



AIDA

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AIDA

2024

Annual Integrated Report

Fiscal Year Ended March 31, 2024

2024 Annual Integrated Report



For a Better Future

AIDA ENGINEERING, LTD.

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Corporate Philosophy

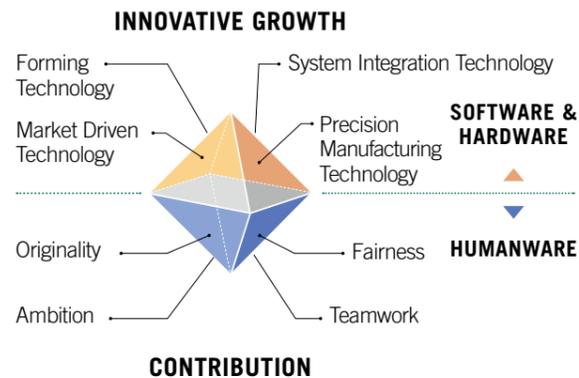
AIDA will grow as a forming systems builder and continue its contribution to people and community.

Action Guidelines

1. Contributing to the Needs of Society
2. Compliance with the Law and the Spirit of the Law
3. Respect for All Concerned Parties
4. Promoting Environmentally Friendly Business Activities
5. Proper Usage of Confidential Information and Respect for Intellectual Property
6. Respect for Employees and Environmental Consideration

The AIDA Octahedron Philosophy

An octahedron, stably balanced in each direction, represents the corporate vision of the AIDA Group. The upper pyramid looks to the future of the Company and represents the software & hardware technological innovations that achieve customer satisfaction, and the lower pyramid represents the humanware that supports these future innovations. AIDA will contribute to people and community based on this Octahedron Philosophy that links these upper and lower pyramids.



Solving Societal Issues While Looking Ahead to the Future of Humanity, Technology, and the Environment



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Editorial Policy

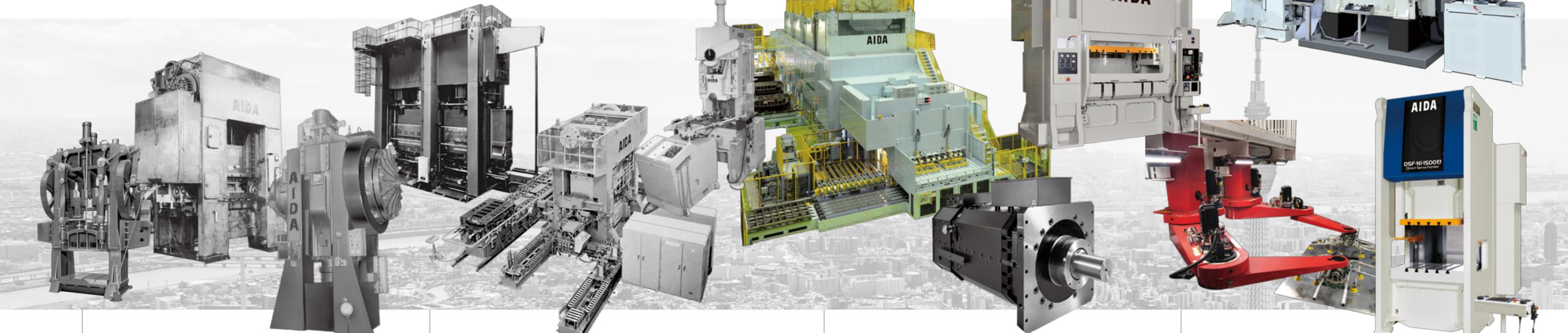
Disclaimer Regarding Forward-Looking Statements
This integrated report contains statements about plans and future performance. Such forward-looking statements reflect management's assumptions based on the information currently available. They also include risk and uncertainty factors and do not represent a guarantee of future performance.

Note on Financial Figures and Charts
Yen-based figures in this integrated report are rounded down to the nearest million or billion yen. Any figures expressed as percentages are rounded to the nearest decimal point.

Our History

A Future Tied to a History of Technological Development

For over a century, as a leading company in the metalforming systems field, AIDA has been pursuing the development of a wide array of methods to develop and build presses and other forming systems. While facing changing times and changing societal issues, we have continued to grow by capitalizing on our unique technological capabilities to embrace the challenge of creating new value. We will continue to contribute “to people and community” as a forming systems builder.



1917-

Our Founding & the Establishment of Our Technological Foundation

Animated by a spirit of ingenuity and a bold vision of manufacturing, founder Yokei Aida established AIDA Ironworks to manufacture world-class presses that would surpass those made in Europe and the United States.

At a time when the vast majority of presses in Japan were imported, the Company created many of Japan's first presses, helping to raise the level of technology and aiding in the country's industrial development.

1933

The first AIDA Press Made in Japan: A 400-ton Toggle Drawing Press

Contributed to the development of Japanese industry by supplying presses to the automotive and home appliance industries, etc.

1953

500-ton Forging Press

Delivered to (then) Japan National Railways to support postwar reconstruction and recovery

1956

200-ton High-Speed Automatic Press

Successfully developed the first domestic high-speed press at the request of the Ministry of International Trade and Industry. Despite being a large press, the bed, table, and frame guides all achieve high-accuracy parallelism and straightness within 0.02 mm per 1.5 – 2 m.

Received the Akashi Award from the Japan Society for Precision Machinery

1960-

Technological Innovations & the Mechatronics Era

The Company built a robust business infrastructure by rolling out advanced technologies from overseas and modernizing and upgrading its production facilities. It also began crafting a strategy for overseas expansion with an eye on localized production as it aimed to become a manufacturer of world-class technologies.

AIDA offered solutions to issues such as the need for higher tonnages, higher speeds, and better utilization rates. This dramatically expanded the production capacity of Japan's automotive and home appliance industries, helping to bolster the country's international competitiveness.

1967

A 2,500-ton Transfer Press, Among the World's Largest class (at the time)

Developed technologies that greatly exceeded the targets of the Ministry of International Trade and Industry's technology promotion plan. Achieved world-leading high-speed performance of 15-26 strokes / minute with nine forming stages

Received the 10th Annual Ten Greatest New Products Award sponsored by Nikkan Kogyo Shimbun

1968

Japan's first industrial robot—the “Auto-Hand”

Created leading-edge technologies to automate and mechanize dangerous and repetitive tasks

1977

Mark IV Transfer Press Stamping Center System (3D-Transfer)

Developed the world's first automated press forming system, equipped with digital controls

Received the Japan Society of Mechanical Engineers Award

1990-

Becoming a Truly Global Company Through Increasingly Sophisticated Technology

Even in the midst of the severe economic downturn caused by the collapse of Japan's bubble economy, the Company continued striving to develop even more advanced technologies. It reorganized and integrated its production factories, actively made inroads overseas, and strengthened its business foundation with the aim of becoming a truly global company.

It created groundbreaking production technologies, including independently developed servo presses that opened a new chapter in the history of metalforming technology and a high-precision forming press more accurate than the die.

2002

The World's First Direct-Drive Servo Press

The Company independently developed a large-capacity servo motor with the optimal low speed and high torque required for press metalforming. Flexible motion controls that handle high tensile steels, aluminum, and other difficult-to-form materials

Received the 45th Annual Ten Greatest New Products Award sponsored by Nikkan Kogyo Shimbun

2004

The UL Series of Precision Forming Presses That Achieve High-Precision Processing

The high rigidity and dynamic accuracy result in a final product shape that does not require any post-forming finishing processes

Received the 47th Annual Ten Greatest New Products Award sponsored by Nikkan Kogyo Shimbun

2009

High-Speed Servo Tandem Line for Automotive Body Panels

Achieved the world's highest speed (at the time) of 18 strokes per minute. Enabled the deep draw-forming of highly contoured parts as well as high productivity

Received the Chairman's Award at the 25th Annual Sokeizai Industry Technology Awards hosted by the Sokeizai Center

2010-

Becoming a Growing Company by Addressing Societal Issues

The company is harnessing its presses to address societal issues as it continues to respond to the needs of this new era, including measures to combat global warming, achieve a carbon-neutral society, and enable the digital transformation of production sites.

By independently developing and producing not only presses but also peripheral equipment, the Company is making even greater contributions to the automation and streamlining of production. We are developing models that respond to the needs of a new era and contribute to society.

2016

The D-MAT Press-to-Press Transfer System

Delivers a high degree of conveyance flexibility, enabling even the stable conveyance of blanks with complex shapes

DSF-N1-A Series Direct Servo Formers

A new design that dispels the bulky image of presses, achieving both mechanical performance and aesthetic appeal

Received the 2017 Good Design Award

2023

High-Speed Precision Press Line for Producing EV Drive Motor Cores

Delivers industry-leading productivity and is equipped with the latest DX (digital transformation) and AI technologies

Received the 66th Annual Ten Greatest New Products Award sponsored by Nikkan Kogyo Shimbun

AIDA by the Numbers

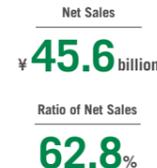
Press Business

Business Overview

We provide a wide array of presses that support production in metalforming industries, including the production of automobiles, home appliances, electronic devices, and construction materials. We also provide large servo presses for forming automobile body panels and high-speed precision presses for forming motor cores for electric vehicles.

Principal Products

General-purpose servo presses, midsize and large servo presses, precision forming presses, general-purpose mechanical presses, midsize and large mechanical presses, high-speed precision presses, and cold forging presses, etc.



Automation/FA Business

Business Overview

We develop and manufacture material feeders, transfer robots, product removal equipment, and other peripheral equipment needed to automate our presses. Our ability to provide a fully integrated production line brings with it many advantages, such as higher productivity.

Principal Products

Piling systems, material feeders (coil feeders, destack feeders, etc.), transfer equipment (transfer robots, intermediate transfer feeders, die changers, etc.), electrical control equipment, etc.



Service Business

Business Overview

Presses have a long lifespan. To support their trouble-free use for many years after delivery, we provide both preventive and corrective maintenance services as we strive to sustain and strengthen our relationships with customers.

Principal Services

Repairs/troubleshooting, retrofits/modernization, overhauls, preventive maintenance, press inspections, machine relocations, etc.

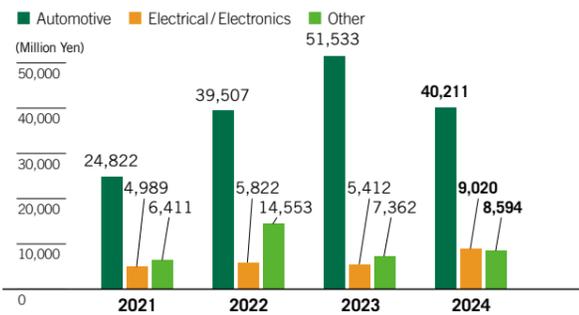


Note: Business classifications based on the Medium-Term Management Plan

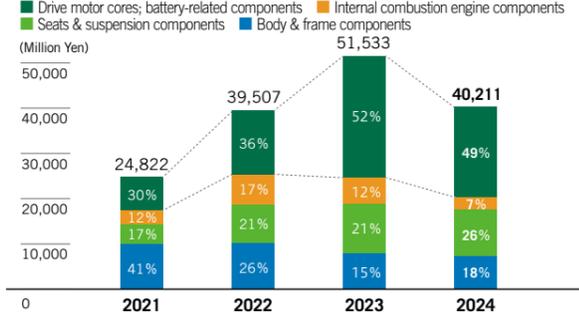
Manufacturing Capital

Demand levels remain high despite a drop in orders for high-speed precision presses related to EV investments. We expect orders to remain strong for EV-related components such as drive motors and batteries.

Press Orders (by Customer Industry)



Automotive-Related Orders by Product Type

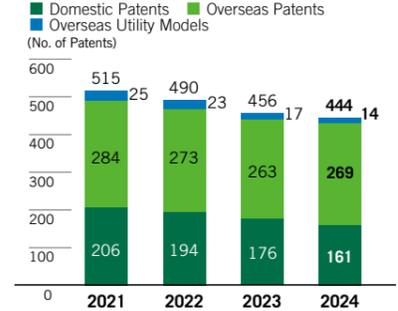


MSP Series High-Speed Precision Presses
EV Drive Motor Core Production Presses

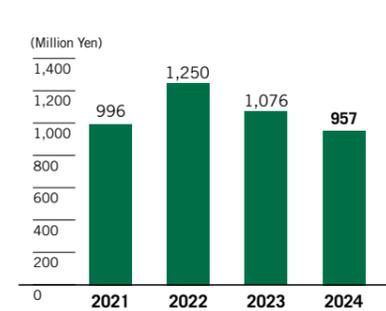


* Internal estimate of AIDA's Japanese market share based on Japan Forming Machinery Association data (FY2023) for specialized high-speed progressive stamping presses with rated capacities of 300 tons or higher.

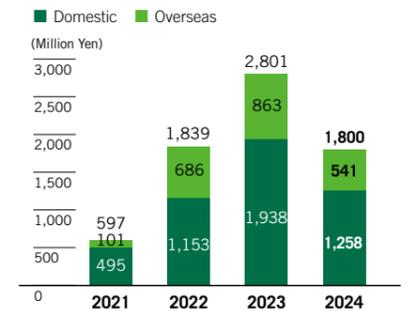
Domestic/Overseas Patent Trends



R&D Expenditures

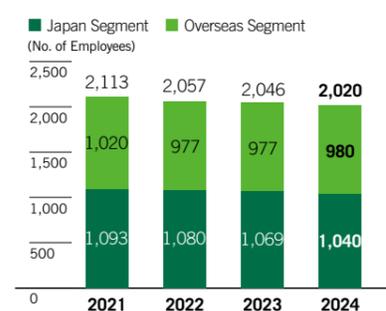


Capital Expenditures

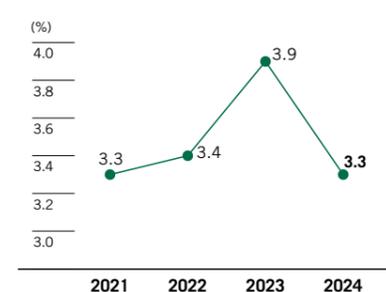


Human Capital

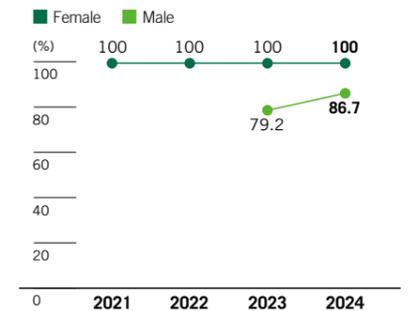
Consolidated Employees by Segment



Proportion of Women in Managerial Roles (Non-Consolidated)



Childcare Leave Usage (Non-Consolidated)



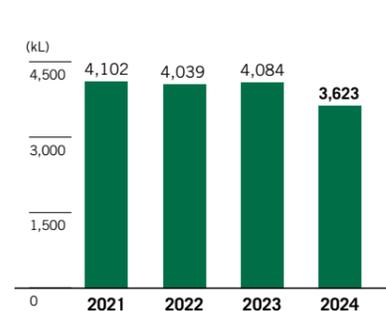
Note 1: Figures for prior years have been recalculated from the fiscal year ended March 2023 based on nonconsolidated employee numbers.

Note 2: Calculation based on terms as defined in The Act on Promotion of Women's Participation and Advancement in the Workplace (Act 64, 2015)

Note: Calculation based on childcare leave-related terms as defined in the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act 76, 1991) and in Article 71 Section 4 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (MHLW Ordinance 25, 1991)

The Environment

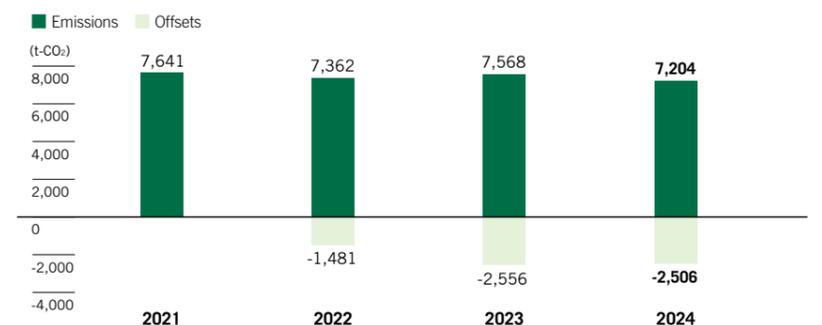
Total Energy Usage (Crude Oil Equivalent)



Note 1: Scope of Aggregate Data: AIDA ENGINEERING, LTD. (HQ/Sagami Plant, Tsukui Plant, Shimokuzawa Plant, and Hakusan Plant)

Note 2: Figures for prior years were recalculated from fiscal year ended March 2023 in line with a change in the calculation method.

CO₂ Emissions*¹*² and Offsets from Utilizing of Carbon-Offset City Gas*³*⁴ for Global Environmental Contribution



*1 Scope of Aggregate Data: AIDA ENGINEERING, LTD. (HQ/Sagami Plant, Tsukui Plant, Shimokuzawa Plant, and Hakusan Plant)

*2 Figures for prior years were recalculated from the fiscal year ended March 2023 in line with a change in the calculation method.

*3 "Carbon-offset city gas" is city gas that can help reduce greenhouse gas emissions on a global scale by offsetting (carbon offsetting) all or part of the greenhouse gases generated during the city gas life cycle by means of CO₂ reductions or absorptions from various projects both domestically and overseas.

*4 Use of carbon-offset city gas by AIDA since October 2021

The Value Creation Process

Under our corporate philosophy of “AIDA will grow as a forming systems builder and continue its contribution to people and community,” we will support the creation of prosperous societies around the world by supplying press forming systems. Through our business, we will work to address societal issues, such as environmental problems, as we aim to achieve sustainable growth and a better society.



Inputs

Business Model

Outputs / Creating Social Value

Supporting Value Creation: Management Resources

Human Capital
Consolidated employees: **2,020**
(including **980** in Overseas segment)

Intellectual Capital
R&D expenditures: **¥0.9 billion**
Patents owned (including overseas utility models): **444**

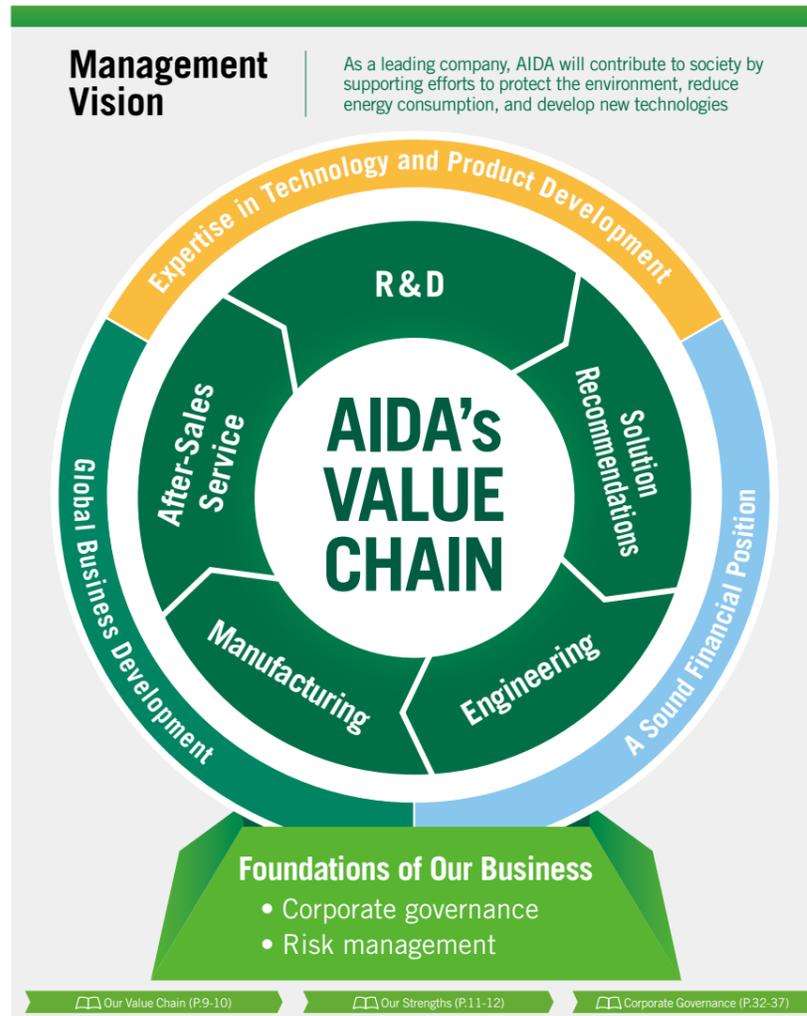
Manufacturing Capital
Global manufacturing network in **5** regions
Global network spanning **19** countries

Financial Capital
Consolidated net assets: **¥82.3 billion**
Shareholders' equity ratio: **65.2%**

Social Capital
Number of shareholders: **8,613**
Number of suppliers (Japan): approx. **920**
Number of AIDA distributors (Japan): **39**

Natural Capital (non-consolidated)
Total energy inputs (crude oil equivalents): **3,623kL**

Note: Fiscal year ended March 2024



Material Themes Selected by AIDA

AIDA's Products

- **Presses**
 - **Automation/FA**
- ▶ Supporting next-generation vehicle manufacturing; proposing ideas to boost productivity, promote DX and mitigate environmental impact



AIDA's Services

- **Machinery maintenance**
 - **Retrofits, etc.**
- ▶ Maintenance/service upgrades



- **Consolidated net sales:** **¥72.7 billion**
- **Operating income:** **¥3.6 billion**
- **Free cash flow:** **¥1.1 billion**
- **Total assets:** **¥126.1 billion**
- **Consolidated payout ratio:** **63.8%**
- **Customers**
 - ↳ Sales history: over **70,000 units** sold in more than **60 countries**
 - ↳ Japanese high-speed precision presses market share exceeds **80%***
- **Employees**
 - ↳ Promoting diversity
 - ↳ Continuing reduction of workplace accidents
- **Local Communities**
 - ↳ Contributing to society through business activities
 - ↳ Supporting community revitalization
- **Environment**
 - ↳ Enabling eco-friendly manufacturing processes
 - ↳ Introducing products with lower environmental impact

* An internal estimate of AIDA's Japanese market share based on Japan Forming Machinery Association data (FY2023) for specialized high-speed progressive stamping presses with rated capacities of 300 tons or higher.

Contributing to society through manufacturing that supports ways of life



E Manufacturing User-Friendly and Environmentally Friendly Products

- Conserve energy
- Reduce CO₂ emissions and recycle waste materials
- Develop environmentally friendly products
- Achieve a carbon-free society
- Reduce environmental impact

S Creating Value That Contributes to Societal Development

- Improved quality and service
- Human capital investment/ Manpower development
- Diversity
- Technological innovation
- Intellectual property

- Health and safety
- Societal contributions
- Industry advancements

G Improving Governance to Achieve Harmony with Society

- Compliance
- Shareholder returns
- Disclosures

AIDA's Value Chain

We are leveraging AIDA's unique strengths to bolster business activities across the entire value chain, ranging from R&D, solution recommendations, and engineering to manufacturing and after-sales service. We will harness our unique technology development capabilities to enhance corporate value by ascertaining the latest user requirements and delivering high value-added products and customer service that help address societal issues.

Fields Where AIDA Makes Contributions
An array of products that support lifestyles

Increasingly diverse social issues and industry requirements

Environmental issues, population decline, technology transfer, globalization, etc.

Issues facing our customers

Labor shortages, aging workforce, environmental measures, boosting manufacturing productivity, quality improvements, DX, etc.

R&D

Solution Recommendations

Engineering

Manufacturing

After-Sales Service

Overview / Strengths



Led by our in-house Die and Systems Development departments, we are focusing on reinforcing hardware and software R&D across multiple fields, including servo motors as well as presses. We are developing new production techniques, DX/AI digital technologies, and robots as we respond to an increasingly diverse external environment. Engaging in R&D at facilities in close proximity to our Engineering and Manufacturing departments enables us to bring products to market swiftly. Through product development that helps solve the issues customers are facing, we will increase customer satisfaction, grow the business, and acquire cutting-edge technological capabilities.

- Expanding the eco-friendly product lineup
- Developing new digital-driven technologies
- Recruiting and developing talented engineers



We propose optimized production lines to customers that enable press metalforming that is highly efficient and highly accurate. Our high-rigidity, high-precision presses allow customers to make products with complex shapes that would be difficult to produce using conventional press forming methodologies. Countless AIDA presses have helped customers achieve major productivity gains while also saving labor. Our strength lies in proposing comprehensive forming system solutions by fully grasping the issues facing customers and leveraging our advanced forming methodologies, machinery, peripheral equipment, and DX.

- Capturing potential customers
- Developing our salesforce (globalization, honing technical capabilities, etc.)
- Bolstering collaboration between departments



For over a century, AIDA has been able to set itself apart from the competition through its manufacturing, which has focused on achieving the highest-possible quality, precision, and rigidity, as well as through its design philosophy of pursuing optimized mechanisms, designs, and functions for each forming methodology. Aside from presses, AIDA also supplies forming systems equipped with a wide array of peripheral equipment. The reliability of our products is grounded in the technology AIDA has amassed over many years as we have responded to customer requirements.

- Introducing timely new products
- Achieving advanced functionality at low cost
- Training engineers and retaining personnel



We machine the critical components that significantly influence precision and quality using tightly managed machining centers, hand-finishing them when necessary. To maintain quality and build ongoing relationships of trust with our customers, we perform in-process and pre-shipment quality inspections as well as final checks during on-site installations. We adopt a transparent approach to managing traceability across machining, assembly, and inspection processes at our manufacturing sites to maintain world-class quality for all AIDA products leaving the factory. To achieve a strategic competitive advantage, we are strengthening our global production system, deployed in five regions around the world, and establishing optimized localized production systems that take into consideration the cost savings and shorter lead times of knockdown and localized production.

- Managing quality at global locations
- Adopting IoT and AI at production facilities
- Eliminating reliance on individual staff at production sites



We have built long-term relationships of trust with customers by offering comprehensive after-sales service support, including a full range of maintenance services for presses and other equipment, service parts, preventive maintenance, and retrofits. Our experienced engineers propose ways of boosting customer productivity, including improving accuracy and efficiency, adding new functionality, and replacing equipment with the latest equipment. We provide similar engineering support at our worldwide service locations. We also maintain parts at our five global production sites and perform repair jobs at these local plants. This global network enables customers around the world to use our product with confidence over the long term.

- Promoting DX in after-sales services
- Training service engineers
- Bolstering relationships of trust with customers

Industrial Equipment



Vehicles



Daily Essentials



Home Appliances



Healthcare

Our Strengths

Expertise in Technology and Product Development

The source of the AIDA Group's competitiveness is more than a century of amassed in-house engineering and product development expertise. We have developed a wide array of presses, including the world's first direct-drive servo press that revolutionized metalforming technologies. Another strength is that, in addition to presses, we have developed and manufactured AIDA-original peripheral equipment such as material feeders and automatic transfer feeders, enabling us to supply total solutions for production lines. AIDA high-speed precision presses are used to make the drive motor cores that power EVs, FCEVs, and other next-generation vehicles, and our high global market share is testament to our overwhelming competitive advantage in this field.

