



April 13, 2022

Consolidated Financial Results for the Fiscal Year Ended February 28, 2022

[Japanese GAAP]

Company name: AIT CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 9381

URL: <https://www.ait-jp.com/>

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Scheduled date of Annual General Meeting of Shareholders: May 24, 2022

Scheduled date of filing of Annual Securities Report: May 25, 2022

Scheduled date of payment of dividend: May 25, 2022

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2022

(March 1, 2021 – February 28, 2022)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2022	59,931	30.9	3,581	55.4	3,821	50.1	2,367	36.6
Fiscal year ended Feb. 28, 2021	45,797	1.8	2,304	46.3	2,545	30.7	1,732	30.7

Note: Comprehensive income Fiscal year ended Feb. 28, 2022: 2,923 million yen (up 60.6%)

Fiscal year ended Feb. 28, 2021: 1,820 million yen (up 45.9%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended Feb. 28, 2022	100.75	-	18.2	16.9	6.0
Fiscal year ended Feb. 28, 2021	73.40	-	14.8	12.0	5.0

Reference: Equity in earnings of affiliates Fiscal year ended Feb. 28, 2022: 198 million yen

Fiscal year ended Feb. 28, 2021: 166 million yen

Note: AIT acquired 199,800 treasury shares by November 6, 2020 upon resolution of the Board of Directors on July 13, 2020. The net income per share for the fiscal year ended February 28, 2022 is calculated using an average number of shares during the period of 23,493,647.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2022	23,516	14,134	59.2	593.00
As of Feb. 28, 2021	21,630	12,231	55.6	511.73

Reference: Equity capital As of Feb. 28, 2022: 13,931 million yen As of Feb. 28, 2021: 12,022 million yen

(3) 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
	Million yen	Million yen	Million yen	Yen
Fiscal year ended Feb. 28, 2022	3,772	396	(2,197)	12,419
Fiscal year ended Feb. 28, 2021	1,521	(300)	(1,987)	10,052

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2021	-	18.00	-	20.00	38.00	894	51.8	7.7
Fiscal year ended Feb. 28, 2022	-	22.00	-	36.00	58.00	1,362	57.6	10.5
Fiscal year ending Feb. 28, 2023 (forecast)	-	30.00	-	31.00	61.00		50.1	

Notes: 1. Breakdown of the year-end dividend for the fiscal year ended February 28, 2021

Ordinary dividend: ¥18.00; Commemorative dividend to celebrate 25th founding anniversary: ¥2.00

2. Breakdown of the year-end dividend for the fiscal year ended February 28, 2022

Ordinary dividend: ¥29.00; Commemorative dividend to celebrate 15th listing anniversary: ¥7.00

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 – February 28, 2023)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	31,000	14.9	1,700	10.9	1,820	8.8	1,190	22.1	50.65
Full year	66,000	10.1	4,020	12.2	4,220	10.4	2,860	20.8	121.74

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: -

Excluded: 1, AIT International of America, Inc.

(2) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(3) Number of outstanding shares (common stock)

- | | | | |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding at the end of the period (including treasury shares) | | | |
| As of Feb. 28, 2022: | 23,913,600 shares | As of Feb. 28, 2021: | 23,913,600 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Feb. 28, 2022: | 419,975 shares | As of Feb. 28, 2021: | 419,912 shares |
| 3) Average number of shares during the period | | | |
| Fiscal year ended Feb. 28, 2022: | 23,493,647 shares | Fiscal year ended Feb. 28, 2021: | 23,600,359 shares |

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 1, 2021 – February 28, 2022)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2022	34,292	41.2	2,491	87.4	2,813	68.6	2,003	70.9
Fiscal year ended Feb. 28, 2021	24,282	10.6	1,329	56.6	1,668	20.9	1,172	18.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 28, 2022	85.30	-
Fiscal year ended Feb. 28, 2021	49.70	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2022	13,714	10,620	77.4	452.05
As of Feb. 28, 2021	12,143	9,603	79.1	408.75

