Consolidated Balance Sheets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2025 and 2024

Assets	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars (Note 3) 2025
Current assets			
Cash and deposits (Note 4)	¥ 35,856	¥ 33,316	$ 239,793
Notes and accounts receivable – trade and contract assets (Note 5)	16,942	19,006	113,307
Electronically recorded monetary claims – operating (Note 5)	1,912	1,390	12,791
Inventories (Note 6)	31,881	31,291	213,208
Advance payments – trade	541	2,249	3,624
Accounts receivable – other (Note 5)	594	1,174	3,976
Consumption taxes receivable	811	1,508	5,429
Other	475	419	3,182
Allowance for doubtful accounts	(90)	(73)	(603)
Total current assets	88,927	90,283	594,711
Non-current assets			
Property, plant and equipment			
Buildings and structures	27,503	27,404	183,932
Accumulated depreciation	(20,340)	(19,858)	(136,032)
Buildings and structures, net	7,162	7,545	47,900
Machinery, equipment and vehicles	22,255	21,984	148,836
Accumulated depreciation	(17,497)	(16,776)	(117,015)
Machinery, equipment and vehicles, net	4,758	5,208	31,820
Land	7,356	7,343	49,194
Construction in progress	231	151	1,546
Other	4,643	4,653	31,053
Accumulated depreciation	(3,924)	(4,011)	(26,243)
Other, net	719	642	4,809
Total property, plant and equipment	20,227	20,889	135,271
Intangible assets	1,797	2,127	12,021
Investments and other assets			
Investment securities (Note 8)	9,979	11,196	66,736
Insurance funds	517	526	3,463
Retirement benefit asset (Note 11)	604	677	4,041
Deferred tax assets (Note 16)	554	385	3,708
Other	1,956	1,829	13,083
Allowance for doubtful accounts	(1,702)	(1,721)	(11,383)
Total investments and other assets	11,910	12,894	79,650
Total non-current assets	33,934	35,912	226,943
Total assets	¥122,862	¥126,195	$ 821,654

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

Liabilities and net assets	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars (Note 3) 2025
Liabilities			
Current liabilities			
Accounts payable – trade	¥ 4,948	¥ 7,915	$ 33,092
Electronically recorded obligations – operating (Note 5)	2,363	3,014	15,804
Short-term borrowings (Note 10)	1,620	1,469	10,835
Current portion of long-term borrowings (Note 10)	500	500	3,343
Accounts payable – other	1,255	1,124	8,397
Income taxes payable	997	915	6,673
Accrued expenses	1,368	1,463	9,152
Contract liabilities	16,455	16,177	110,047
Provision for product warranties	766	679	5,123
Provision for bonuses	1,216	1,069	8,132
Provision for bonuses for directors (and other officers)	52	41	354
Provision for loss on orders received (Note 6)	246	176	1,650
Other	1,409	2,333	9,428
Total current liabilities	33,201	36,882	222,037
Non-current liabilities			
Long-term borrowings (Note 10)	1,000	1,000	6,687
Long-term accounts payable – other	1,180	1,095	7,892
Deferred tax liabilities (Note 16)	1,260	2,227	8,429
Provision for share awards	830	744	5,554
Retirement benefit liability (Note 11)	1,378	1,383	9,222
Asset retirement obligations	9	9	65
Other	362	530	2,425
Total non-current liabilities	6,022	6,991	40,278
Total liabilities	39,224	43,873	262,316
Net assets			
Shareholders' equity			
Share capital (Note 12)	7,831	7,831	52,370
Authorized: 188,149,000 shares in 2025 and 2024			
Issued: 67,204,621 shares in 2025 and 69,448,421 shares in 2024			
Capital surplus	12,586	13,028	84,173
Retained earnings	58,179	56,092	389,084
Treasury shares (Note 12)	(5,711)	(5,256)	(38,197)
9,665,994 shares in 2025 and 9,699,246 shares in 2024			
Total shareholders' equity	72,885	71,695	487,430
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	4,597	5,446	30,749
Deferred gains or losses on hedges	(173)	(519)	(1,158)
Foreign currency translation adjustment	6,457	5,755	43,184
Remeasurements of defined benefit plans (Note 11)	(221)	(148)	(1,478)
Total accumulated other comprehensive income	10,660	10,534	71,296
Share acquisition rights (Notes 12 and 22)	91	91	611
Total net assets	83,637	82,321	559,338
Total liabilities and net assets	¥122,862	¥126,195	$821,654

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, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Net sales (Note 13)	¥76,006	¥72,742	$508,299
Cost of sales (Notes 2 (14), 6 and 15)	59,965	59,086	401,027
Gross profit	16,040	13,656	107,272
Selling, general and administrative expenses (Notes 14 and 15)	10,510	10,041	70,291
Operating income	5,529	3,615	36,980
Non-operating income			
Interest income	309	153	2,068
Dividend income	279	279	1,872
Other	205	87	1,376
Total non-operating income	795	520	5,318
Non-operating expenses			
Interest expenses	83	45	558
Commission expenses	105	22	706
Foreign exchange losses	466	420	3,118
Other	110	52	736
Total non-operating expenses	765	540	5,120
Ordinary income	5,559	3,595	37,178
Extraordinary income			
Gain on sale of non-current assets	18	299	124
Gain on sales of investment securities (Note 8)	769	345	5,144
Total extraordinary income	787	645	5,269
Extraordinary losses			
Loss on retirement of non-current assets	3	7	22
Loss on valuation of investment securities	45	—	307
Total extraordinary losses	49	7	329
Income before income taxes	6,297	4,233	42,118
Current taxes	2,092	1,428	13,994
Deferred taxes	(896)	(4)	(5,994)
Income taxes (Note 16)	1,196	1,424	7,999
Net income	5,101	2,808	34,118
Net income attributable to owners of parent	¥ 5,101	¥ 2,808	$ 34,118

	Yen		U.S. dollars
	2025	2024	2025
Per share			
Net income – Basic (Note 19)	¥88.47	¥47.02	$0.59
– Diluted (Note 19)	88.35	46.95	0.59
Cash dividends (Note 23)	37.00	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, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Net income	¥5,101	¥2,808	$34,118
Other comprehensive income (Note 20)			
Valuation difference on available-for-sale securities	(849)	1,451	(5,677)
Deferred gains or losses on hedges	346	(346)	2,315
Foreign currency translation adjustment	701	2,291	4,694
Remeasurements of defined benefit plans, net of tax	(72)	(17)	(488)
Total other comprehensive income	126	3,379	843
Comprehensive income	¥5,227	¥6,187	$34,961
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	¥5,227	¥6,187	$34,961

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, 2025 and 2024

		Millions of yen											
	Number of shares of common stock issued (Thousands)	Share capital	Capital surplus	Retained earnings	Treasury shares	Total share-holders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeas-urements of defined benefit plans	Total accumulated other compre-hensive income	Share acquisi-tion rights	Total net assets
Balance at April 1, 2023	69,448	¥7,831	¥13,007	¥55,205	¥(5,247)	¥70,796	¥3,994	¥(173)	¥3,463	¥(130)	¥ 7,155	¥91	¥78,043
Cash dividends				(1,921)		(1,921)							(1,921)
Net income attributable to owners of parent				2,808		2,808							2,808
Purchase of treasury stock					(72)	(72)							(72)
Disposal of treasury stock					12	12							12
Cancellation of treasury stock						—							—
Disposal of treasury stock to stock benefit trust			21		50	71							71
Net changes of items other than shareholders' equity							1,451	(346)	2,291	(17)	3,379	—	3,379
Balance at March 31 and April 1, 2024	69,448	7,831	13,028	56,092	(5,256)	71,695	5,446	(519)	5,755	(148)	10,534	91	82,321
Cash dividends				(1,923)		(1,923)							(1,923)
Net income attributable to owners of parent				5,101		5,101							5,101
Purchase of treasury stock					(2,000)	(2,000)							(2,000)
Disposal of treasury stock						—							—
Cancellation of treasury stock			(442)	(1,090)	1,532	—							—
Disposal of treasury stock to stock benefit trust					12	12							12
Net changes of items other than shareholders' equity							(849)	346	701	(72)	126	—	126
Balance at March 31, 2025	67,204	¥7,831	¥12,586	¥58,179	¥(5,711)	¥72,885	¥4,597	¥(173)	¥6,457	¥(221)	¥10,660	¥91	¥83,637

		Thousands of U.S. dollars (Note 3)											
	Number of shares of common stock issued (Thousands)	Share capital	Capital surplus	Retained earnings	Treasury shares	Total share-holders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeas-urements of defined benefit plans	Total accumulated other compre-hensive income	Share acquisi-tion rights	Total net assets
Balance at April 1, 2024	69,448	$52,370	$87,130	$375,124	$(35,152)	$479,473	$36,426	$(3,474)	$38,490	$ (989)	$70,452	$611	$550,537
Cash dividends				(12,866)		(12,866)							(12,866)
Net income attributable to owners of parent				34,118		34,118							34,118
Purchase of treasury stock					(13,380)	(13,380)							(13,380)
Disposal of treasury stock						—							—
Cancellation of treasury stock			(2,957)	(7,291)	10,248	—							—
Disposal of treasury stock to stock benefit trust					86	86							86
Net changes of items other than shareholders' equity during the year							(5,677)	2,315	4,694	(488)	843	—	843
Balance at March 31, 2025	67,204	$52,370	$84,173	$389,084	$(38,197)	$487,430	$30,749	$(1,158)	$43,184	$(1,478)	$71,296	$611	$559,338

