

Consolidated Financial Results for the Fiscal Year ended March 31, 2021 [Japanese Standard]

May 13, 2021

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

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

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Scheduled date of annual general shareholders' meeting: June 28, 2021

Scheduled date of filing annual securities report: June 28, 2021

Scheduled beginning date of dividend payment: June 29, 2021

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 the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 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	%
Year ended March 31, 2021	58,099	(16.0)	3,722	(39.7)	3,748	(41.6)	1,316	(67.3)
Year ended March 31, 2020	69,159	(17.7)	6,173	11.0	6,423	9.2	4,022	(13.2)

Note: Comprehensive income
 Year ended March 31, 2021 4,538 million yen (182.6 %)
 Year ended March 31, 2020 1,605 million yen (-50.4 %)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	22.07	22.04	1.7	3.5	6.4
Year ended March 31, 2020	66.88	66.75	5.3	6.0	8.9

Reference: Equity in earnings of affiliates
 Year ended March 31, 2021 — million yen
 Year ended March 31, 2020 — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	107,787	77,505	71.2	1,285.38
As of March 31, 2020	104,114	74,840	71.1	1,243.15

Reference: Shareholders' equity
 As of March 31, 2021 76,731 million yen
 As of March 31, 2020 74,031 million yen

(3) Consolidated Cash Flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	7,263	(1,921)	(3,770)	31,700
Year ended March 31, 2020	3,908	(1,091)	(3,377)	28,710

2. Cash Dividends

	Cash dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q End	2Q End	3Q End	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	—	—	30.00	30.00	1,889	44.9	2.4
Year ended March 31, 2021	—	—	—	20.00	20.00	1,263	90.6	1.6
Year ended March 31, 2022 (forecast)	—	—	—	25.00	25.00		49.7	

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
Six months ended September 30, 2021	31,000	20.3	2,200	42.5	2,300	42.0	1,500	96.4	25.13
Full year ended March 31, 2022	62,000	6.7	4,500	20.9	4,600	22.7	3,000	127.9	50.26

4. Others

(1) Changes among significant subsidiaries during the period: Yes

Out: 1 (Company Name: ACCESS, LTD.)

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

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than "1": None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(3) Number of shares outstanding (Common stock)

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

As of March 31, 2021	69,448,421 shares
As of March 31, 2020	69,448,421 shares
2. Total number of treasury stock

As of March 31, 2021	9,753,258 shares
As of March 31, 2020	9,896,566 shares
3. Average number of shares

Year ended March 31, 2021	59,653,723 shares
Year ended March 31, 2020	60,149,699 shares

[Reference] Outline of Non-Consolidated Results

Non-Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Non-Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	36,066	(15.3)	3,162	(30.2)	3,849	(60.2)	4,414	(25.7)
Year ended March 31, 2020	42,592	(5.0)	4,529	72.2	9,670	134.4	5,942	73.0

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2021	74.00	73.89
Year ended March 31, 2020	98.80	98.62

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	76,613	62,474	81.4	1,045.02
As of March 31, 2020	73,019	57,842	79.0	968.95

Reference: Shareholders' equity
 As of March 31, 2021 62,382 million yen
 As of March 31, 2020 57,702 million yen

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.

Financial results briefing for analysts and institutional investors is scheduled to be held on May 26, 2021.

The presentation material will be available on our website after the briefing.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash on hand and at banks	28,723	31,705
Notes and accounts receivable - trade	20,378	19,032
Electronically recorded monetary claims - operating	2,748	2,793
Finished goods	2,618	3,237
Work in process	10,662	10,751
Raw materials and supplies	3,557	3,601
Advance payments - trade	596	885
Accounts receivable - other	1,628	985
Consumption taxes receivable	386	295
Other current assets	490	301
Allowance for doubtful accounts	(223)	(933)
Total current assets	71,568	72,656
Fixed assets		
Property, plant and equipment		
Buildings and structures	25,001	25,045
Accumulated depreciation	(16,957)	(17,653)
Buildings and structures, net	8,044	7,392
Machinery and vehicles	17,095	17,400
Accumulated depreciation	(11,099)	(12,421)
Machinery and vehicles, net	5,996	4,978
Land	7,283	7,236
Construction in progress	377	1,258
Other fixed assets	3,638	3,697
Accumulated depreciation	(3,077)	(3,213)
Other fixed assets, net	561	483
Total property, plant and equipment	22,263	21,350
Intangible assets	743	779
Investments and other assets		
Investment securities	5,944	9,843
Insurance reserve fund	2,324	1,922
Net defined benefit assets	814	868
Deferred tax assets	331	249
Other assets	156	154
Allowance for doubtful accounts	(32)	(38)
Total investments and other assets	9,539	13,000
Total fixed assets	32,546	35,130
Total assets	104,114	107,787

