



April 14, 2021

Consolidated Financial Results for the Fiscal Year Ended February 28, 2021

[Japanese GAAP]

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

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

Scheduled date of Annual General Meeting of Shareholders: May 25, 2021
 Scheduled date of filing of Annual Securities Report: May 26, 2021
 Scheduled date of payment of dividend: May 26, 2021
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2021 (March 1, 2020 – February 28, 2021)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2021	45,797	1.8	2,304	46.3	2,545	30.7	1,732	30.7
Fiscal year ended Feb. 29, 2020	45,003	62.0	1,575	2.1	1,947	14.3	1,325	13.5

Note: Comprehensive income Fiscal year ended Feb. 28, 2021: 1,820 million yen (up 45.9%)
 Fiscal year ended Feb. 29, 2020: 1,248 million yen (up 18.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended Feb. 28, 2021	73.40	-	14.8	12.0	5.0
Fiscal year ended Feb. 29, 2020	55.49	-	15.4	13.5	3.5

Reference: Equity in earnings of affiliates Fiscal year ended Feb. 28, 2021: 166 million yen
 Fiscal year ended Feb. 29, 2020: 217 million yen

Note: AIT acquired 220,000 treasury shares upon resolution of the Board of Directors on November 19, 2019. In addition, AIT acquired 199,800 treasury shares upon resolution of the Board of Directors on July 13, 2020. The net income per share for the fiscal year ended February 28, 2021 is calculated using an average number of shares during the period of 23,600,359.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2021	21,630	12,231	55.6	511.73
As of Feb. 29, 2020	20,644	11,715	54.9	477.23

Reference: Equity capital As of Feb. 28, 2021: 12,022 million yen As of Feb. 29, 2020: 11,342 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 28, 2021	1,521	(300)	(1,987)	10,052
Fiscal year ended Feb. 29, 2020	2,218	(160)	(487)	10,812

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. 29, 2020	-	18.00	-	18.00	36.00	858	64.9	9.1
Fiscal year ended Feb. 28, 2021	-	18.00	-	20.00	38.00	894	51.8	7.7
Fiscal year ending Feb. 28, 2022 (forecast)	-	20.00	-	20.00	40.00		52.8	

Note: Dividend for the fiscal year ended February 28, 2021:

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

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 – February 28, 2022)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,500	8.9	980	10.9	1,070	1.8	720	0.5	30.65
Full year	48,700	6.3	2,470	7.2	2,670	4.9	1,780	2.8	75.77

*** Notes**

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

Newly added: -

Excluded: 1, Nisshin Trans Consolidator Co., Ltd.

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

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

(3) Number of outstanding shares (common stock)

- | | | | |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding at the end of the period (including treasury shares) | | | |
| As of Feb. 28, 2021: | 23,913,600 shares | As of Feb. 29, 2020: | 23,913,600 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Feb. 28, 2021: | 419,912 shares | As of Feb. 29, 2020: | 146,733 shares |
| 3) Average number of shares during the period | | | |
| Fiscal year ended Feb. 28, 2021: | 23,600,359 shares | Fiscal year ended Feb. 29, 2020: | 23,892,292 shares |

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2021

(March 1, 2020 – February 28, 2021)

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

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2021	24,282	10.6	1,329	56.6	1,668	20.9	1,172	18.4
Fiscal year ended Feb. 29, 2020	21,959	(0.9)	849	(7.3)	1,379	38.8	990	48.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 28, 2021	49.70	-
Fiscal year ended Feb. 29, 2020	41.47	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2021	12,143	9,603	79.1	408.75
As of Feb. 29, 2020	11,251	9,530	84.7	401.01

Reference: Shareholders' equity As of Feb. 28, 2021: 9,603 million yen As of Feb. 29, 2020: 9,530 million yen

Reason for differences between non-consolidated financial results for the fiscal years ended February 29, 2020 and February 28, 2021

The volume of cargo was low, especially for apparel, mainly because people stayed home for safety. However, the volume of household goods remained firm. To receive more orders, there were many activities for the use of online sales meetings and implementation of the digital transformation. Service menu expansion and upgrades also contributed to more effective sales activities. In addition, operating revenue benefited from a significant increase in sea freight rates.