Net Sales of Presses

Global Rank: **No. 2** *1

High-Speed Precision Presses

Japanese Market Share: **80%** +*2

*1 Internal estimate
*2 Internal estimate of AIDA's Japanese market share based on Japan Forming Machinery Association data (FY2023) for specialized high-speed progressive stamping presses with rated capacities of 300 tons or higher.

A Sound Financial Position

Long-term trust and stability are essential qualities if customers are going to choose AIDA as the supplier of presses that will become long-life assets in their facilities. Our shareholders' equity ratio of 65.2% as of the end of March 2024 is one metric pointing to the stability and soundness of our business and its strong financial foundation. This gives our customers peace of mind when dealing with AIDA. Even under difficult and fast-changing conditions, we are actively funding growth-oriented R&D and strategic M&A investments.

Total Net Assets and Shareholders' Equity Ratio



Shareholders' Equity Ratio

65.2%

Total Assets

¥126.1 billion

Global Business Development

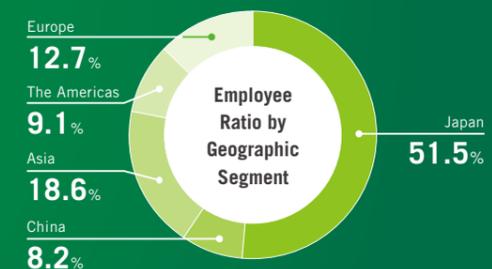
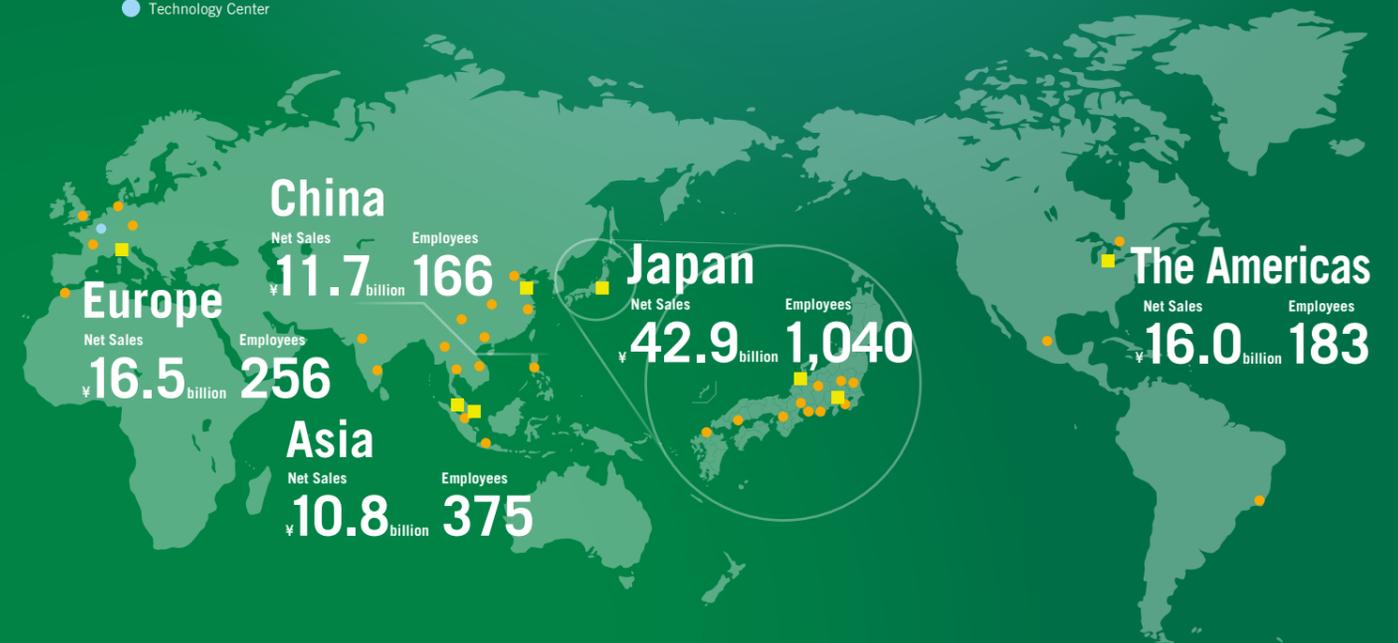
Because our customers are global manufacturers, we have set up manufacturing bases in five regions (Japan, China, Malaysia, the US, and Italy). We can also respond to the needs of customers worldwide through our network of 40 AIDA sales and service locations in 19 countries. Wherever customers have their production facilities, we can provide close and meticulous support to satisfy all their manufacturing, sales, and after-sales servicing requirements.



AIDA Global Network

40 locations in **19** countries

- Production Facilities
- Global Sales/Service Network
- Technology Center



Note: Net sales show amounts prior to the elimination of intersegment transactions

Message to Stakeholders



Targeting gains in competitiveness by steadily implementing core management plan strategies despite a rapidly changing business environment

Toshihiko Suzuki

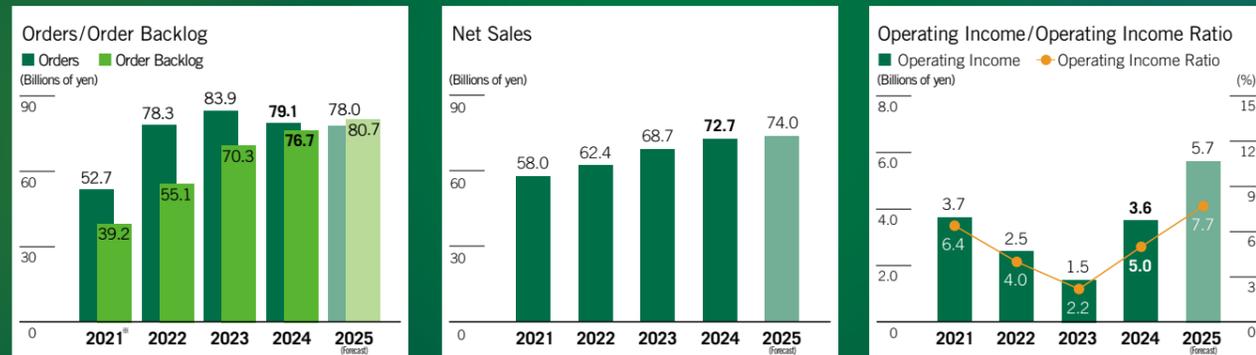
Representative Director and President (CEO)

Review of Fiscal Year Ended March 2024

In the fiscal year ended March 31, 2024, the global economy continued to expand steadily, supported by further easing of supply constraints and driven by solid growth in the US. The main overall drags on growth included monetary policy tightening across various countries; economic slowdowns in Europe and China; the Ukraine crisis; conflict in the Middle East; and other geopolitical factors. In Japan's metal-forming machinery industry, while domestic demand was firm, the level of exports dipped and overall press-related orders fell 2.4% year on year to ¥149.6 billion (Japan Forming Machinery Association press orders data).

Consolidated orders declined in the year under review due to the high level of advance orders for high-speed

precision presses received by AIDA in the previous year. However, demand remained firm after the exclusion of exceptional factors. Orders received fell 5.8% to ¥79.1 billion, while the order backlog reached a new record high, increasing 9.0% to ¥76.7 billion as of the fiscal year-end. Net sales rose 5.7% to ¥72.7 billion, boosted by increased sales of high-speed precision presses for EV-related applications and the effect of a weaker yen. Profits rose due to higher sales and an improved product mix, despite significantly higher costs for raw materials, outsourcing, logistics, and other factors, as well as major project-related losses. Reflecting the improved gross margin, operating income rose 134.7% to ¥3.6 billion, ordinary income increased 110.2% to ¥3.5 billion, and net income attributable to owners of the parent increased 116.8% to ¥2.8 billion.



* The Company has been applying the Accounting Standards for Revenue Recognition, etc., since the beginning of the fiscal year ended March 2022. The effects of this change have been added to the order backlog for the year ended March 2021.

Medium-Term Management Plan and FY2023 Results/Issues

In April 2023, we commenced the AIDA Group's New Medium-Term Management Plan for the three-year period through the end of March 2026. Our targets for the final year of the plan are net sales of ¥75.0 billion and operating income of ¥6.2 billion.

In the first year of the Medium-Term Management Plan, our net sales of ¥72.7 billion were ahead of the ¥72.0 billion target, partly due to the effect of a weaker yen. Operating income of ¥3.6 billion was less than the first-year target of ¥4.7 billion because we did not make quite as much progress as we had anticipated in terms of transforming the AIDA

Group's business portfolio and improving the press product mix. In addition to earnings being depressed by significantly higher costs for raw materials, outsourcing, logistics, and other factors, as well as major project-related losses, delays in parts deliveries and shortages of resources restricted sales of high-value-added high-speed presses. While we saw improvements in profitability and the product mix during the second half of the fiscal year ended March 2024, the outlook is for a slowdown in orders due to a softer Chinese economy and a dip in EV-related capital spending. In addition, the downside risks are increasing due to the growth of economic blocs and geopolitical factors.

Based on the issues recognized in the first year of the plan, we will deploy the following strategies over its remaining years.

Core Strategies

① Transforming Our Business Portfolio: Expanding High Value-Added and Growth Fields and Shifting Management Resources

Press Business

As the shift to EVs changes the mix of automotive parts, we are moving away from mature products—where we are seeing our competitiveness gradually eroding—and towards growth products in fields related to EVs and the environment. Parts supply constraints and reduced capacity were causing longer lead-times and a greater order backlog for our high-speed precision presses used to make EV motor cores. We have steadily expanded our production capacity by expanding our supplier base, improving the Tsukui Plant layout, and utilizing space that had been used for assembling large presses. This has improved our product mix for presses.

Although EV-related capital spending has slowed, the long-term trend towards electrified vehicles, including fuel cell vehicles (FCVs) and hybrids, is unchanged. We are also expecting to see new demand in non-automotive fields such as air conditioners. Besides reducing lead-times for high-speed precision presses, we are working to further boost our competitiveness with functionally differentiated products.

Automation/FA Business

We have positioned the Automation/FA Business as a growth field due to the ongoing adoption of automation and digital technologies within factories. With growing demand for EV-oriented high-speed precision presses, to help achieve higher forming speeds and better quality we have developed in-house peripheral equipment that we had previously outsourced. We have now started selling high-speed press lines as a turnkey package. Utilizing AI and digital technologies to enable monitoring of the entire press line, we have also created ways to visualize the operational status of presses and related processes. We are selling this system as part of our turnkey sales and are working to create demand for peripheral system upgrades.

To cater to overseas customers with a strong preference for local automation solutions, we have begun selling feeders developed and made at our European company, and we plan to expand the range and size of models going forward. We are also exploring alliances with partners in the European and US markets, as well as related M&A possibilities.

Major Business Growth Opportunities and Risks & the Market Environment

Growth Opportunities

- Stricter environmental regulations and increasing awareness of environmental conservation
- Changes to automobile parts due to accelerated transition to electrification and autonomous driving
- Accelerating demand for labor saving and productivity improvements due to a shrinking population
- Economic growth in emerging countries and the Global South

Risks

- Changes in materials and forming methods in manufacturing
- Economic downturns due to pandemics and natural disasters
- Political instability and other geopolitical risks
- Risk of economic slowdowns
- Increased supply chain risks due to a shift to bloc economies
- Production delays due to energy and semiconductor shortages
- Rising manufacturing costs of raw materials, etc.
- Intensified global price competition

Service Business

We see our Service business as a major pillar of future growth since many of the existing AIDA presses installed worldwide will need parts replaced or will need to be modernized. We anticipate demand for the overhauling and replacement of AIDA-made servo motors. Our Head Office is bolstering marketing activities in cooperation with our overseas Group companies. We are also working to create demand for DX/AI-based preventive maintenance and upgraded diagnostic functions for presses. To promote these strategies, we are building a cross-regional collaborative structure while at the same time investing in various human capital-related initiatives.

② Creating New Added Value: Further Evolving AIDA's Technologies Solutions for EVs

We commercialized high-speed press lines for the production of EV motor cores in the fiscal year under review. With the industry increasingly wanting presses offering higher productivity with wider forming areas, we will launch a new high-speed press that delivers the widest forming area in its class to further differentiate AIDA products. We have also made progress developing a new manufacturing method for battery cases, which we aim to commercialize as soon as possible.

Energy-Saving and Environmentally Friendly Solutions

In non-EV alternative energy-related fields, we have commercialized a large dedicated precision press for making the separators used in fuel cells and hydrogen-powered vehicles. We have received an order from a European customer that makes hydrogen fuel cells for power generation in hospitals. Since demand for hydrogen fuel cells used in non-automotive applications such as commercial facilities and homes is expected to grow, we will continue to focus on improving functions and creating demand.

DX/AI-Based Manufacturing Solutions

To bolster monitoring functions for press processes, we have developed a 3D machine visualization tool, which is a proprietary AI function for our Ai CARE system, and a function for estimating the remaining die life based on load analyses. Going forward, we will continue to improve these products by proposing solutions to customers and listening to their feedback.

Please see the Feature section [P.19-22](#) for more information about new products that leverage AIDA's technologies.

③ Strengthening Our Business Infrastructure: Laying the Groundwork for Business Portfolio Transformation and New Value Creation

Manpower Investments

Because we consider our human resources to be AIDA's most important asset, we seek to create working conditions that boost motivation and allow every employee to reach their full potential. Having actively increased remuneration levels in the fiscal year under review, we plan to also continue this in the next fiscal year. Moreover, we are conducting re-skilling programs to provide our global workforce with the requisite training as we shift our resources from mature to growth fields such as high-speed precision presses and Service. Our internal re-skilling training is tailored to the level of every employee and focuses on the acquisition of DX skills.

Please see the Human Capital section [P.23-26](#) for more details.

Promoting the Transition to DX in Our Work Infrastructure

In the fiscal year under review, we completed the implementation of iCAD software to support even more sophisticated in-house design capabilities. Besides introducing Microsoft365 in the fiscal year ending March 2025, we are also progressively adopting new digital and paperless systems to upgrade specific worktasks in procurement, HR, cost accounting, and other functions. Our DX promotion also includes system upgrades to production processes and logistics, with the aim of enabling "process visualization" to boost internal productivity and address any related management issues.

Restructuring Supply Chains and Procurement Processes

To combat parts shortages relating to our high-speed press production, etc., we are working to reduce delivery lead-times by upgrading our procurement capabilities and developing alternative supply lines. However, given the growing risk of global logistical delays caused by economic blocs, conflicts, and other factors, aside from upgrading and reviewing our ties to overseas carriers, we are also looking to bolster local procurement at the Group's overseas companies.

④ Environmental Measures and Social Contributions

Our environmental measures are aimed at making Group operations carbon-neutral by 2050. To promote decarbonization, we have started generating some of the power on-site at our Sagami-hara Plant while contracting with a major utility to source city gas supplies with fully offset carbon emissions. Since November 2023, we have also started using power certified as having been sourced from renewable energy. We expect all these initiatives to translate into a further annual reduction in the Group's GHG emissions of about 5,000 t-CO₂. Going forward, we will consider further measures after assessing our global CO₂ emissions. By supplying eco-friendly products and developing solutions for EVs and alternative energy sources, we are also helping our customers to reduce their GHG emissions and their environmental impact. In terms of community contributions and revitalization, as well as electrifying the company vehicle fleet, we have installed a new community infrastructure on our grounds—an EV charging station—that is open to the public. We hope this will be a valuable contribution to the region.

Please see the Environmental Measures and Social Contributions section [P.27-31](#) for further details.

⑤ Capital Policies and Our Approach to Cost of Capital and Share Price

The Group's basic policy is to maintain a productive balance aimed at generating stable shareholder returns through investments in human capital and strategic opportunities to transform our business portfolio and foster innovation while also seeking to preserve the stability of our management and financial foundations. In line with this policy, the Board of Directors decided to acquire and cancel treasury stock at the meeting held in March 2024. A total of 2,243,800 shares of treasury stock were cancelled in July 2024. As outlined in the Medium-Term Management Plan, our medium- to long-term aim is to raise the share price and eliminate any discount to book value by raising operating income through the transformation of our business portfolio, a core strategy, and by achieving sustained growth by creating innovative value and building a stronger business foundation.

Forecast for the Fiscal Year Ending March 2025

We expect consolidated orders to remain flat overall and to decline 1.4% to ¥78.0 billion as orders for high-speed precision presses level off. Given the cumulative order backlog, we expect net sales to increase 1.7% to ¥74.0 billion as we continue to ship high-speed precision and general-purpose presses. Reflecting anticipated growth in sales and further improvements to the product mix, we expect significant profit growth, with operating income rising 57.7% to ¥5.7 billion, ordinary income increasing 61.3% to ¥5.8 billion, and net income attributable to owners of the parent increasing 49.6% to ¥4.2 billion. Achieving these figures would put us back on track to reach the targets set forth in the Medium-Term Management Plan.

Message to Stakeholders

Recognizing that generating increased profits for shareholders is one of our most important management priorities, we are striving to enhance corporate value and deliver stable shareholder returns. In the fiscal year under review, we paid out an ordinary dividend of ¥30 per share (equivalent to a consolidated payout ratio of 63.8%). We also agreed at the Board of Directors meeting held in March 2024 to acquire and cancel treasury stock to further enhance shareholder returns.

In terms of our management approach to the cost of capital and our share price, we believe that the goal stated in the Medium-Term Management Plan of eliminating any discount to book value in the share price is an achievable one. Based on the cost of capital and the Group's ROE, we see this occurring via future growth based on improving the level of earnings and generating new added value.

Going forward, we will maintain the Group's unswerving commitment to engaging in initiatives aimed at addressing societal issues and leveraging the manufacturing technologies we have amassed over more than a century of business. I humbly ask all our stakeholders for their continued support.

September 2024
Representative Director and President (CEO)

Toshihiko Suzuki

Medium-Term Management Plan (Fiscal Year Ending March 2024 – 2026): Overview and Progress

Starting in the fiscal year ended March 2024 and based on the management policy of “improving corporate value by solving societal issues and aiming for sustainable growth together with our stakeholders,” the Medium-Term Management Plan builds on the issues recognized in the previous plan by identifying the following five core strategies: (1) transforming our business portfolio; (2) creating new added value; (3) strengthening our business infrastructure; (4) environmental measures and contributing to the community; and (5) capital policies. By developing such strategies, we will create a virtuous cycle of generating corporate value through solving the problems of customers and society, and we will achieve sustainable growth together with stakeholders, including customers, employees, suppliers, local communities, business partners, and shareholders and investors.

Management Policies for the New Medium-Term Management Plan

Improving corporate value by solving societal issues and aiming for sustainable growth together with our stakeholders

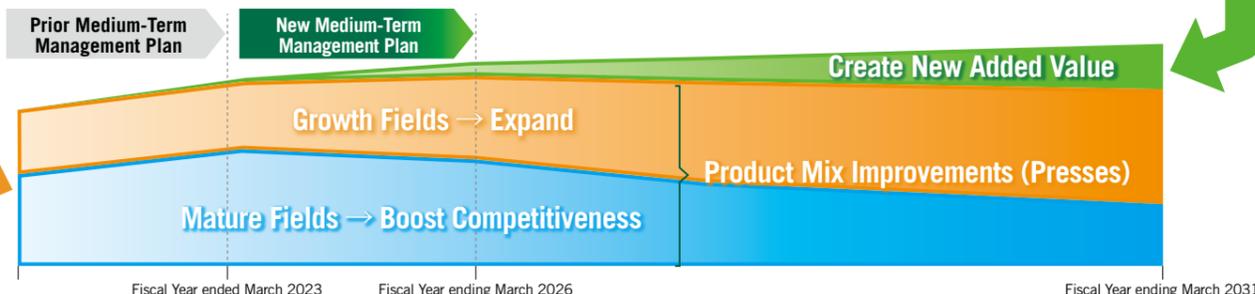


Transforming Our Business Portfolio

Expanding High-Value-Added/Growth Fields
Shifting of Management Resources

- ◆ Press Business [A Mix of Mature & Growth Fields]
⇒ Improve product mix & improve competitiveness in mature fields
- ◆ Automation/FA Business [Growth Field] ⇒ Expand
- ◆ Service Business [Growth Field] ⇒ Expand

Adjust earnings balance and build new growth domains based on changes to business/product mix by shifting existing business from mature to growth fields



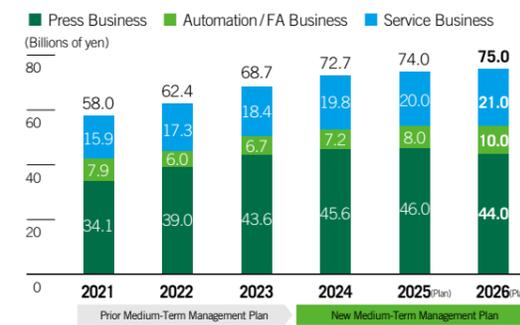
Creating New Added Value

Leveraging AIDA's Technologies (including investments and collaboration to supplement AIDA's technologies)

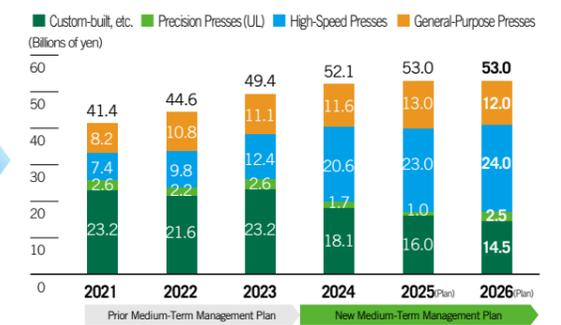
Forming technologies, die/forming methodology expertise, servo technologies, and manufacturing expertise

- ◆ Provide Solutions for EVs
- ◆ Provide Energy-Saving & Environmentally Friendly Solutions
- ◆ Develop Energy-Saving, Resource-Saving, and Manpower-Saving Products
- ◆ Provide DX/AI-Based Manufacturing Solutions

Net Sales by Business



Press Sales by Model (incl. FA)



Driven by EV-related demand for high-speed precision presses and yen depreciation, incremental sales growth across all sectors adding up to 5.7% YoY growth.

Press turnover in both mature and growth fields is showing growth potential, and sales of our high-profit high-speed presses are trending favorably.

Operating Income by Business



The operating margin is rising as a result of higher sales and an improved product mix which more than offsets significant cost increases for raw materials, outsourcing, and logistics, as well as lower profits from some large-scale projects; elimination of the bad debt write-off expense recorded in the prior year also supported profit gains.

Medium-Term Management Plan Targets (Fiscal Year Ending March 2024 – 2026)

Net Sales: ¥75.0 billion
Operating Income: ¥6.2 billion
Operating Income Ratio: 8.3%

Long-term operating income ratio goal for fiscal year ending March 2028: 10%

Projected P/B: 0.8 x (assuming P/E = 15x)

Goal of P/B > 1.0 x (assuming P/E = 15x)

Creating Sustained Growth by Implementing Plan Strategies

Message from the Director Overseeing Finance

Management Approach to Cost of Capital and Share Price

Management initiatives that are conscious of capital costs and stock price have been discussed by the Board of Directors, and the course of action is explained in the Medium-Term Management Plan. The basic concept is to drive the expansion of corporate value by implementing growth strategies aimed at strengthening our earnings power, which will translate over time into an improvement of our price-to-book (P/B) ratio. Under the plan, the target for the fiscal year ending March 2028 is operating income of ¥7.7 billion (equivalent to an operating margin of 10%), which we assume will result in exceeding 1.0 in the price-to-book (P/B) ratio by achieving more than 15X of the price-to-earnings (P/E) ratio. In turn, we expect ROE to exceed the 6.6% cost of capital.

Under the plan, we aim to boost operating income by realizing the core strategy of transforming the Group's business portfolio based on shifting from mature fields to high value-added and growth fields. By segment, this will entail shifting our resources to the Service and Automation/FA businesses, while also improving the product mix in the press business to boost profit

margins by shifting from mature models to products with higher growth potential linked to EV/HEV-related demand, such as high-speed and precision presses. At the same time, the “creating new added value” strategy involves the development of products and forming methods based on applying AIDA technology to emerging fields such as EV motors/batteries and hydrogen fuel cells. We believe that laying these growth foundations will enable us to boost the P/E ratio to at least 15x.

To bolster shareholder returns, besides achieving a payout ratio of 63.8% in the fiscal year ended March 2024, we plan to acquire and cancel around ¥2.0 billion worth of treasury stock in the first half of the fiscal year ending March 2025. Our investment policy is to actively pursue strategic investments such as M&A, capital alliances, and other actions to help transform the business portfolio and create new added value, while also ensuring capital policy considering stable shareholder returns.



Hiromitsu Ugawa
Director, Managing Executive Officer

Feature: Creating New Added Value

Supporting widespread adoption of more eco-friendly vehicles to help address climate change is a critical issue for AIDA. In terms of both hardware and software, we are creating added value to leverage the power of technology for manufacturing electric and fuel cell vehicles.

AIDA'S SOLUTIONS FOR EVs & FCVs



“MSP-4000-430”

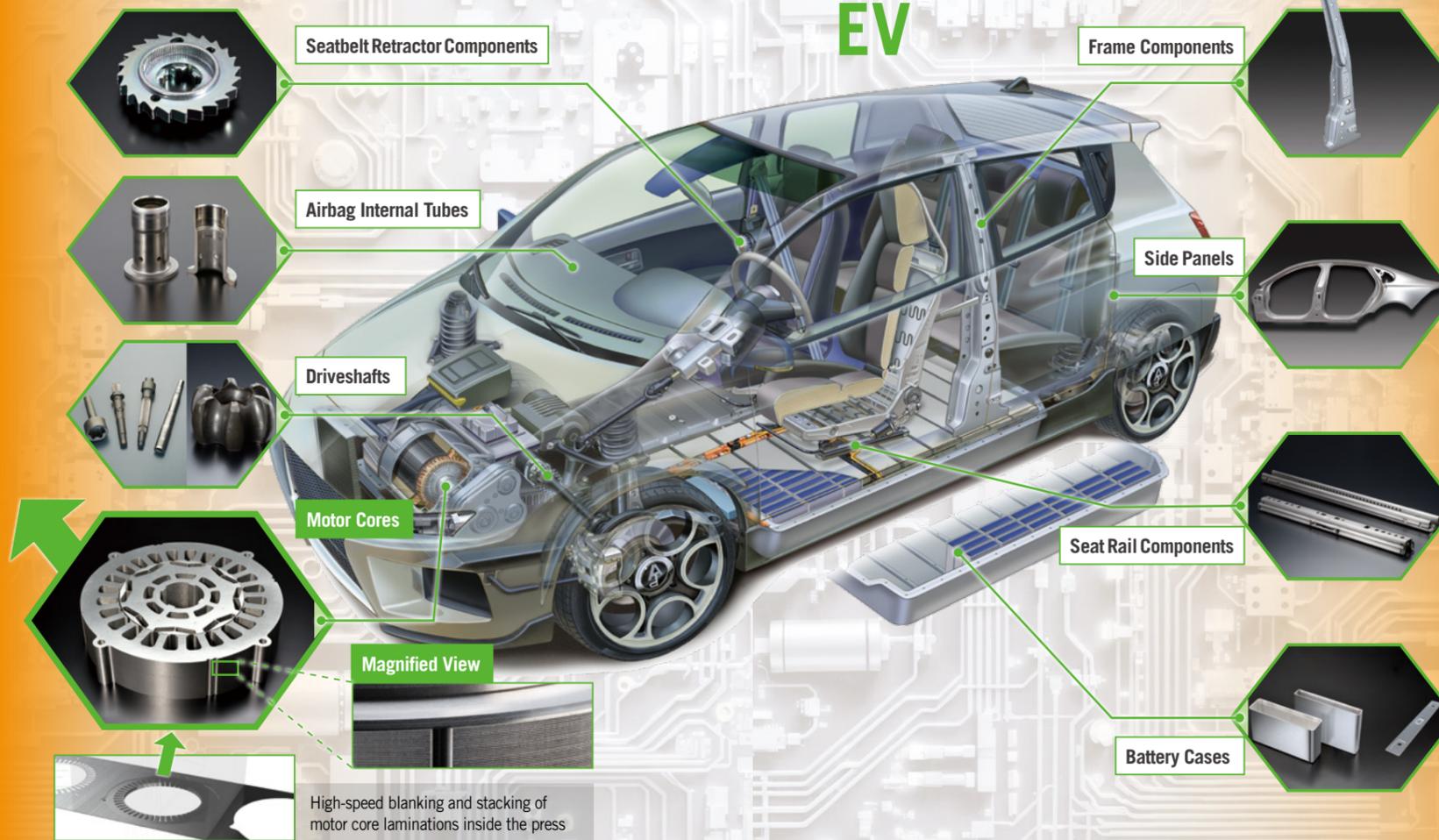
Wide-Area MSP Series Press for Forming Large Motor Cores for EVs

Motor cores are made by stacking hundreds of thin electromagnetic steel sheets together. This “lamination” process typically involves the forming of small depressions and matching protrusions (dowels) in steel sheets that are then pressed together to form the lamination. In recent years, an “adhesive lamination” methodology has been making headway. This is where an adhesive is used to bond the steel sheets into a laminate; and this method has gained popularity due to the greater use of ultra-thin sheets to further reduce the weight of EVs while also boosting motor efficiency. Because the adhesive process is an additional stage, there is a greater need for wide-area presses. In addition, because extra forming stages are required to form increasingly complex motor shapes, there is an even greater demand for wide-area presses.

