

Presentation of Consolidated Financial Results
for the 2nd Quarter of the FY Ended March 31, 2020
(from Apr. 2019 to Sep. 2019)

AIDA



Highlights of Consolidated Results Summary of P&L



(JPY mil.)		FY2019/3	FY2020/3	Fluctuation	
		1st Half	1st Half	Amount	%
Net Sales		40,311	34,274	△ 6,037	△15.0%
Cost of Sales		33,214	26,792	△ 6,422	△19.3%
Gross Profit		7,097	7,482	385	5.4%
<Gross Profit ratio>		17.6%	21.8%		(+4.2P)
Selling, general and administrative expenses		4,762	4,454	△ 307	△6.5%
Operating Income		2,334	3,027	693	29.7%
<Operating Income ratio>		5.8%	8.8%		(+3.0P)
Ordinary Income		2,651	3,201	550	20.8%
Income Before Income Taxes		2,505	3,156	651	26.0%
Net Income		1,735	2,261	526	30.3%
Exchange Rate	1USD=	¥110.34	¥108.73	△1.61	△1.5%
	1EUR=	¥129.89	¥121.48	△8.41	△6.5%

<Summary>

While net sales decreased, profits increased from the previous FY due to improvement of product mix and profitability in each project.

Net Sales:	Net sales decreased by 15.0% from the previous FY mainly due to decrease of orders intake in the previous FY from automotive-related customers in China, Americas and Europe.
Gross Profit:	While net sales decreased, gross profit increased by 5.4% from the previous FY due to improvement of product mix, profitability of mid-to-large sized press machines, and drop in additional cost for custom specifications which occurred in previous FY.
Operating Income:	Operating income increased by 29.7% from the previous FY. The increase was mainly due to the increase of gross profit and the reduction of SGA. Operating income ratio increased by 3 points.
Ordinary Income:	Ordinary income increased by 20.8% from the previous FY, due to increase in operating income.
Net Income:	Net income increased by 30.3% from the previous FY, due to increase in ordinary income.

Trend of Sales, Gross Profit and Operating Income

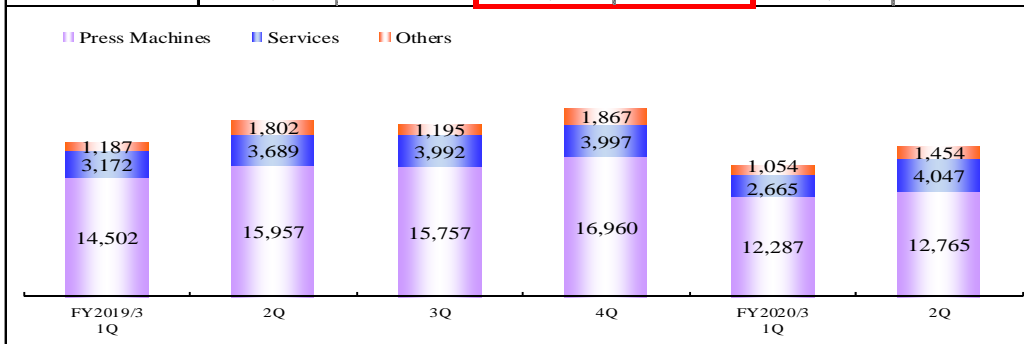


		FY2019/3				FY2020/3	
		1Q	2Q	3Q	4Q	1Q	2Q
	Net Sales	18,862	21,449	20,945	22,825	16,007	18,267
	Gross Profit	3,637	3,459	3,781	4,352	3,366	4,115
	Operating Income	1,203	1,130	1,389	1,837	1,097	1,929
	Gross Profit ratio	19.3%	16.1%	18.1%	19.1%	21.0%	22.5%
	Operating Income ratio	6.4%	5.3%	6.6%	8.1%	6.9%	10.6%

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

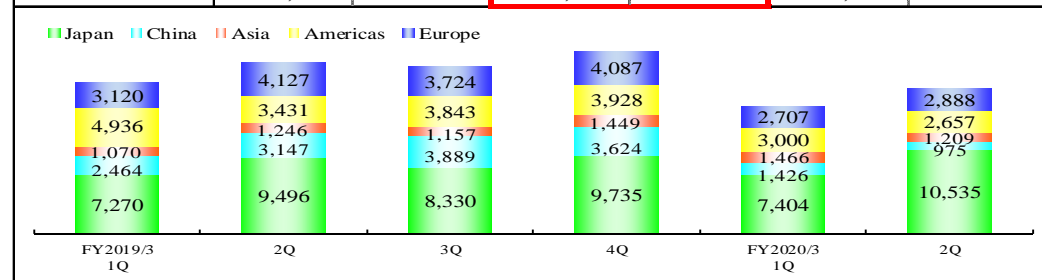
Sales by Business segment

(JPY mil.)	FY2019/3		FY2020/3		Fluctuation	
	1st Half		1st Half		Amount	%
Press Machines	30,459	75.6%	25,052	73.1%	△ 5,407	△ 17.8%
Services	6,862	17.0%	6,712	19.6%	△ 149	△ 2.2%
Others	2,990	7.4%	2,509	7.3%	△ 480	△ 16.1%
Total	40,311	100.0%	34,274	100.0%	△ 6,037	△ 15.0%



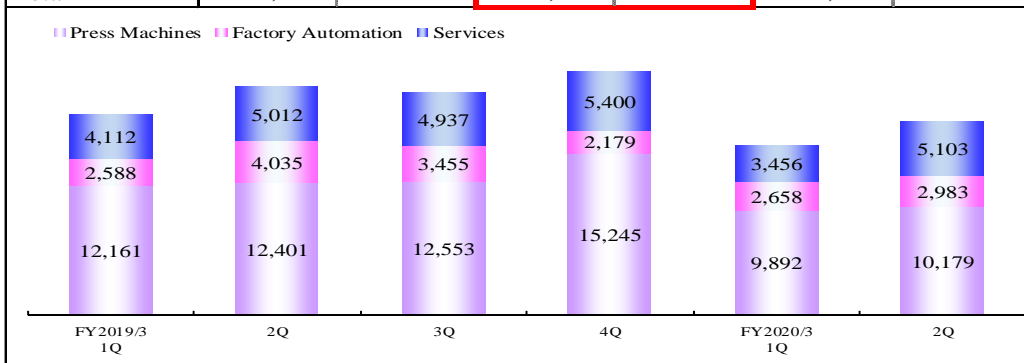
Sales by Geographic segment

(JPY mil.)	FY2019/3		FY2020/3		Fluctuation	
	1st Half		1st Half		Amount	%
Japan	16,767	41.6%	17,939	52.3%	1,172	7.0%
China	5,611	13.9%	2,402	7.0%	△ 3,208	△ 57.2%
Asia	2,316	5.7%	2,676	7.8%	360	15.6%
Americas	8,368	20.8%	5,658	16.5%	△ 2,709	△ 32.4%
Europe	7,248	18.0%	5,596	16.3%	△ 1,651	△ 22.8%
Total	40,311	100.0%	34,274	100.0%	△ 6,037	△ 15.0%



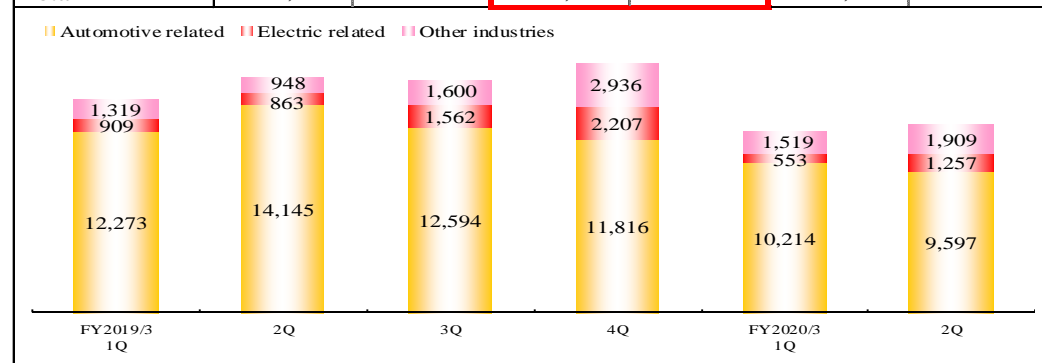
Sales by Business segment of the Mid-Term Management Plan "THE AIDA PLAN 523"

