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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 9, 2023

Company name: Shin Nippon Air Technologies Co., Ltd.  
 Stock exchange listing: Tokyo  
 Code number: 1952 URL: <https://www.snk.co.jp>  
 Representative: Shinji Maekawa, President and Representative Director  
 Contact: Kiyoshi Inoue, Director, Chief Financial Officer  
 Phone: +81-3-3639-2700  
 Scheduled date of filing quarterly securities report: November 9, 2023  
 Scheduled date of commencing dividend payments: December 1, 2023  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	46,969	6.9	1,415	(34.1)	1,690	(39.3)	1,129	(40.0)
September 30, 2022	43,952	6.5	2,147	(8.5)	2,785	5.8	1,884	3.1

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 2,594 million (25.3)%  
 Six months ended September 30, 2022: ¥ 3,475 million 62.4%

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	48.46		48.35	
September 30, 2022	80.73		80.44	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	89,638	58,012	64.6	2,536.24
March 31, 2023	109,146	58,212	53.2	2,487.19

(Reference) Equity: As of September 30, 2023: ¥ 57,943 million  
 As of March 31, 2023: ¥ 58,105 million

### 2. Dividends

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

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

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	123,000	9.6	7,700	8.1	8,100	2.3	5,700	1.8	246.77

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

\* Notes:

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- |  |    |
|--|----|
| 1) Changes in accounting policies due to the revision of accounting standards: | No |
| 2) Changes in accounting policies other than 1) above:                         | No |
| 3) Changes in accounting estimates:  | No |
| 4) Retrospective restatement:  | No |
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- |                     |                   |
|---------------------|-------------------|
| September 30, 2023: | 24,282,225 shares |
| March 31, 2023:     | 24,282,225 shares |
- 2) Number of treasury shares at the end of the period:
- |                     |                  |
|---------------------|------------------|
| September 30, 2023: | 1,435,911 shares |
| March 31, 2023:     | 920,226 shares   |
- 3) Average number of shares outstanding during the period:
- |                                      |                   |
|--------------------------------------|-------------------|
| Six months ended September 30, 2023: | 23,313,764 shares |
| Six months ended September 30, 2022: | 23,338,833 shares |

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	25,004	10,886
Notes receivable, accounts receivable from completed construction contracts and other	51,490	41,679
Electronically recorded monetary claims - operating	2,788	2,926
Costs on construction contracts in progress	1,560	2,659
Other inventories	36	40
Other	929	2,154
Allowance for doubtful accounts	(278)	(224)
Total current assets	81,530	60,122
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,741	1,567
Other, net	887	702
Total property, plant and equipment	2,628	2,269
Intangible assets	1,062	1,105
Investments and other assets		
Investment securities	21,989	24,276
Retirement benefit asset	119	147
Deferred tax assets	253	233
Other	1,743	1,640
Allowance for doubtful accounts	(181)	(157)
Total investments and other assets	23,924	26,140
Total non-current assets	27,615	29,515
Total assets	109,146	89,638

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts	27,836	18,208
Electronically recorded obligations - operating	3,810	2,477
Short-term borrowings	3,433	1,366
Income taxes payable	1,573	445
Advances received on construction contracts in progress	2,889	2,654
Provision for loss on construction contracts	1,033	795
Provisions	278	1,755
Other	7,763	889
Total current liabilities	48,618	28,592
Non-current liabilities		
Long-term borrowings	249	166
Deferred tax liabilities	1,693	2,454
Retirement benefit liability	318	351
Other	53	60
Total non-current liabilities	2,315	3,033
Total liabilities	50,933	31,626
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,918	6,963
Retained earnings	38,130	37,858
Treasury shares	(1,456)	(2,856)
Total shareholders' equity	48,751	47,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,950	10,010
Foreign currency translation adjustment	403	808
Total accumulated other comprehensive income	9,354	10,819
Share acquisition rights	106	68
Total net assets	58,212	58,012
Total liabilities and net assets	109,146	89,638

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales of completed construction contracts	43,952	46,969
Cost of sales of completed construction contracts	38,167	41,593
Gross profit on completed construction contracts	5,784	5,376
Selling, general and administrative expenses	3,637	3,960
Operating profit	2,147	1,415
Non-operating income		
Interest income	34	32
Dividend income	307	276
Electricity sale income	10	11
Foreign exchange gains	296	-
Other	11	23
Total non-operating income	661	343
Non-operating expenses		
Interest expenses	3	7
Electricity sale expenses	10	10
Foreign exchange losses	-	38
Other	9	13
Total non-operating expenses	23	69
Ordinary profit	2,785	1,690
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	-	36
Total extraordinary income	0	36
Extraordinary losses		
Loss on sale of non-current assets	-	13
Loss on retirement of non-current assets	-	8
Loss on valuation of investment securities	21	-
Total extraordinary losses	21	21
Profit before income taxes	2,763	1,705
Income taxes - current	163	222
Income taxes - deferred	715	353
Total income taxes	879	575
Profit	1,884	1,129
Profit attributable to owners of parent	1,884	1,129

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,884	1,129
Other comprehensive income		
Valuation difference on available-for-sale securities	1,456	1,060
Foreign currency translation adjustment	134	404
Total other comprehensive income	1,590	1,464
Comprehensive income	3,475	2,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,475	2,594

## Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,763	1,705
Depreciation	223	247
Loss (gain) on sale of non-current assets	(0)	13
Loss (gain) on sale of investment securities	-	(36)
Loss (gain) on valuation of investment securities	21	-
Increase (decrease) in allowance for doubtful accounts	(116)	(84)
Increase (decrease) in retirement benefit liability	58	(2)
Increase (decrease) in provision for loss on construction contracts	111	(237)
Interest and dividend income	(342)	(308)
Interest expenses	3	7
Foreign exchange losses (gains)	134	(34)
Decrease (increase) in trade receivables	14,224	10,043
Decrease (increase) in inventories	(1,513)	(1,090)
Increase (decrease) in trade payables	(12,321)	(11,097)
Increase (decrease) in advances received on construction contracts in progress	1,512	(344)
Increase (decrease) in accrued consumption taxes	1,389	(2,539)
Decrease (increase) in consumption taxes refund receivable	854	(778)
Other, net	(2,129)	(2,818)
Subtotal	4,873	(7,355)
Interest and dividends received	342	307
Interest paid	(2)	(12)
Income taxes paid	(1,510)	(1,552)
Net cash provided by (used in) operating activities	3,703	(8,613)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(84)	(134)
Purchase of intangible assets	(205)	(238)
Proceeds from sale of non-current assets	0	326
Purchase of investment securities	(6)	(809)
Proceeds from sale of investment securities	-	50
Other, net	(60)	71
Net cash provided by (used in) investing activities	(356)	(733)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(2,500)	(2,067)
Proceeds from long-term borrowings	500	-
Repayments of long-term borrowings	(100)	(83)
Repayments of lease liabilities	(17)	(15)
Dividends paid	(1,282)	(1,401)
Purchase of treasury shares	(0)	(1,576)
Other, net	0	0
Net cash provided by (used in) financing activities	(3,399)	(5,144)
Effect of exchange rate change on cash and cash equivalents	158	373
Net increase (decrease) in cash and cash equivalents	105	(14,117)
Cash and cash equivalents at beginning of period	15,435	24,927
Cash and cash equivalents at end of period	15,540	10,809