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	4,733	5,004
Electronically recorded monetary obligations - operating	3,369	2,500
Short-term loans payable	2,991	1,297
Current portion of long-term loans payable	500	—
Accounts payable - other	707	1,114
Income taxes payable	1,681	1,070
Accrued expenses	1,048	1,089
Advances received	6,134	8,207
Accrued warranty costs	583	471
Accrued bonuses for employees	1,129	1,090
Accrued bonuses for directors	49	36
Provision for loss on orders received	170	113
Other current liabilities	725	1,383
Total current liabilities	23,823	23,378
Long-term liabilities		
Long-term loans payable	1,000	1,500
Long-term accounts payable - other	883	904
Deferred tax liabilities	1,445	2,334
Accrued stock payments	463	480
Net defined benefit liabilities	1,387	1,390
Asset retirement obligations	—	10
Other long-term liabilities	271	281
Total long-term liabilities	5,450	6,902
Total liabilities	29,273	30,281
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,415	12,423
Retained earnings	56,536	55,963
Treasury stock	(4,917)	(4,838)
Total shareholders' equity	71,864	71,379
Accumulated other comprehensive income		
Net unrealized gains on other securities	2,638	4,869
Deferred hedge gains (losses)	47	(139)
Foreign currency translation adjustments	(773)	410
Retirement benefit plan adjustments	253	210
Total accumulated other comprehensive income	2,166	5,351
Stock options	139	91
Non-controlling interests	669	683
Total net assets	74,840	77,505
Total liabilities and net assets	104,114	107,787

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Net sales	69,159	58,099
Cost of sales	53,966	45,747
Gross profit	15,192	12,352
Selling, general and administrative expenses	9,019	8,629
Operating income	6,173	3,722
Non-operating income		
Interest income	102	43
Dividend income	196	227
Foreign exchange gain	45	—
Other non-operating income	145	129
Total non-operating income	490	401
Non-operating expense		
Interest expenses	31	33
Commission expenses	83	21
Foreign exchange loss	—	236
Restructuring charges	71	18
Other non-operating expenses	55	65
Total non-operating expenses	240	375
Ordinary income	6,423	3,748
Extraordinary gain		
Subsidy income related to suspension or decrease of production	—	255
Gain on sales of fixed assets	3	27
Gain on sales of investment securities	44	3
Total extraordinary gain	48	286
Extraordinary loss		
Loss on suspension or decrease of production	—	420
Loss on sales of fixed assets	0	0
Loss on disposal of fixed assets	25	29
Loss on impairment	174	686
Loss on valuation of investment securities	—	51
Other extraordinary loss	28	—
Total extraordinary loss	228	1,189
Income before income taxes	6,242	2,845
Current taxes	2,276	1,282
Deferred taxes	(132)	209
Income taxes	2,143	1,492
Net income	4,099	1,353
Net income attributable to non-controlling interests	76	36
Net income attributable to owners of parent	4,022	1,316

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Net income	4,099	1,353
Other comprehensive income		
Net unrealized gains (losses) on other securities	(979)	2,231
Deferred hedge gains (losses)	49	(186)
Foreign currency translation adjustments	(1,418)	1,183
Retirement benefit plan adjustments	(144)	(43)
Total other comprehensive income	(2,493)	3,185
Comprehensive income	1,605	4,538
Comprehensive income attributable to owners of parent	1,529	4,501
Comprehensive income attributable to non-controlling interests	76	37