(JPY mil.)	FY2019/3		FY2020/3		Fluctuation	
	1st Half		1st Half		Amount	%
Press Machines	24,562	60.9%	20,071	58.6%	△ 4,490	△ 18.3%
Factory Automation	6,624	16.4%	5,642	16.5%	△ 982	△ 14.8%
Services	9,124	22.6%	8,560	25.0%	△ 564	△ 6.2%
Total	40,311	100.0%	34,274	100.0%	△ 6,037	△ 15.0%

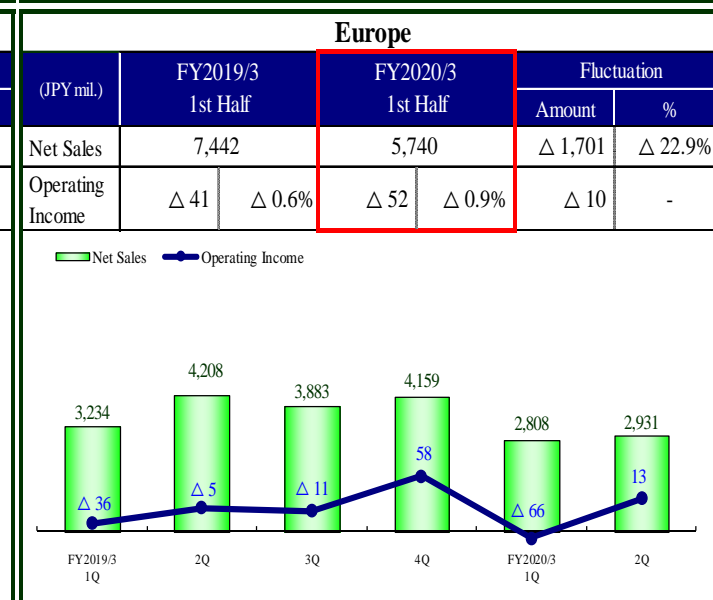
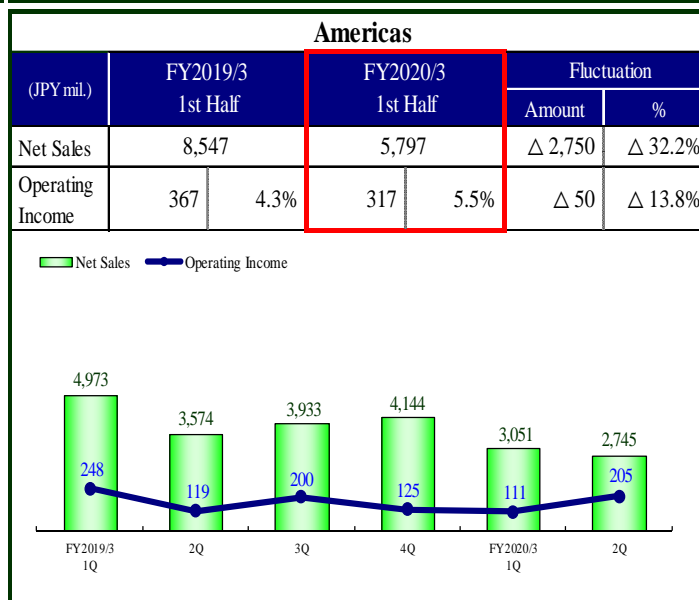
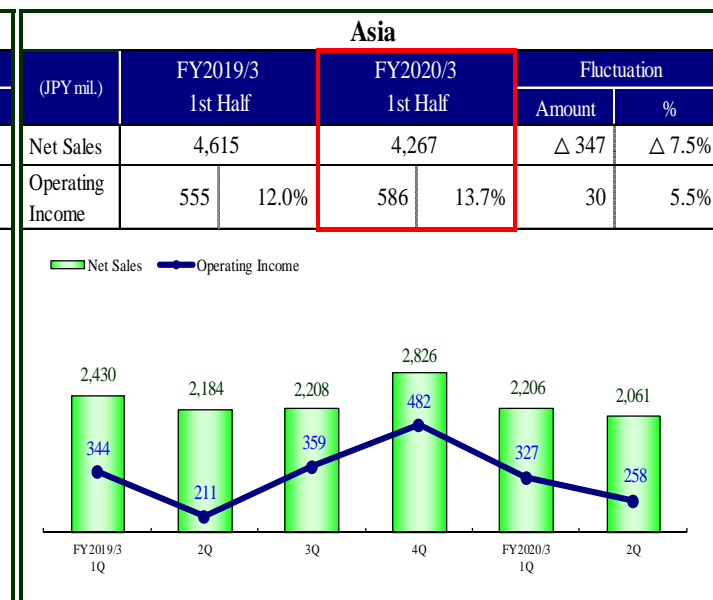
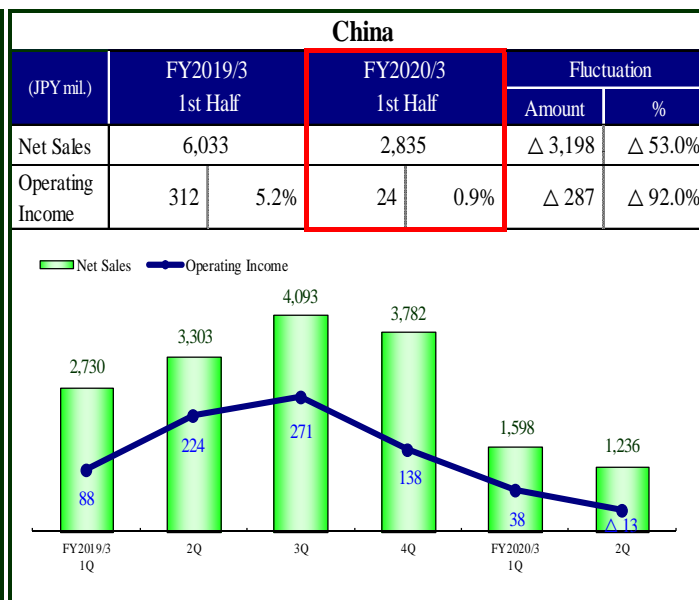
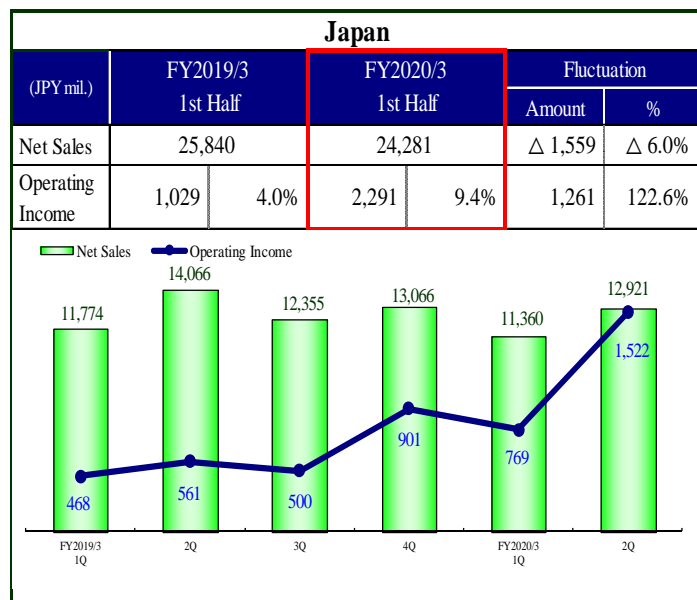


