

Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2025 [Japanese Standard]

August 9, 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 beginning dividend payment: —
 Preparation of supplemental explanatory materials: Yes
 Holding of financial results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for 1st Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 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 | % |
| Three months ended June 30, 2024 | 17,858 | 5.9 | 899 | 33.9 | 860 | 15.0 | 776 | 64.0 |
| Three months ended June 30, 2023 | 16,867 | 23.4 | 671 | — | 748 | — | 473 | — |

Note: Comprehensive income: Three months ended June 30, 2024 1,691 million yen (-32.9%)
 Three months ended June 30, 2023 2,522 million yen (-%)

| | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ended June 30, 2024 | 13.36 | 13.34 |
| Three months ended June 30, 2023 | 7.93 | 7.92 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2024 | 125,807 | 80,093 | 63.6 | 1,390.98 |
| As of March 31, 2024 | 126,195 | 82,321 | 65.2 | 1,376.26 |

Reference: Shareholders' equity As of June 30, 2024 80,001 million yen
 As of March 31, 2024 82,230 million yen

2. Cash Dividends

| | Cash dividends per share | | | | |
|---------------------------------------|--------------------------|--------|--------|-----------|-----------|
| | 1Q End | 2Q End | 3Q End | Year-end | Total |
| Year ended March 31, 2024 | Yen — | Yen — | Yen — | Yen 30.00 | Yen 30.00 |
| Year ending March 31, 2025 | — | — | — | — | — |
| Year ending March 31, 2025 (forecast) | — | — | — | 30.00 | 30.00 |

Note: Revision of dividend forecast for this period: None

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 |

Note: Revision of forecasts of consolidated results: None

Notes

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

(2) Application of special accounting treatment used in preparation of the quarterly consolidated financial statements: Yes

Note: Please refer to “(Accounting Policies Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements)” in “(3) Notes to Quarterly Consolidated Financial Statements” on page 8 for details.

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

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

Note: For details, please refer to “(Changes in Accounting Policies)” in “(3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the attached document.

(4) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of June 30, 2024 | 69,448,421 shares |
| As of March 31, 2024 | 69,448,421 shares |
2. Total number of treasury shares at the end of the period

| | |
|----------------------|-------------------|
| As of June 30, 2024 | 11,933,962 shares |
| As of March 31, 2024 | 9,699,246 shares |
3. Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Three months ended June 30, 2024 | 58,102,331 shares |
| Three months ended June 30, 2023 | 59,716,806 shares |

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit corporation: None

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

(Note on forward-looking statements)

The above forecasts and those presented in appended material are based on the information presently available. Actual results may differ from these forecasts due to changes in various factors.

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1. Qualitative information on the financial results for the period under review

(1) Operating results

During the three months ended June 30, 2024, the global economy was on a moderate growth trend overall, led by the robust U.S. economy. However, monetary tightening and the economic slowdown in 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, the Japan Forming Machinery Association reported that orders received for press during the three months ended June 30, 2024 decreased by 12.5% year on year to ¥37,098 million, primarily due to a decline in domestic orders.

Under these conditions, orders received by AIDA ENGINEERING, LTD. (the “Company”) and its group companies (collectively, the “Group”) in the three months ended June 30, 2024 were ¥21,997 million (down 3.0% year on year). While orders for medium and large press (customized machines) increased, this was offset by a decrease in orders for high-speed press for electric vehicles. The order backlog increased to ¥80,844 million (up 5.4% from the end of the previous fiscal year) due to an increase in orders for medium and large press in addition to the impact of the yen’s depreciation.

Net sales were ¥17,858 million (up 5.9% year on year), mainly due to increased sales of medium and large press (customized machines) and services in addition to the impact of the yen’s depreciation.

In terms of profit, operating income was ¥899 million (up 33.9% year on year), ordinary income was ¥860 million (up 15.0% year on year), and net income attributable to owners of parent was ¥776 million (up 64.0% year on year), due to increased sales, improved gross profit margins, and gains from the sale of strategic shareholdings.

Operating results by segment during the three months ended June 30, 2024 were as follows.