With a stamping capacity of 4,000 kN and a 4,300 mm forming area, our MSP-4000-430 press was developed to meet the dual requirements of high precision and a wide forming area.

Examples of Critical Components

Made Using AIDA Presses



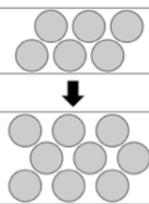
“BEX Series”

Dedicated Forming Press for Fuel Cell Metal Separators

We developed the BEX Series as dedicated presses for forming metal separators for the bipolar plates used in fuel cells, electrolyzers, and other equipment. The separators feature narrow, tightly spaced channels that allow the passage of hydrogen and oxygen and which must be fabricated to a high tolerance of a few microns on a thin (0.1 mm) metal sheet. Building on the innovative design of our UL Series of precision-forming presses but designed with higher rigidity, the BEX series can mass-produce metal separators with high precision.

FOCUS

A More Eco-Friendly Manufacturing Process Using an “MSP-4000-430”



This model can form 600-mm-wide sheets that cannot be formed using a conventional press, enabling a three-row blanking layout rather than the usual two rows. Besides significant productivity gains, it also increases material yields by approximately 3%.

With the same power consumption, this press achieves higher yields and greater productivity while using less material.

FCV



Metal Separators for Fuel Cells

Groove Cross-Section

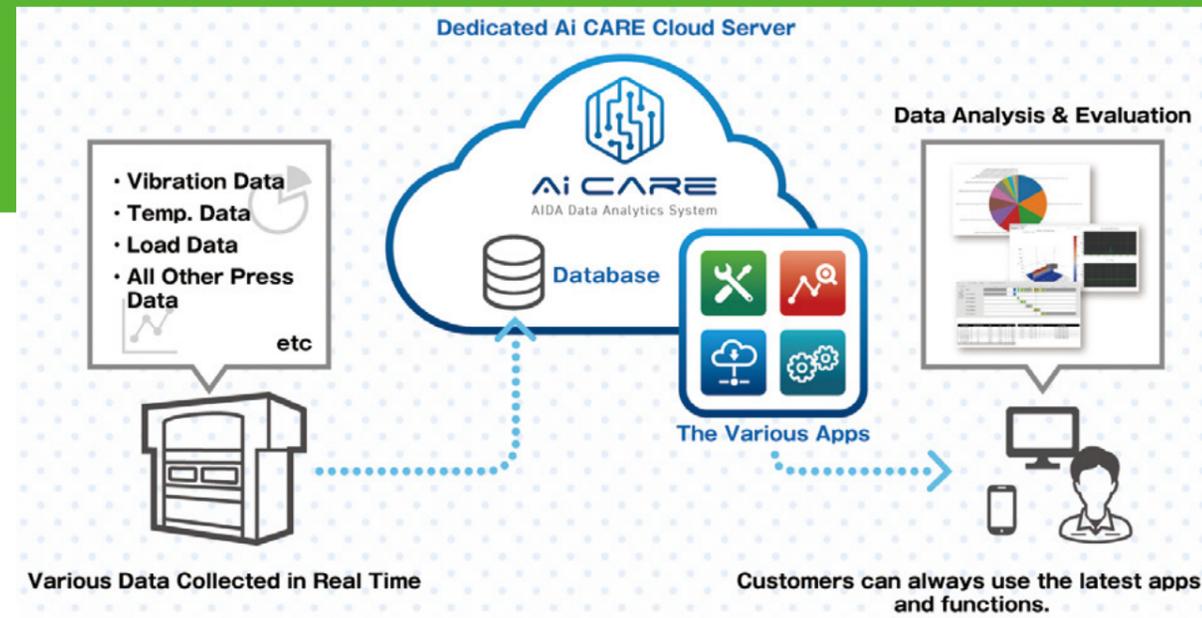
1.1mm 0.3mm

Digital transformation (DX) is ushering in a new era of manufacturing. To help address the societal issue of labor shortages, AIDA is adding value via the development of smart support systems for optimizing production that do not rely on individual experience or intuition.

AIDA'S SOLUTIONS FOR DX / AI

The AIDA Ai CARE Data Analytics System

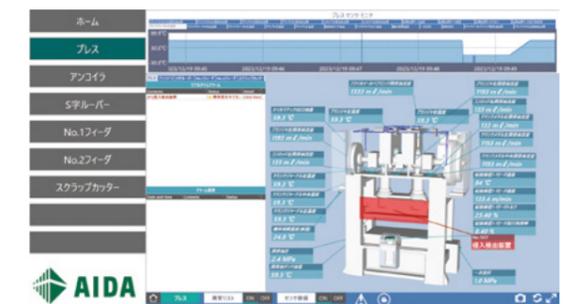
In April 2024, we introduced a major evolution of our Ai CARE service, changing to the “AIDA Data Analytics System” from the previous “Machine Information Management” system. Besides leveraging IoT to enable users to visualize the press operation data stored in the cloud, the new system also analyzes the data—something previously not offered—and provides valuable information for decision-making. In addition, through a generative AI-based interactive dialog service, the system enables even non-expert users to resolve issues quickly by asking questions and receiving AI-generated responses. These functions were achieved by leveraging AIDA's wealth of experience and knowledge accumulated over many years. This system is the next step in applying AIDA's know-how as a metalforming systems leader.



SCADA* Real-Time Monitoring System for Press Systems

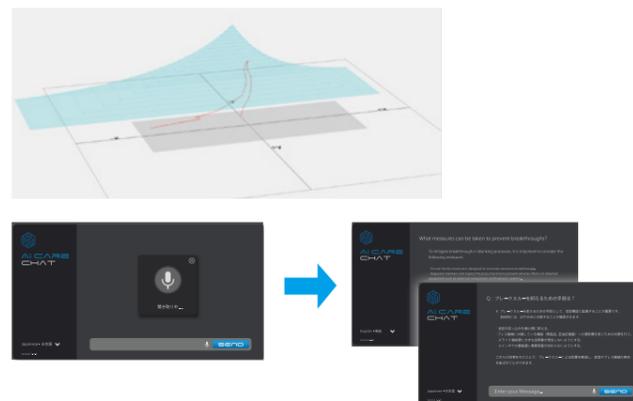
* Supervisory Control And Data Acquisition

The networked SCADA system collects information about the operational settings of presses (such as the die height and press speed), production loads, operating times, bearing temperatures, lubricant flow rates, motor currents, various alarms, and other data. These are converted into 3D visualization models for easy monitoring that show the status of the press and related devices in real time. Aside from showing where a problem has occurred, the system can also be used for pre-startup inspections, etc.



Examples of Ai CARE Functions

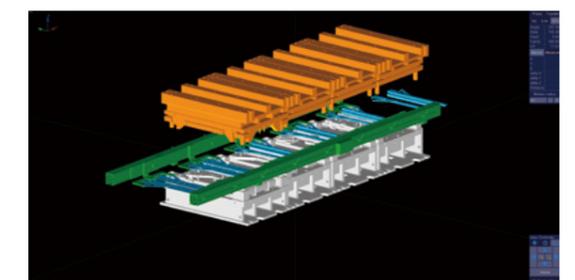
- Die-related data are analyzed using AIDA apps to constantly monitor loads as well as die life and die conditions. Die maintenance can be scheduled in a timely manner because the system predicts the expected die life.
- The system gathers information to address operational issues through interaction with an agent (“Ai CARE Chat”) that includes the generative AI program ChatGPT sourced from OpenAI. The AI supplies customers with the expertise and intelligence that AIDA has accrued regarding press operation as well as forming methodologies.



ADMS-SE* Simulation Software

* AIDA Digital Motion System – Simulation Edition

The ADMS-SE system provides a virtual 3D simulation for optimizing press motion while also preventing interference between the die and transfer feeders. Originally developed for servo presses, we have adapted the system so that it can also be used with mechanical presses, and we have begun selling it as a stand-alone system.



Manpower Investments to Strengthen AIDA's Business Infrastructure

At AIDA, we see human resources as our greatest management asset and strive to create workplaces that foster enthusiasm while enabling employees to exercise their full potential. Based on the AIDA Group Action Guidelines, we respect every employee as an individual and have established a corporate culture to embrace talented people from various countries and regions regardless of nationality, gender, age, employment status, or physical ability.

Under the Medium-Term Management Plan, as part of a revamped HR system aimed at driving the transformation of our business portfolio and creating new added value, we have identified three fundamental aims for investment in human capital:

- 1 **Retraining/reskilling personnel**
- 2 **Promoting diversification of manpower and work styles**
- 3 **Promoting health management and the "visualization" of human assets**



Strengthening the Business Infrastructure

1 Retraining/Reskilling Personnel

Proactive manpower investments to help create maximum value is an essential element supporting our ability to contribute to society in a sustainable way.

In the fiscal year ended March 31, 2024, we retrained personnel to help increase the production of high-speed precision presses as part of our efforts to shift resources from mature areas to growth fields such as high-speed precision presses and Service. Although most of our high-speed precision presses are manufactured in Japan, we are proactively providing technical training to employees worldwide to achieve and boost overseas production.

We tested several DX programs as part of our efforts to develop personnel with DX expertise, and as part of our proactive stance, in the fiscal year ending March 31, 2025, we plan to introduce training programs that are based on employee skills and job duties. As a first step, we will provide

DX literacy training for our entire workforce. In the Development Division, our primary focus is on cultivating "data scientists" with the advanced skills required to develop products suited to the AI era. In addition, we are planning training programs for employees who handle data in order to increase their ability to analyze and utilize data.



2 Promoting Diversification of Manpower and Work Styles

● Female Empowerment

We have been trying to hire more women and increase the proportion of female managers since the enactment of The Act on Promotion of Women's Participation and Advancement in the Workplace in Japan in April 2016. As of the end of March 2024, the proportion of female managers was a relatively low 3.3% (non-consolidated). In part this reflects the reality that women make up only 12.1% of AIDA's full-time non-consolidated workforce. To create a work environment that empowers women, we have instituted systems aimed at enabling more flexible work styles (including staggered shifts, working from home, shorter workdays, and hourly paid leave).



● Global Manpower Development

To maintain the diversity of the overall Group, the employees working at the sites operated by Group companies worldwide are typically recruited and trained locally. We regularly organize transfers to our Head Office for employees from Group overseas subsidiaries with the requisite experience and expertise. As of the end of March 2024, overseas segment personnel represented nearly half (48.5%) of our consolidated global workforce of 2,020 employees.

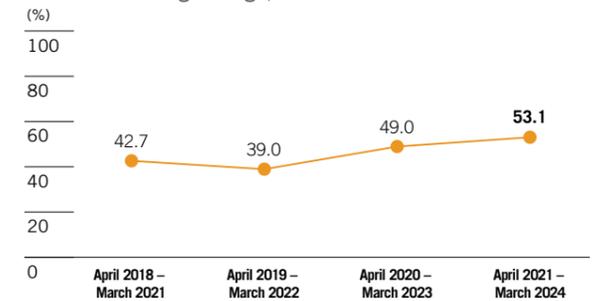


● Utilizing Mid-Career Hires and Seniors

As part of our efforts to support greater workforce diversity and create dynamic workplaces, in Japan we have a long tradition of actively targeting mid-career hires. Mid-career full-time hires represented an average of 53.1% of total recruitment at the parent company in the most recent three-year period (fiscal years ended March 2022–2024). As of the end of March 2024, 36.4% of our managers—a significant proportion—have been recruited this way. We aim to maintain conditions conducive to this type of recruitment going forward. In addition, we have always sought to offer work opportunities to people aged 65 and over by extending employment until the age of 70 (health permitting). We also actively seek to rehire employees after they reach the retirement age of 60, and we actively promote motivated and capable rehires as managers. As of the end of

March 2024, 31.3% of the people rehired in this way were working as managers within the Company.

Proportion of Mid-Career Hires (36-month rolling average, non-consolidated)



● Greater Work Style Diversity

Providing employees with a comfortable working environment is vital to ensure that we retain an adequate workforce going forward. Specific initiatives to cultivate greater diversity in work styles within AIDA have included the proactive introduction of systems to enable childcare leave, staggered shifts, working from home, shorter workdays, and hourly paid leave. In the fiscal year ended March 31, 2024, the participation rate for childcare leave among our male employees was 86.7%, and the average period of leave taken was 45.3 days, showing that this system is steadily becoming a standard practice. In addition, since August 2024, we have started our work day at an earlier time, a move we see helping employees forge a better work-life balance after each workday ends. We believe such reforms will boost motivation for work while improving the

physical and mental health of employees, which in turn raises corporate value and enhances returns for all stakeholders, including employees and their families.



3 Promoting Health Management and the "Visualization" of Human Assets

Health Management

In 2023, we instituted the Health and Productivity Management Declaration to help clarify our organizational structure for supporting a wide array of initiatives to promote the physical and mental health of every employee and their immediate family. As a result, AIDA was recognized as one of the 2024 Certified Health and Productivity Management Outstanding Organizations (Large Enterprise category), a list that is jointly selected by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Going forward, we plan to promote health management to improve the physical and mental health as well as the work motivation of employees by continually implementing a wide array of measures.

The Health and Productivity Management Declaration

AIDA ENGINEERING, LTD. believes that in order to achieve its corporate philosophy of "growing as a forming systems builder and contributing to people and community" that it is important to provide a rewarding, safe, and secure environment where employees can work to their fullest potential.

AIDA ENGINEERING, LTD. also believes it is essential to further improve the mental and physical health of its employees, its greatest management resource, and declares its commitment to health and productivity management.

Our Health Management System



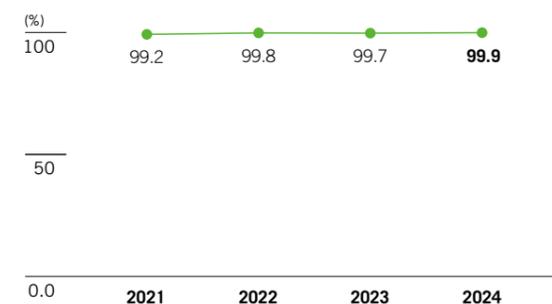
Promotion of Employee Health (Non-Consolidated)

To support the physical and mental health of employees and encourage active participation at work, our health management program includes regular check-ups, mental health care, consultations with occupational physicians, smoking cessation campaigns, and health promotion events.

Stress Consultations

Regular stress consultations enable employees to gain a more detailed awareness of their stress levels and to mitigate the risk of personal mental health issues. We also use the results of relevant group studies to help improve the workplace. We are targeting a 100% compliance rate with these consultations to proactively help our employees avoid mental health issues.

Stress Consultation Participation Rate



Regular Health Check-ups for Our Domestic Workforce

In accordance with the Industrial Safety and Health Act, employees receive an annual health check-up to support health and safety at work. In the fiscal year ended March 31, 2024, 100% of employees in our Japanese operations received these check-ups.

Mental Health Management

As part of our mental health program, we provide employees access to an in-house service as well as a mental health hotline maintained by an external institution. We also conduct regular online training for managers about mental health management in the workplace, including the prevention of various types of workplace harassment.

Employee Satisfaction Surveys

As part of our efforts to improve working conditions and our HR systems, we interview personnel (at different levels in the company) to ascertain the desires of our employees, etc.

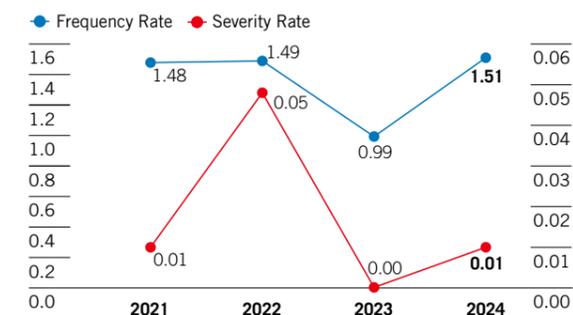
Occupational Health and Safety/Workplace Accidents

In accordance with the Japanese Labor Standards Act and Industrial Safety and Health Act, we have set up Health and Safety committees at each site to ensure workplace health and safety and promote safe working conditions.

Health and Safety committees meet every month to discuss health and safety-related topics such as safe working procedures, the promotion of health management, mental health programs, and traffic safety. Committee members also use these meetings to share information and propose improvements.

Besides workplace patrols by Health and Safety Committee members, safety patrols are conducted regularly by members of the Safe Environment and Safety Monitoring sections and production managers, with the aim of preventing workplace accidents by correcting specific hazards and implementing directives regarding improving working conditions. Company executives also occasionally participate in safety patrols to help raise safety awareness among the employees who work in our offices and factories.

Incidence of Workplace Accidents



Note 1: The frequency rate expresses the number of deaths, injuries, or serious workplace accidents (defined as necessitating at least one lost workday and involving the loss of at least one part of the body or a related loss of function) per million hours worked. Frequency Rate Equation: [Number of deaths, injuries, or serious workplace accidents] ÷ [Total working hours x 1,000,000]

Note 2: The severity rate expresses the total number of working days lost due to serious workplace accidents per thousand hours worked. Severity Rate Equation: [Total number of lost working days] ÷ [Total working hours x 1,000]



Directors participating in a safety patrol

Environmental Measures and Contributing to the Community

—Realizing Sustained Growth “for” and “with” Society

Environmental measures and social contribution initiatives are one of the core strategies of the Medium-Term Management Plan. Besides decarbonization and energy efficiency initiatives conducted as part of our business activities, we are helping to reduce environmental impact by leveraging our accumulated base of technological and product development expertise through our products to develop business in areas such as renewables, advanced energy efficiency, eco-friendly materials, and productivity gains. We aim to generate sustained growth by helping to realize a sustainable society, working “for” and “with” society.

Sustainability Policy (ESG)

We will apply the AIDA Group corporate philosophy of “AIDA will grow as a forming system builder and continue its contribution to people and community” to build long-term relationships of trust with the community—including our stakeholders—and strive to achieve a sustainable society and increase corporate value.

- [Manufacturing User-Friendly and Environmentally Friendly Products \(E\)](#)
- [Creating Value That Contributes to Societal Development \(S\)](#)
- [Improving Governance to Achieve Harmony with Society \(G\)](#)

Environmental Policy

Recognizing that protecting the earth’s environment is one of the most important goals shared by all mankind, as AIDA ENGINEERING, LTD. rises to the challenge of attaining “a harmony between people and technology” that creates a people-friendly environment as it pursues original technologies in the metalforming field, it will establish and implement a workplace environment where environmental protections will be incorporated into the engineering, manufacturing, and sales activities for its presses, automation equipment, and auxiliary equipment.

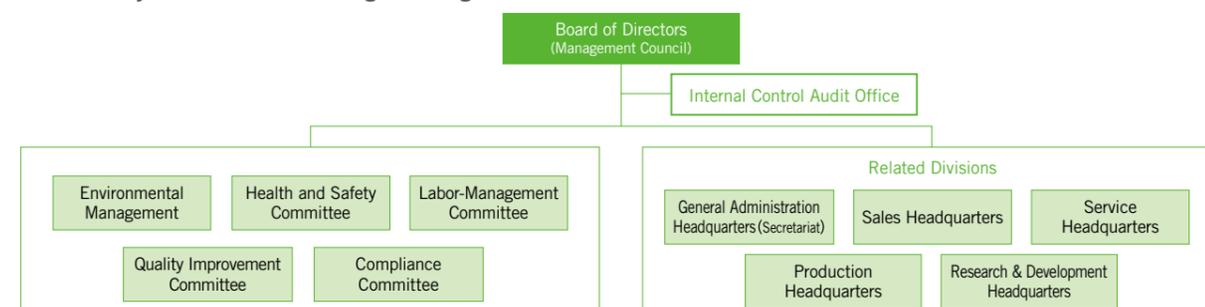
The Carbon-Neutral Initiative Policy

The AIDA Group regards environmental measures such as decarbonization, energy conservation, and resource conservation as major business opportunities, and we aim to be carbon-neutral by 2050 and we will strive to solve ESG issues and improve corporate value.

Governance

We have created the organization shown below to oversee management of sustainability and environmental issues by the Group, that reports to the CEO and is comprised of various divisions and committees, all supported by a secretariat in the General Administration Headquarters. The Management Council and Board of Directors consider important related policy items. As detailed in the “Risk Management” section below, this organization enables us to delineate strategy and related issues, and to manage this area based on regular reporting of the status of initiatives tackling related risks and opportunities.

Sustainability & Environmental Management Organization



Risk Management

Our risk management is based on a range of established policies and regulations, including the Sustainability Policy, AIDA’s Environmental Policy, Privacy Policy, AIDA Group Human Rights Policy, policy on instituting internal controls, regulations covering global management and compliance, and our business continuity manual. We have identified an opportunity to promote the development of product technologies in response to the electrification and weight reduction of automobiles, a recent trend, with our aim being to develop highly competitive products delivering world-class energy efficiency and productivity. Following deliberation by the Management Council and the Board of Directors, we have incorporated this as a core strategy in our latest Medium-Term Management Plan. The progress status of initiatives tackling related risks and opportunities, as well as critical risk management items, are reported to the Management Council each quarter, along with analyses of risks and related countermeasures conducted by relevant divisions. The progress status of opportunity-related initiatives is also reported monthly to the Management Council and the Board of Directors.

Strategy

We view risks associated with climate change as critical risks affecting the entire AIDA Group. We continue to formulate measures where necessary to mitigate both the physical risks and any transition risks in relation to regulations, markets, or other factors.

Potential Risks
Physical Risks <ul style="list-style-type: none"> • Extreme weather events such as floods or natural disasters could disrupt our product manufacturing operations and our supply chain, which could in turn impact our revenue and require major outlays to bring our manufacturing equipment back online.
Transition Risks <ul style="list-style-type: none"> • Stricter energy efficiency regulations that apply to our products and services could result in the loss of sales opportunities if our engineering and development responses were inadequate. • Higher taxes stemming from the introduction of environmental and carbon taxes and the resulting higher product costs could impact revenue. • Alternative materials required for the electrification and weight reduction of automobiles could increase our R&D expenses related to these alternative materials, which could affect profitability. • Changes in the assessments of the Company’s attitude toward climate change, etc., could lead to a decrease in corporate value.
Opportunities <ul style="list-style-type: none"> • The introduction of energy-saving equipment and more efficient usage of energy in production activities could lead to cost reductions and improve product competitiveness. • We seek to add greater value by developing products for production of EVs and weight reduction in automobiles; adoption of alternative energy sources; and gains in energy efficiency and productivity. • Our ability to respond quickly to natural disasters and other calamities (by bringing machines back online and delivering consumables) using our robust service system could enhance our service response and improve trust, which could lead to more sales opportunities.

We view environmental trends such as decarbonization and the efficient use of energy and materials as a major business opportunity. We aim to achieve carbon neutrality by 2050 while increasing corporate value by contributing to addressing issues related to the SDGs. Specific elements of this within the current Medium-Term Management Plan are summarized below:

- [1] Upgrade production and sales of existing high-speed and precision presses for fabrication of parts used in EVs
- [2] Develop new forming presses for production of EV motors/batteries and parts used in FCEVs and alternative energy-powered vehicles
- [3] Besides promoting decarbonization internally, supply products to support the efforts of customers to decarbonize and achieve productivity gains as part of our environmental and social contribution

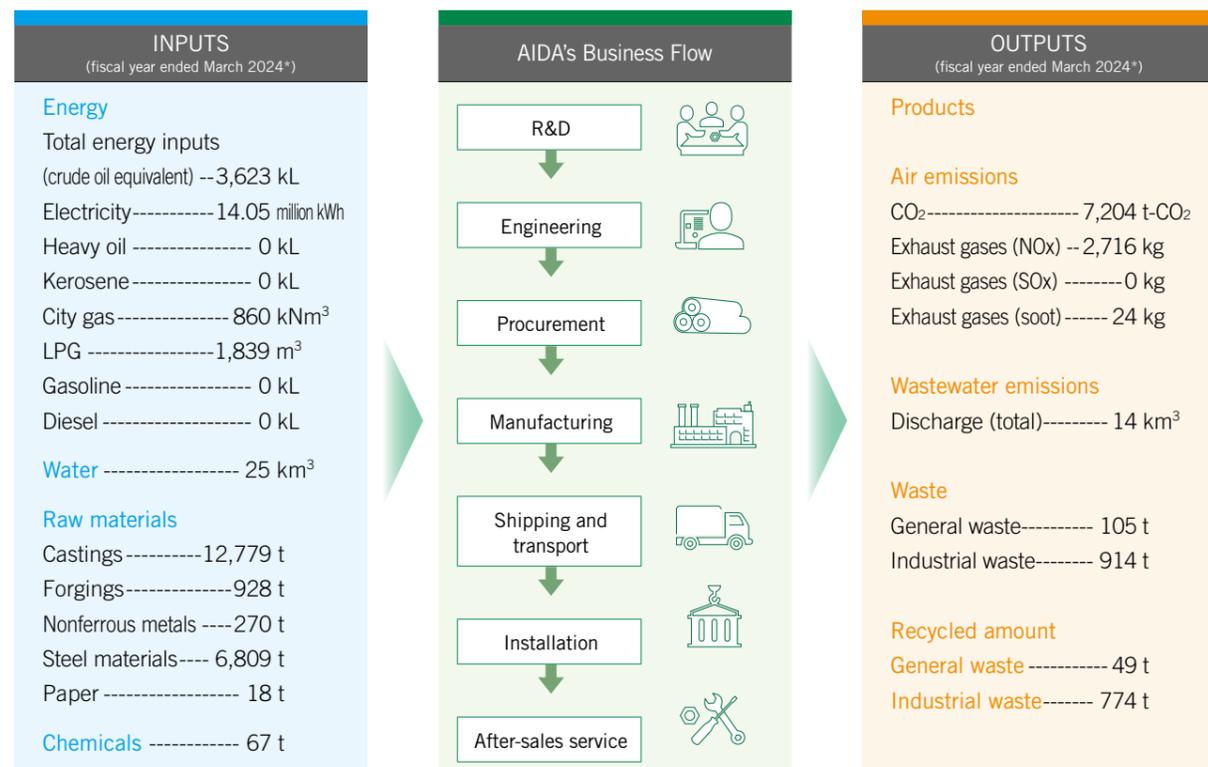
Indicators and Targets

Under the ISO framework, we have set environmental performance targets for the AIDA Group based on ongoing compliance with laws governing air/water pollution and vibration; the promotion of waste recycling, reduced waste generation, and greater energy efficiency; and other environmental protection initiatives.

