



AIDA

AIDA ENGINEERING, LTD.
Annual Report 2012

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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 billions or millions.



WHY DO MANUFACTURERS AROUND THE WORLD CHOOSE AIDA?

Over its 95-year history, AIDA ENGINEERING has enjoyed the continuous trust and support of its customers in Japan and around the world. How has AIDA been able to win this trust and become customers' No. 1 choice among countless other press manufacturers? It is because AIDA possesses strengths that have helped it evolve far beyond a simple press manufacturer.

Technological Capabilities

The source of AIDA's competitiveness is its manufacturing prowess formed by its research and development efforts—in other words, its superior technological capabilities. An example of such capabilities would be its development of the world's fastest press line, which employs AIDA's in-house-developed servo motors utilizing the servo technologies that we focused on long before the competition. In this manner, AIDA has attained a clear advantage in the field of technology development that other companies cannot match.



High-Quality Products and Services

Our customers are manufacturing professionals, and for this reason product quality is of the utmost importance in winning their trust. Also, given the relatively long lifespan of presses, service quality is of equal importance. AIDA has therefore developed the capacity and systems necessary to respond accurately to all customer needs in the wide-ranging field of press forming, whether in regard to providing machinery, developing forming methods or dies, or automating production processes.

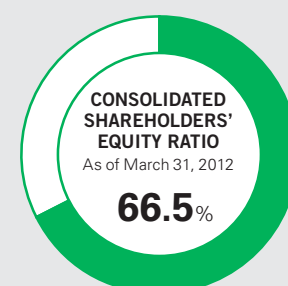


Long-Term Stability

Presses are used for periods of more than 20 years, during which maintenance is required. To provide such maintenance, a company must be able to operate stably over the long term.

AIDA has established a solid financial base, as demonstrated by its high shareholders' equity ratio of 66.5% as of March 31, 2012. This is one of the reasons why first-time customers around the world feel assured in their dealings with the Company.

Further, our ability to use the Company's own funds to conduct R&D ventures on a flexible basis is a great asset in advancing business operations in a constantly changing operating environment.



THE AIDA BRAND THAT SIGNIFIES RESPONSIVENESS TO A WIDE RANGE OF FORMING SYSTEM NEEDS

Leveraging its superior technological capabilities, AIDA conducts in-house development of press machines as well as the peripheral equipment needed for automation systems. This allows the Company to accumulate experience regarding die design and automation techniques, enabling us to build optimal forming systems by considering both “hard” and “soft” elements.

In these ways, we offer customers comprehensive support for all of their needs, and customers now feel compelled to come to us for solutions to all of their problems. Continuing to provide such reliable services has led to the development of the strong reputation AIDA holds today.





MANUFACTURING SOLUTIONS

Leveraging our breadth of knowledge in field of forming systems, we can provide optimal, cutting-edge solutions that incorporate research on new raw materials, development of new forming methodologies, reviews of forming processes, and the design and manufacture of dies.

Presses

AIDA possesses an extensive lineup of presses that can meet customers' requirements. Currently we focus on servo presses, and these have established our reputation for high levels of formability, productivity, and energy efficiency. We are progressively developing series of these presses, and also hold a dominant market share for general-purpose presses and high-speed automatic presses.



Automation Equipment

AIDA develops and produces a range of peripheral equipment necessary for automation. Developing both presses and related peripheral equipment in-house enables us to achieve levels of synchronization between these items that greatly exceed those of competitors' products, contributing to improved productivity and quality. We can thus perform the role of a coordinator in building optimal forming systems.



QUALITY ASSURANCE

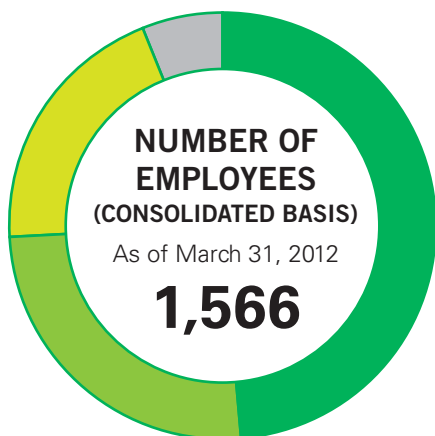
At AIDA, we continue to pursue ever-higher levels of quality by fusing our state-of-the-art design technologies with our masterful techniques related to fabrication, welding, and processing that are used to improve product precision and durability.



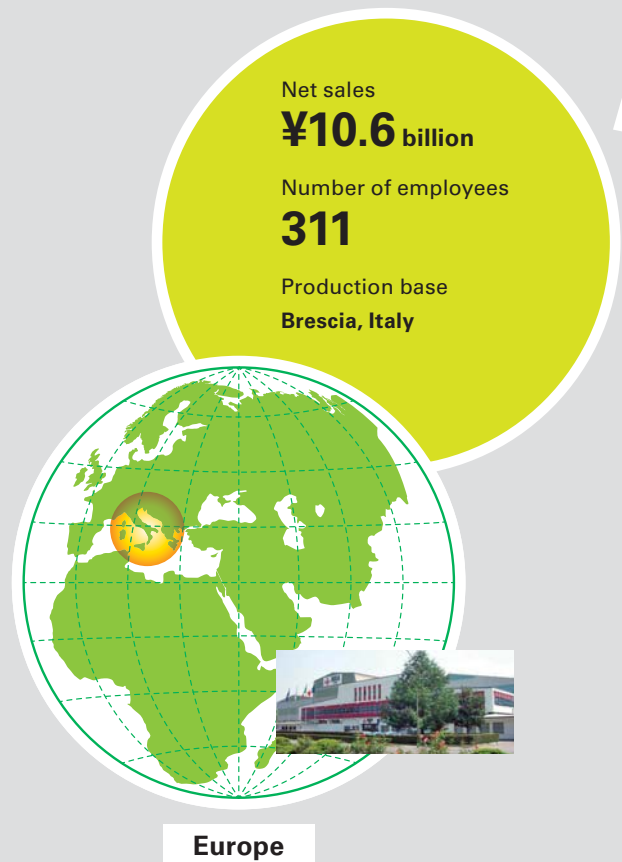
FLEXIBLE GLOBAL PRODUCTION NETWORK

AIDA has developed a global production network consisting of bases in five countries located in four principal markets around the world. This network enables us to support the global expansion efforts of customers through flexible production activities. For example, it is possible for a product ordered in France to be produced in the United States and then delivered to Mexico, or for a product ordered in Germany to be produced and delivered in China.

Each base is actively developing products that meet the needs of its respective markets under the direction of local staff. By manufacturing products in locations near the regions where they will be used, we can shorten lead times and reduce transportation costs. Further, we have divided procurement and production systems based on currency differences. Dividing systems in this manner between four regions—Japan, the Americas, Europe, and Asia—helps us disperse foreign exchange risks and minimize the impact of these risks on our business performance.



● Japan	48.7%
● Asia	25.4%
● Europe	19.8%
● Americas	5.9%



Note: Sales for production bases are sales to external customers.

Japan



Net sales
¥20.2 billion

Number of employees
764

Production bases
**Sagamihara City,
Kanagawa Prefecture
Hakusan City,
Ishikawa Prefecture**

Americas



Net sales
¥8.7 billion

Number of employees
93

Production base
Dayton, Ohio, U.S.A.

Asia



Net sales
¥12.6 billion

Number of employees
398

Production bases
**Nantong, Jiangsu
Province, China
Johor, Malaysia**

**CONSOLIDATED
NET SALES**

For the year ended
March 31, 2012

**¥52.2
billion**

- Japan 38.7%
- Asia 24.2%
- Europe 20.4%
- Americas 16.7%

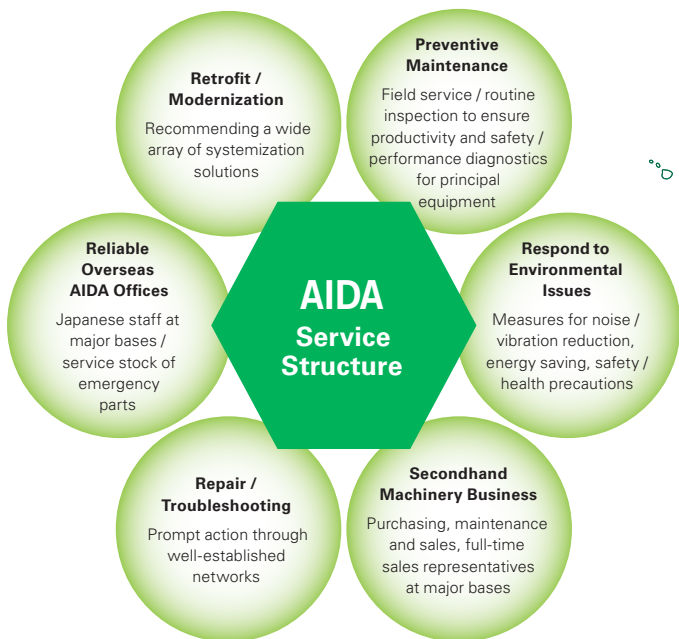
LOCALLY BASED WORLDWIDE SERVICE NETWORK

To help customers around the world fully utilize the AIDA products we supply, we have developed directly managed sales and services bases in 34 cities around the world. At each base, service engineers from subsidiaries in the region meet directly with customers to address their various needs. In addition to after-delivery maintenance, we provide consulting on reducing environmental impacts, introducing automation systems, and retrofitting facilities. Through these and other efforts, we aim to support customers in the ongoing evolution of their forming systems.

Service Division Net Sales

¥10.4 billion

For the year ended March 31, 2012



Reliability Provided by AIDA's Directly Offered Services

AIDA products are highly evaluated by customers. However, to retain customer loyalty over the medium to long term, it is necessary for our service engineers—who meet directly with customers—to provide satisfactory service. Our service engineers are spread throughout the world. They represent the AIDA brand in their respective locations and are responsible for working directly with customers to supply them with the presses that best match their respective needs.



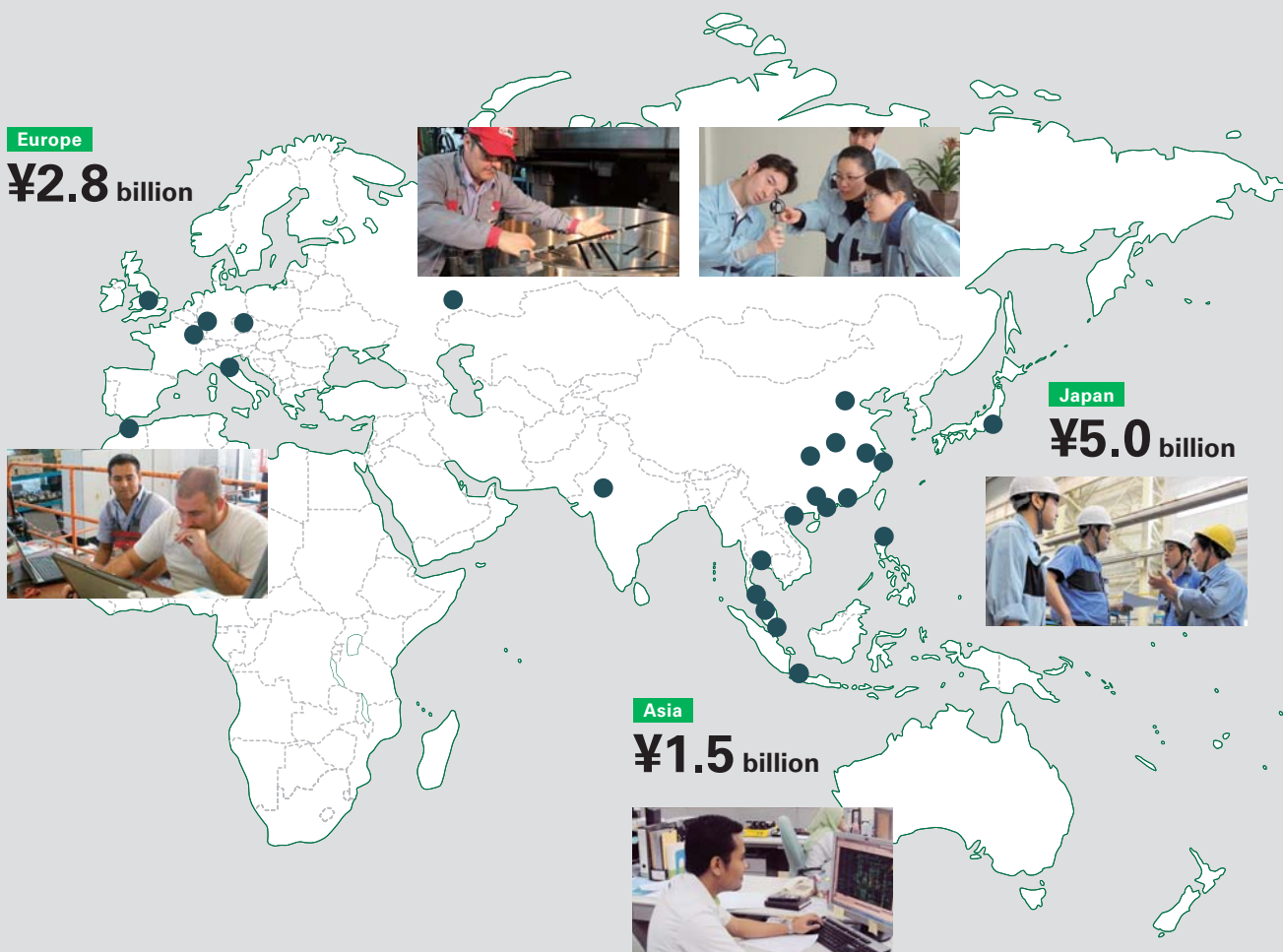
Trust Fostered through Capable and Earnest Responses

We aim to protect the AIDA brand and boost its brand image even further. To accomplish this, we must win even greater trust from customers. To this end, our highly capable service engineers take steps to prevent potential problems and safeguard the stable operation of production lines. Moreover, we provide swift, flexible responses to any issues that may occur, including sudden malfunctions of equipment during operation. This is a part of AIDA's business philosophy. By enhancing the capabilities of our directly managed bases to facilitate these efforts, we work to address problems no matter where they may occur.



Consulting for Evolving Forming Systems

Recently, we have been focusing on the high-value-added service area we have dubbed "modernization services." In expanding our operations in this area, we are leveraging the strong trust-based relationships we have established with customers. In this area, we offer consulting services that propose improvements such as upgrading mechanical presses to servo-driven presses to improve productivity and installing optional state-of-the-art servo die cushions to boost formability.



FINANCIAL HIGHLIGHTS

Summary of Performance in the Fiscal Year Ended March 31, 2012

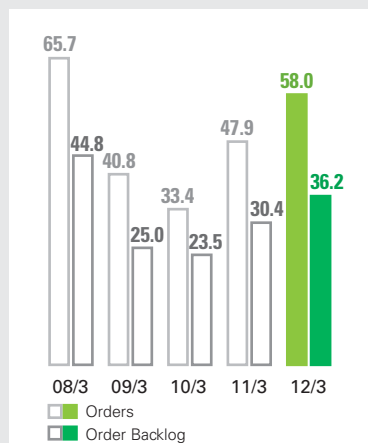
Orders were up 21.1% year on year, to ¥58.0 billion, and consolidated net sales rose 27.4%, to ¥52.2 billion. This was due to significantly higher orders from manufacturers in automotive industries in emerging countries, including those from first-time users. Due to higher sales, operating income increased 52.0%, to ¥2.2 billion, and net income was up 131.5%, to ¥2.8 billion.

	Millions of yen	Thousands of U.S. dollars	% change	Millions of yen	
	2012	2012	2012 vs 2011	2011	2010
Orders	¥58,021	\$706,370	21.1	¥ 47,924	¥ 33,403
Order backlog	36,278	441,671	19.0	30,497	23,563
Net sales	52,240	635,990	27.4	40,989	34,898
Operating income (loss)	2,221	27,042	52.0	1,461	(5,529)
Operating income ratio	4.3%	—	—	3.6%	(15.8)%
Net income (loss)	2,842	34,610	131.5	1,228	(12,090)
Net cash (used in) provided by operating activities	8,749	106,515	—	(2,359)	4,857
Net cash (used in) provided by investing activities	(1,231)	(14,992)	—	(1,253)	(294)
Free cash flow	7,517	91,523	—	(3,613)	4,562
Net cash (used in) provided by financing activities	35	434	—	(1,029)	309
Capital expenditures	2,667	32,471	286.6	689	578
Depreciation and amortization	1,378	16,784	(1.8)	1,403	2,684
Total assets	71,300	868,032	5.9	67,342	63,867
Total net assets	47,472	577,940	5.0	45,216	45,706
Shareholders' equity ratio	66.5%	—	—	67.0%	71.5%
Return on equity (ROE)	6.1%	—	—	2.7%	(23.4)%
Return on assets (ROA)	4.1%	—	—	1.9%	(17.4)%
Per Share Data	Yen	U.S. dollars	% change	Yen	
Net income (loss)—Basic	¥ 46.90	\$0.57	141.3	¥ 19.44	¥(189.36)
Cash dividends	14.00	0.17	133.3	6.00	5.00
Net assets	781.51	9.51	4.9	745.19	715.08

Note: U.S. dollar amounts have been translated at the rate of ¥82.14 = US\$1, the current exchange rate on March 31, 2012.

