

(For reference purposes only)

## Consolidated Financial Results for the 2nd Quarter of the Fiscal Year Ended March 31, 2022 [Japanese Standard]

November 9, 2021

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

Stock code: 6118 (URL <https://www.aida.co.jp/en/>)

Representative: Kimikazu Aida, Chairman & President (CEO)

Contact: Hiromitsu Ugawa, Director, Operating Officer, Division Manager, General Administration Headquarters

Tel: +81-42-772-5231

Scheduled date of filing quarterly securities report: November 9, 2021

Scheduled beginning date of dividend payment: —

Preparation of supplemental explanatory materials: Yes

Holding of financial results briefing: Yes (for analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Results for 2nd Quarter of the Fiscal Year Ended March 31, 2022 (April 1, 2021 to September 30, 2021)

#### (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	%
Six months ended September 30, 2021	26,910	4.5	798	(48.3)	962	(40.6)	552	(27.6)
Six months ended September 30, 2020	25,761	(24.8)	1,543	(49.0)	1,620	(49.4)	763	(66.2)

Note: Comprehensive income Six months ended September 30, 2021 1,811 million yen ( -23.6 %)  
Six months ended September 30, 2020 2,370 million yen ( 205.1 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2021	9.26	9.25
Six months ended September 30, 2020	12.81	12.80

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	111,560	77,948	69.2	1,293.39
As of March 31, 2021	107,787	77,505	71.2	1,285.38

Reference: Shareholders' equity As of September 30, 2021 77,208 million yen  
As of March 31, 2021 76,731 million yen

#### 2. Cash Dividends

	Cash dividends per share				
	1Q End	2Q End	3Q End	Year-end	Total
Year ended March 31, 2021	Yen —	Yen —	Yen —	Yen 20.00	Yen 20.00
Year ended March 31, 2022	—	—	—	—	—
Year ended March 31, 2022 (forecast)	—	—	—	25.00	25.00

Note: Revision of dividend forecast for this period: None

### 3. Forecasts of Consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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
Full year ended March 31, 2022	62,000	6.7	4,100	10.1	4,300	14.7	2,900	120.3	48.58

Note: Revision of forecasts of consolidated results: Yes

4. Others

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

(2) Adoption of special accounting treatment for quarter financial report: 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 shares outstanding (Common stock)

1. Total number of issued shares (Including treasury stock)

As of September 30, 2021 69,448,421 shares

As of March 31, 2021 69,448,421 shares

2. Total number of treasury stock

As of September 30, 2021 9,753,535 shares

As of March 31, 2021 9,753,258 shares

3. Average number of shares

Six months ended September 30, 2021 59,694,906 shares

Six months ended September 30, 2020 59,618,821 shares

This financial results falls outside the scope of audit procedures.

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.

## TABLE OF CONTENTS

1. Consolidated Financial Statements	
(1) Consolidated Balance Sheets.....	2
(2) Consolidated Statements of Income and Comprehensive Income.....	4
Consolidated Statements of Income.....	4
Consolidated Statements of Comprehensive Income.....	5
(3) Consolidated Statements of Cash Flows.....	6
(4) Notes to Going Concern Assumption.....	7
(5) Notes Regarding Remarkable Fluctuation in Shareholders' Equity.....	7
(6) Changes in Accounting Policies.....	7
(7) Segment Information.....	7
2. Supplementary Information	
Status of Orders .....	8

## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash on hand and at banks	31,705	34,252
Notes and accounts receivable - trade	19,032	—
Notes and accounts receivable - trade and contract assets	—	15,022
Electronically recorded monetary claims - operating	2,793	1,691
Finished goods	3,237	4,334
Work in process	10,751	13,434
Raw materials and supplies	3,601	3,796
Other current assets	2,468	3,558
Allowance for doubtful accounts	(933)	(943)
Total current assets	72,656	75,147
Fixed assets		
Property, plant and equipment		
Buildings and structures	25,045	25,395
Accumulated depreciation	(17,653)	(17,971)
Buildings and structures, net	7,392	7,424
Machinery and vehicles	17,400	17,559
Accumulated depreciation	(12,421)	(12,893)
Machinery and vehicles, net	4,978	4,666
Land	7,236	7,223
Construction in progress	1,258	1,235
Other fixed assets	3,697	3,759
Accumulated depreciation	(3,213)	(3,293)
Other fixed assets, net	483	465
Total property, plant and equipment	21,350	21,015
Intangible assets	779	809
Investments and other assets		
Investment securities	9,843	11,492
Insurance reserve fund	1,922	1,861
Net defined benefit assets	868	884
Deferred tax assets	249	202
Other assets	154	180
Allowance for doubtful accounts	(38)	(33)
Total investments and other assets	13,000	14,587
Total fixed assets	35,130	36,413
Total assets	107,787	111,560

