



AIDA

Annual Report 2015

AIDA ENGINEERING, LTD.

Approaching Our 100th Anniversary — Aiming to Establish Ourselves as the World's Leading Brand for Press Forming Systems

Among the various forming systems for processing metal, press metalforming, as a technology enabling high-quality, high-volume production of metal parts at low cost and with outstanding efficiency, has been fundamental to the production of a wide variety of industrial products. Since its founding in 1917, AIDA ENGINEERING, as a forming systems builder, has promoted technical innovation in industrial products by continuously rising to the challenge of developing new technologies. As we approach the 100th anniversary of our founding, market globalization and growing environmental and energy concerns are giving rise to new demands on industrial manufacturing environments. AIDA, in creating the high-value-added forming systems that respond to these demands, aims to strengthen its presence in the global market and establish itself as a top global brand in forming technology.





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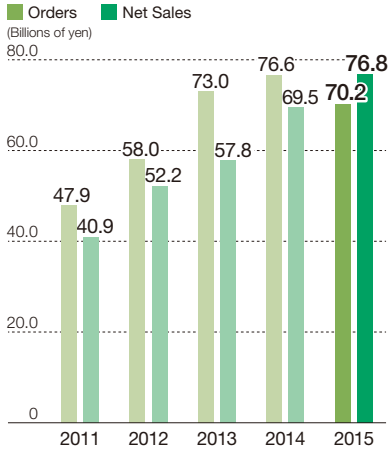
Disclaimer Regarding Forward-Looking Statements

This annual report contains statements that address plans and future performance and are not statements of historical fact. These forward-looking statements are based on management's assumptions in light of information currently available. Risks, uncertainties and other factors may cause actual results and achievements to differ from those anticipated in these statements.

Cautionary Statements with Respect to Graphs and Financial Figures

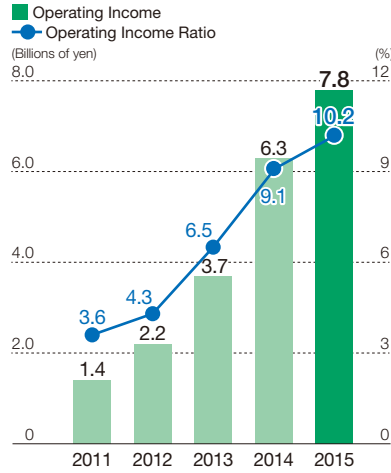
The amounts presented in yen are truncated after either billions or millions.

Sustainable Growth



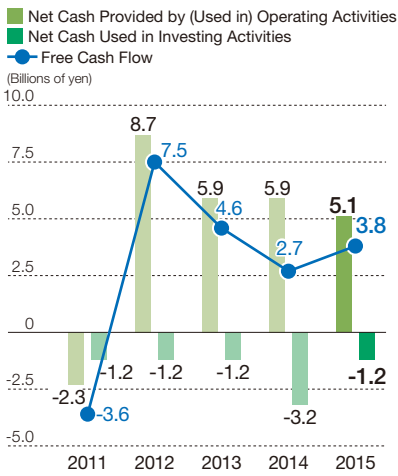
Net Sales
10.5% Up

Higher Profitability



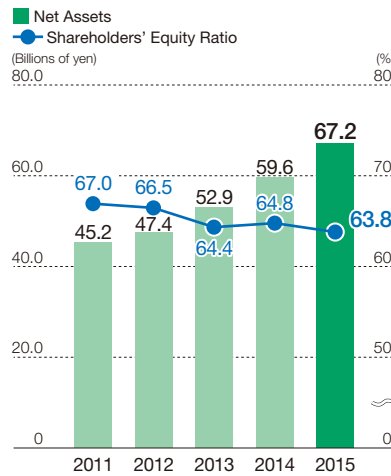
Operating Income
24.4% Up

Generation of Cash Flow



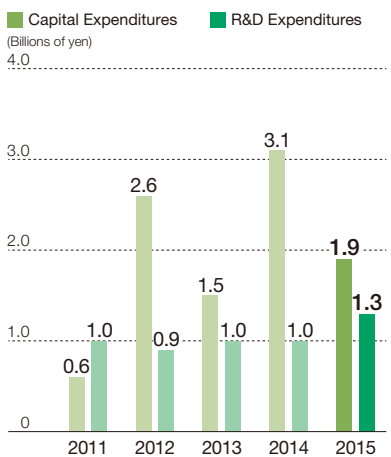
Free Cash Flow
41.8% Up

Robust Financial Base



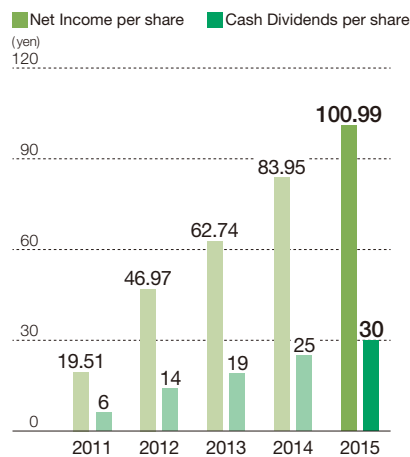
Net Assets
12.7% Up

Investing for the Future



R&D Expenditures
24.9% Up

Shareholder Returns



Dividends Per Share
20.0% Up

Establishment

Founded

98
Years Ago

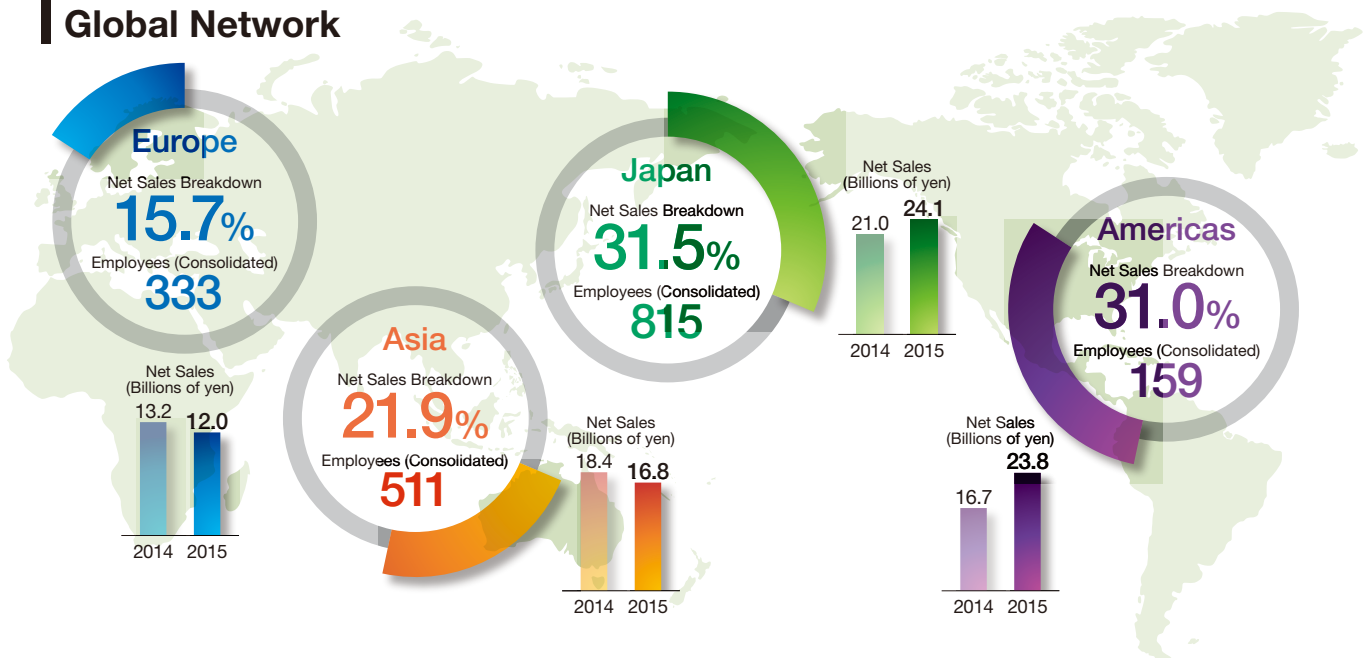
In the 98 years since its foundation in 1917, AIDA has accumulated a vast array of technical knowledge pertaining to all aspects of press metalforming. The confidence this creates, backed by our comprehensive solutions provision capabilities, allows us to offer precise responses to customer needs.

Net Sales

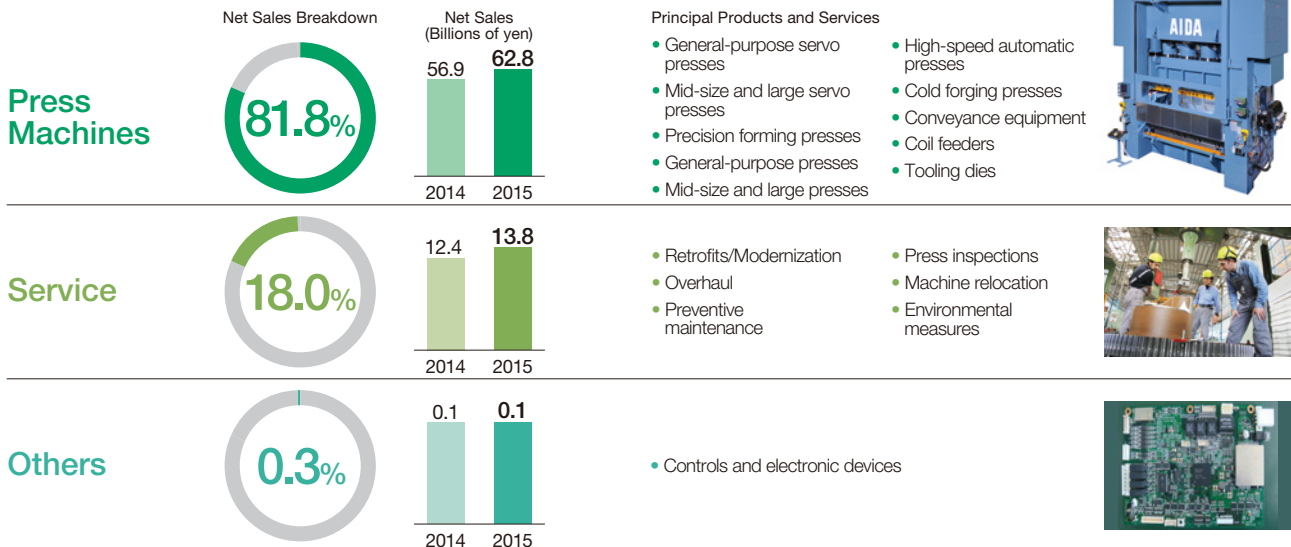
2nd
in Net Sales
Worldwide

AIDA is a globally recognized brand in the field of press forming systems, and in the automotive-related, consumer electronics and electric machinery industries in particular. With customers throughout the world, we are now the second-largest press manufacturer by sales.

Global Network



AIDA's Businesses



Partnering with Customers to Create Production Lines Optimized for Their Needs

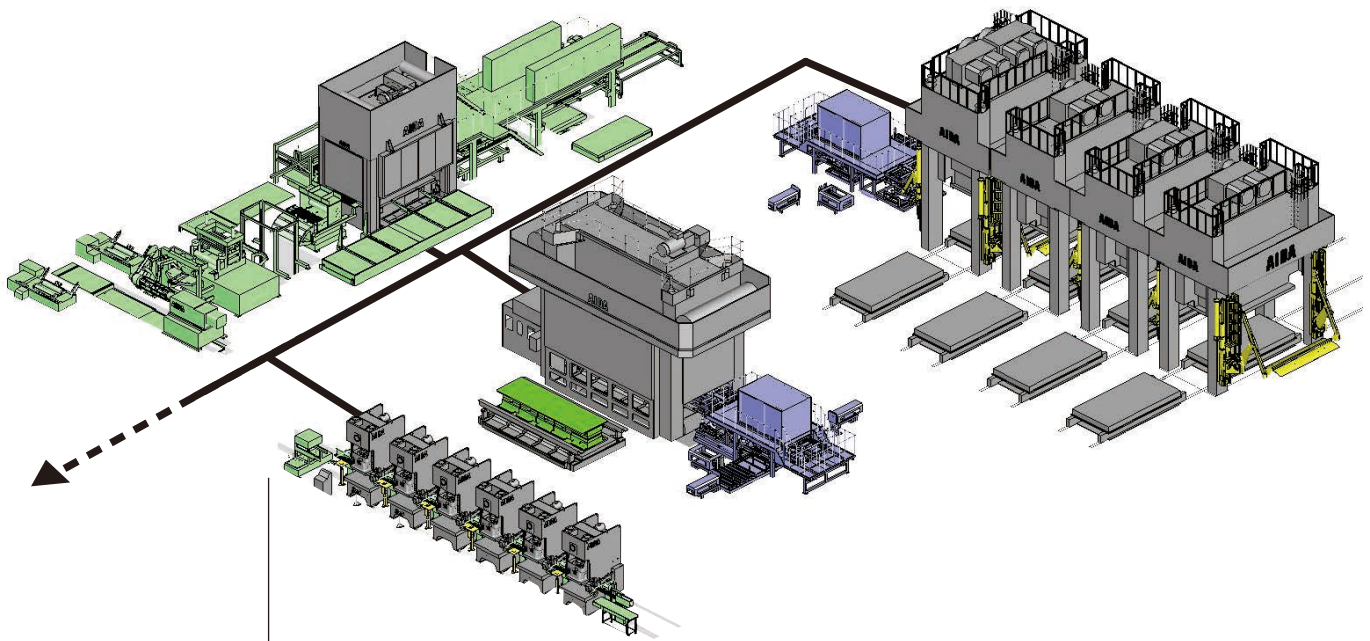
Strength No. 1

Technology and Product Development

We develop and deliver press lines that provide each customer with the best solution for their particular needs.

Whether for high-precision forming, thick plate forming, high-speed precision forming, or other types of press forming needs, AIDA offers a broad selection of small- to large-capacity presses and can provide each customer with a press line ideally suited to their needs. In 2002, we expanded our product line—simultaneously revolutionizing the concept of the press machine—by completing development of the world's first direct-drive servo press. Perhaps our greatest strength, though, is that we manufacture all of the principal components for our presses in-house. This applies even to the heart of our servo presses—the servo motors, which we design and manufacture ourselves to obtain the responsive press control that sets us apart. By also developing power supplies, servo amplifiers, motion control software, energy management systems and other components in-house, and packaging them as servo systems, we are greatly expanding the range of precision forming applications.





Strength No. 2

Comprehensive Solutions

As a forming systems builder, we provide comprehensive support for production line optimization.

In recent years, customers have come to demand even greater speed and versatility from production lines. Relying on the capabilities of presses to meet all of these demands, however, is impractical. AIDA's activities, therefore, extend beyond press machines to include the development of automated transfer equipment and material feeders, and industrial robots, and even research on processing approaches. As a forming systems builder offering entire production lines comprised not only of forming methods but also material feeding and transfer methods, and post-processing product removal, we provide customers with optimal solutions.



Strength No. 3

Customer Support Capabilities

We offer a global support system for maintenance services and long-term peace of mind.

To the extent that most of the presses AIDA provides are built to order, there is a strong expectation that they will continue to function over the long term. To ensure that customers can feel secure in their ability to use our products over the long term, we have employees who specialize in the performance of after-sales services, which include various types of maintenance and the supply of spare parts. We have a global network of business locations, which serves as a foundation for our global support services and for the retrofitting services for which there is growing demand. In retrofitting, we boost the productivity of mechanical presses by converting them into servo presses and attaching the latest peripheral devices to enhance their functions as systems. Not only increasing the value of existing systems but also holding investment costs down, retrofitting makes business sense for customers.



**Preparing for Our 100th Anniversary...
Ensuring a Strong Business Foundation
Capable of Achieving Sustainable
Growth in the Global Marketplace**

Kimikazu Aida
President & CEO



What were the business results for the fiscal year under review?



In view of the favorable conditions in the Americas and Japan, we were able to achieve both record-breaking sales and profit.

The current mid-term management plan commenced with the fiscal year ending March 31, 2015. Based on this plan, we are not only focused on strengthening R&D and overseas production systems, but also strengthening the very foundation of our business and expanding revenues. In doing so, we will realize sustainable growth through linking Group companies at the global level and expanding our customer base.

As a result of these initiatives, in the fiscal year under review, we are proud to announce that the Group has set a new record of ¥76.8 billion in consolidated net sales (a 10.5% year-on-year increase). These sales were driven by expanding servo press business in the

Americas and a strong demand for replacement machines in Japan. Owing partly to higher revenues and an improved cost ratio, operating income rose to a record-breaking ¥7.8 billion (a 24.4% year-on-year increase). Net income rose to a new high as well at ¥6.2 billion (a 21.0% year-on-year increase).

Looking at shareholder returns, stock dividends have increased consecutively for five fiscal years. This year, we paid a record-high dividend of ¥30 per share, a ¥5 increase over the previous fiscal year. Furthermore, in May of 2014, 5.5 million shares of our treasury stock were retired.



What initiatives are you focusing on in the mid-term management plan?



We are strengthening our production and sales systems, which will enable us to bolster our presence in the global marketplace.

The current mid-term management plan is founded on the vision of “As a cutting-edge corporation that supports manufacturing, we will further develop and pursue environmentally friendly and energy-saving products.” There are three major initiatives for achieving the vision, with the ultimate goal being to strengthen our business foundation and increase profits.

The first strategic initiative is “Put in Place a Solid Corporate Foundation that Will Enable Even Further Business Expansion.” Specific initiatives include standardizing the large machining centers and manufacturing standards at all production facilities worldwide, achieving uniform product quality, and reducing costs and shortening lead times by optimizing component and materials procurement at the global level. We are also channeling resources to reduce costs and shorten lead times by internalizing the machining of some large machined parts that are currently outsourced, and working to achieve better productivity by upgrading machining equipment used for large frames.

The second strategic initiative is “Establish AIDA as a Top Brand in the Global Marketplace.” One measure for achieving this is to organize an in-house international sales team, the purpose of which will be to enhance AIDA’s ability to provide a timely response to demands

from automobile manufacturers and major parts manufacturers expanding business globally. The team will gather and analyze sales information from global markets, maintain ties with regional sales organizations, and engage in sales activities that target both customer corporate headquarters and local production facilities. To improve customer satisfaction, we are now funneling resources towards service activities. Naturally, the initiative includes measures to manage our spare parts supply network and strengthen service support activities. However, we are also proactively engaged in preventive maintenance services that stop failures before they occur and recommending renovation solutions (i.e., equipment/system modernization).

The third strategic initiative is “Pursue New Forming Technologies.” We are allocating resources towards the development of systems for forming ultra-high tensile strength steel, aluminum, titanium, Duralumin, and carbon-fiber among others. Aluminum is of particular interest, as it is being adopted more and more as a material for next-generation automotive bodies. Additionally, we have already received orders for aluminum-forming servo presses from multiple leading automobile manufacturers around the world.



What are the “strengths” and “important considerations” for AIDA going forward?



We are leveraging our strengths, including cutting-edge technological prowess and global production and sales systems, in order to build trust with our customers. Moving forward, our aim will be to further bolster product development and customer service capabilities.

Looking to the evolutionary history of forming machinery, the introduction of servo presses has been a truly revolutionary technological innovation. They realize improved product accuracy, higher productivity and enable the forming of low-formability materials. Important for AIDA is that it is the only press manufacturer in

the world capable of manufacturing the servomotors that power its servo presses. Accordingly, the greatest strengths of AIDA are its technological prowess and superior product quality. These features serve as the foundation for our strong relationships and the trust of our customers. Yet another major strength is that we

have already established global production and sales systems that encompass Europe, the Americas, and Asia. This enables us to deliver AIDA-brand products with equally high rigidity, high accuracy and high quality to our customers, virtually anywhere in the world.

In this increasingly global market environment, we are channeling resources towards forming systems and product R&D activities that ensure our ability to meet the diversified needs of our many customers. Of course, we realize that we must also focus efforts on

developing new customers to ensure sustainable growth.

One other AIDA strength is our ability to expand operations on a global scale. We are currently leveraging this competitive advantage to the utmost in order to achieve stable growth in the medium- and long-term. This is being done by globally linking the development, engineering, production, sales, service, and management processes at all of our locations worldwide.

Q What are the prospects for the fiscal year ending March 31, 2016, and what will be the policy of AIDA in terms of shareholder returns?

A Together with proactive growth investments, we will do our utmost to achieve ever-better business results and shareholder returns.

Presently, similar to many other industries, competition in the forming machinery industry is becoming increasingly tougher around the world. The AIDA Group cannot afford to be complacent amidst such a business environment. Accordingly, this next fiscal year (ending March 31, 2016) has been designated as the year for steadily driving forward with the mid-term management plan as our map. As we look ahead preparing to commemorate the 100th anniversary of the founding of AIDA—which will be celebrated in the fiscal year ending March 31, 2017—we will be actively engaged in further strengthening the business foundation, improving our earnings power, and bolstering the product lineup.

Since the company was established, the AIDA DNA of “forming systems builder” has been passed down from generation to generation. Our capabilities, especially in the areas of technology development, production control, and quality management in manufacturing, will continue to be enhanced. Moreover, moving forward, we will actively promote ongoing “automation” and “systematization” in the metal-forming industry. In order to accomplish this, we are proactively investing in capital

equipment and R&D that will enable future growth as we work to reinforce our business foundation.

Regarding business results for this fiscal year, even though we anticipate higher depreciation costs resulting from our capital investments and high R&D costs as we implement the mid-term management plan, we are projecting net sales of ¥78.0 billion, operating income of ¥7.9 billion, and net income of ¥6.0 billion as a result of proactively working to increase orders and improve productivity. Please note that this forecast assumes foreign exchange rates of US\$1.00 = ¥115 and €1.00 = ¥130.

Moreover, along with continuing investments to enable further growth, for shareholder returns, we are planning to maintain a consolidated dividend payout ratio of 30% and a dividend payment of ¥30 per share.

As an advanced forming systems builder, the AIDA Group will achieve even further growth in the global marketplace, and contribute to the betterment of people’s lives, society and industry.

We ask all stakeholders for their continued support and understanding.