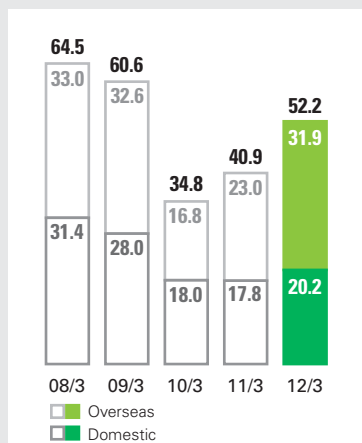
ORDERS / ORDER BACKLOG

(Billions of yen)



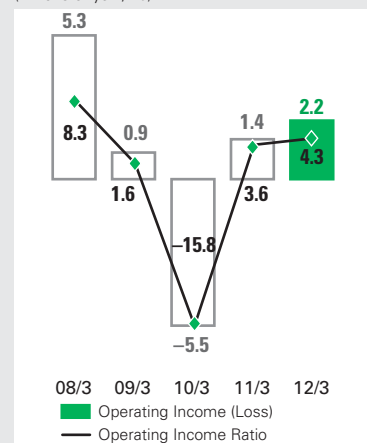
NET SALES

(Billions of yen)



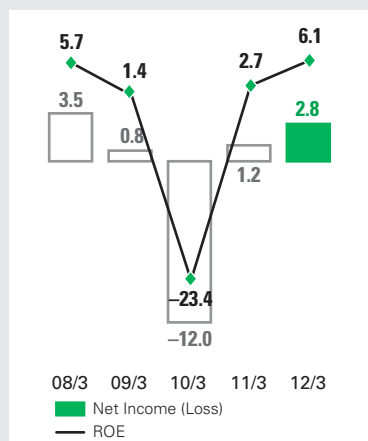
OPERATING INCOME (LOSS) / OPERATING INCOME RATIO

(Billions of yen / %)



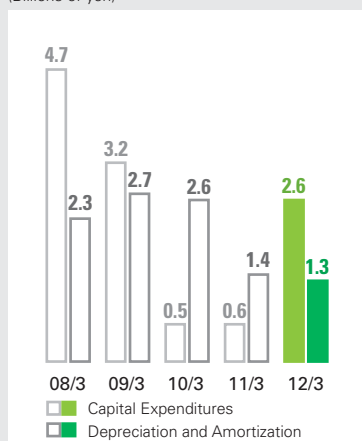
NET INCOME (LOSS) / ROE

(Billions of yen / %)



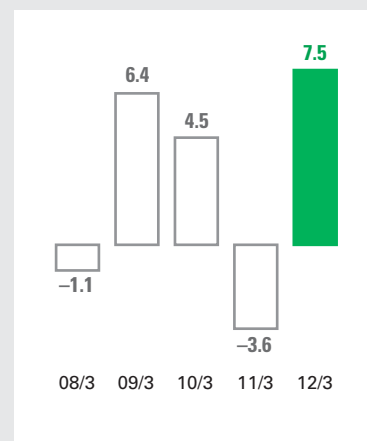
CAPITAL EXPENDITURES / DEPRECIATION AND AMORTIZATION

(Billions of yen)



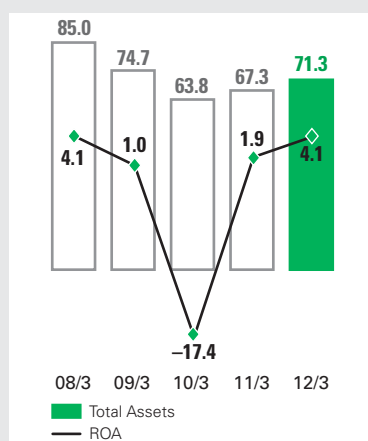
FREE CASH FLOW

(Billions of yen)



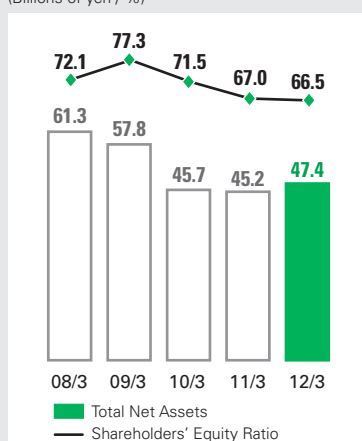
TOTAL ASSETS / ROA

(Billions of yen / %)



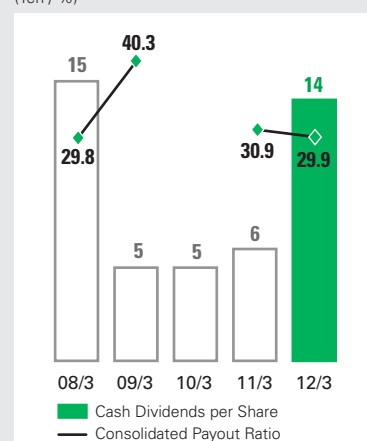
TOTAL NET ASSETS / SHAREHOLDERS' EQUITY RATIO

(Billions of yen / %)



CASH DIVIDENDS PER SHARE / CONSOLIDATED PAYOUT RATIO

(Yen / %)



TO OUR STAKEHOLDERS



Kimikazu Aida
President & CEO

We will create unique value as a forming systems builder to capture customers around the world in our ongoing quest for new growth.

Looking Back at the Fiscal Year Ended March 31, 2012

In the fiscal year under review, the fiscal year ended March 31, 2012, we faced the adversity resulting from natural disasters such as the Great East Japan Earthquake and the severe flooding in Thailand. Against this backdrop, however, capital investment in the automotive industry was brisk, particularly in emerging countries, driving an 17.9% year-on-year increase in press machine orders for the Japan Forming Machinery Association, of which the Company is a member.

As a company that derives two-thirds of its product sales from the automotive industry, this proved to be a favorable situation for the AIDA ENGINEERING Group. Consequently, our orders grew 21.1%, to ¥58.0 billion, exceeding the overall growth rate for the industry. This strong performance relative to our competitors highlights our superior ability to capture overseas demand, reflecting the foresight of our decision to actively expand our production and sales operations overseas ahead of other domestic press manufacturers.

Due to these factors, consolidated net sales increased 27.4% year on year, to ¥52.2 billion; operating income jumped 52.0%, to ¥2.2 billion; and net income surged 131.5%, to ¥2.8 billion, making this our second consecutive year of higher sales and income.

Medium-Term Management Plan Progress and Future Policies

The new Medium-Term Management Plan that began in the fiscal year under review defined the key policies of (1) creating customers and (2) increasing value-added content, forming the basis for our growth strategies going forward.

1. Creating Customers

Working toward the policy of creating customers, there are two main initiatives being implemented: focusing on growing markets and upgrading and expanding innovative products. It goes without saying that "growing markets" refers to the markets of emerging countries, where significant capital investment is planned by Japanese, European, and U.S. manufacturers, with investment centered particularly on automotive fields. In the fiscal year under review, orders related to air conditioners and other consumer electronics fell as a result of the economic slowdown in China, while we saw orders increase for automotive industries in Southeast Asia and Mexico. Automobile-related capital investment has been rising in Asian countries, such as Indonesia, Thailand, and India, as well as in Mexico, Brazil, and Russia. Accordingly, we will conduct new order-acquisition activities targeting these countries in the future, while continuing our advancement in China, currently the largest market for automotive products.

Capital investment demand in Japan is expected to remain sluggish into the future. This is a result of the trend of Japanese manufacturers shifting production operations overseas in response to the strong yen and the recent decline of the consumer electronics industry. For this reason, AIDA intends to look for growth opportunities overseas. Going forward, we aim to increase our dealings with Japanese manufacturers that are shifting operations overseas. Also, by working to capture orders in regions characterized by robust capital investment demand, we will target the expansion of orders from European and U.S. manufacturers as well as local manufacturers in these regions.

In addition to the initiative centered on growing markets, we will also focus on upgrading and expanding innovative products, with efforts centered on servo presses and the peripheral equipment that supports them, a series of which is currently in development. In the fiscal year under review, we developed and commercialized a new series of servo presses perfect for high-precision, multi-step progressive forming processes, while also taking other steps to bolster our servo press lineup. The number of orders for general-purpose servo press lines rose 20%, accounting for more than half of all orders on a monetary basis. This demonstrates that servo presses are being employed increasingly by manufacturers, a trend that is most prominent among European automobile manufacturers.

Servo press manufacturers are currently locked in a fierce race to develop new products. Amid this intense competition, we believe that strengthening our ability to create forming systems incorporating presses with peripheral equipment will be key to differentiating ourselves from the competition. Consequently, the current environment presents a prime opportunity for AIDA to demonstrate its true strength as a forming systems builder with the capacity to develop servo motors in-house and provide a wide array of automation systems.

OVERVIEW OF THE 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

KEY POLICIES

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

2. Increasing Value-Added Content

Working toward the policy of increasing value-added content, there are two main initiatives being implemented: focusing on strong products (high market share, high profitability) and high-income operations and pursuing improved productivity (improved inventory asset turnover, higher overseas production ratios). Strong products and high-income operations refer to general-purpose presses and high-speed precision presses, where we hold domestic market shares of 50% and 80%, respectively, as well as our service businesses. General-purpose press orders in Japan have dropped approximately 50% in comparison to the fiscal year ended March 31, 2007, reflecting the contraction of the domestic market following the hollowing out of the manufacturing industry. Demand in Asia, however, is strong and our Malaysian factory continues to operate at full capacity. For high-speed precision presses, demand in China normalized for the compressors used in consumer electronics, such as air conditioners, and orders in the fiscal year under review declined accordingly. However, products for use in the motors of electric vehicles (EVs) and hybrid-electric vehicles (HEVs) held firm. We will focus on addressing demand in this area in the future.

In service businesses, we established new sales and service bases in Morocco and Russia. We also established the Global Customer Satisfaction (GCS) Promotion Office with the aim of facilitating efforts to boost customer satisfaction among press users worldwide. Currently, we are using this office as a focal point to share information about and develop preventative measures for issues that have occurred around the world. To maintain our standing as a company that is trusted by customers, we are strengthening and expanding our service systems on a global basis.

As one facet of our efforts to pursue improved productivity and higher overseas production ratios, we increased the output capacity of manufacturing bases in Asia, which had previously been employed primarily to produce general-purpose presses. In China, we expanded a production base to 2.5 times its previous capacity and outfitted it for production of medium-sized and large-scale presses, which enabled us to launch full-fledged operations in the Chinese market. We also expanded production facilities at a production base in Malaysia, and the factory is now equipped to manufacture high-speed precision presses that meet the productivity improvement needs of local users. Currently we are positioned to deliver products to Southeast Asia and India, regions where higher growth in automobile demand is expected, and to other locations around the world. Moreover, these deliveries can now be conducted quickly and at low cost. Meanwhile, in Europe, where fierce competition with local manufacturers is placing downward pressure on profitability, we will work to boost efficiency by integrating production facilities.

Currently, approximately 30% of the Group's production is conducted overseas. However, as foreign demand is expected to grow more than ever before, we have set the goal of raising this level above 50%, and are pushing forward with the development of our global network that will allow procurement and production to be conducted in optimal locations.

Environmental Preservation Contributions and Sustainable Growth

One of the goals stated in the slogan of the Medium-Term Management Plan is "continued sustainable growth as a global corporation." I realize that helping preserve the environment is absolutely essential to achieving this goal. To this extent, I feel that press forming is an environmentally friendly process, as the levels of waste produced and energy used are relatively low. In addition, the servo presses for which we are currently expanding lineups are both highly adjustable and highly productive. If these characteristics are further refined, I believe that these products will be able to realize greater reductions in resource and energy consumption through such features as our in-house-developed servo motors' capacity to utilize regenerative energy.

AIDA's advanced technologies are becoming an indispensable element in the production of environmentally friendly automobiles, the use of which has been rapidly expanding in recent years. It is becoming increasingly common for automobile manufacturers around the world to employ high-tensile steels and other lightweight, high-strength materials to reduce vehicle weight, improve fuel efficiency, and make vehicles safer during collisions. However, conventional mechanical presses cannot easily form these materials in a manner that meets the high standards for quality. This has made servo presses ever more important. In addition, AIDA's high-speed precision presses have a dominating share of the market for presses used to form the motor cores for EVs and HEVs.

As AIDA's R&D initiatives advance, the range of uses for environmentally friendly metal-forming processes will expand. This in turn will result in the production of larger quantities of finished products featuring low environmental impact. By supporting Japan's manufacturing industry in this manner, AIDA aims to grow sustainably together with society and in harmony with the environment.

Performance Forecasts for the Fiscal Year Ending March 31, 2013

In the fiscal year ending March 31, 2013, a certain degree of uncertainty will remain in the operating environment due to such factors as the ongoing sovereign debt crisis in Europe and the persistence of the strong yen. Nevertheless, recovery is anticipated in the North American market and capital investment is expected to remain brisk among automobile and other manufacturers. Investment will continue to be centered on emerging countries. The operating environment will thus be ripe with opportunities for the Company. Accordingly, we forecast that consolidated net sales will increase 11.0% year on year, to ¥58.0 billion; and operating income will rise 35.1%, to ¥3.0 billion. Net income should be unchanged year on year, at ¥2.8 billion, reflecting the fact that substantial non-operating income was recorded in the prior fiscal year.

I feel that we are making strong progress toward meeting the goals set forth in the Medium-Term Management Plan of achieving consolidated net sales exceeding ¥65.0 billion and an operating income ratio of more than 8% in the fiscal year ending March 31, 2014.

A Message to Our 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 in consideration of the dividend on equity (DOE) ratio, and will target a consolidated payout ratio of approximately 30% while adjusting dividends to reflect performance. Based on this policy and the performance recovery I discussed earlier, we decided to raise dividend payments by ¥8.00 per share for the year, to ¥14.00 per share, and plan to issue dividend payments of the same amount in the fiscal year ending March 31, 2013.

The Company's operating environment is growing increasingly difficult, particularly with regard to the automotive industry. Nevertheless, AIDA is a company that has continued to stand at the forefront of the industry as a pioneer in developing technologies and globalizing production, sales, and services, while steadily implementing growth strategies to this end. Our company is not the largest, but our strength lies in our ability to adapt flexibly and preemptively to change. This strength has long been a driving force behind our R&D and business ventures. 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.

July 2012



Kimikazu Aida
President & CEO

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 19 persons: 17 operating officers, eight 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.

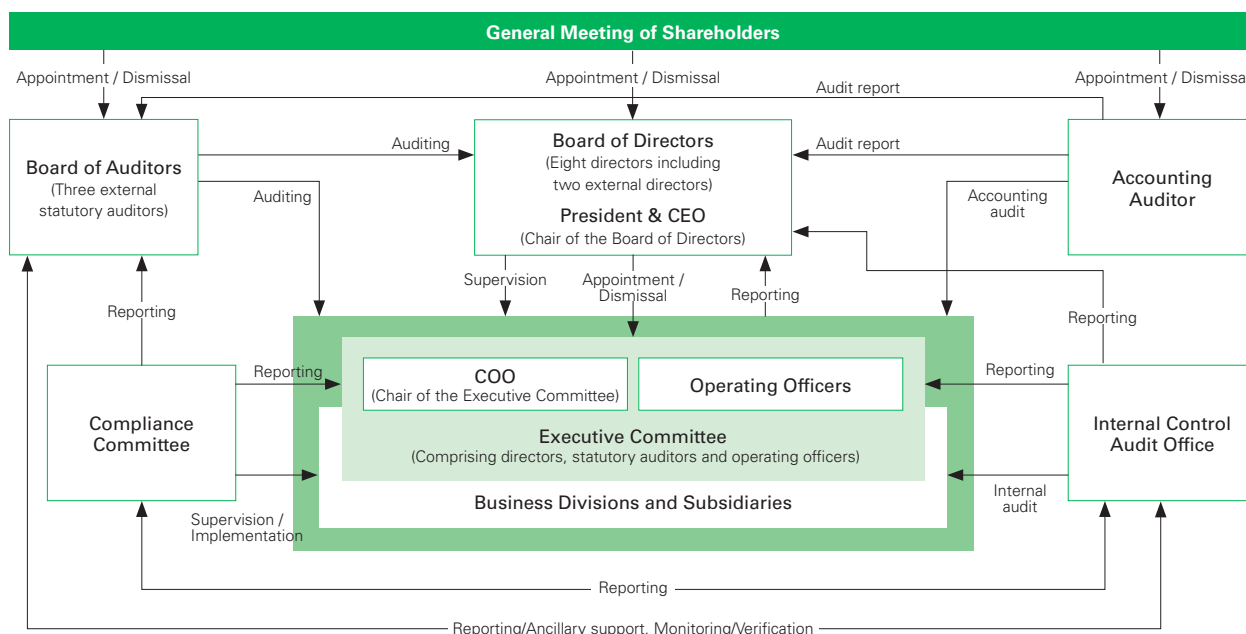
Remuneration for Directors and Statutory Auditors

In the fiscal year ended March 31, 2012, 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)	8	¥90	¥19	¥43	¥153
External directors	2	¥16	—	—	¥16
Statutory auditors (all external)	3	¥23	—	—	¥23

(Millions of yen)

CORPORATE GOVERNANCE STRUCTURE (As of June 28, 2012)



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.

