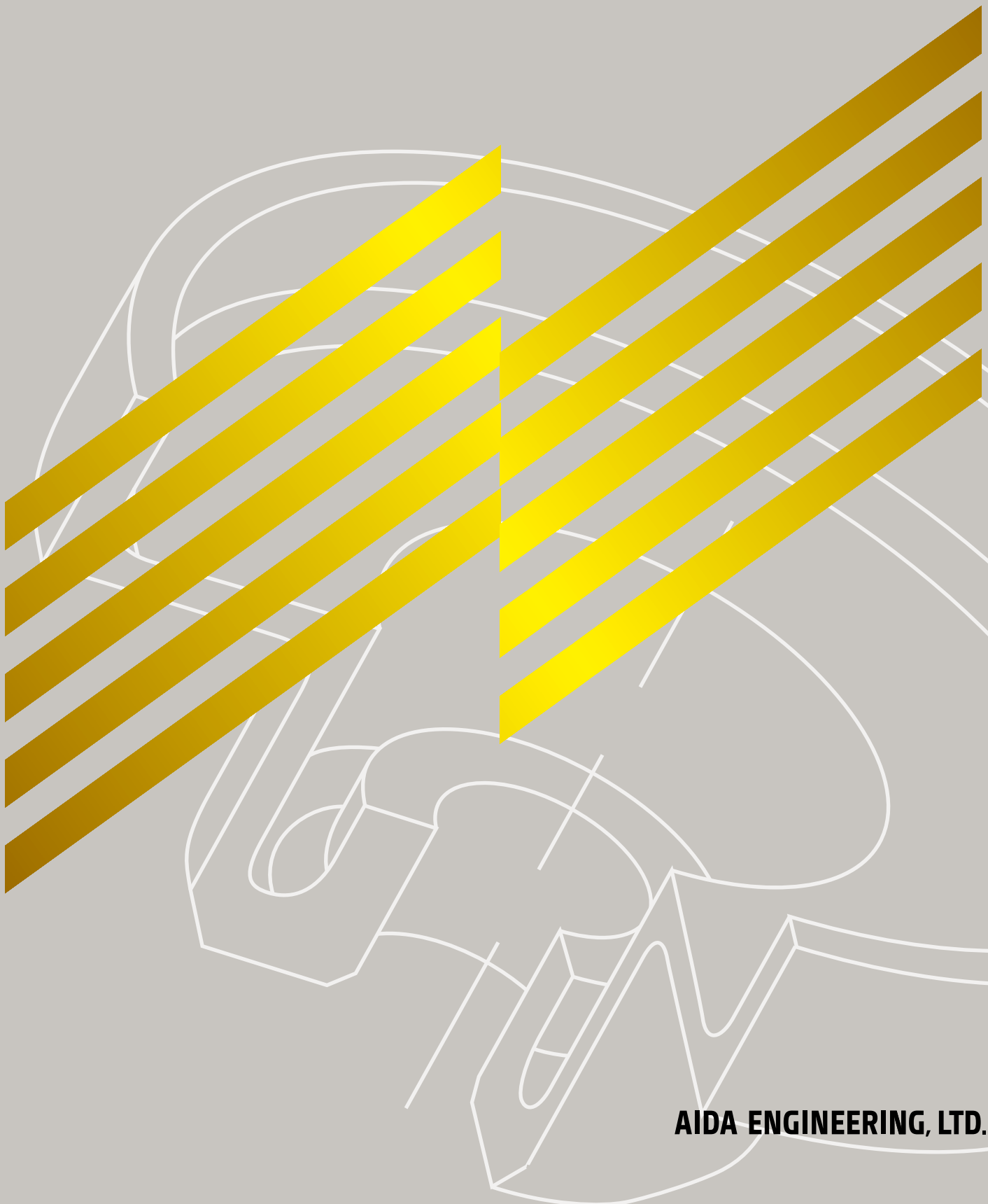
ANNUAL REPORT 2010

AIDA



AIDA ENGINEERING, LTD.