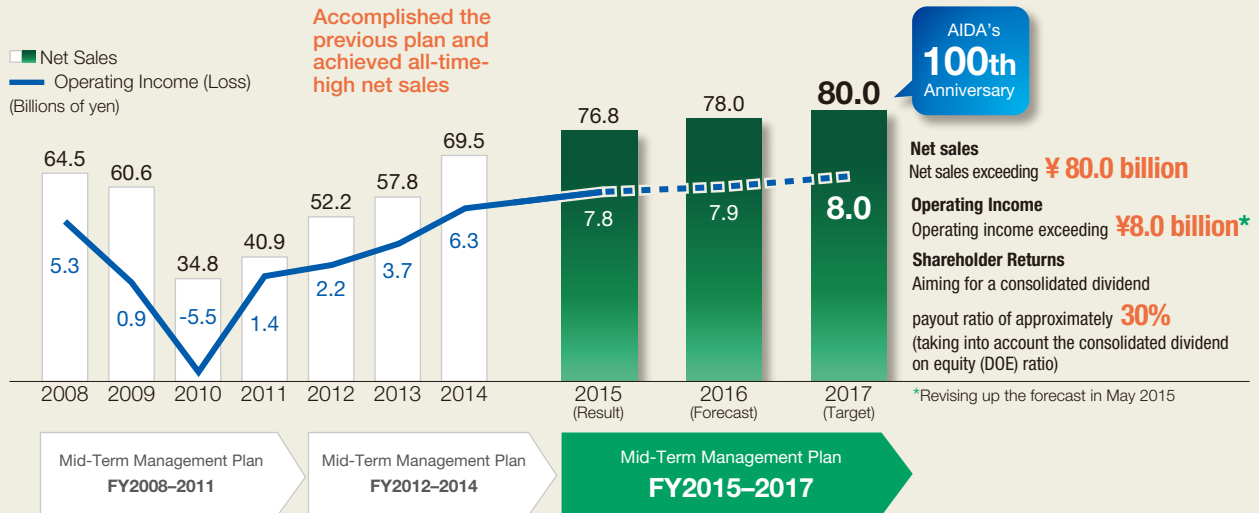
June 2015



Kimikazu Aida
President & CEO

The Mid-Term Management Plan

FY2015–2017



Vision

As a cutting-edge corporation that supports manufacturing, we will further develop and pursue environmentally friendly and energy-saving products.

Basic Policies

Enhance foundation for further growth looking ahead to AIDA's 100th anniversary

Put in Place a Solid Corporate Foundation That Will Enable Even Further Business Expansion

Establish AIDA as a Top Brand in the Global Marketplace

Pursue New Forming Technologies

Basic Strategies

Develop Market and Customer Base

- Enhance technical marketing (optimize sales engineering function)
- Diversify and expand marketing channels

Strengthen Products

- Upgrade and expand AIDA core products
- Further expansion of servo technologies
- Take on the challenge of new materials and new forming systems

Pursue Further Globalization

- Establish a global network system
- Develop a global production system
- Develop global human resources

Achievements during the First Year of the Plan



- We garnered large orders from new customers (automotive OEMs and major parts manufacturers) in Japan, Europe, and the Americas.
- We further expanded our lineup of servo presses.
 - General-purpose presses—We developed compact high-speed servo tandem lines. We received orders for multiple lines in Japan.
 - Large presses—We developed a series of high-performance progressive servo press systems. We developed servo transfer systems for stamping high tensile strength steels.
- Our service operations again attained record-breaking net sales through the expansion of its retrofit (modernization) business.
- Sales and service functions in Southeast Asia were enhanced by the establishment of new service facilities (in Thailand & Indonesia).

Servo Presses—Enabling

Highly Contoured Automobiles and Higher Productivity

Over 75% of AIDA's sales come from automotive-related industries, where the expectation is not only to achieve lighter vehicles and better passenger safety, but also to produce sleeker designs. The servo technologies that are the wellspring of AIDA's competitive strength contribute to solutions to these complex issues.

AIDA's Technological Expertise—Fulfilling the Wide-Ranging Requirements of Automotive Production

Improved Designability

Integrating Forming

Flexible Production

High Tensile Strength Steel

Lighter Automotive Components

Aluminum

Shorter Delivery

More Complex Contours

As more and more countries enact ever-stricter emission standards, the usage of new materials such as aluminum and high tensile strength steels has increased.

Because of concerns about aggravating global warming, emission standards for automobiles have become even more stringent throughout the world. For example, The US CAFE Standards raise mileage standards incrementally, and auto manufacturers around the world are trying to find ways to improve fuel efficiency. The key to better fuel efficiency is a lighter vehicle. As a result, the usage of new materials for body parts and structural members that are strong yet lightweight—such as aluminum, high tensile strength steels, and carbon fiber—is expanding rapidly, and there is also an accompanying demand for production lines with machines that can form these new materials.

However, aluminum and high tensile strength steels are difficult to form, and it has been difficult to pursue more highly contoured body designs using existing presses.

AIDA servo presses enable both highly contoured body designs and higher productivity.

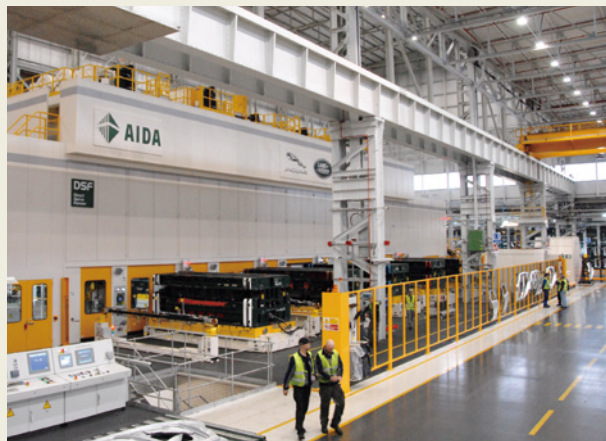
New materials such as aluminum and high tensile strength steels are more difficult to form than mild steels, and thus there were product cracking issues when these new materials were formed using mechanical presses. At the same time, appealing body designs with complex curved surfaces were also being pursued in order to enhance consumer appeal, and as a result the forming processes themselves have become more difficult. These kinds of problems are difficult to resolve using conventional technologies, but AIDA is leveraging its independently developed servo presses to provide solutions. Servo presses are powered by servo motors that enable the precise control of the press slide motion, including the forming speed. AIDA has leveraged its innovative servo technologies—such as its development of servo motors that can output high torque even at low speeds and of servo-controlled die cushions with their freely programmable pressure settings—to enable not only the high-precision forming of new materials but also the forming of the highly contoured aluminum vehicle bodies required by its customers.

Forecast Vehicle Fuel Efficiency Standards* (km/ℓ)

Japan in 2020	20.3
China in 2020	20.0
US in 2020	19.1
Europe in 2020	24.4

*The measurement standards differ between countries and regions.
Source: "Energy Conservation Efforts in the Transportation Sector," Japan Automobile Manufacturers Association, Inc. (2014)

Servo presses also contribute to higher productivity. Because the press motion is freely programmable, the motion required to perform blanking applications can be kept to the necessary minimum, thereby improving productivity by approximately 30% in comparison to a conventional blanking press. In addition, synchronization controls can be utilized to optimize the parts conveyance motion between a press and a transfer system, thereby enabling high-efficiency production that keeps wasted time to a minimum.



Special Feature

Servo Presses—Enabling

Highly Contoured Automobiles and Higher Productivity

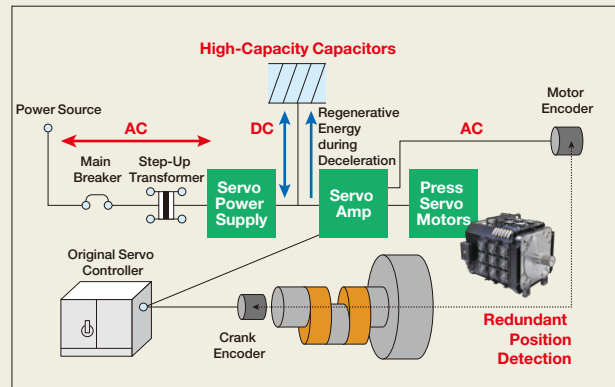
Making Presses Even More Environmentally Friendly and Achieving Groundbreaking Energy Savings

Press metalforming has always been a forming method with a low environmental impact because it outputs minimal scrap and consumes relatively low amounts of energy, but AIDA servo presses take environmental friendliness to a new level. For example, AIDA servo presses are equipped with high-capacity capacitor (energy storage) banks, which enable customers to use lower-capacity power feeds to the presses. In addition, AIDA servo presses achieve a high level of energy conservation by regenerating* electricity while decelerating and then returning this electricity to the capacitor banks for later use. AIDA servo die cushions also utilize this regenerated electricity, and moreover, approximately 70% of the working energy used by an AIDA servo die cushion is also regenerated and returned to the press power supply, thereby greatly contributing to energy conservation.

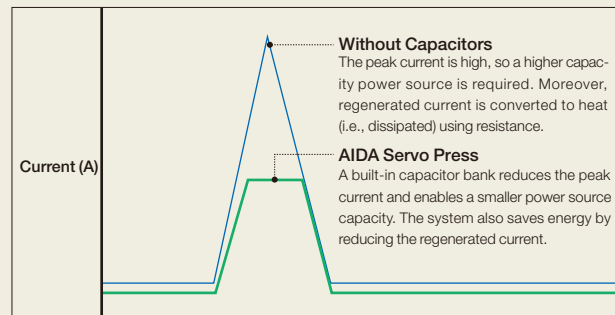
*The motor rotates in the opposite direction during deceleration, which generates electrical power just like an electrical generator.

Supporting the Global Expansion of Our Customers by Leveraging the Control Technology That Only a Servo Press Can Provide

In the globally expanding automotive-related industries, parts suppliers are expected to provide standardized parts in terms of specifications and quality on a global scale. Press metalforming processes require fine-tuning, and this makes it very difficult for suppliers to achieve uniform specifications and quality at all of their production facilities around the world. However, servo presses enable the saving and copying of forming data that can then be shared among production facilities. This enables uniform specifications and quality on a global basis while also enabling the balanced allocation of workloads between production facilities.



The AIDA Servo Press Drive System that Enables Sophisticated Controls



Comparison of Factory Power Source Capacities vs. Competitors



AIDA's Newly Developed Progressive Servo Presses Deliver Unparalleled Productivity and High Quality

In recent years the automotive-related industries have been working to improve fuel economy by making lighter vehicles as a way to combat global warming. As a result, high tensile strength steels that enable thinner vehicle body panels and lightweight aluminum alloys are being increasingly utilized, and thus there is a growing requirement to form these low-formability materials. This is one of the reasons why a major US automobile manufacturer recently placed an order with AIDA for a 2,700-ton servo press for progressive forming applications.

Though this large press has the equivalent forming capacity of a 3,000-ton class press, pendulum motion is used when running progressive applications in order to achieve a high production

output of 60 pieces per minute. In addition, the usage of a water cooling system for AIDA's independently developed low-speed, high-torque servo motors has increased the motor output to 750 kW—a 150% improvement—which has made possible an even more powerful metalforming press that can withstand high forming loads. Moreover, the freely programmable motion that only a servo press can deliver not only enables high productivity it also enables highly contoured draw forming.

As a forming system builder, AIDA will continue to recommend optimal forming systems that can meet the expectations of its increasingly diversified and sophisticated customer base.

Leveraging AIDA's Production Engineering Capabilities for Body Components as Well as for a Wide Variety of Automotive Components

Over 75% of the AIDA Group's consolidated net sales come from automotive-related industries, and presses are used not only to form body panels or structural members, they are also used to produce a wide range of automotive components, including engine and drivetrain components, steering components, and transmission and suspension components. Moreover, there are many products that can only be manufactured using the precision manufacturing and metalforming technologies that presses can provide, such as the fabrication of motor cores for hybrid cars. By the time a vehicle reaches the market, a wide array of AIDA presses and press technologies have played significant roles in its production.

The Only Press Manufacturer to Internally Develop and Manufacture Servo Motors

When AIDA first started developing servo presses in the 1990s, the only available servo motors for presses were high-speed motors equipped with speed reducers, which meant that a lot of the energy was being lost. Because of this, AIDA took up the challenge of independently developing its own high-capacity servo motors with low speed, high-torque characteristics suitable for press working that could directly power the press without a speed reducer. As a result, AIDA was able to achieve unparalleled competitiveness by being the only press manufacturer in the world to equip its servo presses with its own independently developed and manufactured servo motors.



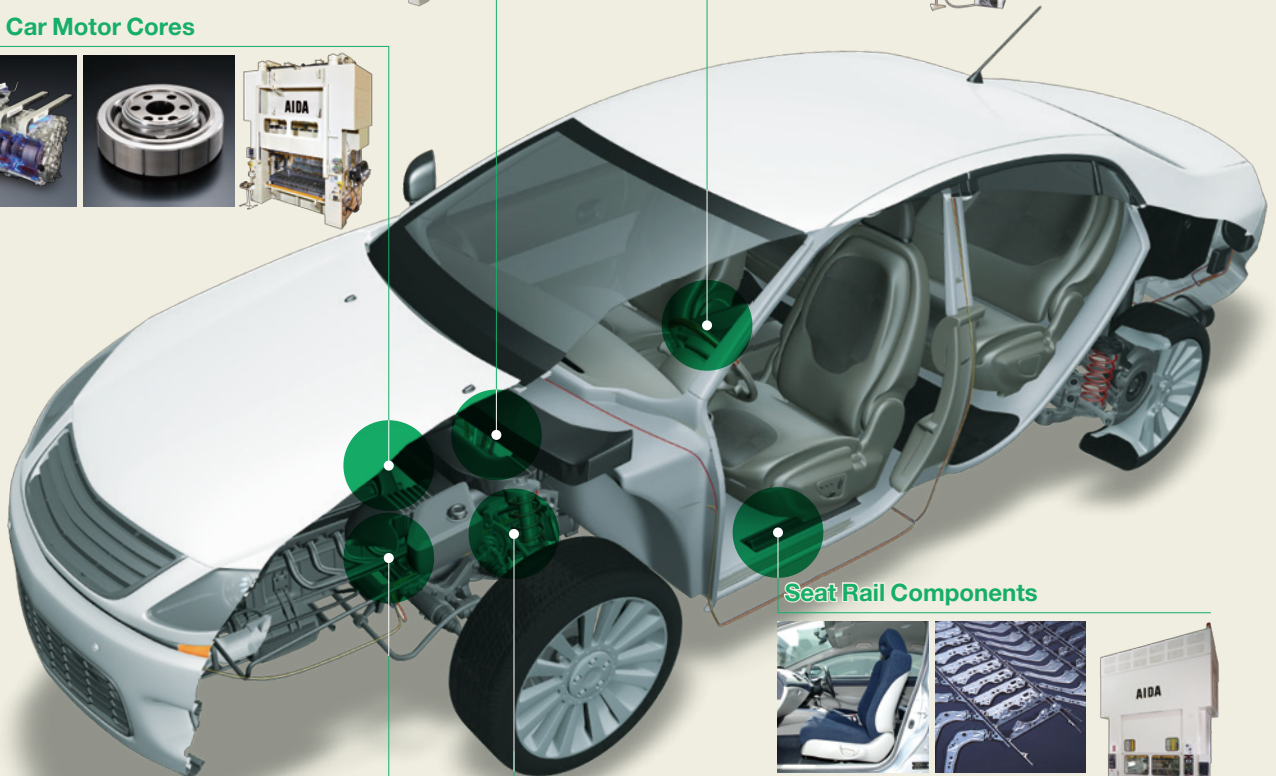
Motor Cases



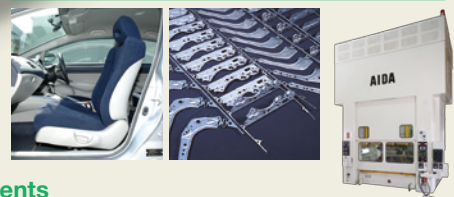
Hybrid Car Motor Cores



Steering Components



Seat Rail Components



Transmission Components



Suspension Components





JAPAN



Naoyoshi Nakanishi
 Director,
 Executive Vice President
 and
 Chief Operating Officer
 (COO)

Expanding Our Market Share and Continuing to Grow on the Strength of Automotive-Related Industries

Five Consecutive Years of Rising Sales and Income by Expanding Sales to Automotive-Related Industries and Strengthening Our Service Business

Even as the AIDA Group has expanded to a global scale, the company and its domestic subsidiaries continue to perform key roles and functions. These, of course, include decision-making for global management, and planning and supervision, but also R&D, the exercise of leadership in every business process from receiving orders to production, sales and service, and the advancement of business activities through close cooperation with overseas subsidiaries.

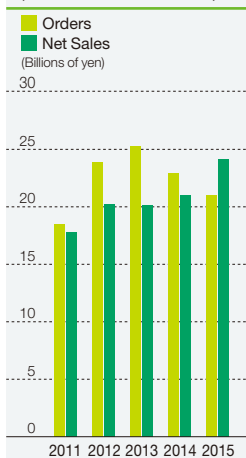
In the fiscal year ended March 31, 2015, rising capital investment demand and yen depreciation set a favorable tone for sales of mid-size and large press machines to the overseas production facilities of Japanese automotive-related industries. Sales of general-purpose presses to customers in Japan were also strong, owing to the effects of subsidies and capital investment tax benefits. Adding to the impacts of these factors, greater productivity from the adoption of two-shift operations at production facilities and a steady increase in retrofitting (modernization) demand—a key focus of our Service Business—contributed greatly to income growth. As a result of the above, a fifth consecutive year of growth was marked in both net sales, which grew 15.9% year on year to ¥45.9 billion, and operating income, which rose 13.9% to ¥4.7 billion.

To be the Control Tower for the Group, Boosting Investments in Facilities, and Development of Products and Human Resources

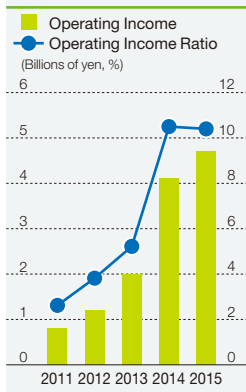
With annual global automobile production expected to reach 100 million vehicles within a few years, it is also anticipated that capital investment in automotive-related industries will remain at high levels going forward. To take advantage of this demand, expand our market share, and strengthen fundamental aspects of our businesses, we aim to boost investments in facilities, product development, and human resources during the period covered by our current mid-term management plan.

During the fiscal year ending March 31, 2016, capital investment will include expansion of large-size machining centers at our main factory to boost processing capacity and increase added value. Product development investments will cover the startup of a prototype manufacturing facility and the advancement of servo technology for processing ultra-high tensile strength steel and aluminum materials. As for human resource investments, attention will focus on securing and developing the outstanding personnel who will be needed to strengthen the foundations of our businesses going forward. Acting as a control tower for our global network, which now has facilities in 19 countries, our Japanese operations will oversee these initiatives in order to bring about further business expansion and global growth.

Orders, Net Sales
(To External Customers)



Operating Income, Operating Income Ratio



TOPICS

Addition of Four Large-Size Machining Centers to Our Main (Sagami) Factory

To meet rising demand for large-size press machines, mainly in the automotive-related industries, increase our processing capability and reduce production turnaround time, four large-size machining centers will be added to our main factory during the fiscal year ended March 31, 2016. This expansion in production capability will enable the in-house production of large items, which have previously been outsourced and subject to delivery-time limitations, and open the door to greater productivity in the processing of large-size frame components. While we have also been strengthening overseas production, and steadily increasing production capacity, enhancing the production capacity of our main factory will augment our ability to seize on opportunities for further growth.



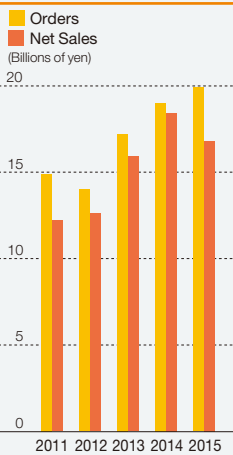
ASIA



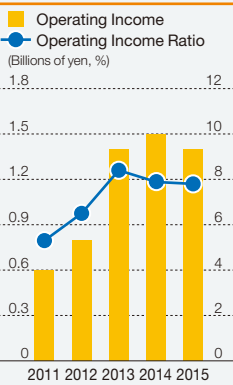
Yap Teck Meng

Director, Managing Executive Officer
 AIDA GREATER ASIA PTE.LTD.
 Chairman and Managing Director
 AIDA ENGINEERING (M) SDN. BHD.
 Chairman and Managing Director
 AIDA ENGINEERING CHINA CO., LTD.
 Chairman
 AIDA PRESS MACHINERY SYSTEMS CO., LTD.
 Chairman

Orders, Net Sales (To External Customers)



Operating Income, Operating Income Ratio



Drawing on the Overwhelming Power of Global Economic Growth To Power Our Own Growth

Efforts to Gain New Customers Result in More New Orders

Asian markets are growing as a direct reflection of the region's economic growth momentum and are of great strategic importance to the AIDA Group. With China and Malaysia serving as a production bases, and Singapore, Thailand, Indonesia, the Philippines, India, and Vietnam hosting sales and service operations, we now have a presence spanning the breadth of Asia and are using this network to access a widening array of business opportunities.

During the fiscal year ended March 31, 2015, significant political changes in Thailand, Indonesia, India and other South Asian countries, together with economic slowing in China, turned the regional market as a whole toward stagnation. Despite the difficult conditions, however, our focus on gaining new customers in China, plus contributions from enhanced sales efforts, led to a 4.9% year-on-year increase in new orders. For the year, though, the effects of economic stagnation caused net sales to fall 5.5% year on year to ¥18.8 billion, and operating income to decline 6.7% to ¥1.4 billion.

Drawing on the Group's Resources to Better Respond to Customer Needs and Broaden Our Business Activities

Our efforts to develop business in Asian markets began early on. Using the advantage we have accrued as a result, our aim is now to further enhance our industry presence to tap into Asian economic growth, which is leading the world. Part of this effort, of course, is to expand local production capacity through cooperation among sales, service, production, and design departments. Co-manufacturing, however, an AIDA Group strength, will also play an important role. With regard to strengthening the Service Business—a common Group-wide goal—we established new service facilities in Jakarta and Bangkok during the fiscal year under review. We also began offering retrofitting services for upgrading existing machines and developed inventories of all spare parts. These and other steps were taken to ensure that our aftermarket services are world class. We are confident that these actions will increase customer satisfaction and expand the earnings of our Service Business.

TOPICS

Introduction of Fully Automated Welding Robots in Malaysia

Through the introduction of fully automated welding robots in our Malaysian factory, we have now achieved an automation rate of 97% in that facility. Automating production, of course, reduces personnel expense, but it also increases productivity, reproducibility, accuracy, and safety, while reducing human error and wastage. In addition, automation enables round-the-clock operation, and, as a consequence, shorter turnaround times and greater cost competitiveness.





