



April 13, 2020

Consolidated Financial Results for the Fiscal Year Ended February 29, 2020

[Japanese GAAP]

Company name: AIT CORPORATION

Listing: TSE 1st section

Securities code: 9381

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

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Scheduled date of Annual General Meeting of Shareholders: May 22, 2020

Scheduled date of filing of Annual Securities Report: May 25, 2020

Scheduled date of payment of dividend: May 25, 2020

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 29, 2020 (March 1, 2019 – February 29, 2020)

(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. 29, 2020	45,003	62.0	1,575	2.1	1,947	14.3	1,325	13.5
Fiscal year ended Feb. 28, 2019	27,783	10.6	1,543	3.1	1,703	7.3	1,167	6.1

Note: Comprehensive income Fiscal year ended Feb. 29, 2020: 1,248 million yen (up 18.3%)

Fiscal year ended Feb. 28, 2019: 1,055 million yen (down 4.8%)

	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. 29, 2020	55.49	-	15.4	13.5	3.5
Fiscal year ended Feb. 28, 2019	61.09	-	20.3	21.5	5.6

Reference: Equity in earnings of affiliates Fiscal year ended Feb. 29, 2020: 217 million yen

Fiscal year ended Feb. 28, 2019: - million yen

Note: There was a share exchange with Nisshin Transportation Co., Ltd. on March 1, 2019 in which Nisshin Transportation received 4,800,000 shares of AIT stock consisting of 4,159,200 shares newly issued and 640,800 treasury shares. AIT acquired 146,700 treasury shares upon resolution of the Board of Directors on November 19, 2019. The net income per share for the fiscal year ended February 29, 2020 is calculated using an average number of shares during the period of 23,892,292.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2020	20,644	11,715	54.9	477.23
As of Feb. 28, 2019	8,214	5,954	72.2	310.10

Reference: Equity capital

As of Feb. 29, 2020: 11,342 million yen

As of Feb. 28, 2019: 5,927 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 the period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 29, 2020	2,218	(160)	(487)	10,812
Fiscal year ended Feb. 28, 2019	1,489	271	(710)	4,837

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Feb. 28, 2019	-	18.00	-	18.00	36.00	688	58.9	12.0
Fiscal year ended Feb. 29, 2020	-	18.00	-	18.00	36.00	858	64.9	9.1
Fiscal year ending Feb. 28, 2021 (forecast)	-	-	-	-	-	-	-	-

Note: Dividend forecast for the fiscal year ending February 28, 2021 has not yet been determined at this time. An announcement will be made promptly once it becomes possible to disclose the earnings forecast.

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

There are concerns about a broad range of negative effects on economic activity of the COVID-19 pandemic. Consequently, the forecast for the fiscal year ending February 28, 2021 has not been established due to the difficulty of determining an accurate forecast at this time. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

*** Notes**

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

Newly added: 5, Nisshin Transportation Co., Ltd., Nisshin Trans Consolidator Co., Ltd., Nisshin Global Logistics (Shanghai) Co., Ltd., Nisshin International Trading (Shanghai) Co., Ltd., Nisshin (Myanmar) Co., Ltd.

Excluded: -

(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. 29, 2020: | 23,913,600 shares | As of Feb. 28, 2019: | 19,754,400 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Feb. 29, 2020: | 146,733 shares | As of Feb. 28, 2019: | 640,833 shares |
| 3) Average number of shares during the period | | | |
| Fiscal year ended Feb. 29, 2020: | 23,892,292 shares | Fiscal year ended Feb. 28, 2019: | 19,113,569 shares |

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2020

(March 1, 2019 – February 29, 2020)

(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. 29, 2020	21,959	(0.9)	849	(7.3)	1,379	38.8	990	48.0
Fiscal year ended Feb. 28, 2019	22,151	8.8	916	(2.4)	993	(30.5)	669	(38.2)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 29, 2020	41.47	-
Fiscal year ended Feb. 28, 2019	35.02	-

Note: There was a share exchange with Nisshin Transportation Co., Ltd. on March 1, 2019 in which Nisshin Transportation received 4,800,000 shares of AIT stock consisting of 4,159,200 shares newly issued and 640,800 treasury shares. AIT acquired 146,700 treasury shares upon resolution of the Board of Directors on November 19, 2019. The net income per share for the fiscal year ended February 29, 2020 is calculated using an average number of shares during the period of 23,892,292.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2020	11,251	9,530	84.7	401.01
As of Feb. 28, 2019	6,154	4,337	70.5	226.95

Reference: Shareholders' equity As of Feb. 29, 2020: 9,530 million yen As of Feb. 28, 2019: 4,337 million yen

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

Financial results meeting and supplementary information

Every year, AIT holds a financial results meeting for institutional investors and analysts. AIT has canceled this year's financial results meeting for the safety of participants due to the COVID-19 pandemic. AIT plans to post materials that would have been used for this year's financial results meeting on its website.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended February 29, 2020, the Japanese economy recovered slowly backed by improvements in corporate earnings and the job market. On the other hand, the outlook remains uncertain because of worries about prolonged U.S.-China trade friction and other unpredictable events affecting the economy.

