



January 14, 2025

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending February 28, 2025
(Nine Months Ended November 30, 2024)

[Japanese GAAP]

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 Securities code: 9381
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Listing: Tokyo Stock Exchange
 URL: <https://www.ait-jp.com/>

Scheduled date of payment of dividend: -
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Third Quarter (March 1, 2024 – November 30, 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	%
Nine months ended Nov. 30, 2024	41,918	6.1	3,354	(5.9)	3,619	(3.2)	2,487	0.4
Nine months ended Nov. 30, 2023	39,499	(29.1)	3,566	(22.0)	3,738	(21.9)	2,476	(24.2)

Note: Comprehensive income
 Nine months ended Nov. 30, 2024: 2,600 million yen (down 13.6%)
 Nine months ended Nov. 30, 2023: 3,010 million yen (down 25.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2024	105.87	-
Nine months ended Nov. 30, 2023	105.42	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2024	25,289	18,515	71.7
As of Feb. 29, 2024	23,866	17,843	73.4

Reference: Equity capital As of Nov. 30, 2024: 18,143 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 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 Nov. 30, 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 Nov. 30, 2024:	420,008 shares	As of Feb. 29, 2024:	420,008 shares
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3) Average number of shares during the period

Nine months ended Nov. 30, 2024:	23,493,592 shares	Nine months ended Nov. 30, 2023:	23,493,592 shares
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Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

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 4 of the attachments regarding preconditions or other related matters for forecasts shown above.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months 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, and higher demand created by foreign tourists in Japan. 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 nine months, as the yen remained weak, reaching more than 160 yen to the U.S. dollar at one point, companies in Japan that have business activities involving imports continued to face challenges as their expenses increased. There are additional challenges caused by the negative impact of the conflict in the Red Sea on ocean transport capacity, disruptions of operations at major ports of the world, and rising demand for transporting cargo by sea. As a result, freight rates increased on some routes. Furthermore, the volume of Japan's imports has been sluggish because of the consistently difficult business climate for Japanese companies that import goods.

In this challenging business climate, the AIT Group took many actions to 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 fiscal 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 Cargo Information Service, an online forwarding and customs clearance service have been expanded and subsidiaries have been providing digital services just as AIT does.

Although the business climate for the AIT Group was very challenging during the first nine months of the current fiscal year, 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 nine months of the previous fiscal year. There were also many activities during the first nine months for receiving orders involving exports from Japan as the yen remained weak.

Although ocean freight rates in the first half of the first nine months were lower than one year earlier, rates began to move up on some routes in June, making a contribution to revenue growth. Although there was progress with raising fees to reflect the increase in freight rates, the gross profit margin declined because of intense competition. In addition, operating expenses are growing as salary increases raise personnel expenses and for other reasons. In response, group companies are continuing to reexamine various expenses and cut costs in order to generate as much earnings as possible.

Operating revenue increased 6.1% year-on-year to 41,918 million yen. Operating profit decreased 5.9% to 3,354 million yen. Ordinary profit was down 3.2% to 3,619 million yen and profit attributable to owners of parent increased 0.4% to 2,487 million yen.

Results by business segment are as follows.

In the China segment, AIT (HKG) LIMITED, which was a consolidated subsidiary in Hong Kong, was excluded from the scope of consolidation in the third quarter of the current fiscal year due to its liquidation.

1) Japan

During the first half of the first nine months, there was difference between current shipping rates and rates in the previous fiscal year when ocean freight rates declined throughout the year. Although freight rates began to increase in June, competition became even more intense. A period of rapid appreciation of the yen also created challenges as the business climate remained extremely volatile.

To increase revenue and earnings, the AIT Group used a broad range of sales activities and created a variety of logistics proposals for customers. Group companies also revised prices in a timely manner and provided customers with useful information to add new customers and raise the volume of business with current customers.

The number of ocean freight containers handled was 177,938 TEU for imports, 1.0% more than one year earlier. Export containers were up 27.2% to 13,675 TEU mainly because of increases in exports to the United States, India and Taiwan as group companies also focused on orders involving exports as the yen remained weak. As a result, the total for imports and exports increased 2.5% to 191,613 TEU. Customs clearance orders increased 2.8% to 107,160 from one year earlier due to an increase in orders at subsidiaries.

As a result, operating revenue in Japan increased 5.2% from one year earlier to 35,710 million yen. Segment profit decreased 11.5% to 2,628 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 stabilized, 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 7.0% from one year earlier to 5,053 million yen. Segment profit increased 20.1% to 558 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 37.4% from one year earlier to 1,155 million yen and segment profit increased 27.4% to 167 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

Assets

Total assets increased 1,422 million yen from the end of the previous fiscal year to 25,289 million yen at the end of the third quarter of the current fiscal year.

Current assets increased 72 million yen to 20,041 million yen. This was mainly due to increases in notes and accounts receivable-trade of 1,614 million yen and advances paid of 416 million yen, and a decrease in cash and deposits of 1,985 million yen.

Non-current assets increased 1,349 million yen to 5,247 million yen. This was mainly due to an increase in investment securities of 1,782 million yen, and decreases in customer relationships of 197 million yen and goodwill of 81 million yen.

Liabilities

Total liabilities increased 749 million yen to 6,773 million yen.

Current liabilities increased 888 million yen to 4,997 million yen. This was mainly due to an increase in accounts payable-trade of 1,078 million yen and a decrease in income taxes payable of 358 million yen.

Non-current liabilities decreased 138 million yen to 1,776 million yen. This was mainly due to decreases in deferred tax liabilities of 40 million yen and provision for retirement benefits for directors (and other officers) of 17 million yen.

