

January 14, 2020

To Whom It May Concern:

Company Name: AIDA ENGINEERING, LTD.
 Representative: Kimikazu Aida,
 Chairman & President (CEO)
 Stock Listing: First Section, Tokyo Stock Exchange,
 code number: 6118
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Announcement of Merger (Simplified Merger and Short Form Merger) of Consolidated Subsidiary

At a Board of Directors meeting held today, AIDA ENGINEERING, LTD. (the “**Company**”) resolved to implement an absorption-type merger with its wholly-owned subsidiary, ACCESS, LTD., effective April 1, 2020, (the “**Merger**”) as outlined below.

Since the Merger is a simplified absorption-type merger of a wholly-owned subsidiary, some disclosure items and details have been omitted.

1. Purpose of Merger

Since its establishment in 1992, ACCESS, LTD. has been engaged in the manufacture and sale of material supply equipment and automated conveyor equipment, which are auxiliary equipment for machine presses. Under its medium-term management plan, the implementation of which commenced in fiscal year 2017, the Company regards the field of factory automation (FA) as one of its core businesses, and has been striving to expand and strengthen it. However, in recent years, amid the need for high value-added and diversified press-related factory automation products, the Company is aiming to further strengthen cooperation with its press business and to enhance the competitiveness of its factory automation products through absorbing and merging with ACCESS, LTD.

2. Summary of Merger

(1) Schedule

Meetings of the Boards of Directors of the Company and ACCESS, LTD. to resolve the Merger	January 14, 2020
Execution of the merger agreement	January 14, 2020
Scheduled date of the Merger (effective date)	April 1, 2020

For the Company, the Merger is a simplified absorption-type merger implemented in accordance with Article 796, Paragraph 2 of the Companies Act of Japan (the “**Act**”), and for ACCESS, LTD., the Merger is a short-form absorption-type merger implemented in accordance with Article 784, Paragraph 1 of the Act. Accordingly, the Merger will be implemented without obtaining the approval for the merger agreement at the ordinary general shareholders meetings of the respective companies.

(2) Form of Merger

The Merger is an absorption-type merger through which ACCESS, LTD., the absorbed company, will merge with and into the Company, the surviving company, and ACCESS, LTD. will be dissolved as a result of the Merger.

(3) Allocation of shares in Merger

As the Merger is an absorption-type merger of a wholly-owned subsidiary, no allocation of shares, or transfer of funds or other assets will be made as a result of the Merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the absorbed company

ACCESS, LTD. has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Overview of companies involved in Merger (as of March 31, 2019)

	Company surviving absorption-type merger	Company absorbed in absorption-type merger
(1) Company name	AIDA ENGINEERING, LTD.	ACCESS, LTD.
(2) Address of head office	2-10 Ohyama-cho Midori Ward, Sagamihara City, Kanagawa	1080 Kozu-machi, Hakusan City, Ishikawa
(3) Name and title of representative	Kimikazu Aida, Chairman & President (CEO)	Naoki Nakatsuka, President
(4) Description of Business	The manufacture, sale, repair, leasing, among others, of forming machines, metal processing machinery, and their peripheral automation devices	The development, design, manufacture, sale, among others, of metal processing machines, metal machine tools, automated conveyor equipment, measuring machines, inspection equipment and control devices for their accessories, and mechatronics
(5) Capital	7,831 million yen	50 million yen
(6) Date of Establishment	March 25, 1937	April 23, 1992
(7) Number of issued shares	71,647,321 shares	1,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and percentage of shareholding	The Dai-ichi Life Insurance Company, Limited. : 6.14% Trust & Custody Services Bank, Ltd. (Trust E Account) : 5.27% The Master Trust Bank of Japan, Ltd. (Trust Account) : 4.42% JP MORGAN CHASE BANK 385632 : 4.07% Nippon Life Insurance Company : 3.89%	AIDA ENGINEERING, LTD.: 100%

(10) Financial condition and operating results for previous fiscal year

Fiscal year-end	Year ended March 31, 2019 (consolidated)	Year ended March 31, 2019 (unconsolidated)
Net assets	77,206 million yen	1,759 million yen
Total assets	111,564 million yen	3,435 million yen
Net assets per share	1,238.41 yen	1,759,874.63 yen
Sales	84,082 million yen	7,195 million yen
Operating Income/Operating Loss (△)	5,561 million yen	△299 million yen
Ordinary Income/Ordinary Loss (△)	5,880 million yen	△294 million yen
Net income attributable to parent company's shareholders or net loss (△) attributable to parent company for current period (△)	4,634 million yen	△190 million yen (Net loss for current period)
Net income or net loss per share for current period (△)	75.10 yen	△190,640.56 yen

4. Status after Merger

The Merger will not result in any changes in trade name, address of the head office, name and title of representative, business description, capital or fiscal period of the Company.

5. Outlook

As the Merger is an absorption-type merger of a wholly-owned subsidiary, it will have no effect on consolidated performance.

(Reference)

Forecast of Consolidated Operating Results for Current Period (as announced on November 12, 2019) and Consolidated Operating Results for Previous Period

(Millions of yen)

	Consolidated sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to parent company's shareholders for current period
Forecast of consolidated performance for current period (year ending March 31, 2020)	72,000	6,350	6,500	4,650
Consolidated performance for previous period (year ending March 31, 2019)	84,082	5,561	5,880	4,634

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