



July 13, 2020

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending February 28, 2021
(Three Months Ended May 31, 2020)

[Japanese GAAP]

Company name: AIT CORPORATION
 Securities code: 9381
 Representative: Hidekazu Yagura, President and CEO
 Contact: Toshiaki Uchida, Executive Officer, General Manager, Accounting & Finance Dept.
 Tel: +81-6-6260-3450

Listing: TSE 1st section
 URL: <http://www.ait-jp.com/>

Scheduled date of filing of Quarterly Report: July 15, 2020

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the First Quarter (March 1, 2020 – May 31, 2020) of the Fiscal Year Ending February 28, 2021

(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	%
Three months ended May 31, 2020	11,073	(1.5)	431	28.7	509	30.5	346	37.4
Three months ended May 31, 2019	11,236	80.4	335	12.1	390	39.3	252	29.6

Note: Comprehensive income Three months ended May 31, 2020: 253 million yen (down 20.9%)

Three months ended May 31, 2019: 321 million yen (up 122.9%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended May 31, 2020	14.61		-	
Three months ended May 31, 2019	10.54		-	

Notes: 1. At the end of the previous fiscal year, a provisional accounting method used for a business combination was finalized. All figures for the three months ended May 31, 2019 reflect the replacement of this provisional method with the finalized numbers.

2. AIT acquired 220,000 treasury shares upon resolution of the Board of Directors on November 19, 2019. The net income per share for the three months ended May 31, 2020 is calculated using an average number of shares during the period of 23,704,160.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of May 31, 2020	20,558		11,510		54.1	
As of Feb. 29, 2020	20,644		11,715		54.9	

Reference: Equity capital As of May 31, 2020: 11,124 million yen As of Feb. 29, 2020: 11,342 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Feb. 29, 2020	-	18.00	-	18.00	36.00
Fiscal year ending Feb. 28, 2021	-	-	-	-	-
Fiscal year ending Feb. 28, 2021 (forecast)	-	18.00	-	18.00	36.00

Note: Revision to the most recently announced dividend forecast: Yes

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2021 (March 1, 2020 – February 28, 2021)

(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	21,900	(2.5)	780	5.2	940	1.4	660	2.6	27.85	
Full year	45,500	1.1	1,765	12.0	2,045	5.0	1,420	7.1	59.93	

Notes: 1. Revision to the most recently announced forecast of consolidated results: Yes

2. The AIT Board of Directors approved a resolution on November 19, 2019 to repurchase its own shares. Net income per share forecast has been adjusted to reflect the stock repurchase. The AIT Board of Directors approved a resolution on July 13, 2020 to repurchase its own shares. Net income per share forecast has not been adjusted to reflect the stock repurchase.

*** 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, Nisshin Trans Consolidator Co., Ltd.

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) 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

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of May 31, 2020:	23,913,600 shares	As of Feb. 29, 2020:	23,913,600 shares
---------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of May 31, 2020:	220,033 shares	As of Feb. 29, 2020:	146,733 shares
---------------------	----------------	----------------------	----------------

3) Average number of shares during the period

Three months ended May 31, 2020:	23,704,160 shares	Three months ended May 31, 2019:	23,913,567 shares
----------------------------------	-------------------	----------------------------------	-------------------

The current quarterly financial report is not subject to quarterly review 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements” on page 3 of the attachments regarding preconditions or other related matters for forecasts shown above.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Changes in the Scope of Consolidation or Application of the Equity Method	8
Additional Information	8
Segment and Other Information	9
Business Combinations	10
Subsequent Events	11

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of the fiscal year ending February 28, 2021, the global pandemic of COVID-19 caused a sharp downturn of the Japanese economy and has made the economic outlook extremely unclear. There are serious concerns about a long-term economic impact because it is impossible to foresee when this crisis will end.

In China, the government responded to the COVID-19 outbreak by stopping economic activities, including by extending the Spring Festival holiday. The result was a temporary halt in cargo movements and the suspension of the production of exported products. In March, manufacturing of products in China slowly restarted and most cargo shipments resumed. In Japan, the government declared a state of emergency in April that included urging people to stay home as much as possible and the temporary closing of stores and other businesses. The economic impact was enormous and there are currently concerns about a further decline in consumer spending in Japan.

