

Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2025 [Japanese Standard]

February 12, 2025
Stock exchange: Tokyo

Listed company name: AIDA ENGINEERING, LTD.
 Stock code: 6118 (URL <https://www.aida.co.jp/en/>)
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 Scheduled date of beginning dividend payment: —
 Preparation of supplemental explanatory materials: Yes
 Holding of financial results briefing: None

(Figures are rounded down to the nearest million yen)

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

(1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|-------------------------------------|-----------------|-----|------------------|-------|-----------------|-------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended December 31, 2024 | 55,081 | 6.7 | 4,157 | 130.8 | 4,155 | 119.0 | 3,247 | 127.4 |
| Nine months ended December 31, 2023 | 51,618 | 7.2 | 1,801 | 81.2 | 1,897 | 64.6 | 1,427 | 84.4 |

Note: Comprehensive income: Nine months ended December 31, 2024 4,595 million yen (43.8%)
 Nine months ended December 31, 2023 3,195 million yen (—%)

| | Net income per share | Diluted net income per share |
|-------------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2024 | 56.27 | 56.19 |
| Nine months ended December 31, 2023 | 23.91 | 23.87 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31, 2024 | 124,870 | 83,001 | 66.4 | 1,441.19 |
| As of March 31, 2024 | 126,195 | 82,321 | 65.2 | 1,376.26 |

Reference: Shareholders' equity As of December 31, 2024 82,910 million yen
 As of March 31, 2024 82,230 million yen

2. Cash Dividends

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

Note: Revision of dividend forecast for this period: None

3. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)
(Percentages represent change compared to the previous corresponding period)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|-----------|-----------------|-----|------------------|------|-----------------|------|---|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 74,000 | 1.7 | 5,300 | 46.6 | 5,300 | 47.4 | 4,200 | 49.6 | 72.83 |

Note: Revision of forecasts of consolidated results: None

Notes

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

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

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

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

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

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

(4) Number of issued shares (common shares)

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

As of December 31, 2024 67,204,621 shares

As of March 31, 2024 69,448,421 shares

2. Total number of treasury shares at the end of the period

As of December 31, 2024 9,675,312 shares

As of March 31, 2024 9,699,246 shares

3. Average number of shares outstanding during the period

Nine months ended December 31, 2024 57,712,520 shares

Nine months ended December 31, 2023 59,725,255 shares

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

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

(Note on forward-looking statements)

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

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1. Qualitative Information on the Financial Results for the Period Under Review

(1) Operating Results

During the nine months ended December 31, 2024, the global economy was on a moderate growth trend overall, led by the robust U.S. economy. However, downside risks remain a concern mainly due to the rising uncertainty surrounding economic policies, particularly in terms of trade, in addition to the lingering economic stagnation in China and Europe and geopolitical risks such as the Ukraine and the Middle East.

In the metalforming machinery industry, the Japan Forming Machinery Association reported that orders received for press during the nine months ended December 31, 2024 decreased by 12.8% year on year to ¥103,812 million, due to a decline in both domestic and export orders.

Under these conditions, orders received by AIDA ENGINEERING, LTD. (the “Company”) and its group companies (collectively, the “Group”) in the nine months ended December 31, 2024 were ¥52,731 million (down 12.6% year on year). While orders for medium and large press (customized press) increased, this was offset by decreases in orders for high-speed press for electric vehicles and orders for general-purpose press. The order backlog decreased to ¥74,355 million (down 3.1% from the end of the previous fiscal year) due to decreased orders.

Net sales were ¥55,081 million (up 6.7% year on year), mainly due to increased sales of medium and large press (customized machines) and services in addition to the impact of the yen’s depreciation.

In terms of profit, operating income was ¥4,157 million (up 130.8% year on year), ordinary income was ¥4,155 million (up 119.0% year on year), and net income attributable to owners of parent was ¥3,247 million (up 127.4% year on year), due to increased sales, improved gross profit margins, and gains from the sale of strategic shareholdings.

Operating results by segment during the nine months ended December 31, 2024 were as follows.

