



January 10, 2020

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending February 29, 2020
(Nine Months Ended November 30, 2019)

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: January 14, 2020
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (March 1, 2019 – November 30, 2019) of the Fiscal Year Ending February 29, 2020

(1) Consolidated results of operations (Percentages represent year-on-year changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---------------------------------|-------------------|------|------------------|------|-----------------|------|---|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended Nov. 30, 2019 | 35,028 | 66.5 | 1,520 | 21.1 | 1,819 | 31.4 | 1,195 | 26.7 |
| Nine months ended Nov. 30, 2018 | 21,038 | 12.3 | 1,255 | 8.7 | 1,383 | 12.2 | 943 | 13.3 |

Note: Comprehensive income
 Nine months ended Nov. 30, 2019: 978 million yen (up 11.3%)
 Nine months ended Nov. 30, 2018: 878 million yen (up 7.7%)

| | Net income per share | Diluted net income per share |
|---------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Nine months ended Nov. 30, 2019 | 49.98 | - |
| Nine months ended Nov. 30, 2018 | 49.36 | - |

Note: There was a share exchange with Nisshin Transportation Co., Ltd. on March 1, 2019 in which Nisshin Transportation received 4,800,000 shares of AIT stock consisting of 4,159,200 shares newly issued and 640,800 treasury shares. AIT acquired 8,000 treasury shares upon resolution of the Board of Directors on November 19, 2019. The net income per share for the nine months ended Nov. 30, 2019 is calculated using an average number of shares during the period of 23,913,275.

(2) Consolidated financial position

| | Total assets | | Net assets | | Equity ratio | |
|---------------------|--------------|--|-------------|--|--------------|--|
| | Million yen | | Million yen | | % | |
| As of Nov. 30, 2019 | 21,047 | | 11,570 | | 53.3 | |
| As of Feb. 28, 2019 | 8,214 | | 5,954 | | 72.2 | |

Reference: Equity capital As of Nov. 30, 2019: 11,220 million yen As of Feb. 28, 2019: 5,927 million yen

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Feb. 28, 2019 | - | 18.00 | - | 18.00 | 36.00 |
| Fiscal year ending Feb. 29, 2020 | - | 18.00 | - | - | - |
| Fiscal year ending Feb. 29, 2020 (forecast) | - | - | - | 18.00 | 36.00 |

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending February 29, 2020 (March 1, 2019 – February 29, 2020)

(Percentages represent year-on-year changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share |
|-----------|-------------------|------|------------------|-----|-----------------|------|---|-----|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 50,000 | 80.0 | 1,650 | 6.9 | 1,960 | 15.0 | 1,250 | 7.1 | 52.27 |

Note: Revision to the most recently announced forecast of consolidated results: None

Note: The AIT Board of Directors approved a resolution on November 19, 2019 to repurchase its own shares. Net income per share forecast has not been adjusted to reflect the stock repurchase.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 5, Nisshin Transportation Co., Ltd., Nisshin Trans Consolidator Co., Ltd., Nisshin Global Logistics (Shanghai) Co., Ltd., Nisshin International Trading (Shanghai) Co., Ltd., Nisshin (Myanmar) Co., Ltd.

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(4) Number of outstanding shares (common stock)

- | | | | |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding at the end of the period (including treasury shares) | | | |
| As of Nov. 30, 2019: | 23,913,600 shares | As of Feb. 28, 2019: | 19,754,400 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Nov. 30, 2019: | 8,033 shares | As of Feb. 28, 2019: | 640,833 shares |
| 3) Average number of shares during the period | | | |
| Nine months ended Nov. 30, 2019: | 23,913,275 shares | Nine months ended Nov. 30, 2018: | 19,113,569 shares |

The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Cautionary statement with respect to forecasts of future performance and other special items

Forward-looking statements in these materials are based on certain assumptions judged to be valid and information currently available to AIT. These statements are not promises by AIT regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements” on page 4 of the attachments regarding preconditions or other related matters for forecasts shown above.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending February 29, 2020, the Japanese economy continued to recover slowly as improvements in corporate earnings and the job market continued. On the other hand, there is a lingering sense of uncertainty because of worries about prolonged U.S.-China trade friction, a slowdown in overseas economies and other factors.

On March 1, 2019, AIT and Nisshin Transportation conducted a share exchange with AIT as the sole parent company and Nisshin Transportation as the wholly owned subsidiary. As a result, Nisshin Transportation and its subsidiaries in Japan, China and Myanmar have joined the AIT Group.

