notes to Consolidated Financial Statements	
14	
Independent Auditor's Report	
28	
Board of Directors, Corporate Data	
32	

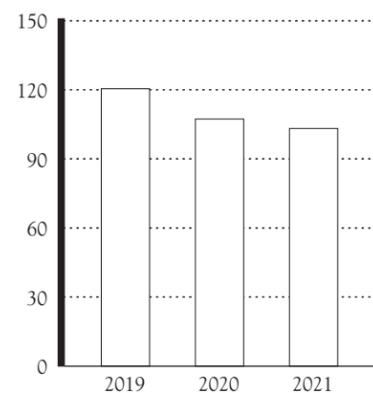
Financial Highlights

Shin Nippon Air Technologies Co., Ltd.
Years ended March 31

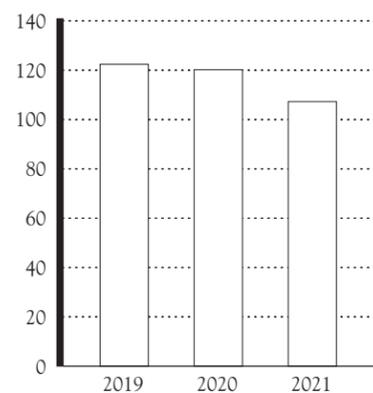
	Millions of Yen			Thousands of U.S. Dollars
	2019	2020	2021	2021
For the year:				
Orders received	¥120,530	¥107,305	¥103,255	\$ 930,224
Revenues from construction	122,390	120,106	107,254	966,250
Operating income	3,885	6,409	6,386	57,532
Net income attributable to owners of the parent	3,095	4,604	4,638	41,784
At year-end:				
Total assets	¥102,026	¥ 98,926	¥ 98,635	\$ 888,603
Current assets	74,665	74,481	70,128	631,783
Net property, plant and equipment	3,417	3,208	2,835	25,540
Current liabilities	56,187	52,654	45,174	406,972
Net shareholders' equity	43,065	44,404	50,705	456,798

Note: U.S. dollar amounts represent translations of Japanese yen amounts at the exchange rate on March 31, 2021 of ¥111 to US\$1.

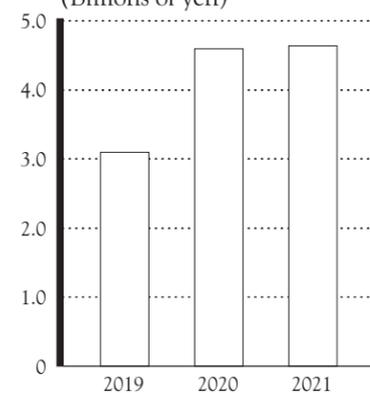
Orders Received
(Billions of yen)



Revenues from Construction
(Billions of yen)



Net Income attributable to
owners of the parent
(Billions of yen)



Message from the President



Review of Operations

1) Business Operations and Results

During the fiscal year 2020 which ended on March 31, 2021, the global economy suffered a sharp downturn due to the global spread of the novel coronavirus (COVID-19), which has had a great impact on people's lives and business activities. In the Japanese economy also, the first half of the year was marked by a significant downturn, followed by signs of a recovery trend in the second half of the year. Business sentiment among companies was clearly polarized, with manufacturing industries such as electronic devices, precision instruments, and food-related industries holding firm and their capital investment recovering.

In the construction industry in which SNK and its subsidiaries (together the SNK Group or the Group) operate, while real-estate investment such as redevelopment projects in central Tokyo continued to be brisk, the shortage of engineers and skilled workers, and the trend of price increases in materials, equipment and labor costs continued. In addition, initiatives in response to technological innovation by utilizing artificial intelligence (AI) and the internet of things (IoT), as well as to enhance productivity by implementing digital transformation and achieve workstyle reform, have all become issues that are essential for future business continuation and growth.

Against the above background, the Group established SNK Vision 2030, a 10-year vision stipulating that "the SNK Group shall strive to be an organization of engineers that utilizes knowledge and technology to realize a sustainable global environment and improve the value of customers' assets." The Group also established the next mid-term business plan, "SNK Vision 2030 Phase I" (fiscal 2020 to fiscal 2022), which is the first phase of SNK Vision 2030. The Group operated its business in accordance with the following five basic strategies in the first year of Phase I:

(i) Business Foundation Reinforcement Strategy, (ii) Profitability Improvement Strategy, (iii) Human Capital Strategy, (iv) Digital Transformation Strategy, and (v) Corporate Governance Strategy.

As a result, the Group's orders received during the fiscal year decreased 3.8% on a year on year basis to ¥103,255 million and revenues from construction decreased 10.7% year on year to ¥107,254 million. Revenues carried forward to the next fiscal year decreased ¥3,999 million to ¥68,405 million.

With regard to overall profit, the Group's gross profit decreased 1.9% year on year to ¥13,917 million, operating income decreased 0.4% to ¥6,386 million and ordinary income decreased 2.0% to ¥6,677 million, while net income attributable to owners of the parent increased 0.7% year on year to ¥4,638 million.

2) Issues to be Addressed

The Group has established the mid-term business plan, SNK Vision 2030 Phase I, which started in fiscal 2020, and is addressing the following five business issues: (i) Business Foundation Reinforcement Strategy, (ii) Profitability Improvement Strategy, (iii) Human Capital Strategy, (iv) Digital Transformation Strategy, and (v) Corporate Governance Strategy, all of which are the five basic strategies of the 10-year SNK Vision 2030.

The business plan consists of business issues for SNK Vision 2030, which stipulates that "the SNK Group shall strive to be an organization of engineers that utilizes knowledge and technology to realize a sustainable global environment and improve the value of customers' assets." The Group has defined the four intellectual capitals that form the basis of value creation (human capital, relationship capital, organizational capital, and sustainability capital) as the corporate value to be improved. While promising sustainable growth of natural capital with an awareness of environmental conservation on a global scale, the Group will aim to improve its corporate value under the slogan of reforming, improving, and leaping into the future by continuing to utilize the four intellectual capitals.

S. Maekawa

Major construction projects recently completed

H.U.Bioness Complex
Tokyo



Tokyo Metropolitan Old Fuchu Medical Center for the Disabled
Tokyo



Shin-Etsu(Jiangsu)Optical Preform Co., Ltd.
Optical Cable Parts Manufacturing Factory Phase2
Jiangyin, Jiangsu, China



Nagoya mitsui north building
Aichi Prefecture



Topics

“Portable Anti-virus Filter Unit” and “Freestanding Anti-Infection Hood” Receive the “STOP Infectious Disease Award” of the Japan Resilience Awards

The portable anti-virus filter unit and freestanding anti-infection hood developed by the Company in collaboration with NISSIN GIKEN CO., LTD. received the Excellence Award in the First STOP Infectious Disease Award at the 7th Japan Resilience Awards 2021 (organized by the Association for Resilience Japan). The STOP Infectious Disease Award is a newly established category for initiatives and solutions (technologies, products, and services) that contribute to countermeasures against infectious diseases.

The award-winning portable anti-virus filter unit and freestanding anti-infection hood were developed to prevent droplet infection among healthcare workers, as droplet infection is one of the factors in the spread of COVID-19. The Company developed a compact and easily movable duct connection type filter unit, which is an air purifier using an anti-virus HEPA filter, and an anti-infection hood which prevents droplets from patients during medical examinations, and combined them into a “droplet infection prevention system for medical examinations of patients with infectious diseases,” then launched the product in September 2020.