- Japan: Net sales were ¥33,957 million (up 14.8% year on year) due to increased sales of medium and large press (customized press), general-purpose press and services. Segment income was ¥1,968 million (compared to a segment income of ¥2 million in the same period of the previous year) due to increased sales and improved gross profit margins.
- China: Net sales were ¥9,003 million (down 11.3% year on year) due to decreased sales of customized press and general-purpose press despite robust sales of high-speed press. Segment income was ¥592 million (down 12.4% year on year) due to decreased sales and increased SG&A expenses.
- Asia: Net sales were ¥8,193 million (up 7.6% year on year) due to increased sales of customized press and the impact of the yen's depreciation. Segment income was ¥430 million (down 44.4% year on year) due to deterioration in gross profit margins.
- Americas: Net sales were ¥13,054 million (up 10.8% year on year) due to increased sales of customized press and services and the impact of the yen’s depreciation. Segment income was ¥1,084 million (up 576.7% year on year) due to increased sales and improved gross profit margins for press.
- Europe: Net sales were ¥10,878 million (down 2.0% year on year) due to decreased sales of customized press despite robust sales of services. Segment income was ¥222 million (up 6.7% year on year) due to increased sales of services and improved gross profit margins for press.

(2) Financial Position

Total assets as of December 31, 2024 decreased by ¥1,325 million from the end of the previous fiscal year to ¥124,870 million. This is primarily attributable to a ¥3,209 million increase in cash and deposits, a ¥3,196 million decrease in trade receivables, including notes and accounts receivable - trade, and contract assets and electronically recorded monetary claims - operating, a ¥3,373 million increase in inventories, a ¥3,076 million decrease in other current assets (advance payments - trade, etc.), and a ¥1,191 million decrease in investment securities.

Total liabilities decreased by ¥2,005 million from the end of the previous fiscal year to ¥41,868 million. This is primarily attributable to a ¥2,342 million decrease in trade payables, including accounts payable - trade and electronically recorded obligations - operating.

Net assets increased by ¥679 million from the end of the previous fiscal year to ¥83,001 million. This is primarily attributable to a ¥668 million decrease in shareholders' equity due to cash dividends and the purchase of treasury shares, a ¥796 million decrease in valuation difference on available-for-sale securities, and a ¥2,101 million increase in foreign currency translation adjustment. As a result, shareholders' equity ratio was 66.4% as of December 31, 2024.

(3) Consolidated Financial Results Forecast and Other Forward-Looking Information

The forecasts of consolidated results for the fiscal year ending March 31, 2025, which the Company announced on November 12, 2024, remain unchanged.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 33,316 | 36,525 |
| Notes and accounts receivable - trade, and contract assets | 19,006 | 14,873 |
| Electronically recorded monetary claims - operating | 1,390 | 2,327 |
| Finished goods | 5,538 | 5,808 |
| Work in process | 21,078 | 23,760 |
| Raw materials and supplies | 4,675 | 5,096 |
| Other | 5,351 | 2,275 |
| Allowance for doubtful accounts | (73) | (75) |
| Total current assets | 90,283 | 90,591 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 27,404 | 27,786 |
| Accumulated depreciation | (19,858) | (20,424) |
| Buildings and structures, net | 7,545 | 7,362 |
| Machinery, equipment and vehicles | 21,984 | 22,549 |
| Accumulated depreciation | (16,776) | (17,777) |
| Machinery, equipment and vehicles, net | 5,208 | 4,772 |
| Land | 7,343 | 7,381 |
| Construction in progress | 151 | 321 |
| Other | 4,653 | 4,792 |
| Accumulated depreciation | (4,011) | (4,160) |
| Other, net | 642 | 632 |
| Total property, plant and equipment | 20,889 | 20,469 |
| Intangible assets | 2,127 | 1,895 |
| Investments and other assets | | |
| Investment securities | 11,196 | 10,004 |
| Insurance funds | 526 | 519 |
| Retirement benefit asset | 677 | 697 |
| Deferred tax assets | 385 | 433 |
| Other | 1,829 | 2,045 |
| Allowance for doubtful accounts | (1,721) | (1,789) |
| Total investments and other assets | 12,894 | 11,912 |
| Total non-current assets | 35,912 | 34,278 |
| Total assets | 126,195 | 124,870 |