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, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2025	2024	2025
Cash flows from operating activities			
Income before income taxes	¥ 6,297	¥ 4,233	$ 42,118
Depreciation	1,960	2,021	13,108
Loss (gain) on sale of fixed assets	(18)	(299)	(124)
Loss on disposal of fixed assets	3	7	22
Loss (gain) on sale of investment securities	(769)	(345)	(5,144)
Loss (gain) on valuation of investment securities	45	—	307
Increase (decrease) in allowance for doubtful accounts	18	(203)	121
Increase (decrease) in provision for bonuses	150	88	1,006
Increase (decrease) in provision for bonuses for directors (and other officers)	11	26	78
Increase (decrease) in provision for product warranties	92	12	621
Increase (decrease) in retirement benefit liability	(3)	(82)	(23)
Decrease (increase) in retirement benefit asset	(26)	36	(177)
Increase (decrease) in provision for share awards	85	95	574
Increase (decrease) in provision for loss on orders received	72	(17)	486
Interest and dividend income	(589)	(433)	(3,941)
Interest expenses	83	45	558
Decrease (increase) in trade receivables	2,339	3,513	15,644
Decrease (increase) in inventories	(780)	(3,994)	(5,219)
Increase (decrease) in trade payables	(1,869)	534	(12,501)
Other, net	1,000	(1,647)	6,690
Sub-total	8,105	3,589	54,207
Interest and dividends received	519	431	3,472
Interest paid	(96)	53	(645)
Income taxes paid	(2,015)	(905)	(13,480)
Net cash provided by (used in) operating activities	6,512	3,169	43,553
Cash flows from investing activities			
Purchase of property, plant and equipment	(853)	(1,219)	(5,706)
Proceeds from sales of property, plant and equipment	22	326	151
Purchase of intangible assets	(46)	(438)	(307)
Proceeds from sales of investment securities	828	375	5,541
Payments into time deposits	(2,874)	(1,086)	(19,225)
Proceeds from withdrawal of time deposits	1,092	54	7,307
Other, net	(0)	(0)	(4)
Net cash provided by (used in) investing activities	(1,830)	(1,988)	(12,243)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	163	783	1,095
Proceeds from long-term borrowings	500	—	3,343
Repayment of long-term borrowings	(500)	—	(3,343)
Proceeds from sale of treasury stock	—	84	—
Purchase of treasury shares	(2,000)	(72)	(13,380)
Dividends paid	(1,921)	(1,921)	(12,851)
Net cash provided by (used in) financing activities	(3,758)	(1,125)	(25,136)
Effect of exchange rate change on cash and cash equivalents	(183)	1,681	(1,227)
Net increase (decrease) in cash and cash equivalents	739	1,736	4,946
Cash and cash equivalents at beginning of period	32,244	30,508	215,641
Cash and cash equivalents at end of period (Note 4)	¥32,984	¥32,244	$220,588

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

Notes to Consolidated Financial Statements

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries

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 in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan, and in conformity 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). Certain items presented in the consolidated financial statements filed with the Director of the Kanto Finance Bureau in Japan have been reclassified and rearranged for the convenience of readers outside Japan. Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

The accompanying consolidated financial statements include the accounts of AIDA and any significant companies controlled directly or indirectly by AIDA. The number of consolidated subsidiaries was 20 in 2025 and 20 in 2024. Significant consolidated subsidiaries as of March 31, 2025 are as follows:

- Domestic:
  REJ Co., LTD.
- Overseas:
  CHINA
  AIDA ENGINEERING CHINA CO., LTD.
  AIDA PRESS MACHINERY SYSTEMS CO., LTD.
  ASIA
  AIDA GREATER ASIA PTE. LTD.
  AIDA MANUFACTURING (ASIA) SDN. BHD.
  AMERICAS
  AIDA AMERICA CORP.
  EUROPE
  AIDA S.r.l.

(Remark)
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 as of 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 or net realizable value determined by using the specific identification method. Raw materials are principally stated at the lower of cost or net realizable value determined by using the first-in first-out (FIFO) method.

(4) Investment securities

Other securities with market price are reported at the fair 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. The cost of securities sold is determined by the moving average method.

Other securities with no market price are stated at the cost determined by the moving average method.

(5) Foreign currency translation

Monetary receivables and payables denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date, and exchange differences are accounted for as profit or loss.

Meanwhile, assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rates on the consolidated balance sheet date, whereas their revenue and expenses are translated into Japanese yen at average exchange rates for their respective fiscal years, and translation adjustments are included in foreign currency translation adjustment in net assets.

(6) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognized as either assets or liabilities at fair value, and changes in fair value are recognized as gains or losses unless the derivative financial instruments are used for hedging purposes. If the derivative financial instruments meet certain hedging criteria, the gains or losses are deferred as deferred hedge gains and losses in net assets until the gains and losses on the underlying hedged transactions are recognized. The Companies enter into exchange contracts to hedge the foreign exchange fluctuation risks on expected foreign currency transactions in accordance with the internal policies and rules relating to derivative transactions. Hedge effectiveness is not assessed as the substantial terms and conditions of the hedging instruments and the expected foreign currency transactions are the same.

(7) 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 the consolidated statement of income as incurred. Depreciation of property, plant and equipment in the Companies is mainly calculated by applying the straight-line method.

(8) 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.

(9) Leases

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. The finance lease transactions are capitalized to recognize leased assets for financial accounting purposes. All other lease transactions are accounted for as operating leases and related payments are charged to the consolidated statements of income as incurred.

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.

(10) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on the estimated 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.

(11) Accrued warranty costs

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

(12) 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.

(13) 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.

(14) 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.

Provision for loss on orders received included in the cost of sales amounted to ¥652 million (U.S. $4,362 thousand) and ¥869 million for the years ended March 31, 2025 and 2024, respectively.

(15) Accrued stock payments

Accrued stock payments are provided in the amount of estimated future payments of treasury stock and money for employees based on the employee stock benefit regulations and for directors based on the officer stock benefit regulations.

(16) 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-end.

(b) Actuarial gains and losses and prior service cost
Actuarial gains and losses are being amortized by the straight-line method over certain periods of 10 years, 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.

(c) Certain consolidated subsidiaries use a simplified method for calculating retirement benefit expenses and liabilities based on the assumption that the benefits payable, which are calculated as if all eligible employees voluntarily terminated their employment at fiscal year-end, approximate the retirement benefit obligation at year-end.

(17) Research and development costs

Research and development costs are expensed as incurred.

(18) Recognition of significant sales and cost of sales

(a) Performance obligations
The Companies are engaged in the manufacturing and sales of presses and their ancillary equipment and auxiliary business such as services.

Customers are mainly suppliers in the automobile, home appliances and electronic devices industries.

(b) When the entity typically satisfies its performance obligations
For sales of presses and ancillary equipment, revenue is recognized at the point in time when product installation or performance testing is completed.

For services such as periodic checks, maintenance, repair and other services, revenue is recognized when a provision of the service is completed and performance obligation is satisfied.

For sales of service parts, revenue is recognized when the customers accept the goods. Conditions for acceptance, such as shipping and receipt by customers depend on contracts or arrangements with customers and the like.

The Companies manufacture and sell certain specialized presses and ancillary equipment. Each product is highly customized and it takes a certain period to complete construction because it is necessary to satisfy the specifications required by each customer, especially for mid-size and large-size presses.

In such cases, the Companies' performance does not create an asset with an alternative use to the Companies and the Companies have an enforceable right to payment for performance completed to date. Therefore, the Companies recognize revenue as the Companies satisfy a performance obligation, and revenue and cost of the construction contract in the current fiscal year are recognized in the consolidated statements of income provided that the Companies can reliably estimate contract revenue, contract cost, and percentage of completion at the end of the fiscal year. The percentage of completion at the end of the fiscal year is calculated based on the portion of actual costs incurred to total estimated contract costs.

(c) Other notes and other items on revenue recognition determined to be included in significant accounting policies
The transaction price does not include a significant financing component in the contract because the payment is made within one year from the time of satisfaction of the performance obligations.

(19) Group Tax Sharing System

AIDA and certain domestic subsidiaries apply the group tax sharing system.

(20) Significant accounting estimates

Revenue recognition for construction contracts for which the performance obligations are satisfied over time

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Net sales of construction contracts for which the performance obligations are satisfied over time	¥20,213 27%	¥21,535 30%	$135,177
Contract assets related to the above	¥ 4,813	¥ 5,305	$ 32,189

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method
The Companies manufacture and sell presses and ancillary equipment. Each product is highly customized and it takes a certain period to complete construction because it is necessary to satisfy the specifications required by each customer, especially for mid-size and large-size presses. In recognition of revenue for long-term construction contracts for which the performance obligations are satisfied over time, the revenue is recognized over a certain period based on the percentage of satisfaction of performance obligations. The estimate of the percentage of satisfaction of performance obligation is based on the ratio of construction costs incurred through the end of the period to the total estimated construction costs of each contract.

(b) Main assumptions
The Companies make assumptions in calculating revenue for which the performance obligations are satisfied over time about the total estimated contract costs. Each construction project is highly customized because the products are installed as a part of the customer's production line and the fundamental specifications and manufacturing steps are determined based on the customer's instructions. Therefore, it is difficult to set a standard criterion to estimate contract costs.
Assumptions and judgments by responsible persons in the Cost Control Department who have expertise and experience are required in estimating inherently uncertain contract costs. The timely and appropriate review of contract costs is complex due to changes in the content of the contract and fluctuations of material prices and man-hours during construction.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year
Uncertainty in estimating contract costs is high. Profit or loss recognition can significantly affect the consolidated financial statements if conditions and assumptions are changed due to higher-than-expected material prices and man-hours, and so on.

Impairment of fixed assets of AIDA PRESS MACHINERY SYSTEMS CO., LTD.

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Loss on impairment	¥ —	¥ —	$ —
Carrying amount of property, plant and equipment, and intangible assets	956	1,058	6,393

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method
The Companies assess whether any asset (group) is impaired whenever any events or circumstances indicate that impairment might exist by comparing the future net undiscounted cash flows expected to be generated from the asset (group) to the carrying amount. The Companies reduce the carrying amount to the recoverable amount and recognize a loss on impairment when the net undiscounted cash flows in the future are less than the carrying amount. The recoverable amount is calculated as the higher of value in use and net realizable value.
AIDA PRESS MACHINERY SYSTEMS CO., LTD. is identified as one asset group and the recoverable amount of the asset is based on the value in use in calculating loss on impairment. The value in use is the net discounted cash flows in the future based on the business plan approved by a Board of Directors meeting.