Environmental Objectives	Targets for Fiscal Year Ended March 2024	Results for Fiscal Year Ended March 2024
Promote the recycling of waste materials and control waste generation (promote recycling and reuse)	<ul style="list-style-type: none"> Emissions* target <ul style="list-style-type: none"> Sagamihara: 1,600 tons or less Hakusan: 95 tons or less Industrial waste recycling ratio <ul style="list-style-type: none"> Sagamihara: 86% or higher Hakusan: 70% or higher <p>Main Initiatives Programs to conserve resources such as reuse of topcoats of paint, and efforts to reduce, reuse/return wooden pallets and packing cushion material.</p>	<ul style="list-style-type: none"> Total emissions <ul style="list-style-type: none"> Sagamihara: 920 tons [target achieved] Hakusan: 99 tons [target not achieved] Industrial waste recycling ratio <ul style="list-style-type: none"> Sagamihara: 86% [target achieved] Hakusan: 77% [target achieved]
Promote energy conservation	<ul style="list-style-type: none"> Total energy usage (crude oil equivalent) <ul style="list-style-type: none"> Sagamihara: 4,450 kL or below Hakusan: 285 kL or below CO₂ emissions (carbon intensity) <ul style="list-style-type: none"> Sagamihara: 13.0 t-CO₂/kh (operation hours) max Hakusan: 10.0 t-CO₂/kh (operation hours) max <p>Main Initiatives Reduction in power load variability via adoption of A/C system demand controls; reduction in compressor power consumption using regular checks for air leaks</p>	<ul style="list-style-type: none"> Total energy usage (crude oil equivalent) <ul style="list-style-type: none"> Sagamihara: 3,417 kL [target achieved] Hakusan: 206 kL [target achieved] CO₂ emissions (carbon intensity) <ul style="list-style-type: none"> Sagamihara: 7.1 t-CO₂/kh (operation hours) [target achieved] Hakusan: 4.4 t-CO₂/kh (operation hours) [target achieved]

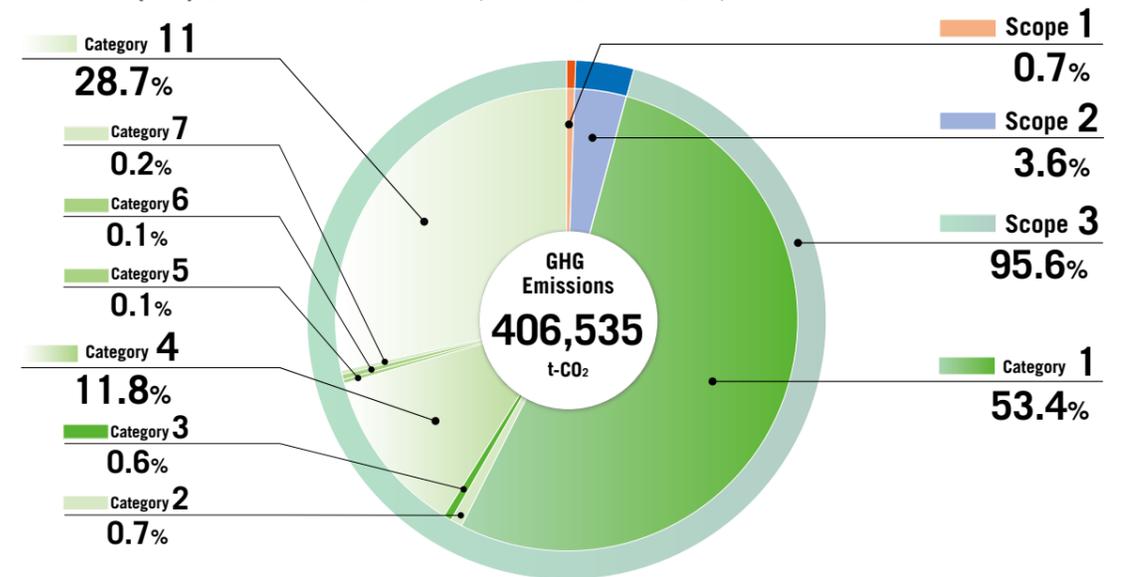
* Emissions: Total emissions of general waste and industrial waste
* Scope of Sagami Aggregate Data: HQ/Sagami Plant, Tsukui Plant, and Shimokuzawa Plant

Material Balance

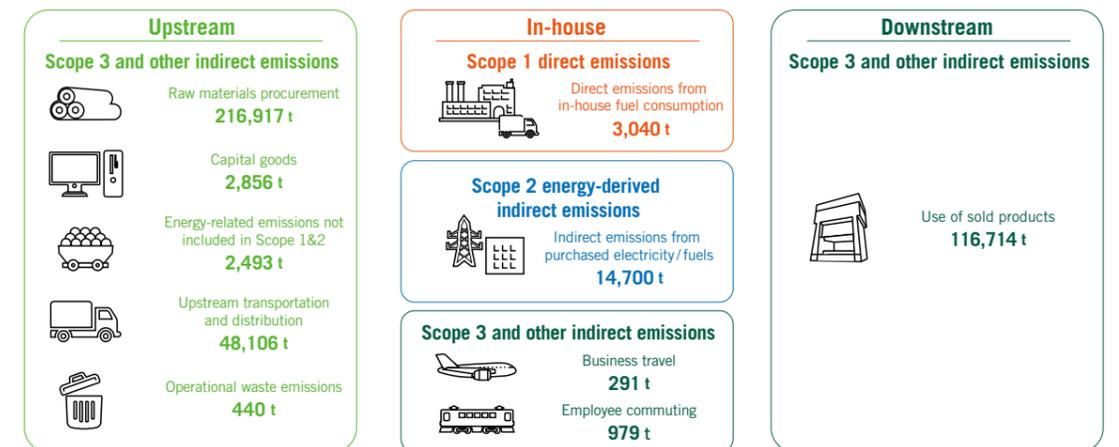


* Environmental impact of AIDA production processes for the fiscal year ended March 31, 2024 (rounded down to the nearest whole number)
Scope of Aggregate Data: AIDA ENGINEERING, LTD. (HQ/Sagami Plant, Tsukui Plant, Shimokuzawa Plant, and Hakusan Plant)

Greenhouse Gas (GHG) Emissions and Breakdown (Fiscal Year Ended March 2024)



CO₂ Emissions Over Entire Value Chain



* Scope of Aggregate Data: AIDA ENGINEERING, LTD. (HQ/Sagami Plant, Tsukui Plant, Shimokuzawa Plant, Hakusan Plant, domestic Sales/Service bases), REJ Co., Ltd., overseas production subsidiaries

TOPICS

Initiatives to Achieve Carbon Neutrality

◆ Introducing Equipment That Conserves Energy and Utilizes Renewable Energy Sources

At our headquarters plant in Sagami City, we have installed a CGS system (a cogeneration system that provides heat and electricity) together with a Gene-Link system (a water heating and cooling system fueled by hot wastewater from the CGS). As electricity is generated, hot water results as a byproduct, and we then use this hot water for heating and air conditioning in the manufacturing plant and administrative offices, and we adjust thermostats and take other steps based on air conditioning loads. Doing this has allowed us to slash our total energy cost and level out our electricity demand.

◆ Utilizing Carbon-Offset City Gas*1 for Global Environmental Contribution

The high-efficiency CGS system installed at the Sagami Plant supplies about 30% of our power requirements. In October 2021, we signed a contract with Tokyo Gas to switch the gas we use for in-house power generation to carbon-offset city gas. Along with the conversion to carbon-offset city gas, we also joined the Carbon-Offset City Gas Buyers Alliance. The alliance was established through the concerted efforts of Tokyo Gas (which

procures and supplies carbon-offset city gas) and other companies that purchase carbon-offset city gas, with the aim of broadening the usage of carbon-offset city gas and increasing its utility value as it strives to achieve a sustainable society.

◆ Utilizing Electricity Derived from Renewable Energy Sources

In November 2023, our Sagami, Tsukui, and Shimokuzawa plants began purchasing 100% of their electricity from renewable energy sources by implementing the "Green Basic Plan*2" (RE100-compliant certified non-fossil fuel electricity) provided by TEPCO Energy Partner, Inc. As a result, CO₂ emissions from purchased electricity at the above-mentioned factories will be effectively zero, and this is expected to contribute to an approximately 5,000-ton annual reduction in CO₂ emissions.

*1 "Carbon-offset city gas" is city gas that can help reduce greenhouse gas emissions on a global scale by offsetting (carbon offsetting) all or part of the greenhouse gases generated during the city gas life cycle by means of CO₂ reductions or absorptions from various projects both domestically and overseas.

*2 The Green Basic Plan is an initiative of TEPCO Energy Partner Inc. to supply electricity that comes with a non-fossil fuel certificate that attests that the electricity is derived from solar, wind, hydroelectric, and other renewable energy sources that have virtually zero CO₂ emissions.

Working with Local Communities

We are working to address societal issues through the Group's business activities and social contribution initiatives. Our active efforts to contribute to communities and help revitalize regions are aimed at building a sustainable society.

Official Sponsorship of SC Sagamihara

In April 2022, we concluded an official sponsorship contract with SC Sagamihara, a professional football club in the J-League, and became its top partner from the 2024 season, with our logo displayed on the left sleeve of their uniforms. As a company headquartered in Sagamihara, we are committed to revitalizing the region and providing cultural support as a whole.



Sponsorship of Sagamihara Stage of "Tour of Japan 2024"

In May 2024, we sponsored the Sagamihara stage of the "Tour of Japan 2024" road race, Japan's largest professional cycling race and a UCI-recognized event. The seventh stage around Sagamihara also celebrated the 70th anniversary of the city's establishment. In such a special year for the city, we continued to sponsor the event after its success in 2023. The event attracted top-class cycling teams from around the world, with approximately 23,000 spectators attending. Through sponsorship we continue to celebrate the region with residents while contributing to efforts to promote a healthy society.



Source: TOJ Organizing Committee

Opening of the AIDA EV Charging Station

As a manufacturer of industrial goods that play a role in the promotion of EVs, we opened the "AIDA EV Charging Station" in September 2023 at our Sagamihara headquarters to support the broader adoption of EVs across the region. Open to the public, the facility comprises four superchargers for TESLA vehicles and three charging outlets for all EV models. The facility will contribute to resolving issues related to local charging infrastructure facilities towards carbon neutrality.



Corporate Governance

Basic Stance on Corporate Governance

Guided by our Group-wide corporate philosophy and management vision, the Company places top priority on having each Group company achieve sustainable and stable growth and improving corporate value. To this end, the Group has a global business management system led by Japan that organically connects our five global manufacturing facilities and our sales and service operations around the world to make maximum use of their respective functions, and we are constantly enhancing our corporate governance framework to support this system.

Directors, the Board of Directors, Operating Officers, and the Management Council

The Company has adopted an operating officer system since April 2001 to separate management supervisory functions and business execution functions, and strives to expedite management decision-making and clarify lines of authority and responsibility. The current management structure comprises operating officers who concurrently serve as directors, along with four outside directors (all of whom are independent directors). As a general rule, the Board of Directors convenes monthly ordinary board meetings with the President serving as the chair, and convenes extraordinary board meetings as needed, thereby performing a decision-making function for important matters mandated by law and a supervisory function for the execution of business operations.

In addition, the Management Council, which as a general rule is convened twice a month, is chaired by a person approved by the Board of Directors and is composed of operating officers and others. The Management Council deliberates and resolves important matters related to business execution based on management policies decided by the Board of Directors, and strives to achieve a consensus among management and the

swift execution of business operations.

Outside directors attend important meetings of the Board of Directors, Management Council, and other bodies to develop a clear understanding of the current status of business execution by the Company and Group companies. They also provide valuable advice and suggestions on the Company's management from an objective perspective.

The Board of Directors meetings convened 12 times in the fiscal year ended March 31, 2024, to supervise the execution of business. The main agenda topics for deliberation are listed below.

- Medium-Term Management Plan
- Monthly performance of business execution
- Policy on ownership of strategic shareholdings
- Agenda items relating to strategic investments
- Revision of internal regulations
- Disposition of treasury stock through third-party allotment in connection with additional contribution to Board Benefit Trust
- Acquisition and cancellation of treasury stock, etc.

Statutory Auditors and the Board of Auditors

The Company has adopted a statutory auditor system. In order to strengthen the functions of the Board of Auditors, it has appointed three highly independent statutory auditors (all of whom are independent auditors), one of whom also serves as a standing statutory auditor. The activities of the statutory auditors include attending important meetings of the Board of Directors, the Management Council, and other bodies in accordance with the audit plan to oversee the performance of duties by directors, as well as asking questions and expressing opinions to ensure the legality and validity of the decision-making by the Board of Directors and other bodies. In addition, statutory auditors receive reports from the accounting auditor, listen to ask questions about business reports, examine important documents, and conduct inspections of the operations and assets of each division in order to monitor and gain a clear understanding of the status of management operations.

The Company has built a structure to support audits performed by the statutory auditors by assigning staff from the Internal Control Audit Office, the Finance & Accounting Department, and other administrative divisions.

The Board of Auditors meetings convened 13 times in the fiscal year ended March 31, 2024, to oversee the management of the Company and to monitor business execution. The main agenda topics for deliberation are listed below.

- Formulation of audit plans; compilation of audit reports
- Determination of the appropriateness of the accounting audit and the appointment of accounting auditors, etc.
- Verification of resolutions and reported items from important meetings
- Verification of the status and operation of the internal control systems
- Status report of internal audits
- Reviews of non-warranty work that was provided
- Analysis/review of statutory auditor remuneration
- Other statutory matters, etc.

Corporate Governance Structure (as of June 25, 2024)



Details on corporate governance and the status of the Company's implementation of Japan's Corporate Governance Code are described in the Corporate Governance Report. <https://www.aida.co.jp/en/ir/management/governance.html>

Remuneration Advisory Committee

Regarding remuneration for directors, based on a resolution passed in a Board of Directors meeting convened on April 26, 2024, a voluntary Remuneration Advisory Committee was established in order to improve transparency and objectivity in determining the remuneration of internal directors. The committee will deliberate on matters such as individual remuneration for internal directors and the policy for calculating such, and will

present its viewpoints and proposals to the Board of Directors and the final decision maker. The Remuneration Advisory Committee is composed of four or more directors, including the Representative Director. More than half of the members are outside directors, and an outside director has been selected as the committee chair.

Remuneration for Directors and Statutory Auditors

In the fiscal year ended March 31, 2024, remuneration for the Company's directors and statutory auditors was as shown in the table on the right:

Officer Category	Number of Eligible Officers	Total Remuneration by Type (Millions of yen)				Total (Millions of yen)
		Monetary Remuneration			Non-Monetary Remuneration (Stock Compensation)	
		Basic Remuneration	Performance-Based Remuneration	Subtotal		
Directors (excluding outside directors)	4	137	67 ^{*1}	204	24 ^{*2}	229
Outside directors	4	31	—	31	—	31
Statutory auditors (all outside)	3	26	—	26	—	26

Note: In addition to the amounts tabled, ¥42 million (including payments by subsidiaries) was paid in employee wages and bonuses to two directors also holding positions as employees.

*1 Performance-based remuneration is the amount of provision for bonuses for directors (and other officers)

*2 Non-monetary remuneration refers to the expense booked in the fiscal year under review based on the Board Benefit Trust (BBT) scheme, which was introduced after its approval by the 82nd General Meeting of Shareholders held on June 19, 2017.

Overview of the Analysis and Evaluation of the Effectiveness of the Board of Directors

The Board of Directors conducts a self-evaluation questionnaire-based survey (a combination of a three-point evaluation scale and comments) once a year for all directors and all statutory auditors, including those from outside the Company.

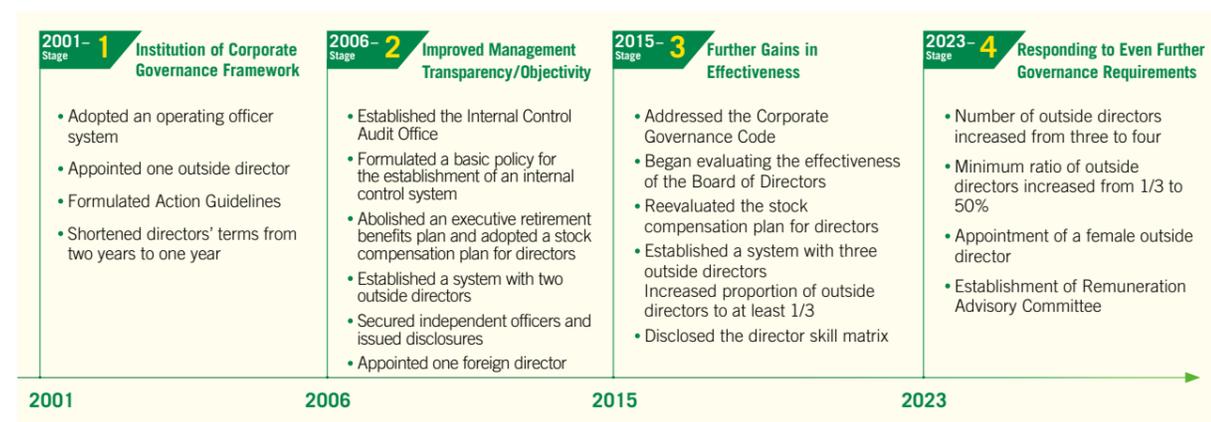
Based on the results of this survey, we analyze the current situation, identify issues, and utilize the results to improve the operation of the Board of Directors and thereby increase the effectiveness of the Board as a whole.

The results of the survey from the fiscal year under review confirmed that there are no significant issues relating to the

overall effectiveness of the Board of Directors and supports the conclusion that it operates effectively. However, there were calls for increased opportunities to discuss and exchange opinions with outside directors relating to topics such as growth investments and medium-term and long-term management issues, and thus the Company will strive to make improvements.

The Company will actively continue to improve the effectiveness of the Board of Directors by utilizing the recommendations in the questionnaires.

History of Strengthening Corporate Governance



Overview of the Status of the Internal Control System

Ensuring Appropriate Business Execution

To ensure appropriate and efficient business execution, the Board of Directors and the Management Council deliberate and share information on important matters that could significantly affect the Company's management, and also discuss countermeasures as necessary. In the fiscal year under review, the Board of Directors and Management Council were convened 12 times and 17 times,

respectively. In addition, each business division takes the lead in addressing risks related to day-to-day operations. And by means of various cross-Group committees, each business division also appropriately addresses risks related to issues like safety environment, disaster prevention, quality, compliance, export regulatory control, and product liability.

Group Company Management Structure

Processes for both decision-making by Group companies and approval by the parent company are set forth in the AIDA Global Management Regulations. The Internal Control Audit Office takes the lead in monitoring whether actual operations are in line with the regulations in order to ensure the appropriateness of business operations at each Group company. Each Group company presents monthly performance reports and the status of updates on initiatives to the Board of Directors and the Management Council, and also shares the details of the Management Council meetings held regularly at each Group company with the

management team at the Company. Moreover, at the AIDA Global Business Plan Meetings held twice a year, top management from the Company and each Group company within Japan and overseas gather to report their progress in achieving performance targets. They also share information on issues and risks faced by each Group company and discuss countermeasures. In addition, the Internal Control Audit Office regularly monitors the internal control and compliance status of each Group company. Statutory auditors and the Internal Control Audit Office also conduct on-site audits at each Group company.

Compliance

To ensure legal compliance and high ethical standards in the conduct of its business, the Company formulated the AIDA Corporate Philosophy, the AIDA Group Action Guidelines, the Sustainability Policy, and the AIDA Group Human Rights Policy. Our Group Action policy states that AIDA will respect the dignity and basic human rights of all stakeholders and create a

corporate culture imbued with respect for mankind. We distribute relevant language versions of the AIDA Corporate Philosophy, the Sustainability Basic Policy and the AIDA Group Action Guidelines to domestic and overseas Group companies to ensure they are fully understood.

Compliance Framework

The Company established the AIDA Group Compliance Hotline*, a communication channel that provides access to an outside attorney and the whistleblower desk within the Internal Control Audit Office. The Company also has a system in place to receive reports from domestic and overseas Group companies regarding the status of compliance, and we are working to ensure appropriate operation and enhance the effectiveness of legal compliance.

Hotline reports are initially consolidated and presented to the executive officer in charge of internal controls. Depending on their importance, matters are also reported

to the Compliance Committee and the Board of Directors. These bodies discuss responses and recurrence prevention measures, and then issue directions. Meanwhile, the Internal Control Audit Office conducts various types of internal training to help ensure that all Group employees fully understand the AIDA Corporate Philosophy, the AIDA Group Action Guidelines, and the AIDA Group Compliance Hotline.

* A system for reporting compliance violations that have occurred or may occur—including legal actions and improper conduct—to the whistleblower desk. It was established to reinforce the AIDA Group's compliance management efforts.

Risk Management System

Risks related to the execution of management strategies are analyzed by the relevant business divisions, which also consider countermeasures. These matters are also discussed by the Board of Directors and Management Council as necessary. Risks related to daily operations are addressed by the respective business divisions based on the nature of the risk. We also have a flexible management system in place to

help develop responses based on the degree of operational impact, including committees for health and safety, product liability, export controls, and risk assessment promotion, and there are also other cross-functional committees as well as specific project teams. For managing crises such as natural disasters, we have established a business continuity management manual and business continuity plan.

Information Security Initiatives

The Company formulates and implements regulations such as the Document Management Regulations, the Corporate Secrets Management Regulations and AIDA Information Network System Management Regulations as measures to prevent the leakage of information from inside the Company. In addition to managing software used in daily operations and monitoring and restricting internet access, the Company utilizes software to monitor computers for viruses, unauthorized access, and other issues. It also oversees remote access to the Company's internal systems from overseas Group companies. As part of its IT audit, the Company also verifies the status of anti-virus countermeasures implemented at major Group companies at least once a year, and also assures that security and information management systems are in place. The Company has advanced technological assets, and any

technology or intellectual property leaks, or any infringement of intellectual property rights, could threaten its fundamental management foundation. For that reason, the Company protects technical information by restricting employee access to confidential drawing data, and when third parties require access to such information, a nondisclosure agreement is concluded beforehand. Moreover, all drawing data is encrypted to prevent it from being viewed on external devices. In addition, the Company actively seeks to obtain patents in Japan and overseas in order to protect intellectual property.

As described above, the Company has information security measures in place and works meticulously to protect technical information and intellectual property rights to support the advancement of business strategies.

Board of Directors



Kimikazu Aida Representative Director and Chairman
 Toshihiko Suzuki Representative Director and President (CEO)
 Hiromitsu Ugawa Director, Managing Executive Officer
 Yap Teck Meng Director, Operating Officer
 Hirofumi Gomi Outside Director (Independent)
 Mikio Mochizuki Outside Director (Independent)
 Isao Iguchi Outside Director (Independent)
 Kiyoe Kado Outside Director (Independent)

Reasons for the appointment of each director were provided in the Notice of the 89th Ordinary General Meeting of Shareholders. <https://www.aida.co.jp/en/ir/event/index.html#anc03>

Director Skill Matrix

Name	Main Fields of Specialized Experience and Expected Contributions							
	Corporate Management	Finance & Accounting	Risk Management/ Legal Affairs/ Compliance	International Operations	Sales & Marketing	Technology & Research and Development	IT & DX	Personnel Affairs & Human Resource Development
Inside	Kimikazu Aida	Male	○		○	○		
	Toshihiko Suzuki	Male	○	○		○	○	
	Hiromitsu Ugawa	Male		○	○			○
	Yap Teck Meng	Male			○	○		
Outside	Hirofumi Gomi	Male Ind.	○	○				
	Mikio Mochizuki	Male Ind.		○	○			
	Isao Iguchi	Male Ind.					○	
	Kiyoe Kado	Female Ind.			○			○

Note 1: "Risk Management/Legal Affairs/Compliance" includes the perspective of product liability (PL).
 Note 2: The chart above shows fields in which the directors are particularly expected to make contributions to the Company's management, and does not illustrate all the skills and specialized knowledge that each director possesses.

Statutory Auditors



Junichiro Hiratsuka Outside Standing Statutory Auditor (Independent)
 Fusakazu Kondo Outside Statutory Auditor (Independent)
 Noriyuki Katayama Outside Statutory Auditor (Independent)

For the career histories of directors and statutory auditors (as of June 25, 2024), please refer to the Annual Securities Report. https://www.aida.co.jp/ir/annual_securities_report_202403_J.pdf (Japanese)

Rationale for the Composition of the Board of Directors

To ensure there is adequate discussion while enabling prompt and rational decision-making, the Company has set the appropriate number of directors at no more than eleven. Furthermore, in line with the basic policy of having a diverse mix of experience, knowledge and expertise on the Board, multiple outside directors are appointed to support proper decision-making and strengthen the Board's supervisory functions. In its current composition, the Board includes several outside directors with business experience from other companies. We have also appointed non-Japanese or other directors with international

Operating Officers

Managing Executive Officer	Tsukasa Kitano	Division Manager, Sales Headquarters
Managing Executive Officer	Yoshinori Ozaki	Division Manager, Service Headquarters Division Manager, Production Headquarters
Executive Officer	Naoki Nakatsuka	Deputy Division Manager, Production Headquarters (Procurement)
Executive Officer	Yoshiharu Hashimukai	Deputy Division Manager, Research and Development Headquarters Deputy Division Manager, Production Headquarters (Engineering)
Executive Officer	Junichi Yonaiyama	President, AIDA S.r.l
Operating Officer	Koji Okurano	Deputy Division Manager, Production Headquarters (Production)
Operating Officer	Takashi Koshimizu	Deputy Division Manager, Production Headquarters (Engineering)

experience, as well as statutory auditors with specialist knowledge from a financial/legal background gained in financial institutions or legal firms. To ensure a range of perspectives from a gender viewpoint, we also appointed our first female outside director in June 2023. We remain committed to maintaining and strengthening Board diversity going forward.

