

Capital Expenditures

Capital expenditures totaled ¥2.8 billion in the fiscal year ended March 31, 2023.

The main items of capital spending by segment were as follows: in the Japan segment, ¥545 million for plant construction and streamlining associated with increasing production of high-speed presses, and ¥732 million to add machining centers; and in the Asia segment, ¥516 million to lease a site in Malaysia. No significant Group facilities were either retired or sold.

Research and Development

The Group conducts research and development in accordance with the basic policy of strengthening and establishing fundamental technologies, upgrading core products, and developing eco-friendly flagship products. R&D activities are led by the Research and Development Headquarters in collaboration with the Production Headquarters. In the fiscal year ended March 31, 2023, R&D expenses totaled ¥1.0 billion and were mostly recorded in the Japan segment.

The major R&D activities during the fiscal year under review are listed below.

Development of new and fundamental technologies

- (1) Development of press servo motors
- (2) Development of DX/AI technologies
- (3) Development of simulation technology
- (4) Development of precision forming methods for thick plates

Upgrading core products

- (1) NC1 development
- (2) Upgrading high-speed automatic presses (MSP Series)
- (3) Developing peripheral production line equipment for high-speed precision presses

Capital Resources and Funding Liquidity

The Group utilizes working capital primarily for manufacturing expenses such as the purchase of raw materials and parts and for outsourced machining, along with selling, general and administrative expenses. The Group's basic policy is to fund capital spending using internal financial resources, which are primarily allocated to the construction of in-house production systems.

Capital expenditures totaled ¥2.8 billion in the fiscal year ended March 31, 2023, an increase of ¥962 million over the previous year. In terms of working capital, the balance of cash and cash equivalents at the fiscal year-end was ¥30.5 billion (a year-on-year decline of ¥4.5 billion), reflecting reduced operating cash flows and other factors. Management does not believe the Group is faced with any liquidity issues.

Consolidated Segment Information

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

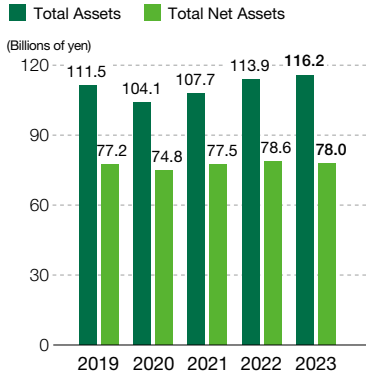
	Millions of yen					% change
	2019	2020	2021	2022	2023	2022 vs. 2023
Business Division:						
Net sales						
Press machines	¥ 63,177	¥ 48,540	¥ 41,237	¥ 44,443	¥ 49,476	11.3
Service	14,852	14,961	12,422	13,865	15,370	10.8
Others	6,052	5,657	4,439	4,156	3,948	(5.0)
Total	¥ 84,082	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	10.1
Geographic Segment:						
Net sales						
Japan	¥ 51,263	¥ 48,655	¥ 40,237	¥ 38,188	¥ 41,648	9.1
China	13,909	6,731	7,422	8,851	11,021	24.5
Asia	9,649	8,228	7,212	7,646	10,676	39.6
Americas	16,625	11,817	10,451	13,869	16,792	21.1
Europe	15,485	11,189	9,584	12,658	12,864	1.6
Adjustments	(22,851)	(17,463)	(16,808)	(18,747)	(24,207)	—
Total	¥ 84,082	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	10.1
Operating income						
Japan	¥ 2,431	¥ 4,726	¥ 3,087	¥ 802	¥ 455	(43.2)
China	723	240	(284)	741	(149)	—
Asia	1,398	1,062	673	745	909	22.0
Americas	693	542	515	269	286	6.2
Europe	4	(243)	(121)	110	227	104.9
Adjustments	310	(155)	(148)	(164)	(189)	—
Total	¥ 5,561	¥ 6,173	¥ 3,722	¥ 2,505	¥ 1,540	(38.5)

Quarterly Information

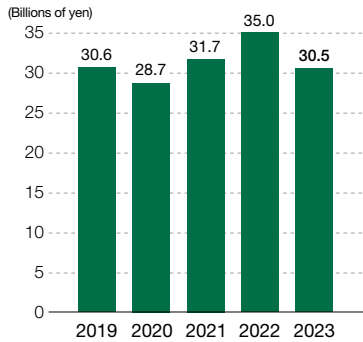
AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					% change
	2019	2020	2021	2022	2023	2022 vs. 2023
Net sales						
1st Quarter	¥ 18,862	¥ 16,007	¥ 10,559	¥ 13,079	¥ 13,665	4.5
2nd Quarter	21,449	18,267	15,202	13,830	18,498	33.7
3rd Quarter	20,945	16,534	13,476	17,192	15,970	(7.1)
4th Quarter	22,825	18,349	18,862	18,363	20,660	12.5
Total	¥ 84,082	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	10.1
Operating Income						
1st Quarter	¥ 1,203	¥ 1,097	¥ 179	¥ 270	¥ (121)	—
2nd Quarter	1,130	1,929	1,364	528	837	58.5
3rd Quarter	1,389	1,287	892	601	277	(53.8)
4th Quarter	1,837	1,858	1,287	1,105	545	(50.6)
Total	¥ 5,561	¥ 6,173	¥ 3,722	¥ 2,505	¥ 1,540	(38.5)

Total Assets/Total Net Assets



Cash and Cash Equivalents at the End of the Year



Free Cash Flow/Capital Expenditures