(Millions of yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|--|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 7,915 | 5,113 |
| Electronically recorded obligations - operating | 3,014 | 3,474 |
| Short-term borrowings | 1,469 | 1,648 |
| Current portion of long-term borrowings | 500 | 1,000 |
| Accounts payable - other | 1,124 | 1,429 |
| Income taxes payable | 915 | 988 |
| Contract liabilities | 16,177 | 16,693 |
| Provision for product warranties | 679 | 759 |
| Provision for bonuses | 1,069 | 706 |
| Provision for bonuses for directors (and other officers) | 41 | 29 |
| Provision for loss on orders received | 176 | 109 |
| Other | 3,796 | 3,727 |
| Total current liabilities | 36,882 | 35,680 |
| Non-current liabilities | | |
| Long-term borrowings | 1,000 | 500 |
| Long-term accounts payable - other | 1,095 | 1,193 |
| Deferred tax liabilities | 2,227 | 1,775 |
| Provision for share awards | 744 | 817 |
| Retirement benefit liability | 1,383 | 1,389 |
| Asset retirement obligations | 9 | 9 |
| Other | 530 | 502 |
| Total non-current liabilities | 6,991 | 6,188 |
| Total liabilities | 43,873 | 41,868 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,831 | 7,831 |
| Capital surplus | 13,028 | 12,586 |
| Retained earnings | 56,092 | 56,325 |
| Treasury shares | (5,256) | (5,715) |
| Total shareholders' equity | 71,695 | 71,027 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,446 | 4,650 |
| Deferred gains or losses on hedges | (519) | (473) |
| Foreign currency translation adjustment | 5,755 | 7,857 |
| Remeasurements of defined benefit plans | (148) | (150) |
| Total accumulated other comprehensive income | 10,534 | 11,882 |
| Share acquisition rights | 91 | 91 |
| Total net assets | 82,321 | 83,001 |
| Total liabilities and net assets | 126,195 | 124,870 |

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | Nine months ended December 31, 2023 | Nine months ended December 31, 2024 |
|--|--|--|
| Net sales | 51,618 | 55,081 |
| Cost of sales | 42,422 | 43,082 |
| Gross profit | 9,195 | 11,998 |
| Selling, general and administrative expenses | 7,394 | 7,841 |
| Operating income | 1,801 | 4,157 |
| Non-operating income | | |
| Interest income | 110 | 218 |
| Dividend income | 190 | 238 |
| Other | 44 | 81 |
| Total non-operating income | 345 | 538 |
| Non-operating expenses | | |
| Interest expenses | 28 | 63 |
| Foreign exchange losses | 184 | 446 |
| Commission expenses | 4 | 12 |
| Other | 32 | 18 |
| Total non-operating expenses | 249 | 540 |
| Ordinary income | 1,897 | 4,155 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 291 | 14 |
| Gain on sale of investment securities | — | 769 |
| Total extraordinary income | 291 | 784 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 7 | 0 |
| Total extraordinary losses | 7 | 0 |
| Income before income taxes | 2,181 | 4,939 |
| Income taxes | 753 | 1,691 |
| Net income | 1,427 | 3,247 |
| Net income attributable to owners of parent | 1,427 | 3,247 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Nine months ended December 31, 2023 | Nine months ended December 31, 2024 |
|---|--|--|
| Net income | 1,427 | 3,247 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 735 | (796) |
| Deferred gains or losses on hedges | (284) | 45 |
| Foreign currency translation adjustment | 1,335 | 2,101 |
| Remeasurements of defined benefit plans, net of tax | (18) | (2) |
| Total other comprehensive income | 1,767 | 1,348 |
| Comprehensive income | 3,195 | 4,595 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,195 | 4,595 |

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

(Notes Regarding Remarkable Fluctuation in Shareholders' Equity)

1) Repurchase of treasury shares

At the Board of Directors meeting held on March 14, 2024, the Company resolved to repurchase its shares pursuant to Article 156 of the Companies Act, as applied pursuant to Paragraph 3 of Article 165 of the same act, and subsequently executed the repurchase of its shares, acquiring 2,243,800 treasury shares at a cost of ¥1,999 million.

2) Cancellation of repurchased shares

At the Board of Directors meeting held on March 14, 2024, the Company resolved to cancel its shares pursuant to Article 178 of the Companies Act, and subsequently executed the cancellation of 2,243,800 treasury shares, amounting to ¥1,532 million, on July 31, 2024.

