

# FY 2015

# Financial Results

(from Apr. 2014 to Mar. 2015)

# AIDA



Highlights of FY2015  
(Fiscal Year ended Mar.2015)  
Financial Results  
&  
Forecast of Full-Year FY2016

# Highlights of FY2014 Consolidated Results <Summary of P/L>



(JPY mil.)	FY2014	FY2015	Fluctuation		FY2015 Revised forecast	VS Revised Forecast		
			Amount	%		Amount	%	
Net Sales	69,594	76,897	7,302	10.5%	74,500	2,397	3.2%	
Cost of Sales	54,617	59,650	5,032	9.2%	57,600	2,050	3.6%	
Gross Profit	14,976	17,246	2,270	15.2%	16,900	346	2.0%	
<Gross Profit ratio>	21.5%	22.4%		(+0.9P)	22.7%		(Δ0.3P)	
Selling, general & administrative expenses	8,656	9,383	727	8.4%	9,200	183	2.0%	
Operating Income	6,320	7,863	1,542	24.4%	7,700	163	2.1%	
<Operating Income ratio>	9.1%	10.2%		(+1.1P)	10.3%	0.0%	(Δ0.1P)	
Ordinary Profit	6,715	8,208	1,493	22.2%	7,900	308	3.9%	
Income Before Income Taxes	6,584	8,543	1,959	29.8%	8,000	543	6.8%	
Net Income	5,127	6,205	1,077	21.0%	5,700	505	8.9%	
Exchange Rate	1USD=	¥100.29	¥109.89	¥9.60	9.6%	¥109.00	¥0.89	0.8%
	1EUR=	¥134.48	¥138.85	¥4.37	3.2%	¥138.00	¥0.85	0.6%

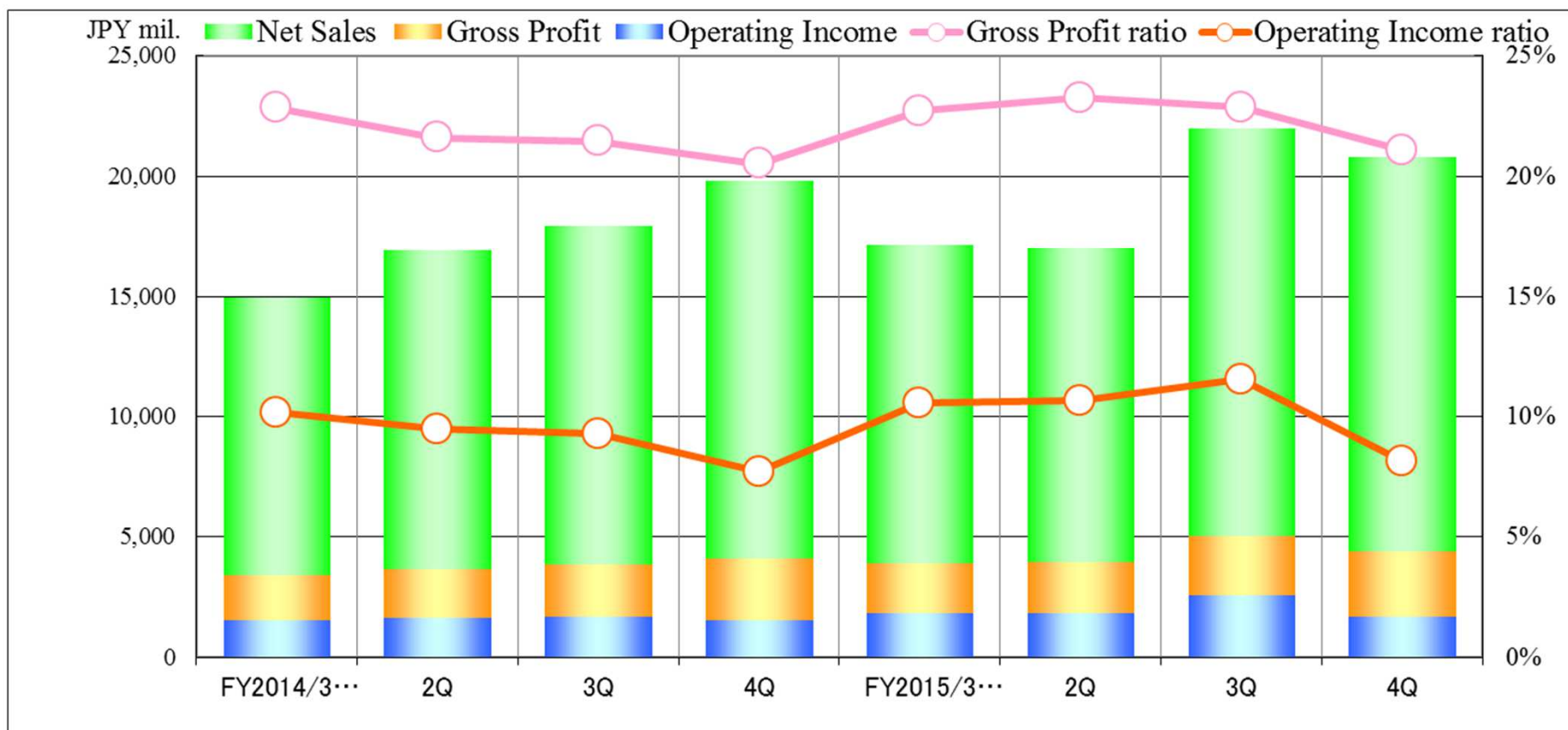
## Summary

Net Sales and Profits increased for 5 consecutive terms.

Net Sales, Operating Profit and Net Income reached record high.

Net Sales:	Net sales increased by 10.5% from the previous FY, due to expansion of press machine sales to automotive industry, especially in Americas and Japan.
Gross Profit:	Gross profit increased by 15.2% from the previous FY due to increase of net sales, improvement of manufacturing cost rate and yen depreciation.
Operating Income:	Operating income increased by 24.4% from the previous FY, mainly due to increase of gross profit.
Ordinary Profit:	Ordinary profit increased by 22.2%, contributed by increase of foreign exchange profits.
Net Income:	While corporate tax rate increased due to elimination of loss carried forward in tax accounting in Japan, net income increased by 21.0% from the previous FY.

# Trend of Sales, Gross Profit and Operating Income

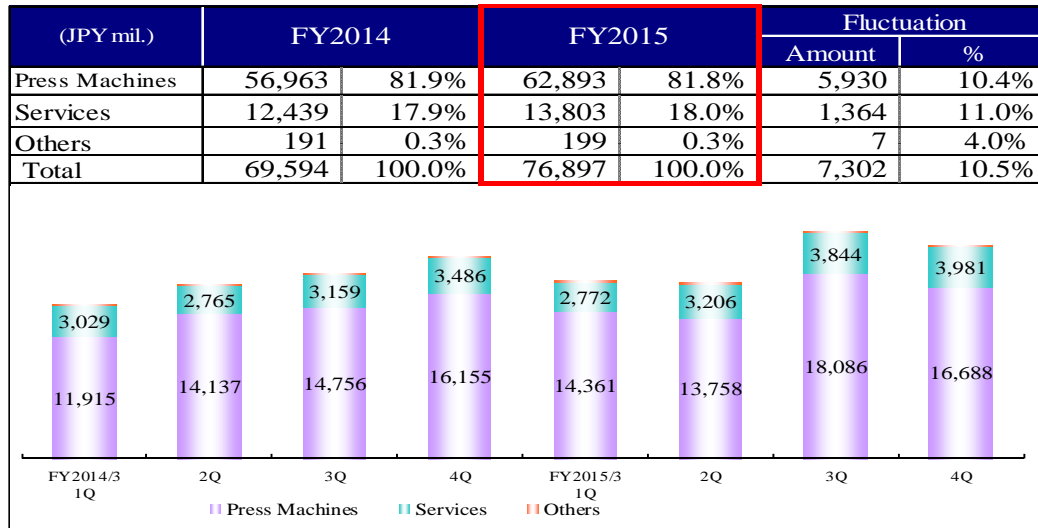


		FY2014/3				FY2015/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Net Sales	14,960	16,914	17,930	19,790	17,168	16,995	21,951	20,783
	Gross Profit	3,415	3,653	3,849	4,059	3,897	3,950	5,015	4,384
	Operating Income	1,522	1,604	1,667	1,527	1,815	1,815	2,536	1,697
	Gross Profit ratio	22.8%	21.6%	21.5%	20.5%	22.7%	23.2%	22.8%	21.1%
	Operating Income ratio	10.2%	9.5%	9.3%	7.7%	10.6%	10.7%	11.6%	8.2%