Results of operations also reflected measures to reduce the cost of sales, such as by ending the outsourcing of some customs clearance activities. There were also measures involving selling, general and administrative expenses to aim for higher earnings, including measures to hold down personnel expenses and minimize outsourcing expenses.

For these reasons, operating revenue, operating profit, ordinary profit and profit were all higher than in the previous fiscal year.

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

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

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

Financial results meeting and supplementary information

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

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended February 28, 2021, the business climate was challenging in Japan because of a rapid economic downturn caused by restrictions on economic activity due to the COVID-19 crisis. After the end of Japan's state of emergency in May 2020, economic activity slowly resumed along with measures to prevent the spread of infections. Although manufacturing and consumer spending started to recover, the economic outlook is still uncertain because it is still impossible to predict when this crisis will end.

The business climate for operations of the AIT Group was affected by COVID-19 in the fiscal year's first quarter as China extended the Spring Festival holiday and the movement of cargo in China temporarily stopped. In Japan, there was a big decline in economic activity because of the declaration of a state of emergency and other factors. Concerns about a further downturn in consumer spending increased as a result.

To continue business operations in this challenging environment, the AIT Group is using teleworking as well as online meetings for sales and other purposes. The current priority is receiving orders involving shipments of goods by sea from China and Southeast Asia to Japan. There are also many sales activities to receive orders for services associated with imports and exports, such as customs clearance, delivery, inspections, needle detection and processing.

During the fiscal year, consumer spending in Japan plummeted because of severe limitations on the ability to go out due to the COVID-19 crisis. Most significantly, this caused a decline in the volume of apparel shipments handled thorough the fiscal year by the AIT Group, primarily for current customers. On the other hand, the big increase in the amount of time people spend at home resulted in consistently high volume of cargo for products required for household activities, such as household and other miscellaneous products, home appliances, and other products. The higher volume of household goods offset the decline in the apparel category.

Beginning in the fiscal year's third quarter, there has been a global shortage of shipping containers due to the recovery of international cargo shipping demand. The resulting significant increase in freight rates, including on some of the routes served by the AIT Group, was one reason for higher earnings. Earnings also benefited from steps to hold down personnel expenses and reexamine other expenses as well as from a reduction in expenses for sales activities resulting from telework and other reasons.

Operating revenue increased 1.8% year-on-year to 45,797 million yen, and earnings were significantly higher at all levels mainly due to measures to hold down selling, general and administrative expenses. As a result, operating profit was up 46.3% to 2,304 million yen, ordinary profit was up 30.7% to 2,545 million yen and profit attributable to owners of parent increased 30.7% to 1,732 million yen.

Results by business segment are as follows.

In Other, which is not a reportable segment, U.S. subsidiary AIT International of America, Inc. terminated its operations on February 29, 2020 and completed its liquidation on March 16, 2021. This company is included in the consolidated financial statements because liquidation had not been completed as of February 28, 2021.

1) Japan

The volume of cargo was low, especially for apparel, mainly because people stayed home for safety. To receive more orders, there were many activities for the use of online sales meetings and implementation of the digital transformation. One example is the use of the digital transformation to start offering a service that uses the cloud for every import processing step from customs clearance requests to issuing invoices.

Due to these activities, the number of containers handled in the sea freight sector increased 3.3% from one year earlier to 260,249 TEU for imports and the total for imports and exports was about the same, increasing 2.3% to 274,170 TEU. Customs clearance orders decreased 3.9% to 140,317 as the volume of apparel was low.

As a result, operating revenue increased 4.3% to 36,961 million yen. Segment profit increased 49.9% to 1,607 million yen mainly because of measures to hold down personnel expenses and expenses for sales activities.

2) China

New orders for cargo shipments and associated services such as merchandise inspections and needle detection decreased temporarily because of the extension of the Spring Festival holiday and other responses by the Chinese government due to the COVID-19 outbreak. In addition, operating revenue involving associated services was down because of the low volume of apparel shipments. Opportunities to earn profits in China declined as a result.

Following the Spring Festival holiday, factories slowly began to restart operations in all areas of China and cargo shipments resumed. However, operating revenue was down 9.3% from one year earlier to 7,650 million yen because of the big decline in profit opportunities in February 2020. Segment profit increased 50.9% to 619 million yen because of measures to hold down personnel expenses and expenses for business operations.