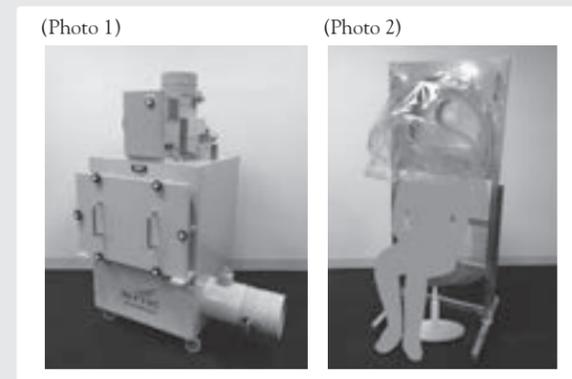
Outline of Developed Products

(1) Portable anti-virus filter unit (duct connection type) (Photo 1)

This is a compact filter unit consisting of a low-noise fan, an anti-virus HEPA filter integrated with a prefilter, and an operation panel, and the main body is equipped with casters for easy movement. The anti-virus HEPA filter is a glass fiber filter material coated with a lytic enzyme, which is effective in inactivating viruses and sterilizing bacteria.

(2) Freestanding anti-infection hood (duct connection type) (Photo 2)

This consists of a hood that covers the patient's head and deals with exhaust air. It includes a mounting base and a mobile stand.



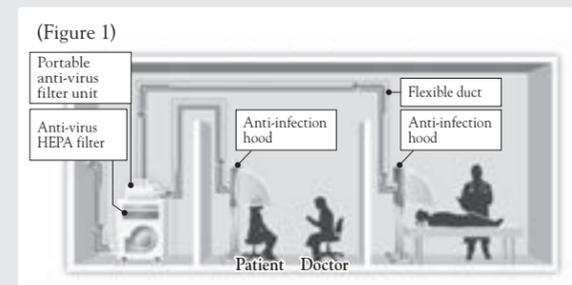
Outline of the Droplet Infection Prevention System for Medical Examinations of Patients with Infectious Diseases

This system reduces the risk of infection to doctors and nurses by droplets from patients by connecting a freestanding anti-infection hood that covers the patient's head and a portable anti-virus filter unit through a duct, and exhausting air from the hood. In addition, contaminated air from the hood, including droplets, is reliably filtered by the filter unit, which incorporates an anti-virus HEPA filter. By exhausting the filtered air outside, the room where the patient is located is kept under negative pressure, preventing air leakage into the surrounding rooms.

The anti-infection hood can be used both when the patient is seated in a chair and when the patient is lying in bed, and one filter unit can be used for two anti-infection hoods (Figure 1).

The filter unit can also be used as a stand-alone air purifier not only in clinics and hospitals, but also in other facilities (Figure 2).

This system can be used in any facility, including medical facilities, and is expected to be deployed in various applications. The system has received several awards since its development.



Award History

- 19th Environmental and Equipment Design Award M&E Equipment / System Design Category / Organizer: Association of Building Engineering and Equipment Award: Winning
- 2021 The Grand Prize of “Disaster prevention · Disaster mitigation × Sustainable” / Organizer: Society for Sustainable Mitigation And Related Technologies Against Catastrophic Events Award: Global Award

Topics

Utilizing VR Technology for On-Site Support – Initiatives to Promote Digitalization –

The Company is working to improve operational efficiency by promoting digitalization, and as one of the measures, it has established an “on-site support system using VR technology” to provide an environment enabling the checking of construction status from a remote location. This system is used in the Company's design and construction of air conditioning systems for nuclear facilities.

The Company's Nuclear Power Division is headquartered in Yokohama City, Kanagawa Prefecture, and has sub-branches in eight nuclear power plants and other nuclear-related facilities in Japan, where we are involved in the design and construction of air conditioning systems. In the nuclear facility projects, which require highly specialized knowledge and experience, the construction management is usually carried out by local staff, and at the key points in the process, experienced design and quality control staff from the headquarters visit the site to check the construction status and support various inspections, in order to ensure the quality of construction. However, in cases where multiple sites are involved at the same time, there are issues such as securing personnel, including schedule adjustments for travel, etc. Furthermore, the recent spread of the COVID-19 infection has caused new problems, such as restrictions on the movement of people and access to sites. As a new way to deal with these issues, we have established the “on-site support system using VR technology.”

With this system, a video of the on-site situation shot by the on-site personnel is stored on a dedicated server, which is then viewed remotely using special goggles. With the goggles, viewers can look across 360 degrees according to their own perspective by moving their faces toward the direction they want to view, and up to 10 units can be connected simultaneously.

In addition, as well as establishing a video shooting method suitable for air conditioning installation sites, the Company has established a system that allows its employees to shoot a video, view the video and provide the advice efficiently and quickly. The Company believes that this will enable it to gain a more realistic understanding of on-site conditions and provide concrete support even from a distance. Therefore the burden of an on-site person can be reduced and the construction quality can be improved.

As a new way of utilizing VR technology, the Company will expand the scope of the system's use to include the production of safety instructional content that simulates actual disaster sites, educational materials of the construction site video in the order of processes, and tools for providing manufacturing instruction and quality control to equipment manufacturers in remote locations.

Rather than merely using VR technology, the Company is also accelerating its digitalization efforts to further improve the business efficiency and promote the use of information.



Consolidated Balance Sheet

Shin Nippon Air Technologies Co., Ltd. and Subsidiaries
March 31, 2021

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
CURRENT ASSETS:			
Cash and cash equivalents (Note 17)	¥12,096	¥12,410	\$108,971
Short-term investments (Notes 4, 15 and 17)	77	77	694
Receivables (Note 17):			
Notes receivable – trade	240	1,372	2,166
Electronically-recorded monetary claims	3,459	1,961	31,163
Accounts receivable – trade	52,451	56,803	472,536
Allowance for doubtful accounts	(290)	(297)	(2,616)
Inventories (Note 6)	1,134	1,471	10,215
Other current assets	961	684	8,654
Total current assets	70,128	74,481	631,783
PROPERTY AND EQUIPMENT:			
Land (Note 5)	758	780	6,832
Buildings and structures (Note 5)	6,700	6,912	60,364
Machinery, equipment, tools, furniture, and fixtures	1,080	1,121	9,726
Lease assets (Note 16)	96	96	865
Construction in progress	14		126
Total property and equipment	8,648	8,909	77,913
Accumulated depreciation	(5,813)	(5,701)	(52,373)
Net property and equipment	2,835	3,208	25,540
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 4 and 17)	23,006	18,699	207,262
Rental deposits	927	922	8,351
Investments in insurance contracts	22	241	201
Deferred tax assets (Note 13)	235	305	2,113
Net defined benefit asset (Note 10)	123	61	1,110
Other assets	1,569	1,189	14,137
Allowance for doubtful accounts	(210)	(180)	(1,894)
Total investments and other assets	25,672	21,237	231,280
TOTAL	¥98,635	¥98,926	\$888,603

See notes to consolidated financial statements.

