

Translation

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

November 12, 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: November 12, 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 nine months ended September 30, 2021 (from January 1, 2021 to September 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 | %     |
| Nine months ended September 30, 2021 | 11,366          | 35.8 | 1,809            | 114.5 | 2,003           | 102.7 | 1,428           | 103.6 |
| Nine months ended September 30, 2020 | 8,368           | 6.0  | 843              | 128.0 | 988             | 92.8  | 701             | 91.6  |

|                                      | Earnings per share |  | Diluted earnings per share |  |
|--------------------------------------|--------------------|--|----------------------------|--|
|                                      | Yen                |  | Yen                        |  |
| Nine months ended September 30, 2021 | 138.04             |  | 137.44                     |  |
| Nine months ended September 30, 2020 | 71.43              |  | 70.98                      |  |

(2) Non-consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
|                          | Millions of yen | Millions of yen | %            | Yen                  |
| As of September 30, 2021 | 19,059          | 13,318          | 69.7         | 1,280.69             |
| 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) |                            |                 |                 | 50.00           | 50.00 |

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 | 14,100          | 12.9 | 1,930            | 36.5 | 2,140           | 37.0 | 1,480           | 30.3 | 143.05             |

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 September 30, 2021 | 10,448,200 shares | As of December 31, 2020 | 10,403,500 shares |
|--------------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

|                          |               |                         |               |
|--------------------------|---------------|-------------------------|---------------|
| As of September 30, 2021 | 72,709 shares | As of December 31, 2020 | 75,699 shares |
|--------------------------|---------------|-------------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                      |                   |                                      |                  |
|--------------------------------------|-------------------|--------------------------------------|------------------|
| Nine months ended September 30, 2021 | 10,345,963 shares | Nine months ended September 30, 2020 | 9,821,582 shares |
|--------------------------------------|-------------------|--------------------------------------|------------------|

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

|   | As of December 31, 2020 | As of September 30, 2021 |
|---|-------------------------|--------------------------|
| <b>Assets</b>                                       |                         |                          |
| Current assets                                      |                         |                          |
| Cash and deposits                                   | 6,520,039               | 7,754,811                |
| Notes and accounts receivable - trade               | 4,748,840               | 3,432,212                |
| Electronically recorded monetary claims - operating | 1,206,374               | 1,054,512                |
| Securities  | 452                     | 489                      |
| Merchandise and finished goods                      | 840,165                 | 962,370                  |
| Work in process                                     | 870,751                 | 733,624                  |
| Raw materials and supplies                          | 387,413                 | 468,156                  |
| Other   | 24,505                  | 28,077                   |
| Allowance for doubtful accounts                     | (8,947)                 | (6,336)                  |
| Total current assets                                | 14,589,596              | 14,427,919               |
| Non-current assets                                  |                         |                          |
| Property, plant and equipment                       |                         |                          |
| Land  | 2,055,014               | 2,226,684                |
| Other   | 1,509,743               | 1,617,938                |
| Total property, plant and equipment                 | 3,564,757               | 3,844,622                |
| Intangible assets                                   | 115,026                 | 92,961                   |
| Investments and other assets                        |                         |                          |
| Other   | 587,002                 | 710,892                  |
| Allowance for doubtful accounts                     | (26,824)                | (16,824)                 |
| Total investments and other assets                  | 560,177                 | 694,068                  |
| Total non-current assets                            | 4,239,962               | 4,631,652                |
| Total assets  | 18,829,558              | 19,059,571               |
| <b>Liabilities</b>                                  |                         |                          |
| Current liabilities                                 |                         |                          |
| Notes and accounts payable - trade                  | 1,320,088               | 1,097,962                |
| Electronically recorded obligations - operating     | 2,327,072               | 1,706,794                |
| Short-term borrowings                               | 300,000                 | 300,000                  |
| Current portion of long-term borrowings             | 44,268                  | 74,256                   |
| Current portion of bonds payable                    | —                       | 100,000                  |
| Income taxes payable                                | 407,141                 | 414,129                  |
| Provision for product warranties                    | 51,242                  | 8,569                    |
| Provision for bonuses                               | 108,522                 | 290,650                  |
| Provision for loss on order received                | 4,109                   | 6,135                    |
| Other   | 1,116,346               | 810,480                  |
| Total current liabilities                           | 5,678,790               | 4,808,977                |
| Non-current liabilities                             |                         |                          |
| Bonds payable                                       | 100,000                 | —                        |
| Long-term borrowings                                | 163,035                 | 242,349                  |
| Provision for retirement benefits                   | 701,519                 | 669,124                  |
| Other   | 21,672                  | 20,514                   |
| Total non-current liabilities                       | 986,227                 | 931,987                  |
| Total liabilities                                   | 6,665,018               | 5,740,965                |