Initiatives to Enhance Corporate Governance in the Fiscal Year Ended March 31, 2012

In the fiscal year ended March 31, 2012, we revised and simplified internal control systems while leaving the fundamental framework intact. In addition, we steadily instituted workflow documentation processes and verified the accuracy of these processes with the aim of improving the reliability of financial reports.

Furthermore, we implemented partial revisions to the Basic Policy Concerning Improvement of the Internal Control System, and added a section on systems for securing the reliability of financial reports and a section describing our policies for preventing connections with antisocial groups.

AIDA's Global Management Regulations were also revised. These regulations were initially instituted to promote efficient management of the Group on a consolidated basis as we expanded operations overseas. However, four years have passed since these regulations were formulated, during which the operating environment and the nature of risks have changed greatly. In consideration of these changes, the regulations were revised to facilitate the development of a more flexible and enduring management system.

Message from an External Statutory Auditor



Shigeo Matsumoto
Standing Statutory Auditor

A pioneer in the field of auditing banks, Shigeo Matsumoto assumed his current position in June 2010 after serving as a standing corporate auditor at Mizuho Corporate Bank, Ltd., a corporate auditor at Mizuho Information & Research Institute, Inc., and holding several other positions.

AIDA ENGINEERING was among the earlier companies in Japan to begin employing external officers, and currently all three of its statutory auditors are external statutory auditors and two of its eight directors are external directors. As an external director or statutory auditor, it is first and foremost important to develop an accurate understanding of the circumstances of the Company. Then you must (1) offer opinions and advice with regard to the urgent issues faced by the Company, and then (2) provide your view on the operating environment over the medium to long term based on your own specialized expertise and experience. In this manner, we play an important role in pointing out which actions need to be taken.

AIDA is very open about providing the external directors and statutory auditors with information, and I feel that the Company's governance systems are highly functional. At meetings of the Board of Directors, the external directors and statutory auditors are quite active in offering opinions and advice. All members of the Board of Directors, including

the President who heads it, listen closely to such contributions and reflect them in management when possible.

As a standing statutory auditor, I always make sure to observe and maintain a clear understanding of operations on the ground floor. I speak with employees from various divisions and of various ranks on a daily basis. From these conversations, I often uncover issues that the Company should address, or am made aware of strengths the Company should reinforce. I frequently report these to the President, Executive Vice President, and other managers. AIDA's corporate culture is such that these managers are not hesitant in listening to my opinions or incorporating them into management.

I can therefore say with confidence that AIDA's governance systems are truly sound. Going forward, I intend to continue faithfully conducting my duties as an external statutory auditor so that I may support AIDA on its quest to achieve sustainable and sound growth into the future.

I CORPORATE GOVERNANCE I

External Directors

Name	Reasons for appointment	Major activities in the fiscal year ended March 31, 2012
Takeru Yamazaki	<p>Previously an officer at a major commercial bank, Takeru Yamazaki has expertise in a wide range of areas. He was appointed as an external director with the aim of utilizing this expertise in management.</p> <p>He has also been designated as an independent officer as he has no conflicts of interest with general shareholders based on the criteria stipulated by the Tokyo Stock Exchange.</p>	<p>In the fiscal year ended March 31, 2012, he attended all 11 meetings of the Board of Directors held during the year, at which he offered advice based on his perspective as a former officer at a major commercial bank.</p>
Kimio Oiso	<p>Previously an officer at a life insurance company, Kimio Oiso has expertise in a wide range of areas. He was appointed as an external director with the aim of utilizing this expertise in management.</p> <p>He has also been designated as an independent officer as he has no conflicts of interest with general shareholders based on the criteria stipulated by the Tokyo Stock Exchange.</p>	<p>In the fiscal year ended March 31, 2012, as a statutory auditor, he attended all 11 meetings of the Board of Directors and all nine meetings of the Board of Auditors held during the year, at which he offered advice based on his perspective as a former officer at a life insurance company.</p>

BOARD OF DIRECTORS (As of June 28, 2012)



President & CEO

Kimikazu Aida ①

Directors

Naoyoshi Nakanishi ②

Eiji Takei ③

Takashi Yagi ④

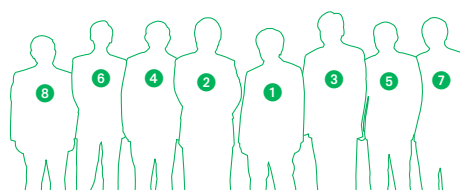
Sadayuki Kanemura ⑤

Hiromichi Kataoka ⑥

Takeru Yamazaki ⑦*

Kimio Oiso ⑧*

* External directors



External Statutory Auditors

Name	Reasons for appointment	Major activities in the fiscal year ended March 31, 2012
Shigeo Matsumoto	<p>Previously an officer at a major commercial bank, Shigeo Matsumoto has expertise in a wide range of areas. He was appointed as an external statutory auditor with the aim of utilizing this expertise in the Company's auditing system.</p> <p>He has also been designated as an independent officer as he has no conflicts of interest with general shareholders based on the criteria stipulated by the Tokyo Stock Exchange.</p>	<p>In the fiscal year ended March 31, 2012, he attended all 11 meetings of the Board of Directors and all nine meetings of the Board of Auditors held during the year, at which he offered advice based on his perspective as a former officer at a major commercial bank.</p>
Yoshihiro Masuoka	<p>Having worked as an attorney and the manager of a university, Yoshihiro Masuoka has expertise in a wide range of areas. He was appointed as an external statutory auditor with the aim of utilizing this expertise in the Company's auditing system.</p> <p>He has also been designated as an independent officer as he has no conflicts of interest with general shareholders based on the criteria stipulated by the Tokyo Stock Exchange.</p>	<p>In the fiscal year ended March 31, 2012, he attended nine of the 11 meetings of the Board of Directors and eight of the nine meetings of the Board of Auditors held during the year, at which he offered advice based on his perspective as an attorney and the manager of a university.</p>
Hiroshi Kanai	<p>Having worked at a life insurance company, Hiroshi Kanai has expertise in a wide range of areas. He was appointed as an external statutory auditor with the aim of utilizing this expertise in the Company's auditing system.</p> <p>He has also been designated as an independent officer as he has no conflicts of interest with general shareholders based on the criteria stipulated by the Tokyo Stock Exchange.</p>	<p>He was newly appointed to the position of external statutory auditor at a general meeting of shareholders held in June 2012.</p>

BOARD OF CORPORATE AUDITORS (As of June 28, 2012)



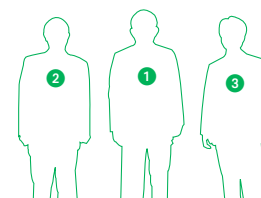
Standing Statutory Auditor

Shigeo Matsumoto ①

Statutory Auditors

Yoshihiro Masuoka ②

Hiroshi Kanai ③



Note: All three statutory auditors are external statutory auditors.

WHY DO AUTOMOTIVE MANUFACTURERS CHOOSE AIDA SERVO TECHNOLOGY?

The Three Value-Added Advantages of Leveraging Servo Technology

FORMABILITY

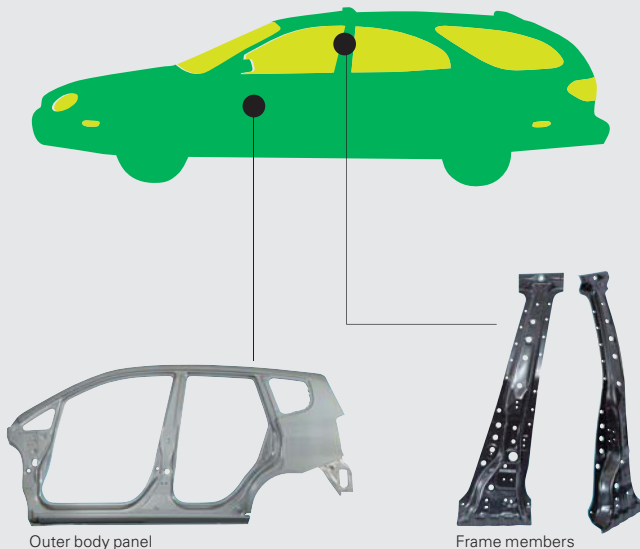
PRODUCTIVITY

ENERGY CONSERVATION

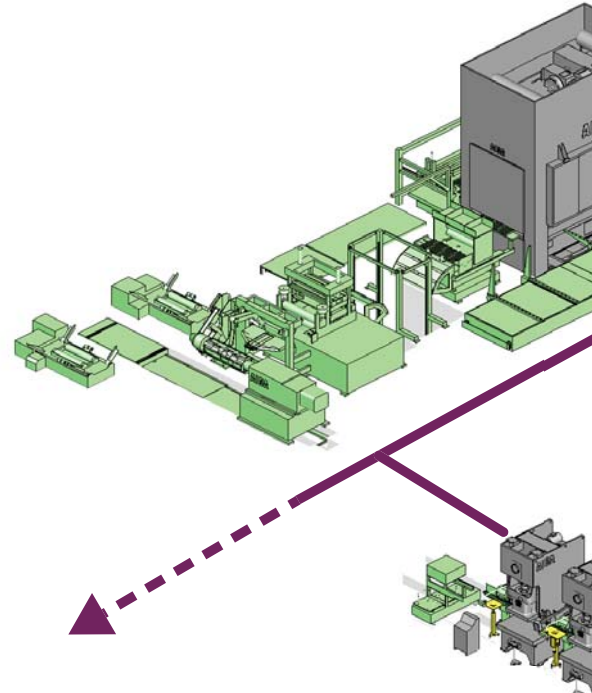
The business environment in the automotive industry is continuously evolving due to a wide array of factors, such as the rapid growth in newly developing countries and heightened environmental awareness. With increasingly stiff competition, more and more the determining factor for automotive manufacturers seeking dominance is the creation of body designs that attract consumers, lighter vehicles that boost mileage and stronger vehicles that enhance crash safety.

These trends are resulting in new challenges for the press industry. Increasingly sophisticated forming technologies are becoming necessary for both the forming of exterior panels for body designs and the forming of lighter and stronger frame members that reduce vehicle weight and improve crash safety.

In response to the inability of conventional forming technologies to supply solutions to these problems, AIDA has created forming solutions by leveraging its proven capability to internally manufacture complete forming systems—including peripheral equipment— together with its independently developed technologies centered around servo presses. The value-added advantages provided by AIDA servo technologies can be expressed in three simple ideas: “formability,” “productivity,” and “energy conservation.”



Blanking lines



Robot lines

Complete Lines That Only a Forming Systems Builder Can Provide

Blanking lines

Blanking is the first metalforming process, where the die in a blanking press is used to cut raw steel sheets into the shape of the product. Productivity is boosted by up to 27% when this process is performed using a servo press. AIDA also designs and manufactures peripheral equipment with the requisite advanced technologies.

Transfer lines

A production line where a single press is equipped with a transfer (feed) device to perform continuous automatic forming.

This method provides the highest productivity, and it is currently the primary metalforming method used around the world to produce automotive frame members. Using a servo press will boost productivity even higher.

Tandem lines

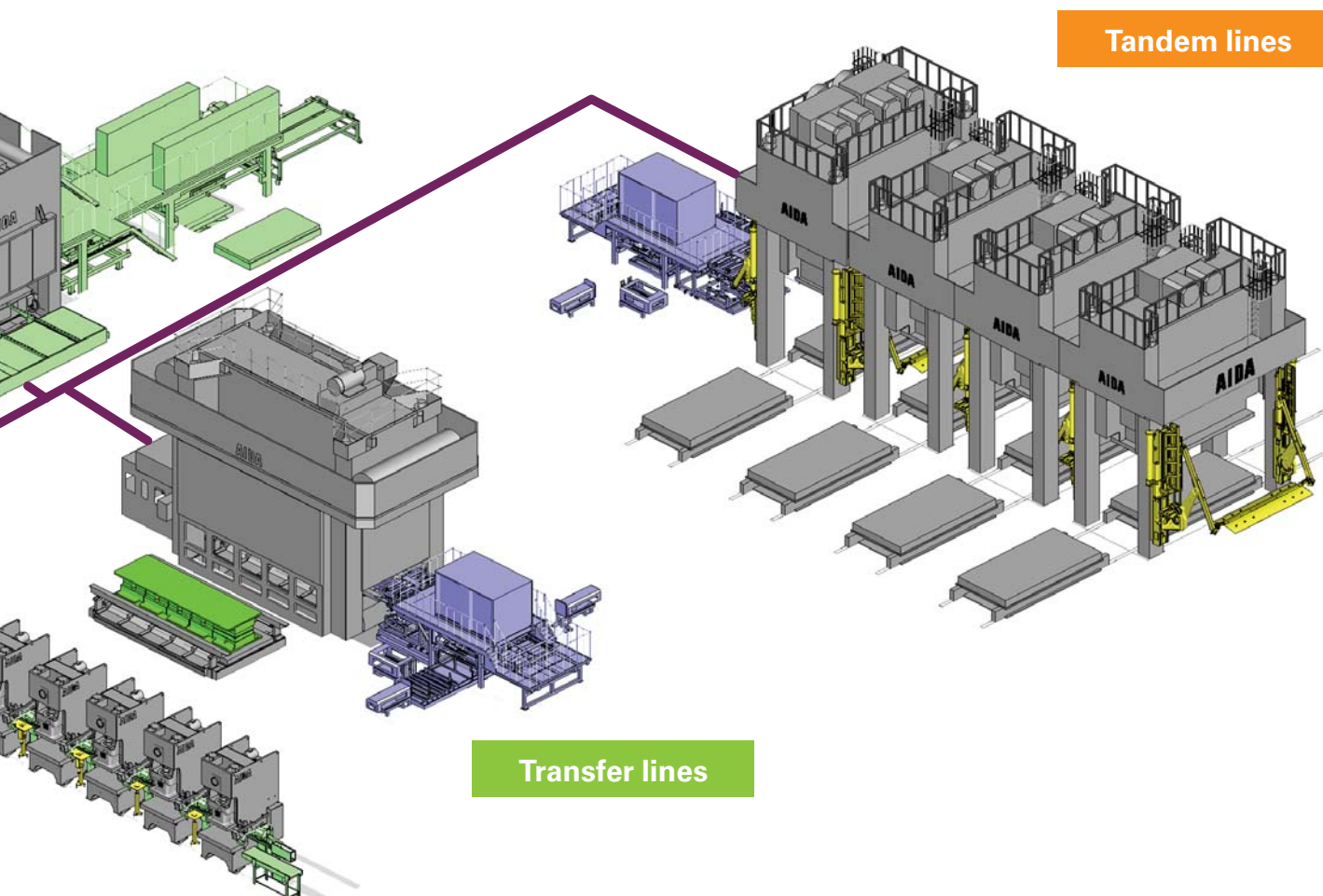
A production line where independent presses are arranged in a tandem (straight line) configuration.

AIDA's servo technology enables the user to freely program the forming motion to match the characteristics of the various dies, and when outfitted with a high-speed conveyance system with high-precision synchronous control technology it can achieve the world's fastest productivity.

Robot lines

A flexible production line composed of multiple general-purpose presses with conveyance robots positioned between the presses.

In the past, productivity was approximately 50% higher than a transfer press, but the application of AIDA's servo synchronization control technologies can boost productivity up to the 80% level.



SPECIAL FEATURE

WHY DO AUTOMOTIVE MANUFACTURERS CHOOSE AIDA SERVO TECHNOLOGY?



AIDA's independently developed servo motor

1 AIDA Servo Presses: Enabling the Stable Production of Desired Shapes

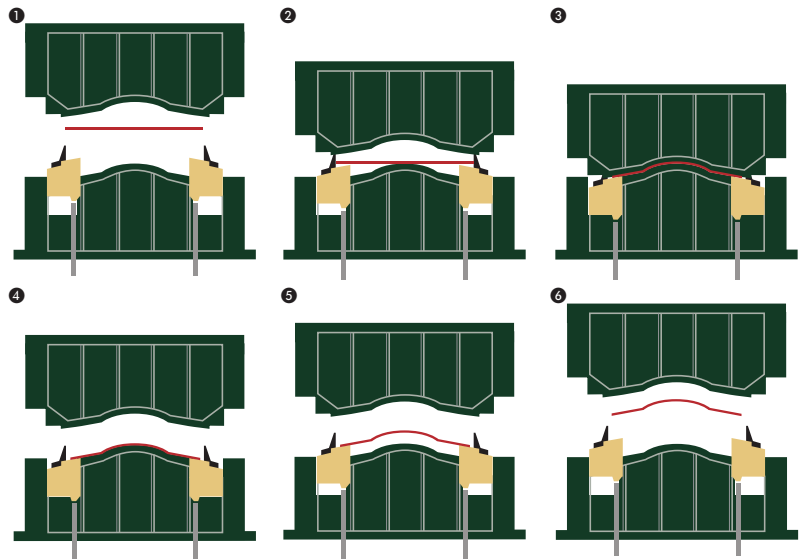
Formability	Productivity	Energy conservation
Blanking lines	Robot lines	Transfer lines
		Tandem lines

In presses that are used to form automotive body parts and so on, a flat steel sheet is sandwiched between an upper and lower die and is “draw-formed” into the shape of a container. Achieving the breathtaking three-dimensional outer body panel designs that automotive manufacturers seek requires unprecedentedly high-level draw-forming technologies, and the only way to achieve this was to develop servo presses, where the forming speeds could be precisely controlled. In response to such requirements, AIDA independently developed a servo motor that could output high torque even at low speed, and the resulting servo press equipped with this motor enabled the draw-forming of highly designed parts that had previously been impossible to achieve.

