



AIDA INNOVATION

Annual Report 2021

Fiscal Year Ended March 31, 2021

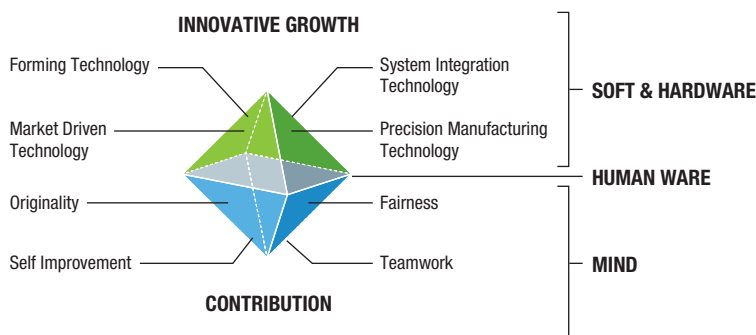
AIDA ENGINEERING, LTD.



Corporate Philosophy

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

AIDA Octahedron Philosophy



An octahedron, stably balanced in each direction, represents the corporate vision of the AIDA Group. The upper pyramid represents the future of the Company: software/hardware technological innovations that achieve customer satisfaction. The lower pyramid represents the human wisdom and drive that support these future innovations. These two pyramids are connected by human resources, showing that we contribute to and are devoted to people and community.

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Editorial Policy

Cautionary Statements about Information on Future Performance, etc.

This annual report contains statements about plans and future performance. Such forward-looking statements reflect management's assumptions based on information currently available. They also include risks and uncertainties and do not represent a guarantee of future performance.

Cautionary Statements about Financial Figures and Graphs

Yen-based figures in this annual report are rounded down to the nearest hundred million yen or million yen.

Vehicles



Home Appliances



Health



Daily Necessities



Industrial Equipment



OUR HISTORY

Our history began in 1917 when Yokei Aida founded AIDA Ironworks in Honjo, Tokyo. For more than 100 years we have continued to grow by developing products and services including presses and forming systems that

1900-1949

1950-1969

1970-1979

Historical Context

Modernization of Japan during the Industrial Revolution

- The Russo-Japanese War
- The Great Kanto Earthquake
- World War II

Technological Innovations Accompanying Rapid Economic Growth

- The start of the electric consumer appliances era
- Full-scale commencement of color TV broadcasts
- Japan's population reaches 100 million

Dawn of the Systems and Mechatronics Eras

- First photochemical smog warning issued in Tokyo
- Arrival of the supercar boom

Linkages between Press-Made Products and Society

Vehicles

Contributing to advances in transportation modes, such as railways and bicycles



Bicycle parts

Daily Life

Contributing to postwar infrastructure reconstruction



Gas burners

Vehicles

Contributing to full-scale production and popularization of automobiles



Automobile parts

Daily Life

Promoting the prevalence of the home appliance "three sacred treasures" (TVs, refrigerators & washing machines)



TV frames

Vehicles

Promoting production automation and efficiency



Car audio parts

Daily Life

Contributing to the evolution of home appliances



Dry-cell battery cases



Irons

AIDA's Product Development History

1917

AIDA Ironworks founded

1933

400-ton toggle drawing press (for Toyoda Automatic Loom Works)



Toggle drawing press

1938

Six 40-ton crank presses (for Toyota Motor)

1948

High-speed notching presses for motor production (for Hitachi, Mitsubishi Electric, and MEIDENSHA)
Punching/shearing press (delivered to Japan National Railways)

1951

Manufactured the first domestic crown capping press
High-speed automatic presses (for Kirin Beer, etc.)

1954

Promoted automation of Japan's first dedicated fastener chain machine (for YKK)

1956

High-speed 200-ton automatic press (at the request of the Ministry of International Trade and Industry)

1960

Japan's first fully automated 300-ton six-unit transfer press line (for Toyota Motor)

1967

FT-2500—Japan's largest (at that time) 2,500-ton transfer press (for Akebono Brake Industry)



2,500-ton transfer press (world's largest class at the time)

1972

Stamping Center System Series that automated die and material changes (for Hitachi)

1977

World's first transfer press stamping center



Mark IV Stamping Center System (3-D transfer)

meet the needs of the times despite the evolving trends and changing business conditions in each era. As a “forming systems builder” we will continue to develop a wide array of forming systems, automatic equipment, industrial robots, and forming methodologies centered around press machines. Our aim is to contribute to people and society by creating new value-added content and helping to solve many societal issues.

1980-1999

2000-

Advances in IT Technologies

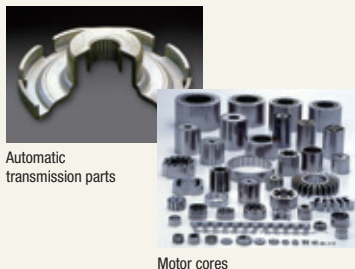
- Japan's automobile production ranks first in the world
- Kyoto Protocol adopted
- First mass-produced hybrid vehicle unveiled

Resource- and Energy-Saving Manufacturing

- SDGs adopted at United Nations Summit
- Labor reform laws enacted
- Japanese government announces policy to achieve 100% electrification for new passenger car sales by 2035

Vehicles

Promoting even higher performance and sophistication of automobiles

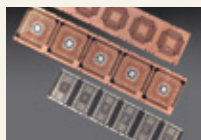


Automatic transmission parts

Motor cores

Daily Life

Contributing to the widespread use of personal computers



IC lead frames

Vehicles

Contributing to the manufacture of environmentally friendly vehicles

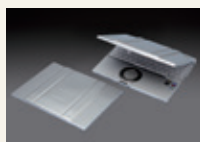


Aluminum outer panels for automobiles

Motor cores for hybrid vehicles

Daily Life

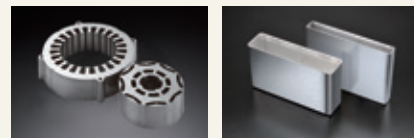
Contributing to advances in the digital society



Magnesium PC housings

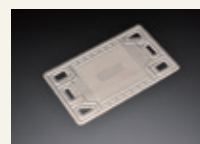
Vehicles

Contributing to a carbon-free society



Motor cores for electric vehicles

Battery cases for electric vehicles



Separators for fuel cell vehicles

1986

HMX Series high-speed precision automatic presses



HMX-2000M High-Speed Automatic Precision Press

1989

FMX Series cold forging presses (total capacity: 3,000 tons)

1992

AIDA Mold Stamping System

2002

DSF Series world's first direct-drive servo press

2003

MSP Series multi-suspension high-speed automatic precision presses

2004

UL Series ultimate precision forming presses



UL-6000

2006

FCF sheet-forging methodology for thick plates

2008

DSF-S4-23000 world's largest (at the time) 2,300-ton servo press



2,300-ton servo press

2009

Large servo tandem line (for Honda Motor)



SMX-D Series large 5,700-ton servo tandem line

2015

DSF-T4-3000 transfer press for forming 1,200 MPa-class high-tensile steel

2017

MSP-3000-370 wide-area high-speed automatic precision press for NEV production

2021

DSF-N2-4000A Direct Servo Former 2-point straightside servo press

With full-scale manufacturing, sales and after-sales service in all five regions of the world, we provide nearby and attentive support to our customers.

Others

7.6%

¥4.4 billion

Service

(Press-Related)

21.4%

¥12.4 billion

Consolidated Net Sales
(Fiscal Year Ended March 2021)

¥58.0 billion

Press Machines

71.0%

¥41.2 billion

Net Sales by Press Machine
Industry Segment

Automotive-Related	¥29.3 billion
Electrical/Electronics-Related	¥4.7 billion
Other	¥7.2 billion

Europe

Net Sales
¥9.5 billion

Employees
305

China

Net Sales
¥7.4 billion

Employees
201

Asia

Net Sales
¥7.2 billion

Employees
340

Japan

Net Sales
¥40.2 billion

Employees
1,093

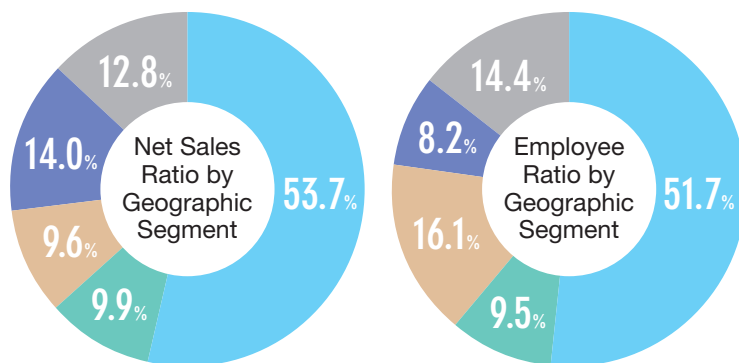
- ▲ Production Facilities
- Global Sales/Service Network
- Technology Center

Net Sales of Press Machines

No. **2** in the world

* Based on our research data

Through its international business development, AIDA has established a global brand in the field of press forming systems and is the world's second largest press machine manufacturer in terms of sales.



● Japan ● China ● Asia ● Americas ● Europe

Since 1972, when we established a local subsidiary in the United States, we have been actively developing overseas markets for nearly half a century. We now have production operations in Japan, China, Malaysia, the United States, and Italy, representing five major world regions, as well as directly managed sales and service offices in 40 locations in 19 countries. Through coordination among our offices, we provide prompt and courteous support to our customers in their immediate area around the world.

JAPAN



AIDA ENGINEERING, LTD. (Head Office)
Site area: 184,000 m² Building area: 80,000 m²



R E J Co., Ltd. (Domestic Group company)
Deploying exceptional control technology to provide system drive solutions for various automation products, including for the automotive sector

CHINA



AIDA PRESS MACHINERY SYSTEMS CO., LTD.
Site area: 67,000 m² Building area: 30,000 m²

MALAYSIA



AIDA ENGINEERING (M) SDN. BHD.
AIDA MANUFACTURING (ASIA) SDN. BHD.
Site area: 72,000 m² Building area: 32,000 m²

U.S.A.



AIDA AMERICA CORP.
Site area: 155,000 m² Building area: 16,000 m²

ITALY



AIDA S.r.l.
Site area: 55,000 m² Building area: 24,000 m²

Americas

Net Sales
¥10.4 billion

Employees
174

* Net sales are prior to the elimination of transactions between geographic segments.

Note: Figures for site area and building area are rounded down to the nearest 1,000 m².

Contributing to Technological Innovation and the Development of Cutting-Edge Technologies in Automotive-Related Industries

The electrification and digitization of automobiles is an important part of achieving a “mobility society” which allows people to move about freely. We will contribute to technological innovation in the automotive-related industries with our unique technologies and manufacturing capabilities.

SDGs that we make efforts to contribute to





Domestic Market Share of
high-speed progressive presses with
tonnage capacities of 300 tons and higher

90%

(For details, see pages 17–18.)

Material Yield

43%
improvement

(For details, see pages 15–16.)



Environmental Measures for Achieving a Sustainable Society

In addition to lowering CO₂ emissions and reducing the environmental impact of all our business processes, we will also help reduce the environmental impact of society as a whole by providing environmentally friendly solutions to our customers' production sites.

SDGs that we make efforts to contribute to





Ratio of Overseas Employees

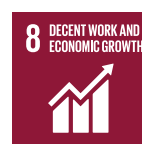
48%

(For details, see pages 25–26.)

Developing Human Resources to Support Our Supply of Competitive Products and Service

The AIDA Group strongly promotes diversity management that allows diverse human resources to play an active role, regardless of gender, age, nationality, and other factors. United as a group, we will work to provide employees with a better balance between work and home life and even better occupational health and safety, thereby increasing corporate value.

SDGs that we make efforts to contribute to



Aiming to achieve sustainable growth and enhance corporate value, we will take on the challenges of a new era while addressing universal issues.

Kimikazu Aida

Chairman and President (CEO)



Review of the Fiscal Year Ended March 31, 2021

During the fiscal year under review, the global economy started recovering from the decline caused by the global spread of COVID-19. However, the outlook remains uncertain due to various factors, including the reemergence of COVID-19 variants, the conflict between the United States and China, and geopolitical risks. Orders in the metalforming machinery industry decreased both in Japan and overseas, with the Japan Forming Machinery Association reporting that worldwide orders for press machines fell 26.2% year on year to ¥89.1 billion in the year under review—dipping below ¥100 billion for the first time since the 2008 global financial crisis. However, orders started recovering in the second half.

Under these conditions, the Group reported a significant year-on-year decline in orders due to restrictions on sales and service activities caused by the spread of COVID-19 as well as a slowdown in capital investments in the automobile industry. However, starting in the second half of the year when economic activity resumed, the market began to recover, albeit gradually, supported by orders related to electric vehicles. Accordingly, the Group recorded total orders of ¥52.7 billion, down 15.4% year on year, and the order backlog at fiscal year-end totaled ¥38.7 billion, down 12.2% year on year. Net sales declined 16.0% to ¥58.0 billion, impacted by depressed conditions in the first quarter. However, sales have been recovering steadily since the second quarter with the normalization of operations. Due to the decline in revenue, operating income fell 39.7% to ¥3.7 billion, and ordinary income declined 41.6% to ¥3.7 billion. Net income attributable to owners of parent dropped 67.3% to ¥1.3 billion, mainly due to an extraordinary loss related to the impairment of assets at a plant in China and the suspension and downsizing of plant operations due to the impact of COVID-19.

Progress of the Medium-Term Management Plan

“As a leading company, AIDA will contribute to society by supporting efforts to protect the environment, reduce energy consumption, and develop new technologies.” This is the Management Vision of “The Evolved AIDA PLAN 523,” the medium-term management plan initiated in April 2020. Under this plan, the development of measures to address ESG issues is one of the pillars of our business activities. We are focusing particular attention on providing solutions to universal issues faced by society and our customers in order to achieve sustainable growth and enhance corporate value. These issues include the need to manufacture next-generation automobiles that are electrified and lighter in weight than previous models. Customers are also striving to boost productivity through automation and digitalization and to reduce their environmental impact by conserving energy and engaging in decarbonization at their production factories.

Based on this management policy, the plan focuses on three core strategies: (1) Technological innovation, (2) Strengthening our business infrastructure, and (3) Improving profitability. We will apply these strategies to our three business segments—our press business, our automation/FA business, and our service (maintenance/modernization) business. Our aim is to achieve sustainable growth by taking on new challenges in these transformative times.

Core Strategies

(1) Technological Innovation:

Improving Product Competitiveness & Fostering and Strengthening Our Growth Businesses

In response to the electrification of automobiles and growing demand in recent years for high-speed presses to produce EV drive motors, we are developing optimized technologies for these press lines. And to help reduce

vehicle weight, we are developing improved methodologies for forming lightweight materials such as high-tensile steel, aluminum, and carbon fiber by improving the capacities of our servo motors and enhancing hydraulically controlled back-pressure forming. As a new growth area, we are working to introduce a digital transformation by further evolving the IoT technologies incorporated in our press machines and visualizing the operating status of entire press lines with 3D monitors.

(2) Strengthening Our Business Infrastructure: Developing and Strengthening Infrastructure to Support Technological Innovation

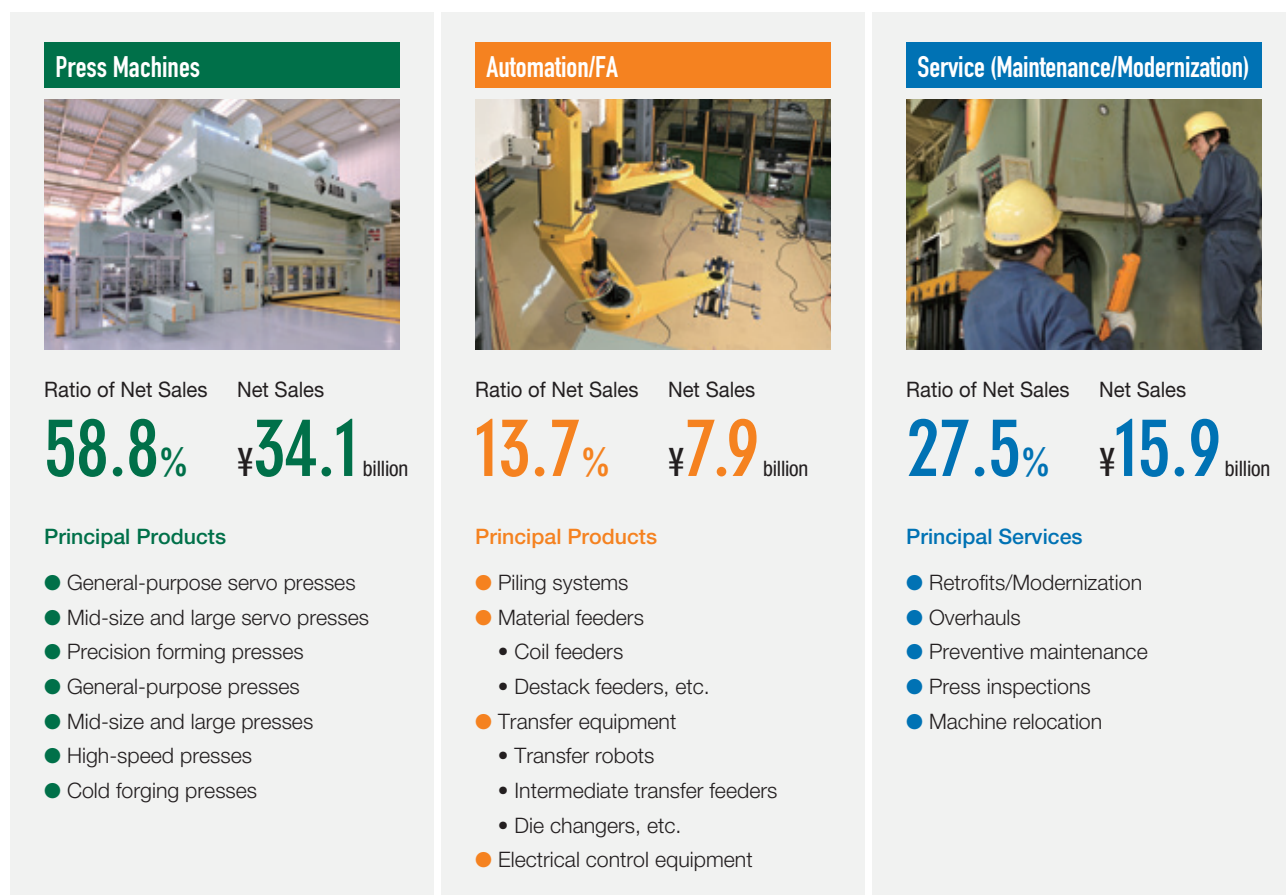
During the fiscal year under review, we reorganized and restructured our Chinese subsidiaries and merged domestic subsidiaries. In the fiscal year ending March 31, 2022, we will strengthen collaboration between functions by reorganizing our domestic operations by shifting from our existing function-specific vertically integrated system to a system organized by business and product. We will also introduce a new personnel system to develop and promote a diverse range of manpower resources, including drivers of technological innovation, management personnel, and global personnel. In addition, we will complete the improvements to our core systems which we have been working on

since the fiscal year ended March 31, 2021 and make them fully operational. We will also streamline our production processes and make them smarter, including increased usage of 5-axis machining centers in our production plants, linking our designing system with our machining center system, and introducing an IoT-based system for monitoring the status of factory operations. At the same time, we will review and revamp existing production facilities.

(3) Improving Profitability: Transforming Our Existing Profit Structure

Amid intensifying competition in the press forming business, we will invest management resources to strengthen our service (maintenance/modernization) and automation/FA businesses, which deliver higher-value-added content. With regard to our press business, due to the accelerating shift to EVs and other next-generation vehicles, we will break away from our dependence on conventional presses used to form parts, increase the sales ratios of high-speed and precision presses, and improve our press machine product mix. As for mid-size and large presses which are experiencing declining profitability, we will shrink our lineup of models to improve price competitiveness and we will focus on cost reductions by reviewing our procurement and manufacturing processes.

Net Sales by Business Segment in “The AIDA PLAN 523” Medium-Term Management Plan (Fiscal Year Ended March 2021)



Priority Policies by Business Segment

In line with these core strategies, we are implementing the following priority policies for each of our business segments—our press business, our automation/FA business, and our service (maintenance/modernization) business.