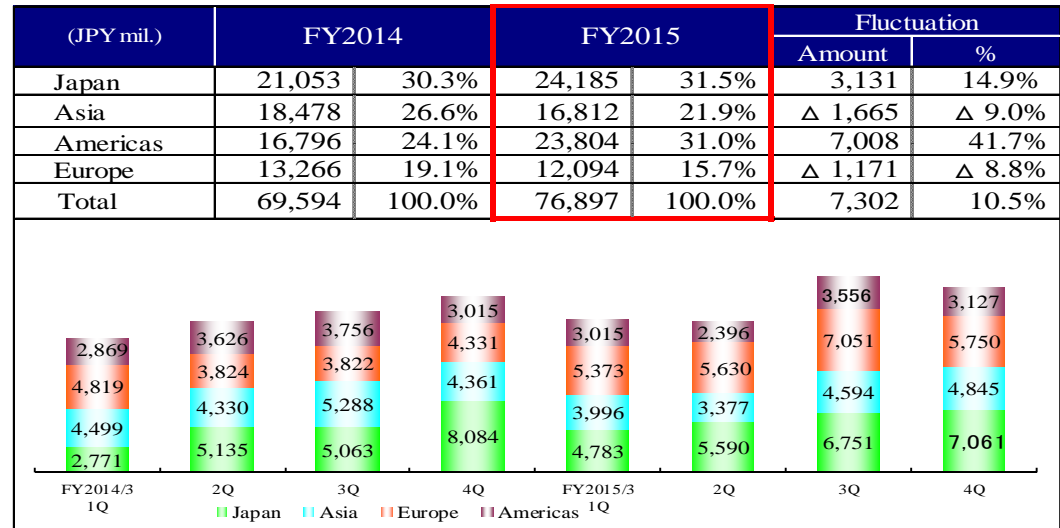
# Sales to Third Party (by Business/Customer/Geographic segment)