In addition, performing simulations of the optimal forming conditions beforehand greatly reduces the time required for die adjustments and test forming, and even high-difficulty shapes can now be efficiently and stably produced.

Moreover, utilizing a simulation program makes it possible to realize identical product quality in all the production facilities around the world that have the same types of servo presses.

MATERIAL—WRINKLE SUPPRESSOR PUNCH



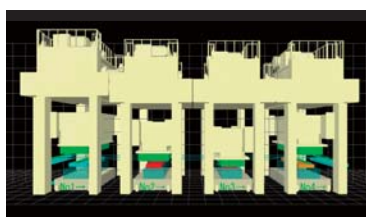
Draw-formed outer body panel

2 High-Speed Production Using Press and Transfer Equipment Synchronization Controls

Formability	Productivity	Energy conservation
Blanking lines	Robot lines	Transfer lines
		Tandem lines

A servo press can provide positional control that was not possible using a conventional press, and this has enabled controls that offer precise synchronization between the press and the transfer equipment. AIDA has independently developed servo line systems that make possible optimal productivity by facilitating the customized optimization of the transfer motion to match each product, and has also designed production lines that keep work stoppages to a minimum.

Because AIDA builds not only presses but also all of the equipment in its lines (such as transfers) in-house, it can achieve even higher-level synchronization controls to greatly improve productivity.



The tandem line synchronized operation screen

3 Energy Management That Minimizes Electrical Power Consumption

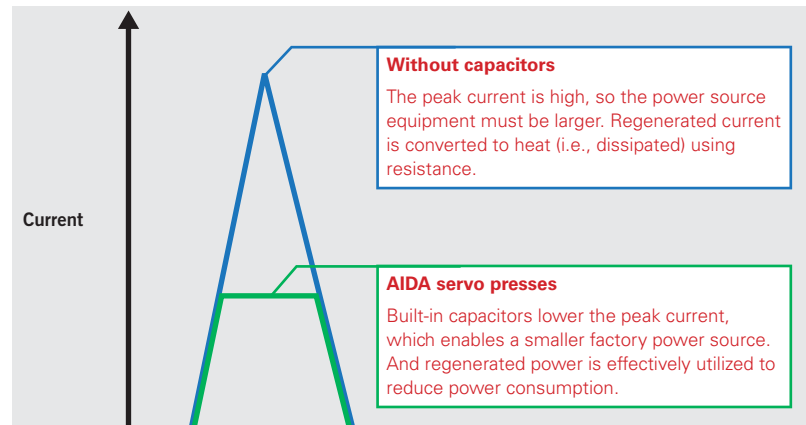
Formability	Productivity	Energy conservation	
Blanking lines	Robot lines	Transfer lines	Tandem lines

In the case of servo presses, the higher the press capacity is, the larger the servo motors and power supply capacity must be. AIDA decided to store energy in high-capacity capacitors (one type of energy storage equipment, also referred to as condensers). Drawing power from the capacitors during the peak energy usage that occurs during the forming portion of the press stroke enables a lower-capacity primary-side factory power supply.

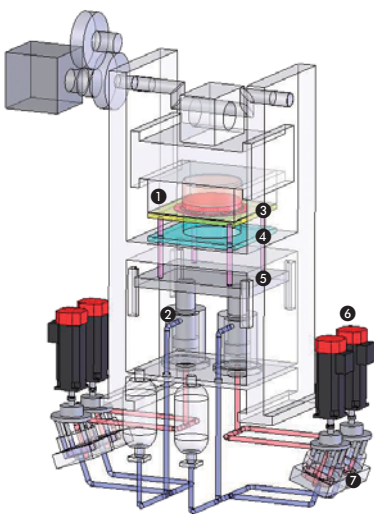
Moreover, the electrical power that is regenerated* when the press decelerates is stored in the capacitors and efficiently re-utilized, which helps contribute to lower energy consumption. AIDA's innovative energy management system make possible superior energy conservation.

* The motor rotates in the opposite direction during deceleration, which generates electrical power just like an electrical generator.

COMPARISON OF FACTORY POWER SOURCE CAPACITIES VS. COMPETITORS



Servo die cushion architecture draw-forming process



- 1 Upper die
- 2 Hydraulic cylinder
- 3 Wrinkle suppressor
- 4 Lower die
- 5 Cushion pad
- 6 Servo motor
- 7 Hydraulic pump and motor

4 AIDA's Independently Developed Servo Die Cushion: Achieving Unprecedented Deep Draw-Forming and Energy Conservation

Formability	Productivity	Energy conservation	
Blanking lines	Robot lines	Transfer lines	Tandem lines

When a press is used to perform the above-mentioned draw-forming, it uses a built-in unit called a die cushion. The die cushion is used to regulate the forming pressure to prevent the occurrence of unwanted wrinkles in the steel material. In the past, a die cushion was merely considered to be a type of equipment that played a secondary role, but AIDA has developed a servo die cushion with a hydraulic motorized drive that enables smooth and freely programmable pressure regulation control. The use of servo motors to precisely control the independent hydraulic circuits optimizes the cushion force, and this makes possible complex draw-forming that had been limited with just a press. AIDA servo die cushions can also contribute significantly to lower costs by further improving the formability of high-difficulty metalforming, reducing defective product percentages through stable production, and increasing material yield.

Moreover, AIDA servo die cushions are equipped with an effective regenerative power feature that converts the downward pressure of the press into regenerated electrical power. Approximately 70% of the workload used for the die cushion is regenerated and returned to the press power supply, which contributes greatly to energy conservation.

WHY DO AUTOMOTIVE MANUFACTURERS CHOOSE AIDA SERVO TECHNOLOGY?

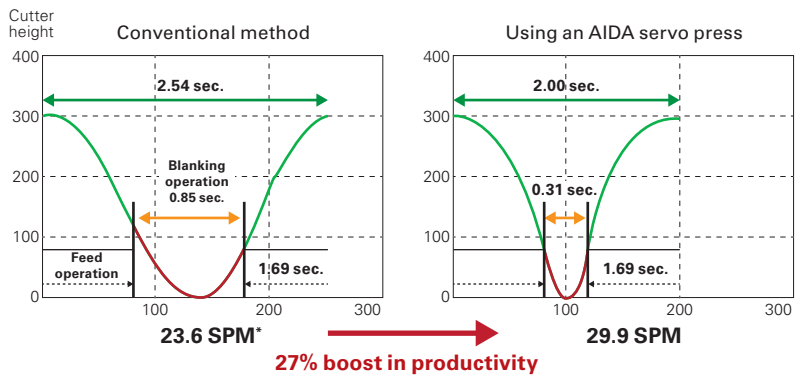
5 Using Servo Technology to Achieve a Streamlined Blanking Line

Formability	Productivity	Energy conservation	
Blanking lines	Robot lines	Transfer lines	Tandem lines



Blanking lines

When a conventional mechanical press is used for blanking, it is necessary to use a uniform rhythm when feeding the steel plate into the press and when blanking the plate inside the press, and thus the blanking operation time must be coordinated with the feed operation time (which is difficult to reduce). However, AIDA independently developed servo presses that not only allow freely programmable motion but also have enabled a reduction in the blanking time by keeping acceleration and deceleration times to a minimum. This results in a 27% improvement in the productivity of the blanking process as a whole.



* SPM ("strokes per minute") is a unit that expresses the production speed—that is, the number of parts that can be formed in one minute.

6 Developing Forming Technologies That Achieve Both Lighter and Stronger Frame Members

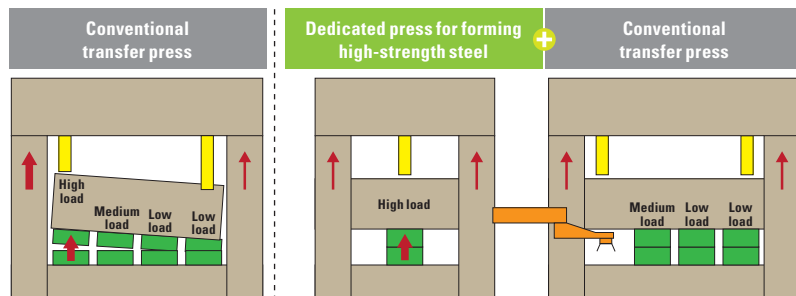
Formability	Productivity	Energy conservation	
Blanking lines	Robot lines	Transfer lines	Tandem lines



Transfer press

To respond to the never-ending pursuit by the automotive industry of lighter vehicles and improved crash safety through press metalforming technologies, technologies are required that have both a very high degree of difficulty and the ability to form frame members using materials that are both lighter and much stronger. AIDA has leveraged its servo technologies to find the solution to this kind of press metalforming.

The automotive industry is continuing to move toward the use of high-strength steels, and this brings with it a number of problems, since conventional forming methods tend to result in cracks in the material, and the material tends to spring back to its pre-formed shape, which makes stable forming difficult to achieve. As shown in the illustration below, AIDA has developed and is marketing a press specifically designed to form high-strength steels, thereby eliminating the unbalanced loads between the different stages in a transfer press, reducing the ratio of defective parts, and achieving stable production. Moreover, the load being applied to the dies and the press itself is greatly reduced, which also lengthens their service life.



The first stage in the forming process—where the greatest pressure is applied—is removed from an existing transfer press, and a dedicated press for forming high-strength steel is added. This eliminates the unbalanced load that is applied to the slide and improves product accuracy and the life of the dies and the press.

Conversely, the development of high-strength steels that can be formed at room temperatures is lagging in the United States and Europe, and thus “hot presses” that perform warm-forming processes which utilize heat treatment for hardening are widely used. This forming method consists of heating steel sheets to a high temperature—approximately 1,000°C—then forming the sheet and quickly cooling them, and the resulting maximum strength exceeds that of high-strength steels. Because of its low productivity, Japanese automotive manufacturers have not been utilizing this technology much, but AIDA servo presses have also been used to improve the production efficiency of hot presses by approximately 200%. The strength standards for automotive frame members are expected to become increasingly stringent—especially in the United States—and thus domestic Japanese auto manufacturers are reaching the point where the incorporation of hot presses will be unavoidable, and it is anticipated that AIDA’s technologies will contribute to this type of forming.

Accordingly, AIDA servo presses provide flexibility to customers seeking to improve the accuracy of products formed from high-strength materials and to customers investigating the introduction of hot press forming. And with respect to tailored blanks*¹ that have been widely used historically, AIDA can also provide complete feed systems to meet wide-ranging customer requirements by developing customized destack feeders*².

*¹ Tailored blanks consist of two types of steel plates with differing thicknesses and material types that have been welded together to form a single steel plate which is then formed in a press. Tailored blanks are considered to be advantageous in reducing the severity of injuries in vehicular accidents and in reducing the total number of parts used in a vehicle.

*² A system for transporting sheet materials to and loading them into presses

AIDA: A LEADING PRESS METALFORMING COMPANY



The world’s fastest servo press line for forming automotive body panels

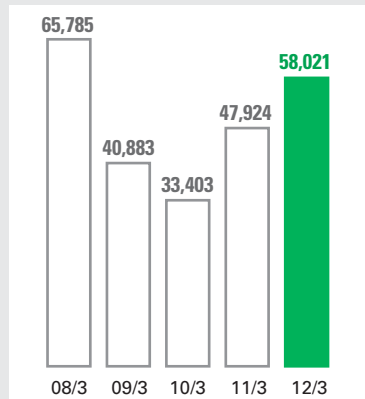
It is said that the automotive industry is in the midst of a second era of technological innovation. Included in this era are fuel-cell hybrid vehicles, hybrid vehicles, and electrical vehicles. However, regardless of how engines and drivetrains evolve, the metalforming of vehicle bodies will continue to be a crucial element for automotive manufacturers, and there will also be a need for the existence of the press metalforming industry that provides such body parts.

As a forming systems builder that has the capability to accommodate all varieties of press metalforming, AIDA will not only continue to provide further value-added content for its customers in Japan through technological innovation, it will also continue its pursuit of further opportunities for growth.

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

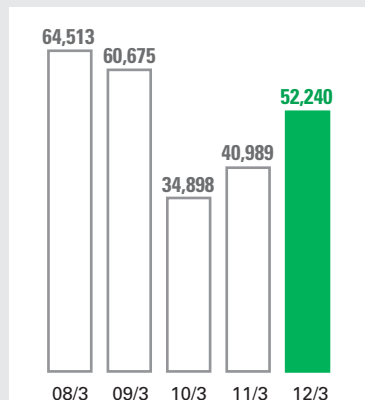
ORDERS

(Millions of yen)



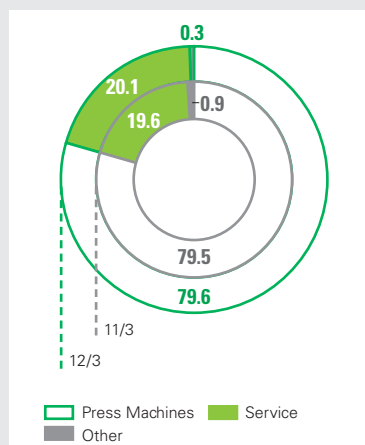
NET SALES

(Millions of yen)



SALES BY BUSINESS DIVISION

(%)



Orders and Sales

During the fiscal year under review (the fiscal year ended March 31, 2012), concern about an economic slowdown due to factors such as the sovereign debt crisis in Europe persisted in the global economy, but an overall trend toward gradual recovery continued. A similar recovery trend was seen in the Japanese economy, despite the large impact of the Great East Japan Earthquake and the strong yen. This trend can be attributed mainly to the progressive reconstruction of the supply chain.

The press machine manufacturing industry was forced to withstand the effects of the prolonged period of yen appreciation. Despite this, domestic orders from the automotive industry rose, and orders from automotive industries in the Americas and Southeast Asia expanded significantly. Accordingly, the Japan Forming Machinery Association, of which the Company is a member, recorded a 17.9% year-on-year increase in orders for press machines, totaling ¥180.5 billion.

Amid these conditions, the fiscal year under review marked the first year of the new Medium-Term Management Plan, which covers the three-year period from the fiscal year under review to the fiscal year ending March 31, 2014. The slogan of this plan is "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." Through the year, we acted in accordance with this slogan as we advanced initiatives based on the plan's key policies of creating customers and increasing value-added content. In the fiscal year under review, we began by conducting capital investment in Asia, a region where demand continues to grow. In this region, we opened a new factory in China and expanded the production capacity of a factory in Malaysia through means such as constructing additional buildings. In product development, we further evolved our lineup of servo presses that realize high productivity and high precision forming by utilizing AIDA's unique mechanism. This led to the commercialization of the DSF-P Series and otherwise helped us expand and strengthen our servo press lineup.

Due to the above, orders in the fiscal year under review were up 21.1%, to ¥58.0 billion, largely due to higher orders from automotive companies in Japan and Europe, including first-time customers. These favorable orders drove strong growth in automobile-related sales in Japan, the Americas, and Europe, and consolidated net sales rose 27.4%, to ¥52.2 billion, as a result.

Results by Business Division and Geographic Segment

Business Divisions

Press Machines

Sales from the automotive industry were strong, primarily in emerging countries. Accordingly, orders were up 19.7% year on year, to ¥47.0 billion, and net sales increased 27.6%, to ¥41.5 billion.

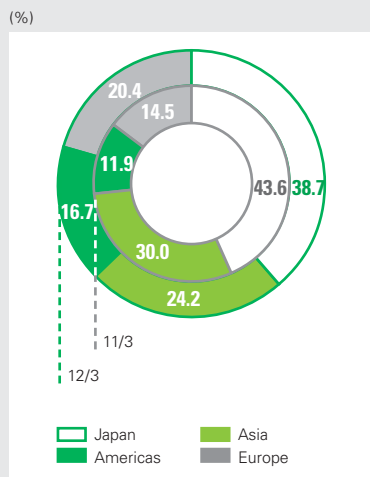
Service

We received large-scale orders for service accompanying extensive facility relocation as well as orders for construction to repair flooding damage in Thailand. As a result, orders were up 29.2%, to ¥10.6 billion, and net sales increased 30.4%, to ¥10.4 billion.

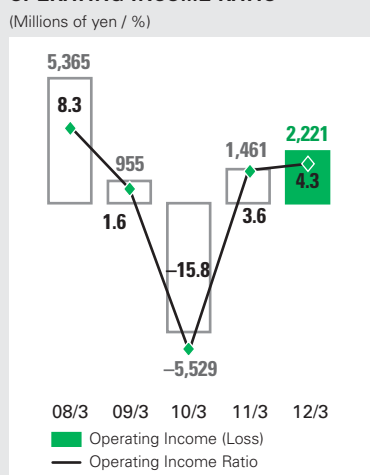
Other

Orders fell 19.7%, to ¥0.2 billion, and net sales decreased 50.8%, to ¥0.1 billion.