The business climate for the AIT Group continued to be challenging during the current fiscal year. Inventory reductions associated with the October 2019 consumption tax hike and slow sales of winter merchandise because of warm winter weather in Japan negatively affected the volume of international cargo. In addition, the novel coronavirus (COVID-19) pandemic has severely disrupted logistics activities.

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. As a result, Nisshin Transportation and its subsidiaries in Japan, China and Myanmar have joined the AIT Group. This has increased our scale of operations and our business network in Japan and overseas.

In addition to our core businesses of international cargo transportation, customs clearance services and delivery services, we are now also able to provide a comprehensive lineup of subcontracting services associated with imports and exports, such as merchandise inspections, needle detection in apparel shipments and distribution processing services. The result is the ability to provide customers with more and better services.

These initiatives, emphasis on actions to create synergies among group companies, and numerous measures for sales activities using proposals for fully integrated service packages led to an increase in sea cargo volume to Japan from our principal markets of China and Southeast Asia. This resulted in an increase in earnings.

To maintain the stability of earnings, there were measures to raise selling prices in order to reflect the higher cost of purchasing logistic services in Japan and overseas. All components of selling, general and administrative expenses increased. The main reasons, all associated with Nisshin Transportation becoming a subsidiary, were the amortization of customer-related assets and goodwill that were recognized in conjunction with purchase price allocation and higher personnel expenses resulting from the larger number of employees and restructuring of the group's human resources systems. On the other hand, AIT Group constantly reviewed measures to cut costs as much as possible to generate profits.

Operating revenue was up significantly, increasing 62.0% year-on-year to 45,003 million yen, and earnings were higher as well at all levels. Operating profit was up 2.1% to 1,575 million yen. Ordinary profit was up 14.3% to 1,947 million yen as non-operating income increased mainly due to earnings of equity-method affiliates associated with making Nisshin Transportation a subsidiary, and profit attributable to owners of parent increased 13.5% to 1,325 million yen.

Results by business segment are as follows.

Starting on March 1, 2019, Nisshin Transportation and Nisshin Trans Consolidator Co., Ltd. were added to the "Japan" segment, Nisshin Global Logistics (Shanghai) Co., Ltd. and Nisshin International Trading (Shanghai) Co., Ltd. were added to the "China" segment, and Nisshin (Myanmar) Co., Ltd. was added to "Other," which is not a reportable segment.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation in the first quarter of the current fiscal year because its liquidation process was completed. Consequently, "Thailand" is no longer a reportable segment.

1) Japan

Performance in Japan was negatively affected by a low volume of international cargo and other effects of inventory reductions due to the October 2019 consumption tax hike and other reasons and warm winter weather in Japan. But there was an increase in the volume of goods imported to Japan, chiefly from China, in this segment because of the addition of Nisshin Transportation to the AIT Group. In addition, there were extensive sales activities to capture orders for fully integrated service packages. The number of containers handled in the sea freight sector increased 21.7% to 251,836 TEU for imports and 22.6% to 267,916 TEU for total imports and exports. Customs clearance orders increased significantly, climbing 68.7% to 146,058.

AIT Group is taking steps to reflect higher sea freight rates and delivery fees within Japan in service rates with the aim of raising selling prices and improving earnings.

As a result, operating revenue increased 61.4% to 35,443 million yen. Segment profit was 1,072 million yen, an increase of 22.4%, because of higher selling, general and administrative expenses attributable partly to the amortization of customer-related assets and goodwill that were recognized in conjunction with purchase price allocation.

2) China

There were more opportunities to earn profits associated with transportation within China due to the larger volume of shipments from China to Japan handled by the AIT Group. In addition, there was higher operating revenue from merchandise inspection, needle detection in apparel shipments and distribution processing services in China due to the addition of Nisshin Transportation to the group and the resulting growth in the scale of operations in China.

As a result, operating revenue increased 62.4% to 8,432 million yen and segment profit decreased 37.6% to 410 million yen because of higher selling, general and administrative expenses attributable partly to the amortization of customer-related assets and goodwill that were recognized in conjunction with purchase price allocation.

3) Other

The volume of cargo increased at subsidiaries in the United States and Taiwan and at a joint venture in Vietnam. In addition, there was operating revenue in Myanmar. As a result, operating revenue was 1,127 million yen, compared with 543 million yen one year earlier and segment profit was 92 million yen compared with 21 million yen one year earlier.

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

(2) Financial Position

Figures changed substantially following the use of a share exchange to make Nisshin Transportation a wholly owned subsidiary effective on March 1, 2019.

Effective from the beginning of the current fiscal year, AIT has adopted the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other related pronouncements. Prior-year figures have been adjusted retroactively to conform with this accounting standard in order to facilitate comparisons and analysis.

Assets

Total assets increased 12,430 million yen from the end of the previous fiscal year to 20,644 million yen at the end of the fiscal year under review.