The AIT Group stopped sales activities that involve visits to other companies and reexamined methods used for sales activities. In addition, group companies are using teleworking and meetings conducted via the internet. Sales activities are continuing with two primary goals. One is increasing orders involving the sea freight, customs clearance and delivery in Japan for goods imported from China and Southeast Asia. The other is increasing orders for subcontracting services associated with imports and exports, such as inspections, needle detection and processing.

International cargo transportation is the primary business of the AIT Group. Most of the cargo handled by the group is merchandise that is sold in Japan, such as apparel, household products, miscellaneous products, consumer electronics and other consumer products. In the first quarter, the volume of apparel was low, mainly at current customers, but there was a higher volume of daily necessities, including household products, miscellaneous products and consumer electronics. To hold down selling, general and administrative expenses and generate profit, group companies used teleworking and other measures to reduce personnel expenses and other expenses required for business operations.

Operating revenue slightly decreased 1.5% year-on-year to 11,073 million yen, but earnings were higher at all levels. Earnings benefited from an improvement in the gross profit margin and initiatives in sales activities as mentioned above. As a result, operating profit was up 28.7% to 431 million yen, ordinary profit was up 30.5% to 509 million yen and profit attributable to owners of parent increased 37.4% to 346 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. terminated its operations on February 29, 2020 and is currently being liquidated.

1) Japan

During the first quarter, there were concerns following the April declaration of a state of emergency about the impact of people staying home and other effects of the crisis on consumer spending.

There were many sales activities using the internet and other channels for business meetings in order to increase orders. Due to these activities, the number of containers handled in the sea freight sector increased 2.0% from one year earlier to 65,744 TEU for imports and the total for imports and exports was about the same, increasing 0.8% to 69,362 TEU. Customs clearance orders decreased 8.2% to 36,497.

As a result, operating revenue increased 1.2% to 9,133 million yen. Segment profit increased 59.5% to 350 million yen mainly because of an improvement in the gross profit margin and measures to hold down personnel expenses and expenses for sales activities.

2) China

New orders for cargo shipments and associated services such as merchandise inspections and needle detection stopped temporarily because of the extension of the Spring Festival holiday and other responses by the Chinese government to the COVID-19 outbreak. Opportunities to earn profits in China declined as a result.

Manufacturing factories in China slowly began to resume operations in March and cargo shipments resumed.

However, operating revenue was down 14.1% to 1,660 million yen because of the significant negative impact of the loss of profit opportunities in February. Segment profit fell 34.6% to 60 million yen because of the decline in operating revenue and expenses for sales activities.

3) Other

Operating revenue increased 1.5% to 280 million yen as the operations of subsidiaries in Taiwan, Vietnam and Myanmar maintained stable earnings. Segment profit decreased 11.0% to 21 million yen because of expenses for sales activities.

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

(2) Explanation of Financial Position

Assets

Total assets decreased 85 million yen from the end of the previous fiscal year to 20,558 million yen at the end of the period under review.

Current assets increased 73 million yen to 15,526 million yen. This was mainly due to increases in notes and accounts receivable-trade of 1,266 million yen and advances paid of 561 million yen, which were partially offset by a decrease in cash and deposits of 1,590 million yen.

Non-current assets decreased 158 million yen to 5,032 million yen. This was mainly due to decreases in customer-related assets of 65 million yen and goodwill of 27 million yen.

Liabilities

Total liabilities increased 119 million yen to 9,048 million yen.

Current liabilities decreased 3,538 million yen to 3,852 million yen. This was mainly due to a decrease in short-term borrowings of 4,293 million yen, which was partially offset by increases in accounts payable-trade of 625 million yen and provision for bonuses of 171 million yen. The decrease in short-term borrowings is attributable to the repayment by a consolidated subsidiary of a loan of 4,300 million yen used to fund working capital. The entire loan was repaid on April 15, 2020, which was the repayment deadline of the loan, in accordance with a resolution approved on April 13 by the AIT Board of Directors.

Non-current liabilities increased 3,658 million yen to 5,196 million yen. This was mainly due to an increase in long-term borrowings of 3,700 million yen, which is a long-term loan at a consolidated subsidiary of 3,700 million yen with a repayment deadline of July 15, 2021 for the purpose of funding working capital. This loan was approved by the AIT Board of Directors on April 13.