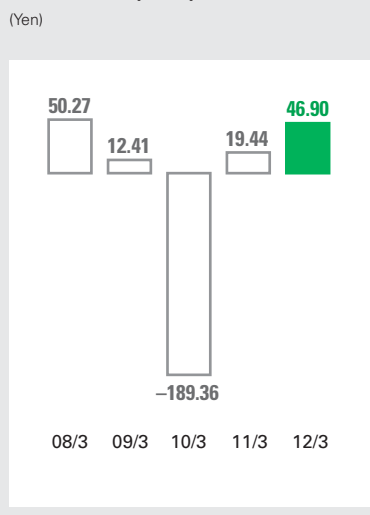
**SALES BY GEOGRAPHIC SEGMENT
(TO EXTERNAL CUSTOMERS)**



**OPERATING INCOME (LOSS) /
OPERATING INCOME RATIO**



NET INCOME (LOSS) PER SHARE



Geographic Segments

Japan

Brisk demand in the automotive industry drove an 11.5% year-on-year increase in sales (including inter-segment sales), to ¥34.5 billion, and the higher sales coupled with the improvement in the gross profit margin (a result of improved capacity utilization) resulted in a 61.9% increase in segment income, to ¥1.2 billion.

Asia

Sales of press machines and services were favorable in Southeast Asia, and sales were up 6.8%, to ¥13.4 billion, as a result. Segment income rose 31.0%, to ¥0.8 billion, due to the higher sales and the improvement in the gross profit margin.

Americas

Sales of press machines for the automotive industry grew substantially, leading to an 84.7% year-on-year increase in sales, to ¥9.4 billion. As a result of the higher sales, segment income rose 77.5%, to ¥0.3 billion.

Europe

Increased sales of products and services to the automotive industry, including large-scale orders, resulted in sales rising 100.6%, to ¥12.9 billion. However, deterioration in the cost of sales ratio and increased expenses forced the segment to record a segment loss of ¥0.4 billion, compared with segment income of ¥32 million in the previous fiscal year.

Earnings

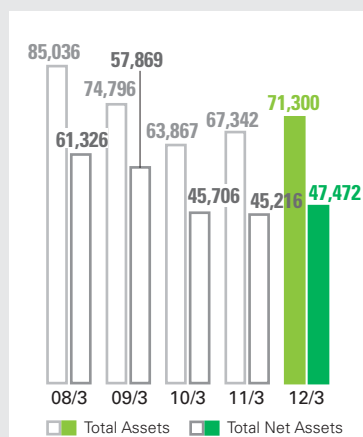
Throughout the fiscal year under review, growth in automobile-related demand continued, particularly in emerging countries. Against this backdrop, as a global company we strove to enhance inter-group coordination throughout all business processes, ranging from orders, design, procurement, and production to service provision. At the same time, we advanced the initiatives described in the Medium-Term Management Plan. However, the persistence of the strong yen and the increased concentration of orders and sales on less-profitable mid-size and large presses presented difficulties for the Group. Regardless, all Group employees worked together to advance profitability improvement initiatives, and we succeeded in achieving increases in operating income, ordinary profit, and net income.

Gross profit was up 26.2% year on year, to ¥9.6 billion, as a result of improved productivity and higher sales. Selling, general and administrative (SG&A) expenses rose 20.1%, to ¥7.4 billion, largely due to increases in selling costs following higher sales and in personnel expenses that accompanied improved performance. Despite this increase in expenses, operating income rose 52.0%, to ¥2.2 billion. Net non-operating income of ¥0.8 billion was recorded in the fiscal year under review, compared with a net non-operating loss of ¥0.3 billion in the previous fiscal year. This was due to recording of gain from redemption at maturity of endowment insurance of ¥0.8 billion and lower foreign exchange loss. The improvement in non-operating items resulted in a 177.5% increase in ordinary profit, to ¥3.0 billion. Net extraordinary loss was ¥99 million, compared with net extraordinary gain of ¥6 million in the previous fiscal year. This can be attributed to an impairment loss on fixed assets associated with the closing of operating bases following the consolidation of bases by a European subsidiary. Regardless, income before income taxes increased 167.2%, to ¥2.9 billion, and net income rose 131.5%, to ¥2.8 billion.

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

TOTAL ASSETS / TOTAL NET ASSETS

(Millions of yen)



In this manner, we recorded higher sales and income in the fiscal year under review, the first year of the new Medium-Term Management Plan, allowing us to make a strong start toward achieving the goals outlined in the plan. In regard to dividend payments, the Company decided to raise dividends by ¥8.00 per share, to ¥14.00 per share for the year, reflecting its strong financial performance and the basic dividend policies contained within the Medium-Term Management Plan.

Financial Position

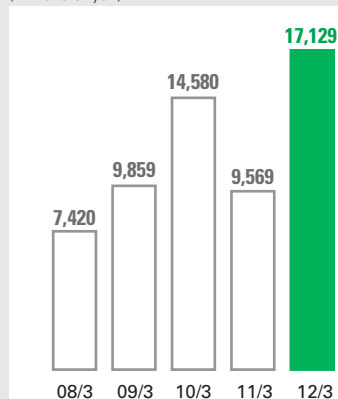
Total assets were ¥71.3 billion as of March 31, 2012, up ¥3.9 billion from the previous fiscal year-end. Major increases included ¥3.6 billion in cash on hand and at banks and ¥4.0 billion in short-term investments. Major decreases included ¥2.4 billion in notes and accounts receivable, trade and ¥1.2 billion in inventories.

Total liabilities stood at ¥23.8 billion on March 31, 2012, representing an increase of ¥1.7 billion from the end of the previous fiscal year. Major increases included ¥1.2 billion in non-trade payables; ¥33 million in long-term accounts payable; ¥0.7 billion in accounts payable, trade; ¥0.5 billion in other current liabilities; and ¥0.1 billion in other long-term liabilities. Major decreases included ¥1.4 billion in advances from customers on contracts.

Total net assets amounted to ¥47.4 billion as of March 31, 2012, up ¥2.2 billion from the end of the previous fiscal year. This was primarily due to a ¥2.4 billion increase in retained earnings. As a result, the shareholders' equity ratio was 66.5% at the end of the fiscal year.

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

(Millions of yen)



Cash Flows

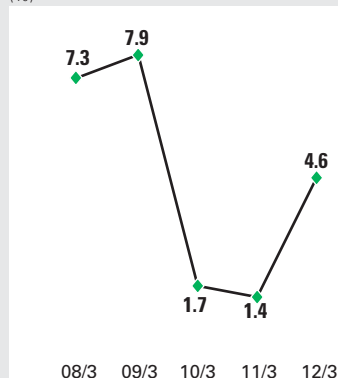
Cash and cash equivalents at the end of the year were ¥17.1 billion, up ¥7.5 billion. Net cash provided by operating activities was ¥8.7 billion, compared with net cash used in operating activities of ¥2.3 billion in the previous fiscal year. Major factors increasing cash included income before income taxes of ¥2.9 billion; depreciation and amortization of ¥1.3 billion; decrease in accounts receivable, trade of ¥1.6 billion; and increase in accounts payable, trade of ¥0.9 billion.

Net cash used in investing activities was ¥1.2 billion, approximately the same as in the previous fiscal year. Major inflows included proceeds from sale of property, plant and equipment of ¥0.8 billion. Major outflows included payments for purchase of property, plant and equipment of ¥2.1 billion.

Net cash provided by financing activities was ¥35 million, compared with net cash used in financing activities of ¥1.0 billion in the previous fiscal year. Major inflows included proceeds from short-term loan of ¥0.5 billion. Major outflows included cash dividends paid of ¥0.3 billion.

RATIO OF CAPITAL EXPENDITURES TO NET SALES

(%)



Capital Expenditures

In the fiscal year under review, the Company recorded capital expenditures totaling ¥2.6 billion. These expenditures were primarily associated with the opening of a new factory at a Chinese subsidiary and the construction of new factory buildings and installment of additional equipment at a Malaysian subsidiary.

Research and Development

The AIDA ENGINEERING Group conducts R&D activities centered on its Research and Development Headquarters. These activities primarily target the strengthening of core products, establishment of foundation technologies, and development of next-generation flagship products. In the fiscal year under review, R&D expenditures totaled ¥0.9 billion. These expenditures were attributed to the Japan geographical segment.

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.

Retirement Benefit Obligations and Expenses

The AIDA ENGINEERING Group calculates employee retirement benefit obligations and expenses based on assumptions determined through computation of discount rates and other numerical factors. Should actual results vary from these assumptions, or should there be a change in the assumptions, the effects will be amortized over future accounting periods, and the expenses recognized and obligations recorded in future accounting periods. 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.

CONSOLIDATED FINANCIAL SUMMARY

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

	Millions of yen	% change	Millions of yen	
	2012	2012 vs 2011	2011	2010
Orders, Net Sales, and Income (Loss)				
Orders	¥58,021	21.1	¥47,924	¥ 33,403
Net sales	52,240	27.4	40,989	34,898
Cost of sales	42,593	27.7	33,346	32,313
Selling, general and administrative expenses	7,425	20.1	6,181	8,114
Operating income (loss)	2,221	52.0	1,461	(5,529)
Income (loss) before income taxes	2,922	167.2	1,093	(8,945)
Income taxes	79	—	(134)	3,144
Net income (loss)	2,842	131.5	1,228	(12,090)
Profitability Ratio				
Operating income ratio	4.3%	—	3.6%	(15.8)%
Total Assets, Total Net Assets, and Interest-bearing Debt				
Total assets	¥71,300	5.9	¥67,342	¥ 63,867
Total net assets	47,472	5.0	45,216	45,706
Total interest-bearing debt	2,048	36.6	1,500	1,000
Shareholders' equity ratio	66.5%	—	67.0%	71.5%
Capital Expenditures, Depreciation and Amortization, and R&D Expenditures				
Capital expenditures	¥ 2,667	286.6	¥ 689	¥ 578
Depreciation and amortization	1,378	(1.8)	1,403	2,684
R&D expenditures	909	(15.7)	1,079	1,203
Return Indicators				
Return on equity (ROE)	6.1%	—	2.7%	(23.4)%
Return on assets (ROA)	4.1%	—	1.9%	(17.4)%
Cash Flows				
Net cash (used in) provided by operating activities	¥ 8,749	—	¥ (2,359)	¥ 4,857
Net cash (used in) provided by investing activities	(1,231)	—	(1,253)	(294)
Free cash flow	7,517	—	(3,613)	4,562
Net cash (used in) provided by financing activities	35	—	(1,029)	309
Cash and cash equivalents at the end of the year	17,129	79.0	9,569	14,580

	Yen	% change	Yen	
	2012	2012 vs 2011	2011	2010
Per Share Data				
Net income (loss)—Basic	¥ 46.90	141.3	¥ 19.44	¥(189.36)
Cash dividends	14.00	133.3	6.00	5.00
Net assets	781.51	4.9	745.19	715.08
Stock Information				
Stock price	¥ 476	27.3	¥ 374	¥ 390
Market capitalization (millions of yen)	37,674	27.3	29,601	30,867
Number of shares issued (shares)	79,147,321	—	79,147,321	79,147,321
Other Data				
Number of employees	1,566	6.0	1,478	1,507

2009	2008	2007	2006	2005	2004	2003
¥40,883	¥65,785	¥67,434	¥62,838	¥53,341	¥37,910	¥38,612
60,675	64,513	62,120	54,303	43,679	39,017	35,646
50,148	49,023	47,180	42,208	34,175	31,894	29,408
9,571	10,124	9,776	8,682	7,476	6,466	6,707
955	5,365	5,164	3,412	2,027	657	(469)
145	5,411	4,809	3,168	2,566	565	(1,825)
(664)	1,825	1,755	1,375	1,285	276	(79)
810	3,585	3,053	1,792	1,281	289	(1,745)
1.6%	8.3%	8.3%	6.3%	4.6%	1.7%	(1.3)%
¥74,796	¥85,036	¥90,076	¥83,510	¥75,687	¥65,418	¥68,118
57,869	61,326	64,138	60,780	59,413	56,186	57,566
500	1,500	—	1,000	—	—	82
77.3%	72.1%	71.2%	72.8%	78.5%	85.9%	84.5%
¥ 3,248	¥ 4,771	¥ 3,087	¥ 1,800	¥ 2,240	¥ 4,620	¥ 4,055
2,728	2,333	1,894	1,814	1,883	1,990	1,823
1,567	1,658	1,433	1,448	1,450	1,727	1,953
1.4%	5.7%	4.9%	3.0%	2.2%	0.5%	(2.9)%
1.0%	4.1%	3.5%	2.3%	1.8%	0.4%	(2.5)%
¥ 2,475	¥ (1,103)	¥ 4,054	¥ 407	¥ 3,297	¥ 2,501	¥ 1,054
3,985	(0)	(1,275)	(1,300)	424	(98)	820
6,460	(1,103)	2,779	(892)	3,721	2,402	1,875
(3,599)	(2,162)	(1,609)	(2,078)	1,502	(1,545)	(3,181)
9,859	7,420	11,475	9,983	12,420	6,980	6,404

2009	2008	2007	2006	2005	2004	2003
¥ 12.41	¥ 50.27	¥ 42.67	¥ 23.79	¥ 17.40	¥ 4.06	¥ (22.90)
5.00	15.00	13.00	10.00	10.00	8.00	8.00
905.90	911.28	893.19	849.94	801.36	805.88	801.11
¥ 278	¥ 626	¥ 828	¥ 939	¥ 627	¥ 460	¥ 297
22,002	49,546	65,533	74,319	49,625	36,407	23,506
79,147,321	79,147,321	79,147,321	79,147,321	79,147,321	79,147,321	79,147,321
1,629	1,610	1,539	1,472	1,375	1,050	1,094

CONSOLIDATED SEGMENT INFORMATION

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

	Millions of yen		% change		Millions of yen	
	2012	2012 vs 2011	2011	2010	2009	2008
Business Division						
Net sales						
Press machines	¥ 41,574	27.6	¥ 32,581	¥ 27,093	¥ 50,416	¥ 54,036
Service	10,483	30.4	8,040	7,392	9,995	10,394
Other	181	(50.7)	368	412	264	82
Consolidated	¥ 52,240	27.4	¥ 40,989	¥34,898	¥ 60,675	¥ 64,513
Geographic Segment						
Net sales						
Japan	¥ 34,577	11.5	¥ 30,998	¥24,889	¥ 43,171	¥ 46,856
Asia	13,490	6.8	12,628	7,034	12,734	12,853
Americas	9,434	84.7	5,107	3,630	8,618	10,847
Europe	12,959	100.6	6,461	7,914	11,591	12,361
Reconciliation	(18,222)	—	(14,206)	(8,570)	(15,440)	(18,405)
Consolidated	¥ 52,240	27.4	¥ 40,989	¥34,898	¥ 60,675	¥ 64,513
Operating income (loss)						
Japan	¥ 1,294	61.9	¥ 799	¥ (2,462)	¥ 595	¥ 3,683
Asia	880	31.0	671	59	1,317	1,462
Americas	352	77.5	198	(800)	(68)	104
Europe	(405)	—	32	(2,418)	(807)	(164)
Reconciliation	99	—	(240)	93	(81)	278
Consolidated	¥ 2,221	52.0	¥ 1,461	¥ (5,529)	¥ 955	¥ 5,365

QUARTERLY INFORMATION

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

	Millions of yen		% change		Millions of yen	
	2012	2012 vs 2011	2011	2010	2009	2008
Net Sales						
1st quarter	¥12,961	33.8	¥ 9,689	¥ 9,378	¥12,208	¥12,236
2nd quarter	13,924	49.7	9,304	8,360	15,791	16,740
3rd quarter	11,844	16.0	10,208	7,089	16,752	13,194
4th quarter	13,510	14.6	11,786	10,070	15,922	22,341
Consolidated	¥52,240	27.4	¥40,989	¥34,898	¥60,675	¥64,513
Operating Income (Loss)						
1st quarter	¥ 603	10.8	¥ 545	¥ (805)	¥ 408	¥ 1,191
2nd quarter	511	777.5	58	(703)	390	1,396
3rd quarter	712	57.1	453	(1,065)	583	851
4th quarter	393	(2.7)	404	(2,955)	(426)	1,926
Consolidated	¥ 2,221	52.0	¥ 1,461	¥ (5,529)	¥ 955	¥ 5,365

HISTORY

1917	AIDA Ironworks is founded in Honjo, Tokyo, by Yokei 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 Sagamihara 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 Sagamihara 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 Sagamihara 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. Established subsidiaries in China and France.
2002	Introduced the world first direct-drive servo press (now called the Direct Servo Former).
2003	Manufacturing base is established in China. Established subsidiary in Germany.
2004	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 and expanded base.
2012	Established subsidiaries in Russia and Morocco.

