

(For reference purposes only)

## Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ended March 31, 2023 [Japanese Standard]

August 9, 2022  
Stock exchange: Tokyo

Listed company name: AIDA ENGINEERING, LTD.  
Stock code: 6118 (URL <https://www.aida.co.jp/en/>)  
Representative: Kimikazu Aida, Chairman & President (CEO)  
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Scheduled date of filing quarterly securities report: August 9, 2022  
Scheduled beginning date of dividend payment: —  
Preparation of supplemental explanatory materials: Yes  
Holding of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Results for 1st Quarter of the Fiscal Year Ended March 31, 2023 (April 1, 2022 to June 30, 2022)

#### (1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	13,665	4.5	(121)	—	(117)	—	(175)	—
Three months ended June 30, 2021	13,079	23.9	270	50.7	380	64.0	226	—

Note: Comprehensive income  
Three months ended June 30, 2022 (27) million yen ( — %)  
Three months ended June 30, 2021 617 million yen ( 34.5 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2022	(2.94)	—
Three months ended June 30, 2021	3.79	3.79

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	113,792	76,533	67.2	1,280.43
As of March 31, 2022	113,933	78,664	68.4	1,304.89

Reference: Shareholders' equity  
As of June 30, 2022 76,442 million yen  
As of March 31, 2022 77,901 million yen

### 2. Cash Dividends

	Cash dividends per share				
	1Q End	2Q End	3Q End	Year-end	Total
Year ended March 31, 2022	Yen —	Yen —	Yen —	Yen 25.00	Yen 25.00
Year ended March 31, 2023	—	—	—	—	—
Year ended March 31, 2023 (forecast)	—	—	—	30.00	30.00

Note: Revision of dividend forecast for this period: None

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

(Percentages represent change compared to the previous period)

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

Note: Revision of forecasts of consolidated results: None

4. Others

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

(2) Application of special accounting treatment used in preparation of the quarterly consolidated financial statements: Yes

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: Yes

2. Changes in accounting policies other than "1": None

3. Changes in accounting estimates: None

4. Retrospective restatement: None

(4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022 69,448,421 shares

As of March 31, 2022 69,448,421 shares

2. Total number of treasury shares at the end of the period

As of June 30, 2022 9,747,868 shares

As of March 31, 2022 9,748,838 shares

3. Average number of shares outstanding during the period

Three months ended June 30, 2022 59,699,645 shares

Three months ended June 30, 2021 59,695,051 shares

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

The above forecasts and those presented in appended material are based on the information presently available.

Actual results may differ from these forecasts due to changes in various factors.

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## 1. Qualitative information on the financial results for the period under review

### (1) Operating results

During the three months ended June 30, 2022, the global economy was in a recovery phase from COVID-19, but the overall economy was slowing down due to soaring global prices, shortages of semiconductors and electronic components, and the slowdown of the Chinese economy. Going forward, further downside risks are unavoidable due to the prolongation of these problems, energy shortages caused by the issues between Russia and Ukraine, and China's zero-COVID policy.

In the metalforming machinery industry, the Japan Forming Machinery Association reported that orders for press machines received in the three months ended June 30, 2022 increased 49.7% year on year to ¥46,709 million, reflecting robust domestic and overseas demand.

Under these conditions, orders received by Aida Engineering, Ltd. (the “Company”) and its group companies (collectively, the “Group”) in the three months ended June 30, 2022 reached a record high of ¥31,773 million (up 54.5% year on year) on a quarterly basis, supported by increased demand related to electric vehicles, and the order backlog as of June 30, 2022 also reached a record high of ¥73,251 million (up 32.8% from the end of the previous fiscal year).

Net sales were ¥13,665 million (up 4.5% year on year), mainly due to an increase in sales of medium- and large-sized press machines based on percentage-of-completion projects. However, sales were lower than initially expected due to sales delays mainly caused by a shortage of electronic components and lockdowns in China.

In terms of profit, operating loss was ¥121 million (operating profit of ¥270 million in the same period of the previous year), ordinary loss was ¥117 million (ordinary profit of ¥380 million in the same period of the previous year), and loss attributable to owners of parent was ¥175 million (profit attributable to owners of parent of ¥226 million in the same period of the previous fiscal year) due to factors such as the sales shortfall stated above, soaring costs of raw materials, subcontracting, and logistics, lower gross profit margins caused by sales delays in high value-added press projects and service work, and increased SG&A expenses.

Operating results by segment during the three months ended June 30, 2022 were as follows.

