

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended June 30, 2021 (Based on Japanese GAAP)

August 13, 2021

Company name: AIRTECH JAPAN,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6291 URL <https://www.airtech.co.jp>
 Representative: President Shinya Hirasawa
 Inquiries: Vice President Naoki Watanabe TEL 03(3872)9192
 Scheduled date to file Quarterly Securities Report: August 13, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended June 30, 2021 (from January 1, 2021 to June 30, 2021)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2021	8,411	68.2	1,480	329.0	1,665	239.4	1,174	222.3
Six months ended June 30, 2020	5,001	0.6	345	45.2	490	30.2	364	28.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2021	113.66		113.14	
Six months ended June 30, 2020	37.97		37.75	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	19,582	13,058	66.5	1,255.87
As of December 31, 2020	18,829	12,164	64.4	1,174.55

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	0.00	–	33.00	33.00
Year ending December 31, 2021	–	0.00	–	–	–
Year ending December 31, 2021 (Forecast)	–	–	–	36.00	36.00

3. Forecast of non-consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,700	1.7	1,580	11.7	1,760	12.6	1,220	7.4	118.07

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021	10,447,200 shares	As of December 31, 2020	10,403,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	74,709 shares	As of December 31, 2020	75,699 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2021	10,332,077 shares	Six months ended June 30, 2020	9,594,004 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	6,520,039	7,076,814
Notes and accounts receivable - trade	4,748,840	4,058,132
Electronically recorded monetary claims - operating	1,206,374	1,935,638
Securities	452	483
Merchandise and finished goods	840,165	925,932
Work in process	870,751	568,423
Raw materials and supplies	387,413	460,375
Other	24,505	61,300
Allowance for doubtful accounts	(8,947)	(10,012)
Total current assets	14,589,596	15,077,087
Non-current assets		
Property, plant and equipment		
Land	2,055,014	2,226,684
Other	1,509,743	1,608,452
Total property, plant and equipment	3,564,757	3,835,137
Intangible assets	115,026	100,597
Investments and other assets		
Other	587,002	591,435
Allowance for doubtful accounts	(26,824)	(21,324)
Total investments and other assets	560,177	570,110
Total non-current assets	4,239,962	4,505,845
Total assets	18,829,558	19,582,933
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,320,088	1,254,227
Electronically recorded obligations - operating	2,327,072	2,396,046
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	44,268	74,256
Income taxes payable	407,141	496,643
Provision for product warranties	51,242	8,968
Provision for bonuses	108,522	106,752
Provision for loss on order received	4,109	7,342
Other	1,116,346	818,985
Total current liabilities	5,678,790	5,463,221
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term borrowings	163,035	260,913
Provision for retirement benefits	701,519	679,061
Other	21,672	21,639
Total non-current liabilities	986,227	1,061,614
Total liabilities	6,665,018	6,524,835

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	2,056,919	2,082,463
Capital surplus	2,098,251	2,124,221
Retained earnings	8,014,697	8,848,208
Treasury shares	(49,841)	(49,196)
Total shareholders' equity	12,120,026	13,005,696
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,453	20,792
Total valuation and translation adjustments	10,453	20,792
Share acquisition rights	34,060	31,609
Total net assets	12,164,540	13,058,097
Total liabilities and net assets	18,829,558	19,582,933

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Net sales	5,001,920	8,411,789
Cost of sales	3,818,034	5,838,383
Gross profit	1,183,885	2,573,406
Selling, general and administrative expenses		
Freight and packing costs	178,577	360,881
Remuneration for directors (and other officers)	48,466	41,887
Salaries	262,383	273,172
Provision of allowance for doubtful accounts	(15,922)	(3,459)
Provision for bonuses	23,679	29,149
Retirement benefit expenses	16,045	17,068
Provision for product warranties	(1,833)	(42,274)
Other	327,327	416,298
Total selling, general and administrative expenses	838,724	1,092,724
Operating profit	345,161	1,480,681
Non-operating income		
Interest income	324	55
Dividend income	167,470	157,400
Other	7,074	34,356
Total non-operating income	174,869	191,813
Non-operating expenses		
Interest expenses	1,196	1,236
Share issuance costs	12,574	–
Foreign exchange losses	6,138	–
Foreign withholding tax	9,116	4,828
Other	175	754
Total non-operating expenses	29,202	6,818
Ordinary profit	490,828	1,665,676
Profit before income taxes	490,828	1,665,676
Income taxes - current	118,894	460,643
Income taxes - deferred	7,618	30,704
Total income taxes	126,512	491,348
Profit	364,315	1,174,327

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	490,828	1,665,676
Depreciation	53,953	68,597
Increase (decrease) in allowance for doubtful accounts	(15,922)	(4,435)
Increase (decrease) in provision for bonuses	1,737	(1,770)
Increase (decrease) in provision for retirement benefits	(20,096)	(22,457)
Increase (decrease) in provision for loss on order received	(470)	3,232
Interest and dividend income	(167,795)	(157,456)
Interest expenses	1,196	1,236
Decrease (increase) in trade receivables	203,747	(38,555)
Decrease (increase) in inventories	(279,434)	143,600
Increase (decrease) in trade payables	455,526	3,113
Increase (decrease) in accounts payable - other	(323,348)	(153,106)
Other, net	202,326	(164,843)
Subtotal	602,247	1,342,829
Interest and dividends received	118,508	126,428
Interest paid	(1,256)	(1,333)
Income taxes paid	(106,588)	(369,571)
Net cash provided by (used in) operating activities	612,910	1,098,354
Cash flows from investing activities		
Payments into time deposits	(268,129)	(268,141)
Proceeds from withdrawal of time deposits	268,108	268,129
Purchase of property, plant and equipment	(259,129)	(351,012)
Other, net	(42,588)	(3,842)
Net cash provided by (used in) investing activities	(301,739)	(354,866)
Cash flows from financing activities		
Proceeds from short-term borrowings	300,000	260,000
Repayments of short-term borrowings	(300,000)	(260,000)
Proceeds from long-term borrowings	170,000	150,000
Repayments of long-term borrowings	(26,775)	(22,134)
Dividends paid	(196,288)	(336,524)
Proceeds from issuance of shares	987,599	7,157
Proceeds from disposal of treasury shares	31,980	820
Other, net	477	(2,365)
Net cash provided by (used in) financing activities	966,992	(203,046)
Effect of exchange rate change on cash and cash equivalents	(5,485)	16,353
Net increase (decrease) in cash and cash equivalents	1,272,678	556,794
Cash and cash equivalents at beginning of period	4,748,099	5,894,750
Cash and cash equivalents at end of period	6,020,778	6,451,545