(b) Main assumptions
The Companies make assumptions in calculating the net cash flows in the future about expected order intakes, gross margin rate, and market growth rate of main products in the business plan and discount rate.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year
Uncertainty in estimating the market growth rate and gross margin rate of main products is high. Loss on impairment of assets could be recognized that could significantly affect the consolidated financial statements if conditions and assumptions are changed due to market deterioration, the decline in profitability, and so on.

Recoverability of deferred tax assets

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Deferred tax assets	¥3,262	¥2,440	$21,818
(Amount after deducting deferred tax liabilities)	554	385	3,708

Of the above, the deferred tax assets recorded by AIDA are ¥2,001 million (U.S. $13,387 thousand) (61% of the total).

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method
The Companies recognize deferred tax assets to the extent of deductible temporary differences that are determined to be recoverable in accordance with "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26). The recoverability is based on the earnings forecast and tax planning based on the business plan approved by a Board of Directors meeting.

(b) Main assumptions
The Companies make assumptions in calculating the taxable income in the future about expected order intakes and gross margin rate of main products in the business plan.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year
There is uncertainty in estimating order intakes and the gross margin rate of the main product. Deferred tax assets could be additionally recognized or reserved and could significantly affect the consolidated financial statements if conditions and assumptions are changed due to market deterioration, the decline in profitability, and so on.

(21) Changes in Accounting Policies

(Application of "Accounting Standard for Current Income Taxes" and related guidelines)
The Companies 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 fiscal year ended March 31, 2025. 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 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 fiscal year ended March 31, 2025. This change in accounting policy has been applied retrospectively, 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 consolidated financial statements for the previous fiscal year.

(22) Accounting standards issued but not yet effective

"Accounting Standard for Leases"
(Accounting Standards Board of Japan (ASBJ) Statement No. 34, September 13, 2024) and "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)
In addition, amendments to related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview
The aforementioned standard and guidance set forth treatment whereby lessees recognize all leases as assets and liabilities, etc., consistent with international accounting standards.

(2) Scheduled date of adoption to be applied from the fiscal year ending March 31, 2028.

(3) Effect of adoption
The effect of adoption of the aforementioned standard and guidance on the Company's consolidated financial statements is under evaluation.

(23) Changes in presentation

(Consolidated cash flow statement)
In the previous consolidated fiscal year, "Decrease (increase) in other assets" and "Increase (decrease) in other liabilities" were separately presented in "Cash flows from operating activities." As they have become less important, they are now included in "Other, net" from this consolidated fiscal year. In order to reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.
As a result, in the consolidated cash flow statement for the previous consolidated fiscal year, "Decrease (increase) in other assets" of (¥1,323 million), "Increase (decrease) in other liabilities" of ¥1,344 million, and "Other, net" of (¥1,669 million), which were presented in "Cash flows from operating activities," have been reclassified as "Other, net" of (¥1,647 million).

(24) Additional information

Employee Stock Ownership Plan (ESOP) Trust (Retirement benefits type)
Since December 2010, AIDA and certain domestic subsidiaries have operated an ESOP trust 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
AIDA's own stock in the trust is recorded in treasury stock 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, 2025 are ¥924 million (U.S. $6,184 thousand) and 3,222,300 shares, respectively.

Employee Stock Ownership Plan (ESOP) Trust (Performance-linked type)
Since March 2022, AIDA and certain domestic subsidiaries have operated an ESOP trust 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 after a certain time period.
(b) Company's own stock in the trust
AIDA's own stock in the trust is recorded in treasury stock 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, 2025 are ¥935 million (U.S. $6,258 thousand) and 883,681 shares, respectively.

Board Benefit Trust (BBT)
Since October 2017, AIDA has introduced a BBT for the purpose of raising awareness of contributing to the improvement of medium- to long-term business results and increasing corporate value by further clarifying the link between the compensation of directors (excluding outside directors; "Directors") and AIDA's share value, and by Directors sharing with shareholders not only the benefits of share price rises but also the risks of share price declines based on the resolution of the General Shareholders' Meeting held on June 19, 2017.
(a) Transaction summary
In this transaction, Directors are granted points, the amount of which is to be decided by their respective positions and so on, based on the officer stock benefit regulations, and they will receive AIDA's shares and cash depending on the number of accumulated points when they retire.
(b) Company's own stock in the trust
AIDA's own stock in the trust is recorded in treasury stock 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, 2025 are ¥216 million (U.S. $1,447 thousand) and 242,500 shares, respectively.

3. U.S. DOLLAR AMOUNTS

The U.S. dollar amounts stated in the consolidated financial statements are included solely for the convenience of readers outside Japan. The rate of ¥149.53 = U.S. $1, the approximate rate of exchange as of March 31, 2025, has been used for the purpose of such translation. 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 are reconciled to cash and deposits reported in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Cash and deposits	¥35,856	¥33,316	$239,793
Less: Time deposits with maturities of more than three months	(2,871)	(1,071)	(19,205)
Cash and cash equivalents	¥32,984	¥32,244	$220,588

5. MATURED NOTES AT THE END OF THE FISCAL YEAR

Matured notes at the end of the fiscal year and trade and electronically recorded obligations – operating are settled on the clearing dates or settlement dates. As the last day of the previous fiscal year was a business holiday for financial institutions in Japan, the following matured notes at the end of the fiscal year, electronically recorded monetary claims – operating, accounts receivable – other and electronically recorded obligations – operating have been included in the balance as of the end of the fiscal year.

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Notes and accounts receivable – trade	¥—	¥ 36	$—
Electronically recorded monetary claims – operating	—	209	—
Accounts receivable – other	—	281	—
Electronically recorded obligations – operating	¥—	¥740	$—

6. INVENTORIES

"Inventories" on the consolidated balance sheets were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Finished goods	¥ 6,712	¥ 5,538	$ 44,892
Work in process	20,180	21,078	134,962
Raw materials	4,987	4,675	33,354
Inventories	¥31,881	¥31,291	$213,208

Inventories were offset by a corresponding provision for loss on orders received. A breakdown of the offset amounts is as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Work in process	¥26	¥10	$176
Total	¥26	¥10	$176

Gains recognized and credited to cost of sales as a result of reversal of loss on devaluation of inventories for the year ended March 31, 2025 were ¥16 million (U.S. $108 thousand).

Losses recognized and charged to cost of sales as a result of the devaluation of inventories for the year ended March 31, 2024 were ¥112 million.

7. FINANCIAL INSTRUMENTS

(1) Status of Financial Instruments

(a) Policy for financial instruments
Fund management is restricted to short-term deposits at banks; financing activities of the Companies are mainly through borrowings from financial institutions. Derivatives are not used for speculative transactions but are used in order to hedge the risks described below.
(b) Types of financial instruments and related risks
Operating receivables (notes and accounts receivable – trade and contract assets, electronically recorded monetary claims – operating and accounts receivable – other) are exposed to customer credit risks. In addition, operating receivables in foreign currencies through global business activities are exposed to foreign exchange fluctuation risks. The Companies hedge such risks by utilizing forward exchange contracts.
Investment securities mainly consist of stocks and are exposed to price fluctuation risks.
Operating payables (accounts payable – trade and electronically recorded obligations – operating) are to be settled within 6 months. Some operating payables in foreign currencies through imports such as raw materials are exposed to foreign exchange fluctuation risks. The Companies hedge these risks by utilizing forward exchange contracts.
The main purpose of borrowings is to fund capital investment and research and development, and the repayment periods are within 5 years at most.
Derivatives include forward exchange contracts to hedge foreign exchange fluctuation risks arising from expected foreign currency transactions.
(c) Risk management for financial instruments
1) Monitoring of credit risk (risk of default by counterparties)
For operating receivables, AIDA's sales and service departments monitor account balances and payment schedules periodically by individual customers in accordance with the accounts receivable policies and identify and mitigate the default risk of customers at an early stage. The consolidated subsidiaries monitor credit risks in the same way in accordance with the policies.
Derivative transactions are conducted only with financial institutions with a high credit profile to minimize counterparty risks.
At the balance sheet date, the maximum credit risk is reported at the balance sheet amount of financial instruments exposed to credit risk.
2) Monitoring of market risk (risk of fluctuation in foreign exchange or market price)
The Companies hedge the foreign exchange fluctuation risks on expected foreign currency transactions by utilizing forward exchange contracts in accordance with the internal policies and rules relating to derivative transactions.
For investment securities, the Companies monitor the fair values of such investment securities and financial conditions of issuers regularly.
(d) Supplementary information on the fair value of financial instruments
Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair values. 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.

(2) Information regarding fair value of financial instruments

Carrying value of financial instruments on the consolidated balance sheets and fair value are as follows:

As of March 31, 2025	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Investment securities						
Other securities	¥9,632	¥9,632	¥ —	$64,419	$64,419	$ —
Total assets	¥9,632	¥9,632	¥ —	$64,419	$64,419	$ —
Long-term borrowings and current portion of long-term borrowings	¥1,500	¥1,479	¥(20)	$10,031	$ 9,894	$(137)
Total liabilities	¥1,500	¥1,479	¥(20)	$10,031	$ 9,894	$(137)
Derivative transactions which are not subject to hedge accounting*3	¥ (235)	¥ (235)	¥ —	$ (1,574)	$ (1,574)	$ —
Derivative transactions which are subject to hedge accounting*3	(258)	(258)	—	(1,730)	(1,730)	—

*1 "Cash and deposits", "Notes and accounts receivable – trade and contract assets", "Electronically recorded monetary claims – operating", "Accounts receivable – other", "Accounts payable – trade", "Electronically recorded obligations – operating", "Accounts payable – other", and "Short-term borrowings" are omitted because they are cash or are settled within a short time and the fair value is almost equal to the carrying value.

*2 The amounts of non-marketable securities are recorded in the consolidated balance sheets as follows.