CORPORATE DATA

As of March 31, 2012

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	699 (Consolidated: 1,566)
Head Office	2-10 Ohyama-cho, Midori Ward, Sagamihara City, Kanagawa Prefecture 252-5181, Japan
TEL	+81-42-772-5231
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Company Website	www.aida.co.jp/e/

Group Companies:

ACCESS LTD.

AIDA BUSINESS CORP.

OPERATING BASES

As of June 30, 2012



- Development and production facilities
- Global sales and service network

Overseas

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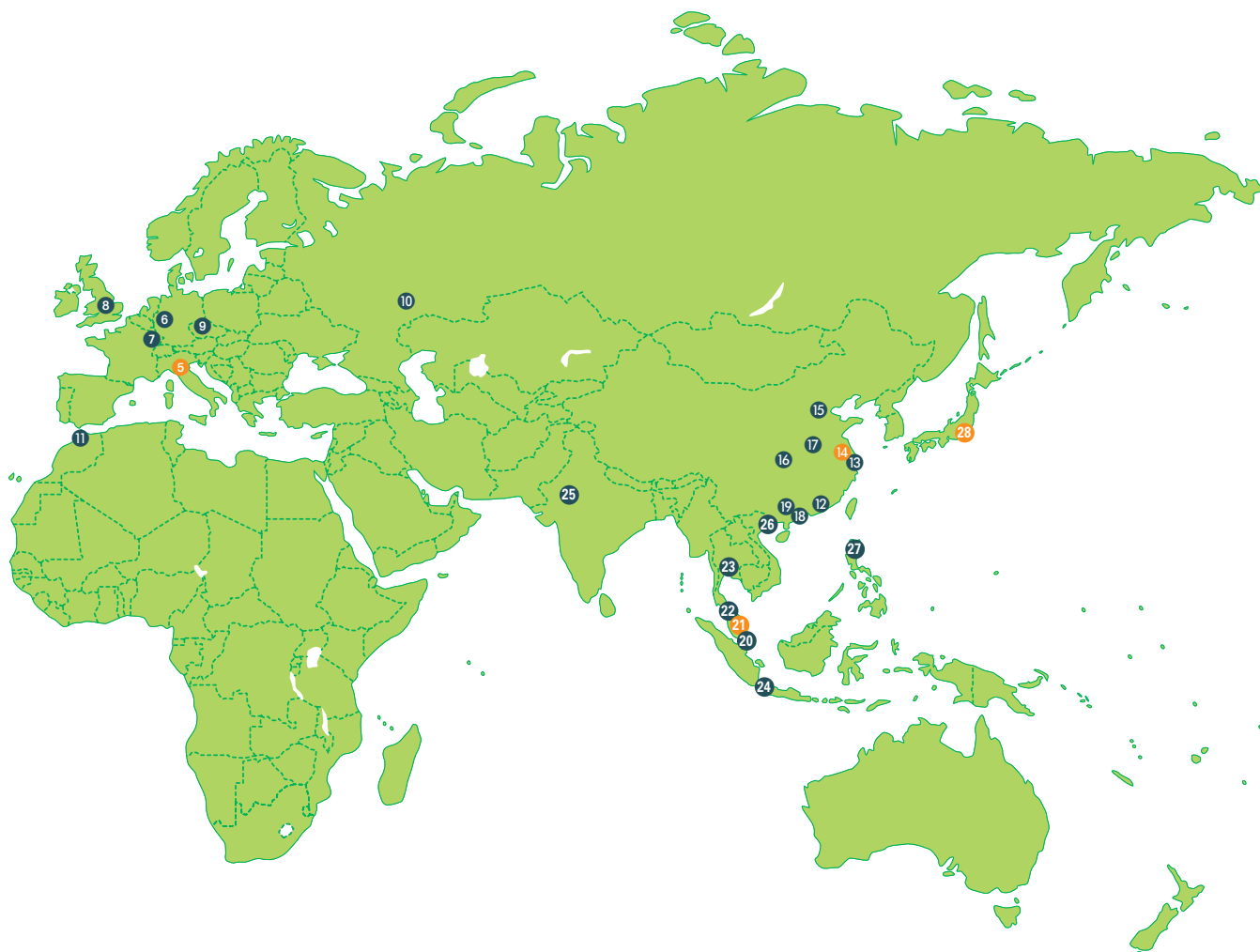
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Printed in Japan



AIDA

AIDA ENGINEERING, LTD.

Annual Report 2012

FINANCIAL REVIEW

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CONSOLIDATED BALANCE SHEETS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2012 and 2011

Assets	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Current assets:			
Cash on hand and at banks (Note 4)	¥ 13,222	¥ 9,578	\$ 160,970
Notes and accounts receivable, trade	11,618	14,033	141,451
Short-term investments (Notes 4 and 6)	4,000	—	48,697
Inventories (Note 5)	12,435	13,635	151,392
Deferred income taxes (Note 12)	1,215	1,045	14,795
Other current assets	4,211	3,279	51,269
Allowance for doubtful accounts	(89)	(88)	(1,086)
Total current assets	46,613	41,484	567,490
Fixed assets:			
Property, plant and equipment (Note 15):			
Buildings and structures	19,567	19,321	238,226
Less: Accumulated depreciation	(13,415)	(13,232)	(163,320)
	6,152	6,088	74,905
Machinery and vehicles	8,160	7,923	99,346
Less: Accumulated depreciation	(4,575)	(4,495)	(55,707)
	3,584	3,427	43,639
Land	4,697	4,754	57,186
Leased	1,199	1,172	14,598
Less: Accumulated depreciation	(249)	(125)	(3,040)
	949	1,047	11,558
Construction in progress	200	19	2,445
Other	2,131	2,119	25,946
Less: Accumulated depreciation	(1,836)	(1,899)	(22,356)
	294	219	3,589
Total property, plant and equipment	15,879	15,557	193,325
Intangible assets	623	574	7,593
Investments and other assets:			
Investment securities (Note 7)	3,574	4,442	43,522
Insurance reserve fund	3,192	3,774	38,862
Deferred income taxes (Note 12)	36	53	443
Other assets	1,456	1,483	17,727
Allowance for doubtful accounts	(76)	(27)	(933)
Total investments and other assets	8,183	9,726	99,622
Total fixed assets	24,686	25,857	300,541
Total assets	¥ 71,300	¥ 67,342	\$ 868,032

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)
	2012	2011	2012
Current liabilities:			
Accounts payable, trade	¥ 4,724	¥ 3,963	\$ 57,512
Lease obligations (Note 9)	916	121	11,163
Non-trade payables	3,768	2,511	45,883
Income taxes payable	308	126	3,758
Advances from customers on contracts	6,110	7,520	74,395
Deferred income taxes (Note 12)	—	36	—
Accrued warranty costs	776	769	9,450
Accrued bonuses for employees	692	543	8,430
Accrued bonuses for directors	25	9	310
Provision for loss on orders received	484	52	5,900
Other current liabilities	1,878	1,285	22,873
Total current liabilities	19,687	16,941	239,680
Long-term liabilities:			
Long-term loans payable (Note 9)	1,500	1,500	18,261
Lease obligations (Note 9)	43	941	533
Long-term accounts payable	320	287	3,901
Deferred income taxes (Note 12)	1,709	1,955	20,813
Accrued pension and severance costs for employees (Note 10)	306	435	3,731
Other long-term liabilities	260	64	3,168
Total long-term liabilities	4,140	5,184	50,410
Total liabilities	23,828	22,125	290,091
Net assets:			
Shareholders' equity:			
Common stock			
Authorized: 188,149,000 shares in 2012 and 2011			
Issued: 79,147,321 shares in 2012 and 2011	7,831	7,831	95,337
Additional paid-in capital	12,978	12,991	158,004
Retained earnings	36,666	34,223	446,387
Treasury stock			
(18,565,968 shares in 2011)			
(18,488,681 shares in 2012)	(9,114)	(9,152)	(110,968)
Total shareholders' equity	48,360	45,892	588,761
Accumulated other comprehensive income			
Net unrealized gains on other securities	1,570	1,574	19,123
Deferred hedge (losses) gains	19	(42)	241
Foreign currency translation adjustments	(2,546)	(2,280)	(30,996)
Total accumulated other comprehensive income	(955)	(748)	(11,632)
Stock options (Note 20)	66	71	811
Total net assets	47,472	45,216	577,940
Total liabilities and net assets	¥71,300	¥67,342	\$ 868,032

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Income before minority interests	¥2,842	¥1,228	\$34,610
Other comprehensive income (Note 18)			
Net unrealized gains (losses) on other securities	(3)	462	(47)
Deferred hedge gains (losses)	62	(61)	756
Foreign currency translation adjustments	(265)	(508)	(3,233)
Total other comprehensive income (loss)	(207)	(107)	(2,525)
Comprehensive income	¥2,635	¥1,120	\$32,085
Comprehensive income attributable to shareholders of Aida Engineering	¥2,635	¥1,120	\$32,085

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, 2012 and 2011

	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 on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock options	Total net assets
Balance at April 1, 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 losses	—	—	—	—	—	—	—	(61)	—	(61)	—	(61)
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	20	20
Balance at March 31 and April 1, 2011	79,147	7,831	12,991	34,223	(9,152)	45,892	1,574	(42)	(2,280)	(748)	71	45,216
Effect of change in scope of consolidation	—	—	—	(16)	—	(16)	—	—	—	—	—	(16)
Net income	—	—	—	2,842	—	2,842	—	—	—	—	—	2,842
Net unrealized losses on other securities	—	—	—	—	—	—	(3)	—	—	(3)	—	(3)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(265)	(265)	—	(265)
Cash dividends	—	—	—	(383)	—	(383)	—	—	—	—	—	(383)
Treasury stock transactions, net	—	—	(12)	—	37	25	—	—	—	—	—	25
Deferred hedge gains	—	—	—	—	—	—	—	62	—	62	—	62
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	(4)	(4)
Balance at March 31, 2012	79,147	¥7,831	¥12,978	¥36,666	¥(9,114)	¥48,360	¥1,570	¥ 19	¥(2,546)	¥(955)	¥66	¥47,472

	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 (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Stock options	Total net assets
Balance at April 1, 2011	79,147	\$95,337	\$158,162	\$416,648	\$(111,429)	\$558,718	\$19,170	\$(514)	\$(27,762)	\$ (9,107)	\$871	\$550,480
Effect of change in scope of consolidation	—	—	—	(197)	—	(197)	—	—	—	—	—	(197)
Net income	—	—	—	34,610	—	34,610	—	—	—	—	—	34,610
Net unrealized losses on other securities	—	—	—	—	—	—	(47)	—	—	(47)	—	(47)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(3,233)	(3,233)	—	(3,233)
Cash dividends	—	—	—	(4,673)	—	(4,673)	—	—	—	—	—	(4,673)
Treasury stock transactions, net	—	—	(154)	—	461	306	—	—	—	—	—	306
Deferred hedge gains	—	—	—	—	—	—	—	756	—	756	—	756
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	(60)	(60)
Balance at March 31, 2012	79,147	\$95,337	\$158,004	\$446,387	\$(110,968)	\$588,761	\$19,123	\$ 241	\$(30,996)	\$(11,632)	\$811	\$577,940

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, 2012 and 2011

Thousands of
U.S. dollars
(Note 3)

	Millions of yen		2012
	2012	2011	
Cash flows from operating activities:			
Income (loss) before income taxes	¥ 2,922	¥ 1,093	\$ 35,582
Adjustments for:			
Depreciation and amortization	1,378	1,403	16,784
Impairment loss on fixed assets	78	7	961
(Gain) loss on sale of property, plant and equipment	(40)	(19)	(497)
Gain on liquidation of subsidiary	—	(31)	—
Loss on disposal of fixed assets	53	3	656
Increase (decrease) in allowance for doubtful accounts	55	1	669
Increase (decrease) in accrued bonuses for employees, net	149	165	1,815
Increase (decrease) in accrued bonuses for directors, net	15	9	190
Increase (decrease) in accrued warranty costs, net	28	(440)	346
Increase (decrease) in accrued pension and severance costs for employees, net	(99)	(318)	(1,216)
Increase (decrease) in provision for loss on orders received, net	431	(516)	5,256
Interest and dividend income	(96)	(83)	(1,176)
Interest expense	56	44	687
Income from stock allotment to shareholders	—	(69)	—
(Increase) decrease in accounts receivable, trade	1,616	(3,606)	19,674
(Increase) decrease in inventories	878	(482)	10,700
(Decrease) increase in accounts payable, trade	910	2,090	11,080
(Increase) decrease in other assets	527	(1,412)	6,425
Increase (decrease) in other liabilities	91	(12)	1,109
Other, net	(77)	(57)	(948)
Sub-total	8,879	(2,229)	108,103
Interest and dividends received	96	86	1,176
Interest paid	(56)	(45)	(691)
Income taxes paid	(170)	(171)	(2,073)
Net cash (used in) provided by operating activities	8,749	(2,359)	106,515
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment	(2,140)	(699)	(26,058)
Proceeds from sale of property, plant and equipment	852	103	10,378
Proceeds from sale of intangible assets	187	—	2,281
Payments for purchase of investments in securities	(2)	(776)	(33)
Payments for long-term receivables	—	(51)	—
Proceeds from liquidation of subsidiary	—	41	—
Payments for deposits of funds into time deposits	(80)	—	(983)
Proceeds from withdrawal of time deposits	—	132	—
Other, net	(47)	(3)	(577)
Net cash (used in) provided by investing activities	(1,231)	(1,253)	(14,992)
Cash flows from financing activities:			
Proceeds from short-term loans	545	—	6,638
Payments for short-term loans	—	(113)	—
Proceeds from sale and leaseback transaction	—	339	—
Payments for finance lease obligations	(129)	(124)	(1,572)
Proceeds from long-term loans	—	500	—
Payments for purchase of treasury stock	(0)	(1,300)	(4)
Cash dividends paid	(382)	(331)	(4,654)
Net cash (used in) provided by financing activities	35	(1,029)	434
Effect of exchange rate changes on cash and cash equivalents	(140)	(419)	(1,707)
Net (decrease) increase in cash and cash equivalents	7,413	(5,062)	90,249
Increase in cash and cash equivalent resulting from change in accounting period of consolidated subsidiary	—	51	—
Cash and cash equivalents at the beginning of the year	9,569	14,580	116,502
Increase in cash and cash equivalents from the addition of consolidated subsidiary	147	—	1,793
Cash and cash equivalents at the end of the year (Note 4)	¥17,129	¥ 9,569	\$208,544

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS I

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, 2011, AIDA adopted the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan (ASBJ), Statement No.24 issued on December 4, 2009) and the "Guidance on Accounting Standard for Accounting Change and Error Corrections" (ASBJ Guidance No. 24 issued on December 4, 2009). The effect of the adoption of this standard was immaterial for the year ended March 31, 2012.

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

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, from materiality perspective, excluding 2 subsidiaries (A N TOOLING TECHNOLOGY CO., LTD. and OOO AIDA), all subsidiaries have been consolidated (19 subsidiaries in 2012 and 16 subsidiaries in 2011). In addition, 2 subsidiaries (AIDA VIETNAM CO., LTD. and AIDA Maroc Sarl) were newly established in this fiscal year. AIDA PRESS MACHINERY SYSTEMS CO., LTD. has been newly included in scope of consolidation in this fiscal year due to increased significance. Two other new subsidiaries (AIDA VIETNAM CO., LTD. and AIDA Maroc Sarl) are also included as consolidated subsidiaries based on a materiality perspective.

Consolidated subsidiaries as of March 31, 2012 and for the year then ended are as follows:

- Domestic subsidiaries:
ACCESS LTD.
AIDA BUSINESS CORP.

- Overseas subsidiaries:

ASIA

AIDA GREATER ASIA PTE. LTD.
AIDA ENGINEERING (M) SDN. BHD.
AIDA MALAYSIA SDN. BHD.
AIDA (THAILAND) CO., LTD.
PT AIDA INDONESIA
AIDA INDIA PVT. LTD.
AIDA VIETNAM CO., LTD.
AIDA HONG KONG, LTD.
AIDA ENGINEERING CHINA CO., LTD.
AIDA PRESS MACHINERY SYSTEMS CO., LTD.

AMERICAS

AIDA AMERICA CORP.
AIDA CANADA, INC.
AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V

EUROPE

AIDA S.r.l.
AIDA-PRESSEN GmbH
AIDA do BRASIL (Subsidiary of AIDA S.r.l.)
AIDA Maroc Sarl (Subsidiary of AIDA S.r.l.)

(Remarks)

All consolidated subsidiaries are exclusively owned by AIDA or its subsidiaries.

All significant inter-company transactions, balances and unrealized inter-company profits are eliminated on consolidation. In order to provide appropriate and timely disclosure, subsidiaries with a fiscal year ending December 31 are included in the consolidated financial statements as of March 31.

(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 date 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.

(6) Financial instruments

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

All securities, except for those representing equity in subsidiaries and affiliates, are 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 fiscal years 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 fiscal years 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

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

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 underlying 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 of property, plant and equipment in AIDA and its 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

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

Provisions for losses on orders received included in cost of sales are ¥434 million (U.S.\$5,285 thousand) and ¥538 million for the years ended March 31, 2012 and 2011, respectively.

(13) Accrued pension and severance costs for employees

Accrued pension 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.