Current assets increased 7,727 million yen to 15,452 million yen. This was mainly due to increases in cash and deposits of 5,971 million yen, and notes and accounts receivable-trade of 1,175 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Non-current assets increased 4,702 million yen to 5,191 million yen. This was mainly due to increases in customer-related assets of 2,368 million yen, goodwill of 979 million yen, investment securities of 604 million yen, machinery, equipment and vehicles of 265 million yen, and buildings and structures of 153 million yen.

Liabilities

Total liabilities increased 6,669 million yen to 8,928 million yen.

Current liabilities increased 5,615 million yen to 7,391 million yen. This was mainly due to increases in short-term loans payable of 4,347 million yen, accounts payable-trade of 568 million yen and provision for bonuses of 195 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Non-current liabilities increased 1,053 million yen to 1,537 million yen. This was mainly due to increases in deferred tax liabilities of 624 million yen and retirement benefit liability of 201 million yen because of making Nisshin Transportation a wholly owned subsidiary.

Net assets

Net assets increased 5,761 million yen to 11,715 million yen. This was mainly due to a 5,053 million yen increase in capital surplus because of newly issued shares following the share exchange with Nisshin Transportation and a 345 million yen increase in non-controlling interests because of making Nisshin Transportation a wholly owned subsidiary. In addition, there was a booking of profit attributable to owners of parent of 1,325 million yen and dividends distributed from retained earnings of 774 million yen.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review were 10,812 million yen, up 1,523 million yen over the end of the previous fiscal year. This includes a 4,451 million yen increase in cash and cash equivalents due to exchange of stock.

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 2,218 million yen, an increase of 729 million yen from the previous fiscal year. Although there were negative factors including a decrease in deposits received of 901 million yen, income taxes paid of 469 million yen and share of profit of entities accounted for using equity method of 217 million yen, there were positive factors including profit before income taxes of 1,955 million yen, a decrease in notes and accounts receivable-trade of 937 million yen, depreciation of 495 million yen, interest and dividend income received of 309 million yen, a decrease in advances paid of 293 million yen, and amortization of goodwill of 116 million yen.

Cash flows from investing activities

Net cash used in investing activities was 160 million yen, compared with net cash provided of 271 million yen in the previous fiscal year. Although there were positive factors including proceeds from withdrawal of time deposits of 1,342 million yen, there were negative factors including payments into time deposits of 1,343 million yen, purchase of property, plant and equipment of 147 million yen, purchase of intangible assets of 111 million yen, and payments for guarantee deposits of 83 million yen.

Cash flows from financing activities

Net cash used in financing activities was 487 million yen, a decrease of 222 million yen from the previous fiscal year. Although there were positive factors including proceeds from short-term loans payable of 4,473 million yen, there were negative factors including repayments of short-term loans payable of 4,026 million yen, cash dividends paid of 774 million yen and purchase of treasury shares of 144 million yen.

Reference: Trends in cash flow indicators

	FY2/16	FY2/17	FY2/18	FY2/19	FY2/20
Shareholders' equity ratio (%)	74.2	74.3	72.9	72.2	54.9
Shareholders' equity ratio based on market value (%)	281.2	285.2	277.9	249.2	94.1
Interest-bearing debt to cash flow ratio (%)	0.3	-	-	-	196.6
Interest coverage ratio (times)	7,569.0	25,856.1	-	-	750.0

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:

- All indices are calculated based on consolidated figures.
- 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.
- 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

Uncertainty about the global economy is increasing because of numerous risk factors with effects that are difficult to predict. Major sources of risk include U.S.-China trade friction, Britain's departure from the EU, and the COVID-19 pandemic. Risk factors are expected to have a significant impact on the Japanese economy too.

The AIT Group is speeding up activities aimed at capturing synergies with the businesses of subsidiary Nisshin Transportation. The goal is to add new customers and enlarge relationships with current customers by utilizing the AIT Group's ability to provide a fully integrated lineup of subcontracting services. Activities extend from the core international freight forwarding business to customs clearance, delivery and numerous services associated with imports and exports, such as merchandise inspections, needle detection in apparel shipments and distribution processing. We will use this breadth to create proposals for logistics service packages that precisely match customers' needs.

In addition to these activities, we will continue to reinforce our global logistics infrastructure by working even more closely with our subsidiaries in China and Southeast Asia and our agents worldwide. We will also continue sales activities for capturing orders for cargo transportation between this region and countries other than Japan.

AIT has an equity and business alliance with Hitachi Transport System, Ltd. To create the greatest possible synergies, AIT and Hitachi Transport System will share their service networks, expertise and other resources. Furthermore, we plan to make this relationship even stronger in order to provide services that meet customers' needs with speed and accuracy by cooperating at an even higher level in the fields of forwarding and third-party logistics.

Although we plan to make steady progress with these activities, there are concerns about the impact of the COVID-19 pandemic on business activities, consumer spending in Japan and other elements of the business climate. In the core international freight forwarding business, most of the logistics infrastructure in China is operating normally. Furthermore, the production of customers in China is recovering, although some sectors are improving faster than others. Overall, there is no interruption in international freight movements.

There is no forecast for the fiscal year ending February 28, 2021 because the significant uncertainty about the impact of the COVID-19 pandemic makes it impossible to determine an accurate forecast at this time.

