



October 10, 2024

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending February 28, 2025
(Six Months Ended August 31, 2024)

[Japanese GAAP]

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Listing: Tokyo Stock Exchange
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Scheduled date of filing of Semi-annual Report: October 15, 2024
 Scheduled date of payment of dividend: October 28, 2024
 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 Second Quarter (March 1, 2024 – August 31, 2024) of the Fiscal Year Ending February 28, 2025

(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	%
Six months ended Aug. 31, 2024	26,156	3.3	2,127	(3.5)	2,341	0.3	1,510	(2.2)
Six months ended Aug. 31, 2023	25,324	(29.2)	2,204	(20.0)	2,334	(16.8)	1,545	(17.5)

Note: Comprehensive income
 Six months ended Aug. 31, 2024: 2,087 million yen (up 9.8%)
 Six months ended Aug. 31, 2023: 1,900 million yen (down 26.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 31, 2024	64.30	-
Six months ended Aug. 31, 2023	65.77	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Aug. 31, 2024	25,530	18,943	72.7
As of Feb. 29, 2024	23,866	17,843	73.4

Reference: Equity capital As of Aug. 31, 2024: 18,563 million yen As of Feb. 29, 2024: 17,513 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 29, 2024	-	40.00	-	40.00	80.00
Fiscal year ending Feb. 28, 2025	-	40.00	-	-	-
Fiscal year ending Feb. 28, 2025 (forecast)	-	-	-	40.00	80.00

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 – February 28, 2025)

(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
Full year	55,600	8.2	4,500	4.0	4,750	4.7	3,240	8.4	137.91

Note: Revision to the most recently announced forecast of consolidated results: None

*** Notes**

(1) Significant changes in scope of consolidation during the period: None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting consolidated interim 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 Aug. 31, 2024:	23,913,600 shares	As of Feb. 29, 2024:	23,913,600 shares
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2) Number of treasury shares at the end of the period

As of Aug. 31, 2024:	420,008 shares	As of Feb. 29, 2024:	420,008 shares
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3) Average number of shares during the period

Six months ended Aug. 31, 2024:	23,493,592 shares	Six months ended Aug. 31, 2023:	23,493,592 shares
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The current financial report is not subject to quarterly (semi-annual) review by certified public accountants or auditing firms.

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

Note concerning forward-looking statements

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 Consolidated Interim Financial Performance, (3) Explanation of Forecast of Consolidated Results and Other Forward-looking Statements” on page 4 of the attachments regarding preconditions or other related matters for forecasts shown above.

Supplementary information at the interim financial results meeting

Materials supplementary to the interim financial results will be available in Japanese language on AIT’s website soon after the release of the first-half (interim) financial results.

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1. Qualitative Information on Consolidated Interim Financial Performance

(1) Explanation of Results of Operations

During the first half of the fiscal year ending February 28, 2025, the Japanese economy continued to recover slowly with the support of improvements in employment and personal income. The rebound in consumer spending is losing momentum because household products continue to rise in Japan due to the prolonged yen's weakness and increasing cost of raw materials and energy. Furthermore, the outlook for the economy remains unclear because of growing geopolitical risk caused by instability in several areas of the world and many other sources of concern.

Shipments to Japan from China and Southeast Asia account for a large share of the cargo handled by the AIT Group. During the first half, the yen's depreciation that at one point surpassed 160 yen to the U.S. dollar increased costs and created a consistently unfavorable environment for companies that have business activities involving imports. Ocean freight rates are increasing because of the negative impact of conflict in the Red Sea on capacity, disruptions of operations at major ports of the world, and a shortage of space on containerships due to rising demand.

In this challenging business climate, the AIT Group took many actions to obtain space on containerships and provide customers with reliable and consistent cargo transport services. The number of containers shipped and customs clearance orders have been declining during the past two years. To achieve a recovery in these activities along with higher earnings, there have been numerous sales activities to receive orders for international freight forwarding, customs clearance and delivery services. Another goal is increasing orders for merchandise inspections, needle detection, processing and other services associated with imports and exports and for third-party logistics (3PL). Progress with the group's digital strategy for becoming even more competitive is one more major initiative. For example, the functions of the cargo search service have been expanded and subsidiaries have been providing digital services just as AIT does.