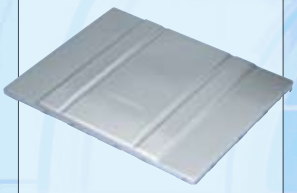
THE ORIGINS OF QUALITY

Our lifestyles are filled with a vast array of manufactured products ranging from automobiles, consumer electronics and everyday items to ornamental items that provide convenience and comfort as well as safety and enjoyment to our lives. The high quality and value-added content of superior products that make them light and easy to use, strong and durable and/or energy-saving and environmentally friendly are the result of the collective quality of each separate product component.

AIDA ENGINEERING makes the manufacturing systems that form these metal products. The Company's forming systems are the source of that quality.

Raw Material

Press



Product Component

Manufactured Product

The Press Products around Us

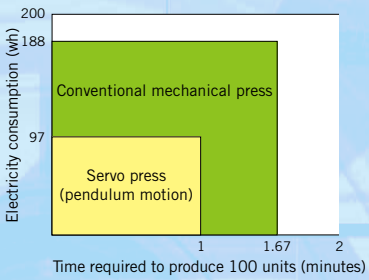
In many cases, the metal parts used in manufactured products are made using press metalforming technologies. The range of press metalforming applications is expanding as a result of technological progress that enables the usage of press applications for forming complex shapes and difficult-to-form materials.

MANUFACTURING

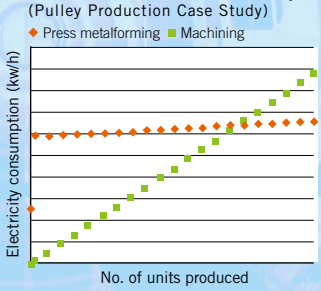
IN THE ENVIRONMENTAL AGE

Direct Servo Former NS1-1500(D)+
Straightener Feeder LFL

Comparison of Time and Energy Required to Produce 100 Pulleys

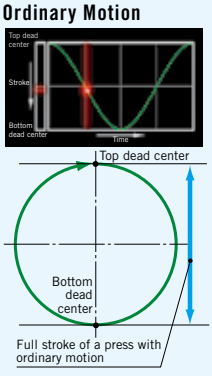


Correlation between Production Quantities and Power Consumption
(Pulley Production Case Study)

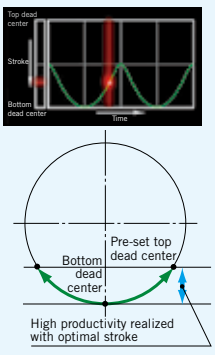


Compared to other forming methods where energy consumption increases proportionally based on the number of units produced, press metalforming energy consumption only increases slightly as more units are produced, and thus higher mass production means higher energy efficiency.

Ordinary Motion



Pendulum Motion



Press metalforming has long been used to manufacture industrial products because of its suitability for mass production and because its forming methods conserve resources and energy in a highly efficient manner. In today's world, which emphasizes achieving harmony between the affluence of our lifestyles and protecting the global environment, interest has been growing in press metalforming from an ecological viewpoint.

For example, the AIDA Direct Servo Former enables the optimal forming of products based on their shapes in the shortest amount of time while eliminating unnecessary motion and reusing excess energy. AIDA will continue to use its proven technologies to meet the expectations of producers of manufactured goods.

OUR R&D DNA

THE SOURCE OF OUR GROWTH POTENTIAL

The ULX Series Engineering Team
This team created an innovative design to achieve a press with "higher dynamic accuracy than a die" that turned press metalforming conventional wisdom on its head. This is truly the ultimate next-generation forming machine that extends die life by a factor ranging from 10 to almost 100.

The stable, proven product quality that has boosted AIDA's global brand is the result of its advanced research and development capabilities. This is not just limited to the machines that AIDA produces, it also extends to other fields, including the development of new forming methods and of material conveyance methods for production automation, and thus it could be said that this is the competitive edge that AIDA has accumulated in many fields related to press metalforming in its more than 90 years of existence. By applying the creativity and teamwork of its engineers to this firm technological foundation, AIDA can recommend specific forming systems tailored to fit the custom requirements of each customer.

AIDA's Technological Milestones

Since its founding, AIDA has been a "technology development-oriented" company, and this has resulted in the development of many technologies that are "first in Japan" and "first in the world." We continue to steadily pass down this DNA through successive generations of engineers. AIDA contributes to people and the community by enabling even better production technologies that can accommodate the continual and extremely rapid pace of changes in material, shape, accuracy, and environmental requirements.

