

Consolidated Financial Results for the Fiscal Year ended March 31, 2022 [Japanese Standard]

May 16, 2022

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 annual general shareholders' meeting: June 27, 2022

Scheduled date of filing annual securities report: June 27, 2022

Scheduled beginning date of dividend payment: June 28, 2022

Preparation of supplemental explanatory materials: Yes

Holding of financial results briefing: Yes (for analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	%
Year ended March 31, 2022	62,466	7.5	2,505	(32.7)	2,432	(35.1)	896	(31.9)
Year ended March 31, 2021	58,099	(16.0)	3,722	(39.7)	3,748	(41.6)	1,316	(67.3)

Note: Comprehensive income
 Year ended March 31, 2022 2,526 million yen (-44.3 %)
 Year ended March 31, 2021 4,538 million yen (182.6 %)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	15.02	14.99	1.2	2.2	4.0
Year ended March 31, 2021	22.07	22.04	1.7	3.5	6.4

Reference: Equity in earnings of affiliates
 Year ended March 31, 2022 — million yen
 Year ended March 31, 2021 — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	113,933	78,664	68.4	1,304.89
As of March 31, 2021	107,787	77,505	71.2	1,285.38

Reference: Shareholders' equity
 As of March 31, 2022 77,901 million yen
 As of March 31, 2021 76,731 million yen

(3) Consolidated Cash Flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	5,905	(2,828)	(1,533)	35,030
Year ended March 31, 2021	7,263	(1,921)	(3,770)	31,700

2. Cash Dividends

	Cash dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q End	2Q End	3Q End	Year-end	Total			
Year ended March 31, 2021	—	—	—	20.00	20.00	1,263	90.6	1.6
Year ended March 31, 2022	—	—	—	25.00	25.00	1,601	166.5	1.9
Year ended March 31, 2023 (forecast)	—	—	—	30.00	30.00		44.8	

3. Forecasts of Consolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ended September 30, 2022	36,000	33.8	2,700	238.0	2,800	190.8	2,000	261.8	33.50
Full year ended March 31, 2023	72,000	15.3	5,500	119.5	5,700	134.3	4,000	346.2	67.00

4. Others

(1) Changes among significant subsidiaries during the period: None

(2) 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

(3) Number of shares outstanding (Common stock)

1. Total number of issued shares (Including treasury stock)

As of March 31, 2022	69,448,421	shares
As of March 31, 2021	69,448,421	shares
2. Total number of treasury stock

As of March 31, 2022	9,748,838	shares
As of March 31, 2021	9,753,258	shares
3. Average number of shares

Year ended March 31, 2022	59,695,511	shares
Year ended March 31, 2021	59,653,723	shares

[Reference] Outline of Non-Consolidated Results

Non-Consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	33,916	(6.0)	1,021	(67.7)	1,510	(60.8)	(5)	—
Year ended March 31, 2021	36,066	(15.3)	3,162	(30.2)	3,849	(60.2)	4,414	(25.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2022	(0.10)	—
Year ended March 31, 2021	74.00	73.89

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	78,278	61,031	77.9	1,020.79
As of March 31, 2021	76,613	62,474	81.4	1,045.02

Reference: Shareholders' equity
 As of March 31, 2022 60,940 million yen
 As of March 31, 2021 62,382 million yen

These financial results fall outside the scope of audit procedures.

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

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.

Financial results briefing for analysts and institutional investors is scheduled to be held on May 25, 2022.

The presentation material will be available on our website after the briefing.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash on hand and at banks	31,705	35,031
Notes and accounts receivable - trade	19,032	—
Notes and accounts receivable - trade and contract assets	—	17,690
Electronically recorded monetary claims - operating	2,793	1,087
Finished goods	3,237	4,135
Work in process	10,751	13,019
Raw materials and supplies	3,601	4,420
Advance payments - trade	885	1,719
Accounts receivable - other	985	489
Consumption taxes receivable	295	846
Other current assets	301	302
Allowance for doubtful accounts	(933)	(1,040)
Total current assets	72,656	77,703
Fixed assets		
Property, plant and equipment		
Buildings and structures	25,045	25,709
Accumulated depreciation	(17,653)	(18,481)
Buildings and structures, net	7,392	7,227
Machinery and vehicles	17,400	18,849
Accumulated depreciation	(12,421)	(13,822)
Machinery and vehicles, net	4,978	5,027
Land	7,236	7,263
Construction in progress	1,258	1,437
Other fixed assets	3,697	3,925
Accumulated depreciation	(3,213)	(3,418)
Other fixed assets, net	483	506
Total property, plant and equipment	21,350	21,462
Intangible assets	779	1,179
Investments and other assets		
Investment securities	9,843	10,469
Insurance reserve fund	1,922	1,891
Net defined benefit assets	868	820
Deferred tax assets	249	285
Other assets	154	153
Allowance for doubtful accounts	(38)	(32)
Total investments and other assets	13,000	13,588
Total fixed assets	35,130	36,230
Total assets	107,787	113,933

(Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	5,004	6,137
Electronically recorded monetary obligations - operating	2,500	2,888
Short-term loans payable	1,297	1,094
Accounts payable - other	1,114	1,612
Income taxes payable	1,070	175
Accrued expenses	1,089	1,128
Advances received	8,207	—
Contract liabilities	—	12,091
Accrued warranty costs	471	497
Accrued bonuses for employees	1,090	1,020
Accrued bonuses for directors	36	22
Provision for loss on orders received	113	211
Other current liabilities	1,383	1,270
Total current liabilities	23,378	28,150
Long-term liabilities		
Long-term loans payable	1,500	1,500
Long-term accounts payable - other	904	924
Deferred tax liabilities	2,334	2,336
Accrued stock payments	480	510
Net defined benefit liabilities	1,390	1,456
Asset retirement obligations	10	9
Other long-term liabilities	281	380
Total long-term liabilities	6,902	7,119
Total liabilities	30,281	35,269
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,423	12,836
Retained earnings	55,963	55,511
Treasury stock	(4,838)	(5,250)
Total shareholders' equity	71,379	70,927
Accumulated other comprehensive income		
Net unrealized gains (losses) on other securities	4,869	4,815
Deferred hedge gains (losses)	(139)	(295)
Foreign currency translation adjustments	410	2,365
Retirement benefit plan adjustments	210	87
Total accumulated other comprehensive income	5,351	6,973
Stock options	91	91
Non-controlling interests	683	671
Total net assets	77,505	78,664
Total liabilities and net assets	107,787	113,933

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	58,099	62,466
Cost of sales	45,747	51,574
Gross profit	12,352	10,892
Selling, general and administrative expenses	8,629	8,386
Operating income	3,722	2,505
Non-operating income		
Interest income	43	36
Dividend income	227	202
Other non-operating income	129	79
Total non-operating income	401	318
Non-operating expense		
Interest expenses	33	18
Commission expenses	21	22
Foreign exchange loss	236	269
Restructuring charges	18	19
Other non-operating expenses	65	62
Total non-operating expenses	375	391
Ordinary income	3,748	2,432
Extraordinary gain		
Subsidy income related to suspension or decrease of production	255	22
Gain on sales of fixed assets	27	10
Gain on sales of investment securities	3	6
Total extraordinary gain	286	39
Extraordinary loss		
Loss on suspension or decrease of production	420	123
Loss on sales of fixed assets	0	0
Loss on disposal of fixed assets	29	56
Loss on impairment	686	492
Loss on valuation of investment securities	51	—
Other extraordinary loss	—	46
Total extraordinary loss	1,189	718
Income before income taxes	2,845	1,753
Current taxes	1,282	772
Deferred taxes	209	75
Income taxes	1,492	848
Net income	1,353	904
Net income attributable to non-controlling interests	36	8
Net income attributable to owners of parent	1,316	896

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net income	1,353	904
Other comprehensive income		
Net unrealized gains (losses) on other securities	2,231	(54)
Deferred hedge gains (losses)	(186)	(156)
Foreign currency translation adjustments	1,183	1,955
Retirement benefit plan adjustments	(43)	(123)
Total other comprehensive income	3,185	1,621
Comprehensive income	4,538	2,526
Comprehensive income attributable to owners of parent	4,501	2,518
Comprehensive income attributable to non-controlling interests	37	8

(3) Consolidated Statements of Change in Net Assets
Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,831	12,415	56,536	(4,917)	71,864
Changes during the period					
Cash dividends			(1,889)		(1,889)
Net income attributable to owners of parent			1,316		1,316
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		7		80	87
Net changes of items other than shareholders' equity					
Total changes during the period	—	7	(572)	79	(485)
Balance at the end of period	7,831	12,423	55,963	(4,838)	71,379

	Accumulated other comprehensive income					Stock option	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the period	2,638	47	(773)	253	2,166	139	669	74,840
Changes during the period								
Cash dividends							(23)	(1,912)
Net income attributable to owners of parent								1,316
Purchase of treasury stock								(0)
Disposal of treasury stock								87
Net changes of items other than shareholders' equity	2,231	(186)	1,183	(43)	3,184	(48)	37	3,173
Total changes during the period	2,231	(186)	1,183	(43)	3,184	(48)	13	2,665
Balance at the end of period	4,869	(139)	410	210	5,351	91	683	77,505

Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,831	12,423	55,963	(4,838)	71,379
Cumulative effects of change in accounting policies			(85)		(85)
Restated balance	7,831	12,423	55,877	(4,838)	71,293
Changes during the period					
Cash dividends			(1,263)		(1,263)
Net income attributable to owners of parent			896		896
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				1	1
Disposal of treasury stock to stock benefit trust		412		(412)	—
Net changes of items other than shareholders' equity					
Total changes during the period	—	412	(366)	(412)	(366)
Balance at the end of period	7,831	12,836	55,511	(5,250)	70,927

	Accumulated other comprehensive income					Stock option	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the period	4,869	(139)	410	210	5,351	91	683	77,505
Cumulative effects of change in accounting policies							(14)	(99)
Restated balance	4,869	(139)	410	210	5,351	91	668	77,405
Changes during the period								
Cash dividends								(1,263)
Net income attributable to owners of parent								896
Purchase of treasury stock								(0)
Disposal of treasury stock								1
Disposal of treasury stock to stock benefit trust								—
Net changes of items other than shareholders' equity	(53)	(156)	1,955	(123)	1,621	—	2	1,624
Total changes during the period	(53)	(156)	1,955	(123)	1,621	—	2	1,258
Balance at the end of period	4,815	(295)	2,365	87	6,973	91	671	78,664

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities:		
Income before income taxes	2,845	1,753
Depreciation and amortization	2,048	1,833
Loss on impairment	686	492
(Gain) loss on sales of fixed assets	(27)	(10)
Loss on disposal of fixed assets	29	56
(Gain) loss on sales of securities	(3)	(6)
(Gain) loss on valuation of investment securities	51	—
Increase (decrease) in allowance for doubtful accounts	675	14
Increase (decrease) in accrued bonuses for employees, net	(44)	(80)
Increase (decrease) in accrued bonuses for directors, net	(12)	(14)
Increase (decrease) in accrued warranty costs, net	(131)	3
Increase (decrease) in net defined benefit liabilities	(5)	57
(Increase) decrease in net defined benefit assets	(121)	(30)
Increase (decrease) in accrued stock payments, net	17	29
Increase (decrease) in provision for loss on orders received, net	(64)	85
Interest and dividend income	(271)	(238)
Interest expense	33	18
(Increase) decrease in trade receivables	4,319	7,137
(Increase) decrease in inventories	(187)	(2,542)
Increase (decrease) in trade payables	(677)	455
(Increase) decrease in other assets	120	(8)
Increase (decrease) in other liabilities	795	(245)
Other, net	(1,229)	(1,321)
Sub-total	8,845	7,439
Interest and dividend income received	271	237
Interest expenses paid	(31)	(19)
Income taxes paid	(1,822)	(1,752)
Net cash provided by (used in) operating activities	7,263	5,905
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(1,051)	(1,682)
Proceeds from sales of property, plant and equipment	162	8
Payments for purchase of intangible assets	(202)	(511)
Payments for purchase of investment securities	(851)	(659)
Proceeds from sales of investment securities	9	9
Payments into time deposits	—	(66)
Proceeds from withdrawal of time deposits	7	71
Other, net	3	1
Net cash provided by (used in) investing activities	(1,921)	(2,828)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(1,855)	(261)
Proceeds from long-term loans payable	500	—
Repayment of long-term loans payable	(500)	—
Payments for finance lease obligations	(3)	(4)
Proceeds from sales of treasury stock	2	1
Payments for purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,889)	(1,263)
Dividends paid to non-controlling interests	(23)	(5)
Net cash provided by (used in) financing activities	(3,770)	(1,533)
Effect of exchange rate changes on cash and cash equivalents	1,418	1,786
Net increase (decrease) in cash and cash equivalents	2,989	3,330
Cash and cash equivalents at the beginning of the year	28,710	31,700
Cash and cash equivalents at the end of the year	31,700	35,030

(5) Notes to Going Concern Assumption

None

(6) Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition and other standards

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) (hereinafter, the "Revenue Recognition Accounting Standard") and other related guidance have been applied since the beginning of the current fiscal year.

The application of the Revenue Recognition Accounting Standard follows the transitional treatment in the proviso to paragraph 84 of the standard. Accordingly, the cumulative effects of change in the accounting policies prior to the beginning of the current fiscal year have been adjusted and the new accounting policy has been applied to the balance of retained earnings from the beginning of the period.