Sales (press machines) by Customer industry

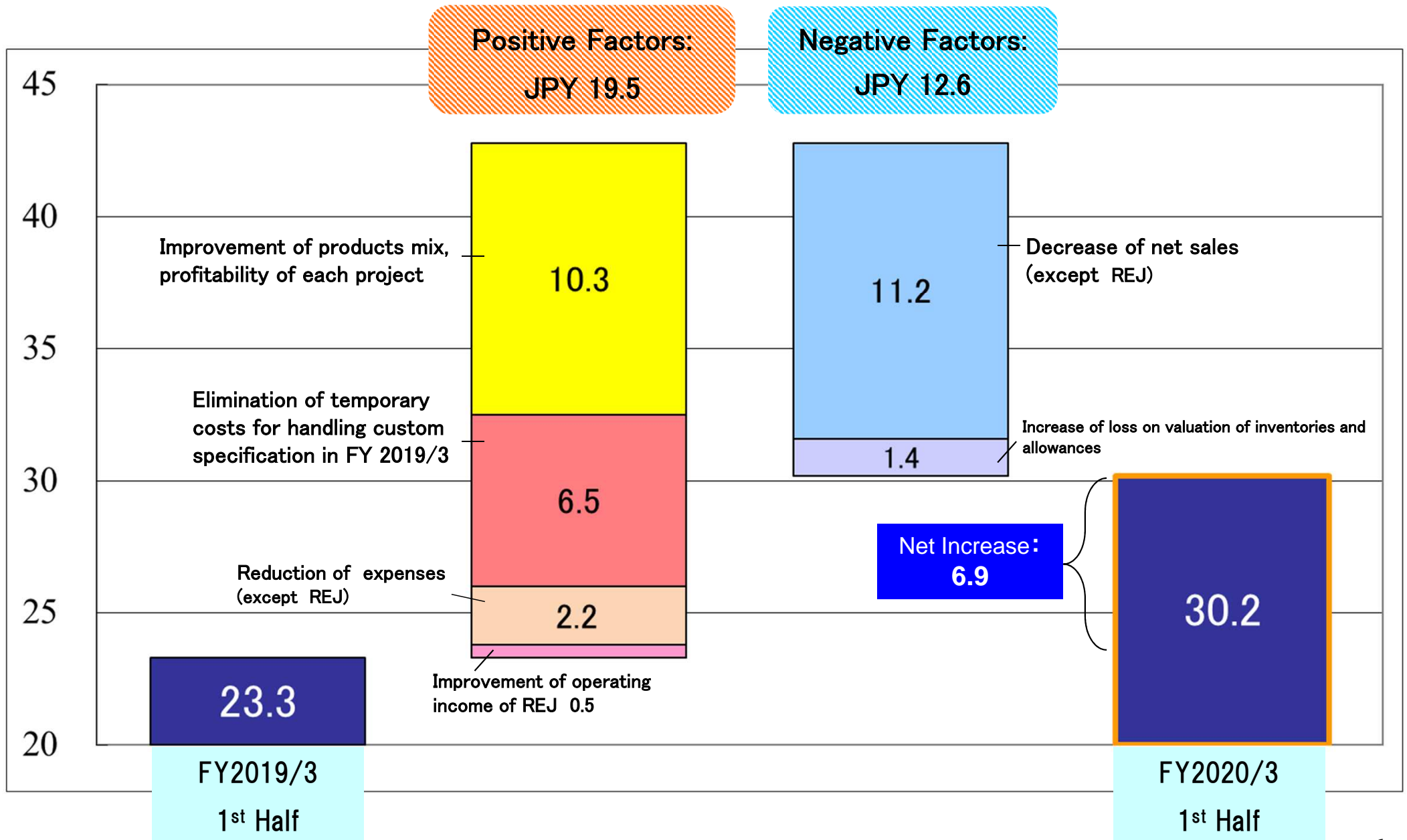
(JPY mil.)	FY2019/3		FY2020/3		Fluctuation	
	1st Half		1st Half		Amount	%
Automotive related	26,418	86.7%	19,811	79.1%	△ 6,606	△ 25.0%
Electric related	1,773	5.8%	1,811	7.2%	38	2.1%
Other industries	2,267	7.4%	3,428	13.7%	1,161	51.2%
Total	30,459	100.0%	25,052	100.0%	△ 5,407	△ 17.8%



Sales / Operating Income (by Geographic segment)



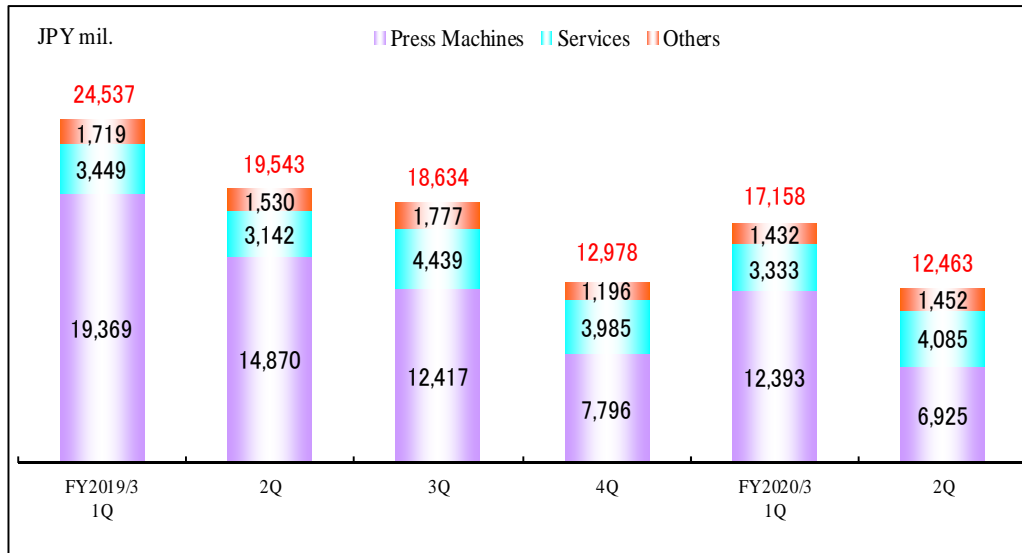
Fluctuation Analysis with regards to Operating Income



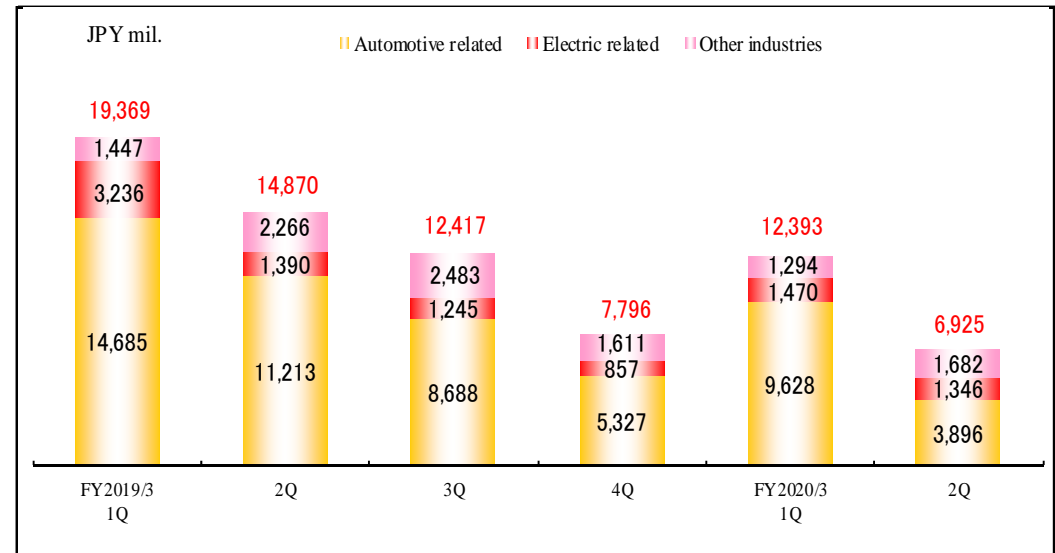
Orders Intake & Backlog (by Business/Customer/Geographic segment)