(1) Our Press Business

Strengthening Our Press Offerings for Next-Generation Vehicles and Enhancing Our Product Mix

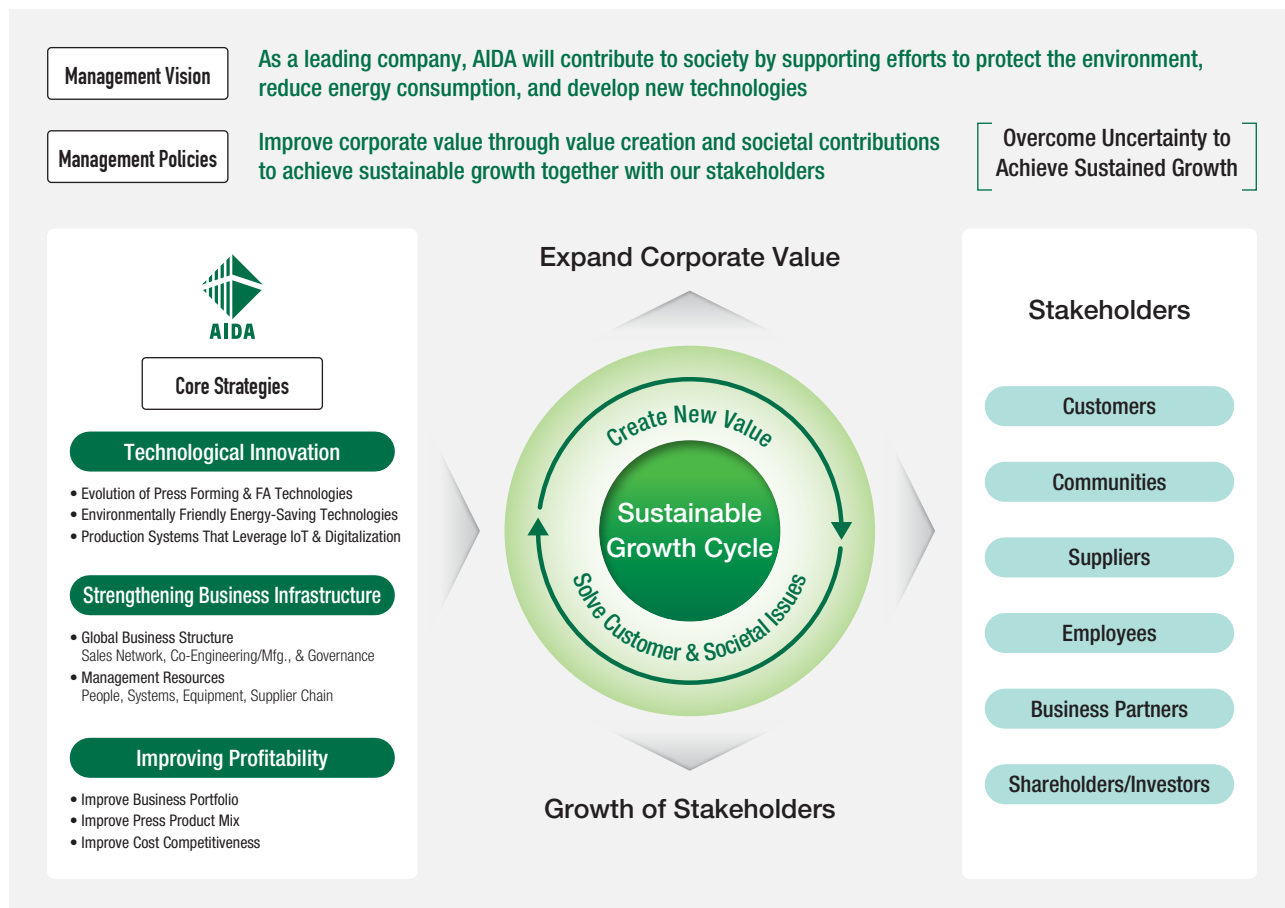
The growing popularity of EVs and other electric vehicles is also driving demand for the high-speed presses used to produce their drive motors. We are responding to this higher demand by further improving the efficiency of our Tsukui Plant where we manufacture high-speed presses. We are also putting the new equipment installed in our plant in Malaysia into operation, which had been delayed due to COVID-19. With regard to mid-size and large press machines where we will be seeing stiffer price competition, we will focus on cost reductions and strive to differentiate our products by introducing new press machines that fully leverage our servo technologies.

(2) Our Automation/FA Business

Leveraging Control Technologies to Create Value-Added Content

To accommodate next-generation vehicles, we are improving the functionality of the AIDA transfer feeders used to convey high-strength steel and aluminum materials as well as enhancing the functionality of the peripheral equipment used with our high-speed presses and high-precision presses. In recent years we have developed the D-MAT press-to-press transfer feeder which has garnered high praise in the market for its high flexibility, including its usage of sensors to align the position of materials and its ability to transfer materials based on the shape of the die, and we will continue to further improve the performance of our products. In cooperation with REJ Co., Ltd., we have completed the development of a control system that fits our servo press specifications, making it possible to build the entire system within the AIDA Group. Going forward we will begin equipping our presses with this new system, and we will leverage our capabilities as a specialized manufacturer to further improve its capabilities and to drive down costs. We will also continue to aggressively expand into new non-press fields through acquisitions and business alliances.

Outline of the Medium-Term Management Plan “The Evolved AIDA PLAN 523” (Fiscal Years Ending March 2021–2023)



(3) Our Service (Maintenance/Modernization) Business Strengthening Our “Recommendation-Based Sales Efforts” Focused on Preventive Maintenance and Equipment Enhancements

We will work to strengthen this business segment as part of our mission as a manufacturer that delivers safe and reliable machines. Together with improving preventive maintenance for customers by leveraging IoT to promote the visualization of the timing of component replacements, we will also focus on the visualization of press machine conditions via monitoring systems. And as press machines age, there is a greater need to improve their peripheral equipment, and thus we are actively developing recommendations to improve productivity by updating existing systems and introducing digital maintenance solutions. To promote these new initiatives, we will also bolster our manpower resources and improve our service factories.

Business Outlook and Shareholder Return Policy for the Fiscal Year Ending March 31, 2022

The COVID-19 situation is improving and capital investments in automotive-related industries—especially electric vehicles—are recovering. Accordingly, for the fiscal year ending March 31, 2022 we forecast consolidated net sales of ¥62.0 billion, operating income of ¥4.5 billion, ordinary income of ¥4.6 billion, and net income attributable to owners of parent of ¥3.0 billion—representing year-on-year increases in both revenue and earnings.

With respect to shareholder returns, we recognize that increasing profits for shareholders is one of our most important management priorities. Accordingly, we strive to achieve continuous growth in corporate value and earnings per share by strengthening our business foundation, improving corporate quality, and developing our business globally. The basic policy of our Medium-Term Management Plan is to maintain consistent dividend payments and a consolidated dividend payout ratio target of 40% while preserving the stability of our business and financial base and making strategic investments in future sustainable growth. In the fiscal year ended March 31, 2021, we declared a cash dividend of ¥20 per share, for a payout ratio of 90.6%. To maintain dividend stability, in the fiscal year ending March 31, 2022 we plan to pay a dividend of ¥25 per share, for a payout ratio of 49.7% in spite of predictions that business conditions will remain difficult.

As stated in the Management Policy of our Medium-Term Management Plan, we are committed to delivering sustainable growth by steadfastly addressing universal issues in society from a long-term perspective. To this end, we look forward to the ongoing understanding and support of all our stakeholders.

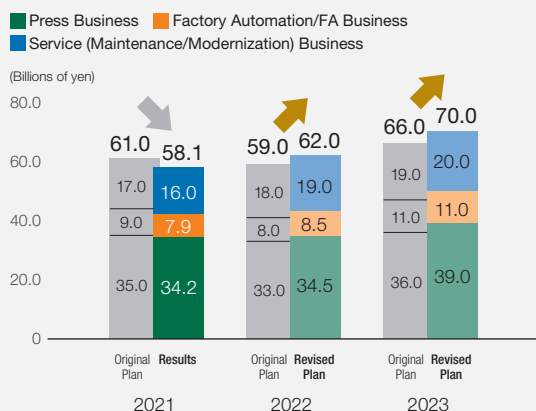
August 2021

[Signature]
Chairman and President (CEO)

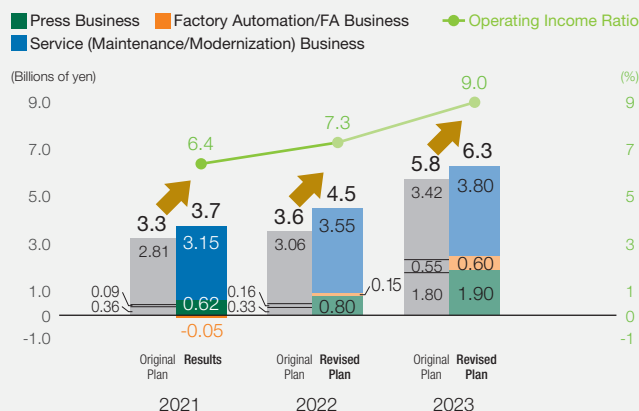
Performance Forecasts in “The Evolved AIDA PLAN 523”

* Rounded to the nearest ¥100 million

Net Sales



Operating Income/Operating Income Ratio



SAFETY & ECOLOGY

Press Forming: Enabling Advances in Safety and Resource Conservation

The role of a seatbelt retractor is to forcibly hold the seatbelt in place in the event of an abrupt vehicle stop. Because of the high degree of difficulty in forming the required shape, retractors are generally manufactured by sintering metal powder. However, using a press to form retractors has resulted in higher-strength components as well as the conservation of resources.

SDGs that we make efforts to contribute to



Automotive Seatbelt Retractor Clutch

Winner of the “MF Technology Excellence Award 2020–2021”
(sponsored by the Japan Forming Machinery Association)



Photo courtesy of
Taiyo Industry Co., LTD.



Material Yield

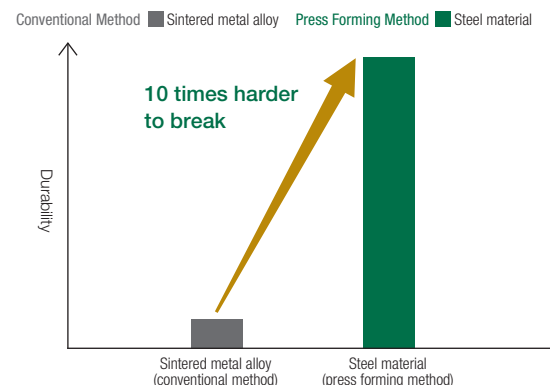
43%

 improvement

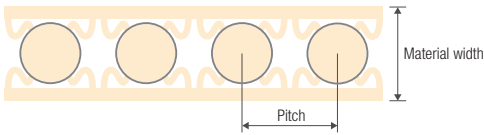
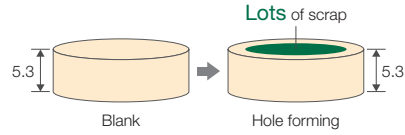
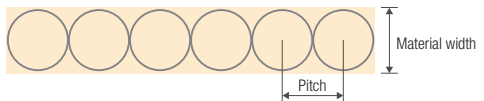
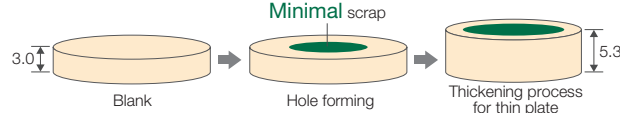
Taiyo Industry Co., LTD. (Suwa City, Nagano Prefecture) has succeeded in mass-producing this component using an AIDA servo press using a forging process with over 20 stages instead of a sintering process using metal powder. This is done by taking a steel blank that is thinner than the finished product and applying a wall-thickening forming process, and this forming methodology change has improved material yield by 43%.

Comparison of Material Properties between the Conventional Method (Sintering) and the Press Forming Method

Better durability by changing the material





	Coil Material Usage Differences	Press-Forming Differences
Conventional Method	<p>Progressive Forming 4 pieces from a given length</p> 	<p>Uses $t = 5.3$ mm material</p> 
New Method	<p>Changing the forming method reduces material waste</p> <p>Transfer Forming The shorter spacing between parts enables 6 pieces to be formed from the same length, and the coil width itself is also narrower</p> 	<p>The thin plate thickening process further reduces scrap</p> <p>Uses $t = 3.0$ mm material</p> 

ENVIRONMENT

AIDA's Technologies Are Contributing to a Decarbonized Society

Our MSP Series high-speed precision presses equipped with AIDA's proprietary technology can stamp 300 sheets of EV drive motor cores per minute. With their outstanding accuracy and productivity, these machines have garnered 90%* of Japan's domestic market.

SDGs that we make efforts to contribute to



MSP Series Multi-Suspension Presses

Domestic Market Share

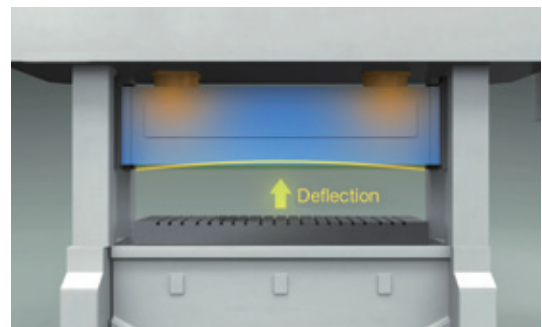
90%*

* According to AIDA's research. This is based on data from the Japan Forming Machinery Association, and is calculated based on the domestic market share of dedicated high-speed progressive presses with tonnage capacities of 300 tons and higher.

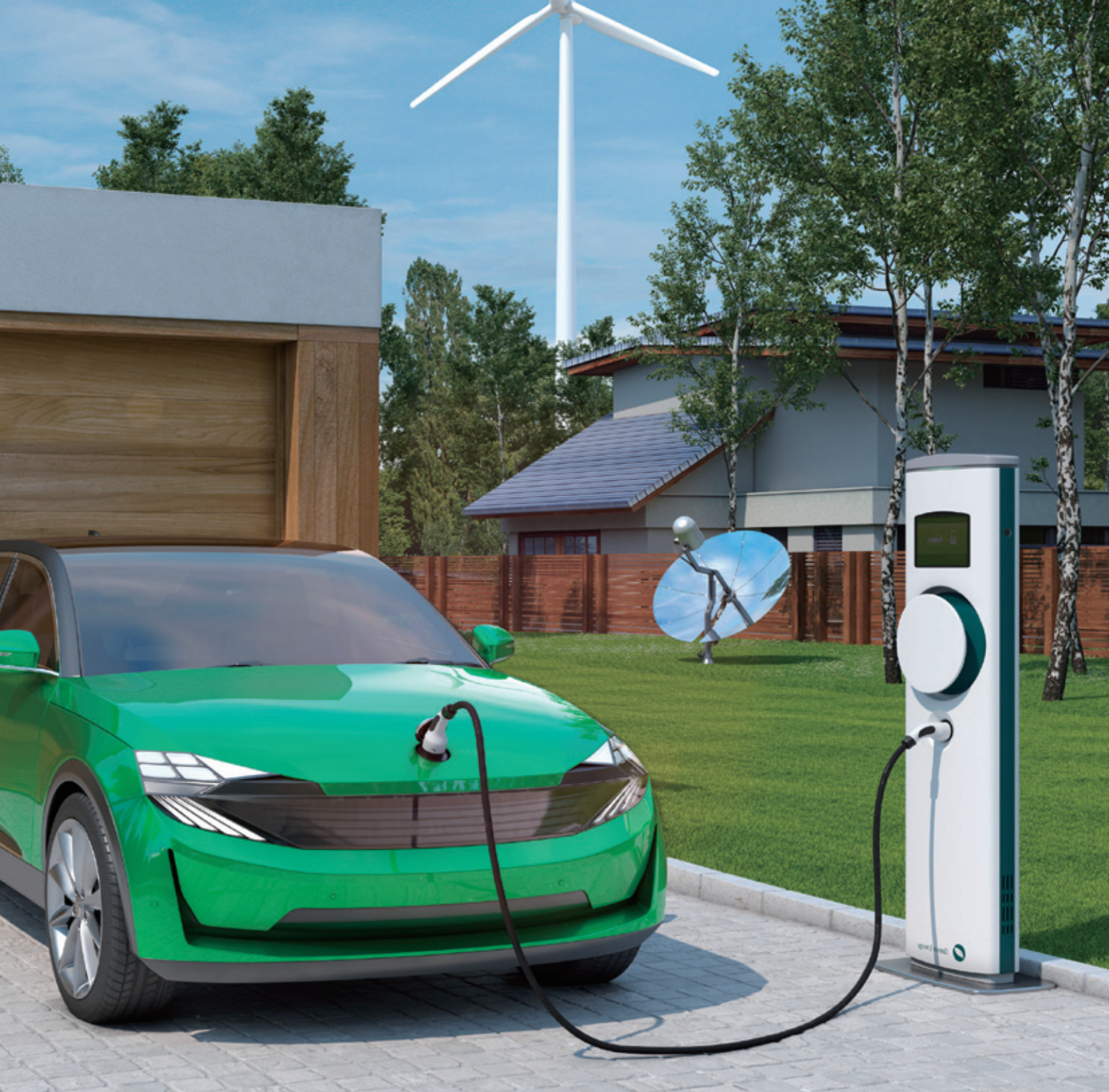
As electrical vehicle performance improves, motor core plates are becoming progressively thinner with larger diameters. Our high-performance, high-speed MSP Series multi-suspension presses deliver forming capacities of 300 tons or higher, making them well-suited for manufacturing electric vehicle motor cores. MSP presses have a 90%* market share in Japan, and are also highly regarded in Europe, the United States, and Asia.



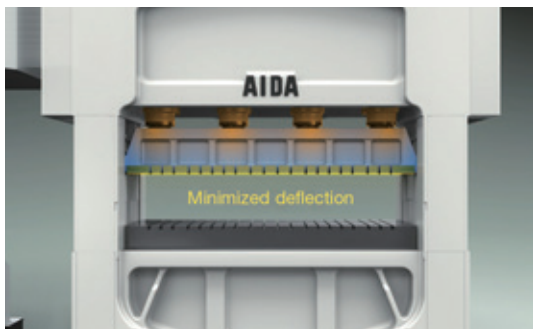
Conventional Press



The wide spacing between the points causes major slide deflection

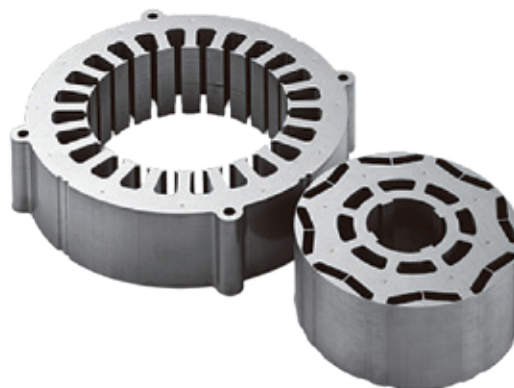


AIDA's MSP Series



MSP Series multi-suspension presses have narrow spacing between points, resulting in minimal slide deflection

Motor Cores Used in Electric Vehicles



ADVANCED TECHNOLOGY

Digital Transformation Accelerates Innovative Manufacturing

Digital transformation is leading to the development of new business models and the creation of new value, thereby driving significant changes in manufacturing industries. AIDA continues to make inroads into not only “preventive maintenance” that uses IoT technology to monitor the service life of parts, but also “predictive maintenance” that uses AI technology to learn and to detect early warning signs of impending issues.

SDGs that we make efforts to contribute to



Leveraging AI Technology for Predictive Maintenance

The industry's first servo press equipped with learning functions (AI)
DSF-N2-A Series
(Announced in June 2021)



Our press machines aggregate measurement data—for example, the temperature of each part and the servo motor current and voltage values—and learn from it, enabling automatic diagnosis of the machine status and the quantification of abnormal conditions to help prevent problems before they occur.



Also equipped with SCADA functions to visualize the locations of faults in a 3D display

* AI and SCADA functions are provided as options.



部品情報		点検	オーバーホール
部品名	部品ID	点検日時	オーバーホール日時
部品コード	部品仕様	点検内容	オーバーホール内容
部品画像	部品説明	点検結果	オーバーホール結果
部品位置	部品状態	点検担当者	オーバーホール担当者
部品履歴	部品寿命	点検回数	オーバーホール回数

部品情報		点検	オーバーホール
部品名	部品ID	点検日時	オーバーホール日時
部品コード	部品仕様	点検内容	オーバーホール内容
部品画像	部品説明	点検結果	オーバーホール結果
部品位置	部品状態	点検担当者	オーバーホール担当者
部品履歴	部品寿命	点検回数	オーバーホール回数

AIDA's AiCARE machine information management system updates press machine operation status and component service life information in real time

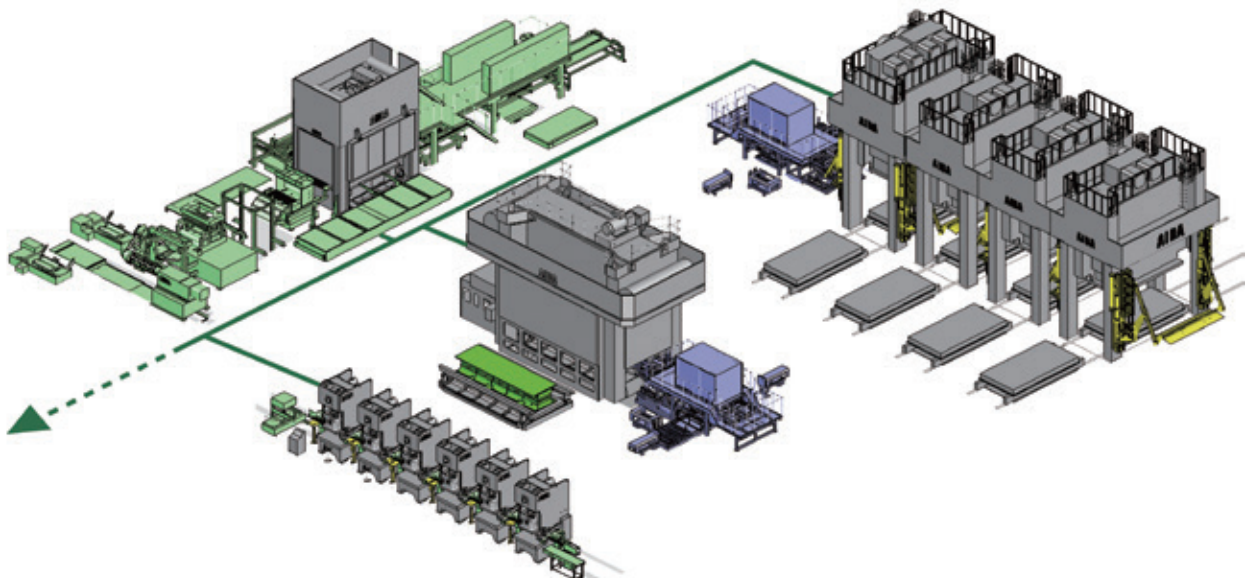
Preventive Maintenance through Component Service Life Management

Sensors mounted on the machinery collect data in real time and provide the information needed by operators, maintenance managers, production managers, and others involved in production in an optimized format. Using actual operating status data, notifications are output when components have reached their “wear-out failure period.”



