

(For reference purposes only)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese Standard]

May 15, 2024
Stock exchange: Tokyo

Listed company name: AIDA ENGINEERING, LTD.
Stock code: 6118 (URL <https://www.aida.co.jp/en/>)
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Scheduled date of ordinary general meeting of shareholders: June 25, 2024
Scheduled date of beginning dividend payment: June 26, 2024
Scheduled date of filing annual securities report: June 25, 2024
Preparation of supplemental explanatory materials: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	72,742	5.7	3,615	134.7	3,595	110.2	2,808	116.8
Year ended March 31, 2023	68,795	10.1	1,540	(38.5)	1,710	(29.7)	1,295	44.5

Note: Comprehensive income: Year ended March 31, 2024 6,187 million yen (318.9%)
Year ended March 31, 2023 1,477 million yen (-41.5%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	47.02	46.95	3.5	3.0	5.0
Year ended March 31, 2023	21.70	21.67	1.7	1.5	2.2

Reference: Equity in earnings of affiliates Year ended March 31, 2024 — million yen
Year ended March 31, 2023 — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	126,195	82,321	65.2	1,376.26
As of March 31, 2023	116,287	78,043	67.0	1,305.47

Reference: Shareholders' equity As of March 31, 2024 82,230 million yen
As of March 31, 2023 77,951 million yen

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	3,169	(1,988)	(1,125)	32,244
Year ended March 31, 2023	(1,129)	(1,884)	(2,166)	30,508

2. Cash Dividends

	Cash dividends per share					Total dividends (Annual) Millions of yen	Payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	1Q End	2Q End	3Q End	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2023	—	—	—	30.00	30.00	1,921	138.3	2.3
Year ended March 31, 2024	—	—	—	30.00	30.00	1,923	63.8	2.2
Year ending March 31, 2025 (forecast)	—	—	—	30.00	30.00		41.1	

3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent change compared to the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	37,000	7.0	2,800	96.1	2,900	98.5	2,100	82.8	36.48
Full year	74,000	1.7	5,700	57.7	5,800	61.3	4,200	49.6	73.04

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than “1”: None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	69,448,421 shares
As of March 31, 2023	69,448,421 shares
2. Total number of treasury shares at the end of the period

As of March 31, 2024	9,699,246 shares
As of March 31, 2023	9,736,558 shares
3. Average number of shares outstanding during the period

Year ended March 31, 2024	59,729,241 shares
Year ended March 31, 2023	59,703,426 shares

[Reference] Outline of Non-Consolidated Financial Results

1. Non-Consolidated Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	38,638	2.8	1,286	61.0	1,398	0.6	1,278	(0.2)
Year ended March 31, 2023	37,591	10.8	798	(21.8)	1,390	(7.9)	1,280	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended March 31, 2024	21.40		21.37	
Year ended March 31, 2023	21.45		21.42	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	80,365	60,456	75.1	1,010.30
As of March 31, 2023	76,087	59,956	78.7	1,002.57

Reference: Shareholders' equity As of March 31, 2024 60,364 million yen
As of March 31, 2023 59,865 million yen

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Statement for proper use of business forecast and other special remarks:

(Note on forward-looking statements)

Performance forecasts presented in these documents are based on information available as of the date of publication. Actual results may differ from these forecasts due to various factors in the future.

(How to obtain supplementary materials for financial results)

A financial results briefing for securities analysts and institutional investors is scheduled to be held on May 24, 2024. The briefing material will be posted on our website shortly thereafter.

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1. Overview of operating results, etc.

(1) Overview of operating results for the period under review

During the fiscal year ended March 31, 2024, the global economy was on a moderate growth trend overall, led by a robust United States, as supply constraints eased. However, monetary tightening in various countries and the economic slowdown in Europe and China have been factors weighing on overall growth. In addition, geopolitical factors such as the US-China conflict, the Ukraine crisis, and conflicts in the Middle East pose further downside risks.

In the metalforming machinery industry, despite solid domestic demand, exports declined, and the Japan Forming Machinery Association reported that orders for press machines received in the fiscal year ended March 31, 2024 decreased 2.4% year on year to ¥149,653 million.