We will make an announcement as soon as the determination of a reliable forecast is possible.

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

	(Thousands of yen)	
	FY2/19 (As of Feb. 28, 2019)	FY2/20 (As of Feb. 29, 2020)
Assets		
Current assets		
Cash and deposits	4,999,159	10,971,134
Notes and accounts receivable-trade	1,833,833	3,009,596
Advances paid	775,691	898,275
Other	135,236	603,799
Allowance for doubtful accounts	(18,866)	(30,073)
Total current assets	7,725,053	15,452,732
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,658	218,466
Machinery, equipment and vehicles, net	-	265,146
Other, net	17,765	97,457
Total property, plant and equipment	82,423	581,070
Intangible assets		
Goodwill	-	979,334
Customer-related assets	-	2,368,800
Other	144,869	254,947
Total intangible assets	144,869	3,603,081
Investments and other assets		
Investment securities	3,185	607,619
Deferred tax assets	25,993	88,021
Guarantee deposits	228,297	258,539
Other	4,758	53,477
Allowance for doubtful accounts	(232)	-
Total investments and other assets	262,003	1,007,658
Total non-current assets	489,296	5,191,810
Total assets	8,214,350	20,644,542
Liabilities		
Current liabilities		
Accounts payable-trade	1,047,594	1,616,438
Short-term loans payable	-	4,347,040
Income taxes payable	253,949	396,152
Provision for bonuses	93,118	288,449
Provision for bonuses for directors (and other officers)	20,000	31,604
Other	361,086	711,463
Total current liabilities	1,775,748	7,391,148
Non-current liabilities		
Retirement benefit liability	333,759	535,126
Provision for retirement benefits for directors (and other officers)	94,220	131,965
Deferred tax liabilities	-	624,746
Asset retirement obligations	26,809	207,393
Other	29,077	38,418
Total non-current liabilities	483,865	1,537,650
Total liabilities	2,259,614	8,928,799

	(Thousands of yen)	
	FY2/19	FY2/20
	(As of Feb. 28, 2019)	(As of Feb. 29, 2020)
Net assets		
Shareholders' equity		
Capital stock	271,140	271,140
Capital surplus	221,590	5,275,185
Retained earnings	5,378,034	5,929,306
Treasury shares	(68,008)	(144,392)
Total shareholders' equity	5,802,756	11,331,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	223	(8,102)
Foreign currency translation adjustment	124,051	19,388
Remeasurements of defined benefit plans	-	(265)
Total accumulated other comprehensive income	124,274	11,020
Non-controlling interests	27,704	373,482
Total net assets	5,954,735	11,715,743
Total liabilities and net assets	8,214,350	20,644,542

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

	(Thousands of yen)	
	FY2/19	FY2/20
	(Mar. 1, 2018 – Feb. 28, 2019)	(Mar. 1, 2019 – Feb. 29, 2020)
Operating revenue		
Forwarding income	27,783,095	45,003,847
Total operating revenue	27,783,095	45,003,847
Operating cost		
Forwarding cost	23,466,192	36,857,651
Total operating cost	23,466,192	36,857,651
Gross profit	4,316,903	8,146,196
Selling, general and administrative expenses	2,773,531	6,570,213
Operating profit	1,543,371	1,575,983
Non-operating income		
Interest income	14,679	58,979
Dividend income	60	6,268
Share of profit of entities accounted for using equity method	-	217,284
Foreign exchange gains	92,138	34,474
Other	53,588	59,516
Total non-operating income	160,465	376,523
Non-operating expenses		
Interest expenses	-	2,944
Other	-	2,127
Total non-operating expenses	-	5,071
Ordinary profit	1,703,837	1,947,434
Extraordinary income		
Gain on sales of non-current assets	-	559
Gain on sales of shares of subsidiaries and associates	-	20,408
Total extraordinary income	-	20,967
Extraordinary losses		
Loss on sales of non-current assets	-	172
Loss on retirement of non-current assets	768	11,605
Loss on valuation of shares of subsidiaries and associates	-	906
Total extraordinary losses	768	12,684
Profit before income taxes	1,703,068	1,955,717
Income taxes-current	536,395	731,093
Income taxes-deferred	(3,223)	(138,630)
Total income taxes	533,171	592,462
Profit	1,169,896	1,363,254
Profit attributable to non-controlling interests	2,276	37,493
Profit attributable to owners of parent	1,167,620	1,325,761

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)
Profit	1,169,896	1,363,254
Other comprehensive income		
Valuation difference on available-for-sale securities	195	(8,325)
Foreign currency translation adjustment	(114,975)	(106,571)
Remeasurements of defined benefit plans, net of tax	-	(265)
Total other comprehensive income	(114,780)	(115,162)
Comprehensive income	1,055,116	1,248,091
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,053,986	1,212,506
Comprehensive income attributable to non-controlling interests	1,129	35,584