Activity Status of Outside Directors and Outside Statutory Auditors

Independent Outside Directors		
Name	Attendance at Board of Directors Meetings	Summary of Major Activities and Expected Roles of Outside Directors
Hirofumi Gomi	92% 11/12 times	As the former Commissioner of the Financial Services Agency, Mr. Gomi brings a wealth of experience and advanced expertise to his role as Outside Director. He also possesses extensive corporate management experience from chairing the Board of a private-sector financial institution and working as an outside director at other companies. He is drawing on this expertise to proactively provide useful advice and suggestions for the management of the Company. Also, attending all important meetings of the Board of Directors and Management Council, he oversees business execution from an independent and objective standpoint, appropriately fulfilling the roles expected of an outside director.
Mikio Mochizuki	100% 12/12 times	From his earlier career at a major manufacturer of heavy equipment, Mr. Mochizuki brings a wealth of experience and broad knowledge to his role as Outside Director, including industrial machinery business experience. He also has experience working as an outside director at other companies. He is drawing on this expertise to proactively provide useful advice and suggestions for the management of the Company. Also, attending all important meetings of the Board of Directors and Management Council, he oversees business execution from an independent and objective standpoint, appropriately fulfilling the roles expected of an outside director.
Isao Iguchi	100% 12/12 times	From his earlier career at a top manufacturer of electrical equipment, Mr. Iguchi brings a wealth of experience and wide-ranging knowledge to his role as Outside Director, including automation and factory automation business experience. He is drawing on this expertise to proactively provide useful advice and suggestions for the management of the Company. Also, attending all important meetings of the Board of Directors and Management Council, he oversees business execution from an independent and objective standpoint, appropriately fulfilling the roles expected of an outside director.
Kiyoe Kado	100% 9/9 times (since being appointed on June 27, 2023)	As a legal specialist, Ms. Kado has acquired advanced expertise in general business legal practices. In addition, she has experience in human resources development as the dean of a university law department, as well as experience in corporate management as a full-time director of an incorporated educational institution and as an outside director of a business corporation. She is drawing on this expertise to proactively provide useful advice and suggestions for the management of the Company. Also, attending all important meetings of the Board of Directors and Management Council, she oversees business execution from an independent and objective standpoint, appropriately fulfilling the roles expected of an outside director.

Independent Outside Statutory Auditors			
Name	Attendance at Board of Directors Meetings	Attendance at Board of Auditors Meetings	Board Activity
Junichiro Hiratsuka	100% 12/12 times	100% 13/13 times	Mr. Hiratsuka brings a wealth of experience and broad financial knowledge to his role as Outside Statutory Auditor, including international experience at a top financial institution and experience in corporate audits and operational audits. Attending all important meetings of the Board of Directors and Management Council, he seeks to assure the appropriateness and suitability of the Company's decision-making by actively asking questions and expressing opinions. His daily duties include exchanging opinions on management issues with directors, holding discussions with managers, and exchanging information with the Accounting Auditor. Operating from an independent and objective viewpoint, he is actively involved in evaluating the situation at the Company and at Group companies, and in routinely expressing opinions on issues and other matters to management on a regular basis. In addition, in cooperation with other statutory auditors, he conducts appropriate audits of the Company's management in accordance with the internal audit policy.
Fusakazu Kondo	100% 12/12 times	92% 12/13 times	Mr. Kondo brings a wealth of experience and knowledge to his role as Outside Statutory Auditor, including experience in financial operations from his earlier career at a life insurance company and his involvement in corporate auditing operations as a standing statutory auditor and as a member of audit-related committees. Attending all important meetings of the Board of Directors and Management Council, and operating from an independent and objective viewpoint, he seeks to assure the appropriateness and suitability of the Company's decision-making by actively asking questions and expressing opinions. In addition, in cooperation with other statutory auditors, he conducts appropriate audits of the Company's management in accordance with the internal audit policy.
Noriyuki Katayama	100% 12/12 times	100% 13/13 times	Based on his extensive career as a commercial lawyer and his management experience as an outside director at other companies, Mr. Katayama brings a wealth of experience and advanced expertise to his role as Outside Statutory Auditor. Attending all important meetings of the Board of Directors and Management Council, and operating from an independent and objective viewpoint, he seeks to assure the appropriateness and suitability of the Company's decision-making by actively asking questions and expressing opinions. In addition, cooperating with other statutory auditors, he conducts appropriate audits of the Company's management in accordance with the internal audit policy.



Message from an Outside Director

Isao Iguchi
Outside Director

“Transforming our business portfolio” is one of the core strategies in the Company’s current Medium-Term Management Plan, and the Company’s efforts are producing solid results. Its business that targets the automotive industry—which is the Company’s mainstay market—accounts for a growing share of the Company’s overall performance, and presses used to make EV drive motor cores are seeing particularly strong growth on the back of the rapidly accelerating shift to electric vehicles.

In addition, building on the core technologies it has cultivated throughout its existence, the Company is making concerted efforts in “Creating new added value” by harnessing AI and digital transformation (DX), which holds the promise of bearing fruit in the form of concrete solutions in new business fields.

At the same time, the shift to electric vehicles is also beginning to reshape the automotive industry in China and Southeast Asia, and thus it will be essential to keep a close watch on developments among leading competitors and pursue strategies that anticipate future global market trends. In addition, creating new added value

requires AIDA to swiftly acquire strengths in technological areas that are currently underdeveloped or where it is deficient. I think the Company needs to move forward with a multi-pronged approach that includes collaboration with other companies, M&A, and the utilization of outside engineers.

To further strengthen its business infrastructure and build a more robust presence, it is essential to pursue manpower development and bolster initiatives to achieve diversity. In particular, given the still limited number of women in management, I would like to see the Company train more female managers and promote them to executive positions.

In terms of agenda items presented at the Board of Directors and the Management Council, the details are confirmed and candid questions are asked during the meeting, and thus I believe the overall effectiveness of the meetings is being ensured.

Given the Company’s declared intent to achieve carbon neutrality in the future, I would like to have more in-depth discussions at Board of Directors meetings about enhancing corporate value and pursuing ESG management as it works to achieve that goal.



Message from a Statutory Auditor

Fusakazu Kondo
Outside Statutory Auditor

AIDA is a key player in the automotive industry, which is said to be undergoing a once-in-a-century transformation, particularly throughout the supply chain for the production of electric and hybrid electric vehicles. It is contributing to the world economy as a global company, and is playing a crucial role in the development and manufacture of world-class high-speed presses used to make the drive motor cores used in electric vehicles and in the precision forming (UL) presses used to form separators used for hydrogen power generation.

The role of the Board of Directors and Board of Auditors is to monitor whether AIDA’s management team is providing the market with high value-added products and services in a timely manner while leveraging the world’s most advanced technologies in order to retain and carve out larger market shares and enhance corporate value.

As an auditor, I am always mindful of the need to earnestly discuss ways to enhance corporate value at Board of Directors and Board of Auditors meetings. Specifically, it is vital to stay abreast of the key performance indicators that drive the

enhancement in corporate value—such as capital efficiency, the operating income ratio, the sales and profit growth potential, and the target stock price levels—including from the perspective of the Company’s relative advantages within the industry.

We are also having serious conversations about whether financial resources are being optimally allocated to meet shareholder expectations. In other words, how are retained earnings being allocated, in order to enhance corporate value, among such options as capital investments in existing business to generate more returns, new business acquisitions going to help enjoy business synergy, or dividend, including share buybacks, to our shareholders.

The role and the scope of an auditor’s business domain are not limited to business and accounting audits. Because I play a part in the corporate governance function, I work together with executive and non-executive directors, operating officers, and employees to find ways to enhance corporate value by “worrying together, thinking together, and solving issues together.”

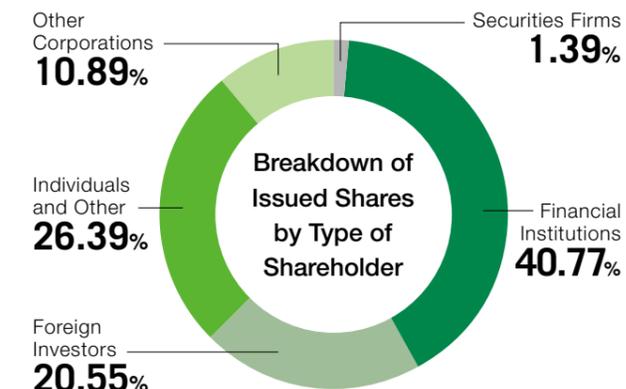
In this way, I hope to continue to meet the expectations of the Company’s shareholders and other stakeholders.

Stock Information

As of March 31, 2024

Securities Code	6118
Stock Listing	Tokyo Stock Exchange, Prime Market
Number of Shares Authorized	188,149,000
Number of Shares Issued	69,448,421
Number of Shares of Treasury Stock	9,699,246*
Number of Shares per Trading Unit	100
Number of Shareholders	8,613
Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd.

* Number of shares of treasury stock includes 4,382,672 shares of treasury stock held by Custody Bank of Japan, Ltd. (Trust Account E) in a re-entrustment related to a J-ESOP (Japanese Employee Stock Ownership Plan) and BBT (Board Benefit Trust).
Note: In July 2024, the Company retired 2,243,800 shares of treasury stock.



Major Shareholders (Top 10)*1

Name of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Issued Shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,878	12.29
Custody Bank of Japan, Ltd. (Trust Account E)**2	4,382	6.83
Custody Bank of Japan, Ltd. (Trust Account)	3,795	5.92
The Dai-ichi Life Insurance Company, Limited	3,000	4.68
Nippon Life Insurance Company	2,587	4.03
Meiji Yasuda Life Insurance Company	2,516	3.92
Mizuho Bank, Ltd.	2,179	3.40
JP MORGAN CHASE BANK 385632	1,754	2.74
AIDA ENGINEERING Trading-Partner Shareholding Association	1,629	2.54
GOVERNMENT OF NORWAY	1,600	2.50

*1 Although the Company holds 5,316,574 shares of treasury stock, it is excluded from the major shareholders listed above. Ownership percentages are based on 64,131,847 shares, the total number of issued and outstanding shares, less treasury stock.
*2 Shares shown as held by Custody Bank of Japan, Ltd. (Trust Account E) are being held in a re-entrustment related to a J-ESOP and BBT.

Share Price and Trading Volume



Management's Discussion and Analysis of Business Results and Financial Position

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

Orders, Net Sales and Earnings

In the fiscal year ended March 31, 2024, the global economy recovered steadily amid incremental improvements in supply constraints, driven by the strong U.S. economic expansion. However, growth was inhibited in overall terms by tighter monetary policy conditions across many nations and slower economic growth in Europe and China. Geopolitical factors such as U.S.-China tensions, the war in Ukraine, and conflict in the Middle East also magnified the downside risks.

In the metalforming machinery industry, the Japan Forming Machinery Association reported that orders for presses received in the fiscal year under review fell 2.4% year on year to ¥149.6 billion due to lower exports despite robust domestic demand.

Under these conditions, orders received by AIDA ENGINEERING, LTD. (the "Company") and its Group companies (collectively, the "Group") in the fiscal year ended March 31, 2024 declined 5.8% year on year to ¥79.1 billion after excluding exceptional factors, a consequence of the significant number of advance orders for high-speed presses in the previous fiscal year. The order backlog as of March 31, 2024 hit a new record of ¥76.7 billion, up 9.0% from the end of the previous fiscal year. Net sales increased 5.7% year on year to ¥72.7 billion mainly due to higher sales of high-speed presses for electric vehicle (EV) production and the effects of a weaker yen. In terms of profit, operating income rose 134.7% to ¥3.6 billion, while ordinary income increased 110.2% to ¥3.5 billion despite sharp increases in material, outsourcing, and transport costs as well as slimmer profit margins on some major projects, reflecting higher sales revenues and an improved product mix. In addition to the above factors, net income attributable to owners of parent was bolstered by gains from the sale of fixed assets, increasing 116.8% to ¥2.8 billion.

The Group's basic policy regarding shareholder returns is to provide stable shareholder returns by aiming for a consolidated dividend payout ratio of 40% or higher while taking into consideration the need to ensure the stability of our management and financial foundations and our strategic investments for

sustainable growth, which is consistent with our management policy of growing together with our stakeholders. Prioritizing maintaining a stable dividend, the Group declared an ordinary dividend of ¥30 per share for the fiscal year ended March 31, 2024 (equivalent to a consolidated payout ratio of 63.8%).

Segment Analysis

Results by Business Segment

Presses

Orders in this segment decreased 10.1% to ¥57.8 billion, a consequence of the significant number of advance orders in the prior fiscal year for EV-related high-speed presses. However, the level of demand was higher year on year after excluding exceptional factors. Supplementing the growth from EV-related demand, currency movements supported an increase in segment sales of 5.3% to ¥52.1 billion.

Service (Press-Related)

With domestic service operations expanding steadily, orders in this segment rose 14.4% to ¥16.9 billion, while segment sales increased 7.0% to ¥16.4 billion.

Others (REJ Co., Ltd.)

Due to electronic component shortages, orders declined 11.4% to ¥4.2 billion. However, segment sales rose 5.7% to ¥4.1 billion due to higher sales by REJ.

Results by Geographic Segment

Japan

Net sales in Japan increased 3.0% to ¥42.9 billion due to buoyant press and service-related sales. Segment profit rose 144.1% to ¥1.1 billion despite sharp increases in material, outsourcing and transport costs, and slimmer profit margins on some major projects, reflecting higher sales revenues and an improved product mix.

China

Strong sales of customized and high-speed presses helped Group sales in China increase 7.0% to ¥11.7 billion. Driven by higher sales, the segment posted a profit of ¥797 million, compared with a loss of ¥149 million in the prior fiscal year.

Asia

Net sales in Asia rose 1.5% to ¥10.8 billion, reflecting higher service revenue and the effects of a weaker yen. Segment profit rose 31.2% to ¥1.1 billion, supported by an improved product mix and other factors.

The Americas

Net sales in the Americas declined 4.5% to ¥16.0 billion due to lower sales of customized presses offsetting the growth in sales of high-speed presses. Segment profit rose 38.8% to ¥397 million, supported by an improved product mix.

Europe

Net sales in Europe rose 28.3% to ¥16.5 billion due to higher sales of high-speed presses and related services as well as the effect of a weaker yen. Due to higher sales revenue, segment profit increased 29.3% to ¥293 million.

Analysis of AIDA's Financial Position

Total assets as of March 31, 2024 were ¥126.1 billion, an increase of ¥9.9 billion compared with the previous fiscal year-end. This is attributable to a ¥2.8 billion increase in cash and deposits, a ¥3.1 billion decrease in trade receivables (including notes and accounts receivable—trade, contract assets, and electronically recorded monetary claims—operating), a ¥5.4 billion increase in inventories, and a ¥2.0 billion increase in investment securities.

Total liabilities were ¥43.8 billion, an increase of ¥5.6 billion compared with the prior fiscal year-end. Major contributing factors included increases in trade payables (including accounts

payable—trade and electronically recorded obligations—operating) of ¥1.4 billion, short-term borrowings of ¥886 million, contract liabilities of ¥769 million, and other current liabilities of ¥952 million.

Net assets increased by ¥4.2 billion compared with the prior fiscal year-end to ¥82.3 billion. The principal contributing factors included increases in the valuation difference on available-for-sale securities of ¥1.4 billion and in the foreign currency translation adjustment of ¥2.2 billion. As a result, the shareholders' equity ratio as of the fiscal year-end was 65.2%.

Cash Flows

The balance of cash and cash equivalents as of March 31, 2024, was ¥32.2 billion, an increase of ¥1.7 billion compared with the previous fiscal year-end.

Cash flows from activities in the fiscal year under review and related major factors are summarized below.

(i) Cash flows from operating activities

Net cash provided by operating activities was ¥3.1 billion (compared with a net cash outflow of ¥1.1 billion in the previous fiscal year). The principal factors in terms of cash inflows were income before income taxes of ¥4.2 billion; a decline in trade receivables of ¥3.5 billion; and depreciation of ¥2.0 billion; offsetting cash outflows included an increase in inventories of ¥3.9 billion, among other factors.

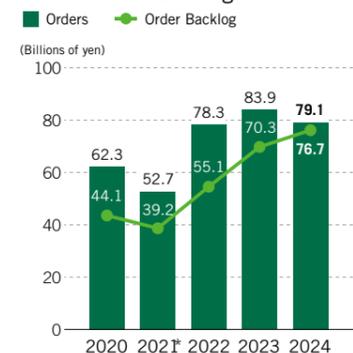
(ii) Cash flows from investing activities

Net cash used in investing activities was ¥1.9 billion, up from ¥1.8 billion in the previous fiscal year. This mainly reflected cash outflows totaling ¥1.6 billion relating to the acquisition of tangible and intangible assets.

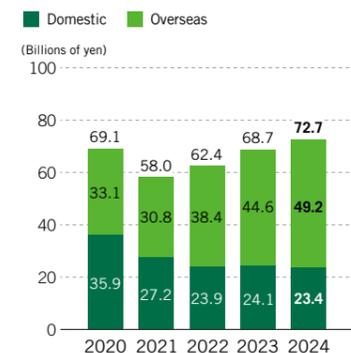
(iii) Cash flows from financing activities

Net cash used in financing activities totaled ¥1.1 billion, compared with ¥2.1 billion in the previous fiscal year. This mainly reflected the cash outflow of ¥1.9 billion due to the payment of cash dividends.

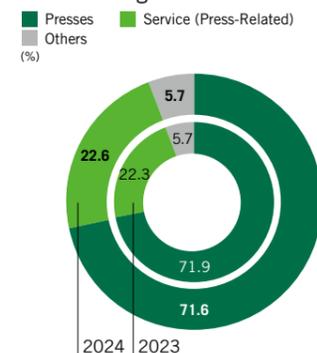
Orders/Order Backlog



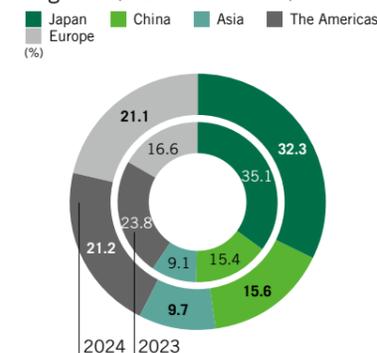
Net Sales



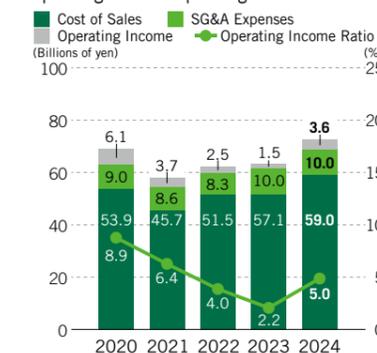
Net Sales Ratio by Business Segment



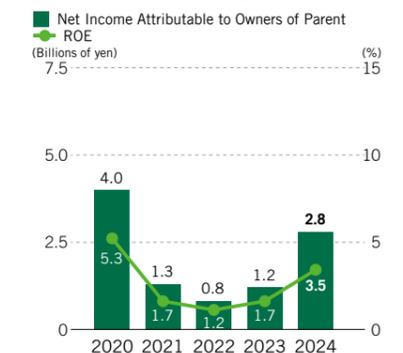
Net Sales Ratio by Geographic Segment (to External Customers)



Cost of Sales/SG&A Expenses/Operating Income/Operating Income Ratio



Net Income Attributable to Owners of Parent/ROE



* The Company has been applying the Accounting Standards for Revenue Recognition, etc., since the beginning of the fiscal year ended March 2022. The effects of this change have been added to the order backlog for the year ended March 2021.

Management's Discussion and Analysis of Business Results and Financial Position

Capital Expenditures

Capital expenditures totaled ¥1.8 billion in the fiscal year ended March 31, 2024.

By segment, the main items of capital spending were in the Japan segment, constituting ¥546 million for improvements to operational systems and ¥136 million to upgrade equipment and machinery at the Sagami Plant.

No significant Group facilities were either retired or sold.

Research and Development

The Group conducts research and development in accordance with the basic policy of strengthening and establishing fundamental technologies, upgrading core products, and developing eco-friendly flagship products. R&D activities are led by the Research and Development Headquarters in collaboration with the Production Headquarters. In the fiscal year ended March 31, 2024, R&D expenses totaled ¥957 million and were mostly recorded in the Japan segment. In the fiscal year under review, our high-speed precision press line for production of EV motor cores won the major award at the 66th Top Ten New Product Awards in 2023 sponsored by the *Nikkan Kogyo Shimbun (Business and Technology Daily News)*. The system was commended for using both hardware and software to challenge the limits of EV motor core production.

The major R&D activities during the fiscal year under review are listed below.

Development of new and fundamental technologies

- (1) Development of servo motors for press systems
- (2) Development of DX/AI technologies
 - [a] Development of a SCADA (Supervisory Control and Data Acquisition) 3D monitoring system for press systems
 - [b] Development of a proprietary data analytics system (Ai CARE)
 - [c] Development of simulation software

Upgrading core products

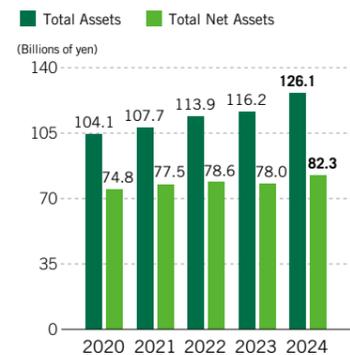
- (1) Development of the BEX Series of dedicated presses for forming bipolar plates (BPP)
- (2) Development of a wide-area MSP-4000-430 model

Capital Resources and Funding Liquidity

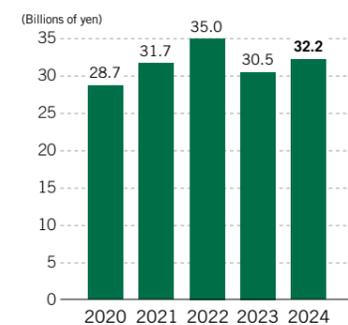
The Group utilizes working capital primarily for manufacturing expenses such as the purchase of raw materials and parts and for outsourced machining, along with selling, general, and administrative expenses. The Group's basic policy is to fund capital spending using internal financial resources, which are primarily allocated to the construction of in-house production systems.

Capital expenditures totaled ¥1.8 billion in the fiscal year ended March 31, 2024, a decrease of ¥1.0 billion from the previous year. In terms of working capital, the balance of cash and cash equivalents at the fiscal year-end was ¥32.2 billion (a year-on-year increase of ¥1.7 billion), reflecting higher operating cash flows and other factors. Management does not believe the Group is faced with any liquidity issues.

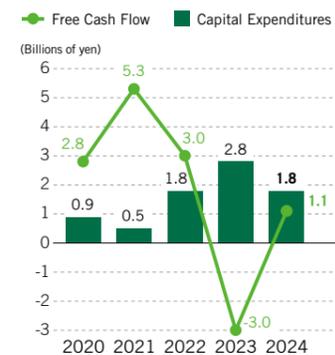
Total Assets/Total Net Assets



Cash and Cash Equivalents at the End of the Year



Free Cash Flow/Capital Expenditures



Consolidated Segment Information

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					% change 2023 vs. 2024
	2020	2021	2022	2023	2024	
Business Division:						
Net sales						
Press machines	¥ 48,540	¥ 41,237	¥ 44,443	¥ 49,476	¥ 52,118	5.3
Service	14,961	12,422	13,865	15,370	16,450	7.0
Others	5,657	4,439	4,156	3,948	4,173	5.7
Total	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	¥ 72,742	5.7
Geographic Segment:						
Net sales						
Japan	¥ 48,655	¥ 40,237	¥ 38,188	¥ 41,648	¥ 42,904	3.0
China	6,731	7,422	8,851	11,021	11,794	7.0
Asia	8,228	7,212	7,646	10,676	10,836	1.5
Americas	11,817	10,451	13,869	16,792	16,041	(4.5)
Europe	11,189	9,584	12,658	12,864	16,506	28.3
Adjustments	(17,463)	(16,808)	(18,747)	(24,207)	(25,339)	—
Total	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	¥ 72,742	5.7
Operating income						
Japan	¥ 4,726	¥ 3,087	¥ 802	¥ 455	¥ 1,112	144.1
China	240	(284)	741	(149)	797	—
Asia	1,062	673	745	909	1,193	31.2
Americas	542	515	269	286	397	38.8
Europe	(243)	(121)	110	227	293	29.3
Adjustments	(155)	(148)	(164)	(189)	(178)	—
Total	¥ 6,173	¥ 3,722	¥ 2,505	¥ 1,540	¥ 3,615	134.7

Quarterly Information

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					% change 2023 vs. 2024
	2020	2021	2022	2023	2024	
Net Sales						
1st Quarter	¥ 16,007	¥ 10,559	¥ 13,079	¥ 13,665	¥ 16,867	23.4
2nd Quarter	18,267	15,202	13,830	18,498	17,708	(4.3)
3rd Quarter	16,534	13,476	17,192	15,970	17,042	6.7
4th Quarter	18,349	18,862	18,363	20,660	21,124	2.2
Total	¥ 69,159	¥ 58,099	¥ 62,466	¥ 68,795	¥ 72,742	5.7
Operating Income						
1st Quarter	¥ 1,097	¥ 179	¥ 270	¥ (121)	¥ 671	—
2nd Quarter	1,929	1,364	528	837	756	(9.7)
3rd Quarter	1,287	892	601	277	373	34.6
4th Quarter	1,858	1,287	1,105	545	1,813	232.2
Total	¥ 6,173	¥ 3,722	¥ 2,505	¥ 1,540	¥ 3,615	134.7

Consolidated Balance Sheets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2024 and 2023

Assets	Millions of yen		Thousands of U.S. dollars (Note 3)
	2024	2023	2024
Current assets			
Cash and deposits (Note 4)	¥ 33,316	¥ 30,510	\$ 220,056
Notes and accounts receivable – trade and contract assets (Note 5)	19,006	22,506	125,538
Electronically recorded monetary claims – operating (Note 5)	1,390	1,018	9,186
Inventories (Note 6)	31,291	25,867	206,681
Advance payments – trade	2,249	2,222	14,857
Accounts receivable – other (Note 5)	1,174	526	7,756
Consumption taxes receivable	1,508	1,220	9,964
Other	419	487	2,770
Allowance for doubtful accounts	(73)	(1,837)	(487)
Total current assets	90,283	82,522	596,324
Non-current assets			
Property, plant and equipment			
Buildings and structures	27,404	26,737	181,004
Accumulated depreciation	(19,858)	(19,222)	(131,165)
Buildings and structures, net	7,545	7,514	49,838
Machinery, equipment and vehicles	21,984	20,479	145,207
Accumulated depreciation	(16,776)	(15,092)	(110,807)
Machinery, equipment and vehicles, net	5,208	5,387	34,400
Land	7,343	7,297	48,500
Construction in progress	151	234	998
Other	4,653	4,245	30,737
Accumulated depreciation	(4,011)	(3,665)	(26,497)
Other, net	642	580	4,240
Total property, plant and equipment	20,889	21,015	137,978
Intangible assets	2,127	1,961	14,054
Investments and other assets			
Investment securities (Note 8)	11,196	9,186	73,954
Insurance funds	526	571	3,478
Retirement benefit asset (Note 11)	677	633	4,476
Deferred tax assets (Note 17)	385	268	2,545
Other	1,829	161	12,084
Allowance for doubtful accounts	(1,721)	(32)	(11,371)
Total investments and other assets	12,894	10,788	85,167
Total non-current assets	35,912	33,765	237,200
Total assets	¥126,195	¥116,287	\$ 833,525

The accompanying notes are an integral part of these financial statements.