Under these conditions, orders received by AIDA ENGINEERING, LTD. (the “Company”) and its group companies (collectively, the “Group”) in the fiscal year ended March 31, 2024 were ¥79,105 million (down 5.8% year on year), despite the reaction to the last-minute orders for high-speed press machines in the same period of the previous year. Excluding this special factor, orders remained robust, and the order backlog as of March 31, 2024 reached a record high of ¥76,705 million (up 9.0% from the end of the previous fiscal year).

Net sales were ¥72,742 million (up 5.7% year on year), mainly due to increased sales of high-speed press machines related to electric vehicles and the impact of the yen’s depreciation.

In terms of profit, despite the soaring costs of raw materials, subcontracting, and logistics, as well as the deterioration in profitability of some large-scale projects, operating income was ¥3,615 million (up 134.7% year on year) and ordinary income was ¥3,595 million (up 110.2% year on year), and net income attributable to owners of parent was ¥2,808 million (up 116.8% year on year) due to increased sales, improved gross profit margins resulting from product mix improvement, and gain on sale of non-current assets.

Operating results by segment during the fiscal year ended March 31, 2024 were as follows.

- Japan: Net sales were ¥42,904 million (up 3.0% year on year) due to robust sales of both press machines and services. Despite the increase in raw material costs and deterioration in profitability of some large-scale projects, segment profit was ¥1,112 million (up 144.1% year on year) due to increased sales and product mix improvement.
- China: Net sales were ¥11,794 million (up 7.0% year on year) due to robust sales of press machines, mainly customized press machines and high-speed press machines. Segment profit was ¥797 million (compared to a loss of ¥149 million in the previous fiscal year) due to the effect of increased sales.
- Asia: Net sales were ¥10,836 million (up 1.5% year on year) due to an increase in sales of services and the impact of the yen’s depreciation. Segment profit was ¥1,193 million (up 31.2% year on year) due to the improvement in product mix.
- Americas: Net sales were ¥16,041 million (down 4.5% year on year) due to a decrease in sales of customized press machines, despite an increase in sales of high-speed press machines. Segment profit was ¥397 million (up 38.8% year on year) due to the improvement in product mix.
- Europe: Net sales were ¥16,506 million (up 28.3% year on year) due to an increase in sales of high-speed press machines and services, as well as the impact of the yen’s depreciation. Segment profit was ¥293 million (up 29.3% year on year) due to the effect of increased sales.

(2) Overview of financial position for the period under review

Total assets as of March 31, 2024 increased by ¥9,908 million from the end of the previous fiscal year to ¥126,195 million. This is attributable to a ¥2,805 million increase in cash and deposits, a ¥3,127 million decrease in trade receivables, including notes and accounts receivable – trade, and contract assets and electronically recorded monetary claims – operating, a ¥5,424 million increase in inventories, and a ¥2,009 million increase in investment securities.

Total liabilities increased by ¥5,629 million from the end of the previous fiscal year to ¥43,873 million. This is attributable to a ¥1,451 million increase in trade payables, including accounts payable – trade and electronically

recorded obligations – operating, an ¥886 million increase in short-term borrowings, a ¥769 million increase in contract liabilities, and a ¥952 million increase in other current liabilities.

Net assets increased by ¥4,278 million from the end of the previous fiscal year to ¥82,321 million. This is attributable to a ¥1,451 million increase in valuation difference on available-for-sale securities and a ¥2,291 million increase in foreign currency translation adjustment. As a result, shareholders’ equity ratio was 65.2% as of March 31, 2024.

(3) Overview of cash flows for the period under review

Cash and cash equivalents (the “funds”) as of March 31, 2024 increased by ¥1,736 million from the end of the previous fiscal year to ¥32,244 million.

Cash flows from activities during the fiscal year ended March 31, 2024 and their primary factors are as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities was ¥3,169 million (a cash outflow of ¥1,129 million in the previous fiscal year). Factors for cash inflows include income before income taxes of ¥4,233 million, a decrease in trade receivables of ¥3,513 million, and depreciation of ¥2,021 million, and factors for cash outflows include an increase in inventories of ¥3,994 million.

