



AIDA

AIDA ENGINEERING, LTD.
Annual Report 2011

WHAT IS AIDA: In Brief



AIDA

BUSINESS

Specialized Press Manufacturer

In the field of presses, AIDA excels in terms of both hardware (press equipment) and software (metalforming expertise, automation methods and others). This allows the Company to develop and provide systems that optimally meet customers' needs as a forming systems builder.

HISTORY


Founded 94 Years Ago

In the 94 years since its foundation in 1917, AIDA has accumulated a vast array of technical knowledge pertaining to all aspects of press processing. The confidence this creates, coupled with our comprehensive solutions provision capabilities, allows us to offer precise responses to customer needs.

MARKET POSITION

2nd in Net Sales Worldwide

AIDA has become a brand that is globally recognized by such industries as the automotive, consumer electronics and electric machinery industries. The Company boasts net sales that are No. 2 in the industry worldwide and a share of approximately 30% of the Japanese market.



Automobiles, consumer electronics, daily-use items, and other manufactured products help shape the affluence of our lives. Many of these products contain a number of metal parts, which are shaped by presses. Such metalforming processes play a key role in ensuring the final quality of these products. In the field of metalforming, AIDA ENGINEERING has overcome countless challenges, pursuing precision on the micron level, striving to process new materials, and making its presses more environmentally friendly. While undertaking these endeavors, we have continued to evolve for more than 90 years. This evolution has helped earn the trust of a wide range of customers with which we have developed a solid presence in the market, forming the foundation that has continued to support our growth. Spurred on by the spreading use of presses and rising global demand, AIDA is maximizing its levels of sustainable growth and corporate value by providing high-value-added solutions.

PRODUCT LINEUP

A Vast Array of Product Series with
**Capacities
Ranging from
35 to 4,000 Tons**

As a specialized metalforming systems builder, we have utilized our customer-friendly development capabilities to create a product lineup ranging from small, multipurpose equipment to large-scale, specialty machines. Moreover, we offer order-made systems to provide our customers with more finely tuned responses to their needs.

GLOBAL NETWORK

Bases in
**38 Cities in
18 Countries**

Supported by its manufacturing bases in four key regions—Japan, Asia, the Americas, and Europe—AIDA has developed a service network with bases located in 38 cities in 18 countries across the globe. Leveraging this network enables us to offer manufacturing support to customers as they accelerate their efforts to expand globally.

FIELD

Successful Delivery to More than
60 Countries

The high quality of AIDA's development, manufacturing, sales and service efforts has won the solid trust of customers, and we have successfully delivered products to more than 60 countries worldwide. As a truly global company, AIDA will continue to expand its field of operations.

WHAT IS AIDA: The Link between AIDA's Technology and Society

AIDA ENGINEERING's technologies are employed to make many of the manufactured products we see around us. If the goal is to mass produce a product with an identical shape, nothing can compare to press metalforming in terms of productivity, resource conservation and energy conservation. AIDA is continuing to expand its research and development efforts to further enrich our lives and make them more convenient and enjoyable through its press technologies.



A 2,300-ton large servo press

Body Panel

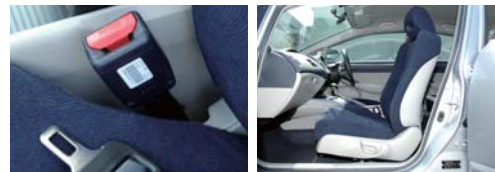


Side panel



A servo press for progressive forming

Seat Parts



Seat belt buckles, seat tracks, etc.



A press for forming high-strength steel

Vehicle Frame Parts



Center pillar



Automobiles



A high-speed precision press



The motor core is the heart of the motor. To boost motor performance, the blanked electromagnetic sheets are stacked in quantities ranging from 10 sheets to hundreds of sheets.

Motor Cores



Motor core (rotor)



A high-speed robot tandem line



Motor case

A motor case is the exterior frame of a motor. Air conditioning and refrigerator motors drive compressors and ventilation fans.



A transfer press

Air Conditioners and Refrigerators



Rear cover

Flat-Panel TVs

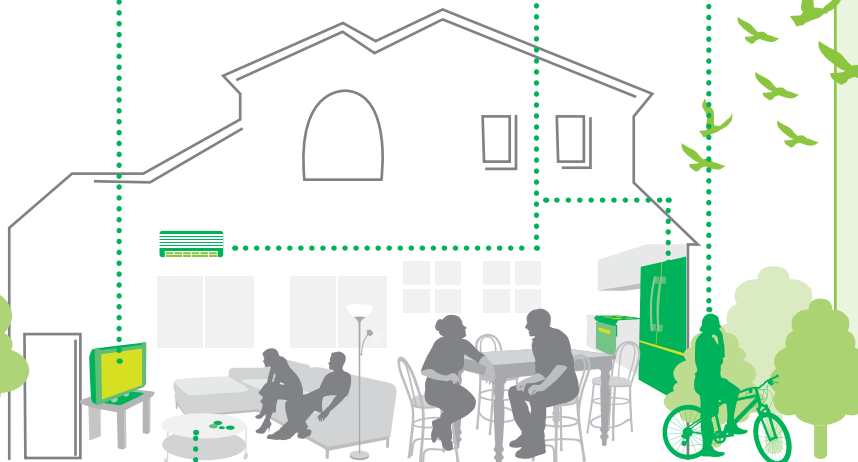
Cell Phones and Audio Devices



General-purpose servo presses (robot line)



Exterior cases, lithium-ion battery cases, etc.



Coins



Commemorative medals

Bicycles



All kinds of bicycle parts, including hubs, brakes, etc.



A precision forming press



A cold forging press



Presses are also utilized to make many other kinds of parts such as these:



Medical equipment parts



Gas burner parts (gas sensors)

ANNUAL REPORT 2011: SNAPSHOT

BUILDING SYSTEMS FOR GROWTH

AIDA ENGINEERING is creating a new trend in manufacturing by fusing its proprietary servo and automation technologies. Going forward, we are targeting global development as a forming systems builder. This annual report will detail a range of aspects of the Company's operations. From the standpoints of its competitive edge and its management strategies, this report will profile the technologies, products, people and organizations that form the driving force behind AIDA's ability to grow in a sustainable manner.



CONTENTS

- 06 Financial Highlights
- 08 To Our Stakeholders
- 10 FUNDAMENTALS FOR GROWTH:
AIDA's Competitive Edge
- 18 SYSTEMS FOR GROWTH:
Management Strategies
- 24 Corporate Governance
- 26 Consolidated Financial Summary
- 28 Consolidated Segment Information
- 28 Quarterly Information
- 29 Management's Discussion and
Analysis of Business Results and
Financial Position
- 32 History
- 32 Corporate Data
- 33 Operating Bases

WEBSITE

On its corporate website, AIDA offers a wealth of information, including timely disclosure of financial information for its shareholders and other investors, detailed product information for users, and information for those unfamiliar with the Company's operations.

▶ www.aida.co.jp/e/



CAUTIONARY STATEMENTS WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made in this annual report with respect to plans and future performance that are not historical fact are forward-looking statements. These statements are based on management's assumptions and beliefs in light of currently available information. AIDA ENGINEERING cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include but are not limited to foreign exchange rates, market trends and economic conditions.

CAUTIONARY STATEMENTS WITH RESPECT TO GRAPHS AND FINANCIAL FIGURES

The amounts presented in yen are truncated after either millions or 100 millions.



FUNDAMENTALS FOR GROWTH:

AIDA's Competitive Edge

AIDA has succeeded in weathering an extremely harsh operating environment and begun advancing toward a new level of growth. Throughout these trials, the Company's operations have remained supported by its unique competitive edge in the field of presses. In this section, we introduce AIDA's comprehensive strengths and global network.

P10

SYSTEMS FOR GROWTH:

Management Strategies

AIDA has established a new Medium-Term Management Plan for the three-year period spanning the fiscal years ending March 31, 2012 to 2014. In this section, we introduce the plan's management strategies that we will implement to pursue further innovation as a forming systems builder and our aim of becoming a truly global company.

P18

FINANCIAL HIGHLIGHTS

Summary of Performance in the Fiscal Year Ended March 31, 2011

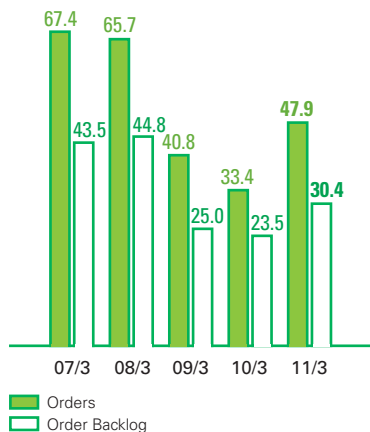
- Orders were up 43.5% year on year, to ¥47,924 million, and consolidated net sales rose 17.5%, to ¥40,989 million. This was due to significantly higher orders from emerging countries and the success of our efforts to capture orders from new users in the global market.
- Due to higher sales, improved capacity utilization and continued reductions of fixed costs, we succeeded in returning to the black, recording operating income of ¥1,461 million.

	Millions of yen	Thousands of U.S. dollars	% change	Millions of yen	
	2011	2011	2011 vs 2010	2010	2009
Orders	¥ 47,924	\$ 576,361	43.5	¥ 33,403	¥40,883
Order backlog	30,497	366,781	29.4	23,563	25,058
Net sales	40,989	492,961	17.5	34,898	60,675
Operating income (loss)	1,461	17,579	—	(5,529)	955
Operating income ratio	3.6%	—	—	(15.8)%	1.6%
Net income (loss)	1,228	14,771	—	(12,090)	810
Net cash (used in) provided by operating activities	(2,359)	(28,381)	—	4,857	2,475
Net cash (used in) provided by investing activities	(1,253)	(15,074)	—	(294)	3,985
Free cash flow	(3,613)	(43,456)	—	4,562	6,460
Net cash (used in) provided by financing activities	(1,029)	(12,381)	—	309	(3,599)
Capital expenditures	689	8,296	19.2	578	3,248
Depreciation and amortization	1,403	16,880	(47.7)	2,684	2,728
Total assets	67,342	809,886	5.4	63,867	74,796
Total net assets	45,216	543,793	(1.1)	45,706	57,869
Shareholders' equity ratio	67.0%	—	—	71.5%	77.3%
Return on equity (ROE)	2.7%	—	—	(23.4)%	1.4%
Return on assets (ROA)	1.9%	—	—	(17.4)%	1.0%
Per Share Data	Yen	U.S.¢	% change	Yen	
Net income (loss)—Basic	¥ 19.44	¢ 23.38	—	¥(189.36)	¥ 12.41
Cash dividends	6.00	7.22	20.0	5.00	5.00
Net assets	745.19	896.20	4.2	715.08	905.90

Note: U.S. dollar amounts have been translated at the rate of ¥83.15 = US\$1, the current exchange rate on March 31, 2011.

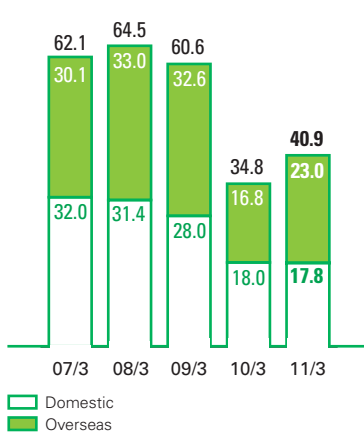
ORDERS / ORDER BACKLOG

(Billions of yen)



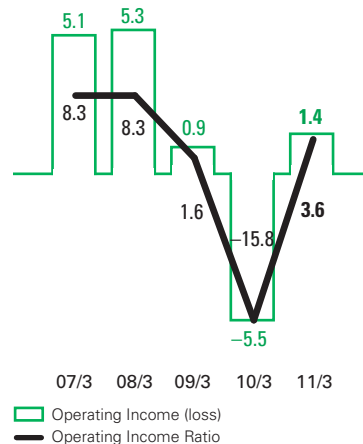
NET SALES

(Billions of yen)



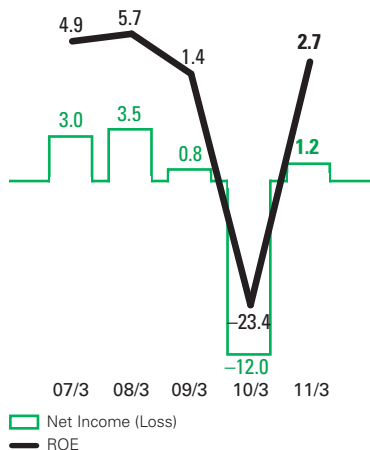
OPERATING INCOME (LOSS) / OPERATING INCOME RATIO

(Billions of yen / %)



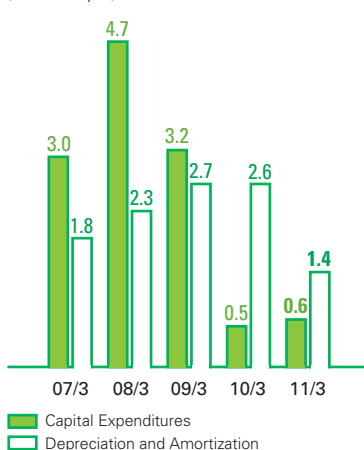
NET INCOME (LOSS) / ROE

(Billions of yen / %)



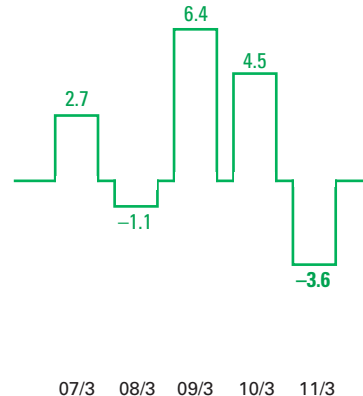
CAPITAL EXPENDITURES / DEPRECIATION AND AMORTIZATION

(Billions of yen)



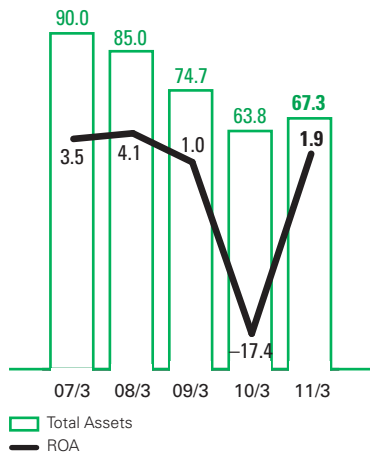
FREE CASH FLOW

(Billions of yen)



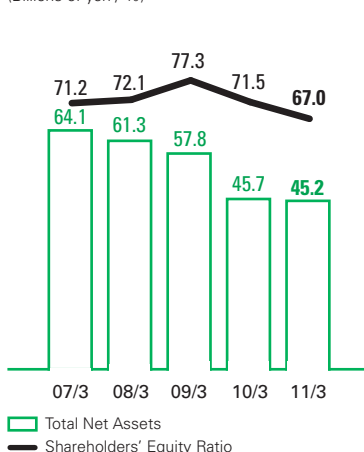
TOTAL ASSETS / ROA

(Billions of yen / %)



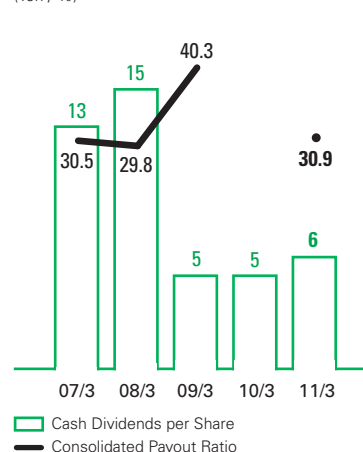
TOTAL NET ASSETS / SHAREHOLDERS' EQUITY RATIO

(Billions of yen / %)



CASH DIVIDENDS PER SHARE / CONSOLIDATED PAYOUT RATIO

(Yen / %)



TO OUR STAKEHOLDERS



KIMIKAZU AIDA
President & CEO

Impact of the Great East Japan Earthquake

The Great East Japan Earthquake and the ensuing tsunamis that occurred on March 11, 2011, devastated eastern Japan, particularly northern Honshu, causing damage from which the region has yet to recover. I would like to offer my deepest condolences to all those who were affected by this disaster.

AIDA ENGINEERING was fortunate in that it did not sustain any major injuries to employees or damage to facilities. For those customers who were affected by the earthquake, we quickly dispatched service personnel and engineers to their sites, working hard to enable them to resume production activities as soon as possible.

AIDA's ability to advance and evolve for more than 90 years is based upon the trust we have earned from our customers. Accordingly, we will continue to offer our utmost support to customers working to resume production activities and contribute to a rapid recovery from the impact of the earthquake.

Looking Back at Fiscal Year Ended March 31, 2011

Following the financial crisis in autumn 2008, demand and capacity utilization declined sharply, and the effects of this forced us to record our largest operating loss to date in the fiscal year ended March 31, 2010, as stated in last year's annual report.

We, however, took this loss as an opportunity to pursue optimization throughout our operations by revising the placement of people and facilities as well as other company systems. Through

these and other efforts, we worked aggressively to achieve substantial reductions in fixed costs and the variable-cost ratio.

Demand bottomed out at the beginning of 2010, and as the fiscal year ended March 31, 2011 began we started to see signs of recovery. Growth in demand was particularly strong in emerging nations in Asia and other regions and, aiming to take advantage of this demand, we strove to acquire new non-Japanese customers.

Due to our efforts to strengthen the Company's financial constitution as well as the recovery of demand and the increased capacity utilization, we achieved significant improvements in consolidated operating results in the fiscal year ended March 31, 2011. Net sales strengthened 17.5% year on year, to ¥40,989 million; operating income was ¥1,461 million, compared with an operating loss of ¥5,529 million in the previous fiscal year; and net income was ¥1,228 million, compared with the net loss of ¥12,090 million in the previous fiscal year. Although we did not attain net sales of ¥42,000 million, as initially forecasted, we succeeded in strengthening our foundations to maintain our current growth momentum into the medium to long term.

Future Industry Trends and Key Issues

While trends in demand have taken a favorable turn, we were only able to achieve orders of ¥47,924 million, roughly 70% of those in the fiscal year ended March 31, 2007, when orders peaked. In addition, capital expenditures remain stagnant in Japan and the effects of this trend have been further compounded by



In the fiscal year ended March 31, 2011, AIDA ENGINEERING succeeded in taking its first step toward renewed growth. This achievement resulted from our efforts to thoroughly strengthen the Company's financial constitution and acquire new customers. To maintain this newfound momentum into the medium and long term, we will pursue innovation in the global business field as a forming systems builder.



the persistence of yen appreciation and uncertainties concerning the supply of electricity. Therefore, it is entirely possible that Japanese companies will begin accelerating efforts to shift production operations overseas.

In this environment, we have positioned the overseas market as the field in which we will achieve further growth. In China and other parts of Asia, investment has expanded to address both export and internal demand. Even after taking into account the concerns that the economic growth in these areas will decelerate, we believe that the trend of market expansion will likely continue for the time being.

AIDA has strived to enhance the global nature of its business for more than a decade, and has developed a strong overseas operating foundation. Competition has grown increasingly fierce, however, and it is clear that we must further boost our ability to compete with Asian companies, which are highly cost competitive, and European companies, which are gaining strength because of the euro's depreciation. To accomplish our aims, we must work to reinforce our operations in areas where we can truly compete, and turn this competitiveness into profit.

Our new Medium-Term Management Plan contains growth strategies developed in response to this environment. Acting in accordance with this plan, we will pursue innovation as a forming systems builder, and strive to maximize levels of sustainable growth and corporate value in the global market.

Connections with Stakeholders

AIDA recognizes the enhancement of profit for shareholders as one of its most important management issues. By pursuing growth strategies, we strive to enhance corporate value and continually bolster earnings per share (EPS). Regarding the return of profits to shareholders, we will focus on continuity in providing stable dividends over the medium to long term and implementing a payout ratio of approximately 30% while taking into account the consolidated dividend on equity (DOE) ratio.

In the fiscal year ended March 31, 2011, considering the large increase in EPS, we decided to raise dividend payments by ¥1.00 per share for the year, to ¥6.00 per share, for a consolidated payout ratio of 30.9%. In the fiscal year ending March 31, 2012, we intend to issue dividend payments of ¥8.00 per share.

As a core principle of its management philosophy, AIDA aims to be a company that contributes to society through its business. It is my fervent wish that AIDA will continue to grow as a forming systems builder, and earn the trust of users across the globe by leveraging its strong lineup of products and services while maintaining sales and high profit margins into the future. By accomplishing this, AIDA will remain a company that can impress all concerned. In closing, I would like to ask our stakeholders to maintain their understanding of AIDA's management policies and continue supporting its business operations into the future.

FUNDAMENTALS FOR GROWTH: AIDA's Competitive Edge

OUR COLLECTIVE CAPABILITIES

AIDA ENGINEERING's greatest strength lies in the collective capabilities that enable it to provide entire forming systems as a complete package. The wide array of metalforming solutions that we provide enables our customers to make new manufacturing breakthroughs and achieve high-value-added content.



PRESSES

We take pride in our extensive lineup of press products. We have created entire series of servo presses that combine advanced control technologies with servo motors we developed independently. This both enables us to fulfill an even wider range of customer requirements and promotes further sales of our general purpose and high-speed automatic presses.



