

Presentation of Consolidated Financial Results for the Ended March 31, FY2019 (from Apr. 2018 to Mar. 2019)

AIDA



Highlights of FY2019
(Fiscal Year ended Mar.2019)
Financial Results
&
Forecast of Full-Year FY2020

Highlights of Consolidated Results Summary of P&L



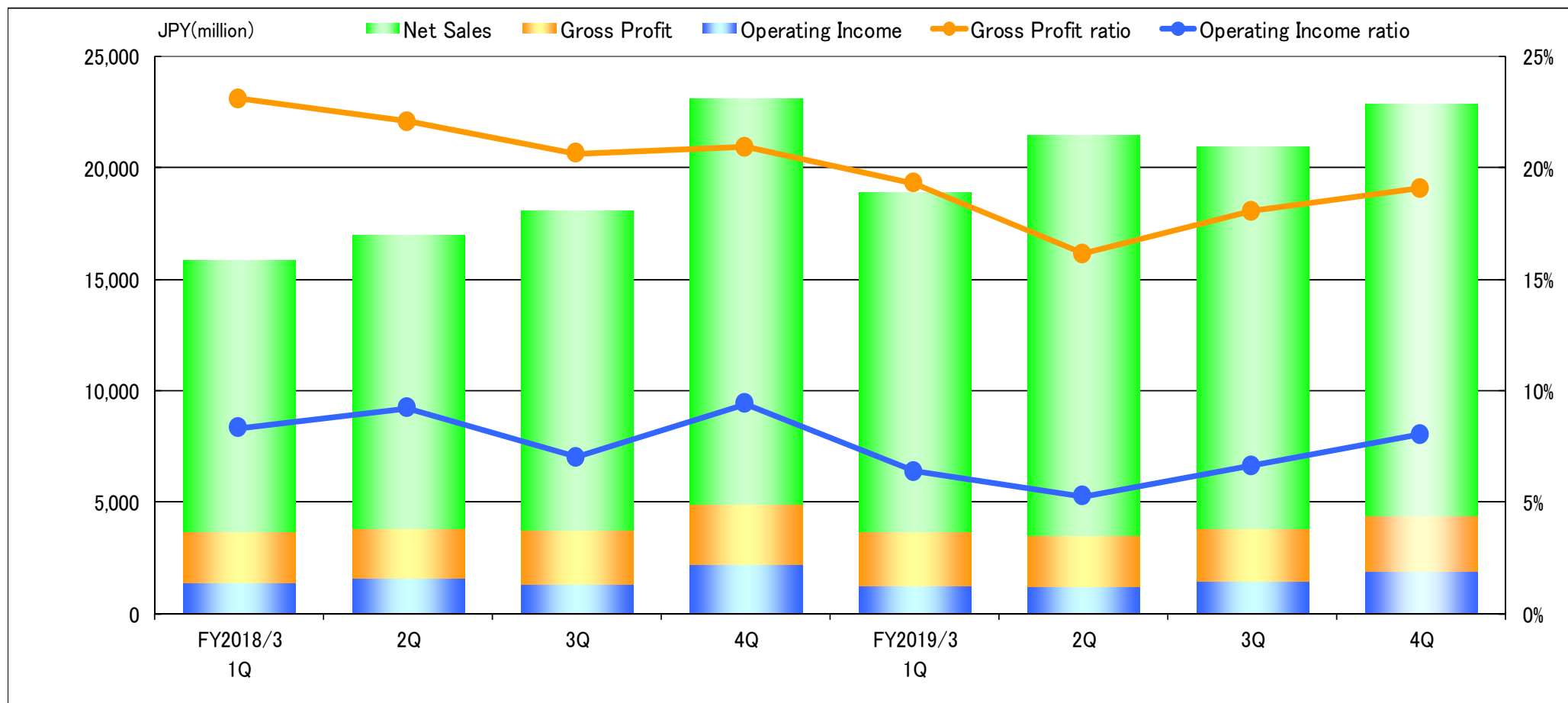
(JPY mil.)	FY2018/3	FY2019/3	Fluctuation		
			Amount	%	
Order Intake	83,143	75,694	△ 7,449	△ 9.0%	
Net Sales	73,856	84,082	10,225	13.8%	
Cost of Sales	57,926	68,851	10,924	18.9%	
Gross Profit	15,930	15,230	△ 699	△ 4.4%	
<Gross Profit ratio>	21.6%	18.1%		(△3.5P)	
Selling, general and administrative expenses	9,617	9,669	51	0.5%	
Operating Income	6,312	5,561	△ 750	△ 11.9%	
<Operating Income ratio>	8.5%	6.6%		(△1.9P)	
Ordinary Income	5,927	5,880	△ 47	△0.8%	
Income Before Income Taxes	6,639	5,785	△ 853	△12.9%	
Net Income	4,786	4,634	△ 152	△3.2%	
Exchange Rate	1USD=	¥110.92	¥110.95	0.03	0.0%
	1EUR=	¥129.67	¥128.46	△1.21	△0.9%

<Summary>

Net sales increased to record high, but profits decreased due to the increase in cost of sales.

Order Intake:	Orders intake decreased by 9.0% due to a decrease in large orders from the previous FY when Aida booked record-high order intake.
Net Sales:	Net sales increased by 13.8% from previous FY due to increase of net sales for automobile-related customers except Americas and consolidation effects of Reliance Electric/ Japan.
Gross Profit:	Gross Profit decreased by 4.4% from previous FY while net sales increased. It was due to rising of cost for raw materials and outsourcing, additional cost for special specifications, and delays of some profitable projects.
Operating Income:	Operating income decreased by 11.9% from previous FY. The decrease was mainly due to the decrease of gross profit.
Ordinary Income:	Ordinary Income decreased by 0.8% from previous FY while enjoying an improvement of foreign exchange gain/loss and incomes from refunded insurance etc.
Net Income:	Net income decreased by 3.2% from previous FY, mainly due to the decrease in ordinary income, while income taxes decreased due to an increase in deferred tax assets.

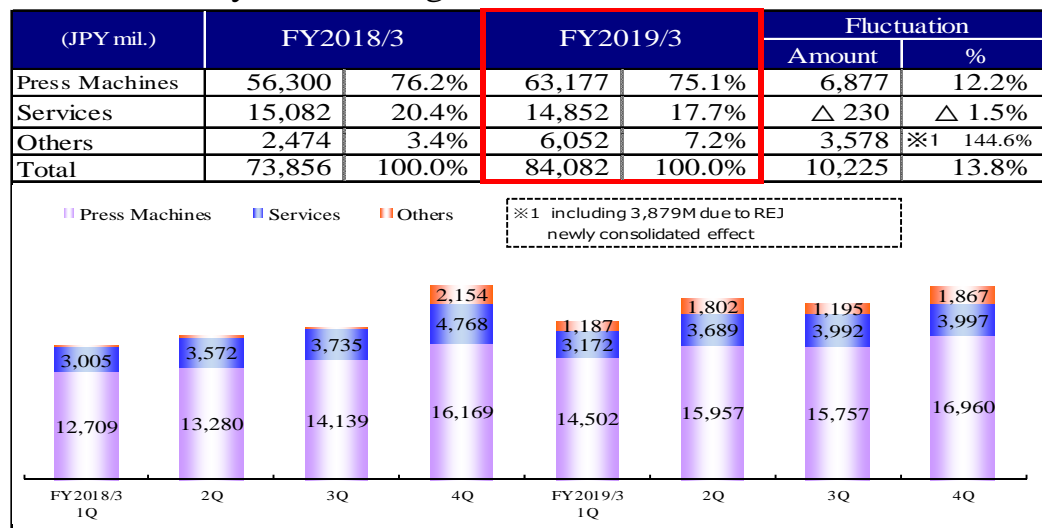
Trend of Sales, Gross Profit and Operating Income