3) Other

The liquidation of a U.S. subsidiary and lower revenue at the Myanmar subsidiary because of COVID-19 had a negative effect on the performance of this segment. However, operating revenue increased 5.0% to 1,184 million yen because of the stable earnings of subsidiaries in Taiwan and Vietnam. Segment profit decreased 16.2% to 77 million yen because of expenses for sales activities.

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

(2) Financial Position**Assets**

Total assets increased 986 million yen from the end of the previous fiscal year to 21,630 million yen at the end of the fiscal year under review.

Current assets increased 1,400 million yen to 16,853 million yen. This was mainly due to increases in notes and accounts receivable-trade of 1,497 million yen and advances paid of 477 million yen, which were partially offset by a decrease in cash and deposits of 317 million yen.

Non-current assets decreased 414 million yen to 4,777 million yen. This was mainly due to decreases in customer-related assets of 263 million yen, investment securities of 147 million yen and goodwill of 108 million yen.

Liabilities

Total liabilities increased 470 million yen to 9,399 million yen.

Current liabilities increased 373 million yen to 7,764 million yen. This was mainly due to increases in current portion of long-term borrowings of 3,700 million yen, accounts payable-trade of 631 million yen, income taxes payable of 183 million yen and provision for bonuses of 101 million yen, which were partially offset by a decrease in short-term borrowings of 4,347 million yen.

Non-current liabilities increased 97 million yen to 1,634 million yen. This was mainly due to an increase in retirement benefit liability of 49 million yen.

Net assets

Net assets increased 516 million yen to 12,231 million yen. This was mainly due to a booking of profit attributable to owners of parent of 1,732 million yen, dividends distributed from retained earnings of 852 million yen, a 247 million yen decrease due to purchase of treasury shares and a 164 million yen decrease in non-controlling interests.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review were 10,052 million yen, down 760 million yen over the end of the previous fiscal year.

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

Cash flows from operating activities

Net cash provided by operating activities was 1,521 million yen, a decrease of 697 million yen from the previous fiscal year. Although there were negative factors including an increase in trade receivables of 1,495 million yen, income taxes paid of 726 million yen, an increase in advances paid of 477 million yen, and share of profit of entities accounted for using equity method of 166 million yen, there were positive factors including profit before income taxes of 2,546 million yen, an increase in trade payables of 627 million yen, depreciation of 506 million yen, interest and dividends received of 282 million yen, amortization of goodwill of 108 million yen, and an increase in provision for bonuses of 101 million yen.

Cash flows from investing activities

Net cash used in investing activities was 300 million yen, an increase of 140 million yen from the previous fiscal year. Although there were positive factors including proceeds from withdrawal of time deposits of 949 million yen and proceeds from sales of investment securities of 138 million yen, there were negative factors including payments into time deposits of 1,390 million yen.

Cash flows from financing activities

Net cash used in financing activities was 1,987 million yen, an increase of 1,499 million yen from the previous fiscal year. Although there were positive factors including proceeds from long-term borrowings of 3,700 million yen and short-term borrowings of 95 million yen, there were negative factors including repayments of short-term borrowings of 4,443 million yen, cash dividends paid of 859 million yen and purchase of treasury shares of 247 million yen.

Reference: Trends in cash flow indicators

	FY2/17	FY2/18	FY2/19	FY2/20	FY2/21
Shareholders' equity ratio (%)	74.3	72.9	72.2	54.9	55.6
Shareholders' equity ratio based on market value (%)	285.2	277.9	249.2	94.1	107.4
Interest-bearing debt to cash flow ratio (%)	-	-	-	196.6	262.7
Interest coverage ratio (times)	25,856.1	-	-	750.0	322.4

Shareholders' equity ratio = Shareholders' equity / Total assets

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

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

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

Notes:

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

(4) Outlook

Although the economy is expected to recover slowly because of progress with vaccines for preventing COVID-19 infections, the outlook will probably remain uncertain because it is still impossible to predict when the COVID-19 crisis will end.