AMERICAS



D. Troy Roberts
AIDA AMERICA CORP.
President

Responding to Buoyant Automotive-Related Industries by Further Strengthening Local Production for Reliable Growth

Major Increases in Net Sales and Income on Strong Business with Automotive-Related Industries

Anchored by AIDA AMERICA CORP., established in 1972 as the Group's first overseas location, our operations in the Americas—with facilities since added in Canada, Mexico, and Brazil—are now carried out through four locations.

In the fiscal year ended March 31, 2015, concentrated efforts to sell servo presses to new and existing customers mainly in the automotive-related and large household appliance industries yielded tremendous results. In the U.S.A. and Mexico, in particular, large orders resulted from expanded capital investment by Japanese automotive-related industries. With the added effect of yen depreciation, net sales rocketed more than 42.0% year on year to ¥24.6 billion. Progress in laying the groundwork that would open the door to performing design and manufacturing in the Americas—part of the globalization effort underway throughout the Group—contributed to a major increase in the income ratio, boosting operating income by a record-setting 75.8% to ¥1.5 billion.

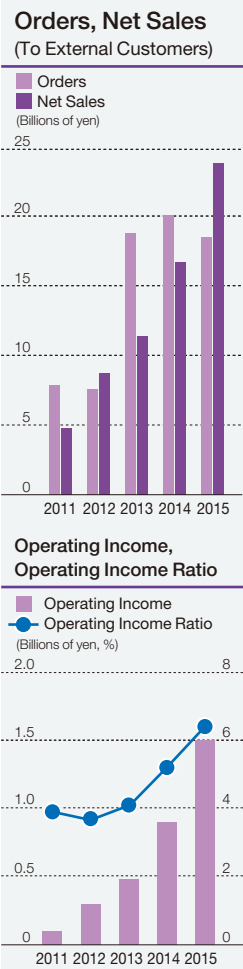
Next on the Agenda: Expanding Sales of Servo Presses to Further Solidify Our Market Position in the Americas

Our long-term objective for the Americas is to establish an even more robust position for ourselves as the leading company in press forming systems.

Plans for the Americas call for expanded sales of press machines capable of efficiently processing new, strong but lightweight, ultra-high tensile strength steel and aluminum materials to address needs for weight savings in automotive-related industries. We will also target the local operations of Japanese companies for promotion of the AIDA Group's outstanding servo technology. And, making the most of our advantage in co-manufacturing among different locations, we will continue with efforts to reduce production costs.

In the Central American market, we will strive to expand sales to local customers by leveraging our relationships with existing Japanese, American, Canadian, and European customers that have invested in Mexico.

Regarding the Service Business, which we have been advancing in recent years, we have set the goals of doubling our net sales and operating income over the coming five years. To make that happen, we will continue with efforts to enhance our aftermarket services.



TOPICS

Expansion of a Major Assembly Plant to Shorten Production Lead Times

To significantly enhance our production capacity and efficiency in the Americas, a massive 3,000m² assembly plant will be expanded by AIDA AMERICA CORP. during the fiscal year ended March 31, 2016. Plans also call for the adoption of new large-scale machine tools. By shortening lead times and responding to customer needs in other ways as well, this expansion work is expected to lead to an increase in orders going forward.



EUROPE



Peter Maddix

AIDA S.r.l.
President

Responding to Growing Demand amid Uncertainty about the Future Accurately Identifying Automotive and Other Growth Market Needs

Despite Slightly Lower Sales Streamlining Leads to Our First Profit in Four Years

In Europe, the AIDA Group is pursuing business across a wide geographic area including western operations anchored by AIDA S. r. l. in Italy (established in 2004) and covering Germany and the UK; eastern operations with the Czech Republic at the center; and Russia.

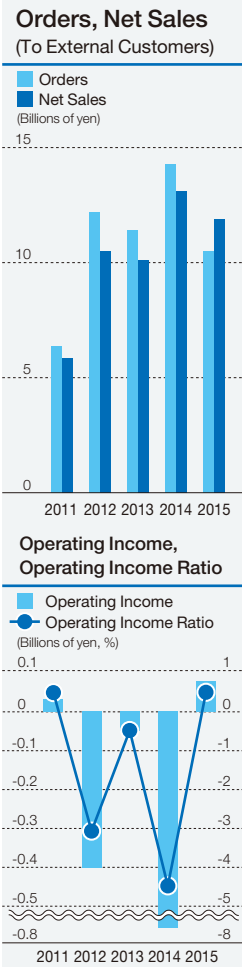
The market in the fiscal year ended March 31, 2015 saw a rise in new-car demand beginning in the fourth quarter and this sparked investments in equipment such as press machines reflecting the latest technologies of automotive-related industries. Demand was particularly high for mid-size machines, which can be operated independently, deliver high productivity, and are highly versatile. The AIDA Group's servo presses offer functions and performance meeting the needs of automotive-related industries and were the reason leading automotive-related companies entered into major contracts for our products. Nevertheless, with the Greek financial crisis and other elements of economic instability causing automotive-related industries to delay capital investments through the third quarter, net sales fell 9.0% year on year to ¥14.9 billion. Operating income, however, benefited from streamlining efforts, finishing the year in positive territory, at ¥78 million (compared to a ¥700 million loss a year ago), for the first time in four years.

Identifying Demand by Region and Deftly Seizing on Business Opportunities

In Europe, it is critical to identify demand trends, which differ by region, and to focus sales efforts on regional opportunities. In Germany, for example, which could become our largest national market, we have added to our staff of salespeople and sales engineers to increase our market share among major manufacturers of completed automobiles. The U.K. is expected to see a rapid rise in automobile production that, in a few years, will likely put it ahead of France as the number two automobile manufacturing country in Europe. Our sales there are rising steadily and we view the country as one of our most important markets.

Capital investment by automotive-related industries is also on the rise in Romania and Hungary, and in Morocco as well, and we aim to increase our sales by accurately identifying such needs in emerging economies.

Europe is critical to the achievement of the objectives of the basic policies set forth in the AIDA Group's mid-term management plan. We, therefore, will remain steadfast in our efforts to cut production costs and increase efficiency, as we strive to expand the foundations of our business in a way that generates stable profits.



TOPICS

Strengthening Production and Sales Capacity through Ongoing Investments in Production Facilities

Our Italian production facilities underwent an expansion in the fiscal year ended March 31, 2014 and were the subject of investments to enhance production functions in the fiscal year just ended. These investments have greatly increased the capacity of the assembly department and brought manufacturing and welding processes in-house. It can be expected that these steps will result in a higher income ratio for the production facility and enhance sales capabilities by, for example, increasing flexibility for meeting customer needs.



Basic Concepts on Corporate Governance

The Company sees its greatest management priorities as increasing corporate value by having each of the Group companies achieve sustainable and stable growth, in line with the corporate philosophy and management vision shared throughout the Group. Toward that end, it is working to maintain organic connections among the five manufacturing locations, led by Japan, and sales and service locations throughout the world, and to ensure that properly functioning management, and supporting corporate governance, systems are in place to enable the optimal exercise of each individual location's functions.

Governance Structure

Directors, the Board of Directors, Operating Officers and the Management Council

The Company's management structure comprises operating officers, seven of whom concurrently serve as directors, and two external directors, both of whom are independent directors as defined by the Tokyo Stock Exchange. The Board of Directors functions as the decision-making body for important matters mandated by law and as a supervisory body for the execution of business operations. The Company has also adopted an operating officer system as a means of expediting management decision-making and clarifying lines of authority and responsibility. The Management Council—comprising the directors, the statutory auditors, the operating officers and other officers—discusses

management policies and issues, and strives to achieve a unified management purpose and swift execution of business operations. Moreover, each department regularly reports its performance in the Monthly Performance Review Meeting, which, in addition to the manager of the department, is attended by the directors, the statutory auditors and the operating officers, who strive to assess the overall status of execution of operations at the Company in a timely manner.

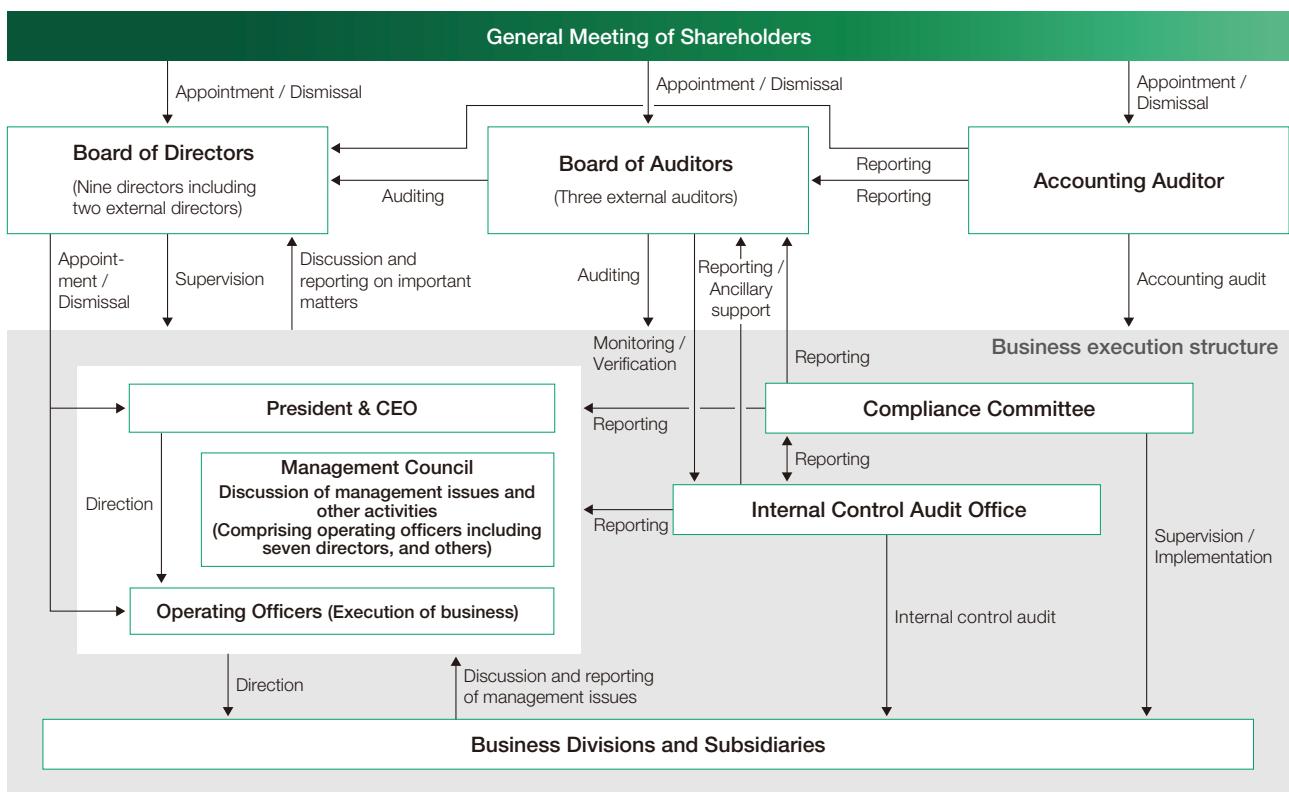
Statutory Auditors and the Board of Auditors

The Company appoints three statutory auditors, all of whom are external auditors and independent auditors as defined by the Tokyo Stock Exchange. The statutory auditors attend important meetings, including meetings of the Board of Directors, and receive reports from the accounting auditor and the Internal Control Audit Office. The statutory auditors also receive briefings and inspect important documents related to the Company's business, and carry out on-site inspections of the operations and assets of each division of the Company. In addition, the statutory auditors evaluate the legal compliance and appropriateness of the directors' execution of duties.

Remuneration for Directors and Statutory Auditors

In the fiscal year ended March 31, 2015, remuneration for the Company's directors and statutory auditors was as follows:

Corporate Governance Structure (As of June 26, 2015)



(Millions of yen)

Category	Number of people	Basic remuneration	Stock options	Bonus	Total amount
Directors (excluding external directors)	7	¥ 104	¥ 28	¥ 112	¥ 245
External directors	2	¥ 13	–	–	¥ 13
Statutory auditors (all external)	3	¥ 25	–	–	¥ 25

Note: Figures above include remuneration paid to one director who passed away on December 13, 2014.

Compliance and Internal Control System

To ensure legal compliance and high ethical standards in the conduct of its business, the Company has formulated the “AIDA Group Action Guidelines.” The Company has distributed relevant language versions of the guidelines to not only domestic but also overseas Group companies and is working for full awareness of them.

The Company has also established the Compliance Committee to strengthen its internal control system. In addition, the Internal Control Audit Office, which has two specialists on staff, conducts training programs related to the AIDA Group Action Guidelines and performs audits of their implementation status and other aspects.

Furthermore, the Company strives to ensure the reliability of its financial reports in accordance with the Financial Instruments and Exchange Act by conducting reviews of the status of Group-wide control systems and control activities.

Compliance Framework

Based on the AIDA Group Action Guidelines, the Internal Control Audit Office identifies compliance violations through the audit process, whistleblowing and other means and reports any violations to the chair of the Compliance Committee. The chair of the Compliance Committee convenes the committee after discussing the seriousness of the violation with the officer in charge and directs the department concerned to take countermeasures. The Company is presently promoting enhancement of its compliance regulations and manuals.

Compliance Training

The Internal Control Audit Office runs lectures on the Company’s corporate philosophy, the AIDA Group Action Guidelines and the hotline* for new employees joining the Company each year to promote understanding of these topics through our workforce. In addition, the Internal Control Audit Office runs visiting lectures at Group companies in and outside of Japan. The Internal Control Audit Office also seeks to educate employees by, for instance, promoting thorough understanding of matters including examples of wrongdoing at other companies.

*AIDA Group Compliance Hotline System

A system for reporting compliance violations or possible violations when they are discovered—including legal infringements and improper conduct—to a reporting hotline in order to reinforce the AIDA Group’s compliance management efforts.

Risk Management System

Risks related to the execution of management strategies are analyzed, and appropriate countermeasures are considered by the relevant business units with exposure to that risk. These matters are then discussed as needed by the Board of Directors and the Management Council. Inherent risks in daily operations are usually handled by the respective business units, but depending on the nature of the risk we have also established a dynamic risk management structure to respond to such risks. This includes committees for health and safety, product liability, export administration, risk assessment promotion, and other cross-functional committees, as well as project teams assembled to address specific risks.

Information Security Initiatives

Information leaks and infringements of intellectual property rights concerning the technology and know-how of the Company, which boasts advanced technical capabilities, could shake the foundation of its management.

Therefore, the Company has formulated “Company Secrets Management Regulations” and the “AIDA Information Network System Management Regulations,” which it manages and operates as systems for preventing information leaks by blocking the outflow of information from inside the Company. The Company manages the software used in its business and monitors and restricts Internet access. The Company monitors its PCs, having adopted software to manage viruses and unauthorized access. Furthermore, the Company has put in place controls on remote access to in-house systems from overseas Group companies.

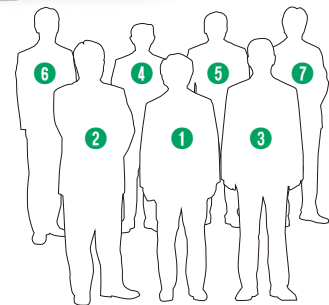
The Company restricts access by its employees to drawing data that falls within the scope of confidential information as a practical initiative to protect technical information. Moreover, when such information is to be disclosed to a third party, the Company will conclude a confidentiality agreement with the party to whom it is disclosed. The Company has developed information security measures whereby drawing data is encrypted so that it cannot be retrieved by an external device even if the data is leaked.

In addition, the Company makes proactive efforts to obtain patents both in Japan and overseas in order to protect its intellectual property rights.

As outlined above, the Company provides lateral support for the promotion of its business strategy through rigorous information security measures and protection of its technical information and intellectual property rights.

Board of Directors

*Excluding external directors (As of June 26, 2015)



President and Chief Executive Officer (CEO)

Kimikazu Aida

1976 Joined AIDA ENGINEERING, LTD.
1989 Representative Director (current position)
1992 President (current position)
2001 Chief Executive Officer (CEO) (current position)
2011 Division Manager, Research and Development Headquarters (current position)

<Concurrent holding of important positions>
Chairman, AIDA AMERICA CORP.
Chairman, AIDA S.r.l.

Naoyoshi Nakanishi

1970 Joined AIDA ENGINEERING, LTD.
2001 Director (current position)
2010 Chief Operating Officer (COO) (current position)
2011 Executive Vice President (current position)
2014 General Manager, Global Operation Promotion Office (current position)

Yap Teck Meng

1996 Joined AIDA MANUFACTURING (MALAY-SIA) SDN.BHD. (currently AIDA ENGINEERING (M) SDN. BHD.)
2014 Director, Managing Executive Officer (current position)

<Concurrent holding of important positions>
Chairman and Managing Director, AIDA GREATER ASIA PTE. LTD.
Chairman and Managing Director, AIDA ENGINEERING (M) SDN. BHD.
Chairman, AIDA ENGINEERING CHINA CO., LTD.
Chairman, AIDA PRESS MACHINERY SYSTEMS CO., LTD.

Ken Masuda

1991 Joined AIDA ENGINEERING, LTD.
2013 Director, Executive Officer (current position)
2014 Division Manager, General Administration Headquarters (current position)
2015 Managing Executive Officer (current position)
<Concurrent holding of important positions>
Chairman and Managing Director, AIDA HONG KONG, LTD.

Sadayuki Kanemura

1988 Joined AIDA ENGINEERING, LTD.
2011 Director (current position)
2014 Division Manager, Customer Service Headquarters (current position)
2015 Executive Officer (current position)

① Kimikazu Aida ② Naoyoshi Nakanishi ③ Yap Teck Meng
④ Ken Masuda ⑤ Sadayuki Kanemura ⑥ Tsukasa Kitano
⑦ Toshihiko Suzuki

Tsukasa Kitano

1989 Joined AIDA ENGINEERING, LTD.
2013 Executive Officer (current position)
2015 Division Manager, Sales Headquarters (current position)
2015 Director (current position)
<Concurrent holding of important positions>
Chairman and Managing Director, AIDA BUSINESS CORP.

Toshihiko Suzuki

2011 Joined AIDA ENGINEERING, LTD.
2015 Division Manager, Engineering Headquarters (current position)
2015 Director, Executive Officer (current position)
<Concurrent holding of important positions>
Managing Director, ACCESS LTD.

External Directors / External Auditors

(As of June 26, 2015)



<External Directors>

(Independent Director)

Kimio Oiso

2000 Statutory Auditor, The Dai-ichi Mutual Life Insurance Company (currently Dai-ichi Life Insurance Company, Ltd.)
 2007 Representative Director and Senior Executive Officer, The Dai-ichi Mutual Life Insurance Company
 2008 Statutory Auditor, AIDA ENGINEERING, LTD.
 2010 President, The Cardiovascular Institute
 2012 Director, AIDA ENGINEERING, LTD. (current position)

(Independent Director)

Hirofumi Gomi

1972 Joined the Ministry of Finance
 2000 Secretary-General, Executive Bureau, Securities and Exchange Surveillance Commission, Financial Services Agency
 2001 Director-General, Inspection Bureau of Financial Services Agency
 2002 Director-General, Supervisory Bureau of Financial Services Agency
 2004 Commissioner, Financial Services Agency
 2009 Visiting Professor, Aoyama Gakuin University (current position)
 2011 Outside Auditor, Miroku Jyoho Service Co., Ltd. (current position)
 2014 Advisor, NISHIMURA & ASAHI (current position)
 2015 Senior Advisor, THE BOSTON CONSULTING GROUP (current position)
 2015 Director, AIDA ENGINEERING, LTD. (current position)

<External Auditors>

(Standing Statutory Auditor)
 (Independent Auditor)

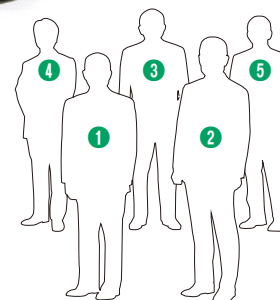
Shigeo Matsumoto

2001 Standing Auditor, The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
 2002 Standing Statutory Auditor, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
 2002 Standing Statutory Auditor, Fuji Research Institute Corporation
 2004 Standing Statutory Auditor, Mizuho Information & Research Institute, Inc.
 2010 Standing Statutory Auditor, AIDA ENGINEERING, LTD. (current position)

(Independent Auditor)

Hiroshi Kanai

2011 Director and Executive Officer, The Dai-ichi Life Insurance Company, Ltd.
 2012 Statutory Auditor, AIDA ENGINEERING, LTD. (current position)
 2014 Director, Senior Managing Executive Officer, The Dai-ichi Life Insurance Company, Ltd.
 2015 President, The Dai-ichi Frontier Life Insurance Co., Ltd. (current position)



① Kimio Oiso ② Hirofumi Gomi
 ③ Shigeo Matsumoto ④ Hiroshi Kanai
 ⑤ Shigeru Makinouchi

(Independent Auditor)

Shigeru Makinouchi

1979 Admission as an attorney-at-law
 Head of Makinouchi Ageishi Law Office (current position)
 2013 Statutory Auditor, AIDA ENGINEERING, LTD. (current position)

Rational for Appointment and Summary of Activities

External Directors

Kimio Oiso

Kimio Oiso was appointed to the position of external director in June 2012 based on the expectation that, with the wealth of experience and sophisticated insight he has as a former life insurance company executive, he will be able to provide the Company with valuable management advice and recommendations from an objective perspective. In the fiscal year ended March 31, 2015, he attended all 12 meetings of the Board of Directors.

Hirofumi Gomi *Newly Appointed

Hirofumi Gomi was appointed to the position of external director in June 2015 based on the expectation that, with the wealth of experience and high-level expertise he has acquired as the former head of Japan's Financial Services Agency and in other senior financial regulatory positions, he will be able to provide the Company with valuable management advice and recommendations from an objective perspective.

External Auditors

Shigeo Matsumoto

Shigeo Matsumoto was appointed to the position of external auditor in June 2010 based on the expectation that, with the wealth of experience and sophisticated insight in commercial banking he has as a former executive of a major Japanese bank, he will be able to monitor and oversee the performance of duties by the Company's directors from an objective perspective. In the fiscal year ended March 31, 2015, he attended all 12 meetings of the Board of Directors and all 10 meetings of the Board of Auditors.