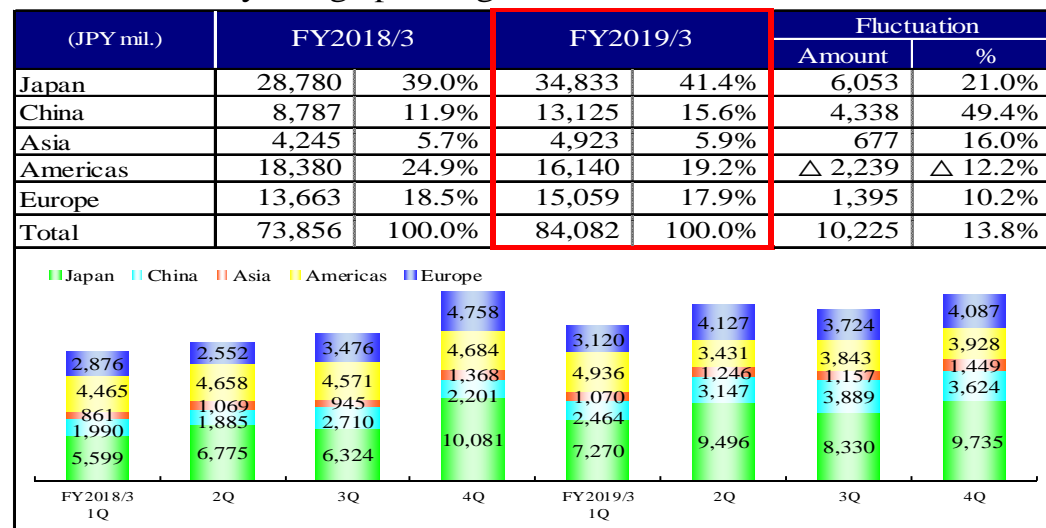
	FY2018/3				FY2019/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	15,792	16,942	18,028	23,093	18,862	21,449	20,945	22,825
Gross Profit	3,644	3,736	3,718	4,830	3,637	3,459	3,781	4,352
Operating Income	1,315	1,561	1,265	2,170	1,203	1,130	1,389	1,837
Gross Profit ratio	23.1%	22.1%	20.6%	20.9%	19.3%	16.1%	18.1%	19.1%
Operating Income ratio	8.3%	9.2%	7.0%	9.4%	6.4%	5.3%	6.6%	8.1%

Sales to Third Party (by Business/Customer/Geographic segment)

