

(For reference purposes only)

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.