(ii) Cash flows from investing activities

Net cash used in investing activities was ¥1,988 million (a cash outflow of ¥1,884 million in the previous fiscal year). Factors for cash outflows include purchase of property, plant and equipment and intangible assets of ¥1,657 million.

(iii) Cash flows from financing activities

Net cash used in financing activities was ¥1,125 million (a cash outflow of ¥2,166 million in the previous fiscal year). Factors for cash outflows include dividends paid of ¥1,921 million.

(Reference) Trends in indicators related to cash flows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Shareholders’ equity ratio (%)	71.1	71.2	68.4	67.0	65.2
Shareholders’ equity ratio based on fair value (%)	39.5	55.1	55.4	42.0	42.1
Ratio of interest-bearing debt to cash flow (%)	115.4	38.7	44.2	—	94.0
Interest coverage ratio (times)	126.0	228.5	304.4	—	59.6

Shareholders’ equity ratio:

Shareholders’ equity ÷ Total assets

Shareholders’ equity ratio based on fair value:

Total market value of shares ÷ Total assets

Ratio of interest-bearing debt to cash flow:

Interest-bearing debt ÷ Cash flow

Interest coverage ratio:

Cash flow ÷ Interest paid

Notes:

1. The indicators were calculated using figures from consolidated financial statements.
2. The total market value of shares was calculated by multiplying the closing price of the closing date by the total number of shares outstanding (less the treasury shares) on the day.
3. Cash flow is the figure of net cash provided by (used in) operating cash flows recorded in the Consolidated Statements of Cash Flows. Interest-bearing debts include all debts recorded on the Consolidated Balance Sheets for which interest is paid. In addition, interest paid is the interest expenses paid shown in the Consolidated Statements of Cash Flows.

(4) Future outlook

The forecast for the next fiscal year is ¥74.0 billion in net sales, ¥5.7 billion in operating income, ¥5.8 billion in ordinary income and ¥4.2 billion in net income attributable to owners of parent.

2. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group's policy is to prepare its consolidated financial statements using Japanese GAAP for the immediate future.

With regard to International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	30,510	33,316
Notes and accounts receivable – trade, and contract assets	22,506	19,006
Electronically recorded monetary claims – operating	1,018	1,390
Finished goods	4,387	5,538
Work in process	17,022	21,078
Raw materials and supplies	4,456	4,675
Advance payments – trade	2,222	2,249
Accounts receivable – other	526	1,174
Consumption taxes receivable	1,220	1,508
Other	487	419
Allowance for doubtful accounts	(1,837)	(73)
Total current assets	82,522	90,283
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,737	27,404
Accumulated depreciation	(19,222)	(19,858)
Buildings and structures, net	7,514	7,545
Machinery, equipment and vehicles	20,479	21,984
Accumulated depreciation	(15,092)	(16,776)
Machinery, equipment and vehicles, net	5,387	5,208
Land	7,297	7,343
Construction in progress	234	151
Other	4,245	4,653
Accumulated depreciation	(3,665)	(4,011)
Other, net	580	642
Total property, plant and equipment	21,015	20,889
Intangible assets	1,961	2,127
Investments and other assets		
Investment securities	9,186	11,196
Insurance funds	571	526
Retirement benefit asset	633	677
Deferred tax assets	268	385
Other	161	1,829
Allowance for doubtful accounts	(32)	(1,721)
Total investments and other assets	10,788	12,894
Total non-current assets	33,765	35,912
Total assets	116,287	126,195