Net assets

Net assets increased 672 million yen to 18,515 million yen. This was mainly due to profit attributable to owners of parent of 2,487 million yen and a decrease of 1,879 million yen resulting from dividends from retained earnings. There was also an increase in non-controlling interests of 41 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. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	FY2/24 (As of Feb. 29, 2024)	Third quarter of FY2/25 (As of Nov. 30, 2024)
Assets		
Current assets		
Cash and deposits	14,504	12,519
Notes and accounts receivable-trade	3,922	5,536
Advances paid	1,287	1,704
Other	287	325
Allowance for doubtful accounts	(33)	(44)
Total current assets	19,968	20,041
Non-current assets		
Property, plant and equipment	774	704
Intangible assets		
Goodwill	544	462
Customer relationships	1,316	1,118
Other	166	137
Total intangible assets	2,026	1,718
Investments and other assets		
Investment securities	634	2,417
Other	494	437
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	1,097	2,824
Total non-current assets	3,898	5,247
Total assets	23,866	25,289
Liabilities		
Current liabilities		
Accounts payable-trade	2,194	3,273
Income taxes payable	718	359
Provision for bonuses	428	330
Provision for bonuses for directors (and other officers)	38	31
Other	729	1,002
Total current liabilities	4,109	4,997
Non-current liabilities		
Deferred tax liabilities	329	289
Retirement benefit liability	779	778
Provision for retirement benefits for directors (and other officers)	214	196
Asset retirement obligations	247	247
Other	344	263
Total non-current liabilities	1,914	1,776
Total liabilities	6,023	6,773

	(Millions of yen)	
	FY2/24 (As of Feb. 29, 2024)	Third quarter of FY2/25 (As of Nov. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	500	500
Capital surplus	5,045	5,045
Retained earnings	11,198	11,805
Treasury shares	(392)	(392)
Total shareholders' equity	16,350	16,958
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43	29
Foreign currency translation adjustment	1,134	1,169
Remeasurements of defined benefit plans	(14)	(12)
Total accumulated other comprehensive income	1,162	1,185
Non-controlling interests	329	371
Total net assets	17,843	18,515
Total liabilities and net assets	23,866	25,289

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

(Millions of yen)

	First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023)	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)
Operating revenue		
Forwarding income	39,408	41,827
Other business income	91	91
Total operating revenue	39,499	41,918
Operating costs		
Forwarding cost	31,492	34,003
Cost of other business	49	48
Total operating costs	31,541	34,052
Gross profit	7,957	7,866
Selling, general and administrative expenses	4,391	4,512
Operating profit	3,566	3,354
Non-operating income		
Interest income	21	35
Dividend income	4	4
Share of profit of entities accounted for using equity method	156	167
Foreign exchange gains	-	51
Other	42	19
Total non-operating income	224	278
Non-operating expenses		
Interest expenses	11	13
Foreign exchange losses	40	-
Other	0	0
Total non-operating expenses	52	13
Ordinary profit	3,738	3,619
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on liquidation of subsidiaries and associates	-	84
Total extraordinary income	2	86
Extraordinary losses		
Loss on sale of non-current assets	19	-
Loss on retirement of non-current assets	1	9
Total extraordinary losses	20	9
Profit before income taxes	3,720	3,696
Income taxes-current	1,330	1,112
Income taxes-deferred	(140)	9
Total income taxes	1,190	1,122
Profit	2,530	2,574
Profit attributable to non-controlling interests	53	87
Profit attributable to owners of parent	2,476	2,487

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

(Millions of yen)

	First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023)	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)
Profit	2,530	2,574
Other comprehensive income		
Valuation difference on available-for-sale securities	18	(14)
Foreign currency translation adjustment	417	15
Share of other comprehensive income of entities accounted for using equity method	44	22
Remeasurements of defined benefit plans, net of tax	0	1
Total other comprehensive income	480	26
Comprehensive income	3,010	2,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,925	2,510
Comprehensive income attributable to non-controlling interests	85	90

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first nine months of FY2/25 has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months of each year is as follows.

	(Millions of yen)	
	First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023)	First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)
Depreciation	473	426
Amortization of goodwill	81	81

Segment and Other Information**Segment Information**

I First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023)

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

	Reportable segment			Other (Note 2)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 3)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from contracts with customers	33,843	4,723	38,567	840	39,408	-	39,408
Other revenue	91	-	91	-	91	-	91
(1) Revenue from external customers	33,935	4,723	38,658	840	39,499	-	39,499
(2) Inter-segment revenue and transfers	81	3,389	3,470	351	3,821	(3,821)	-
Total	34,016	8,113	42,129	1,191	43,321	(3,821)	39,499
Segment profit	2,969	465	3,435	131	3,566	-	3,566

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 quarterly consolidated statement of income.

II First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 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 quarterly consolidated statement of income (Note 3)
	Japan	China (Note 1)	Total				
Operating revenue							
Revenue from contracts with customers	35,618	5,053	40,671	1,155	41,827	-	41,827
Other revenue	91	-	91	-	91	-	91
(1) Revenue from external customers	35,710	5,053	40,763	1,155	41,918	-	41,918
(2) Inter-segment revenue and transfers	116	3,696	3,813	437	4,250	(4,250)	-
Total	35,826	8,750	44,576	1,592	46,169	(4,250)	41,918
Segment profit	2,628	558	3,187	167	3,354	-	3,354

Notes: 1. “China” includes the business activities of entities in China and Hong Kong. A consolidated subsidiary in Hong Kong was excluded from the scope of consolidation in the third quarter of the current fiscal year due to its liquidation.

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 quarterly consolidated 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.