As of March 31, 2025	Millions of yen	Thousands of U.S. dollars
	Carrying value	Carrying value
Other securities		
Unlisted stocks	¥346	$2,317

*3 The assets and liabilities arising from derivative transactions are presented at net amounts.

As of March 31, 2024	Millions of yen		
	Carrying value	Fair value	Difference
Investment securities			
Other securities	¥10,850	¥10,850	¥—
Total assets	¥10,850	¥10,850	¥—
Long-term borrowings and current portion of long-term borrowings	¥ 1,500	¥ 1,492	¥(7)
Total liabilities	¥ 1,500	¥ 1,492	¥(7)
Derivative transactions which are not subject to hedge accounting*3	¥ (750)	¥ (750)	¥—
Derivative transactions which are subject to hedge accounting*3	(841)	(841)	—

*1 "Cash and deposits", "Notes and accounts receivable – trade and contract assets", "Electronically recorded monetary claims – operating", "Accounts receivable – other", "Accounts payable – trade", "Electronically recorded obligations – operating", "Accounts payable – other", and "Short-term borrowings" are omitted because they are cash or are settled within a short time and the fair value is almost equal to the carrying value.

*2 The amounts of non-marketable securities are recorded in the consolidated balance sheets as follows.

As of March 31, 2024	Millions of yen
	Carrying value
Other securities	
Unlisted stocks	¥346

*3 The assets and liabilities arising from derivative transactions are presented at net amounts.

Remark 1: The redemption schedule for monetary claims or securities with maturities was as follows.

As of March 31, 2025	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥35,840	¥—	¥—	¥—
Notes and accounts receivable – trade and contract assets	16,942	—	—	—
Electronically recorded monetary claims – operating	1,912	—	—	—
Accounts receivable – other	594	—	—	—
Total	¥55,290	¥—	¥—	¥—

As of March 31, 2025	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 banks	$239,688	$—	$—	$—
Notes and accounts receivable – trade and contract assets	113,307	—	—	—
Electronically recorded monetary claims – operating	12,791	—	—	—
Accounts receivable – other	3,976	—	—	—
Total	$369,764	$—	$—	$—

As of March 31, 2024	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥33,284	¥—	¥—	¥—
Notes and accounts receivable – trade and contract assets	19,006	—	—	—
Electronically recorded monetary claims – operating	1,390	—	—	—
Accounts receivable – other	1,174	—	—	—
Total	¥54,856	¥—	¥—	¥—

Remark 2: The repayment schedule for borrowings was as follows.

As of March 31, 2025	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	Over 5 years
Short-term borrowings	¥1,620	¥—	¥ —	¥ —	¥—	¥—
Long-term borrowings and current portion of long-term borrowings	500	—	500	500	—	—
Total	¥2,120	¥—	¥500	¥500	¥—	¥—

As of March 31, 2025	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	Over 5 years
Short-term borrowings	$10,835	$—	$ —	$ —	$—	$—
Long-term borrowings and current portion of long-term borrowings	3,343	—	3,343	3,343	—	—
Total	$14,179	$—	$3,343	$3,343	$—	$—

As of March 31, 2024	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	Over 5 years
Short-term borrowings	¥1,469	¥ —	¥—	¥—	¥ —	¥—
Long-term borrowings and current portion of long-term borrowings	500	500	—	—	500	—
Total	¥1,969	¥500	¥—	¥—	¥500	¥—

(3) Fair value of financial instruments by levels

The fair value of financial instruments is classified into the following levels according to the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value derived from quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value derived from directly or indirectly observable inputs that are not included in Level 1 inputs.

Level 3: Fair value derived from unobservable inputs.

When multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified at the lowest priority level.

(a) Financial instruments recorded at fair value in the consolidated balance sheets

	Millions of yen			
	Fair value			
As of March 31, 2025	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	¥9,632	¥ —	¥—	¥9,632
Total assets	¥9,632	¥ —	¥—	¥9,632
Derivative transactions				
Currency-related transactions	¥ —	¥(494)	¥—	¥ (494)
Total liabilities	¥ —	¥(494)	¥—	¥ (494)

	Thousands of U.S. dollars			
	Fair value			
As of March 31, 2025	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	$64,419	$ —	$—	$64,419
Total assets	$64,419	$ —	$—	$64,419
Derivative transactions				
Currency-related transactions	$ —	$(3,305)	$—	$ (3,305)
Total liabilities	$ —	$(3,305)	$—	$ (3,305)

	Millions of yen			
	Fair value			
As of March 31, 2024	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	¥10,850	¥ —	¥—	¥10,850
Total assets	¥10,850	¥ —	¥—	¥10,850
Derivative transactions				
Currency-related transactions	¥ —	¥(1,591)	¥—	¥ (1,591)
Total liabilities	¥ —	¥(1,591)	¥—	¥ (1,591)

(b) Financial instruments not recorded at fair value in the consolidated balance sheets

	Millions of yen			
	Fair value			
As of March 31, 2025	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	¥—	¥1,479	¥—	¥1,479
Total liabilities	¥—	¥1,479	¥—	¥1,479

	Thousands of U.S. dollars			
	Fair value			
As of March 31, 2025	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	$—	$9,894	$—	$9,894
Total liabilities	$—	$9,894	$—	$9,894

	Millions of yen			
	Fair value			
As of March 31, 2024	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	¥—	¥1,492	¥—	¥1,492
Total liabilities	¥—	¥1,492	¥—	¥1,492

Remark: Valuation techniques and inputs of fair value for financial instruments

Derivative Transactions

The fair value is calculated using observable inputs such as exchange rates and is classified as Level 2 fair value.

Long-term borrowings and current portion of long-term borrowings

The fair value is calculated using the discounted present value method based on the total principal amount and an interest rate that takes into account the remaining term of the debt and credit risk, and is classified as Level 2 fair value.

8. INVESTMENT SECURITIES

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

As of March 31, 2025	Millions of yen			Thousands of U.S. dollars		
Types of securities	Carrying value	Acquisition cost	Unrealized gains (losses)	Carrying value	Acquisition cost	Unrealized gains (losses)
Carrying value exceeds acquisition cost:						
Stocks	¥8,674	¥1,855	¥6,818	$58,008	$12,411	$45,597
Sub-total	8,674	1,855	6,818	58,008	12,411	45,597
Carrying value does not exceed acquisition cost:						
Stocks	958	1,109	(151)	6,410	7,420	(1,009)
Sub-total	958	1,109	(151)	6,410	7,420	(1,009)
Total	¥9,632	¥2,965	¥6,667	$64,419	$19,831	$44,587

As of March 31, 2024	Millions of yen		
Types of securities	Carrying value	Acquisition cost	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥10,565	¥2,671	¥7,893
Sub-total	10,565	2,671	7,893
Carrying value does not exceed acquisition cost:			
Stocks	285	353	(68)
Sub-total	285	353	(68)
Total	¥10,850	¥3,024	¥7,825

(2) Sales of other securities were as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Total sales amounts	¥828	¥375	$5,541
Gains on sales	769	345	5,144

9. DERIVATIVE FINANCIAL INSTRUMENTS

Fair value information on the derivatives outstanding is summarized in the following tables:

As of March 31, 2025

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions (non-market transactions)

	Millions of yen				Thousands of U.S. dollars			
	Contract value				Contract value			
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:								
Sell —								
USD	¥ 679	¥344	¥ (22)	¥ (22)	$ 4,545	$2,305	$ (153)	$ (153)
EUR	5,163	—	(214)	(214)	34,528	—	(1,433)	(1,433)
CNY	331	—	1	1	2,217	—	11	11
Total	¥6,174	¥344	¥(235)	¥(235)	$41,291	$2,305	$(1,574)	$(1,574)

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions (deferred hedge accounting method)

		Millions of yen			Thousands of U.S. dollars		
		Contract value			Contract value		
	Main hedged item	Contract value total	Over 1 year	Fair value	Contract value total	Over 1 year	Fair value
Forward exchange transactions:							
Sell —							
USD	Expected foreign currency transactions	¥2,878	¥105	¥(122)	$19,252	$ 707	$ (815)
EUR		1,415	513	(130)	9,463	3,436	(874)
JPY		25	2	(0)	171	18	(6)
CNY		998	120	0	6,675	807	5
CAD		8	—	(0)	56	—	(0)
Buy —							
EUR		18	—	0	126	—	4
JPY		237	36	(0)	1,588	247	(0)
CNY		413	—	(6)	2,766	—	(42)
Total		¥5,996	¥780	¥(258)	$40,101	$5,217	$(1,730)

As of March 31, 2024

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions (non-market transactions)

	Millions of yen			
	Contract value			
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:				
Sell —				
USD	¥ 879	¥ 14	¥(111)	¥(111)
EUR	7,759	607	(620)	(620)
CNY	191	—	(18)	(18)
Total	¥8,830	¥622	¥(750)	¥(750)

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions (deferred hedge accounting method)

		Millions of yen		
		Contract value		
	Main hedged item	Contract value total	Over 1 year	Fair value
Forward exchange transactions:				
Sell —				
USD	Expected foreign currency transactions	¥3,715	¥1,605	¥(279)
EUR		3,714	1,726	(440)
JPY		61	—	10
CNY		1,332	260	(110)
Buy —				
USD		36	—	5
EUR		17	—	(0)
JPY		343	16	(27)
Total		¥9,221	¥3,608	¥(841)

10. BORROWINGS

Short-term borrowings and long-term borrowings are as follows:

As of March 31, 2025	Millions of yen	Weighted average interest rate	Repayment dates	Thousands of U.S. dollars
Short-term borrowings	¥1,620	3.45%	—	$10,835
Current portion of long-term borrowings	500	0.59%	—	3,343
Long-term borrowings	1,000	1.41%	March 19, 2028 and March 30, 2029	6,687
Total	¥3,120	—%	—	$20,867

As of March 31, 2024	Millions of yen	Weighted average interest rate	Repayment dates
Short-term borrowings	¥1,469	4.85%	—
Current portion of long-term borrowings	500	0.59%	—
Long-term borrowings	1,000	0.87%	December 15, 2025 and March 30, 2029
Total	¥2,969	—%	—

Repayment schedules for long-term borrowings as of March 31, 2025 are as follows:

As of March 31	Millions of yen	Thousands of U.S. dollars
2026	¥500	$3,343
2027	—	—
2028	500	3,343
2029	500	3,343
2030	—	—

11. RETIREMENT BENEFITS FOR EMPLOYEES

AIDA and a certain domestic consolidated subsidiary have a cash balance plan as a defined benefit pension plan and a defined contribution pension plan. A certain consolidated subsidiary has a lump-sum payment plan and uses a simplified method for calculating retirement benefit expenses and liabilities.

