

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 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 to file Quarterly Securities Report: November 14, 2022
 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, 2022 (from January 1, 2022 to September 30, 2022)

(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, 2022	9,653	(15.1)	840	(53.6)	1,146	(42.8)	844	(40.9)
Nine months ended September 30, 2021	11,366	35.8	1,809	114.5	2,003	102.7	1,428	103.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	82.34		82.20	
Nine months ended September 30, 2021	138.04		137.44	

(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, 2022	19,242	13,741	71.3	1,333.82
As of December 31, 2021	19,968	13,456	67.2	1,293.71

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, 2021	–	0.00	–	50.00	50.00
Year ending December 31, 2022	–	0.00	–		
Year ending December 31, 2022 (Forecast)				60.00	60.00

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	12,500	(12.5)	1,100	(44.8)	1,410	(35.8)	1,020	(35.6)	99.44

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: Yes

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, 2022	10,475,710 shares	As of December 31, 2021	10,450,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	192,127 shares	As of December 31, 2021	72,019 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	10,256,988 shares	Nine months ended September 30, 2021	10,345,963 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,815,177	6,323,890
Notes and accounts receivable - trade	3,533,716	–
Notes and accounts receivable - trade, and contract assets	–	3,986,413
Electronically recorded monetary claims - operating	1,310,824	1,188,819
Securities	499	636
Merchandise and finished goods	1,513,461	1,060,471
Work in process	709,156	666,398
Raw materials and supplies	483,907	661,346
Other	32,683	58,212
Allowance for doubtful accounts	(4,511)	(691)
Total current assets	15,394,914	13,945,496
Non-current assets		
Property, plant and equipment		
Land	2,226,684	2,226,684
Other	1,653,605	2,149,795
Total property, plant and equipment	3,880,289	4,376,479
Intangible assets	85,482	67,857
Investments and other assets		
Other	619,064	852,815
Allowance for doubtful accounts	(11,640)	(117)
Total investments and other assets	607,423	852,698
Total non-current assets	4,573,195	5,297,035
Total assets	19,968,110	19,242,531
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,066,714	956,433
Electronically recorded obligations - operating	2,247,096	1,966,153
Short-term borrowings	280,000	280,000
Current portion of bonds payable	100,000	–
Current portion of long-term borrowings	74,256	74,296
Income taxes payable	427,318	79,229
Provision for product warranties	9,083	14,250
Provision for bonuses	115,449	285,340
Provision for loss on order received	4,949	2,793
Other	1,079,597	836,103
Total current liabilities	5,404,464	4,494,599
Non-current liabilities		
Long-term borrowings	410,785	334,323
Provision for retirement benefits	659,423	623,062
Provision for loss on guarantees	–	13,886
Other	37,099	34,835
Total non-current liabilities	1,107,307	1,006,107
Total liabilities	6,511,771	5,500,706

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	2,084,215	2,097,429
Capital surplus	2,127,262	2,141,764
Retained earnings	9,258,257	9,662,892
Treasury shares	(47,235)	(198,544)
Total shareholders' equity	13,422,499	13,703,541
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,832	12,910
Total valuation and translation adjustments	3,832	12,910
Share acquisition rights	30,006	25,372
Total net assets	13,456,338	13,741,825
Total liabilities and net assets	19,968,110	19,242,531

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	11,366,515	9,653,147
Cost of sales	7,974,492	7,240,556
Gross profit	3,392,022	2,412,590
Selling, general and administrative expenses		
Freight and packing costs	495,436	362,797
Remuneration for directors (and other officers)	60,603	56,026
Salaries	405,098	410,680
Provision of allowance for doubtful accounts	(11,635)	(15,344)
Provision for bonuses	79,365	77,913
Retirement benefit expenses	25,804	21,428
Provision for product warranties	(42,673)	5,167
Other	570,022	653,576
Total selling, general and administrative expenses	1,582,022	1,572,246
Operating profit	1,809,999	840,344
Non-operating income		
Interest income	91	315
Dividend income	158,045	265,457
Other	42,910	81,300
Total non-operating income	201,048	347,072
Non-operating expenses		
Interest expenses	2,112	2,535
Provision for loss on guarantees	–	13,886
Share issuance costs	39	–
Foreign withholding tax	4,828	17,568
Other	981	6,804
Total non-operating expenses	7,962	40,795
Ordinary profit	2,003,086	1,146,622
Extraordinary income		
Gain on reversal of share acquisition rights	–	2,765
Total extraordinary income	–	2,765
Profit before income taxes	2,003,086	1,149,387
Income taxes - current	613,930	375,483
Income taxes - deferred	(39,016)	(70,651)
Total income taxes	574,913	304,832
Profit	1,428,172	844,555