Customers' needs involving logistics are expected to become even more diverse because of the changes in life styles and in the values of consumers caused by the COVID-19 crisis.

Our goals are to use all of the AIT Group's resources to add new customers and enlarge relationships with current customers. Activities to accomplish these goals will emphasize the group's ability to provide integrated services encompassing the core international freight forwarding business, customs clearance, delivery and numerous services associated with imports and exports. Associated services include merchandise inspections, needle detection and distribution processing. Other priorities are reinforcing and expanding our global logistics infrastructure by working even more closely with our subsidiaries in China and Southeast Asia and our agents

worldwide and continuing to capture orders for cargo transportation that does not involve Japan.

AIT is using the digital transformation in order to adapt to the rapid changes taking place in the business climate. One step was the September 2020 launch of an integrated cloud service for import procedures and services. We plan to make more progress with our digital strategy in order to provide logistics services that reflect the challenges of the COVID-19 crisis while providing convenience and efficiency from our customers' perspective as well as cutting costs.

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.

Sea freight rates have increased significantly because of the global shortage of shipping containers and are remaining high. The container shortage is a problem on some of the routes served by the AIT Group and it is impossible to predict when this shortage will end. We expect this situation to continue for some time and believe there will be a positive effect on our revenue and earnings.

Based on this outlook, we expect operating revenue, operating profit, ordinary profit, and profit attributable to owners of parent to rise by 6.3%, 7.2%, 4.9% and 2.8% year-on-year to 48,700 million yen, 2,470 million yen, 2,670 million yen, and 1,780 million yen, respectively.

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)	
	FY2/20 (As of Feb. 29, 2020)	FY2/21 (As of Feb. 28, 2021)
Assets		
Current assets		
Cash and deposits	10,971,134	10,653,826
Notes and accounts receivable-trade	3,009,596	4,507,342
Advances paid	898,275	1,375,539
Other	603,799	358,253
Allowance for doubtful accounts	(30,073)	(41,732)
Total current assets	15,452,732	16,853,230
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	218,466	179,793
Machinery, equipment and vehicles, net	265,146	229,543
Leased assets, net	14,543	295,880
Other, net	82,914	69,302
Total property, plant and equipment	581,070	774,519
Intangible assets		
Goodwill	979,334	870,519
Customer-related assets	2,368,800	2,105,600
Other	254,947	188,744
Total intangible assets	3,603,081	3,164,863
Investments and other assets		
Investment securities	607,619	460,098
Deferred tax assets	88,021	86,606
Guarantee deposits	258,539	244,093
Other	53,477	47,744
Allowance for doubtful accounts	-	(198)
Total investments and other assets	1,007,658	838,344
Total non-current assets	5,191,810	4,777,727
Total assets	20,644,542	21,630,957
Liabilities		
Current liabilities		
Accounts payable-trade	1,616,438	2,247,900
Short-term borrowings	4,347,040	-
Current portion of long-term borrowings	-	3,700,000
Income taxes payable	396,152	580,116
Provision for bonuses	288,449	389,469
Provision for bonuses for directors (and other officers)	31,604	35,358
Other	711,463	811,319
Total current liabilities	7,391,148	7,764,163
Non-current liabilities		
Deferred tax liabilities	624,746	501,277
Retirement benefit liability	535,126	584,245
Provision for retirement benefits for directors (and other officers)	131,965	140,858
Asset retirement obligations	207,393	210,191
Other	38,418	198,425
Total non-current liabilities	1,537,650	1,634,997
Total liabilities	8,928,799	9,399,161

	(Thousands of yen)	
	FY2/20	FY2/21
	(As of Feb. 29, 2020)	(As of Feb. 28, 2021)
Net assets		
Shareholders' equity		
Share capital	271,140	271,140
Capital surplus	5,275,185	5,275,185
Retained earnings	5,929,306	6,808,763
Treasury shares	(144,392)	(392,327)
Total shareholders' equity	11,331,240	11,962,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,102)	6,765
Foreign currency translation adjustment	19,388	57,027
Remeasurements of defined benefit plans	(265)	(4,033)
Total accumulated other comprehensive income	11,020	59,759
Non-controlling interests	373,482	209,275
Total net assets	11,715,743	12,231,796
Total liabilities and net assets	20,644,542	21,630,957