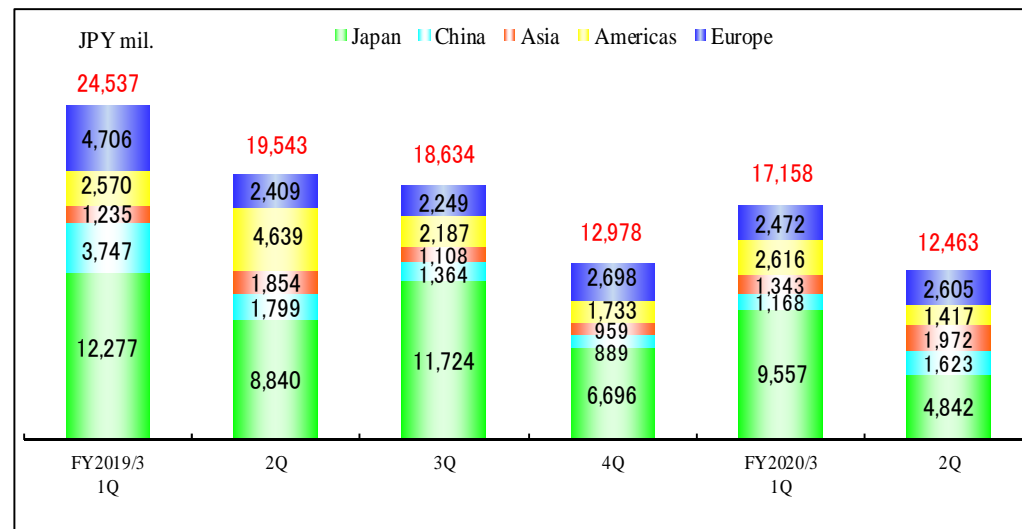
Orders Intake by Business Segment



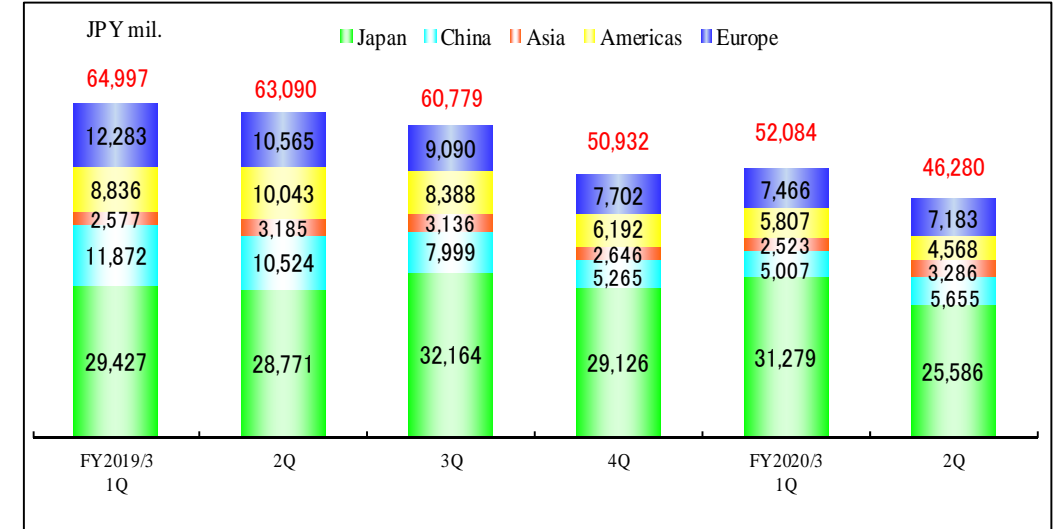
Orders Intake by Customer Industry (Press Machines)



Orders Intake by Geographic Segment



Orders Backlog by Geographic Segment



Trend of Orders Intake & Backlog



(JPY mil.)	FY2018/3				FY2019/3				FY2020/3		vs. FY2019/3	
	1st Half		Full-year		1st Half		Full-year		1st Half		Fluctuation	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	%
Order Intake: total	43,939	100.0%	83,143	100.0%	44,081	100.0%	75,694	100.0%	29,621	100.0%	△ 14,459	△ 32.8%
By Business												
Press Machine	36,121	82.2%	66,223	79.6%	34,240	77.7%	54,454	71.9%	19,318	65.2%	△ 14,921	△ 43.6%
By Customer												
Automotive related	29,330	81.2%	54,034	81.6%	25,898	75.6%	39,914	73.3%	13,525	70.0%	△ 12,373	△ 47.8%
Electric related	3,511	9.7%	5,412	8.2%	4,626	13.5%	6,729	12.4%	2,816	14.6%	△ 1,809	△ 39.1%
Other industries	3,279	9.1%	6,776	10.2%	3,714	10.8%	7,809	14.3%	2,976	15.4%	△ 738	△ 19.9%
Services	7,521	17.1%	15,091	18.2%	6,591	15.0%	15,015	19.8%	7,418	25.0%	827	12.6%
Others	296	0.7%	1,828	2.2%	3,250	7.4%	6,223	8.2%	2,884	9.7%	△ 365	△ 11.3%
By Region												
Japan	16,789	38.2%	33,592	40.4%	21,117	47.9%	39,538	52.2%	14,400	48.6%	△ 6,716	△ 31.8%
China	7,553	17.2%	12,396	14.9%	5,547	12.6%	7,801	10.3%	2,792	9.4%	△ 2,754	△ 49.7%
Asia	2,247	5.1%	5,097	6.1%	3,090	7.0%	5,158	6.8%	3,316	11.2%	225	7.3%
Americas	10,387	23.6%	17,653	21.2%	7,210	16.4%	11,130	14.7%	4,034	13.6%	△ 3,175	△ 44.0%
Europe	6,961	15.8%	14,404	17.3%	7,116	16.1%	12,064	15.9%	5,078	17.1%	△ 2,038	△ 28.6%
Order Backlog: total	58,191	100.0%	59,321	100.0%	63,090	100.0%	50,932	100.0%	46,280	100.0%	△ 4,652	△ 9.1%
By Region												
Japan	20,977	36.0%	24,421	41.2%	28,771	45.6%	29,126	57.2%	25,586	55.3%	△ 3,539	△ 12.2%
China	10,657	18.3%	10,589	17.9%	10,524	16.7%	5,265	10.3%	5,655	12.2%	389	7.4%
Asia	1,875	3.2%	2,411	4.1%	3,185	5.0%	2,646	5.2%	3,286	7.1%	639	24.2%
Americas	13,191	22.7%	11,201	18.9%	10,043	15.9%	6,192	12.2%	4,568	9.9%	△ 1,624	△ 26.2%
Europe	11,489	19.7%	10,697	18.0%	10,565	16.7%	7,702	15.1%	7,183	15.5%	△ 518	△ 6.7%