AUTOMATION EQUIPMENT

The AIDA Group manufactures not only material feeders and transfer robots but also the various types of peripheral equipment required for press automation systems. This enables easy synchronization with AIDA presses and leads to higher productivity and stable, high quality.

MANUFACTURING EXPERTISE

AIDA is also pursuing new metalforming possibilities. By leveraging its vast accumulated expertise as it researches new raw materials, develops new forming methodologies, reviews forming processes, and designs and manufactures dies, it is developing new markets for manufacturing technologies that take into account safety and environmental concerns.



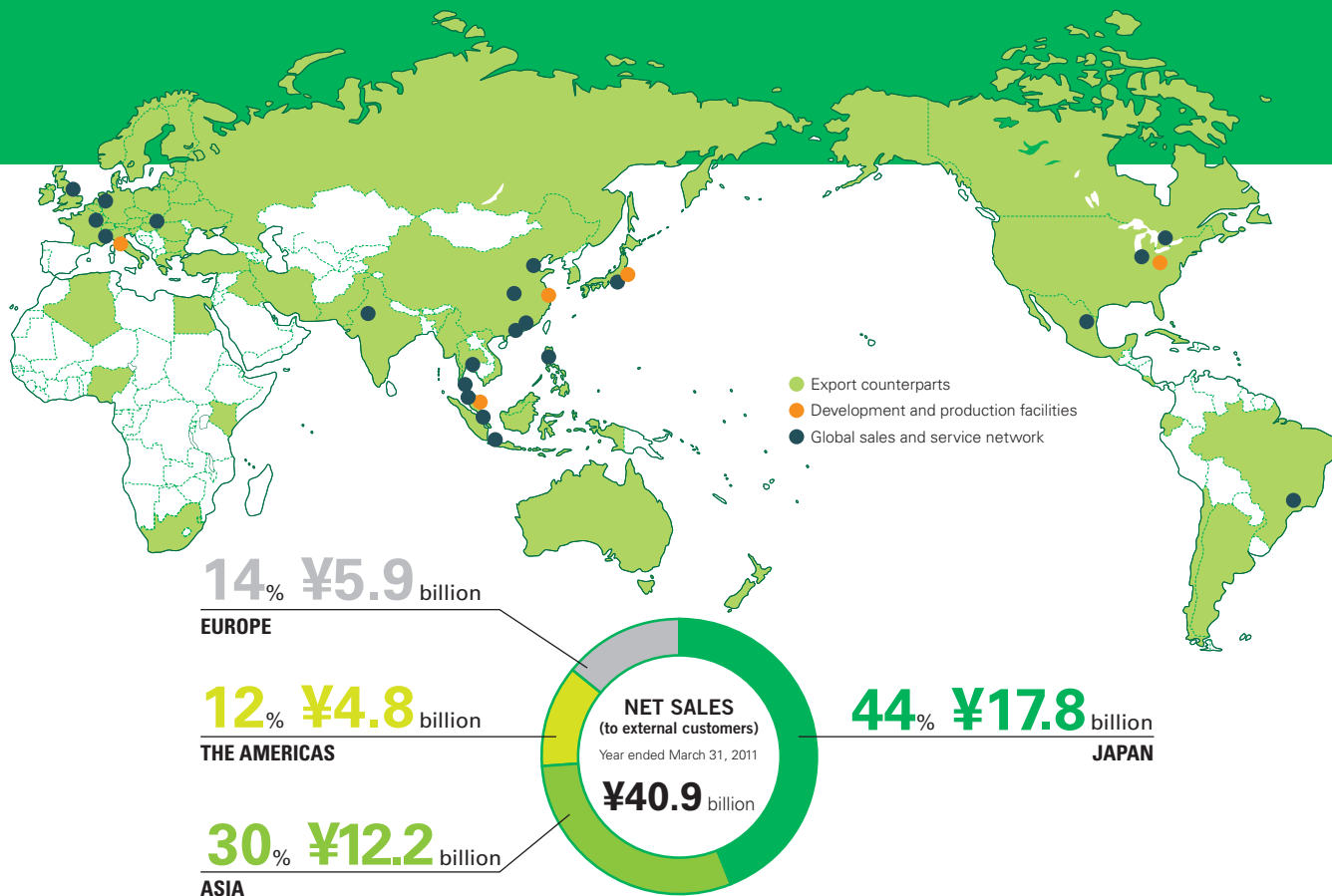
SERVICE

AIDA believes that the manufacturer should directly maintain the equipment it builds. As part of the comprehensive services they provide, our service engineers use their extensive knowledge of the Company's forming systems to perform precise inspections, provide advice about machinery usage, and present retrofit recommendations.

In addition, we provide consulting services to help reduce noise, conserve energy and increase safety, and are further enhancing customer satisfaction through our comprehensive support services.

OUR GLOBAL NETWORK

AIDA has manufacturing facilities in five countries around the world—in Japan, China, Malaysia, the United States and Italy—and operates direct sales and service offices in 38 cities in 18 countries to provide from optimal locations its products and services tailored to each specific market.



JAPAN

Japan is the hub of AIDA's manufacturing and engineering capabilities.



AIDA ENGINEERING, LTD.



ACCESS LTD.

Sales and service network

13 sites

THE AMERICAS

We are focusing on meeting demand from local automotive manufacturers who are on the road to recovery.



AIDA AMERICA CORP. (U.S.A.)

Sales and service network

4 sites

ASIA

As markets grow in line with robust economic development, this is an important strategic region.



AIDA PRESS MACHINERY SYSTEMS CO., LTD. (China)



AIDA ENGINEERING (M) SDN. BHD. (Malaysia)

Sales and service network

12 sites

EUROPE

We are responding to customers who are ramping up their equipment investment on a global basis.



AIDA S.r.l. (Italy)

Sales and service network

6 sites

FUNDAMENTALS FOR GROWTH: AIDA's Competitive Edge



WHAT MAKES AIDA DIFFERENT

Let me explain how the various elements, collective capabilities and global networks that together comprise the strength of AIDA ENGINEERING serve to differentiate us from the competition.

NAOYOSHI NAKANISHI, Director



A tandem press line for forming automotive body panels delivered in 2009 (top) and the servo motor designed specifically for this line (bottom). It not only provides deep draw-forming performance but also achieves the world's highest productivity rate of 18 spm*.

* Spm, which means "strokes per minute," is a unit that expresses the production speed (i.e., the number of parts that can be formed in a minute).

Draw Forming

Draw forming is a metalforming method for forming container-shaped products by sandwiching flat metal sheets between upper and lower dies.

The Trend toward Servo Presses Has Become Clear: Future AIDA Presses

It has become abundantly clear that the press metalforming industry is trending toward using servo presses as its core technology. This is because (1) servo presses provide greatly improved productivity and formability characteristics and (2) the automotive companies that are pushing ahead with more environmentally friendly vehicles are turning increasingly to difficult-to-form lightweight, hard materials which cannot be made using conventional mechanical presses but can be formed using servo presses. Another reason is that servo presses are meeting the demands of a more ecologically friendly era by reducing energy usage 30% or more compared to conventional presses.

AIDA was the first company to recognize the potential of servo technology, and we are currently developing all the components of servo packages in-house: servo motors, power supplies, amps, motion controls and so on. This relates to our strength of being able to construct optimal production systems regardless of how easy or difficult the requirements may be.

For example, in 2009 we sold a tandem press line for making automotive body panels that provided deep-drawing performance which was unprecedented anywhere in the world, and we achieved this by using our largest servo motors developed specifically for this application. At the time, we succeeded in providing the customer with a wide array of performance test data because we developed the motors in-house, and this also contributed to winning the final order.

Up to now AIDA has primarily marketed small servo press models, but we plan to further enhance our ability to respond to customer requirements by adding medium-sized and large servo presses to our product lineup.

Peripheral Equipment: Testing Our Capabilities

More than the presses themselves, what tests our ability to respond to the custom requirements of each customer is the peripheral equipment such as automation equipment and transfer / conveyance equipment.

For example, achieving what would usually be considered the contradictory elements of high-precision forming and high productivity is not something that can be achieved merely through the functionality of a press alone. A customer's search for product accuracy and formability tends to reduce its productivity, but we succeeded in attaining both accuracy and productivity by further speeding up the motion of peripheral equipment and fully synchronizing that motion with the press stroke. One element that contributes to the superiority of the production system as a whole is our control technology which precisely controls the motion of robot transfer arms, enabling them to accelerate at speeds approaching 2G.

Another strength is that by looking at the production system—including the peripheral equipment—as a whole, we can leverage our general-purpose type presses to provide customers with functionality that comes very close to that of specialty forming machines.

For example, there are cases where our customers have sought to establish new factories in developing countries, but the local infrastructure required to install medium-sized and large presses was lacking. However, if the forming system were composed of multiple small general-purpose presses and high-speed transfer robots, no extensive preparations would be required. I think this could be considered a vastly superior solution when considered from the viewpoint of global expansion.

We are continuing to further expand our peripheral equipment product lineup so that we can respond to even more specific customer requirements. We are not only moving ahead with the pursuit of high-end technologies that are the most advanced in the world, we are also reviewing the functionality and designs of our simple, low-cost product lineup based on the requirements of our customers.

Working toward True Globalization

Leveraging AIDA's manufacturing facilities in four key regions around the world—in Japan, Asia, the United States and Europe—we are expanding our direct sales and service offices on a global basis. As a general rule, one characteristic of overseas AIDA offices is that they are run by local staff—from top management on down—who possess in-depth knowledge of local requirements and can provide detailed marketing and customer support.

In recent years, we have been receiving an expanding number of orders from Japanese and European customers who are aggressively investing in equipment throughout the world. We are seeing a rise in “borderless” orders for similar press lines, and these lines are being delivered one after another to multiple developing countries. I also view this as a result of our success in building a global network.

And we will continue to further strengthen this global network. Especially in markets similar to China's—which might be considered a world in its own right—I think it will be necessary to understand the diversity of customer requirements wherever they may be and foster manpower development and organizations that can respond skillfully.

The Importance of AIDA's Service Department

Many of the production systems that AIDA delivers are custom-made to meet specific customer requirements, and our specialized staff will continue to take on the responsibility of providing full after-service support—including all varieties of maintenance, the sale of spare parts and so on—so that our customers can use our products for years knowing they are in good hands. In recent years, we have been striving to improve our customers' high-value-added content and increasing their productivity by bolstering our modernization services, such as upgrading presses to servo-driven presses, and then combining these with the latest peripheral equipment to boost the overall system performance.

Because presses are production assets, actually seeing the benefits of these modernizations will lead to repeat orders and eventually serve to expand our presence in the market. And by performing service tasks at the customer site, our service engineers can ascertain the conditions at the customer site, which will provide valuable opportunities to make new recommendations that will further benefit the customer. Accordingly, our Service Department plays a crucial role that both enhances value for the customer and provides multi-faceted opportunities for AIDA.



A tandem press line composed of four small general-purpose NC1-D servo presses and press-to-press A-8 transfer robots. It does not require major infrastructure equipment to install the equipment, and its small size also enables installation in factories with limited headspace. This is a solution that enables high-performance press metalforming even in a constrained environment.

FUNDAMENTALS FOR GROWTH: AIDA's Competitive Edge

ENGINEERING REPORT

HIGHLY INTELLIGENT SYSTEMS ARE CHANGING THE CONVENTIONAL WISDOM OF PRESS METALFORMING

AIDA's SERVO PRESS SERIES

Almost 10 years have passed since AIDA ENGINEERING became the first company in the world to introduce direct-drive servo presses. These powerful servo presses with their freely programmable motion and highly intelligent controls shook the manufacturing industry and spurred innovation. Press metalforming shifted from the "era of aligning the forming methods to match the press settings" to the "era of enabling the press settings to be aligned to match the forming methods."

This expanded the flexibility of manufacturing processes exponentially, and has enabled the production of high-value-added formed parts that were heretofore unknown. AIDA's servo technologies have certainly contributed to the sophistication of everyday products: from more stylish automotive designs to more durable and beautiful stainless-steel home appliances.

The AIDA servo press series has smashed through the limits of press metalforming to become a driving force in the achievement of even greater productivity, formability, and more environmentally friendly products.



OUR PRODUCT LINEUP MEETS EVERY CUSTOMER REQUIREMENT



For General-Purpose Forming
80 to 300 tons



For Progressive Forming
400 to 1,600 tons



For High-Precision Forming
300 to 3,000 tons

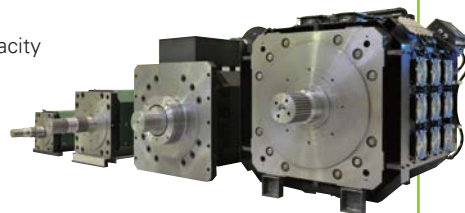


For Auto Body Forming
500 to 3,000 tons

THE GENESIS OF AIDA SERVO PRESSES: SERVO MOTORS

At the beginning of the 21st century, AIDA began marketing its own servo motors, which were the most powerful class of servo motors in the world. They were optimal for press metalforming because their low-speed, high-torque design provided full working energy even at low speeds.

These motors are the heart of all our servo presses—which currently range in capacity from 80 to 2,500 tons—and are delivering unparalleled performance. In addition, we provide servo system packages that not only include servo motors but also incorporate AIDA-developed power supplies, amplifiers, motion control software, and energy management systems. This technology has enabled “intelligent, freely programmable, and precise press metalforming.”



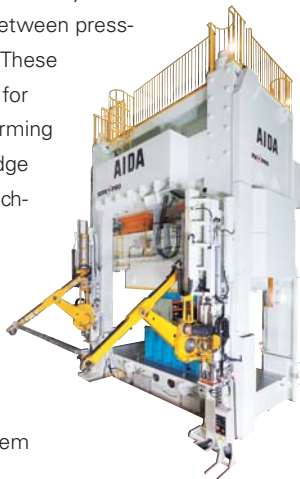
A WIDE ARRAY OF AUTOMATION SYSTEMS THAT ARE FULLY SYNCHRONIZED WITH SERVO PRESSES

AIDA takes pride in being a “forming systems builder.”

The press metalforming industry has many concerns. It goes without saying that these include quality and productivity, but their concerns extend also to global competitiveness, energy conservation, and better work environments. To meet these diverse requirements, it is essential to not only look at the presses themselves but also take a comprehensive look at the material feed and transfer methods and the forming methodologies. This is why AIDA has independently developed a diverse array of automation systems that can be fully synchronized with its servo presses. Only AIDA can provide comprehensive solutions to its customers.

CROSSBAR TRANSFER SYSTEMS

Crossbar transfer systems directly transfer materials at high speed between presses in servo tandem lines. These systems were developed for automotive body panel forming systems. Using cutting-edge synchronization control technologies and lightweight high-acceleration transfer arms, AIDA succeeded in setting a new world production speed benchmark of 18 spm for a deep draw-forming system (18 products per minute).



HIGH-SPEED ROBOT LINES

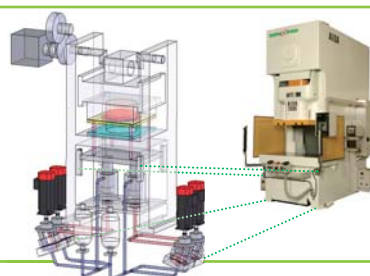
Compared to dedicated transfer presses, general-purpose press lines equipped with transfer robots have the advantages of smaller installation footprints and greater flexibility when it comes to modifying the line layout. However, conventional productivity was limited to approximately 15 spm. Thus, it was customary to use dedicated 400- to 1,000-ton class medium or large transfer presses to produce high-quantity products.

AIDA leveraged its in-house servo technologies to develop new robot transfer equipment to achieve 40 spm production on general-purpose press robot lines, which far surpasses the average 30 spm productivity of dedicated transfer presses.



SERVO-DRIVEN HYDRAULIC DIE CUSHIONS

Draw-forming accuracy is greatly influenced by the performance of the die cushion (to control wrinkling). Our servo-driven hydraulic die cushions combine servo motors with AIDA-developed servo controllers to achieve precise variable-pressure controls. It enables the optimal conditions for the complex draw forming of highly designed parts and the forming of very-difficult-to-form materials such as high-tensile steels.



FUNDAMENTALS FOR GROWTH: AIDA's Competitive Edge

Inside Market:

EUROPE



D. TROY ROBERTS

Executive Officer in Charge of Operations in North America and Europe

Capital Investment Trends of European Companies

European automotive OEMs and their supporting tier suppliers weathered the global financial crisis much better than their competitors elsewhere, such as in the United States and Japan. This was due partly to the strong governmental subsidy made directly to the European automotive sector via "scrapping programs." Germany, France and Italy naturally funded most of these support efforts, as the most important European automotive OEMs are headquartered in these countries. As the global economy began to recover, the financially sound European automotive companies were very quick to start investing aggressively, especially in Eastern Europe (e.g., Serbia, Romania, the Czech Republic, Ukraine and Poland). At the same time, these European automotive companies made even larger capital investments outside of Europe, especially in emerging markets such as China, India, Brazil, Mexico and Morocco, where growth potential far exceeds that of developed countries.

Beyond this positive investment trend, it is crucial to note that these companies purchased the latest and most advanced production technologies presently available, creating significant new business opportunities for AIDA.

AIDA's Growing Market Presence in European Companies

Because AIDA is strongly positioned in Europe, with technology accepted and appreciated by European automotive

companies, it benefited from the recent rise in capital investment. This was particularly evident in the second half of the fiscal year ended March 31, 2011, as the Company won substantial orders from important European automotive OEMs and tier suppliers that were, in many cases, new customers.

Several of these European customers, having purchased their first system from AIDA earlier in the fiscal year, later placed new orders for the same technology for delivery to multiple emerging markets locations where they are rapidly expanding.

AIDA's Global Network Supporting Customers' Global Expansion

AIDA's technical capability and the quality, productivity and reliability of its products were a key factor in customers' decision to buy AIDA. However, the Company's global network of production, sales, and service sites across the globe was of equal importance in the decision to choose AIDA.

AIDA is committed to establishing a deeper relationship with these new European customers—especially those that are expanding globally—where reliability, performance and service at the local level are of utmost importance. As such, the Company will continue to invest in the support infrastructure in Europe and the emerging markets to support its customers' growth.



Inside Market:**CHINA****YAP TECK MENG**

Executive Officer in Charge of Operations in Greater Asia and China

The Ever-Changing Chinese Market

The global financial crisis failed to dampen the phenomenal economic progress recorded by China, which is now the world's second-largest economy. Nevertheless, certain challenges remain. Renminbi appreciation has put many export-oriented businesses under heavy cost pressure. Also, in the past five years minimum wages have doubled, raising labor costs and forcing labor-intensive businesses to rethink how they operate.

Conversely, the purchasing power of the Chinese people is increasing. In 2010, annual automobile production volume reached 18 million cars, more than 2.5 times the volume in 2006. Similarly, many makers of consumer electronics have noticed significant growth in production output. The focus of consumer demand has also clearly shifted to products featuring better quality and safety, with greater environmental consciousness, even if it means paying a higher price.

AIDA's Forming Systems That Shine amid Changing Production Methods

In this environment, it is clear that the manufacturing industry is undergoing structural changes, with a greater emphasis on technology. As labor costs rise, boosting managerial efficiency through innovative new production systems has become key to companies' survival, as is acquiring the most advanced manufacturing technologies.

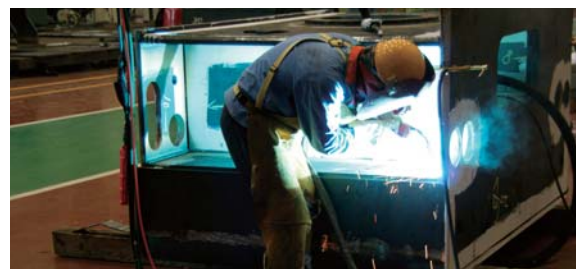
Installation of the world's largest and most productive servo tandem automation line in China is further evidence of AIDA's proven track record, its capability to supply total automation system press lines to the Chinese market. Our high-speed

precision presses, used in producing motor cores, have maintained a large market share and impressive sales for a number of years, representing the strong reputation of AIDA's high-speed forming technologies.

The automotive industry will continue to consolidate into a more distinctive pyramid structure, consisting of the manufacturers of finished automobiles and the network of suppliers below them. Given AIDA's vast experience in serving various automotive businesses globally, we are well positioned to expand business opportunities by leveraging the expertise gained through many years of experience.

Strategic Strengthening of AIDA's Sales and Service Networks

In line with the Chinese government's effort to tackle the widening income gap between coastal cities and interior agricultural regions, promotion of rapid infrastructure development headed inland is under way. AIDA took an early initiative in setting up sales offices in Hefei and Wuhan to facilitate market expansion. Together with existing sales and service branches in Shenzhen, Guangzhou, Shanghai and Tianjin, AIDA's network now covers most of China. This network, which allows well-trained technical experts to respond promptly to customer calls, has enabled the quality of our support services to win the industry's continuing attention. We are developing a team of highly skilled manpower resources to support AIDA's uncompromising quest to develop top-quality customer services even further. Achieving total customer satisfaction will always be our ultimate objective.