Our Strengths for Driving Corporate Value

Our strengths lie in our unique technologies, product development capabilities, optimized solutions, recommendations, and meticulous after-sales service. Deploying these strengths, we aim to enhance corporate value in a sustainable manner by providing production lines optimized to meet our customers' manufacturing requirements.





Technological and Product Development Capabilities

We have developed many press machines that were the first of their kind in Japan. For example, in 2002, we developed the world's first direct-drive servo press, and in 2008 we developed one of the world's largest servo presses (at the time), and we continue to evolve as a pioneer in press forming systems. Today, we offer a wide range of products that fully leverage the unique technological and product development capabilities we have accrued over the years to provide our customers with optimal manufacturing solutions.

Continuing as a Pioneer in Press Forming Systems

In order to cope with changes in the ever-diversifying external environment, it is important for us to respond quickly to technological innovations, resource risks, and changes in customer requirements.

To achieve technological innovation, not only do we need to acquire new technological information at an early stage, we also need to promptly incorporate it in our products. We do this by devising, developing, and testing forming system application methodologies in order to further expand our knowledge. To address resource risks, we are focusing particular attention on activities to achieve the Sustainable Development Goals (SDGs). In this regard, we need to not only improve the efficiency of our equipment but also consider how to save energy and manpower and to protect the environment in our manufacturing processes, including transportation, as well as in our production lines. Customer requirements are constantly changing due to the above-mentioned technological innovations and resource risks as well as in

response to social factors. For these reasons, it is important to actively utilize both new and existing technologies to ultimately provide optimal systems for our customers.

We are strongly committed to the in-house development and manufacture of not only press machines but also a wide array of specialized automation, transfers, and control systems. We also have the flexibility to configure forming systems that utilize commercially available robots. We believe that having a wide range of technologies to meet the diverse requirements of our customers gives us the ability to create new products and we also believe that this ability is closely related to our unique strengths.



Seiji Nakoshi

*Deputy Block Manager of
FA Production BL, Production Headquarters*



Comprehensive Solutions

To address various challenges faced at production sites, such as the need to improve production efficiency and quality and to conserve energy, we need to revamp all of our production lines from a management perspective. With this in mind, we provide optimal forming solutions to our customers by recommending comprehensive press-based forming systems and auxiliary equipment (such as material feeders and automated transfers), and also by developing forming methodologies.

Building Win-Win Relationships with Customers by Proposing Optimal Solutions

We receive a wide range of inquiries from our customers about not only presses but also about dies and factory automation (FA). In order to meet customer requirements, we have both a Die Section and an FA Section, and our strength lies in our ability to recommend comprehensive forming systems. For example, we recently received an inquiry about equipment to produce major components for electric vehicles. The customer wanted to use a tandem press line, but based on their target product and production volume, we instead proposed a transfer press. Having no experience with transfer presses, the customer was initially reluctant to accept the proposal, but we proposed a package that included post-delivery production support as well as operational support for the transfer dies and the transfer feeder. This dispelled the customer's concerns and enabled us to win the order.

We also prioritize testing to verify whether we are proposing truly effective solutions for the issues facing our customers. We believe that one of our strengths is our ability to consistently build win-win relationships with customers by helping them utilize our equipment in a way that satisfies their requirements and leads to favorable outcomes.

Yuji Watanabe

*Deputy General Manager of Precision Sales Promotion Department,
Precision Production BL, Production Headquarters*





Service and Support Capabilities

The foundation for our long-term relationships of trust with customers lies in our after-sales service of our presses and other products. These services include general maintenance, spare parts, and preventive maintenance for all our AIDA products. We also help customers reduce costs and increase the value of their existing facilities by proposing retrofits that include overhauls, accuracy and performance improvements, the addition of new functions, and equipment replacements and upgrades.

Meticulous After-Sales Service that Benefits Customer Production Activities

The mission of the Customer Service Department is to provide as much support as possible through a variety of after-sales services so our customers can use their valuable equipment safely and confidently over the long term. To this end, we focus on our "Service 5S*" in our daily activities to improve the quality of our customer service. This means providing comprehensive technical support that includes general maintenance and repairs, spare parts, overhauls, relocations, and retrofits of old machines to upgrade them with the features included in our latest models. In addition, our global service network has highly trained veteran service engineers who contribute to customer production activities overseas.

We carefully maintain the engineering drawings of products we have delivered to our customers, and we also manage historical information on past

projects, which enables us to effectively respond to any issues that may arise. With our extensive database, we are able to not only return existing equipment to its original condition by means of overhauls and repairs, we are also able to boost value-added content through retrofits.

* **Speed** (immediate response, quick recovery, shorter delivery), **Safety** (prioritize safety, perform comprehensive post-repair driving tests), **Smart** (attentiveness, kindness, responsiveness), **Save** (reduce man-hours and cost, eliminate wasteful practices, recycle), **Smile** (serving customers with a smile, alleviating their concerns)

Takeshi Inoue

*Deputy General Manager of
Customer Service Department, Service Headquarters*



The Source of Value Creation: Human Capital Innovation



Believing that human resources represent our greatest management asset, we strive to develop human resources with the aim of having each employee attain a high degree of specialization. Based on the AIDA Group Action Guidelines, we respect each and every employee as an individual and have established a corporate culture that embraces talented human resources from various countries and regions, regardless of nationality, gender, age, employment status, or physical ability.

We will continue to further strengthen our foundation for growth by building an organization and developing human resources for global management.

| Global Human Resources

The expansion of our overseas business and the continuing globalization of our operations underscore the need to provide customers with AIDA's superior technology and quality uniformly throughout the world. In addition to technology exchanges with our overseas locations through local guidance and training by instructors from Japan, we are working to develop human resources hired at overseas locations into capable employees by dispatching them to Japan for extended training. In these and other ways we are working on a global scale to instill the AIDA DNA that has been amassed over many years in order to pass along our technology and maintain and improve the quality of

our products worldwide.

To increase our corporate value and strengthen our competitiveness in the global market, we have established production facilities in five regions of the world (Japan, China, Malaysia, the United States, and Italy) as well as sales and service offices in 19 countries, which provide an environment that enables our local employees to maximize their abilities. As of March 31, 2021, on a consolidated basis we had 2,113 employees—a 1.4-fold increase from 10 years ago, due to the expansion of our business operations, including mergers and acquisitions. Nearly half of these employees (48%) work overseas.

The AIDA Group
Global Network

19 countries

Ratio of
Overseas Employees

48%

Total Number of Employees
(consolidated; as of March 31, 2011)

1,478

Overseas
employees

680

Total Number of Employees
(consolidated; as of March 31, 2021)

2,113

Overseas
employees

1,020



1.4-fold increase
in 10 years



Promoting Dynamic Engagement of All Citizens (The 100-Year Lifespan Concept)

In order to attract diverse human resources and revitalize our organization, we have been actively recruiting mid-career workers for regular employment. Our mid-career hiring ratio averaged 42.7% over the last three fiscal years (fiscal years ended March 2019–2021), and our ratio of mid-career hires in management positions is 40.8%, reflecting a work environment where mid-career hires can play active roles.

As of March 31, 2021, the ratio of female employees in management positions was 3.6%, which is higher than the national average for the manufacturing industry (for

production machinery and equipment), but lower than the 9.9%* average for all industries. Though this low ratio of female employees mirrors that of other manufacturing companies, in order to create a more comfortable work environment for women, we are improving working conditions in our factories and encouraging the use of childcare leave and flexible working hours. To date, the ratio of employees returning to work after taking childcare leave is 100%.

* Reference: Employment Average Announcement No. 0529-2, Appendix 4, Ministry of Health, Labour and Welfare (May 29, 2020)

Ratio of mid-career hires

42.7%

Ratio of mid-career hires in management

40.8%

Ratio of female employees

11.7%

Ratio of female managers

3.6%

Ratio of employees returning to work after childcare leave

100%

Promoting the Employment of Older Workers Before the Revised Act on Stabilization of Employment of Elderly Persons

[Consistent employment of at least 30 employees aged 65 and over]

For more than 100 years we have consistently possessed exceptional technological and developmental capabilities as a “forming systems builder,” and we believe that our human resources are our greatest management asset. Accordingly, we have been actively hiring skilled workers who have reached retirement age and providing opportunities to employees age 65 and over since before the enactment of the revised Act on Stabilization of Employment of Elderly Persons*. As of March 31, 2021, the Company had more than 30 employees age 65 years or older. In addition, we actively promote motivated and capable employees to management positions after rehiring them, and 12 out of 92 rehired employees over the age of 60 are in management positions (representing 13.0% of all managers).

* In April 2021, the Act on Stabilization of Employment of Elderly Persons was revised to require companies to not only provide secure employment until the age of 65 (mandatory) but to also assure (make an effort to provide) employment opportunities for workers between the ages of 65 to 70.

Ratio of employees rehired after reaching retirement age

100%

Ratio of employees age 60 and over

92 9.2%

Ratio of managers age 60 and above

13.0%

Number of employees age 65 and over

30 or more



Corporate Governance

Basic Stance on Corporate Governance

Guided by our Group-wide corporate philosophy and management vision, the Company places top priority on increasing corporate value by having each Group company achieve sustainable and stable growth. 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 in order to make maximum use of their respective functions, and we are constantly enhancing our corporate governance framework to support this system.

Governance Structure

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

The Company's management structure consists of operating officers, four of whom concurrently serve as directors, and three outside directors (all of whom are independent directors). The Board of Directors functions as the decision-making body for important matters mandated by law and as a supervisory body for the execution of business operations. The Company has also adopted an operating officer system to expedite management decision-making and clarify lines of authority and responsibility. The Management Council—consisting of operating officers, including directors and others—deliberates and resolves important matters related to business execution, based on management policies decided by the Board of Directors, and strives to achieve a unified management purpose and 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 business status of the Company and

Group companies. They also provide valuable advice and suggestions on the Company's management from an objective perspective.

Statutory Auditors and the Board of Auditors

The Company has three statutory auditors (including one standing statutory auditor), all of whom are outside auditors and independent officers. The statutory auditors attend 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. They also ask questions and express opinions to help ensure the legality and appropriateness of decision-making by the Board of Directors and other bodies. In addition, they receive reports from the accounting auditor, listen to business reports, examine important documents, and conduct on-site inspections of the operations and assets of each Company division, in order to monitor and gain a clear understanding of the status of management operations.

The Company supports audits carried out by the statutory auditors by assigning staff from the Internal Control Audit Office, the Finance & Accounting Department, and other relevant administrative bodies.

Remuneration for Directors and Statutory Auditors

In the fiscal year ended March 31, 2021, remuneration for the Company's directors and statutory auditors was as follows:

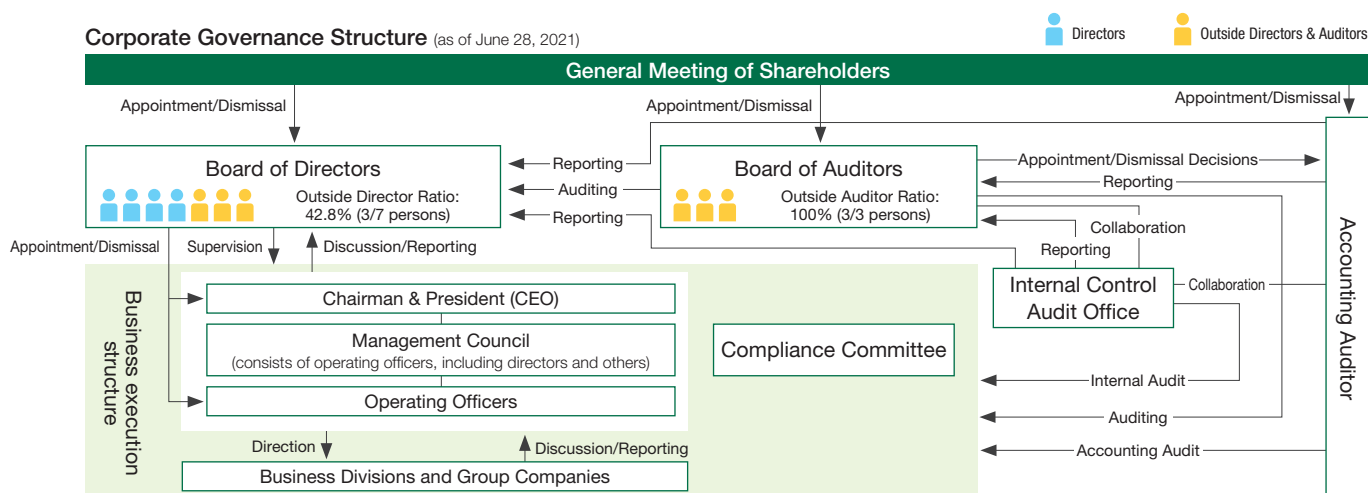
Officer Category	Number of Eligible Officers	Total Remuneration by Type (Millions of yen)				Total (Millions of yen)
		Monetary Remuneration			Non-Monetary Remuneration (Stock Compensation)	
		Basic Remuneration	Performance- Based Remuneration	Subtotal		
Directors (excluding outside directors)	6	127	59	187	22	209
Outside directors	3	25	—	25	—	25
Statutory auditors (all outside)	4	27	—	27	—	27

* The above remuneration includes two directors and one statutory auditor who retired at the conclusion of the 85th General Meeting of Shareholders held on June 29, 2020.

Improving the Effectiveness of the Board of Directors

The Board of Directors conducts a self-evaluation questionnaire-based survey once a year for all directors and all statutory auditors, including those from outside the Company. Based on the results of the 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 fiscal year ended March 31, 2021 survey confirmed that the effectiveness of the Board of Directors as a whole has been generally assured. For example, the survey revealed certain improvements in items recommended in the previous effectiveness evaluation, such as the enhancement of Board of Directors meeting materials.

Corporate Governance Structure (as of June 28, 2021)



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>

■ 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 potential countermeasures as necessary. In the fiscal year under review, the Board of Directors and Management Council were convened 11 times and 12 times, respectively. In addition, each business division takes the lead in addressing risks related to day-to-day operations. We also have various cross-Group committees to address potential risks related to safety, product quality, export regulatory control, product liability, and the like.

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 to the Board of Directors and the Management Council. Details of management meetings held regularly at each Group company are also shared with the Company's management. Moreover, we also hold AIDA Global Business Plan Meetings twice a year, where top management from the Company and individual Group companies gather to report progress in achieving performance objectives. 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 and the AIDA Group Action Guidelines. Our action policy states that we shall respect the dignity and basic human rights of all stakeholders and build a corporate culture brimming with a spirit of human respect. We distribute relevant language versions of the AIDA Corporate Philosophy 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 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.

* AIDA Group Compliance Hotline:

A system for reporting actual/potential compliance violations—including legal infringements 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 units, which also consider appropriate countermeasures. These matters are also discussed by the Board of Directors and Management Council as necessary. Inherent risks in daily operations are usually addressed by the respective business units. Depending on the nature of the risk, we also have a flexible management system in place to respond. This system includes committees for health and safety, product liability, export regulatory control, risk assessment promotion, and other cross-functional committees, as well as specific project teams.

In addition, our Global Operation Promotion Office undertakes cross-functional and centralized management of risks that could significantly impact the management of the entire Group. These include risks related to product liability, export regulatory control, compliance, information security, and protection of intellectual property rights.

■ Information Security Initiatives

The Company formulates and implements its Corporate Secrets Management Regulations and AIDA Information Network System Management Regulations as measures to prevent the leakage of information from inside. The Company manages software used for business operations, monitors and restricts internet access, and adopts software to monitor in-house personal computers for viruses, unauthorized access, and other problems. In addition, we administer remote access to in-house systems from overseas Group companies.

To protect technical information, the Company restricts employee access to confidential drawing data, and when third parties require access to such information, we conclude non-disclosure agreements beforehand. Moreover, all of our drawing data is encrypted and thus cannot be retrieved by external devices.

To protect intellectual property, the Company works actively to obtain patents in Japan and overseas.

The Company has advanced technological assets, and any leaks of technology and know-how, or infringement of intellectual property rights, could threaten its fundamental management foundation. As described above, we have information security measures in place and work meticulously to protect technical information and intellectual property rights, which support our business strategy efforts.

Board of Directors



Representative Director,
Chairman and President (CEO)
Kimikazu Aida

1976 Joined AIDA ENGINEERING, LTD.
1989 Representative Director (current position)
1992 President (current position)
2001 Chief Executive Officer (CEO) (current position)
2011 Division Manager, Research & Development Headquarters (current position)
2012 Chairman, AIDA AMERICA CORP. (current position)
Chairman, AIDA S.r.l. (current position)
2018 Chairman (current position)



Representative Director,
Executive Vice President (COO)
Toshihiko Suzuki

2011 Joined AIDA ENGINEERING, LTD.
2015 Director
2017 Chairman, Reliance Electric Limited (currently REJ Co., Ltd.) (current position)
2020 Representative Director (current position)
Executive Vice President (current position)
Chief Operating Officer (COO) (current position)
Division Manager, Sales Headquarters (current position)
Division Manager, Production Headquarters (current position)



Director,
Managing Executive Officer
Yap Teck Meng

1996 Joined AIDA MANUFACTURING (MALAYSIA) SDN. BHD. (currently AIDA ENGINEERING (M) SDN. BHD.)
2011 Chairman and Managing Director, AIDA GREATER ASIA PTE. LTD. (current position)
2013 Director (current position)
2014 Managing Executive Officer (current position)
2015 Chairman, AIDA PRESS MACHINERY SYSTEMS CO., LTD. (current position)
2017 Chairman, AIDA ENGINEERING (M) SDN. BHD. (current position)
2020 Chairman and Managing Director, AIDA ENGINEERING CHINA CO., LTD. (current position)



Director, Operating Officer
Hiromitsu Ugawa

1984 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
2012 General Manager, Agent Business Office, Investment Business Administration Department, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
2014 Joined AIDA ENGINEERING, LTD.
2015 Deputy Division Manager, General Administration Headquarters
2016 Operating Officer
Division Manager, General Administration Headquarters (current position)
2018 Managing Executive Officer
2020 Director (current position)
Operating Officer (current position)



Outside Director (Independent)
Hirofumi Gomi

1972 Joined the Ministry of Finance
2000 Secretary-General, Executive Bureau, Securities and Exchange Surveillance Commission, Financial Services Agency
2001 Director-General, Inspection Bureau, Financial Services Agency
2002 Director-General, Supervisory Bureau, Financial Services Agency
2004 Commissioner, Financial Services Agency
2009 Visiting Professor, Aoyama Gakuin University (current position)
2011 Auditor, MIROKU JOYO SERVICE CO., LTD.
2014 Advisor, NISHIMURA & ASAHI
2015 Senior Advisor, THE BOSTON CONSULTING GROUP (current position)
Director, AIDA ENGINEERING, LTD. (current position)
2016 Director, Infotelia Corporation (currently Asteria Corporation) (current position)
Director, MIROKU JOYO SERVICE CO., LTD. (current position)
2017 Director, SBI Holdings, Inc.
2019 Director, ZUU Co., Ltd. (current position)
2020 Director, THE FUKUSHIMA BANK, LTD.