Consolidated Balance Sheet

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
CURRENT LIABILITIES:			
Short-term bank loans (Notes 8 and 17)	¥ 6,471	¥ 6,780	\$ 58,301
Current maturities of long-term debt (Notes 8, 16 and 17)	230	560	2,073
Payables (Note 17):			
Notes payable – trade	1,132	1,472	10,197
Electronically recorded obligations – operating	1,070	501	9,641
Accounts payable – trade	27,023	33,288	243,448
Income taxes payable (Notes 13 and 17)	1,053	1,874	9,487
Advances received on construction work in progress (Note 9)	2,614	2,671	23,554
Accrued expenses	3,920	3,417	35,317
Allowance for loss on construction contracts (Note 3)	663	990	5,969
Other current liabilities	998	1,101	8,985
Total current liabilities	45,174	52,654	406,972
LONG-TERM LIABILITIES:			
Long-term debt (Notes 8, 16 and 17)	243	470	2,187
Liability for retirement benefits (Note 10)	227	257	2,048
Deferred tax liabilities (Note 13)	2,269	1,116	20,440
Other long-term liabilities	17	25	158
Total long-term liabilities	2,756	1,868	24,833
EQUITY (Notes 11 and 19):			
Common stock – authorized, 84,252,100 shares; issued, 24,282,225 shares in 2021 and 2020	5,159	5,159	46,474
Capital surplus	6,906	6,888	62,219
Stock acquisition rights (Note 12)	150	168	1,348
Retained earnings	30,508	27,497	274,849
Treasury stock – at cost, 1,025,809 shares and 1,067,874 shares in 2021 and 2020, respectively	(1,623)	(1,690)	(14,625)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	9,535	6,223	85,904
Foreign currency translation adjustments	70	159	629
Total	9,605	6,382	86,533
Total equity	50,705	44,404	456,798
TOTAL	¥98,635	¥98,926	\$888,603

Consolidated Statement of Income

Shin Nippon Air Technologies Co., Ltd. and Subsidiaries
Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
REVENUES FROM CONSTRUCTION (Note 3)	¥107,254	¥120,106	\$966,250
COSTS OF CONSTRUCTION CONTRACTS (Note 7)	93,337	105,920	840,870
Gross profit	13,917	14,186	125,380
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)	7,531	7,777	67,848
Operating income	6,386	6,409	57,532
OTHER INCOME (EXPENSES):			
Interest and dividend income	381	413	3,433
Interest expense	(22)	(29)	(197)
Loss on devaluation of investment securities (Note 4)		(354)	
Foreign exchange loss – net	(13)	(26)	(118)
Gain on sales of investment securities (Note 4)		240	
Loss on impairment of long-lived assets (Note 5)	(208)		(1,876)
Other – net	(51)	219	(458)
Other income – net	87	463	784
INCOME BEFORE INCOME TAXES	6,473	6,872	58,316
INCOME TAXES (Note 13):			
Current	1,997	2,523	17,994
Deferred	(162)	(255)	(1,462)
Total income taxes	1,835	2,268	16,532
NET INCOME	4,638	4,604	41,784
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 4,638	¥ 4,604	\$ 41,784
		Yen	U.S. Dollars
	2021	2020	2021
PER SHARE OF COMMON STOCK (Notes 2.s and 19):			
Basic net income	¥199.51	¥197.07	\$1.80
Diluted net income	198.51	195.96	1.79
Cash dividends applicable to the year	70.00	70.00	0.63

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Shin Nippon Air Technologies Co., Ltd. and Subsidiaries
Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
NET INCOME	¥4,638	¥ 4,604	\$41,784
OTHER COMPREHENSIVE INCOME (LOSS) (Note 18):			
Unrealized gain (loss) on available-for-sale securities	3,312	(1,610)	29,843
Foreign currency translation adjustments	(89)	(42)	(804)
Total other comprehensive income (loss)	3,223	(1,652)	29,039
COMPREHENSIVE INCOME	¥7,861	¥ 2,952	\$70,823
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO – Owners of the parent	¥7,861	¥ 2,952	\$70,823

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

Shin Nippon Air Technologies Co., Ltd. and Subsidiaries
Year Ended March 31, 2021

	Millions of Yen									
	Thousands									
	Number of Shares of Common Stock Issued	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Total Equity
BALANCE, APRIL 1, 2019	25,282	¥5,159	¥ 6,888	¥176	¥25,642	¥(2,834)	¥ 7,833	¥201	¥8,034	¥43,065
Net income attributable to owners of the parent					4,604					4,604
Cash dividends, ¥70 per share					(1,285)					(1,285)
Purchase of treasury stock (191,005 shares)						(401)				(401)
Disposal of treasury stock (13,200 shares)				(5)		19				14
Cancellation of treasury stock (1,000,000 shares)	(1,000)		(1,469)			1,469				
Restricted share-based remuneration (38,991 shares)			10			57				67
Transfer of retained earnings to capital surplus			1,464		(1,464)					
Net change in the year				(8)			(1,610)	(42)	(1,652)	(1,660)
BALANCE, MARCH 31, 2020	24,282	5,159	6,888	168	27,497	(1,690)	6,223	159	6,382	44,404
Net income attributable to owners of the parent					4,638					4,638
Cash dividends, ¥70 per share					(1,627)					(1,627)
Purchase of treasury stock (746 shares)						(2)				(2)
Disposal of treasury stock (14,700 shares)				(5)		24				19
Restricted share-based remuneration (28,111 shares)			23			45				68
Net change in the year				(18)			3,312	(89)	3,223	3,205
BALANCE, MARCH 31, 2021	24,282	¥5,159	¥ 6,906	¥150	¥30,508	¥(1,623)	¥ 9,535	¥ 70	¥9,605	¥50,705

Thousands of U.S. Dollars (Note 1)

	Thousands of U.S. Dollars (Note 1)									
										Thousands of U.S. Dollars (Note 1)
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Total	Total Equity	
BALANCE, MARCH 31, 2020	\$46,474	\$62,051	\$1,512	\$247,713	\$(15,220)	\$56,061	\$1,433	\$57,494	\$400,024	
Net income attributable to owners of the parent				41,784					41,784	
Cash dividends, \$0.64 per share				(14,648)					(14,648)	
Purchase of treasury stock (746 shares)					(15)				(15)	
Disposal of treasury stock (14,700 shares)			(45)		210				165	
Restricted share-based remuneration (28,111 shares)			213		400				613	
Net change in the year				(164)		29,843	(804)	29,039	28,875	
BALANCE, MARCH 31, 2021	\$46,474	\$62,219	\$1,348	\$274,849	\$(14,625)	\$85,904	\$ 629	\$86,533	\$456,798	