Liabilities and net assets

Liabilities	Millions of yen		Thousands of U.S. dollars (Note 3)
	2024	2023	2024
Current liabilities			
Accounts payable – trade	¥ 7,915	¥ 6,942	\$ 52,284
Electronically recorded obligations – operating (Note 5)	3,014	2,536	19,913
Short-term borrowings (Note 10)	1,469	582	9,706
Current portion of long-term borrowings (Note 10)	500	500	3,302
Accounts payable – other	1,124	1,329	7,427
Income taxes payable	915	345	6,047
Accrued expenses	1,463	1,089	9,666
Contract liabilities	16,177	15,407	106,851
Provision for product warranties	679	615	4,490
Provision for bonuses	1,069	961	7,065
Provision for bonuses for directors (and other officers)	41	14	271
Provision for loss on orders received (Note 6)	176	180	1,168
Other	2,333	1,381	15,412
Total current liabilities	36,882	31,887	243,608
Non-current liabilities			
Long-term borrowings (Note 10)	1,000	1,000	6,605
Long-term accounts payable – other	1,095	1,005	7,238
Deferred tax liabilities (Note 17)	2,227	1,870	14,711
Provision for share awards	744	649	4,918
Retirement benefit liability (Note 11)	1,383	1,451	9,138
Asset retirement obligations	9	9	65
Other	530	369	3,502
Total non-current liabilities	6,991	6,356	46,178
Total liabilities	43,873	38,244	289,787
Net assets			
Shareholders' equity			
Share capital (Note 12)	7,831	7,831	51,724
Authorized: 188,149,000 shares in 2024 and 2023 Issued: 69,448,421 shares in 2024 and 2023			
Capital surplus	13,028	13,007	86,054
Retained earnings	56,092	55,205	370,491
Treasury shares (Note 12)	(5,256)	(5,247)	(34,718)
9,699,246 shares in 2024 and 9,736,558 shares in 2023			
Total shareholders' equity	71,695	70,796	473,551
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	5,446	3,994	35,977
Deferred gains or losses on hedges	(519)	(173)	(3,431)
Foreign currency translation adjustment	5,755	3,463	38,014
Remeasurements of defined benefit plans (Note 11)	(148)	(130)	(977)
Total accumulated other comprehensive income	10,534	7,155	69,582
Share acquisition rights (Notes 12 and 23)	91	91	604
Total net assets	82,321	78,043	543,737
Total liabilities and net assets	¥126,195	¥116,287	\$833,525

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2024 and 2023

	Millions of yen													
	Number of shares of common stock issued (Thousands)	Share capital	Capital surplus	Retained earnings	Treasury shares	Total share-holders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeas-urements of defined benefit plans	Total accumulated other compre-hensive income	Share acqui-sition rights	Non-controlling interests	Total net assets
Balance at April 1, 2022	69,448	¥7,831	¥12,836	¥55,511	¥(5,250)	¥70,927	¥4,815	¥(295)	¥2,365	¥ 87	¥ 6,973	¥91	¥671	¥78,664
Cash dividends				(1,601)		(1,601)								(1,601)
Net income attributable to owners of parent				1,295		1,295								1,295
Purchase of treasury stock					(0)	(0)								(0)
Disposal of treasury stock														
Disposal of treasury stock to stock benefit trust					3	3								3
Change in ownership interest of parent due to transactions with non-controlling interests			171			171								171
Net changes of items other than shareholders' equity							(821)	122	1,098	(218)	181	—	(671)	(489)
Balance at March 31 and April 1, 2023	69,448	7,831	13,007	55,205	(5,247)	70,796	3,994	(173)	3,463	(130)	7,155	91	—	78,043
Cash dividends				(1,921)		(1,921)								(1,921)
Net income attributable to owners of parent				2,808		2,808								2,808
Purchase of treasury stock					(72)	(72)								(72)
Disposal of treasury stock					12	12								12
Disposal of treasury stock to stock benefit trust			21		50	71								71
Net changes of items other than shareholders' equity							1,451	(346)	2,291	(17)	3,379	—	—	3,379
Balance at March 31, 2024	69,448	¥7,831	¥13,028	¥56,092	¥(5,256)	¥71,695	¥5,446	¥(519)	¥5,755	¥(148)	¥10,534	¥91	¥ —	¥82,321

	Thousands of U.S. dollars (Note 3)													
	Number of shares of common stock issued (Thousands)	Share capital	Capital surplus	Retained earnings	Treasury shares	Total share-holders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeas-urements of defined benefit plans	Total accumulated other compre-hensive income	Share acqui-sition rights	Non-controlling interests	Total net assets
Balance at April 1, 2023	69,448	\$51,724	\$85,913	\$364,633	\$(34,656)	\$467,614	\$26,386	\$(1,143)	\$22,879	\$(863)	\$47,259	\$604	\$—	\$515,477
Cash dividends				(12,691)		(12,691)								(12,691)
Net income attributable to owners of parent				18,548		18,548								18,548
Purchase of treasury stock					(476)	(476)								(476)
Disposal of treasury stock					82	82								82
Disposal of treasury stock to stock benefit trust			140		332	473								473
Net changes of items other than shareholders' equity during the year							9,590	(2,288)	15,135	(114)	22,322	—	—	22,322
Balance at March 31, 2024	69,448	\$51,724	\$86,054	\$370,491	\$(34,718)	\$473,551	\$35,977	\$(3,431)	\$38,014	\$(977)	\$69,582	\$604	\$—	\$543,737

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2024	2023	2024
Cash flows from operating activities			
Income before income taxes	¥ 4,233	¥ 1,964	\$ 27,960
Depreciation	2,021	1,847	13,349
Loss (gain) on sale of fixed assets	(299)	(6)	(1,979)
Loss on disposal of fixed assets	7	14	49
Loss (gain) on sale of investment securities	(345)	(146)	(2,280)
Loss (gain) on liquidation of subsidiaries	—	(113)	—
Increase (decrease) in allowance for doubtful accounts	(203)	745	(1,346)
Increase (decrease) in provision for bonuses	88	(67)	586
Increase (decrease) in provision for bonuses for directors (and other officers)	26	(8)	176
Increase (decrease) in provision for product warranties	12	89	81
Increase (decrease) in retirement benefit liability	(82)	(13)	(542)
Decrease (increase) in retirement benefit asset	36	(32)	238
Increase (decrease) in provision for share awards	95	138	627
Increase (decrease) in provision for loss on orders received	(17)	(46)	(112)
Interest and dividend income	(433)	(395)	(2,861)
Interest expenses	45	8	298
Decrease (increase) in trade receivables	3,513	(1,284)	23,207
Decrease (increase) in inventories	(3,994)	(3,310)	(26,386)
Increase (decrease) in trade payables	534	(240)	3,527
Decrease (increase) in other assets	(1,323)	193	(8,739)
Increase (decrease) in other liabilities	1,344	125	8,883
Other, net	(1,669)	(434)	(11,028)
Sub-total	3,589	(974)	23,707
Interest and dividends received	431	392	2,852
Interest paid	53	(10)	351
Income taxes paid	(905)	(537)	(5,979)
Net cash provided by (used in) operating activities	3,169	(1,129)	20,931
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,219)	(1,914)	(8,052)
Proceeds from sales of property, plant and equipment	326	718	2,157
Purchase of intangible assets	(438)	(459)	(2,897)
Purchase of investment securities	—	(99)	—
Proceeds from sales of investment securities	375	367	2,477
Payments into time deposits	(1,086)	(342)	(7,178)
Proceeds from withdrawal of time deposits	54	345	359
Purchase of shares of subsidiaries	—	(500)	—
Other, net	(0)	—	(0)
Net cash provided by (used in) investing activities	(1,988)	(1,884)	(13,135)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	783	(563)	5,176
Payments for finance lease obligations	—	(2)	—
Proceeds from sale of treasury stock	84	3	556
Purchase of treasury shares	(72)	(0)	(476)
Dividends paid	(1,921)	(1,601)	(12,689)
Dividends paid to non-controlling interests	—	(2)	—
Net cash provided by (used in) financing activities	(1,125)	(2,166)	(7,433)
Effect of exchange rate change on cash and cash equivalents	1,681	659	11,103
Net increase (decrease) in cash and cash equivalents	1,736	(4,521)	11,466
Cash and cash equivalents at beginning of period	30,508	35,030	201,511
Cash and cash equivalents at end of period (Note 4)	¥32,244	¥30,508	\$212,978

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of AIDA ENGINEERING, LTD. ("AIDA") and its consolidated subsidiaries (collectively, "the Companies") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure

requirements from International Financial Reporting Standards (IFRS). Certain items presented in the consolidated financial statements filed with the Director of the Kanto Finance Bureau in Japan have been reclassified and rearranged for the convenience of readers outside Japan. Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

The accompanying consolidated financial statements include the accounts of AIDA and any significant companies controlled directly or indirectly by AIDA. The number of consolidated subsidiaries was 20 in 2024 and 20 in 2023. Significant consolidated subsidiaries as of March 31, 2024 are as follows:

- Domestic:
REJ Co., LTD.
- Overseas:
 - CHINA
AIDA ENGINEERING CHINA CO., LTD.
AIDA PRESS MACHINERY SYSTEMS CO., LTD.
 - ASIA
AIDA GREATER ASIA PTE. LTD.
AIDA ENGINEERING (M) SDN. BHD.
AIDA MANUFACTURING (ASIA) SDN. BHD.
 - AMERICAS
AIDA AMERICA CORP.
 - EUROPE
AIDA S.r.l.

(Remark)

All significant inter-company transactions, balances, and unrealized inter-company profits are eliminated on consolidation.

For consolidation purposes, the financial statements of those subsidiaries whose fiscal year-end date is December 31 have been included in consolidation on the basis of a full year provisional closing of accounts as of March 31.

(2) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to be withdrawn on demand and short-term highly liquid investments with an original maturity of three months or less and which represent a minor risk of fluctuations in value.

(3) Inventories

Finished goods and work in process are principally stated at the lower of cost or net realizable value determined by using the specific identification method. Raw materials are principally stated at the lower of cost or net realizable value determined by using the first-in first-out (FIFO) method.

(4) Investment securities

Other securities with market price are reported at the fair value at the balance sheet date, and the related unrealized gains or losses, net of applicable tax effects thereon, are reported in a separate component of net assets. The cost of securities sold is determined by the moving average method.

Other securities with no market price are stated at the cost determined by the moving average method.

(5) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognized as either assets or liabilities at fair value, and changes in fair value are recognized as gains or losses unless the derivative financial instruments are used for hedging purposes. If the derivative financial instruments meet certain hedging criteria, the gains or losses are deferred as deferred hedge gains and losses in net assets until the gains and losses on the underlying hedged transactions are recognized. The Companies enter into exchange contracts to hedge the foreign exchange fluctuation risks on expected foreign currency transactions in accordance with the internal policies and rules relating to derivative transactions. Hedge effectiveness is not assessed as the substantial terms and conditions of the hedging instruments and the expected foreign currency transactions are the same.

(6) Property, plant and equipment

Property, plant and equipment, including significant renewals and improvements, are carried at cost. Maintenance and repairs including minor renewals and improvements are charged to the consolidated statement of income as incurred. Depreciation of property, plant and equipment in the Companies is mainly calculated by applying the straight-line method.

(7) Intangible assets

Intangible assets including capitalized software costs are carried at cost less accumulated amortization. Capitalized software costs are amortized under the straight-line method over the estimated useful life of 5 years.

(8) Leases

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. The finance lease transactions are capitalized to recognize leased assets for financial accounting purposes. All other lease transactions are accounted for as operating leases and related payments are charged to the consolidated statements of income as incurred.

Leased assets under finance lease transactions that do not transfer the ownership to the lessee are depreciated using the straight-line method on the assumption that the useful life is equal to the lease term and the residual value is equal to zero. For leases with a residual value guarantee, the contracted residual value is considered to be the residual value.

(9) Allowance for doubtful accounts

The allowance for doubtful accounts is provided based on the estimated uncollectible amounts for doubtful receivables in addition to the general provision for normal receivables computed by applying the rate computed based on past credit loss experience.

(10) Accrued warranty costs

Accrued warranty costs are provided in the amount of estimated future warranty costs to be incurred in the period covered by the warranty contract.

(11) Accrued bonuses for employees

Accrued bonuses for employees are provided based on the estimated amounts expected to be paid to employees after the year-end.

(12) Accrued bonuses for directors

Accrued bonuses for directors are provided based on the estimated amounts expected to be paid to directors after the year-end.

(13) Provision for loss on orders received

Provision for loss on orders received is provided based on the estimated future losses related to order contracts at the end of the fiscal year.

Provision for loss on orders received included in the cost of sales amounted to ¥869 million (U.S. \$5,742 thousand) and ¥763 million for the years ended March 31, 2024 and 2023, respectively.

(14) Accrued stock payments

Accrued stock payments are provided in the amount of estimated future payments of treasury stock and money for employees based on the employee stock benefit regulations and for directors based on the officer stock benefit regulations.

(15) Accounting method for retirement benefits

(a) Attribution of expected retirement benefit payments

In calculating retirement benefit obligations, the benefit formula method is used to allocate the expected retirement benefit payments up to fiscal year-end.

(b) Actuarial gains and losses and prior service cost

Actuarial gains and losses are being amortized by the straight-line method over certain periods of 10 years, which are within the average remaining years of service of the employees at the time.

The amounts are recognized in each fiscal year, starting from the year following the respective fiscal year of occurrence.

Prior service cost is expensed in the period of occurrence.

(c) Certain consolidated subsidiaries use a simplified method for calculating retirement benefit expenses and liabilities based on the assumption that the benefits payable, which are calculated as if all eligible employees voluntarily terminated their employment at fiscal year-end, approximate the retirement benefit obligation at year-end.

(16) Research and development costs

Research and development costs are expensed as incurred.

(17) Recognition of significant sales and cost of sales

(a) Performance obligations

The Companies are engaged in the manufacturing and sales of presses and their ancillary equipment and auxiliary business such as services.

Customers are mainly suppliers in the automobile, home appliances and electronic devices industries.

(b) When the entity typically satisfies its performance obligations

For sales of presses and ancillary equipment, revenue is recognized at the point in time when product installation or performance testing is completed.

For services such as periodic checks, maintenance, repair and other services, revenue is recognized when a provision of the service is completed and performance obligation is satisfied.

For sales of service parts, revenue is recognized when the customers accept the goods. Conditions for acceptance, such as shipping and receipt by customers depend on contracts or arrangements with customers and the like.

The Companies manufacture and sell certain specialized presses and ancillary equipment. Each product is highly customized and it takes a certain period to complete construction because it is necessary to satisfy the specifications required by each customer, especially for mid-size and large-size presses.

In such cases, the Companies' performance does not create an asset with an alternative use to the Companies and the Companies have an enforceable right to payment for performance completed to date. Therefore, the Companies recognize revenue as the Companies satisfy a performance obligation, and revenue and cost of the construction contract in the current fiscal year are recognized in the consolidated statements of income provided that the Companies can reliably estimate contract revenue, contract cost, and percentage of completion at the end of the fiscal year. The percentage of completion at the end of the fiscal year is calculated based on the portion of actual costs incurred to total estimated contract costs.

(c) Other notes and other items on revenue recognition determined to be included in significant accounting policies. The transaction price does not include a significant financing component in the contract because the payment is made within one year from the time of satisfaction of the performance obligations.

(18) Group Tax Sharing System

AIDA and certain domestic subsidiary apply the group tax sharing system.

(19) Significant accounting estimates

Revenue recognition for construction contracts for which the performance obligations are satisfied over time

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Net sales of construction contracts for which the performance obligations are satisfied over time	¥21,535 30%	¥24,792 36%	\$142,244
Contract assets related to the above	¥ 5,305	¥ 7,948	\$ 35,042

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method

The Companies manufacture and sell presses and ancillary equipment. Each product is highly customized and it takes a certain period to complete construction because it is necessary to satisfy the specifications required by each customer, especially for mid-size and large-size presses. In recognition of revenue for long-term construction contracts for which the performance obligations are satisfied over time, the revenue is recognized over a certain period based on the percentage of satisfaction of performance obligations. The estimate of the percentage of satisfaction of performance obligation is based on the ratio of construction costs incurred through the end of the period to the total estimated construction costs of each contract.

(b) Main assumptions

The Companies make assumptions in calculating revenue for which the performance obligations are satisfied over time about the total estimated contract costs. Each construction project is highly customized because the products are installed as a part of the customer's production line and the fundamental specifications and manufacturing steps are determined based on the customer's instructions. Therefore, it is difficult to set a standard criterion to estimate contract costs. Assumptions and judgments by responsible persons in the Cost Control Department who have expertise and experience are required in estimating inherently uncertain contract costs. The timely and appropriate review of contract costs is complex due to changes in the content of the contract and fluctuation of material price and man-hours during construction.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year

Uncertainty in estimating contract costs is high. Profit or loss recognition can significantly affect the consolidated financial statements if conditions and assumptions are changed due to higher-than-expected material prices and man-hours, and so on.

Impairment of fixed assets of AIDA PRESS MACHINERY SYSTEMS CO., LTD.

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Loss on impairment	¥ —	¥ —	\$ —
Carrying amount of property, plant and equipment, and intangible assets	1,058	1,048	6,993

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method

The Companies assess whether any asset (group) is impaired whenever any events or circumstances indicate that impairment might exist by comparing the future net undiscounted cash flows expected to be generated from the asset (group) to the carrying amount. The Companies reduce the carrying amount to the recoverable amount and recognize a loss on impairment when the net undiscounted cash flows in the future are less than the carrying amount. The recoverable amount is calculated at the higher value in use or net realizable value.

AIDA PRESS MACHINERY SYSTEMS CO., LTD. is identified as one asset group and the recoverable amount of the asset is based on the value in use in calculating loss on impairment. The value in use is the net discounted cash flows in the future based on the business plan approved by a Board of Directors meeting.

(b) Main assumptions

The Companies make assumptions in calculating the net cash flows in the future about expected order intakes, gross margin rate, and market growth rate of main products in the business plan and discount rate.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year

Uncertainty in estimating the market growth rate and gross margin rate of main products is high. Loss on impairment of assets could be recognized that could significantly affect the consolidated financial statements if conditions and assumptions are changed due to market deterioration, the decline in profitability, and so on.

Recoverability of deferred tax assets

(1) Amount recognized in the consolidated financial statements as of and for the current fiscal year

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Deferred tax assets	¥2,440	¥1,981	\$16,116
(Amount after deducting deferred tax liabilities)	385	268	2,545

Of the above, the deferred tax assets recorded by AIDA are ¥1,346 million (U.S. \$8,894 thousand) (55% of the total).

(2) Other information for users to understand the consolidated financial statements

(a) Calculation method

The Company recognizes deferred tax assets to the extent of deductible temporary differences that are determined to be recoverable in accordance with "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26). The recoverability is based on the earnings forecast and tax planning based on the business plan approved by a Board of Directors meeting.

(b) Main assumptions

The Companies make assumptions in calculating the taxable income in the future about expected order intakes and gross margin rate of main products in the business plan.

(c) Risk of resulting in a material adjustment to the consolidated financial statements within the next fiscal year

There is uncertainty in estimating order intakes and the gross margin rate of the main product. Deferred tax assets could be additionally recognized or reserved and could significantly affect the consolidated financial statements if conditions and assumptions are changed due to market deterioration, the decline in profitability, and so on.

(20) Accounting standards issued but not yet effective

- "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022)
- "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022)
- "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022)

(1) Outline

This stipulates the classification of income taxes when applied to other comprehensive income and the treatment of tax effects related to the sale of shares in subsidiaries when the group tax sharing system is applied.

(2) Expected Application Date

Scheduled to be introduced at the beginning of the fiscal year ending March 31, 2025.

(3) Effect of Applying the Accounting Standard

The impact is being evaluated at the time of preparation of these consolidated financial statements.

(21) Additional information

Employee Stock Ownership Plan (ESOP) Trust (Retirement benefits type)

Since December 2010, AIDA and certain domestic subsidiaries have operated an ESOP trust as an employee incentive plan with the aim of improving long-term corporate value.

(a) Transaction summary

In this transaction, employees are granted points as a form of bonus payment, and they will receive AIDA's shares depending on the number of accumulated points when they retire.

(b) Company's own stock in the trust

AIDA's own stock in the trust is recorded in treasury stock under net assets based on the book value in the trust. The book value and the number of shares of treasury stock as of March 31, 2024 are ¥933 million (U.S. \$6,165 thousand) and 3,252,500 shares, respectively.

Employee Stock Ownership Plan (ESOP) Trust (Performance-linked type)

Since March 2022, AIDA and certain domestic subsidiaries have operated an ESOP trust as an employee incentive plan with the aim of improving long-term corporate value.

(a) Transaction summary

In this transaction, employees are granted points as a form of bonus payment, and they will receive AIDA's shares depending on the number of accumulated points after a certain time period.

(b) Company's own stock in the trust

AIDA's own stock in the trust is recorded in treasury stock under net assets based on the book value in the trust. The book value and the number of shares of treasury stock as of March 31, 2024 are ¥940 million (U.S. \$6,209 thousand) and 887,672 shares, respectively.

Board Benefit Trust (BBT)

Since October 2017, AIDA has introduced a BBT for the purpose of raising awareness of contributing to the improvement of medium- to long-term business results and increasing corporate value by further clarifying the link between the compensation of directors (excluding outside directors; "Directors") and AIDA's share value, and by Directors sharing with shareholders not only the benefits of share price rises but also the risks of share price declines based on the resolution of the General Shareholders' Meeting held on June 19, 2017.

(a) Transaction summary

In this transaction, Directors are granted points, the amount of which is to be decided by their respective positions and so on, based on the officer stock benefit regulations, and they will receive AIDA's shares and cash depending on the number of accumulated points when they retire.

(b) Company's own stock in the trust

AIDA's own stock in the trust is recorded in treasury stock under net assets based on the book value in the trust. The book value and the number of shares of treasury stock as of March 31, 2024 are ¥216 million (U.S. \$1,429 thousand) and 242,500 shares, respectively.

3. U.S. DOLLAR AMOUNTS

The U.S. dollar amounts stated in the consolidated financial statements are included solely for the convenience of readers outside Japan. The rate of ¥151.40 = U.S. \$1, the approximate rate of exchange as of March 31, 2024, has been used for the

purpose of such translation. Those translations should not be construed as representations that the Japanese yen amounts actually represent, or have been, or could be converted into U.S. dollars at that rate.

4. SUPPLEMENTARY CASH FLOW INFORMATION: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are reconciled to cash on hand and at banks reported in the consolidated balance sheets as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Cash on hand and at banks	¥33,316	¥30,510	\$220,056
Less: Time deposits with maturities of more than three months	(1,071)	(1)	(7,077)
Cash and cash equivalents	¥32,244	¥30,508	\$212,978

5. MATURED NOTES AT THE END OF THE FISCAL YEAR

Matured notes at the end of the fiscal year and trade and electronically recorded obligations – operating are settled on the clearing dates or settlement dates. As the last day of the current fiscal year was a business holiday for financial institutions in Japan, the following matured notes at the end of the fiscal year, electronically recorded monetary claims – operating, accounts receivable – other and electronically recorded obligations – operating have been included in the balance as of the end of the fiscal year.

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Notes and accounts receivable – trade	¥ 36	¥—	\$ 241
Electronically recorded monetary claims – operating	209	—	1,380
Accounts receivable – other	281	—	1,858
Electronically recorded obligations – operating	¥740	¥—	\$4,889

6. INVENTORIES

“Inventories” on the consolidated balance sheets were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Finished goods	¥ 5,538	¥ 4,387	\$ 36,578
Work in process	21,078	17,022	139,222
Raw materials	4,675	4,456	30,879
Inventories	¥31,291	¥25,867	\$206,681

Inventories were offset by a corresponding provision for loss on orders received. A breakdown of the offset amounts is as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Work in process	¥10	¥5	\$71
Total	¥10	¥5	\$71

Losses recognized and charged to cost of sales as a result of the devaluation of inventories for the year ended March 31, 2024 were ¥112 million (U.S. \$745 thousand).

Gains recognized and credited to cost of sales as a result of reversal of loss on devaluation of inventories for the year ended March 31, 2023 were ¥122 million.

7. FINANCIAL INSTRUMENTS

(1) Status of Financial Instruments

(a) Policy for financial instruments

Fund management is restricted to short-term deposits at banks; financing activities of the Companies are mainly through borrowings from financial institutions. Derivatives are not used for speculative transactions but are used in order to hedge the risks described below.

(b) Types of financial instruments and related risks

Operating receivables (notes and accounts receivable – trade and contract assets, electronically recorded monetary claims – operating and accounts receivable – other) are exposed to customer credit risks. In addition, operating receivables in foreign currencies through global business activities are exposed to foreign exchange fluctuation risks. The Companies hedge such risks by utilizing forward exchange contracts.

Investment securities mainly consist of stocks and are exposed to price fluctuation risks.

Operating payables (accounts payable – trade and electronically recorded obligations – operating) are to be settled within 6 months. Some operating payables in foreign currencies through imports such as raw materials are exposed to foreign exchange fluctuation risks. The Companies hedge these risks by utilizing forward exchange contracts.

The main purpose of borrowings is to fund capital investment and research and development, and the repayment periods are within 5 years at most.

Derivatives include forward exchange contracts to hedge foreign exchange fluctuation risks arising from expected foreign currency transactions.

(c) Risk management for financial instruments

1) Monitoring of credit risk (risk of default by counterparties)
For operating receivables, AIDA's sales and service departments monitor account balances and payment schedules periodically by individual customers in accordance with the accounts receivable policies and identify and mitigate the default risk of customers at an early stage. The consolidated subsidiaries monitor credit risks in the same way in accordance with the policies.

Derivative transactions are conducted only with financial institutions with a high credit profile to minimize counterparty risks.

At the balance sheet date, the maximum credit risk is reported at the balance sheets amount of financial instruments exposed to credit risk.

2) Monitoring of market risk (risk of fluctuation in foreign exchange or market price)

The Companies hedge the foreign exchange fluctuation risks on expected foreign currency transactions by utilizing forward exchange contracts in accordance with the internal policies and rules relating to derivative transactions.

For investment securities, the Companies monitor the fair values of such investment securities and financial conditions of issuers regularly.

(d) Supplementary information on the fair value of financial instruments

Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair values. In addition, the notional amounts of derivatives in Note 8, Derivative Financial Instruments, are not necessarily indicative of the actual market risk involved in derivative transactions.

(2) Information regarding fair value of financial instruments

Carrying value of financial instruments on the consolidated balance sheets and fair value are as follows:

As of March 31, 2024	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Investment securities						
Other securities	¥10,850	¥10,850	¥—	\$71,665	\$71,665	\$—
Total assets	¥10,850	¥10,850	¥—	\$71,665	\$71,665	\$—
Long-term borrowings and current portion of long-term borrowings	¥ 1,500	¥ 1,492	¥ (7)	\$ 9,907	\$ 9,858	\$(49)
Total liabilities	¥ 1,500	¥ 1,492	¥ (7)	\$ 9,907	\$ 9,858	\$(49)
Derivative transactions which are not subject to hedge accounting*3	¥ (750)	¥ (750)	¥—	\$ (4,955)	\$ (4,955)	\$—
Derivative transactions which are subject to hedge accounting*3	(841)	(841)	—	(5,558)	(5,558)	—

*1 “Cash on hand and at banks,” “Notes and accounts receivable – trade and contract assets,” “Electronically recorded monetary claims – operating,” “Accounts receivable – other,” “Accounts payable – trade,” “Electronically recorded obligations – operating,” “Accounts payable – other,” and “Short-term borrowings” are omitted because they are cash or are settled within a short time and the fair value is almost equal to the carrying value.

