



January 12, 2022

**Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending February 28, 2022**  
**(Nine Months Ended November 30, 2021)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: January 14, 2022

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, 2021 – November 30, 2021) of the Fiscal Year Ending February 28, 2022**

(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, 2021	44,282	31.6	2,957	76.0	3,154	64.7	1,993	55.1
Nine months ended Nov. 30, 2020	33,641	(4.0)	1,679	12.8	1,915	7.1	1,285	5.0

Note: Comprehensive income Nine months ended Nov. 30, 2021: 2,306 million yen (up 75.5%)

Nine months ended Nov. 30, 2020: 1,314 million yen (up 30.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2021	84.87	-
Nine months ended Nov. 30, 2020	54.40	-

Note: AIT acquired 199,800 treasury shares by November 6, 2020 upon resolution of the Board of Directors on July 13, 2020.

The net income per share for nine months ended November 30, 2021 is calculated using an average number of shares during the period of 23,493,654.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2021	23,735	13,517	56.2
As of Feb. 28, 2021	21,630	12,231	55.6

Reference: Equity capital As of Nov. 30, 2021: 13,343 million yen As of Feb. 28, 2021: 12,022 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, 2021	-	18.00	-	20.00	38.00
Fiscal year ending Feb. 28, 2022	-	22.00	-	-	-
Fiscal year ending Feb. 28, 2022 (forecast)	-	-	-	36.00	58.00

Notes: 1. Revision to the most recently announced dividend forecast: None

2. Breakdown of the year-end dividend for the fiscal year ended February 28, 2021

Ordinary dividend: ¥18.00; Commemorative dividend to celebrate 25th founding anniversary: ¥2.00

3. Breakdown of the year-end dividend forecast for the fiscal year ending February 28, 2022

Ordinary dividend: ¥29.00; Commemorative dividend to celebrate 15th listing anniversary: ¥7.00

**3. Consolidated Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 – February 28, 2022)**

(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	57,000	24.5	3,270	41.9	3,480	36.7	2,250	29.9	95.77

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

**\* Notes**

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

Newly added: -

Excluded: 1, AIT International of America, Inc.

(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, 2021:	23,913,600 shares	As of Feb. 28, 2021:	23,913,600 shares
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2) Number of treasury shares at the end of the period

As of Nov. 30, 2021:	419,975 shares	As of Feb. 28, 2021:	419,912 shares
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3) Average number of shares during the period

Nine months ended Nov. 30, 2021:	23,493,654 shares	Nine months ended Nov. 30, 2020:	23,635,269 shares
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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

Note concerning forward-looking statements

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 3 of the attachments regarding preconditions or other related matters for forecasts shown above.

Change in units for monetary figures

Monetary figures in the quarterly consolidated financial statements and in other items had been shown in thousands of yen in prior years. Beginning with the first quarter of the fiscal year ending in February 2022, monetary figures are shown in millions of yen. To facilitate comparisons, figures for the previous first nine months and fiscal year have been also revised to millions of yen.

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Changes in the Scope of Consolidation or Application of the Equity Method	8
Additional Information	8
Segment and Other Information	9

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Japanese economy slowly recovered during the first nine months of the fiscal year ending February 28, 2022 even as the pandemic continued. However, the outlook for the economy is still uncertain. The business climate for the AIT Group remained challenging because of sluggish consumer spending and shortages of shipping containers and space on containerships and other cargo ships.

The AIT Group focused on establishing relationships with new customers and increasing the volume of business with current customers, with emphasis on cargo going by sea from China and Southeast Asia to Japan. In addition, there were many activities to secure the number of containers and space for cargo on ships by continuously negotiating with shipping companies in order to maintain the stability of international cargo movements. During the first nine months, the volume of household products, home appliances and other consumer products increased because of the growth of consumption linked with reluctance to go out during the pandemic. There was also a small recovery in the volume of apparel shipments.

Freight rates on some routes used by the AIT Group have been consistently high because of the shortage of shipping containers and other reasons. High rates contributed to the growth of revenue and earnings during the first nine months of current the fiscal year. In addition, the AIT Group continued to review and hold down selling, general and administrative expenses in order to increase earnings.

Operating revenue increased 31.6% year-on-year to 44,282 million yen. Earnings at all levels were much higher than one year earlier mainly because of the significant increase in operating revenue. Operating profit increased 76.0% to 2,957 million yen, ordinary profit was up 64.7% to 3,154 million yen and profit attributable to owners of parent increased 55.1% to 1,993 million yen.

Results by business segment are as follows.

In Other, which is not a reportable segment, U.S. subsidiary AIT International of America, Inc. was liquidated in the first quarter of the current fiscal year and excluded from consolidation. In the China reportable segment, Nisshin International Trading Co.,Ltd. is making preparations to begin liquidation proceedings.