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

(Thousands of yen)

	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)
Operating revenue		
Forwarding income	45,003,847	45,797,121
Total operating revenue	45,003,847	45,797,121
Operating costs		
Forwarding cost	36,857,651	37,593,238
Total operating costs	36,857,651	37,593,238
Gross profit	8,146,196	8,203,883
Selling, general and administrative expenses	6,570,213	5,898,964
Operating profit	1,575,983	2,304,918
Non-operating income		
Interest income	58,979	33,945
Dividend income	6,268	5,877
Share of profit of entities accounted for using equity method	217,284	166,336
Foreign exchange gains	34,474	-
Other	59,516	69,442
Total non-operating income	376,523	275,601
Non-operating expenses		
Interest expenses	2,944	4,665
Foreign exchange losses	-	28,710
Other	2,127	1,547
Total non-operating expenses	5,071	34,922
Ordinary profit	1,947,434	2,545,597
Extraordinary income		
Gain on sales of non-current assets	559	3,734
Gain on sales of investment securities	-	22,905
Gain on sales of shares of subsidiaries and associates	20,408	-
Total extraordinary income	20,967	26,639
Extraordinary losses		
Loss on sales of non-current assets	172	319
Loss on retirement of non-current assets	11,605	5,455
Loss on valuation of shares of subsidiaries and associates	906	-
Loss on liquidation of subsidiaries and associates	-	14,415
Loss on valuation of membership	-	5,490
Total extraordinary losses	12,684	25,680
Profit before income taxes	1,955,717	2,546,556
Income taxes-current	731,093	919,510
Income taxes-deferred	(138,630)	(137,299)
Total income taxes	592,462	782,210
Profit	1,363,254	1,764,346
Profit attributable to non-controlling interests	37,493	32,112
Profit attributable to owners of parent	1,325,761	1,732,234

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY2/20	FY2/21
	(Mar. 1, 2019 – Feb. 29, 2020)	(Mar. 1, 2020 – Feb. 28, 2021)
Profit	1,363,254	1,764,346
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,325)	14,868
Foreign currency translation adjustment	(97,846)	41,588
Share of other comprehensive income of entities accounted for using equity method	(8,724)	3,413
Remeasurements of defined benefit plans, net of tax	(265)	(3,767)
Total other comprehensive income	(115,162)	56,102
Comprehensive income	1,248,091	1,820,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,212,506	1,780,973
Comprehensive income attributable to non-controlling interests	35,584	39,474

(3) Consolidated Statement of Changes in Equity

FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	271,140	221,590	5,378,034	(68,008)	5,802,756
Changes 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
Net changes in items other than shareholders' equity					
Total changes during period	-	5,053,595	551,272	(76,383)	5,528,484
Balance at end of 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 period	223	124,051	-	124,274	27,704	5,954,735
Changes 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
Net changes in items other than shareholders' equity	(8,325)	(104,662)	(265)	(113,254)	345,777	232,523
Total changes during period	(8,325)	(104,662)	(265)	(113,254)	345,777	5,761,007
Balance at end of period	(8,102)	19,388	(265)	11,020	373,482	11,715,743

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	271,140	5,275,185	5,929,306	(144,392)	11,331,240
Changes during period					
Dividends of surplus			(852,777)		(852,777)
Profit attributable to owners of parent			1,732,234		1,732,234
Purchase of treasury shares				(247,935)	(247,935)
Increase by share exchanges					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	879,456	(247,935)	631,520
Balance at end of period	271,140	5,275,185	6,808,763	(392,327)	11,962,761

(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 period	(8,102)	19,388	(265)	11,020	373,482	11,715,743
Changes during period						
Dividends of surplus						(852,777)
Profit attributable to owners of parent						1,732,234
Purchase of treasury shares						(247,935)
Increase by share exchanges						-
Net changes other than shareholders' equity	14,868	37,639	(3,767)	48,739	(164,206)	(115,467)
Total changes during period	14,868	37,639	(3,767)	48,739	(164,206)	516,053
Balance at end of period	6,765	57,027	(4,033)	59,759	209,275	12,231,796