SYSTEMS FOR GROWTH:

Management Strategies

Having overcome the effects of the financial crisis brought on by the Lehman shock, AIDA ENGINEERING is poised once again to take dynamic steps toward renewed growth. To further its advance, AIDA has developed a new Medium-Term Management Plan for the three-year period starting with the fiscal year ending March 31, 2012. In this section, we will explain the plan's strategic direction and concrete initiatives.

STRATEGIC DIRECTION OF THE NEW MEDIUM-TERM MANAGEMENT PLAN



“AIDA is a forming systems builder with creative products and services at the core of its business. Taking advantage of our unique characteristics, we will aggressively pursue growth through unceasing innovation with the aim of becoming a truly global company.”

KIMIKAZU AIDA, President & CEO

Overview of the Previous Medium-Term Management Plan

SLOGAN

“As a forming systems builder, we will strike a balance between ‘product diversification,’ ‘quality improvement,’ and ‘continued sustainable growth as a global corporation,’ and we will expand as a corporate group that is trusted by society.”

PERFORMANCE TARGETS

Net sales:

Stable net sales exceeding ¥70.0 billion

Operating income ratio:

A stable ratio of at least 10%

Shareholder return:

A consolidated payout ratio of approximately 30%

KEY POLICES

1. Expansion of sales with concentrated investment of management resources in strategic products
2. Enhancement of the global system
3. Reinforcement of human resource development

Q AIDA has brought its previous Medium-Term Management Plan—for the period for the fiscal year ended March 31, 2008 to the fiscal year ending March 31, 2012—to an end one year early, and subsequently it established a new Medium-Term Management Plan for the three-year period spanning the fiscal years ending March 31, 2012 to 2014. What were the factors behind these decisions?

A The operating environment has changed drastically, and therefore we felt it necessary to develop a new plan based on a rational evaluation of the market, to guide us in our quest for renewed growth.

The previous plan was based on the assumption that the growth of Japanese automobile manufacturers would remain strong. However, the financial crisis brought an end to this trend, which was a major factor behind the decision to develop a new plan. Furthermore, the operating environment has changed drastically. In the previous fiscal year, orders declined significantly to levels that were approximately one-third of those achieved when orders were at their peak—and sales prices fell by more than 10%.

Amid the sluggish capital investment seen among Japanese automobile manufacturers, the focus of demand has been shifting progressively to emerging countries, and other notable changes have occurred in the structure of the market. In light of these changes, we felt it necessary to reevaluate the market in a rational manner and develop a new plan and new targets to guide us in our quest for renewed growth.

Q Would you please give us an overview of the initiatives implemented under the previous Medium-Term Management Plan and the results of these initiatives?

A Under the previous plan, we succeeded in establishing our production system based in four key regions around the world, and completed large-scale capital investment projects conducted from a medium- to long-term perspective.

In the fiscal year ended March 31, 2008, we achieved record-breaking net sales of ¥64.5 billion, representing healthy growth and putting us one step closer to achieving the sales target of ¥70.0 billion defined in the previous Medium-Term Management Plan. AIDA has always been supported by the growth of Japanese automobile manufacturers. Leveraging the strength this has granted us, we acquired a major Italian press manufacturer in October 2004. This allowed

us to begin full-fledged production operations in Europe, and subsequently led to our establishing the current global production system based in Japan, Asia, the Americas, and Europe. This was one of the major accomplishments achieved under the previous plan. Another major accomplishment was the updating and optimization of our production facilities, which we conducted over a period of four years by investing approximately ¥11.0 billion. This has enabled us to construct the systems necessary to achieve future growth.

Conversely, the previous plan was unable to address the overconcentration of our business foundation in Japan, including our production facilities and customers. This plan also did not enable us to sufficiently network our production systems utilizing global alliances. These are tasks we intend to address in the new plan.

Q How do you view the operating environment on which you have based the new Medium-Term Management Plan?

A Emerging countries will continue to grow and demand will increase for highly productive systems with superior forming capabilities, expanding the number of business opportunities available to us.

In regard to markets, it goes without saying that emerging countries such as China, India, and Brazil are currently the focal point of market growth. The demand within these countries is strong for consumer goods, and local manufacturers have been gaining momentum accordingly. Meanwhile, emerging countries have been recently facing such issues as rising labor costs and the rapid expansion of production volumes. In the press metalstamping field, the need is growing for equipment that helps improve quality, ensures consistently high quality, and can be operated by fewer personnel. Accordingly, I see an expansion in the number of fields where we can make full use of our ability to provide comprehensive solutions.

On the technical side of operations, the rising focus on conserving electricity and resources has boosted the importance of the capacity to handle lightweight, high-strength materials such as high-tensile steels, which are increasingly being used by the automotive industry. Processing these materials is a challenge, and conventional presses often lack the capabilities needed to form them properly. In addition, demand has been growing for motor cores, which are used in hybrid vehicles and household electrical appliances. The production of these motor cores requires specialized technologies able to simultaneously blank and laminate sheet materials. For these reasons, I believe there is plenty of room in this field for our servo presses, high-speed precision presses, and other next-generation presses to make a strong impression.

Q What is the strategic direction of the new Medium-Term Management Plan?

A The main theme calls for strengthening our ability to provide comprehensive forming system solutions centered on servo presses and achieving growth on a global scale.

We believe that acquiring new customers in the markets of emerging countries as well as in the Americas and Europe is absolutely necessary if AIDA is to grow in the future. This sense of urgency has been incorporated within the phrase “continued sustainable growth as a global corporation,” which is part of the new plan’s slogan. Local manufacturers in emerging countries have been showing increasing interest in AIDA’s servo presses, and we are steadily expanding our customer base by responding to their needs. In addition, we are taking steps to further the innovation of operations as a forming systems builder, which is what enables us to respond to these needs. In this pursuit, we are focusing efforts on enhancing our comprehensive production system offerings, which include AIDA’s servo presses at their core together with the peripheral equipment needed to properly support the presses.



Servo press
stamped part

Standard
mechanical press
stamped part

High-Tensile Steels

High-tensile steels are lightweight and very strong, and they are being used increasingly in automotive frames and body panels to boost fuel economy and enhance passenger safety in a collision. However, such materials have a strong tendency to return to their original shapes, and thus if conventional presses are used there are issues related to stable product accuracy and to shorter die life. AIDA servo presses with their flexible motion controls and high working energies can overcome these difficulties.



Motor Cores

Constructed from stacked electromagnetic sheets, motor cores are the heart of a motor. The thinner the electromagnetic sheets are, the smaller a motor can be, and increasing the number of stacked sheets enables higher motor output and lower energy usage. The conventional material thickness is 0.5 mm, but AIDA’s high-speed precision presses enable the blanking and stacking of very thin 0.2 mm plates.

SYSTEMS FOR GROWTH: Management Strategies

The plan also includes a number of measures geared toward steadily expanding the Company's revenues. As part of these measures, we will work to quickly revamp our general-purpose presses and high-speed precision presses, which hold a large share of the market and represent AIDA's core strengths, to further enhance their high-value-added nature. At the same time, we will upgrade our service businesses that enjoy stable demand, both in Japan and overseas. In addition, we will work to boost the productivity of our operations while raising the percentage of products manufactured overseas and grow AIDA into a strong company that can nimbly respond to fluctuations in market conditions and foreign exchange rates.

Q The quantitative targets set in the new Medium-Term Management Plan call for record-high operating results. What was the thinking behind these goals?

A We are targeting record-breaking operating results to spur our efforts to boost AIDA's presence in expanding markets.

We are targeting record-breaking operating results based on the belief that we must expand orders in the global market if AIDA is to continue growing in a sustainable manner into the future. Our decision reflected the fact that the global market is expanding, as shown by the strong automobile production seen across the globe, regardless of the significant structural changes it is undergoing. We have thus targeted the next three years as a key period in which we must exercise a pioneering spirit and boldly enter new markets. The targets represent our commitment to this endeavor.

Q What is your medium- to long-term vision for the future of AIDA ENGINEERING?

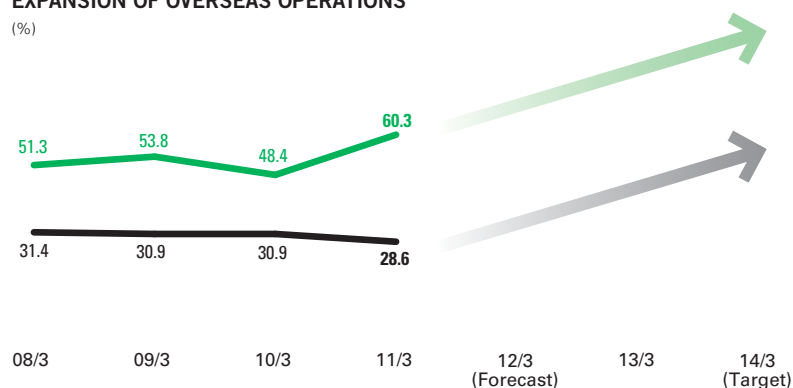
A We will strive to make AIDA a company that contributes actively to the community and whose products and services are recognized globally.

Press metalforming processes play an important role in manufacturing activities, and we believe processes that are safe for people and the environment will become ever more central with time. We want customers around the world to reach a better understanding of AIDA and use its products increasingly. In particular, as a specialized press manufacturer, we hold a competitive advantage in the field of servo technologies, and therefore we aim to spread our servo technologies across the globe.

Through these efforts, we aim to achieve growth as a truly global company and earn the trust of as many users as possible as a company that provides distinguished technologies and services. In addition, we want to make AIDA a company that contributes actively to the community.

EXPANSION OF OVERSEAS OPERATIONS

(%)



FY2008–2012 Medium-Term Management Plan

— Ratio of overseas sales to total net sales

— Ratio of overseas production to total production

FY2012–2014 New Medium-Term Management Plan

Overview of the New Medium-Term Management Plan

SLOGAN

"As a forming systems builder, we will strike a balance between 'innovation' and 'continued sustainable growth as a global corporation,' and we will expand as a corporate group that is trusted by society."

PERFORMANCE TARGETS

Net sales:

Net sales exceeding
¥65.0 billion
by the March 31, 2014 fiscal
year-end

Operating income ratio:

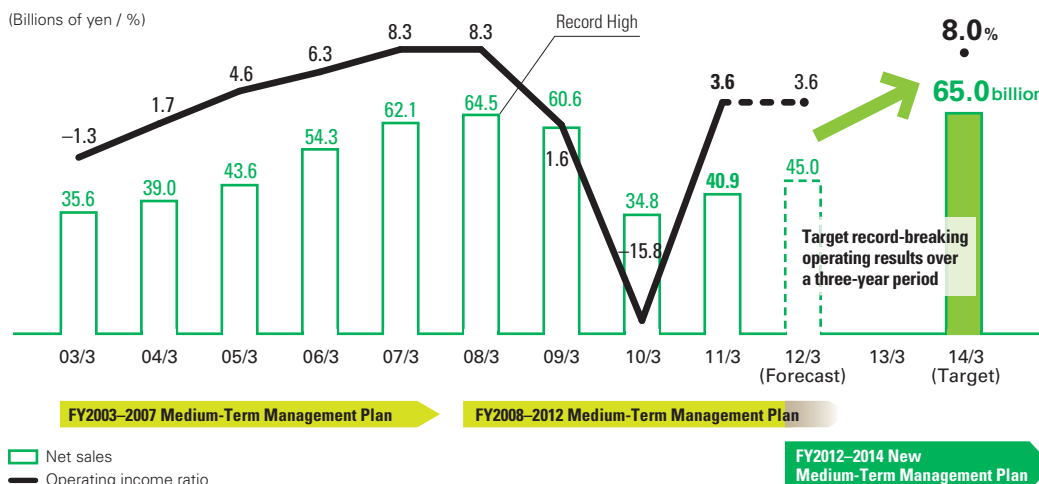
A stable ratio of
at least **8%** by the March
31, 2014 fiscal year-end

Shareholder return:

A consolidated payout
ratio of approximately
30%, taking into account
the consolidated dividends
on equity (DOE) ratio

PERFORMANCE TARGETS IN THE NEW MEDIUM-TERM MANAGEMENT PLAN

(Billions of yen / %)



KEY POLICES

Creating Customers

- (1) Focusing on growing markets
- (2) Upgrading and expanding innovative products

Increasing Value-Added Content

- (1) Focusing on strong products (high market share and high profitability) and high-income operations
- (2) Improved productivity = improved inventory asset turnover ratios and higher overseas production ratios

SYSTEMS FOR GROWTH: **Management Strategies**

KEY POLICIES IN THE NEW MEDIUM-TERM MANAGEMENT PLAN



“

We will enhance our marketing capabilities and improve our product lineup to create new customers, while developing AIDA's organization and systems in a way that enables us to better compete on the global stage.

”

EIJI TAKEI, Director

Creating Customers

Looking at the distribution of AIDA's customer sales, we can see that approximately half of our sales come from Japanese manufacturers in the automotive industry. However, recently the focal point of demand has been shifting to emerging countries, and European and North American manufacturers have demonstrated a stronger will to make capital investments than Japanese manufacturers. For AIDA to continue growing, it is not enough for us to simply expand our customer base. We must also strategically advance into areas where we have yet to establish a major presence regardless of significant demand.

For example, when compared to Japanese users, European and North American users have different requirements for production technologies and project management. Therefore, it is important for us to strengthen our ability to compete against European-made presses. We can accomplish this by enhancing our technical marketing capabilities to make them more compatible with the specifications required by such users. In addition, the automotive industry networks in emerging countries have begun to mature, resulting in the subsequent expansion of participating companies. Moreover, demand is growing in these countries for consumer appliances and electronics. Amid these trends, it is clearly important for us to secure higher orders by introducing products that meet the needs of these markets and expanding our sales channels based on regional characteristics.

We believe that establishing systems to enable us to respond to the needs of a wide variety of customers will help us cultivate new customers. The specific measures that we will implement to accomplish these goals are “focusing on growing markets” and “upgrading and expanding innovative products.”

Creating Customers: Focusing on Growing Markets

Emerging countries, such as the BRIC nations and countries in Central and South America as well as Eastern Europe, have become the focal point of global demand. In particular, China—which remains the world's leading producer and seller of automobiles—shows tremendous potential for growth.

However, our operations in China currently focus mainly on Japanese manufacturers and consumer appliance and electronics companies, and our efforts to approach European, North American, and local automotive industry manufacturers in this area have been insufficient.

Going forward, the next frontier for AIDA is the European automotive industry manufacturers that are expanding operations in China and other emerging countries. AIDA stands above the competition because of its strong engineering capabilities that enable compatibility with specifications sought by Japanese as well as European and North American users. Accordingly, we will enhance our technical marketing capabilities to take full advantage of this strength while expanding our sales channels to facilitate borderless business development.

Creating Customers: Upgrading and Expanding Innovative Products

Under the new Medium-Term Management Plan, we will strategically bolster our lineup of servo presses and the peripheral equipment that supports them.

While servo presses were defined as strategic products even in the previous plan, they were seen primarily as high-value-added products that supplemented our mechanical press product lines. However, as the manufacturing processes used by customers have grown increasingly sophisticated, there is an increasing need for new production technology breakthroughs.

To achieve such breakthroughs, we are working to create entire series of servo presses that encompass all size classes, which we will then combine with our new automation systems to help develop the full potential of these presses. I anticipate that the resulting product offerings will be powerful tools in our efforts to create new customers.

When it comes to constructing production lines, the needs of each individual customer can vary greatly. Therefore, highly detailed engineering is essential in meeting these needs. Accordingly, I see this as a field where we can fully leverage our ability to provide comprehensive solutions.

Increasing Value-Added Content: Focusing on Strong Products and High-Income Operations

Our general-purpose presses and high-speed precision presses have proven to be exceptionally competitive in the market.

General-purpose presses are the most common type of press because they feature forming technologies that can be adapted to a wide variety of conditions, yet our presses have continued to maintain a high market share for many years. And our high-speed precision presses—especially the large high-speed presses used to manufacture motor cores that are the heart of a motor—dominate the market. Motor cores are used in a wide range of products, including hybrid and electric vehicles as well as the compressors used in consumer appliances such as air conditioners and refrigerators. Therefore, we anticipate continued steady growth in demand for these high-speed precision presses.

Looking ahead, we will improve AIDA's profitability by promoting sales of these strong products in Asia and other overseas markets.

Increasing Value-Added Content: Improved Productivity

Currently, our operations are unbalanced because more than 70% of the orders we receive are for products destined for overseas use yet approximately 70% of these products are being manufactured in Japan. Furthermore, the appreciation of the yen that has persisted for the past several years has impeded our ability to compete with European companies in terms of pricing, which has drawn attention to the challenges that accompany manufacturing in Japan.

In the future, we aim to raise the percentage of products manufactured overseas from the current level of around 30% to more than 50%. One of our goals related to this is to better AIDA's resilience to exchange rate fluctuations. By evenly balancing sales in different major currencies, we hope to minimize the impact of exchange rate fluctuations on consolidated operating results. Other goals include shortening delivery times and boosting cost-competitiveness. Manufacturing products in the regions where they will be used will help reduce lead times and lower costs, which in turn will improve our productivity and competitiveness.

Our capital investments will focus on expanding and enhancing our overseas production facilities. One project is our investment in a new factory located in Nantong, China that is scheduled to begin operation in the summer of 2012. This factory will have the capacity to manufacture mid-size and large presses for the automotive industry, as these classes of products are enjoying particularly high demand in China. We are also considering boosting the production capacity of facilities elsewhere in Asia and in Europe.

At the same time, we are accelerating the development of global procurement systems. However, it is not enough to simply procure materials from locations near our production facilities. Rather, it is important to take into consideration the individual characteristics of each specific market and develop precise procurement systems that will allow us to procure materials from optimal locations. For example, it is likely that we will purchase items from China and use them in Japan, and continue to domestically procure those items only available in Japan. This is also one aspect of global procurement.

To achieve sustainable growth as a global company, it is absolutely essential for us to attain a high level of coordination between our production facilities so they can function as an efficiently linked production network. Going forward, we will implement initiatives on a continual basis geared toward establishing such a network.

CORPORATE GOVERNANCE

At AIDA ENGINEERING, enhancing and strengthening corporate governance systems are key management priorities. The Company is working to reinforce the functions of its management systems to ensure fairness and soundness, and is also focusing on bolstering its management supervisory functions to expedite decision-making and ensure management transparency.

Governance Structure

The Company has appointed two external directors and three external statutory auditors, each of whom maintains a high degree of independence. By adopting an operating officer system and enhancing its internal control system, the Company works to reinforce the functions of its management systems to ensure fairness and soundness while striving to expedite decision-making and ensure management transparency.

Directors, the Board of Directors,

Operating Officers and the Executive Committee

The Company's management structure comprises 18 persons: 16 operating officers, seven of whom concurrently serve as directors, and two external directors, both of whom are independent directors as defined by the Tokyo Stock Exchange. 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 adopted an operating officer system as a means of expediting management decision-making and clarifying lines of authority and responsibility. The Executive Committee—comprising the directors, statutory auditors, and operating officers—discusses management policies and issues, and strives to achieve unified management purpose and swift execution of business operations. The external directors and external statutory auditors proactively

offer their views and opinions at meetings of the Board of Directors and other forums based on their specialist knowledge and expertise.

Statutory Auditors and the Board of Auditors

The Company appoints three statutory auditors, all of whom are external statutory auditors and are independent auditors as defined by the Tokyo Stock Exchange. The statutory auditors attend important meetings, including meetings of the Board of Directors, and receive reports from the accounting auditor. The statutory auditors also receive briefings and inspect important documents related to the Company's business, and carry out on-site inspections of the operations and assets of each division of the Company. In addition, the statutory auditors evaluate the legal compliance and appropriateness of the directors' execution of duties.

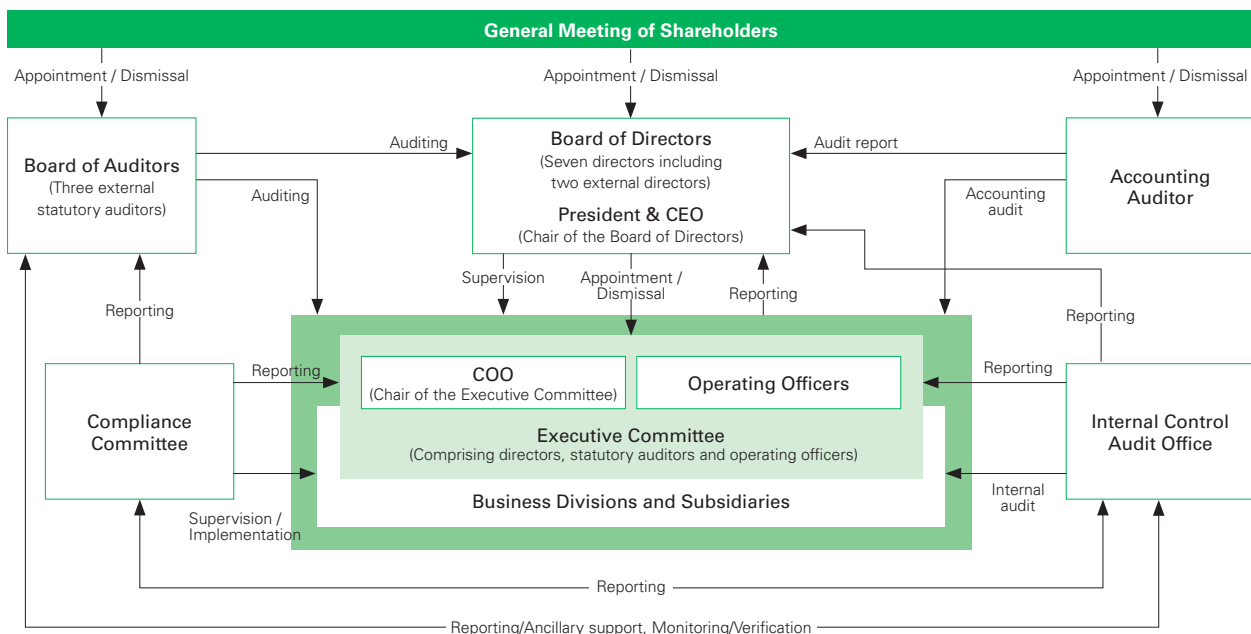
Remuneration for Directors and Statutory Auditors

In the fiscal year ended March 31, 2011, remuneration for the Company's directors and statutory auditors was as follows.