(14) Research and development costs

Research and development costs are expensed as incurred.

(15) Income taxes

The asset and liability method is applied 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. 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 categorized as operating

leases. All other lease transactions are accounted for as operating leases and relating payments are charged to income as incurred.

(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 shareholder approval. 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 cost of sales

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

(20) 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 benefit program to grant AIDA's shares under 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 its operating results. The corresponding disposition of treasury stock is accounted for under the assumption that the Trust Account E is controlled by AIDA based on the economic reality of the plan. 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 accompanying consolidated balance sheets, consolidated statements of income and consolidated statements of cash flows.

As a result, the number of shares of treasury stock includes shares held by the Trust Account E of 3,397,000 and 3,399,100 as of March 31, 2012 and 2011.

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 ¥82.14 = U.S.\$1, the approximate rate of exchange as of March 31, 2012, 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, 2012 and 2011 are reconciled to cash on hand and at banks reported in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cash on hand and at banks	¥13,222	¥9,578	\$160,970
Add: Securities with maturities of three months or less	4,000	—	48,697
Less: Time deposits with maturities of more than three months	(92)	(8)	(1,123)
Cash and cash equivalents	¥17,129	¥9,569	\$208,544

05 INVENTORIES

“Finished goods”, “Work in process” and “Raw materials” in “Inventories” on the consolidated balance sheets as of March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Finished goods	¥ 1,758	¥ 3,201	\$ 21,403
Work in process	8,096	8,395	98,564
Raw materials	2,581	2,039	31,426
Inventories	¥12,435	¥13,635	\$151,392

Inventories as of March 31, 2012 and 2011, were offset by corresponding provisions for losses on orders received of ¥19 million (U.S.\$237 thousand) and ¥486 million, respectively.

A breakdown as of March 31, 2012 is as follows:

Finished goods: ¥4 million (U.S.\$50 thousand)

Work in process: ¥15 million (U.S.\$187 thousand)

Losses recognized and charged to cost of sales as a result of devaluation of inventories for the year ended March 31, 2012 were ¥191 million (U.S.\$2,329 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.

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 risks.

Marketable securities are invested as surplus funds based on negotiable deposit. The credit risk is significantly minimized as these investments are limited to financial institutions with high creditability rate.

Operating payables (accounts payable, trade) on import of raw materials from overseas are to be settled within 6 months, and therefore partly include foreign exchange risks; 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, based on our group accounts receivables policies, 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.

At the balance sheet date, the carrying value of financial assets represent the maximum credit risk exposures of our group.

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. Fair value is reasonably estimated if a quoted market value is not available. Since various assumptions and factors are reflected in estimating the fair value, comparatively 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, 2012 and 2011.

March 31, 2012	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	¥13,222	¥13,222	¥—	\$160,970	\$160,970	\$—
(2) Notes and accounts receivable, trade	11,618	11,618	—	141,451	141,451	—
(3) Marketable securities	4,000	4,000	—	48,697	48,697	—
(4) Investment securities						
Other securities	3,501	3,501	—	42,630	42,630	—
Total assets	¥32,342	¥32,342	¥—	\$393,749	\$393,749	\$—
(1) Accounts payable, trade	¥ 4,724	¥ 4,724	¥—	\$ 57,512	\$ 57,512	\$—
(2) Non-trade payables	3,768	3,768	—	45,883	45,883	—
(3) Long-term loans payable	1,500	1,505	5	18,261	18,334	72
(4) Long-term lease obligations	960	971	11	11,697	11,831	134
Total liabilities	¥10,953	¥10,970	¥17	\$133,354	\$133,562	\$207
Derivative transactions which are not subject to hedge accounting (*)	46	46	—	568	568	—
Derivative transactions which are subject to hedge accounting (*)	34	34	—	425	425	—

March 31, 2011	Millions of yen		
	Carrying value	Fair value	Difference
(1) Cash on hand and at banks	¥ 9,578	¥ 9,578	¥—
(2) Notes and accounts receivable, trade	14,033	14,033	—
(3) Investment securities			
Other securities	3,603	3,603	—
Total assets	¥27,215	¥27,215	¥—
(1) Accounts payable, trade	¥ 3,963	¥ 3,963	¥—
(2) Non-trade payables	2,511	2,511	—
(3) Long-term loans payable	1,500	1,508	8
(4) Long-term lease obligations	1,062	1,085	22
Total liabilities	¥ 9,037	¥ 9,069	¥31
Derivative transactions which are not subject to hedge accounting (*)	65	65	—
Derivative transactions which are subject to hedge accounting (*)	(78)	(78)	—

* 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 these are settled in the short term, fair value and carrying value of these items are almost the same.

(3) Marketable securities

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(4) Investment securities

The details of investment securities are shown in Note 7.

Liabilities

(1) Notes and accounts payable, trade

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(2) Non-trade payables

As these are settled in the short term, fair value and carrying value of these items are almost the same.

(3) Long-term loans payable

Fair value is computed by discounting the 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 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, 2012

Types of securities	Carrying value	
	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥60	\$731
Equity in an unconsolidated subsidiary	13	161
Total	¥73	\$892

March 31, 2011

Types of securities	Carrying value	
	Millions of yen	
Unlisted stocks	¥ 62	
Equity in an unconsolidated subsidiary	776	
Total	¥838	

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 (4) Investment securities.

Redemption schedule for monetary claims or securities with maturities subsequent to March 31, 2012.

	Millions of yen			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Cash at bank	¥13,195	—	—	—
Notes and accounts receivable, trade	11,618	—	—	—
Marketable securities (Negotiable deposits)	4,000	—	—	—
Total	¥28,814	—	—	—

	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	\$160,651	—	—	—
Notes and accounts receivable, trade	141,451	—	—	—
Marketable securities (Negotiable deposits)	48,697	—	—	—
Total	\$350,800	—	—	—

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

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	—	—	—

07 SHORT-TERM SECURITIES AND INVESTMENT SECURITIES

March 31, 2012

The aggregate cost and carrying value of other securities with market values as of March 31, 2012 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	¥ 956	¥3,384	¥2,427	\$11,649	\$41,207	\$29,558
Sub-total	¥ 956	¥3,384	¥2,427	\$11,649	\$41,207	\$29,558
Carrying value does not exceed acquisition cost:						
Stocks	¥ 135	¥ 116	¥ (18)	\$ 1,645	\$ 1,422	\$ (222)
Others	4,000	4,000	—	48,697	48,697	—
Sub-total	¥4,135	¥4,116	¥ (18)	\$50,342	\$50,120	\$ (222)
Total	¥5,092	¥7,501	¥2,409	\$61,991	\$91,327	\$29,335

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		
	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥ 953	¥3,484	¥2,530
Sub-total	¥ 953	¥3,484	¥2,530
Carrying value does not exceed acquisition cost:			
Stocks	¥ 135	¥ 119	¥ (16)
Sub-total	¥ 135	¥ 119	¥ (16)
Total	¥1,088	¥3,603	¥2,513

08 DERIVATIVE FINANCIAL INSTRUMENTS

Our group uses forward exchange contracts and currency options as derivative financial instruments primarily to reduce exposure to adverse fluctuations in foreign currency exchange rates. We do not enter into derivative financial transactions for trading or speculative purposes.

Our group enters into forward exchange contracts and currency options and collars to hedge market risks relating to possible future changes in foreign exchange rates for foreign-currency denominated trading accounts. These contracts

reduce the overall exposure to exchange fluctuations by effectively fixing the transaction costs. Credit risk relating to derivative instruments is relatively low as all counterparties are limited to creditworthy financial institutions. The Companies have internal rules and policies related to derivative transactions. The Business Administration Department enters into derivative transactions based on these internal rules and policies, as well as monitors the effectiveness of respective hedge transactions.

Fair value information on the derivatives outstanding as of March 31, 2012 and 2011 is summarized in the following tables:

March 31, 2012

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2012				2012			
	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)	¥ 523	¥—	¥ 27	¥ 27	\$ 6,373	\$—	\$ 338	\$338
USD (JPY Buy)	148	—	5	5	1,802	—	62	62
Buy -								
JPY (USD Sell)	¥ 126	¥—	¥ (2)	¥ (2)	\$ 1,535	\$—	\$ (29)	\$(29)
EUR (JPY Sell)	243	—	3	3	2,960	—	48	48
Currency options								
-Call								
EUR	¥ 43	¥—	¥—	¥—	\$ 530	\$—	\$—	\$—
(Option premium)	(1)	—	(0)	1	(17)	—	(0)	15
USD	965	—	—	—	11,752	—	—	—
(Option premium)	(19)	—	(12)	7	(242)	—	(153)	88
Buy -								
-Put								
EUR	¥ 43	¥—	¥—	¥—	\$ 530	\$—	\$—	\$—
(Option premium)	1	—	2	1	17	—	34	16
USD	965	—	—	—	11,752	—	—	—
(Option premium)	19	—	22	2	242	—	269	27
Total	¥1,040	¥—	¥ 34	¥ 34	\$12,672	\$—	\$ 419	\$419
	—	—	12	12	—	—	148	148

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 method

	Millions of yen				Thousands of U.S. dollars			
	2012				2012			
	Main hedged item	Contract value		Fair value	Main hedged item	Contract value		Fair value
Contract value total		Over 1 year	Contract value total			Over 1 year		
Forward exchange transactions:								
Sell -								
EUR (JPY Buy)	¥ 15	¥—	¥ 0	\$ 190	\$ —	\$ 6		
USD (JPY and EUR Buy)	1,043	19	27	12,705	234	330		
JPY (EUR Buy)	19	—	(0)	234	—	(8)		
Buy -								
JPY (EUR Sell)	¥ 43	¥—	¥ 3	\$ 532	\$ —	\$ 44		
USD (JPY Sell)	87	—	2	1,069	—	26		
Currency options								
Sell -								
-Call-								
USD	Expected foreign	¥1,932	¥—	¥—	Expected foreign	\$23,522	\$ —	\$ —
Option premium	currency	(29)	—	(32)	currency	(359)	—	(399)
EUR	transac-	859	—	—	transac-	10,457	—	—
Option premium	tions	(31)	—	29	tions	(385)	—	363
-Put-								
USD		140	—	—		1,715	—	—
Option premium		(1)	—	1		(15)	—	14
Buy -								
-Put-								
USD		¥1,932	¥—	¥—		\$23,522	\$ —	\$ —
Option premium		29	—	(16)		359	—	(196)
EUR		859	—	—		10,457	—	—
Option premium		31	—	19		385	—	239
-Call-								
USD		140	—	—		1,715	—	—
Option premium		1	—	0		15	—	3
Total		¥1,207	¥ 19	¥ 32		\$14,732	\$234	\$ 400
		—	—	2		—	—	25

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

March 31, 2011

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen			
	2011			
	Contract value		Fair value	Unrealized gain (loss)
Contract value total	Over 1 year			
Forward exchange transactions:				
Sell -				
EUR (JPY Buy)	¥ 531	¥ —	¥(10)	¥(10)
USD (EUR Buy)	1,030	—	25	25
JPY (USD Buy)	27	—	(0)	(0)
Buy -				
JPY (USD Sell)	¥ 28	¥ —	¥ (0)	¥ (0)
USD (EUR Sell)	65	—	(1)	(1)
EUR (USD Sell)	759	49	56	56
GBP (USD Sell)	13	—	(0)	(0)
Currency options				
Sell -				
-Call-				
EUR	¥ 290	¥ —	¥ —	¥ —
Option premium	(4)	—	(8)	(4)
Buy -				
-Put-				
EUR	¥ 290	¥ —	¥ —	¥ —
Option premium	4	—	4	(0)
Total	¥2,457	¥ 49	¥ 69	¥ 69
	—	—	(4)	(4)

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 method

Millions of yen				
2011				
	Main hedged item	Contract value		Fair value
		Contract value total	Over 1 year	
Forward exchange transactions:				
Sell -				
	EUR (JPY Buy)	¥ 176	¥ —	¥ (1)
Buy -				
	USD (JPY Sell)	¥ 29	¥ —	¥ 0
Currency options				
Sell -				
-Call-				
	USD	¥3,402	¥ 551	¥—
	Option premium	(82)	(16)	(40)
	EUR	1,399	662	—
	Option premium	(50)	(26)	(28)
-Put-				
	USD	239	—	—
	Option premium	(5)	—	(0)
	EUR	520	—	—
	Option premium	(20)	—	18
Buy -				
-Put-				
	USD	¥3,402	¥ 551	¥—
	Option premium	82	16	(27)
	EUR	1,399	662	—
	Option premium	50	26	(22)
-Call-				
	USD	239	—	—
	Option premium	5	—	(1)
	EUR	520	—	—
	Option premium	20	—	24
Total		¥ 205	—	¥ (0)
		—	—	(77)

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

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

Short-term loans payable as of March 31, 2012 consisted of the following:

	Millions of yen		
	Amount	Interest rate	Repayment term
Short-term loans payable (Other current liabilities)	¥548	1.78%	September 21, 2012

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

Long-term loans payable as of March 31, 2012 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	Amount	Interest rate	Repayment term	Amount
Long-term loans payable	¥500	1.94%	March 31, 2014	\$6,087
Long-term loans payable	¥500	1.70%	March 31, 2015	\$6,087
Long-term loans payable	¥500	1.55%	December 15, 2015	\$6,087

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

	Millions of yen		
	Amount	Interest rate	Repayment term
Long-term loans payable	¥500	1.94%	March 31, 2014
Long-term loans payable	¥500	1.70%	March 31, 2015
Long-term loans payable	¥500	1.55%	December 15, 2015

Lease obligations as of March 31, 2012 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	Amount	Repayment term	Amount
Current portion of lease obligations	¥916	—	\$11,163
Lease obligations	¥ 43	2015	\$ 533

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

	Millions of yen	
	Amount	Repayment term
Current portion of lease obligations	¥121	—
Lease obligations	¥941	2014

Repayment schedules for long-term loans payable and lease obligations, as of March 31, 2012, are as follows:

Long-term loans payable:

As of March 31	Millions of yen	Thousands of U.S. dollars
2014	¥500	\$6,087
2015	500	6,087
2016	500	6,087
2017	—	—

Lease obligations:

As of March 31	Millions of yen	Thousands of U.S. dollars
2014	¥26	\$316
2015	12	147
2016	5	61
2017	—	—

10 ACCRUED PENSION AND SEVERANCE COSTS FOR EMPLOYEES

AIDA and its domestic subsidiaries have a defined contribution pension plan and cash balance plan as a defined benefit pension plan. Certain overseas consolidated subsidiaries adopt a defined benefit pension plan or defined contribution pension plan.

Information on liabilities for retirement benefits as of March 31, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
(1) Projected benefit obligations	¥(3,754)	¥(3,998)	\$(45,714)
(2) Plan assets	3,362	3,377	40,939
(3) Unfunded liabilities for retirement benefits (1)+(2)	(392)	(620)	(4,774)
(4) Unrecognized actuarial differences	520	645	6,332
(5) Total (3) + (4)	127	25	1,557
(6) Prepaid expenses for retirement benefits	434	461	5,289
(7) Accrued pension and severance costs for employees (5) – (6)	¥ (306)	¥ (435)	\$ (3,731)

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

Expenses for retirement benefits to employees for the years ended March 31, 2012 and 2011 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
(1) Service costs	¥179	¥200	\$2,184
(2) Interest cost	71	79	867
(3) Expected return on fund assets	(67)	(76)	(822)
(4) Amortization of actuarial differences	124	164	1,514
(5) Contribution for pension plan	116	114	1,420
Expenses for retirement benefits	¥424	¥482	\$5,164

Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost."

Estimates used in the calculation of liabilities for retirement benefits as of March 31, 2012 and 2011 are as follows:

	2012	2011
(1) Discount rate	2.0%	2.0%
(2) Expected rate of return on plan assets	2.0%	2.0%
(3) Method of attributing projected benefits to periods of services	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

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 per share for the years ended March 31, 2012 and 2011

	Yen		U.S. dollars
	2012	2011	2012
Net assets per share*1	¥781.51	¥745.19	\$9.51
Net income—Basic*2	¥ 46.90	¥ 19.44	\$0.57
—Diluted*2	¥ 46.86	¥ 19.42	\$0.57

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

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Total net assets on consolidated balance sheets	¥47,472	¥45,216	\$577,940
Total net assets attributable to shares of common stock	¥47,405	¥45,144	\$577,129
Main differences: Stock options	¥ 66	¥ 71	\$ 811
Number of shares outstanding (thousands of shares)	79,147	79,147	—
Number of treasury stock (thousands of shares)	18,488	18,565	—
Number of shares used for computing net assets per share	¥60,658	¥60,581	\$ —

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

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net income	¥ 2,842	¥ 1,228	\$34,610
Net income attributable to shares of common stock	¥ 2,842	¥ 1,228	\$34,610
Average number of shares outstanding during the years (thousands of shares)	60,614	63,196	—
Potential increase in common stock for the diluted income calculation (thousands of shares)	52	48	—

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, 2012 and 2011.