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Shin Nippon Air Technologies Co., Ltd. and Subsidiaries
Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	
	OPERATING ACTIVITIES:		
Income before income taxes	¥ 6,473	¥ 6,872	\$ 58,316
Adjustments for:			
Income taxes – paid	(2,900)	(1,448)	(26,127)
Depreciation and amortization	474	470	4,270
Gain on sales of investment securities		(240)	
Loss on impairment of long-lived assets (Note 5)	208		1,876
Loss on devaluation of investment securities		354	
Loss on cancellation of insurance	85		768
Changes in assets and liabilities:			
Decrease in receivables – trade	3,484	3,959	31,387
Decrease (increase) in inventories	334	(494)	3,009
Decrease in payables – trade	(5,982)	(707)	(53,896)
(Decrease) increase in advances received on construction work in progress	(51)	548	(458)
Increase in allowance for doubtful accounts	23	66	211
(Decrease) increase in liability for retirement benefits	(89)	23	(804)
Decrease in allowance for losses on construction contracts	(327)	(120)	(2,950)
(Decrease) increase in accrued consumption taxes	(186)	413	(1,673)
(Increase) decrease in consumption taxes refund receivable	(65)	455	(584)
Other – net	438	1,021	3,934
Net cash provided by operating activities	1,919	11,171	17,279
INVESTING ACTIVITIES:			
Decrease in time deposits	130		1,175
Increase in time deposits	(130)		(1,175)
Purchases of property and equipment	(91)	(70)	(821)
Purchases of intangible fixed assets	(146)	(228)	(1,313)
Proceeds from maturity of insurance funds	170		1,532
Purchases of short-term investments and investment securities	(110)	(12)	(989)
Proceeds from sales and redemptions of short-term investments and investment securities	500	448	4,505
Decrease in loan receivables – net	38	41	345
Other – net	(52)	1	(471)
Net cash provided by investing activities	309	180	2,788
FORWARD	¥ 2,228	¥11,351	\$ 20,067

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
FORWARD	¥ 2,228	¥11,351	\$ 20,067
FINANCING ACTIVITIES:			
Decrease in short-term bank loans – net	(316)	(5,588)	(2,849)
Proceeds from long-term debt	(528)	600	(4,757)
Repayments of long-term debt		(281)	
Dividends paid	(1,626)	(1,285)	(14,647)
Repayment of lease obligations	(33)	(37)	(299)
Purchases of treasury stock	(2)	(402)	(15)
Net cash used in financing activities	(2,505)	(6,993)	(22,567)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(37)	(51)	(332)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(314)	4,307	(2,832)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,410	8,103	111,803
CASH AND CASH EQUIVALENTS, END OF YEAR	¥12,096	¥12,410	\$108,971
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Finance lease assets and debt	¥3	¥66	\$30

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2020 consolidated financial statements to conform to the classifications used in 2021.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Shin Nippon Air Technologies Co., Ltd. (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥111 to \$1, the approximate rate of exchange at March 31, 2021. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Consolidation** – The consolidated financial statements as of March 31, 2021, include the accounts of the Company and all of its subsidiaries (together, the “Group”). The Company has eight consolidated subsidiaries: SNK SERVICE CO., LTD. in Japan; NIPPO ENGINEERING CO., LTD. in Japan; SNK (CHINA) CONSTRUCTION CO., LTD. in China; SHIN NIPPON LANKA (Private) LIMITED in Sri Lanka; SNK (ASIA PACIFIC) PTE. LTD. in Singapore; SNK INDUSTRIAL TRADING (SHANGHAI) CO., LTD.; SNK ENGINEERING TECHNOLOGY (SHANGHAI) CO., LTD. and FUJIAN SNK INVESTMENT CONSULTING CO., LTD. in China.

Under the control concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

b. **Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements** – Under Accounting Standards Board of Japan (“ASBJ”) Practical Issues Task Force (PITF) No. 18, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements,” the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. **Cash Equivalents** – Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificates of deposit, which mature or become due within three months of the date of acquisition.

d. **Inventories** – Construction work in progress is stated at cost, determined using the specific identification method.

e. **Short-Term Investments and Investment Securities** – Marketable and investment securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined using the moving-average method.

For other-than-temporary declines in fair value, available-for-sale securities are reduced to net realizable value by a charge to income.

f. **Property and Equipment** – Property and equipment are carried at cost. Depreciation of the Company and its domestic subsidiaries is computed substantially by the declining-balance method. The straight-line method is principally applied to the Company and its domestic subsidiaries for buildings acquired after April 1, 1998, and structures acquired after April 1, 2016, and property and equipment of its foreign subsidiaries.

The range of useful lives is principally from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery, equipment, tools, furniture, and fixtures. The useful lives for lease assets are the terms of the respective leases.

- g. **Long-Lived Assets** – The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.
- h. **Research and Development Costs** – Research and development costs are charged to income as incurred.
- i. **Allowance for Doubtful Accounts** – The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.
- j. **Retirement Benefits and Pension Plan** – The Company has a risk-sharing type corporate pension classified as defined contribution pension plan.
- k. **Stock Options** – Compensation expense for employee stock options is recognized based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services in accordance with ASBJ Statement No. 8, "Accounting Standard for Share-based Payment." In the consolidated balance sheet, the stock option is presented as a stock acquisition right as a separate component of equity until exercised.
- l. **Leases** – Finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet. All other leases are accounted for as operating leases.
- m. **Allowance for Losses on Construction Contracts** – The Group provides an allowance for losses on construction contracts, which are probable and estimable at the consolidated balance sheet date.
- n. **Construction Contracts** – Construction revenue and construction costs are recognized by the percentage-of-completion method if the outcome of a construction contract can be estimated reliably. When total construction revenue, total construction costs and the stage of completion of the contract at the balance sheet date can be reliably measured, the outcome of a construction contract is deemed to be estimated reliably. If the outcome of a construction contract cannot be reliably estimated, the completed-contract method should be applied.
- When it is probable that the total construction costs will exceed total construction revenue, an estimated loss on the contract should be immediately recognized by providing for a loss on such construction contracts.
- The revenues recognized by way of the percentage-of-completion method for the years ended March 31, 2021 and 2020, were ¥89,039 million (\$802,150 thousand) and ¥99,924 million, respectively.
- o. **Bonuses to Directors** – Bonuses to directors are accrued at the year-end to which such bonuses are attributable.
- p. **Foreign Currency Transactions** – All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the consolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.
- q. **Foreign Currency Financial Statements** – The balance sheet accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.
- Revenue and expense accounts of the foreign subsidiaries are translated into Japanese yen at the average exchange rate.
- r. **Income Taxes** – The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.
- s. **Per Share Information** – Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period.
- Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.
- Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

- t. **New Accounting Pronouncements**
- "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)
 - "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)
- On March 30, 2018, the ASBJ issued ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition," and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition." The core principle of the standard and guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps:
- Step 1: Identify the contract(s) with a customer
 - Step 2: Identify the performance obligations in the contract
 - Step 3: Determine the transaction price
 - Step 4: Allocate the transaction price to the performance obligations in the contract
 - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation
- The Company expects to apply the accounting standard and guidance from the beginning of the fiscal year ending March 31, 2022.
- The adoption of the following new standard and guidance is not expected to have a material effect on the Company's financial statements.
- "Accounting Standard for Market Value Calculation" (ASBJ Statement No. 30, July 4, 2019)
 - "Accounting Standard Application Guideline for Market Value Calculation" (ASBJ Guidance No. 31, July 4, 2019)
 - "Accounting Standard for Inventory Valuation" (ASBJ Statement No. 9, July 4, 2019)
 - "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019)
 - "Application Guideline for Disclosure of Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)
- To improve comparability with International Accounting Standards, "Accounting Standard for Market Value Calculation" and "Guideline for Accounting Standard of Market Value Calculation" (hereinafter, "Accounting Standard for Market Value Calculation") were developed, and guidance on how to calculate the market price was established. Accounting Standard for Market Value Calculation is applied to the market prices of the following items:
- Financial instruments based on "Accounting Standard for Financial Instruments"
 - Inventory assets held for trading purposes in "Accounting Standard for Inventory Valuation"
- In addition, the "Application Guideline for Disclosure of Fair Value of Financial Instruments" has been revised to stipulate notes such as a breakdown of financial instruments by fair value level.
- The Company expects to apply the accounting standards and guidance from the beginning of the fiscal year ending March 31, 2022.
- It is expected that applying these new standards will be a minor effect.