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

(1) Defined benefit pension plan

(a) Changes in retirement benefit obligation

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Balance at the beginning of the year	¥4,769	¥4,901	$31,899
Service cost	247	256	1,653
Interest cost	28	29	193
Actuarial gain and loss	(11)	11	(78)
Retirement benefits paid	(308)	(441)	(2,062)
Others	(0)	12	(0)
Balance at the end of the year	¥4,726	¥4,769	$31,605

*Retirement benefit expenses of the certain consolidated subsidiary that uses a simplified method are included in "Service cost".

(b) Changes in plan assets

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Plan assets at the beginning of the year	¥4,064	¥4,083	$27,179
Expected return on plan assets	81	81	543
Actuarial gain and loss	(111)	22	(746)
Contributions by the Company	130	129	873
Retirement benefits paid	(213)	(252)	(1,425)
Plan assets at the end of the year	¥3,951	¥4,064	$26,424

(c) Funded status of the plans and the amounts recognized in the consolidated balance sheets for the Companies' defined benefit plans

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Funded retirement benefit obligation	¥ 3,347	¥ 3,386	$ 22,383
Plan assets at fair value	(3,951)	(4,064)	(26,424)
	(604)	(677)	(4,041)
Unfunded retirement benefit obligation	1,378	1,383	9,222
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	¥ 774	¥ 705	$ 5,180
Retirement benefit liability	¥ 1,378	¥ 1,383	$ 9,222
Retirement benefit asset	(604)	(677)	(4,041)
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	¥ 774	¥ 705	$ 5,180

Remark: The above table includes plans accounted for using the simplified method.

(d) Components of retirement benefit expenses

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Service cost	¥247	¥256	$1,653
Interest cost	28	29	193
Expected return on plan assets	(81)	(81)	(543)
Amortization of actuarial gain and loss	(5)	(35)	(34)
Retirement benefit expenses	¥189	¥168	$1,268

*Retirement benefit expenses of the certain consolidated subsidiary that uses a simplified method are included in "Service cost".

(e) Components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect)

	Millions of yen		Thousands of U.S. dollars
Year ended March 31	2025	2024	2025
Actuarial gain and loss	¥(105)	¥(24)	$(703)
Total	¥(105)	¥(24)	$(703)

(f) Components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect)

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Unrecognized actuarial loss	¥318	¥213	$2,129
Total	¥318	¥213	$2,129

(g) Fair value of plan assets by major category, as a percentage of total plan assets

As of March 31	2025	2024
Bonds	38.8%	36.1%
Stocks	23.3%	27.5%
General accounts	26.5%	25.7%
Others	11.4%	10.7%
Total	100.0%	100.0%

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

(h) Actuarial assumptions used in the calculation for defined benefit pension plan

As of March 31	2025	2024
Discount rate	Mainly 0.7%	Mainly 0.7%
Expected rate of return on plan assets	Mainly 2.0%	Mainly 2.0%
Expected rate of salary increase	Mainly 2.9%	Mainly 2.9%

Remark: The above table is indicated as a weighted average.

(2) Defined contribution pension plan

The contributions to the defined contribution plan of the Companies for the years ended March 31, 2025 and 2024 were ¥232 million (U.S. $1,557 thousand) and ¥199 million, respectively.

12. NET ASSETS

Information regarding changes in net assets was as follows:

(1) Shares issued and outstanding / Treasury stock

During the year ended March 31, 2025

Types of shares	Number of shares at April 1, 2024	Increase	Decrease	Number of shares at March 31, 2025
Shares issued:				
Common stock (Remark 1)	69,448,421	—	2,243,800	67,204,621
Treasury stock:				
Common stock (Remarks 2, 3 and 4)	9,699,246	2,244,739	2,277,991	9,665,994

Remarks: 1. Details of the decrease are as follows:
Decrease due to cancellation of treasury stock..........2,243,800
2. Details of the increase are as follows:
Increase due to share buybacks..........2,243,800
Increase due to the purchase of shares of less than standard unit..........939
3. Details of the decrease are as follows:
Decrease due to cancellation of treasury stock..........2,243,800
Decrease due to the grant of shares from ESOP trust..........34,191
4. The number of shares of treasury stock held by Trust Account E as of April 1, 2024 and March 31, 2025 includes 4,382,672 shares and 4,348,481 shares, respectively.

During the year ended March 31, 2024

Types of shares	Number of shares at April 1, 2023	Increase	Decrease	Number of shares at March 31, 2024
Shares issued:				
Common stock	69,448,421	—	—	69,448,421
Treasury stock:				
Common stock (Remarks 1, 2 and 3)	9,736,558	85,164	122,476	9,699,246

Remarks: 1. Details of the increase are as follows:
Increase due to the purchase of shares of less than standard unit 564
Increase due to purchase of shares by BBT 84,600
2. Details of the decrease are as follows:
Decrease due to the grant of shares from ESOP trust 37,876
Decrease due to disposition of treasury stock by third-party allocation 84,600
3. The number of shares of treasury stock held by Trust Account E as of April 1, 2023 and March 31, 2024 includes 4,335,948 shares and 4,382,672 shares, respectively.

(2) Share subscription rights

During the year ended March 31, 2025

Company	Description	Type of shares issued	Number of shares at April 1, 2024	Increase	Decrease	Number of shares at March 31, 2025	Millions of yen Balance at March 31, 2025	Thousands of U.S. dollars Balance at March 31, 2025
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥91	$611
	Total	—	—	—	—	—	¥91	$611

During the year ended March 31, 2024

Company	Description	Type of shares issued	Number of shares at April 1, 2023	Increase	Decrease	Number of shares at March 31, 2024	Millions of yen Balance at March 31, 2024
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥91
	Total	—	—	—	—	—	¥91

13. REVENUE RECOGNITION

(1) Information regarding disaggregation of revenue from contracts with customers

Regarding net sales, revenue from contracts with customers and revenue from other sources are not separately presented. Information regarding disaggregation of revenue from contracts with customers was represented in “22. SEGMENT INFORMATION (3) Information on sales, profit or loss, assets, and other items by reportable segments”.

(2) Basic information to understand revenue from contracts with customers

Basic information to understand revenue from contracts with customers was represented in “2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (17) Recognition of significant sales and cost of sales”.

(3) Information to understand the amount of revenue in the current and subsequent fiscal years

(a) Contract assets and contract liabilities

For the year ended March 31, 2025	Millions of yen As of April 1, 2024	Millions of yen As of March 31, 2025	Thousands of U.S. dollars As of March 31, 2025
Receivables from contracts with customers			
Trade notes	¥ 498	¥ 217	$ 1,452
Accounts receivable	13,202	11,912	79,666
Total receivables from contracts with customers	¥13,701	¥12,129	$81,118
Contract assets	¥ 5,305	¥ 4,813	$32,189

For the year ended March 31, 2024	Millions of yen As of April 1, 2023	Millions of yen As of March 31, 2024
Receivables from contracts with customers		
Trade notes	¥ 329	¥ 498
Accounts receivable	14,227	13,202
Total receivables from contracts with customers	¥14,557	¥13,701
Contract assets	¥ 7,948	¥ 5,305

Contract assets are the Companies’ rights to consideration for performance obligations recognized but not yet billed as of the year-end date for contracts with customers for the manufacture and sale of presses that meet the definition of the performance obligations satisfied over time. Contract assets become receivables from contracts with customers once the Companies’ rights to the consideration become unconditional.

Contract liabilities are mainly advance payments received from customers under certain payment terms for contracts with customers for the manufacture and sale of presses. Contract liabilities are reversed upon recognition of revenue.

Of the contract liabilities balance at the beginning of the fiscal year, revenue recognized for the years ended March 31, 2025 and 2024 were ¥11,670 million (U.S. $78,048 thousand) and ¥11,581 million, respectively.

(b) Transaction price allocated to the remaining performance obligations

Of the ¥63,303 million (U.S. $423,351 thousand) order backlog (remaining performance obligation) as of March 31, 2025, 84.4% will be recognized as revenue within one year, and the remainder is expected to be recognized as revenue within approximately three years.

Of the ¥76,705 million order backlog (remaining performance obligation) as of March 31, 2024, 61.7% will be recognized as revenue within one year, and the remainder is expected to be recognized as revenue within approximately three years.

14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses are as follows:

	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Salaries and wages	¥3,335	¥3,303	$22,305
Provision for accrued bonuses for employees	371	441	2,487
Retirement benefit expenses	91	97	612

15. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in “Cost of sales” and “Selling, general and administrative expenses” are summarized as follows:

Year ended March 31	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Selling, general and administrative expenses	¥ 614	¥568	$4,106
Cost of sales	528	389	3,532
Total	¥1,142	¥957	$7,639

16. INCOME TAXES

The applicable statutory tax rate in Japan was approximately 30.6% for the years ended March 31, 2025 and 2024.