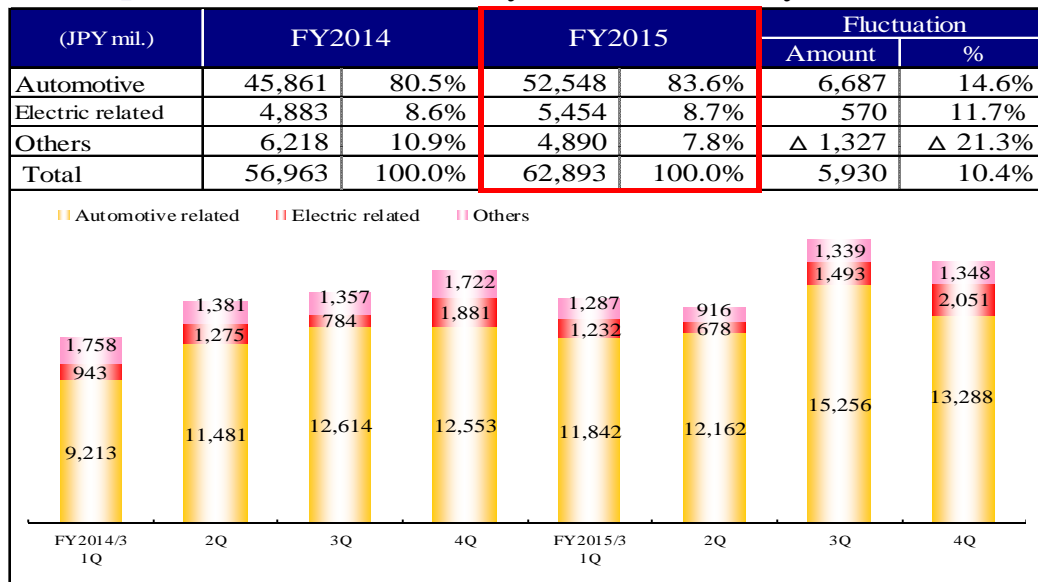
**Sales** by Business segment



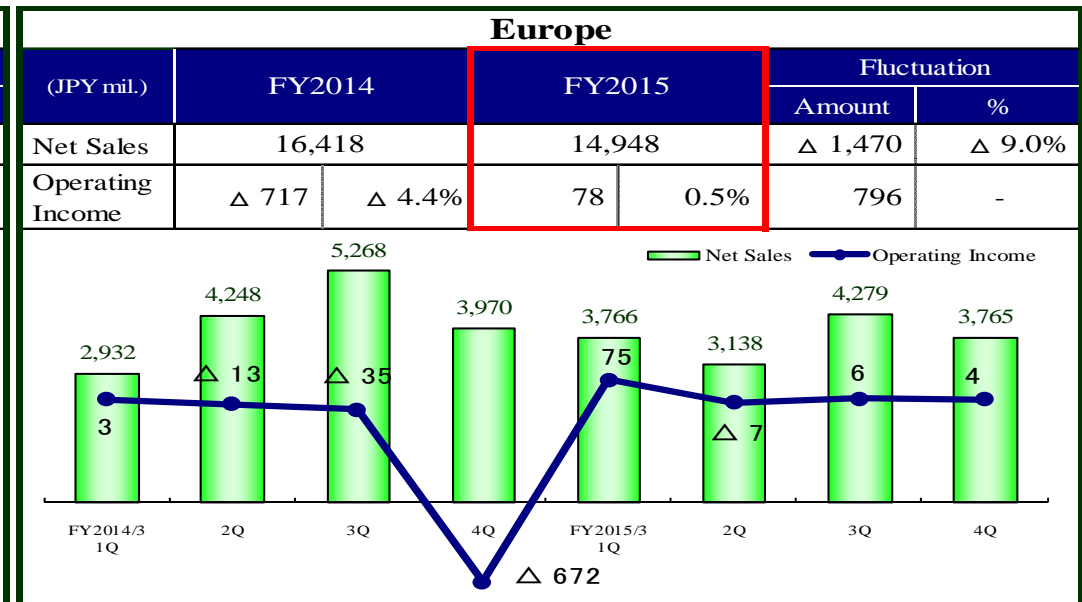
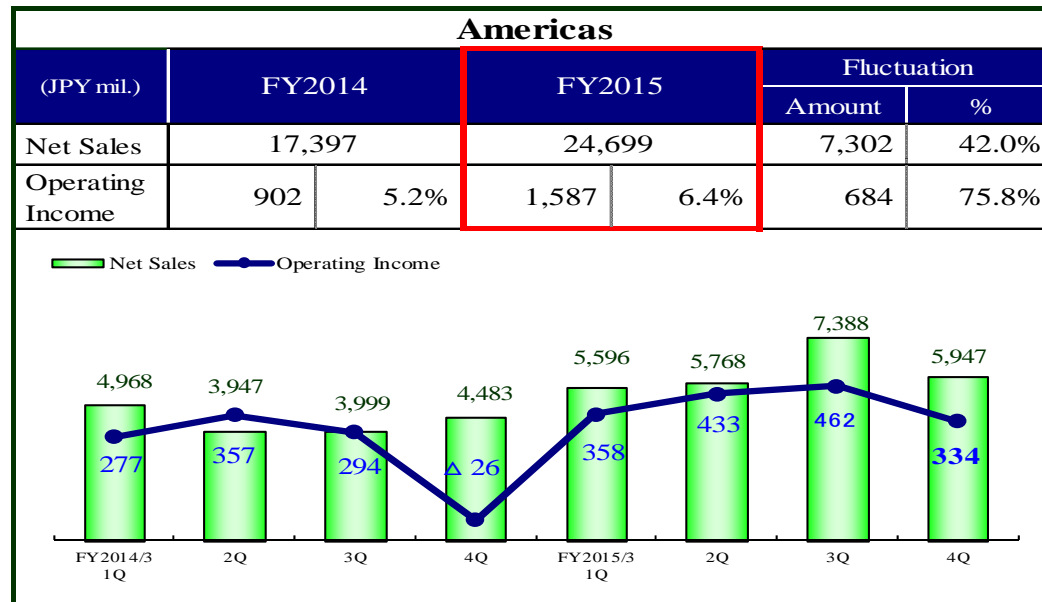
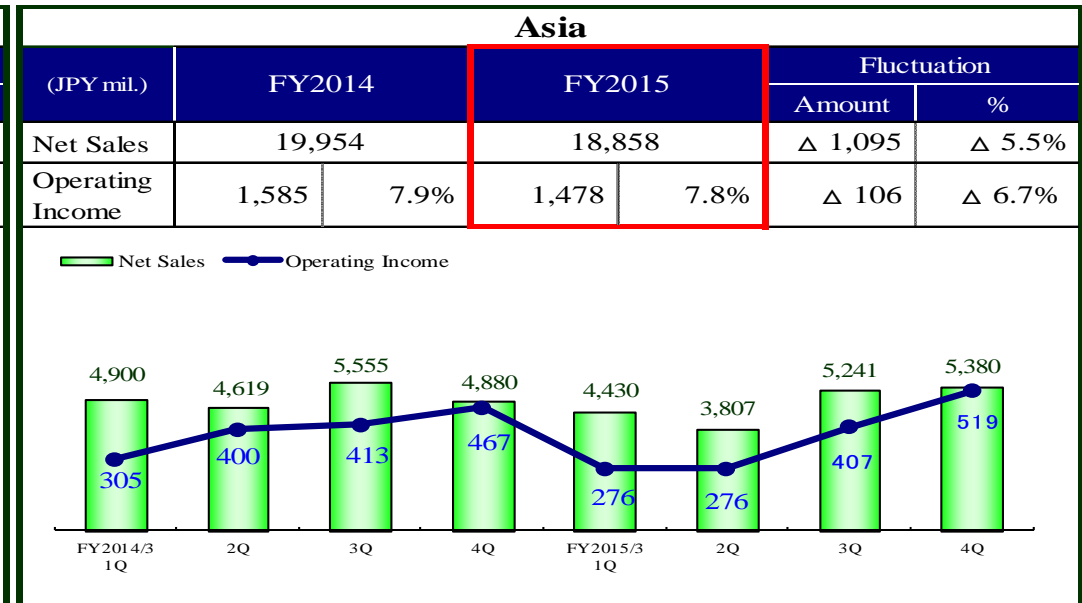
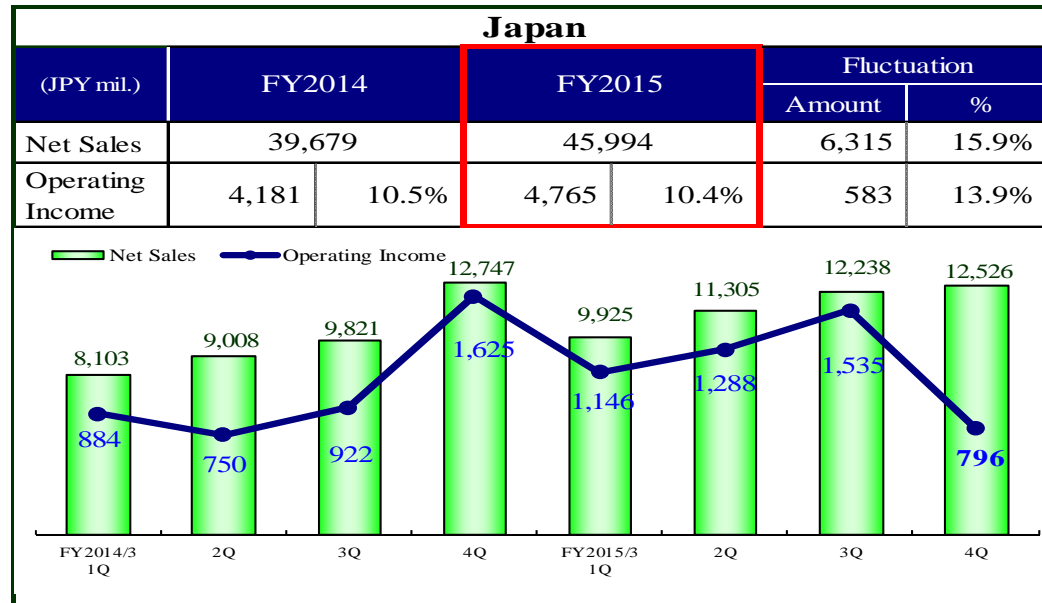
**Sales** by Geographic segment



**Sales (press machines)** by Customer industry



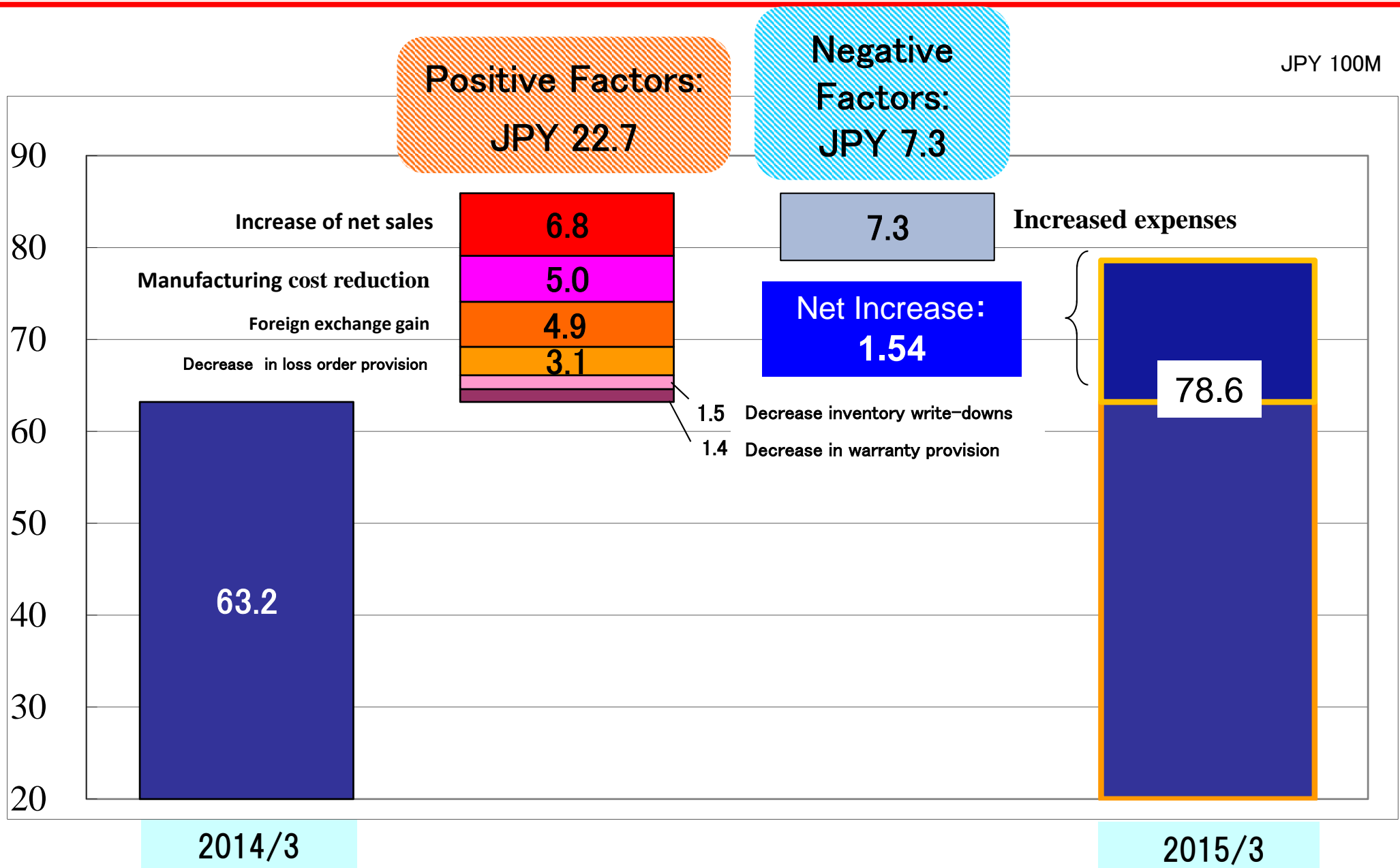
# Sales / Operating Income (by Geographic segment)