Outside Director (Independent)
Mikio Mochizuki

1978 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)
2011 Executive Officer, IHI Corporation
President & CEO, IHI INC. (Regional Headquarter for the Americas)
2014 Managing Executive Officer, General Manager of Finance & Accounting Division, IHI Corporation
2016 Director, Managing Executive Officer, General Manager of Finance & Accounting Division, IHI Corporation
2017 Director, Managing Executive Officer, President of Industrial Systems and General-Purpose Machinery Business Area, IHI Corporation
2018 Director, IHI Corporation
Adviser, IHI Corporation
2021 Director, AIDA ENGINEERING, LTD. (current position)



Outside Director (Independent)
Isao Iguchi

1977 Joined Mitsubishi Electric Corporation
2008 Corporate Executive,
General Manager, Industrial Products Marketing Division,
Factory Automation Systems Group, Mitsubishi Electric Corporation
2010 Corporate Executive, Senior General Manager,
Chubu Branch Office, Mitsubishi Electric Corporation
2012 Executive Officer, Vice President, Corporate Marketing Group,
Mitsubishi Electric Corporation
2016 Senior Vice President, Group President, Automotive Equipment Group
Deputy Senior General Manager, ITS Business Development Group,
Mitsubishi Electric Corporation
2019 Senior Corporate Adviser, Mitsubishi Electric Corporation (current position)
2021 Director, AIDA ENGINEERING, LTD. (current position)

Statutory Auditors



Outside Standing Statutory
Auditor (Independent)
Shigeo Matsumoto

1999 General Manager, Operation Audit Dept., The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
2001 Standing Auditor, The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
2002 Standing Statutory Auditor, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Standing Statutory Auditor, Fuji Research Institute Corporation
2004 Standing Statutory Auditor,
Mizuho Information & Research Institute, Inc.
2010 Standing Statutory Auditor, AIDA ENGINEERING, LTD. (current position)



Outside Statutory Auditor
(Independent)
Noriyuki Katayama

1990 Admitted to practice law in Japan
Joined Nagashima & Ohno
(currently Nagashima Ohno & Tsunematsu)
1996 Admitted to practice law in New York
Joined Tokyo City Law & Tax Partners
2003 Partner, City-Yuwa Partners (current position)
2004 Statutory Auditor, Deutsche Asset Management (Japan) Limited (currently DWS Investments (Japan) Limited) (current position)
2005 Statutory Auditor, Deutsche Securities Junbi K.K. (currently Deutsche Securities Inc.)
2006 Outside Director, Accordia Golf Co., Ltd.
2009 Visiting Professor, Graduate School of Law, Toyo University
2013 Supervisory Director, SIA REIT, Inc. (currently One REIT, Inc.)
2014 A member of the Committee of Bar Examiners
in charge of the commercial and corporate law portion
of the National Preliminary Qualifying Bar Examination
Outside Statutory Auditor, Nissan Chemical Industries, Ltd. (currently Nissan Chemical Corporation) (current position)
2017 Supervisory Director, HEIWA REAL ESTATE REIT, Inc. (current position)
2018 Inspection Commissioner, Director, Nippon Denka, Ltd. (current position)
2019 Outside Statutory Auditor, Livesense Inc. (current position)
2021 Statutory Auditor, AIDA ENGINEERING, LTD. (current position)



Outside Statutory Auditor
(Independent)
Fusakazu Kondo

1983 Joined The Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Ltd.)
2004 General Manager, Profit Management Department,
The Dai-ichi Mutual Life Insurance Company
2010 General Manager, Corporate Finance Department,
The Dai-ichi Life Insurance Company, Ltd.
2012 Senior Audit and Supervisory Board Member
(Full-Time), The Dai-ichi Life Insurance Company, Ltd.
2016 Director (Audit and Supervisory Committee Member (Full-Time)),
Dai-ichi Life Holdings, Inc. (current position)
2020 Statutory Auditor, AIDA ENGINEERING, LTD. (current position)

Activity Status of Outside Directors and Outside Statutory Auditors

Outside Directors	Name	Attendance at the Board of Directors Meetings	Attendance at the Board of Auditors Meetings	Reason for Appointment
	Hirofumi Gomi	100% 11/11 times	—	Mr. Gomi has an objective point of view based on his abundant experience and advanced expertise as a former commissioner of Japan's Financial Services Agency, where he was involved in the financial administration of the nation, and the Company anticipates that he will provide advice and suggestions to ensure the adequacy and appropriateness of decision-making by the Board of Directors and others. For this reason, Mr. Gomi has been appointed as an outside director of the Company since June 2015.
	Mikio Mochizuki * Newly appointed	—	—	Mr. Mochizuki has a wealth of experience and extensive knowledge of press machines and other aspects of the industrial machinery business, as well as keen insight into corporate management. We anticipate that he will reflect these attributes in the Company's management and supervise management from an independent and objective standpoint. For this reason, Mr. Mochizuki was appointed as an outside director of the Company in June 2021.
	Isao Iguchi * Newly appointed	—	—	Mr. Iguchi has a wealth of experience and extensive knowledge of the automated machinery and factory automation business, on which the Company focuses, as well as keen insight into corporate management. We anticipate that he will reflect these attributes in the Company's management and supervise management from an independent and objective standpoint. For this reason, Mr. Iguchi was appointed as an outside director of the Company in June 2021.

Outside Statutory Auditors	Name	Attendance at the Board of Directors Meetings	Attendance at the Board of Auditors Meetings	Reason for Appointment
	Shigeo Matsumoto	100% 11/11 times	100% 10/10 times	Mr. Matsumoto has an objective point of view based on his wide-ranging knowledge about finance and management and his abundant experience—including overseas work and internal auditing at major financial institutions—and the Company anticipates that he will play an instrumental role in supervising the execution of duties by directors and executive officers. For this reason, Mr. Matsumoto has been appointed as an outside statutory auditor of the Company since June 2010.
	Fusakazu Kondo	100% 8/8 times (After being appointed on June 29, 2020)	100% 8/8 times (After being appointed on June 29, 2020)	Mr. Kondo has an objective point of view based on his abundant experience and excellent knowledge in multiple fields. These include his time at a life insurance company, where he mainly engaged in finance-related work and also performed audit work as a member of that company's Senior Audit and Supervisory Board (full-time) and an Audit and Supervisory Committee (full-time). Accordingly, the Company anticipates that he will play an instrumental role in supervising the execution of duties by directors and executive officers. For this reason, Mr. Kondo has been appointed as an outside statutory auditor of the Company since June 2020.
	Noriyuki Katayama * Newly appointed	—	—	As an attorney at law for many years, Mr. Katayama has extensive experience and advanced expertise in all aspects of business law, including international transactions, corporate acquisitions, corporate legal affairs, corporate governance, and financial legal affairs. The Company anticipates that he will monitor and supervise the business execution of directors and executive officers from an independent and objective standpoint. For this reason, Mr. Katayama was appointed as an outside statutory auditor of the Company in June 2021.

Reasons for Choosing the Current Corporate Governance System

The Company has a Board of Directors consisting of seven members (including three outside directors, all of whom are independent officers) to ensure swift decision-making. It also has a Board of Auditors with three members (all of whom are outside statutory auditors and independent officers) to strengthen management oversight. In addition, we have introduced an operating officer system to speed up management decision-making and clarify lines of authority and responsibility. We also established a Compliance Committee to enhance internal control and, as part of our risk management system, we have set up various other committees, including a Health & Safety Committee, Product Liability Committee, Export Regulatory Control Committee and Risk Assessment Promotion Committee.

The Company selected its current governance system in order to strengthen the functions of a fair and sound management system, expedite decision-making by management and ensure its transparency. This is achieved through the appointment of multiple highly independent outside directors and outside statutory auditors, as well as our operating officer system and the initiatives of various committees to improve governance.

Initiatives to Address Climate Change and Other External Environmental Issues That May Pose Management Risks and Offer Opportunities

We formulated the AIDA Environmental Policy in order to advance our environmental protection activities. In our Medium-Term Management Plan, the vision statement “We will contribute to society as a global leading company by protecting the environment, reducing energy consumption, and developing technologies” expresses our commitment to achieving further growth while reducing our environmental impact and developing products with superior environmental and energy-saving performance. To ensure business continuity and achieve sustainable growth, we will strive to understand the risks and opportunities associated with climate change and other environmental issues, and to disclose information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

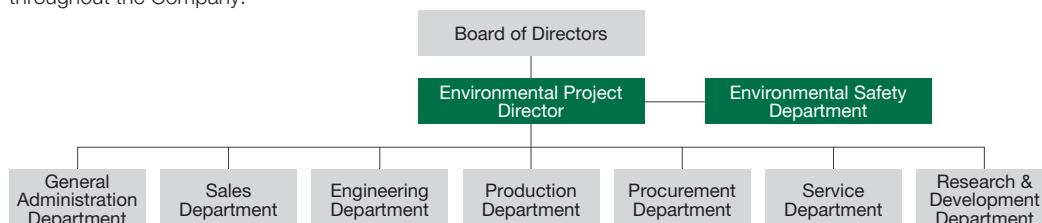
◆ Environmental Policy

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.

◆ Environmental Management Organization (Simplified Diagram)

Our Environmental Management Organization is led by the Company’s President and includes members appointed by each department. This organization advances efficient environmental protection activities throughout the Company.

- 1 We will work to reduce its environmental footprint by continuously improving its environmental management systems, and we will also promote environmental management activities by revising its environmental-related targets and goals.
- 2 We will strive to protect the environment and strictly adhere to any other requirements stipulated by laws, regulations, and accepted practices.
- 3 In order to proactively prevent the destruction and pollution of the natural environment to the extent that it is technologically and economically feasible, we will promote the following and will strive to reduce the burden being placed on the earth’s environment.
 - (1) Promote resource and energy conservation.
 - (2) Eliminate waste products and promote recycling.
 - (3) Minimize the release of harmful substances. Additionally, move towards the use of substances that present minimal harm.
 - (4) Painstakingly manage buildings, equipment, and processes, etc., that could possibly have an adverse effect on the environment.
 - (5) Implement oil leakage countermeasures (even in drop-size increments) to prevent water and soil contamination.
- 4 We will strive to ensure that all employees understand this Environmental Policy and have a heightened environmental awareness, and work towards the practical implementation of environmental improvements and protections. Moreover, we will also inform participating business partners of this Environmental Policy and ask for their understanding and cooperation in implementing environmental improvements and protections.



Strategy

◆ Potential Risks

<Physical Risks>

- Extreme weather events such as floods or natural disasters could disrupt our product manufacturing operations and our supply chain, which could impact our revenue and require major outlays to bring our manufacturing equipment back online.

<Transitional Risks>

- 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.
- Revised assessments of the Company due to its attitude toward climate change, etc. could lead to a decrease in corporate value.

◆ Opportunities

- The introduction of energy-saving equipment and more efficient usage of energy in production activities could lead to cost reductions and improve product competitiveness.
- As we continue to develop product technologies in response to the electrification and weight reduction of automobiles, it could lead to the development of highly competitive products that deliver better energy efficiency and productivity, which would enhance our product competitiveness.
- 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.

Risk Management

To address risks related to management strategies, the involved departments are analyzing the risks and reviewing countermeasures, and such items are discussed as necessary in Board of Directors meetings and Management Council meetings. We have identified climate change as one of the most critical risks for the entire company, and we plan to develop countermeasures and disclose information about physical risks and transitional risks related to laws, regulations, and markets, etc., as necessary.

■ Indicators and Targets

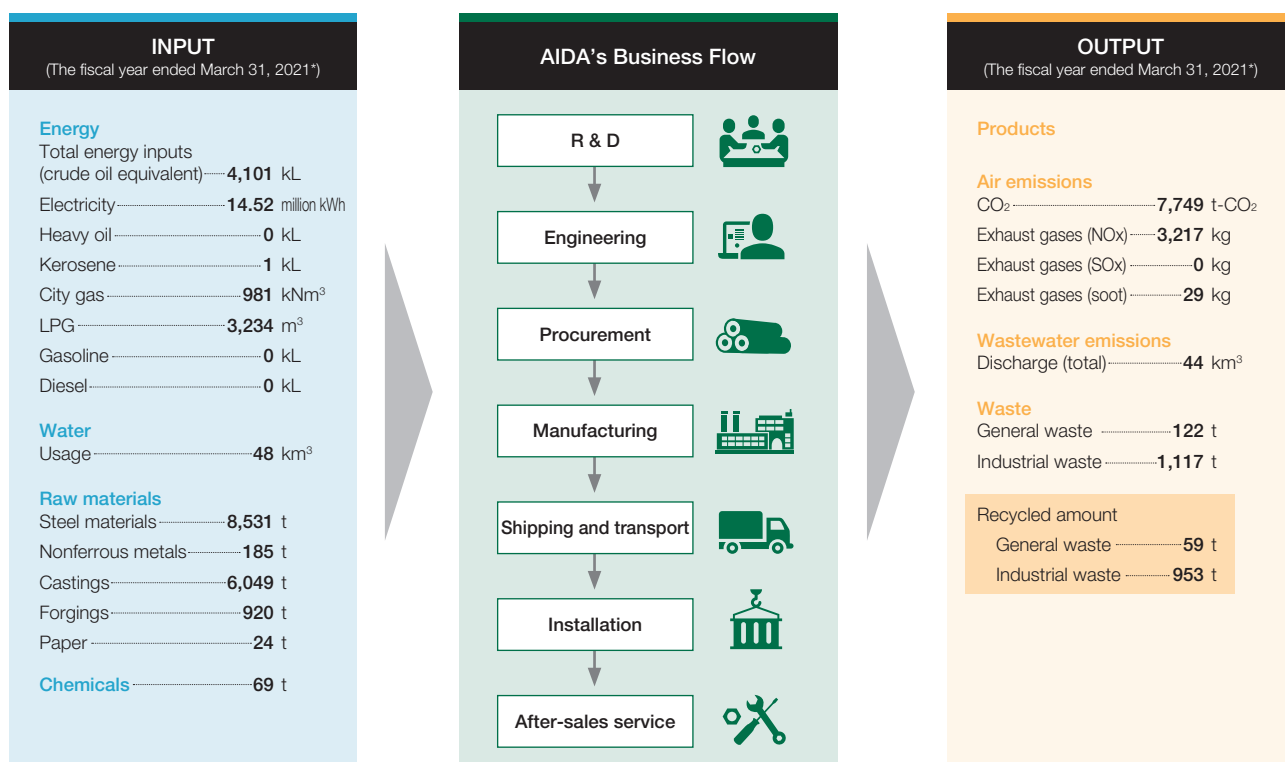
Based on our environmental policy, we have set environmental targets that take into consideration laws, regulations, and other requirements as well as factors that can significantly affect the environment. We also strive to ensure compliance with laws and regulations, to improve our environmental protection efforts, and to develop environmentally friendly products.

Environmental Objectives	Targets for the Fiscal Year Ended March 31, 2021	Results for the Fiscal Year Ended March 31, 2021
Promote the recycling of waste materials and control waste generation (promote recycling and reuse)	<ul style="list-style-type: none"> Emissions* target Sagami-hara: 1,600 tons or less Hakusan: 110 tons or less Industrial waste recycling ratio Sagami-hara: 86% or higher Hakusan: 85% or higher 	<ul style="list-style-type: none"> Total emissions Sagami-hara: 1,145 tons; target achieved Hakusan: 94 tons; target achieved Industrial waste recycling rate Sagami-hara: 87%; target achieved Hakusan: 65%; target not achieved
Promote energy conservation	<ul style="list-style-type: none"> Total energy usage (crude oil equivalent) Sagami-hara: 4,500 kL or below, Hakusan: 300 kL or below CO₂ emissions (unit conversion coefficient) Sagami-hara: 37 tons CO₂/¥100 million (production volume) or lower Hakusan: 12 tons CO₂/¥100 million (net sales) or lower 	<ul style="list-style-type: none"> Total energy usage (crude oil equivalent)* Sagami-hara: 3,837 kL, Hakusan: 264 kL; target achieved CO₂ emissions Sagami-hara: 32 tons CO₂/¥100 million (production volume); target achieved Hakusan: 12 tons CO₂/¥100 million (net sales); target achieved

* Emissions: Total emissions of general waste and industrial waste * Sagami-hara's scope of analysis: Sagami Plant, Tsukui Plant, and Shimokuzawa Plant

* We received the highest "S Class" rating under the Business Operator Class-Based Assessment System administered by the Agency for Natural Resources and Energy within the Ministry of Economy, Trade and Industry.

◆ Material balance



* Environmental impact of AIDA production processes for the fiscal year ended March 31, 2021 (all figures are rounded off)
Scope of analysis: AIDA ENGINEERING, LTD. (Sagami Plant, Tsukui Plant, Shimokuzawa Plant, and Hakusan Plant)

◆ Future Initiatives to Protect the Environment

Environmental Objective	Items to Address/Issues to Consider	
Promote energy conservation	<ul style="list-style-type: none"> Reduce energy consumption by upgrading existing facilities Expand solar power generation systems at our factories and look at introducing wind power 	7 AFFORDABLE AND CLEAN ENERGY
Reduce CO ₂ emissions and recycle waste materials	<ul style="list-style-type: none"> Help address climate change and achieve the SDGs through the use of carbon-neutral liquified natural gas in high-efficiency gas cogeneration systems 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Develop environmentally friendly products	<ul style="list-style-type: none"> Develop and provide new products that support the efforts of manufacturers to reduce their environmental impact 	11 SUSTAINABLE CITIES AND COMMUNITIES
Improve environmental protection efforts	<ul style="list-style-type: none"> Introduce environmentally friendly processes and auxiliary equipment (e.g., continuing to use LED lighting) Reduce the use of chemical substances that fall under the purview of the Pollutant Release and Transfer Register 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Comply with laws and regulations governing air pollution, water quality, noise, etc.	<ul style="list-style-type: none"> Maintain processes and auxiliary equipment within regulatory limits and review even further enhancements 	13 CLIMATE ACTION
		15 LIFE ON LAND

Consolidated Financial Summary

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

	2012	2013	2014	2015	
Orders, Net Sales, and Income					
Orders	¥ 58,021	¥ 73,033	¥ 76,670	¥ 70,256	
Net sales	52,240	57,812	69,594	76,897	
Cost of sales	42,589	46,393	54,617	59,650	
Selling, general and administrative expenses	7,424	7,657	8,656	9,383	
Operating income	2,225	3,760	6,320	7,863	
Income before income taxes	2,927	4,019	6,584	8,543	
Income taxes	79	211	1,456	2,337	
Net income attributable to owners of parent	2,847	3,808	5,127	6,205	
Profitability Ratio					
Operating income ratio	4.3%	6.5%	9.1%	10.2%	
Total Assets, Total Net Assets and Interest-Bearing Debt					
Total assets	¥ 71,300	¥ 82,118	¥ 91,830	¥ 105,126	
Total net assets	47,476	52,990	59,655	67,254	
Total interest-bearing debt	2,048	1,500	2,491	1,891	
Shareholders' equity ratio	66.5%	64.4%	64.8%	63.8%	
Capital Expenditures, Depreciation and Amortization and R&D Expenditures					
Capital expenditures	¥ 2,667	¥ 1,555	¥ 3,117	¥ 1,958	
Depreciation and amortization	1,378	1,362	1,548	1,712	
R&D expenditures	909	1,008	1,076	1,345	
Return Indicators					
Return on equity (ROE)	6.2%	7.6%	9.1%	9.8%	
Return on assets (ROA)	4.1%	5.0%	5.9%	6.3%	
Cash Flows					
Cash flows from operating activities	¥ 8,749	¥ 5,938	¥ 5,978	¥ 5,100	
Cash flows from investing activities	(1,231)	(1,277)	(3,254)	(1,237)	
Free cash flow	7,517	4,660	2,723	3,863	
Cash flows from financing activities	35	(1,446)	26	(2,077)	
Cash and cash equivalents at the end of the year	17,129	22,281	26,038	29,958	
	2012	2013	2014	2015	
Per Share Data					
Net income	¥ 46.97	¥ 62.74	¥ 83.95	¥ 100.99	
Cash dividends	14.00	19.00	25.00	30.00	
Net assets	781.58	868.33	969.35	1,088.96	
Stock Information (at Year-End)					
Stock price	¥ 476	¥ 756	¥ 982	¥ 1,380	
Market capitalization (millions of yen)	37,674	59,835	77,722	101,633	
Number of shares issued (shares)	79,147,321	79,147,321	79,147,321	73,647,321	
Other Data					
Number of employees	1,566	1,647	1,728	1,818	

Notes: 1. Amounts presented from the year ended March 31, 2012 to the year ended March 31, 2014 were retrospectively adjusted to reflect the changes in accounting policies of the Japanese employee stock ownership plan (J-ESOP).

2. Amounts presented in the year ended March 31, 2018 were retrospectively reclassified to reflect the changes in "Partial Amendments to Accounting Standard for Tax Effect Accounting."