In addition to our core businesses of international cargo transportation, customs clearance services and delivery services, merchandise inspections, needle detection in apparel shipments and distribution processing services have enabled the AIT Group to provide a comprehensive lineup of subcontracting services associated with imports and exports. The result is the ability to provide customers with more and better services.

In this environment, these initiatives and concentrated actions to create synergies among group companies along with actively promoting proposal type marketing for fully integrated service packages led to an increase in sea cargo volume from our principal markets, China and Southeast Asia to Japan. As a result, the scale of operations has increased, and the earnings base has strengthened.

To maintain the stability of earnings, there were measures to raise selling prices in order to reflect the higher cost of purchasing logistic services in Japan and overseas. All components of selling, general and administrative expenses were higher than one year earlier mainly because of amortization of goodwill associated with making Nisshin Transportation a subsidiary and higher personnel expenses due to the larger number of employees and restructuring of the group's personnel systems. On the other hand, the group has continually reviewed measures to cut costs as much as possible to generate profit.

Operating revenue largely increased 66.5% year-on-year to 35,028 million yen, and earnings were higher as well at all levels. Operating profit was up 21.1% to 1,520 million yen. Ordinary profit was up 31.4% to 1,819 million yen as non-operating income increased mainly due to earnings of equity-method affiliates, and profit attributable to owners of parent increased 26.7% to 1,195 million yen.

Results by business segment are as follows.

Starting on March 1, 2019, Nisshin Transportation and Nisshin Trans Consolidator Co., Ltd. were added to the "Japan" segment, Nisshin Global Logistics (Shanghai) Co., Ltd. and Nisshin International Trading (Shanghai) Co., Ltd. were added to the "China" segment, and Nisshin (Myanmar) Co., Ltd. was added to "Other," which is not a reportable segment.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation in the first quarter of the current fiscal year because its liquidation process was completed. Consequently, "Thailand" is no longer a reportable segment.

1) Japan

During the first nine months, in addition to the sales activities to capture more orders for fully integrated service packages, the addition of Nisshin Transportation to the AIT Group led to the handling of a larger volume of imports from China.

The number of containers handled in the sea freight sector increased 26.4% to 200,070 TEU for imports and 26.9% to 212,502 TEU for total imports and exports. Customs clearance orders largely increased 72.6% to 115,655.

The group is taking measures to reflect higher sea freight rates and delivery fees within Japan in service rates with the aim of raising selling prices and improving earnings.

As a result, operating revenue increased 65.5% to 27,826 million yen and segment profit increased 33.7% to 1,017 million yen because of an increase in selling, general and administrative expenses, including the amortization of goodwill.

2) China

There were more opportunities to earn profits associated with transportation within China due to the growth of the volume of shipments from China to Japan handled by the AIT Group. In addition, there was higher operating revenue from merchandise inspection, needle detection in apparel shipments and distribution processing services in China due to the addition of Nisshin Transportation to the group and the scale of operations in China increased. As a result, operating revenue increased 68.4% to 6,364 million yen and segment profit decreased 11.0% to 428 million yen because of an increase in selling, general and administrative expenses, including the amortization of goodwill.

3) Other

There was growth in the volume of cargo at subsidiaries in the United States and Taiwan and at a joint venture in Vietnam. In addition, operating revenue in Myanmar contributed to this growth. As a result, operating revenue was 837 million yen, compared with 379 million yen one year earlier and segment profit was 74 million yen compared with 12 million yen one year earlier.

Note: TEU (twenty-foot equivalent unit) is a unit of cargo capacity based on a standard intermodal container.

(2) Explanation of Financial Position

Figures changed substantially following the use of a share exchange to make Nisshin Transportation a wholly owned subsidiary effective on March 1, 2019.

Assets

Total assets increased 12,833 million yen from the end of the previous fiscal year to 21,047 million yen at the end of the period under review.

Current assets increased 8,347 million yen to 16,072 million yen. This was mainly due to increases in cash and deposits of 3,946 million yen, and notes and accounts receivable-trade of 3,588 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Non-current assets increased 4,485 million yen to 4,975 million yen. This was mainly due to increases in goodwill of 2,894 million yen, investment securities of 570 million yen, property, plant and equipment of 496 million yen, and deferred tax assets of 288 million yen because of making Nisshin Transportation a wholly owned subsidiary. The amount of goodwill is calculated provisionally because the allocation of the acquisition cost is incomplete.

Liabilities

Total liabilities increased 7,217 million yen to 9,477 million yen.