(3) Consolidated Statements of Change in Net Assets
Year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,831	12,415	55,777	(4,230)	71,793
Changes during the period					
Cash dividends			(1,955)		(1,955)
Net income attributable to owners of parent			4,022		4,022
Purchase of treasury stock				(2,000)	(2,000)
Disposal of treasury stock				4	4
Retirement of treasury stock			(1,309)	1,309	—
Net changes of items other than shareholders' equity					
Total changes during the period	—	—	758	(686)	71
Balance at the end of period	7,831	12,415	56,536	(4,917)	71,864

	Accumulated other comprehensive income					Stock option	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the period	3,617	(1)	645	398	4,660	139	613	77,206
Changes during the period								
Cash dividends							(20)	(1,975)
Net income attributable to owners of parent								4,022
Purchase of treasury stock								(2,000)
Disposal of treasury stock								4
Retirement of treasury stock								—
Net changes of items other than shareholders' equity	(979)	49	(1,418)	(144)	(2,493)	—	76	(2,416)
Total changes during the period	(979)	49	(1,418)	(144)	(2,493)	—	55	(2,365)
Balance at the end of period	2,638	47	(773)	253	2,166	139	669	74,840

Year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,831	12,415	56,536	(4,917)	71,864
Changes during the period					
Cash dividends			(1,889)		(1,889)
Net income attributable to owners of parent			1,316		1,316
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		7		80	87
Retirement of treasury stock					—
Net changes of items other than shareholders' equity					
Total changes during the period	—	7	(572)	79	(485)
Balance at the end of period	7,831	12,423	55,963	(4,838)	71,379

	Accumulated other comprehensive income					Stock option	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumulated other comprehensive income			
Balance at the beginning of the period	2,638	47	(773)	253	2,166	139	669	74,840
Changes during the period								
Cash dividends							(23)	(1,912)
Net income attributable to owners of parent								1,316
Purchase of treasury stock								(0)
Disposal of treasury stock								87
Retirement of treasury stock								—
Net changes of items other than shareholders' equity	2,231	(186)	1,183	(43)	3,184	(48)	37	3,173
Total changes during the period	2,231	(186)	1,183	(43)	3,184	(48)	13	2,665
Balance at the end of period	4,869	(139)	410	210	5,351	91	683	77,505

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash flows from operating activities:		
Income before income taxes	6,242	2,845
Depreciation and amortization	2,146	2,048
Loss on impairment	174	686
(Gain) loss on sales of fixed assets	(3)	(27)
Loss on disposal of fixed assets	25	29
(Gain) loss on sales of securities	(44)	(3)
(Gain) loss on valuation of investment securities	—	51
Increase (decrease) in allowance for doubtful accounts	(2)	675
Increase (decrease) in accrued bonuses for employees, net	53	(44)
Increase (decrease) in accrued bonuses for directors, net	4	(12)
Increase (decrease) in accrued warranty costs, net	(1)	(131)
Increase (decrease) in net defined benefit liabilities	(5)	(5)
(Increase) decrease in net defined benefit assets	(15)	67
Increase (decrease) in accrued stock payments, net	61	17
Increase (decrease) in provision for loss on orders received, net	116	(64)
Interest and dividend income	(298)	(271)
Interest expense	31	33
(Increase) decrease in accounts receivable - trade	(740)	4,368
(Increase) decrease in inventories	(714)	(756)
Increase (decrease) in accounts payable - trade	(2,776)	(729)
(Increase) decrease in other assets	379	59
Increase (decrease) in other liabilities	(500)	795
Other, net	607	(786)
Sub-total	4,738	8,845
Interest and dividend income received	299	271
Interest expenses paid	(31)	(31)
Income taxes paid	(1,097)	(1,822)
Net cash provided by operating activities	3,908	7,263
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(1,219)	(1,051)
Proceeds from sales of property, plant and equipment	5	162
Payments for purchase of intangible assets	(93)	(202)
Payments for purchase of investment securities	(500)	(851)
Proceeds from sales of investment securities	218	9
Proceeds from withdrawal of time deposits	497	7
Other, net	(0)	3
Net cash provided by (used in) investing activities	(1,091)	(1,921)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	604	(1,855)
Proceeds from long-term loans payable	500	500
Repayment of long-term loans payable	(500)	(500)
Payments for finance lease obligations	(3)	(3)
Proceeds from sales of treasury stock	—	2
Payments for purchase of treasury stock	(2,000)	(0)
Cash dividends paid	(1,956)	(1,889)
Dividends paid to non-controlling interests	(20)	(23)
Net cash provided by (used in) financing activities	(3,377)	(3,770)
Effect of exchange rate changes on cash and cash equivalents	(1,363)	1,418
Net increase (decrease) in cash and cash equivalents	(1,923)	2,989
Cash and cash equivalents at the beginning of the year	30,633	28,710
Cash and cash equivalents at the end of the year	28,710	31,700