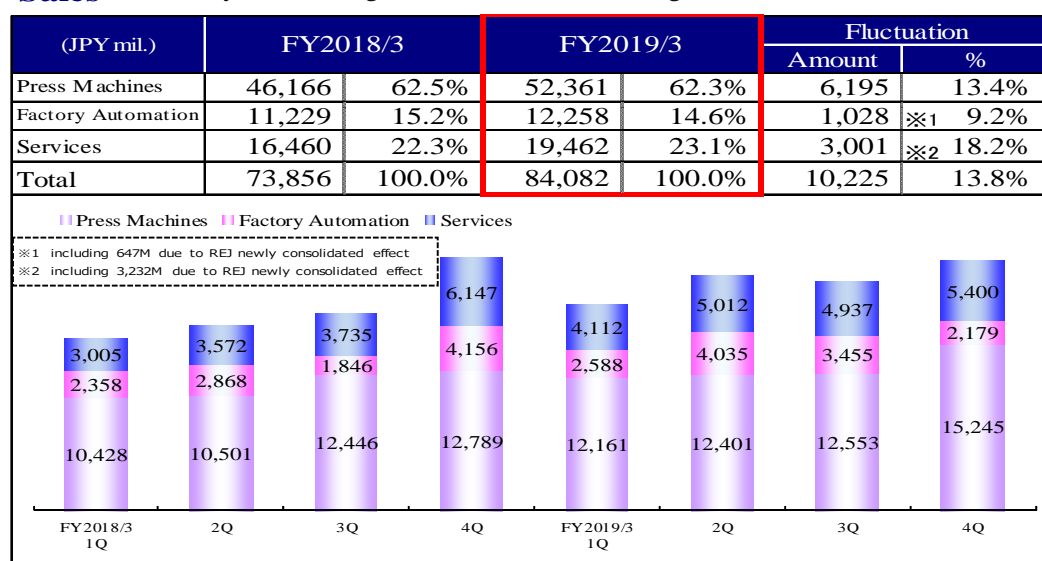
Sales by Business segment



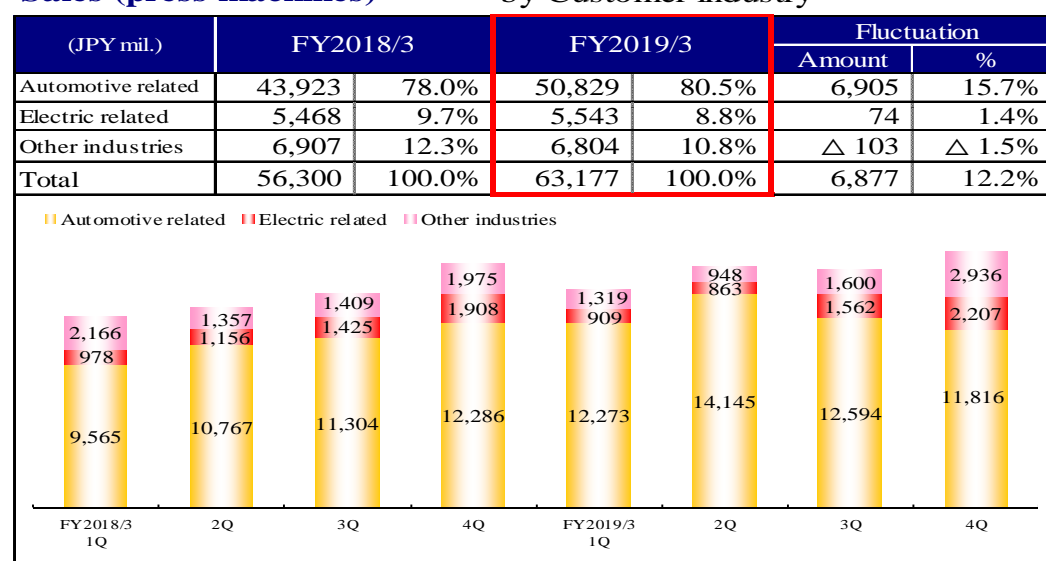
Sales by Geographic segment



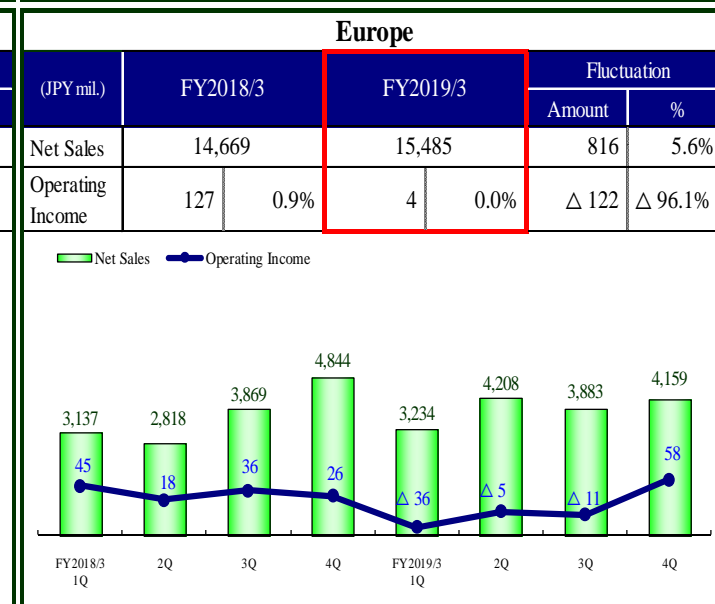
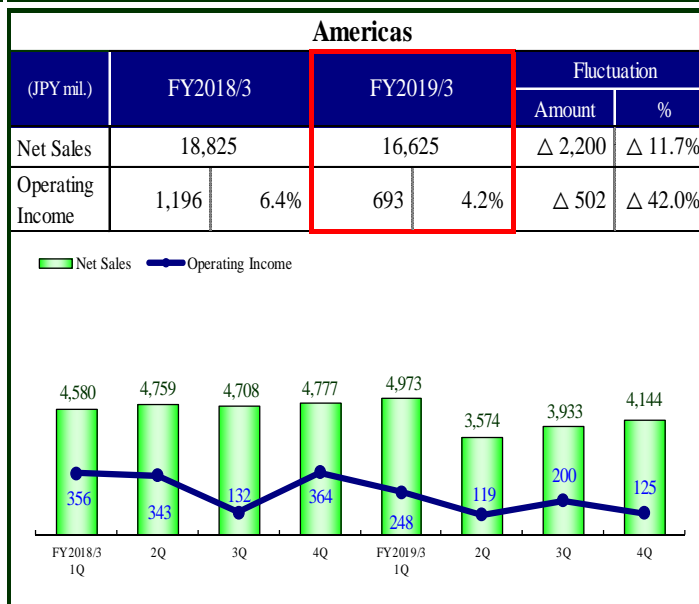
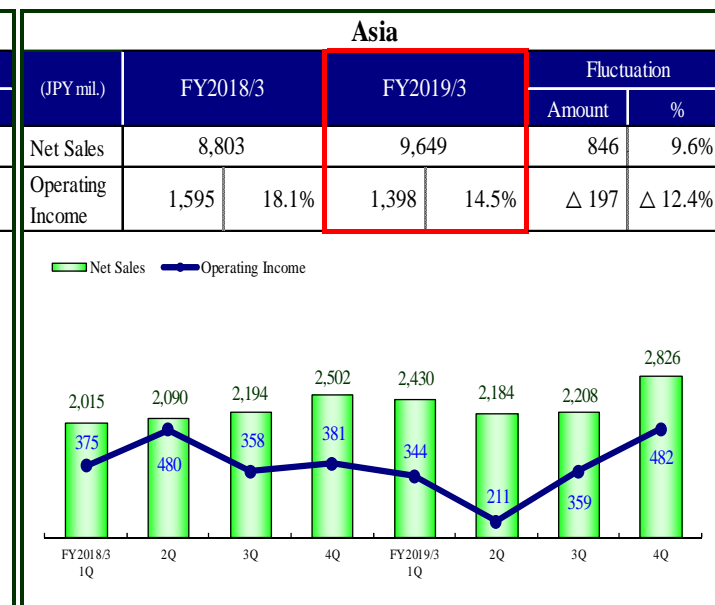
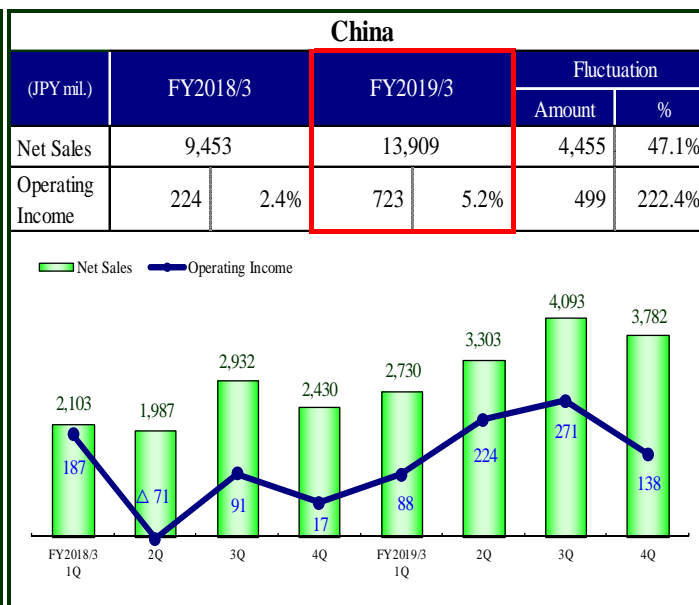
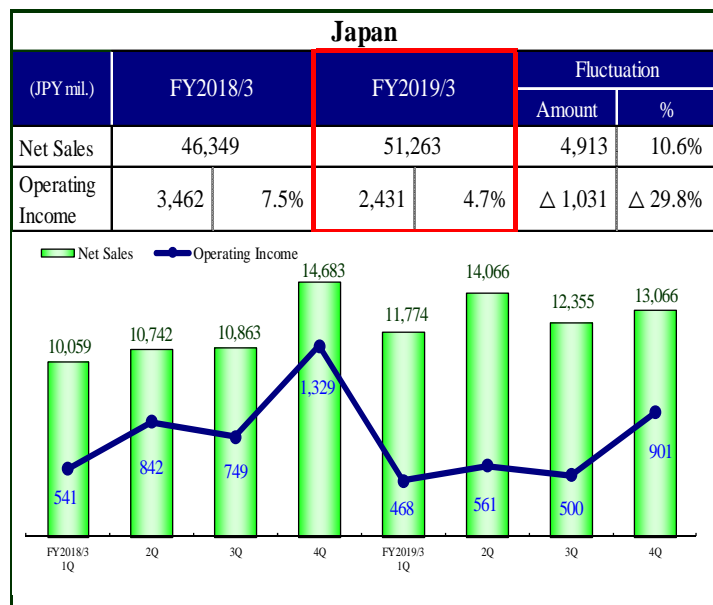
Sales by Business segment of the Mid-Term Management Plan "THE AIDA PLAN 523"



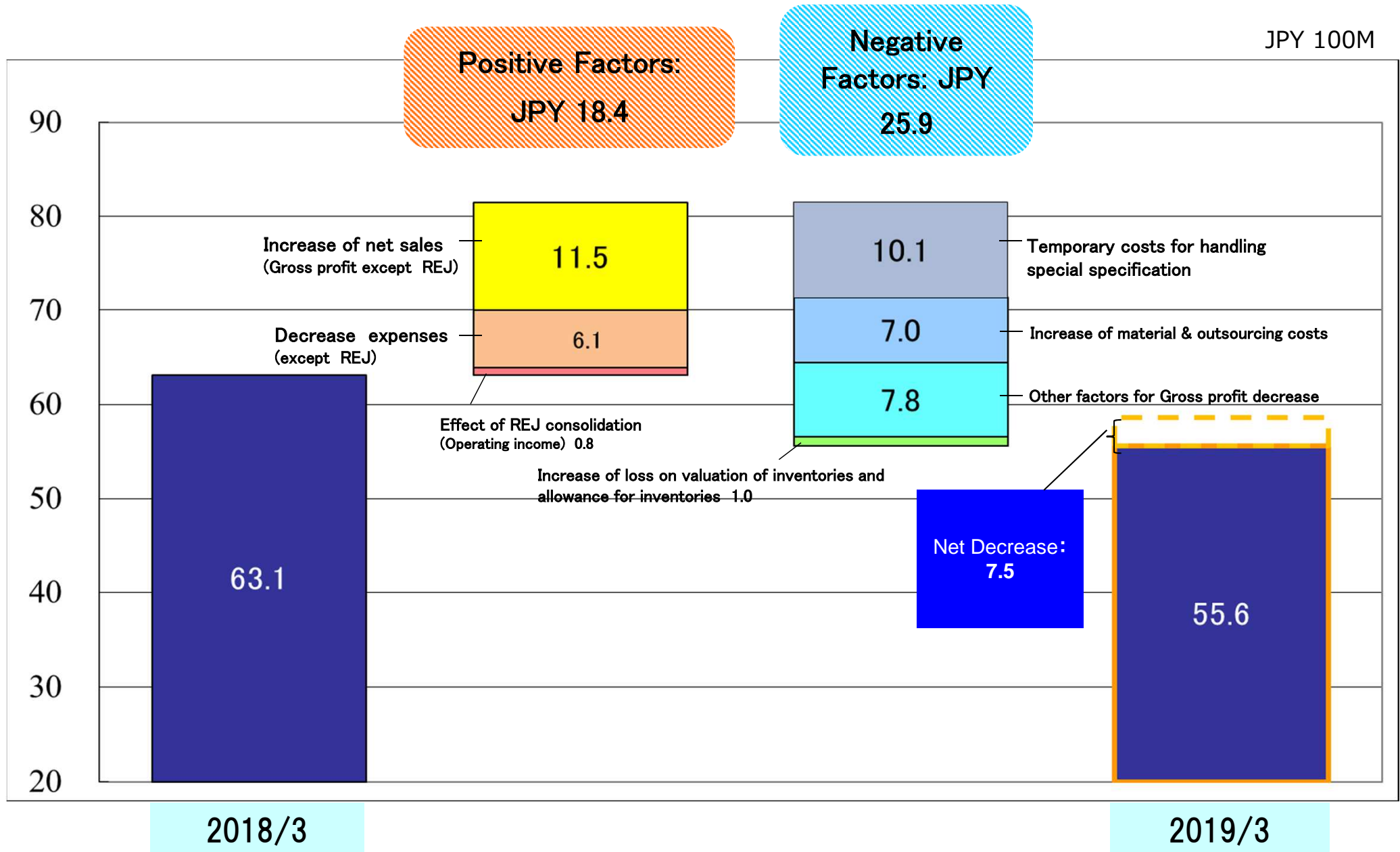
Sales (press machines) by Customer industry



Sales / Operating Income (by Geographic segment)