*2 The amounts of non-marketable securities are recorded in the consolidated balance sheets as follows.

As of March 31, 2024	Millions of yen	Thousands of U.S. dollars
	Carrying value	Carrying value
Other securities		
Unlisted stocks	¥346	\$2,288

*3 The assets and liabilities arising from derivative transactions are presented at net amounts.

As of March 31, 2023	Millions of yen		
	Carrying value	Fair value	Difference
Investment securities			
Other securities	¥8,840	¥8,840	¥—
Total assets	¥8,840	¥8,840	¥—
Long-term borrowings	¥1,500	¥1,496	¥(3)
Total liabilities	¥1,500	¥1,496	¥(3)
Derivative transactions which are not subject to hedge accounting*3	¥(308)	¥(308)	¥—
Derivative transactions which are subject to hedge accounting*3	(296)	(296)	—

*1 "Cash on hand and at banks," "Notes and accounts receivable – trade and contract assets," "Electronically recorded monetary claims – operating," "Accounts receivable – other," "Accounts payable – trade," "Electronically recorded obligations – operating," "Accounts payable – other," and "Short-term borrowings" are omitted because they are cash or are settled within a short time and the fair value is almost equal to the carrying value.

*2 The amounts of non-marketable securities are recorded in the consolidated balance sheets as follows.

As of March 31, 2023	Millions of yen
	Carrying value
Other securities	
Unlisted stocks	¥346

*3 The assets and liabilities arising from derivative transactions is presented at net amounts.

Remark 1: The redemption schedule for monetary claims or securities with maturities was as follows.

As of March 31, 2024	Millions of yen				As of March 31, 2024	Thousands of U.S. dollars			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years		Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥33,284	¥—	¥—	¥—	Cash at banks	\$219,846	\$—	\$—	\$—
Notes and accounts receivable – trade and contract assets	19,006	—	—	—	Notes and accounts receivable – trade and contract assets	125,538	—	—	—
Electronically recorded monetary claims – operating	1,390	—	—	—	Electronically recorded monetary claims – operating	9,186	—	—	—
Accounts receivable – other	1,174	—	—	—	Accounts receivable – other	7,756	—	—	—
Total	¥54,856	¥—	¥—	¥—	Total	\$362,328	\$—	\$—	\$—

As of March 31, 2023	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥30,490	¥—	¥—	¥—
Notes and accounts receivable – trade and contract assets	22,506	—	—	—
Electronically recorded monetary claims – operating	1,018	—	—	—
Accounts receivable – other	526	—	—	—
Total	¥54,542	¥—	¥—	¥—

Remark 2: The repayment schedule for borrowings was as follows.

As of March 31, 2024	Millions of yen					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term borrowings	¥1,469	¥—	¥—	¥—	¥—	¥—
Long-term borrowings and current portion of long-term borrowings	500	500	—	—	500	—
Total	¥1,969	¥500	¥—	¥—	¥500	¥—

As of March 31, 2024	Thousands of U.S. dollars					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term borrowings	\$ 9,706	\$ —	\$—	\$—	\$ —	\$—
Long-term borrowings and current portion of long-term borrowings	3,302	3,302	—	—	3,302	—
Total	\$13,008	\$3,302	\$—	\$—	\$3,302	\$—

As of March 31, 2023	Millions of yen					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term borrowings	¥ 582	¥ —	¥ —	¥—	¥—	¥—
Long-term borrowings and current portion of long-term borrowings	500	500	500	—	—	—
Total	¥1,082	¥500	¥500	¥—	¥—	¥—

(3) Fair value of financial instruments by levels

The fair value of financial instruments is classified into the following levels according to the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value derived from quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value derived from directly or indirectly observable inputs that are not included in Level 1 inputs.

Level 3: Fair value derived from unobservable inputs.

When multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified at the lowest priority level.

(a) Financial instruments recorded at fair value in the consolidated balance sheets

As of March 31, 2024	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	¥10,850	¥ —	¥—	¥10,850
Total assets	¥10,850	¥ —	¥—	¥10,850
Derivative transactions				
Currency-related transactions	¥ —	¥(1,591)	¥—	¥(1,591)
Total liabilities	¥ —	¥(1,591)	¥—	¥(1,591)

As of March 31, 2024	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	\$71,665	\$ —	\$—	\$ 71,665
Total assets	\$71,665	\$ —	\$—	\$ 71,665
Derivative transactions				
Currency-related transactions	\$ —	\$(10,514)	\$—	\$(10,514)
Total liabilities	\$ —	\$(10,514)	\$—	\$(10,514)

As of March 31, 2023	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	¥8,840	¥ —	¥—	¥8,840
Total assets	¥8,840	¥ —	¥—	¥8,840
Derivative transactions				
Currency-related transactions	¥ —	¥(605)	¥—	¥(605)
Total liabilities	¥ —	¥(605)	¥—	¥(605)

(b) Financial instruments not recorded at fair value in the consolidated balance sheets

As of March 31, 2024	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	¥—	¥1,492	¥—	¥1,492
Total assets	¥—	¥1,492	¥—	¥1,492

As of March 31, 2024	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	\$—	\$9,858	\$—	\$9,858
Total assets	\$—	\$9,858	\$—	\$9,858

As of March 31, 2023	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings and current portion of long-term borrowings	¥—	¥1,496	¥—	¥1,496
Total assets	¥—	¥1,496	¥—	¥1,496

Remark: Valuation techniques and inputs of fair value for financial instruments

Derivative Transactions

The fair value is calculated using observable inputs such as exchange rates and is classified as Level 2 fair value.

Long-term borrowings and current portion of long-term borrowings

The fair value is calculated using the discounted present value method based on the total principal amount and an interest rate that takes into account the remaining term of the debt and credit risk, and is classified as Level 2 fair value.

8. INVESTMENT SECURITIES

(1) The carrying value and acquisition cost of other securities with market values were as follows:

As of March 31, 2024	Millions of yen			Thousands of U.S. dollars			
	Types of securities	Carrying value	Acquisition cost	Unrealized gains (losses)	Carrying value	Acquisition cost	Unrealized gains (losses)
Carrying value exceeds acquisition cost:							
Stocks	¥10,565	¥2,671	¥7,893	\$69,782	\$17,646	\$52,136	
Sub-total	10,565	2,671	7,893	69,782	17,646	52,136	
Carrying value does not exceed acquisition cost:							
Stocks	285	353	(68)	1,882	2,332	(449)	
Sub-total	285	353	(68)	1,882	2,332	(449)	
Total	¥10,850	¥3,024	¥7,825	\$71,665	\$19,978	\$51,686	

As of March 31, 2023	Millions of yen		
	Types of securities	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥8,324	¥2,401	¥5,923
Sub-total	8,324	2,401	5,923
Carrying value does not exceed acquisition cost:			
Stocks	515	653	(137)
Sub-total	515	653	(137)
Total	¥8,840	¥3,054	¥5,785

(2) Sales of other securities were as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total sales amounts	¥375	¥367	\$2,477
Gains on sales	345	146	2,280

9. DERIVATIVE FINANCIAL INSTRUMENTS

Fair value information on the derivatives outstanding is summarized in the following tables:

As of March 31, 2024

(1) Derivative transactions (hedge accounting not applied)
Currency-related transactions (non-market transactions)

	Millions of yen				Thousands of U.S. dollars			
	Contract value		Fair value	Unrealized gain (loss)	Contract value		Fair value	Unrealized gain (loss)
	Contract value total	Over 1 year			Contract value total	Over 1 year		
Forward exchange transactions:								
Sell —								
USD	¥ 879	¥ 14	¥(111)	¥(111)	\$ 5,812	\$ 98	\$ (733)	\$ (733)
EUR	7,759	607	(620)	(620)	51,252	4,014	(4,097)	(4,097)
CNY	191	—	(18)	(18)	1,263	—	(124)	(124)
Total	¥8,830	¥622	¥(750)	¥(750)	\$58,327	\$4,112	\$(4,955)	\$(4,955)

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions (Deferred hedge accounting method)

	Main hedged item	Millions of yen			Thousands of U.S. dollars		
		Contract value		Fair value	Contract value		Fair value
		Contract value total	Over 1 year		Contract value total	Over 1 year	
Forward exchange transactions:							
Sell —							
USD		¥3,715	¥1,605	¥(279)	\$24,540	\$10,607	\$(1,847)
EUR		3,714	1,726	(440)	24,532	11,403	(2,908)
JPY	Expected foreign currency transactions	61	—	10	404	—	69
CNY		1,332	260	(110)	8,799	1,718	(729)
Buy —							
USD		36	—	5	241	—	39
EUR		17	—	(0)	117	—	(3)
JPY		343	16	(27)	2,272	105	(179)
Total		¥9,221	¥3,608	¥(841)	\$60,907	\$23,834	\$(5,558)

As of March 31, 2023

(1) Derivative transactions (hedge accounting not applied)
Currency-related transactions (non-market transactions)

	Millions of yen			
	Contract value		Fair value	Unrealized gain (loss)
	Contract value total	Over 1 year		
Forward exchange transactions:				
Sell —				
USD	¥ 117	¥ —	¥ (20)	¥ (20)
EUR	5,847	480	(288)	(288)
CNY	307	—	(3)	(3)
Buy —				
USD	0	—	(0)	(0)
EUR	165	—	4	4
Total	¥6,438	¥480	¥(308)	¥(308)

(2) Derivative transactions (hedge accounting applied)
 Currency-related transactions (Deferred hedge accounting method)

	Main hedged item	Millions of yen		
		Contract value total	Over 1 year	Fair value
Forward exchange transactions:				
Sell —				
USD		¥ 5,066	¥ 728	¥(216)
EUR		3,670	2,625	(114)
JPY	Expected foreign	244	53	10
CNY	currency transactions	921	537	2
Buy —				
USD		248	—	(14)
EUR		1,105	—	33
JPY		135	33	1
Total		¥11,392	¥3,978	¥(296)

10. BORROWINGS

Short-term borrowings and long-term borrowings are as follows:

As of March 31, 2024	Millions of yen	Weighted average interest rate	Repayment dates	Thousands of U.S. dollars
Short-term borrowings	¥1,469	4.85%	—	\$ 9,706
Current portion of long-term borrowings	500	0.59%	—	3,302
Long-term borrowings	1,000	0.87%	December 15, 2025 and March 30, 2029	6,605
Total	¥2,969	—%	—	\$19,613

As of March 31, 2023	Millions of yen	Weighted average interest rate	Repayment dates
Short-term borrowings	¥ 582	4.13%	September 22, 2023
Current portion of long-term borrowings	500	0.68%	March 29, 2024
Long-term borrowings	1,000	0.59%	March 19, and December 15, 2025
Total	¥2,082	—%	—

Repayment schedules for long-term borrowings as of March 31, 2024 are as follows:

As of March 31	Millions of yen	Thousands of U.S. dollars
2025	¥500	\$3,302
2026	500	3,302
2027	—	—
2028	—	—
2029	500	3,302

11. RETIREMENT BENEFITS FOR EMPLOYEES

AIDA and a certain domestic consolidated subsidiary have a cash balance plan as a defined benefit pension plan and a defined contribution pension plan. A certain consolidated subsidiary has a lump-sum payment plan and uses a simplified method for calculating retirement benefit expenses and liabilities.

Certain overseas consolidated subsidiaries have a defined benefit pension plan and a defined contribution pension plan.

(1) Defined benefit pension plan
 (a) Changes in retirement benefit obligation

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Balance at the beginning of the year	¥4,901	¥4,830	\$32,377
Service cost	256	251	1,691
Interest cost	29	27	197
Actuarial gain and loss	11	24	74
Retirement benefits paid	(441)	(237)	(2,915)
Others	12	5	79
Balance at the end of the year	¥4,769	¥4,901	\$31,505

*Retirement benefit expenses of the certain consolidated subsidiary that uses a simplified method are included in "Service cost."

(b) Changes in plan assets

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Plan assets at the beginning of the year	¥4,083	¥4,195	\$26,969
Expected return on plan assets	81	83	539
Actuarial gain and loss	22	(190)	146
Contributions by the Company	129	125	854
Retirement benefits paid	(252)	(131)	(1,666)
Plan assets at the end of the year	¥4,064	¥4,083	\$26,843

(c) Funded status of the plans and the amounts recognized in the consolidated balance sheets for the Companies' defined benefit plans

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Funded retirement benefit obligation	¥ 3,386	¥ 3,450	\$ 22,367
Plan assets at fair value	(4,064)	(4,083)	(26,843)
	(677)	(633)	(4,476)
Unfunded retirement benefit obligation	1,383	1,451	9,138
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	¥ 705	¥ 818	\$ 4,661
Retirement benefit liability	¥ 1,383	¥ 1,451	\$ 9,138
Retirement benefit asset	(677)	(633)	(4,476)
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheet	¥ 705	¥ 818	\$ 4,661

Remark: The above table includes plans accounted for using the simplified method.

(d) Components of retirement benefit expenses

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Service cost	¥256	¥251	\$1,691
Interest cost	29	27	197
Expected return on plan assets	(81)	(83)	(539)
Amortization of actuarial gain and loss	(35)	(99)	(237)
Retirement benefit expenses	¥168	¥ 95	\$1,113

*Retirement benefit expenses of the certain consolidated subsidiary that uses a simplified method are included in "Service cost."

(e) Components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect)

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Actuarial gain and loss	¥(24)	¥(314)	\$ (164)
Total	¥(24)	¥(314)	\$ (164)

(f) Components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect)

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Unrecognized actuarial loss	¥213	¥188	\$1,408
Total	¥213	¥188	\$1,408

(g) Fair value of plan assets by major category, as a percentage of total plan assets

As of March 31	2024	2023
	Bonds	36.1%
Stocks	27.5%	25.3%
General accounts	25.7%	26.8%
Others	10.7%	14.9%
Total	100.0%	100.0%

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

(h) Actuarial assumptions used in the calculation for defined benefit pension plan

As of March 31	2024	2023
Discount rate	Mainly 0.7%	Mainly 0.7%
Expected rate of return on plan assets	Mainly 2.0%	Mainly 2.0%
Expected rate of salary increase	Mainly 2.9%	Mainly 2.9%

Remark: The above table is indicated as a weighted average.

(2) Defined contribution pension plan

The contributions to the defined contribution plan of the Companies for the years ended March 31, 2024 and 2023 were ¥199 million (U.S. \$1,316 thousand) and ¥184 million, respectively.

12. NET ASSETS

Information regarding changes in net assets was as follows:

(1) Shares issued and outstanding / Treasury stock

During the year ended March 31, 2024

Types of shares	Number of shares at April 1, 2023	Increase	Decrease	Number of shares at March 31, 2024
	Shares issued:			
Common stock	69,448,421	—	—	69,448,421
Treasury stock:				
Common stock (Remarks 1, 2 and 3)	9,736,558	85,164	122,476	9,699,246

Remarks: 1. Details of the increase are as follows:
 Increase due to the purchase of shares of less than standard unit564
 Increase due to purchase of shares by BBT84,600
 2. Details of the decrease are as follows:
 Decrease due to the grant of shares from ESOP trust37,876
 Decrease due to disposition of treasury stock by third-party allocation84,600
 3. The number of shares of treasury stock held by Trust Account E as of April 1, 2023 and March 31, 2024 includes 4,335,948 shares and 4,382,672 shares, respectively.

During the year ended March 31, 2023

Types of shares	Number of shares at April 1, 2022	Increase	Decrease	Number of shares at March 31, 2023
	Shares issued:			
Common stock	69,448,421	—	—	69,448,421
Treasury stock:				
Common stock (Remarks 1, 2 and 3)	9,748,838	472	12,752	9,736,558

Remarks: 1. Details of the increase are as follows:
 Increase due to the purchase of shares of less than standard unit472
 2. Details of the decrease are as follows:
 Decrease due to the grant of shares from ESOP trust (Retirement benefits type)12,752
 3. The number of shares of treasury stock held by Trust Account E as of April 1, 2022 and March 31, 2023 includes 4,348,700 shares and 4,335,948 shares, respectively.

(2) Share subscription rights

During the year ended March 31, 2024

Company	Description	Type of shares issued	Number of shares at April 1, 2023	Increase	Decrease	Number of shares at March 31, 2024	Millions of yen	Thousands of U.S. dollars
							Balance at March 31, 2024	Balance at March 31, 2024
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥91	\$604
	Total	—	—	—	—	—	¥91	\$604

During the year ended March 31, 2023

Company	Description	Type of shares issued	Number of shares at April 1, 2022	Increase	Decrease	Number of shares at March 31, 2023	Millions of yen
							Balance at March 31, 2023
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥91
	Total	—	—	—	—	—	¥91

13. REVENUE RECOGNITION

(1) Information regarding disaggregation of revenue from contracts with customers
 Regarding net sales, revenue from contracts with customers and revenue from other sources are not separately presented. Information regarding disaggregation of revenue from contracts with customers was represented in "22. SEGMENT INFORMATION (3) Information on sales, profit or loss, assets, and other items by reportable segments."

(2) Basic information to understand revenue from contracts with customers
 Basic information to understand revenue from contracts with customers was represented in "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (17) Recognition of significant sales and cost of sales."

(3) Information to understand the amount of revenue in the current and subsequent fiscal years

(a) Contract assets and contract liabilities

For the year ended March 31, 2024	Millions of yen		Thousands of U.S. dollars
	As of April 1, 2023	As of March 31, 2024	As of March 31, 2024
Receivables from contracts with customers			
Trade notes	¥ 329	¥ 498	\$ 3,295
Accounts receivable	14,227	13,202	87,201
Total receivables from contracts with customers	¥14,557	¥13,701	\$90,496
Contract assets	¥ 7,948	¥ 5,305	\$35,042

For the year ended March 31, 2023	Millions of yen	
	As of April 1, 2022	As of March 31, 2023
Receivables from contracts with customers		
Trade notes	¥ 516	¥ 329
Accounts receivable	10,546	14,227
Total receivables from contracts with customers	¥11,062	¥14,557
Contract assets	¥ 6,627	¥ 7,948

Contract assets are the Companies' rights to consideration for performance obligations recognized but not yet billed as of the year-end date for contracts with customers for the manufacture and sale of presses that meet the definition of the performance obligations satisfied over time. Contract assets become receivables from contracts with customers once the Companies' rights to the consideration become unconditional.

Contract liabilities are mainly advance payments received from customers under certain payment terms for contracts with customers for the manufacture and sale of presses. Contract liabilities are reversed upon recognition of revenue.

Of the contract liabilities balance at the beginning of the fiscal year, revenue recognized for the years ended March 31, 2024 and 2023 were ¥11,581 million (U.S. \$76,495 thousand) and ¥11,106 million, respectively.

14. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses are as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Salaries and wages	¥3,303	¥3,148	\$21,818
Provision of allowance for doubtful accounts	9	878	60
Provision for accrued bonuses for employees	441	365	2,914
Retirement benefit expenses	97	75	644

15. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in "Cost of sales" and "Selling, general and administrative expenses" are summarized as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Selling, general and administrative expenses	¥568	¥ 565	\$3,752
Cost of sales	389	511	2,572
Total	¥957	¥1,076	\$6,325

(b) Transaction price allocated to the remaining performance obligations

Of the ¥76,705 million (U.S. \$506,644 thousand) order backlog (remaining performance obligation) as of March 31, 2024, 61.7% will be recognized as revenue within one year, and the remainder is expected to be recognized as revenue within approximately three years.

Of the ¥70,343 million order backlog (remaining performance obligation) as of March 31, 2023, 84.0% will be recognized as revenue within one year, and the remainder is expected to be recognized as revenue within approximately two years.

16. LOSS ON SUSPENSION OR DECREASE OF PRODUCTION

For the year ended March 31, 2024

None applicable

For the year ended March 31, 2023

This extraordinary loss was fixed costs such as personnel expenses for the period during which governments required shutdowns and reductions in operations to prevent the spread of COVID-19 infections.

17. INCOME TAXES

The applicable statutory tax rate in Japan was approximately 30.6% for the years ended March 31, 2024 and 2023.

(1) Reconciliations of the differences between the effective income tax rates and statutory income tax rates are as follows:

Year ended March 31	2024	2023
Statutory income tax rates	30.6%	30.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	2.5%	5.1%
Dividend income	(0.3%)	(1.1%)
Inhabitant taxes per capita	0.5%	1.0%
Difference of tax rates applied to overseas subsidiaries	(3.0%)	(1.6%)
Tax credit	(0.1%)	(3.8%)
Changes in valuation allowance	2.2%	5.8%
Expired net operating loss carryforwards	—%	1.8%
Others	1.3%	(3.7%)
Effective income tax rates	33.7%	34.1%

(2) The major components of deferred tax assets and liabilities are as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Deferred tax assets:			
Loss on write-down of inventories	¥ 1,044	¥ 821	\$ 6,897
Accrued warranty costs	195	169	1,291
Accrued bonuses for employees	298	271	1,974
Depreciation expense	477	516	3,152
Accrued stock payments	185	164	1,225
Long-term accounts payable – other	71	71	474
Tax losses carried forward	1,899	2,259	12,547
Retirement benefit obligation	398	413	2,629
Others	1,840	1,562	12,158
Subtotal deferred tax assets	6,411	6,249	42,350
Valuation allowance for net operating loss carryforwards	(1,873)	(2,231)	(12,372)
Valuation allowance for deductible temporary differences	(2,098)	(2,036)	(13,861)
Less: Valuation allowance	(3,971)	(4,268)	(26,234)
Total deferred tax assets	2,440	1,981	16,116
Deferred tax liabilities:			
Undistributed subsidiaries' earnings	(489)	(393)	(3,233)
Reserve for reduction entry of replaced property	(417)	(422)	(2,755)
Net defined benefit assets	(283)	(285)	(1,872)
Fixed assets	(703)	(662)	(4,648)
Unrealized gains on other securities	(2,374)	(1,786)	(15,685)
Others	(13)	(31)	(87)
Total deferred tax liabilities	(4,281)	(3,582)	(28,282)
Net deferred tax assets (liabilities)	¥(1,841)	¥(1,601)	\$(12,166)

*1 The valuation allowance decreased by ¥296 million (U.S. \$1,959 thousand). The decrease was mainly due to the ¥358 million (U.S. \$2,369 thousand) decrease in valuation allowance related to tax loss carryforwards at consolidated subsidiaries.

*2 A breakdown of net operating loss carryforwards and valuation allowance by expiry date is as follows.

As of March 31, 2024	Millions of yen						
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Net operating loss carryforwards (a)	¥ 46	¥ 33	¥ 37	¥ 57	¥ 31	¥ 1,694	¥ 1,899
Valuation allowance	(46)	(33)	(37)	(57)	(31)	(1,667)	(1,873)
Deferred tax assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 26	¥ 26

As of March 31, 2024	Thousands of U.S. dollars						
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Net operating loss carryforwards (a)	\$ 304	\$ 220	\$ 245	\$ 378	\$ 208	\$ 11,189	\$ 12,547
Valuation allowance	(304)	(220)	(245)	(378)	(208)	(11,014)	(12,372)
Deferred tax assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 174	\$ 174

(a) Net operating loss carryforwards were the amount multiplied by the effective statutory tax rate.

(b) For the net operating loss carryforward of ¥1,899 million (U.S. \$12,547 thousand) (amount multiplied by effective statutory tax rate), deferred tax assets of ¥26 million (U.S. \$174 thousand) have been recorded.

The deferred tax assets of ¥26 million (U.S. \$174 thousand) are for part of the balance of the tax loss carryforward of ¥1,899 million (U.S. \$12,547 thousand) (amount multiplied by

effective statutory tax rate), mainly due to AIDA AMERICA CORP. and AIDA S.r.l.

Net operating loss carryforwards were mainly arising from the recognition of the loss carryforwards by AIDA AMERICA CORP. in the fiscal year ended March 31, 2022 and by AIDA S.r.l. in the fiscal year ended March 31, 2018.

The tax loss carryforward was determined to be recoverable as future taxable income is anticipated, and therefore no corresponding valuation allowance has been recognized.

As of March 31, 2023	Millions of yen						
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years	Total
Net operating loss carryforwards (a)	¥—	¥ 109	¥ 313	¥ 103	¥—	¥ 1,734	¥ 2,259
Valuation allowance	—	(109)	(313)	(100)	—	(1,708)	(2,231)
Deferred tax assets	¥—	¥ —	¥ —	¥ 2	¥—	¥ 25	¥ 27

(a) Net operating loss carryforwards were the amount multiplied by the effective statutory tax rate.

(b) For the net operating loss carryforward of ¥2,259 million (U.S. \$16,921 thousand) (amount multiplied by effective statutory tax rate), deferred tax assets of ¥27 million (U.S. \$208 thousand) have been recorded.

The deferred tax assets of ¥27 million (U.S. \$208 thousand) are for part of the balance of the tax loss carryforward of ¥2,259 million (U.S. \$16,921 thousand) (amount multiplied by effective statutory tax rate), mainly due to AIDA AMERICA CORP. and REJ Co., LTD.

Net operating loss carryforwards arose mainly due to the loss before income taxes of ¥2 million (U.S. \$1,584 thousand) for the fiscal year ended March 31, 2018.

The tax loss carryforward was determined to be recoverable as future taxable income is anticipated, and therefore no corresponding valuation allowance has been recognized.

(3) Application of the group tax sharing system
AIDA and a certain domestic consolidated subsidiary applied the group tax sharing system from the beginning of the fiscal year ended March 31, 2023. As a result, with regard to accounting procedures and disclosure for income tax, local corporation tax and tax effect accounting, "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (Practical Issues Task Force No. 42, August 12, 2021; hereinafter referred to as "PITF No. 42") is applied.

18. LEASES

Description of finance leases is omitted due to its insignificance as of March 31, 2024 and 2023.

A summary of future payments under non-cancellable operating leases is as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Operating leases:			
Due within 1 year	¥106	¥122	\$ 703
Thereafter	119	115	788
Total	¥225	¥237	\$1,492

19. RELATED PARTY TRANSACTIONS

There were no transactions between AIDA and its related companies and individuals for the years ended March 31, 2024 and 2023.

20. PER SHARE INFORMATION

Shares held by the Custody Bank of Japan, Ltd. (Trust Account E) are treated as treasury stock on the consolidated financial statements. As a result, those shares have been excluded from the number of shares to calculate "Average number of shares outstanding during the years" and "Number of shares used for

computing net assets per share" shown below. The number of shares of treasury stock held by the Trust Account E as of April 1, 2023 and March 31, 2024 includes 4,335,948 shares and 4,382,672 shares, respectively.