During the first half, the volume of Japan's imports was still sluggish because of the difficult business climate for imported goods. However, due to the success of the initiatives outlined in the previous paragraph, the volume of imports to Japan handled was higher than in the first half of the previous fiscal year. There were many activities during the first half for receiving orders involving exports from Japan as the yen remained weak. Although ocean freight rates were lower than during the first half of the previous fiscal year, rates began to move up in June, making a contribution to revenue growth.

The gross profit margin decreased mainly due to higher ocean freight rates. Furthermore, although operating expenses are growing as salary increases raise personnel expenses and for other reasons, measures to reexamine various expenses and cut costs continued in order to generate as much earnings as possible.

Operating revenue increased 3.3% year-on-year to 26,156 million yen. Operating profit decreased 3.5% to 2,127 million yen. Ordinary profit was up 0.3% to 2,341 million yen and profit attributable to owners of parent decreased 2.2% to 1,510 million yen.

Results by business segment are as follows.

1) Japan

The business climate in Japan remained difficult during the first quarter because of the difference between current shipping rates and rates in the previous fiscal year when ocean freight rates declined throughout the year. The yen's depreciation also created challenges. In the second quarter, freight rates started to increase but the business climate was extremely volatile. The main challenges were the shortage of space on containerships and the volatility of yen exchange rates.

To increase revenue and earnings, the AIT Group used a broad range of sales activities for adding new customers and raising the volume of business with current customers.

The number of ocean freight containers handled was 114,302 TEU for imports, 1.5% more than one year earlier. Export containers were up 32.0% to 9,223 TEU because of activities to handle more export shipments during the current weakness of the yen. As a result, the total for imports and exports increased 3.2% to 123,525 TEU.

Customs clearance orders increased 1.3% to 68,624 from one year earlier due to an increase in orders at subsidiaries.

As a result, operating revenue in Japan increased 1.8% from one year earlier to 22,242 million yen. Segment profit decreased 10.0% to 1,710 million yen due to a lower gross profit margin caused by higher freight rates since June 2024 and higher personnel expenses.

2) China

Receiving orders for merchandise inspections and needle detection is still difficult. Since April, the volume of cargo handled for shipments to Japan began to stabilize, resulting in revenue from shipments within China too. In addition, higher yen conversions of revenue in China due to the yen's depreciation contributed to revenue growth.

As a result, operating revenue increased 8.8% from one year earlier to 3,236 million yen. Segment profit increased 43.3% to 340 million yen due to measures to hold down and cut expenses in addition to an improvement in the gross profit margin.

3) Other

The volume of freight shipped to Japan is recovering at the subsidiary in Vietnam. The volume of imports from Japan increased at the subsidiary in Taiwan. Due to these favorable trends, opportunities to earn revenue increased. At the subsidiary in Myanmar, revenue involving cargo shipments was steady and orders for merchandise inspections and needle detection remained strong. Furthermore, yen conversions of revenue and earnings were higher because of the yen's depreciation. As a result, operating revenue increased 33.1% from one year earlier to 676 million yen and segment profit increased 15.5% to 77 million yen.

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

(2) Explanation of Financial Position

1) Balance sheet position

Assets

Total assets increased 1,663 million yen from the end of the previous fiscal year to 25,530 million yen at the end of the first half of the current fiscal year.

Current assets increased 2,015 million yen to 21,984 million yen. This was mainly due to increases in notes and accounts receivable-trade of 785 million yen, cash and deposits of 738 million yen and advances paid of 392 million yen.

Non-current assets decreased 351 million yen to 3,546 million yen. This was mainly due to decreases in customer-related assets of 131 million yen, investment securities of 63 million yen and goodwill of 54 million yen.

Liabilities

Total liabilities increased 563 million yen to 6,586 million yen.

Current liabilities increased 693 million yen to 4,802 million yen. This was mainly due to an increase in accounts payable-trade of 625 million yen.

Non-current liabilities decreased 130 million yen to 1,784 million yen. This was mainly due to a decrease of 43 million yen in deferred tax liabilities.

Net assets

Net assets increased 1,100 million yen to 18,943 million yen. This was mainly due to profit attributable to owners of parent of 1,510 million yen and a decrease of 939 million yen resulting from dividends from retained earnings. There was also an increase in foreign currency translation adjustment of 487 million yen.