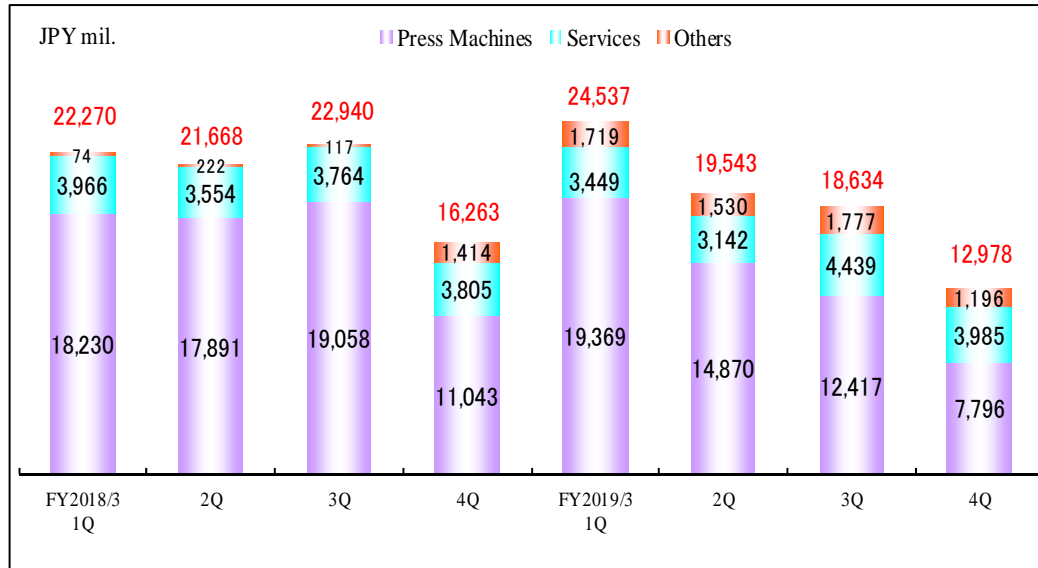
Fluctuation Analysis with regards to Operating Income



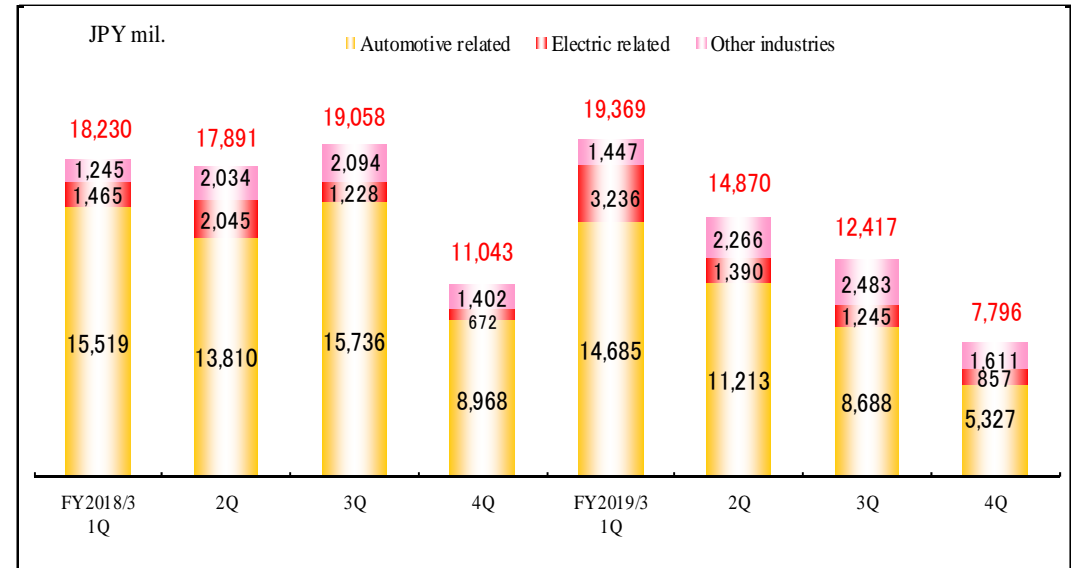
Orders Intake & Backlog (by Business/Customer/Geographic segment)



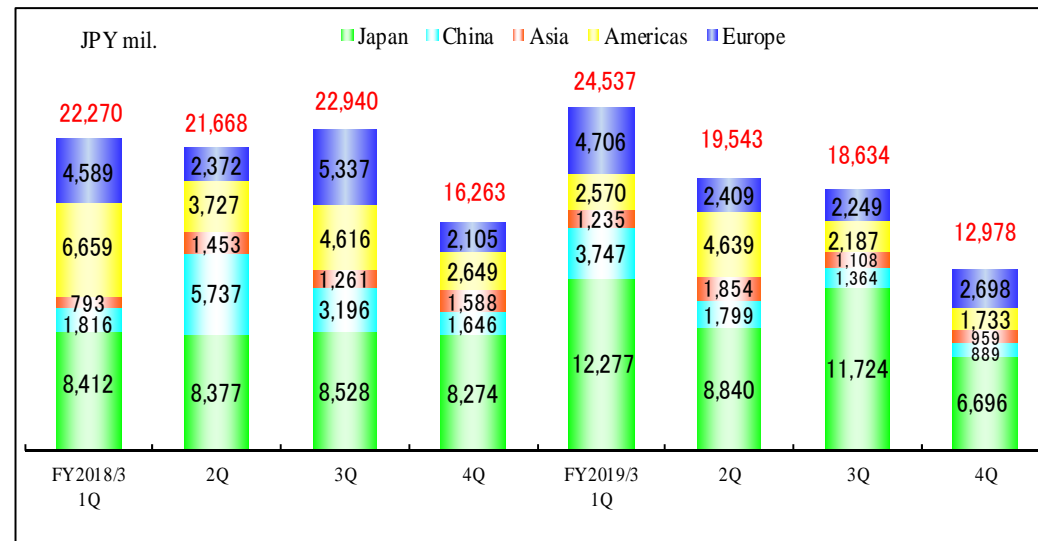
Orders Intake by Business Segment



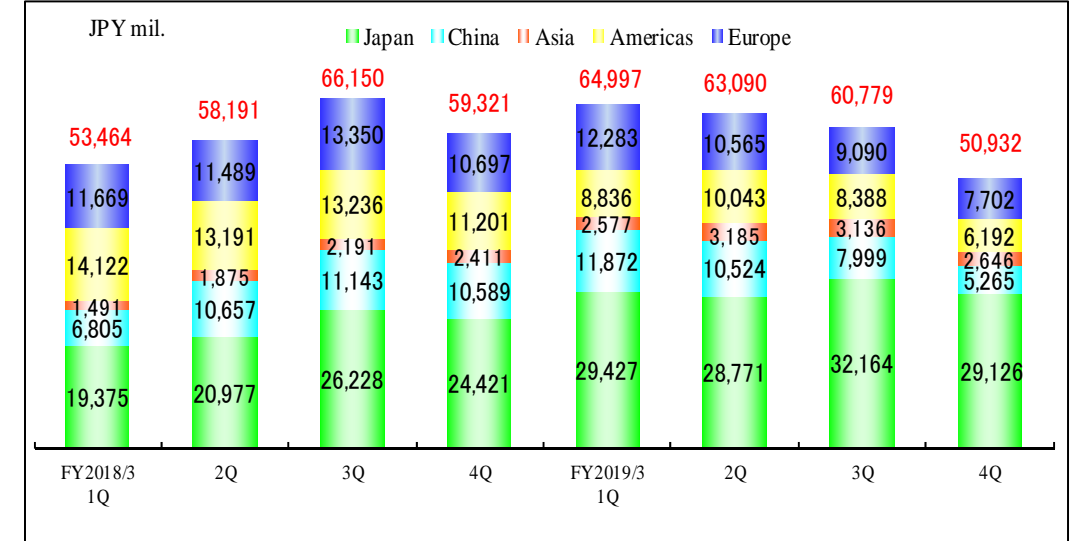
Orders Intake by Customer Industry (Press Machines)