(1) Reconciliations of the differences between the effective income tax rates and statutory income tax rates are as follows:

Year ended March 31	2025	2024
Statutory income tax rates	**30.6%**	30.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	**2.0%**	2.5%
Dividend income	**(0.2%)**	(0.3%)
Inhabitant taxes per capita	**0.4%**	0.5%
Difference of tax rates applied to overseas subsidiaries	**(3.5%)**	(3.0%)
Tax credit	**(4.3%)**	(0.1%)
Changes in valuation allowance	**(9.8%)**	2.2%
Retained earnings of overseas subsidiaries	**1.3%**	2.3%
Reduction of end-of-period deferred tax assets due to tax rate changes	**(0.1%)**	—%
Others	**2.6%**	(1.0%)
Effective income tax rates	**19.0%**	33.7%

(2) The major components of deferred tax assets and liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31	2025	2024	2025
Deferred tax assets:			
Loss on write-down of inventories	**¥ 1,168**	¥ 1,044	**$ 7,811**
Accrued warranty costs	**214**	195	**1,436**
Accrued bonuses for employees	**312**	298	**2,093**
Depreciation expense	**450**	477	**3,013**
Accrued stock payments	**209**	185	**1,402**
Long-term accounts payable – other	**71**	71	**476**
Tax losses carried forward	**1,936**	1,899	**12,948**
Retirement benefit obligation	**392**	398	**2,625**
Loss on valuation of shares in affiliated companies	**758**	—	**5,073**
Others	**1,756**	1,840	**11,746**
Subtotal deferred tax assets	**7,271**	6,411	**48,627**
Valuation allowance for net operating loss carryforwards	**(1,926)**	(1,873)	**(12,882)**
Valuation allowance for deductible temporary differences	**(2,082)**	(2,098)	**(13,926)**
Less: Valuation allowance	**(4,008)**	(3,971)	**(26,808)**
Total deferred tax assets	**3,262**	2,440	**21,818**
Deferred tax liabilities:			
Undistributed subsidiaries' earnings	**(588)**	(489)	**(3,935)**
Reserve for reduction entry of replaced property	**(424)**	(417)	**(2,841)**
Net defined benefit assets	**(291)**	(283)	**(1,952)**
Fixed assets	**(525)**	(703)	**(3,515)**
Unrealized gains on other securities	**(2,111)**	(2,374)	**(14,119)**
Others	**(26)**	(13)	**(174)**
Total deferred tax liabilities	**(3,968)**	(4,281)	**(26,539)**
Net deferred tax assets (liabilities)	**¥ (705)**	¥(1,841)	**$ (4,721)**

*1 The valuation allowance increased by ¥36 million (U.S. $246 thousand). The increase was mainly due to the ¥53 million (U.S. $355 thousand) increase in valuation allowance related to tax loss carryforwards at consolidated subsidiaries.
*2 A breakdown of net operating loss carryforwards and valuation allowance by expiry date is as follows.

	Millions of yen						
As of March 31, 2025	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	Over 5 years	Total
Net operating loss carryforwards (a)	**¥ 32**	**¥ 36**	**¥ 56**	**¥ 31**	**¥ 39**	**¥ 1,739**	**¥ 1,936**
Valuation allowance	**(32)**	**(36)**	**(56)**	**(31)**	**(39)**	**(1,729)**	**(1,926)**
Deferred tax assets	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ 9**	**¥ 9**

	Thousands of U.S. dollars						
As of March 31, 2025	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	Over 5 years	Total
Net operating loss carryforwards (a)	**$ 220**	**$ 246**	**$ 378**	**$ 208**	**$ 263**	**$ 11,631**	**$ 12,948**
Valuation allowance	**(220)**	**(246)**	**(378)**	**(208)**	**(263)**	**(11,565)**	**(12,882)**
Deferred tax assets	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 65**	**$ 65**

(a) Net operating loss carryforwards were the amount multiplied by the effective statutory tax rate.
(b) For the net operating loss carryforward of ¥1,936 million (U.S. $12,948 thousand) (amount multiplied by effective statutory tax rate), deferred tax assets of ¥9 million (U.S. $65 thousand) have been recorded.
The deferred tax assets of ¥9 million (U.S. $65 thousand) are for part of the balance of the tax loss carryforward of ¥1,936 million (U.S. $12,948 thousand) (amount multiplied by effective statutory tax rate), mainly due to AIDA AMERICA CORP. and AIDA S.r.l.
Net operating loss carryforwards were mainly arising from the recognition of the loss carryforwards by AIDA AMERICA CORP. in the fiscal year ended March 31, 2022 and by AIDA S.r.l. in the fiscal year ended March 31, 2018.
The tax loss carryforward was determined to be recoverable as future taxable income is anticipated, and therefore, no corresponding valuation allowance has been recognized.

	Millions of yen						
As of March 31, 2024	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	Over 5 years	Total
Net operating loss carryforwards (a)	¥ 46	¥ 33	¥ 37	¥ 57	¥ 31	¥ 1,694	¥ 1,899
Valuation allowance	(46)	(33)	(37)	(57)	(31)	(1,667)	(1,873)
Deferred tax assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 26	¥ 26

(a) Net operating loss carryforwards were the amount multiplied by the effective statutory tax rate.
(b) For the net operating loss carryforward of ¥1,899 million (U.S. $12,547 thousand) (amount multiplied by effective statutory tax rate), deferred tax assets of ¥26 million (U.S. $174 thousand) have been recorded.
The deferred tax assets of ¥26 million (U.S. $174 thousand) are for part of the balance of the tax loss carryforward of ¥1,899 million (U.S. $12,547 thousand) (amount multiplied by effective statutory tax rate), mainly due to AIDA AMERICA CORP. and AIDA S.r.l. Net operating loss carryforwards were mainly arising from the recognition of the loss carryforwards by AIDA AMERICA CORP. in the fiscal year ended March 31, 2022 and by AIDA S.r.l. in the fiscal year ended March 31, 2018. The tax loss carryforward was determined to be recoverable as future taxable income is anticipated, and therefore, no corresponding valuation allowance has been recognized.

(3) Amendments to deferred tax assets and deferred tax liabilities due to a change in the rate of corporation tax
In accordance with "the Act for Partial Amendment of the Income Tax Act" (Act No. 13, 2025), passed by parliament on March 31, 2025, the Defense Special Corporate Tax will take effect from the fiscal year beginning on or after April 1, 2026. Accordingly, the statutory tax rate used for calculating deferred tax assets and liabilities has been changed from 30.6% for the prior fiscal year to 31.5% for the temporary differences, etc., to be reversed in the fiscal years beginning on or after April 1, 2026.
These tax rate changes resulted in an increase of ¥55 million (U.S. $367 thousand) in deferred tax liabilities (after deducting deferred tax assets) and a decrease of ¥3 million (U.S. $25 thousand) in income taxes—deferred in the current fiscal year.

(4) Application of the group tax sharing system
AIDA and a certain domestic consolidated subsidiary applied the group tax sharing system from the beginning of the fiscal year ended March 31, 2023. As a result, with regard to accounting procedures and disclosure for income tax, local corporation tax and tax effect accounting, "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (Practical Issues Task Force No. 42, August 12, 2021; hereinafter referred to as "PITF No. 42") is applied.

17. LEASES

Description of finance leases is omitted due to its insignificance as of March 31, 2025 and 2024.

A summary of future payments under non-cancellable operating leases is as follows:

As of March 31	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Operating leases:			
Due within 1 year	¥134	¥106	$ 896
Thereafter	86	119	580
Total	¥220	¥225	$1,477

18. RELATED PARTY TRANSACTIONS

There were no transactions between AIDA and its related companies and individuals for the years ended March 31, 2025 and 2024.

19. PER SHARE INFORMATION

Shares held by the Custody Bank of Japan, 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. The number of shares of treasury stock held by the Trust Account E as of April 1, 2024 and March 31, 2025 includes 4,382,672 shares and 4,348,481 shares, respectively.

Calculation of net assets per share and net income per share are as follows:

As of and for the year ended March 31	Yen 2025	Yen 2024	U.S. dollars 2025
Net assets per share*1	¥1,452.01	¥1,376.26	$9.71
Net income – Basic*2	88.47	47.02	0.59
– Diluted*2	88.35	46.95	0.59

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

As of March 31	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Total net assets on consolidated balance sheets	¥83,637	¥82,321	$559,338
Total net assets attributable to shares of common stock	83,546	82,230	558,727
Main differences:			
Stock options	91	91	611
Number of shares outstanding (thousands of shares)	67,204	69,448	—
Number of treasury stock (thousands of shares)	9,665	9,699	—
Number of shares used for computing net assets per share (thousands of shares)	57,538	59,749	—

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

Year ended March 31	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Net income	¥ 5,101	¥ 2,808	$34,118
Net income attributable to shares of common stock	5,101	2,808	34,118
Average number of shares outstanding during the years (thousands of shares)	57,668	59,729	—
Potential increase in common stock for the diluted income calculation (thousands of shares)	78	86	—
Excluded potential increase in common stock for the diluted income calculation due to no dilutive effect (thousands of shares)	35	10	—

20. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification adjustments and tax effects allocated to each component of other comprehensive income are as follows:

Year ended March 31	Millions of yen 2025	Millions of yen 2024	Thousands of U.S. dollars 2025
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ (388)	¥ 2,436	$(2,601)
Reclassification adjustments for gains and losses included in net income	(723)	(345)	(4,837)
Amount before tax effect	(1,112)	2,091	(7,438)
Tax effect	263	(639)	1,760
Valuation difference on available-for-sale securities	(849)	1,451	(5,677)
Deferred gains or losses on hedges:			
Amount arising during the year	(351)	(1,805)	(2,351)
Reclassification adjustments for gains and losses included in net income	848	1,309	5,676
Amount before tax effect	497	(496)	3,325
Tax effect	(150)	149	(1,009)
Deferred gains or losses on hedges	346	(346)	2,315
Foreign currency translation adjustments:			
Amount arising during the year	1,127	3,300	7,541
Reclassification adjustments for gains and losses included in net income	—	—	—
Amount before tax effect	1,127	3,300	7,541
Tax effect	(425)	(1,009)	(2,847)
Foreign currency translation adjustments	701	2,291	4,694
Remeasurements of defined benefit plans:			
Amount arising during the year	(99)	11	(668)
Reclassification adjustments for gains and losses included in net income	(5)	(36)	(34)
Amount before tax effect	(105)	(24)	(703)
Tax effect	32	7	215
Remeasurements of defined benefit plans	(72)	(17)	(488)
Total other comprehensive income (loss)	¥ 126	¥ 3,379	$ 843

21. 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 presses and their ancillary equipment and auxiliary business such as services.