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the first half of the current fiscal year were 14,182 million yen, down 266 million yen from 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 1,489 million yen, an increase of 78 million yen from the same period of the previous fiscal year. There were positive factors including profit before income taxes of 2,334 million yen, an increase in trade payables of 540 million yen, depreciation of 294 million yen, interest and dividends received of 220 million yen, and amortization of goodwill of 54 million yen. Negative factors include income taxes paid of 760 million yen, an increase in trade receivables of 670 million yen, an increase in advances paid of 392 million yen and share of profit of entities accounted for using equity method of 81 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,055 million yen, an increase of 949 million yen from the same period of the previous fiscal year. Although there were positive factors including proceeds from withdrawal of time deposits of 58 million yen, there were negative factors including payments into time deposits of 1,058 million yen and purchase of property, plant and equipment of 64 million yen.

Cash flows from financing activities

Net cash used in financing activities was 1,107 million yen, a decrease of 244 million yen from the same period of the previous fiscal year. The primary use of cash was cash dividends paid of 939 million yen.

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

There are no revisions to the full year forecasts of consolidated results for the fiscal year ending February 28, 2025, which were announced on April 15, 2024. Actual performance may differ significantly from the forecasts for a number of reasons.

We will make an announcement promptly if we decide that there is a need to revise these forecasts.

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

(Millions of yen)

	FY2/24 (As of Feb. 29, 2024)	Second quarter of FY2/25 (As of Aug. 31, 2024)
Assets		
Current assets		
Cash and deposits	14,504	15,243
Notes and accounts receivable-trade	3,922	4,707
Advances paid	1,287	1,679
Other	287	395
Allowance for doubtful accounts	(33)	(41)
Total current assets	19,968	21,984
Non-current assets		
Property, plant and equipment	774	750
Intangible assets		
Goodwill	544	489
Customer-related assets	1,316	1,184
Other	166	146
Total intangible assets	2,026	1,820
Investments and other assets		
Investment securities	634	570
Other	494	435
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	1,097	975
Total non-current assets	3,898	3,546
Total assets	23,866	25,530
Liabilities		
Current liabilities		
Accounts payable-trade	2,194	2,819
Income taxes payable	718	703
Provision for bonuses	428	455
Provision for bonuses for directors (and other officers)	38	20
Other	729	804
Total current liabilities	4,109	4,802
Non-current liabilities		
Deferred tax liabilities	329	285
Retirement benefit liability	779	750
Provision for retirement benefits for directors (and other officers)	214	188
Asset retirement obligations	247	247
Other	344	312
Total non-current liabilities	1,914	1,784
Total liabilities	6,023	6,586

	(Millions of yen)	
	FY2/24 (As of Feb. 29, 2024)	Second quarter of FY2/25 (As of Aug. 31, 2024)
Net assets		
Shareholders' equity		
Share capital	500	500
Capital surplus	5,045	5,045
Retained earnings	11,198	11,768
Treasury shares	(392)	(392)
Total shareholders' equity	16,350	16,921
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43	34
Foreign currency translation adjustment	1,134	1,621
Remeasurements of defined benefit plans	(14)	(13)
Total accumulated other comprehensive income	1,162	1,642
Non-controlling interests	329	379
Total net assets	17,843	18,943
Total liabilities and net assets	23,866	25,530

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

(Millions of yen)

	First six months of FY2/24 (Mar. 1, 2023 – Aug. 31, 2023)	First six months of FY2/25 (Mar. 1, 2024 – Aug. 31, 2024)
Operating revenue		
Forwarding income	25,263	26,095
Other business income	60	60
Total operating revenue	25,324	26,156
Operating costs		
Forwarding cost	20,186	20,999
Cost of other business	32	32
Total operating costs	20,219	21,032
Gross profit	5,105	5,123
Selling, general and administrative expenses	2,900	2,996
Operating profit	2,204	2,127
Non-operating income		
Interest income	14	19
Dividend income	3	1
Share of profit of entities accounted for using equity method	91	81
Foreign exchange gains	2	107
Other	24	13
Total non-operating income	136	223
Non-operating expenses		
Interest expenses	6	8
Other	0	0
Total non-operating expenses	6	9
Ordinary profit	2,334	2,341
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	1	7
Total extraordinary losses	1	7
Profit before income taxes	2,335	2,334
Income taxes-current	822	743
Income taxes-deferred	(62)	24
Total income taxes	759	768
Profit	1,576	1,565
Profit attributable to non-controlling interests	31	55
Profit attributable to owners of parent	1,545	1,510

Consolidated Interim Statement of Comprehensive Income

(Millions of yen)