Reference: Shareholders' equity As of Feb. 28, 2022: 10,620 million yen As of Feb. 28, 2021: 9,603 million yen

2. Non-consolidated Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 – February 28, 2023)

(Percentages represent year-on-year changes)

	Operating revenue		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen
First half	18,200	17.5	1,760	26.0	1,300	25.8	55.33
Full year	38,000	10.8	3,200	13.7	2,300	14.8	97.90

The current financial report is not subject to audit by certified public accountants or auditing firms.

Cautionary statement with respect to forecasts of future performance and other special items

Forward-looking statements in these materials are based on certain assumptions judged to be valid and information currently available to AIT. These statements are not promises by AIT regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 of the attachments regarding preconditions or other related matters for forecasts shown above.

Financial results meeting and supplementary information

AIT has canceled this year's financial results meeting for institutional investor and analysts for the safety of participants in order to prevent the spread of COVID-19. AIT plans to post materials that would have been used for this year's financial results meeting on its website.

Change in units for monetary figures

Monetary figures in the consolidated financial statements and in other items had been shown in thousands of yen in prior years. Beginning with the fiscal year ended in February 2022, monetary figures are shown in millions of yen. To facilitate comparisons, figures for the previous fiscal year have been also revised to millions of yen.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended February 28, 2022, there was a slow recovery of the Japanese economy despite many challenges due to the pandemic. However, the outlook for the economy remains uncertain. The business climate for the AIT Group remained challenging because of sluggish consumer spending during the pandemic, the increasing speed of inflation, and shortages of shipping containers and space on containerships and other cargo ships.

The AIT Group enlarged its lineup of logistics services during the fiscal year, going beyond ocean shipments to provide cargo transport combining air and sea, sea and overseas land, and many other types of services. By adding new customers and strengthening relationships with current customers, these activities contributed to growth in the volume of cargo and earnings. There were also many sales activities with the goal of receiving even more orders for services associated with imports and exports, such as customs clearance, delivery, inspections, needle detection and processing. During the fiscal year, the volume of household products, home appliances and other consumer products increased because of the growth of consumption linked with reluctance to go out during the pandemic. There was also a small recovery in the volume of apparel shipments.

There were shortages of shipping containers and capacity for cargo on ships throughout the fiscal year and sea freight rates increased. In this business climate, the AIT Group was able to increase revenue and earnings by continuously negotiating with shipping companies while providing customers with consistent and reliable international cargo transportation services. In addition, the AIT Group continued to review and hold down selling, general and administrative expenses in order to increase earnings.

Operating revenue increased 30.9% year-on-year to 59,931 million yen. Earnings at all levels were much higher than one year earlier mainly because of the significant increase in operating revenue. Operating profit increased 55.4% to 3,581 million yen, ordinary profit was up 50.1% to 3,821 million yen and profit attributable to owners of parent increased 36.6% to 2,367 million yen.

Results by business segment are as follows.

In Other, which is not a reportable segment, U.S. subsidiary AIT International of America, Inc. was liquidated in the fiscal year ended February 28, 2022 and excluded from consolidation. In the China reportable segment, Nisshin International Trading Co.,Ltd. is currently being liquidated.

1) Japan

Economic activity was restricted by declarations of a state of emergency during the fiscal year and there was a big negative impact on consumer spending. As a result, economic growth began to slow down.

Although market conditions in Japan were difficult, consumer spending associated with staying home for safety during the pandemic continued to climb. There were sales activities to receive more orders for integrated freight transport service and measures to enlarge the lineup of international cargo transportation services. To further improve services for customers, activities involving the digital transformation were another priority in Japan during the fiscal year.