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable – trade	6,942	7,915
Electronically recorded obligations – operating	2,536	3,014
Short-term borrowings	582	1,469
Current portion of long-term borrowings	500	500
Accounts payable – other	1,329	1,124
Accrued expenses	1,089	1,463
Income taxes payable	345	915
Contract liabilities	15,407	16,177
Provision for product warranties	615	679
Provision for bonuses	961	1,069
Provision for bonuses for directors (and other officers)	14	41
Provision for loss on orders received	180	176
Other	1,381	2,333
Total current liabilities	31,887	36,882
Non-current liabilities		
Long-term borrowings	1,000	1,000
Long-term accounts payable – other	1,005	1,095
Deferred tax liabilities	1,870	2,227
Provision for share awards	649	744
Retirement benefit liability	1,451	1,383
Asset retirement obligations	9	9
Other	369	530
Total non-current liabilities	6,356	6,991
Total liabilities	38,244	43,873
Net assets		
Shareholders' equity		
Share capital	7,831	7,831
Capital surplus	13,007	13,028
Retained earnings	55,205	56,092
Treasury shares	(5,247)	(5,256)
Total shareholders' equity	70,796	71,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,994	5,446
Deferred gains or losses on hedges	(173)	(519)
Foreign currency translation adjustment	3,463	5,755
Remeasurements of defined benefit plans	(130)	(148)
Total accumulated other comprehensive income	7,155	10,534
Share acquisition rights	91	91
Total net assets	78,043	82,321
Total liabilities and net assets	116,287	126,195

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

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	68,795	72,742
Cost of sales	57,168	59,086
Gross profit	11,627	13,656
Selling, general and administrative expenses	10,087	10,041
Operating income	1,540	3,615
Non-operating income		
Interest income	96	153
Dividend income	298	279
Other	122	87
Total non-operating income	517	520
Non-operating expenses		
Interest expenses	8	45
Commission expenses	80	22
Foreign exchange losses	172	420
Other	85	52
Total non-operating expenses	347	540
Ordinary income	1,710	3,595
Extraordinary income		
Gain on sale of non-current assets	8	299
Gain on sale of investment securities	146	345
Subsidy income related to suspension or decrease of production	7	—
Gain on liquidation of subsidiaries	117	—
Total extraordinary income	280	645
Extraordinary losses		
Loss on sale of non-current assets	2	—
Loss on retirement of non-current assets	14	7
Loss on suspension or decrease of production	6	—
Loss on liquidation of subsidiaries	3	—
Total extraordinary losses	26	7
Income before income taxes	1,964	4,233
Current taxes	790	1,428
Deferred taxes	(121)	(4)
Income taxes	668	1,424
Net income	1,295	2,808
Net income attributable to owners of parent	1,295	2,808

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	1,295	2,808
Other comprehensive income		
Valuation difference on available-for-sale securities	(821)	1,451
Deferred gains or losses on hedges	122	(346)
Foreign currency translation adjustment	1,098	2,291
Remeasurements of defined benefit plans, net of tax	(218)	(17)
Total other comprehensive income	181	3,379
Comprehensive income	1,477	6,187
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,477	6,187

(3) Consolidated Statements of Changes in Net Assets
Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,831	12,836	55,511	(5,250)	70,927
Changes during the period					
Cash dividends			(1,601)		(1,601)
Net income attributable to owners of parent			1,295		1,295
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					-
Disposal of treasury stock to stock benefit trust				3	3
Changes in ownership interest of parent due to transactions with non-controlling interests		171			171
Net changes of items other than shareholders' equity					
Total changes during period	-	171	(305)	3	(131)
Balance at end of period	7,831	13,007	55,205	(5,247)	70,796

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,815	(295)	2,365	87	6,973	91	671	78,664
Changes during the period								
Cash dividends								(1,601)
Net income attributable to owners of parent								1,295
Purchase of treasury stock								(0)
Disposal of treasury stock								-
Disposal of treasury stock to stock benefit trust								3
Changes in ownership interest of parent due to transactions with non-controlling interests								171
Net changes of items other than shareholders' equity	(821)	122	1,098	(218)	181	-	(671)	(489)
Total changes during period	(821)	122	1,098	(218)	181	-	(671)	(620)
Balance at end of period	3,994	(173)	3,463	(130)	7,155	91	-	78,043

Year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,831	13,007	55,205	(5,247)	70,796
Changes during period					
Cash dividends			(1,921)		(1,921)
Net income attributable to owners of parent			2,808		2,808
Purchase of treasury stock				(72)	(72)
Disposal of treasury stock				12	12
Disposal of treasury stock to stock benefit trust		21		50	71
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes during period	—	21	886	(9)	898
Balance at end of period	7,831	13,028	56,092	(5,256)	71,695