	First six months of FY2/24 (Mar. 1, 2023 – Aug. 31, 2023)	First six months of FY2/25 (Mar. 1, 2024 – Aug. 31, 2024)
Profit	1,576	1,565
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(9)
Foreign currency translation adjustment	275	461
Share of other comprehensive income of entities accounted for using equity method	26	67
Remeasurements of defined benefit plans, net of tax	0	1
Total other comprehensive income	324	521
Comprehensive income	1,900	2,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,843	1,990
Comprehensive income attributable to non-controlling interests	57	96

(3) Consolidated Interim Statement of Cash Flows

(Millions of yen)

	First six months of FY2/24 (Mar. 1, 2023 – Aug. 31, 2023)	First six months of FY2/25 (Mar. 1, 2024 – Aug. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	2,335	2,334
Depreciation	324	294
Amortization of goodwill	54	54
Increase (decrease) in allowance for doubtful accounts	4	7
Increase (decrease) in provision for bonuses	5	19
Increase (decrease) in provision for bonuses for directors (and other officers)	(16)	(17)
Increase (decrease) in retirement benefit liability	49	(27)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	(25)
Interest and dividend income	(18)	(20)
Interest expenses	6	8
Share of loss (profit) of entities accounted for using equity method	(91)	(81)
Loss (gain) on sale of non-current assets	(2)	(0)
Loss on retirement of non-current assets	1	7
Increase (decrease) in deposits received	(1)	58
Decrease (increase) in trade receivables	63	(670)
Decrease (increase) in advances paid	(421)	(392)
Increase (decrease) in trade payables	57	540
Other, net	(84)	(52)
Subtotal	2,280	2,037
Interest and dividends received	208	220
Interest paid	(6)	(8)
Income taxes paid	(1,072)	(760)
Net cash provided by (used in) operating activities	1,410	1,489
Cash flows from investing activities		
Payments into time deposits	(55)	(1,058)
Proceeds from withdrawal of time deposits	53	58
Purchase of property, plant and equipment	(39)	(64)
Proceeds from sale of property, plant and equipment	5	0
Purchase of intangible assets	(28)	(8)
Payments of guarantee deposits	(40)	(7)
Proceeds from refund of guarantee deposits	0	12
Other, net	-	12
Net cash provided by (used in) investing activities	(105)	(1,055)

	(Millions of yen)	
	First six months of FY2/24 (Mar. 1, 2023 – Aug. 31, 2023)	First six months of FY2/25 (Mar. 1, 2024 – Aug. 31, 2024)
Cash flows from financing activities		
Dividends paid	(1,174)	(939)
Other, net	(177)	(168)
Net cash provided by (used in) financing activities	(1,352)	(1,107)
Effect of exchange rate change on cash and cash equivalents	245	407
Net increase (decrease) in cash and cash equivalents	197	(266)
Cash and cash equivalents at beginning of period	15,323	14,448
Cash and cash equivalents at end of period	15,521	14,182

(4) Notes to Consolidated Interim Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information**Segment Information**

I First six months of FY2/24 (Mar. 1, 2023 – Aug. 31, 2023)

Information related to revenue and profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment	Amounts shown on consolidated interim statement of income (Note 3)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from contracts with customers	21,779	2,976	24,755	508	25,263	-	25,263
Other revenue	60	-	60	-	60	-	60
(1) Revenue from external customers	21,839	2,976	24,815	508	25,324	-	25,324
(2) Inter-segment revenue and transfers	41	2,124	2,166	237	2,403	(2,403)	-
Total	21,881	5,100	26,982	745	27,727	(2,403)	25,324
Segment profit	1,900	237	2,138	66	2,204	-	2,204

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 Taiwan, Vietnam and Myanmar.

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

II First six months of FY2/25 (Mar. 1, 2024 – Aug. 31, 2024)

Information related to revenue and profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment			Other (Note 2)	Total	Adjustment	Amounts shown on consolidated interim statement of income (Note 3)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from contracts with customers	22,181	3,236	25,418	676	26,095	-	26,095
Other revenue	60	-	60	-	60	-	60
(1) Revenue from external customers	22,242	3,236	25,479	676	26,156	-	26,156
(2) Inter-segment revenue and transfers	73	2,282	2,356	258	2,614	(2,614)	-
Total	22,315	5,519	27,835	934	28,770	(2,614)	26,156
Segment profit	1,710	340	2,050	77	2,127	-	2,127

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 Taiwan, Vietnam and Myanmar.

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

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.