	Number of persons	Basic remuneration	Stock options	Bonus	Total amount
Directors (excluding external directors)	6	¥76	¥20	¥9	¥107
External directors	3	¥15	—	—	¥15
Statutory auditors (all external)	4	¥22	—	—	¥22

(Millions of yen)

CORPORATE GOVERNANCE STRUCTURE



Internal Control System

To ensure stringent legal compliance and promote the highest ethical standards in the conduct of its business, the Company has formulated the "AIDA Group Action Guidelines." The Company has also established the Compliance Committee to strengthen its internal control system. In addition, the Internal Control Audit Office evaluates training programs related to the AIDA Group Action Guidelines and the status of the Guidelines' implementation.

Furthermore, the Company strives to ensure the reliability of its financial reports in accordance with the Financial Instruments and Exchange Act by conducting reviews of the status of Groupwide control systems and control activities.

Risk Management System

Risks related to the execution of management strategies are analyzed, and appropriate countermeasures are implemented by the relevant business units with exposure to that risk. These matters are then discussed as needed by the Board of Directors and the Executive Committee. Risks inherent in daily operations are usually handled by the respective business units, but depending on the nature of the risk we have also established a dynamic risk management structure to respond to such risks. This includes committees for health and safety, product liability, export administration, risk management, and other cross-functional committees, as well as project teams assembled to address specific risks.

BOARD OF DIRECTORS AND CORPORATE AUDITORS



PRESIDENT & CEO

Kimikazu Aida ①

DIRECTORS

Naoyoshi Nakanishi ②

Masaharu Sakaki ③

Eiji Takei ④

Takashi Yagi ⑤

Sadayuki Kanemura ⑥

Hiromichi Kataoka ⑦

Hiroo Wakabayashi ⑧

Takeru Yamazaki ⑨

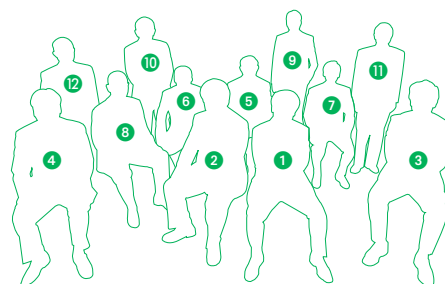
STANDING STATUTORY AUDITOR

Shigeo Matsumoto ⑩

STATUTORY AUDITORS

Yoshihiro Masuoka ⑪

Kimio Oiso ⑫



CONSOLIDATED FINANCIAL SUMMARY

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

	Millions of yen	% change	Millions of yen	Millions of yen
	2011	2011 vs 2010	2010	2009
Orders, Net Sales, and Income (Loss)				
Orders	¥47,924	43.5	¥ 33,403	¥40,883
Net sales	40,989	17.5	34,898	60,675
Cost of sales	33,346	3.2	32,313	50,148
Selling, general and administrative expenses	6,181	(23.8)	8,114	9,571
Operating income (loss)	1,461	—	(5,529)	955
Income (loss) before income taxes	1,093	—	(8,945)	145
Income taxes	(134)	—	3,144	(664)
Net income (loss)	1,228	—	(12,090)	810
Profitability Ratio				
Operating income ratio	3.6%	—	(15.8)%	1.6%
Total Assets, Total Net Assets, and Interest-bearing Debt				
Total assets	¥67,342	5.4	¥ 63,867	¥74,796
Total net assets	45,216	(1.1)	45,706	57,869
Total interest-bearing debt	1,500	50.0	1,000	500
Shareholders' equity ratio	67.0%	—	71.5%	77.3%
Capital Expenditures, Depreciation and Amortization, and R&D Expenditures				
Capital expenditures	¥ 689	19.2	¥ 578	¥ 3,248
Depreciation and amortization	1,403	(47.7)	2,684	2,728
R&D expenditures	1,079	(10.3)	1,203	1,567
Return Indicators				
Return on equity (ROE)	2.7%	—	(23.4)%	1.4%
Return on assets (ROA)	1.9%	—	(17.4)%	1.0%
Cash Flows				
Net cash (used in) provided by operating activities	¥ (2,359)	—	¥ 4,857	¥ 2,475
Net cash (used in) provided by investing activities	(1,253)	—	(294)	3,985
Free cash flow	(3,613)	—	4,562	6,460
Net cash (used in) provided by financing activities	(1,029)	—	309	(3,599)
Cash and cash equivalents at the end of the year	9,569	(34.4)	14,580	9,859

	Yen	% change	Yen	Yen
	2011	2011 vs 2010	2010	2009
Per Share Data				
Net income (loss)—basic	¥ 19.44	—	¥(189.36)	¥ 12.41
Cash dividends	6.00	20.0	5.00	5.00
Net assets	745.19	4.2	715.08	905.90
Stock Information				
Stock price	¥ 374	(4.1)	¥ 390	¥ 278
Market capitalization (millions of yen)	29,601	(4.1)	30,867	22,002
Number of shares issued (shares)	79,147,321	—	79,147,321	79,147,321
Other Data				
Number of employees	1,478	(1.9)	1,507	1,629

2008	2007	2006	2005	2004	2003	2002
¥65,785	¥67,434	¥62,838	¥53,341	¥37,910	¥38,612	¥36,774
64,513	62,120	54,303	43,679	39,017	35,646	37,715
49,023	47,180	42,208	34,175	31,894	29,408	31,226
10,124	9,776	8,682	7,476	6,466	6,707	6,183
5,365	5,164	3,412	2,027	657	(469)	305
5,411	4,809	3,168	2,566	565	(1,825)	783
1,825	1,755	1,375	1,285	276	(79)	590
3,585	3,053	1,792	1,281	289	(1,745)	193
8.3%	8.3%	6.3%	4.6%	1.7%	(1.3)%	0.8%
¥85,036	¥90,076	¥83,510	¥75,687	¥65,418	¥68,118	¥74,275
61,326	64,138	60,780	59,413	56,186	57,566	62,631
1,500	—	1,000	—	—	82	862
72.1%	71.2%	72.8%	78.5%	85.9%	84.5%	84.3%
¥ 4,771	¥ 3,087	¥ 1,800	¥ 2,240	¥ 4,620	¥ 4,055	¥ 2,708
2,333	1,894	1,814	1,883	1,990	1,823	1,779
1,658	1,433	1,448	1,450	1,727	1,953	1,985
5.7%	4.9%	3.0%	2.2%	0.5%	(2.9)%	0.3%
4.1%	3.5%	2.3%	1.8%	0.4%	(2.5)%	0.3%
¥ (1,103)	¥ 4,054	¥ 407	¥ 3,297	¥ 2,501	¥ 1,054	¥ (797)
(0)	(1,275)	(1,300)	424	(98)	820	1,797
(1,103)	2,779	(892)	3,721	2,402	1,875	999
(2,162)	(1,609)	(2,078)	1,502	(1,545)	(3,181)	(1,614)
7,420	11,475	9,983	12,420	6,980	6,404	8,103

2008	2007	2006	2005	2004	2003	2002
¥ 50.27	¥ 42.67	¥ 23.79	¥ 17.40	¥ 4.06	¥ (22.90)	¥ 2.44
15.00	13.00	10.00	10.00	8.00	8.00	10.00
911.28	893.19	849.94	801.36	805.88	801.11	804.55
¥ 626	¥ 828	¥ 939	¥ 627	¥ 460	¥ 297	¥ 408
49,546	65,533	74,319	49,625	36,407	23,506	32,399
79,147,321	79,147,321	79,147,321	79,147,321	79,147,321	79,147,321	79,410,321
1,610	1,539	1,472	1,375	1,050	1,094	1,198

CONSOLIDATED SEGMENT INFORMATION

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

	Millions of yen		% change		Millions of yen		
	2011	2011 vs 2010	2010	2009	2008	2007	
Business Division							
Net sales							
Press machines	¥ 32,581	20.3	¥ 27,093	¥ 50,416	¥ 54,036	¥ 51,771	
Services	8,040	8.8	7,392	9,995	10,394	10,212	
Other	368	(10.8)	412	264	82	136	
Consolidated	¥ 40,989	17.5	¥34,898	¥ 60,675	¥ 64,513	¥ 62,120	
Geographic Segment							
Net sales							
Japan	¥ 30,998	24.5	¥24,889	¥ 43,171	¥ 46,856	¥ 45,311	
Asia	12,628	79.5	7,034	12,734	12,853	11,181	
Americas	5,107	40.7	3,630	8,618	10,847	8,464	
Europe	6,461	(18.4)	7,914	11,591	12,361	10,218	
Elimination of intersegment	(14,206)	—	(8,570)	(15,440)	(18,405)	(13,054)	
Consolidated	¥ 40,989	17.5	¥34,898	¥ 60,675	¥ 64,513	¥ 62,120	
Operating income (loss)							
Japan	¥ 799	—	¥ (2,462)	¥ 595	¥ 3,683	¥ 4,114	
Asia	671	1,033.2	59	1,317	1,462	1,323	
Americas	198	—	(800)	(68)	104	(190)	
Europe	32	—	(2,418)	(807)	(164)	58	
Elimination of intersegment	(240)	—	93	(81)	278	(141)	
Consolidated	¥ 1,461	—	¥ (5,529)	¥ 955	¥ 5,365	¥ 5,164	

QUARTERLY INFORMATION

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

	Millions of yen		% change		Millions of yen		
	2011	2011 vs 2010	2010	2009	2008	2007	
Net Sales							
1st quarter	¥ 9,689	3.3	¥ 9,378	¥12,208	¥12,236	¥13,281	
2nd quarter	9,304	11.3	8,360	15,791	16,740	14,267	
3rd quarter	10,208	44.0	7,089	16,752	13,194	16,521	
4th quarter	11,786	17.0	10,070	15,922	22,341	18,050	
Consolidated	¥40,989	17.5	¥34,898	¥60,675	¥64,513	¥62,120	
Operating Income (Loss)							
1st quarter	¥ 545	—	¥ (805)	¥ 408	¥ 1,191	¥ 1,240	
2nd quarter	58	—	(703)	390	1,396	1,155	
3rd quarter	453	—	(1,065)	583	851	1,289	
4th quarter	404	—	(2,955)	(426)	1,926	1,478	
Consolidated	¥ 1,461	—	¥ (5,529)	¥ 955	¥ 5,365	¥ 5,164	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS RESULTS AND FINANCIAL POSITION

Orders and Sales

During the fiscal year under review (the fiscal year ended March 31, 2011), there was a gradual trend toward recovery in the global economy, as the economy remained driven by strong economic growth in emerging countries and the economic stimulus measures implemented across the globe began to take effect. Likewise, the Japanese economy was supported by exports to emerging countries. During the second half of the fiscal year, however, the effects of the economic stimulus measures weakened due to the appreciation of the yen and the end of government subsidies for the purchase of environmentally friendly vehicles. Accordingly, the sense of uncertainty regarding the future of the economy continued to linger. In addition, the Great East Japan Earthquake, which occurred on March 11, 2011, seriously impacted economic activity within Japan.

In the press machine manufacturing industry, the slump in orders that began two years ago persisted. However, we experienced strong demand from emerging countries such as China, India, and Mexico in the fourth quarter of the fiscal year ended March 31, 2010, which set orders back on the track toward recovery. The Japan Forming Machinery Association, of which the Company is a member, recorded a 182.8% year-on-year increase in orders for press machines, totaling ¥153,228 million.

In this environment, the Group worked to capture new orders from users in the global market seeking products for use in emerging countries. Through these efforts, we succeeded in acquiring new orders for tandem servo press lines, large-scale transfer presses, and blanking lines from various regions, driving orders up 43.5% year on year, to ¥47,924 million. Consolidated net sales increased 17.5%, to ¥40,989 million, due to this recovery of demand centered on emerging countries and the success of our sales promotion efforts amid this rising demand.

Results by Business Division and Geographic Segment

BUSINESS DIVISIONS

Press Machines

Exports increased as a result of strong demand centered on emerging countries. Accordingly, orders were up 55.5% year on year, to ¥39,299 million, and net sales rose 20.3%, to ¥32,581 million.

Service

While the trend of inventory adjustment continued, some customers resumed production operations, resulting in a 7.2% increase in orders, to ¥8,264 million, and an 8.8% rise in net sales, to ¥8,040 million.

Other

Orders were down 15.0%, to ¥360 million, and net sales decreased 10.8%, to ¥368 million.

GEOGRAPHIC SEGMENTS

Japan

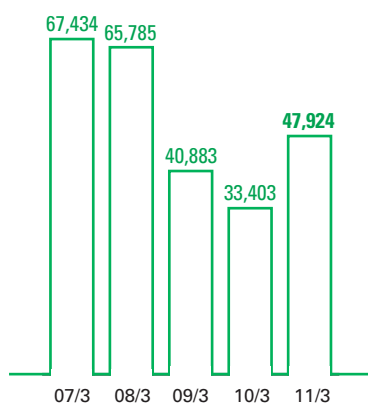
Exports rose, particularly to emerging countries, driving total sales up 24.5% year on year, to ¥30,998 million. The higher sales, improvement in the gross profit margin (a result of improved capacity utilization), and reductions in fixed costs led us to achieve operating income of ¥799 million, compared with an operating loss of ¥2,462 million in the previous fiscal year.

Asia

Sales from the automotive industry and electrical machinery-related industries were strong, particularly in China. As a result, total sales were up 79.5%, to ¥12,628 million, and operating income rose 1,033.2%, to ¥671 million.

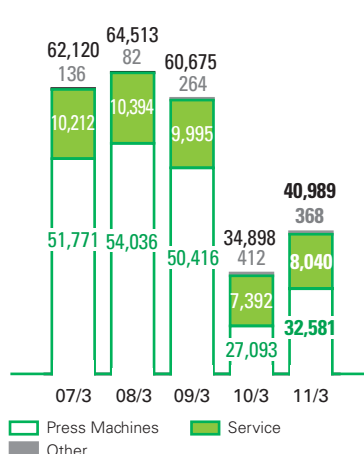
ORDERS

(Millions of yen)



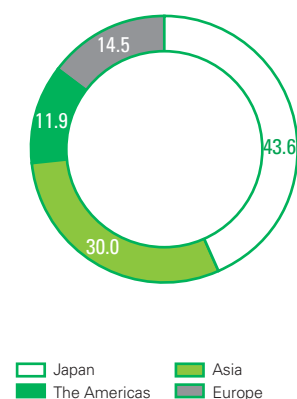
NET SALES BY BUSINESS DIVISION

(Millions of yen)



SALES BY GEOGRAPHIC SEGMENT (TO EXTERNAL CUSTOMERS)

(%)



The Americas

Recovery of capital investment in the automotive industry drove total sales up 40.7%, to ¥5,107 million. The increase in sales coupled with the effects of fixed-cost reductions resulted in operating income of ¥198 million, compared with an operating loss of ¥800 million in the previous fiscal year.

Europe

The slump in orders that began in the second quarter of the previous fiscal year continued throughout the first half of the fiscal year under review, and total sales declined 18.4%, to ¥6,461 million. Despite the decline in total sales, we succeeded in achieving operating income of ¥32 million, compared with an operating loss of ¥2,418 million in the previous fiscal year, due to the effects of fixed-cost reductions.

Earnings

Aiming to move into the black by quickly improving profitability, the entire Group advanced business restructuring initiatives. At the same time, we continued our fixed-cost reduction efforts, which we reinforced further through the revision of our production systems. Due to higher net sales, improvements in the gross profit margin (a result of improved capacity utilization), and reductions in fixed costs, gross profit increased 195.7%, to ¥7,643 million. Likewise, the gross profit margin increased 11.2 percentage points, to 18.6%. Selling, general and administrative (SG&A) expenses were down 23.8%, to ¥6,181 million, following lower labor costs. Operating income was ¥1,461 million, compared with an operating loss of ¥5,529 million in the previous fiscal year. The balance of non-operating income and expenses resulted in a net non-operating expense due to the recording of a foreign exchange loss stemming from the rapid appreciation of the yen, which continued throughout the fiscal year. Ordinary profit was ¥1,088 million, compared with an ordinary loss of ¥5,414 million in the previous fiscal year. The Group recorded

a smaller extraordinary loss during the fiscal year under review compared with the previous fiscal year due to the absence of expenses associated with business restructuring posted during the previous fiscal year. In addition, tax expenses were down. As a result, AIDA ENGINEERING recorded net income of ¥1,228 million, compared with a net loss of ¥12,090 million in the previous fiscal year.

Thus, despite its large losses in the previous fiscal year, the Company was able to quickly return to profitability in the fiscal year under review and exceed its net income target. In regard to dividend payments, the Company decided to raise dividends by ¥1.00 per share to ¥6.00 per share, which reflects its basic dividend policy and its strong financial performance.

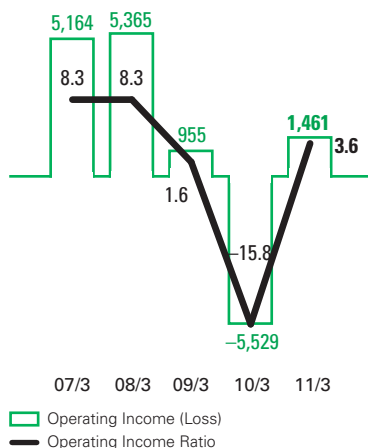
Financial Position

Total assets were ¥67,342 million as of March 31, 2011, up ¥3,474 million from the previous fiscal year-end. Current assets were ¥41,484 million, up ¥1,359 million. This was primarily due to increases of ¥5,193 million in notes and accounts receivable, trade and ¥792 million in other current assets, which offset a ¥5,147 million decrease in cash on hand and at banks, a result of a rise in purchases associated with the recovery of demand. Fixed assets were ¥25,857 million, up ¥2,115 million from the end of the previous fiscal year. This was primarily due to a ¥3,449 million increase in investments and other assets, which offset a ¥1,178 million decrease in property, plant and equipment.

Total liabilities stood at ¥22,125 million on March 31, 2011, representing an increase of ¥3,964 million from the end of the previous fiscal year. Current liabilities were up ¥2,499 million, to ¥16,941 million. Major factors included increases in advances from customers on contracts of ¥1,678 million and in accounts payable, trade of ¥984 million. Long-term liabilities were up ¥1,464 million compared with the previous fiscal year-end, to ¥5,184 million. This was primarily due to a ¥936 million increase in lease obligations and a ¥500 million increase in long-term loans payable.

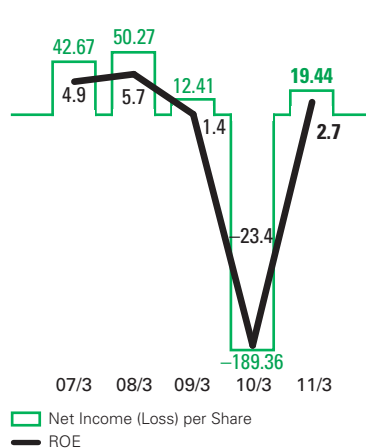
OPERATING INCOME (LOSS) / OPERATING INCOME RATIO

(Millions of yen / %)



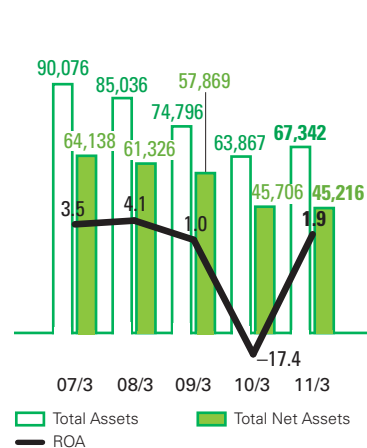
NET INCOME (LOSS) PER SHARE / ROE

(Yen / %)



TOTAL ASSETS / TOTAL NET ASSETS / ROA

(Millions of yen / %)



Total net assets amounted to ¥45,216 million on March 31, 2011, down ¥489 million from the end of the previous fiscal year. Major factors included increases of ¥1,300 million in treasury stock and ¥896 million in retained earnings.

Cash Flows

Cash and cash equivalents at the end of the year were ¥9,569 million, down ¥5,011 million.

Net cash used in operating activities was ¥2,359 million, compared with net cash provided by operating activities of ¥4,857 million in the previous fiscal year. Major inflows included depreciation and amortization of ¥1,403 million and increase in accounts payable, trade of ¥2,090 million. Major outflows included increase in accounts receivable, trade of ¥3,606 million and increase in other assets of ¥1,412 million.