Japan:	Net sales were ¥8,917 million (up 12.1% year on year) due to an increase in sales of press machines, but segment loss was ¥97 million (segment profit of ¥89 million in the same period of the previous year) due to the lower gross profit margins resulting from soaring costs, etc.
China:	Sales of press machines and services both declined due to lockdowns, resulting in net sales of ¥1,772 million (down 7.5% year on year). Segment profit was ¥28 million (down 85.0% year on year) due to lower sales.
Asia:	Net sales were ¥2,203 million (up 78.9% year on year) due to an increase in sales of large press machines to external customers. Segment profit was ¥95 million (up 45.1% year on year) due to the effect of increased sales despite a decline in gross profit margins due to soaring costs.
Americas:	Net sales increased to ¥3,653 million (up 26.6% year on year) due to an increase in sales of press machines. However, segment loss was ¥98 million (segment loss of ¥42 million in the same period of the previous year) due to lower gross profit margins and higher SG&A expenses resulting from soaring costs.
Europe:	Net sales were ¥2,032 million (down 32.9% year on year) due to a decrease in sales of press machines despite an increase in sales of services. Segment loss was ¥1 million (segment profit of ¥45 million in the same period of the previous year) due to lower sales.

## (2) Financial position

Total assets as of June 30, 2022 decreased by ¥141 million from the end of the previous fiscal year to ¥113,792 million. This is attributable to a ¥4,680 million decrease in cash and deposits, a ¥2,059 million increase in trade receivables, including notes and accounts receivable - trade, and contract assets and electronically recorded monetary claims - operating, a ¥3,269 million increase in inventories and a ¥1,318 million decrease in investment securities.

Total liabilities increased by ¥1,989 million from the end of the previous fiscal year to ¥37,259 million. This is attributable to a ¥829 million decrease in trade payables, including accounts payable - trade and electronically recorded obligations – operating, a ¥978 million decrease in accounts payable - other and a ¥4,015 million increase in contract liabilities.

Net assets decreased by ¥2,130 million from the end of the previous fiscal year to ¥76,533 million. This is attributable to a ¥1,778 million decrease in retained earnings due to cash dividends, a ¥925 million decrease in valuation difference on available-for-sale securities and a ¥1,491 million increase in foreign currency translation adjustment. Shareholders' equity ratio was 67.2% as of June 30, 2022.

## (3) Consolidated financial results forecast and other forward-looking information

The forecasts of consolidated results for the fiscal year ending March 31, 2023, which the Company announced on May 16, 2022, remain unchanged.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	35,031	30,351
Notes and accounts receivable - trade, and contract assets	17,690	19,652
Electronically recorded monetary claims - operating	1,087	1,184
Finished goods	4,135	5,081
Work in process	13,019	15,100
Raw materials and supplies	4,420	4,663
Other	3,358	3,454
Allowance for doubtful accounts	(1,040)	(1,039)
<b>Total current assets</b>	<b>77,703</b>	<b>78,448</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,709	26,176
Accumulated depreciation	(18,481)	(18,857)
Buildings and structures, net	7,227	7,319
Machinery, equipment and vehicles	18,849	19,991
Accumulated depreciation	(13,822)	(14,598)
Machinery, equipment and vehicles, net	5,027	5,392
Land	7,263	7,293
Construction in progress	1,437	1,135
Other	3,925	4,093
Accumulated depreciation	(3,418)	(3,567)
Other, net	506	526
<b>Total property, plant and equipment</b>	<b>21,462</b>	<b>21,667</b>
Intangible assets	1,179	1,267
Investments and other assets		
Investment securities	10,469	9,151
Insurance funds	1,891	2,009
Retirement benefit asset	820	829
Deferred tax assets	285	294
Other	153	157
Allowance for doubtful accounts	(32)	(32)
<b>Total investments and other assets</b>	<b>13,588</b>	<b>12,409</b>
<b>Total non-current assets</b>	<b>36,230</b>	<b>35,343</b>
<b>Total assets</b>	<b>113,933</b>	<b>113,792</b>

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,137	5,936
Electronically recorded obligations - operating	2,888	2,259
Short-term borrowings	1,094	570
Accounts payable - other	1,612	633
Income taxes payable	175	124
Contract liabilities	12,091	16,106
Provision for product warranties	497	522
Provision for bonuses	1,020	591
Provision for bonuses for directors (and other officers)	22	8
Provision for loss on orders received	211	169
Other	2,398	3,329
Total current liabilities	28,150	30,253
Non-current liabilities		
Long-term borrowings	1,500	1,500
Long-term accounts payable - other	924	1,027
Deferred tax liabilities	2,336	1,933
Provision for share awards	510	560
Retirement benefit liability	1,456	1,453
Asset retirement obligations	9	9
Other	380	521
Total non-current liabilities	7,119	7,005
Total liabilities	35,269	37,259
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,831	7,831
Capital surplus	12,836	13,007
Retained earnings	55,511	53,732
Treasury shares	(5,250)	(5,250)
Total shareholders' equity	70,927	69,320
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,815	3,890
Deferred gains or losses on hedges	(295)	(697)
Foreign currency translation adjustment	2,365	3,857
Remeasurements of defined benefit plans	87	71
Total accumulated other comprehensive income	6,973	7,121
Share acquisition rights	91	91
Non-controlling interests	671	—
Total net assets	78,664	76,533
Total liabilities and net assets	113,933	113,792