List of some of AIDA's "Japan firsts" in the years since the Company's founding in 1917

[1933] Manufactures the first Japan-built knuckle-joint press.

[1951] Manufactures the first Japan-built crown capping press.

[1955] Manufactures the first Japan-built 200-ton high-speed automatic press.

[1960] Manufactures the first Japan-built transfer press.
Spearheads the spread of transfer press metalforming in Japan.

[1967] Manufactures the world's largest-class (2,500-ton) transfer press.
Achieves world-leading high-speed utilization performance in terms of productivity.

[1968] Manufactures "Autohand," Japan's first industrial robot, spurring the rapid expansion of the manufacturing robot industry.

[2000] Independently develops a powerful low-speed, high-torque motor for servo presses.

Entering the 21st century, AIDA has continued its cutting-edge R&D

AIDA has received one of the most prestigious awards for industrial products—the "10 Greatest Innovations Prize" of the *Nikkan Kogyo Shimbun* (Business & Technology Daily News)—numerous times for the following:

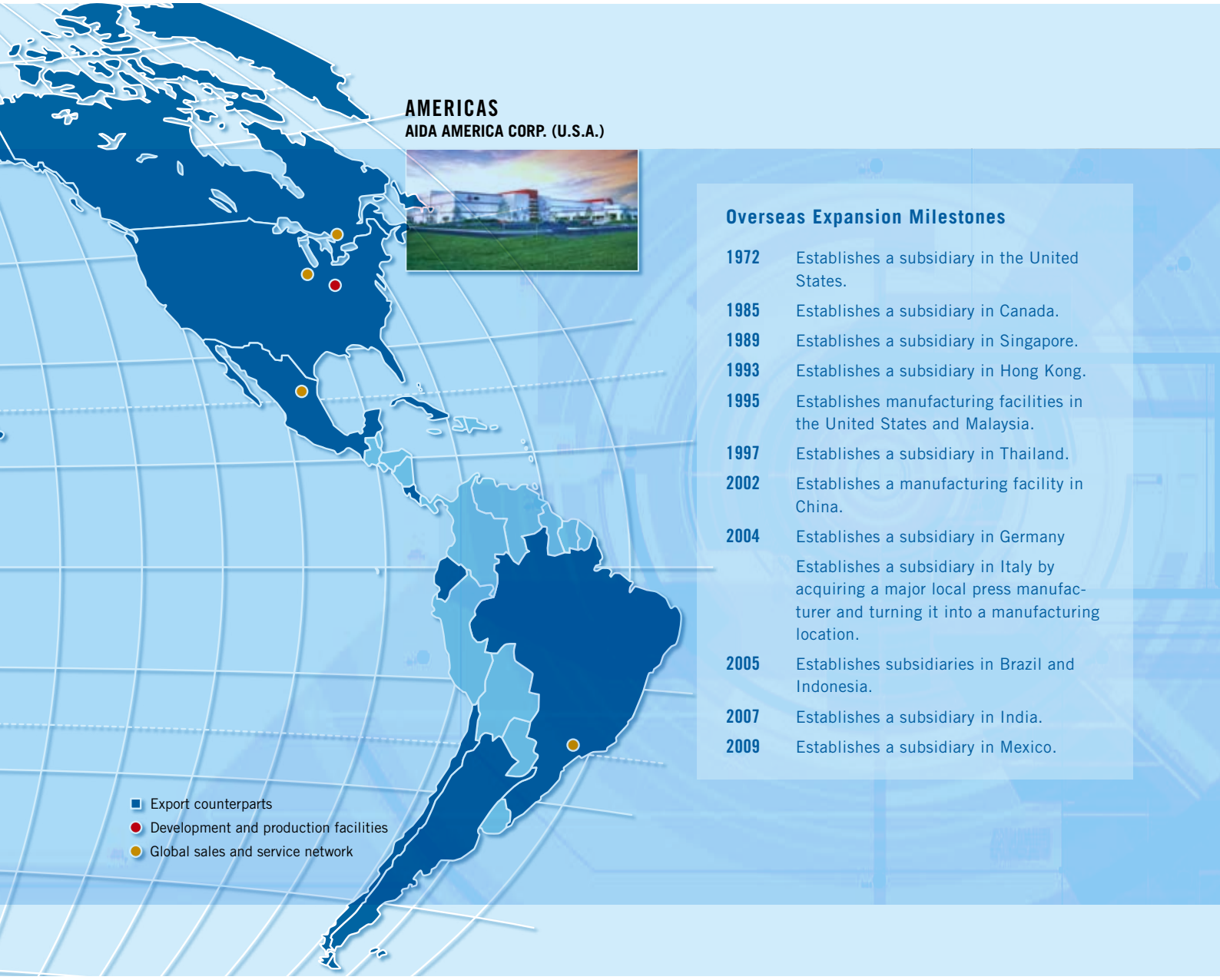
[2002] The Digital Servo Former Series (now called the Direct Servo Former Series)