Major Changes on Balance Sheet

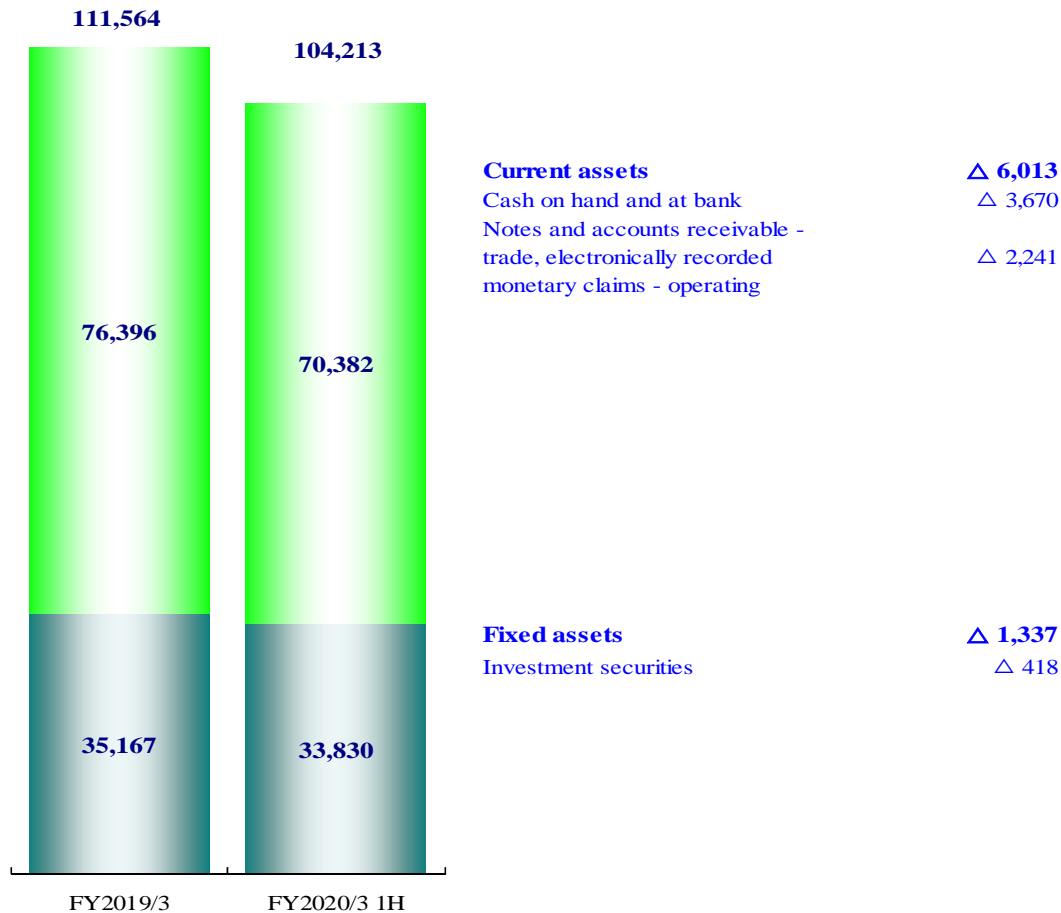


Assets

(JPY mil.)

■ Fixed assets ■ Current assets

VS end of Previous FY
Total assets Δ 7,351

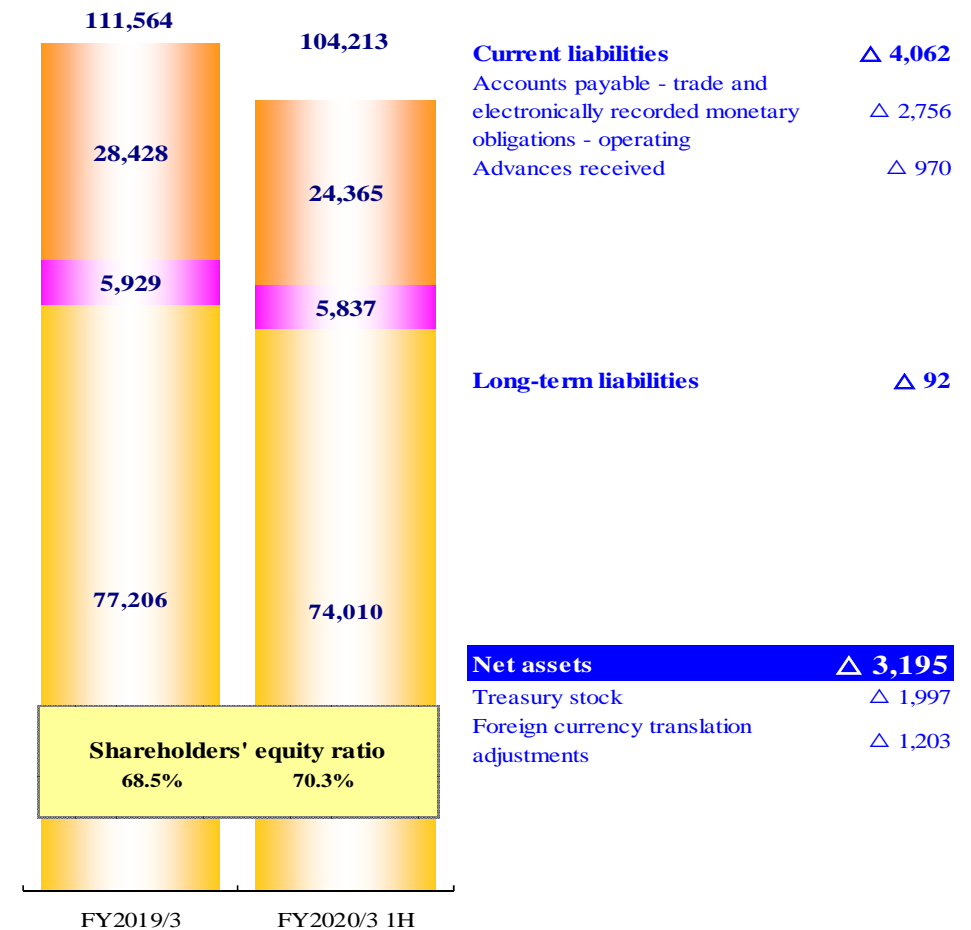


Liabilities and Net Assets

(JPY mil.)

■ Current liabilities
 ■ Non-current liabilities
 ■ Net assets

VS end of Previous FY
Total liabilities Δ 4,155



Highlights: Forecasts of FY2020 Consolidated Results



(JPY mil.)	FY2019/3	FY2020/3			Fluctuation		FY2020/3 Initial Forecast [B]	Change= [A]-[B]		
		1H Results	2H Forecast	Full-year forecast (revised) [A]	Amount	%		Amount	%	
Net Sales	84,082	34,274	37,726	72,000	△ 12,082	△14.4%	79,000	△ 7,000	△8.9%	
Cost of Sales	68,851	26,792	29,258	56,050	△ 12,801	△18.6%	62,800	△ 6,750	△10.7%	
Gross Profit	15,230	7,482	8,468	15,950	720	4.7%	16,200	△ 250	△1.5%	
<Gross Profit ratio>	18.1%	21.8%	22.4%	22.2%		(+4.1P)	20.5%		(+1.7P)	
Selling, general and administrative expenses	9,669	4,454	5,146	9,600	△ 69	△0.7%	9,850	△ 250	△2.5%	
Operating Income	5,561	3,027	3,323	6,350	789	14.2%	6,350	—	—	
<Operating Income ratio>	6.6%	8.8%	8.8%	8.8%		(+2.2P)	8.0%		(+0.8P)	
Ordinary Income	5,880	3,201	3,299	6,500	620	10.5%	6,500	—	—	
Income Before Income Taxes	5,785	3,156	3,344	6,500	715	12.4%	6,500	—	—	
Net Income	4,634	2,261	2,389	4,650	16	0.3%	4,650	—	—	
Cash Dividends per Share	30	—	—	30	—	—	30	—	—	
Exchange Rate	1USD=	¥110.95	¥108.73	¥107.27	¥108.00	△2.95	△2.7%	¥109.00	△1.00	△0.9%
	1EUR=	¥128.46	¥121.48	¥118.52	¥120.00	△8.46	△6.6%	¥122.00	△2.00	△1.6%

Causes of Change of Operating Income

(In million JPY)

Improvement of products mix, profitability of each project :	+17
Elimination of temporary costs for handling custom specification in FY 2019/3 :	+10
Improvement of operating income of REJ :	+1
Decrease of net sales (except REJ) :	△19
Increase of expenses (except REJ) :	△1
Net Change :	+8

<Summary>

Net sales forecast has been revised downward due to deterioration of market environment, but profit forecast remain unchanged from the original due to improvements in gross margin.