Orders Intake by Geographic Segment



Orders Backlog by Geographic Segment



Trend of Orders Intake & Backlog



(JPY mil.)	FY2018/3				FY2019/3				vs. FY2018/3	
	1st Half		Full-year		1st Half		Full-year		Fluctuation	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	%
Order Intake: total	43,939	100.0%	83,143	100.0%	44,081	100.0%	75,694	100.0%	△ 7,449	△ 9.0%
By Business										
Press Machine	36,121	82.2%	66,223	79.6%	34,240	77.7%	54,454	71.9%	△ 11,769	△ 17.8%
By Customer										
Automotive related	29,330	81.2%	54,034	81.6%	25,898	75.6%	39,914	73.3%	△ 14,120	△ 26.1%
Electric related	3,511	9.7%	5,412	8.2%	4,626	13.5%	6,729	12.4%	1,317	24.3%
Other industries	3,279	9.1%	6,776	10.2%	3,714	10.8%	7,809	14.3%	1,033	15.2%
Services	7,521	17.1%	15,091	18.2%	6,591	15.0%	15,015	19.8%	△ 75	△ 0.5%
Others	296	0.7%	1,828	2.2%	3,250	7.4%	6,223	8.2%	4,395	240.3%
By Region										
Japan	16,789	38.2%	33,592	40.4%	21,117	47.9%	39,538	52.2%	5,946	17.7%
China	7,553	17.2%	12,396	14.9%	5,547	12.6%	7,801	10.3%	△ 4,594	△ 37.1%
Asia	2,247	5.1%	5,097	6.1%	3,090	7.0%	5,158	6.8%	61	1.2%
Americas	10,387	23.6%	17,653	21.2%	7,210	16.4%	11,130	14.7%	△ 6,522	△ 36.9%
Europe	6,961	15.8%	14,404	17.3%	7,116	16.1%	12,064	15.9%	△ 2,340	△ 16.2%
Order Backlog: total	58,191	100.0%	59,321	100.0%	63,090	100.0%	50,932	100.0%	△ 8,388	△ 14.1%
By Region										
Japan	20,977	36.0%	24,421	41.2%	28,771	45.6%	29,126	57.2%	4,704	19.3%
China	10,657	18.3%	10,589	17.9%	10,524	16.7%	5,265	10.3%	△ 5,323	△ 50.3%
Asia	1,875	3.2%	2,411	4.1%	3,185	5.0%	2,646	5.2%	235	9.8%
Americas	13,191	22.7%	11,201	18.9%	10,043	15.9%	6,192	12.2%	△ 5,009	△ 44.7%
Europe	11,489	19.7%	10,697	18.0%	10,565	16.7%	7,702	15.1%	△ 2,995	△ 28.0%

Major Changes on Balance Sheet



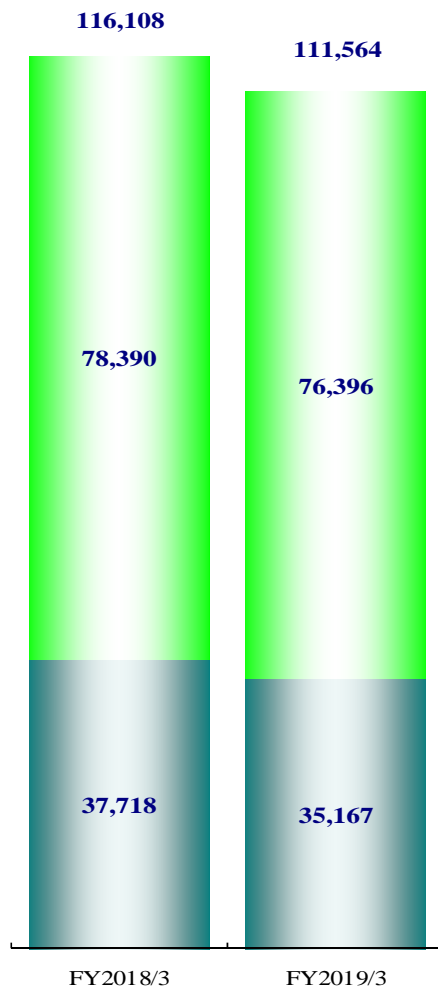
Assets

(JPY mil.)

■ Fixed assets ■ Current assets

VS end of Previous FY

Total assets Δ 4,544



Current assets Δ 1,994

Cash on hand and at bank Δ 2,007
 Inventories Δ 874
 Notes and accounts receivable - trade and electronically recorded monetary claims - operating and accounts receivable + 771

Fixed assets Δ 2,550

Investment securities Δ 1,926
 Insurance funds Δ 724

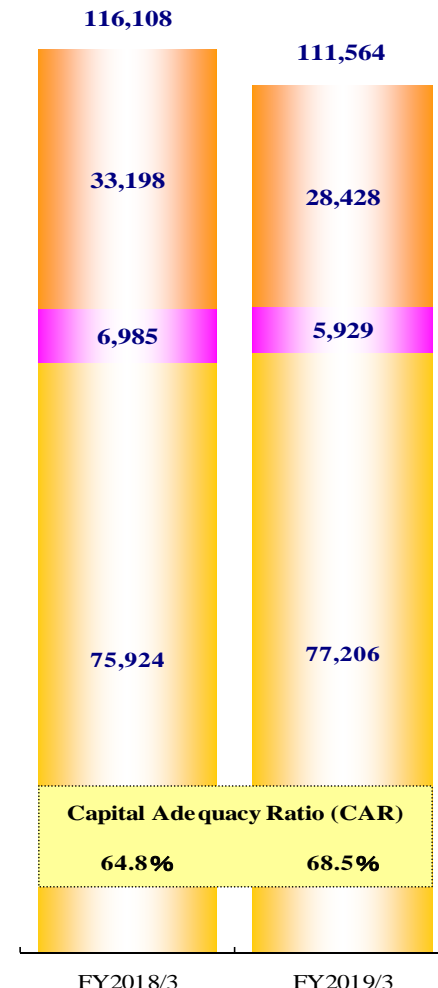
Liabilities and Net Assets

(JPY mil.)

■ Current liabilities
 ■ Non-current liabilities
 ■ Net assets

VS end of Previous FY

Total liabilities Δ 5,825



Current liabilities Δ 4,770

Advances from customers on contracts Δ 3,453
 Accounts payable, trade and electronically recorded monetary obligations-operating Δ 496

Non-current liabilities Δ 1,055

Net assets Δ 1,281

Retained earnings + 1,776

Capital Adequacy Ratio (CAR)

64.8% 68.5%

Highlights: Forecasts of FY2020 Consolidated Results



(JPY mil.)	FY2019/3	FY2020/3 Forecast	Fluctuation		
			Amount	%	
Net Sales	84,082	79,000	△ 5,082	△ 6.0%	
Cost of Sales	68,851	62,800	△ 6,051	△ 8.8%	
Gross Profit	15,230	16,200	970	6.4%	
<Gross Profit ratio>	18.1%	20.5%		(+2.4P)	
Selling, general and administrative expenses	9,669	9,850	181	1.9%	
Operating Income	5,561	6,350	789	14.2%	
<Operating Income ratio>	6.6%	8.0%		(+1.4P)	
Ordinary Income	5,880	6,500	620	10.5%	
Income Before Income Taxes	5,785	6,500	715	12.4%	
Net Income	4,634	4,650	16	0.3%	
Exchange Rate	1USD=	¥110.95	¥109.00	¥-1.95	-1.8%
	1EUR=	¥128.46	¥122.00	¥-6.46	-5.0%

Causes of Change of Operating Income

(100million JPY)

Improvement of product mix and profitability :	+11
Elimination of temporary costs for handling special specification in FY 2019/3 :	+10
Decrease of net sales (Gross profit) :	△ 9
Increase of R&D costs :	△ 2
Increase of other SG & A costs :	△ 2

Net Change +8

<Summary>

The target is to increase profit by improving gross profit, while net sales decrease from record high of the previous FY.

Net Sales:	Net sales will decrease from the previous FY due to decrease in net sales for mid- and large-presses in the previous FY when Aida booked record high net sales.
Gross Profit:	Gross profit will increase from the previous FY due to decrease low profitable projects and improvement of product mix.
Operation Income:	Operating income will increase from the previous FY due to increase of gross profit, absorbing negative impact of SGA increase.
Ordinary Income:	Ordinary income will increase from the previous FY. FX gain/loss is not expected in the forecast.
Net Income:	Net income will increase from the previous FY due to increase of ordinary income, while income taxes increase due to elimination of profits from deferred tax assets booked in the previous FY.