Notes to Consolidated Financial Statements

3. SIGNIFICANT ACCOUNTING ESTIMATE

The Revenue Recognition That Applies the Percentage-of-Completion Method and Allowance for Losses on Construction Contracts

(1) Carrying amounts

	Millions of Yen	Thousands of U.S. Dollars
	2021	2021
The revenue from construction by applying the percentage-of-completion method	¥89,038	\$802,150
Allowance for losses on construction contracts	663	5,969

(2) Information on the significant accounting estimate

The amounts stated above are calculated by the method described in Notes 2.m and n, which are "Summary of Significant Accounting Policies." The revenue from construction by applying the percentage-of-completion method and allowance for losses on construction contracts depends on the estimate of the total construction cost, which is the total expenditure for each construction contract. The estimate is based on the past results, and fluctuations in market conditions related to materials and outsourcing costs and taking into consideration the construction condition for each construction contract.

If the total construction cost increases or decreases significantly due to unexpected design, specification changes, delays in construction progress or market fluctuations, the amount of the revenue from construction by applying the percentage-of-completion method and allowance for losses on construction contracts may have a significant impact on future financial statements.

4. SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities as of March 31, 2021 and 2020, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Current—Time deposits which mature beyond three months from acquisition	¥ 77	¥ 77	\$ 694
Total	¥ 77	¥ 77	\$ 694
Noncurrent:			
Equity securities	¥22,194	¥17,383	\$199,950
Debt securities		504	
Total	¥22,194	¥17,887	\$199,950

The costs and aggregate fair values of short-term investments and investment securities as of March 31, 2021 and 2020, were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2021				
Securities classified as available-for-sale—Equity securities	¥8,587	¥13,691	¥ (84)	¥22,194
Total	¥8,587	¥13,691	¥ (84)	¥22,194
March 31, 2020				
Securities classified as available-for-sale:				
Equity securities	¥8,733	¥ 9,257	¥(607)	¥17,383
Debt securities	500	4		504
Total	¥9,233	¥ 9,261	¥(607)	¥17,887

Notes to Consolidated Financial Statements

March 31, 2021	Thousands of U.S. Dollars			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale—Equity securities	\$77,364	\$123,344	\$(758)	\$199,950
Total	\$77,364	\$123,344	\$(758)	\$199,950

The information for available-for-sale securities which were sold during the years ended March 31, 2021 and 2020, is as follows:

March 31, 2021	Millions of Yen		
	Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities			
Total			
March 31, 2020			
Available-for-sale—Equity securities	¥452	¥240	
Total	¥452	¥240	

March 31, 2021	Thousands of U.S. Dollars		
	Proceeds	Realized Gains	Realized Losses
Available-for-sale—Equity securities			
Total			

5. LONG-LIVED ASSETS

In the year ended March 31, 2021, the Group recorded impairment losses for the following asset groups:

Use	Type	Place	Impairment Loss	
			Millions of Yen	Thousands of U.S. Dollars
Dormitory	Building, structure and land	Saitama	¥(208)	\$(1,876)

The Group reviewed its long-lived assets for impairment as of March 31, 2021. As a result, the Group recognized an impairment loss of ¥208 million (building and structures of ¥189 million, land of ¥18 million) as other expenses for certain dormitory asset group. Due to the Group's decision to sell the asset group, the carrying amount of the relevant asset was written down to the recoverable amount. The recoverable amount of that asset group was measured at its appraisal value based on the real estate appraisal standard.

6. INVENTORIES

Inventories as of March 31, 2021 and 2020, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Construction work in progress	¥1,089	¥1,422	\$ 9,810
Materials and supplies	45	49	405
Total	¥1,134	¥1,471	\$10,215

Notes to Consolidated Financial Statements

7. LIABILITIES FOR LOSS ON CONSTRUCTION CONTRACTS

Liabilities for loss on construction contracts included in costs of construction contracts are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Liabilities for loss on construction contracts	¥185	¥861	\$1,666

8. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans represent borrowings under bank overdraft agreements and notes due within one year, bearing interest ranging from 0.210% to 0.850% at March 31, 2021, and from 0.220% to 3.199% at March 31, 2020, respectively.

Long-term debt as of March 31, 2021 and 2020, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Unsecured loans from banks, maturing serially through 2023, with an interest rate of 0.73% for 2021 and 2020	¥ 400	¥ 928	\$ 3,604
Obligations under finance leases	73	102	657
Less current portion	(230)	(560)	(2,073)
Long-term debt, less current portion	<u>¥ 243</u>	<u>¥ 470</u>	<u>\$ 2,187</u>

Annual maturities of long-term debt, excluding finance leases (see Note 16), at March 31, 2021, were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2022	¥200	\$1,802
2023	200	1,802
Total	<u>¥400</u>	<u>\$3,604</u>

9. ADVANCES RECEIVED ON CONSTRUCTION WORK IN PROGRESS

The Group normally receives payments from customers on a progressive basis in accordance with the terms of the respective construction contracts.

10. RETIREMENT AND PENSION PLANS

The Company provides a defined contribution pension plan for employees.

Consolidated subsidiaries have a lump-sum retirement allowance plan or a funded defined benefit pension plan as defined benefit plans and a defined contribution pension plan. Certain consolidated subsidiaries apply the simplified method for a lump-sum retirement allowance plan or a funded defined benefit pension plan.

The Company and some domestic subsidiaries participate in a multi-employer plan for which the Company cannot reasonably calculate the amount of plan assets corresponding to the contributions made by them. Therefore, it is accounted for using the same method as a defined contribution plan.

(1) The changes in liability for retirement benefits, which have been calculated by a simplified method for the years ended March 31, 2021 and 2020, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Balance at beginning of year	¥196	¥174	\$1,764
Net periodic benefit costs	(31)	61	(278)
Benefits paid	(50)	(27)	(447)
Contribution amount	(11)	(12)	(102)
Balance at end of year	<u>¥104</u>	<u>¥196</u>	<u>\$ 937</u>

Notes to Consolidated Financial Statements

(2) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets which have been calculated by a simplified method as of March 31, 2021 and 2020, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Funded defined benefit obligation	¥ 230	¥ 218	\$ 2,071
Plan assets	(353)	(279)	(3,181)
Total	(123)	(61)	(1,110)
Unfunded defined benefit obligation	227	257	2,048
Net liability for defined benefit obligation	<u>¥ 104</u>	<u>¥ 196</u>	<u>\$ 938</u>

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Liability for retirement benefits	¥ 227	¥257	\$ 2,048
Asset for retirement benefits	(123)	(61)	(1,110)
Net liability for defined benefit obligation	<u>¥ 104</u>	<u>¥196</u>	<u>\$ 938</u>

(3) Periodic benefit cost which has been calculated by a simplified method for the years ended March 31, 2021 and 2020, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Funded defined benefit obligation	¥(31)	¥61	\$(278)

(4) Defined contribution pension plan

(a) Retirement benefit costs for defined contribution plans

The main contributions to the defined contribution plans of the Group for the years ended March 31, 2021 and 2020, were ¥542 million (\$4,886 thousand) and ¥559 million, respectively.

