

**Translation**

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## Summary of Non-Consolidated Financial Results for the Six Months Ended June 30, 2023 (Based on Japanese GAAP)

August 14, 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: August 14, 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 six months ended June 30, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended June 30, 2023	7,210	19.5	506	(4.6)	801	(0.3)	572	(4.5)
Six months ended June 30, 2022	6,032	(28.3)	531	(64.1)	803	(51.8)	599	(49.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2023	55.52		55.47	
Six months ended June 30, 2022	58.51		58.41	

## (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, 2023	19,903	13,922	69.9	1,344.89
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	–	0.00			
Year ending December 31, 2023 (Forecast)			–	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)	77.60

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 June 30, 2023	10,496,450 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 June 30, 2023	153,643 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)

Six months ended June 30, 2023	10,309,868 shares	Six months ended June 30, 2022	10,245,238 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,365,019	5,644,789
Notes and accounts receivable - trade, and contract assets	4,368,479	4,593,173
Electronically recorded monetary claims - operating	1,442,664	1,337,114
Securities	586	652
Merchandise and finished goods	1,179,158	1,172,278
Work in process	673,923	502,671
Raw materials and supplies	640,807	732,587
Other	75,301	301,898
Allowance for doubtful accounts	(122)	(2,035)
Total current assets	14,745,817	14,283,129
Non-current assets		
Property, plant and equipment		
Land	2,226,684	2,472,750
Other	2,136,846	2,193,196
Total property, plant and equipment	4,363,531	4,665,946
Intangible assets	65,925	55,857
Investments and other assets		
Other	801,247	898,414
Allowance for doubtful accounts	(117)	(117)
Total investments and other assets	801,130	898,297
Total non-current assets	5,230,586	5,620,100
Total assets	19,976,404	19,903,230
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,025,751	925,461
Electronically recorded obligations - operating	2,465,637	2,380,565
Short-term borrowings	280,000	280,000
Current portion of long-term borrowings	69,790	59,794
Income taxes payable	125,064	251,619
Provision for product warranties	13,148	41,716
Provision for bonuses	111,697	109,680
Provision for loss on orders received	7,067	32,845
Other	984,987	1,047,949
Total current liabilities	5,083,142	5,129,631
Non-current liabilities		
Long-term borrowings	304,575	246,413
Provision for retirement benefits	614,031	575,723
Provision for loss on guarantees	16,176	–
Other	31,880	28,730
Total non-current liabilities	966,662	850,866
Total liabilities	6,049,805	5,980,497

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	2,099,181	2,109,225
Capital surplus	2,145,235	2,157,427
Retained earnings	9,835,389	9,783,079
Treasury shares	(185,261)	(153,779)
Total shareholders' equity	13,894,544	13,895,952
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,552	13,993
Total valuation and translation adjustments	8,552	13,993
Share acquisition rights	23,501	12,786
Total net assets	13,926,598	13,922,732
Total liabilities and net assets	19,976,404	19,903,230

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Net sales	6,032,613	7,210,747
Cost of sales	4,474,911	5,530,906
Gross profit	1,557,701	1,679,841
Selling, general and administrative expenses		
Freight and packing costs	231,472	236,463
Remuneration for directors (and other officers)	37,564	36,929
Salaries	274,959	271,973
Provision of allowance for doubtful accounts	(15,469)	1,912
Provision for bonuses	31,063	28,675
Retirement benefit expenses	14,302	15,282
Provision for product warranties	283	28,568
Other	452,206	553,098
Total selling, general and administrative expenses	1,026,382	1,172,902
Operating profit	531,319	506,939
Non-operating income		
Interest income	19	334
Dividend income	265,457	245,642
Other	51,346	58,892
Total non-operating income	316,823	304,869
Non-operating expenses		
Interest expenses	1,713	822
Provision for loss on guarantees	23,591	–
Foreign withholding tax	17,568	8,341
Other	1,607	1,645
Total non-operating expenses	44,481	10,808
Ordinary profit	803,662	801,000
Extraordinary income		
Gain on reversal of share acquisition rights	2,765	8,309
Total extraordinary income	2,765	8,309
Profit before income taxes	806,427	809,309
Income taxes - current	212,022	229,137
Income taxes - deferred	(5,030)	7,747
Total income taxes	206,992	236,884
Profit	599,435	572,425

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	806,427	809,309
Depreciation	70,078	88,057
Increase (decrease) in allowance for doubtful accounts	(15,469)	1,912
Increase (decrease) in provision for bonuses	(1,686)	(2,017)
Increase (decrease) in provision for retirement benefits	(24,273)	(38,308)
Increase (decrease) in provision for loss on orders received	2,325	25,778
Interest and dividend income	(265,477)	(245,976)
Interest expenses	1,713	822
Decrease (increase) in trade receivables	587,812	–
Decrease (increase) in accounts receivable - trade, and contract assets	–	(119,144)
Decrease (increase) in inventories	(168,999)	86,352
Increase (decrease) in trade payables	(408,117)	(185,362)
Increase (decrease) in accounts payable - other	(200,256)	49,846
Other, net	(166,262)	(115,069)
Subtotal	217,816	356,201
Interest and dividends received	162,288	24,984
Interest paid	(1,092)	(834)
Income taxes paid	(393,224)	(106,561)
Net cash provided by (used in) operating activities	(14,212)	273,790
Cash flows from investing activities		
Payments into time deposits	(290,918)	(268,150)
Proceeds from withdrawal of time deposits	290,913	268,146
Purchase of property, plant and equipment	(366,314)	(260,346)
Purchase of investment securities	(203,600)	(103,093)
Other, net	398	1,659
Net cash provided by (used in) investing activities	(569,519)	(361,783)
Cash flows from financing activities		
Proceeds from short-term borrowings	150,000	280,000
Repayments of short-term borrowings	(150,000)	(280,000)
Repayments of long-term borrowings	(57,858)	(68,158)
Redemption of bonds	(100,000)	–
Dividends paid	(517,466)	(615,510)
Proceeds from issuance of shares	3,315	3,604
Purchase of treasury shares	(186,571)	–
Proceeds from disposal of treasury shares	24,066	29,082
Other, net	(1,635)	(1,277)
Net cash provided by (used in) financing activities	(836,150)	(652,259)
Effect of exchange rate change on cash and cash equivalents	37,877	13,939
Net increase (decrease) in cash and cash equivalents	(1,382,005)	(726,313)
Cash and cash equivalents at beginning of period	7,189,917	5,673,486
Cash and cash equivalents at end of period	5,807,912	4,947,172