Current liabilities increased 6,790 million yen to 8,566 million yen. This was mainly due to increases in short-term loans payable of 4,300 million yen, accounts payable-trade of 1,549 million yen and provision for bonuses of 273 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Non-current liabilities increased 427 million yen to 910 million yen. This was mainly due to an increase in net defined benefit liability of 214 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Net assets

Net assets increased 5,615 million yen to 11,570 million yen. This was mainly due to a 5,053 million yen increase in capital surplus because of newly issued shares following the share exchange with Nisshin Transportation and a 322 million yen increase in non-controlling interests because of making Nisshin Transportation a wholly owned subsidiary. In addition, there was a booking of profit attributable to owners of parent of 1,195 million yen and dividends distributed from retained earnings of 774 million yen.

(3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements

Results of operations in the first nine months were generally consistent with the plan for the fiscal year.

As apparel and household products account for a large share of the cargo handled by the AIT Group, the outlook is uncertain due to the impact of the consumption tax hike on consumer spending. In addition, there are concerns over rapid changes in global events and the potential effects of these events on exchange rates.

Following the share exchange that made Nisshin Transportation a wholly owned subsidiary, work is under way to determine the allocation of the acquisition cost for Nisshin Transportation and its subsidiaries. Since the allocation of the acquisition cost has not been completed, a provisional amount of goodwill has been calculated.

Based on this outlook, we maintain the full year forecasts of consolidated results for the fiscal year ending February 29, 2020, which was announced on April 10, 2019.

If revisions to the forecast become necessary, we will make an announcement promptly.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

| | FY2/19 (As of Feb. 28, 2019) | Third quarter of FY2/20 (As of Nov. 30, 2019) |
|--|---------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,999,159 | 8,945,272 |
| Notes and accounts receivable-trade | 1,833,833 | 5,421,851 |
| Advances paid | 775,691 | 984,915 |
| Other | 135,236 | 744,619 |
| Allowance for doubtful accounts | (18,866) | (23,965) |
| Total current assets | 7,725,053 | 16,072,693 |
| Non-current assets | | |
| Property, plant and equipment | 82,423 | 579,134 |
| Intangible assets | | |
| Goodwill | - | 2,894,243 |
| Other | 144,869 | 274,772 |
| Total intangible assets | 144,869 | 3,169,015 |
| Investments and other assets | | |
| Investment securities | 3,185 | 573,537 |
| Deferred tax assets | 25,993 | 314,755 |
| Guarantee deposits | 228,297 | 283,371 |
| Other | 4,758 | 55,426 |
| Allowance for doubtful accounts | (232) | (73) |
| Total investments and other assets | 262,003 | 1,227,017 |
| Total non-current assets | 489,296 | 4,975,167 |
| Total assets | 8,214,350 | 21,047,860 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 1,047,594 | 2,597,362 |
| Short-term loans payable | - | 4,300,000 |
| Income taxes payable | 253,949 | 449,051 |
| Provision for bonuses | 93,118 | 366,998 |
| Provision for directors' bonuses | 20,000 | 15,224 |
| Other | 361,086 | 837,587 |
| Total current liabilities | 1,775,748 | 8,566,224 |
| Non-current liabilities | | |
| Net defined benefit liability | 333,759 | 547,943 |
| Provision for directors' retirement benefits | 94,220 | 109,757 |
| Other | 55,886 | 253,266 |
| Total non-current liabilities | 483,865 | 910,966 |
| Total liabilities | 2,259,614 | 9,477,190 |

| | (Thousands of yen) | |
|---|---------------------------------|--|
| | FY2/19 (As of Feb. 28, 2019) | Third quarter of FY2/20 (As of Nov. 30, 2019) |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 271,140 | 271,140 |
| Capital surplus | 221,590 | 5,275,185 |
| Retained earnings | 5,378,034 | 5,800,046 |
| Treasury shares | (68,008) | (7,712) |
| Total shareholders' equity | 5,802,756 | 11,338,660 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 223 | 8,568 |
| Foreign currency translation adjustment | 124,051 | (127,185) |
| Total accumulated other comprehensive income | 124,274 | (118,616) |
| Non-controlling interests | 27,704 | 350,625 |
| Total net assets | 5,954,735 | 11,570,669 |
| Total liabilities and net assets | 8,214,350 | 21,047,860 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