(b) The amounts equivalent to contributions commensurate with risks

The amounts equivalent to contributions commensurate with risks required to be contributed after the next fiscal year is ¥516 million (\$4,650 thousand).

The number of years remaining for the special contributions is six years and nine months.

(5) The Group participates in a multiemployer plan for which it cannot reasonably calculate the amount of plan assets corresponding to the contributions made by the Group. Therefore, they are accounted for using the same method as a defined contribution plan.

The contributions to such multiemployer plan, which are accounted for using the same method as a defined contribution plan, were ¥224 million (\$2,014 thousand) and ¥227 million for the years ended March 31, 2021 and 2020, respectively.

(a) The funded status of the multiemployer plan as of March 31, 2020 and 2019, was as follows:

	Millions of Yen March 31	
	2020	2019
Plan assets	¥ 11,474	¥ 10,888
Sum of actuarial liabilities of pension plan and minimum actuarial reserve	(16,773)	(16,824)
Net balance	<u>¥ (5,299)</u>	<u>¥ (5,936)</u>

(b) The contribution ratio of the Group in the multi-employer plan for the years ended March 31, 2020 and 2019, was as follows:

	2020	2019
The contribution ratio of the Group in the multi-employer plan	18.3%	18.5%

The ratios above do not represent the actual actuarial liability ratio of the Group.

Notes to Consolidated Financial Statements

(c) Supplementary explanation

March 31, 2020

The net balance above is mainly caused by the prior service liability of ¥7,456 million (\$67,167 thousand), retained earnings of ¥(7) million (\$62 thousand) and general reserve of ¥2,164 million (\$19,496 thousand) as of March 31, 2020. The prior service liability under the plan is amortized over 10 years.

March 31, 2019

The net balance above is mainly caused by the prior service liability of ¥8,100 million, retained earnings of ¥205 million and general reserve of ¥1,959 million as of March 31, 2019. The prior service liability under the plan is amortized over 11 years.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. With respect to the third condition above, the Board of Directors of companies with (a) board committees (namely, appointment committee, compensation committee and audit committee) or (b) an audit and supervisory committee (as implemented under the Companies Act effective May 1, 2015) may also declare dividends at any time because such companies, by nature, meet the criteria under the Companies Act. However, the Company does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

12. STOCK OPTIONS

The stock options outstanding as of March 31, 2021, are as follows:

Stock Options	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
1st Stock Option	9 directors	70,400 shares	2016.8.22	¥1 (\$0.01)	From August 23, 2016 to August 22, 2046
	15 executive officers and employees				
2nd Stock Option	8 directors	52,000 shares	2017.7.10	¥1 (\$0.01)	From July 11, 2017 to July 10, 2047
	17 executive officers and employees				
3rd Stock Option	7 directors	42,500 shares	2018.7.9	¥1 (\$0.01)	From July 10, 2018 to July 9, 2048
	19 executive officers and employees				

Notes to Consolidated Financial Statements

The stock option activity is as follows:

	1st Stock Option	2nd Stock Option (Shares)	3rd Stock Option
Year Ended March 31, 2020			
<u>Non-vested</u>			
March 31, 2019—Outstanding			4,200
Granted			
Canceled			
Vested			(4,200)
March 31, 2020—Outstanding			
<u>Vested</u>			
March 31, 2019—Outstanding	59,000	43,700	38,300
Vested			4,200
Exercised	(10,200)	(3,000)	
Canceled			
March 31, 2020—Outstanding	48,800	40,700	42,500
	<u>1st Stock Option</u>	<u>2nd Stock Option</u>	<u>3rd Stock Option</u>
		(Shares)	
Year Ended March 31, 2021			
<u>Vested</u>			
March 31, 2020—Outstanding	48,800	40,700	42,500
Vested			
Exercised	(6,300)	(4,500)	(3,900)
Canceled			
March 31, 2021—Outstanding	42,500	36,200	38,600
Exercise price	¥1	¥1	¥1
	(\$0.01)	(\$0.01)	(\$0.01)
Average stock price at exercise	¥2,219	¥2,219	¥2,219
	(\$20.00)	(\$20.00)	(\$20.00)
Fair value price at grant date	¥960	¥1,429	¥1,478
	(\$8.65)	(\$12.87)	(\$13.32)

13. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 30.6% and 30.6% for the years ended March 31, 2021 and 2020, respectively.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2021 and 2020, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Deferred tax assets:			
Allowance for doubtful accounts	¥ 120	¥ 140	\$ 1,083
Employee accrued bonuses	1,029	910	9,272
Liability for employees' retirement benefits	67	75	608
Loss on devaluation of golf club memberships	54	54	490
Loss on devaluation of investment securities	157	205	1,411
Loss on devaluation of land	194	189	1,750
Allowance for loss on construction contracts	199	303	1,796
Risk-sharing corporate pension		40	
Other	725	624	6,529
Valuation allowance	(363)	(526)	(3,267)
Total	2,182	2,014	19,672
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(4,072)	(2,687)	(36,682)
Retained earnings of overseas subsidiaries	(55)	(85)	(495)
Other	(91)	(53)	(823)
Total	(4,218)	(2,825)	(38,000)
Net deferred tax liabilities	¥(2,034)	¥ (812)	\$(18,327)

Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the year ended March 31, 2021, with the corresponding figures for 2020, is as follows:

	2021	2020
Normal effective statutory tax rate	30.6%	30.6%
Expenses not deductible permanently for income tax purposes	1.6	1.6
Income not taxable permanently for income tax purposes	(0.3)	(0.3)
Inhabitant tax	1.1	1.0
Difference in statutory tax rates of overseas subsidiaries	(1.2)	(1.4)
Valuation allowance	(2.5)	0.6
Special corporation tax deduction	(1.1)	(0.6)
Other—net	0.2	1.5
Actual effective tax rate	<u>28.4%</u>	<u>33.0%</u>

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to costs of construction contracts and selling, general and administrative expenses were ¥477 million (\$4,301 thousand) and ¥417 million for the years ended March 31, 2021 and 2020, respectively.

15. ASSETS PLEDGED

Assets pledged as collateral as of March 31, 2021 and 2020, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
A time deposit	¥27	¥27	\$243

16. LEASES

The Group leases certain cars, software, and other assets.

Obligations under finance leases and future minimum payments under noncancelable operating leases were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
	2021	2021	2021	2021
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Due within one year	¥30	¥503	\$272	\$4,528
Due after one year	43	257	385	2,319
Total	<u>¥73</u>	<u>¥760</u>	<u>\$657</u>	<u>\$6,847</u>

The minimum rental commitments under noncancelable operating leases as of March 31, 2021 and 2020, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Due within one year	¥503	¥ 465	\$4,528
Due after one year	257	591	2,319
Total	<u>¥760</u>	<u>¥1,056</u>	<u>\$6,847</u>

17. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policy for Financial Instruments

The Group purchases or issues financial instruments in order to finance its operations and to manage its surplus cash efficiently according to the Group policy of safe and secure asset management. Mainly short-term bank loans are used to fund its operations considering the cash flow projections. Derivatives, if any, are used only for hedging currency, interest rate, and other risks and not for speculation.

(2) Nature and Extent of Risks Arising from Financial Instruments

Receivables, such as trade notes, electronically-recorded monetary claims and trade accounts, are exposed to customer credit risk.