						Millions of yen	% change
	2016	2017	2018	2019	2020	2021	2020 vs. 2021
	¥ 75,474	¥ 62,655	¥ 83,143	¥ 75,694	¥ 62,326	¥ 52,708	(15.4)
	75,529	67,547	73,856	84,082	69,159	58,099	(16.0)
	57,544	51,761	57,926	68,851	53,966	45,747	(15.2)
	9,947	9,168	9,617	9,669	9,019	8,629	(4.3)
	8,037	6,617	6,312	5,561	6,173	3,722	(39.7)
	8,329	6,754	6,639	5,785	6,242	2,845	(54.4)
	2,546	1,769	1,810	1,092	2,143	1,492	(30.4)
	5,782	4,985	4,786	4,634	4,022	1,316	(67.3)
	10.6%	9.8%	8.5%	6.6%	8.9%	6.4%	—
	¥ 100,609	¥ 101,683	¥ 116,108	¥ 111,564	¥ 104,114	¥ 107,787	3.5
	68,758	70,834	75,924	77,206	74,840	77,505	3.6
	4,663	4,470	4,111	3,991	4,491	2,797	(37.7)
	68.2%	69.5%	64.8%	68.5%	71.1%	71.2%	—
	¥ 4,654	¥ 2,093	¥ 2,434	¥ 2,867	¥ 939	¥ 597	(36.4)
	1,995	1,961	2,061	2,142	2,146	2,048	(4.6)
	1,237	1,197	1,036	1,067	1,140	996	(12.6)
	8.5%	7.2%	6.6%	6.1%	5.3%	1.7%	—
	5.6%	4.9%	4.4%	4.1%	3.7%	1.2%	—
	¥ 6,596	¥ 2,400	¥ 12,714	¥ 2,821	¥ 3,908	¥ 7,263	85.8
	(5,655)	(3,118)	(3,789)	(1,650)	(1,091)	(1,921)	—
	941	(718)	8,924	1,171	2,817	5,341	89.6
	915	(1,954)	(3,668)	(1,956)	(3,377)	(3,770)	—
	29,524	25,572	31,721	30,633	28,710	31,700	10.4
						Yen	% change
	2016	2017	2018	2019	2020	2021	2020 vs. 2021
	¥ 93.78	¥ 80.82	¥ 77.59	¥ 75.10	¥ 66.88	¥ 22.07	(67.0)
	30.00	40.00	30.00	30.00	30.00	20.00	(33.3)
	1,112.51	1,145.74	1,219.02	1,238.41	1,243.15	1,285.38	3.4
	¥ 978	¥ 988	¥ 1,286	¥ 798	¥ 691	¥ 994	43.8
	72,027	72,763	94,710	57,174	47,988	69,031	43.9
	73,647,321	73,647,321	73,647,321	71,647,321	69,448,421	69,448,421	—
	1,951	1,950	2,201	2,202	2,146	2,113	(1.5)

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

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

Orders, Sales, and Earnings

In fiscal year ended March 31, 2021, the global economy began recovering from the decline caused by the global spread of COVID-19. However, the outlook remains uncertain due to various factors, including the reemergence of COVID-19 variants, conflict between the United States and China, and geopolitical risks.

Orders in the metalforming machinery industry decreased both in Japan and overseas, with the Japan Forming Machinery Association reporting that worldwide orders for press machines fell 26.2% year on year to ¥89.1 billion in the year under review—dipping below ¥100 billion for the first time since the 2008 global financial crisis. However, orders started recovering in the second half.

Under these conditions, the Group recorded total orders of ¥52.7 billion, down 15.4% year on year. Restrictions on sales and service activities caused by the spread of COVID-19 as well as a slowdown in capital investments in the automobile industry caused orders to decline significantly. From the second half of the year when economic activity resumed, however, the market began to recover, albeit gradually, supported by orders related to electric vehicles. Accordingly, the order backlog at fiscal year-end totaled ¥38.7 billion, down 12.2% year on year. Net sales declined 16.0% to ¥58.0 billion, impacted by depressed conditions in the first quarter. However, sales have been recovering steadily since the second quarter with the normalization of operations. Due to the decline in revenue as well as posting allowance for doubtful accounts, operating income fell 39.7% to ¥3.7 billion, and ordinary income declined 41.6% to ¥3.7 billion. Net income attributable to owners of parent dropped 67.3% to ¥1.3 billion, mainly due to an extraordinary loss related to the impairment of assets at a plant in China and the suspension and downsizing of plant operations due to the impact of COVID-19.

Management's basic policy for profit distribution is to maintain consistent dividend payments and a consolidated dividend payout ratio target of 40% while preserving the stability of our business and its financial underpinnings and our internal reserves for strategic investments for future sustainable growth. Despite the significant fall in earnings stemming from the spread of COVID-19, in order to maintain stable dividends we announced an ordinary dividend of ¥20 per share, for a payout ratio of 90.6%.

Results by Business Segment and Geographic Segment

Business Segments

Press Machines

Due to restrictions on sales activities caused by the spread of COVID-19 as well as a slowdown in capital investments in the automobile industry, orders for press machines declined 13.7% to ¥36.2 billion. However, orders recovered gradually in the second half, boosted by steady orders for press machines for producing electric vehicle drive motors and outer panels. Segment sales declined 15.0% to ¥41.2 billion, impacted by depressed conditions in the first quarter. However, sales have been recovering steadily since the second quarter with the normalization of operations.

Service (Press-Related)

Due to restrictions on service activities stemming from the spread of COVID-19, orders in this segment fell 19.3% to ¥12.3 billion, and sales declined 17.0% to ¥12.4 billion.

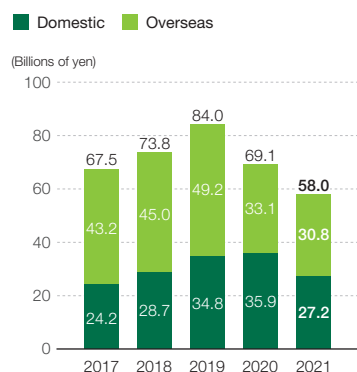
Others

Due to a decrease in orders for control devices and other products for steel and automobile-related applications at REJ Co., Ltd., segment orders declined 17.9% to ¥4.0 billion, and sales fell 21.5% to ¥4.4 billion.

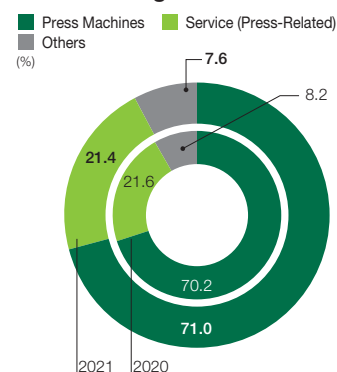
Orders/Order Backlog



Net Sales



Net Sales Ratio by Business Segment



Geographic Segments

Japan

Although sales fell significantly in the first quarter stemming from the spread of COVID-19, our business began recovering from the second quarter. For the year, sales in Japan declined 17.3% to ¥40.2 billion, and segment profit fell 34.7% to ¥3.0 billion, due mainly to the decrease in revenue.

China

Economic activity recovered starting from the first quarter due to the early containment of infections, with sales increasing 10.3% to ¥7.4 billion. This was due mainly to progress in sales of the percentage of completion method and an increase in service sales. However, we reported a segment loss of ¥284 million (compared to a segment profit of ¥240 million in the previous year), due mainly to posting allowance for doubtful accounts.

Asia

Although the impact of the COVID-19 pandemic was minimal from the second quarter onward, sales declined 12.3% to ¥7.2 billion due to sluggish order intake. Segment profit fell 36.6% to ¥673 million due to lower revenue and gross margins.

The Americas

Although sales fell significantly in the first quarter stemming from the spread of COVID-19, our business began recovering in the second quarter. For the year, sales in the Americas declined 11.6% to ¥10.4 billion. Segment profit decreased 5.1% to ¥515 million, benefiting from cost reductions that largely absorbed the impact of lower revenue and gross margins.

Europe

Sales fell sharply in the first quarter due to the spread of COVID-19, but began recovering in the second quarter. For the year, sales in Europe were down 14.3% to ¥9.5 billion. Thanks to cost reductions, the segment loss was reduced to ¥121 million (from ¥243 million in the previous year).

Financial Position

Analysis of Financial Position

As of March 31, 2021, total assets amounted to ¥107.7 billion, up ¥3.6 billion year on year. Primary factors included a ¥2.9 billion increase in cash on hand and at banks, a ¥1.9 billion decrease in trade receivables (such as notes and accounts receivable – trade, electronically recorded monetary claims – operating, and accounts receivable – other), a ¥913 million decrease in property, plant and equipment, and a ¥3.8 billion jump in investment securities.

Total liabilities increased ¥1.0 billion year on year to ¥30.2 billion. Primary factors included a ¥1.6 billion decrease in short-term loans payable, a ¥2.0 billion rise in advances received, and an ¥889 million increase in deferred tax liabilities.

Net assets increased ¥2.6 billion to ¥77.5 billion. Primary factors included a ¥572 million decrease in retained earnings, a ¥2.2 billion increase in net unrealized gains on other securities, and a ¥1.1 billion rise in foreign currency translation adjustments. As a result, the shareholders' equity ratio at fiscal year-end was 71.2%.

Cash Flow

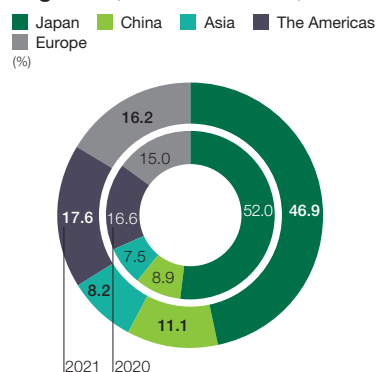
On March 31, 2021, cash and cash equivalents amounted to ¥31.7 billion, up ¥2.9 billion year on year.

The following is a summary of the various cash flows and their main elements.

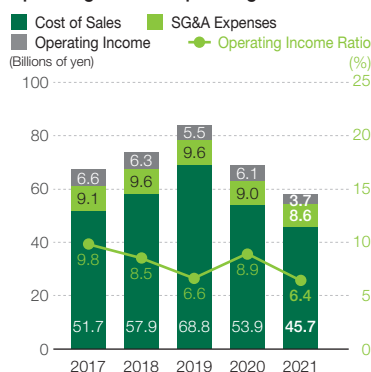
(i) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7.2 billion, compared to ¥3.9 billion in the previous fiscal year. Major inflows included a ¥4.3 billion decrease in trade receivables, ¥2.8 billion in income before income taxes, and ¥2.0 billion in depreciation and amortization. Major outflows included a ¥667 million decrease in trade payables and ¥1.8 billion in income taxes paid.

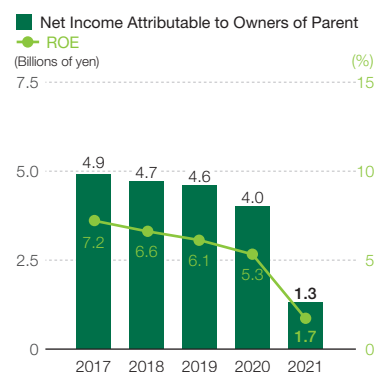
Net Sales Ratio by Geographic Segment (to External Customers)



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



Net Income Attributable to Owners of Parent/ROE



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

(ii) Cash flows from investing activities

Net cash used in investing activities totaled ¥1.9 billion, compared to ¥1.0 billion during the previous year. Primary factors included ¥1.2 billion in payments for purchase of property, plant and equipment and intangible assets.

(iii) Cash flows from financing activities

Net cash used in financing activities was ¥3.7 billion, compared to ¥3.3 billion in the previous year. Primary factors included ¥1.8 billion in cash dividends paid and a ¥1.8 billion decrease in short-term loans payable.

Capital Expenditures

In the year under review, capital expenditures totaled ¥597 million, a decrease from the previous year. This was due mainly to construction delays caused by the spread of COVID-19. Expenditures were allocated mainly for the purchase of equipment and machinery for the Sagami Plant and investments in core systems to strengthen our business foundation.

Research and Development

The Group's R&D activities are spearheaded by the Research & Development Headquarters, which collaborates with the Engineering Headquarters and other divisions guided by the basic policy of strengthening and establishing fundamental technologies, reinforcing core products, and developing environmentally friendly flagship products. In the year under review, the Group recorded ¥996 million in R&D spending, mostly in the Japan segment. During the year, the Company and Taiyo Industry Co., LTD. jointly received the "MF Technology Excellence Award" sponsored by the Japan Forming Machinery Association for using a servo press to "manufacture highly difficult knurled parts using a multi-process press forging methodology." The following are the primary R&D activities in the year under review.

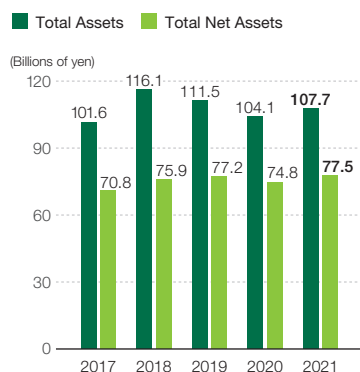
- (1) Optimization of dedicated servo press control systems by model
- (2) Development of forming systems for forming lightweight materials (high-strength steels, aluminum, carbon fiber, etc.) to meet demand related to the shift towards electric vehicles
- (3) Sophistication of large high-speed dual-arm transfers
- (4) Development of a new frame design for large servo presses
- (5) Development of IoT-based monitoring systems for press machine systems
- (6) Development of AI-based failure diagnosis and operational support technologies
- (7) Development of preventive maintenance functions using AIDA's AiCARE machine information management system
- (8) Expansion of applications that utilize the AIDA Digital Motion System (ADMS), our proprietary 3D simulation software

Capital Resources and Funding Liquidity

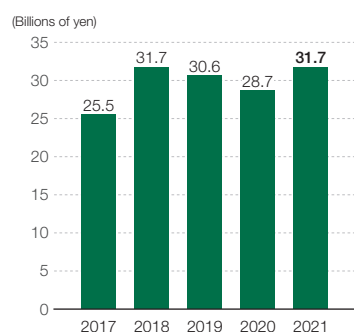
The Group utilizes working capital mainly for manufacturing expenditures, including the purchase of materials and parts and payments for outsourced machining, as well as for selling, general and administrative (SG&A) expenses. Funds for capital expenditures are primarily used to construct internal production systems, and our basic policy is to primarily use our own available funds for these expenditures.

In the fiscal year under review, the Group recorded total capital expenditures of ¥597 million, down ¥342 million year on year, and cash outflows were limited. The year-on-year decline was partly due to the spread of COVID-19. The balance of cash and cash equivalents at fiscal year-end was ¥31.7 billion, up ¥2.9 billion year on year, due mainly to the increase in net cash provided by operating activities, and thus the Group does not have liquidity issues.

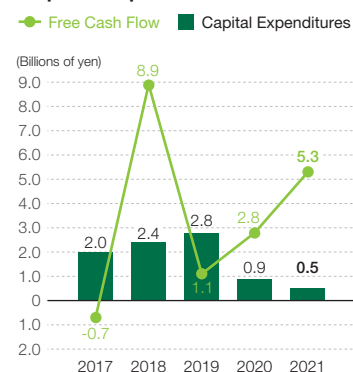
Total Assets/Total Net Assets



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

	2017	2018	2019	2020	Millions of yen 2021	Changes (%) 2020 vs. 2021
Business Division:						
Net sales						
Press machines	¥ 52,711	¥ 56,300	¥ 63,177	¥ 48,540	¥ 41,237	(15.0)
Service (Press-Related)	14,674	15,082	14,852	14,961	12,422	(17.0)
Others	160	2,474	6,052	5,657	4,439	(21.5)
Total	¥ 67,547	¥ 73,856	¥ 84,082	¥ 69,159	¥ 58,099	(16.0)
Geographic Segment:						
Net sales						
Japan	¥ 41,176	¥ 46,349	¥ 51,263	¥ 48,655	¥ 40,237	(17.3)
China	7,920	9,453	13,909	6,731	7,422	10.3
Asia	8,055	8,803	9,649	8,228	7,212	(12.3)
The Americas	18,460	18,825	16,625	11,817	10,451	(11.6)
Europe	12,619	14,669	15,485	11,189	9,584	(14.3)
Adjustments	(20,685)	(24,244)	(22,851)	(17,463)	(16,808)	—
Total	¥ 67,547	¥ 73,856	¥ 84,082	¥ 69,159	¥ 58,099	(16.0)
Operating income						
Japan	¥ 3,521	¥ 3,462	¥ 2,431	¥ 4,726	¥ 3,087	(34.7)
China	303	224	723	240	(284)	—
Asia	1,267	1,595	1,398	1,062	673	(36.6)
The Americas	1,390	1,196	693	542	515	(5.1)
Europe	41	127	4	(243)	(121)	—
Adjustments	93	(294)	310	(155)	(148)	—
Total	¥ 6,617	¥ 6,312	¥ 5,561	¥ 6,173	¥ 3,722	(39.7)

Quarterly Information

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

	2017	2018	2019	2020	Millions of yen 2021	% change 2020 vs. 2021
Net Sales						
1st quarter	¥ 15,338	¥ 15,792	¥ 18,862	¥ 16,007	¥ 10,559	(34.0)
2nd quarter	16,429	16,942	21,449	18,267	15,202	(16.8)
3rd quarter	15,881	18,028	20,945	16,534	13,476	(18.5)
4th quarter	19,897	23,093	22,825	18,349	18,862	2.8
Total	¥ 67,547	¥ 73,856	¥ 84,082	¥ 69,159	¥ 58,099	(16.0)
Operating Income						
1st quarter	¥ 1,266	¥ 1,315	¥ 1,203	¥ 1,097	¥ 179	(83.7)
2nd quarter	2,059	1,561	1,130	1,929	1,364	(29.3)
3rd quarter	1,205	1,265	1,389	1,287	892	(30.7)
4th quarter	2,086	2,170	1,837	1,858	1,287	(30.8)
Total	¥ 6,617	¥ 6,312	¥ 5,561	¥ 6,173	¥ 3,722	(39.7)

Consolidated Balance Sheets

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Assets			
Current assets			
Cash on hand and at banks (Note 4)	¥ 31,705	¥ 28,723	\$ 286,359
Notes and accounts receivable – trade	19,032	20,378	171,899
Electronically recorded monetary claims – operating	2,793	2,748	25,226
Inventories (Note 5)	17,590	16,838	158,872
Advance payments – trade	885	596	8,000
Accounts receivable – other	985	1,628	8,905
Consumption taxes receivable	295	386	2,667
Other current assets	301	490	2,719
Allowance for doubtful accounts	(933)	(223)	(8,430)
Total current assets	72,656	71,568	656,220
Fixed assets			
Property, plant and equipment			
Buildings and structures	25,045	25,001	226,204
Accumulated depreciation	(17,653)	(16,957)	(159,438)
Buildings and structures, net	7,392	8,044	66,765
Machinery and vehicles	17,400	17,095	157,157
Accumulated depreciation	(12,421)	(11,099)	(112,188)
Machinery and vehicles, net	4,978	5,996	44,969
Land	7,236	7,283	65,361
Construction in progress	1,258	377	11,365
Other fixed assets	3,697	3,638	33,396
Accumulated depreciation	(3,213)	(3,077)	(29,025)
Other fixed assets, net	483	561	4,370
Total property, plant and equipment	21,350	22,263	192,832
Intangible assets	779	743	7,043
Investments and other assets			
Investment securities (Note 7)	9,843	5,944	88,906
Insurance reserve fund	1,922	2,324	17,359
Net defined benefit assets (Note 10)	868	814	7,842
Deferred tax assets (Note 15)	249	331	2,255
Other assets	154	156	1,394
Allowance for doubtful accounts	(38)	(32)	(344)
Total investments and other assets	13,000	9,539	117,414
Total fixed assets	35,130	32,546	317,290
Total assets	¥107,787	¥104,114	\$ 973,510

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Liabilities and net assets			
Liabilities			
Current liabilities			
Accounts payable – trade	¥ 5,004	¥ 4,733	\$ 45,197
Electronically recorded monetary obligations – operating	2,500	3,369	22,582
Short-term loans payable (Note 9)	1,297	2,991	11,719
Current portion of long-term loans payable (Note 9)	—	500	—
Accounts payable – other	1,114	707	10,064
Income taxes payable	1,070	1,681	9,669
Accrued expenses	1,089	1,048	9,838
Advances received	8,207	6,134	74,131
Accrued warranty costs	471	583	4,254
Accrued bonuses for employees	1,090	1,129	9,847
Accrued bonuses for directors	36	49	332
Provision for loss on orders received (Note 5)	113	170	1,022
Other current liabilities	1,383	725	12,491
Total current liabilities	23,378	23,823	211,150
Long-term liabilities			
Long-term loans payable (Note 9)	1,500	1,000	13,547
Long-term accounts payable – other	904	883	8,167
Deferred tax liabilities (Note 15)	2,334	1,445	21,088
Accrued stock payments	480	463	4,343
Net defined benefit liabilities (Note 10)	1,390	1,387	12,557
Asset retirement obligations	10	—	96
Other long-term liabilities	281	271	2,544
Total long-term liabilities	6,902	5,450	62,345
Total liabilities	30,281	29,273	273,495
Net assets			
Shareholders' equity			
Common stock (Note 11)	7,831	7,831	70,728
Authorized: 188,149,000 shares in 2021 and 2020			
Issued: 69,448,421 shares in 2021 and 2020			
Additional paid-in capital	12,423	12,415	112,202
Retained earnings	55,963	56,536	505,449
Treasury stock (Note 11)	(4,838)	(4,917)	(43,697)
9,753,258 shares in 2021 and 9,896,566 shares in 2020			
Total shareholders' equity	71,379	71,864	644,682
Accumulated other comprehensive income			
Net unrealized gains on other securities	4,869	2,638	43,982
Deferred hedge gains (losses)	(139)	47	(1,255)
Foreign currency translation adjustments	410	(773)	3,705
Retirement benefit plan adjustments (Note 10)	210	253	1,905
Total accumulated other comprehensive income	5,351	2,166	48,336
Stock options (Notes 11 and 22)	91	139	825
Non-controlling interests	683	669	6,169
Total net assets	77,505	74,840	700,014
Total liabilities and net assets	¥107,787	¥104,114	\$973,510

