

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 2024

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 Semi-annual Securities Report: August 14, 2024
 Scheduled date to commence dividend payments: –
 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 six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(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, 2024	6,758	(6.3)	606	19.7	1,044	30.4	747	30.5
Six months ended June 30, 2023	7,210	19.5	506	(4.6)	801	(0.3)	572	(4.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	71.96		–	
Six months ended June 30, 2023	55.52		55.47	

(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, 2024	18,764	14,288	76.1	1,371.57
As of December 31, 2023	19,589	14,107	72.0	1,360.01

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, 2023	–	0.00	–	60.00	60.00
Year ending December 31, 2024	–	0.00	–	–	–
Year ending December 31, 2024 (Forecast)	–	–	–	50.00	50.00

3. Forecast of non-consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	13,500	(1.1)	930	31.5	1,310	29.7	940	28.4	90.52

4. Notes

(1) Application of special accounting methods for preparing interim 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 June 30, 2024	10,538,420 shares	As of December 31, 2023	10,508,450 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	120,747 shares	As of December 31, 2023	142,295 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, 2024	10,384,141 shares	Six months ended June 30, 2023	10,309,868 shares
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Interim non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,388,660	3,293,087
Notes and accounts receivable - trade, and contract assets	4,221,556	4,599,607
Electronically recorded monetary claims - operating	1,360,882	1,499,481
Securities	651	727
Merchandise and finished goods	1,324,225	1,533,509
Work in process	568,747	474,230
Raw materials and supplies	851,361	977,165
Other	40,726	41,169
Allowance for doubtful accounts	(1,838)	(1,986)
Total current assets	13,754,972	12,416,991
Non-current assets		
Property, plant and equipment		
Land	2,507,950	2,507,950
Other	2,295,907	2,828,338
Total property, plant and equipment	4,803,857	5,336,288
Intangible assets	44,069	39,602
Investments and other assets		
Other	986,607	971,244
Allowance for doubtful accounts	(117)	(121)
Total investments and other assets	986,489	971,122
Total non-current assets	5,834,416	6,347,013
Total assets	19,589,389	18,764,005
Liabilities		
Current liabilities		
Notes and accounts payable - trade	828,229	575,000
Electronically recorded obligations - operating	2,437,507	1,291,336
Short-term borrowings	280,000	280,000
Current portion of long-term borrowings	54,264	54,264
Income taxes payable	97,000	303,334
Provision for product warranties	17,184	26,341
Provision for bonuses	105,371	104,046
Provision for loss on orders received	21,508	21,046
Other	850,086	1,118,368
Total current liabilities	4,691,151	3,773,737
Non-current liabilities		
Long-term borrowings	203,551	146,029
Provision for retirement benefits	561,409	526,580
Other	25,580	29,081
Total non-current liabilities	790,541	701,691
Total liabilities	5,481,692	4,475,429

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,116,233	2,133,951
Capital surplus	2,164,427	2,182,138
Retained earnings	9,942,495	10,063,043
Treasury shares	(138,116)	(110,174)
Total shareholders' equity	14,085,040	14,268,958
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,067	19,617
Total valuation and translation adjustments	13,067	19,617
Share acquisition rights	9,589	–
Total net assets	14,107,697	14,288,576
Total liabilities and net assets	19,589,389	18,764,005

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	7,210,747	6,758,796
Cost of sales	5,530,906	4,985,659
Gross profit	1,679,841	1,773,136
Selling, general and administrative expenses		
Freight and packing costs	236,463	213,726
Remuneration for directors (and other officers)	36,929	36,989
Salaries	271,973	308,065
Provision of allowance for doubtful accounts	1,912	152
Provision for bonuses	28,675	29,318
Retirement benefit expenses	15,282	14,108
Provision for product warranties	28,568	9,157
Other	553,098	554,937
Total selling, general and administrative expenses	1,172,902	1,166,456
Operating profit	506,939	606,680
Non-operating income		
Interest income	334	789
Dividend income	245,642	397,562
Other	58,892	68,995
Total non-operating income	304,869	467,348
Non-operating expenses		
Interest expenses	822	800
Foreign withholding tax	8,341	26,112
Other	1,645	2,587
Total non-operating expenses	10,808	29,501
Ordinary profit	801,000	1,044,527
Extraordinary income		
Gain on reversal of share acquisition rights	8,309	6,393
Total extraordinary income	8,309	6,393
Profit before income taxes	809,309	1,050,920
Income taxes - current	229,137	280,576
Income taxes - deferred	7,747	23,099
Total income taxes	236,884	303,676
Profit	572,425	747,244

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	809,309	1,050,920
Depreciation	88,057	97,963
Increase (decrease) in allowance for doubtful accounts	1,912	152
Increase (decrease) in provision for bonuses	(2,017)	(1,325)
Increase (decrease) in provision for retirement benefits	(38,308)	(34,829)
Increase (decrease) in provision for loss on orders received	25,778	(462)
Interest and dividend income	(245,976)	(398,352)
Interest expenses	822	800
Decrease (increase) in accounts receivable - trade, and contract assets	(119,144)	(516,650)
Decrease (increase) in inventories	86,352	(240,571)
Increase (decrease) in trade payables	(185,362)	(1,399,399)
Increase (decrease) in accounts payable - other	49,846	(21,773)
Other, net	(115,069)	208,023
Subtotal	356,201	(1,255,503)
Interest and dividends received	24,984	398,222
Interest paid	(834)	(794)
Income taxes paid	(106,561)	(78,226)
Net cash provided by (used in) operating activities	273,790	(936,301)
Cash flows from investing activities		
Payments into time deposits	(268,150)	(268,155)
Proceeds from withdrawal of time deposits	268,146	268,150
Purchase of property, plant and equipment	(260,346)	(551,433)
Purchase of investment securities	(103,093)	–
Other, net	1,659	205
Net cash provided by (used in) investing activities	(361,783)	(551,232)
Cash flows from financing activities		
Proceeds from short-term borrowings	280,000	280,000
Repayments of short-term borrowings	(280,000)	(280,000)
Repayments of long-term borrowings	(68,158)	(57,522)
Dividends paid	(615,510)	(624,563)
Proceeds from issuance of shares	3,604	10,812
Proceeds from disposal of treasury shares	29,082	26,291
Other, net	(1,277)	(961)
Net cash provided by (used in) financing activities	(652,259)	(645,943)
Effect of exchange rate change on cash and cash equivalents	13,939	28,356
Net increase (decrease) in cash and cash equivalents	(726,313)	(2,105,121)
Cash and cash equivalents at beginning of period	5,673,486	4,692,616
Cash and cash equivalents at end of period	4,947,172	2,587,495