

Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

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 of ordinary general meeting of shareholders: March 29, 2022  
 Scheduled date to file Securities Report: March 29, 2022  
 Scheduled date to commence dividend payments: March 30, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of 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 year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

#### (1) Non-consolidated operating results

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	%
Year ended December 31, 2021	14,289	14.4	1,991	40.7	2,195	40.5	1,584	39.4
Year ended December 31, 2020	12,487	19.6	1,414	224.7	1,562	166.8	1,136	180.4

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2021	153.03	152.39	12.4	11.3	13.9
Year ended December 31, 2020	114.29	113.50	10.3	9.3	11.3

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	19,968	13,456	67.2	1,293.71
As of December 31, 2020	18,829	12,164	64.4	1,174.55

#### (3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2021	1,799	(458)	(71)	7,189
Year ended December 31, 2020	914	(761)	1,004	5,894

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2020	–	0.00	–	33.00	33.00	340	28.9	2.8
Year ended December 31, 2021	–	0.00	–	50.00	50.00	518	32.7	4.1
Year ending December 31, 2022 (Forecast)	–	0.00	–	50.00	50.00		44.2	

3. Forecast of non-consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	13,000	(9.0)	1,500	(24.7)	1,650	(24.9)	1,170	(26.2)	113.00

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of December 31, 2021	10,450,200 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 December 31, 2021	72,019 shares	As of December 31, 2020	75,699 shares
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Average number of shares during the period

Year ended December 31, 2021	10,353,661 shares	Year ended December 31, 2020	9,944,064 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,520,039	7,815,177
Notes receivable - trade	1,506,478	1,177,512
Accounts receivable - trade	3,242,362	2,356,203
Electronically recorded monetary claims - operating	1,206,374	1,310,824
Securities	452	499
Merchandise and finished goods	840,165	1,513,461
Work in process	870,751	709,156
Raw materials and supplies	387,413	483,907
Prepaid expenses	10,662	26,315
Other	13,843	6,367
Allowance for doubtful accounts	(8,947)	(4,511)
<b>Total current assets</b>	<b>14,589,596</b>	<b>15,394,914</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	2,331,643	2,804,831
Accumulated depreciation	(1,375,085)	(1,439,270)
Buildings, net	956,557	1,365,561
Structures	75,805	120,495
Accumulated depreciation	(62,166)	(67,859)
Structures, net	13,639	52,636
Machinery and equipment	349,000	356,608
Accumulated depreciation	(243,586)	(261,974)
Machinery and equipment, net	105,413	94,633
Vehicles	8,310	10,841
Accumulated depreciation	(8,310)	(5,210)
Vehicles, net	0	5,630
Tools, furniture and fixtures	369,926	405,523
Accumulated depreciation	(331,497)	(346,687)
Tools, furniture and fixtures, net	38,428	58,835
Land	2,055,014	2,226,684
Construction in progress	395,703	76,307
<b>Total property, plant and equipment</b>	<b>3,564,757</b>	<b>3,880,289</b>
<b>Intangible assets</b>		
Software	109,233	81,679
Leased assets	2,321	331
Telephone subscription right	3,471	3,471
<b>Total intangible assets</b>	<b>115,026</b>	<b>85,482</b>

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
Investments and other assets		
Investment securities	123,563	91,534
Investments in capital of subsidiaries and associates	79,781	134,741
Distressed receivables	26,824	11,640
Deferred tax assets	338,750	318,159
Other	18,082	62,987
Allowance for doubtful accounts	(26,824)	(11,640)
Total investments and other assets	560,177	607,423
Total non-current assets	4,239,962	4,573,195
Total assets	18,829,558	19,968,110
Liabilities		
Current liabilities		
Notes payable - trade	698,263	577,431
Electronically recorded obligations - operating	2,327,072	2,247,096
Accounts payable - trade	621,824	489,282
Short-term borrowings	300,000	280,000
Current portion of bonds payable	–	100,000
Current portion of long-term borrowings	44,268	74,256
Lease obligations	4,704	2,913
Accounts payable - other	542,643	510,120
Accrued expenses	281,393	275,468
Income taxes payable	407,141	427,318
Advances received	177,510	177,541
Deposits received	106,010	105,205
Provision for bonuses	108,522	115,449
Provision for loss on order received	4,109	4,949
Provision for product warranties	51,242	9,083
Other	4,084	8,347
Total current liabilities	5,678,790	5,404,464
Non-current liabilities		
Bonds payable	100,000	–
Long-term borrowings	163,035	410,785
Lease obligations	9,380	6,467
Provision for retirement benefits	701,519	659,423
Asset retirement obligations	12,291	14,712
Other	–	15,920
Total non-current liabilities	986,227	1,107,307
Total liabilities	6,665,018	6,511,771