(3) Consolidated Statement of Changes in Equity

FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	271,140	221,590	4,920,476	(68,004)	5,345,203
Changes of items during period					
Dividends of surplus			(707,202)		(707,202)
Profit attributable to owners of parent			1,167,620		1,167,620
Purchase of treasury shares				(3)	(3)
Increase by share exchanges					
Change in ownership interest of parent due to transactions with non-controlling interests			(2,860)		(2,860)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	457,557	(3)	457,553
Balance at end of current period	271,140	221,590	5,378,034	(68,008)	5,802,756

(Thousands 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 current period	27	237,880	-	237,907	26,972	5,610,083
Changes of items during period						
Dividends of surplus						(707,202)
Profit attributable to owners of parent						1,167,620
Purchase of treasury shares						(3)
Increase by share exchanges						-
Change in ownership interest of parent due to transactions with non-controlling interests						(2,860)
Net changes of items other than shareholders' equity	195	(113,829)		(113,633)	732	(112,900)
Total changes of items during period	195	(113,829)	-	(113,633)	732	344,652
Balance at end of current period	223	124,051	-	124,274	27,704	5,954,735

FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	271,140	221,590	5,378,034	(68,008)	5,802,756
Changes of items during period					
Dividends of surplus			(774,488)		(774,488)
Profit attributable to owners of parent			1,325,761		1,325,761
Purchase of treasury shares				(144,388)	(144,388)
Increase by share exchanges		5,053,595		68,004	5,121,600
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	5,053,595	551,272	(76,383)	5,528,484
Balance at end of current period	271,140	5,275,185	5,929,306	(144,392)	11,331,240

(Thousands 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 current period	223	124,051	-	124,274	27,704	5,954,735
Changes of items during period						
Dividends of surplus						(774,488)
Profit attributable to owners of parent						1,325,761
Purchase of treasury shares						(144,388)
Increase by share exchanges						5,121,600
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes of items other than shareholders' equity	(8,325)	(104,662)	(265)	(113,254)	345,777	232,523
Total changes of items during period	(8,325)	(104,662)	(265)	(113,254)	345,777	5,761,007
Balance at end of current period	(8,102)	19,388	(265)	11,020	373,482	11,715,743

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)
Cash flows from operating activities		
Profit before income taxes	1,703,068	1,955,717
Depreciation	32,951	495,189
Amortization of goodwill	-	116,020
Increase (decrease) in allowance for doubtful accounts	(649)	10,420
Increase (decrease) in provision for bonuses	24,005	22,449
Increase (decrease) in provision for bonuses for directors (and other officers)	3,200	(7,103)
Increase (decrease) in retirement benefit liability	65,224	4,805
Increase (decrease) in provision for retirement benefits for directors (and other officers)	16,550	(6,455)
Interest and dividend income	(14,739)	(65,247)
Interest expenses	-	2,944
Foreign exchange losses (gains)	(4,600)	1,163
Share of loss (profit) of entities accounted for using equity method	-	(217,284)
Loss (gain) on sales of property, plant and equipment	-	(387)
Loss on retirement of non-current assets	768	11,605
Loss (gain) on sales of investment securities	-	(20,408)
Increase (decrease) in deposits received	22,622	(901,179)
Decrease (increase) in notes and accounts receivable-trade	(74,286)	937,135
Decrease (increase) in advances paid	178,771	293,051
Increase (decrease) in notes and accounts payable-trade	17,308	(347,664)
Other, net	15,014	96,544
Subtotal	1,985,210	2,381,320
Interest and dividend income received	14,755	309,784
Interest expenses paid	-	(2,958)
Income taxes paid	(510,853)	(469,319)
Net cash provided by (used in) operating activities	1,489,112	2,218,826
Cash flows from investing activities		
Payments into time deposits	(400,500)	(1,343,654)
Proceeds from withdrawal of time deposits	783,500	1,342,052
Purchase of property, plant and equipment	(52,225)	(147,269)
Proceeds from sales of property, plant and equipment	469	1,554
Purchase of intangible assets	(50,448)	(111,294)
Proceeds from sales of investment securities	-	28,935
Payments for guarantee deposits	(14,258)	(83,363)
Proceeds from collection of guarantee deposits	4,917	56,513
Other, net	-	96,114
Net cash provided by (used in) investing activities	271,453	(160,412)

	(Thousands of yen)	
	FY2/19	FY2/20
	(Mar. 1, 2018 – Feb. 28, 2019)	(Mar. 1, 2019 – Feb. 29, 2020)
Cash flows from financing activities		
Increase in short-term loans payable	-	4,473,470
Decrease in short-term loans payable	-	(4,026,160)
Purchase of treasury shares	(3)	(144,388)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3,258)	-
Cash dividends paid	(707,193)	(774,270)
Other, net	-	(16,343)
Net cash provided by (used in) financing activities	(710,455)	(487,692)
Effect of exchange rate change on cash and cash equivalents	(96,851)	(46,792)
Net increase (decrease) in cash and cash equivalents	953,259	1,523,928
Cash and cash equivalents at beginning of period	3,884,299	4,837,559
Increase in cash and cash equivalents by share exchange	-	4,451,253
Cash and cash equivalents at end of period	4,837,559	10,812,741

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

Not applicable.