Net assets

Net assets decreased 205 million yen to 11,510 million yen. This was mainly due to a 72 million yen decrease in foreign currency translation adjustment and a 47 million yen decrease due to purchase of treasury shares. In addition, there was a booking of profit attributable to owners of parent of 346 million yen and dividends distributed from retained earnings of 427 million yen.

(3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements

Information about the first-half and full-year consolidated forecasts for the fiscal year ending February 28, 2021 is in the release titled "Notice Regarding Consolidated Earnings and Dividend Forecasts" (Japanese version only) announced today.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY2/20 (As of Feb. 29, 2020)	First quarter of FY2/21 (As of May 31, 2020)
Assets		
Current assets		
Cash and deposits	10,971,134	9,380,710
Notes and accounts receivable-trade	3,009,596	4,276,087
Advances paid	898,275	1,459,770
Other	603,799	446,913
Allowance for doubtful accounts	(30,073)	(37,399)
Total current assets	15,452,732	15,526,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	218,466	208,044
Machinery, equipment and vehicles, net	265,146	261,363
Other, net	97,457	103,615
Total property, plant and equipment	581,070	573,022
Intangible assets		
Goodwill	979,334	952,130
Customer-related assets	2,368,800	2,303,000
Other	254,947	232,783
Total intangible assets	3,603,081	3,487,913
Investments and other assets		
Investment securities	607,619	594,072
Deferred tax assets	88,021	77,086
Guarantee deposits	258,539	247,482
Other	53,477	53,589
Allowance for doubtful accounts	-	(251)
Total investments and other assets	1,007,658	971,980
Total non-current assets	5,191,810	5,032,916
Total assets	20,644,542	20,558,999
Liabilities		
Current liabilities		
Accounts payable-trade	1,616,438	2,241,995
Short-term borrowings	4,347,040	53,585
Income taxes payable	396,152	366,602
Provision for bonuses	288,449	459,708
Provision for bonuses for directors (and other officers)	31,604	16,652
Other	711,463	714,032
Total current liabilities	7,391,148	8,852,575
Non-current liabilities		
Long-term borrowings	-	3,700,000
Retirement benefit liability	535,126	545,436
Provision for retirement benefits for directors (and other officers)	131,965	119,278
Deferred tax liabilities	624,746	583,271
Asset retirement obligations	207,393	208,436
Other	38,418	39,730
Total non-current liabilities	1,537,650	5,196,153
Total liabilities	8,928,799	9,048,728

	(Thousands of yen)	
	FY2/20 (As of Feb. 29, 2020)	First quarter of FY2/21 (As of May 31, 2020)
Net assets		
Shareholders' equity		
Share capital	271,140	271,140
Capital surplus	5,275,185	5,275,185
Retained earnings	5,929,306	5,847,737
Treasury shares	(144,392)	(192,330)
Total shareholders' equity	11,331,240	11,201,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,102)	(23,869)
Foreign currency translation adjustment	19,388	(53,597)
Remeasurements of defined benefit plans	(265)	(254)
Total accumulated other comprehensive income	11,020	(77,721)
Non-controlling interests	373,482	386,258
Total net assets	11,715,743	11,510,270
Total liabilities and net assets	20,644,542	20,558,999

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY2/20 (Mar. 1, 2019 – May 31, 2019)	First three months of FY2/21 (Mar. 1, 2020 – May 31, 2020)
Operating revenue		
Forwarding income	11,236,986	11,073,314
Total operating revenue	11,236,986	11,073,314
Operating cost		
Forwarding cost	9,207,376	9,077,139
Total operating cost	9,207,376	9,077,139
Gross profit	2,029,609	1,996,174
Selling, general and administrative expenses	1,694,051	1,564,292
Operating profit	335,558	431,882
Non-operating income		
Interest income	5,709	11,879
Dividend income	260	205
Share of profit of entities accounted for using equity method	50,095	24,336
Foreign exchange gains	-	24,002
Other	20,777	19,943
Total non-operating income	76,842	80,368
Non-operating expenses		
Interest expenses	1,286	1,850
Foreign exchange losses	18,825	-
Other	1,651	546
Total non-operating expenses	21,764	2,396
Ordinary profit	390,636	509,854
Extraordinary losses		
Loss on sales of non-current assets	-	90
Loss on retirement of non-current assets	63	2,214
Total extraordinary losses	63	2,304
Profit before income taxes	390,573	507,549
Income taxes-current	189,812	173,496
Income taxes-deferred	(62,053)	(23,956)
Total income taxes	127,759	149,539
Profit	262,814	358,009
Profit attributable to non-controlling interests	10,813	11,775
Profit attributable to owners of parent	252,000	346,234