Net Sales:

Net sales forecast has been revised downward (down 8.9% from the initial forecast), since press orders by automobile-related customers in the first half were lower than expected due to sluggish capital investment. It is expected to decrease by 14.4% compared to the previous year.

Gross Profit:

Gross profit is expected to increase year-on-year due to improvements in product mix, gross margins for mid-to-large sized press machines and services, and drop in costs for custom specifications recorded in the previous year despite negative impact from decline in net sales. While gross profit forecast is revised downward from the original, the gross margin is expected to improve by 1.7 points.

Operation Income:

Operating income is expected to increase 14.2% from the previous FY due to increase in gross profit and reduction in SGA. Improvement in gross margin and reduction in SGA is expected more than initial forecasts and absorb the impact of decrease of net sales. Accordingly operating profit forecast remains unchanged from the original.

Net Income:

Although the tax burden will increase without increase of deferred tax assets recorded in the previous FY, net profit will not decline from the previous FY due to increase in profits.

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



(JPY mil.)	Orders Intake				Net Sales			
	FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3	
			Amount	%			Amount	%
Press Machines	54,454	48,000	△ 6,454	△ 11.9%	63,177	51,000	△ 12,177	△ 19.3%
Services	15,015	16,000	985	6.6%	14,852	15,000	148	1.0%
Others	6,223	6,000	△ 223	△ 3.6%	6,052	6,000	△ 52	△ 0.9%
Consolidated	75,694	70,000	△ 5,694	△ 7.5%	84,082	72,000	△ 12,082	△ 14.4%

by Business segment of the Mid-Term Management Plan
“THE AIDA PLAN 523”

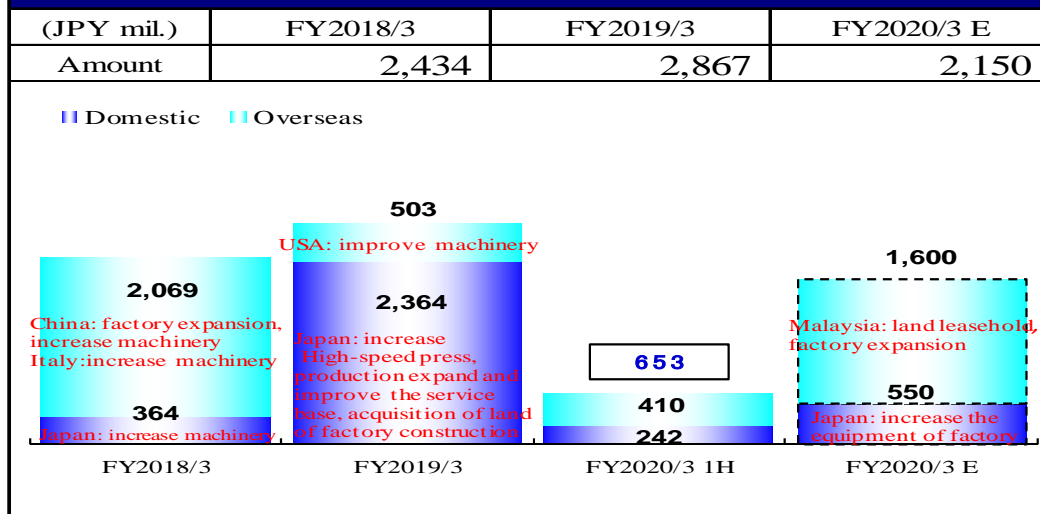
(JPY mil.)	Net Sales				
	FY2019/3	FY2020/3 forecast	Fluctuation		
			Amount	%	%
Press Machines	52,361	41,000	57%	△ 11,361	△ 21.7%
Factory Automation	12,258	12,000	17%	△ 258	△ 2.1%
Services	19,462	19,000	26%	△ 462	△ 2.4%
Total	84,082	72,000	100%	△ 12,082	△ 14.4%

(JPY mil.)	Orders Intake				Net Sales				Operating Income			
	FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3		FY2019/3	FY2020/3 forecast	Fluctuation: FY2020/3 vs FY2019/3	
			Amount	%			Amount	%			Amount	%
Japan	39,538	35,000	△ 4,538	△ 11.5%	51,263	49,000	△ 2,263	△ 4.4%	2,431	4,650	2,219	91.3%
China	7,801	6,000	△ 1,801	△ 23.1%	13,909	7,300	△ 6,609	△ 47.5%	723	200	△ 523	△ 72.3%
Asia	5,158	6,000	842	16.3%	9,649	9,200	△ 449	△ 4.7%	1,398	1,100	△ 298	△ 21.3%
Americas	11,130	11,000	△ 130	△ 1.2%	16,625	12,500	△ 4,125	△ 24.8%	693	400	△ 293	△ 42.3%
Europe	12,064	12,000	△ 64	△ 0.5%	15,485	12,500	△ 2,985	△ 19.3%	4	0	△ 4	△ 100.0%
Reconciliation					△ 22,851	△ 18,500	4,351	△ 19.0%	310		△ 310	△ 100.0%
Consolidated	75,694	70,000	△ 5,694	△ 7.5%	84,082	72,000	△ 12,082	△ 14.4%	5,561	6,350	789	14.2%