Short-term investments in securities and investment securities are used mainly for relations with the client and utilization of surplus funds. Such investment securities are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes, electronically recorded obligations – operating and trade accounts, are mainly less than one year.

Short-term bank loans and long-term debt, excluding finances lease are used mainly for funding the Group's operations. Such bank loans are exposed to market risks from changes in variable interest rates.

(3) Risk Management for Financial Instruments

Credit risk (risk of default of contract) management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables on the basis of internal policies, which include performing credit checks when receiving orders and monitoring of payment terms and balances of major customers by each business administration department to identify the default risk of customers at an early stage.

Market risk management (foreign currency exchange rate risk and interest rate risk)

Investment securities are managed by purchasing mainly high-grade bonds and securities from reliable financial institutions according to internal policies and monitoring the market values and financial position of issuers on a quarterly basis at management meetings.

Liquidity risk management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on their maturity dates. The Group manages its liquidity risk by holding adequate volumes of liquid assets, along with adequate financial planning by the corporate treasury department. The Group has established credit lines with banks to respond flexibly to demands for funding.

(4) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead.

(a) Fair value of financial instruments

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2021			
Cash and cash equivalents	¥12,096	¥12,096	
Short-term investments	77	77	
Receivables	52,489	52,489	
Electronically-recorded monetary claims	3,459	3,459	
Investment securities	22,194	22,194	
Total	<u>¥90,315</u>	<u>¥90,315</u>	
Payables	¥28,154	¥28,154	
Electronically recorded obligations – operating	1,070	1,070	
Short-term bank loans	6,471	6,471	
Income taxes payable	1,053	1,053	
Long-term debt and current maturities of long-term debt, excluding finance leases	400	399	¥(1)
Total	<u>¥37,148</u>	<u>¥37,147</u>	<u>¥(1)</u>

Notes to Consolidated Financial Statements

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain/Loss
March 31, 2020			
Cash and cash equivalents	¥12,410	¥12,410	
Short-term investments	77	77	
Receivables	57,669	57,669	
Electronically-recorded monetary claims	1,961	1,961	
Investment securities	17,887	17,887	
Total	¥90,004	¥90,004	
Payables	¥34,760	¥34,760	
Electronically recorded obligations – operating	501	501	
Short-term bank loans	6,780	6,780	
Income taxes payable	1,874	1,874	
Long-term debt and current maturities of long-term debt, excluding finance leases	928	926	¥(2)
Total	¥44,843	¥44,841	¥(2)
	Thousands of U.S. Dollars		
March 31, 2021			
Cash and cash equivalents	\$108,971	\$108,971	
Short-term investments	694	694	
Receivables	472,876	472,876	
Electronically-recorded monetary claims	31,163	31,163	
Investment securities	199,950	199,950	
Total	\$813,653	\$813,653	
Payables	\$253,644	\$253,644	
Electronically recorded obligations – operating	9,641	9,641	
Short-term bank loans	58,301	58,301	
Income taxes payable	9,487	9,487	
Long-term debt and current maturities of long-term debt, excluding finance leases	3,604	3,594	\$(10)
Total	\$334,677	\$334,667	\$(10)

Cash and Cash Equivalents, Receivables and Electronically-Recorded Monetary Claims

The carrying values of cash and cash equivalents, receivables and electronically-recorded monetary claims approximate fair value because of their short maturities.

Short-Term Investments and Investment Securities

The fair values of short-term investments and investment securities are measured at the quoted market price of the stock exchange for equity instruments, and at the quoted price obtained from the financial institutions for certain debt instruments. Information on the fair value of short-term investments and investment securities by classification is included in Note 4.

Payables, Electronically Recorded Obligations – Operating, Short-Term Bank Loans, and Income Taxes Payable

The carrying values of payables, electronically recorded obligations – operating, short-term bank loans, and income taxes payable approximate fair value because of their short maturities.

Long-Term Debt

The fair values of long-term debt are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.

Notes to Consolidated Financial Statements

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Investments in equity instruments that do not have a quoted market price in an active market	¥812	¥812	\$7,311

(5) **Maturity Analysis for Financial Assets and Securities with Contractual Maturities**

	Millions of Yen			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
March 31, 2021				
Cash and cash equivalents	¥12,096			
Short-term investments	77			
Receivables	52,489			
Electronically-recorded monetary claims	3,459			
Total	¥68,121			
	Thousands of U.S. Dollars			
March 31, 2021				
Cash and cash equivalents	\$108,971			
Short-term investments	694			
Receivables	472,876			
Electronically-recorded monetary claims	31,163			
Total	\$613,703			

Please see Note 8 for annual maturities of long-term debt and Note 16 for obligations under finance leases.

18. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2021 and 2020, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2021	2020	2021
Unrealized gain (loss) on available-for-sale securities:			
Gain (loss) arising during the year	¥ 4,697	¥(2,384)	\$ 42,318
Reclassification adjustments to profit or loss		114	
Amount before income tax effect	4,697	(2,270)	42,318
Income tax effect	(1,385)	660	(12,475)
Total	¥ 3,312	¥(1,610)	\$ 29,843
Foreign currency translation adjustments – Loss arising during the year	¥ (89)	¥ (42)	\$ (804)
Total	¥ (89)	¥ (42)	\$ (804)
Total other comprehensive income (loss)	¥ 3,223	¥(1,652)	\$ 29,039

19. NET INCOME PER SHARE

Reconciliation of the Differences between Basic and Diluted Net Income per Share (“EPS”)

Reconciliation of the differences between basic and diluted EPS for the years ended March 31, 2021 and 2020, is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted- Average Shares	EPS	
Year Ended March 31, 2021				
Basic EPS – Net income available to common shareholders	¥4,638	23,246	¥199.51	\$1.80
Effect of dilutive securities – Warrants		117		
Diluted EPS – Net income for computation	¥4,638	23,363	¥198.51	\$1.79
Year Ended March 31, 2020				
Basic EPS – Net income available to common shareholders	¥4,604	23,361	¥197.07	
Effect of dilutive securities – Warrants		131		
Diluted EPS – Net income for computation	¥4,604	23,492	¥195.96	

20. SEGMENT INFORMATION

Segment information about sales, profit (loss), assets, liabilities, and other items is not presented because the Group has only one reportable segment, the equipment construction segment.

21. SUBSEQUENT EVENT

Appropriations of Retained Earnings

The following appropriation of retained earnings at March 31, 2021, was approved at the Company's shareholders' meeting held on June 25, 2021:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥50.0 (\$0.450) per share	¥1,163	\$10,476

Deloitte.