Due to these activities, the number of containers handled in the sea freight sector increased 2.7% from one year earlier to 267,155 TEU for imports and the total for imports and exports increased 2.3% to 280,585 TEU. Customs clearance orders were higher than one year earlier, increasing 4.0% to 145,931 as orders at subsidiaries began to recover. Furthermore, in addition to the growth in the volume of shipments, high freight rates made a big contribution to operating revenue and the gross profit. We are constantly reexamining selling, general and administrative expenses and using the digital transformation to operate more efficiently in order to cut costs for more earnings growth.

As a result, operating revenue increased 36.0% from one year earlier to 50,268 million yen. Segment profit increased 93.1% to 3,102 million yen mainly because of a big increase in the gross profit and measures to hold down expenses for sales activities.

2) China

The consistently low volume of apparel shipments makes it very difficult to receive orders for merchandise inspections, needle detection and other services associated with these shipments. However, the volume of freight for Japan handled by the AIT Group has recovered in comparison with one year earlier. These favorable trends are creating more opportunities involving cargo shipments to increase revenue in China.

As a result, operating revenue increased 9.2% from one year earlier to 8,353 million yen and segment profit decreased 37.1% to 390 million yen because of higher expenses caused partly by the temporary reduction of legal welfare expenses in China during the previous fiscal year and by adjustments used for the preparation of the consolidated financial statements.

3) Other

Although revenue declined at the Myanmar subsidiary because of the pandemic and civil unrest, the volume of cargo and revenue remained steady at the subsidiary in Taiwan. Revenue at the subsidiary in Vietnam recovered rapidly after the pandemic lockdown ended. As a result, operating revenue increased 10.5% from one year earlier to 1,309 million yen and segment profit increased 13.5% to 88 million yen.

Note: TEU (twenty-foot equivalent unit) is a unit of cargo capacity based on a standard intermodal container.

(2) Financial Position**Assets**

Total assets increased 1,885 million yen from the end of the previous fiscal year to 23,516 million yen at the end of the fiscal year under review.

Current assets increased 2,382 million yen to 19,235 million yen. This was mainly due to increases in cash and deposits of 2,000 million yen, advances paid of 253 million yen and notes and accounts receivable-trade of 250 million yen.

Non-current assets decreased 496 million yen to 4,280 million yen. This was mainly due to decreases in customer-related assets of 263 million yen, goodwill of 108 million yen and deferred tax assets of 65 million yen.

Liabilities

Total liabilities decreased 16 million yen to 9,382 million yen.

Current liabilities increased 111 million yen to 7,875 million yen. This was mainly due to increases in accounts payable-trade of 759 million yen, income taxes payable of 237 million yen and provision for bonuses of 57 million yen, which was partially offset by a decrease in current portion of long-term borrowings of 1,000 million yen.

Non-current liabilities decreased 127 million yen to 1,507 million yen. This was mainly due to a decrease in deferred tax liabilities of 117 million yen.

Net assets

Net assets increased 1,902 million yen to 14,134 million yen. This was mainly due to a booking of profit attributable to owners of parent of 2,367 million yen, dividends distributed from retained earnings of 986 million yen and a 529 million yen increase in foreign currency translation adjustment.

(3) Cash Flows

Cash and cash equivalents (hereinafter "net cash") at the end of the fiscal year under review were 12,419 million yen, up 2,367 million yen over the end of the previous fiscal year.

The cash flow components and the main reasons for changes are as described below.

Cash flows from operating activities

Net cash provided by operating activities was 3,772 million yen, an increase of 2,251 million yen from the

previous fiscal year. Although there were negative factors including income taxes paid of 1,085 million yen, an increase in advances paid of 253 million yen, share of profit of entities accounted for using equity method of 198 million yen, and an increase in trade receivables of 151 million yen, there were positive factors including profit before income taxes of 3,670 million yen, an increase in trade payables of 655 million yen, depreciation of 636 million yen, interest and dividends received of 252 million yen, and amortization of goodwill of 108 million yen.