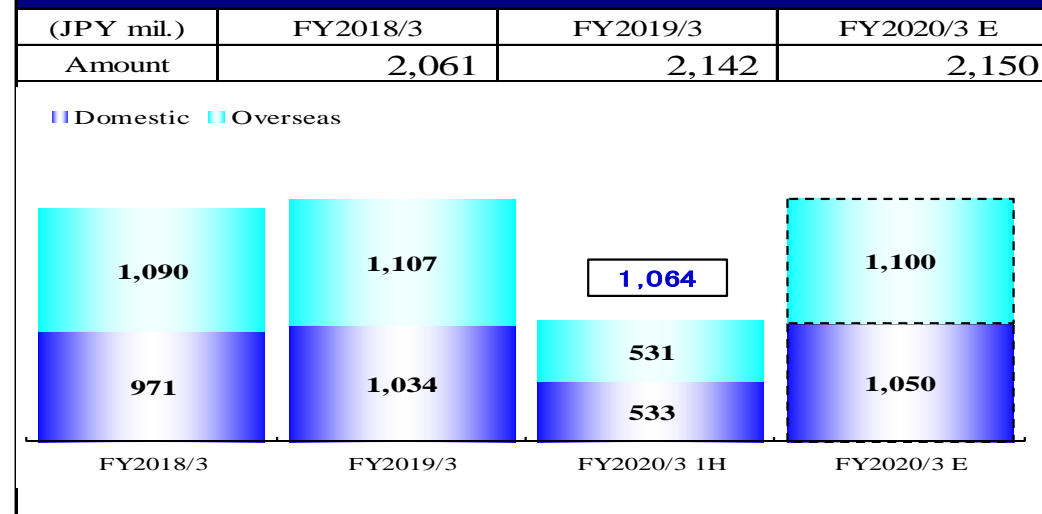
Trend of Capex, Depreciation, R&D & CF



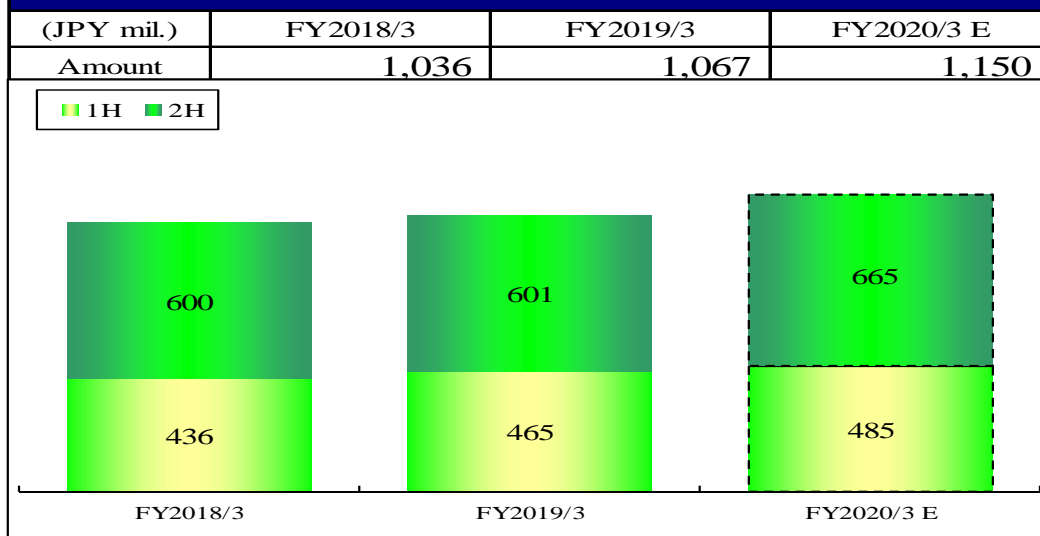
Capital Expenditures



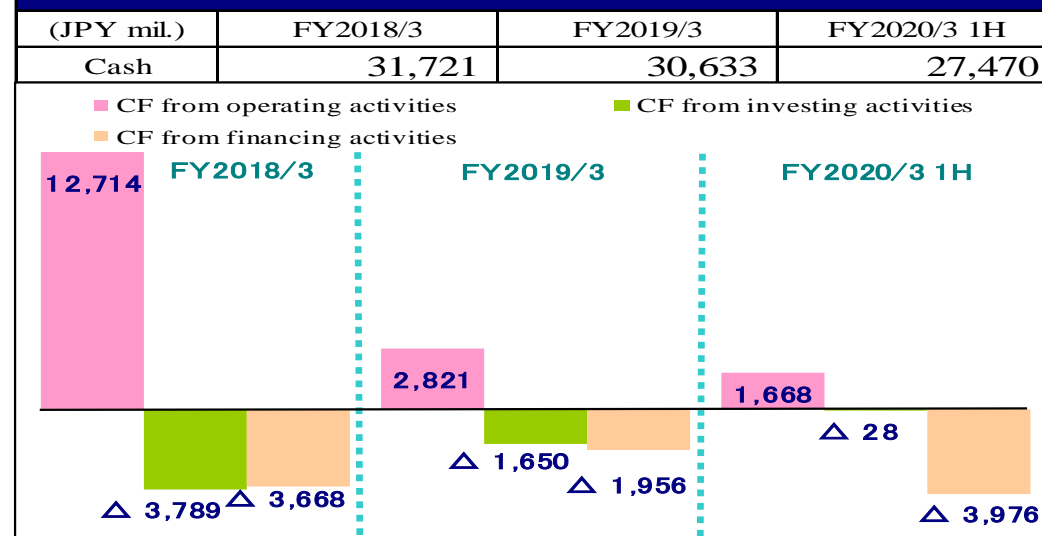
Depreciation & Amortization



R&D Expenditures



Cash & Cash Equivalents / Cash Flow



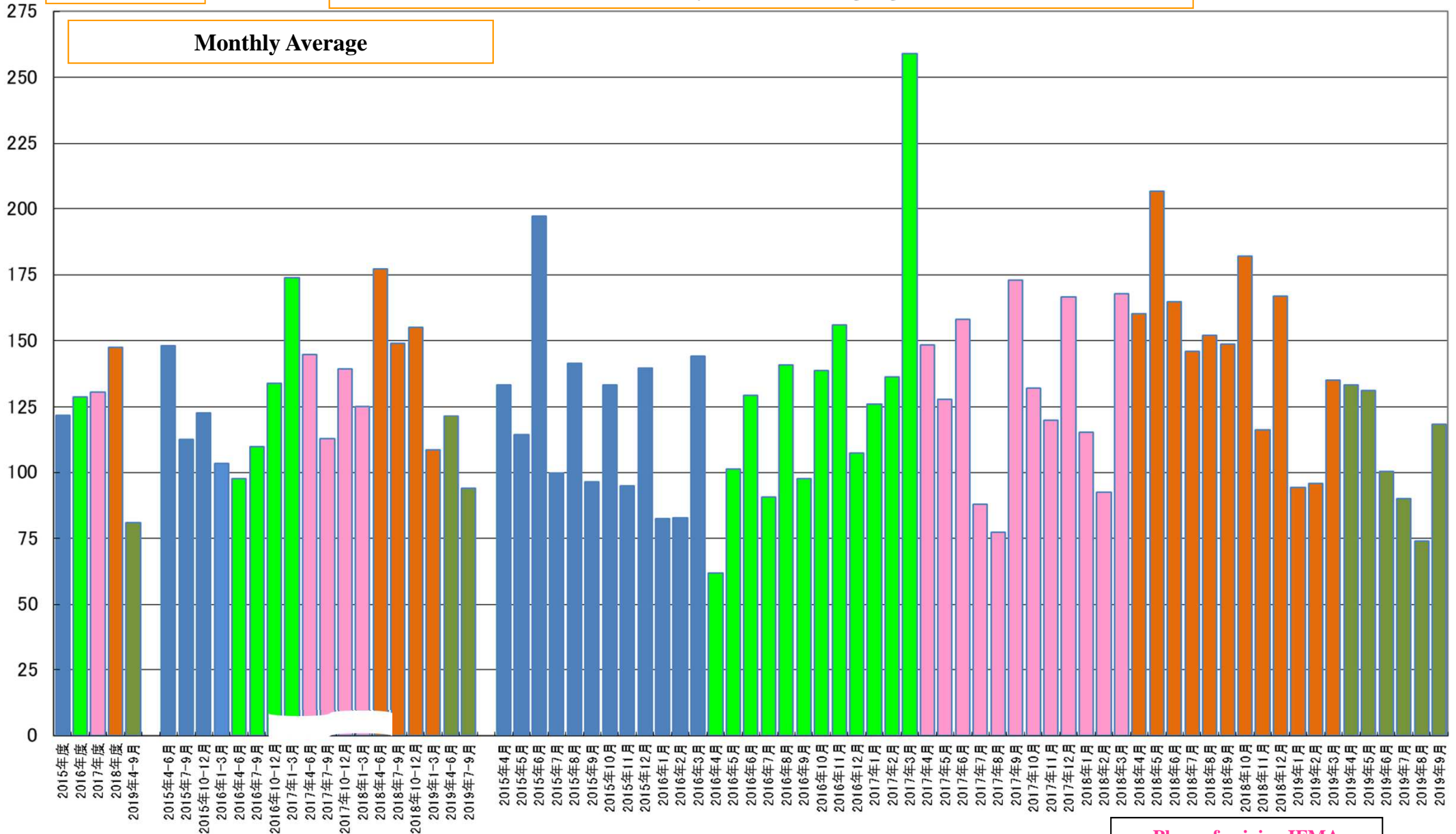
(for Reference) Statistics of Forming Machinery Industry-1



JPY(billion)