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

Consolidated Statements of Income

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Net sales	¥58,099	¥69,159	\$524,744
Cost of sales (Notes 2 (13), 5 and 13)	45,747	53,966	413,184
Gross profit	12,352	15,192	111,560
Selling, general and administrative expenses (Notes 12 and 13)	8,629	9,019	77,937
Operating income	3,722	6,173	33,623
Non-operating income			
Interest income	43	102	397
Dividend income	227	196	2,055
Foreign exchange gain	—	45	—
Other non-operating income	129	145	1,173
Total non-operating income	401	490	3,625
Non-operating expenses			
Interest expenses	33	31	301
Commission expenses	21	83	196
Foreign exchange loss	236	—	2,139
Restructuring charges	18	71	167
Other non-operating expenses	65	55	588
Total non-operating expenses	375	240	3,393
Ordinary income	3,748	6,423	33,855
Extraordinary gain			
Subsidy income related to suspension or decrease of production	255	—	2,303
Gain on sales of fixed assets	27	3	246
Gain on sales of investment securities (Note 7)	3	44	33
Total extraordinary gains	286	48	2,583
Extraordinary loss			
Loss on suspension or decrease of production	420	—	3,799
Loss on sales of fixed assets	0	0	1
Loss on disposal of fixed assets	29	25	270
Loss on impairment (Note 14)	686	174	6,204
Loss on valuation of investment securities (Note 7)	51	—	466
Other extraordinary loss	—	28	—
Total extraordinary losses	1,189	228	10,742
Income before income taxes	2,845	6,242	25,696
Income taxes			
Current taxes	1,282	2,276	11,587
Deferred taxes	209	(132)	1,888
Total income taxes (Note 15)	1,492	2,143	13,476
Net income	1,353	4,099	12,220
Net income attributable to non-controlling interests	36	76	331
Net income attributable to owners of parent	¥ 1,316	¥ 4,022	\$ 11,889

	Yen		U.S. dollars
	2021	2020	2021
Per share			
Net income – Basic (Note 18)	¥ 22.07	¥ 66.88	\$ 0.20
– Diluted (Note 18)	22.04	66.75	0.20
Cash dividends (Note 23)	20.00	30.00	0.18

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

Consolidated Statements of Comprehensive Income

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Net income	¥1,353	¥ 4,099	\$12,220
Other comprehensive income (Note 19)			
Net unrealized gains (losses) on other securities	2,231	(979)	20,156
Deferred hedge gains (losses)	(186)	49	(1,687)
Foreign currency translation adjustments	1,183	(1,418)	10,687
Retirement benefit plan adjustments	(43)	(144)	(388)
Total other comprehensive income	3,185	(2,493)	28,768
Comprehensive income	¥4,538	¥ 1,605	\$40,988
Comprehensive income attributable to owners of parent	¥4,501	¥ 1,529	\$40,654
Comprehensive income attributable to non-controlling interests	37	76	334

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, 2021 and 2020

	Millions of yen													
	Number of shares of common stock issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total sharehold- ers' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumu- lated other comprehen- sive income	Stock options	Non- controlling interests	Total net assets
Balance at April 1, 2019	71,647	¥7,831	¥12,415	¥55,777	¥(4,230)	¥71,793	¥3,617	¥ (1)	¥ 645	¥ 398	¥ 4,660	¥139	¥613	¥77,206
Cash dividends				(1,955)		(1,955)							(20)	(1,975)
Net income attributable to owners of parent				4,022		4,022								4,022
Purchase of treasury stock					(2,000)	(2,000)								(2,000)
Disposal of treasury stock					4	4								4
Retirement of treasury stock	(2,198)			(1,309)	1,309	—								—
Net changes of items other than shareholders' equity during the year							(979)	49	(1,418)	(144)	(2,493)	—	76	(2,416)
Balance at March 31 and April 1, 2020	69,448	7,831	12,415	56,536	(4,917)	71,864	2,638	47	(773)	253	2,166	139	669	74,840
Cash dividends				(1,889)		(1,889)							(23)	(1,912)
Net income attributable to owners of parent				1,316		1,316								1,316
Purchase of treasury stock					(0)	(0)								(0)
Disposal of treasury stock			7		80	87								87
Net changes of items other than shareholders' equity during the year							2,231	(186)	1,183	(43)	3,184	(48)	37	3,173
Balance at March 31, 2021	69,448	¥7,831	¥12,423	¥55,963	¥(4,838)	¥71,379	¥4,869	¥(139)	¥ 410	¥ 210	¥ 5,351	¥ 91	¥683	¥77,505

	Thousands of U.S. dollars (Note 3)													
	Number of shares of common stock issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total sharehold- ers' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Retirement benefit plans adjustments	Total accumu- lated other comprehen- sive income	Stock options	Non- controlling interests	Total net assets
Balance at April 1, 2020	69,448	\$70,728	\$112,130	\$510,622	\$(44,413)	\$649,067	\$23,829	\$ 431	\$ (6,982)	\$2,293	\$19,571	\$1,261	\$6,043	\$675,944
Cash dividends				(17,062)		(17,062)							(208)	(17,270)
Net income attributable to owners of parent				11,889		11,889								11,889
Purchase of treasury stock					(6)	(6)								(6)
Disposal of treasury stock			71		722	794								794
Net changes of items other than shareholders' equity during the year							20,152	(1,687)	10,687	(388)	28,764	(435)	334	28,663
Balance at March 31, 2021	69,448	\$70,728	\$112,202	\$505,449	\$(43,697)	\$644,682	\$43,982	\$(1,255)	\$ 3,705	\$1,905	\$48,336	\$ 825	\$6,169	\$700,014

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, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Cash flows from operating activities			
Income before income taxes	¥ 2,845	¥ 6,242	\$ 25,696
Depreciation and amortization	2,048	2,146	18,498
Loss on impairment	686	174	6,204
(Gain) loss on sales of fixed assets	(27)	(3)	(245)
Loss on disposal of fixed assets	29	25	270
(Gain) loss on sales of securities	(3)	(44)	(33)
(Gain) loss on valuation of investment securities	51	—	466
Increase (decrease) in allowance for doubtful accounts	675	(2)	6,103
Increase (decrease) in accrued bonuses for employees, net	(44)	53	(404)
Increase (decrease) in accrued bonuses for directors, net	(12)	4	(114)
Increase (decrease) in accrued warranty costs, net	(131)	(1)	(1,186)
Increase (decrease) in net defined benefit liabilities	(5)	(5)	(53)
(Increase) decrease in net defined benefit assets	(121)	(15)	(1,099)
Increase (decrease) in accrued stock payments, net	17	61	161
Increase (decrease) in provision for loss on orders received, net	(64)	116	(581)
Interest and dividend income	(271)	(298)	(2,452)
Interest expenses	33	31	301
(Increase) decrease in accounts receivable – trade	4,319	(740)	39,010
(Increase) decrease in inventories	(187)	(714)	(1,694)
Increase (decrease) in accounts payable – trade	(677)	(2,776)	(6,121)
(Increase) decrease in other assets	120	379	1,089
Increase (decrease) in other liabilities	795	(500)	7,183
Other, net	(1,229)	607	(11,109)
Sub-total	8,845	4,738	79,893
Interest and dividend income received	271	299	2,454
Interest expenses paid	(31)	(31)	(287)
Income taxes paid	(1,822)	(1,097)	(16,456)
Net cash provided by operating activities	7,263	3,908	65,604
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	(1,051)	(1,219)	(9,496)
Proceeds from sales of property, plant and equipment	162	5	1,469
Payments for purchase of intangible assets	(202)	(93)	(1,830)
Payments for purchase of investment securities	(851)	(500)	(7,690)
Proceeds from sales of investment securities	9	218	87
Proceeds from withdrawal of time deposits	7	497	69
Other, net	3	(0)	33
Net cash used in investing activities	(1,921)	(1,091)	(17,357)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(1,855)	604	(16,757)
Proceeds from long-term loans payable	500	500	4,515
Repayment of long-term loans payable	(500)	(500)	(4,515)
Payments for finance lease obligations	(3)	(3)	(34)
Proceeds from sales of treasury stock	2	—	23
Payments for purchase of treasury stock	(0)	(2,000)	(6)
Cash dividends paid	(1,889)	(1,956)	(17,069)
Cash dividends paid to non-controlling interests	(23)	(20)	(208)
Net cash used in financing activities	(3,770)	(3,377)	(34,053)
Effect of exchange rate changes on cash and cash equivalents	1,418	(1,363)	12,809
Net increase (decrease) in cash and cash equivalents	2,989	(1,923)	27,002
Cash and cash equivalents at the beginning of the year	28,710	30,633	259,307
Cash and cash equivalents at the end of the year (Note 4)	¥31,700	¥28,710	\$286,310

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 23 in 2021 and 24 in 2020. Significant consolidated subsidiaries as of March 31, 2021 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)

From the fiscal year ended March 31, 2021, ACCESS LTD. was excluded from the scope of consolidation due to an absorption-type merger through which ACCESS LTD., the absorbed company, merged with and into AIDA, the surviving company, effective April 1, 2020.

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 fair market value are reported at such fair market 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 without fair market value are stated at 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 statements 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 leases transactions are capitalized to recognize leased assets for financial accounting purposes. All other lease transactions are accounted for as operating leases and relating 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 cost of sales amounted to ¥246 million (U.S. \$2,227 thousand) and ¥340 million for the years ended March 31, 2021 and 2020, 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 the fiscal year ended March 31.

(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 material sales and cost of sales

The percentage of completion method (cost-comparison method using primarily estimates of construction progress) is applied for the construction contracts of which the percentage of completion can be reliably estimated. The completed-contract method is applied for other construction contracts.

(18) Consolidated taxation system

AIDA and certain domestic subsidiaries adopt the consolidated taxation system.

Impact on Tax Effect Accounting Due to Transition from the Consolidated Taxation System to the Group Tax Sharing System

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with the transition from the Consolidated Taxation System to the Group Tax Sharing System, which was established under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020) established on March 27, 2020, AIDA and its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28), and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

(19) Significant accounting estimates

The Companies made accounting estimates based on assumptions, including that the impact of the COVID-19 on social and economic activities will continue for a certain period in the next fiscal year.

Notes to Consolidated Financial Statements

Percentage of completion method

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

Net sales ¥23,347 million (U.S. \$210,871 thousand)

Accounts receivable – trade ¥7,454 million (U.S. \$67,325 thousand)

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

- (a) Calculation method

The Companies manufacture and sell press machines 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 press machines. When the percentage of completion method is applied, 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.

- (b) Main assumptions

The Companies make assumptions in calculating revenue and percentage of completion about 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 a material adjustment to the consolidated financial statements within 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

Loss on impairment ¥686 million (U.S. \$6,204 thousand)

Carrying amount of property, plant and equipment, and intangible assets (Before impairment)

¥1,937 million (U.S. \$17,502 thousand)

Details of impairment loss are stated in Note 14.

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

- (a) Calculation method

The Companies assess whether or not 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 carrying amount. The recoverable amount is calculated at the higher of 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 a material adjustment to the consolidated financial statements within next fiscal year

Uncertainty in estimating 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.

Allowance for doubtful accounts

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

Allowance for doubtful accounts ¥971 million (U.S. \$8,774 thousand)

The main items within allowance for doubtful accounts recognized in the current fiscal year are as follows:

For accounts receivable of ¥1,271 million (U.S. \$11,486 thousand) from a specific customer held by AIDA ENGINEERING CHINA CO., LTD. the allowance for doubtful accounts of ¥635 million (U.S. \$5,743 thousand) has been recognized to prepare for losses due to bad debts.

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

- (a) Calculation method

The Companies classify accounts receivables into the following three categories based on the financial conditions and business performance of the creditor: ordinary receivables, receivables from debtors at risk of bankruptcy, and receivables from debtors in bankruptcy or under reorganization.

For ordinary receivables, the amount of the allowance is based on the historical rate of loss. For receivables from debtors at risk of bankruptcy and receivables from debtors in bankruptcy or under reorganization, the amount of the allowance is based on individually estimated unrecoverable amounts.

Regarding accounts receivable from a specific customer held by AIDA ENGINEERING CHINA CO., LTD., the estimate of doubtful accounts was calculated by the estimated disposal value of press machines delivered by the Companies from the amount of receivables.

(b) Main assumptions

The Companies made assumptions in calculating the allowance for doubtful accounts recognized by AIDA ENGINEERING CHINA CO., LTD. about the amount expected to be collected based on the payment plan of the debtor and estimated disposal value of press machines delivered by the Companies.

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

There is uncertainty in measuring the amount expected to be collected based on the payment plan of the creditor and the estimated disposal value of press machines. Provision of allowance for doubtful accounts or reversal of allowance for doubtful accounts could be recognized and could significantly affect the consolidated financial statements if conditions and assumptions are changed.

Recoverability of deferred tax assets

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

Deferred tax assets ¥1,825 million (U.S. \$16,487 thousand)

(Amount after deducting deferred tax liabilities

¥249 million (U.S. \$2,255 thousand))

Of the above, the deferred tax assets recorded by AIDA are ¥1,175 million (U.S. \$10,620 thousand) (64% 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 a material adjustment to the consolidated financial statements within 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 and Implementation Guidance on Revenue Recognition

On March 30, 2018, the ASBJ issued "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30).

(1) Overview

This is a comprehensive accounting standard for revenue recognition. Specifically, the accounting standard establishes the following five-step model that will apply to revenue from customers:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

(2) Scheduled date of adoption

The Companies expect to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(3) Impact of the adoption of accounting standard and implementation guidance

AIDA is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

(21) Change in presentation

The Companies have adopted "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No.31, March 31, 2020) (hereinafter, the "Accounting Standard for Estimates") from the fiscal year ended March 31, 2021, and disclosed "Significant accounting estimates." Regarding the adoption of the Accounting Standard for Estimates, the Companies follow the transitional treatment provided for in the proviso of Paragraph 11 of the accounting standard and do not include comparative information for the previous fiscal year in the consolidated financial statements.

(22) Additional information

Employee Stock Ownership Plan (ESOP) Trust

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, 2021 are ¥948 million (U.S. \$8,569 thousand) and 3,306,100 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, 2021 are ¥144 million (U.S. \$1,307 thousand) and 157,900 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 ¥110.72 = U.S. \$1, the approximate rate of exchange as of March 31, 2021, 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
	2021	2020	2021
Cash on hand and at banks	¥31,705	¥28,723	\$286,359
Less: Time deposits with maturities of more than three months	(5)	(12)	(49)
Cash and cash equivalents	¥31,700	¥28,710	\$286,310

5 INVENTORIES

"Inventories" on the consolidated balance sheets were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Finished goods	¥ 3,237	¥ 2,618	\$ 29,239
Work in process	10,751	10,662	97,102
Raw materials	3,601	3,557	32,529
Inventories	¥17,590	¥16,838	\$158,872

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
	2021	2020	2021
Work in process	¥1	¥28	\$15
Total	¥1	¥28	\$15

Losses recognized and charged to cost of sales as a result of the devaluation of inventories for the years ended March 31, 2021 and 2020 were ¥212 million (U.S. \$1,915 thousand) and ¥388 million, respectively.

6 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 loans 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, electronically recorded monetary claims – operating and accounts receivable – other) are exposed to the 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 are mainly consisted of stocks and exposed to price fluctuation risks.

Operating payables (accounts payable – trade and electronically recorded monetary 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. However, these amounts are within the range of operating receivables in the same currency.

The main purpose of loans 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 sheet 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

The fair value of financial instruments is based on quoted market price if available. Fair value is reasonably estimated if there is no quoted market price available. 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 shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value (see Remark 2 below).

As of March 31, 2021	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥31,705	¥31,705	¥—	\$286,359	\$286,359	\$—
(2) Notes and accounts receivable – trade and electronically recorded monetary claims – operating	21,825	21,825	—	197,125	197,125	—
(3) Accounts receivable – other	985	985	—	8,905	8,905	—
(4) Investment securities						
Other securities	9,504	9,504	—	85,841	85,841	—
Total assets	¥64,021	¥64,021	¥—	\$578,231	\$578,231	\$—
(1) Accounts payable – trade and electronically recorded monetary obligations – operating	¥ 7,504	¥ 7,504	¥—	\$ 67,779	\$ 67,779	\$—
(2) Accounts payable – other	1,114	1,114	—	10,064	10,064	—
(3) Short-term loans payable	1,297	1,297	—	11,719	11,719	—
(4) Long-term loans payable	1,500	1,501	1	13,547	13,559	12
Total liabilities	¥11,416	¥11,417	¥ 1	\$103,112	\$103,124	\$12
Derivative transactions which are not subject to hedge accounting*	¥ (208)	¥ (208)	¥—	\$ (1,886)	\$ (1,886)	\$—
Derivative transactions which are subject to hedge accounting*	(257)	(257)	—	(2,325)	(2,325)	—

*The value of assets and liabilities arising from derivative transactions is shown at net value and with the amount in parentheses representing net liability position.

As of March 31, 2020	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥28,723	¥28,723	¥—
(2) Notes and accounts receivable – trade and electronically recorded monetary claims – operating	23,127	23,127	—
(3) Accounts receivable – other	1,628	1,628	—
(4) Investment securities			
Other securities	5,605	5,605	—
Total assets	¥59,084	¥59,084	¥—
(1) Accounts payable – trade and electronically recorded monetary obligations – operating	¥ 8,103	¥ 8,103	¥—
(2) Accounts payable – other	707	707	—
(3) Short-term loans payable	2,991	2,991	—
(4) Long-term loans payable	1,500	1,501	1
Total liabilities	¥13,301	¥13,303	¥ 1
Derivative transactions which are not subject to hedge accounting*	¥ (2)	¥ (2)	¥—
Derivative transactions which are subject to hedge accounting*	65	65	—

*The value of assets and liabilities arising from derivative transactions is shown at net value and with the amount in parentheses representing net liability position.

Remark 1: Computing method of fair value for financial instruments and information regarding securities and derivative transactions

Assets

(1) Cash on hand and at banks, (2) Notes and accounts receivable – trade and electronically recorded monetary claims – operating, (3) Accounts receivable – other
As these are settled in the short term and carrying value approximates fair value, the carrying value is used as fair value.

(4) Investment securities

Other securities

The fair value of stocks is based on quoted market prices. The information on securities is shown in Note 7.

Liabilities

(1) Accounts payable – trade and electronically recorded monetary obligations – operating, (2) Accounts payable – other
As these are settled in the short term, the fair value and carrying value of these items are almost the same. Therefore, carrying value is used as fair value.

(3) Short-term loans payable, (4) Long-term loans payable and current portion of long-term loans payable
Fair value is computed by discounting the total amount of principal and interest using an interest rate that is assumed to be applied for a new borrowing with the same conditions.

Derivative Transactions

Computing method of fair value and information of derivative transactions are shown in Note 8.

Remark 2: Financial instruments for which it is extremely difficult to determine the fair value

As of March 31, 2021		Carrying value	
Types of securities	Millions of yen	Thousands of U.S. dollars	
Unlisted stocks	¥339	\$3,064	
Total	¥339	\$3,064	

As of March 31, 2020		Carrying value	
Types of securities	Millions of yen		
Unlisted stocks	¥339		
Total	¥339		

Items above do not have market value and their fair value is extremely difficult to determine. Therefore, the amounts above are not included in Investment securities as Other securities.

Remark 3: The redemption schedule for monetary claims or securities with maturities was as follows:

As of March 31, 2021		Millions of yen			
		Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥31,684	¥—	¥—	¥—	¥—
Notes and accounts receivable – trade and electronically recorded monetary claims – operating	21,825	—	—	—	—
Accounts receivable – other	985	—	—	—	—
Total	¥54,495	¥—	¥—	¥—	¥—

As of March 31, 2021		Thousands of U.S. dollars			
		Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	\$286,165	\$—	\$—	\$—	\$—
Notes and accounts receivable – trade and electronically recorded monetary claims – operating	197,125	—	—	—	—
Accounts receivable – other	8,905	—	—	—	—
Total	\$492,196	\$—	\$—	\$—	\$—

As of March 31, 2020		Millions of yen			
		Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at banks	¥28,695	¥—	¥—	¥—	¥—
Notes and accounts receivable – trade and electronically recorded monetary claims – operating	23,127	—	—	—	—
Accounts receivable – other	1,628	—	—	—	—
Total	¥53,450	¥—	¥—	¥—	¥—

Remark 4: The redemption schedule for loans payable was as follows:

As of March 31, 2021		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 loans payable	¥1,297	¥—	¥—	¥—	¥—	¥—	¥—
Long-term loans payable	—	—	500	500	500	—	—
Total	¥1,297	¥—	¥500	¥500	¥500	¥—	¥—

As of March 31, 2021		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 loans payable	\$11,719	\$—	\$—	\$—	\$—	\$—	\$—
Long-term loans payable	—	—	4,515	4,515	4,515	—	—
Total	\$11,719	\$—	\$4,515	\$4,515	\$4,515	\$—	\$—

As of March 31, 2020		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 loans payable	¥2,991	¥—	¥—	¥—	¥—	¥—	¥—
Long-term loans payable	500	—	—	500	500	—	—
Total	¥3,491	¥—	¥—	¥500	¥500	¥—	¥—

7 INVESTMENT SECURITIES

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

As of March 31, 2021	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Acquisition cost	Unrealized gains (losses)	Carrying value	Acquisition cost	Unrealized gains (losses)
Types of securities						
Carrying value exceeds acquisition cost:						
Stocks	¥9,504	¥2,525	¥6,979	\$85,841	\$22,808	\$63,032
Sub-total	9,504	2,525	6,979	85,841	22,808	63,032
Carrying value does not exceed acquisition cost:						
Stocks	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—
Total	¥9,504	¥2,525	¥6,979	\$85,841	\$22,808	\$63,032

Remark: AIDA recognized loss on valuation of investment securities of ¥51 million (U.S. \$466 thousand) for other securities for the year ended March 31, 2021.