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	13,079	13,665
Cost of sales	10,704	11,491
Gross profit	2,375	2,174
Selling, general and administrative expenses	2,104	2,295
Operating profit (loss)	270	(121)
Non-operating income		
Interest income	10	21
Dividend income	97	127
Foreign exchange gains	1	–
Other	17	24
Total non-operating income	127	173
Non-operating expenses		
Interest expenses	5	4
Foreign exchange losses	–	159
Loss on restructuring of Europe business	4	–
Fines	5	–
Other	2	5
Total non-operating expenses	17	169
Ordinary profit (loss)	380	(117)
Extraordinary income		
Gain on sale of non-current assets	2	0
Subsidy income related to suspension or decrease of production	5	7
Total extraordinary income	7	8
Extraordinary losses		
Loss on sale of non-current assets	–	1
Loss on retirement of non-current assets	5	4
Loss on suspension or decrease of production	15	6
Total extraordinary losses	20	11
Profit (loss) before income taxes	367	(120)
Income taxes	149	54
Profit (loss)	217	(175)
Loss attributable to non-controlling interests	(8)	–
Profit (loss) attributable to owners of parent	226	(175)



Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	217	(175)
Other comprehensive income		
Valuation difference on available-for-sale securities	329	(925)
Deferred gains or losses on hedges	42	(401)
Foreign currency translation adjustment	43	1,491
Remeasurements of defined benefit plans, net of tax	(15)	(16)
Total other comprehensive income	399	148
Comprehensive income	617	(27)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	625	(27)
Comprehensive income attributable to non-controlling interests	(8)	—

(3) Notes to Going Concern Assumption

None

(4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

None

(5) Accounting Policies Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements  
(Calculation of tax expenses)

The effective tax rate after the application of tax effect accounting to profit before income taxes for the current fiscal year is reasonably estimated. Tax expenses are calculated by multiplying profit before income taxes for the quarter by the estimated effective tax rate.

In addition, “income taxes – current” and “income taxes – deferred” are collectively presented as “income taxes.”

(6) Changes in Accounting Policies

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; the “Implementation Guidance on Fair Value Measurement Standard”) has been applied since the beginning of the first quarter of the current fiscal year. In line with the transitional treatment stipulated in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Standard, the Company will apply the new accounting policy specified in the Implementation Guidance on Fair Value Measurement Standard prospectively. This has no effect on the quarterly consolidated financial statements.

(7) Segment Information

Information regarding amounts of sales, profit, assets, other items, and disaggregation of revenue by reportable segment  
Three months ended June 30, 2021 (Millions of Yen)

	Japan	China	Asia	Americas	Europe	Subtotal	Adjustments (*1)	Consolidated statements of income (*2)
Sales								
(1) Sales to third parties								
a. Press Machines	2,625	1,406	269	2,238	2,605	9,144	–	9,144
b. Service	1,432	395	281	617	376	3,104	–	3,104
c. Others	800	4	2	–	22	830	–	830
Subtotal	4,859	1,806	553	2,856	3,004	13,079	–	13,079
(2) Inter-segment sales	3,099	109	677	29	22	3,938	(3,938)	–
Total sales	7,958	1,915	1,231	2,885	3,027	17,017	(3,938)	13,079
Segment profit or loss	89	187	66	(42)	45	345	(75)	270

Notes:

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

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

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

Three months ended June 30, 2022

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Subtotal	Adjustments (*1)	Consolidated statements of income (*2)
Sales								
(1) Sales to third parties								
a. Press Machines	3,198	1,539	944	2,952	1,364	9,998	–	9,998
b. Service	1,276	163	438	502	494	2,876	–	2,876
c. Others	768	10	4	0	6	790	–	790
Subtotal	5,243	1,712	1,387	3,456	1,865	13,665	–	13,665
(2) Inter-segment sales	3,674	59	815	197	167	4,914	(4,914)	–
Total sales	8,917	1,772	2,203	3,653	2,032	18,580	(4,914)	13,665
Segment profit or loss	(97)	28	95	(98)	(1)	(73)	(48)	(121)

Notes:

- Adjustments of sales represent elimination of inter-segment transactions.  
Adjustments of segment profit or loss refer to inter-segment transaction eliminations.
- Segment profit or loss is adjusted to operating loss of consolidated statements of income.

### 3. Supplementary Information

Status of Orders

Three months ended June 30, 2022

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	8,163	0.7	21,733	15.5
China	9,884	124.0	19,159	74.4
Asia	2,242	(3.3)	5,085	20.2
Americas	5,460	87.3	12,728	18.7
Europe	6,023	114.3	14,544	40.0
Total	31,773	54.5	73,251	32.8

Notes:

- Inter-segment transactions have been eliminated.
- Amounts above do not include consumption tax.