Significant Changes in Shareholders' Equity

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. Due to this share exchange, Nisshin Transportation received AIT stock consisting of 4,159,200 shares newly issued and 640,800 treasury shares.

AIT acquired 146,700 treasury shares upon resolution of the Board of Directors on November 19, 2019.

As a result, capital surplus increased 5,053,595 thousand yen to 5,275,185 thousand yen, and treasury shares increased 76,383 thousand yen to 144,392 thousand yen at the end of the current fiscal year.

Changes in the Scope of Consolidation or Application of the Equity Method**(1) Important changes in the scope of consolidation**

As there was a share exchange with Nisshin Transportation on March 1, 2019 to make this company a wholly owned subsidiary, Nisshin Transportation, Nisshin Trans Consolidator, Nisshin Global Logistics (Shanghai), Nisshin International Trading (Shanghai), Nisshin (Myanmar) and one other company currently being liquidated were included in the scope of consolidation from the first quarter of the current fiscal year.

Nisshin Transportation and its four subsidiaries are considered as specified subsidiaries of AIT.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation from the first quarter of the current fiscal year because its liquidation process was completed.

(2) Important changes in the scope of application of the equity method

As there was a share exchange with Nisshin Transportation on March 1, 2019 to make this company a wholly owned subsidiary, Nisshin Logistics and five other companies are included in the scope of the equity method from the first quarter of the current fiscal year.

Reclassifications

Changes in Conjunction with the Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

Effective from the beginning of the current fiscal year, AIT has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the non-current liabilities section of the balance sheet, respectively.

As a result, deferred tax assets under current assets in the consolidated balance sheet for the previous fiscal year decreased 50,092 thousand yen and deferred tax assets under investments and other assets increased 25,993 thousand yen. In addition, deferred tax liabilities under non-current liabilities decreased 24,099 thousand yen.

Consolidated Balance Sheet

In the property, plant and equipment section of the consolidated balance sheet, accumulated depreciation was shown as a deduction in the balance sheet for the previous fiscal year. To further clarify information in the consolidated balance sheet, the book value of each category of property, plant and equipment is shown after the deduction of depreciation beginning with the balance sheet for the current fiscal year. Buildings and structures, which was included in property, plant and equipment in the previous fiscal year, is shown as a separate item because the amount exceeds 1/100 of total assets. To conform to this change, the consolidated financial statements for the previous fiscal year are restated.

As a result, 215,851 thousand yen of property, plant and equipment and 133,427 thousand yen of accumulated depreciation in the previous fiscal year's consolidated balance sheet are reclassified as buildings and structures, net and other, net.

Deposits received, which was a separate line item under current liabilities in the previous fiscal year, is included in other in the current fiscal year due to a decrease in its monetary materiality. To conform to this change, the consolidated financial statements for the previous fiscal year are restated.

As a result, 121,769 thousand yen of deposits received and 239,317 thousand yen of other under current liabilities in the previous fiscal year's consolidated balance sheet are included in 361,086 thousand yen of other.

Asset retirement obligations, included in other under non-current liabilities in the previous fiscal year, is presented as a separate line item because the amount exceeds 1/100 of total liabilities and net assets. To conform to this change, the consolidated financial statements for the previous fiscal year are restated.

As a result, 55,886 thousand yen of other under non-current liabilities in the previous fiscal year's consolidated balance sheet is reclassified as 26,809 thousand yen of asset retirement obligations and 29,077 thousand yen of other.

Consolidated Statement of Income

Beginning with the current fiscal year, expenses for international cargo transportation, customs clearance services and delivery services are included in operating cost instead of selling, general and administrative expenses as in prior years. The purposes of this change are to clearly link expenses with revenue, use a single method for management of the AIT Group's results of operations, and provide a more suitable presentation of gross profit and selling, general and administrative expenses.

To conform to this change, the consolidated statement of income for the previous fiscal year is restated. As a result, 1,399,626 thousand yen of selling, general and administrative expenses in the previous fiscal year's consolidated statement of income is reclassified as operating cost.

Commission fee and fiduciary obligation fee, which were separate line items under non-operating income in the previous fiscal year, is included in other in the current fiscal year because the amount is less than 10/100 of total non-operating expenses. To conform to this change, the consolidated financial statements for the previous fiscal year are restated.

As a result, 9,870 thousand yen of commission fee, 17,423 thousand yen of fiduciary obligation fee and 26,294 thousand yen of other under non-operating income in the previous fiscal year's consolidated statement of income are included in 53,588 thousand yen of other.

Business Combinations

Business combination through acquisition

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.

(1) Summary of business combination

1) Name of company acquired and its business activity

Name of company acquired: Nisshin Transportation Co., Ltd.

Business activities: International freight forwarding business

2) Reason for business combination

AIT is an integrated logistics company with wide-ranging logistics expertise including international transportation, customs clearance and third-party logistics. AIT specializes mainly in China-related business by having a suitable number of business bases along the Chinese coast since its establishment and provides a high-level transportation service and the rapid cargo-related information for customers. AIT is registered as an Authorized Economic Operator by Japan Customs. AIT, as a company with high-level security and rigorous compliance, is dedicated to providing highly convenient and world-class services in international transportation business.