Hiroshi Kanai

Hiroshi Kanai was appointed to the position of external auditor in June 2012 based on the expectation that, with the wealth of experience and sophisticated insight he has as a former life insurance company executive, he will be able to monitor and oversee the performance of duties by the Company's directors from an objective perspective. In the fiscal year ended March 31, 2015, he attended 9 of 12 meetings of the Board of Directors and all 10 meetings of the Board of Auditors.

Shigeru Makinouchi

Shigeru Makinouchi was appointed to the position of external auditor in June 2013 based on the expectation that, with the wealth of experience and specialized knowledge he has as a practicing attorney, he will be able to monitor and oversee the performance of duties by the Company's directors from an objective perspective. In the fiscal year ended March 31, 2015, he attended all 12 meetings of the Board of Directors and all 10 meetings of the Board of Auditors.

Message from an External Auditor

In response to the expectations of its many stakeholders—stockholders, customers, suppliers, local communities, and employees—to achieve sustainable growth and improve corporate value over the medium- and long-term, AIDA Engineering is coordinating and bolstering its corporate governance and risk management systems for the purpose of ensuring transparent, fair, swift, and decisive decision-making.

I feel that a crucial element in building a superior internal controls system is reinforcing such systems and proactively engaging in verification activities via 'visibility' and 'observations from outside of the company.' I believe that AIDA has done an excellent job of fusing visibility and observation from outside of the Company, as it has created an environment where the PDCA cycle can be applied. Specifically, AIDA invites two external directors and three external auditors to attend Board of Directors meetings, management councils, and performance meetings. Further-

more, the Company verifies its business results on a monthly basis in a business planning meeting, and holds meetings twice a year that are attended by all AIDA Group executives in order to verify global business operations. In these meetings, business results data and analyses are clearly presented, and external directors and auditors are given the opportunity to freely make observations about the various reports. In addition, I have found that the observations from outside of the Company are taken seriously and, if deemed appropriate, put into practice by the president and attending division managers.

In such an environment, I am able to fulfill my responsibilities as an external auditor by leveraging my own business experience—including risk management and corporate auditing—to provide comments and observations that will contribute to fostering AIDA's continued growth and enhancing its corporate value.



Hiroshi Kanai

External Auditor
(Independent Auditor)

R&D and Quality Assurance

To provide solutions for all manner of customer needs, AIDA, for nearly 100 years, has consistently focused on developing technologies and products that offer even greater added value, and on elevating quality and safety.

Research Approach and Results

At the AIDA Group, the Group headquarters and Research & Development Headquarters lead R&D efforts focused on making core products more robust, establishing basic technologies, and developing next-generation products.

Guided by objectives such as addressing rising environmental and safety needs, and applying new materials, work based on cooperation with production and other departments steadfastly advances R&D aimed at enhancing the competitiveness of individual products and expanding our business moving forward. In addition, AIDA's Forming Technology Center devotes significant resources to working in close cooperation with customers to provide them with proposals for the development of new, more productive manufacturing methods and other types of innovative technical approaches.

For the fiscal year ended March 31, 2015, R&D expenditures rose 24.9% year on year to ¥1.3 billion. Going forward there will be no change in our commitment to R&D or to our goal of contributing to society by developing and producing presses that lead in innovation and open doors to the future.

Principal R&D Results

Theme	Results
Making Core Products More Robust	<ol style="list-style-type: none"> 1. Developed a compact, high-speed servo tandem line 2. Developed a series of high-performance progressive servo press systems 3. Developed a servo transfer press system for forming high tensile strength steels 4. Expanded offerings of large servo tandem lines
Development of New Technologies and Basic Technologies	<ol style="list-style-type: none"> 1. Developed servo press motors 2. Developed a system for the semi-solid forging of aluminum

Applying New Materials

In recent years, the automotive-related industries have increasingly turned to strong but lightweight aluminum, high tensile strength steel, and other new materials to meet fuel-economy and safety standards that are rising throughout the world. These materials pose unique processing challenges, and AIDA has been rising to take on the various technical challenges involved.

Aluminum

Providing stable supplies of difficult-to-form aluminum automotive parts requires presses that turn out high-quality products with exceptional efficiency. Furthermore, since aluminum is non-ferrous, production systems must be developed to use transfer systems that do not rely on magnetism.

Servo presses, an AIDA strength, respond to both of these needs. Employing servo motors offering freely variable speed, and servo die cushions to prevent wrinkling when metal is pressed, makes it possible to process aluminum with high precision. To go with our servo presses, we have also developed transfer systems specialized for handling aluminum.

High Tensile Strength Steel

In the past, presses were mainly for the processing of mild steel. Therefore, when they are used for the processing of high tensile strength steel, which requires great force and applied pressure, the forming process requires more time, there is severe wear and tear on dies, and seizing and tearing become problems. In addition, hot working, the principal approach for processing high tensile strength steel to date, has had its own problems, with weakness inside materials and difficulties in processing materials after forming. To address these problems, AIDA has been performing R&D to create the industry's first press capable of cold working high tensile strength steel.

Combining AIDA's proprietary motorized hydraulic servo die cushion with servo presses enables vertical double-action forming. This combination of technologies eliminates problems with internal stresses and deformation, and delivers consistently high precision. Furthermore, by analyzing data accumulated as our presses are used, we can make adjustments tailored to the customer's particular manufacturing needs and ultimately create an order-made forming approach. Our cold-working-capable presses are more energy efficient than presses used for hot working, and meet a broad range of customer needs.

Quality and Safety

At AIDA, we practice strict quality management at every stage from product design to aftermarket service, so we can deliver the consistent quality our customers demand. The Engineering Department performs FEM* analysis on main structural components to bring risks to light. The Assembly and Inspection units conduct strict quality checks to ensure compliance with standards. And the Sales Department conducts post-delivery customer satisfaction surveys to determine how they rate our products and services, and identify any additional demands. This information is then shared internally to guide efforts to further improve customer satisfaction.

To promote safety in customer manufacturing environments, we develop and apply safety devices, and use product delivery and other opportunities to appropriately conduct safety courses at customer manufacturing facilities to ensure that customer personnel have the knowledge they need to safely use our products.



*Structural analysis based on the Finite Element Method.

Environmental Management

AIDA has established the Aida Environmental Policy to promote environmental preservation management activities. In our new Medium-Term Management Plan, the Company's vision statement reads: As a cutting-edge corporation that supports manufacturing, we will further develop and pursue environmentally friendly and energy-saving products. Together with reducing our environmental footprint, as we aim for even further growth, we will strive to develop highly eco-friendly and energy-efficient products.

Environmental Management

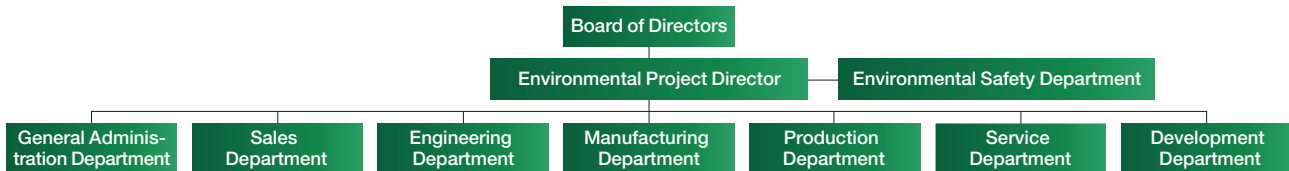
Aida Environmental Policy

Recognizing that protecting the earth's environment is one of the most important goals shared by all mankind, as AIDA Engineering, Ltd., rises to the challenge of attaining "a harmony between people and technology" that creates a people-friendly environment as it pursues original technologies in the metalforming field, it will establish and implement a workplace environment where environmental protections will be incorporated into the engineering, manufacturing, and sales activities for its presses, automation equipment, and auxiliary equipment.

1. AIDA will work to reduce its environmental footprint by continuously improving its environmental management systems, and AIDA will also promote environmental management activities by revising its environmental-related targets and goals.
2. AIDA will strive to protect the environment and strictly adhere to any other requirements stipulated by laws, regulations, and accepted practices.
3. In order to proactively prevent the destruction and pollution of the natural environment to the extent that it is technologically and economically feasible, AIDA will promote the following and will strive to reduce the burden being placed on the earth's environment.
 - (1) Promote resource and energy conservation.
 - (2) Eliminate waste products and promote recycling.
 - (3) Minimize the release of harmful substances. Additionally, move towards the use of substances that present minimal harm.
 - (4) Painstakingly manage buildings, equipment, and processes, etc., that could possibly have an adverse effect on the environment.
 - (5) Implement oil leakage countermeasures (even in drop-size increments) and prevent water and soil contamination.
4. Strive to ensure that all employees understand this environmental policy and have a heightened environmental awareness, and work towards the practical implementation of environmental improvements and protections. Moreover, we will also inform participating business partners of this environmental policy and ask for their understanding and cooperation in implementing environmental improvements and protections.

Environmental Management Organization (Diagram)

The Company, under the president as the chief executive officer, has established an environmental management body with members appointed by each of the Company's departments. The purpose of this body is to promote the efficient pursuit of environmental preservation activities throughout the Company.



Environmental Objectives and Targets

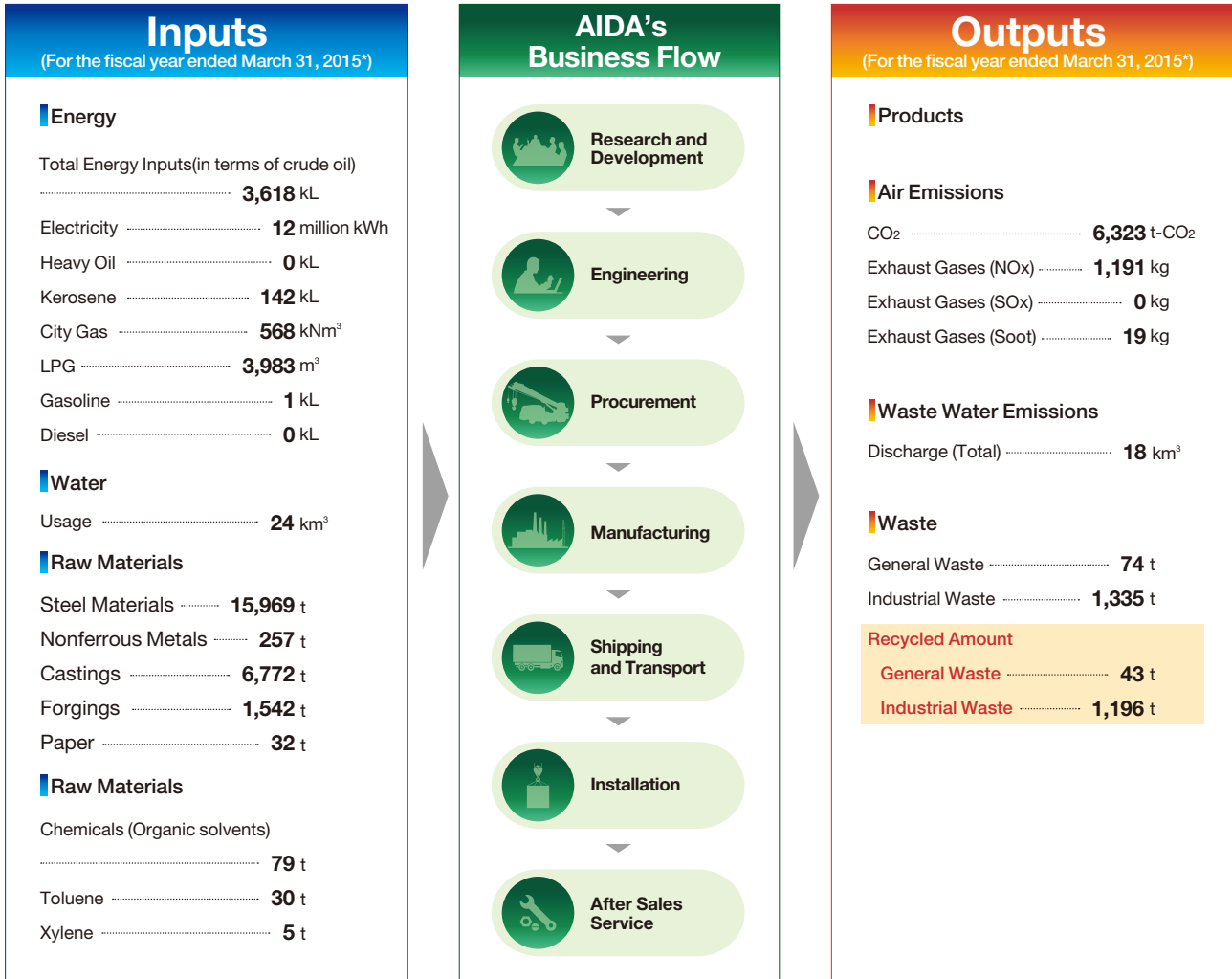
Taking into account laws and other requirements based on the Company's environmental policy as well as factors with a significant impact on the environment, AIDA has established the following three-year medium-term targets spanning FY2014–FY2016.

Environmental Objectives: 3-year targets, spanning FY2014–FY2016	FY2015 Actuals
Maintain compliance with laws and ordinances (air, water, noise, etc.) <ul style="list-style-type: none"> ● Examine how to keep process and auxiliary equipment values within regulatory limits, and further reduce them 	<ul style="list-style-type: none"> ● Results of maintenance inspections on processes and auxiliary equipment: Good ● Results of efforts to maintain performance within specified limits: No problems encountered
Promote the recycling of waste materials and prevent further waste generation Efforts to recycle and reuse <ul style="list-style-type: none"> ● Emissions* target: 1,350 tons or less ● Industrial waste recycling ratio: 93% or higher 	<ul style="list-style-type: none"> ● Total emissions: 1,409 tons; target not achieved ● Industrial waste recycling rate: 90%; target not achieved (despite a 1 percentage point improvement)
Promote energy conservation <ul style="list-style-type: none"> ● Total energy usage (crude oil equivalent): 4,500 kL or below ● CO₂ emissions (unit conversion coefficient): 24.14 tons CO₂/¥100 million (production volume) or lower 	<ul style="list-style-type: none"> ● Total energy usage (crude oil equivalent): 3,618 kL; target achieved ● CO₂ emissions: 22.5 tons CO₂/¥100 million (production volume); target achieved
Improve environmental protection initiatives <ul style="list-style-type: none"> ● Feedback about environmental-related product requirements ● Introduction of eco-conscious processes and auxiliary equipment ● Efforts to enact measures to reduce environmental impact 	<ul style="list-style-type: none"> ● Green material procurement and recordkeeping: Good ● Solicitation of suggestions for environmental improvement initiatives: Target not achieved; 36 suggestions targeted, 35 received ● Enhance product oil leakage prevention measures: Target achieved
Develop environmentally friendly products <ul style="list-style-type: none"> ● Examine products in terms of energy-saving, resource conservation, toxic chemical avoidance measures, vibration/noise measures, recyclability, and controlling the amount of emissions and the usage of environmentally harmful substances 	<ul style="list-style-type: none"> ● Integration of tandem presses and conveyor controller PLCs ● Display of power usage on servo press screens, and addition of visualization and comparison functions ● 30% reduction in losses related to the second motors of old designs ● Development of a regenerative converter for servo presses ● Optimization of the servo motor cooling system

*Emissions: Total emissions of general waste and industrial waste

Material Balance

AIDA meticulously collects environmental data by quantifying energy and other inputs to its business activities, together with outputs in the form of environmental impacts. While also working to raise environmental awareness among our employees, we engage in business activities that are environmentally conscious.



* The Environmental impact of AIDA production processes for the fiscal year ended March 31, 2015 (All figures are rounded off)
Scope of analysis: AIDA Engineering (Head Office, Tsukui Plant, and Shimokuzawa Plant)

TOPICS

Against a background of fluctuating economic conditions and increasing expansion of production overseas, in recent years our customers have experienced an even greater need for compact, high-efficiency production machinery in their production facilities. In response to this, AIDA developed its 'Compact High-Speed Servo Tandem Lines' that deliver production capabilities equivalent to or better than a large transfer press, and these lines greatly reduce equipment investment costs and shorten delivery because the height and the installation footprint of the machinery can be less than half* that of a conventional transfer press and because no pit is required. These are flexible production systems that allow a line to be split into multiple production cells, or to add or remove presses based on production requirements.

AIDA's 'Compact High-Speed Servo Tandem Line' was awarded the 57th Annual "2014 Ten Greatest Innovations Prize" by the Nikkan Kogyo Shimbun (Japan Business & Technology Daily News).



* This may vary depending on system specifications, etc.

Consolidated Financial Summary

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	2006	2007	2008	2009
Orders, Net Sales, and Income (Loss)				
Orders	¥ 62,838	¥ 67,434	¥ 65,785	¥ 40,883
Net sales	54,303	62,120	64,513	60,675
Cost of sales	42,208	47,180	49,023	50,148
Selling, general and administrative expenses	8,682	9,776	10,124	9,571
Operating income (loss)	3,412	5,164	5,365	955
Income (loss) before income taxes	3,168	4,809	5,411	145
Income taxes	1,375	1,755	1,825	(664)
Net income (loss)	1,792	3,053	3,585	810
Profitability Ratio				
Operating income ratio	6.3%	8.3%	8.3%	1.6%
Total Assets, Total Shareholders' Equity and Interest-bearing Debt				
Total assets	¥ 83,510	¥ 90,076	¥ 85,036	¥ 74,796
Total shareholders' equity	60,780	64,138	61,326	57,869
Total interest-bearing debt	1,000	–	1,500	500
Shareholders' equity ratio	72.8%	71.2%	72.1%	77.3%
Capital Expenditures, Depreciation and Amortization and R&D Expenditures				
Capital expenditures	¥ 1,800	¥ 3,087	¥ 4,771	¥ 3,248
Depreciation and amortization	1,814	1,894	2,333	2,728
R&D expenditures	1,448	1,433	1,658	1,567
Return Indicators				
Return on equity (ROE)	3.0%	4.9%	5.7%	1.4%
Return on assets (ROA)	2.3%	3.5%	4.1%	1.0%
Cash Flows				
Net cash provided by (used in) operating activities	¥ 407	¥ 4,054	¥ (1,103)	¥ 2,475
Net cash provided by (used in) investing activities	(1,300)	(1,275)	(0)	3,985
Free cash flow	(892)	2,779	(1,103)	6,460
Net cash provided by (used in) financing activities	(2,078)	(1,609)	(2,162)	(3,599)
Cash and cash equivalents at the end of year	9,983	11,475	7,420	9,859

	2006	2007	2008	2009
Per Share Data				
Net income (basic)	¥ 23.79	¥ 42.67	¥ 50.27	¥ 12.41
Cash dividends	10.00	13.00	15.00	5.00
Shareholders' equity	849.94	893.19	911.28	905.90
Stock Information (at Year-End)				
Stock price	¥ 939	¥ 828	¥ 626	¥ 278
Market capitalization (Millions of yen)	74,319	65,533	49,546	22,002
Number of shares issued (shares)	79,147,321	79,147,321	79,147,321	79,147,321
Other Data				
Number of employees	1,472	1,539	1,610	1,629

Amounts presented from the year ended March 31, 2012 to March 31, 2014 were retrospectively adjusted to reflect the changes in accounting policies of the Japanese employee stock ownership plan (J-ESOP).

Millions of yen						% change
2010	2011	2012	2013	2014	2015	2015 VS 2014
¥ 33,403	¥ 47,924	¥ 58,021	¥ 73,033	¥ 76,670	¥ 70,256	(8.4)
34,898	40,989	52,240	57,812	69,594	76,897	10.5
32,313	33,343	42,589	46,393	54,617	59,650	9.2
8,114	6,180	7,424	7,657	8,656	9,383	8.4
(5,529)	1,466	2,225	3,760	6,320	7,863	24.4
(8,945)	1,098	2,927	4,019	6,584	8,543	29.8
3,144	(134)	79	211	1,456	2,337	60.5
(12,090)	1,232	2,847	3,808	5,127	6,205	21.0
(15.8)%	3.6%	4.3%	6.5%	9.1%	10.2%	-
¥ 63,867	¥ 67,342	¥ 71,300	¥ 82,118	¥ 91,830	¥ 105,126	14.5
45,706	45,221	47,476	52,990	59,655	67,254	12.7
1,124	1,500	2,048	1,500	2,491	1,891	(24.1)
71.5%	67.0%	66.5%	64.4%	64.8%	63.8%	-
¥ 578	¥ 689	¥ 2,667	¥ 1,555	¥ 3,117	¥ 1,958	(37.2)
2,684	1,403	1,378	1,362	1,548	1,712	10.6
1,203	1,079	909	1,008	1,076	1,345	24.9
(23.4)%	2.7%	6.2%	7.6%	9.1%	9.8%	-
(17.4)%	1.9%	4.1%	5.0%	5.9%	6.3%	-
¥ 4,857	¥ (2,359)	¥ 8,749	¥ 5,938	¥ 5,978	¥ 5,100	(14.7)
(294)	(1,253)	(1,231)	(1,277)	(3,254)	(1,237)	-
4,562	(3,613)	7,517	4,660	2,723	3,863	41.8
309	(1,029)	35	(1,446)	26	(2,077)	-
14,580	9,569	17,129	22,281	26,038	29,958	15.1

Millions of yen						% change
2010	2011	2012	2013	2014	2015	2015 VS 2014
¥ (189.36)	¥ 19.51	¥ 46.97	¥ 62.74	¥ 83.95	¥ 100.99	20.3
5.00	6.00	14.00	19.00	25.00	30.00	20.0
715.08	745.27	781.58	868.33	969.35	1,088.96	12.3
¥ 390	¥ 374	¥ 476	¥ 756	¥ 982	¥ 1,380	40.5
30,867	29,601	37,674	59,835	77,722	101,633	30.8
79,147,321	79,147,321	79,147,321	79,147,321	79,147,321	73,647,321	-
1,507	1,478	1,566	1,647	1,728	1,818	5.2

Orders and Sales

In the fiscal year ended March 31, 2015, the economies in Europe and in China and other emerging countries continue to be sluggish, but overall the global economy is on a moderate upswing thanks to the robust US economy. As for economic conditions in Japan, despite a reaction to the increase in the consumption tax, corporate performance has been steadily trending upwards due to the influence of a weaker yen and other factors. Moreover, consumer sentiment is continuing to improve thanks in part to higher wages and cheaper oil, and the economy is recovering at a moderate pace overall.