As a result, other capital surplus decreased by ¥442 million, retained earnings decreased by ¥1,090 million, and treasury shares decreased by ¥1,532 million. At the end of the nine months ended December 31, 2024, retained earnings amounted to ¥56,325 million and treasury shares amounted to ¥5,715 million with 9,675,312 shares.

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

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

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

(Changes in Accounting Policies)

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

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

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

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

(Segment Information)

I. Nine months ended December 31, 2023

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

(Millions of yen)

| | Japan | China | Asia | Americas | Europe | Subtotal | Adjustments (*1) | Consolidated statements of income (*2) |
|----------------------------|--------|--------|-------|----------|--------|----------|---------------------|---|
| Sales | | | | | | | | |
| (1) Sales to third parties | | | | | | | | |
| a. Press | 9,505 | 8,979 | 3,288 | 8,963 | 7,723 | 38,460 | — | 38,460 |
| b. Service | 3,734 | 869 | 1,648 | 2,303 | 2,247 | 10,804 | — | 10,804 |
| c. Others | 2,289 | 18 | 21 | — | 24 | 2,354 | — | 2,354 |
| Subtotal | 15,528 | 9,867 | 4,959 | 11,267 | 9,995 | 51,618 | — | 51,618 |
| (2) Inter-segment sales | 14,056 | 280 | 2,656 | 515 | 1,108 | 18,616 | (18,616) | — |
| Total sales | 29,584 | 10,147 | 7,615 | 11,782 | 11,104 | 70,235 | (18,616) | 51,618 |
| Segment income | 2 | 675 | 774 | 160 | 208 | 1,821 | (19) | 1,801 |

Notes:

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

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

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

II. Nine months ended December 31, 2024

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

(Millions of yen)

| | Japan | China | Asia | Americas | Europe | Subtotal | Adjustments (*1) | Consolidated statements of income (*2) |
|----------------------------|--------|-------|-------|----------|--------|----------|---------------------|---|
| Sales | | | | | | | | |
| (1) Sales to third parties | | | | | | | | |
| a. Press | 11,395 | 7,169 | 3,983 | 9,896 | 6,935 | 39,380 | — | 39,380 |
| b. Service | 4,438 | 843 | 1,607 | 3,008 | 2,869 | 12,767 | — | 12,767 |
| c. Others | 2,836 | 36 | 29 | — | 30 | 2,933 | — | 2,933 |
| Subtotal | 18,670 | 8,050 | 5,620 | 12,904 | 9,835 | 55,081 | — | 55,081 |
| (2) Inter-segment sales | 15,286 | 953 | 2,572 | 149 | 1,043 | 20,005 | (20,005) | — |
| Total sales | 33,957 | 9,003 | 8,193 | 13,054 | 10,878 | 75,087 | (20,005) | 55,081 |
| Segment income | 1,968 | 592 | 430 | 1,084 | 222 | 4,298 | (141) | 4,157 |

Notes:

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

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

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

(Notes Regarding Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the nine months ended December 31, 2024. The depreciation (including amortization of intangible assets) for the nine months ended December 31, 2024 is as follows.

| | April 1, 2023 to December 31, 2023 | April 1, 2024 to December 31, 2024 |
|--------------|------------------------------------|------------------------------------|
| Depreciation | ¥1,495 million | ¥1,477 million |

Note: There was no amortization of goodwill in the nine months ended December 31, 2023 and the nine months ended December 31, 2024.

3. Supplementary Information

Status of Orders

Nine months ended December 31, 2024

(Millions of yen)

| | Orders | | Order backlog | |
|----------|--------|---|---------------|--|
| | Amount | Comparison with the previous period (%) | Amount | Comparison with the end of previous year (%) |
| Japan | 17,329 | (21.1) | 27,828 | (4.6) |
| China | 4,477 | (32.8) | 11,231 | (24.1) |
| Asia | 5,560 | 8.9 | 4,923 | (1.2) |
| Americas | 16,348 | 23.8 | 16,766 | 25.9 |
| Europe | 9,014 | (32.8) | 13,605 | (5.7) |
| Total | 52,731 | (12.6) | 74,355 | (3.1) |

Notes:

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