

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: AIRTECH JAPAN,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6291 URL <https://www.airtech.co.jp>
 Representative: President Shinya Hirasawa
 Inquiries: Director, Administration Department Naoki Watanabe TEL 03(3872)9192
 Scheduled date to file Quarterly Securities Report: May 15, 2023
 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(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	%
Three months ended March 31, 2023	4,023	17.3	413	(1.7)	435	1.9	291	(1.2)
Three months ended March 31, 2022	3,430	(35.5)	421	(64.4)	427	(64.5)	294	(64.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	28.25		28.23	
Three months ended March 31, 2022	28.77		28.70	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	20,190	13,596	67.3	1,317.63
As of December 31, 2022	19,976	13,926	69.6	1,350.02

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, 2022	–	0.00	–	60.00	60.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	60.00	60.00

3. Forecast of non-consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	(1.3)	950	(14.0)	1,100	(21.2)	800	(21.3)	77.94

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 March 31, 2023	10,478,710 shares	As of December 31, 2022	10,478,710 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	170,313 shares	As of December 31, 2022	180,247 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	10,300,887 shares	Three months ended March 31, 2022	10,237,830 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,365,019	6,120,889
Notes and accounts receivable - trade, and contract assets	4,368,479	4,872,914
Electronically recorded monetary claims - operating	1,442,664	1,186,799
Securities	586	595
Merchandise and finished goods	1,179,158	1,067,013
Work in process	673,923	673,491
Raw materials and supplies	640,807	715,335
Other	75,301	71,864
Allowance for doubtful accounts	(122)	(1,802)
Total current assets	14,745,817	14,707,101
Non-current assets		
Property, plant and equipment		
Land	2,226,684	2,472,750
Other	2,136,846	2,124,763
Total property, plant and equipment	4,363,531	4,597,514
Intangible assets	65,925	60,610
Investments and other assets		
Other	801,247	825,039
Allowance for doubtful accounts	(117)	(117)
Total investments and other assets	801,130	824,922
Total non-current assets	5,230,586	5,483,047
Total assets	19,976,404	20,190,148
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,025,751	1,081,848
Electronically recorded obligations - operating	2,465,637	2,580,641
Short-term borrowings	280,000	280,000
Current portion of long-term borrowings	69,790	64,792
Income taxes payable	125,064	212,508
Provision for product warranties	13,148	29,468
Provision for bonuses	111,697	276,005
Provision for loss on orders received	7,067	5,600
Other	984,987	1,134,502
Total current liabilities	5,083,142	5,665,365
Non-current liabilities		
Long-term borrowings	304,575	291,009
Provision for retirement benefits	614,031	602,372
Provision for loss on guarantees	16,176	4,594
Other	31,880	30,305
Total non-current liabilities	966,662	928,280
Total liabilities	6,049,805	6,593,646

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	2,099,181	2,099,181
Capital surplus	2,145,235	2,147,385
Retained earnings	9,835,389	9,501,701
Treasury shares	(185,261)	(174,829)
Total shareholders' equity	13,894,544	13,573,438
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,552	9,212
Total valuation and translation adjustments	8,552	9,212
Share acquisition rights	23,501	13,851
Total net assets	13,926,598	13,596,502
Total liabilities and net assets	19,976,404	20,190,148

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	3,430,967	4,023,806
Cost of sales	2,487,596	3,018,479
Gross profit	943,370	1,005,326
Selling, general and administrative expenses		
Freight and packing costs	133,186	134,534
Remuneration for directors (and other officers)	19,076	18,414
Salaries	136,242	134,401
Provision of allowance for doubtful accounts	(3,777)	1,679
Provision for bonuses	45,828	43,825
Retirement benefit expenses	7,146	7,648
Provision for product warranties	2,614	16,320
Other	181,839	234,537
Total selling, general and administrative expenses	522,155	591,361
Operating profit	421,215	413,964
Non-operating income		
Interest income	39	159
Dividend income	125	125
Foreign exchange gains	12,287	1,984
Reversal of provision for loss on guarantees	–	11,582
Other	5,823	9,043
Total non-operating income	18,276	22,894
Non-operating expenses		
Interest expenses	952	414
payment discount	–	401
Provision for loss on guarantees	9,516	–
Loss on amortization of restricted stock compensation	–	402
Other	1,527	229
Total non-operating expenses	11,995	1,448
Ordinary profit	427,496	435,410
Extraordinary income		
Gain on reversal of share acquisition rights	2,765	8,309
Total extraordinary income	2,765	8,309
Profit before income taxes	430,261	443,720
Income taxes - current	208,116	188,065
Income taxes - deferred	(72,383)	(35,392)
Total income taxes	135,732	152,672
Profit	294,528	291,047