Net cash used in financing activities was ¥1,253 million, compared with ¥294 million in the previous fiscal year. Major outflows included payments for purchase of investments in securities of ¥776 million and payments for purchase of property, plant and equipment of ¥699 million.

Net cash used in financing activities was ¥1,029 million, compared with net cash provided by financing activities of ¥309 million in the previous fiscal year. Major inflows included proceeds from long-term loans of ¥500 million. Major outflows included payments for purchase of treasury stock of ¥1,300 million and cash dividends paid of ¥331 million.

Capital Expenditures

In the fiscal year under review, the Company made capital expenditures totaling ¥689 million to maintain and upgrade factory facilities.

BUSINESS AND OTHER RISKS

Risks with the potential to significantly influence investment decisions are presented below. Forward-looking statements included in this section are the conclusions of the AIDA ENGINEERING Group as of the date of submission of the securities filing.

International Business Activities and Overseas Operations

The AIDA ENGINEERING Group conducts manufacturing and sales activities in various regions throughout the world, including Japan, the Americas, Europe and Asia. These overseas business operations involve inherent risk factors, including (1) unanticipated changes in policies, laws and regulations, (2) substantial and abrupt changes in foreign exchange rates, and (3) terrorism, epidemics, war and other causes of social upheaval. The situation in local areas may have a material impact on the operating results and financial position of the Group.

Product Quality Assurance

The AIDA ENGINEERING Group manufactures a range of products in factories located in countries around the world in accordance with internal quality control standards that comply with the laws and regulations of those countries. However, there is no guarantee that all products will be completely free of defects, or will not be subject to a future recall. Further, although the Company has product liability insurance, there is no guarantee that this insurance will be sufficient to cover the entire final amount of damages incurred. It is also not certain that the Group will be able to continue to obtain product liability insurance under acceptable terms. Should the Company's products be found to have defects that lead to a large-scale recall or a product liability claim, this could lead to substantial expenses, or negatively affect the reputation of the Group. This may result in decreased sales, and may have a material impact on the operating results and financial position of the Group.

Fluctuation in the Purchase Price of Raw Materials

The AIDA ENGINEERING Group's products are made primarily of steel. Drastic fluctuations in the price of raw materials may have a material impact on the operating results and financial position of the Group.

Heavy Dependence on a Particular Industry (The Automotive Industry)

The AIDA ENGINEERING Group derives two-thirds of its product sales from the automotive industry. Trends in the business conditions and capital expenditures of the automotive industry may have a material impact on the business, operating results and financial position of the Group.

Effects of Competition

The forming machinery that comprises the main products of the AIDA ENGINEERING Group is subject to competition in global markets from other companies in terms of quality, price, delivery terms and service. Should competition for sales intensify as a result of excessive supply or a sharp decline in demand in the industry, this may have a material impact on the operating results and financial position of the Group.

Effects of Earthquakes and Other Natural Disasters

AIDA ENGINEERING's main factory is located in the northwest region of Kanagawa Prefecture in the southern area of the Kanto Plain, where a major earthquake is predicted to occur at some point in the future. Should a major earthquake or other natural disaster occur in this area, this may have a material impact on the production operations and operating results of the Group.

HISTORY

1917	AIDA Ironworks is founded in Honjo, Tokyo, by Yohei Aida.
1923	Totally destroyed by the Great Kanto Earthquake, but 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.
1955	Introduced the first 200-ton high-speed automatic press.
1959	New factory constructed in Sagami City (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 Sagami City facility.
1967	Completed a 2,500-ton transfer press, the largest class in the world (at the time of completion).
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 subsidiary in the United States.
1974	Tsukui Factory is constructed (the current Tsukui Plant Division in Sagami City).
1985	Nominated as a marginable stock at the Tokyo Stock Exchange. Established subsidiary in Canada.
1989	Established subsidiary in Singapore.
1992	ACCESS LTD. is established in Ishikawa Prefecture.
1993	Established 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 subsidiary in Thailand.
1999	Received ISO 9001 certification.
2001	Received ISO 14001 certification.
2002	Established subsidiaries in China and France. Introduced the world first direct-drive servo press (now called the Direct Servo Former).
2003	Manufacturing base is established in China.
2004	Established subsidiary in Germany. Absorbed an Italian subsidiary, 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 subsidiary in India.
2008	Completed the development of a 2,300-ton capacity large servo press.
2009	Established subsidiary in Mexico.
2010	Launched commercial marketing of large-capacity servo motors for servo presses developed and manufactured by AIDA.
2011	Established subsidiary in Vietnam. Transferred Chinese production base to Nantong City.

CORPORATE DATA

As of March 31, 2011

Company Name	AIDA ENGINEERING, LTD.
Founded	March 1917
Established	March 25, 1937
Common Stock	¥7,831 million
Fiscal Year-End	March 31
Number of Employees	717 (Consolidated: 1,478)
Head Office	2-10 Ohyama-cho, Midori Ward, Sagami City, Kanagawa Prefecture 252-5181, Japan
TEL	+81-42-772-5231
FAX	+81-42-772-5263
Company Website	www.aida.co.jp/e/

Group Companies:

ACCESS LTD.

AIDA BUSINESS CORP.

OPERATING BASES

As of June 30, 2011

Domestic

Oyama, Takasaki, Nagano, Kanagawa, Hamamatsu, Nagoya, Chubu, Osaka, Chugoku / Shikoku, Fukuoka

Overseas

NORTH AMERICA

AIDA AMERICA CORP. (U.S.A.)

7660 Center Point 70 Blvd., Dayton, Ohio
45424-6380, U.S.A.
TEL +1-937-237-2382
FAX +1-937-237-1995

AIDA CANADA, INC. (CANADA)

131 Saunders Road, Unit 9 Barrie,
Ontario L4N 9A7, Canada
TEL +1-705-734-9692
FAX +1-705-734-9695

AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V.

Av. Rogelio Cantu 374-1, Colonia Santa Maria
Monterrey, Nuevo Leon, 64650 Mexico
TEL +52-81-1097-0037
FAX +52-81-1097-0038

SOUTH AMERICA

AIDA do BRASIL

Rua Jesuino Arruda 769, 04532-082,
Itaim-bibi Sao Paulo (SP), Brazil

EUROPE

AIDA S.r.l. (LECCO FACILITY)(ITALY)

Corso Europa, 240 23801 Calolziocorte (LC), Italy
TEL +39-0341-634111
FAX +39-0341-634151

AIDA S.r.l. (BRESCIA FACILITY) (ITALY)

Via Brescia, 26 25020 Pavone Mella (BS), Italy
TEL +39-030-9590111
FAX +39-030-9959377

AIDA PRESSEN GmbH (GERMANY)

Südfeld, 9d 59174 Kamen, Germany
TEL +49-2307-43864-20
FAX +49-2307-43864-40

AIDA S.r.l. FRANCE BRANCH

Zone Actipolis 2 4 rue de l'Artois 68390
Sausheim, France
TEL +33-0-389-52-77-51
FAX +33-0-389-52-69-78

AIDA S.r.l. UK BRANCH (ENGLAND)

City Road, Derby DE1 3RP, England
TEL +44-1332-648200
FAX +44-1332-648221

AIDA S.r.l. CZECH BRANCH (CZECH REPUBLIC)

Plezeňská 155/113, 150 00 Praha 5,
Czech Republic
TEL +420-255-739-320
FAX +420-255-739-315

CHINA

AIDA HONG KONG, LTD.

Unit 901-902, 9/F, 29 Austin Road.
Tsimshatsui, Kowloon, Hong Kong
TEL +852-2736-0118
FAX +852-2375-6581

AIDA ENGINEERING CHINA CO., LTD.

Room A1-A6, 8th Floor, Hudong Commercial
Building, 1128 Xiangyin Road, Shanghai,
200433, China
TEL +86-21-6510-2233
FAX +86-21-5046-3828

AIDA PRESS MACHINERY SYSTEMS CO., LTD.

No. 68 JiMei Road, Marine Industry,
Park Nantong, Jiangsu Province China
TEL +86-513-5100-6588
FAX +86-513-5100-6018

AIDA ENGINEERING CHINA CO., LTD.

TIANJIN OFFICE

Room 2705, Golden Building, No. 20, Nanjing
Road, Hexi District, Tianjin, 300042 China
TEL +86-22-5828-5633
FAX +86-22-5828-5632

AIDA ENGINEERING CHINA CO., LTD.

WUHAN OFFICE

Room 1508, Hanjiang Shiji Xingcheng,
Te 1 Erqiao Road, Longyang Street,
Hanyang District, Wuhan, Hubei, China
TEL +86-189-7134-5426
FAX +86-27-8479-8402

AIDA ENGINEERING CHINA CO., LTD.

HEFEI OFFICE

Room 503, Building 20, Guoji Huadu Meigui
Yuan, Shitai Road, Shushan District, Hefei City,
Anhui Province, 230022, China
TEL +86-551-354-5798
FAX +86-551-354-5798

AIDA ENGINEERING CHINA CO., LTD.

SHENZHEN BRANCH

Room 1803A, West Building, 2nd Term of
Chuangxin Technology Square, Tian'an Digital
Mall, Futian District, Shenzhen, China
TEL +86-755-2601-3818
FAX +86-755-2601-3618

AIDA ENGINEERING CHINA CO., LTD.

GUANGZHOU BRANCH

Poly International Plaza South Tower 606,
No1 Pazhou Avenue East, Haizhu District
Guangzhou, China
TEL +86-20-8412-0256
FAX +86-20-8412-0291

ASIA

AIDA GREATER ASIA PTE. LTD. (SINGAPORE)

No. 1, Bukit Batok Crescent, WCEGA Plaza
#02-60, Singapore 658064
TEL +65-6507-3555
FAX +65-6507-3553

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

Plo 524, Jalan Keluli, 81700 Pasir Gudang,
Johor, Malaysia
TEL +60-7-251-6688
FAX +60-7-252-0688

AIDA MALAYSIA SDN. BHD.

No.5 Jalan Pengetua U1/32 Hicom-Glenmarie
Industrial Park 40150 Shah Alam, Selangor
Malaysia
TEL +60-3-5569-2872
FAX +60-3-5569-2879

AIDA (THAILAND) CO., LTD.

110 Moo 13, Kingkaew Road,
Tambol Rachathewa, Amphur Bangplee,
Samutprakarn 10540 Thailand
TEL +66-2738-8615
FAX +66-2738-8619

PT AIDA INDONESIA

Ruko Mall Bekasi Fajar Blok B No. 22
Kawasan Industri MM 2100, Cikarang Barat
Bekasi - 17520, Indonesia
TEL +62-21-8998-2432
FAX +62-21-8998-2433

AIDA INDIA PVT. LTD.

Building No. 10C, Upper Ground Floor,
DLF CYBERCITY PHASE II, GURGAON
122002, HARYANA, INDIA
TEL +91-124-4716888
FAX +91-124-4716889

AIDA VIETNAM CO., LTD.

No 4. Alley 12/70 Dang Thai Mai Street, Quang
An Ward, Tay Ho District, Hanoi City, Vietnam
TEL +84-4-3718-6770
FAX +84-4-3718-6772

AIDA GREATER ASIA PTE. LTD. PHILIPPINES REPRESENTATIVE OFFICE

Unit 1210 12th/F Alpap II Bldg. Trade St. Cor.
Investment Drive, Madrigal Business Park,
Ayala Alabang. Muntinlupa City, Philippines
TEL +63-2-771-1268
FAX +63-2-771-1268



AIDA ENGINEERING, LTD.

2-10 Ohyama-cho, Midori Ward, Sagami-hara City, Kanagawa Prefecture 252-5181, Japan
TEL +81-42-772-5231 FAX +81-42-772-5263

Printed in Japan



AIDA

AIDA ENGINEERING, LTD.

Annual Report 2011

FINANCIAL REVIEW

CONTENTS

- 01** Consolidated Balance Sheets
- 03** Consolidated Statements of Operations
- 04** Consolidated Statements of Comprehensive Income
- 05** Consolidated Statements of Changes in Net Assets
- 06** Consolidated Statements of Cash Flows
- 07** Notes to Consolidated Financial Statements
- 28** Report of Independent Auditors
- 29** Stock Information

CONSOLIDATED BALANCE SHEETS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2011 and 2010

Assets	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	2011
Current assets:			
Cash on hand and at banks (Note 4)	¥ 9,578	¥ 14,726	\$ 115,190
Notes and accounts receivable, trade	14,033	8,840	168,779
Inventories (Note 5)	13,635	13,502	163,991
Deferred income taxes (Note 12)	1,045	676	12,573
Other current assets	3,279	2,487	39,442
Allowance for doubtful accounts	(88)	(106)	(1,062)
Total current assets	41,484	40,125	498,915
Fixed assets:			
Property, plant and equipment (Note 15):			
Buildings and structures	19,321	19,372	232,373
Less: Accumulated depreciation	(13,232)	(12,895)	(159,144)
	6,088	6,476	73,228
Machinery and vehicles	7,923	19,246	95,295
Less: Accumulated depreciation	(4,495)	(14,095)	(54,069)
	3,427	5,150	41,226
Land	4,754	4,762	57,176
Leased assets	1,172	12	14,106
Less: Accumulated depreciation	(125)	(3)	(1,511)
	1,047	8	12,594
Construction in progress	19	38	229
Other	2,119	2,119	25,485
Less: Accumulated depreciation	(1,899)	(1,901)	(22,845)
	219	298	2,640
Total property, plant and equipment	15,557	16,735	187,096
Intangible assets	574	729	6,903
Investment and other assets:			
Investment securities (Note 7)	4,442	2,933	53,422
Insurance reserve fund	3,774	2,613	45,397
Deferred income taxes (Note 12)	53	38	640
Other assets	1,483	704	17,837
Allowance for doubtful accounts	(27)	(14)	(327)
Total investments and other assets	9,726	6,276	116,970
Total fixed assets	25,857	23,741	310,970
Total assets	¥67,342	¥ 63,867	\$ 809,886

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

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	2011
Current liabilities:			
Accounts payable, trade	¥ 3,963	¥ 2,978	\$ 47,661
Lease obligations (Note 9)	121	2	1,462
Non-trade payables	2,511	1,864	30,209
Income taxes payable	126	118	1,525
Advances from customers on contracts	7,520	5,842	90,450
Deferred income taxes (Note 12)	36	—	443
Accrued warranty costs	769	1,247	9,251
Accrued bonuses for employees	543	377	6,533
Accrued bonuses for directors	9	—	119
Provision for loss on orders received	52	615	625
Other current liabilities	1,285	1,394	15,463
Total current liabilities	16,941	14,441	203,746
Long-term liabilities:			
Long-term loans payable (Note 9)	1,500	1,000	18,039
Long-term accounts payable	287	273	3,454
Lease obligations (Note 9)	941	5	11,318
Deferred income taxes (Note 12)	1,955	1,626	23,515
Accrued pension and severance costs for employees (Note 10)	435	814	5,242
Other current liabilities	64	—	776
Total long-term liabilities	5,184	3,719	62,346
Total liabilities	22,125	18,161	266,092
Net assets:			
Shareholders' equity:			
Common stock			
Authorized: 188,149,000 shares in 2011 and 2010			
Issued: 79,147,321 shares in 2011 and 2010	7,831	7,831	94,179
Additional paid-in capital	12,991	12,991	156,238
Retained earnings	34,223	33,326	411,587
Treasury stock			
(15,300,323 shares in 2010)			
(18,565,968 shares in 2011)	(9,152)	(7,852)	(110,076)
Total shareholders' equity	45,892	46,296	551,929
Accumulated other comprehensive income			
Net unrealized gains on other securities	1,574	1,112	18,937
Deferred hedge (losses) gains	(42)	19	(508)
Foreign currency translation adjustments	(2,280)	(1,771)	(27,425)
Total accumulated other comprehensive income	(748)	(640)	(8,996)
Stock options (Note 22)	71	50	860
Total net assets	45,216	45,706	543,793
Commitments and contingent liabilities (Note 17)	—	—	—
Total liabilities and net assets	¥67,342	¥63,867	\$ 809,886

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

CONSOLIDATED STATEMENTS OF OPERATIONS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2011	2010	2009	2011
Net sales (Note 2 (19))	¥40,989	¥ 34,898	¥60,675	\$492,961
Cost of sales (Notes 2 (9), (12), (19), 5 and 14)	33,346	32,313	50,148	401,036
Gross profit	7,643	2,585	10,527	91,924
Selling, general and administrative expenses (Notes 13, 14 and 21)	6,181	8,114	9,571	74,344
Operating income (loss)	1,461	(5,529)	955	17,579
Interest income	26	23	139	315
Dividend income	56	52	138	682
Income from stock allotment to shareholders	69	—	—	831
Foreign exchange gain	—	34	12	—
Subsidized income	146	127	46	1,766
Other non-operating income	134	128	173	1,615
Total non-operating income	433	366	509	5,212
Interest expense	44	28	46	539
Foreign exchange loss	573	—	—	6,891
Commission expense	59	85	113	715
Other non-operating expenses	129	137	201	1,552
Total non-operating expenses	806	251	361	9,698
Ordinary profit (loss)	1,088	(5,414)	1,103	13,092
Gain on sale of fixed assets	21	22	16	260
Gain on liquidation of subsidiary	31	—	—	376
Gain on sale of investment securities	—	—	346	—
Gain on reversal of foreign currency transaction adjustments	—	205	—	—
Other extraordinary gain	1	1	—	13
Total extraordinary gain	54	229	362	650
Loss on sale of fixed assets	2	73	5	26
Loss on disposal of fixed assets	3	50	32	40
Impairment loss on fixed assets (Notes 15 and 21)	7	1,650	214	90
Loss on removal of harmful substance	23	—	—	276
Loss on evaluation of golf club membership	12	1	15	154
Loss on sale of investment securities	—	—	707	—
Loss on revaluation of investment securities	—	—	337	—
Loss on withdrawal from welfare pension fund (Note 10)	—	1,983	—	—
Other extraordinary loss	—	0	8	—
Total extraordinary loss	49	3,761	1,320	589
Income (loss) before income taxes	1,093	(8,945)	145	13,153
Current	160	131	313	1,934
Refund	—	—	(203)	—
Deferred	(295)	3,013	(774)	(3,552)
Income taxes (Note 12)	(134)	3,144	(664)	(1,618)
Net income (loss)	¥ 1,228	¥(12,090)	¥ 810	\$ 14,771

	Yen			U.S. cents
	2011	2010	2009	2011
Per share:				
Net income (loss)—Basic (Note 11)	¥19.44	¥(189.36)	¥12.41	¢23.38
—Diluted (Note 11)	19.42	—	12.40	23.36
Cash dividends (Note 23)	6.00	5.00	5.00	7.22

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, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	2011
Income before minority interests	¥1,228	—	\$14,771
Other comprehensive income (Note 20)			
Net unrealized gains on other securities	462	—	5,563
Deferred hedge gains (losses)	(61)	—	(738)
Foreign currency translation adjustments	(508)	—	(6,117)
Total other comprehensive income (loss)	(107)	—	(1,292)
Comprehensive income	¥1,120	—	\$13,479

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, 2011, 2010 and 2009

	Millions of yen											
	Number of shares of common stock Issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock options	Total net assets
Balance at March 31, 2008	79,147	¥7,831	¥12,992	¥ 45,731	¥(6,260)	¥ 60,293	¥ 903	¥ 4	¥ 111	¥ 1,018	¥14	¥ 61,326
Effect of changes in accounting policies applied to foreign subsidiaries	—	—	—	204	—	204	—	—	—	—	—	204
Net income	—	—	—	810	—	810	—	—	—	—	—	810
Net unrealized gains on other securities	—	—	—	—	—	—	(383)	—	—	(383)	—	(383)
Foreign currency translation adjustments	—	—	—	—	—	—	—	(1,497)	(1,497)	—	—	(1,497)
Cash dividends	—	—	—	(1,009)	—	(1,009)	—	—	—	—	—	(1,009)
Treasury stock transactions, net	—	—	(0)	—	(1,591)	(1,592)	—	—	—	—	—	(1,592)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	(4)	—	(4)	—	(4)
Stock options (Note 22)	—	—	—	—	—	—	—	—	—	—	14	14
Balance at March 31, 2009	79,147	7,831	12,991	45,736	(7,852)	58,706	520	—	(1,386)	(865)	29	57,869
Net loss	—	—	—	(12,090)	—	(12,090)	—	—	—	—	—	(12,090)
Net unrealized gains on other securities	—	—	—	—	—	—	591	—	—	591	—	591
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(385)	(385)	—	(385)
Cash dividends	—	—	—	(319)	—	(319)	—	—	—	—	—	(319)
Treasury stock transactions, net	—	—	—	—	(0)	(0)	—	—	—	—	—	(0)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	19	—	19	—	19
Stock options (Note 22)	—	—	—	—	—	—	—	—	—	—	21	21
Balance at March 31, 2010	79,147	7,831	12,991	33,326	(7,852)	46,296	1,112	19	(1,771)	(640)	50	45,706
Effect of change in accounting period of consolidated subsidiary	—	—	—	(12)	—	(12)	—	—	—	—	—	(12)
Net income	—	—	—	1,228	—	1,228	—	—	—	—	—	1,228
Net unrealized gains on other securities	—	—	—	—	—	—	462	—	—	462	—	462
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(508)	(508)	—	(508)
Cash dividends	—	—	—	(319)	—	(319)	—	—	—	—	—	(319)
Treasury stock transactions, net	—	—	(0)	—	(1,300)	(1,300)	—	—	—	—	—	(1,300)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	(61)	—	(61)	—	(61)
Stock options (Note 22)	—	—	—	—	—	—	—	—	—	—	20	20
Balance at March 31, 2011	79,147	¥7,831	¥12,991	¥ 34,223	¥(9,152)	¥ 45,892	¥1,574	¥(42)	¥(2,280)	¥ (748)	¥71	¥ 45,216