# Fluctuation Analysis with regards to Operating Income



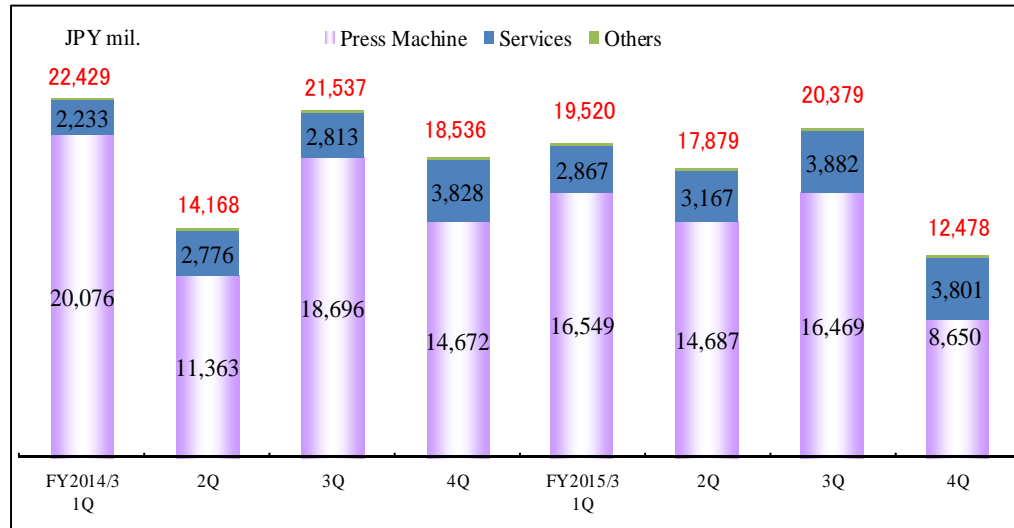
JPY 100M



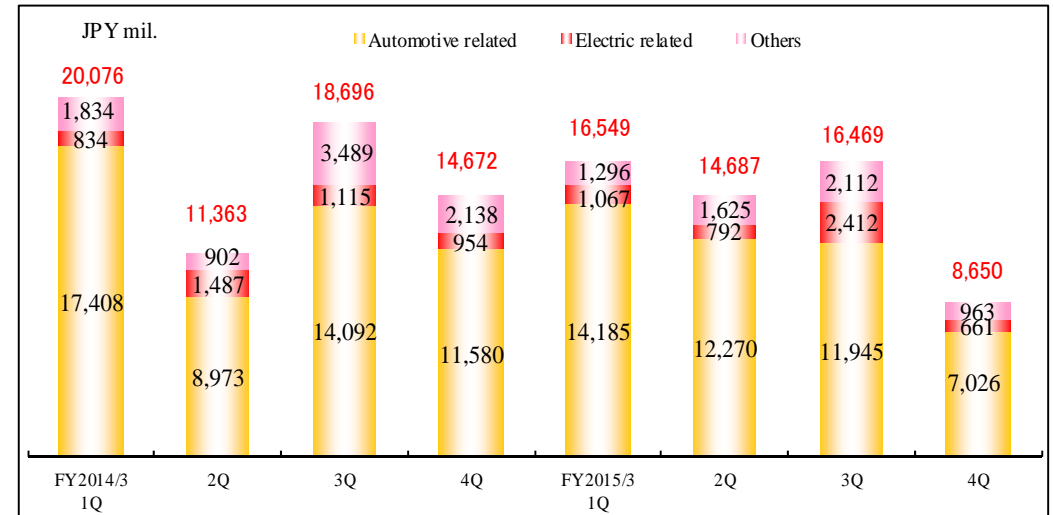
# Orders Intake & Backlog (by Business/Customer/Geographic segment)