(Millions of Yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,004	5,179
Electronically recorded monetary obligations - operating	2,500	2,485
Short-term loans payable	1,297	1,688
Accounts payable - other	1,114	686
Income taxes payable	1,070	350
Advances received	8,207	—
Contract liabilities	—	11,839
Accrued warranty costs	471	473
Accrued bonuses for employees	1,090	1,123
Accrued bonuses for directors	36	25
Provision for loss on orders received	113	151
Other current liabilities	2,472	2,120
<b>Total current liabilities</b>	<b>23,378</b>	<b>26,124</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,500	1,500
Long-term accounts payable - other	904	956
Deferred tax liabilities	2,334	2,784
Accrued stock payments	480	531
Net defined benefit liabilities	1,390	1,414
Asset retirement obligations	10	9
Other long-term liabilities	281	290
<b>Total long-term liabilities</b>	<b>6,902</b>	<b>7,487</b>
<b>Total liabilities</b>	<b>30,281</b>	<b>33,611</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,831	7,831
Additional paid-in capital	12,423	12,423
Retained earnings	55,963	55,167
Treasury stock	(4,838)	(4,838)
<b>Total shareholders' equity</b>	<b>71,379</b>	<b>70,583</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on other securities	4,869	6,004
Deferred hedge gains (losses)	(139)	(103)
Foreign currency translation adjustments	410	547
Retirement benefit plan adjustments	210	177
<b>Total accumulated other comprehensive income</b>	<b>5,351</b>	<b>6,625</b>
<b>Stock options</b>	<b>91</b>	<b>91</b>
<b>Non-controlling interests</b>	<b>683</b>	<b>648</b>
<b>Total net assets</b>	<b>77,505</b>	<b>77,948</b>
<b>Total liabilities and net assets</b>	<b>107,787</b>	<b>111,560</b>

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

## Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	25,761	26,910
Cost of sales	20,284	21,934
Gross profit	5,476	4,975
Selling, general and administrative expenses	3,933	4,177
Operating income	1,543	798
Non-operating income		
Interest income	22	19
Dividend income	111	115
Foreign exchange gain	—	11
Other non-operating income	60	46
Total non-operating income	193	193
Non-operating expense		
Interest expenses	19	11
Foreign exchange loss	79	—
Other non-operating expenses	17	18
Total non-operating expenses	117	29
Ordinary income	1,620	962
Extraordinary gain		
Gain on sales of fixed assets	2	5
Subsidy income related to suspension or decrease of production	235	12
Other extraordinary gain	0	—
Total extraordinary gain	238	17
Extraordinary loss		
Loss on sales of fixed assets	0	—
Loss on disposal of fixed assets	1	11
Loss on suspension or decrease of production	416	105
Loss on valuation of investment securities	51	—
Total extraordinary loss	469	117
Income before income taxes	1,389	863
Income taxes	614	325
Net income	774	538
Net income (loss) attributable to non-controlling interests	10	(14)
Net income attributable to owners of parent	763	552

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	774	538
Other comprehensive income		
Net unrealized gains (losses) on other securities	1,573	1,134
Deferred hedge gains (losses)	(65)	35
Foreign currency translation adjustments	118	137
Retirement benefit plan adjustments	(29)	(33)
Total other comprehensive income	1,595	1,273
Comprehensive income	2,370	1,811
Comprehensive income attributable to owners of parent	2,359	1,826
Comprehensive income attributable to non-controlling interests	10	(14)