As of March 31, 2020	Millions of yen		
	Carrying value	Acquisition cost	Unrealized gains (losses)
Types of securities			
Carrying value exceeds acquisition cost:			
Stocks	¥5,012	¥ 929	¥4,083
Sub-total	5,012	929	4,083
Carrying value does not exceed acquisition cost:			
Stocks	592	826	(233)
Sub-total	592	826	(233)
Total	¥5,605	¥1,755	¥3,849

(2) Sales of other securities were as follows:

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Total sales amounts	¥9	¥93	\$87
Gains on sales	3	44	33

8 DERIVATIVE FINANCIAL INSTRUMENTS

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

As of March 31, 2021

(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	¥ 88	¥ —	¥ (3)	¥ (3)	\$ 796	\$ —	\$ (30)	\$ (30)
EUR	3,366	116	(144)	(144)	30,402	1,055	(1,305)	(1,305)
CNY	1,535	—	(60)	(60)	13,871	—	(550)	(550)
Total	¥4,990	¥116	¥(208)	¥(208)	\$45,070	\$1,055	\$(1,886)	\$(1,886)

Remark: Calculation of fair value is based on information provided by financial institutions.

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions (Deferred hedge accounting method)

		Millions of yen			Thousands of U.S. dollars		
		Contract value			Contract value		
	Main hedged item	Contract value total	Over 1 year	Fair value	Contract value total	Over 1 year	Fair value
Forward exchange transactions:							
Sell —							
USD		¥2,450	¥206	¥(125)	\$22,135	\$1,863	\$(1,133)
EUR	Expected	957	—	(57)	8,645	—	(520)
JPY	foreign	90	—	3	820	—	31
CNY	currency transactions	864	170	(69)	7,804	1,537	(632)
Buy —							
USD		19	—	0	177	—	7
EUR		490	—	(2)	4,429	—	(22)
JPY		167	—	(8)	1,515	—	(75)
CNY		49	—	2	445	—	18
Total		¥5,090	¥376	¥(257)	\$45,974	\$3,401	\$(2,325)

Remark: Calculation of fair value is based on information provided by financial institutions.

As of March 31, 2020

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions (non-market transactions)

	Millions of yen			
	Contract value			
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:				
Sell —				
USD	¥ 26	¥ —	¥ (0)	¥ (0)
EUR	1,783	20	9	9
CNY	1,622	—	(11)	(11)
Total	¥3,432	¥20	¥ (2)	¥ (2)

Remark: Calculation of fair value is based on information provided by financial institutions.

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions (Deferred hedge accounting method)

		Millions of yen		
		Contract value		
	Main hedged item	Contract value total	Over 1 year	Fair value
Forward exchange transactions:				
Sell —				
USD		¥ 445	¥ 22	¥ (1)
EUR	Expected	1,362	473	31
JPY	foreign	294	80	(1)
CNY	currency	1,066	495	9
GBP	transactions	157	—	6
Buy —				
USD		107	—	2
EUR		43	—	(0)
JPY		399	—	18
CNY		82	—	1
Total		¥3,959	¥1,071	¥65

Remark: Calculation of fair value is based on information provided by financial institutions.

9 LOANS PAYABLE

Short-term loans payable and long-term loans payable are as follows:

As of March 31, 2021	Millions of yen	Weighted average interest rate	Repayment dates	Thousands of U.S. dollars
Short-term loans payable	¥1,297	0.70%	June 23, 2021	\$11,719
Long-term loans payable	1,500	0.62%	March 29, 2024, March 19, and December 15, 2025	13,547
Total	¥2,797	— %	—	\$25,267

As of March 31, 2020	Millions of yen	Weighted average interest rate	Repayment dates	Thousands of U.S. dollars
Short-term loans payable	¥2,991	0.96%	June 26, 2020	
Current portion of long-term loans payable	500	0.64%	December 15, 2020	
Long-term loans payable	1,000	0.64%	March 29, 2024 and March 19, 2025	
Total	¥4,491	— %	—	

Repayment schedules for long-term loans payable as of March 31, 2021 are as follows:

As of March 31	Millions of yen	Thousands of U.S. dollars
2023	¥ —	\$ —
2024	500	4,515
2025	500	4,515
2026	500	4,515

10 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. 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
	2021	2020	2021
Balance at the beginning of the year	¥4,697	¥4,733	\$42,424
Service cost*	240	261	2,170
Interest cost	25	25	232
Actuarial gain and loss	5	(5)	53
Retirement benefits paid	(211)	(309)	(1,913)
Others	7	(9)	68
Balance at the end of the year	¥4,765	¥4,697	\$43,037

*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
	2021	2020	2021
Plan assets at the beginning of the year	¥4,124	¥4,205	\$37,254
Expected return on plan assets	82	84	745
Actuarial gain and loss	23	(77)	215
Contributions by the Company	127	128	1,154
Retirement benefits paid	(115)	(215)	(1,046)
Plan assets at the end of the year	¥4,243	¥4,124	\$38,322

(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
	2021	2020	2021
Funded retirement benefit obligation	¥ 3,374	¥ 3,310	\$ 30,479
Plan assets at fair value	(4,243)	(4,124)	(38,322)
	(868)	(814)	(7,842)
Unfunded retirement benefit obligation	1,390	1,387	12,557
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheets	¥ 521	¥ 572	\$ 4,714
Net defined benefit liabilities	¥ 1,390	¥ 1,387	\$ 12,557
Net defined benefit assets	(868)	(814)	(7,842)
Net amount of liabilities and assets for retirement benefits in the consolidated balance sheets	¥ 521	¥ 572	\$ 4,714

Remark: 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
	2021	2020	2021
Service cost*	¥240	¥ 261	\$2,170
Interest cost	25	25	232
Expected return on plan assets	(82)	(84)	(745)
Amortization of actuarial gain and loss	(79)	(137)	(721)
Retirement benefit expenses	¥103	¥ 66	\$ 937

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

(e) Components of retirement benefit plan adjustments included in other comprehensive income (before tax effect)

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Actuarial gain and loss	¥(61)	¥(208)	\$(559)
Total	¥(61)	¥(208)	\$(559)

(f) Components of retirement benefit plan adjustments included in accumulated other comprehensive income (before tax effect)

As of March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Unrecognized actuarial loss	¥(306)	¥(368)	\$(2,770)
Total	¥(306)	¥(368)	\$(2,770)

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

As of March 31	2021	2020
Bonds	42.6%	46.7%
Stocks	17.9	7.0
General accounts	27.6	28.1
Others	11.9	18.2
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	2021	2020
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 3.0%	Mainly 3.0%

Remark: 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, 2021 and 2020 were ¥168 million (U.S. \$1,521 thousand) and ¥172 million, respectively.

11 NET ASSETS

Information regarding changes in net assets was as follows:

(1) Shares issued and outstanding / Treasury stock

During the year ended March 31, 2021

Types of shares	Number of shares at April 1, 2020	Increase	Decrease	Number of shares at March 31, 2021
Shares issued:				
Common stock	69,448,421	—	—	69,448,421
Treasury stock:				
Common stock (Remarks 1, 2 and 3)	9,896,566	102,392	245,700	9,753,258

Remarks: 1. Details of the increase are as follows:

Increase due to purchase of shares of less than standard unit	892
Increase due to purchase of shares by BBT trust	101,500

2. Details of the decrease are as follows:

Decrease due to the grant of shares from ESOP trust	32,600
Decrease due to the grant of shares from BBT trust	23,600
Decrease due to exercising share subscription rights	88,000
Decrease due to disposition of treasury stock by third-party allocation	101,500

3. The number of shares of treasury stock held by the Trust Account E as of April 1, 2020 and March 31, 2021 includes 3,418,700 shares and 3,464,000 shares, respectively.

During the year ended March 31, 2020

Types of shares	Number of shares at April 1, 2019	Increase	Decrease	Number of shares at March 31, 2020
Shares issued:				
Common stock (Remarks 2)	71,647,321	—	2,198,900	69,448,421
Treasury stock:				
Common stock (Remarks 1, 2 and 3)	9,912,330	2,199,336	2,215,100	9,896,566

Remarks: 1. Details of the increase are as follows:

Increase due to purchase of treasury stock	2,198,900
Increase due to purchase of shares of less than standard unit	436

2. Details of the decrease are as follows:

Decrease due to retirement of treasury stock	2,198,900
Decrease due to the grant of shares from ESOP trust	16,200

3. The number of shares of treasury stock held by the Trust Account E as of April 1, 2019 and March 31, 2020 includes 3,434,900 shares and 3,418,700 shares, respectively.

(2) Share subscription rights

During the year ended March 31, 2021

Company	Description	Type of shares issued	Number of shares at April 1, 2020	Increase	Decrease	Number of shares at March 31, 2021	Millions of yen	Thousands of U.S. dollars
							Balance at March 31, 2021	Balance at March 31, 2021
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥91	\$825
	Total		—	—	—	—	¥91	\$825

During the year ended March 31, 2020

Company	Description	Type of shares issued	Number of shares at April 1, 2019	Increase	Decrease	Number of shares at March 31, 2020	Millions of yen
							Balance at March 31, 2020
Parent company	Share subscription rights as stock options	—	—	—	—	—	¥139
	Total		—	—	—	—	¥139

12 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Salaries and wages	¥2,930	¥2,789	\$26,467
Provision for accrued bonuses for employees	332	326	3,006
Retirement benefit expenses	69	66	628
Provision of allowance for doubtful accounts	654	12	5,909

13 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
	2021	2020	2021
Selling, general and administrative expenses	¥571	¥ 775	\$5,166
Cost of sales	424	364	3,832
Total	¥996	¥1,140	\$8,998

14 LOSS ON IMPAIRMENT OF FIXED ASSETS

As of and for the year ended March 31, 2021

(1) Loss on impairment of fixed assets was recognized for the year ended March 31, 2021 as follows:

Asset group	Purpose	Types of fixed assets	Millions of yen	Thousands of U.S. dollars
AIDA PRESS MACHINERY SYSTEMS CO., LTD.	Business-use assets	Buildings and structures	¥345	\$3,118
		Machinery and vehicles	327	2,961
		Other fixed assets	4	45
		Software	5	51
		Other investments and other assets	3	27

(2) Grouping method

The Companies group assets based on the lowest level for which there are identifiable cash flows that are independent of cash flows of other groups of assets.

(3) Background to recognition of impairment

With regard to the above asset groups, due to changes in a business environment, related assets are no longer expected to generate sufficient cash flow in the future. The Companies reduced the carrying amount of the assets to the recoverable amount based on the applicable Accounting Standard and the difference is recorded as an impairment loss of ¥686 million (U.S. \$6,204 thousand) in an extraordinary loss.

(4) Calculation of recoverable amount

The recoverable amount of the assets is calculated based on the value in use. Assets that are difficult to sell or reuse are recognized as zero. The discount rate used was 14%.

As of and for the year ended March 31, 2020

(1) Loss on impairment of fixed assets was recognized for the year ended March 31, 2020 as follows:

Asset group	Purpose	Classification of fixed assets	Millions of yen
AIDA PRESS MACHINERY SYSTEMS CO., LTD.	Business-use assets	Buildings and structures	¥72
		Machinery and vehicles	73
		Other fixed assets	4
AIDA EUROPE GMBH	Business-use assets	Software	24

(2) Grouping method

The Companies group assets based on the lowest level for which there are identifiable cash flows that are independent of cash flows of other groups of assets.

(3) Background to recognition of impairment

With regard to the above asset groups, due to changes in a business environment, related assets are no longer expected to generate sufficient cash flow in the future. The Companies reduced the carrying amount of the assets to the recoverable amount based on the applicable accounting standard and the difference is recorded as an impairment loss of ¥174 million in an extraordinary loss.

(4) Calculation of recoverable amount

The recoverable amount of the assets is calculated based on the value in use. Assets that are difficult to sell or reuse are recognized as zero. The discount rate used was 14%.

15 INCOME TAXES

The applicable statutory tax rate in Japan was approximately 30.6% for the years ended March 31, 2021 and 2020.

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

Year ended March 31	Millions of yen	
	2021	2020
Statutory income tax rates	30.6%	30.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	3.0	2.1
Dividend income	(3.4)	(0.3)
Inhabitant taxes per capita	0.7	0.3
Difference of tax rates applied to overseas subsidiaries	0.5	(1.8)
Tax credit	(3.2)	(1.2)
Changes in valuation allowance	21.7	1.2
Capital gain tax on transfer of shares	—	1.3
Others	2.5	2.1
Effective income tax rates	52.4%	34.3%

(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
	2021	2020	2021
Deferred tax assets:			
Loss on write-down of inventories	¥ 809	¥ 746	\$ 7,315
Accrued warranty costs	130	164	1,177
Accrued bonuses for employees	306	315	2,767
Depreciation and amortization	532	573	4,807
Accrued stock payments	121	143	1,095
Long-term accounts payable – other	71	93	648
Tax losses carried forward	1,907	1,403	17,225
Retirement benefit obligation	393	395	3,555
Others	1,071	694	9,677
Subtotal deferred tax assets	5,344	4,529	48,271
Valuation allowance for net operating loss carryforwards*2	(1,793)	(1,313)	(16,200)
Valuation allowance for deductible temporary differences	(1,725)	(1,275)	(15,582)
Less: Valuation allowance*1	(3,519)	(2,588)	(31,783)
Total deferred tax assets	1,825	1,940	16,487
Deferred tax liabilities:			
Undistributed subsidiaries' earnings	(323)	(323)	(2,924)
Reserve for reduction entry of replaced property	(434)	(441)	(3,925)
Net defined benefit assets	(269)	(257)	(2,435)
Fixed assets	(741)	(750)	(6,697)
Unrealized gains on other securities	(2,105)	(1,231)	(19,013)
Others	(35)	(49)	(323)
Total deferred tax liabilities	(3,910)	(3,054)	(35,320)
Net deferred tax assets (liabilities)	¥(2,085)	¥(1,113)	\$ (18,832)

*1 The valuation allowance increased by ¥930 million (U.S. \$8,400 thousand). The increase was mainly due to the recognition of an additional valuation allowance of ¥539 million (U.S. \$4,874 thousand) 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, 2021	Millions of yen						Total
	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	
Net operating loss carryforwards (a)	¥39	¥59	¥—	¥—	¥ 2	¥ 1,806	¥ 1,907
Valuation allowance	—	(7)	—	—	(2)	(1,783)	(1,793)
Deferred tax assets	¥39	¥51	¥—	¥—	¥—	¥ 22	(b)¥ 113

As of March 31, 2021	Thousands of U.S. dollars						Total
	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	
Net operating loss carryforwards (a)	\$353	\$535	\$—	\$—	\$ 22	\$ 16,314	\$ 17,225
Valuation allowance	—	(70)	—	—	(22)	(16,108)	(16,200)
Deferred tax assets	\$353	\$465	\$—	\$—	\$ —	\$ 206	(b)\$ 1,025

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

(b) For the net operating loss carryforward of ¥1,907 million (U.S. \$17,225 thousand) (amount multiplied by effective statutory tax rate), deferred tax assets of ¥113 million (U.S. \$1,025 thousand) have been recorded.

The deferred tax assets of ¥113 million (U.S. \$1,025 thousand) are for part of the balance of the tax loss carryforward of ¥1,907 million (U.S. \$17,225 thousand) (amount multiplied by effective statutory tax rate), mainly due to AIDA S.r.l. and REJ Co., LTD.

Net operating loss carryforwards arose mainly due to the loss before income taxes of ¥128 million (U.S. \$1,156 thousand) for the fiscal year ended March 31, 2013.

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, 2020	Millions of yen						Total
	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	
Net operating loss carryforwards (a)	¥20	¥ 39	¥ 59	¥—	¥—	¥ 1,285	¥ 1,403
Valuation allowance	—	(10)	(59)	—	—	(1,243)	(1,313)
Deferred tax assets	¥20	¥ 28	¥ —	¥—	¥—	¥ 41	(b)¥ 90

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

(b) For the net operating loss carryforward of ¥1,403 million (amount multiplied by effective statutory tax rate), deferred tax assets of ¥90 million have been recorded.

The deferred tax assets of ¥90 million are for part of the balance of the tax loss carryforward of ¥1,403 million (amount multiplied by effective statutory tax rate), mainly due to AIDA S.r.l. and REJ Co., LTD.

Net operating loss carryforwards arose mainly due to the loss before income taxes of ¥66 million for the fiscal year ended March 31, 2012.

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

16 LEASES

Description of finance leases is omitted due to its insignificance as of March 31, 2021 and 2020.

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
	2021	2020	2021
Operating leases:			
Due within 1 year	¥49	¥60	\$448
Thereafter	46	30	416
Total	¥95	¥91	\$865

17 RELATED PARTY TRANSACTIONS

There were no transactions between AIDA and its related companies and individuals for the years ended March 31, 2021 and 2020.

18 PER SHARE INFORMATION

Shares held by 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, 2020 and March 31, 2021 includes 3,418,700 shares and 3,464,000 shares, respectively.

As of and for the year ended March 31	Yen		U.S. dollars
	2021	2020	2021
Net assets per share*1	¥1,285.38	¥1,243.15	\$11.61
Net income per share – Basic*2	22.07	66.88	0.20
– Diluted*2	22.04	66.75	0.20

*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
	2021	2020	2021
Total net assets on consolidated balance sheets	¥77,505	¥74,840	\$700,014
Total net assets attributable to shares of common stock	76,731	74,031	693,019
Main differences:			
Stock options	91	139	825
Non-controlling interests	683	669	6,169
Number of shares outstanding (thousands of shares)	69,448	69,448	—
Number of treasury stock (thousands of shares)	9,753	9,896	—
Number of shares used for computing net assets per share (thousands of shares)	59,695	59,551	—

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

Year ended March 31	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Net income	¥ 1,316	¥ 4,022	\$11,889
Net income attributable to shares of common stock	1,316	4,022	11,889
Average number of shares outstanding during the years (thousands of shares)	59,653	60,149	—
Potential increase in common stock for the diluted income calculation (thousands of shares)	84	114	—

19 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
	2021	2020	2021
Net unrealized gains (losses) on securities:			
Amount arising during the year	¥3,057	¥(1,246)	\$27,611
Reclassification adjustments for gains and losses included in net income	47	(65)	433
Amount before tax effect	3,105	(1,312)	28,044
Tax effect	(873)	332	(7,886)
Net unrealized gains (losses) on securities	2,231	(979)	20,157
Deferred hedge gains (losses):			
Amount arising during the year	(246)	176	(2,230)
Reclassification adjustments for gains and losses included in net income	(19)	(107)	(177)
Amount before tax effect	(266)	68	(2,407)
Tax effect	79	(19)	719
Deferred hedge gains (losses)	(186)	49	(1,687)
Foreign currency translation adjustments:			
Amount arising during the year	1,183	(1,418)	10,687
Reclassification adjustments for gains and losses included in net income	—	—	—
Amount before tax effect	1,183	(1,418)	10,687
Tax effect	—	—	—
Foreign currency translation adjustments:	1,183	(1,418)	10,687
Retirement benefit plan adjustments:			
Amount arising during the year	23	(70)	213
Reclassification adjustments for gains and losses included in net income	(85)	(137)	(773)
Amount before tax effect	(61)	(208)	(559)
Tax effect	18	64	171
Retirement benefit plan adjustments	(43)	(144)	(388)
Total other comprehensive income (loss)	¥3,185	¥(2,493)	\$28,769

20 BUSINESS COMBINATION

AIDA resolved to implement an absorption-type merger with its wholly-owned subsidiary, ACCESS, LTD., and signed the merger agreement at a Board of Directors meeting held on January 14, 2020, effective April 1, 2020, (the "Merger").