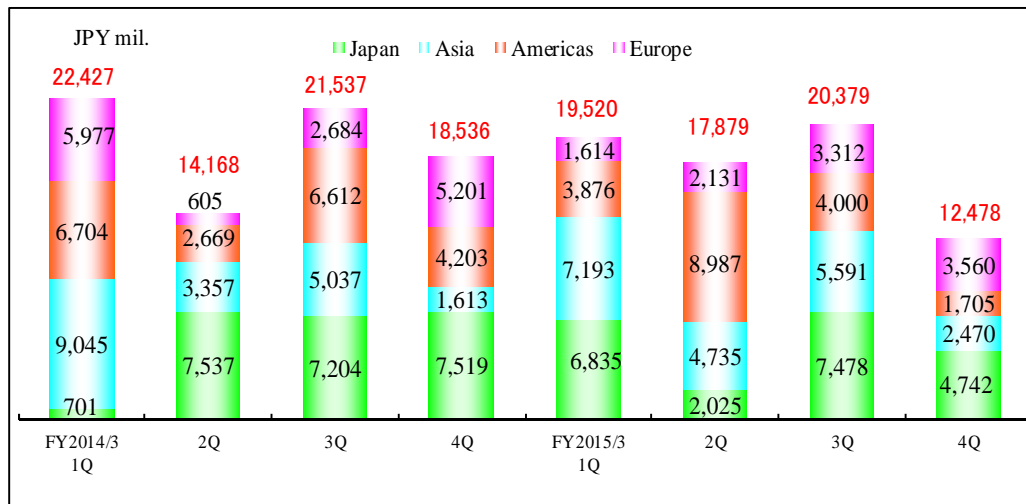
## Orders Intake by Business Segment



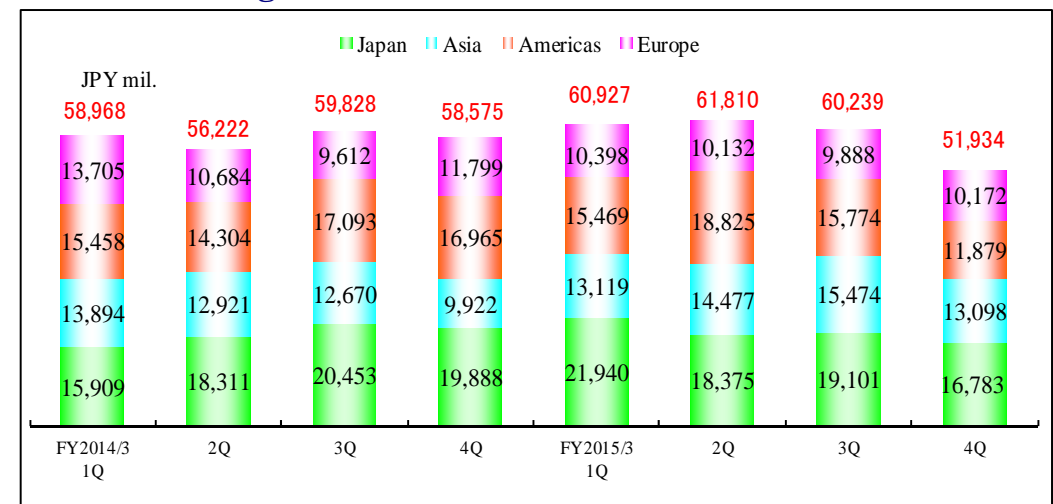
## Orders Intake by Customer Industry (Press Machines)



## Orders Intake by Geographic Segment



## Orders Backlog by Geographic Segment





# Trend of Orders Intake & Backlog



(JPY mil.)	FY2014				FY2015				vs. FY2014	
	1st Half		Full-year		1st Half		Full-year		Fluctuation	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	%
<b>Order Intake: total</b>	36,597	100.0%	76,670	100.0%	37,399	100.0%	70,256	100.0%	Δ 6,414	Δ 8.4%
<b>By Business</b>										
Press Machine	31,439	85.9%	64,807	84.5%	31,236	83.5%	56,355	80.2%	Δ 8,451	Δ 13.0%
<b>By Customer</b>										
Automotive related	26,381	83.9%	52,053	80.3%	26,455	84.7%	45,426	80.6%	Δ 6,627	Δ 12.7%
Electric related	2,321	7.4%	4,390	6.8%	1,859	6.0%	4,932	8.8%	541	12.3%
Other industries	2,736	8.7%	8,363	12.9%	2,921	9.4%	5,996	10.6%	Δ 2,366	Δ 28.3%
Services	5,009	13.7%	11,650	15.2%	6,034	16.1%	13,717	19.5%	2,067	17.7%
Others	148	0.4%	212	0.3%	127	0.3%	183	0.3%	Δ 29	Δ 13.8%
<b>By Region</b>										
Japan	8,238	22.5%	22,961	29.9%	8,860	23.7%	21,080	30.0%	Δ 1,880	Δ 8.2%
Asia	12,402	33.9%	19,052	24.9%	11,928	31.9%	19,989	28.5%	936	4.9%
Americas	9,373	25.6%	20,188	26.3%	12,863	34.4%	18,568	26.4%	Δ 1,619	-8.0%
Europe	6,582	18.0%	14,467	18.9%	3,745	10.0%	10,617	15.1%	Δ 3,850	Δ 26.6%
<b>Order Backlog: total</b>	56,222	100.0%	58,575	100.0%	61,810	100.0%	51,934	100.0%	Δ 6,640	-11.3%
<b>By Region</b>										
Japan	18,311	32.6%	19,888	34.0%	18,375	29.7%	16,783	32.3%	Δ 3,104	Δ 15.6%
Asia	12,921	23.0%	9,922	16.9%	14,477	23.4%	13,098	25.2%	3,176	32.0%
Americas	14,304	25.4%	16,965	29.0%	18,825	30.5%	11,879	22.9%	Δ 5,086	Δ 30.0%
Europe	10,684	19.0%	11,799	20.1%	10,132	16.4%	10,172	19.6%	Δ 1,626	Δ 13.8%

# Major Changes on Balance Sheet



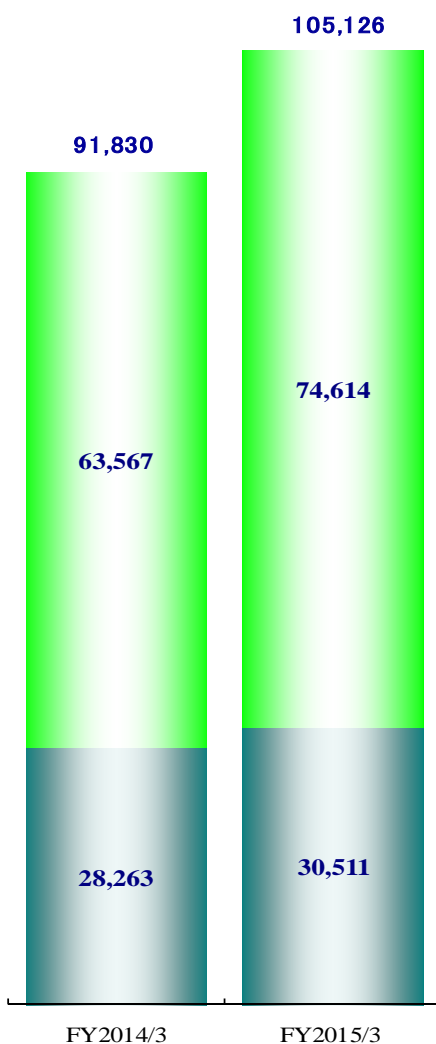
## Assets

(JPY mil.)

■ Fixed assets ■ Current assets

VS end of Mar. 2014

**Total assets +13,295**



**Current assets +11,047**  
 Cash & cash equivalents +3,289  
 Accounts receivable, trade +2,945  
 Inventories +2,866  
 Other current asset +1,971

**Fixed assets +2,248**  
 Property, plant and equipment +1,588

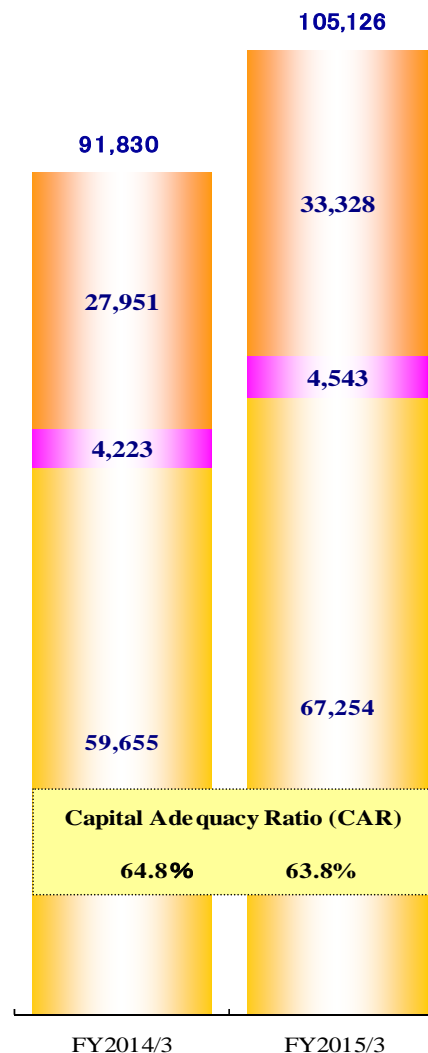
## Liabilities and Net Assets

(JPY mil.)