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,994	(173)	3,463	(130)	7,155	91	—	78,043
Changes during period								
Cash dividends								(1,921)
Net income attributable to owners of parent								2,808
Purchase of treasury stock								(72)
Disposal of treasury stock								12
Disposal of treasury stock to stock benefit trust								71
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes of items other than shareholders' equity	1,451	(346)	2,291	(17)	3,379	—	—	3,379
Total changes during period	1,451	(346)	2,291	(17)	3,379	—	—	4,278
Balance at end of period	5,446	(519)	5,755	(148)	10,534	91	—	82,321

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	1,964	4,233
Depreciation	1,847	2,021
Loss (gain) on sale of fixed assets	(6)	(299)
Loss on disposal of fixed assets	14	7
Loss (gain) on sale of investment securities	(146)	(345)
Loss (gain) on liquidation of subsidiaries	(113)	—
Increase (decrease) in allowance for doubtful accounts	745	(203)
Increase (decrease) in provision for bonuses	(67)	88
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	26
Increase (decrease) in provision for product warranties	89	12
Increase (decrease) in retirement benefit liability	(13)	(82)
Decrease (increase) in retirement benefit asset	(32)	36
Increase (decrease) in provision for share awards	138	95
Increase (decrease) in provision for loss on orders received	(46)	(17)
Interest and dividend income	(395)	(433)
Interest expenses	8	45
Decrease (increase) in trade receivables	(1,284)	3,513
Decrease (increase) in inventories	(3,310)	(3,994)
Increase (decrease) in trade payables	(240)	534
Decrease (increase) in other assets	193	(1,323)
Increase (decrease) in other liabilities	125	1,344
Other, net	(434)	(1,669)
Subtotal	(974)	3,589
Interest and dividends received	392	431
Interest paid	(10)	53
Income taxes paid	(537)	(905)
Net cash provided by (used in) operating activities	(1,129)	3,169
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,914)	(1,219)
Proceeds from sale of property, plant and equipment	718	326
Purchase of intangible assets	(459)	(438)
Purchase of investment securities	(99)	—
Proceeds from sale of investment securities	367	375
Payments into time deposits	(342)	(1,086)
Proceeds from withdrawal of time deposits	345	54
Purchase of shares of subsidiaries	(500)	—
Other, net	—	(0)
Net cash provided by (used in) investing activities	(1,884)	(1,988)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(563)	783
Payments for finance lease obligations	(2)	—
Proceeds from sale of treasury stock	3	84
Purchase of treasury shares	(0)	(72)
Dividends paid	(1,601)	(1,921)
Dividends paid to non-controlling interests	(2)	—
Net cash provided by (used in) financing activities	(2,166)	(1,125)
Effect of exchange rate change on cash and cash equivalents	659	1,681
Net increase (decrease) in cash and cash equivalents	(4,521)	1,736
Cash and cash equivalents at beginning of period	35,030	30,508
Cash and cash equivalents at end of period	30,508	32,244

(5) Notes to the Consolidated Financial Statements
(Notes to Going Concern Assumption)
None

(Segment Information)

[Segment Information]

1. Overview of Reportable Segments

The Company's reportable segments are components for which discrete financial information is available and whose operating results are regularly reviewed by management to make decisions about resource allocation and to assess performance.

The Company and its subsidiaries (the "Group") operate within a single business related to the manufacture and sale of press machines and their ancillary facilities and auxiliary business such as services. The Company plays a key role in its business in Japan. As for business overseas, local subsidiaries operate business respectively in China, Asia (mainly Singapore and Malaysia), Americas (mainly U.S.A.), and Europe (mainly Italy). Local subsidiaries each constitute an independent business entity, and operate business by planning their own comprehensive strategies for products in each area.

Accordingly, the Group consists of geographic segments based on a structure operating manufacturing, sales, and service. Reportable segments are categorized into "Japan," "China," "Asia," "Americas," and "Europe."

2. Basis for calculating sales, income or loss, assets, and other items by reportable segment

The accounting method used for reporting regional segments is mostly the same as the one used for preparing consolidated financial statements.