Forecasts of Orders Intake/Sales/Operating Income (by segment)



By Business

(JPY mil.)	Orders Intake				Net Sales			
	FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3	
			Amount	%			Amount	%
Press Machines	54,454	56,500	2,046	3.8%	63,177	56,800	△ 6,377	△ 10.1%
Services	15,015	16,000	985	6.6%	14,852	16,000	1,148	7.7%
Others	6,223	6,500	277	4.5%	6,052	6,200	148	2.4%
Consolidated	75,694	79,000	3,306	4.4%	84,082	79,000	△ 5,082	△ 6.0%

by Business segment of the Mid-Term Management Plan
"THE AIDA PLAN 523"

(JPY mil.)	Net Sales				
	FY2019/3	FY2020/3 forecast	Fluctuation		
			Amount	%	
Press Machines	52,361	46,000	58%	△ 6,361	△ 12.1%
Factory Automation	12,258	12,500	16%	242	2.0%
Services	19,462	20,500	26%	1,038	5.3%
Total	84,082	79,000	100%	△ 5,082	△ 6.0%

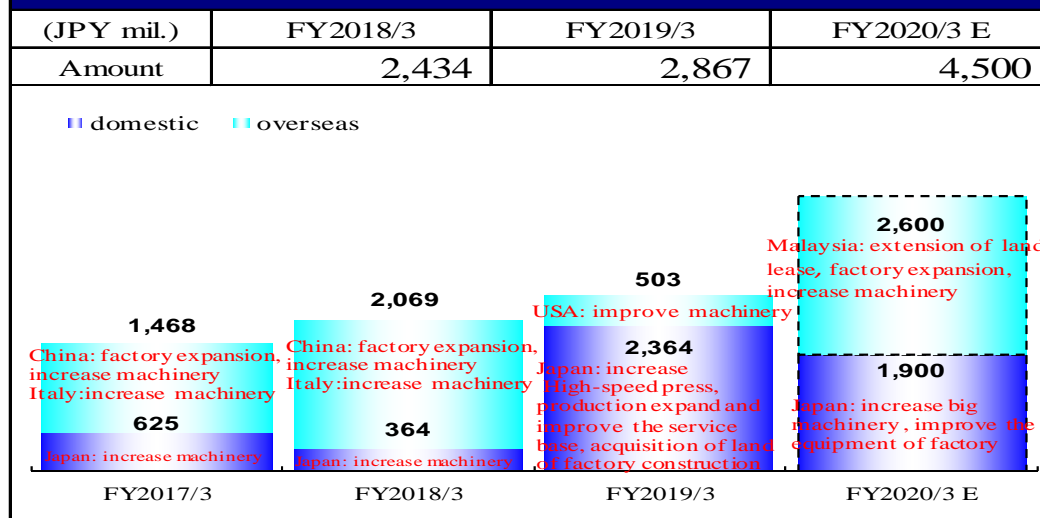
By Region

(JPY mil.)	Orders Intake				Net Sales				Operating Income			
	FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3	
			Amount	%			Amount	%			Amount	%
Japan	39,538	40,000	462	1.2%	51,263	51,000	△ 263	△ 0.5%	2,431	3,500	1,069	44.0%
China	7,801	8,500	699	9.0%	13,909	11,000	△ 2,909	△ 20.9%	723	600	△ 123	△ 17.0%
Asia	5,158	6,500	1,342	26.0%	9,649	11,000	1,351	14.0%	1,398	1,450	52	3.7%
Americas	11,130	12,000	870	7.8%	16,625	14,000	△ 2,625	△ 15.8%	693	700	7	1.0%
Europe	12,064	12,000	△ 64	△ 0.5%	15,485	16,000	515	3.3%	4	100	96	2400.0%
Reconciliation					△ 22,851	△ 24,000	△ 1,149	5.0%	310		△ 310	△ 100.0%
Consolidated	75,694	79,000	3,306	4.4%	84,082	79,000	△ 5,082	△ 6.0%	5,561	6,350	789	14.2%