	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 shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock options	Total net assets
Balance at March 31, 2010	79,147	\$94,179	\$156,241	\$400,800	\$ (94,440)	\$556,780	\$13,373	\$ 230	\$(21,308)	\$(7,704)	\$609	\$549,685
Effect of change in accounting period of consolidated subsidiary	—	—	—	(145)	—	(145)	—	—	—	—	—	(145)
Net income	—	—	—	14,771	—	14,771	—	—	—	—	—	14,771
Net unrealized gains on other securities	—	—	—	—	—	—	5,563	—	—	5,563	—	5,563
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(6,117)	(6,117)	—	(6,117)
Cash dividends	—	—	—	(3,839)	—	(3,839)	—	—	—	—	—	(3,839)
Treasury stock transactions, net	—	—	(2)	—	(15,636)	(15,638)	—	—	—	—	—	(15,638)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	(738)	—	(738)	—	(738)
Stock options (Note 22)	—	—	—	—	—	—	—	—	—	—	251	251
Balance at March 31, 2011	79,147	\$94,179	\$156,238	\$411,587	\$(110,076)	\$551,929	\$18,937	\$(508)	\$(27,425)	\$(8,996)	\$860	\$543,793

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, 2011, 2010 and 2009

Thousands of
U.S. dollars
(Note 3)

	Millions of yen			2011
	2011	2010	2009	
Cash flows from operating activities:				
Income (loss) before income taxes	¥ 1,093	¥ (8,945)	¥ 145	\$ 13,153
Adjustments for:				
Depreciation and amortization	1,403	2,684	2,728	16,880
Impairment loss on fixed assets	7	1,650	214	90
Gain on reversal of foreign currency translation adjustments	—	(205)	—	—
(Gain) loss on sale of property, plant and equipment	(19)	50	(10)	(233)
Loss on sale of short-term investments and investment securities	—	—	361	—
Gain on liquidation of subsidiary	(31)	—	—	(376)
Loss on disposal of fixed assets	3	50	32	40
Loss on revaluation of investment securities	—	—	337	—
Increase (decrease) in allowance for doubtful accounts	1	(32)	21	15
Increase (decrease) in accrued bonuses for employees, net	165	86	(347)	1,985
Increase (decrease) in accrued bonuses for directors, net	9	—	—	119
Increase (decrease) in accrued warranty costs, net	(440)	(73)	(133)	(5,294)
Increase (decrease) in accrued pension and severance costs for employees, net	(318)	721	(75)	(3,835)
Increase (decrease) in provision for loss on orders received, net	(516)	573	65	(6,210)
Interest and dividend income	(83)	(76)	(277)	(998)
Interest expense	44	28	46	539
Income from stock allotment to shareholders	(69)	—	—	(831)
(Increase) decrease in accounts receivable, trade	(3,606)	1,167	3,791	(43,373)
(Increase) decrease in inventories	(482)	8,828	68	(5,807)
(Decrease) increase in accounts payable, trade	2,090	(536)	(3,602)	25,146
(Increase) decrease in other assets	(1,412)	(946)	(537)	(16,986)
Increase (decrease) in other liabilities	(12)	(139)	135	(149)
Other, net	(57)	37	161	(690)
Sub-total	(2,229)	4,926	3,122	(26,817)
Interest and dividends received	86	72	304	1,041
Interest paid	(45)	(24)	(46)	(547)
Income taxes paid	(171)	(116)	(1,108)	(2,058)
Income taxes refund	—	—	203	—
Net cash (used in) provided by operating activities	(2,359)	4,857	2,475	(28,381)
Cash flows from investing activities:				
Payments for purchase of property, plant and equipment	(699)	(558)	(1,711)	(8,412)
Proceeds from sale of property, plant and equipment	103	396	311	1,250
Payments for purchase of investments in securities	(776)	—	(100)	(9,337)
Proceeds from sale of investments in securities	—	0	5,546	—
Payments for long-term receivable	(51)	(13)	—	(621)
Proceeds from liquidation of subsidiary	41	—	—	496
Payments for deposits of funds into time deposits	—	(135)	(10)	—
Proceeds from withdrawal of time deposits	132	—	—	1,594
Other, net	(3)	16	(49)	(45)
Net cash (used in) provided by investing activities	(1,253)	(294)	3,985	(15,074)
Cash flows from financing activities:				
Proceeds from short-term loan	—	131	—	—
Payments for short-term loans	(113)	—	(1,500)	(1,362)
Proceeds from sale and leaseback transaction	339	—	—	4,084
Payments for finance lease obligations	(124)	—	—	(1,494)
Proceeds from long-term loans	500	500	500	6,013
Proceeds from sale of treasury stock	0	—	2	1
Payments for purchase of treasury stock	(1,300)	(0)	(1,594)	(15,639)
Cash dividends paid	(331)	(318)	(1,007)	(3,984)
Other, net	—	(2)	—	—
Net cash (used in) provided by financing activities	(1,029)	309	(3,599)	(12,381)
Effect of exchange rate changes on cash and cash equivalents	(419)	(151)	(431)	(5,047)
Net (decrease) increase in cash and cash equivalents	(5,062)	4,721	2,428	(60,886)
Increase in cash and cash equivalent resulting from change in accounting period of consolidated subsidiary	51	—	—	619
Cash and cash equivalents at the beginning of the year	14,580	9,859	7,420	175,354
Increase in cash and cash equivalents from the addition of consolidated subsidiary	—	—	10	—
Cash and cash equivalents at the end of the year (Note 4)	¥ 9,569	¥14,580	¥ 9,859	\$115,087

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries

01 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 based on the financial statements of AIDA and its consolidated subsidiaries and the consolidated financial statements filed with the Director of the Kanto Finance Bureau in Japan in accordance with the Financial Instruments and Exchange Act. The accounting records of AIDA and its consolidated subsidiaries are maintained 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).

Effective April 1, 2008, AIDA adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18). In accordance with PITF No. 18, the accompanying consolidated financial statements for the year ended March 31, 2009

have been prepared by using the accounts of foreign consolidated subsidiaries prepared in accordance with either IFRS or accounting principles generally accepted in the United States as adjusted for certain items including those for goodwill, actuarial differences and capitalized development costs. Until March 31, 2008, the accompanying consolidated financial statements had been prepared by using the accounts of foreign consolidated subsidiaries prepared in accordance with accounting principles generally accepted in their countries of domicile. As a result, this implementation had no major effect on operating income, ordinary profit, and income before income taxes for the year ended March 31, 2009.

Certain items presented in the consolidated financial statements filed with the Director of the Kanto Finance Bureau in Japan have been reclassified and / or recapitulated and certain notes are added for the convenience of readers outside Japan.

The amounts presented in millions of yen are truncated after millions and thousands of U.S. dollars after thousands.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

Under Japanese accounting standards, a subsidiary and an affiliate are defined as follows:

- a subsidiary: a company in which the reporting entity directly or indirectly holds more than 50% of the voting rights thereof or which is deemed to be controlled directly or indirectly by the reporting entity; and
- an affiliate: a company in which the reporting entity directly or indirectly holds 20% or more of the voting rights thereof or in which the reporting entity is deemed to exercise significant influence directly or indirectly on its decision making.

In principle, all subsidiaries have been consolidated (16 subsidiaries in 2011 and 2010 and 17 subsidiaries in 2009). Two subsidiaries (A N TOOLING TECHNOLOGY CO., LIMITED, AIDA PRESS MACHINERY SYSTEMS CO., LTD.) were excluded from consolidation and the investments in such subsidiaries were carried at cost due to their immateriality from the perspective of consolidated financial position and results of operations.

Consolidated subsidiaries as of March 31, 2011 and for the year then ended are as follows:

- Domestic subsidiaries:
ACCESS LTD.
AIDA BUSINESS CORP.
- Overseas subsidiaries:
AIDA AMERICA CORP.
AIDA CANADA, INC.
AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V.
AIDA MANUFACTURING (MALAYSIA) SDN. BHD.

AIDA ENGINEERING CHINA CO., LTD.
AIDA STAMPING TECHNOLOGY PTE. LTD.
AIDA STAMPING TECHNOLOGY (MALAYSIA) SDN. BHD.
AIDA STAMPING TECHNOLOGY (THAILAND) CO., LTD.
PT AIDA STAMPING TECHNOLOGY INDONESIA
PT AIDA STAMPING TECHNOLOGY (INDIA) PVT. LTD.
AIDA HONG KONG, LTD.
AIDA-PRESSEN GmbH
AIDA S.r.l.
AIDA do BRASIL

(Remarks)

In the year ended March 31, 2011, one non-consolidated subsidiary, ARBIOTEC LTD. is decreased due to completion of liquidation.

All consolidated subsidiaries are wholly owned by AIDA.

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

AIDA ENGINEERING CHINA CO., LTD. has a fiscal year end of December 31. Previously, AIDA's consolidated financial statements included the accounts of the subsidiary as of December 31, with appropriate adjustments for significant transactions which occurred from December 31 through to the consolidated fiscal year end of March 31. Effective for the year ended March 31, 2011, AIDA's consolidated financial statements include the accounts of the subsidiary as of March 31, to provide more appropriate and timely disclosure. Due to this change, losses that arose during the period from January 1 to March 31, 2010 are presented as "Effect of change in accounting period of consolidated subsidiary" in the consolidated statements of changes in net assets, while increase of cash and cash

equivalents is presented as "Increase in cash and cash equivalents resulting from change in accounting period of consolidated subsidiary" in the consolidated statements of cash flows.

(2) Foreign currency

(a) Translation of foreign currency transactions

Foreign currency transactions are generally translated using foreign exchange rates prevailing at the transaction dates. Receivables and payables denominated in foreign currencies are translated at the current exchange rates at the balance sheet date.

(b) Translation of foreign currency financial statements of overseas subsidiaries

All assets and liabilities of foreign subsidiaries are translated at the current rates at the respective balance sheet dates whereas the net assets are translated at historical rates.

All the income and expense accounts are translated at the average exchange rates for the period.

Foreign currency financial statements translation differences are recorded in the consolidated balance sheets as a separate component of net assets.

(3) 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.

(4) 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.

(5) Inventories

Finished products and work in process are principally stated at the lower of cost and net realizable value determined by using the specific identification method. Raw materials are principally stated at the lower of cost and net realizable value determined by using the first-in first-out (FIFO) method. AIDA and its domestic consolidated subsidiaries, from the year ended March 31, 2009, have applied "Accounting Standards for Measurement of Inventories" (Accounting Standards Board of Japan ("ASBJ") Statement No. 9, July 5, 2006). As a result, operating income, ordinary profit, and income before income taxes, for the year ended March 31, 2009, decreased by ¥229 million, respectively.

(6) Financial instruments

Japanese accounting standards for financial instruments, which cover accounting treatments for short-term investments, investment securities, derivative financial instruments and hedge accounting, have been applied.

(a) Investment securities

Japanese accounting standards require all securities, except for those representing equity in subsidiaries and affiliates, to be classified and accounted for as follows:

Trading securities, which are held for the purpose of earning capital gains for a short period, are reported at fair value, and the related unrealized gains and losses are included in earnings for the period. The Companies had no trading securities for the periods reported in the accompanying consolidated financial statements.

Held-to-maturity securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost. The Companies had no held-to-maturity securities for the periods reported in the accompanying consolidated financial statements.

Securities other than trading securities and held-to-maturity securities are classified as other securities. Other securities with fair market value are recognized 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. Other securities without fair market value are stated at cost using the moving-average method.

The cost of other securities is determined using the moving-average method. Other than temporary declines in the value of other securities are reflected in current income.

(b) Derivative financial instruments

In accordance with Japanese accounting standards, all derivatives are recognized as either assets or liabilities at fair value, with changes in fair value charged to current income for the period in which they arise, except for derivatives that are designated as "hedging instruments" (see below (c) Hedge accounting).

(c) Hedge accounting

In accordance with accounting standards, gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as deferred hedge gains and losses in net assets and charged to income in the same period during which the gains and losses on the hedged transactions are recognized.

The derivatives designated as hedging instruments by the Companies are forward foreign exchange contracts and currency options.

(7) Property, plant and equipment

Property, plant and equipment, including significant renewals and improvements, are carried at cost. Maintenance and repairs including minor renewals and betterments are charged to income as incurred. Depreciation for property, plant and equipment in AIDA and its domestic subsidiaries is mainly calculated by applying the straight-line method, over the estimated useful lives of the respective assets as follows:

Buildings and structures: 2 to 50 years

Machinery and vehicles: 2 to 9 years

(Change in the depreciation method)

Until the year ended March 31, 2010, AIDA and its domestic subsidiaries had mainly calculated depreciation expenses by applying the declining-balance method, whereas overseas subsidiaries adopted the straight-line method.

From the year ended March 31, 2011, AIDA and its domestic subsidiaries have changed the depreciation method to mainly the straight-line method.

The reasons for the change are as below.

Due to the global economic crisis after the Lehman Brothers collapse, capital investment in auto, home appliance and electronic parts industries has been sharply declining. AIDA's analysis of the medium-term market movement pointed to the conclusion that capital investment demand will recover gradually in the short term, but cannot be expected to recover to the same level as before the financial crisis.

Based on the assumption of a stable order situation, the Companies had to reconsider the global manufacturing system, and focused on selection and concentration of processing equipment. Having investigated the usage situation of production facilities of the Companies, it was determined that the equipment would operate more or less consistently throughout the useful lives.

According to the analysis and investigation, the Companies reached the conclusion that using the straight-line method, by which depreciation cost is calculated in equal installments over the useful life, would be a more reasonable method to recognize manufacturing cost more appropriately and do cost-management.

As a result of this change, for the year ended March 31, 2011, depreciation expenses decreased by ¥637 million (U.S.\$7,663 thousand), operating income increased by ¥525 million (U.S.\$6,320 thousand) and ordinary income and income before income taxes increased by ¥546 million (U.S.\$6,568 thousand).

AIDA and its domestic consolidated subsidiaries, from the year ended March 31, 2009, have changed the useful life of the machinery and equipment from 10 years to 9 years, taking the opportunity arising from the amendments to the Corporate Tax Law. As a result of this change, for the year ended March 31, 2009, operating income decreased by ¥61 million, and ordinary profit and income before income taxes each decreased by ¥63 million.

Leased assets under finance lease transactions which 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 for financial accounting purposes.

(8) 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.

(9) Accrued warranty costs

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

(10) 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.

(11) 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.

(12) Provision for loss on orders received

Provision for loss 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 costs of sales are ¥538 million (U.S.\$6,478 thousand) and ¥969 million for the years ended March 31, 2011 and 2010, respectively.

(13) Accrued pension and severance costs for employees

Accrued pension cost and severance costs for employees are represented as the estimated present value of projected benefit obligations in excess of the fair value of the plan assets, except for the unrecognized actuarial differences.

Unrecognized actuarial differences are amortized on a straight-line method mainly over a period of 10 years except for a certain domestic subsidiary which applies 5 years, from the next fiscal year in which they arise.

From the year ended March 31, 2010, AIDA and its domestic subsidiaries adopted "Partial Amendments to Accounting Standard for Retirement Benefits" (ASBJ Statement No. 19, July 31, 2008). Since the estimated present value of projected benefit obligations calculated by using this standard did not change, there was no impact on operating loss, ordinary loss and loss before income taxes for the year.

(14) Research and development costs

Research and development costs are expensed as incurred.

(15) Income taxes

The asset and liability method is applied for accounting for income taxes. This method recognizes deferred tax assets and liabilities based on the difference between the financial statement and tax bases of assets and liabilities.

(16) Leases

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. All other lease transactions are accounted for as operating leases and relating payments are charged to income as incurred.

Until March 31, 2008, non-cancelable leases of AIDA and its domestic consolidated subsidiaries which do not transfer the ownership of the leased property to the lessee were accounted for as operating leases. Effective for the year ended March 31, 2009, AIDA and its domestic consolidated subsidiaries adopted a revised accounting standard for leases and related implementation guidance. In accordance with the revised standard, even lease transactions which do not transfer the ownership of the leased property to the lessee have been accounted for as finance lease. However, finance lease transactions which do not transfer the ownership of the leased property to the lessee, and of which the commenced date was prior to April 1, 2008, are continuously accounted for as ordinary operating leases.

The effect of this change was immaterial to the consolidated financial statements for the year ended March 31, 2009.

(17) Appropriation of retained earnings

Under the Japanese Company Law and the Articles of Incorporation of AIDA, the appropriation of retained earnings proposed by the Board of Directors is subject to approval by the shareholders at a meeting. The appropriations of retained earnings reflected in the accompanying consolidated financial statements include the results of such appropriations applicable to the immediately preceding fiscal year as approved at the shareholders' meeting, and effected, during the relevant year. Dividends are paid to shareholders on the shareholders' register at the end of each fiscal year.

Appropriations of retained earnings reflected in the accompanying consolidated financial statements have been recorded after approval by the shareholders as required under the Japanese Company Law.

(18) Net income per share and cash dividends per share

Net income per share is computed based on the weighted-average number of shares of common stock outstanding during each year.

Cash dividends per share represent dividends declared as applicable to the respective fiscal year.

(19) Recognition of material sales and costs of sales

From the year ended March 31, 2010, AIDA and the Companies adopted "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Implementation Guidance on the Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007).

For construction contracts that commenced on or after April 1, 2009, 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.

As a result, sales increased by ¥3,160 million and operating loss, ordinary loss and loss before income taxes for the year ended March 31, 2010 decreased by ¥83 million, respectively.

The impact on segment information is stated in Note 21.

(20) Asset retirement obligations

Effective April 1, 2010, AIDA and the Companies adopted "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and the "Implementation Guidance on the Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008).

The effect of this change on operating income and ordinary income and income before income taxes was immaterial for the year ended March 31, 2011.

(21) Comprehensive income

Effective the year ended March 31, 2011, the Companies adopted the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25 issued on June 30, 2010). In accordance with this new standard, consolidated statements of comprehensive income for the year ended March 31, 2010 and 2009 are not presented. The comprehensive information for the year ended March 31, 2010 is disclosed in Note 20.

(22) Employee stock ownership plan

AIDA resolved, at the Board of Directors meeting held on October 29, 2010, that a "J-ESOP" (Employee Stock Ownership Plan), a welfare benefit service to grant AIDA's shares as an employee benefit trust, be implemented for the purpose of increasing motivation and raising the morale of employees with the goals of a higher stock price and improvement of business performance by allowing participating employees to share in the economic benefits along with shareholders through enhanced linkage with the stock price of AIDA and operating results.

As a result of implementing this new welfare scheme, the Trust & Custody Services Bank, Ltd. (trust account E) (hereinafter the "Trust Account E"), obtained 3,400,000 shares of AIDA as of December 1, 2010.

This disposition of treasury stock is accounted for under assumption that the Trust Account E is controlled by AIDA from the viewpoint of recognizing the economic reality. Accordingly, the shares held by the Trust Account E, the assets and liabilities thereof and the expenses and revenue thereof are inclusively reported on the consolidated balance sheets, the consolidated statements of operations and consolidated statements of cash flows.

As a result, the number of shares of treasury stock included shares held by the Trust Account E (3,399,100 shares as of March 31).

03 U.S. DOLLAR AMOUNTS

The U.S. dollar amounts stated in the consolidated financial statements are included solely for convenience of readers outside Japan. The rate of ¥83.15 = U.S.\$1, the approximate rate of exchange as of March 31, 2011, 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.

04 SUPPLEMENTARY CASH FLOW INFORMATION: CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of the years ended March 31, 2011, 2010 and 2009 are reconciled to the accounts reported in the consolidated balance sheet as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Cash on hand and at banks	¥9,578	¥14,726	¥9,870	\$115,190
Add: Securities maturities of three months or less	—	—	—	—
Less: Time deposits with maturities of more than three months	8	145	10	103
Cash and cash equivalents	¥9,569	¥14,580	¥9,859	\$115,087

05 INVENTORIES

"Finished goods", "Work in process" and "Raw materials" in "Inventories" on the consolidated balance sheets as of March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Finished goods	¥ 3,201	¥ 3,164	\$ 38,503
Work in process	8,395	8,654	100,964
Raw materials	2,039	1,683	24,524
Inventories	¥13,635	¥13,502	\$163,991

Inventories as of March 31, 2011 and 2010, were offset by corresponding provisions for losses on orders received of ¥486 million (U.S.\$5,853 thousand) and ¥419 million, respectively.