(Thousands of yen)

| | First nine months of FY2/19 (Mar. 1, 2018 – Nov. 30, 2018) | First nine months of FY2/20 (Mar. 1, 2019 – Nov. 30, 2019) |
|---|---|---|
| Operating revenue | | |
| Forwarding income | 21,038,793 | 35,028,479 |
| Total operating revenue | 21,038,793 | 35,028,479 |
| Operating cost | | |
| Forwarding cost | 17,735,827 | 28,560,618 |
| Total operating cost | 17,735,827 | 28,560,618 |
| Gross profit | 3,302,966 | 6,467,861 |
| Selling, general and administrative expenses | 2,047,761 | 4,947,539 |
| Operating profit | 1,255,204 | 1,520,321 |
| Non-operating income | | |
| Interest income | 10,658 | 34,159 |
| Dividend income | 60 | 6,268 |
| Share of profit of entities accounted for using equity method | - | 185,765 |
| Foreign exchange gains | 80,732 | 31,713 |
| Other | 37,162 | 45,677 |
| Total non-operating income | 128,614 | 303,584 |
| Non-operating expenses | | |
| Interest expenses | - | 2,445 |
| Other | - | 2,436 |
| Total non-operating expenses | - | 4,881 |
| Ordinary profit | 1,383,818 | 1,819,024 |
| Extraordinary income | | |
| Gain on sales of non-current assets | - | 60 |
| Gain on sales of shares of subsidiaries and associates | - | 20,408 |
| Total extraordinary income | - | 20,468 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | - | 1,518 |
| Loss on retirement of non-current assets | 367 | 6,536 |
| Total extraordinary losses | 367 | 8,055 |
| Profit before income taxes | 1,383,450 | 1,831,438 |
| Income taxes-current | 446,964 | 731,576 |
| Income taxes-deferred | (11,704) | (122,997) |
| Total income taxes | 435,259 | 608,578 |
| Profit | 948,191 | 1,222,859 |
| Profit attributable to non-controlling interests | 4,680 | 27,703 |
| Profit attributable to owners of parent | 943,510 | 1,195,155 |

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

| | First nine months of FY2/19 (Mar. 1, 2018 – Nov. 30, 2018) | First nine months of FY2/20 (Mar. 1, 2019 – Nov. 30, 2019) |
|--|---|---|
| Profit | 948,191 | 1,222,859 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 217 | 8,345 |
| Foreign currency translation adjustment | (69,998) | (253,145) |
| Total other comprehensive income | (69,781) | (244,799) |
| Comprehensive income | 878,410 | 978,059 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 874,109 | 952,264 |
| Comprehensive income attributable to non-controlling interests | 4,300 | 25,794 |

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

On March 1, 2019, AIT and Nisshin Transportation conducted a share exchange with AIT as the sole parent company and Nisshin Transportation as the wholly owned subsidiary. Due to this share exchange, Nisshin Transportation received AIT stock consisting of 4,159,200 shares newly issued and 640,800 treasury shares.

AIT acquired 8,000 treasury shares upon resolution of the Board of Directors on November 19, 2019.

As a result, capital surplus increased 5,053,595 thousand yen to 5,275,185 thousand yen, and treasury shares decreased 60,295 thousand yen to 7,712 thousand yen at the end of the third quarter of the current fiscal year.

Changes in the Scope of Consolidation or Application of the Equity Method**(1) Important changes in the scope of consolidation**

As there was a share exchange with Nisshin Transportation on March 1, 2019 to make this company a wholly owned subsidiary, Nisshin Transportation, Nisshin Trans Consolidator, Nisshin Global Logistics (Shanghai), Nisshin International Trading (Shanghai), Nisshin (Myanmar) and one other companies currently being liquidated were included in the scope of consolidation from the first quarter of the current fiscal year.

The change in the scope of consolidation is expected to have a significant impact on our financial statements. This includes increases in assets and liabilities carried on the balance sheet and operating revenue on the statement of income and other items.

Nisshin Transportation and its four subsidiaries is considered as specified subsidiaries of AIT.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation from the first quarter of the current fiscal year because its liquidation process was completed.

(2) Important changes in the scope of application of the equity method

As there was a share exchange with Nisshin Transportation on March 1, 2019 to make this company a wholly owned subsidiary, Nisshin Logistics and five other companies are included in the scope of the equity method from the first quarter of the current fiscal year.

Additional Information

Application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc.

Effective from the beginning of the first quarter of the current fiscal year, AIT has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the non-current liabilities section of the balance sheet, respectively.

Reclassifications**Quarterly Consolidated Statement of Income**

Beginning with the first quarter of the current fiscal year, expenses for international cargo transportation, customs clearance services and delivery services are included in operating cost instead of selling, general and administrative expenses as in prior years. The purposes of this change are to clearly link expenses with revenue, use a single method for management of the AIT Group's results of operations, and provide a more suitable presentation of gross profit and selling, general and administrative expenses.