Cash flows from investing activities

Net cash provided by investing activities was 396 million yen, compared with net cash used of 300 million yen in the previous fiscal year. Although there were negative factors including payments into time deposits of 1,158 million yen, there were positive factors including proceeds from withdrawal of time deposits of 1,595 million yen.

Cash flows from financing activities

Net cash used in financing activities was 2,197 million yen, an increase of 210 million yen from the previous fiscal year. Although there were positive factors including proceeds from long-term borrowings of 2,700 million yen, there were negative factors including repayments of long-term borrowings of 3,700 million yen and cash dividends paid of 986 million yen.

Reference: Trends in cash flow indicators

	FY2/18	FY2/19	FY2/20	FY2/21	FY2/22
Shareholders' equity ratio (%)	72.9	72.2	54.9	55.6	59.2
Shareholders' equity ratio based on market value (%)	277.9	249.2	94.1	107.4	132.0
Interest-bearing debt to cash flow ratio (%)	-	-	196.6	262.7	78.5
Interest coverage ratio (times)	-	-	750.0	322.4	247.9

Shareholders' equity ratio = Shareholders' equity / Total assets

Shareholders' equity ratio based on market value = Market capitalization / Total assets

Interest-bearing debt to cash flow ratio = Interest-bearing debt / Cash flows

Interest coverage ratio = Cash flows from operating activities / Interest payments

Notes:

1. All indices are calculated based on consolidated figures.
2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of shares outstanding, excluding treasury shares, at the end of the period.
3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid on the consolidated statement of cash flows.

(4) Outlook

Although many people have received COVID-19 vaccinations, it is still impossible to predict when the pandemic will end. In addition to uncertainty about the economic outlook, there are concerns about geopolitical risk, notably the Ukraine crisis. Consequently, the business climate is expected to remain uncertain. Furthermore, sea freight rates are remaining high because of the shipping container shortage that began in the fall of 2020 and the current shortage of space on cargo ships. We also expect that customers' needs involving logistics will become even more diverse.

For more growth of revenue and earnings, our goals are to continue expanding the lineup of logistics services as we increase the volume of orders for our core international freight forwarding business as well as for customs clearance, delivery, inspections, needle detection, processing and other services associated with imports and exports. In addition, there are initiatives for using our digital strategy to operate more efficiently and for speeding up the digital transformation to further improve the convenience of our services for customers. We will also continue to focus on capturing orders for cargo transportation that does not involve Japan by using cooperation among our subsidiaries in Japan and other countries and agents worldwide. All our activities have the objectives of building a more powerful global logistics infrastructure and base for earnings.

In the fiscal year ending in February 2023, we expect our performance to benefit from the activities outlined in the previous paragraph as well as from a continuation for some time of high sea freight rates, although the

outlook for these rates is uncertain. Furthermore, we plan to hold most expenses steady or achieve cost reductions as we aim for more growth of revenue and earnings.

Based on this outlook, we expect operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent to rise by 10.1%, 12.2%, 10.4% and 20.8% year-on-year to 66,000 million yen, 4,020 million yen, 4,220 million yen, and 2,860 million yen, respectively.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The basic policy is to pay a dividend that is stable and consistent. The dividend reflects the goal of increasing distributions of earnings to shareholders, the AIT Group's consolidated results of operations and dividend payout ratio in each fiscal year, and the need to retain earnings for achieving growth and strengthening business operations in Japan and overseas.

Based on this policy, the interim dividend for the fiscal year was 22 yen per share in order to meet the expectations of shareholders. For the year-end dividend, we plan to ask shareholders to approve a resolution at the 35th Annual General Meeting of Shareholders for the payment of a dividend of 36 yen per share consisting of a 29 yen ordinary dividend and a 7 yen commemorative dividend. This is the same as the upwardly revised dividend forecast that was announced on November 18, 2021 as we continue to increase distributions to shareholders and take steps for raising the consolidated dividend payout ratio to 60%.