Nisshin Transportation provides integrated freight transportation services for both exports and imports, mainly involving China. The subsidiaries of Nisshin Transportation also have transportation-related businesses such as needle detection in apparel shipments, merchandise inspections and distribution processing.

By adding Nisshin Transportation and its subsidiaries to the AIT Group, AIT intends to expand its marine transportation business between China and Japan in order to improve the quality of services for customers.

3) Date of business combination

March 1, 2019

4) Method of business combination

A share exchange to make AIT the sole parent company and Nisshin Transportation a wholly owned subsidiary of AIT

5) Name of the company after business combination

There is no change in the company's name.

6) Ratio of ownership

100%

7) Basis for choosing the acquiring company

Use of a share exchange to acquire 100% of the voting rights of Nisshin Transportation and make this company a wholly owned subsidiary of AIT

(2) Period of Nisshin Transportation's performance included in the consolidated financial statements in the current fiscal year

From March 1, 2019 to February 29, 2020

(3) Acquisition cost of acquired company and type of consideration

Consideration for the acquisition:

Market value of AIT common stock used for the share exchange 5,121,600 thousand yen

Acquisition cost: 5,121,600 thousand yen

(4) Exchange ratio and class of stock, calculation method and number of shares

1) Exchange ratio and class of stock

One share of AIT common stock for 1.20 shares of Nisshin Transportation common stock

2) Exchange ratio calculation method

To secure fairness and validity in the analysis of the share exchange ratio used in for the share exchange, it was decided that AIT would ask an independent third party to analyze this ratio and IR Japan, Inc. was selected as the third-party financial advisor.

Considering financial positions, achievement trends, stock price trends and other characteristics of both AIT and Nisshin Transportation and the analysis of the share exchange ratio by the third-party financial advisor, AIT, Nisshin Transportation and Hitachi Transport System, which was previously the parent company of Nisshin Transportation, proceeded with careful negotiations and discussions and reached the conclusion that this ratio is reasonable. As a result, the Board of Directors of AIT and Nisshin Transportation approved resolutions on October 10, 2018 to execute the share exchange at this ratio.

IR Japan performed an average share price analysis on the shares of AIT because it is listed on a financial instruments exchange, as well as a discounted cash flow analysis ("DCF") to reflect the future results of operations. An average share price analysis was performed by using the following prices of shares of AIT on the first section of the Tokyo Stock Exchange:

a) Average daily closing price from April 10, 2018 to October 9, 2018.

b) Average daily closing price from July 10, 2018 to October 9, 2018.

c) Average daily closing price from September 10, 2018 to October 9, 2018.

d) Average daily closing price from October 2, 2018 to October 9, 2018.

e) Closing price on October 9, 2018.

IR Japan performed a comparable companies analysis on the shares of Nisshin Transportation because it is not listed on a financial instruments exchange and there are many listed companies with similar businesses, as well as DCF to reflect the future results of operations.

Value ranges calculated by using 1 as the value of one share of AIT stock are as follows.

Method		Results
AIT	Nisshin Transportation	
Average share price analysis	Comparable companies analysis	0.80 – 1.13
DCF	DCF	1.05 – 1.67

IR Japan has relied upon and assumes the accuracy and completeness of all information that was furnished by AIT and Nisshin Transportation or that is publicly available and IR Japan has not independently verified that this information is accurate or complete. IR Japan has not independently evaluated and has not asked a third party to evaluate any assets or liabilities (including contingent liabilities) of AIT, Nisshin Transportation or their affiliates. The share exchange ratio analysis by IR Japan is based on information and economic condition as of October 9, 2018. The expected future financial conditions (including profit plans) are based on the best currently available estimates and judgments by the managements of AIT and Nisshin Transportation.

The business plans of AIT and Nisshin Transportation used by IR Japan for the analysis of DCF do not include business years with significant profit fluctuations. The expected future financial conditions of AIT and Nisshin Transportation which IR Japan used for the analysis of DCF do not include the execution of this share exchange.

3) Number of shares delivered

4,800,000 shares

(5) Major acquisition-related expenses

Advisory compensation, fees, etc.: 54,224 thousand yen

(6) Goodwill resulting from the acquisition

1) Value of goodwill

1,095,355 thousand yen

In the first three quarters of the current fiscal year, provisional accounting methods were used for the allocation of the acquisition cost. These methods were based on reasonable information that was available when the consolidated financial statements for these quarters were prepared. Due to the finalization in the fourth quarter of the allocation of the acquisition cost, goodwill decreased by 2,214,525 thousand yen compared with the provisional amount. The main reasons for this decrease are a 2,632,000 thousand yen increase in customer relationship assets and the recognition of deferred tax liabilities of 804,865 thousand yen in conjunction with this increase.

2) Source of goodwill

Goodwill was recorded because the cost of acquiring Nisshin Transportation was higher than the fair value of this company's net assets.

3) Amortization method and amortization period

Goodwill is amortized over ten years by the straight-line method.