#### 1) Japan

Economic and social activity was severely limited by declarations of a state of emergency during the first nine months of the current fiscal year and there was a big negative impact on consumer spending. As a result, economic growth began to decline.

Although market conditions in Japan were difficult, consumer spending associated with staying home for safety during the pandemic continued to climb. There were sales activities to receive more orders for integrated freight transport services and many digital transformation activities for providing customers with high-quality services.

Due to these activities, the number of containers handled in the sea freight sector increased 2.2% from one year earlier to 205,579 TEU for imports and the total for imports and exports increased 2.0% to 215,709 TEU. Customs clearance orders were higher than one year earlier, increasing 6.8% to 113,029 as orders at subsidiaries began to recover. Furthermore, in addition to the growth in the volume of shipments, freight rates increased significantly because of the shipping container shortage. These high rates made a big contribution to operating revenue and the gross profit. We are constantly reexamining selling, general and administrative expenses and using the digital transformation to operate more efficiently in order to cut costs for more earnings growth.

As a result, operating revenue increased 36.7% from one year earlier to 36,913 million yen. Segment profit increased 119.0% to 2,457 million yen mainly because of a big increase in the gross profit and measures to hold down personnel expenses and expenses for sales activities.

#### 2) China

The consistently low volume of apparel shipments makes it very difficult to receive orders for merchandise inspections, needle detection and other services associated with these shipments. However, the volume of freight

for Japan handled by the AIT Group has recovered in comparison with one year earlier. These favorable trends are creating more opportunities involving cargo shipments to increase revenue in China.

As a result, operating revenue increased 16.2% from one year earlier to 6,619 million yen and segment profit decreased 5.3% to 466 million yen because of higher expenses caused partly by the temporary reduction of legal welfare expenses in China during the first nine months of the previous fiscal year.

### **3) Other**

At the subsidiary in Taiwan, the volume of cargo and revenue remained steady. However, revenue was down at the subsidiary in Vietnam because of the sharp increase in the number of COVID-19 infections. Revenue declined at the Myanmar subsidiary because of the pandemic and civil unrest. The performance of this segment was also affected by the liquidation of a U.S. subsidiary. As a result, operating revenue decreased 21.1% to 749 million yen and segment profit decreased 49.0% to 33 million yen.

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

## **(2) Explanation of Financial Position**

### **Assets**

Total assets increased 2,104 million yen from the end of the previous fiscal year to 23,735 million yen at the end of the period under review.

Current assets increased 2,686 million yen to 19,540 million yen. This was mainly due to increases in notes and accounts receivable-trade of 1,954 million yen, advances paid of 547 million yen and cash and deposits of 167 million yen.

Non-current assets decreased 581 million yen to 4,195 million yen. This was mainly due to decreases in customer-related assets of 197 million yen, goodwill of 81 million yen and deferred tax assets of 61 million yen.

### **Liabilities**

Total liabilities increased 818 million yen to 10,218 million yen.

Current liabilities increased 844 million yen to 8,608 million yen. This was mainly due to an increase in accounts payable-trade of 1,690 million yen, which was partially offset by a decrease in current portion of long-term borrowings of 1,000 million yen.

Non-current liabilities decreased 25 million yen to 1,609 million yen. This was mainly due to a decrease in deferred tax liabilities of 4 million yen.

### **Net assets**

Net assets increased 1,285 million yen to 13,517 million yen. This was mainly due to a booking of profit attributable to owners of parent of 1,993 million yen, dividends distributed from retained earnings of 986 million yen and a 310 million yen increase in foreign currency translation adjustment.

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

Revenue and earnings at all levels in the first nine months were much higher than in the same period of the previous fiscal year. Results of operations are currently in line with the upward revisions to the fiscal year revenue and earnings forecasts announced on November 18, 2021 along with an increase in the forecast for the fiscal year dividend, which includes a commemorative dividend. Consequently, there are no revisions to the current fiscal year forecasts for consolidated results of operations for the fiscal year ending February 28, 2022 that was announced on November 18, 2021.

We will continue to monitor changes in the business climate and will make an announcement promptly if there is a need to revise the fiscal year forecast.

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

(Millions of yen)

	FY2/21 (As of Feb. 28, 2021)	Third quarter of FY2/22 (As of Nov. 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	10,653	10,821
Notes and accounts receivable-trade	4,507	6,461
Advances paid	1,375	1,922
Other	358	388
Allowance for doubtful accounts	(41)	(54)
Total current assets	16,853	19,540
Non-current assets		
Property, plant and equipment	774	594
Intangible assets		
Goodwill	870	788
Customer-related assets	2,105	1,908
Other	188	160
Total intangible assets	3,164	2,857
Investments and other assets		
Investment securities	460	434
Guarantee deposits	244	240
Other	134	101
Allowance for doubtful accounts	(0)	(33)
Total investments and other assets	838	743
Total non-current assets	4,777	4,195
Total assets	21,630	23,735
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,247	3,938
Current portion of long-term borrowings	3,700	2,700
Income taxes payable	580	516
Provision for bonuses	389	263
Provision for bonuses for directors (and other officers)	35	22
Other	811	1,168
Total current liabilities	7,764	8,608
Non-current liabilities		
Deferred tax liabilities	501	496
Retirement benefit liability	584	627
Provision for retirement benefits for directors (and other officers)	140	148
Asset retirement obligations	210	216
Other	198	119
Total non-current liabilities	1,634	1,609
Total liabilities	9,399	10,218