(5) Notes to Going Concern Assumption

None

(6) Segment Information

1. Overview of Reportable Segments

The reportable segments are components for which discrete financial information is available and whose operating results are regularly reviewed by management to make decisions about resource allocation and to assess performance.

The Companies operate within a single business related to the manufacture and sale of press machines and their ancillary facilities, and auxiliary business such as services. The Company plays a key role for the domestic business. As for the overseas business, each local company including China, Asia (mainly Singapore and Malaysia), Americas (mainly U.S.A.) and Europe (mainly Italy) plays an important role. Each foreign subsidiary is a single business entity, planning comprehensive business strategies for products and conducting business activities in each area.

Accordingly, the Companies consist of geographic segments which have the fundamental function of manufacturing, sales and service. Reportable segments are categorized into “Japan”, “China”, “Asia”, “Americas” and “Europe.”

2. Basis for calculating sales, profit or loss, assets, and other items by reportable segments

Operating income is used as reportable segment income. Inter-segment transactions are inter-company transactions and based on market prices.

3. Information regarding amounts of sales, profit, assets, and other items by reportable segments

Year ended March 31, 2020

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	35,988	6,147	5,160	11,467	10,395	69,159	—	69,159
Inter-segment sales	12,667	583	3,067	350	794	17,463	(17,463)	—
Total sales	48,655	6,731	8,228	11,817	11,189	86,622	(17,463)	69,159
Segment profit or loss	4,726	240	1,062	542	(243)	6,329	(155)	6,173
Segment assets	78,123	9,718	10,341	8,436	11,077	117,696	(13,582)	104,114
Others								
Depreciation	1,067	329	277	208	262	2,145	0	2,146
Increase in property, plant, equipment and intangible assets	371	43	389	45	88	939	—	939

Note:

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

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

Adjustments of segment assets represent elimination between inter-segment receivables and payables.

Adjustments of depreciation and increase in property, plant, equipment and intangible assets represent elimination of inter-segment transactions.

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

Year ended March 31, 2021

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	27,255	6,435	4,768	10,214	9,426	58,099	—	58,099
Inter-segment sales	12,981	939	2,369	237	158	16,686	(16,686)	—
Total sales	40,237	7,375	7,137	10,451	9,584	74,786	(16,686)	58,099
Segment profit or loss	3,169	(331)	599	515	(81)	3,871	(148)	3,722
Segment assets	80,350	10,685	10,555	9,859	12,376	123,827	(16,040)	107,787
Others								
Depreciation	987	326	275	195	264	2,050	(1)	2,048
Increase in property, plant, equipment and intangible assets	506	17	27	15	41	607	—	607

Note:

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

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

Adjustments of segment assets represent elimination between inter-segment receivables and payables.

Adjustments of depreciation and increase in property, plant, equipment and intangible assets represent elimination of inter-segment transactions.

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

2. Supplementary Information

Status of Orders

Year ended March 31, 2021

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	19,905	(28.6)	13,666	(35.0)
China	7,595	23.7	6,419	22.1
Asia	3,510	(37.2)	1,823	(40.8)
Americas	11,063	(2.4)	6,910	14.0
Europe	10,633	(6.5)	9,889	13.9
Total	52,708	(15.4)	38,709	(12.2)

Note:

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