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

(Thousands of yen)

	First three months of FY2/20 (Mar. 1, 2019 – May 31, 2019)	First three months of FY2/21 (Mar. 1, 2020 – May 31, 2020)
Profit	262,814	358,009
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,319)	(15,766)
Foreign currency translation adjustment	70,699	(73,984)
Share of other comprehensive income of entities accounted for using equity method	-	(14,340)
Remeasurements of defined benefit plans, net of tax	-	11
Total other comprehensive income	58,380	(104,079)
Comprehensive income	321,194	253,929
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	311,653	243,152
Comprehensive income attributable to non-controlling interests	9,540	10,777

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

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

Important changes in the scope of consolidation

During the first quarter of FY2/21, consolidated subsidiary Nisshin Trans Consolidator Co., Ltd. merged with consolidated subsidiary Nisshin Transportation Co., Ltd., which is the surviving company. Following the merger, Nisshin Trans Consolidator was dissolved and excluded from the scope of consolidation.

Additional Information

Although Japan's lifting of its state of emergency and other events involving the COVID-19 pandemic indicate that this crisis may be declining, it is impossible to predict when this crisis will end. Accounting estimates used for the preparation of the financial statements reflect the business climate and other factors concerning this crisis as of around the end of the previous fiscal year. At that time, management believed that the effects of COVID-19 did not require significant revisions to the factors used for these accounting estimates. If the downturns of economies become even worse because of this crisis, there may be an effect on results of operations. Currently, accounting estimates for the recoverability of deferred tax assets, goodwill valuation and other items are based on the assumption that factors used to determine these estimates will remain the same as during normal business operations.

Segment and Other Information

Segment Information

I First three months of FY2/20 (Mar. 1, 2019 – May 31, 2019)

1. Information related to operating revenue and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 3)
	Japan	China (Note 1)	Sub-total				
Operating revenue							
(1) Revenue from external customers	9,027,393	1,933,591	10,960,984	276,001	11,236,986	-	11,236,986
(2) Inter-segment revenue and transfers	70,685	1,054,580	1,125,265	148,185	1,273,450	(1,273,450)	-
Total	9,098,078	2,988,171	12,086,249	424,187	12,510,437	(1,273,450)	11,236,986
Segment profit	219,847	92,042	311,889	23,668	335,558	-	335,558

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.

3. Segment profit is consistent with operating profit recorded in the quarterly consolidated statement of income.

4. The amount of segment profit reflects a significant revision of the initial allocation of the acquisition cost arising from finalization of the provisional accounting method for business combinations, which is stated in "Notes to Quarterly Consolidated Financial Statements, Business Combinations."

2. Information related to assets for each reportable segment

On March 1, 2019, AIT and Nisshin Transportation conducted a share exchange with AIT as the sole parent company and Nisshin Transportation as the wholly owned subsidiary. Accordingly, Nisshin Transportation and Nisshin Trans Consolidator, Nisshin Global Logistics (Shanghai), Nisshin International Trading (Shanghai), and Nisshin (Myanmar), which are subsidiaries of Nisshin Transportation, were included in the scope of consolidation beginning in the first quarter of FY2/20.

As a result, segment assets in "Japan," "China" and "Other" increased 10,013,397 thousand yen, 4,399,986 thousand yen and 805,909 thousand yen, respectively, from the end of FY2/19. The amount of segment assets reflects a significant revision of the initial allocation of the acquisition cost arising from finalization of the provisional accounting method for business combinations, which is stated in "Notes to Quarterly Consolidated Financial Statements, Business Combinations."