## (3) Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities:		
Income before income taxes	1,389	863
Depreciation and amortization	1,010	967
Increase (decrease) in allowance for doubtful accounts	18	(2)
Increase (decrease) in accrued warranty costs, net	(66)	0
Increase (decrease) in accrued bonuses for employees, net	(100)	32
Increase (decrease) in accrued bonuses for directors, net	(29)	(11)
Increase (decrease) in provision for loss on orders received, net	(40)	36
(Gain) loss on sales of securities	(0)	—
Increase (decrease) in net defined benefit liabilities	6	24
(Increase) decrease in net defined benefit assets	(18)	(66)
Increase (decrease) in accrued stock payments, net	(2)	50
Interest and dividend income	(133)	(135)
Interest expense	19	11
(Gain) loss on sales of fixed assets	(2)	(5)
Loss on disposal of fixed assets	1	11
(Gain) loss on valuation of investment securities	51	—
(Increase) decrease in accounts receivable - trade	8,311	8,042
(Increase) decrease in inventories	(1,665)	(3,506)
Increase (decrease) in accounts payable - trade	(2,834)	(286)
(Increase) decrease in other assets	653	(202)
Increase (decrease) in other liabilities	(134)	(629)
Other, net	(234)	122
Sub-total	6,198	5,316
Interest and dividend income received	133	135
Interest expenses paid	(13)	(11)
Income taxes paid	(1,506)	(991)
Net cash provided by (used in) operating activities	4,813	4,448
Cash flows from investing activities:		
Payments into time deposits	(0)	(44)
Proceeds from withdrawal of time deposits	—	14
Payments for purchase of property, plant and equipment	(144)	(787)
Proceeds from sales of property, plant and equipment	4	6
Payments for purchase of intangible assets	(167)	(325)
Payments for purchase of investment securities	(308)	(9)
Proceeds from sales of investment securities	0	—
Other, net	(0)	1
Net cash provided by (used in) investing activities	(615)	(1,144)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	—	392
Payments for purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,884)	(1,257)
Dividends paid to non-controlling interests	(23)	(5)
Other, net	0	(1)
Net cash provided by (used in) financing activities	(1,907)	(873)
Effect of exchange rate changes on cash and cash equivalents	299	85
Net increase (decrease) in cash and cash equivalents	2,589	2,516
Cash and cash equivalents at the beginning of the year	28,710	31,700
Cash and cash equivalents at the end of the year	31,299	34,216



(4) Notes to Going Concern Assumption

None

(5) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

None

(6) Changes in Accounting Policies

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) (hereinafter, the "Revenue Recognition Accounting Standard") and other related guidance have been adopted since the beginning of the first quarter of the current fiscal year.

The adoption of the Revenue Recognition Accounting Standard follows the transitional treatment in the proviso to paragraph 84 of the standard. Accordingly, the cumulative effect of retroactively adopting the new accounting policy prior to the beginning of the first quarter has been adjusted and the new accounting policy has been adopted the balance of retained earnings from the beginning of the period.

As a result, for the second quarter of the current fiscal year, net sales and cost of sales increased by 99 million yen and 103 million yen respectively, while operating income, ordinary income, and income before income taxes decreased by 3 million yen each. Also, the balance of retained earnings and non-controlling interests at the beginning of the current fiscal year decreased by 85 million yen and 14 million yen, respectively.

(7) Segment Information

Six months ended September 30, 2020

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	12,989	2,206	2,731	4,384	3,448	25,761	—	25,761
Inter-segment sales	5,759	737	1,003	70	47	7,618	(7,618)	—
Total sales	18,749	2,944	3,734	4,455	3,496	33,379	(7,618)	25,761
Segment profit or loss	1,114	57	311	240	(105)	1,618	(74)	1,543

Note:

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 income of consolidated statements of income.

Six months ended September 30, 2021

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
(1) Sales to third parties								
① Press Machines	5,445	3,087	626	4,398	4,538	18,096	—	18,096
② Service	2,789	802	524	1,438	1,314	6,869	—	6,869
③ Others	1,885	16	4	—	38	1,944	—	1,944
Subtotal	10,120	3,906	1,155	5,836	5,890	26,910	—	26,910
(2) Inter-segment sales	6,094	187	1,228	51	205	7,768	(7,768)	—
Total sales	16,215	4,094	2,383	5,888	6,096	34,678	(7,768)	26,910
Segment profit	85	379	155	62	75	759	39	798

Note:

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

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

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

Changes in the reportable segment by the adoption of the Revenue Recognition Accounting Standard

Due to the adoption of the Revenue Recognition Accounting Standard, compared with the previous method, net sales of Japan increased by 51 million yen, net sales of Europe increased by 47 million yen, segment profit of Japan increased by 24 million yen, and segment profit of Europe decreased by 28 million yen for the second quarter of the current fiscal year.

## 2. Supplementary Information

### Status of Orders

Six months ended September 30, 2021

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	15,890	54.9	19,670	41.5
China	6,649	130.9	9,161	42.7
Asia	3,332	109.6	4,000	119.4
Americas	10,889	377.0	11,963	73.1
Europe	5,673	62.5	9,980	(2.1)
Total	42,435	107.0	54,777	39.6

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.
3. The effect of the adoption of the Revenue Recognition Accounting Standard was added to the order backlog at the end of the previous fiscal year.