In the forming machinery industry, orders for North America and Europe were trending very favorably, but the slump in Southeast Asia and China is having a negative impact and year-on-year exports overall were negative. However, thanks in part to tax incentives promoting machinery investments, domestic orders in Japan began trending favorably in the latter half of the prior fiscal year, and overall order intake grew to ¥155.9 billion, a 10.5% year-on-year increase. (Source: Japan Forming Machinery Association; Press-Related Machinery Orders.) In the midst of such conditions, the AIDA Group has commenced the first year of its mid-term management plan (FY2015–FY2017), which is founded on the vision of “As a cutting-edge corporation that supports manufacturing, we will further develop and pursue environmentally friendly and energy-saving products” and which stresses three major initiatives—(1) Put in place a solid corporate foundation that will enable even further business expansion, (2) Establish AIDA as a top brand in the global marketplace, and (3) Pursue new forming technologies—and this plan is being aggressively implemented in order to further strengthen our business infrastructure and increase profits. In the fiscal year under review, in addition to bolstering our R&D and overseas production systems, we are also globally linking the sales activities at each of our Group companies as we focus on expanding our

customer base.

As a result of these efforts, despite the slump in net sales in Europe and Asia for the fiscal year under review, solid net sales in the US and Japan contributed to record-breaking net sales of ¥76.8 billion (a 10.5% year-on-year increase), becoming the fifth straight year of higher income in all categories for the AIDA Group. As for order intake, due to the effects of postponements of large orders, etc., the order intake was ¥70.2 billion (a 8.4% year-on-year decrease) and the order backlog was ¥51.9 billion (an 11.3% year-on-year decrease).

Result by Business Divisions and Geographic Segments

Business Divisions

Press Machines

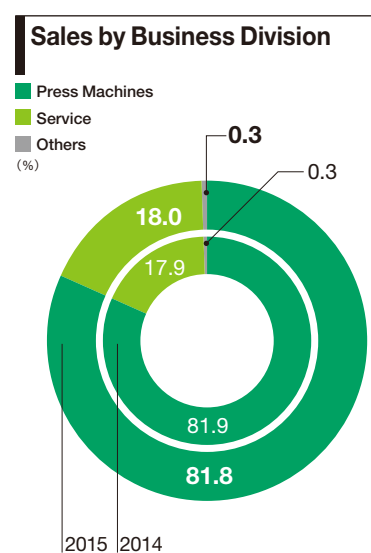
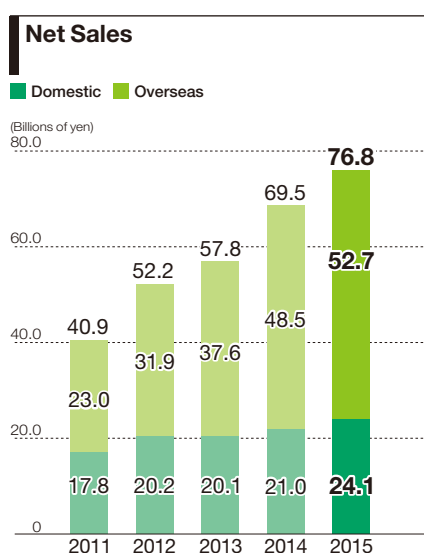
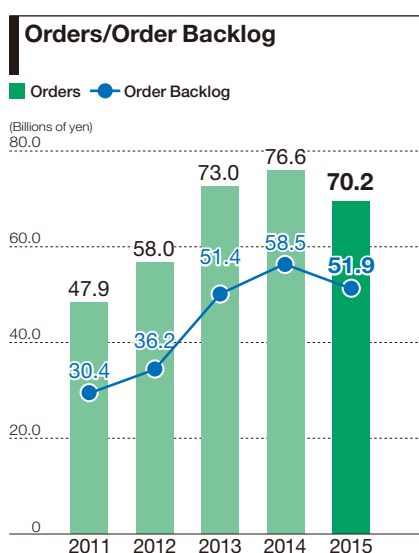
Due to postponements of large orders, etc., order bookings decreased 13.0% year on year to ¥56.3 billion, but net sales increased 10.4% year on year to ¥62.8 billion thanks to strong sales in Japan and in the Americas.

Service

Brisk demand for modernization (retrofitting) and other factors drove a 17.7% year-on-year increase in order intake to ¥13.7 billion, and net sales increased 11.0% year on year to ¥13.8 billion.

Other Business

Orders decreased 13.8% year on year to ¥183 million and net sales increased 4.0% year on year to ¥199 million.



Geographic Segments

Japan

In addition to net sales based on the percentage of completion method used for mid-size and large presses being delivered to automotive industry-related customers, general-purpose press sales and service net sales also grew steadily, and segment net sales increased 15.9% year on year to ¥45.9 billion. Thanks in part to higher revenues, segment margin increased 13.9% year on year to ¥4.7 billion.

Asia

Due to lower net sales based on the percentage of completion method for mid-size and large presses being delivered to automotive industry-related customers, segment net sales decreased 5.5% year on year to ¥18.8 billion, and segment margin decreased 6.7% year on year to ¥1.4 billion.

The Americas

Segment net sales increased 42.0% year on year to ¥24.6 billion as a result of an increase in the sale of mid-size and large presses being delivered to automotive industry-related customers, and with higher revenues helped in part by a weaker yen, the segment margin increased 75.8% year on year to ¥1.5 billion.

Europe

Due to lower net sales based on the percentage of completion method for mid-size and large presses being delivered to automotive industry-related customers, segment net sales decreased 9.0% year on year to ¥14.9 billion, but thanks to improvements in cost ratios and other factors, the segment margin was ¥78 million (in contrast to a segment loss of ¥717 million in the prior fiscal year).

Earnings

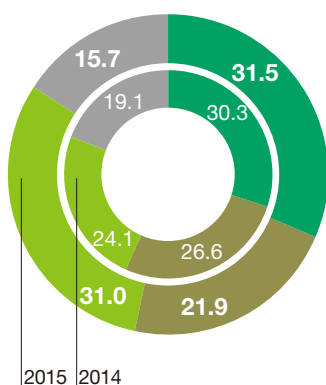
The majority of our press net sales comes from built-to-order mid-size and large presses for automotive-related industries, and in order to meet the growing requirements for lighter, safer, and more contoured vehicles, we are funneling resources towards technological innovations that further improve press accuracy and quality. However, though these kinds of technological innovations are linked to better competitiveness in the medium and long term, they are also affecting the profitability of these mid-size and large presses. In order to combat this, the AIDA Group has been promoting more robust global co-manufacturing and higher internalized production, and as a result it has been able to offset the costs of such technological innovations for its mid-size and large presses by means of production efficiency improvements and lower costs.

Gross profits for the fiscal year ended March 2015 increased 15.2% year on year to ¥17.2 billion thanks in part to the above-mentioned cost ratio improvements, in addition to the effects of higher revenues and a weaker yen. As a result of the above, operating income increased 24.4% year on year to a record ¥7.8 billion, and ordinary income increased 22.2% year on year to ¥8.2 billion in part due to posting ¥298 million in foreign exchange gains as non-operating income. Though our tax liability increased due to the elimination of tax loss carryovers, thanks to the above factors our net income for the year reached a record-breaking of ¥6.2 billion (a 21.0% year-on-year increase), becoming the fifth straight year of higher income in all categories for the AIDA Group.

Based on such favorable financial results and the basic profit distribution policy established in the mid-term management plan, stock dividends increased ¥5 year on year (the fifth straight year of higher dividends), to ¥30—the highest level since AIDA was first listed on the stock exchange.

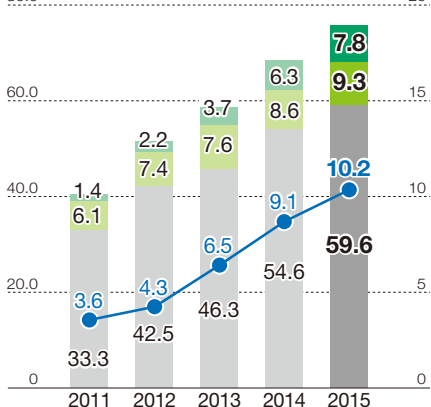
Sales by Geographic Segment (to External Customers)

■ Japan ■ Asia
■ Americas ■ Europe
(%)



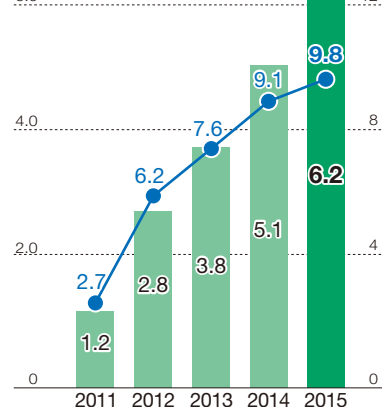
Cost and Expenses/Operating Income/Operating Ratio

■ Cost of Sales ■ Selling, General and Administrative Expenses
■ Operating Income ■ Operating Income Ratio
(Billions of yen) (%)



Net Income/ROE

■ Net Income ■ ROE
(Billions of yen) (%)



Financial Position

Assets in the fiscal year ended March 2015 increased ¥13.2 billion year on year to ¥105.1 billion. Primary factors for this increase include a ¥3.2 billion increase in cash on hand and at banks, a ¥2.9 billion increase in notes receivable, accounts receivable, and electronically recorded monetary claims, a ¥2.8 billion increase in inventory assets, a ¥1.9 billion increase in other current assets, and a ¥1.5 billion increase in tangible fixed assets.

Liabilities increased ¥5.6 billion year on year to ¥37.8 billion. This increase was primarily due to an increase of ¥2.9 billion in account payable trade and electronically recorded monetary obligations, an increase of ¥1.5 billion in advances from customers, and an increase of ¥1.2 billion in special suspense account for reduction entries.

Net assets increased ¥7.5 billion year on year to ¥67.2 billion. This increase was primarily due to an increase in retained earnings of ¥1.6 billion, a reduction in treasury stocks (a net asset increase item) of ¥2.7 billion due in part to the retirement of treasury stocks, an increase in foreign exchange translation adjustments of ¥2.3 billion, and a net increase in unrealized gains (losses) on other securities of ¥526 million. As a result, our net worth ratio at the end of the fiscal year ended March 2015 was 63.8%.

Cash Flow

Cash and cash equivalents at the end of the year increased ¥3.9 billion from the previous fiscal year-end to ¥29.9 billion.

Net cash provided by operating activities was ¥5.1 billion, compared to ¥5.9 billion in the previous fiscal year. Major inflows included income before income taxes of ¥8.5 billion, and depreciation and amortization of ¥1.7 billion. Major outflows included an increase in accounts receivable, trade of ¥1.6 billion, an increase in inventories of ¥3.0 billion, and income tax payments of ¥1.9 billion.

Net cash used in investing activities was ¥1.2 billion, com-

pared to the prior fiscal year's ¥3.2 billion. Major inflows included the transfer from time deposits of ¥1.1 billion. Major outflows included the payment for purchase of property, plant and equipment of ¥1.9 billion, and transfer of funds into time deposit of ¥654 million.

Net cash provided by financial activities was ¥2.0 billion, compared with net cash used in financing activities of ¥26 million in the previous fiscal year. Major outflows included repayment of short-term loans of ¥602 million, and cash dividend payments of ¥1.6 billion.

Retirement of Treasury Stock

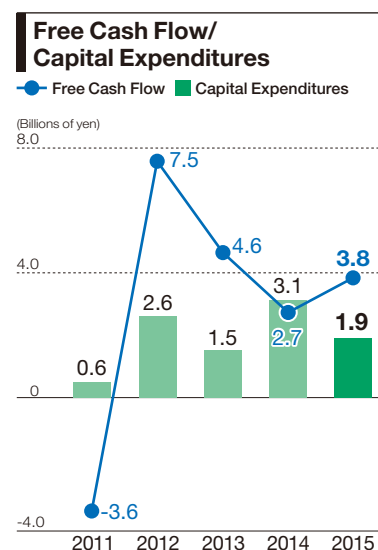
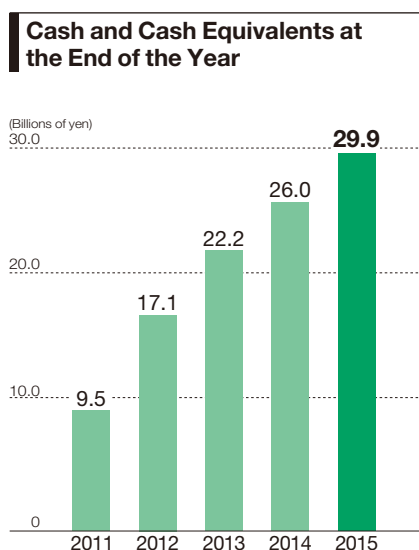
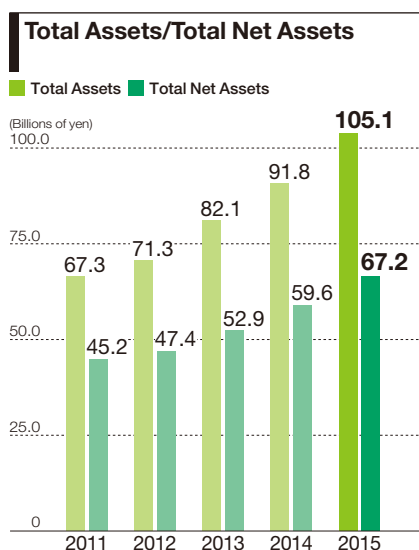
AIDA acquires and holds treasury stock in order to return profits to its shareholders and to enable flexible capital management in response to changes in the business environment. In order to further increase shareholder profit by reducing the number of outstanding shares, AIDA's Board of Directors decided on May 13, 2014 to retire 5.5 million of its treasury stock holdings.

Capital Expenditures

In the fiscal year under review, the Company recorded capital expenditures totaling ¥1.9 billion. These expenditures were primarily associated with strengthening its production capacity in Italy (increasing internalized production), construction of service facilities and offices in Thailand and Indonesia, and environmental improvements in Japan related to production infrastructures and employee welfare facilities.

Research and Development

In the fiscal year under review, R&D expenditures totaled ¥1.3 billion. These expenditures were primarily directed toward to the development of "Compact High-Speed Servo Tandem Lines," the expansion of the product series of "High-Performance Servo Progressive Press Systems," and the development of "Servo Transfer Systems for Forming Ultra High Tensile Strength Steels."



Risks with the potential to significantly influence investment decisions are presented below. Forward-looking statements included in this section are the conclusions of the AIDA Group as of June 2015.

International Business Activities and Overseas Operations

The AIDA Group conducts manufacturing and sales activities in various regions throughout the world, including Japan, the Americas, Europe and Asia. These overseas business operations involve inherent risk factors, including (1) unanticipated changes in policies, laws and regulations, (2) substantial and abrupt changes in foreign exchange rates, and (3) terrorism, epidemics, war and other causes of social upheaval. The situation in local areas may have a material impact on the operating results and financial position of the Group.

Product Quality Assurance

The AIDA Group manufactures a range of products in factories located in countries around the world in accordance with internal quality control standards that comply with the laws and regulations of those countries. However, there is no guarantee that all products will be completely free of defects, or will not be subject to a future recall. Further, although the Company has product liability insurance, there is no guarantee that this insurance will be sufficient to cover the entire final amount of damages incurred. It is also not certain that the Group will be able to continue to obtain product liability insurance under acceptable terms. Should the Company's products be found to have defects that lead to a large-scale recall or a product liability claim, this could lead to substantial expenses, or negatively affect the reputation of the Group. This may result in decreased sales, and may have a material impact on the operating results and financial position of the Group.

Fluctuation in the Purchase Price of Raw Materials

The AIDA Group's products are made primarily of steel. Drastic fluctuations in the price of raw materials may have a material impact on the operating results and financial position of the Group.

Heavy Dependence on a Particular Industry (The Automotive Industry)

The AIDA Group derives three-fourths of its product sales from the automotive industry. Trends in the business conditions and capital expenditures of the automotive industry may have a material impact on the business, operating results and financial position of the Group.

Effects of Competition

The forming machinery that comprises the main products of the AIDA Group is subject to competition in global markets from other companies in terms of quality, price, delivery terms and service. Should competition for sales intensify as a result of excessive supply or a sharp decline in demand in the industry, this may have a material impact on the operating results and financial position of the Group.

Retirement Benefit Obligations and Expenses

The AIDA Group calculates employee retirement benefit obligations and expenses based on assumptions determined through computation of discount rates and other numerical factors. Should actual results vary from these assumptions, or should there be a change in the assumptions, the effects will be amortized over future accounting periods, and the expenses recognized and obligations recorded in future accounting periods. This may have a material impact on the operating results and financial position of the Group.

Effects of Earthquakes and Other Natural Disasters

AIDA ENGINEERING's main factory is located in the northwest region of Kanagawa Prefecture in the southern area of the Kanto Plain, where a major earthquake is predicted to occur at some point in the future. Should a major earthquake or other natural disaster occur in this area, this may have a material impact on the production operations and operating results of the Group.

Consolidated Segment Information

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					% change
	2011	2012	2013	2014	2015	2015 vs 2014
Business Division:						
Net sales						
Press Machines	¥ 32,581	¥ 41,574	¥ 44,969	¥ 56,963	¥ 62,893	10.4
Service	8,040	10,483	12,619	12,439	13,803	11.0
Others	368	181	223	191	199	4.0
Consolidated	¥ 40,989	¥ 52,240	¥ 57,812	¥ 69,594	¥ 76,897	10.5
Geographic Segment:						
Net sales						
Japan	¥ 30,998	¥ 34,577	¥ 39,714	¥ 39,679	¥ 45,994	15.9
Asia	12,628	13,490	17,482	19,954	18,858	(5.5)
Americas	5,107	9,434	11,924	17,397	24,699	42.0
Europe	6,461	12,959	11,822	16,418	14,948	(9.0)
Reconciliation	(14,206)	(18,222)	(23,131)	(23,855)	(27,604)	-
Consolidated	¥ 40,989	¥ 52,240	¥ 57,812	¥ 69,594	¥ 76,897	10.5
Operating Income (Loss)						
Japan	¥ 804	¥ 1,299	¥ 2,074	¥ 4,181	¥ 4,765	13.9
Asia	671	880	1,462	1,585	1,478	(6.7)
Americas	198	352	493	902	1,587	75.8
Europe	32	(405)	(49)	(717)	78	-
Reconciliation	(240)	99	(219)	368	(45)	-
Consolidated	¥ 1,466	¥ 2,225	¥ 3,760	¥ 6,320	¥ 7,863	24.4

Amounts presented from the year ended March 31, 2012 to March 31, 2014 were retrospectively adjusted to reflect the changes in accounting policies of the Japanese employee stock ownership plan (J-ESOP).

Quarterly Information

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					% change
	2011	2012	2013	2014	2015	2015 vs 2014
Net Sales						
1st Quarter	¥ 9,689	¥ 12,961	¥ 12,064	¥ 14,960	¥ 17,168	14.8
2nd Quarter	9,304	13,924	14,638	16,913	16,994	0.5
3rd Quarter	10,208	11,844	14,569	17,930	21,950	22.4
4th Quarter	11,786	13,510	16,541	19,789	20,782	5.0
Consolidated	¥ 40,989	¥ 52,240	¥ 57,812	¥ 69,594	¥ 76,897	10.5
Operating Income (Loss)						
1st Quarter	¥ 545	¥ 603	¥ 854	¥ 1,522	¥ 1,815	19.2
2nd Quarter	58	511	1,215	1,603	1,814	13.1
3rd Quarter	453	712	989	1,667	2,535	52.1
4th Quarter	409	398	702	1,526	1,696	11.2
Consolidated	¥ 1,466	¥ 2,225	¥ 3,760	¥ 6,320	¥ 7,863	24.4

Amounts presented from the year ended March 31, 2012 to March 31, 2014 were retrospectively adjusted to reflect the changes in accounting policies of the Japanese employee stock ownership plan (J-ESOP).

Financial Statements

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Consolidated Balance Sheets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2014 and 2015

Thousands of
U.S. dollars
(Note 3)

Assets	Millions of yen		2015
	2014	2015	
Current assets:			
Cash on hand and at banks (Note 4)	¥ 19,579	¥ 22,868	\$ 190,145
Notes and accounts receivable, trade	19,768	22,585	187,791
Electronically recorded monetary claims—operating	114	242	2,012
Short-term securities (Notes 4 and 7)	7,200	7,200	59,865
Inventories (Note 5)	11,661	14,528	120,797
Deferred income taxes (Note 15)	1,459	1,434	11,930
Other current assets	3,853	5,824	48,431
Allowance for doubtful accounts	(69)	(69)	(579)
Total current assets	63,567	74,614	620,395
Fixed assets:			
Property, plant and equipment:			
Buildings and structures	20,993	21,850	181,676
Less: Accumulated depreciation	(13,756)	(14,161)	(117,745)
	7,237	7,688	63,930
Machinery and vehicles	10,268	11,108	92,360
Less: Accumulated depreciation	(5,872)	(6,807)	(56,604)
	4,395	4,300	35,756
Land	5,088	5,102	42,428
Construction in progress	433	1,524	12,671
Other	2,510	2,767	23,006
Less: Accumulated depreciation	(2,020)	(2,149)	(17,873)
	489	617	5,133
Total property, plant and equipment	17,645	19,233	159,921
Intangible assets	1,092	1,121	9,326
Investments and other assets:			
Investment securities (Note 7)	5,231	5,804	48,260
Insurance reserve fund	3,456	3,488	29,007
Net defined benefit asset (Note 11)	582	519	4,316
Deferred income taxes (Note 15)	93	162	1,353
Other assets	237	208	1,733
Allowance for doubtful accounts	(77)	(27)	(227)
Total investments and other assets	9,525	10,156	84,443
Total fixed assets	28,263	30,511	253,690
Total assets	¥ 91,830	¥ 105,126	\$ 874,086

The accompanying notes are an integral part of these financial statements.