AIDA plays a key role in the domestic business.

As for the overseas business, each local company, including those in China, Asia (mainly Singapore and Malaysia), Americas (mainly the 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

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

Operating income or loss is used as reportable segment profit or loss. Segment transactions are inter-company transactions and based on market prices.

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

As of and for the year ended March 31, 2025	Millions of yen							
	Japan	China	Asia	Americas	Europe	Sub total	Adjustments*1	Consolidated*2
Sales								
(1) Sales to third parties								
① Presses	¥15,665	¥ 9,387	¥ 5,018	¥13,563	¥ 9,410	¥ 53,044	¥ —	¥ 53,044
② Service	6,333	1,122	2,191	4,397	4,260	18,306	—	18,306
③ Others	4,540	40	37	—	37	4,655	—	4,655
Subtotal	26,539	10,550	7,247	17,960	13,708	76,006	—	76,006
(2) Inter-segment sales	20,070	1,153	3,588	280	1,065	26,157	(26,157)	—
Total sales	46,609	11,704	10,835	18,241	14,773	102,163	(26,157)	76,006
Segment profit	2,810	838	510	1,288	202	5,650	(120)	5,529
Segment assets	85,531	14,202	13,540	14,761	17,382	145,418	(22,556)	122,862
Others								
Depreciation	1,100	145	251	237	225	1,960	(0)	1,960
Increase in property, plant, equipment and intangible assets	¥ 603	¥ 55	¥ 88	¥ 82	¥ 109	¥ 939	¥ —	¥ 939

As of and for the year ended March 31, 2025	Thousands of U.S. dollars							
	Japan	China	Asia	Americas	Europe	Sub total	Adjustments*1	Consolidated*2
Sales								
(1) Sales to third parties								
① Presses	$104,762	$62,777	$33,563	$ 90,704	$ 62,932	$354,740	$ —	$354,740
② Service	42,358	7,507	14,655	29,408	28,494	122,424	—	122,424
③ Others	30,362	274	249	—	248	31,134	—	31,134
Subtotal	177,483	70,559	48,468	120,113	91,675	508,299	—	508,299
(2) Inter-segment sales	134,220	7,713	23,995	1,877	7,125	174,933	(174,933)	—
Total sales	311,704	78,272	72,464	121,990	98,800	683,233	(174,933)	508,299
Segment profit	18,793	5,606	3,416	8,618	1,351	37,786	(805)	36,980
Segment assets	572,003	94,979	90,553	98,722	116,245	972,503	(150,848)	821,654
Others								
Depreciation	7,361	975	1,678	1,585	1,509	13,109	(0)	13,108
Increase in property, plant, equipment and intangible assets	$ 4,039	$ 368	$ 593	$ 550	$ 730	$ 6,281	$ —	$ 6,281

As of and for the year ended March 31, 2024	Millions of yen							
	Japan	China	Asia	Americas	Europe	Sub total	Adjustments*1	Consolidated*2
Sales								
(1) Sales to third parties								
① Presses	¥13,948	¥10,144	¥ 4,719	¥12,134	¥11,171	¥ 52,118	¥ —	¥ 52,118
② Service	5,470	1,212	2,296	3,305	4,165	16,450	—	16,450
③ Others	4,063	23	55	—	30	4,173	—	4,173
Subtotal	23,483	11,380	7,071	15,439	15,366	72,742	—	72,742
(2) Inter-segment sales	19,420	414	3,764	601	1,139	25,339	(25,339)	—
Total sales	42,904	11,794	10,836	16,041	16,506	98,082	(25,339)	72,742
Segment profit or loss	1,112	797	1,193	397	293	3,794	(178)	3,615
Segment assets	88,194	14,619	13,380	14,679	22,068	152,943	(26,747)	126,195
Others								
Depreciation	1,220	133	225	222	218	2,021	(0)	2,021
Increase in property, plant, equipment and intangible assets	¥ 1,258	¥ 91	¥ 264	¥ 64	¥ 121	¥ 1,800	¥ —	¥ 1,800

*1 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.
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 the consolidated statements of income.

(Related Information)
1. Products and service information
This information is omitted because similar information is disclosed in the segment information.

2. Geographical information
(1) Sales
For the year ended March 31, 2025

Millions of yen					Thousands of U.S. dollars				
Japan	U.S.A.	China	Others	Total	Japan	U.S.A.	China	Others	Total
¥24,670	¥11,389	¥9,774	¥30,171	¥76,006	$164,985	$76,168	$65,367	$201,777	$508,299

For the year ended March 31, 2024

Millions of yen				
Japan	U.S.A.	China	Others	Total
¥21,129	¥11,558	¥13,210	¥26,844	¥72,742

Remark: Sales are presented based on customer location, and they are classified by country.

(2) Property, plant and equipment
As of March 31, 2025

Millions of yen				Thousands of U.S. dollars			
Japan	Italy	Others	Total	Japan	Italy	Others	Total
¥13,434	¥2,620	¥4,172	¥20,227	$89,845	$17,524	$27,901	$135,271

As of March 31, 2024

Millions of yen			
Japan	Italy	Others	Total
¥13,658	¥2,743	¥4,487	¥20,889

(Reportable segment information for impairment loss on fixed assets)
For the year ended March 31, 2025
There is no impairment loss on fixed assets.

For the year ended March 31, 2024
There is no impairment loss on fixed assets.

(Reportable segment information for amortization and balance of goodwill)
There is no amortization and ending balance of goodwill recorded as of and for the years ended March 31, 2025 and 2024.

(Reportable segment information for gain on bargain purchase)
There is no gain on bargain purchase recorded for the years ended March 31, 2025 and 2024.

22. STOCK OPTIONS

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
2015	Directors (6)	22,000	September 28, 2015	1	From September 29, 2015 to September 28, 2045
2016	Directors (5)	25,000	September 29, 2016	1	From September 30, 2016 to September 29, 2046

A summary of stock option activity is as follows:

Granted fiscal year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exercise price per share (yen)	1	1	1	1	1	1	1	1	1	1
Average stock price when exercised (yen)	—	—	—	—	—	—	—	—	—	—
Fair value per share when granted (yen)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which are not yet vested										
Outstanding as of April 1, 2024 (shares)	—	—	—	—	—	—	—	—	—	—
Granted (shares)	—	—	—	—	—	—	—	—	—	—
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2025 (shares)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested										
Outstanding as of April 1, 2024 (shares)	12,000	16,000	35,000	30,000	22,000	23,000	15,000	10,000	10,000	13,000
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Exercised (shares)	—	—	—	—	—	—	—	—	—	—
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2025 (shares)	12,000	16,000	35,000	30,000	22,000	23,000	15,000	10,000	10,000	13,000

Because it is difficult to reasonably estimate the number of forfeited options in the future, the number of vested options is calculated based on historical data for the options that have not yet been vested, and the number.

23. SUBSEQUENT EVENTS

1. Appropriation of retained earnings

On June 25, 2025, at the General Meeting of Shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥37.00 (U.S. $0.24) per share)	¥2,289	$15,313

The amount includes dividends of ¥160 million (U.S. $1,075 thousand) on shares (4,348,481 shares as of March 31, 2025) held by the Trust Account E.

2. Repurchase of treasury stock
AIDA resolved at the meeting of the Board of Directors held on March 28, 2025 to repurchase treasury stock in accordance with the Companies Act, Article 156, applied by replacement under Article 165, paragraph 3 of the same Act. In addition, at the Board of Directors meeting held on April 11, 2025, a resolution was passed to expand the scope of share repurchase and change the repurchase period (bringing forward the start of the repurchase).

(1) Reasons for share repurchase:
AIDA will repurchase its own shares as part of its efforts to achieve its policy of aiming for "optimal level of equity capital" based on the new capital policy announced on May 15, 2025, which aims for ROE to exceed the cost of capital.
(2) Class of shares to be repurchased: Common shares of AIDA
(3) Total number of shares to be repurchased: 4,200,000 shares (maximum)
(The percentage compared to the total number of shares issued (excluding treasury stock): 6.79%)
(4) Total amount: ¥3,000 million (U.S. $20,062 thousand) (maximum)
(5) Expected repurchase period: April 18, 2025 to July 31, 2025
(6) Repurchase method: Purchase on the Tokyo Stock Exchange
(7) Results of the repurchase
- Class of shares repurchased: Common stock of the Company
- Total number of shares repurchased: 3,242,600 shares
- Total amount: ¥2,999 million (U.S. $20,062 thousand)
- Period for repurchases: From April 18, 2025 to July 8, 2025*1

*1 The period of treasury stock repurchase is based on the execution date, and the date of treasury stock repurchase is based on the delivery date.

3. Details of Cancellation of Treasury Stock
AIDA resolved at the meeting of the Board of Directors held on March 28, 2025 to cancel treasury stock in accordance with the Companies Act, Article 178.
(1) Class of shares to be cancelled: Common shares of AIDA
(2) Total number of shares to be cancelled: All of the shares to be repurchased (described in Remark 2 above)
(3) Date of cancellation: September 30, 2025
(4) Reasons for Cancellation of Treasury Stock
Increasing shareholder returns and improving capital efficiency.

4. Business combinations (HMS Products Co.)
AIDA resolved that AIDA AMERICA CORP., a subsidiary of the Company, acquired all shares of HMS Products Co. (hereafter referred to as "HMS") and make it a wholly owned subsidiary at the Board of Directors meeting held on March 13, 2025. The Company acquired all shares of HMS Products Co. on April 1, 2025.
(1) Overview of the business combination
(a) Name and nature of business of acquired company
Name of the acquired enterprise: HMS Products Co.
Nature of business: Design and manufacture of automation equipment and feeders, etc.
(b) Primary reasons for business combination
As a comprehensive manufacturer of press forming systems, the Company supports its customers' manufacturing by providing solutions for the entire production line, including presses as well as automation equipment and factory automation, such as material feeders and automatic transfer feeders.