1. Outline of Merger

(1) Name and business description of the absorbed company

Name of the company: ACCESS, LTD.,

Business description:

The development, design, manufacture, sale, among others, of metal processing machines, metal machine tools, automated conveyor equipment, measuring machines, inspection equipment and control devices for their accessories, and mechatronics

(2) Date of Merger

April 1, 2020

(3) Legal form of Merger

The Merger was an absorption-type merger through which ACCESS, LTD., the absorbed company, merged with and into AIDA, the surviving company, and ACCESS, LTD. was dissolved as a result of the Merger, effective April 1, 2020.

(4) Company name after Merger

AIDA ENGINEERING, LTD.

(5) Purpose of Merger

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

21 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 press machines 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 in 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

Millions of yen							
As of and for the year ended March 31, 2021	Japan	China	Asia	Americas	Europe	Adjustments*1	Consolidated*2
Sales:							
Sales to third parties	¥27,255	¥ 6,435	¥ 4,768	¥10,214	¥ 9,426	¥ —	¥ 58,099
Inter-segment sales	12,981	987	2,444	237	158	(16,808)	—
Total sales	40,237	7,422	7,212	10,451	9,584	(16,808)	58,099
Segment profit or loss	3,087	(284)	673	515	(121)	(148)	3,722
Segment assets	80,350	10,685	10,555	9,859	12,376	(16,040)	107,787
Others:							
Depreciation and amortization	987	326	275	195	264	(1)	2,048
Increase in property, plant, equipment and intangible assets	506	17	27	15	41	—	607

Thousands of U.S. dollars							
As of and for the year ended March 31, 2021	Japan	China	Asia	Americas	Europe	Adjustments*1	Consolidated*2
Sales:							
Sales to third parties	\$246,167	\$58,124	\$43,063	\$92,253	\$85,136	\$ —	\$524,744
Inter-segment sales	117,246	8,916	22,077	2,141	1,431	(151,813)	—
Total sales	363,413	67,041	65,141	94,394	86,567	(151,813)	524,744
Segment profit or loss	27,889	(2,565)	6,086	4,651	(1,099)	(1,339)	33,623
Segment assets	725,706	96,507	95,338	89,052	111,781	(144,876)	973,510
Others:							
Depreciation and amortization	8,917	2,951	2,492	1,765	2,389	(17)	18,498
Increase in property, plant, equipment and intangible assets	4,572	158	246	137	375	—	5,490

Millions of yen							
As of and for the year ended March 31, 2020	Japan	China	Asia	Americas	Europe	Adjustments*1	Consolidated*2
Sales:							
Sales to third parties	¥35,988	¥6,147	¥ 5,160	¥11,467	¥10,395	¥ —	¥ 69,159
Inter-segment sales	12,667	583	3,067	350	794	(17,463)	—
Total sales	48,655	6,731	8,228	11,817	11,189	(17,463)	69,159
Segment profit or loss	4,726	240	1,062	542	(243)	(155)	6,173
Segment assets	78,123	9,718	10,341	8,436	11,077	(13,582)	104,114
Others:							
Depreciation and amortization	1,067	329	277	208	262	0	2,146
Increase in property, plant, equipment and intangible assets	371	43	389	45	88	—	939

*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

Millions of yen				
For the year ended March 31, 2021	Press machines	Service	Others	Total
Sales to third parties	¥41,237	¥12,422	¥4,439	¥58,099

Thousands of U.S. dollars				
For the year ended March 31, 2021	Press machines	Service	Others	Total
Sales to third parties	\$372,448	\$112,196	\$40,099	\$524,744

Millions of yen				
For the year ended March 31, 2020	Press machines	Service	Others	Total
Sales to third parties	¥48,540	¥14,961	¥5,657	¥69,159

2. Geographical information

(1) Sales

For the year ended March 31, 2021

Millions of yen					Thousands of U.S. dollars				
Japan	U.S.A.	China	Others	Total	Japan	U.S.A.	China	Others	Total
¥25,377	¥7,518	¥7,483	¥17,720	¥58,099	\$229,200	\$67,908	\$67,585	\$160,050	\$524,744

For the year ended March 31, 2020

Millions of yen			
Japan	U.S.A.	Others	Total
¥34,206	¥8,920	¥26,032	¥69,159

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

(2) Property, plant and equipment

As of March 31, 2021

Millions of yen						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
¥13,437	¥1,313	¥2,440	¥1,698	¥1,217	¥1,243	¥21,350

Thousands of U.S. dollars						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
\$121,360	\$11,867	\$22,037	\$15,343	\$10,993	\$11,231	\$192,832

As of March 31, 2020

Millions of yen						
Japan	China	Italy	U.S.A.	Malaysia	Others	Total
¥13,906	¥2,124	¥2,452	¥1,853	¥1,341	¥585	¥22,263

(Reportable segment information for impairment loss on fixed assets)

For the year ended March 31, 2021

Millions of yen						
Japan	China	Asia	Americas	Europe	Adjustments	Total
¥—	¥686	¥—	¥—	¥—	¥—	¥686

Thousands of U.S. dollars						
Japan	China	Asia	Americas	Europe	Adjustments	Total
\$—	\$6,204	\$—	\$—	\$—	\$—	\$6,204

For the year ended March 31, 2020

Millions of yen						
Japan	China	Asia	Americas	Europe	Adjustments	Total
¥24	¥150	¥—	¥—	¥—	¥—	¥174

(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, 2021 and 2020.

(Reportable segment information for gain on bargain purchase)

There is no gain on bargain purchase recorded for the years ended March 31, 2021 and 2020.

22 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)	720	720	720	720	720	720	720	720	720	720
Fair value per share when granted (yen)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which are not yet vested										
Outstanding as of April 1, 2020 (shares)	—	—	—	—	—	—	—	—	—	—
Granted (shares)	—	—	—	—	—	—	—	—	—	—
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2021 (shares)	—	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested										
Outstanding as of April 1, 2020 (shares)	15,000	21,000	47,000	41,000	33,000	37,000	26,000	17,000	16,000	21,000
Vested (shares)	—	—	—	—	—	—	—	—	—	—
Exercised (shares)	3,000	5,000	12,000	11,000	11,000	14,000	11,000	7,000	6,000	8,000
Forfeited (shares)	—	—	—	—	—	—	—	—	—	—
Outstanding as of March 31, 2021 (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.

23 SUBSEQUENT EVENTS

1. Appropriation of retained earnings

On June 28, 2021, at the General Meeting of Shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥20.00 (U.S. \$0.18) per share)	¥1,263	\$11,408

The amount includes dividends of ¥69 million (U.S. \$625 thousand) on shares (3,464,000 shares as of March 31, 2021) held by the Trust Account E.

Independent Auditor's Report

The Board of Directors
AIDA ENGINEERING, LTD.

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, 2021, 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, 2021, 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 in applying percentage of completion method	
Description of Key Audit Matter	Auditor's Response
<p>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.</p> <p>As stated in "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (17) Recognition of material sales and cost of sales, and (19) Significant accounting estimates" in the notes to the consolidated financial statements, the Group has adopted the percentage of completion method (estimation of the percentage of completion of construction work is based on the cost ratio method) for construction projects for which the outcome of the construction activity is deemed certain by the end of the current fiscal year. The amount of net sales recognized based on the percentage of completion method for the current fiscal year is ¥23,347 million, which accounted for 40% of consolidated net sales.</p> <p>In applying the percentage of completion method, it is necessary to reasonably estimate the total amount of construction project revenue, the total amount of construction project cost, and the degree of completion at the end of the fiscal year. The percentage of completion method is based on the ratio of the cost incurred to total cost of construction at the end of the fiscal year.</p> <p>In the manufacturing of press machines, etc., 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. Therefore, the estimation of the total cost of construction involves certain assumptions and judgments by persons in charge of the cost control department with expertise and experience in construction work, and therefore is subject to uncertainty.</p>	<p>In order to evaluate the appropriateness of the estimation of the total cost of construction in applying the percentage of completion method, we conducted the following audit procedures.</p> <p>(1) Assessment of internal control</p> <p>We assessed the status of the following internal controls of the Group regarding the estimation of total construction costs.</p> <ul style="list-style-type: none"> • Control of estimation of total cost of construction and calculation of progress of construction. • System for timely monitoring changes in profit or loss on construction projects and comparisons of the degree of progress of construction projects with actual budget results, etc. by the person in charge of the cost control division. <p>(2) Evaluation of the reasonableness 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 to the specifications agreed with the customer was included in the cost estimate. • In order to examine whether the total amount of construction costs is reviewed in a timely and appropriate manner, we reviewed the documentation of internal meetings regarding the review of construction costs and made inquiries with the person in charge of the cost control division about the judgment as to whether the total amount of construction costs should be reviewed.

<p>In addition, changes in contract details, unit prices of materials, manufacturing man-hours, etc. may occur during the course of construction, and conducting a timely and appropriate review of the total cost of construction is complicated.</p> <p>Based on the above, we concluded that the estimation of the total cost of construction is particularly significant in the current fiscal year for the calculation of construction revenue and the percentage of completion, and therefore, it is a key audit matter.</p>	<ul style="list-style-type: none"> • In the case of construction projects where the degree of 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 with the person in charge of the cost control division 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 total cost of construction by comparing initially estimated amounts with finalized amounts and examining the details of any differences.
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Impairment of property, plant and equipment and intangible assets related to AIDA PRESS MACHINERY SYSTEMS CO., LTD.	
Description of Key Audit Matter	Auditor's Response
<p>As stated in “2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (19) Significant accounting estimates and 14. LOSS ON IMPAIRMENT OF FIXED ASSETS” in the notes to the consolidated financial statements, the Company recognized impairment loss of ¥686 million during the year ended March 31, 2021 on property, plant and equipment and intangible assets in the amount of ¥1,937 million (book value before impairment loss recognition) related to AIDA PRESS MACHINERY SYSTEMS CO., LTD., a consolidated subsidiary that manufactures press machines in China due to a decline in profitability caused by changes in the business environment.</p>	<p>With the involvement of the component auditor of AIDA PRESS MACHINERY SYSTEMS CO., LTD., the audit procedures we performed to assess impairment loss on property, plant and equipment and intangible assets of AIDA PRESS MACHINERY SYSTEMS CO., LTD. include the following, among others:</p> <ul style="list-style-type: none"> • We compared the cash flow projection period with the remaining economic useful lives of the major assets. • We compared the estimated future cash flows with the business plan approved by the Board of Directors to evaluate whether the estimates are based on assumptions and forecasts that reflect the circumstances unique to the entity.

<p>Whenever there are indications of impairment for an asset or an asset group, the Company determines whether or not the recognition of impairment loss is necessary. When the Company determines that an impairment loss should be recognized, the Company reduces the carrying amount to the recoverable amount and recognizes the difference as an impairment loss. The Company classifies AIDA PRESS MACHINERY SYSTEMS CO., LTD. as an asset group, and in assessing the amount of impairment loss on property, plant and equipment and intangible assets of AIDA PRESS MACHINERY SYSTEMS CO., LTD., the Company measures the recoverable amount of the asset group based on its value in use. Value in use is calculated as the present value of estimated future cash flows. The estimated future cash flows generated from the continued use of an asset group are determined based on the business plan approved by the Board of Directors.</p> <p>As stated in “2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (19) Significant accounting estimates” in the notes to consolidated financial statements, significant assumptions in estimating the present value of estimated future cash flows include expected orders and gross margin for major products, which serve as the basis of the business plan, the market growth rates and the discount rates.</p> <p>Given that the significant assumptions used to estimate the present value of estimated future cash flows are subject to uncertainty and require management's judgement, we determined impairment of property, plant and equipment to be a key audit matter.</p>	<ul style="list-style-type: none"> • We compared the Company's business plan for prior years with actual results to evaluate the effectiveness of management's estimation process. • With the involvement of valuation specialists of our network firm, we assessed the reasonableness of the valuation methodologies used by the Company considering relevant accounting standards and the discount rates and real estate valuation by checking the consistency of the inputs used to calculate the discount rates and real estate valuation with publicly available data. • The audit procedures we performed to evaluate expected orders, gross margin for the major products and market growth rates, which serve as the basis of the business plan and are important assumptions, include the following, among others: <ol style="list-style-type: none"> (1) We assessed the expected orders by discussing with the sales manager and inspecting the construction contracts, quotations and business records. (2) We assessed the gross margin by conducting trend analyses based on past performance by product. (3) We assessed the market growth rates by discussing with the management and inspecting the market forecast reports prepared by third parties. (4) We conducted a sensitivity analysis, taking into account possible fluctuations due to future uncertainties.
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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.

Independent Auditor's Report

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 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, related safeguards.

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.

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.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 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.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 28, 2021

/s/ Yoshihiro Sugimoto
Designated Engagement Partner
Certified Public Accountant

/s/ Masanobu Saito
Designated Engagement Partner
Certified Public Accountant

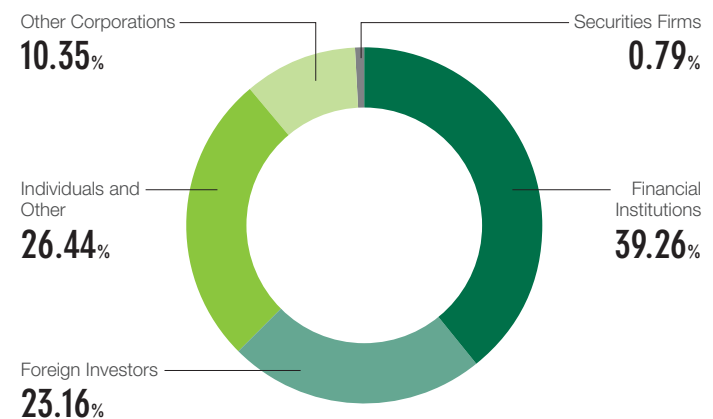
Stock Information

As of March 31, 2021

Securities Code	6118
Stock Listing	Tokyo Stock Exchange, 1st Section
Number of Shares Authorized	188,149,000
Number of Shares Issued	69,448,421
Number of Shares of Treasury Stock	9,753,258*
Number of Shares per Trading Unit	100
Number of Shareholders	6,578
Shareholder Registry Administrator	Mizuho Trust & Banking Co., Ltd.

* Number of shares of treasury stock includes 3,464,000 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).

Breakdown of Issued Shares by Type of Shareholder



Major Shareholders (Top 10)*1

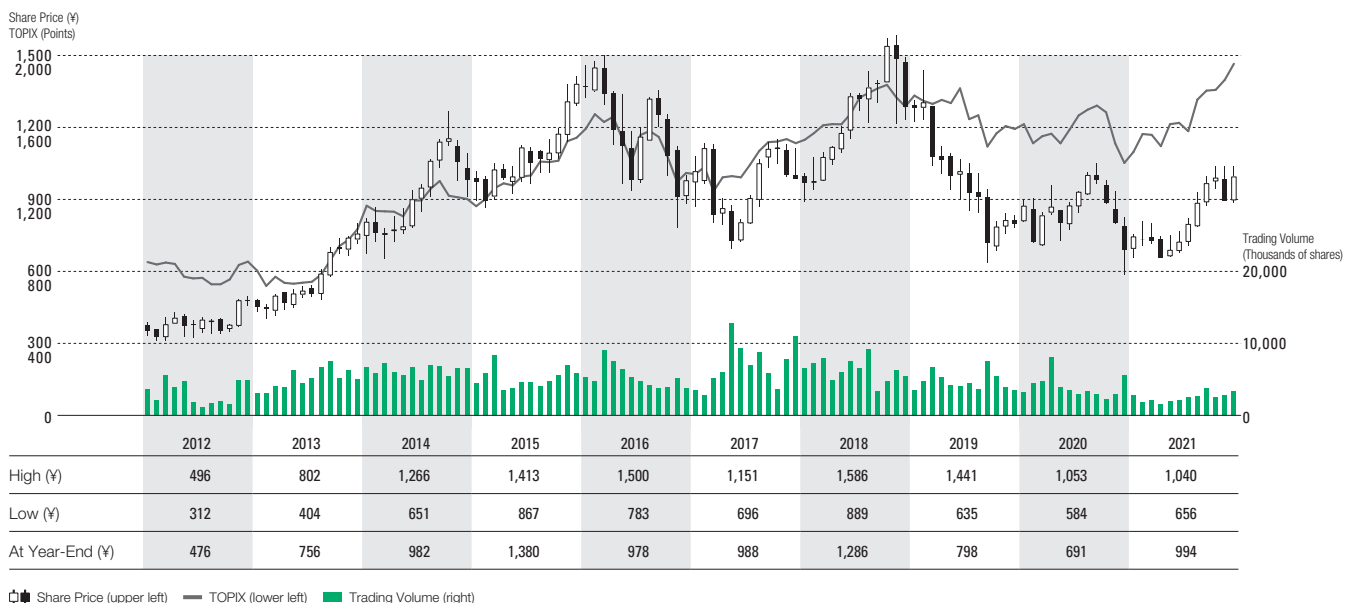
Name of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Issued Shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,833	7.65
The Dai-ichi Life Insurance Company, Ltd.	4,000	6.33
Custody Bank of Japan, Ltd. (Trust Account E)*2	3,464	5.48
Nippon Life Insurance Company	2,533	4.01
Meiji Yasuda Life Insurance Company	2,516	3.98
JP MORGAN CHASE BANK 385632	2,284	3.62
Mizuho Bank, Ltd.	2,179	3.45
Custody Bank of Japan, Ltd. (Trust Account)	1,794	2.84
AIDA ENGINEERING Trading-Partner Shareholding Association	1,503	2.38
Kimikazu Aida	1,447	2.29

*1 Although the Company holds 6,289,258 shares of treasury stock, it is excluded from the major shareholders listed above.

Ownership percentages are based on 63,159,163 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



Corporate Data/History

As of March 31, 2021

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	845 (Consolidated: 2,113)
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 Yohei 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.
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 Stock Exchange.
1972	Established a subsidiary in the United States.
1974	Tsukui Factory is constructed (in Sagamihara City).
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 United States 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.

Operating Bases

As of August 30, 2021

■ Production Facilities

● Global Sales/Service Network

● Technology Center

Overseas

AMERICAS

■ AIDA AMERICA CORP. (U.S.A.)

7660 Center Point 70 Blvd., Dayton, Ohio
45424-6380, U.S.A.
TEL (1) 937-237-2382
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● AIDA CANADA, INC. (CANADA)

122 Commerce Park Drive, Units B and C,
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● AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V. (MEXICO)

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Poligono Empresarial Santa Rosa, Santa Rosa
Jauregui, Queretaro. C.P. 76220, México
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● AIDA do Brasil Comércio de Máquinas Ltda. (BRAZIL)

Rua Mafalda Barnabé Soliani, 374
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EUROPE

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FAX (39) 030-9959377

● AIDA Germany GmbH (GERMANY)

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FAX (49) 2307-43864-40

● AIDA EUROPE GmbH (GERMANY)

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● AIDA S.r.l. UK Branch (U.K.)

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TEL (44) 1332-648200
FAX (44) 1332-648221

● AIDA S.r.l. CZECH Branch (CZECH REPUBLIC)

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CHINA

■ AIDA PRESS MACHINERY SYSTEMS CO., LTD. (Nantong)

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FAX (86) 21-5046-3828

● AIDA ENGINEERING CHINA CO., LTD. TIANJIN OFFICE (Tianjin)

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FAX (86) 22-5828-5632

● AIDA ENGINEERING CHINA CO., LTD. GUANGZHOU BRANCH (Guangzhou)

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FAX (86) 20-8412-0291

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Chongqing, 401120, China
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ASIA

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FAX (65) 6507-3553

■ AIDA ENGINEERING (M) SDN. BHD. (MALAYSIA)

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FAX (60) 7-252-0688

● AIDA ENGINEERING (M) SDN. BHD. Shah Alam Branch (MALAYSIA)

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Malaysia
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■ AIDA MANUFACTURING (ASIA) SDN. BHD. (MALAYSIA)

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FAX (60) 7-252-0688

● AIDA (THAILAND) CO., LTD. (THAILAND)

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FAX (66) 2136-3907 [Services Dept.],
(66) 2136-3909 [Sales Dept.]

● PT. AIDA INDONESIA (INDONESIA)

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FAX (62) 21-2962-6689

● AIDA INDIA PVT. LTD. (INDIA)

No.48, Ground Floor, DLF Star Tower, Silokhera,
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FAX (91) 124-4716889

● AIDA INDIA PVT. LTD. CHENNAI OFFICE (INDIA)

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TEL (91) 44-4350-7046

● AIDA VIETNAM CO., LTD. (VIETNAM)

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Industrial Park, Kim Chung Commune,
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TEL (84) 24-3885-3388
FAX (84) 24-3885-3399

● AIDA GREATER ASIA PHILIPPINES, INC. (PHILIPPINES)

Unit 101B Coherco Financial Tower,
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Madrigal Business Park, Ayala Alabang,
Muntinlupa City, Philippines 1780
TEL (63) 2-8771-1561
FAX (63) 2-8771-1268

Domestic

■ AIDA ENGINEERING, LTD.

● Oyama, Takasaki, Kanagawa, Hamamatsu, Chubu,
Komaki, Osaka, Chugoku/Shikoku, Fukuoka

■ R E J Co., Ltd.



AIDA ENGINEERING, LTD.

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