For the fiscal year that ended in February 2022, we plan to pay a dividend of 58 yen per share consisting of a 51 yen ordinary dividend and 7 yen commemorative dividend. This is an increase of 20 yen from the previous fiscal year when the dividend was 38 yen per share, the sum of a 36 yen ordinary dividend and 2 yen commemorative dividend. The consolidated dividend payout ratio is 57.6% as the profit attributable to owners of parent in the fiscal year that ended in February 2022 was higher than our forecast.

Based on the 58 yen dividend planned for the fiscal year that ended in February 2022, we plan to pay a dividend of 61 yen consisting of a 30 yen interim dividend and 31 yen year-end dividend for the fiscal year ending in February 2023. We plan to pay a consistent dividend while increasing shareholder value as we take into consideration results of operations, our dividend payout ratio target, the need to retain earnings for expanding business operations in Japan and overseas and strengthening our infrastructure for these operations, and other applicable items.

2. Basic Approach to the Selection of Accounting Standards

The AIT Group will continue to prepare consolidated financial statements using the generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2/21 (As of Feb. 28, 2021)	FY2/22 (As of Feb. 28, 2022)
Assets		
Current assets		
Cash and deposits	10,653	12,654
Notes and accounts receivable-trade	4,507	4,757
Advances paid	1,375	1,629
Other	358	235
Allowance for doubtful accounts	(41)	(41)
Total current assets	16,853	19,235
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	179	155
Machinery, equipment and vehicles, net	229	167
Leased assets, net	295	257
Other, net	69	54
Total property, plant and equipment	774	635
Intangible assets		
Goodwill	870	761
Customer-related assets	2,105	1,842
Other	188	168
Total intangible assets	3,164	2,772
Investments and other assets		
Investment securities	460	525
Deferred tax assets	86	21
Guarantee deposits	244	285
Other	47	72
Allowance for doubtful accounts	(0)	(31)
Total investments and other assets	838	872
Total non-current assets	4,777	4,280
Total assets	21,630	23,516
Liabilities		
Current liabilities		
Accounts payable-trade	2,247	3,007
Current portion of long-term borrowings	3,700	2,700
Income taxes payable	580	817
Provision for bonuses	389	446
Provision for bonuses for directors (and other officers)	35	37
Other	811	866
Total current liabilities	7,764	7,875
Non-current liabilities		
Deferred tax liabilities	501	383
Retirement benefit liability	584	646
Provision for retirement benefits for directors (and other officers)	140	155
Asset retirement obligations	210	206
Other	198	115
Total non-current liabilities	1,634	1,507
Total liabilities	9,399	9,382

	(Millions of yen)	
	FY2/21	FY2/22
	(As of Feb. 28, 2021)	(As of Feb. 28, 2022)
Net assets		
Shareholders' equity		
Share capital	271	271
Capital surplus	5,275	5,274
Retained earnings	6,808	8,189
Treasury shares	(392)	(392)
Total shareholders' equity	11,962	13,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	9
Foreign currency translation adjustment	57	586
Remeasurements of defined benefit plans	(4)	(5)
Total accumulated other comprehensive income	59	589
Non-controlling interests	209	202
Total net assets	12,231	14,134
Total liabilities and net assets	21,630	23,516