■ Current liabilities  
 ■ Long-term liabilities  
 ■ Net assets

VS end of Mar. 2014

**Total current liabilities +5,696**



**Current liabilities +5,376**  
 Accounts payable, trade +2,986  
 Advances from customers on contracts +1,506  
 Special suspense account for reduction entry +1,224

**Long-term liabilities +319**

**Net assets +7,599**  
 Retained earnings +1,663  
 Treasury stock +2,789 ※  
 Foreign currency translation adjustments +2,387  
 Net unrealized gains (losses) on other securities +526  
 ※Decrease in net assets caused by cancellation of treasury stock

**Capital Adequacy Ratio (CAR)**  
**64.8%** **63.8%**

# Highlights: Forecasts of FY2015 Consolidated Results



(JPY mil.)	FY2015	FY2016 Forecast	Fluctuation		Fluctuation		
			Amount	%	Amount	%	
Net Sales	76,897	78,000	1,103	1.4%	5,337	15.6%	
Cost of Sales	59,650	60,500	850	1.4%	4,184	15.9%	
Gross Profit	17,246	17,500	254	1.5%	953	12.1%	
<Gross Profit ratio>	22.4%	22.4%		-		(-0.7P)	
Selling, general and administrative	9,383	9,600	217	2.3%	584	13.9%	
Operating Income	7,863	7,900	37	0.5%	370	10.2%	
<Operating Income ratio>	10.2%	10.1%		(Δ0.1P)		(-0.6P)	
Ordinary Profit	8,208	8,100	Δ 108	-1.3%	316	8.4%	
Income Before Income Taxes	8,543	8,100	Δ 443	-5.2%	181	4.6%	
Net Income	6,205	6,000	Δ 205	-3.3%	261	9.5%	
Exchange Rate	1USD=	¥109.89	¥115.00	¥5.11	4.7%	¥115.00	4.7%
	1EUR=	¥138.85	¥130.00	¥-8.85	-6.4%	¥130.00	-6.4%

## Causes of Change of Operating Income

(in million JPY)

<b>Improvement of Product Mix</b>	+420
(Increase of sales of general-purpose machine and high-speed press machine and sales from service)	
<b>Lowering Costs</b>	+360
(Net of fixed costs increase other than below two items)	
<b>Increase in Depreciation Expenses and R&amp;D</b>	Δ 540
<b>FX Gain / Loss</b>	Δ 200
(CTA +120)	
(FX loss on hedged items and exports Δ320)	
<b>Net Change</b>	+40

## Summary

Achieving 6 consecutive-terms increase in Net Sales and Operating Income

Net Sales	Achieving record high in net sales by increasing sales to automotive related industry in Asia, especially in China, despite decrease of favorable effect of yen depreciation and delay of some large orders.
Gross Profit	Gross profit will increase from FY2014 due to improvement of efficiency in manufacturing, absorbing increase of cost for capital investment and human resource development.
Operating Income	Achieving record high operating income due to gross profit increase, absorbing increase of SG&A expenses.
Ordinary Profit	Exchange gain and loss is expected to be even.
Net Income	Net income will decrease due to drop of extraordinary gain and tax refund booked in FY2014. Decrease will be minimized due to tax rate decrease and tax merit for capital expenditure.

# Forecasts of Orders Intake/Sales/Operating Income (by segment)



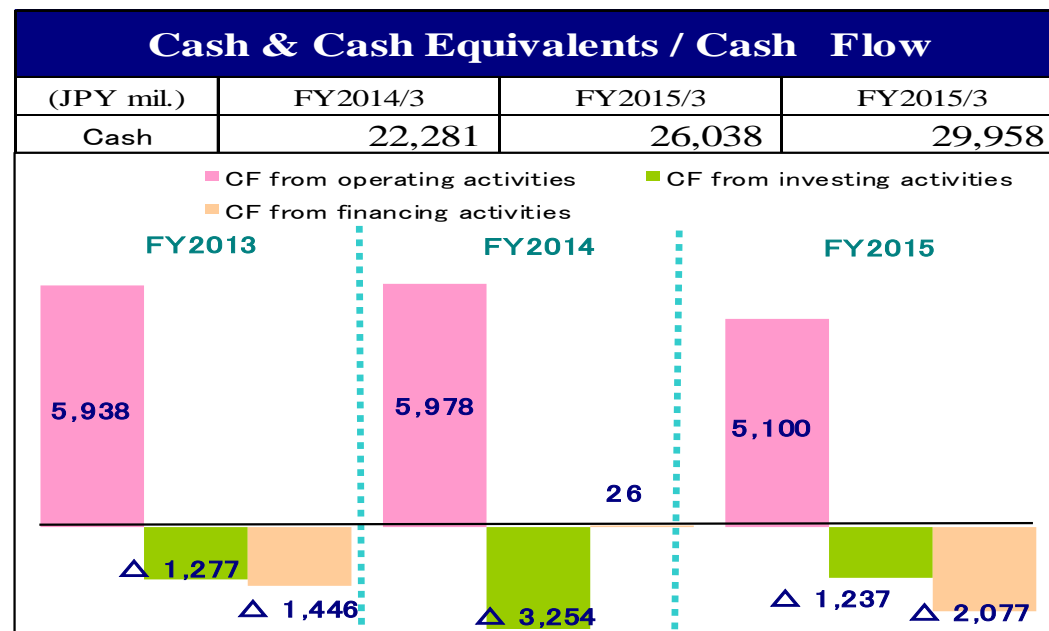
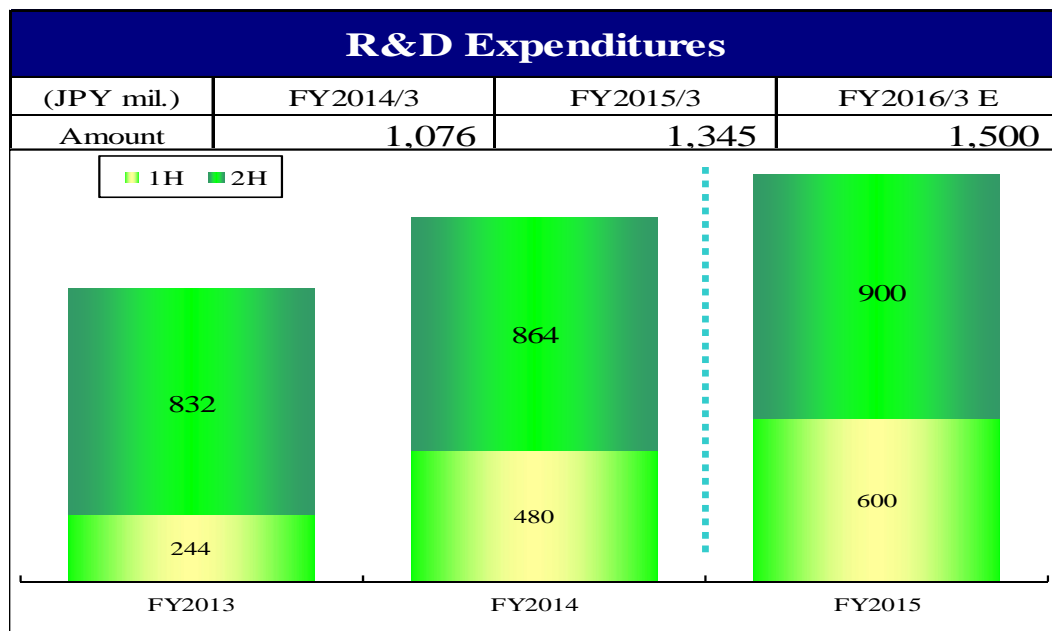
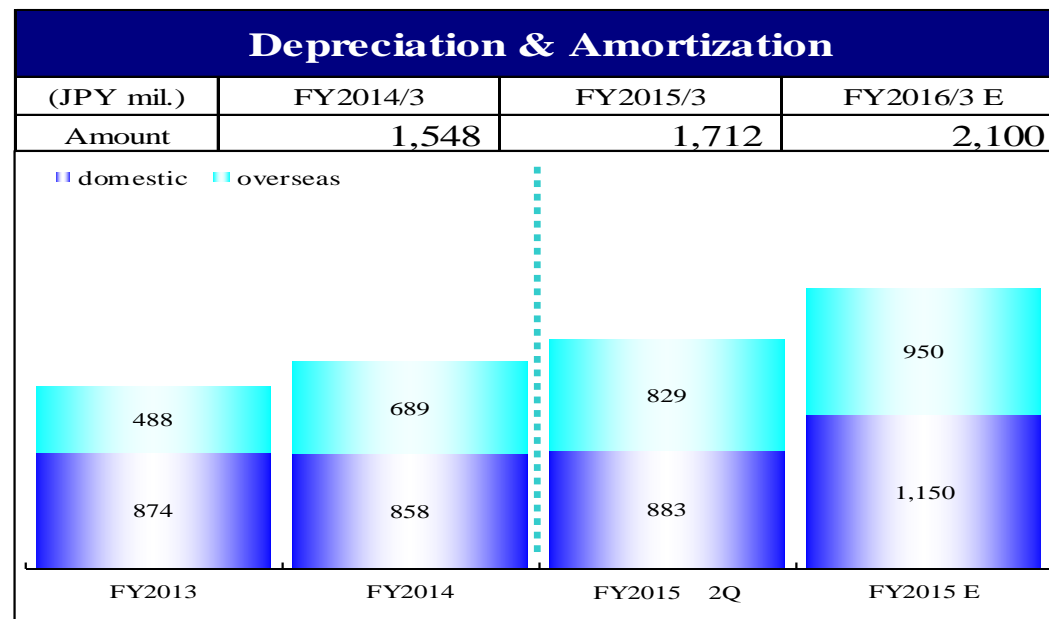
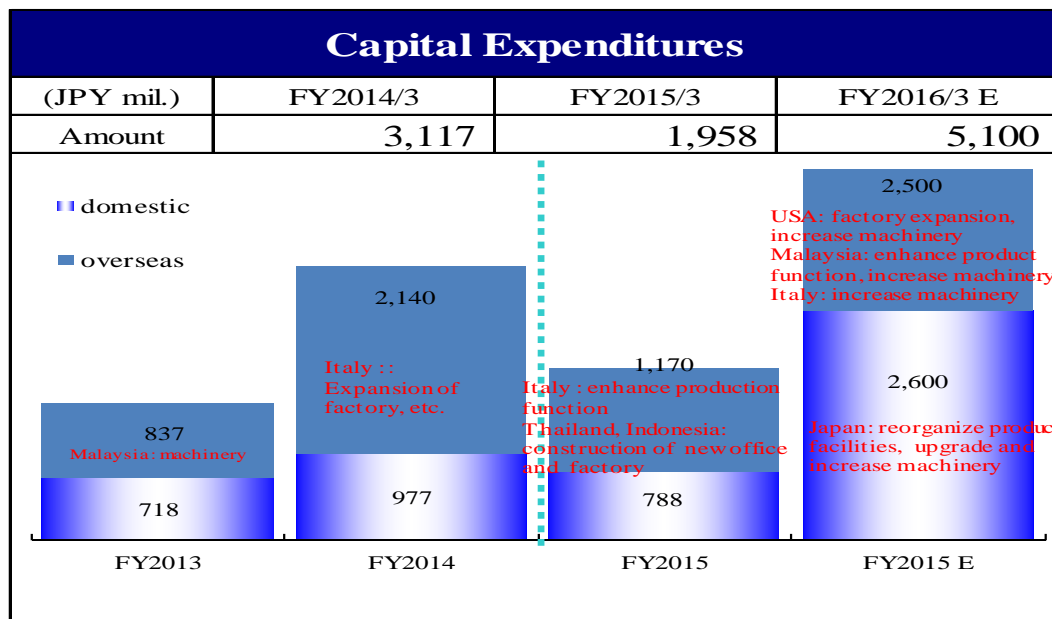
## By Business