(Thousands of yen)

|   | As of December 31, 2020 | As of September 30, 2021 |
|---|-------------------------|--------------------------|
| Net assets  |                         |                          |
| Shareholders' equity                                  |                         |                          |
| Share capital   | 2,056,919               | 2,083,047                |
| Capital surplus                                       | 2,098,251               | 2,125,665                |
| Retained earnings                                     | 8,014,697               | 9,102,052                |
| Treasury shares                                       | (49,841)                | (47,880)                 |
| Total shareholders' equity                            | 12,120,026              | 13,262,884               |
| Valuation and translation adjustments                 |                         |                          |
| Valuation difference on available-for-sale securities | 10,453                  | 24,915                   |
| Total valuation and translation adjustments           | 10,453                  | 24,915                   |
| Share acquisition rights                              | 34,060                  | 30,806                   |
| Total net assets                                      | 12,164,540              | 13,318,606               |
| Total liabilities and net assets                      | 18,829,558              | 19,059,571               |

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

|  | Nine months ended<br>September 30, 2020 | Nine months ended<br>September 30, 2021 |
|--|---|---|
| Net sales  | 8,368,020                               | 11,366,515                              |
| Cost of sales                                      | 6,129,806                               | 7,974,492                               |
| Gross profit                                       | 2,238,213                               | 3,392,022                               |
| Selling, general and administrative expenses       |   |   |
| Freight and packing costs                          | 301,082                                 | 495,436                                 |
| Remuneration for directors (and other officers)    | 85,526                                  | 60,603                                  |
| Salaries   | 396,611                                 | 405,098                                 |
| Provision of allowance for doubtful accounts       | (16,490)                                | (11,635)                                |
| Provision for bonuses                              | 75,850                                  | 79,365                                  |
| Retirement benefit expenses                        | 25,529                                  | 25,804                                  |
| Provision for product warranties                   | 32,956                                  | (42,673)                                |
| Other  | 493,457                                 | 570,022                                 |
| Total selling, general and administrative expenses | 1,394,523                               | 1,582,022                               |
| Operating profit                                   | 843,690                                 | 1,809,999                               |
| Non-operating income                               |   |   |
| Interest income                                    | 399                                     | 91                                      |
| Dividend income                                    | 167,570                                 | 158,045                                 |
| Other  | 9,149                                   | 42,910                                  |
| Total non-operating income                         | 177,119                                 | 201,048                                 |
| Non-operating expenses                             |   |   |
| Interest expenses                                  | 2,023                                   | 2,112                                   |
| Share issuance costs                               | 12,574                                  | 39                                      |
| Foreign exchange losses                            | 8,897                                   | –                                       |
| Foreign withholding tax                            | 9,116                                   | 4,828                                   |
| Other  | 175                                     | 981                                     |
| Total non-operating expenses                       | 32,789                                  | 7,962                                   |
| Ordinary profit                                    | 988,020                                 | 2,003,086                               |
| Profit before income taxes                         | 988,020                                 | 2,003,086                               |
| Income taxes - current                             | 386,425                                 | 613,930                                 |
| Income taxes - deferred                            | (99,997)                                | (39,016)                                |
| Total income taxes                                 | 286,427                                 | 574,913                                 |
| Profit   | 701,593                                 | 1,428,172                               |