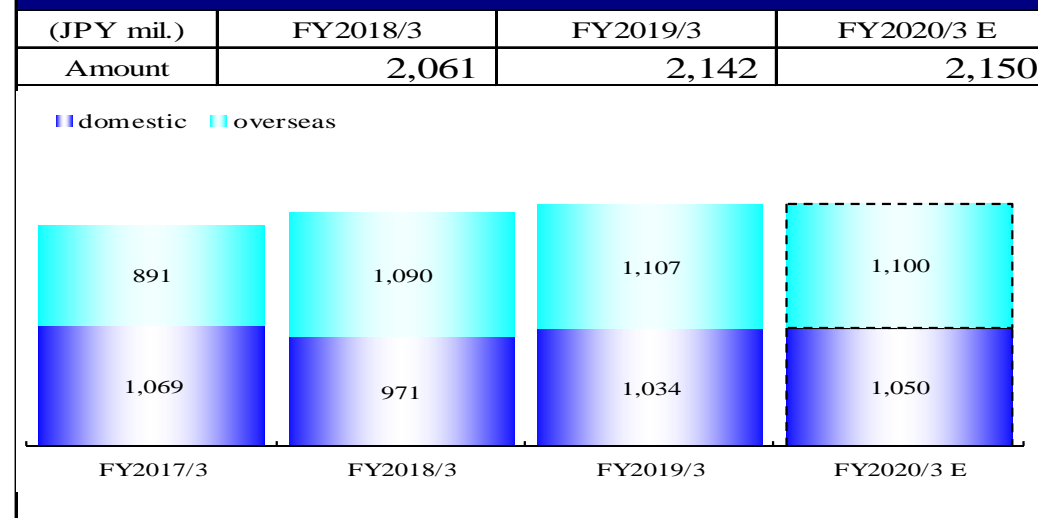
Trend of Capex, Depreciation, R&D & CF



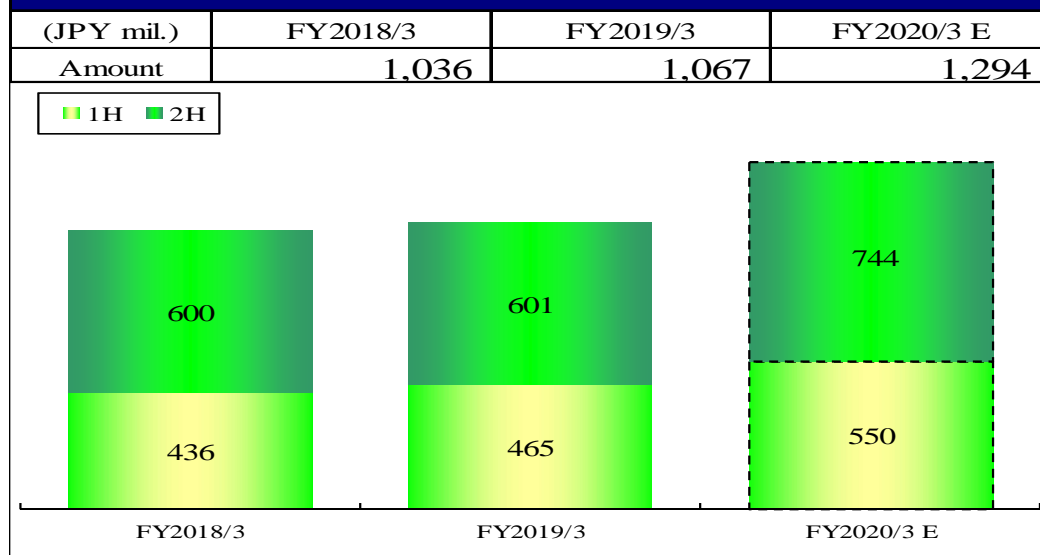
Capital Expenditures



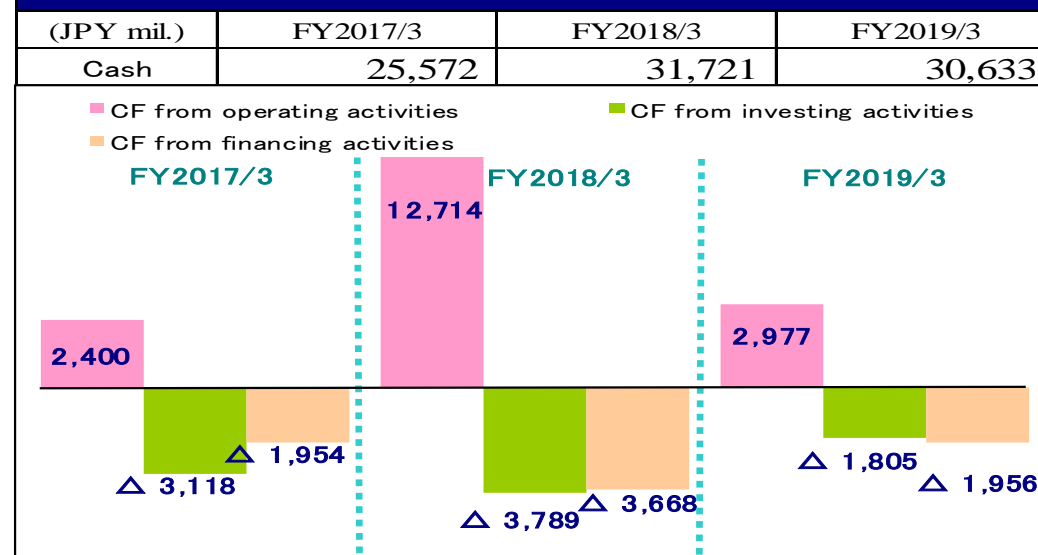
Depreciation & Amortization



R&D Expenditures

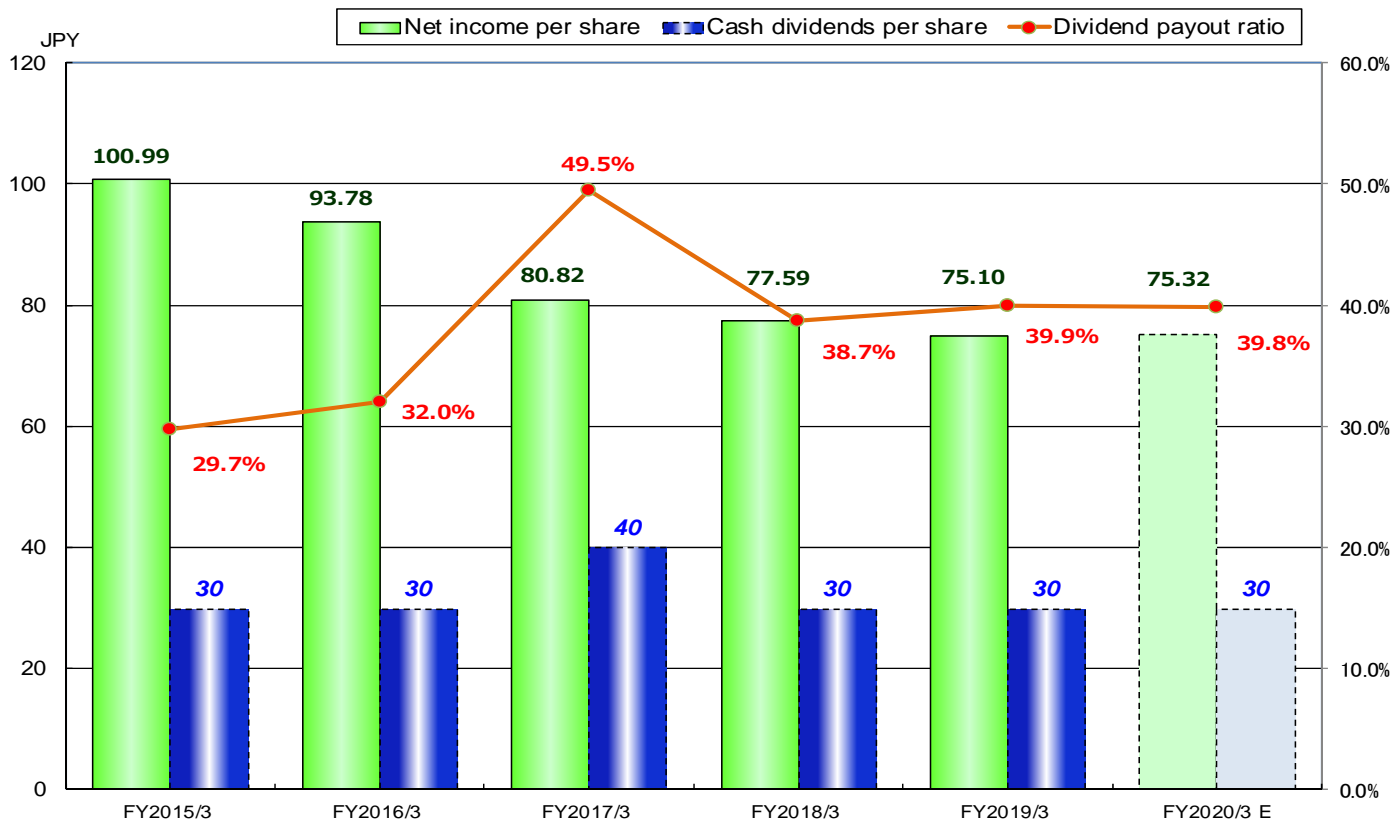


Cash & Cash Equivalents / Cash Flow



Return to Shareholders

• **Dividend Policy:** AIDA focuses on continuation of stable dividend, maintaining “dividend on equity” at adequate level. Dividend amount is basically linked with consolidated financial results, targeting 30% or higher of dividend payout ratio.



Maintain a dividend of ¥30 per share for FY2019, while net income per share is lower than expected.
 → Achieving 39.9% of dividend payout ratio.

Expect a dividend of ¥30 per share for FY2020 in order to continue stable return to Shareholders.
 → Achieving 39.8% of dividend payout ratio.



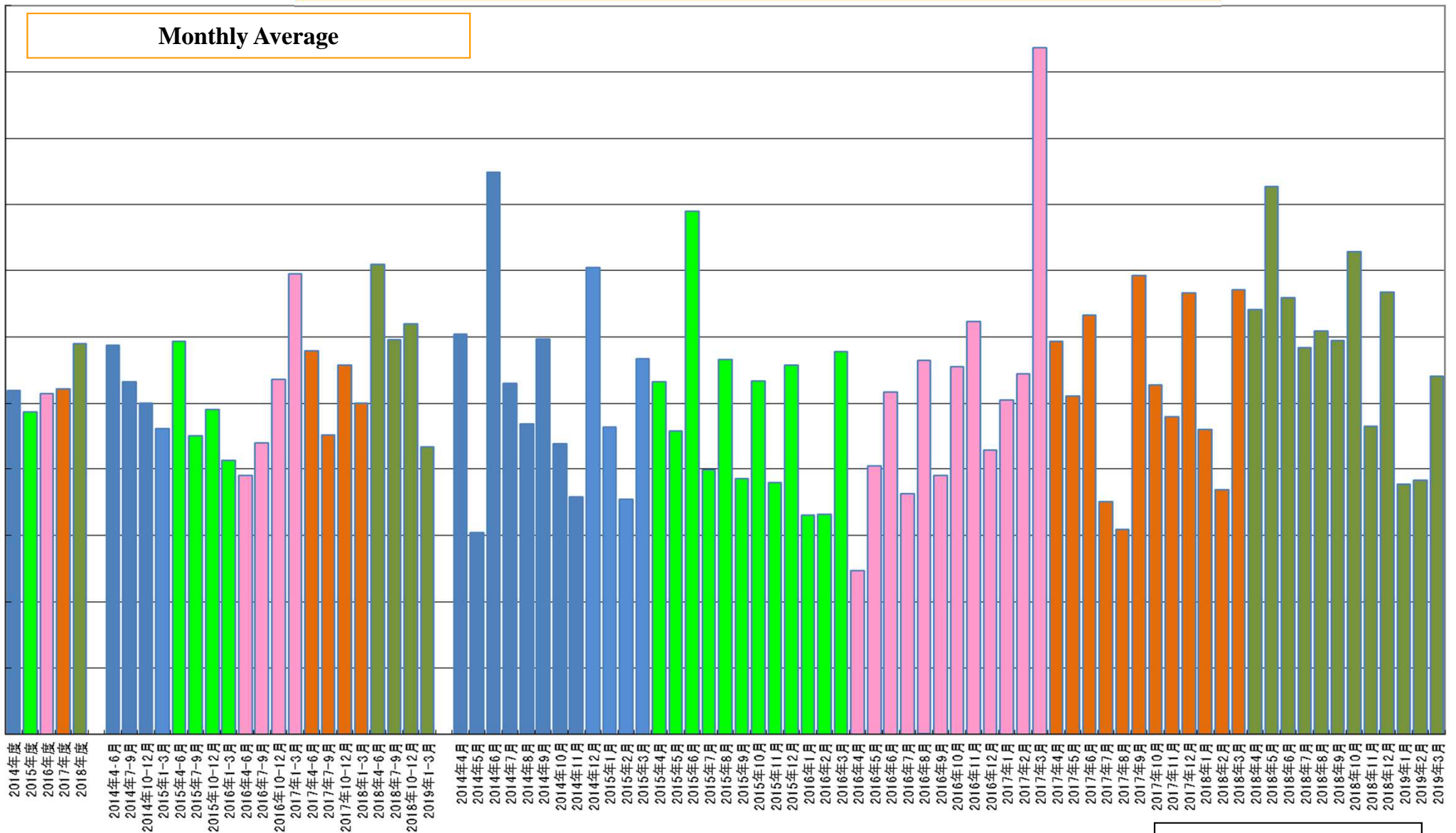
(for Reference) Statistics of Forming Machinery Industry- 1)