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

In the first quarter of FY2/20, Nisshin Transportation and its four subsidiaries were included in the scope of consolidation. Accordingly, goodwill in "Japan," "China" and "Other" which is not included in any of the reportable segments, are booked 569,101 thousand yen, 428,319 thousand yen and 97,933 thousand yen, respectively. The amount of goodwill reflects a significant revision of the initial allocation of the acquisition cost arising from finalization of the provisional accounting method for business combinations, which is stated in "Notes to Quarterly Consolidated Financial Statements, Business Combinations."

II First three months of FY2/21 (Mar. 1, 2020 – May 31, 2020)

Information related to operating revenue and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 3)
	Japan	China (Note 1)	Sub-total				
Operating revenue							
(1) Revenue from external customers	9,133,129	1,660,074	10,793,203	280,110	11,073,314	-	11,073,314
(2) Inter-segment revenue and transfers	47,280	967,659	1,014,940	143,057	1,157,998	(1,157,998)	-
Total	9,180,410	2,627,734	11,808,144	423,168	12,231,312	(1,157,998)	11,073,314
Segment profit	350,660	60,157	410,817	21,064	431,882	-	431,882

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 terminated its operations on February 29, 2020 and is currently being liquidated.

3. Segment profit is consistent with operating profit recorded in the quarterly consolidated statement of income.

Business Combinations

Transaction under common control

Merger of consolidated subsidiaries

(1) Summary of business combination

1) Name and business activities of companies involving business combination

Merging company (surviving company)

Name: Nisshin Transportation Co., Ltd. (consolidated subsidiary of AIT)

Business activities: International freight forwarding business

Company being merged (company dissolved)

Name: Nisshin Trans Consolidator Co., Ltd. (consolidated subsidiary of AIT)

Business activities: Freight forwarding

2) Date of business combination

April 1, 2020

3) Method of business combination

Nisshin Trans Consolidator, which was dissolved, was absorbed by Nisshin Transportation, which was the surviving company.

4) Name of the company after business combination

Nisshin Transportation Co., Ltd. (consolidated subsidiary of AIT)

5) Other information concerning the business combination

The purposes of this business combination are to combine the resources of Nisshin Transportation and Nisshin Trans Consolidator in order to increase management efficiency and build a stronger base of operations and profit structure.

(2) Summary of accounting method

Accounting methods as a transaction under common control are based on "Accounting Standard for Business Combination" and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

Significant revision of initial allocation of acquisition cost in comparative information

A provisional accounting method was used in the first quarter of the previous fiscal year for the business combination on March 1, 2019 involving Nisshin Transportation. This provisional method was finalized at the end of the previous fiscal year.

Due to the finalization of this method, a significant revision of the initial allocation of the acquisition cost is incorporated in the comparative information in the consolidated financial statements of the first quarter of the current fiscal year. The value of goodwill was finalized, resulting in a 2,214,525 thousand yen reduction in goodwill from the provisional value of 3,309,880 thousand yen to the final value of 1,095,355 thousand yen. The main reasons for this decrease are a 2,632,000 thousand yen increase in customer-related assets and the recognition of deferred tax liabilities of 804,865 thousand yen in conjunction with this increase.

In the consolidated statement of income for the first quarter of the previous fiscal year, this reduction of goodwill lowered the amortization of goodwill and increased amortization expenses for intangible assets, resulting in a 10,446 thousand yen increase in selling, general and administrative expenses. Consequently, operating profit, ordinary profit and profit before income taxes each decreased 10,446 thousand yen, while profit and profit attributable to owners of parent increased 9,675 thousand yen.

Subsequent Events

Stock repurchase

The AIT Board of Directors approved a resolution on July 13, 2020 to repurchase its own shares pursuant to Article 156 of the Companies Act, which is applicable in lieu of Article 165, Paragraph 3 of this act.

1. Reason for stock repurchase

Stock will be repurchased to enable AIT to adopt a timely and flexible capital policy in response to changes in the operating environment.

2. Details of repurchase

- | | |
|---|--|
| (1) Class of shares to be repurchased: | Common stock of AIT |
| (2) Total number of shares to be repurchased: | Up to 270,000 shares
(1.14% of total shares outstanding, excluding treasury shares) |
| (3) Total value of shares to be repurchased: | Up to 200,000,000 yen |
| (4) Period for repurchase: | From July 14, 2020 to November 30, 2020 |
| (5) Method of repurchase: | Purchase on the Tokyo Stock Exchange |

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.