- Japan: Net sales were ¥10,716 million (up 25.4% year on year) due to increased sales of medium and large press (customized machines) and services. Segment income was ¥400 million (compared to a segment loss of ¥118 million in the same period of the previous year) due to increased sales and improved gross profit margins.
- China: Net sales were ¥1,992 million (down 43.8% year on year) due to decreased sales of press resulting from delayed sales of high-speed press and other factors. Segment income was ¥47 million (down 76.0% year on year) due to decreased sales.
- Asia: Net sales were ¥2,601 million (down 10.1% year on year) due to decreased sales of press resulting from delayed sales of general-purpose press and other factors. Segment income was ¥135 million (down 59.9% year on year) due to decreased sales and deterioration in gross profit margins.
- Americas: Net sales were ¥5,223 million (up 61.4% year on year) due to increased sales of medium and large press (customized machines), high-speed press, and services, as well as the impact of the yen’s depreciation. Segment income was ¥529 million (compared to a segment loss of ¥16 million in the same period of the previous year) due to increased sales and improved gross profit margins.
- Europe: Net sales were ¥4,652 million (up 3.8% year on year) due to an increase in sales of services, including large retrofit projects, and the impact of the yen’s depreciation. Segment income was ¥102 million (up 29.2% year on year).

(2) Financial position

Total assets as of June 30, 2024 decreased by ¥387 million from the end of the previous fiscal year to ¥125,807 million. This is primarily attributable to a ¥3,005 million decrease in cash and deposits, a ¥2,837 million increase in trade receivables, including notes and accounts receivable - trade, and contract assets and electronically recorded monetary claims - operating, a ¥1,497 million increase in inventories, a ¥1,266 million decrease in other current assets, and a ¥675 million decrease in investment securities.

Total liabilities increased by ¥1,840 million from the end of the previous fiscal year to ¥45,714 million. This is primarily attributable to a ¥705 million decrease in trade payables, including accounts payable - trade and electronically recorded obligations - operating, and a ¥2,937 million increase in contract liabilities.

Net assets decreased by ¥2,228 million from the end of the previous fiscal year to ¥80,093 million. This is primarily attributable to a ¥1,147 million decrease in retained earnings due to cash dividends, a ¥1,996 million decrease due to the purchase of treasury stock, and a ¥1,696 million increase in foreign currency translation adjustment. As a result, shareholders' equity ratio was 63.6% as of June 30, 2024.

(3) Consolidated financial results forecast and other forward-looking information

The forecasts of consolidated results for the fiscal year ending March 31, 2025, which the Company announced on May 15, 2024, remain unchanged.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 33,316 | 30,311 |
| Notes and accounts receivable - trade, and contract assets | 19,006 | 21,416 |
| Electronically recorded monetary claims - operating | 1,390 | 1,817 |
| Finished goods | 5,538 | 7,007 |
| Work in process | 21,078 | 20,745 |
| Raw materials and supplies | 4,675 | 5,036 |
| Other | 5,351 | 4,084 |
| Allowance for doubtful accounts | (73) | (77) |
| Total current assets | 90,283 | 90,342 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 27,404 | 27,896 |
| Accumulated depreciation | (19,858) | (20,261) |
| Buildings and structures, net | 7,545 | 7,635 |
| Machinery, equipment and vehicles | 21,984 | 22,734 |
| Accumulated depreciation | (16,776) | (17,558) |
| Machinery, equipment and vehicles, net | 5,208 | 5,176 |
| Land | 7,343 | 7,375 |
| Construction in progress | 151 | 154 |
| Other | 4,653 | 4,854 |
| Accumulated depreciation | (4,011) | (4,182) |
| Other, net | 642 | 671 |
| Total property, plant and equipment | 20,889 | 21,012 |
| Intangible assets | 2,127 | 2,007 |
| Investments and other assets | | |
| Investment securities | 11,196 | 10,521 |
| Insurance funds | 526 | 525 |
| Retirement benefit asset | 677 | 683 |
| Deferred tax assets | 385 | 442 |
| Other | 1,829 | 2,091 |
| Allowance for doubtful accounts | (1,721) | (1,819) |
| Total investments and other assets | 12,894 | 12,444 |
| Total non-current assets | 35,912 | 35,464 |
| Total assets | 126,195 | 125,807 |