Operating income or loss is used as reportable segment income or loss. Inter-segment transactions are inter-company transactions and mainly based on market prices.

3. Information regarding amounts of sales, income or loss, assets, other items, and disaggregation of revenue by reportable segment

Year ended March 31, 2023

(Millions of yen)

	Japan	China	Asia	Americas	Europe	Subtotal	Adjustments (*1)	Consolidated financial statements (*2)
Sales								
(1) Sales to third parties								
a. Press Machines	14,909	9,190	4,265	12,814	8,296	49,476	–	49,476
b. Service	5,383	1,388	1,973	3,529	3,095	15,370	–	15,370
c. Others	3,866	20	27	1	32	3,948	–	3,948
Subtotal	24,160	10,599	6,265	16,345	11,424	68,795	–	68,795
(2) Inter-segment sales	17,487	422	4,410	446	1,440	24,207	(24,207)	–
Total sales	41,648	11,021	10,676	16,792	12,864	93,003	(24,207)	68,795
Segment income (loss)	455	(149)	909	286	227	1,729	(189)	1,540
Segment assets	83,898	14,684	12,489	12,144	16,223	139,441	(23,153)	116,287
Others								
Depreciation	1,118	126	211	193	197	1,846	0	1,847
Increase in property, plant, equipment and intangible assets	1,938	65	587	62	148	2,801	–	2,801

Notes: 1. Adjustments of sales represent elimination of inter-segment transactions.

Adjustments of segment income (loss) refer to inter-segment transaction eliminations.

Adjustments of segment assets mainly represent elimination of inter-segment receivables and payables.

Adjustments of depreciation and increase in property, plant, equipment and intangible assets mainly represent elimination of inter-segment transactions.

2. Segment income (loss) is adjusted to operating income of the consolidated statements of income.

Year ended March 31, 2024

(Millions of yen)

	Japan	China	Asia	Americas	Europe	Subtotal	Adjustments (*1)	Consolidated financial statements (*2)
Sales								
(1) Sales to third parties								
a. Press Machines	13,948	10,144	4,719	12,134	11,171	52,118	—	52,118
b. Service	5,470	1,212	2,296	3,305	4,165	16,450	—	16,450
c. Others	4,063	23	55	—	30	4,173	—	4,173
Subtotal	23,483	11,380	7,071	15,439	15,366	72,742	—	72,742
(2) Inter-segment sales	19,420	414	3,764	601	1,139	25,339	(25,339)	—
Total sales	42,904	11,794	10,836	16,041	16,506	98,082	(25,339)	72,742
Segment income	1,112	797	1,193	397	293	3,794	(178)	3,615
Segment assets	88,194	14,619	13,380	14,679	22,068	152,943	(26,747)	126,195
Others								
Depreciation	1,220	133	225	222	218	2,021	(0)	2,021
Increase in property, plant, equipment and intangible assets	1,258	91	264	64	121	1,800	—	1,800

Notes: 1. Adjustments of sales represent elimination of inter-segment transactions.

Adjustments of segment income refer to inter-segment transaction eliminations.

Adjustments of segment assets mainly represent elimination of inter-segment receivables and payables.

Adjustments of depreciation and increase in property, plant, equipment and intangible assets mainly represent elimination of inter-segment transactions.

2. Segment income is adjusted to operating income of the consolidated statements of income.

(Per Share Information)

Net assets per share, net income per share and diluted net income per share, and the basis for calculation are as follows:

(Yen)

Item	Year ended March 31, 2023	Year ended March 31, 2024
Net assets per share	1,305.47	1,376.26
Net income per share	21.70	47.02
Diluted net income per share	21.67	46.95

Notes: 1. Basis for calculation of net assets per share

Item	As of March 31, 2023	As of March 31, 2024
Total net assets in the consolidated balance sheets (Millions of yen)	78,043	82,321
Net assets relating to common stock (Millions of yen)	77,951	82,230
Main components of the difference		
Share acquisition rights (Millions of yen)	91	91
Number of shares outstanding of common stock (Thousands of shares)	69,448	69,448
Number of treasury shares of common stock (Thousands of shares)	9,736	9,699
Number of shares of common stock used to calculate net assets per share (Thousands of shares)	59,711	59,749