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Millions of yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Operating revenue		
Forwarding income	45,797	59,931
Total operating revenue	45,797	59,931
Operating costs		
Forwarding cost	37,593	50,253
Total operating costs	37,593	50,253
Gross profit	8,203	9,677
Selling, general and administrative expenses	5,898	6,096
Operating profit	2,304	3,581
Non-operating income		
Interest income	33	31
Dividend income	5	1
Share of profit of entities accounted for using equity method	166	198
Other	69	72
Total non-operating income	275	303
Non-operating expenses		
Interest expenses	4	15
Foreign exchange losses	28	42
Other	1	5
Total non-operating expenses	34	63
Ordinary profit	2,545	3,821
Extraordinary income		
Gain on sale of non-current assets	3	1
Gain on sale of investment securities	22	-
Total extraordinary income	26	1
Extraordinary losses		
Loss on sale of non-current assets	0	3
Loss on retirement of non-current assets	5	3
Loss on liquidation of subsidiaries and associates	14	0
Loss on valuation of membership	5	-
Business restructuring expenses	-	145
Total extraordinary losses	25	152
Profit before income taxes	2,546	3,670
Income taxes-current	919	1,314
Income taxes-deferred	(137)	(53)
Total income taxes	782	1,261
Profit	1,764	2,408
Profit attributable to non-controlling interests	32	41
Profit attributable to owners of parent	1,732	2,367

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Profit	1,764	2,408
Other comprehensive income		
Valuation difference on available-for-sale securities	14	2
Foreign currency translation adjustment	41	427
Share of other comprehensive income of entities accounted for using equity method	3	86
Remeasurements of defined benefit plans, net of tax	(3)	(1)
Total other comprehensive income	56	514
Comprehensive income	1,820	2,923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,780	2,897
Comprehensive income attributable to non-controlling interests	39	26

(3) Consolidated Statement of Changes in Equity

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	271	5,275	5,929	(144)	11,331
Changes during period					
Dividends of surplus			(852)		(852)
Profit attributable to owners of parent			1,732		1,732
Purchase of treasury shares				(247)	(247)
Purchase of shares of consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	879	(247)	631
Balance at end of period	271	5,275	6,808	(392)	11,962

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(8)	19	(0)	11	373	11,715
Changes during period						
Dividends of surplus						(852)
Profit attributable to owners of parent						1,732
Purchase of treasury shares						(247)
Purchase of shares of consolidated subsidiaries						-
Net changes other than shareholders' equity	14	37	(3)	48	(164)	(115)
Total changes during period	14	37	(3)	48	(164)	516
Balance at end of period	6	57	(4)	59	209	12,231

FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	271	5,275	6,808	(392)	11,962
Changes during period					
Dividends of surplus			(986)		(986)
Profit attributable to owners of parent			2,367		2,367
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	(1)	1,380	(0)	1,379
Balance at end of period	271	5,274	8,189	(392)	13,341

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6	57	(4)	59	209	12,231
Changes during period						
Dividends of surplus						(986)
Profit attributable to owners of parent						2,367
Purchase of treasury shares						(0)
Purchase of shares of consolidated subsidiaries						(1)
Net changes other than shareholders' equity	2	529	(1)	530	(6)	523
Total changes during period	2	529	(1)	530	(6)	1,902
Balance at end of period	9	586	(5)	589	202	14,134

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Cash flows from operating activities		
Profit before income taxes	2,546	3,670
Depreciation	506	636
Amortization of goodwill	108	108
Increase (decrease) in allowance for doubtful accounts	11	29
Increase (decrease) in provision for bonuses	101	56
Increase (decrease) in provision for bonuses for directors (and other officers)	3	2
Increase (decrease) in retirement benefit liability	45	60
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	14
Interest and dividend income	(39)	(33)
Interest expenses	4	15
Share of loss (profit) of entities accounted for using equity method	(166)	(198)
Loss (gain) on sale of non-current assets	(3)	2
Loss on retirement of non-current assets	5	3
Loss (gain) on sale of investment securities	(22)	(0)
Loss on valuation of membership	5	-
Business structure reform expenses	-	145
Increase (decrease) in deposits received	(13)	3
Decrease (increase) in trade receivables	(1,495)	(151)
Decrease (increase) in advances paid	(477)	(253)
Increase (decrease) in trade payables	627	655
Other, net	212	(41)
Subtotal	1,969	4,725
Interest and dividends received	282	252
Interest paid	(4)	(15)
Payments for business structure reform expenses	-	(104)
Income taxes paid	(726)	(1,085)
Net cash provided by (used in) operating activities	1,521	3,772
Cash flows from investing activities		
Payments into time deposits	(1,390)	(1,158)
Proceeds from withdrawal of time deposits	949	1,595
Purchase of property, plant and equipment	(47)	(7)
Proceeds from sale of property, plant and equipment	4	3
Purchase of intangible assets	(18)	(44)
Proceeds from sale of investment securities	138	2
Payments of guarantee deposits	(7)	(40)
Proceeds from refund of guarantee deposits	2	15
Other, net	70	29
Net cash provided by (used in) investing activities	(300)	396