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)
Cash flows from operating activities		
Profit before income taxes	1,955,717	2,546,556
Depreciation	495,189	506,642
Amortization of goodwill	116,020	108,814
Increase (decrease) in allowance for doubtful accounts	10,420	11,812
Increase (decrease) in provision for bonuses	22,449	101,500
Increase (decrease) in provision for bonuses for directors (and other officers)	(7,103)	3,754
Increase (decrease) in retirement benefit liability	4,805	45,350
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6,455)	8,893
Interest and dividend income	(65,247)	(39,822)
Interest expenses	2,944	4,665
Foreign exchange losses (gains)	1,163	967
Share of loss (profit) of entities accounted for using equity method	(217,284)	(166,336)
Loss (gain) on sales of property, plant and equipment	(387)	(3,415)
Loss on retirement of non-current assets	11,605	5,455
Loss (gain) on sales of investment securities	-	(22,905)
Loss (gain) on sales of shares of subsidiaries and associates	(20,408)	-
Loss on valuation of membership	-	5,490
Increase (decrease) in deposits received	(901,179)	(13,957)
Decrease (increase) in trade receivables	937,135	(1,495,684)
Decrease (increase) in advances paid	293,051	(477,313)
Increase (decrease) in trade payables	(347,664)	627,840
Other, net	96,544	211,463
Subtotal	2,381,320	1,969,773
Interest and dividends received	309,784	282,177
Interest paid	(2,958)	(4,718)
Income taxes paid	(469,319)	(726,130)
Net cash provided by (used in) operating activities	2,218,826	1,521,101
Cash flows from investing activities		
Payments into time deposits	(1,343,654)	(1,390,894)
Proceeds from withdrawal of time deposits	1,342,052	949,684
Purchase of property, plant and equipment	(147,269)	(47,519)
Proceeds from sales of property, plant and equipment	1,554	4,228
Purchase of intangible assets	(111,294)	(18,940)
Proceeds from sales of investment securities	28,935	138,070
Payments of guarantee deposits	(83,363)	(7,948)
Proceeds from refund of guarantee deposits	56,513	2,611
Other, net	96,114	70,114
Net cash provided by (used in) investing activities	(160,412)	(300,592)

	(Thousands of yen)	
	FY2/20	FY2/21
	(Mar. 1, 2019 – Feb. 29, 2020)	(Mar. 1, 2020 – Feb. 28, 2021)
Cash flows from financing activities		
Proceeds from short-term borrowings	4,473,470	95,340
Repayments of short-term borrowings	(4,026,160)	(4,443,010)
Proceeds from long-term borrowings	-	3,700,000
Purchase of treasury shares	(144,388)	(247,935)
Dividends paid	(774,270)	(859,042)
Other, net	(16,343)	(232,359)
Net cash provided by (used in) financing activities	(487,692)	(1,987,008)
Effect of exchange rate change on cash and cash equivalents	(46,792)	5,903
Net increase (decrease) in cash and cash equivalents	1,523,928	(760,596)
Cash and cash equivalents at beginning of period	4,837,559	10,812,741
Increase in cash and cash equivalents by share exchange	4,451,253	-
Cash and cash equivalents at end of period	10,812,741	10,052,144

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

Not applicable.

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

Important changes in the scope of consolidation

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

Reclassifications

Consolidated Balance Sheet

Leased assets, net, included in other, net under property, plant and equipment in the previous fiscal year, is presented as a separate line item due to an increase in its monetary materiality. To conform to this change, the consolidated financial statements for the previous fiscal year are restated.

As a result, 97,457 thousand yen of other, net under property, plant and equipment in the previous fiscal year's consolidated balance sheet is reclassified as 14,543 thousand yen of leased assets, net and 82,914 thousand yen of other.

Additional Information

Although the timing of the end of the COVID-19 crisis cannot be predicted, this crisis has had only a limited impact on the AIT Group's business activities and management believes there is no need for any significant revisions to factors used for accounting estimates. Currently, accounting estimates for the recoverability of deferred tax assets, goodwill valuation and other items are based on the assumption that factors used to determine these estimates will remain the same as during normal business operations.

However, due to the many uncertainties about the upcoming effects of the COVID-19 crisis, there may be a significant impact on the AIT Group's financial position and results of operations.