Thousands of
U.S. dollars
(Note 3)

	Millions of yen		
Liabilities and net assets	2014	2015	2015
Current liabilities:			
Accounts payable, trade	¥ 7,781	¥ 9,930	\$ 82,567
Electronically recorded monetary obligations—operating	1,931	2,769	23,024
Short-term loans payable (Note 9)	991	391	3,252
Current portion of long-term loans payable (Note 9)	500	500	4,157
Non-trade payables	1,052	1,212	10,077
Income taxes payable	943	1,182	9,833
Advances from customers on contracts	9,293	10,799	89,795
Accrued warranty costs	1,427	1,479	12,298
Accrued bonuses for employees	1,087	1,096	9,114
Accrued bonuses for directors	54	58	488
Provision for loss on orders received (Note 5)	324	80	668
Special suspense account for reduction entry (Note 10)	—	1,224	10,181
Other current liabilities	2,563	2,604	21,652
Total current liabilities	27,951	33,328	277,112
Long-term liabilities:			
Long-term loans payable (Note 9)	1,000	1,000	8,314
Long-term accounts payable	250	424	3,528
Deferred income taxes (Note 15)	2,367	2,441	20,300
Accrued stock payments for employees	160	200	1,671
Net defined benefit liability (Note 11)	114	102	856
Other long-term liabilities	330	373	3,104
Total long-term liabilities	4,223	4,543	37,775
Total liabilities	32,174	37,871	314,888
Net assets:			
Shareholders' equity:			
Common stock	7,831	7,831	65,111
Authorized: 188,149,000 shares in 2014 and 2015			
Issued: 79,147,321 shares in 2014 and 73,647,321 shares in 2015			
Additional paid-in capital	12,498	12,415	103,226
Retained earnings	43,288	44,951	373,752
Treasury stock (Note 12)	(7,978)	(5,188)	(43,143)
(17,730,640 shares in 2014)			
(12,024,268 shares in 2015)			
Total shareholders' equity	55,639	60,008	498,947
Accumulated other comprehensive income (loss)			
Net unrealized gains (losses) on other securities	2,529	3,056	25,410
Deferred hedge gains (losses)	(219)	(211)	(1,755)
Foreign currency translation adjustments	1,367	3,754	31,217
Remeasurements of defined benefit plans	216	496	4,132
Total accumulated other comprehensive income (loss)	3,894	7,096	59,005
Stock options (Note 21)	121	149	1,245
Total net assets	59,655	67,254	559,198
Total liabilities and net assets	¥ 91,830	¥ 105,126	\$ 874,086

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Income

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2014 and 2015

Thousands of
U.S. dollars
(Note 3)

	Millions of yen		
	2014	2015	2015
Net sales	¥ 69,594	¥ 76,897	\$ 639,370
Cost of sales (Notes 2 (12), 5 and 14)	54,617	59,650	495,968
Gross profit	14,976	17,246	143,401
Selling, general and administrative expenses (Notes 13, 14 and 21)	8,656	9,383	78,021
Operating income	6,320	7,863	65,379
Interest income	76	115	963
Dividend income	73	92	770
Foreign exchange gain	236	298	2,481
Gain from redemption at maturity of endowment insurance	64	28	233
Other non-operating income	73	104	866
Total non-operating income	525	639	5,314
Interest expense	39	40	338
Commission expense	24	79	662
Other non-operating expenses	67	173	1,438
Total non-operating expenses	130	293	2,439
Ordinary profit	6,715	8,208	68,254
Gain on sale of fixed assets	3	4	33
Gain on sale of investment securities	25	-	-
Gain on insurance income	-	423	3,519
Total extraordinary gain	28	427	3,553
Loss on sale of fixed assets	0	0	3
Loss on disposal of fixed assets	159	91	759
Other extraordinary loss	-	1	10
Total extraordinary loss	159	93	773
Income before income taxes	6,584	8,543	71,033
Current	1,258	2,111	17,552
Deferred	197	226	1,883
Income taxes (Note 15)	1,456	2,337	19,435
Income before minority interests	5,127	6,205	51,597
Net income	¥ 5,127	¥ 6,205	\$ 51,597

	Yen		U.S. dollars
	2014	2015	2015
Per share:			
Net income - Basic (Note 18)	¥ 83.95	¥ 100.99	\$ 0.84
- Diluted (Note 18)	83.44	100.52	0.84
Cash dividends (Note 22)	25.00	30.00	0.25

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2015	2015
Income before minority interests	¥ 5,127	¥ 6,205	\$ 51,597
Other comprehensive income (Note 19)			
Net unrealized gains (losses) on other securities	631	526	4,375
Deferred hedge gains (losses)	193	8	68
Foreign currency translation adjustments	1,367	2,387	19,848
Remeasurements of defined benefit plans	–	280	2,330
Total other comprehensive income (loss)	2,192	3,202	26,624
Comprehensive income	¥ 7,319	¥ 9,407	\$ 78,221
Comprehensive income attributable to shareholders of Aida Engineering	¥ 7,319	¥ 9,407	\$ 78,221

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2014 and 2015

Millions of yen

	Number of shares of common stock issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)	Stock options	Total net assets
Balance at April 1, 2013	79,147	¥ 7,831	¥ 12,979	¥ 39,573	¥ (8,992)	¥ 51,391	¥ 1,898	¥ (412)	¥ 0	-	¥ 1,485	¥ 100	¥ 52,978
Cumulative effects of changes in accounting policies	-	-	(563)	(191)	767	12	-	-	-	-	-	-	12
Restated balance at April 1, 2013	-	7,831	12,415	39,382	(8,224)	51,404	1,898	(412)	0	-	1,485	100	52,990
Cash dividends	-	-	-	(1,221)	-	(1,221)	-	-	-	-	-	-	(1,221)
Net income	-	-	-	5,127	-	5,127	-	-	-	-	-	-	5,127
Purchase of treasury stock	-	-	-	-	(2)	(2)	-	-	-	-	-	-	(2)
Disposal of treasury stock	-	-	82	-	248	331	-	-	-	-	-	-	331
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes of items other than shareholder's equity during the year	-	-	-	-	-	-	631	193	1,367	216	2,408	20	2,429
Balance at March 31 and April 1, 2014	79,147	7,831	12,498	43,288	(7,978)	55,639	2,529	(219)	1,367	216	3,894	121	59,655
Cumulative effects of changes in accounting policies	-	-	-	(365)	-	(365)	-	-	-	-	-	-	(365)
Restated balance at April 1, 2014	-	7,831	12,498	42,922	(7,978)	55,274	2,529	(219)	1,367	216	3,894	121	59,290
Cash dividends	-	-	-	(1,620)	-	(1,620)	-	-	-	-	-	-	(1,620)
Net income	-	-	-	6,205	-	6,205	-	-	-	-	-	-	6,205
Purchase of treasury stock	-	-	-	-	(1)	(1)	-	-	-	-	-	-	(1)
Disposal of treasury stock	-	-	49	-	101	150	-	-	-	-	-	-	150
Retirement of treasury stock	(5,500)	-	(132)	(2,556)	2,689	-	-	-	-	-	-	-	-
Net changes of items other than shareholder's equity during the year	-	-	-	-	-	-	526	8	2,387	280	3,202	28	3,230
Balance at March 31, 2015	73,647	¥ 7,831	¥ 12,415	¥ 44,951	¥ (5,188)	¥ 60,008	¥ 3,056	¥ (211)	¥ 3,754	¥ 496	¥ 7,096	¥ 149	¥ 67,254

Thousands of U.S. dollars (Note 3)

	Number of shares of common stock issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)	Stock options	Total net assets
Balance at April 1, 2014	79,147	\$ 65,111	\$ 103,922	\$ 359,924	\$ (66,334)	\$ 462,623	\$ 21,035	\$ (1,824)	\$ 11,368	\$ 1,801	\$ 32,381	\$ 1,010	\$ 496,015
Cumulative effects of changes in accounting policies	-	-	-	(3,040)	-	(3,040)	-	-	-	-	-	-	(3,040)
Restated balance at April 1, 2014	-	65,111	103,922	356,883	(66,334)	459,583	21,035	(1,824)	11,368	1,801	32,381	1,010	492,974
Cash dividends	-	-	-	(13,472)	-	(13,472)	-	-	-	-	-	-	(13,472)
Net income	-	-	-	51,597	-	51,597	-	-	-	-	-	-	51,597
Purchase of treasury stock	-	-	-	-	(15)	(15)	-	-	-	-	-	-	(15)
Disposal of treasury stock	-	-	410	-	844	1,254	-	-	-	-	-	-	1,254
Retirement of treasury stock	(5,500)	-	(1,105)	(21,256)	22,362	-	-	-	-	-	-	-	-
Net changes of items other than shareholder's equity during the year	-	65,111	-	-	-	-	4,375	68	19,848	2,330	26,624	235	26,859
Balance at March 31, 2015	73,647	\$ 65,111	\$ 103,226	\$ 373,752	\$ (43,143)	\$ 498,947	\$ 25,410	\$ (1,755)	\$ 31,217	\$ 4,132	\$ 59,005	\$ 1,245	\$ 559,198

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes	¥ 6,584	¥ 8,543	\$ 71,033
Adjustments for:			
Depreciation and amortization	1,548	1,712	14,237
(Gain) loss on sale of property, plant and equipment	(2)	(3)	(30)
Loss on disposal of fixed assets	159	91	759
(Gain) loss on sales of investment securities	(25)	-	-
Increase (decrease) in allowance for doubtful accounts	(12)	(45)	(379)
Increase (decrease) in accrued bonuses for employees, net	253	(18)	(156)
Increase (decrease) in accrued bonuses for directors, net	20	4	34
Increase (decrease) in accrued warranty costs, net	118	60	502
Increase (decrease) in accrued pension and severance costs for employees, net	(137)	-	-
Increase (decrease) in net defined benefit liability	114	(2)	(21)
(Increase) decrease in net defined benefit asset	49	(446)	(3,714)
Increase (decrease) in accrued stock payments, net	39	48	406
Increase (decrease) in provision for loss on orders received, net	33	(234)	(1,953)
Interest and dividend income	(150)	(208)	(1,733)
Interest expense	39	40	338
(Increase) decrease in accounts receivable, trade	(3,331)	(1,673)	(13,915)
(Increase) decrease in inventories	2,135	(3,021)	(25,119)
Increase (decrease) in accounts payable, trade	(810)	1,098	9,132
(Increase) decrease in other assets	(513)	60	505
Increase (decrease) in other liabilities	229	727	6,048
Other, net	100	172	1,430
Sub-total	6,444	6,904	57,405
Interest and dividends received	150	208	1,735
Interest paid	(39)	(39)	(325)
Income taxes paid	(577)	(1,972)	(16,403)
Net cash provided by operating activities	5,978	5,100	42,412
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment	(2,003)	(1,881)	(15,642)
Proceeds from sale of property, plant and equipment	68	28	240
Payments for purchase of intangible assets	(563)	(114)	(952)
Payments for purchase of investment in short-term securities	(200)	-	-
Proceeds from sale of investment in short-term securities	-	200	1,662
Payments for purchase of investment securities	(200)	-	-
Proceeds from sale of investment securities	74	13	115
Payments for deposits of funds into time deposits	(432)	(654)	(5,441)
Proceeds from withdrawal of time deposits	-	1,118	9,298
Other, net	2	52	433
Net cash used in investing activities	(3,254)	(1,237)	(10,286)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans	941	(602)	(5,008)
Payments for finance lease obligations	(16)	(8)	(70)
Proceeds from sale of treasury stock	320	150	1,254
Payments for purchase of treasury stock	(2)	(1)	(15)
Cash dividends paid	(1,217)	(1,616)	(13,437)
Net cash (used in) provided by financing activities	26	(2,077)	(17,276)
Effect of exchange rate changes on cash and cash equivalents	1,006	2,134	17,748
Net increase in cash and cash equivalents	3,756	3,920	32,596
Cash and cash equivalents at the beginning of the year	22,281	26,038	216,497
Cash and cash equivalents at the end of the year (Note 4)	¥ 26,038	¥ 29,958	\$ 249,094

The accompanying notes are an integral part of these financial statements.

1 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of AIDA ENGINEERING, LTD. ("AIDA") and its consolidated subsidiaries (collectively, the "Companies") have been prepared based on the financial statements of AIDA and its consolidated subsidiaries and the consolidated financial statements filed with the director of the Kanto Finance Bureau in Japan in accordance with the Financial Instruments and Exchange Act.

The accounting records of AIDA and its consolidated subsidiaries are maintained in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan, and in conform-

ity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (IFRS).

Items presented in the consolidated financial statements filed with the director of the Kanto Finance Bureau in Japan have been reclassified and / or recapitulated and certain notes are added for the convenience of readers outside Japan.

The amounts presented in millions of yen are truncated after millions and thousands of U.S. dollars after thousands.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

Consolidated subsidiaries as of March 31, 2015 and for the year then ended are as follows:

In principle, except for the immaterial subsidiaries, all subsidiaries have been consolidated (20 subsidiaries in 2014 and 21 subsidiaries in 2015). In the year ended March 31, 2015, AIDA MANUFACTURING (ASIA) SDN. BHD. has been newly included in the scope of consolidation.

- Domestic subsidiaries:

ACCESS LTD.

AIDA BUSINESS CORP.

- Overseas subsidiaries:

ASIA

AIDA GREATER ASIA PTE. LTD.

AIDA ENGINEERING (M) SDN. BHD.

AIDA MANUFACTURING (ASIA) SDN. BHD.

AIDA MALAYSIA SDN. BHD.

AIDA (THAILAND) CO., LTD.

PT. AIDA INDONESIA

AIDA INDIA PVT. LTD.

AIDA VIETNAM CO., LTD.

AIDA HONG KONG, LTD.

AIDA ENGINEERING CHINA CO., LTD.

AIDA PRESS MACHINERY SYSTEMS CO., LTD.

AMERICAS

AIDA AMERICA CORP.

AIDA CANADA, INC.

AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V.

AIDA do BRASIL

EUROPE

AIDA S.r.l.

AIDA Germany GmbH

AIDA Maroc Sarl

OOO AIDA

(Remarks)

All consolidated subsidiaries are exclusively owned by AIDA or its subsidiaries.

All significant inter-company transactions, balances and unrealized inter-company profits are eliminated on consolidation.

For consolidation purposes, the financial statements of those subsidiaries whose fiscal year end date is December 31 have been included in consolidation on the basis of a full year provisional closing of accounts for the year ended March 31.

(2) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term highly liquid investments with an original maturity of three months or less and which represent a minor risk of fluctuations in value.

(3) Inventories

Finished goods and work in process are principally stated at the lower of cost and net realizable value determined by using the specific identification method. Raw materials are principally stated at the lower of cost and net realizable value determined by using the first-in first-out (FIFO) method.

(4) Financial instruments

Japanese accounting standards for financial instruments, which cover accounting treatments for short-term securities, investment securities, derivative financial instruments and hedge accounting, have been applied.

(a) Investment securities

Other securities with fair market value are reported at such fair market value at the balance sheet date, and the related unrealized gains or losses, net of applicable tax effects thereon, are reported in a separate component of net assets. Other securities without fair market value are stated at cost.

Cost of securities sold is determined by the moving average method.

(b) Derivative financial instruments

All derivatives are recognized as either assets or liabilities at fair value, and changes in fair value are charged to current income for the period in which they arise, except for derivatives that are designated as “hedging instruments” (see below (c) Hedge accounting).

(c) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as “hedging instruments” are deferred as deferred hedge gains and losses in net assets and charged to income in the period during which the gains and losses on the underlying hedged transactions are recognized.

The derivatives designated as hedging instruments by the Companies are forward foreign exchange contracts and currency options.

(5) Property, plant and equipment

Property, plant and equipment, including significant renewals and improvements, are carried at cost. Maintenance and repairs including minor renewals and improvements are charged to consolidated statement of income as incurred. Depreciation of property, plant and equipment in AIDA and its subsidiaries is mainly calculated by applying the straight-line method, over the estimated useful lives of the respective assets as follows:

- Buildings and structures: 2 to 50 years
- Machinery and vehicles: 2 to 9 years

Leased assets under finance lease transactions that do not transfer the ownership to the lessee are depreciated using the straight-line method on the assumption that the useful life is equal to the lease term and the residual value is equal to zero. For leases with a residual value guarantee, the contracted residual value is considered to be the residual value for financial accounting purposes.

(6) Intangible assets

Intangible assets including capitalized software costs are carried at cost less accumulated amortization. Capitalized software costs are amortized under the straight-line method over the estimated useful life of 5 years.

(7) Leases

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. All other lease transactions are accounted for as operating leases and relating payments are charged to consolidated statement of income as incurred.

(8) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on the esti-

mated uncollectible amounts for doubtful receivables in addition to the general provision for normal receivables computed by applying the rate computed based on past credit loss experience.

(9) Accrued warranty costs

Accrued warranty costs are provided in the amount of estimated future warranty costs to be incurred in the period covered by warranty contract.

(10) Accrued bonuses for employees

Accrued bonuses for employees are provided based on the estimated amounts expected to be paid to employees after the year end.

(11) Accrued bonuses for directors

Accrued bonuses for directors are provided based on the estimated amounts expected to be paid to directors after the year end.

(12) Provision for loss on orders received

Provision for loss on orders received is provided based on the estimated future losses related to order contracts at the end of the fiscal year.

Provisions for losses on orders received included in cost of sales are ¥68 million (U.S.\$570 thousand) and ¥289 million for the years ended March 31, 2015 and 2014, respectively.

(13) Accrued stock payments

Accrued stock payments are provided in the amount of estimated future payments based on predetermined regulations for awarding stock.

(14) Accounting method for retirement benefits

(a) Attribution of expected retirement benefit payments

In calculating retirement benefit obligations, the benefit formula method is used to allocate the expected retirement benefit payments up to the fiscal year ended March 31.

(b) Actuarial gains and losses and prior service cost

Actuarial gains and losses are being amortized by the straight-line method over certain periods (principally 10 years, but 5 years for certain domestic subsidiaries), which are within the average remaining years of service of the employees at the time the amounts are recognized in each fiscal year, starting from the year following the respective fiscal year of occurrence.

Prior service cost is expensed in the period of occurrence.

(15) Research and development costs

Research and development costs are expensed as incurred.

(16) Recognition of material sales and cost of sales

The percentage of completion method (cost-comparison method using primarily estimates of construction progress) is applied for the

construction contracts of which the percentage of completion can be reliably estimated. The completed-contract method is applied for other construction contracts.

(17) Consolidated taxation system

AIDA and its domestic subsidiaries adopt the consolidated taxation system.

(18) Changes in accounting policy

Application of the Accounting Standard for Retirement Benefits

From the fiscal year ended March 31, 2015, the Companies applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015). As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects: the method for attributing projected benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to use a single weighted average discount rate reflecting the expected timing and amount of benefit payments.

The cumulative effect of changing the methods for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Paragraph 37 of Accounting Standard for Retirement Benefits.

As a result, assets for retirement benefits decreased by ¥569 million (U.S.\$4,734 thousand) and retained earnings decreased by ¥365 million (U.S.\$3,040 thousand) at April 1, 2014. The impact on operating income, ordinary profit and income before income taxes for the year ended March 31, 2015 was slight.

Application of Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts (ASBJ Practical Issues Task Force No. 30, December 25, 2013)

Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts (ASBJ Practi-

cal Issues Task Force No. 30, December 25, 2013) has been adopted from the fiscal year ended March 31, 2015. The Companies recognize the transfer of gain or loss at the time of the disposal of treasury stock from the Companies to the trust and have changed the unit price of the point allocation cost to the employees. Also, the Companies have changed the liability corresponding to the cost from long-term accounts payable to accrued stock payments for employees. This change in accounting policy is retrospectively adopted, so the consolidated financial statements for the fiscal year ended March 31, 2014 reflect such retrospective application. As a result, other current liabilities decreased by ¥24 million (U.S.\$205 thousand), long-term accounts payable decreased by ¥152 million (U.S.\$1,264 thousand), accrued stock payments for employees increased by ¥160 million (U.S.\$1,330 thousand), treasury stock decreased by ¥767 million (U.S.\$6,380 thousand), additional paid-in capital decreased by ¥564 million (U.S.\$4,689 thousand), retained earnings decreased by ¥186 million (U.S.\$1,551 thousand) and both ordinary profit and net income, respectively, increased by ¥4 million (U.S.\$39 thousand). The effects on segment information and per share information are mentioned in each section.

(19) Additional information

Employee stock ownership plan (ESOP) trust

On December 2010, an ESOP trust was established by AIDA and its domestic subsidiaries as an employee incentive plan with the aim of improving long-term corporate value.

(a) Transaction summary

In this transaction, employees are granted points as a form of bonus payment, and they will receive AIDA’s shares depending on the number of accumulated points when they retire.

(b) Company’s own stock in the trust

The Company’s own stock in the trust is recorded in treasury stocks under net assets based on the book value in the trust. The book value and the number of shares of treasury stock as of March 31, 2015 are ¥974 million (U.S.\$ 8,102 thousand) and 3,395,600 shares, respectively.

3 U.S. DOLLAR AMOUNTS

The U.S. dollar amounts stated in the consolidated financial statements are included solely for convenience of readers outside Japan. The rate of ¥120.27 = U.S.\$1, the approximate rate of exchange as of March 31, 2015, has been used for the purpose of such transla-

tion. Those translations should not be construed as representations that the Japanese yen amounts actually represent, or have been or could be converted into U.S. dollars at that rate.

4 SUPPLEMENTARY CASH FLOW INFORMATION: CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of the years ended March 31, 2014 and 2015 are reconciled to cash on hand and at banks reported in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Cash on hand and at banks	¥ 19,579	¥ 22,868	\$ 190,145
Add: Securities with maturities of three months or less	7,000	7,200	59,865
Less: Time deposits with maturities of more than three months	(541)	(110)	(916)
Cash and cash equivalents	¥ 26,038	¥ 29,958	\$ 249,094

5 INVENTORIES

“Finished goods,” “Work in process” and “Raw materials” in “Inventories” on the consolidated balance sheets as of March 31, 2014 and 2015 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Finished goods	¥ 1,231	¥ 2,504	\$ 20,822
Work in process	8,710	9,318	77,476
Raw materials	1,719	2,705	22,498
Inventories	¥ 11,661	¥ 14,528	\$ 120,797

Inventories as of March 31, 2014 and 2015, were offset by corresponding provisions for losses on orders received of ¥30 million and ¥22 million (U.S.\$189 thousand), respectively.

A breakdown of ¥22 million as of March 31, 2015 is as follows:

 Finished goods : ¥15 million (U.S.\$125 thousand)

 Work in process: ¥7 million (U.S.\$63 thousand)

Gains recognized and credited to cost of sales as a result of reversal of loss on valuation of inventories for the years ended March 31, 2014 and 2015 were ¥69 million and ¥107 million (U.S.\$897 thousand).

6 FINANCIAL INSTRUMENTS

Status of Financial Instruments

(1) Policy for financial instruments

Fund management is restricted to short-term deposits at banks; financing activities of the Companies are mainly through bank loans. Derivatives are not used for speculative transactions, but are used in order to hedge the risks described in a later section.

(2) Types of financial instruments and related risk

Operating receivables (notes and accounts receivable, trade and electronically recorded monetary claims—operating) are exposed to the customer credit risks. In order to hedge foreign exchange risks on operating receivables from global business activities, the Companies use exchange contracts.