Deloitte Touche Tohmatsu LLC
Marunouchi Nijubashi Building
3-2-3 Marunouchi
Chiyoda-ku, Tokyo 100-8360
Japan

Tel: +81 (3) 6213 1000
Fax: +81 (3) 6213 1005
www2.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Shin Nippon Air Technologies Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Shin Nippon Air Technologies Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The revenue recognition that applies the percentage-of-completion method	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>As described in Notes 2.n. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Construction Contracts and 3. SIGNIFICANT ACCOUNTING ESTIMATE to the consolidated financial statements, the Group applies the percentage-of-completion method in accounting for revenues from construction contracts in the facility construction business if the outcome of construction contract can be estimated reliably for the progress made up to the end of the year; the progress of construction is estimated by the incurred cost. The Group recognized revenues in the amount of ¥89,039 million by applying the percentage-of-completion method, which were included in revenues from construction contracts amounting to ¥107,254 million for the year ended March 31, 2021. When applying the percentage-of-completion method, the amount of revenue from construction is calculated by multiplying total construction revenue by the stage of completion of the contract which is based on the proportion of construction costs incurred by year-end to total construction costs. Significant forecasts and judgments are made by management in estimating the total construction cost, taking into consideration the relevant business environment and the construction condition for each construction contract. In the facility construction business, the Group undertakes air conditioning equipment construction mainly as a part of new construction and renewal of office buildings, and total construction costs may significantly increase due to:</p> <ul style="list-style-type: none"> • Design or specification changes which are unexpected at the start of construction; • Fluctuations in market conditions related to materials and outsourcing costs; or • Additional outsourcing costs due to process delays, which results in uncertainty associated with these forecasts and estimates. <p>In addition, if the degree of estimation uncertainty increases, it may take time to review total construction costs, so that the total construction costs may not be revised or reviewed in a timely manner. If the percentage-of-completion method is applied in these situations, there is a risk that the amount of revenues from construction for each of the year may not be appropriately recorded. Therefore, we determined the revenue recognition that applies the percentage-of-completion method as a key audit matter because the estimation of total construction cost significantly affects its consolidated financial statements.</p>	<p>We evaluated the design and operating effectiveness of internal controls over the process of estimating the total construction costs to recognize revenues by applying the percentage-of-completion method. Specifically, we tested the controls to determine whether the work content, estimated costs and working hours for each construction category were appropriately estimated, and the controls to monitor whether the total construction costs reflected changes in the situation arising after the start of construction in a timely and appropriate manner by making inquiries of main company personnel who were responsible for the performance of controls and inspecting related supporting documents.</p> <p>We also selected a sample of construction contracts based on the total construction revenue, contract terms, the stage of completion of the contract, profit rate and others, and performed the following procedures for the selected contracts to evaluate whether total construction costs had been developed in a timely and reasonable manner:</p> <ul style="list-style-type: none"> • We analyzed estimated total construction costs and construction profit or loss with historical trends and compared the stage of completion of the contract based on the trend in actual construction costs incurred with the progress in the work schedule. • We evaluated the reasonableness of judgments about whether the total construction costs should be revised based on the progress of construction by making inquiries of relevant responsible personnel and if necessary, observing the construction site. • We agreed actual construction costs incurred for outsourcing work to invoices or other supporting documents. • We compared construction costs estimated in the prior year with the actual costs incurred to evaluate the reasonableness of accounting estimates included in total construction costs in the prior year.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 25, 2021

Board of Directors

(As of June 25, 2021)

Chairman

Hiroshi Natsui*

President

Shinji Maekawa*

Directors

Satoshi Shimomoto

Kiyoshi Endo

Masaki Ito

Kiyoshi Inoue

Outside Director

Shigeki Morinobu

Director, Audit and Supervisory Committee Member

Toshihiko Morimoto

Outside Director, Audit and Supervisory Committee Member

Yasushi Mizuno

Hideki Tokai

Yumiko Umehara

* Representative Director

Corporate Data

(As of March 31, 2021)

Date of Establishment

October 1, 1969

Paid-in Capital

¥5,159 millions

Number of Shares Outstanding

24,282,225 shares

Number of Shareholders

4,981

By Type of Shareholder

Financial institutions 25.36%

Individuals & Others 28.31%

Foreign Shareholders 3.57%

Other domestic companies 42.76%

Number of Employees

1,087

Stock Exchange Listing

Tokyo Stock Exchange, 1st Section

Transfer Agent of Common Stock

Sumitomo Mitsui Trust Bank, Limited

By Number of Shares Held

500,000 shares or more 50.67%

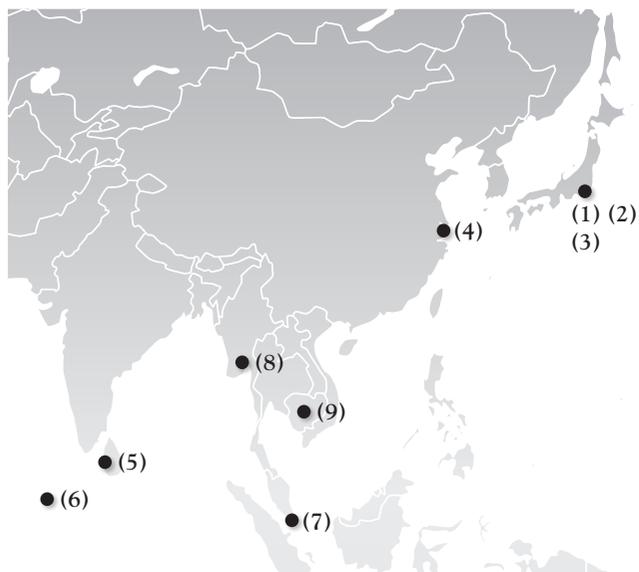
100,000 – 499,999 shares 27.05%

10,000 – 99,999 shares 10.91%

1,000 – 9,999 shares 8.34%

Fewer than 1,000 shares 3.03%

Network



(1) Head Office

Hamacho Center Bldg. 2-31-1, Nihonbashi hamacho,
Chuo-ku, Tokyo 103-0007, Japan
Phone:81-3-3639-2700 Fax:81-3-3639-2732
URL:<https://www.snk.co.jp/>

SUBSIDIARIES

(2) SNK Service Co., Ltd.

Wakamatsu Bldg. 3-3-6, Nihonbashi honcho, Chuo-ku,
Tokyo 103-0023, Japan
Phone:81-3-5200-3940
Fax:81-3-5200-3935

(3) NIPPO ENGINEERING CO., LTD.

6F, Minatomirai Grand Central Tower.4-6-2, Minato
Mirai, Nishi-ku, Yokohama, Kanagawa 220-0012, Japan
Phone:81-45-227-7360
Fax:81-45-227-7368

(4) SNK (CHINA) CONSTRUCTION CO., LTD.

2F, 301, Jiang Chang San Road, Shanghai, 200436,
P.R.China
Phone:86-21-51060068
Fax:86-21-51060063

(5) SHIN NIPPON LANKA (PRIVATE) LIMITED Office/Factory

309/1, Colombo Road, Welisara, Sri Lanka
Phone:94-11-200-5300
Fax:94-11-223-6599

(6) SHIN NIPPON LANKA (PRIVATE) LIMITED MALDIVES BRANCH

DMK No. 02 Fihaara – 06th Floor Chandhanee Magu,
Male, Republic of Maldives
Phone:960-330-0015
Fax:960-330-0014

(7) SNK (ASIA PACIFIC) PTE. LTD.

315 Outram Road, #09-06, Tan Boon Liat Building,
Singapore 169074
Phone:65-6227-2300
Fax:65-6227-3122

(8) SNK (ASIA PACIFIC) PTE. LTD.

MYANMAR BRANCH

27 Room 001, Aung Zayya Street, Kyauk Kone Yankin
Township, Yangon, Myanmar
Phone:95-1-856-0086

(9) SNK (ASIA PACIFIC) PTE. LTD.

CAMBODIA BRANCH

Millennium Tower Unit. 102 (1st Floor), #68 Street 57,
Sangkat Boeung Keng Kang 1, Khan Chamkamorn
Phnom Penh Cambodia
Phone:855-23-900-550