(JPY mil.)	Orders				Net Sales			
	FY2014	FY2015 Revised forecast	Fluctuation: Revised FY2015 vs FY2014		FY2014	FY2015 Revised forecast	Fluctuation: Revised FY2015 vs FY2014	
			Amount	%			Amount	%
Press Machine	56,355	66,500	10,145	18.0%	62,893	62,500	Δ 393	-0.6%
Services	13,717	15,300	1,583	11.5%	13,803	15,300	1,497	10.8%
Others	183	200	17	9.3%	199	200	1	0.5%
Consolidated	70,256	82,000	11,744	16.7%	76,897	78,000	1,103	1.4%

## By Region

(JPY mil.)	Orders				Net Sales				Operating income			
	FY2014	FY2015 Revised forecast	Fluctuation: Revised FY2015 vs FY2014		FY2014	FY2015 Revised forecast	Fluctuation: Revised FY2015 vs FY2014		FY2014	FY2015 Revised forecast	Fluctuation: Revised FY2015 vs FY2014	
			Amount	%			Amount	%			Amount	%
Japan	21,080	25,000	3,920	18.6%	45,994	43,500	Δ 2,494	Δ 5.4%	4,765	4,400	Δ 365	Δ 7.7%
Asia	19,989	22,500	2,511	12.6%	18,858	24,500	5,642	29.9%	1,478	2,200	722	48.8%
Americas	18,568	20,000	1,432	7.7%	24,549	22,500	Δ 2,049	Δ 8.3%	1,563	1,150	Δ 413	Δ 26.4%
Europe	10,617	14,500	3,883	36.6%	15,098	14,500	Δ 598	Δ 4.0%	101	250	149	147.5%
Reconciliation					Δ 27,604	Δ 27,000	604	Δ 2.2%	Δ 45	Δ 100	Δ 55	-
Consolidated	70,256	82,000	11,744	16.7%	76,897	78,000	1,103	1.4%	7,863	7,900	37	0.5%

# Trend of Capex, Depreciation, R&D & CF



# Mid-Term Management Plan (FY2015 - 2017)

## Change of Performance Targets



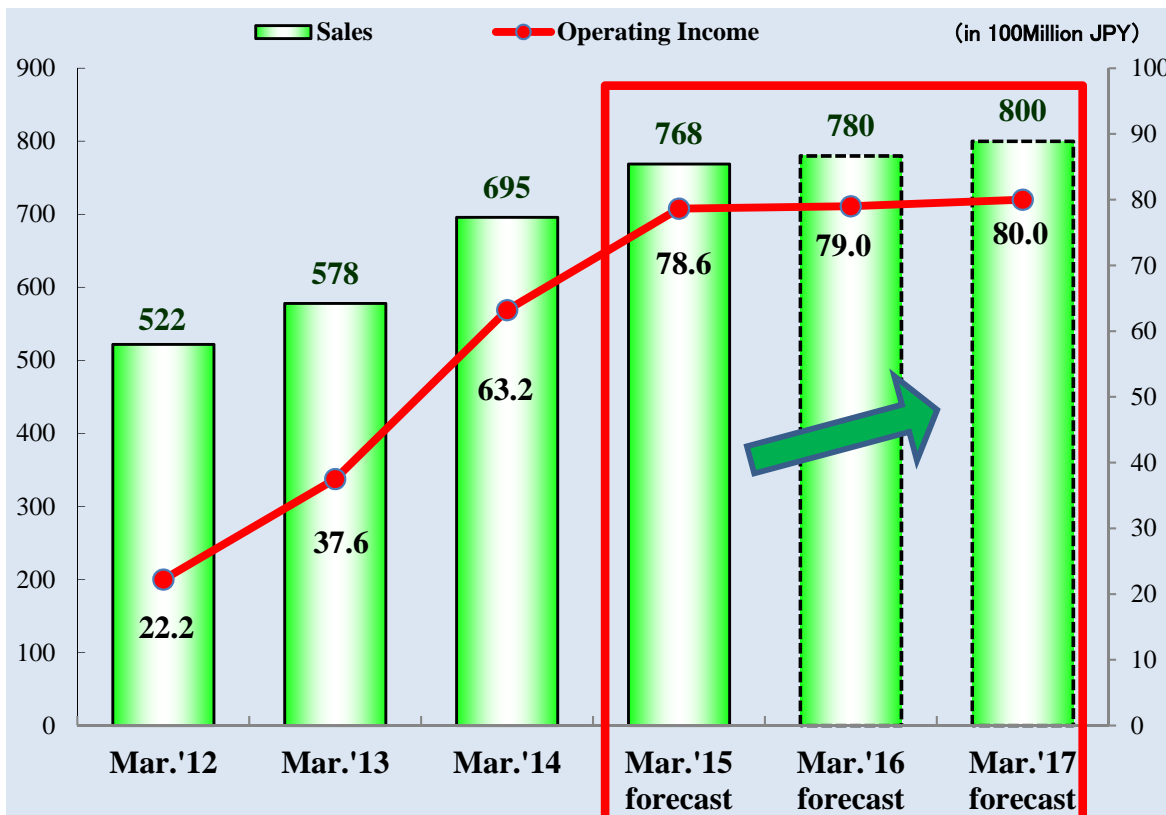
Through FY 2017 (ending March 2017)