As for short-term securities, the credit risk of negotiable deposit is significantly minimized as these investments are limited to financial institutions with high credit ratings.

Operating payables (accounts payable, trade and electronically recorded monetary obligations—operating) on import of raw materials from overseas are to be settled within 6 months, and therefore partly include foreign exchange risks; however, these amounts are

within the range of operating receivables in the same currency.

The main purpose of debts is for funding capital investment and research and development. The repayment period for these debts is within 5 years at most.

Investment securities mainly consist of stocks, which are exposed to price fluctuation risk.

Derivatives include forward contracts and currency options to hedge transactions subject to foreign exchange fluctuation risk caused by operating receivables and payables denominated in foreign currency.

(3) Risk management for financial instruments

(3-1). Management of credit risk (risk of contractual default)

In order to manage operating receivables, our sales and service departments (including those in consolidated subsidiaries) monitor account balances and payment schedules periodically, based on the Companies’ accounts receivables policies, which also help to identify the financial risks in initial stages.

To minimize counterparty risks, derivative transactions are conducted only with banks with a high credit profile.

At the balance sheet date, the carrying value of financial assets

represents the maximum credit risk born by the Companies.

(3-2). Market risk management

The Companies use exchange contracts in order to avoid foreign exchange fluctuation risk on operating receivables and payables denominated in foreign currencies.

Based on internal rules and policies about derivative transactions, the Companies hedge foreign exchange fluctuation risk in a certain range.

Risk management of investment securities is conducted by inspecting market value and financial conditions of issuers, periodically.

(4) Supplementary information on the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market value, if available. Fair value is reasonably estimated if the market value is not available. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 8, Derivative Financial Instruments, are not necessarily indicative of the actual market risk involved in derivative transactions.

Information Regarding Fair Value of Financial Instruments

Excluding items for which the fair value is extremely difficult to determine, the following is the balance of fair value as of March 31, 2015 and 2014.

March 31, 2015	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥ 22,868	¥ 22,868	¥ -	\$ 190,145	\$ 190,145	\$ -
(2) Notes and accounts receivable, trade and electronically recorded monetary claims—operating	22,827	22,827	-	189,804	189,804	-
(3) Short-term securities	7,200	7,200	-	59,865	59,865	-
(4) Investment securities						
Other securities	5,693	5,693	-	47,342	47,342	-
Total assets	58,590	58,590	-	487,158	487,158	-
(1) Accounts payable, trade and electronically recorded monetary obligations—operating	12,699	12,699	-	105,592	105,592	-
(2) Non-trade payables	1,212	1,212	-	10,077	10,077	-
(3) Short-term loans payable	391	391	0	3,252	3,252	0
(4) Long-term loans payable	1,500	1,505	5	12,471	12,519	47
Total liabilities	15,802	15,808	5	131,394	131,441	47
Derivative transactions which are not subject to hedge accounting (*)	(94)	(94)	-	(782)	(782)	-
Derivative transactions which are subject to hedge accounting (*)	(419)	(419)	-	(3,491)	(3,491)	-

March 31, 2014	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥ 19,579	¥ 19,579	¥ -
(2) Notes and accounts receivable, trade and electronically recorded monetary claims—operating	19,882	19,882	-
(3) Short-term securities	7,200	7,200	-
(4) Investment securities			
Other securities	5,108	5,108	-
Total assets	51,770	51,770	-
(1) Accounts payable, trade and electronically recorded monetary obligations—operating	9,712	9,712	-
(2) Non-trade payables	1,052	1,052	-
(3) Short-term loans payable	991	996	5
(4) Long-term loans payable	1,500	1,562	62
Total liabilities	13,256	13,324	67
Derivative transactions which are not subject to hedge accounting (*)	(101)	(101)	-
Derivative transactions which are subject to hedge accounting (*)	(318)	(318)	-

* The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing net liability position.

Note 1: Computing method of fair value for financial instruments and information regarding securities and derivative transactions

Assets

(1) Cash on hand and at banks

As bank deposits are all short term, carrying value approximates fair value.

(2) Notes and accounts receivable, trade and electronically recorded monetary claims—operating

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(3) Short-term securities

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(4) Investment securities

The details of investment securities are shown in Note 7.

Liabilities

(1) Accounts payable, trade and electronically recorded monetary obligations—operating
As these are settled in the short term, fair value and carrying value of these items are almost the same.

(2) Non-trade payables

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(3) Loans payable

Fair value is computed by discounting the nominal amount using an interest rate which is assumed to be applied for a new borrowing with the same conditions.

Derivative Transactions

Details of derivative transactions are shown in Note 8.

Note 2: Financial instruments of which the fair value is extremely difficult to determine

March 31, 2015

Types of securities	Carrying value	
	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥110	\$917
Total	¥110	\$917

March 31, 2014

Types of securities	Carrying value
	Millions of yen
Unlisted stocks	¥110
Total	¥110

Items above do not have market value, and the fair value is extremely difficult to determine. Therefore, the amounts above are not included in assets (4) Investment securities.

Note 3: Redemption schedule for monetary claims or securities with maturities subsequent to March 31, 2015.

	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at bank	¥ 22,829	-	-	-
Notes and accounts receivable, trade and electronically recorded monetary claims—operating	22,827	-	-	-
Short-term securities (Negotiable deposits)	7,200	-	-	-
Total	¥ 52,856	-	-	-

	Thousands of U.S. dollars			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at bank	\$189,815	-	-	-
Notes and accounts receivable, trade and electronically recorded monetary claims—operating	189,804	-	-	-
Short-term securities (Negotiable deposits)	59,865	-	-	-
Total	\$439,484	-	-	-

Redemption schedule for monetary claims or securities with maturities subsequent to March 31, 2014.

	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at bank	¥19,520	-	-	-
Notes and accounts receivable, trade and electronically recorded monetary claims—operating	19,882	-	-	-
Short-term securities (Negotiable deposits)	7,200	-	-	-
Total	¥46,602	-	-	-

Note 4: The redemption schedule for loans payable were as follows.

As of March 31, 2015

	Millions of yen				
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Short-term loans payable	¥391	-	-	-	-
Long-term loans payable	500	-	-	500	500
Total	¥891	-	-	¥500	¥500

As of March 31, 2015

	Thousands of U.S. dollars				
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Short-term loans payable	\$3,252	-	-	-	-
Long-term loans payable	4,157	-	-	4,157	4,157
Total	\$7,410	-	-	\$4,157	\$4,157

As of March 31, 2014

	Millions of yen				
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Short-term loans payable	¥ 991	-	-	-	-
Long-term loans payable	500	500	-	-	500
Total	¥1,491	¥500	-	-	¥500

7 SHORT-TERM SECURITIES AND INVESTMENT SECURITIES

(1) The aggregate cost and carrying value of other securities with market values were as follows:

March 31, 2015

Types of securities	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gains (losses)	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:						
Stocks	¥ 1,242	¥ 5,693	¥ 4,450	\$ 10,334	\$ 47,336	\$ 37,002
Sub-total	1,242	5,693	4,450	10,334	47,336	37,002
Carrying value does not exceed acquisition cost:						
Stocks Others	0	0	(0)	6	6	(0)
Stocks	7,200	7,200	-	59,865	59,865	-
Sub-total	7,200	7,200	(0)	59,871	59,871	(0)
Total	¥ 8,443	¥12,893	¥ 4,450	\$ 70,205	\$ 107,208	\$ 37,002

March 31, 2014

Types of securities	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥ 1,142	¥ 5,011	¥ 3,868
Sub-total	1,142	5,011	3,868
Carrying value does not exceed acquisition cost:			
Stocks	100	96	(3)
Others	7,200	7,200	-
Sub-total	7,300	7,296	(3)
Total	¥ 8,443	¥ 12,308	¥ 3,865

(2) Sales of securities classified as other securities and aggregate gain or loss were as follows:

For the year ended March 31, 2015

There were no sales of securities classified as other securities during the year.

For the year ended March 31, 2014

	Millions of yen
Sales proceeds	¥74
Stocks	74
Aggregate gain	25
Stocks	¥25

8 DERIVATIVE FINANCIAL INSTRUMENTS

The Companies use forward exchange contracts and currency options as derivative financial instruments primarily to reduce exposure to adverse fluctuations in foreign currency exchange rates. The Companies do not enter into derivative financial transactions for trading or speculative purposes.

The Companies enter into forward exchange contracts and currency options to hedge market risks relating to possible future changes in foreign exchange rates for foreign-currency denominated trading accounts. These contracts reduce the overall exposure to exchange fluctuations by effectively fixing the transaction costs.

Counterparty risk relating to derivative instruments is relatively low as all counterparties are limited to creditworthy financial institutions.

The Companies have internal rules and policies related to derivative transactions.

Fair value information on the derivatives outstanding as of March 31, 2015 and 2014 is summarized in the following tables:

March 31, 2015

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2015		2015		2015		2015	
	Contract value	Over 1 year	Fair value	Unrealized gain (loss)	Contract value	Over 1 year	Fair value	Unrealized gain (loss)
	Contract value total				Contract value total			
Forward exchange transactions:								
Sell -								
USD (JPY Buy)	¥ 1,152	¥-	¥ (172)	¥ (172)	\$ 9,583	\$-	\$ (1,435)	\$ (1,435)
EUR (JPY Buy)	1,090	-	115	115	9,070	-	958	958
Currency options								
Sell -								
-Call/Put-								
USD	829	-	-	-	6,899	-	-	-
Option premium	(35)	-	(37)	(1)	(299)	-	(311)	(11)
EUR	45	-	-	-	374	-	-	-
Option premium	(0)	-	(0)	(0)	(5)	-	(7)	(2)
Buy -								
-Call/Put-								
USD	29	-	-	-	246	-	-	-
Option premium	0	-	0	0	7	-	7	0
EUR	45	-	-	-	374	-	-	-
Option premium	0	-	0	(0)	5	-	5	(0)
Total	¥ 3,193	¥-	¥ (57)	¥ (57)	\$ 26,550	\$-	\$ (476)	\$ (476)
	(35)	-	(36)	(1)	(291)	-	(305)	(13)

Note: Calculation of fair value is based on information provided by financial institutions.

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions

Deferred hedge accounting method

	Millions of yen				Thousands of U.S. dollars			
		2015				2015		
	Main hedged item	Contract value total	Over 1 year	Fair value	Main hedged item	Contract value total	Over 1 year	Fair value
Forward exchange transactions:								
Sell -								
USD (JPY and EUR Buy)		¥ 4,128	¥ 653	¥ (464)		\$ 34,323	\$ 5,435	\$ (3,864)
EUR (JPY and USD Buy)		1,939	154	33		16,123	1,283	275
JPY (USD Buy)		170	9	8		1,415	75	74
Buy -								
USD (JPY and EUR Sell)		341	25	35		2,835	214	292
EUR (USD Sell)	Expected foreign currency transactions	169	-	(29)	Expected foreign currency transactions	1,405	-	(242)
JPY (USD Sell)		137	-	(1)		1,144	-	(16)
GBP (EUR Sell)		161	-	(1)		1,343	-	(11)
Currency options								
Sell -								
-Call-								
EUR		7	-	-		64	-	-
Option premium		(0)	-	(0)		(0)	-	(1)
Buy -								
-Put-								
USD		770	-	-		\$ 6,405	-	-
Option premium		42	-	0		350	-	0
EUR		7	-	-		64	-	-
Option premium		0	-	0		0	-	0
Total		¥ 7,832	¥ 842	¥ (419)		\$ 65,126	\$ 7,008	\$ (3,490)
		42	-	(0)		350	-	(0)

Note: Calculation of fair value is based on information provided by financial institutions.

March 31, 2014

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen			
	Contract value		2014	
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:				
Sell -				
USD (JPY Buy)	¥ 1,010	¥ -	¥ (74)	¥ (74)
EUR (JPY Buy)	115	-	(6)	(6)
Buy -				
USD (EUR Sell)	97	-	6	6
Currency options				
Sell -				
-Call/Put-				
USD	5,553	-	-	-
Option premium	(147)	-	(99)	47
EUR	45	-	-	-
Option premium	(0)	-	(0)	(0)
Buy -				
-Call/Put -				
USD	1,922	-	-	-
Option premium	33	-	72	38
EUR	45	-	-	-
Option premium	0	-	0	(0)
Total	¥ 8,789	¥ -	¥ (74)	¥ (74)
	(113)	-	(27)	86

Note: Calculation of fair value is based on information provided by financial institutions.

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions

Deferred hedge accounting method

Millions of yen				
	Main hedged item	2014		Fair value
		Contract value total	Over 1 year	
Forward exchange transactions:				
Sell -				
USD (JPY and EUR Buy)		¥ 2,854	¥ -	¥ (42)
EUR (JPY and USD Buy)		1,722	42	(149)
JPY (USD Buy)		5	0	0
CNY (JPY Buy)		594	-	(178)
Buy -				
USD (JPY and EUR Sell)		154	-	4
JPY (USD Sell)		1,676	-	(15)
Currency options				
Sell -				
Expected foreign currency transactions				
-Call/Put-				
USD		335	-	-
Option premium		(3)	-	(1)
EUR		7	-	-
Option premium		(0)	-	(0)
Buy -				
-Call/Put-				
USD		3,212	-	-
Option premium		117	-	65
EUR		7	-	-
Option premium		0	-	0
Total		¥ 10,571	¥ 43	¥ (381)
		113	-	63

Note: Calculation of fair value is based on information provided by financial institutions.

9 SHORT-TERM LOANS PAYABLE AND LONG-TERM LOANS PAYABLE

Short-term loans payable as of March 31, 2015 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	Amount	Interest rate	Repayment term	Amount
Short-term loans payable	¥391	0.89%	September 28, 2015	\$3,252

Short-term loans payable as of March 31, 2014 consisted of the following:

	Millions of yen		
	Amount	Interest rate	Repayment term
Short-term loans payable	¥991	1.12%	September 30, 2014

Long-term loans payable as of March 31, 2015 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	Amount	Average interest rate	Repayment term	Amount
Current portion of long-term loans payable	¥ 500	1.55%	December 15, 2015	\$4,157
Long-term loans payable	1,000	0.79%	March 29, 2019 and March 19, 2020	8,314

Long-term loans payable as of March 31, 2014 consisted of the following:

	Millions of yen		
	Amount	Average interest rate	Repayment term
Current portion of long-term loans payable	¥ 500	1.70%	March 31, 2015
Long-term loans payable	1,000	1.21%	December 15, 2015 and March 29, 2019

Repayment schedules for long-term loans payable as of March 31, 2015 are as follows:

Long-term loans payable:

	Millions of yen	Thousands of U.S. dollars
As of March 31		
2017	-	-
2018	-	-
2019	¥500	\$4,157
2020	500	4,157

10 SPECIAL SUSPENSE ACCOUNT FOR REDUCTION ENTRY

The special suspense account for reduction entry of ¥1,224 million (U.S.\$10,181 thousand) as of March 31, 2015 is provided based on the estimated future amount of the reduction entry for the fixed assets.

11 RETIREMENT BENEFITS FOR EMPLOYEES

AIDA and its domestic consolidated subsidiaries have a defined contribution pension plan and a cash balance plan as a defined benefit pension plan.

Certain overseas consolidated subsidiaries have a defined contribution pension plan and a defined benefit pension plan.

(1) Defined benefit pension plan

The changes in the retirement benefit obligation during the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Balance at the beginning of the year	¥3,444	¥3,353	\$ 27,882
Cumulative effects of changes in accounting policies	-	569	4,734
Restated balance	3,444	3,922	32,617
(1) Service cost	169	161	1,339
(2) Interest cost	69	37	315
(3) Actuarial gain	(51)	(86)	(721)
(4) Retirement benefits paid	(272)	(270)	(2,249)
(5) Other	(7)	(9)	(75)
Balance at the end of the year	¥3,353	¥3,755	\$ 31,225

The changes in plan assets during the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2015	2015
Plan assets at the beginning of the year	¥ 3,582	¥ 3,821	\$ 31,773
(1) Expected return on plan assets	71	76	635
(2) Actuarial gain	267	327	2,722
(3) Contributions by the Company	170	210	1,748
(4) Retirement benefits paid	(270)	(264)	(2,195)
Plan assets at the end of the year	¥ 3,821	¥ 4,171	\$ 34,684

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2014 and 2015 for AIDA's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2015	2015
(1) Funded retirement benefit obligation	¥ 3,239	¥ 3,652	\$ 30,369
(2) Plan assets at fair value	(3,821)	(4,171)	(34,684)
(3) Unfunded retirement benefit obligation	(582)	(518)	(4,314)
(4) Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	114	102	856
(5) Net defined benefit liability	(467)	(415)	(3,458)
(6) Net defined benefit asset	114	102	856
(7) Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	(582)	(518)	(4,314)
	¥ (467)	¥ (415)	\$ (3,458)

The components of retirement benefit expense for the years ended March 31, 2014 and 2015 are as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2015	2015
(1) Service cost	¥ 169	¥ 161	\$ 1,339
(2) Interest cost	69	38	316
(3) Expected return on plan assets	(71)	(76)	(635)
(4) Amortization of actuarial loss (gain)	58	(5)	(46)
Retirement benefit expense	¥ 225	¥ 117	\$ 974

The actuarial gain included in other comprehensive income (before tax effect) for the years ended of March 31, 2014 and 2015 are as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2015	2015
Actuarial gain	-	¥ 407	\$ 3,390
Total	-	¥ 407	\$ 3,390

The unrecognized actuarial loss included in accumulated other comprehensive income (before tax effect) as of March 31, 2014 and 2015 are as follows:

	Millions of yen	Millions of yen	Thousands of U.S. dollars
	2014	2015	2015
Unrecognized actuarial loss	¥ (336)	¥ (745)	\$ (6,194)
Total	¥ (336)	¥ (745)	\$ (6,194)

The fair value of plan assets by major category, as a percentage of total plan assets, as of March 31, 2014 and 2015 are as follows:

	2014	2015
(1) Bonds	35.6%	27.5%
(2) Stocks	30.1%	31.5%
(3) Cash on hand and at banks	1.8%	1.1%
(4) General accounts	28.6%	26.4%
(5) Other	3.9%	13.5%
Total	100.0%	100.0%

The actuarial assumptions used in the calculation of liabilities for retirement benefits as of March 31, 2014 and 2015 are as follows:

	2014	2015
(1) Discount rate	Mainly 2.0%	Mainly 0.7%
(2) Expected rate of return on plan assets	Mainly 2.0%	Mainly 2.0%
(3) Expected rate of salary increase	Mainly 3.2%	Mainly 3.2%

(2) Defined contribution pension plan

The amount of the contribution to the defined contribution plan of AIDA and its consolidated subsidiaries for the years ended March 31, 2014 and 2015 are ¥157 million and ¥164 million (\$1,364 thousand).

12 NET ASSETS

Information regarding changes in net assets for the years ended March 31, 2015 and 2014 were as follows:

Shares issued and outstanding / Treasury stock

For the year ended March 31, 2015

Types of shares	Number of shares at April 1, 2014	Increase	Decrease	Number of shares at March 31, 2015
Shares issued:				
Common stock (Notes 1)	79,147,321	-	5,500,000	73,647,321
Treasury stock:				
Common stock (Notes 2,3 and 4)	17,730,640	1,716	5,708,088	12,024,268

- Notes: 1. Decrease due to retirement of treasury stock 5,500,000
 2. Increase due to purchase of shares of less than standard unit 1,716
 3. Details of the decrease are as follows:
 Decrease due to sale of shares less than standard unit 88
 Decrease due to retirement of treasury stock 5,500,000
 Decrease due to exercising share subscription rights 208,000
 4. The number of shares of treasury stock includes 3,395,600 shares held by the Trust Account E as of March 31, 2015.

For the year ended March 31, 2014

Types of shares	Number of shares at April 1, 2013	Increase	Decrease	Number of shares at March 31, 2014
Shares issued:				
Common stock	79,147,321	-	-	79,147,321
Treasury stock:				
Common stock (Notes 1 and 2)	18,236,991	2,368	508,719	17,730,640

Notes: 1. Increase due to purchase of shares of less than standard unit 2,368
 2. Details of the decrease are as follows:
 Decrease due to sale of shares less than standard unit 19
 Decrease due to the grant of shares from the ESOP trust 700
 Decrease due to exercising share subscription rights 508,000
 3. The number of shares of treasury stock includes 3,395,600 shares held by the Trust Account E as of March 31, 2014.

13 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses for the years ended March 31, 2014 and 2015:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Salaries and wages	¥2,394	¥2,679	\$22,275
Bonuses	299	371	3,089
Provision for accrued bonuses for employees	425	401	3,338
Retirement benefit expenses	97	56	466
Welfare expenses	586	612	5,096
Commission expenses	356	344	2,864
Advertising and promotion expenses	139	209	1,737
Traveling expenses	471	526	4,373
Communication expenses	106	112	935
Rental expenses	284	246	2,048
Insurance expenses	261	274	2,283
Depreciation expenses	319	422	3,511
Taxation and other public dues	263	298	2,480
Compensation fee	389	391	3,251

14 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in "Cost of sales" and "Selling, general and administrative expenses" for the years ended March 31, 2014 and 2015 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Selling, general and administrative expenses	¥ 829	¥ 1,156	\$ 9,613
Cost of sales	247	189	1,571
Total	¥ 1,076	¥ 1,345	\$ 11,183

15 INCOME TAXES

The applicable statutory tax rates in Japan were approximately 38.0% and 35.6% for the years ended March 31, 2014 and 2015, respectively.