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 7,915 | 6,969 |
| Electronically recorded obligations - operating | 3,014 | 3,255 |
| Short-term borrowings | 1,469 | 1,551 |
| Current portion of long-term borrowings | 500 | 500 |
| Accounts payable - other | 1,124 | 903 |
| Income taxes payable | 915 | 532 |
| Contract liabilities | 16,177 | 19,114 |
| Provision for product warranties | 679 | 731 |
| Provision for bonuses | 1,069 | 633 |
| Provision for bonuses for directors (and other officers) | 41 | 19 |
| Provision for loss on orders received | 176 | 130 |
| Other | 3,796 | 4,478 |
| Total current liabilities | 36,882 | 38,821 |
| Non-current liabilities | | |
| Long-term borrowings | 1,000 | 1,000 |
| Long-term accounts payable - other | 1,095 | 1,207 |
| Deferred tax liabilities | 2,227 | 1,841 |
| Provision for share awards | 744 | 758 |
| Retirement benefit liability | 1,383 | 1,376 |
| Asset retirement obligations | 9 | 9 |
| Other | 530 | 700 |
| Total non-current liabilities | 6,991 | 6,893 |
| Total liabilities | 43,873 | 45,714 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,831 | 7,831 |
| Capital surplus | 13,028 | 13,028 |
| Retained earnings | 56,092 | 54,944 |
| Treasury shares | (5,256) | (7,253) |
| Total shareholders' equity | 71,695 | 68,551 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,446 | 5,013 |
| Deferred gains or losses on hedges | (519) | (865) |
| Foreign currency translation adjustment | 5,755 | 7,451 |
| Remeasurements of defined benefit plans | (148) | (148) |
| Total accumulated other comprehensive income | 10,534 | 11,450 |
| Share acquisition rights | 91 | 91 |
| Total net assets | 82,321 | 80,093 |
| Total liabilities and net assets | 126,195 | 125,807 |

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 16,867 | 17,858 |
| Cost of sales | 13,743 | 14,397 |
| Gross profit | 3,124 | 3,461 |
| Selling, general and administrative expenses | 2,453 | 2,562 |
| Operating income | 671 | 899 |
| Non-operating income | | |
| Interest income | 31 | 52 |
| Dividend income | 78 | 119 |
| Other | 16 | 11 |
| Total non-operating income | 126 | 183 |
| Non-operating expenses | | |
| Interest expenses | 8 | 20 |
| Foreign exchange losses | 31 | 189 |
| Other | 8 | 12 |
| Total non-operating expenses | 49 | 222 |
| Ordinary income | 748 | 860 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 8 | 3 |
| Gain on sale of investment securities | — | 356 |
| Total extraordinary income | 8 | 359 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 1 | 0 |
| Total extraordinary losses | 1 | 0 |
| Income before income taxes | 755 | 1,220 |
| Income taxes | 282 | 444 |
| Net income | 473 | 776 |
| Net income attributable to owners of parent | 473 | 776 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net income | 473 | 776 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,147 | (433) |
| Deferred gains or losses on hedges | (394) | (345) |
| Foreign currency translation adjustment | 1,302 | 1,696 |
| Remeasurements of defined benefit plans, net of tax | (6) | (0) |
| Total other comprehensive income | 2,048 | 915 |
| Comprehensive income | 2,522 | 1,691 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,522 | 1,691 |

(3) Notes to Quarterly Consolidated Financial Statements
(Notes to Going Concern Assumption)
None

(Notes Regarding Remarkable Fluctuation in Shareholders' Equity)

At the Board of Directors meeting held on March 14, 2024, the Company resolved to repurchase its shares pursuant to Article 156 of the Companies Act, as applied pursuant to Paragraph 3 of Article 165 of the same act, and subsequently executed the repurchase. As a result, treasury stock increased by ¥1,999 million during the three months ended June 30, 2024, and the balance of treasury stock at the end of the three months ended June 30, 2024 was ¥7,253 million.

(Accounting Policies Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements)
(Calculation of tax expenses)

The effective tax rate after the application of tax effect accounting to income before income taxes for the current fiscal year is reasonably estimated. Tax expenses are calculated by multiplying income before income taxes for the quarter by the estimated effective tax rate.

In addition, “income taxes – current” and “income taxes – deferred” are collectively presented as “income taxes.”

(Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” and related guidelines)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “2022 Revised Accounting Standard”) and related guidelines from the beginning of the three months ended June 30, 2024.