(7) Summary of assets acquired and liabilities assumed on the date of business combination

Current assets	7,774,929 thousand yen
Non-current assets	4,173,738 thousand yen
Total assets	11,948,667 thousand yen
Current liabilities	6,707,863 thousand yen
Non-current liabilities	1,062,461 thousand yen
Total liabilities	7,770,324 thousand yen

- (8) Amounts allocated to intangible assets other than goodwill, their breakdown by major categories, and weighted average amortization period for the total amount and major categories

Category	Amount	Weighted average amortization period
Customer-related assets	2,632,000 thousand yen	10 years

Segment and Other Information

Segment information

1. Overview of reportable segments

(1) 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) Information related to revisions for reportable segments

From FY2/20, Nisshin Transportation and Nisshin Trans Consolidator were added to the "Japan" segment, Nisshin Global Logistics (Shanghai) and Nisshin International Trading (Shanghai) were added to the "China" segment, and Nisshin (Myanmar) was added to "Other," which is not a reportable segment.

AIT LOGISTICS (THAILAND) LIMITED, which was a consolidated subsidiary, was excluded from the scope of consolidation from FY2/20 because its liquidation process was completed. Consequently, "Thailand" is no longer a reportable segment.

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

FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)

(Thousands of yen)

	Reportable segment				Other (Note 2)	Total	Adjustment (Note 3)	Amounts shown on consolidated financial statements (Note 4)
	Japan	China (Note 1)	Thailand	Total				
Operating revenue								
Revenue from external customers	21,962,471	5,191,027	85,732	27,239,231	543,864	27,783,095	-	27,783,095
Inter-segment revenue and transfers	189,124	2,366,559	24,887	2,580,571	245,872	2,826,443	(2,826,443)	-
Total	22,151,595	7,557,587	110,620	29,819,802	789,737	30,609,539	(2,826,443)	27,783,095
Segment profit (loss)	876,132	658,214	(12,133)	1,522,213	21,157	1,543,371	-	1,543,371
Segment assets	4,492,047	2,550,337	18,097	7,060,482	220,336	7,280,819	957,630	8,238,449
Other items								
Depreciation	23,043	8,659	364	32,067	883	32,951	-	32,951
Increase in property, plant and equipment and intangible assets	152,975	5,908	194	159,079	302	159,381	-	159,381

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 and Vietnam.

3. The 957,630 thousand yen adjustment to segment assets includes corporate assets of 1,662,865 thousand yen 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 (loss) is consistent with operating profit recorded in the consolidated statement of income.

FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)

(Thousands 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	35,443,613	8,432,378	43,875,992	1,127,854	45,003,847	-	45,003,847
Inter-segment revenue and transfers	252,354	4,134,976	4,387,330	646,342	5,033,672	(5,033,672)	-
Total	35,695,968	12,567,355	48,263,323	1,774,197	50,037,520	(5,033,672)	45,003,847
Segment profit	1,072,504	410,900	1,483,404	92,578	1,575,983	-	1,575,983
Segment assets	13,161,512	6,281,048	19,442,561	1,074,275	20,516,836	127,705	20,644,542
Other items							
Depreciation	271,588	168,382	439,971	55,218	495,189	-	495,189
Amortization of goodwill	56,910	49,317	106,227	9,793	116,020	-	116,020
Equity in earnings of affiliates	107,147	110,136	217,284	-	217,284	-	217,284
Increase in property, plant and equipment and intangible assets	436,199	219,773	655,973	207,990	863,963	-	863,963

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. Consolidated subsidiary AIT International of America, Inc. terminated its operations on February 29, 2020 and is currently being liquidated.

3. The 127,705 thousand yen adjustment to segment assets includes corporate assets of 2,254,923 thousand yen 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

FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)

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

(Thousands of yen)

Japan	China	Thailand	Other	Total
69,134	11,621	-	1,668	82,423

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.

FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)

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

(Thousands of yen)

Japan	China	Other	Total
255,078	143,875	182,117	581,070

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

FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)

Not applicable.

FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)

(Thousands of yen)

	Reportable segment			Other	Adjustment	Total
	Japan	China	Total			
Balance at end of current period	512,191	379,002	891,194	88,140	-	979,334

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)

	FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)
Net assets per share	310.10	477.23
Net income per share	61.09	55.49

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:

(Thousands of yen)

	FY2/19 (As of Feb. 28, 2019)	FY2/20 (As of Feb. 29, 2020)
Total net assets	5,954,735	11,715,743
Deduction on total net assets	27,704	373,482
[of which non-controlling interests]	[27,704]	[373,482]
Net assets applicable to common shares at end of period	5,927,031	11,342,261
Number of common shares outstanding (Shares)	19,754,400	23,913,600
Number of treasury shares (Shares)	640,833	146,733
Number of common shares used in calculation of net assets per share (Shares)	19,113,567	23,766,867

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

(Thousands of yen)

	FY2/19 (Mar. 1, 2018 – Feb. 28, 2019)	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)
Profit attributable to owners of parent	1,167,620	1,325,761
Amounts not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	1,167,620	1,325,761
Average number of common shares outstanding during the period (Shares)	19,113,569	23,892,292

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.