JPY100million

Press: Mechanical, Hydraulic, Forging & Automation

Monthly Average

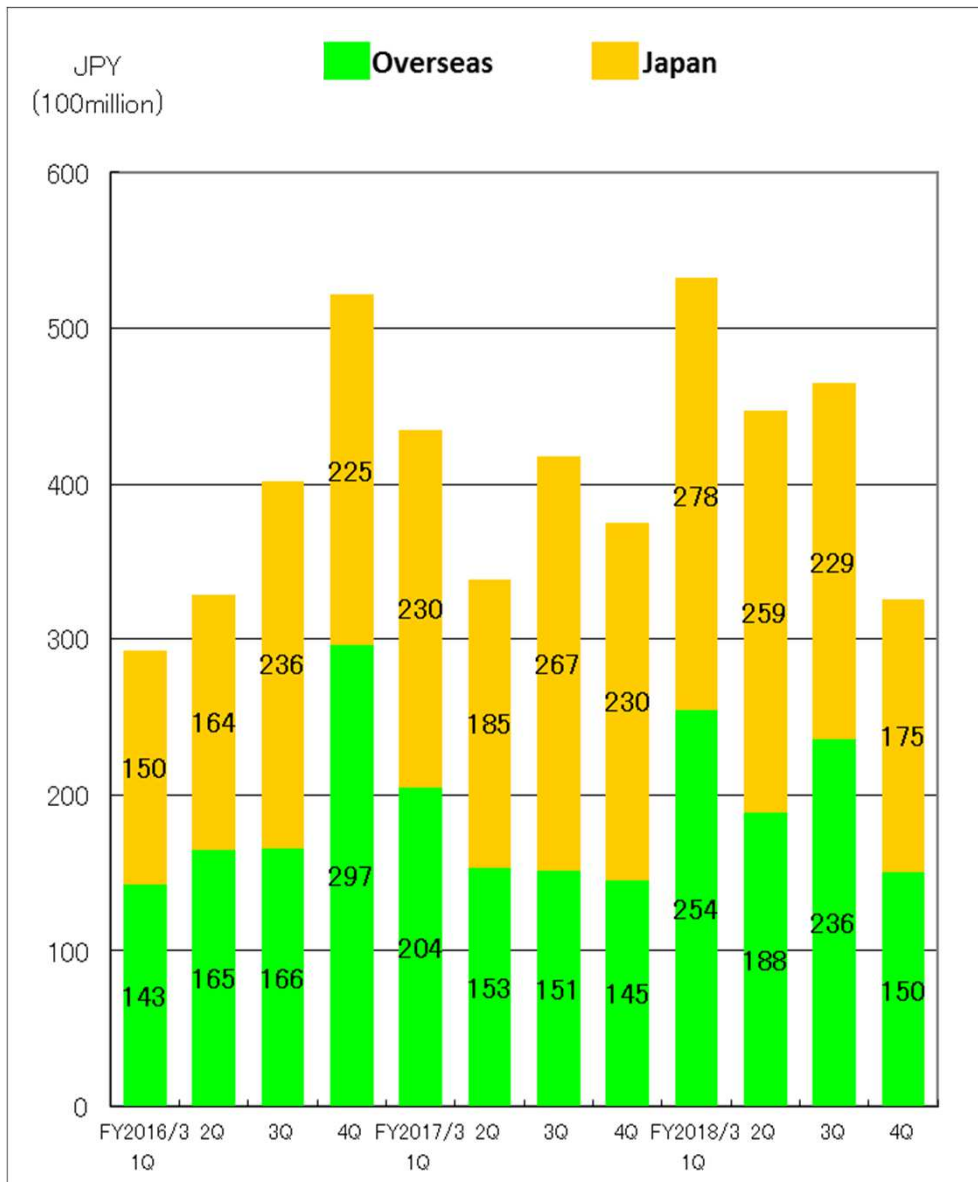


Place of origin: JFMA

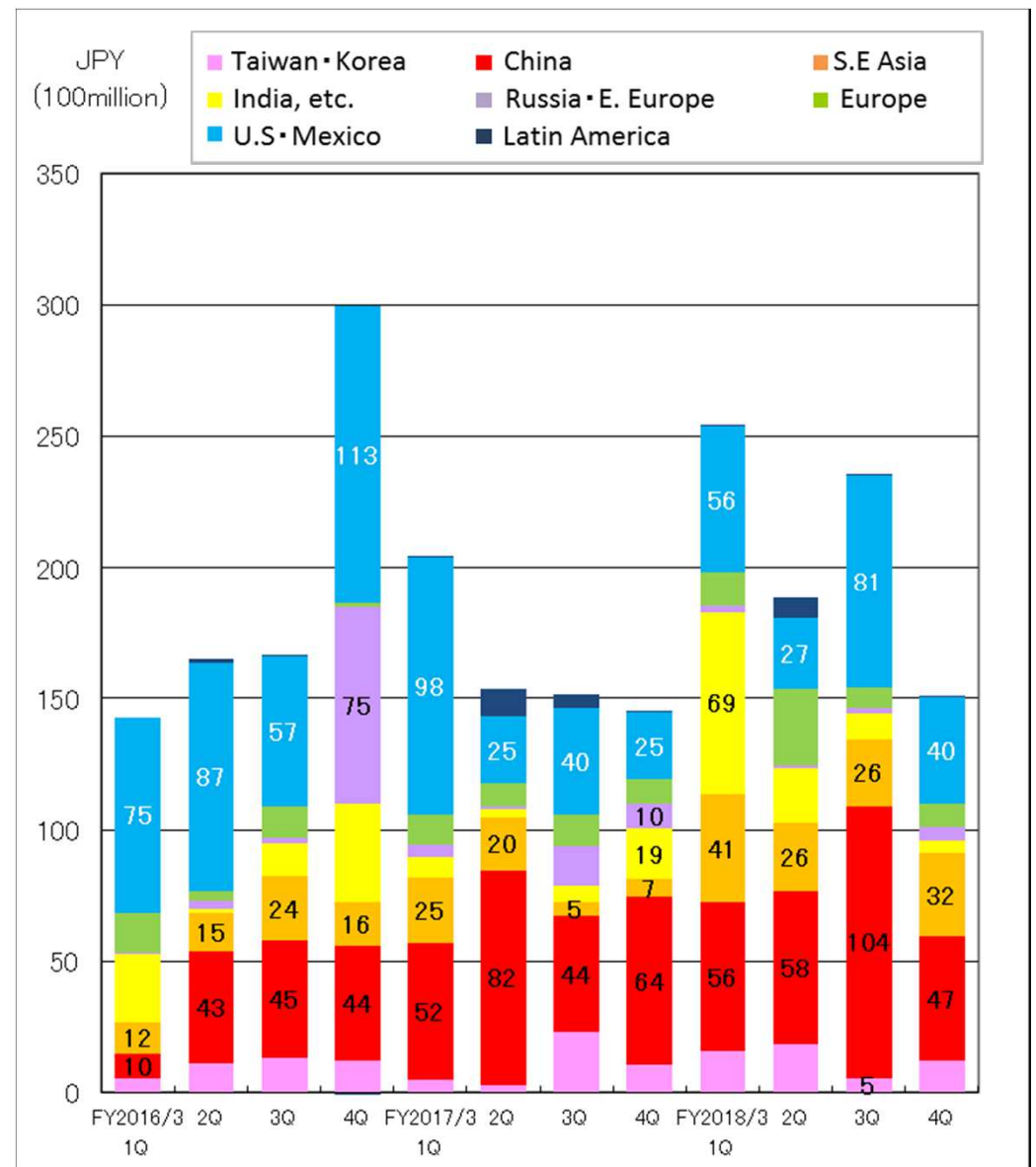
(for Reference) Statistics of Forming Machinery Industry- 2)



Trend of Order Intake



Trend of Order Intake (Overseas) by Geographic Segment



Remarks



Cautions about forecast statements contained in this package

- **The information in this package contains future forecasts.**
- **Future forecasts contained in this document are based on the judgment of company management based on currently available information. Although the future forecasts are based on or grounded in assumptions, future economic circumstances and actual business results may differ from these assumptions.**
- **Although the Company or its management is stating its expectations and/or convictions regarding future results, this does not guarantee that these expectations or convictions will be realized, nor does it guarantee that the actual results will be close to the forecasts. Moreover, the Company does not assume any obligation to update or revise any forecasts unless otherwise stipulated by law.**

May 2019

AIDA ENGINEERING, LTD.