A breakdown as of March 31, 2011 is as follows:

Finished goods: ¥393 million (U.S.\$4,730 thousand)

Work in process: ¥93 million (U.S.\$1,123 thousand)

Gain recognized and credited to cost of sales as a result of reversal of inventories for the year ended March 31, 2011 was ¥27 million (U.S.\$332 thousand).

While losses recognized and changed to cost of sales as a result of devaluation of inventories for the year ended March 31, 2010 were ¥259 million.

06 NOTES TO FINANCIAL INSTRUMENTS

Status of Financial Instruments

(1) Policy for financial instruments

Fund management is restricted to short-term deposits at banks; financing activities of the Group are mainly through bank loans. Derivatives are not used for speculative transactions, but are used in order to hedge the following types of risks.

(2) Types of financial instruments and related risk

Operating receivables (notes and accounts receivable, trade) are exposed to the customer credit risks. In order to reduce foreign exchange risks on operating receivables from global

business activities, the Group uses exchange contracts to hedge such risk.

Operating payables (accounts payable, trade) on imports of raw materials from overseas are to be settled within 6 months, and therefore partly include foreign exchange risk; however, these amounts are within the range of operating receivables in the same currency.

The main purpose of lease obligations related to finance leases and long-term debts is for funding arrangements for investment in facilities and research and development. The repayment period for these debts is within 5 years at most.

Investment securities mainly consist of stocks, which are exposed to price fluctuation risk.

Derivatives include future contracts and currency options to hedge transactions subject to foreign exchange fluctuation risk caused by foreign currency based operating receivables and payables.

(3) Risk management for financial instruments

1. Management of credit risk (risk of contractual default)

In order to manage operating receivables, our sales and service departments (including those in consolidated subsidiaries) monitor account balances and payment schedules periodically, which also helps to identify the financial risks in initial stages.

To prevent counterparty risks, derivative transactions are only conducted with banks with a high credit profile.

The maximum amount of credit risk as at March 31, 2011 and 2010 is stated in allowance for doubtful accounts on the balance sheets.

2. Market risk management

The Group uses exchange contracts in order to prevent the foreign exchange fluctuation risk on foreign currency based operating receivables and payables.

Derivative transactions are based on the internal authorization and budgetary regulations, which maintain hedge transactions foreign exchange fluctuation risk in a constant range.

Management of investment securities is conducted by inspecting market value and financial conditions of issuers, periodically.

(4) Supplementary information on the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market value, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. 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.

Information Regarding Fair Value of Financial Instruments

Excluding items of which the fair value is extremely difficult to determine, the following is the balance of fair value as of March 31, 2011 and 2010.

March 31, 2011	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	¥ 9,578	¥ 9,578	¥ —	\$ 115,190	\$ 115,190	\$ —
(2) Notes and accounts receivable, trade	14,033	14,033	—	168,779	168,779	—
(3) Investment securities						
Other securities	3,603	3,603	—	43,336	43,336	—
Total assets	¥27,215	¥27,215	¥ —	\$327,306	\$327,306	\$ —
(1) Accounts payable, trade	¥ 3,963	¥ 3,963	¥ —	\$ 47,661	\$ 47,661	\$ —
(2) Non-trade payables	2,511	2,511	—	30,209	30,209	—
(3) Long-term loans payable	1,500	1,508	8	18,039	18,142	102
(4) Long-term lease obligations	1,062	1,085	22	12,780	13,055	275
Total liabilities	¥ 9,037	¥ 9,069	¥31	\$108,691	\$109,069	\$378
Derivative transactions which are not subject to hedge accounting (*)	65	65	—	785	785	—
Derivative transactions which are subject to hedge accounting (*)	(78)	(78)	—	(940)	(940)	—

March 31, 2010	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥14,726	¥14,726	¥—
(2) Notes and accounts receivable, trade	8,840	8,840	—
(3) Investment securities			
Other securities	2,861	2,861	—
Total assets	¥26,428	¥26,428	¥—
(1) Accounts payable, trade	¥ 2,978	¥ 2,978	¥—
(2) Non-trade payables	1,864	1,864	—
(3) Long-term loans payable	1,000	1,004	4
Total liabilities	¥ 5,842	¥ 5,847	¥ 4
Derivative transactions which are not subject to hedge accounting (*)	(18)	(18)	—
Derivative transactions which are subject to hedge accounting (*)	32	32	—

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

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

Assets

(1) Cash on hand and at banks

As bank deposits are all short term, carrying value approximates fair value.

(2) Notes and accounts receivable, trade

As based on short-term settlements, fair value and carrying value of these items are almost the same.

(3) Investment securities

The details of investment securities are shown in Note 7.

Liabilities

(1) Notes and accounts payable, trade

As based on short-term settlements, fair value and carrying value of these items are almost the same.

(2) Non-trade payables

As based on short-term settlements, fair value and carrying value of these items are almost the same.

(3) Long-term loans payable

Fair value is computed by discounting at an amount using an appropriate interest rate based on the assumption of a new borrowing of the same total principal amount.

(4) Long-term lease obligations

Fair value is computed by discounting the amount by using an appropriate interest rate, based on the assumption of a new lease agreement of the same total principal amount.

Derivative Transactions

Details of derivative transactions are shown in Note 8.

Note 2: Financial instruments of which the fair value is extremely difficult to determine
March 31, 2011

Types of securities	Carrying value	
	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥ 62	\$ 749
Equity in an unconsolidated subsidiary	776	9,336
Total	¥838	\$10,085

Types of securities	Carrying value	
	Millions of yen	
Unlisted stocks	¥62	
Equity in an unconsolidated subsidiary	10	
Total	¥72	

Items above do not have market value, and the fair value is extremely difficult to determine. Therefore, the amounts above are not included in assets (3) Investment securities.

Redemption schedule for monetary claims or securities with maturities subsequent to March 31, 2011.

	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at bank	¥ 9,553	—	—	—
Notes and accounts receivable, trade	14,033	—	—	—
Total	¥23,587	—	—	—

	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 bank	\$114,891	—	—	—
Notes and accounts receivable, trade	168,779	—	—	—
Total	\$283,670	—	—	—

The redemption schedule for long-term loans payable is shown in Note 9.

07 SHORT-TERM SECURITIES AND INVESTMENTS SECURITIES

March 31, 2011

The aggregate cost and carrying value of other securities with market values as of March 31, 2011 were as follows:

Types of securities	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gains (losses)	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:						
Stocks	¥ 953	¥3,484	¥2,530	\$11,471	\$41,904	\$30,432
Sub-total	¥ 953	¥3,484	¥2,530	\$11,471	\$41,904	\$30,432
Carrying value does not exceed acquisition cost:						
Stocks	¥ 135	¥ 119	¥ (16)	\$ 1,635	\$ 1,432	\$ (202)
Sub-total	¥ 135	¥ 119	¥ (16)	\$ 1,635	\$ 1,432	\$ (202)
Total	¥1,088	¥3,603	¥2,513	\$13,106	\$43,336	\$30,229

March 31, 2010

The aggregate cost and carrying value of other securities with market values as of March 31, 2010 were as follows:

Types of securities	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥1,019	¥2,860	¥1,841
Sub-total	¥1,019	¥2,860	¥1,841
Carrying value does not exceed acquisition cost:			
Stocks	¥ 1	¥ 0	¥ (0)
Sub-total	¥ 1	¥ 0	¥ (0)
Total	¥1,020	¥2,861	¥1,840

08 DERIVATIVE FINANCIAL INSTRUMENTS

The Companies enter into forward foreign exchange contracts and currency options.

Derivative instruments are used only for hedging purposes and not for purposes of trading or speculation.

Forward foreign exchange contracts and currency options are exposed to the risk of changes in exchange rates.

Forward foreign exchange contracts and currency options are utilized to hedge market risks relating to possible future changes in foreign exchange rates for foreign-currency denominated trading accounts.

Management believes that credit risk relating to derivative instruments is relatively low since all of its counterparties to the derivative instruments are creditworthy financial institutions.

These contracts reduce the Companies' overall exposure to exchange fluctuations by effectively fixing the transaction cost for the Companies.

The Companies have internal rules and policies related to derivative transactions. The Business Administration Department conducts derivative arrangements based on these internal rules and policies, as well as monitors the effectiveness of the respective hedge arrangements.

Fair value information on the derivatives outstanding as of March 31, 2011 and 2010 is summarized in the following tables:

March 31, 2011

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2011				2011			
	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 -								
EUR (JPY Buy)	¥ 531	¥—	¥(10)	¥(10)	\$ 6,397	\$ —	\$(124)	\$(124)
USD (EUR Buy)	1,030	—	25	25	12,394	—	312	312
JPY (USD Buy)	27	—	(0)	(0)	335	—	(1)	(1)
Buy -								
JPY (USD Sell)	28	—	(0)	(0)	343	—	(4)	(4)
USD (EUR Sell)	65	—	(1)	(1)	789	—	(19)	(19)
EUR (USD Sell)	759	49	56	56	9,134	592	675	675
GBP (USD Sell)	13	—	(0)	(0)	157	—	(2)	(2)
Currency options								
Sell -								
-Call-								
EUR	¥ 290	¥—	¥—	¥—	\$ 3,492	\$ —	\$ —	\$ —
(Option premium)	(4)	—	(8)	(4)	(57)	—	(106)	(49)
Buy -								
-Put-								
EUR	290	—	—	—	3,492	—	—	—
(Option premium)	4	—	4	(0)	57	—	55	(1)
Total	¥3,037	¥49	¥ 69	¥ 69	\$36,536	\$592	\$ 835	\$ 835
	—	—	(4)	(4)	—	—	(50)	(50)

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

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions

Deferred hedge accounting is used as hedge accounting

	Millions of yen				Thousands of U.S. dollars			
	Main hedged item	2011		Fair value	Main hedged item	2011		Fair value
		Contract value				Contract value		
	Contract value total	Over 1 year		Contract value total	Over 1 year			
Forward exchange transactions:								
Sell -								
EUR (JPY Buy)	¥ 176	¥ —	¥ (1)	\$ 2,120	\$ —	\$ (12)		
Buy -								
USD (JPY Sell)	29	—	0	354	—	2		
Currency options								
Sell -								
-Call-								
USD	¥3,402	¥ 551	¥ —	\$ 40,916	\$ 6,637	\$ —		
(Option premium)	(82)	(16)	(40)	(993)	(195)	(491)		
EUR	1,399	662	—	16,832	7,967	—		
(Option premium)	(50)	(26)	(28)	(606)	(313)	(337)		
-Put-								
USD	239	—	—	2,879	—	—		
(Option premium)	(5)	—	(0)	(71)	—	(9)		
EUR	520	—	—	6,262	—	—		
(Option premium)	(20)	—	18	(245)	—	227		
Buy -								
-Put-								
USD	¥3,402	¥ 551	¥ —	\$ 40,916	\$ 6,637	\$ —		
(Option premium)	82	16	(27)	993	195	(326)		
EUR	1,399	662	—	16,832	7,967	—		
(Option premium)	50	26	(22)	606	313	(273)		
-Call-								
USD	239	—	—	2,879	—	—		
(Option premium)	5	—	(1)	71	—	(12)		
EUR	520	—	—	6,262	—	—		
(Option premium)	20	—	24	245	—	293		
Total	¥11,329	¥2,428	¥ (0)	\$136,257	\$29,210	\$ (9)		
	—	—	(77)	—	—	(930)		

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

March 31, 2010

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen			
	2010			
	Contract value		Fair value	Unrealized gain (loss)
Contract value total	Over 1 year			
Forward exchange transactions:				
Sell -				
USD (EUR Buy)	¥1,518	¥377	¥(64)	¥(64)
EUR (JPY Buy)	113	—	7	7
Buy -				
USD (JPY Sell)	465	—	(1)	(1)
USD (EUR Sell)	482	—	41	41
JPY (USD Sell)	15	—	(0)	(0)
EUR (USD Sell)	2	—	(0)	(0)
Currency options				
Sell -				
-Call-				
EUR	¥ 701	¥ —	¥ —	¥ —
(Option premium)	(11)	—	(9)	1
Buy -				
-Call-				
EUR	701	—	—	—
(Option premium)	11	—	8	(3)
Total	¥4,001	¥377	¥(16)	¥(16)
	—	—	(1)	(1)

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

(2) Derivative transactions (hedge accounting applied)

Currency-related transactions

Deferred hedge accounting is used as hedge accounting

	Millions of yen			
	2010			
	Main hedged item	Contract value		Fair value
Contract value total		Over 1 year		
Currency options				
Sell -				
-Call-				
USD		¥ 457	¥—	¥ —
(Option premium)		(14)	—	(24)
EUR	Foreign currency expected transaction	863	—	—
(Option premium)		(26)	—	(0)
Buy -				
-Put-				
USD		¥ 457	¥—	¥ —
(Option premium)		14	—	7
EUR		863	—	—
(Option premium)		26	—	49
Total		¥2,642	¥—	¥ —
		—	—	32

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

09 SHORT-TERM LOANS PAYABLE AND LONG-TERM LOANS PAYABLE

There were no short-term loans payable as of March 31, 2011.

Short-term loans payable as of March 31, 2010 consisted of the following:

	Millions of yen		
	Amount	Average interest rate	Last due
Short-term loans payable	¥124	2.71%	April 6, 2010

Long-term loans payable as of March 31, 2011 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	Amount	Average interest rate	Last due	Amount
Long-term loans payable	¥500	1.94%	March 31, 2014	\$6,013
Long-term loans payable	¥500	1.70%	March 31, 2015	\$6,013
Long-term loans payable	¥500	1.55%	December 15, 2015	\$6,013

Long-term loans payable as of March 31, 2010 consisted of the following:

	Millions of yen		
	Amount	Average interest rate	Last due
Long-term loans payable	¥500	1.94%	March 31, 2014
Long-term loans payable	¥500	1.70%	March 31, 2015

Lease obligations as of March 31, 2011 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	Amount	Last due	Amount
Current portion of lease obligations	¥121	—	\$ 1,462
Lease obligations	¥941	2014	\$11,318

Lease obligations as of March 31, 2010 comprised the following:

	Millions of yen	
	Amount	Last due
Current portion of lease obligations	¥2	—
Lease obligations	¥5	2014

Redemption schedules for long-term loans payable and lease obligations, as of March 31, 2011, are as follows:

Long-term loans payable:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2013	—	—
2014	¥500	\$6,013
2015	500	6,013
2016	500	6,013

Lease obligations:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2013	¥933	\$11,222
2014	7	95
2015	—	—
2016	—	—

10 ACCRUED PENSION AND SEVERANCE COSTS FOR EMPLOYEES

Until March 31, 2004, AIDA and its domestic subsidiaries had maintained a welfare pension plan and a tax-qualified pension plan which are defined benefit pension plans covering substantially all of their employees.

AIDA and its domestic subsidiaries partially changed the tax-qualified pension plan from a defined benefit pension plan to a defined contribution pension plan effective April 1, 2004, and from June 1, 2009 abolished the tax-qualified pension plan and adopted a cash balance plan as a defined benefit pension plan.

Certain overseas consolidated subsidiaries adopt a defined benefit pension plan or defined contribution pension plan.

As of March 31, 2010, AIDA has withdrawn from the Japan Machine Tool Allied Industries Welfare Pension Fund, which has a welfare pension fund system.

Due to this withdrawal, "loss on withdrawal from welfare pension fund" of ¥1,983 million is recorded as extraordinary loss in the statement of operations for the year ended March 31, 2010.

Matters relating to liabilities for retirement benefits as of March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
(1) Projected benefit obligations	¥(3,998)	¥(4,761)	\$(48,082)
(2) Plan assets	3,377	3,817	40,621
(3) Unfunded liabilities for retirement benefits	(620)	(944)	(7,460)
(4) Unrecognized actuarial differences	645	575	7,766
(5) Total (3) + (4)	25	(368)	305
(6) Prepaid expenses for retirement benefits	461	445	5,547
(7) Accrued pension and severance costs for employees (5) – (6)	¥ (435)	¥ (814)	\$ (5,242)

Certain overseas consolidated subsidiaries use the simplified method to determine benefit obligations.

Expenses for retirement benefits to employees for the years ended March 31, 2011, 2010 and 2009 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
(1) Service expenses	¥200	¥ 947	¥203	\$2,415
(2) Interest costs	79	91	100	950
(3) Expected return on fund assets	(76)	(68)	(83)	(918)
(4) Amortization of past service cost	—	(437)	—	—
(5) Amortization of actuarial differences	164	210	141	1,976
(6) Contribution for pension plan	114	171	129	1,376
Expenses for retirement benefits	¥482	¥ 913	¥491	\$5,801

Other than expenses for retirement benefits, as shown above contributions to the pension fund of ¥217 million and ¥256 million were charged to income for the years ended March 31, 2010 and 2009, respectively. "Service expenses" of overseas consolidated subsidiaries using the simplified method were included in "Service expenses" above.

Matters relating to the calculation basis of liabilities for retirement benefits as of March 31, 2011, 2010 and 2009 are as follows:

	2011	2010	2009
(1) Discount rate	2.0%	2.0%	2.0%
(2) Expected rate of return on plan assets	2.0%	2.0%	2.0%
(3) Method of attributing projected benefits to periods of services	Straight-line basis	Straight-line basis	Straight-line basis
(4) Amortization of actuarial differences	5 or 10 years from the following year of recognition	5 or 10 years from the following year of recognition	5 or 10 years from the following year of recognition

11 NET INCOME PER SHARE

Shares held by the Trust & Custody Services Bank, Ltd. (Trust Account E) are treated as treasury stock on the consolidated financial statements. As a result, certain shares have been deducted from the number of shares shown below in "Average number of shares outstanding during the years" and "Number of shares used for computing net assets per share."

Calculation of net assets per share and net income (loss) per share for the years ended March 31, 2011, 2010 and 2009:

	Yen			U.S. dollars / cents
	2011	2010	2009	2011
Net assets per share*1	¥745.19	¥ 715.08	¥905.90	\$8.96
Net income (loss)—Basic*2	¥ 19.44	¥(189.36)	¥ 12.41	¢23.38
—Diluted*2, 3	¥ 19.42	—	¥ 12.40	¢23.36

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

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Total net assets on consolidated balance sheets	¥45,216	¥45,706	¥57,869	\$543,793
Total net assets attributable to shares of common stock	¥45,144	¥45,655	¥57,840	\$542,932
Main differences: Stock options	¥ 71	¥ 50	¥ 29	\$ 860
Number of shares outstanding (thousands of shares)	79,147	79,147	79,147	—
Number of treasury stock (thousands of shares)	18,565	15,299	15,298	—
Number of shares used for computing net assets per share	60,581	63,846	63,848	—

*2: Data used in the calculation of "Net income (loss)—Basic" and "Diluted" are as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Net income (loss)	¥ 1,228	¥(12,090)	¥ 810	\$14,771
Net income (loss) attributable to shares of common stock	¥ 1,228	¥(12,090)	¥ 810	\$14,771
Average number of shares outstanding during the years (thousands of shares)	63,196	63,847	65,272	—
Potential increase in common stock for the diluted income calculation (thousands of shares)	48	—	40	—

*3: Due to posting the net loss for the year ended March 31, 2010, diluted income is not recorded in accordance with the applicable provisions of Japanese GAAP.

12 INCOME TAXES

The Companies are subject to a number of different income taxes. The applicable statutory tax rate in Japan was approximately 40.6% for the years ended March 31, 2011, 2010 and 2009.

(1) Reconciliation of the difference between the effective income tax rates and statutory income tax rate for the years ended March 31, 2011 and 2009 is shown below:

Due to posting the loss before income taxes for the year ended March 31, 2010, a reconciliation is omitted.

	2011	2009
Statutory income tax rate	40.6%	40.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	5.7	120.5
Dividend income	(1.1)	(14.4)
Inhabitant taxes per capita	1.6	15.3
Difference of tax rates applied to overseas subsidiaries	(4.3)	(333.1)
Changes in valuation allowance	(54.3)	(128.6)
Tax credit	—	(139.6)
Others	(0.5)	(16.3)
Effective income tax rates	(12.3)%	(455.6)%

(2) The major components of deferred income tax assets and liabilities as of March 31, 2011 and 2010 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Deferred income tax assets:			
Loss on write-down of inventories	¥ 693	¥ 705	\$ 8,335
Accrued warranty costs	257	455	3,095
Accrued bonuses for employees	206	155	2,486
Depreciation expense	1,385	1,496	16,665
Unrealized loss on golf club membership	9	23	112
Long-term payable	106	110	1,284
Tax losses carried-forward	4,435	4,553	53,342
Others	505	512	6,080
Subtotal deferred income tax assets	7,600	8,013	91,402
Less: Valuation allowance	(6,453)	(7,269)	(77,616)
Total deferred income tax assets	1,146	743	13,786
Deferred income tax liabilities:			
Undistributed subsidiaries' earnings	(152)	(146)	(1,830)
Reserve for reduction entry of replaced property	(658)	(665)	(7,917)
Accrued pension and severance costs for employees	(187)	(87)	(2,252)
Unrealized gains on other securities	(995)	(728)	(11,966)
Others	(46)	(25)	(563)
Total deferred income tax liabilities	(2,039)	(1,653)	(24,530)
Add: Valuation allowance	—	—	—
Net deferred income tax assets (liabilities)	¥ (893)	¥ (910)	\$(10,744)

13 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses for the years ended March 31, 2011, 2010 and 2009.