	(Millions of yen)	
	FY2/21	FY2/22
	(Mar. 1, 2020 – Feb. 28, 2021)	(Mar. 1, 2021 – Feb. 28, 2022)
Cash flows from financing activities		
Proceeds from short-term borrowings	95	-
Repayments of short-term borrowings	(4,443)	-
Proceeds from long-term borrowings	3,700	2,700
Repayments of long-term borrowings	-	(3,700)
Purchase of treasury shares	(247)	(0)
Dividends paid	(859)	(986)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(13)
Other, net	(232)	(197)
Net cash provided by (used in) financing activities	(1,987)	(2,197)
Effect of exchange rate change on cash and cash equivalents	5	396
Net increase (decrease) in cash and cash equivalents	(760)	2,367
Cash and cash equivalents at beginning of period	10,812	10,052
Cash and cash equivalents at end of period	10,052	12,419

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in the Scope of Consolidation or Application of the Equity Method

Important changes in the scope of consolidation

Consolidated subsidiary AIT International of America, Inc. was liquidated in the fiscal year ended February 28, 2022 and excluded from consolidation.

Segment and Other Information**Segment Information**

1. Overview of reportable segments

Determination of reportable segments

Segments used for financial reporting are the AIT Group's constituent units for which separate financial information is available and for which Board of Directors, the highest management decision-making body, performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

AIT and its consolidated subsidiaries operate the international freight forwarding business as well as associated business activities and other activities. AIT and domestic subsidiaries, primarily in Japan, and subsidiaries in China (including Hong Kong) are each managed independently. Each of these three units establishes comprehensive strategies and conducts business activities in its own region.

Consequently, AIT and its consolidated subsidiaries consist of two reportable geographic segments that have their own sales, order receipt and logistics frameworks: Japan and China.

2. Calculation method for revenue, profit or loss, assets, and other items for each reportable segment

The accounting method used for reportable business segments are generally the same as those described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements." Segment profit for reportable business segments are based on operating profit.

Inter-segment revenue is based on prices used for third-party transactions.

3. Information related to revenue, profit or loss, assets, and other items for each reportable segment

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Millions of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment (Note 3)	Amounts shown on consolidated financial statements (Note 4)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from external customers	36,961	7,650	44,612	1,184	45,797	-	45,797
Inter-segment revenue and transfers	168	3,727	3,895	558	4,453	(4,453)	-
Total	37,130	11,377	48,507	1,743	50,251	(4,453)	45,797
Segment profit	1,607	619	2,227	77	2,304	-	2,304
Segment assets	14,543	6,557	21,101	996	22,097	(466)	21,630
Other items							
Depreciation	267	171	438	67	506	-	506
Amortization of goodwill	56	42	99	9	108	-	108
Equity in earnings of affiliates	221	185	407	-	407	-	407
Increase in property, plant and equipment and intangible assets	30	326	356	8	365	-	365

- Notes: 1. “China” includes the business activities of entities in China and Hong Kong.
2. “Other” is a business segment not included in reportable segments and includes the business activities of entities in the U.S., Taiwan, Vietnam and Myanmar. U.S. subsidiary AIT International of America, Inc. terminated its operations on February 29, 2020 and completed its liquidation on March 16, 2021. This company is included in the consolidated financial statements because liquidation had not been completed as of February 28, 2021.
3. The -466 million yen adjustment to segment assets includes corporate assets, offsetting elimination of debts and credits with consolidated subsidiaries, and shares of subsidiaries and associates posted by AIT and its consolidated subsidiaries that are not allocated to any of the reportable segments. Corporate assets mainly consist of the parent company’s surplus funds (cash and deposits).
4. Segment profit is consistent with operating profit recorded in the consolidated statement of income.

FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)

(Millions of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment (Note 3)	Amounts shown on consolidated financial statements (Note 4)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from external customers	50,268	8,353	58,622	1,309	59,931	-	59,931
Inter-segment revenue and transfers	136	4,628	4,764	505	5,269	(5,269)	-
Total	50,404	12,981	63,386	1,814	65,200	(5,269)	59,931
Segment profit	3,102	390	3,493	88	3,581	-	3,581
Segment assets	15,058	6,839	21,898	1,017	22,915	601	23,516
Other items							
Depreciation	254	325	580	55	636	-	636
Amortization of goodwill	56	42	99	9	108	-	108
Equity in earnings of affiliates	255	216	472	-	472	-	472
Increase in property, plant and equipment and intangible assets	68	127	195	0	196	-	196

- Notes: 1. “China” includes the business activities of entities in China and Hong Kong. In the “China” segment, consolidated subsidiary Nisshin International Trading (Shanghai) is currently being liquidated.
2. “Other” is a business segment not included in reportable segments and includes the business activities of entities in Taiwan, Vietnam and Myanmar. In the “Other” segment, consolidated subsidiary AIT International of America, Inc. was liquidated in FY2/22 and excluded from consolidation.
3. The 601 million yen adjustment to segment assets includes corporate assets, offsetting elimination of debts and credits with consolidated subsidiaries, and shares of subsidiaries and associates posted by AIT and its consolidated subsidiaries that are not allocated to any of the reportable segments. Corporate assets mainly consist of the parent company’s surplus funds (cash and deposits).
4. Segment profit is consistent with operating profit recorded in the consolidated statement of income.

Related information

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

1. Information by product or service

Omitted since revenue to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Operating revenue

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
216	403	154	774

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)

1. Information by product or service

Omitted since revenue to external customers in the category of a single product or service exceeded 90% of operating revenue on the consolidated statement of income.

2. Information by region

(1) Operating revenue

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Other	Total
185	349	100	635

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Millions of yen)

	Reportable segment			Other	Adjustment	Total
	Japan	China	Total			
Balance at end of current period	455	336	792	78	-	870

Note: Goodwill amortization is omitted because the same information is presented in segment information.

FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)

(Millions of yen)

	Reportable segment			Other	Adjustment	Total
	Japan	China	Total			
Balance at end of current period	398	294	693	68	-	761

Note: Goodwill amortization is omitted because the same information is presented in segment information.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Information

(Yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Net assets per share	511.73	593.00
Net income per share	73.40	100.75

Notes: 1. Diluted net income per share is not presented since AIT has no outstanding dilutive shares.

2. The basis of calculating the net assets per share is as follows:

(Millions of yen)

	FY2/21 (As of Feb. 28, 2021)	FY2/22 (As of Feb. 28, 2022)
Total net assets	12,231	14,134
Deduction on total net assets	209	202
[of which non-controlling interests]	[209]	[202]
Net assets applicable to common shares at end of period	12,022	13,931
Number of common shares outstanding (Shares)	23,913,600	23,913,600
Number of treasury shares (Shares)	419,912	419,975
Number of common shares used in calculation of net assets per share (Shares)	23,493,688	23,493,625

3. The basis of calculating the net income per share is as follows:

(Millions of yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Profit attributable to owners of parent	1,732	2,367
Amounts not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	1,732	2,367
Average number of common shares outstanding during the period (Shares)	23,600,359	23,493,647

Subsequent Events

Not applicable.

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.