(1) Reconciliation of the difference between the effective income tax rates and statutory income tax rates for the years ended March 31, 2014 and 2015 are as follows:

	2014	2015
Statutory income tax rates	38.0%	35.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	2.1	1.8
Dividend income	(0.2)	(0.2)
Inhabitant taxes per capita	0.2	0.2
Dividends from overseas subsidiaries	-	0.4
Difference of tax rates applied to overseas subsidiaries	(3.9)	(1.8)
Tax credit	(1.3)	(3.4)
Changes in valuation allowance	(14.8)	(8.1)
Effect of tax rate reduction	0.9	0.3
Others	1.1	2.6
Effective income tax rates	22.1%	27.4%

(2) The major components of deferred income tax assets and liabilities as of March 31, 2014 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred income tax assets:			
Loss on write-down of inventories	¥ 562	¥ 555	\$ 4,618
Accrued warranty costs	462	475	3,950
Accrued bonuses for employees	320	280	2,332
Depreciation expense	1,217	1,146	9,536
Unrealized loss on golf club membership	8	25	212
Long-term payables	89	80	672
Tax losses carried forward	1,540	1,136	9,448
Others	860	825	6,864
Subtotal deferred income tax assets	5,061	4,526	37,635
Less: Valuation allowance	(3,344)	(2,777)	(23,093)
Total deferred income tax assets	1,717	1,748	14,541
Deferred income tax liabilities:			
Undistributed subsidiaries' earnings	(334)	(392)	(3,267)
Reserve for reduction entry of replaced property	(557)	(500)	(4,160)
Net defined benefit assets	(207)	(248)	(2,070)
Unrealized gains on other securities	(1,335)	(1,394)	(11,591)
Others	(99)	(110)	(922)
Total deferred income tax liabilities	(2,534)	(2,647)	(22,011)
Net deferred income tax assets (liabilities)	¥ (817)	¥ (898)	\$ (7,469)

(3) Revision of the amount of deferred tax assets and deferred tax liabilities due to change in corporation tax rate:

The "Act on Partial Revision of the Income Tax Act" (Act No.9 of 2015) was promulgated on March 31, 2015 and the corporation tax rate was changed from fiscal years beginning on or after April 1, 2015. As a result, the effective statutory corporate tax rate to calculate deferred tax assets and deferred tax liabilities expected to be settled during the fiscal year beginning April 1, 2015 was reduced from 35.6% to 33.0%.

As a result, net deferred tax liabilities decreased by ¥121 million (U.S.\$1,008 thousand), and deferred income taxes increased by ¥24 million (U.S.\$202 thousand) as of and for the year ended March 31, 2015.

16 LEASES

Description of finance leases is omitted due to its insignificance for the years ended March 31, 2014 and 2015.

The following is a summary of future minimum payments under operating leases, as of March 31, 2014 and 2015:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Operating leases:			
Due within 1 year	¥ 64	¥ 74	\$ 621
Thereafter	45	52	439
Total	110	127	1,060

17 RELATED PARTY TRANSACTIONS

There were no material transactions between AIDA and its related companies and individuals, excluding transactions with consolidated subsidiaries which were eliminated in consolidation other than those disclosed elsewhere in these financial statements, for the years ended March 31, 2014 and 2015.

18 NET INCOME PER SHARE

Shares held by the Trust & Custody Services Bank, Ltd. (Trust Account E) are treated as treasury stock on the consolidated financial statements. As a result, those shares have been excluded from the number of shares to calculate "Average number of shares outstanding during the years" and "Number of shares used for computing net assets per share" shown below.

Calculation of net assets per share and net income per share as of and for the years ended March 31, 2014 and 2015 are as follows:

	Yen		U.S. dollars
	2014	2015	2015
Net assets per share*1	¥969.35	¥1,088.96	\$9.05
Net income-Basic*2	83.95	100.99	0.84
-Diluted*2	83.44	100.52	0.83

*1: Data used in the calculation of "Net assets per share" are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Total net assets on consolidated balance sheets	¥59,655	¥67,254	\$559,198
Total net assets attributable to shares of common stock	59,534	67,104	557,952
Main differences: Stock options	121	149	1,245
Number of shares outstanding (thousands of shares)	79,147	73,647	-
Number of treasury stock (thousands of shares)	17,730	12,024	-
Number of shares used for computing net assets per share	61,416	61,623	-

*2: Data used in the calculation of "Net income-Basic" and "Diluted" are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net income	¥ 5,127	¥ 6,205	\$51,597
Net income attributable to shares of common stock	5,127	6,205	51,597
Average number of shares outstanding during the years (thousands of shares)	61,083	61,445	-
Potential increase in common stock for the diluted income calculation (thousands of shares)	367	290	-

As mentioned in "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (18). Changes in Accounting Policy," Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts (ASBJ Practical Issues Task Force No. 30, December 25, 2013) has been retrospectively adopted. Thus, the consolidated financial statements for the year ended March 31, 2014 reflect such

retrospective application.

As a result, net income per share and diluted net income per share for the fiscal year ended March 31, 2014 increased by ¥0.08 (U.S.\$0.0007) respectively.

19 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table presents reclassification adjustments and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2014 and 2015:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Net unrealized gains (losses) on securities:			
Amount arising during the year	¥ 987	¥ 585	\$ 4,869
Reclassification adjustments for gains and losses included in net income	(25)	-	-
Amount before tax effect	962	585	4,869
Tax effect	(330)	(59)	(493)
Net unrealized gains (losses) on securities	631	526	4,375
Deferred hedge gains (losses):			
Amount arising during the year	(744)	(1,123)	(9,344)
Reclassification adjustments for gains and losses included in net income	886	1,076	8,951
Amount before tax effect	141	(47)	(393)
Tax effect	51	55	462
Deferred hedge gains (losses)	193	8	68
Foreign currency translation adjustments:			
Amount arising during the year	1,367	2,387	19,848
Remeasurements of defined benefit plans			
Amount arising during the year	-	414	3,449
Reclassification adjustments for gains and losses included in net income	-	(7)	(58)
Amount before tax effect	-	407	3,390
Tax effect	-	(127)	(1,059)
Remeasurements of defined benefit plans	-	280	2,330
Total other comprehensive income(loss)	¥ 2,192	¥ 3,202	\$ 26,624

20 SEGMENT INFORMATION

(1) Overview of Reportable Segments

The reportable segments of the Companies 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 Companies operate within a single business related to the manufacture and sale of press machines and their ancillary facilities, and auxiliary business such as services.

AIDA plays a key role for the domestic business.

As for the overseas business, each local company including Asia (China, Hong Kong, Singapore and Malaysia), Americas (U.S.A.) and Europe (Italy) plays an important role.

Each foreign subsidiary is a single business entity, planning comprehensive business strategies for products and conducting busi-

ness activities in each area. Accordingly, the Companies consist of geographic segments which have the fundamental functions of manufacturing, sales and service.

Reportable segments are categorized into "Japan," "Asia," "Americas" and "Europe."

(2) Basis for calculating sales, profit or loss, assets, and other items by reportable segments

Accounting policies of the segments are substantially the same as those described in "Summary of Significant Accounting Policies."

Operating income is used as reportable segment income. Inter-segment sales and transfer prices are based on fair value.

(3) Information on sales, profit or loss, assets, and other items by reportable segments

For the years ended March 31, 2015 and 2014

Millions of yen						
For the year ended March 31, 2015	Japan	Asia	Americas	Europe	Reconciliation*	Consolidated
Sales to third parties	¥24,185	¥16,812	¥23,804	¥12,094	¥ -	¥76,897
Inter-segment sales	21,809	2,045	894	2,854	(27,604)	-
Total sales	45,994	18,858	24,699	14,948	(27,604)	76,897
Segment profit or loss	4,765	1,478	1,587	78	(45)	7,863
Segment assets	70,358	25,363	13,966	14,096	(18,658)	105,126
Depreciation	885	467	112	250	(3)	1,712
Increase in property, plant, equipment and intangible assets	788	360	161	647	-	1,958

Thousands of U.S. dollars						
For the year ended March 31, 2015	Japan	Asia	Americas	Europe	Reconciliation*	Consolidated
Sales to third parties	\$201,090	\$139,791	\$197,926	\$100,560	\$ -	\$639,370
Inter-segment sales	181,339	17,010	7,439	23,730	(229,520)	-
Total sales	382,430	156,802	205,366	124,291	(229,520)	639,370
Segment profit or loss	39,619	12,292	13,197	649	(379)	65,379
Segment assets	585,004	210,884	116,129	117,208	(155,140)	874,086
Depreciation	7,359	3,885	937	2,080	(25)	14,237
Increase in property, plant, equipment and intangible assets	6,557	2,999	1,343	5,387	-	16,287

Millions of yen						
For the year ended March 31, 2014	Japan	Asia	Americas	Europe	Reconciliation*	Consolidated
Sales to third parties	¥21,053	¥18,478	¥16,796	¥ 13,266	¥ -	¥69,594
Inter-segment sales	18,626	1,475	600	3,152	(23,855)	-
Total sales	39,679	19,954	17,397	16,418	(23,855)	69,594
Segment profit or loss	4,181	1,585	902	(717)	368	6,320
Segment assets	62,621	20,917	11,650	15,767	(19,126)	91,830
Depreciation	860	422	92	175	(3)	1,548
Increase in property, plant, equipment and intangible assets	977	513	131	1,496	-	3,117

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

* Adjustments of segment profit or loss represent elimination of inter-segment transactions.

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

• As mentioned in 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (18). Changes in Accounting Policies, from the fiscal year ended March 31, 2015, the methods for calculating retirement benefit liabilities and the service costs and determining the discount rate was revised. Thus, the methods for calculating retirement benefit liabilities and the service costs and determining the discount rate of reporting segments was revised similarly. The impact on profit for reporting segment as a result of this change is immaterial.

• As mentioned in 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (18). Changes in Accounting Policies, Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts (ASBJ Practical Issues Task Force No. 30, December 25, 2013) has been retrospectively adopted. Thus, amounts presented for the year ended March 31, 2014 reflect such retrospective application. As a result, profit for Japan segment for the year ended March 31, 2014 increased by ¥4 million (U.S.\$39 thousand).

(Related Information)

1. Products and service

For the year ended March 31, 2015

Millions of yen				
	Press machines	Service	Others	Total
Sales to third parties	¥62,893	¥13,803	¥199	¥76,897

Thousands of U.S. dollars				
	Press machines	Service	Others	Total
Sales to third parties	\$522,938	\$114,772	\$1,658	\$639,370

For the year ended March 31, 2014

Millions of yen				
	Press machines	Service	Others	Total
Sales to third parties	¥56,963	¥12,439	¥191	¥69,594

2. Geographical information

(1) Sales

Year ended March 31, 2015

Millions of yen						Thousands of U.S. dollars					
Japan	Asia	Americas	Europe	Others	Total	Japan	Asia	Americas	Europe	Others	Total
¥22,643	¥18,491	¥26,044	¥9,544	¥173	¥76,897	\$188,269	\$153,752	\$216,552	\$79,355	\$1,440	\$639,370

Year ended March 31, 2014

Millions of yen					
Japan	Asia	Americas	Europe	Others	Total
¥19,758	¥20,224	¥17,874	¥11,591	¥145	¥69,594

Note. Sales are presented based on customer location, and they are classified by country and areas.

(2) Property, plant and equipment

As of March 31, 2015

Millions of yen					Thousands of U.S. dollars				
Japan	Asia	Americas	Europe	Total	Japan	Asia	Americas	Europe	Total
¥ 10,851	¥ 4,160	¥1,224	¥2,997	¥19,233	\$90,229	\$34,589	\$10,177	\$24,924	\$159,921

As of March 31, 2014

Millions of yen				
Japan	Asia	Americas	Europe	Total
¥ 10,058	¥ 3,590	¥832	¥3,164	¥17,645

(Reportable segment information for impairment loss of fixed assets)

There is no impairment loss of fixed assets for the year ended March 31, 2014.

Information is omitted due to its insignificance for the year ended March 31, 2015.

(Reportable segment information for amortization and balance of goodwill)

There is no amortization or ending balance of goodwill as of and for the years ended March 31, 2014 and 2015.

(Reportable segment information for negative goodwill)

There is no negative goodwill recorded for the years ended March 31, 2014 and 2015.

21 STOCK OPTIONS

The directors' remuneration amounts recorded in "Selling, general and administrative expenses" for the years ended March 31, 2014 and 2015 are ¥32 million and ¥28 million (U.S.\$235 thousand), respectively.

The number of common shares to be granted for stock options is as follows:

Fiscal year	Grantees	Number of common shares granted (shares)	Grant date	Exercise price per share (yen)	Exercise periods
2007	Directors (4)	22,000	September 26, 2007	1	From September 27, 2007 to September 26, 2037
2008	Directors (6)	36,000	September 25, 2008	1	From September 26, 2008 to September 25, 2038
2009	Directors (6)	85,000	September 25, 2009	1	From September 26, 2009 to September 25, 2039
2010	Directors (6)	79,000	September 24, 2010	1	From September 25, 2010 to September 24, 2040
2011	Directors (7)	57,000	September 29, 2011	1	From September 30, 2011 to September 29, 2041
2012	Directors (6)	62,000	November 29, 2012	1	From November 30, 2012 to November 29, 2042
2013	Directors (6)	39,000	September 26, 2013	1	From September 27, 2013 to September 26, 2043
2014	Directors (6)	28,000	September 29, 2014	1	From September 30, 2014 to September 29, 2044

A summary of stock option activity is as follows:

Granted fiscal year	2005	2007	2008	2009	2010	2011	2012	2013	2014
Exercise price per share (yen)	725	1	1	1	1	1	1	1	1
Average stock price when exercised (yen)	1,283	-	-	-	-	-	-	-	-
Fair value per share when granted (yen)	725	-	-	-	-	-	-	-	-
Outstanding as of April 1, 2014 (shares)	-	-	-	-	-	-	-	-	-
Granted (shares)	-	-	-	-	-	-	-	-	28,000
Forfeited (shares)	-	-	-	-	-	-	-	-	-
Vested (shares)	-	-	-	-	-	-	-	-	28,000
Outstanding as of March 31, 2015 (shares)	-	-	-	-	-	-	-	-	-
Outstanding as of April 1, 2014 (shares)	474,000	15,000	23,000	53,000	48,000	42,000	53,000	39,000	-
Vested (shares)	-	-	-	-	-	-	-	-	28,000
Exercised (shares)	208,000	-	-	-	-	-	-	-	-
Forfeited (shares)	266,000	-	-	-	-	-	-	-	-
Outstanding as of March 31, 2015 (shares)	-	15,000	23,000	53,000	48,000	42,000	53,000	39,000	28,000

The method for estimating the fair value of stock options granted in the year ended March 31, 2015 is as follows:

(a) Valuation method used: Black-Scholes model

(b) Principal assumptions

Volatility (*1) 39.15%

Projected remaining period (*2) 5 years

Projected dividend (*3) ¥22.00 [U.S.\$0.18] / share

Risk-free interest rate..... 0.175%

(*1) Computed based on share prices during a six-year period from September 30, 2009 to September 29, 2014.

(*2) Estimated based on the past experience during the directors' term of office.

(*3) Determined based on the average of the dividend amounts for the years ended March 31, 2013 and 2014.

22 SUBSEQUENT EVENT

March 31, 2015:

On June 25, 2015, at the general meeting of shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥30.00 (U.S.\$0.25) per share)	¥1,950	\$16,218

The amount includes dividends of ¥101 million (U.S.\$824 thousand) on shares (3,395,600 shares as of March 31, 2015) held by the Trust Account E.



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Independent Auditor's Report

The Board of Directors
AIDA ENGINEERING, Ltd.

We have audited the accompanying consolidated financial statements of AIDA ENGINEERING, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AIDA ENGINEERING, Ltd. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

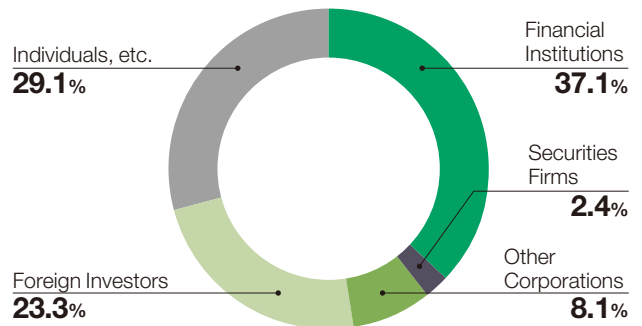
We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 25, 2015
Tokyo, Japan

Securities Code	6118
Stock Listing	Tokyo Stock Exchange, 1st Section
Number of Shares Authorized	188,149,000
Number of Shares Issued	73,647,321
Number of Shares of Treasury Stock	12,024,268*
Number of Shares per Trading Unit	100 shares
Number of Shareholders	6,994
Custodian of Shareholders	Mizuho Trust & Banking Co., Ltd.

Breakdown of Issued Shares by Type of Shareholder

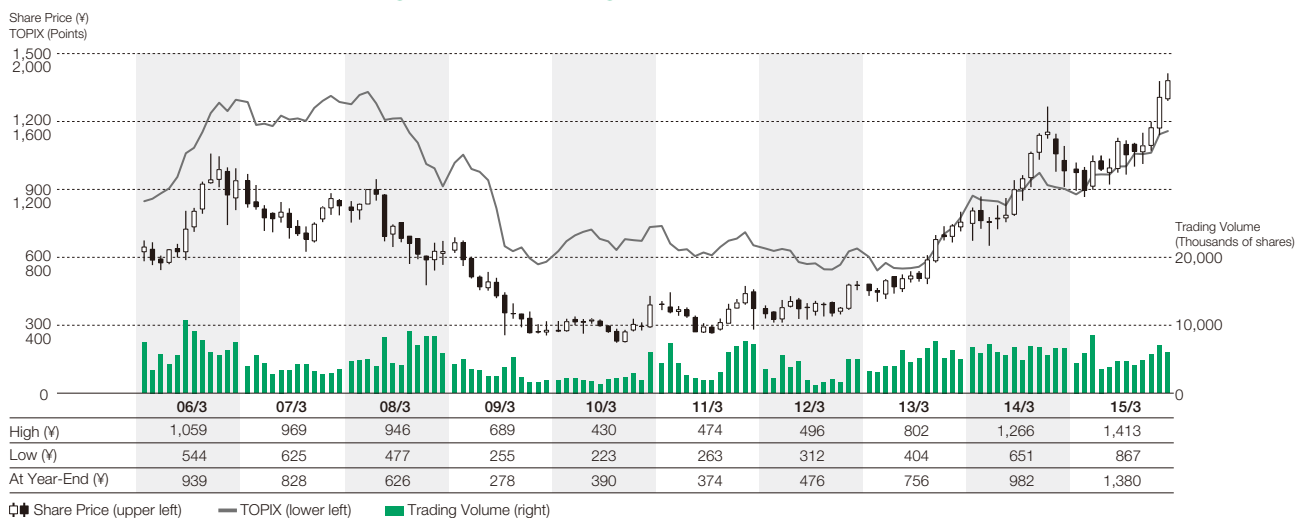


*Number of shares of treasury stock includes the 3,395,600 shares of treasury stock held by Trust & Custody Services Bank, Ltd. as part of the Japanese employee stock ownership plan (J-ESOP).

Major Shareholders

	Number of Shares Held (thousands)	Percentage of Total Issued Shares (%)
The Dai-ichi Life Insurance Company, Ltd.	4,000	5.43
Japan Trustee Services Bank, Ltd. (Trust Account)	3,415	4.64
Trust & Custody Services Bank, Ltd. (Trust Account E)	3,395	4.61
Nippon Life Insurance Company	2,533	3.44
Meiji Yasuda Life Insurance Company	2,516	3.42
Mizuho Bank, Ltd.	2,179	2.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,799	2.44
RBC ISB A/C DUB NON RESIDENT - TREATY RATE	1,450	1.97
CMBL S.A. RE MUTUAL FUNDS	1,446	1.96
Kimikazu Aida	1,433	1.95

Monthly Share Price Range and Trading Volume



Corporate Data

Company Name	AIDA ENGINEERING, LTD.
Founded	March 1917
Established	March 25, 1937
Capital	¥7,831 million
Fiscal Year-End	March 31
Number of Employees	725 (Consolidated: 1,818)
Head Office	2-10 Ohyama-cho, Midori Ward, Sagamihara City, Kanagawa Prefecture 252-5181, Japan TEL. +81-42-772-5231 FAX. +81-42-772-5263

WEBSITE

On its corporate website, AIDA offers a wealth of information, including timely disclosure of financial information for its shareholders and other investors, information on products and after-service support for customers, and information for those unfamiliar with the Company's operations.

www.aida.co.jp/en/

History

- 1917** AIDA Ironworks is founded in Honjo, Tokyo, by Yokei Aida.
- 1923** Totally destroyed by the Great Kanto Earthquake, but rebuilt immediately.
- 1933** Introduced the first Japanese knuckle-joint press.
- 1937** Incorporated as a limited company with capital of ¥200,000.
- 1945** The factory is totally destroyed in an air raid, then rebuilt and operations are restarted two months later.
- 1955** Introduced the first 200-ton high-speed automatic press.
- 1959** New factory constructed in Sagamihara City (current headquarters).
- 1960** Introduced the first Japanese transfer press.
- 1962** Listed on the Tokyo Stock Exchange, 2nd Section.
- 1964** Headquarters and Kameido Factory are moved and integrated into the Sagamihara facility.
- 1967** Completed a 2,500-ton transfer press, the largest class in the world (at the time of completion).
- 1968** Introduced "Autohand," the first Japanese industrial robot.
- 1970** Company name is changed to AIDA ENGINEERING, LTD.
- 1971** Promoted to the 1st Section of the Tokyo Stock Exchange.
- 1972** Established a subsidiary in the United States.
- 1974** Tsukui Factory is constructed (the current Tsukui Plant Division in Sagamihara City).
- 1985** Nominated as a marginable stock on the Tokyo Stock Exchange.
Established a subsidiary in Canada.
- 1989** Established a subsidiary in Singapore.
- 1992** ACCESS LTD. is established in Ishikawa Prefecture.
AIDA BUSINESS CORP. is established in Sagamihara City.
- 1993** Established a subsidiary in Hong Kong.
- 1995** Manufacturing bases are established in the United States and Malaysia.
A new facility is constructed in Hakusan City in Ishikawa Prefecture.
- 1997** Established a subsidiary in Thailand.
- 1999** Received ISO 9001 certification.
- 2001** Received ISO 14001 certification.
- 2002** Established subsidiaries in China and France.
Introduced the world's first direct-drive servo press (now called the Direct Servo Former).
- 2003** A manufacturing base is established in Shanghai, China.
- 2004** Established a subsidiary in Germany.
Absorbed an Italian subsidiary, and established a manufacturing base.
- 2005** Established subsidiaries in Brazil and Indonesia.
- 2007** A new plant is constructed on land adjacent to the headquarters.
Established a subsidiary in India.
- 2008** Completed the development of a 2,300-ton capacity large servo press.
- 2009** Established a subsidiary in Mexico.
Completed the development of AIDA Ultimate Precision Forming Press UL-D Series.
- 2010** Launched commercial marketing of large-capacity servo motors for servo presses developed and manufactured by AIDA.
Transferred Chinese production base to Nantong City and expanded base.
- 2011** Established subsidiaries in Vietnam and Morocco.
- 2012** Established a subsidiary in Russia.
- 2013** Segregation of production functions in Malaysia.

■ Production facilities ● Sales and service network

Overseas

AMERICAS

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● AIDA do BRASIL Comércio de Máquinas Ltda.
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