Segment and Other Information**Segment Information**

1. Overview of reportable segments

Determination of reportable segments

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

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

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

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

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

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

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

FY2/20 (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	235,935	224,857	460,793	-	460,793	-	460,793
Increase in property, plant and equipment and intangible assets (Note 5)	2,381,837	1,666,677	4,048,514	542,803	4,591,318	-	4,591,318

Notes: 1. "China" includes the business activities of entities in China and Hong Kong.

- "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.
- The 127,705 thousand yen adjustment to segment assets includes corporate assets, offsetting elimination of debts and credits with consolidated subsidiaries, and shares of subsidiaries and associates posted by AIT and its consolidated subsidiaries that are not allocated to any of the reportable segments. Corporate assets mainly consist of the parent company's surplus funds (cash and deposits).
- Segment profit is consistent with operating profit recorded in the consolidated statement of income.
- Increase in property, plant and equipment and intangible assets includes increases of goodwill and customer-related assets that are intangible assets of 1,945,637 thousand yen in Japan, 1,446,903 thousand yen in China and 334,813 thousand yen in Other.

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021) (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	36,961,950	7,650,446	44,612,397	1,184,723	45,797,121	-	45,797,121
Inter-segment revenue and transfers	168,049	3,727,186	3,895,235	558,742	4,453,977	(4,453,977)	-
Total	37,130,000	11,377,633	48,507,633	1,743,466	50,251,099	(4,453,977)	45,797,121
Segment profit	1,607,335	619,955	2,227,291	77,626	2,304,918	-	2,304,918
Segment assets	14,543,430	6,557,809	21,101,240	996,494	22,097,734	(466,776)	21,630,957
Other items							
Depreciation	267,338	171,524	438,862	67,779	506,642	-	506,642
Amortization of goodwill	56,910	42,111	99,021	9,793	108,814	-	108,814
Equity in earnings of affiliates	221,942	185,078	407,020	-	407,020	-	407,020
Increase in property, plant and equipment and intangible assets	30,742	326,163	356,905	8,105	365,011	-	365,011

Notes: 1. "China" includes the business activities of entities in China and Hong Kong.

2. "Other" is a business segment not included in reportable segments and includes the business activities of entities in the U.S., Taiwan, Vietnam and Myanmar. U.S. subsidiary AIT International of America, Inc. terminated its operations on February 29, 2020 and completed its liquidation on March 16, 2021. This company is included in the consolidated financial statements because liquidation had not been completed as of February 28, 2021.

3. The -466,776 thousand yen adjustment to segment assets includes corporate assets, offsetting elimination of debts and credits with consolidated subsidiaries, and shares of subsidiaries and associates posted by AIT and its consolidated subsidiaries that are not allocated to any of the reportable segments. Corporate assets mainly consist of the parent company's surplus funds (cash and deposits).

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

Related information

FY2/20 (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.

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

1. Information by product or service

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

2. Information by region

(1) Operating revenue

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

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Other	Total
216,432	403,378	154,708	774,519

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

FY2/20 (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.

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Thousands of yen)

	Reportable segment			Other	Adjustment	Total
	Japan	China	Total			
Balance at end of current period	455,281	336,890	792,172	78,346	-	870,519

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)

	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)
Net assets per share	477.23	511.73
Net income per share	55.49	73.40

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)

	FY2/20 (As of Feb. 29, 2020)	FY2/21 (As of Feb. 28, 2021)
Total net assets	11,715,743	12,231,796
Deduction on total net assets	373,482	209,275
[of which non-controlling interests]	[373,482]	[209,275]
Net assets applicable to common shares at end of period	11,342,261	12,022,521
Number of common shares outstanding (Shares)	23,913,600	23,913,600
Number of treasury shares (Shares)	146,733	419,912
Number of common shares used in calculation of net assets per share (Shares)	23,766,867	23,493,688

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

(Thousands of yen)

	FY2/20 (Mar. 1, 2019 – Feb. 29, 2020)	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)
Profit attributable to owners of parent	1,325,761	1,732,234
Amounts not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	1,325,761	1,732,234
Average number of common shares outstanding during the period (Shares)	23,892,292	23,600,359

Subsequent Events

Not applicable.

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