(1) Reconciliation of the difference between the effective income tax rates and statutory income tax rate for the years ended March 31, 2012 and 2011 is shown below:

	2012	2011
Statutory income tax rate	40.6%	40.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	3.8	5.7
Dividend income	(0.5)	(1.1)
Inhabitant taxes per capita	0.6	1.6
Difference of tax rates applied to overseas subsidiaries	(6.0)	(4.3)
Changes in valuation allowance	(31.4)	(54.3)
Effect of tax rate reduction	(0.6)	—
Others	(3.8)	(0.5)
Effective income tax rates	2.7%	(12.3)%

(2) The major components of deferred income tax assets and liabilities as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred income tax assets:			
Loss on write-down of inventories	¥ 550	¥ 693	\$ 6,696
Accrued warranty costs	266	257	3,241
Accrued bonuses for employees	220	206	2,679
Depreciation expense	1,212	1,385	14,767
Unrealized loss on golf club membership	8	9	99
Long-term payables	89	106	1,092
Tax losses carried-forward	3,223	4,435	39,244
Others	558	505	6,805
Subtotal deferred income tax assets	6,129	7,600	74,628
Less: Valuation allowance	(4,834)	(6,453)	(58,854)
Total deferred income tax assets	1,294	1,146	15,763
Deferred income tax liabilities:			
Undistributed subsidiaries' earnings	(150)	(152)	(1,836)
Reserve for reduction entry of replaced property	(571)	(658)	(6,958)
Accrued pension and retirement expenses for employees	(154)	(187)	(1,884)
Unrealized gains on other securities	(837)	(995)	(10,197)
Others	(37)	(46)	(459)
Total deferred income tax liabilities	(1,752)	(2,039)	(21,337)
Net deferred income tax assets (liabilities)	¥ (457)	¥ (893)	\$ (5,574)

The "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No.114 of 2011) and the "Act for Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No.117 of 2011) were promulgated on December 2, 2011 and the staged reduction of the national corporate tax rate and a special reconstruction corporate tax will apply to corporate taxes effective fiscal years beginning on or after April 1, 2012.

As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed

from 40.6% to 37.96% for temporary differences expected to be realized or settled in the period from April 1, 2012 to March 31, 2015 and from 40.6% to 35.58% for temporary differences expected to be realized or settled from fiscal years beginning April 1, 2015.

As a result of the reduction of the effective statutory tax rate net deferred tax liabilities decreased ¥136 million (U.S.\$1,663 thousand) and deferred income taxes decreased ¥17 million (U.S.\$214 thousand) as of and for the year ended March 31, 2012. In addition, net unrealized gain on other securities increased ¥118 million (U.S.\$1,438 thousand) and deferred gains on hedges increased ¥0 million (U.S.\$10 thousand).

13 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses for the years ended March 31, 2012 and 2011.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Salaries and wages	¥2,266	¥1,731	\$27,595
Bonuses	175	149	2,133
Provision for accrued bonuses for employees	328	206	4,000
Provision for accrued pension and retirement expenses for employees	119	121	1,455
Welfare expenses	483	373	5,889
Commission expenses	186	171	2,268
Advertising and promotion expenses	188	53	2,299
Traveling expenses	418	337	5,091
Communication expenses	122	97	1,491
Rental expenses	246	224	3,002
Insurance expenses	180	146	2,202
Depreciation expenses	465	395	5,665
Taxation and other public dues	257	140	3,135
Compensation fee	291	429	3,554

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, 2012 and 2011 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cost of sales	¥374	¥ 323	\$ 4,559
Selling, general and administrative expenses	534	755	6,511
Total	¥909	¥1,079	\$11,070

15 IMPAIRMENT LOSS ON FIXED ASSETS

Impairment loss on fixed assets recorded for the year ended March 31, 2012 is summarized as follows:

Purpose	Type of assets	Location	Millions of yen	Thousands of U.S. dollars
Idle assets	Building	Lecco City (Italy)	¥42	\$517
	Machine, equipment		2	32
	Land		2	24
	Land	Derby City (UK)	20	251
	Building	Sagamihara City	4	58
	Land	(Japan)	6	76
	Total			¥78

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
Idle assets	Land	Derby City (UK)	¥7

For idle assets owned by the AIDA group, those for which the recoverable value is below the book value are reduced to their recoverable value, and the difference is recorded as impairment loss in extraordinary loss.

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

The AIDA group classifies business properties based on management accounting, and classifies idle assets on an individual basis.

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, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Operating leases:			
Due within one year	¥159	¥167	\$1,938
Thereafter	114	243	1,389
Total	¥273	¥410	\$3,328
Finance leases:			
Due within one year	¥ 29	¥ 53	\$ 360
Thereafter	3	32	44
Total	¥ 33	¥ 85	\$ 405

Lease expenses relating to finance leases which do not transfer ownership of the leased assets for the years ended March 31, 2012 and 2011 were ¥54 million (U.S.\$659 thousand) and ¥60 million, respectively.

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

Pro forma data as of March 31, 2012 and 2011 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
	2012	2011	2012
Acquisition cost	¥ 245	¥ 302	\$ 2,992
Accumulated depreciation	(212)	(216)	(2,587)
Net book value	33	85	405
Depreciation expense	¥ 54	¥ 60	\$ 659

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 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 consolidation other than those disclosed elsewhere in these financial statements, for the year ended March 31, 2012.

During the year ended March 31, 2011, AIDA received liquidation dividends of ¥31 million from non-consolidated subsidiary, ARBIOTEC, LTD.

18 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table presents reclassifications adjustments and tax effects allocated to each component of other comprehensive income for the year ended March 31, 2012:

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Unrealized holding gain (loss) on securities:		
Amount arising during the year	¥(161)	\$(1,963)
Reclassification adjustments for gains and losses included in net income	—	—
Amount before tax effect	(161)	(1,963)
Tax effect	157	1,915
Unrealized holding gain (loss) on securities	(3)	(47)
Unrealized gain (loss) from hedging instruments:		
Amount arising during the year	751	9,148
Reclassification adjustments for gains and losses included in net income	(631)	(7,689)
Amount before tax effect	119	1,459
Tax effect	(57)	(702)
Unrealized holding gain (loss) from hedging instruments	62	756
Translation adjustments:		
Amount arising during the year	(265)	(3,233)
Total other comprehensive income	¥(207)	\$(2,525)

19 SEGMENT INFORMATION

(1) Overview of reportable segments

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

AIDA operates within a single business 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.), and Europe (Italy) plays an 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 sales and transfer prices, 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, 2012 and 2011

Millions of yen						
For the year ended March 31, 2012	Japan	Asia	Americas	Europe	Reconciliation	Consolidated
Sales to third parties	¥20,241	¥12,646	¥8,705	¥10,646	¥ —	¥52,240
Inter-segment sales	14,335	843	729	2,313	(18,222)	—
Total sales	34,577	13,490	9,434	12,959	(18,222)	52,240
Segment profit or loss	¥ 1,294	¥ 880	¥ 352	¥ (405)	¥ 99	¥ 2,221
Segment assets	¥57,255	¥14,374	¥7,712	¥ 6,809	¥(14,851)	¥71,300
Depreciation	¥ 993	¥ 223	¥ 62	¥ 99	¥ —	¥ 1,378
Increase in property, plant, equipment and intangible assets	¥ 712	¥ 1,877	¥ 49	¥ 42	¥ (14)	¥ 2,667

Thousands of U.S. dollars						
For the year ended March 31, 2012	Japan	Asia	Americas	Europe	Reconciliation	Consolidated
Sales to third parties	\$246,430	\$153,963	\$105,981	\$129,615	\$ —	\$635,990
Inter-segment sales	174,527	10,274	8,880	28,163	(221,846)	—
Total sales	420,957	164,238	114,862	157,779	(221,846)	635,990
Segment profit or loss	\$ 15,763	\$ 10,716	\$ 4,286	\$ (4,937)	\$ (1,213)	\$ 27,042
Segment assets	\$697,051	\$174,997	\$ 93,890	\$ 82,900	\$(180,808)	\$868,032
Depreciation	\$ 12,091	\$ 2,721	\$ 755	\$ 1,216	\$ —	\$ 16,784
Increase in property, plant, equipment and intangible assets	\$ 8,672	\$ 22,858	\$ 598	\$ 514	\$ (173)	\$ 32,471

Millions of yen						
For the year ended March 31, 2011	Japan	Asia	Americas	Europe	Reconciliation	Consolidated
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 profit	¥ 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
Increase in property, plant, equipment and intangible assets	¥ 470	¥ 178	¥ 15	¥ 24	¥ —	¥ 689

- Adjustment of sales amount means elimination among inter-segment transactions.
- Adjustments of segment profit or loss arose from elimination among inter-segment transactions.
- Adjustments of segment assets mean elimination between inter-segment receivables and payables.
- Adjustments for increased property, plant, equipment and intangible assets were made by eliminating inter-segment transactions.

(Related Information)

1. Products and service

For the year ended March 31, 2012

Millions of yen				
	Press machines	Service	Others	Total
Sales to third parties	¥41,574	¥10,483	¥181	¥52,240

Thousands of U.S. dollars				
	Press machines	Service	Others	Total
Sales to third parties	\$506,147	\$127,630	\$2,212	\$635,990

For the year ended March 31, 2011

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

2. Geographical information

(1) Sales

Year ended March 31, 2012

Millions of yen						
Japan	Asia	Americas	Europe	Others	Total	
¥15,805	¥16,594	¥10,782	¥8,981	¥76	¥52,240	

Thousands of U.S. dollars						
Japan	Asia	Americas	Europe	Others	Total	
\$192,426	\$202,024	\$131,265	\$109,339	\$934	\$635,990	

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

Year ended March 31, 2011

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

(2) Property, plant and equipment

As of March 31, 2012

Millions of yen				
Japan	Asia	Americas	Europe	Total
¥ 11,367	¥ 2,754	¥701	¥1,056	¥15,879

Thousands of U.S. dollars				
Japan	Asia	Americas	Europe	Total
\$138,390	\$33,531	\$8,536	\$12,866	\$193,325

As of March 31, 2011

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

Reportable segment information for impairment loss of fixed assets
Year ended March 31, 2012

Millions of yen					
Japan	Asia	Americas	Europe	Elimination of intersegment transaction	Total
¥31	¥—	¥—	¥47	¥—	¥78

Thousands of U.S. dollars					
Japan	Asia	Americas	Europe	Elimination of intersegment transaction	Total
\$385	\$—	\$—	\$575	\$—	\$961

Year ended March 31, 2011

Millions of yen					
Japan	Asia	Americas	Europe	Elimination of intersegment transaction	Total
¥7	¥—	¥—	¥—	¥—	¥7

(Reportable segment information for amortization and balance of goodwill)

There is no amortization or ending balance of goodwill for the years ended March 31, 2012 and 2011.

(Reportable segment information for negative goodwill)

There is no negative goodwill recorded for the years ended March 31, 2012 and 2011.

20 STOCK OPTIONS

The directors' remuneration recorded in "Selling, general and administrative expenses" for the years ended March 31, 2012 and 2011 is ¥19 million (U.S.\$241 thousand) and ¥20 million, respectively.

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

	Fiscal year	Grantees	Number of common shares granted (shares)	Grant date	Exercise price per share (yen)	Exercise periods
I. Stock options to purchase treasury stocks	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
	2011	Directors (7)	57,000	September 29, 2011	1	From September 30, 2011 to September 29, 2041

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

Granted fiscal year	2002	2003	2004	2005	2007	2008	2009	2010	2011
Exercise price per share (1 yen)	304	388	563	725	1	1	1	1	1
Average stock price when exercised	470	—	—	—	363.86	361.45	362.23	363.42	348.00
Fairly evaluated price per share									
when granted	—	—	—	—	655.00	407.00	254.49	264.50	348.40
Outstanding as of April 1, 2011	—	—	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—	—	57,000
Forfeited	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	57,000
Outstanding as of March 31, 2012	—	—	—	—	—	—	—	—	—
Outstanding as of April 1, 2011	36,000	149,000	510,000	874,000	22,000	36,000	85,000	79,000	—
Vested	—	—	—	—	—	—	—	—	57,000
Exercised	5,000	—	—	—	7,000	11,000	26,000	24,000	3,000
Forfeited	31,000	—	38,000	49,000	—	—	—	—	5,000
Outstanding as of March 31, 2012	—	149,000	472,000	825,000	15,000	25,000	59,000	55,000	49,000

The method for estimating the fair value of stock options granted in the year ended March 31, 2012 is as follows:

(a) Valuation method used: Black-Scholes model

(b) Principal basic values and assumptions

Volatility (*1) 42.96%

Projected remaining period (*2)..... 7 years

Projected dividend (*3) ¥5.50 [U.S.\$0.06] / share

Risk-free interest rate 0.58%

(*1) Computed based on share prices during a seven-year period from September 30, 2004 to September 29, 2011.

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

(*3) Determined based on the average of the dividend amounts for the years ended March 31, 2010 and 2011.

21 SUBSEQUENT EVENT

March 31, 2012:

On June 28, 2012, at the general meeting of shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥14.00 (U.S.\$0.17) per share)	¥896	\$10,917

The amount includes the dividend of ¥47 million (U.S.\$578 thousand) on shares (3,397,000 shares as of March 31, 2012), held by the Trust Account E.

REPORT OF INDEPENDENT AUDITORS



Independent Auditor's Report

The Board of Directors
 AIDA ENGINEERING, Ltd.

We have audited the accompanying consolidated financial statements of AIDA ENGINEERING, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AIDA ENGINEERING, Ltd. and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon L.L.C

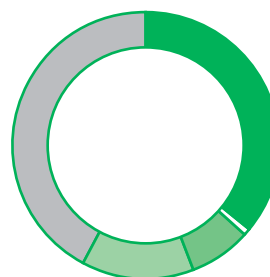
June 28, 2012
 Tokyo, Japan

STOCK INFORMATION

(As of March 31, 2012)

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	18,488,681*
Number of Shareholders Issued	7,515
Number of Shares per Trading Unit	100 shares
Custodian of Shareholders	Mizuho Trust & Banking Co., Ltd.

BREAKDOWN OF ISSUED SHARES BY TYPE OF SHAREHOLDER



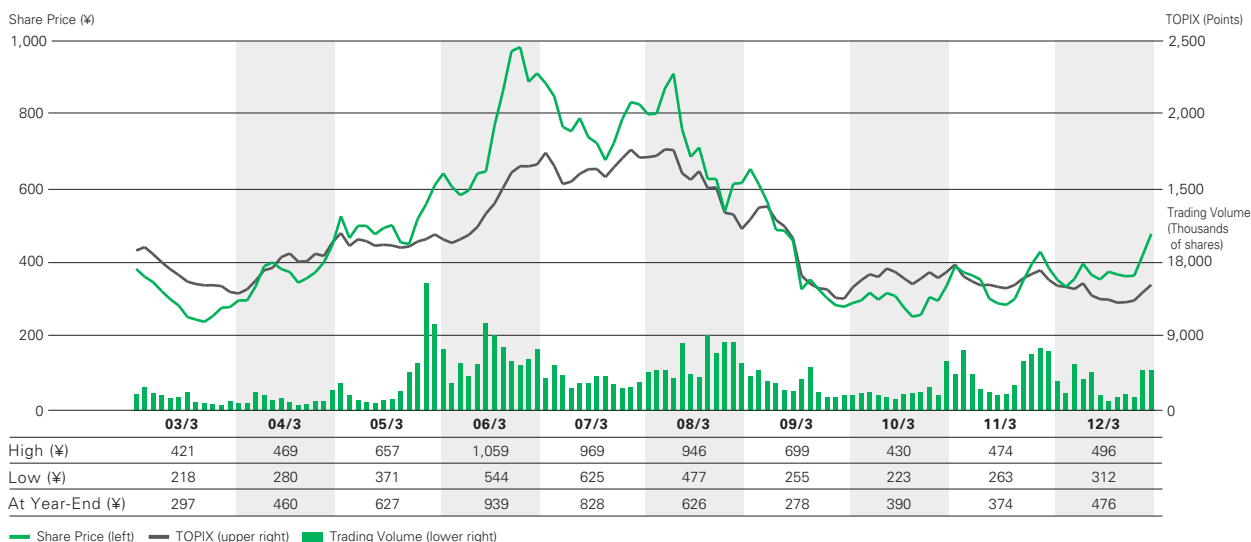
* Number of shares of treasury stock includes the 3,397,000 shares of treasury stock held by Trust & Custody Services Bank, Ltd. (Trust Account E) following the introduction of the "J-ESOP" Employee Stock Ownership Plan.

MAJOR SHAREHOLDERS

	Number of Shares Held (thousands)	Percentage of Total Issued Shares (%)
The Dai-ichi Life Insurance Company, Ltd.	4,000	5.05
Nippon Life Insurance Company	3,725	4.71
Japan Trustee Services Bank, Ltd. (trust account)	3,417	4.32
Trust & Custody Services Bank, Ltd. (Trust Account E)	3,397	4.29
Meiji Yasuda Life Insurance Company	2,516	3.18
The Master Trust Bank of Japan, Ltd. (trust account)	2,488	3.14
Mizuho Corporate Bank, Ltd.	2,179	2.75
The Bank of New York, Treaty Jasdec Account	2,022	2.56
Kimikazu Aida	1,433	1.81
CBNY DFA Intl Small Cap Value Portfolio	1,132	1.43

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.



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