To conform to this change, the quarterly consolidated statement of income for the first nine months of the previous fiscal year are restated. As a result, 1,052,809 thousand yen of selling, general and administrative expenses in the first nine months of the previous fiscal year's quarterly consolidated statement of income is reclassified as operating cost.

Segment and Other Information**Segment Information**

I First nine months of FY2/19 (Mar. 1, 2018 – Nov. 30, 2018)

Information related to operating revenue and profit or loss for each reportable segment (Thousands of yen)

| | Reportable segment | | | | Other (Note 2) | Total | Adjustment | Amounts shown on quarterly consolidated statement of income (Note 3) |
|---|--------------------|-------------------|----------|------------|-------------------|------------|-------------|---|
| | Japan | China (Note 1) | Thailand | Sub-total | | | | |
| Operating revenue | | | | | | | | |
| (1) Revenue from external customers | 16,816,085 | 3,778,369 | 64,815 | 20,659,271 | 379,522 | 21,038,793 | - | 21,038,793 |
| (2) Inter-segment revenue and transfers | 154,123 | 1,846,501 | 23,826 | 2,024,452 | 193,472 | 2,217,924 | (2,217,924) | - |
| Total | 16,970,209 | 5,624,871 | 88,642 | 22,683,723 | 572,994 | 23,256,718 | (2,217,924) | 21,038,793 |
| Segment profit | 760,689 | 481,250 | 1,105 | 1,243,045 | 12,158 | 1,255,204 | - | 1,255,204 |

Notes: 1. "China" includes the business activities of entities in China and Hong Kong.

2. "Other" is a business segment not included in reportable segments and includes the business activities of entities in the U.S., Taiwan and Vietnam.

3. Segment profit is consistent with operating profit recorded in the quarterly consolidated statement of income.

II First nine months of FY2/20 (Mar. 1, 2019 – Nov. 30, 2019)

1. Information related to operating revenue and profit or loss for each reportable segment (Thousands of yen)

| | Reportable segment | | | Other (Note 2) | Total | Adjustment | Amounts shown on quarterly consolidated statement of income (Note 3) |
|---|--------------------|-------------------|------------|-------------------|------------|-------------|---|
| | Japan | China (Note 1) | Sub-total | | | | |
| Operating revenue | | | | | | | |
| (1) Revenue from external customers | 27,826,686 | 6,364,137 | 34,190,824 | 837,655 | 35,028,479 | - | 35,028,479 |
| (2) Inter-segment revenue and transfers | 195,165 | 3,219,900 | 3,415,065 | 472,871 | 3,887,937 | (3,887,937) | - |
| Total | 28,021,852 | 9,584,037 | 37,605,889 | 1,310,527 | 38,916,417 | (3,887,937) | 35,028,479 |
| Segment profit | 1,017,389 | 428,414 | 1,445,803 | 74,518 | 1,520,321 | - | 1,520,321 |

Notes: 1. "China" includes the business activities of entities in China and Hong Kong.

2. "Other" is a business segment not included in reportable segments and includes the business activities of entities in the U.S., Taiwan, Vietnam and Myanmar.

3. Segment profit is consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information related to assets for each reportable segment

On March 1, 2019, AIT and Nisshin Transportation conducted a share exchange with AIT as the sole parent company and Nisshin Transportation as the wholly owned subsidiary. Accordingly, Nisshin Transportation and Nisshin Trans Consolidator, Nisshin Global Logistics (Shanghai), Nisshin International Trading (Shanghai), and Nisshin (Myanmar), which are subsidiaries of Nisshin Transportation, were included in the scope of consolidation beginning in the first quarter of FY2/20.

As a result, segment assets in "Japan," "China" and "Other" increased 10,711,384 thousand yen, 4,485,302 thousand yen and 773,127 thousand yen, respectively, from the end of FY2/19.

Since the allocation of the acquisition cost has not been completed as of the end of the third quarter of FY2/20, a provisional amount of asset has been calculated.

3. Information related to revisions for reportable segments

From the first quarter of FY2/20, Nisshin Transportation and Nisshin Trans Consolidator Co., Ltd. were added to the “Japan” segment, Nisshin Global Logistics (Shanghai) Co., Ltd. and Nisshin International Trading (Shanghai) Co., Ltd. were added to the “China” segment, and Nisshin (Myanmar) Co., Ltd. was added to “Other,” which is not a reportable segment.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation from the first quarter of the current fiscal year because its liquidation process was completed. Consequently, “Thailand” is no longer a reportable segment.

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.