Calculation of net assets per share and net income per share is as follows:

As of and for the year ended March 31	Yen		U.S. dollars
	2024	2023	2024
Net assets per share*1	¥1,376.26	¥1,305.47	\$9.09
Net income – Basic*2	47.02	21.70	0.31
– Diluted*2	46.95	21.67	0.31

*1 Data used in the calculation of "Net assets per share" are as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total net assets on consolidated balance sheets	¥82,321	¥78,043	\$543,737
Total net assets attributable to shares of common stock	82,230	77,951	543,133
Main differences:			
Stock options	91	91	604
Number of shares outstanding (thousands of shares)	69,448	69,448	—
Number of treasury stock (thousands of shares)	9,699	9,736	—
Number of shares used for computing net assets per share (thousands of shares)	59,749	59,711	—

*2 Data used in the calculation of "Net income – Basic" and "Diluted" are as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Net income	¥ 2,808	¥ 1,295	\$18,548
Net income attributable to shares of common stock	2,808	1,295	18,548
Average number of shares outstanding during the years (thousands of shares)	59,729	59,703	—
Potential increase in common stock for the diluted income calculation (thousands of shares)	86	81	—
Excluded potential increase in common stock for the diluted income calculation due to no dilutive effect (thousands of shares)	10	20	—

21. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Reclassification adjustments and tax effects allocated to each component of other comprehensive income are as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ 2,436	¥(1,036)	\$ 16,095
Reclassification adjustments for gains and losses included in net income	(345)	(146)	(2,280)
Amount before tax effect	2,091	(1,182)	13,814
Tax effect	(639)	361	(4,224)
Valuation difference on available-for-sale securities	1,451	(821)	9,590
Deferred gains or losses on hedges:			
Amount arising during the year	(1,805)	(777)	(11,927)
Reclassification adjustments for gains and losses included in net income	1,309	945	8,649
Amount before tax effect	(496)	168	(3,278)
Tax effect	149	(45)	990
Deferred gains or losses on hedges	(346)	122	(2,288)
Foreign currency translation adjustments:			
Amount arising during the year	3,300	1,696	21,802
Reclassification adjustments for gains and losses included in net income	—	(113)	—
Amount before tax effect	3,300	1,582	21,802
Tax effect	(1,009)	(483)	(6,667)
Foreign currency translation adjustments:	2,291	1,098	15,135
Remeasurements of defined benefit plans:			
Amount arising during the year	11	(215)	73
Reclassification adjustments for gains and losses included in net income	(36)	(99)	(238)
Amount before tax effect	(24)	(314)	(164)
Tax effect	7	96	50
Remeasurements of defined benefit plans	(17)	(218)	(114)
Total other comprehensive income (loss)	¥ 3,379	¥ 181	\$ 22,322

22. SEGMENT INFORMATION

(1) Overview of reportable segments

The reportable segments of the Companies 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 presses and their ancillary equipment and auxiliary business such as services.

AIDA plays a key role in 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

Accounting policies of the segments are substantially the same as those described in “Summary of Significant Accounting Policies.”

Operating income or loss is used as reportable segment profit or loss. Segment transactions are inter-company transactions and based on market prices.

(3) Information on sales, profit or loss, assets, and other items by reportable segments

As of and for the year ended March 31, 2024	Millions of yen						Adjustments*1	Consolidated*2
	Japan	China	Asia	Americas	Europe	Sub total		
Sales								
(1) Sales to third parties								
① Presses	¥13,948	¥10,144	¥ 4,719	¥12,134	¥11,171	¥ 52,118	¥ —	¥ 52,118
② Service	5,470	1,212	2,296	3,305	4,165	16,450	—	16,450
③ Others	4,063	23	55	—	30	4,173	—	4,173
Subtotal	23,483	11,380	7,071	15,439	15,366	72,742	—	72,742
(2) Inter-segment sales	19,420	414	3,764	601	1,139	25,339	(25,339)	—
Total sales	42,904	11,794	10,836	16,041	16,506	98,082	(25,339)	72,742
Segment profit	1,112	797	1,193	397	293	3,794	(178)	3,615
Segment assets	88,194	14,619	13,380	14,679	22,068	152,943	(26,747)	126,195
Others								
Depreciation	1,220	133	225	222	218	2,021	(0)	2,021
Increase in property, plant, equipment and intangible assets	¥ 1,258	¥ 91	¥ 264	¥ 64	¥ 121	¥ 1,800	¥ —	¥ 1,800

As of and for the year ended March 31, 2024	Thousands of U.S. dollars						Adjustments*1	Consolidated*2
	Japan	China	Asia	Americas	Europe	Sub total		
Sales								
(1) Sales to third parties								
① Presses	\$ 92,132	\$67,004	\$31,171	\$ 80,147	\$ 73,789	\$ 344,246	\$ —	\$344,246
② Service	36,133	8,010	15,169	21,833	27,510	108,657	—	108,657
③ Others	26,842	154	369	—	198	27,564	—	27,564
Subtotal	155,108	75,169	46,710	101,981	101,498	480,468	—	480,468
(2) Inter-segment sales	128,274	2,736	24,863	3,969	7,526	167,370	(167,370)	—
Total sales	283,382	77,906	71,574	105,951	109,025	647,839	(167,370)	480,468
Segment profit	7,345	5,270	7,881	2,624	1,938	25,060	(1,181)	23,879
Segment assets	582,527	96,564	88,380	96,958	145,764	1,010,194	(176,669)	833,525
Others								
Depreciation	8,061	882	1,489	1,470	1,446	13,349	(0)	13,349
Increase in property, plant, equipment and intangible assets	\$ 8,315	\$ 602	\$ 1,748	\$ 424	\$ 799	\$ 11,889	\$ —	\$ 11,889

As of and for the year ended March 31, 2023	Millions of yen						Adjustments*1	Consolidated*2
	Japan	China	Asia	Americas	Europe	Sub total		
Sales								
(1) Sales to third parties								
① Presses	¥14,909	¥ 9,190	¥ 4,265	¥12,814	¥ 8,296	¥ 49,476	¥ —	¥ 49,476
② Service	5,383	1,388	1,973	3,529	3,095	15,370	—	15,370
③ Others	3,866	20	27	1	32	3,948	—	3,948
Subtotal	24,160	10,599	6,265	16,345	11,424	68,795	—	68,795
(2) Inter-segment sales	17,487	422	4,410	446	1,440	24,207	(24,207)	—
Total sales	41,648	11,021	10,676	16,792	12,864	93,003	(24,207)	68,795
Segment profit or loss	455	(149)	909	286	227	1,729	(189)	1,540
Segment assets	83,898	14,684	12,489	12,144	16,223	139,441	(23,153)	116,287
Others								
Depreciation	1,118	126	211	193	197	1,846	0	1,847
Increase in property, plant, equipment and intangible assets	¥ 1,938	¥ 65	¥ 587	¥ 62	¥ 148	¥ 2,801	¥ —	¥ 2,801

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

Adjustments of segment profit or loss represent elimination of inter-segment transactions.

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.

(Related Information)

1. Products and service information

This information is omitted because similar information is disclosed in the segment information.

2. Geographical information

(1) Sales

For the year ended March 31, 2024

Millions of yen					Thousands of U.S. dollars				
Japan	U.S.A.	China	Others	Total	Japan	U.S.A.	China	Others	Total
¥21,129	¥11,558	¥13,210	¥26,844	¥72,742	\$139,563	\$76,345	\$87,253	\$177,305	\$480,468

For the year ended March 31, 2023

Millions of yen				
Japan	U.S.A.	China	Others	Total
¥20,952	¥12,764	¥11,623	¥23,455	¥68,795

Remark: Sales are presented based on customer location, and they are classified by country.

(2) Property, plant and equipment

As of March 31, 2024

Millions of yen						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
¥13,658	¥—	¥2,743	¥—	¥—	¥4,487	¥20,889

Thousands of U.S. dollars						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
\$90,217	\$—	\$18,119	\$—	\$—	\$29,641	\$137,978

As of March 31, 2023

Millions of yen						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
¥14,220	¥757	¥2,525	¥1,785	¥1,027	¥698	¥21,015

(Reportable segment information for impairment loss on fixed assets)

For the year ended March 31, 2024

There is no impairment loss on fixed assets.

For the year ended March 31, 2023

(Reportable segment information for amortization and balance of goodwill)

There is no amortization and ending balance of goodwill recorded as of and for the years ended March 31, 2024 and 2023.

(Reportable segment information for gain on bargain purchase)

There is no gain on bargain purchase recorded for the years ended March 31, 2024 and 2023.

23. STOCK OPTIONS

The number of common shares to be granted for stock options is as follows:

Fiscal year	Grantees	Number of common shares granted (shares)	Grant date	Exercise price per share (yen)	Exercise periods
2007	Directors (4)	22,000	September 26, 2007	1	From September 27, 2007 to September 26, 2037
2008	Directors (6)	36,000	September 25, 2008	1	From September 26, 2008 to September 25, 2038
2009	Directors (6)	85,000	September 25, 2009	1	From September 26, 2009 to September 25, 2039
2010	Directors (6)	79,000	September 24, 2010	1	From September 25, 2010 to September 24, 2040
2011	Directors (7)	57,000	September 29, 2011	1	From September 30, 2011 to September 29, 2041
2012	Directors (6)	62,000	November 29, 2012	1	From November 30, 2012 to November 29, 2042
2013	Directors (6)	39,000	September 26, 2013	1	From September 27, 2013 to September 26, 2043
2014	Directors (6)	28,000	September 29, 2014	1	From September 30, 2014 to September 29, 2044
2015	Directors (6)	22,000	September 28, 2015	1	From September 29, 2015 to September 28, 2045
2016	Directors (5)	25,000	September 29, 2016	1	From September 30, 2016 to September 29, 2046

A summary of stock option activity is as follows:

Granted fiscal year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exercise price per share (yen)	1	1	1	1	1	1	1	1	1	1
Average stock price when exercised (yen)	—	—	—	—	—	—	—	—	—	—
Fair value per share when granted (yen)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which are not yet vested										
Outstanding as of April 1, 2023 (shares)	—	—	—	—	—	—	—	—	—	—
Granted (shares)	—	—	—	—	—	—	—	—	—	—
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2024 (shares)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested										
Outstanding as of April 1, 2023 (shares)	12,000	16,000	35,000	30,000	22,000	23,000	15,000	10,000	10,000	13,000
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Exercised (shares)	—	—	—	—	—	—	—	—	—	—
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2024 (shares)	12,000	16,000	35,000	30,000	22,000	23,000	15,000	10,000	10,000	13,000

Because it is difficult to reasonably estimate the number of forfeited options in the future, the number of vested options is calculated based on historical data for the options that have not yet been vested, and the number.

Independent Auditor’s Report

24. SUBSEQUENT EVENTS

1. Appropriation of retained earnings

On June 25, 2024, at the General Meeting of Shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥30.00 (U.S. \$0.19) per share)	¥1,923	\$12,707

The amount includes dividends of ¥131 million (U.S. \$868 thousand) on shares (4,382,672 shares as of March 31, 2024) held by the Trust Account E.

2. Repurchase of treasury stock

AIDA resolved at the meeting of the Board of Directors held on March 24, 2024, to repurchase treasury stock in accordance with the Companies Act, Article 156, applied by replacement under Article 165, paragraph 3 of the same Act.

(1) Reasons for share repurchase:

Based on the “Basic Policies Regarding Shareholder Returns” in the medium-term management plan, AIDA will repurchase treasury stock in order to further increase investments and shareholder returns.

(2) Class of shares to be repurchased: Common shares of AIDA

(3) Total number of shares to be repurchased: 2,300,000 shares (maximum)

(The percentage compared to the total number of shares issued (excluding treasury stock): 3.59%)

(4) Total amount: ¥2,000 million (U.S. \$13,210 thousand) (maximum)

(5) Expected repurchase period: April 1, 2024 to May 28, 2024

(6) Repurchase method: Open market purchase through a trust bank

(7) Results of the repurchase

- Class of shares repurchased: Common stock of the Company
- Total number of shares repurchased: 2,243,800 shares
- Total amount: ¥1,999 million (U.S. \$13,210 thousand)
- Period for repurchases: From April 1, 2024 to May 28, 2024*1

*1 The period of treasury stock repurchase is based on the execution date, and the date of treasury stock repurchase is based on the delivery date.

(8) Others

From April 1, 2024 to May 28, 2024 (execution basis), AIDA repurchased 2,243,800 shares of treasury stock for ¥1,999 million (U.S. \$13,210 thousand) based on the resolution, and the repurchase of treasury stock based on the resolution has been completed.

3. Details of Cancellation of Treasury Stock

AIDA resolved at the meeting of the Board of Directors held on March 14, 2024, to cancel treasury stock in accordance with the Companies Act, Article 178.

(1) Class of shares to be cancelled: Common shares of AIDA

(2) Total number of shares to be cancelled: All of the shares to be repurchased (described in Remark 2 above)

(3) Date of cancellation: July 31, 2024

(4) Reasons for Cancellation of Treasury Stock Increasing shareholder returns and improving capital efficiency.

The Board of Directors
AIDA ENGINEERING, LTD.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AIDA ENGINEERING, LTD. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of total cost of construction for construction contracts for which performance obligations are satisfied over time	
Description of Key Audit Matter	Auditor’s Response
AIDA ENGINEERING, LTD. (the “Company”) and its consolidated subsidiaries (the “Group”) are engaged in the manufacture and sale of press machines and other products. Particularly for medium and large-sized press machines, each product is highly customized and requires a certain period of time to complete because it must meet the specifications of each client.	In order to evaluate the appropriateness of the estimation of the total cost of construction when recognizing revenue based on progress towards satisfaction of performance obligations, we mainly performed the following audit procedures. (1) Assessment of internal control We assessed the status of the following internal controls of the Group regarding the

<p>As stated in (17) “Recognition of significant sales and cost of sales” and (19) “Significant accounting estimates” under 2. “SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES” in the Notes to Consolidated Financial Statements, for performance obligations satisfied over time for long-term construction contracts, the Group estimates progress towards satisfaction of performance obligations and recognizes revenue over time based on this progress. The amount of net sales recognized based on progress towards satisfaction of performance obligations for the fiscal year ended March 31, 2024 is ¥21,535 million, which accounted for 30% of consolidated net sales.</p> <p>In recognizing revenue based on progress towards satisfaction of performance obligations, it is necessary to reasonably estimate the total amount of construction project revenue, the total amount of construction project cost, and progress towards satisfaction of performance obligations at the end of the fiscal year. The Group measures progress towards satisfaction of performance obligations based on the ratio of construction costs incurred up to the end of the fiscal year to the total expected cost of construction for each contract.</p> <p>In the manufacturing of press machines and the like of the Group, the basic specifications and work processes are based on the instructions of customers, and it is difficult to apply a uniform standard in determining the estimated total cost of construction. Accordingly, the estimation of the total cost of construction involves certain assumptions and judgments by the responsible persons in the Cost Control Department with expertise and experience in construction work, and therefore is subject to uncertainty.</p> <p>In addition, appropriately revising the total cost of construction in a timely manner is a complex process since there may be changes in contract details, unit prices of materials, manufacturing labor hours, and so forth while construction is in progress.</p> <p>Based on the above, we concluded that the estimation of the total cost of construction used in calculating both revenue recognized</p>	<p>estimation of total construction costs.</p> <ul style="list-style-type: none"> • Controls over the estimation of the total cost of construction and the calculation of progress towards satisfaction of performance obligations • System whereby the responsible persons in the Cost Control Department monitor, in a timely manner, changes in net sales recognized based on progress towards satisfaction of performance obligations and comparisons between anticipated and actual progress towards satisfaction of performance obligations <p>(2) Evaluation of the estimate of the total cost of construction</p> <p>In light of the details related to the construction contract amount, construction profit or loss, construction specifications, and progress of construction, we identified construction projects with relatively high uncertainty in estimating the total construction cost and performed the following procedures.</p> <ul style="list-style-type: none"> • We reviewed the total cost of the construction project against the cost estimate data on which it was based, and examined whether the cost of manufacturing the machine in accordance with specifications agreed with the customer was included in the cost estimate. • In order to examine whether the total amount of construction costs is revised in a timely and appropriate manner, we reviewed the documentation from internal meetings regarding the revision of construction costs and made inquiries of the responsible persons in the Cost Control Department about the determination as to whether the total amount of construction costs should be revised. • For construction projects where progress has fluctuated beyond a certain range set by the auditor based on cost accrual patterns involving similar projects in the past, we made inquiries of the responsible persons in the Cost Control Department about the reasons for such fluctuations and examined the reasonableness of the answers in light of the process schedule and cost accrual status. • We evaluated the process of estimating the
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<p>over time as performance obligations are satisfied and progress towards satisfaction of performance obligations is of particular significance for the fiscal year ended March 31, 2024, and therefore determined that this is a key audit matter.</p>	<p>total cost of construction by comparing initially estimated amounts with finalized amounts and examining the details of any differences.</p>
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Other Information

The other information comprises the information included in the Annual Integrated Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of AIDA ENGINEERING, LTD. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2024 are 153 million yen and 25 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

October 30, 2024

/s/Yoshiyuki Nomizu
Designated Engagement Partner
Certified Public Accountant

/s/Tomo Ito
Designated Engagement Partner
Certified Public Accountant

Corporate Data / History

As of March 31, 2024

Corporate Data

Company Name	AIDA ENGINEERING, LTD.
Founded	March 1917
Established	March 25, 1937
Capital	¥7,831 million
Fiscal Year-End	March 31
Number of Employees	818 (Consolidated: 2,020)
Head Office	2-10 Ohyama-cho, Midori Ward, Sagamihara City, Kanagawa Prefecture 252-5181, Japan TEL (81) 42-772-5231 FAX (81) 42-772-5263
Website	On its corporate website, AIDA offers a wealth of information, including timely disclosure of financial information for its shareholders and other investors, information on products and after-service support for customers, and information for those unfamiliar with the Company's operations. https://www.aida.co.jp/en/
Domestic Group Company	R E J Co., Ltd. 2-3-2 Fukuura, Kanazawa Ward, Yokohama City, Kanagawa Prefecture 236-8641, Japan TEL (81) 45-701-1770 FAX (81) 45-783-7486

History

1917	AIDA Ironworks is founded in Honjo, Tokyo, by the late Mr. Yoikei Aida.
1923	The factory is totally destroyed by the Great Kanto Earthquake, but is rebuilt immediately.
1933	Introduced the first Japanese knuckle-joint press.
1937	Incorporated as a limited company with capital of ¥200,000.
1945	The factory is totally destroyed in an air raid, then rebuilt and operations are restarted two months later.
1951	Introduced the first Japanese crown capping press.
1956	Introduced the first 200-ton high-speed automatic press.
1959	New factory constructed in Sagamihara City in Kanagawa Prefecture (current headquarters).
1960	Introduced the first Japanese transfer press.
1962	Listed on the Tokyo Stock Exchange, 2nd Section.
1964	Headquarters and Kameido Factory are moved and integrated into the Sagamihara facility.
1967	Completed the development of a 2,500-ton transfer press (among the world's largest capacity presses at the time).
1968	Introduced "Autohand," the first Japanese industrial robot.
1970	Company name is changed to AIDA ENGINEERING, LTD.
1971	Promoted to the 1st Section of the Tokyo and Osaka Stock Exchange.
1972	Established a subsidiary in the United States.
1974	Tsukui Factory is constructed (in Sagamihara City).
1977	Introduced 3-D Motion Mark IV Transfer Press stamping center system.
1985	Nominated as a marginable stock on the Tokyo Stock Exchange. Established a subsidiary in Canada.
1989	Established a subsidiary in Singapore.
1992	ACCESS, LTD. is established in Ishikawa Prefecture. AIDA BUSINESS CORP. is established in Sagamihara City.
1993	Established a subsidiary in Hong Kong.
1995	Manufacturing bases are established in the U.S.A. and Malaysia. A new facility is constructed in Hakusan City in Ishikawa Prefecture.
1997	Established a subsidiary in Thailand.
2001	Received ISO 14001 certification.
2002	Established subsidiaries in China (Shanghai) and France. Introduced the world's first direct-drive servo press (now called the Direct Servo Former).
2003	A manufacturing base is established in China (Shanghai). Completed the development of the Precision Forming Press UL Series.
2004	Established a subsidiary in Germany (Kamen). Absorbed an Italian company and established a manufacturing base.
2005	Established subsidiaries in Brazil and Indonesia.
2007	A new plant is constructed on land adjacent to the headquarters. Established a subsidiary in India.
2008	Announced new development of a 2,300-ton large servo press (among the world's largest capacity presses at the time).
2009	Established a subsidiary in Mexico. Completed the development of AIDA Ultimate Precision Forming Press UL-D Series.
2010	Launched commercial marketing of large-capacity servo motors for servo presses developed and manufactured by AIDA. Transferred the Chinese production base to Nantong City and expanded the base.
2011	Established subsidiaries in Vietnam and Morocco.
2012	Established a subsidiary in Russia.
2013	Separation of production functions from AIDA ENGINEERING (M) SDN. BHD. and transfer to AIDA MANUFACTURING (ASIA) SDN. BHD.
2015	Established a subsidiary in the Philippines. Completed the development of a 2,700-ton progressive servo press (among the world's largest capacity presses).
2016	Established a Technology Center in Germany (Weingarten).
2017	Made Reliance Electric Limited and its subsidiary, RAS Co., Ltd., into subsidiaries of AIDA ENGINEERING, LTD.
2018	Reliance Electric Limited absorbed its subsidiary, RAS Co., Ltd. (Company name was changed to R E J Co., Ltd. in January 2019).
2020	Merged with ACCESS, LTD., a wholly owned subsidiary.
2022	Transferred to the Prime Market with the reorganization of the Tokyo Stock Exchange market segments.

Global Network

As of March 31, 2024

Overseas

■ Production Facilities ● Global Sales/Service Network ● Technology Center

AMERICAS

■ **AIDA AMERICA CORP. (U.S.A.)**
7660 Center Point 70 Blvd., Dayton, Ohio 45424-6380, U.S.A.
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TEL (1) 705-734-9692
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● **AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V. (MEXICO)**
Av. Hercules # 401-B, Nave Industrial #7, Poligono Empresarial Santa Rosa, Santa Rosa Jauregui, Queretaro. C.P. 76220, México
TEL (52) 442-291-1320, (52) 442-291-1321

● **AIDA do Brasil Comércio de Máquinas Ltda. (BRAZIL)**
Rua Arnaldo Batista de Almeida, 63, Centro Empresarial de Indaiatuba, Indaiatuba SP 13347-433, Brazil
TEL (55) 19-3500-4600

EUROPE

■ **AIDA S.r.l. (ITALY)**
Via Brescia, 26 25020 Pavone Mella (BS), Italy
TEL (39) 030-9590111
FAX (39) 030-9959377

● **AIDA Germany GmbH (GERMANY)**
Birkenweg 4, 88250 Weingarten, Germany
TEL (49) 751-560929-88

● **AIDA EUROPE GmbH (GERMANY)**
Birkenweg 4, 88250 Weingarten, Germany
TEL (49) 751-560929-0

● **AIDA S.r.l. FRENCH Branch (FRANCE)**
Zone Actipolis 3, 1, Avenue Pierre Pflimlin, 68390 Sausheim, France
TEL (33) 3-89-06-55-18

● **AIDA S.r.l. UK Branch (U.K.)**
City Road, Derby DE1 3RP, England
TEL (44) 1332-648200
FAX (44) 1332-648221

● **AIDA S.r.l. CZECH Branch (CZECH REPUBLIC)**
Plzeňská 155/113, 150 00 Praha 5, Czech Republic
TEL (420) 255-739-320
FAX (420) 255-739-315

AFRICA

● **AIDA Maroc Sarl (MOROCCO)**
Lot 81 Ilôt C5, Zone Franche d'Exportation, 90 100, Tangier, Morocco
TEL (212) 539-395-325
FAX (212) 539-392-262

CHINA

■ **AIDA PRESS MACHINERY SYSTEMS CO., LTD. (Nantong)**
No. 409, Jimei Road, Chenqiao Street, Chongchuan District, Nantong, Jiangsu, 226002, China
TEL (86) 513-5100-6588

● **AIDA ENGINEERING CHINA CO., LTD. (Shanghai)**
No. 6 & 7 Building, 88 Yangxin Road, Pudong New Area, Shanghai, 200126, China
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FAX (86) 21-5046-3828

● **AIDA ENGINEERING CHINA CO., LTD. TIANJIN OFFICE (Tianjin)**
#2-101, 20-1, Building W20, West District, TAEA Business Park, No. 76, Huanhe North Street, Tianjin Airport Economic Area, Tianjin, 300300, China
TEL (86) 22-5828-5633
FAX (86) 22-5828-5632

● **AIDA ENGINEERING CHINA CO., LTD. GUANGZHOU BRANCH (Guangzhou)**
B2602, North Island Innovation Park, No. 51 Xingang East Road, Haizhu District, Guangzhou, 510330, China
TEL (86) 20-8412-0256
FAX (86) 20-8412-0291

● **AIDA ENGINEERING CHINA CO., LTD. GUANGZHOU BRANCH CHONGQING OFFICE (Chongqing)**
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● **AIDA ENGINEERING CHINA CO., LTD. WUHAN OFFICE (Wuhan)**
No. 36, Lihuyuan, Tianehu Villa, Dongfeng Road No. 111, Zhuankou Economic Development Zone, Wuhan, 430058, China
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ASIA

● **AIDA GREATER ASIA PTE. LTD. (SINGAPORE)**
No. 1, Bukit Batok Crescent, WCEGA Plaza #02-60, Singapore 658064
TEL (65) 6507-3555

■ **AIDA ENGINEERING (M) SDN. BHD. (MALAYSIA)**
Plo 524, Jalan Keluli, 81700 Pasir Gudang, Johor, Malaysia
TEL (60) 7-251-6688

● **AIDA ENGINEERING (M) SDN. BHD. Shah Alam Branch (MALAYSIA)**
No. 31, Jalan Pendidik U1/31, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor, Malaysia
TEL (60) 3-5569-2872

■ **AIDA MANUFACTURING (ASIA) SDN. BHD. (MALAYSIA)**
Plo 524, Jalan Keluli, 81700 Pasir Gudang, Johor, Malaysia
TEL (60) 7-251-6688

● **AIDA (THAILAND) CO., LTD. (THAILAND)**
19/19 Moo. 6, Wat-Sriwarinoin Rd, T.Srisajorrakaeyai, A.Bangsaothong, Samutprakarn 10570, Thailand
TEL (66) 2136-3900

● **PT. AIDA INDONESIA (INDONESIA)**
Jl. Science Boulevard Blok A2 / 9 Kawasan Industri Jababeka V Kel.Sertajaya Cikarang Timur-Bekasi 17530, Indonesia
TEL (62) 21-2962-6688

● **AIDA INDIA PVT. LTD. (INDIA)**
Unit 001 A & B, Ground Floor, BPTP Park Centra, Sector 30, Gurgaon, 122001 Haryana, India
TEL (91) 124-4716888

● **AIDA INDIA PVT. LTD. CHENNAI OFFICE (INDIA)**
No. 69, Second Main Road, Industrial Estate, Ambattur, Chennai, Tamil Nadu 600058, India
TEL (91) 44-4350-7046

● **AIDA VIETNAM CO., LTD. (VIETNAM)**
Room 108, Industrial Park Center, Thang Long Industrial Park, Kim Chung Commune, Dong Anh District, Hanoi, Vietnam
TEL (84) 24-3885-3388

● **AIDA GREATER ASIA PHILIPPINES, INC. (PHILIPPINES)**
Unit 101B Coherco Financial Tower, Trade St., Cor. Investment Drive, Madrigal Business Park, Ayala Alabang, Muntinlupa City, Philippines 1780
TEL (63) 2-8771-1561

Domestic

■ **AIDA ENGINEERING, LTD.**
● **Oyama, Takasaki, Kanagawa, Nagano, Hamamatsu, Chubu, Komaki, Osaka, Chugoku/Shikoku, Fukuoka**

■ **R E J Co., Ltd.**