### <Initial Plan>

Net Sales: JPY 80 billion or higher  
Operating Income: JPY 7 billion or higher

### <Revised Plan>

Net Sales: JPY 80 billion or higher (No change)  
Operating Income: JPY 8 billion or higher (JPY 1 billion increase from the initial plan)



### 【Results of FY2014】

- Net Sales : increased above the initial forecast due to favorable FX rate and increase of POC sales in Japan and USA.
- Operating Income : Due to sales increase and improve of margin, the initial target of 70 billion is achieved in the first year of the mid-plan (achieving 10% of operating margins).

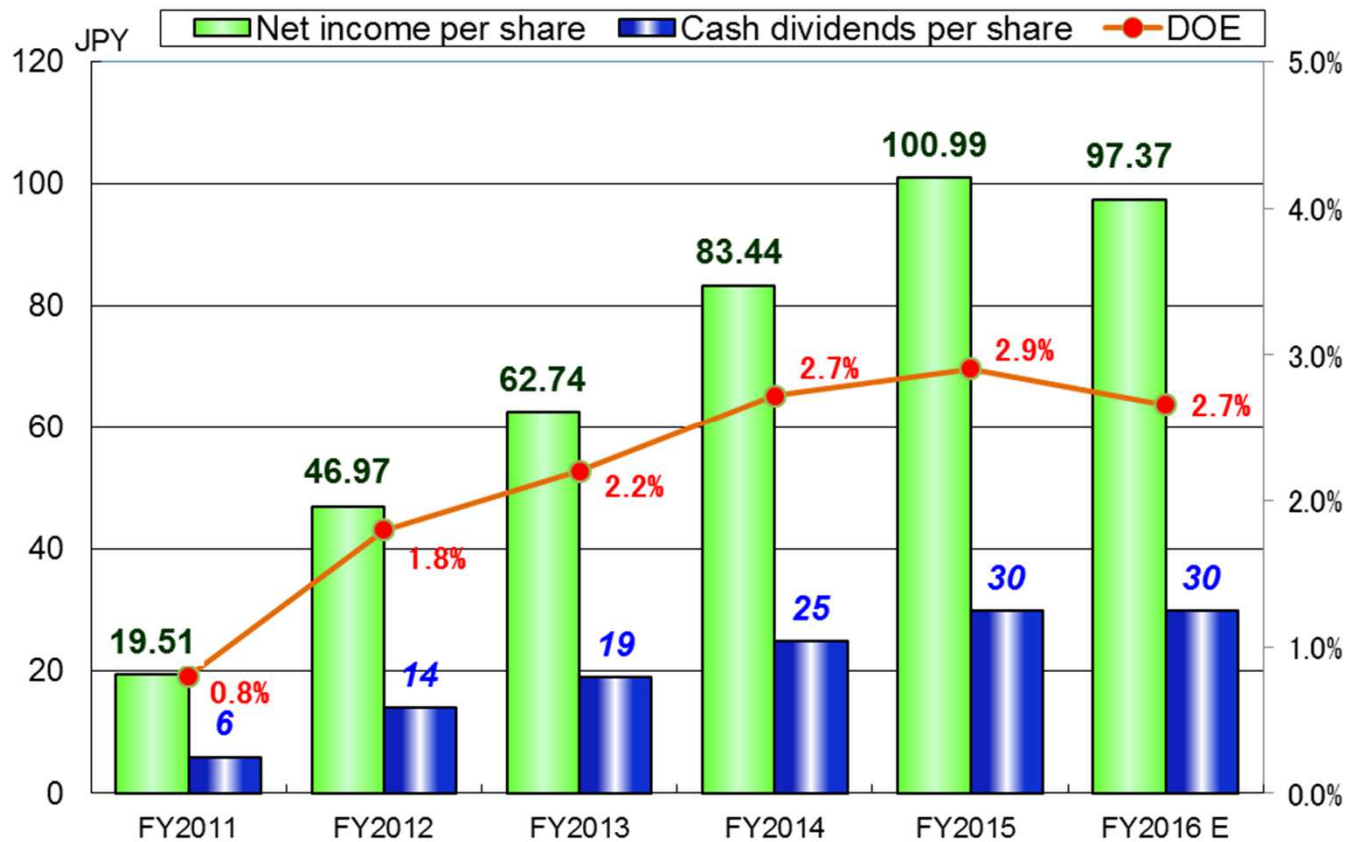
### 【Outline of Revision】

**Establish a solid corporate foundation that will enable further business expansion, while maintaining a current operating margin**

- Pursue maintenance of product quality and investment to enhance production capacity and efficiency rather than focusing on sales volume.
- Target ¥8 billion operating profit, absorbing investment costs through further improvement of productivity

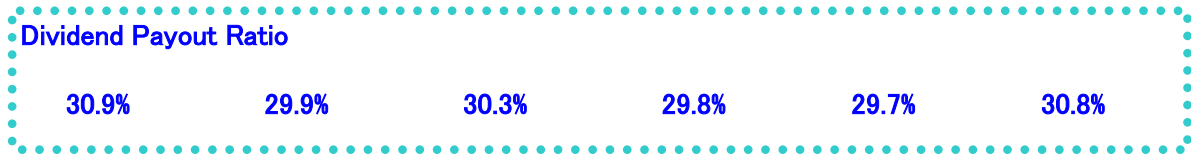
# Return to Shareholders

• **Dividend Policy:** AIDA focuses on continuation of stable dividend, maintaining “dividend on equity” at adequate level. Dividend amount is basically linked with consolidated financial results, targeting 30% of dividend payout ratio.



Annual dividend for FY2015 reached the record high. We are planning to keep the same level for FY2016.

May 2014  
Cancel Treasury stock of 5,500,000 shares (6.95% of outstanding shares prior to cancellation)



# Remarks



## **Cautions about forecast statements contained in this package**

- **The information in this package contains future forecasts.**
- **Future forecasts contained in this document are based on the judgment of company management based on currently available information. Although the future forecasts are based on or grounded in assumptions, future economic circumstances and actual business results may differ from these assumptions.**
- **Although the Company or its management is stating its expectations and/or convictions regarding future results, this does not guarantee that these expectations or convictions will be realized, nor does it guarantee that the actual results will be close to the forecasts. Moreover, the Company does not assume any obligation to update or revise any forecasts unless otherwise stipulated by law.**

**May 2015**

**AIDA ENGINEERING, LTD.**