As a result, compared with figures calculated using the previous accounting procedures, notes and accounts receivable - trade and contract assets increased by 343 million yen, and finished goods decreased by 238 million as of March 31, 2022. Similarly, for the current fiscal year, net sales and cost of sales increased by 320 million yen and 232 million yen respectively, while operating income, ordinary income, and income before income taxes increased by 87 million yen each. In addition, the balance of retained earnings and non-controlling interests at the beginning of the current fiscal year decreased by 85 million yen and 14 million yen, respectively.

2. Application of Accounting Standard for Fair Value Measurement and other standards

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) (hereinafter, the "Fair Value Measurement Standard") and other related guidance have been applied since the beginning of the current fiscal year. The application of the Fair Value Measurement Standard follows the transitional treatment in the proviso to paragraph 19 of the standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy specified in the Fair Value Accounting Standard and related standards will be applied in the future.

The application has no impact on the consolidated financial statements.

(7) Segment Information

1. Overview of Reportable Segments

The reportable segments 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. The Company plays a key role in the domestic business. As for the overseas business, each local company including China, Asia (mainly Singapore and Malaysia), Americas (mainly U.S.A.), and Europe (mainly Italy) plays an important role. Each foreign subsidiary is a single business entity, planning comprehensive business strategies for products and conducting business activities in each area. Accordingly, the Companies consist of geographic segments which have the fundamental function of manufacturing, sales, and service. Reportable segments are categorized into "Japan", "China", "Asia", "Americas", and "Europe".

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

Operating income is used as reportable segment income. Inter-segment transactions are inter-company transactions and based on market prices.

3. Information regarding amounts of sales, profit, assets, other items, and disaggregation of revenue by reportable segments

Year ended March 31, 2021

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	27,255	6,435	4,768	10,214	9,426	58,099	—	58,099
Inter-segment sales	12,981	987	2,444	237	158	16,808	(16,808)	—
Total sales	40,237	7,422	7,212	10,451	9,584	74,908	(16,808)	58,099
Segment profit or loss	3,087	(284)	673	515	(121)	3,871	(148)	3,722
Segment assets	80,350	10,685	10,555	9,859	12,376	123,827	(16,040)	107,787
Others								
Depreciation	987	326	275	195	264	2,050	(1)	2,048
Increase in property, plant, equipment and intangible assets	506	17	27	15	41	607	—	607

Note:

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

Adjustments of segment profit or loss refer to inter-segment transaction eliminations.

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

Adjustments of depreciation and increase in property, plant, equipment and intangible assets represent elimination of inter-segment transactions.

2. Segment profit or loss is adjusted to operating income of consolidated statements of income.

Year ended March 31, 2022

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
(1) Sales to third parties								
Ⓞ Press Machines	14,388	6,851	2,633	10,997	9,573	44,443	—	44,443
Ⓞ Service	5,545	1,591	1,528	2,640	2,558	13,865	—	13,865
Ⓞ Others	4,034	55	13	—	53	4,156	—	4,156
Subtotal	23,968	8,498	4,175	13,638	12,185	62,466	—	62,466
(2) Inter-segment sales	14,219	353	3,470	231	472	18,747	(18,747)	—
Total sales	38,188	8,851	7,646	13,869	12,658	81,213	(18,747)	62,466
Segment profit	802	741	745	269	110	2,670	(164)	2,505
Segment assets	82,809	12,796	11,705	10,355	13,096	130,763	(16,829)	113,933
Others								
Depreciation	999	200	280	176	178	1,835	(1)	1,833
Increase in property, plant, equipment and intangible assets	1,153	55	512	66	52	1,839	—	1,839

Note:

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

Adjustments of segment profit refer to inter-segment transaction eliminations.

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

Adjustments of depreciation and increase in property, plant, equipment and intangible assets represent elimination of inter-segment transactions.

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

4. Changes in the reportable segment by the application of the Revenue Recognition Accounting Standard

Due to the application of the Revenue Recognition Accounting Standard, compared with the previous method, net sales of Japan increased by 182 million yen, net sales of Asia decreased by 19 million yen, net sales of Europe increased by 157 million yen, segment profit of Japan increased by 87 million yen, segment profit of Asia decreased by 4 million yen, and segment profit of Europe increased by 4 million yen for the current fiscal year.

2. Supplementary Information

Status of Orders

Year ended March 31, 2022

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	28,881	45.1	18,813	35.3
China	13,066	72.0	10,987	71.2
Asia	6,583	87.5	4,231	132.1
Americas	17,451	57.7	10,724	55.2
Europe	12,374	16.4	10,387	1.9
Total	78,357	48.7	55,144	40.5

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.
3. The effect of the application of the Revenue Recognition Accounting Standard was added to the order backlog at the end of the previous fiscal year.