Press: Mechanical, Hydraulic, Forging & Automation

Monthly Average

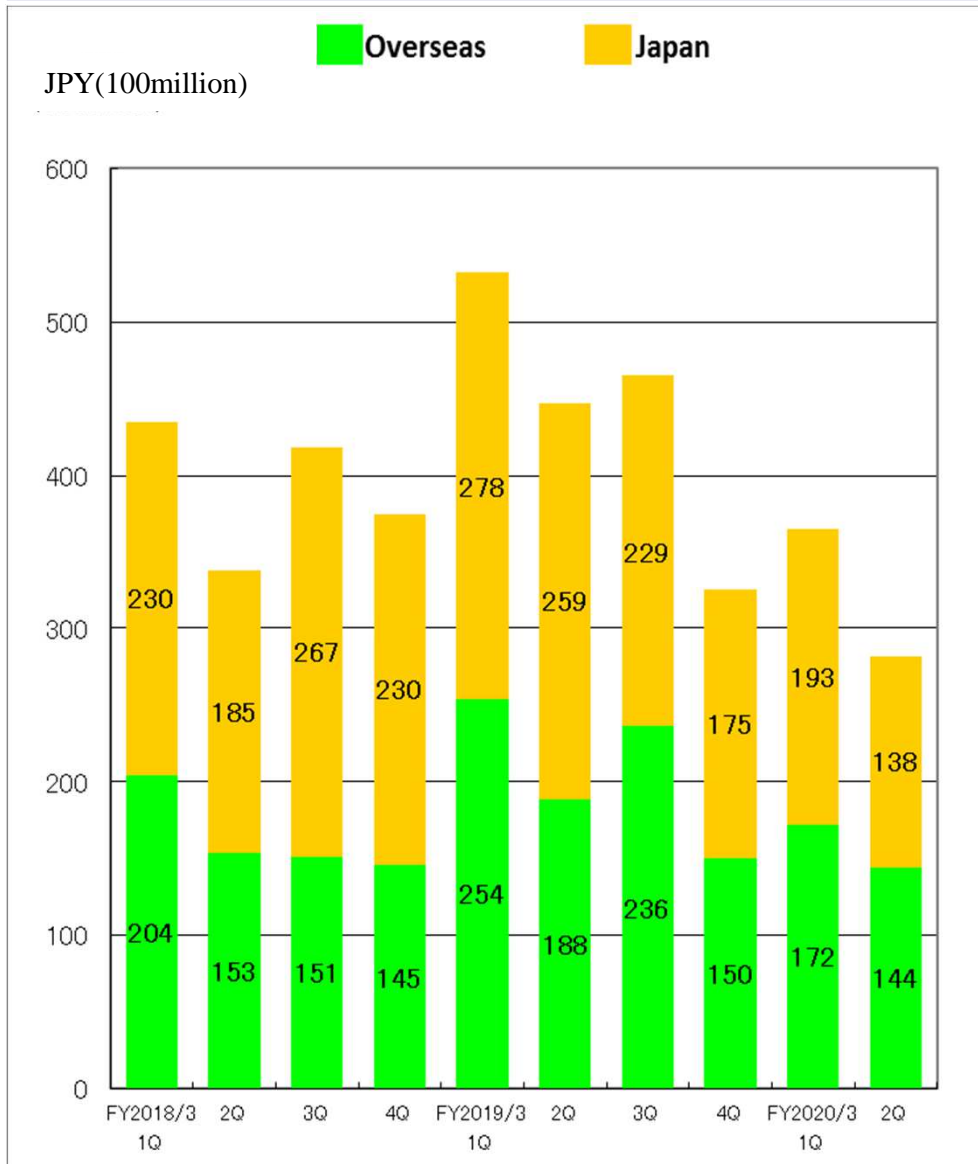


Place of origin: JFMA

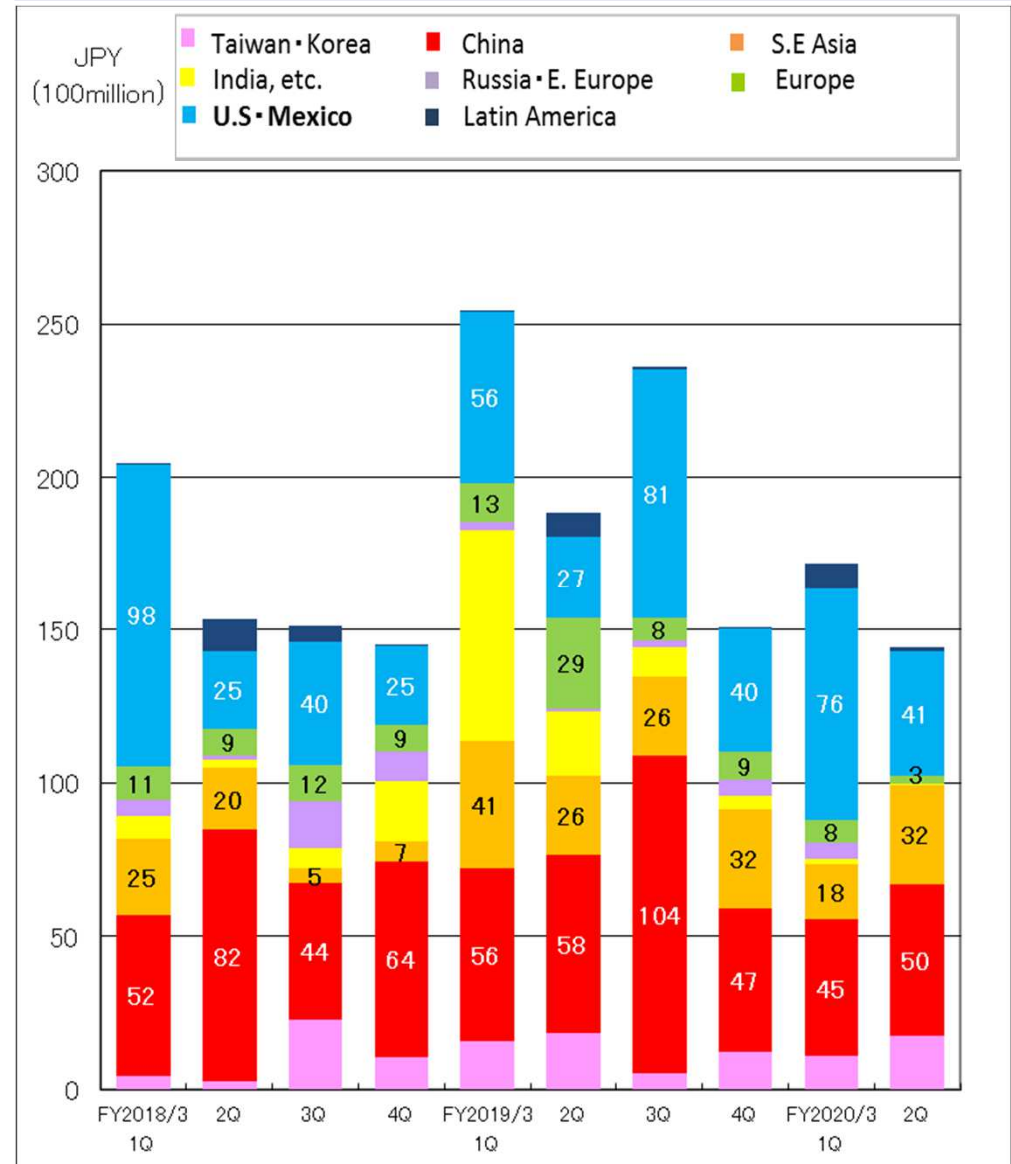
(for Reference) Statistics of Forming Machinery Industry- 2



Trend of Order Intake



Trend of Order Intake (Overseas) by Geographic Segment



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.**

November 2019

AIDA ENGINEERING, LTD.