	(Millions of yen)	
	FY2/21 (As of Feb. 28, 2021)	Third quarter of FY2/22 (As of Nov. 30, 2021)
Net assets		
Shareholders' equity		
Share capital	271	271
Capital surplus	5,275	5,274
Retained earnings	6,808	7,815
Treasury shares	(392)	(392)
Total shareholders' equity	11,962	12,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	10
Foreign currency translation adjustment	57	367
Remeasurements of defined benefit plans	(4)	(3)
Total accumulated other comprehensive income	59	374
Non-controlling interests	209	174
Total net assets	12,231	13,517
Total liabilities and net assets	21,630	23,735

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

(Millions of yen)

	First nine months of FY2/21 (Mar. 1, 2020 – Nov. 30, 2020)	First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)
Operating revenue		
Forwarding income	33,641	44,282
Total operating revenue	33,641	44,282
Operating costs		
Forwarding cost	27,508	36,865
Total operating costs	27,508	36,865
Gross profit	6,132	7,416
Selling, general and administrative expenses	4,452	4,459
Operating profit	1,679	2,957
Non-operating income		
Interest income	28	22
Dividend income	5	1
Share of profit of entities accounted for using equity method	135	142
Foreign exchange gains	22	3
Other	47	37
Total non-operating income	239	207
Non-operating expenses		
Interest expenses	2	9
Other	1	0
Total non-operating expenses	4	10
Ordinary profit	1,915	3,154
Extraordinary losses		
Loss on sales of non-current assets	0	3
Loss on retirement of non-current assets	3	2
Loss on valuation of membership	5	-
Loss on liquidation of subsidiaries and associates	14	0
Business restructuring expenses	-	87
Total extraordinary losses	23	94
Profit before income taxes	1,891	3,060
Income taxes-current	661	982
Income taxes-deferred	(86)	56
Total income taxes	575	1,038
Profit	1,316	2,021
Profit attributable to non-controlling interests	30	27
Profit attributable to owners of parent	1,285	1,993

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

(Millions of yen)

	First nine months of FY2/21 (Mar. 1, 2020 – Nov. 30, 2020)	First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)
Profit	1,316	2,021
Other comprehensive income		
Valuation difference on available-for-sale securities	9	3
Foreign currency translation adjustment	(4)	233
Share of other comprehensive income of entities accounted for using equity method	(7)	47
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(2)	284
Comprehensive income	1,314	2,306
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,272	2,308
Comprehensive income attributable to non-controlling interests	42	(2)

**(3) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in the Scope of Consolidation or Application of the Equity Method**

Important changes in the scope of consolidation

Consolidated subsidiary AIT International of America, Inc. was liquidated in the first quarter of the current fiscal year and excluded from consolidation.

**Additional Information**

Impact of the COVID-19 pandemic on accounting estimates

There is no important change in the assumptions about the impact of the COVID-19 pandemic on accounting estimates which was presented in additional information in the Annual Securities Report for the previous fiscal year.

**Segment and Other Information****Segment Information**

I First nine months of FY2/21 (Mar. 1, 2020 – Nov. 30, 2020)

Information related to operating revenue and profit or loss for each reportable segment

(Millions 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	26,995	5,696	32,692	949	33,641	-	33,641
(2) Inter-segment revenue and transfers	128	2,787	2,915	412	3,327	(3,327)	-
Total	27,123	8,483	35,607	1,361	36,969	(3,327)	33,641
Segment profit	1,121	492	1,613	66	1,679	-	1,679

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. U.S. subsidiary AIT International of America terminated its operations on February 29, 2020 and is currently being liquidated.

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

II First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)

Information related to operating revenue and profit or loss for each reportable segment

(Millions 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	36,913	6,619	43,532	749	44,282	-	44,282
(2) Inter-segment revenue and transfers	103	3,294	3,397	367	3,764	(3,764)	-
Total	37,016	9,913	46,930	1,116	48,046	(3,764)	44,282
Segment profit	2,457	466	2,923	33	2,957	-	2,957

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 Taiwan, Vietnam and Myanmar. U.S. subsidiary AIT International of America, Inc. was liquidated in the first quarter of FY2/22 and excluded from consolidation.

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

*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.*