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	2,056,919	2,084,215
Capital surplus		
Legal capital surplus	2,064,277	2,091,567
Other capital surplus	33,973	35,694
Total capital surplus	2,098,251	2,127,262
Retained earnings		
Legal retained earnings	132,600	132,600
Other retained earnings		
General reserve	303,000	303,000
Retained earnings brought forward	7,579,097	8,822,657
Total retained earnings	8,014,697	9,258,257
Treasury shares	(49,841)	(47,235)
Total shareholders' equity	12,120,026	13,422,499
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,453	3,832
Total valuation and translation adjustments	10,453	3,832
Share acquisition rights	34,060	30,006
Total net assets	12,164,540	13,456,338
Total liabilities and net assets	18,829,558	19,968,110

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales		
Net sales of finished goods	12,229,149	14,058,843
Net sales of goods	258,187	230,272
Total net sales	12,487,337	14,289,116
Cost of sales		
Beginning finished goods inventory	705,089	821,641
Beginning merchandise inventory	11,572	18,524
Cost of products manufactured	9,008,882	10,599,388
Cost of purchased goods	197,071	170,044
Total	9,922,614	11,609,598
Ending finished goods inventory	821,641	1,500,923
Ending merchandise inventory	18,524	12,537
Total cost of sales	9,082,448	10,096,136
Reversal For Loss On Order	9,927	4,109
Provision For Loss On Order	4,109	4,949
Gross profit	3,410,706	4,192,138
Selling, general and administrative expenses		
Freight Charge	473,248	635,624
Travel and transportation expenses	58,411	60,942
Remuneration for directors (and other officers)	116,385	104,678
Salaries and allowances	532,090	540,936
Bonuses	179,159	176,575
Provision for bonuses	30,584	31,281
Retirement benefit expenses	34,083	34,475
Provision for product warranties	24,425	(37,761)
Provision of allowance for doubtful accounts	(19,072)	(18,485)
Legal welfare expenses	122,081	122,294
Depreciation	14,871	33,398
Rent expenses	28,893	34,389
Research and development expenses	112,813	119,527
Other	287,949	363,025
Total selling, general and administrative expenses	1,995,924	2,200,902
Operating profit	1,414,782	1,991,236
Non-operating income		
Interest income	417	106
Dividend income	168,052	158,555
Foreign exchange gains	–	24,056
Other	15,696	31,063
Total non-operating income	184,165	213,782

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Non-operating expenses		
Interest expenses	2,281	2,448
Interest on bonds	300	300
Share issuance costs	12,574	39
Foreign exchange losses	11,991	–
Foreign withholding tax	9,116	4,828
Other	253	1,513
Total non-operating expenses	36,518	9,129
Ordinary profit	1,562,429	2,195,888
Extraordinary income		
Gain on sale of investment securities	–	26,971
Total extraordinary income	–	26,971
Extraordinary losses		
Loss on valuation of membership	–	4,420
Total extraordinary losses	–	4,420
Profit before income taxes	1,562,429	2,218,439
Income taxes - current	456,905	611,724
Income taxes - deferred	(30,944)	22,338
Total income taxes	425,960	634,063
Profit	1,136,469	1,584,376

## Non-consolidated statements of changes in equity

Fiscal year ended December 31, 2020

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						General reserve	Retained earnings brought forward
Balance at beginning of period	1,517,929	1,525,338	–	1,525,338	132,600	303,000	6,639,370
Changes during period							
Issuance of new shares - exercise of share acquisition rights	538,990	538,939		538,939			
Dividends of surplus							(196,741)
Profit							1,136,469
Disposal of treasury shares			33,973	33,973			
Net changes in items other than shareholders' equity							
Total changes during period	538,990	538,939	33,973	572,913	–	–	939,727
Balance at end of period	2,056,919	2,064,277	33,973	2,098,251	132,600	303,000	7,579,097

	Shareholders' equity			Valuation and translation adjustments		Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
	Total retained earnings						
Balance at beginning of period	7,074,970	(101,823)	10,016,414	18,542	18,542	77,190	10,112,147
Changes during period							
Issuance of new shares - exercise of share acquisition rights			1,077,929				1,077,929
Dividends of surplus	(196,741)		(196,741)				(196,741)
Profit	1,136,469		1,136,469				1,136,469
Disposal of treasury shares		51,982	85,955				85,955
Net changes in items other than shareholders' equity				(8,089)	(8,089)	(43,130)	(51,219)
Total changes during period	939,727	51,982	2,103,612	(8,089)	(8,089)	(43,130)	2,052,393
Balance at end of period	8,014,697	(49,841)	12,120,026	10,453	10,453	34,060	12,164,540