2. Basis for calculation of net income per share and diluted net income per share

Item	Year ended March 31, 2023	Year ended March 31, 2024
Net income attributable to owners of parent in the consolidated statements of income (Millions of yen)	1,295	2,808
Net income attributable to owners of parent relating to common stock (Millions of yen)	1,295	2,808
Amount not attributable to common shareholders (Millions of yen)	—	—
Average number of shares of common stock outstanding during the period (Thousands of shares)	59,703	59,729
Main components of adjustments to net income attributable to owners of parent used in the calculation of diluted net income per share (Millions of yen)	—	—
Adjustments to net income attributable to owners of parent (Millions of yen)	—	—
Main components of the increase in number of shares of common stock used in the calculation of diluted net income per share (Thousands of shares)		
	Share acquisition rights	Share acquisition rights
	Common stock 81	Common stock 86
Increase in number of shares of common stock (Thousands of shares)	81	86
Overview of potential shares not included in the calculation of diluted net income per share as they are non-dilutive (Thousands of shares)		
	Share acquisition rights	Share acquisition rights
	Common stock 20	Common stock 10

3. “Number of treasury shares of common stock” in “1. Basis for calculation of net assets per share” excludes the Company’s shares (4,335,948 shares as of the end of the previous fiscal year and 4,382,672 shares as of the end of the fiscal year under review) held by Custody Bank of Japan, Ltd. (Trust Account E) as they are accounted for as treasury shares.
4. “Average number of shares of common stock outstanding during the period” in “2. Basis for calculation of net income per share and diluted net income per share” excludes the Company’s shares (average number of outstanding shares of 4,344,746 shares for the previous fiscal year and 4,325,526 shares for the fiscal year under review) held by Custody Bank of Japan, Ltd. (Trust Account E) as they are accounted for as treasury shares.

(Significant Subsequent Events)

1. Repurchase of Shares

The Company resolved to repurchase its shares at the Board of Directors meeting held on March 14, 2024, pursuant to Article 156 of the Companies Act, as applied pursuant to Paragraph 3 of Article 165 of the same act.

(1) Reason for repurchase of shares

To further enhance shareholder returns, based on the “Basic Policies Regarding Shareholder Returns” in the Medium-Term Management Plan.

(2) Class of shares to be repurchased: Common stock

(3) Total number of shares to be repurchased: 2,300,000 shares (maximum)

(Representing 3.59% of the total number of shares outstanding, excluding treasury shares)

(4) Total cost of share to be repurchased : 2,000 million yen (maximum)

(5) Planned period of share repurchase: From April 1, 2024 to June 30, 2024

(6) Method of repurchase: Purchase on Tokyo Stock Exchange

(7) Status of stock repurchases as of April 30, 2024

- Class of shares repurchased: Common stock
- Number of shares repurchased: 1,625,900 shares
- Aggregate repurchased amount: 1,441,610,400 yen
- Period of share repurchase: From April 1, 2024 to April 30, 2024

(Note) The repurchase period is based on the trade date, and the purchase date is based on the settlement date.

2. Cancellation of Repurchased Shares

The Company resolved to cancel its treasury shares at the Board of Directors meeting held on March 14, 2024, pursuant to Article 178 of the Companies Act.

(1) Class of shares to be canceled: Common stock

(2) Total number of shares to be cancelled: All shares repurchased through “1. Repurchase of Shares”

(3) Scheduled date of cancellation: July 31, 2024

(4) Reason for cancellation of treasury shares: To enhance shareholder returns and improve capital efficiency

4. Supplementary Information

Status of Orders

Year ended March 31, 2024

(Millions of yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	28,935	(0.4)	29,169	23.0
China	8,672	(49.4)	14,804	(15.5)
Asia	6,749	(8.1)	4,983	(6.1)
Americas	18,073	10.8	13,322	24.6
Europe	16,675	17.8	14,426	10.0
Total	79,105	(5.8)	76,705	9.0

Notes:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.