HMS, which became a subsidiary through this share acquisition, is a U.S.-based company that designs and manufactures automation equipment and feeders. HMS possesses advanced technological and service capabilities and has a long history of working in partnership with us to supply solutions to customers. The addition of HMS to the Group will strengthen the Group's automation system R&D capabilities and improve the competitiveness of its products.

Users in North America especially prefer local procurement due to factors such as import costs, maintenance concerns, service support, and product specifications. Accordingly, making HMS a subsidiary will enable us to provide integrated press and automation solutions to customers in North America.
(c) Business combination date
April 1, 2025
(d) Statutory form of the business combination
Stock purchase for cash as consideration
(e) Company name after combination
No change.
(f) Ratio of voting rights acquired
100%
(g) Grounds for determining acquiring company
AIDA AMERICA CORP., a subsidiary of AIDA, acquired the shares for cash as consideration.
(2) Acquisition cost of the acquired company, and consideration for the acquisition and breakdown thereof by consideration type
Consideration for acquisition: Cash and deposits U.S. $5.5 million
Acquisition cost: U.S. $5.5 million
Note that the amount shown is tentative, as part of the consideration for the acquisition is not yet determined.
(3) Major acquisition-related costs
Compensation and fees for advisors, etc.:
Approx.: U.S. $405 thousand
(4) Amount of goodwill that occurred, cause for the occurrence, amortization method, and amortization period
(a) Amount of goodwill that occurred
U.S. $93 thousand
(b) Cause for the occurrence
Generated from the anticipated future excess earning power.
(c) Amortization method and period
Straight-line amortization over 9 years
(5) Total amounts and principal breakdowns of assets received, and liabilities assumed on the effective date of the business combination

	Thousands of U.S. dollars
Current assets	$10,249
Non-current assets	1,654
Total assets	$11,903
Current liabilities	$ 6,401
Non-current liabilities	—
Total liabilities	$ 6,401

(6) Contents of contingent consideration specified in the business combination agreement and accounting policy for the current and subsequent reporting periods

(a) Contents of contingent consideration

The Company will pay contingent consideration based on the level of future performance achieved by the acquired company.

(b) Accounting policy for the current and subsequent reporting periods

If additional consideration is paid upon acquisition, the acquisition cost will be adjusted as if it had been paid at the time of acquisition. The amount of goodwill and the amortization of goodwill will also be adjusted accordingly.

(7) Amount allocated to intangible assets other than goodwill, breakdown of each major type of intangible asset, and weighted average amortization period for the total and major types

Type	Amount	Weighted average amortization period
Trademark rights	US $300 thousand	7 years
Customer-related assets	US $600 thousand	5 years
Total	US $900 thousand	5.7 years

5. Business Combinations (Dallas Industries)

AIDA resolved that AIDA AMERICA CORP., a subsidiary of the Company, acquired all membership interests of Dallas Industries (hereafter referred to as “Dallas”) and make it a wholly owned subsidiary at the Board of Directors meeting held on October 28, 2025. The subsidiary acquired all membership interests in Dallas Industries on October 31, 2025.

(1) Overview of the business combination

(a) Name and nature of business of acquired company

Name of the acquired enterprise: Dallas Industries

Nature of business: Design and manufacture of coil feeder equipment, etc.

(b) Primary reasons for business combination

As a comprehensive manufacturer of press forming systems, AIDA supports its customers' manufacturing by providing solutions for the entire production line, including presses as well as automation equipment and factory automation, such as material feeders and automatic transfer feeders. However, because customers outside of Japan especially prefer local procurement due to factors such as import costs, maintenance concerns, service support, and product specifications, a key strategy for AIDA is strengthening its overseas automation supply chain.

Dallas, which became a subsidiary through this action, is a US-based company that designs and manufactures coil feed equipment, etc. Dallas possesses advanced technological and service capabilities and has a long history of working in partnership with AIDA to supply solutions to customers. In addition to the acquisition of HMS in April of this year, which specializes in destackers and transfer feeders, the acquisition of Dallas, which specializes in coil feeders, will establish an automation supply chain in the Americas that will enable the AIDA Group to independently provide products—ranging from small presses to large presses and including automation—for entire press lines.

Following the acquisition, we will take advantage of the fact that both HMS and Dallas are located near Detroit to achieve synergistic expansion through additional investments in the joint operation of their factories, production equipment, and systems, etc.

Also, across our entire group, we will achieve further synergies in the development of automation systems and provision of solutions, including AI utilization, by strengthening global collaboration encompassing our FA division, R&D division, and our domestic subsidiary REJ (Automation Control).

Moreover, this initiative will enable US customers to locally procure not only presses but also automation, which will help reduce cost burdens resulting from US tariff policies.

(c) Business combination date

October 31, 2025

(d) Statutory form of the business combination

Membership interests purchase for cash as consideration

(e) Company name after combination

No change.

(f) Ratio of voting rights acquired

100%

(g) Grounds for determining acquiring company

AIDA AMERICA CORP., a subsidiary of AIDA, acquired the membership interests for cash as consideration.

(2) Acquisition cost of the acquired company, and consideration for the acquisition and breakdown thereof by consideration type

Consideration for acquisition:

Cash and deposits U.S. $10 million

Acquisition cost: U.S. $10 million

Note that the amount shown is tentative, as part of the consideration for the acquisition is not yet determined.

(3) Major acquisition-related costs

Compensation and fees for advisors, etc.: Approx.: U.S. $409 thousand

(4) Amount of goodwill that occurred, cause for the occurrence, amortization method, and amortization period

Not determined at this time

(5) Total amounts and principal breakdowns of assets received, and liabilities assumed on the effective date of the business combination

Not determined at this time

Independent Auditor’s Report

The Board of Directors
AIDA ENGINEERING, LTD.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AIDA ENGINEERING, LTD. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of total cost of construction for contracts for which performance obligations are satisfied over time	
Description of Key Audit Matter	**Auditor’s Response**
AIDA ENGINEERING, LTD. (the “Company”) and its consolidated subsidiaries (the “Group”) are engaged in the manufacture and sale of press machines and other products. Particularly for medium and large-sized press machines, each product is highly customized and requires a certain period of time to complete because it must meet the specifications of each client.	In order to evaluate the appropriateness of the estimation of the total cost of construction when recognizing revenue based on progress towards satisfaction of performance obligations, we mainly performed the following audit procedures. (1) Assessment of internal control

As stated in (18) "Recognition of significant sales and cost of sales" and (20) "Significant accounting estimates" under 2. "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" in the Notes to Consolidated Financial Statements, for performance obligations satisfied over time for long-term construction contracts, the Group estimates progress towards satisfaction of performance obligations and recognizes revenue over time based on this progress. The amount of net sales recognized based on progress towards satisfaction of performance obligations for the fiscal year ended March 31, 2025 is ¥20,213 million, which accounted for 27% of consolidated net sales. In recognizing revenue based on progress towards satisfaction of performance obligations, it is necessary to reasonably estimate the total amount of construction project revenue, the total amount of construction project cost, and progress towards satisfaction of performance obligations at the end of the fiscal year. The Group measures progress towards satisfaction of performance obligations based on the ratio of construction costs incurred up to the end of the fiscal year to the total expected cost of construction for each contract. In the manufacturing of press machines and the like of the Group, the basic specifications and work processes are based on the instructions of customers, and it is difficult to apply a uniform standard in determining the estimated total cost of construction. Accordingly, the estimation of the total cost of construction involves certain assumptions and judgments by the responsible persons in the Cost Control Department with expertise and experience in construction work, and therefore is subject to uncertainty. In addition, appropriately revising the total cost of construction in a timely manner is a complex process since there may be changes in contract details, unit prices of materials, manufacturing labor hours, and so forth while construction is in progress.	We assessed the status of the following internal controls of the Group regarding the estimation of total construction costs. ・Controls over the estimation of the total cost of construction and the calculation of progress towards satisfaction of performance obligations ・ System whereby the responsible persons in the Cost Control Department monitor, in a timely manner, changes in net sales recognized based on progress towards satisfaction of performance obligations and comparisons between anticipated and actual progress towards satisfaction of performance obligations (2) Evaluation of the estimate of the total cost of construction In light of the details related to the construction contract amount, construction profit or loss, construction specifications, and progress of construction, we identified construction projects with relatively high uncertainty in estimating the total construction cost and performed the following procedures. ・We reviewed the total cost of the construction project against the cost estimate data on which it was based, and examined whether the cost of manufacturing the machine in accordance with specifications agreed with the customer was included in the cost estimate. ・In order to examine whether the total amount of construction costs is revised in a timely and appropriate manner, we reviewed the documentation from internal meetings regarding the revision of construction costs and made inquiries of the responsible persons in the Cost Control Department about the determination as to whether the total amount of construction costs should be revised.

Based on the above, we concluded that the estimation of the total cost of construction used in calculating both revenue recognized over time as performance obligations are satisfied and progress towards satisfaction of performance obligations is of particular significance for the fiscal year ended March 31, 2025, and therefore determined that this is a key audit matter.	・For construction projects where progress has fluctuated beyond a certain range set by the auditor based on cost accrual patterns involving similar projects in the past, we made inquiries of the responsible persons in the Cost Control Department about the reasons for such fluctuations and examined the reasonableness of the answers in light of the process schedule and cost accrual status. ・We evaluated the process of estimating the total cost of construction by comparing initially estimated amounts with finalized amounts and examining the details of any differences.

Other Information

The other information comprises the information included in the Annual Integrated Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors 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 such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of AIDA ENGINEERING, LTD. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 158 million yen and 3 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

November 7, 2025

/s/Yoshiyuki Nomizu
Designated Engagement Partner
Certified Public Accountant

/s/Tomo Ito
Designated Engagement Partner
Certified Public Accountant