Fiscal year ended December 31, 2021

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						General reserve	Retained earnings brought forward
Balance at beginning of period	2,056,919	2,064,277	33,973	2,098,251	132,600	303,000	7,579,097
Changes during period							
Issuance of new shares - exercise of share acquisition rights	27,296	27,289		27,289			
Dividends of surplus							(340,817)
Profit							1,584,376
Disposal of treasury shares			1,720	1,720			
Net changes in items other than shareholders' equity							
Total changes during period	27,296	27,289	1,720	29,010	–	–	1,243,559
Balance at end of period	2,084,215	2,091,567	35,694	2,127,262	132,600	303,000	8,822,657

	Shareholders' equity			Valuation and translation adjustments		Share acquisition rights	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
	Total retained earnings						
Balance at beginning of period	8,014,697	(49,841)	12,120,026	10,453	10,453	34,060	12,164,540
Changes during period							
Issuance of new shares - exercise of share acquisition rights			54,586				54,586
Dividends of surplus	(340,817)		(340,817)				(340,817)
Profit	1,584,376		1,584,376				1,584,376
Disposal of treasury shares		2,606	4,326				4,326
Net changes in items other than shareholders' equity				(6,620)	(6,620)	(4,054)	(10,674)
Total changes during period	1,243,559	2,606	1,302,472	(6,620)	(6,620)	(4,054)	1,291,797
Balance at end of period	9,258,257	(47,235)	13,422,499	3,832	3,832	30,006	13,456,338

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,562,429	2,218,439
Depreciation	109,653	141,458
Increase (decrease) in allowance for doubtful accounts	(19,072)	(19,619)
Increase (decrease) in provision for bonuses	21,049	6,927
Increase (decrease) in provision for retirement benefits	(31,440)	(42,096)
Increase (decrease) in provision for loss on order received	(5,818)	840
Increase (decrease) in provision for product warranties	24,425	(42,159)
Loss (gain) on sale of investment securities	–	(26,971)
Interest and dividend income	(168,469)	(158,662)
Interest expenses on borrowings and bonds	2,581	2,748
Foreign exchange losses (gains)	10,984	(25,846)
Decrease (increase) in trade receivables	(1,715,722)	1,110,674
Decrease (increase) in inventories	(586,693)	(608,194)
Increase (decrease) in trade payables	1,457,598	(333,350)
Increase (decrease) in accounts payable - other	(27,057)	(16,752)
Increase (decrease) in accrued expenses	86,577	(5,889)
Increase (decrease) in advances received	141,688	30
Other, net	77,568	33,364
Subtotal	940,282	2,234,944
Interest and dividends received	168,501	158,669
Interest paid	(2,568)	(2,796)
Income taxes paid	(191,878)	(591,036)
Net cash provided by (used in) operating activities	914,336	1,799,781
Cash flows from investing activities		
Payments into time deposits	(671,255)	(671,274)
Proceeds from withdrawal of time deposits	671,203	671,256
Proceeds from sale of investment securities	–	50,632
Purchase of property, plant and equipment	(643,137)	(443,365)
Purchase of intangible assets	(63,138)	(788)
Purchase of membership	–	(8,700)
Payments for investments in capital of subsidiaries and associates	(58,789)	(54,960)
Other, net	3,230	(1,746)
Net cash provided by (used in) investing activities	(761,886)	(458,945)
Cash flows from financing activities		
Proceeds from short-term borrowings	400,000	380,000
Repayments of short-term borrowings	(400,000)	(400,000)
Proceeds from long-term borrowings	170,000	337,000
Repayments of long-term borrowings	(57,894)	(59,262)
Dividends paid	(196,672)	(337,663)
Proceeds from issuance of shares	1,032,759	9,860
Proceeds from disposal of treasury shares	64,780	3,280
Other, net	(8,255)	(4,729)
Net cash provided by (used in) financing activities	1,004,717	(71,514)
Effect of exchange rate change on cash and cash equivalents	(10,516)	25,846
Net increase (decrease) in cash and cash equivalents	1,146,651	1,295,167
Cash and cash equivalents at beginning of period	4,748,099	5,894,750
Cash and cash equivalents at end of period	5,894,750	7,189,917