Regarding the revision related to the classification of income taxes (taxation on other comprehensive income), the Company has adopted the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2, (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “2022 Revised Guidance”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

Furthermore, regarding the revision related to the treatment in consolidated financial statements of deferred gains or losses for tax purposes arising from the sale of shares in subsidiaries between consolidated companies, the Company has applied the 2022 Revised Guidance from the beginning of the three months ended June 30, 2024. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for each quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been adjusted to reflect this retrospective application. However, this change in accounting policy has no impact on the quarterly consolidated financial statements for each quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment Information)

I. Three months ended June 30, 2023

Information regarding amounts of sales, income or loss and disaggregation of revenue by reportable segment

(Millions of yen)

| | Japan | China | Asia | Americas | Europe | Subtotal | Adjustments (*1) | Consolidated statements of income (*2) |
|----------------------------|-------|-------|-------|----------|--------|----------|---------------------|---|
| Sales | | | | | | | | |
| (1) Sales to third parties | | | | | | | | |
| a. Press | 2,575 | 3,174 | 1,491 | 2,638 | 3,124 | 13,004 | — | 13,004 |
| b. Service | 1,132 | 295 | 519 | 523 | 641 | 3,112 | — | 3,112 |
| c. Others | 735 | 2 | 4 | — | 7 | 750 | — | 750 |
| Subtotal | 4,442 | 3,472 | 2,016 | 3,162 | 3,773 | 16,867 | — | 16,867 |
| (2) Inter-segment sales | 4,103 | 71 | 877 | 73 | 709 | 5,836 | (5,836) | — |
| Total sales | 8,546 | 3,544 | 2,893 | 3,235 | 4,482 | 22,703 | (5,836) | 16,867 |
| Segment income (loss) | (118) | 196 | 338 | (16) | 79 | 479 | 191 | 671 |

Notes:

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

Adjustments of segment income (loss) refer to the adjustment as a result of inter-segment transaction eliminations.

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

II. Three months ended June 30, 2024

Information regarding amounts of sales, income or loss and disaggregation of revenue by reportable segment

(Millions of yen)

| | Japan | China | Asia | Americas | Europe | Subtotal | Adjustments (*1) | Consolidated statements of income (*2) |
|----------------------------|--------|-------|-------|----------|--------|----------|---------------------|---|
| Sales | | | | | | | | |
| (1) Sales to third parties | | | | | | | | |
| a. Press | 3,246 | 1,372 | 1,429 | 4,326 | 2,779 | 13,155 | — | 13,155 |
| b. Service | 1,405 | 279 | 503 | 882 | 911 | 3,982 | — | 3,982 |
| c. Others | 691 | 2 | 13 | — | 12 | 720 | — | 720 |
| Subtotal | 5,343 | 1,655 | 1,946 | 5,209 | 3,703 | 17,858 | — | 17,858 |
| (2) Inter-segment sales | 5,372 | 336 | 655 | 13 | 949 | 7,327 | (7,327) | — |
| Total sales | 10,716 | 1,992 | 2,601 | 5,223 | 4,652 | 25,186 | (7,327) | 17,858 |
| Segment income | 400 | 47 | 135 | 529 | 102 | 1,215 | (316) | 899 |

Notes:

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

Adjustments of segment income refer to the adjustment as a result of inter-segment transaction eliminations.

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

(Notes Regarding Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the three months ended June 30, 2024. The depreciation and amortization expense (including amortization of intangible assets) for the three months ended June 30, 2024 is as follows:

| | April 1, 2023 to June 30, 2023 | April 1, 2024 to June 30, 2024 |
|-------------------------------|--------------------------------|--------------------------------|
| Depreciation and amortization | ¥485 million | ¥508 million |

Note: There was no amortization of goodwill in the three months ended June 30, 2023 and the three months ended June 30, 2024.

(Significant Subsequent Events)

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, and the cancellation was executed on July 31, 2024.

- (1) Class of shares cancelled: Common stock
- (2) Total number of shares cancelled: 2,243,800 shares
- (3) Date of cancellation: July 31, 2024

3. Supplementary Information

Status of Orders

Three months ended June 30, 2024

(Millions of yen)

| | Orders | | Order backlog | |
|----------|--------|---|---------------|--|
| | Amount | Comparison with the previous period (%) | Amount | Comparison with the end of previous year (%) |
| Japan | 7,596 | (12.8) | 31,422 | 7.7 |
| China | 2,041 | (36.4) | 15,190 | 2.6 |
| Asia | 2,164 | 51.6 | 5,201 | 4.4 |
| Americas | 6,573 | 92.1 | 14,686 | 10.2 |
| Europe | 3,621 | (38.6) | 14,343 | (0.6) |
| Total | 21,997 | (3.0) | 80,844 | 5.4 |

Notes:

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