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Salaries and wages	¥1,731	¥2,271	¥2,686	\$20,879
Bonuses	149	160	313	1,798
Provision for accrued bonuses for employees	206	100	103	2,478
Provision for accrued pension and severance costs for employees	121	787	136	1,461
Welfare expenses	373	509	574	4,492
Commission expenses	171	159	318	2,062
Advertising and promotion expenses	53	44	161	640
Traveling expenses	337	366	457	4,056
Communication expenses	97	89	110	1,168
Rental expenses	224	286	325	2,695
Insurance expenses	146	141	170	1,761
Depreciation expenses	395	672	644	4,757
Taxation and other public dues	140	163	194	1,693
Compensation fee	429	412	568	5,168
Provision for doubtful accounts	—	10	35	—

14 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in "Cost of sales" and "Selling, general and administrative expenses" for the years ended March 31, 2011, 2010 and 2009 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Cost of sales	¥ 323	¥ 502	¥ 634	\$ 3,888
Selling, general and administrative expenses	755	700	933	9,091
Total	¥1,079	¥1,203	¥1,567	\$12,980

15 IMPAIRMENT LOSS ON FIXED ASSETS

Impairment loss on fixed assets recorded for the year ended March 31, 2011 is summarized as follows:

Purpose	Type of assets	Location	Millions of yen	Thousands of U.S. dollars
Plant	Land	Derby City (UK)	¥7	\$90

Impairment loss on fixed assets recorded for the year ended March 31, 2010 is summarized as follows:

Purpose	Type of assets	Location	Millions of yen
Office	Land, building	Misato City (Saitama Prefecture)	¥ 57
Office	Building	Komaki City (Aichi Prefecture)	14
Plant	Land, building	Derby City (UK)	3
Recreation facilities	Building	Chino City (Nagano Prefecture)	1
	Lease right	Chino City (Nagano Prefecture)	29
Subsidiaries plant in USA	Building, land	Ohio State (USA)	1,079
	Machine, equipment		260
	Other		10
Subsidiaries plant in Italy	Building, land	Lecco City (Italy)	181
	Machine, equipment		11

Impairment loss on fixed assets recorded for the year ended March 31, 2009 is summarized as follows:

Purpose	Type of assets	Location	Millions of yen
Closing plant	Land, building	Derby City (UK)	¥134
Closing office	Land, building	Yamagata City (Yamagata Prefecture)	77
Unused land	Land	Toyama City (Toyama Prefecture)	1
Unused land	Land	Iwaki City (Fukushima Prefecture)	0

In unused assets owned by the AIDA group, those for which the recoverable value is below book amount are reduced to the recoverable amount, and the reduced amount is recorded as impairment loss in extraordinary items.

The recoverable value is determined after consideration of net sales price or real estate appraisal value.

The AIDA group used the classification of management accounting for business properties, and each individual unit for unused properties.

16 LEASES

The following is a summary of future minimum payments under operating leases and finance leases, other than those which are deemed to transfer the ownership of the leased assets, for lease transactions that commenced on or before March 31, 2008, as of March 31, 2011, 2010 and 2009:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	2011
Operating leases:				
Due within one year	¥167	¥178	¥ 59	\$2,012
Thereafter	243	373	43	2,922
Total	¥410	¥551	¥103	\$4,934
Finance leases:				
Due within one year	¥ 53	¥ 60	¥ 68	\$ 642
Thereafter	32	85	144	388
Total	¥ 85	¥145	¥212	\$1,031

Lease expenses relating to finance leases which do not transfer ownership of the leased assets for the years ended March 31, 2011, 2010 and 2009 were ¥60 million (U.S.\$723 thousand), ¥68 million and ¥103 million, respectively.

The amounts of future minimum lease obligations under finance leases include the imputed interest portion.

Pro forma data as of March 31, 2011 and 2010 as to acquisition cost, accumulated depreciation, net book value, depreciation expense and interest expense of the assets leased under finance leases that do not transfer the ownership of leased assets to the lessee are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Acquisition cost	¥ 302	¥ 318	\$ 3,636
Accumulated depreciation	(216)	(172)	(2,605)
Net book value	85	145	1,031
Depreciation expense	¥ 60	¥ 68	\$ 723

In the above table, the amounts of acquisition costs and depreciation expenses include the imputed interest portion, and depreciation is based on the straight-line method over the lease term with no residual value.

Leased assets and their depreciation methods are presented in 2. Summary of Significant Accounting Policies.

17 COMMITMENT AND CONTINGENT LIABILITIES

There were no material contingent liabilities as of March 31, 2011.

18 RELATED PARTY TRANSACTIONS

There were no material transactions between AIDA and its related companies and individuals, excluding transactions with consolidated subsidiaries which were eliminated in the consolidated financial statements and other than those disclosed elsewhere in these financial statements, for the years ended March 31, 2010 and 2009.

From the year ended March 31, 2009, AIDA applied "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11), and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13).

During the year ended March 31, 2011, AIDA received liquidation dividends of ¥31 million (U.S.\$376 thousand) from non-consolidated subsidiary, ARBIOTEC, LTD.

19 ASSET RETIREMENT OBLIGATIONS

There were no material asset retirement obligations as of March 31, 2011.

20 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income for the year ended March 31, 2010 is summarized as follows:

1. Comprehensive income (loss) attributable to shareholders of AIDA ENGINEERING (Millions of yen).....	¥(11,864)		
2. Other comprehensive income (Millions of yen)			
Net unrealized gains on other securities.....		¥591	
Deferred hedge gains.....		19	
Foreign currency translation adjustments.....		(385)	
Total		¥225	

21 SEGMENT INFORMATION

(Additional Information)

Effective the year ended March 31, 2011, the Companies adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008).

(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.

Business of the AIDA group is a single activity related to the manufacture and sale of press machines and their ancillary facilities, and auxiliary business such as services.

For the domestic business, AIDA is the main company.

As for the overseas business, each local company including Asia (China, Hong Kong, Singapore and Malaysia), Americas (U.S.A.), Europe (Italy) plays a important role.

Each foreign subsidiary is a single business entity.

To expand business activities, they plan comprehensive business strategies for products in each area. The AIDA group consists of geographic segments based on manufacturing, sales and service.

Reportable segments are categorized into "Japan," "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 is used as reportable segment income. Inter-segment profit and transfer, are based on fair value.

(3) Information on sales, profit or loss, assets, and other items by reportable segments is summarized as follows:

For the years ended March 31, 2011 and 2010

For the year ended March 31, 2011	Millions of yen					Consolidated
	Japan	Asia	Americas	Europe	Adjustment and elimination	
Sales to third parties	¥17,889	¥12,293	¥4,872	¥5,933	¥ —	¥40,989
Inter-segment sales	13,109	335	234	527	(14,206)	—
Total sales	30,998	12,628	5,107	6,461	(14,206)	40,989
Segment income	¥ 799	¥ 671	¥ 198	¥ 32	¥ (240)	¥ 1,461
Segment assets	¥52,688	¥13,138	¥5,491	¥9,302	¥(13,278)	¥67,342
Depreciation	¥ 1,004	¥ 219	¥ 63	¥ 116	¥ —	¥ 1,403
Capital expenditure	¥ 470	¥ 178	¥ 15	¥ 24	¥ —	¥ 689

For the year ended March 31, 2011	Thousands of U.S. dollars					Consolidated
	Japan	Asia	Americas	Europe	Adjustment and elimination	
Sales to third parties	\$215,151	\$147,846	\$58,601	\$ 71,360	\$ —	\$492,961
Inter-segment sales	157,655	4,029	2,823	6,342	(170,850)	—
Total sales	372,807	151,875	61,425	77,702	(170,850)	492,961
Segment income	\$ 9,617	\$ 8,081	\$ 2,385	\$ 386	\$ (2,891)	\$ 17,579
Segment assets	\$633,652	\$158,015	\$66,043	\$111,871	\$(159,696)	\$809,886
Depreciation	\$ 12,078	\$ 2,635	\$ 759	\$ 1,406	\$ —	\$ 16,880
Capital expenditure	\$ 5,662	\$ 2,152	\$ 189	\$ 291	\$ —	\$ 8,296

For the year ended March 31, 2010	Millions of yen					Consolidated
	Japan	Asia	Americas	Europe	Adjustment and elimination	
Sales to third parties	¥17,956	¥ 6,620	¥3,089	¥ 7,233	¥ —	¥34,898
Inter-segment sales	6,933	414	541	681	(8,570)	—
Total sales	24,889	7,034	3,630	7,914	(8,570)	34,898
Segment income (losses)	¥ (2,462)	¥ 59	¥ (800)	¥(2,418)	¥ 93	¥ (5,529)
Segment assets	¥61,215	¥10,565	¥4,084	¥ 7,382	¥(19,379)	¥63,867
Depreciation	¥ 2,133	¥ 259	¥ 140	¥ 151	¥ —	¥ 2,684
Capital expenditure	¥ 481	¥ 63	¥ 13	¥ 19	¥ —	¥ 578

- Adjustment of sales amount means elimination among inter-segment transactions.
- Adjustments of segment income (losses) arose from elimination among inter-segment transactions.
- Adjustments of segment assets mean elimination between inter-segment receivables and payables.
- As described in Note 2 (7), from the year ended March 31, 2011, AIDA and its domestic subsidiaries have changed the depreciation method to mainly the straight-line method. As a result of this change, for the year ended March 31, 2011, depreciation expenses decreased by ¥637 million (U.S.\$7,663 thousand) and operating income increased by ¥525 million (U.S.\$6,320 thousand) in "Japan" segment.

(Related Information)

For the year ended March 31, 2011

1. Products and service

Millions of yen				
	Press machines	Service	Others	Total
Sales to third parties	¥32,581	¥8,040	¥368	¥40,989

Thousands of U.S. dollars				
	Press machines	Service	Others	Total
Sales to third parties	\$391,836	\$96,695	\$4,429	\$492,961

2. Geographical information

(1) Sales

Millions of yen						
Japan	Asia	Americas	Europe	Others	Total	
¥16,271	¥13,727	¥6,524	¥4,465	¥1	¥40,989	

Thousands of U.S. dollars						
Japan	Asia	Americas	Europe	Others	Total	
\$195,687	\$165,087	\$78,465	\$53,698	\$21	\$492,961	

Note. Sales are presented based on the customer location, and they are classified in country and areas.

(2) Property, plant and equipment

Millions of yen					
Japan	Asia	Americas	Europe	Total	
¥11,871	¥1,538	¥758	¥1,388	¥15,557	

Thousands of U.S. dollars					
Japan	Asia	Americas	Europe	Total	
\$142,775	\$18,499	\$9,119	\$16,702	\$187,096	

Reportable segment information for impairment loss of fixed assets

For the year ended March 31, 2011

Millions of yen						
Japan	Asia	Americas	Europe	Elimination of inter-segment transaction	Total	
¥7	¥—	¥—	¥—	¥—	¥7	

Thousands of U.S. dollars						
Japan	Asia	Americas	Europe	Elimination of inter-segment transaction	Total	
\$90	\$—	\$—	\$—	\$—	\$90	

For the year ended March 31, 2010

Millions of yen						
Japan	Asia	Americas	Europe	Elimination of inter-segment transaction	Total	
¥106	¥—	¥1,351	¥192	¥—	¥1,650	

(Reportable segment information for amortization and balance of goodwill)

There is no amortization and balance of goodwill for the years ended March 31, 2011 and 2010.

(Reportable segment information for income of negative goodwill)

There is no income of negative goodwill for the years ended March 31, 2010 and 2011.

22 STOCK OPTIONS

The directors' remuneration recorded in "Selling, general and administrative expenses" for the years ended March 31, 2011 and 2010 is ¥20 million (U.S.\$251 thousand) and ¥21 million, respectively.

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

	Fiscal year	Individual granted	Number of common shares granted (shares)	Grant date	Exercise price per share (yen)	Exercise periods	
I. Stock options to purchase treasury stocks	2001	Directors (6) Employees of AIDA (20)	500,000	December 12, 2001	374	From July 1, 2003 to March 31, 2011	
	2002	Directors (8) Employees of AIDA (22)	410,000	March 24, 2003	304	From July 1, 2004 to March 31, 2012	
	2003	Directors (7) Employees of AIDA (13)	330,000	January 29, 2004	388	From July 1, 2005 to March 31, 2013	
II. Stock option to purchase newly issued shares	2004	Directors (7) Employees of AIDA (136) Directors of subsidiaries (1) Employees of subsidiaries (8)	589,000	February 10, 2005	563	From July 1, 2006 to March 31, 2014	
	2005	Directors (7) Employees of AIDA (667) Directors of subsidiaries (1) Employees of subsidiaries (76)	924,000	September 30, 2005	725	From July 1, 2007 to March 31, 2015	
	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	

The movements of the number of stock options are as follows.

For the year ended March 31, 2011

Granted fiscal year	2002	2003	2004	2005	2006	2008	2009	2010	2011
Exercise price per share (yen)	374	304	388	563	725	1	1	1	1
Share subscription rights which are not yet vested									
Outstanding as of March 31, 2010	—	—	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—	—	79,000
Forfeited	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	79,000
Outstanding as of March 31, 2011	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested									
Outstanding as of March 31, 2010	100,000	36,000	149,000	513,000	881,000	22,000	36,000	85,000	—
Vested	—	—	—	—	—	—	—	—	79,000
Exercised	—	—	—	—	—	—	—	—	—
Forfeited	100,000	—	—	3,000	7,000	—	—	—	—
Outstanding as of March 31, 2011	—	36,000	149,000	510,000	874,000	22,000	36,000	85,000	79,000

For the year ended March 31, 2010

Granted fiscal year	2001	2002	2003	2004	2005	2006	2008	2009	2010
Exercise price per share (yen)	519	374	304	388	563	725	1	1	1
Share subscription rights which are not yet vested									
Outstanding as of March 31, 2009	—	—	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—	—	85,000
Forfeited	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	85,000
Outstanding as of March 31, 2010	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested									
Outstanding as of March 31, 2009	125,000	100,000	36,000	149,000	513,000	886,000	22,000	36,000	—
Vested	—	—	—	—	—	—	—	—	85,000
Exercised	—	—	—	—	—	—	—	—	—
Forfeited	(125,000)	—	—	—	—	(5,000)	—	—	—
Outstanding as of March 31, 2010	—	100,000	36,000	149,000	513,000	881,000	22,000	36,000	85,000

The methods for estimating fair value of stock options granted are following:

1. For the year ended March 31, 2011

- (a) Valuation method used: Black-Scholes model
 (b) Principal basic values and estimation methods
 Volatility (*1) 41.40%
 Projected remaining period (*2)..... 6 years
 Projected dividend (*3)..... ¥5 / share
 Risk-free interest rate 0.37%

(*1) Computed based on share prices during a six-year period from September 25, 2004 to September 24, 2010.

(*2) Estimated based on the past experience during the directors' term of office.

(*3) Determined based on the average of the dividends amounts for the years ended March 31, 2009 and 2010.

2. For the year ended March 31, 2010

- (a) Valuation method used: Black-Scholes model
 (b) Principal basic values and estimation methods
 Volatility (*1) 40.63%
 Projected remaining period (*2)..... 6 years
 Projected dividend (*3)..... ¥10 / share
 Risk-free interest rate 0.71%

(*1) Computed based on share prices during a six-year period from September 26, 2003 to September 25, 2009.

(*2) Estimated based on the past experience during the directors' term of office.

(*3) Determined based on the average of the dividends amounts for the year ended March 31, 2008 and the year ended March 31, 2009.

23 SUBSEQUENT EVENT

March 31, 2011:

On June 29, 2011, at the general meeting of shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥6.00 (U.S.¢7.2) per share)	¥383	\$4,616

REPORT OF INDEPENDENT AUDITORS



Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel: +81 3 3503 1100
Fax: +81 3 3503 1197

Report of Independent Auditors

The Board of Directors
AIDA ENGINEERING, Ltd.

We have audited the accompanying consolidated balance sheets of AIDA ENGINEERING, Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended and consolidated statement of comprehensive income for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The accompanying consolidated statements of operations, changes in net assets, and cash flows of the Company and consolidated subsidiaries for the year ended March 31, 2009 were audited by other auditors whose report dated June 26, 2009 expressed an unqualified opinion on those consolidated financial statements.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AIDA ENGINEERING, Ltd. and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2 (7), from the fiscal year ended March 31, 2011, AIDA ENGINEERING, Ltd. and its domestic subsidiaries have changed the depreciation method to mainly the straight-line method.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon L.L.C

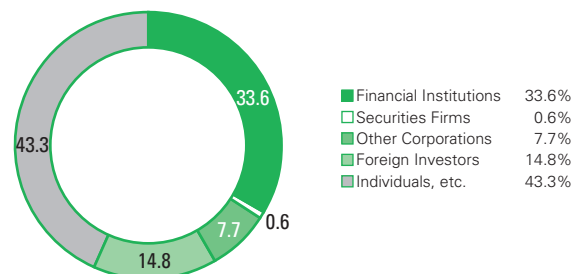
June 29, 2011

STOCK INFORMATION

(As of March 31, 2011)

Securities Code	6118
Stock Listing	Tokyo Stock Exchange, 1st Section
Number of Shares Authorized	188,149,000
Number of Shares Issued	79,147,321
Number of Shares of Treasury Stock	18,565,968*
Number of Shareholders Issued	7,582
Number of Shares per Trading Unit	100 shares
Custodian of Shareholders	Mizuho Trust & Banking Co., Ltd.

BREAKDOWN OF ISSUED SHARES BY TYPE OF SHAREHOLDER



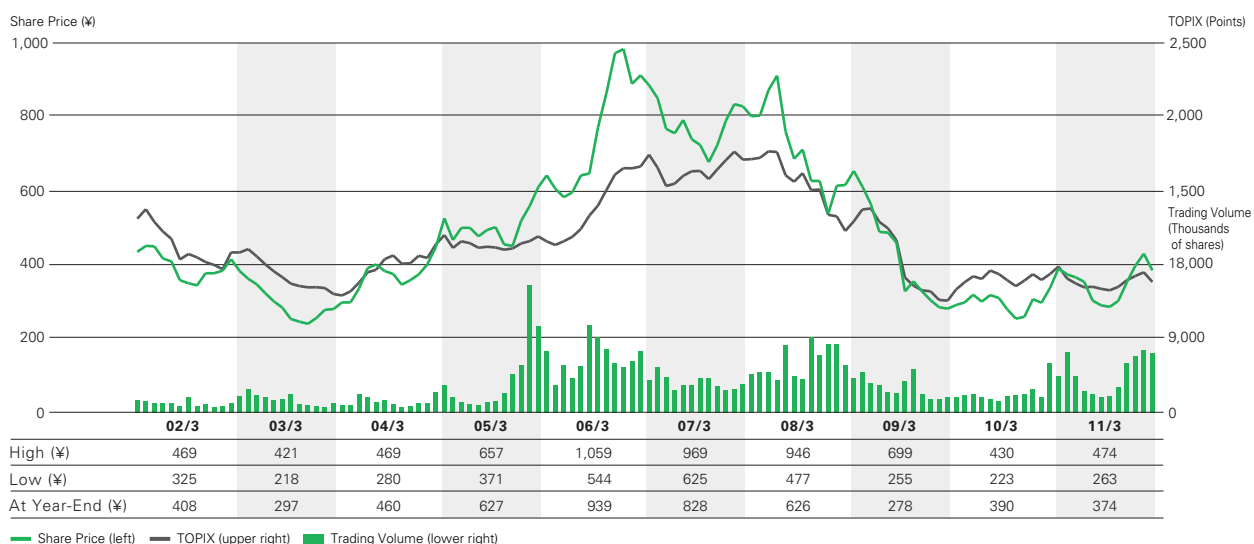
* Number of shares of treasury stock includes the 3,399,100 shares of treasury stock held by Trust & Custody Services Bank, Ltd. (Trust Account E) following the introduction of the "J-ESOP" Employee Stock Ownership Plan.

MAJOR SHAREHOLDERS

	Number of Shares Held (thousands)	Percentage of Total Issued Shares (%)
The Dai-ichi Life Insurance Company, Ltd.	5,995	7.58
Nippon Life Insurance Company	3,725	4.71
Trust & Custody Services Bank, Ltd. (Trust Account E)	3,399	4.29
Meiji Yasuda Life Insurance Company	2,516	3.18
Japan Trustee Services Bank, Ltd. (trust account)	2,197	2.78
Mizuho Corporate Bank, Ltd.	2,179	2.75
The Bank of New York, Treaty Jasdec Account	2,047	2.59
The Master Trust Bank of Japan, Ltd. (trust account)	1,781	2.25
Kimikazu Aida	1,433	1.81
CBNY DFA Intl Small Cap Value Portfolio	1,217	1.54

Note: Treasury stock is re-trusted to Trust & Custody Services Bank, Ltd. (Trust Account E) as part of the "J-ESOP" Employee Stock Ownership Plan.

MONTHLY SHARE PRICE RANGE AND TRADING VOLUME



Note: Stock prices are monthly averages.



AIDA ENGINEERING, LTD.

2-10 Ohyama-cho, Midori Ward, Sagami-hara City, Kanagawa Prefecture 252-5181, Japan
TEL +81-42-772-5231 FAX +81-42-772-5263

Printed in Japan