[2004] The ULX Series

[2009] The world's largest-class (23,000 kN) Large Direct Servo Press

AIDA—A GLOBAL BRAND

Having expanded overseas independently at an early date, the Company is proud of having delivered machinery to more than 60 countries around the world, and AIDA is now a global press brand. Having firsthand knowledge of the production philosophies and production process characteristics found in each market, together with providing the products and services that match local market requirements from the optimal AIDA location, the Company is also increasing its ability to provide post-sale solutions by the AIDA Group as a whole, such as providing thorough and comprehensive support from veteran engineers.



Overseas Expansion Milestones

1972	Establishes a subsidiary in the United States.
1985	Establishes a subsidiary in Canada.
1989	Establishes a subsidiary in Singapore.
1993	Establishes a subsidiary in Hong Kong.
1995	Establishes manufacturing facilities in the United States and Malaysia.
1997	Establishes a subsidiary in Thailand.
2002	Establishes a manufacturing facility in China.
2004	Establishes a subsidiary in Germany
	Establishes a subsidiary in Italy by acquiring a major local press manufacturer and turning it into a manufacturing location.
2005	Establishes subsidiaries in Brazil and Indonesia.
2007	Establishes a subsidiary in India.
2009	Establishes a subsidiary in Mexico.

Working toward globalization also means manpower diversification.

AIDA's basic policy is to hire local staff, including management, for its five development and production facilities located around the globe in Japan, China, Malaysia, Italy and the United States, as well as for the AIDA sales and service branches located in 34 cities in 17 countries. The local AIDA personnel leverage their in-depth knowledge of their markets to provide customers with tailored products and service that meet their requirements. With more than 50% of its turnover coming from overseas, AIDA will continue to contribute to manufacturing activities on a global scale.

FINANCIAL HIGHLIGHTS

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

	Millions of yen			Thousands of U.S. dollars	% change
	2010	2009	2008	2010	2010 vs 2009
Orders	¥ 33,403	¥40,883	¥65,785	$ 359,024	(18.3)
Order backlog	23,563	25,058	44,850	253,258	(6.0)
Net sales	34,898	60,675	64,513	375,092	(42.5)
Operating income (loss)	(5,529)	955	5,365	(59,429)	—
Operating income ratio	(15.8%)	1.6%	8.3%	—	—
Net income (loss)	(12,090)	810	3,585	(129,947)	—
Net cash provided by (used in) operating activities	4,857	2,475	(1,103)	52,205	96.2
Net cash provided by (used in) investing activities	(294)	3,985	(0)	(3,168)	—
Free cash flow	4,562	6,460	(1,103)	49,036	(29.4)
Net cash provided by (used in) financing activities	309	(3,599)	(2,162)	3,329	—
Total assets	63,867	74,796	85,036	686,453	(14.6)
Total net assets	45,706	57,869	61,326	491,255	(21.0)
Shareholders' equity ratio	71.5%	77.3%	72.1%	—	—
Return on equity (ROE)	(23.4%)	1.4%	5.7%	—	—
Return on assets (ROA)	(17.4%)	1.0%	4.1%	—	—
Per Share Data		Yen		U.S. ¢	% change
Net income (loss) (Basic)	¥(189.36)	¥ 12.41	¥ 50.27	¢(203.53)	—
Cash dividends	5.00	5.00	15.00	5.37	—
Net assets	715.08	905.90	911.28	768.57	(21.1)

Note U.S. dollar amounts have been translated at the rate of ¥93.04=US$1, the current exchange rate on March 31, 2010.

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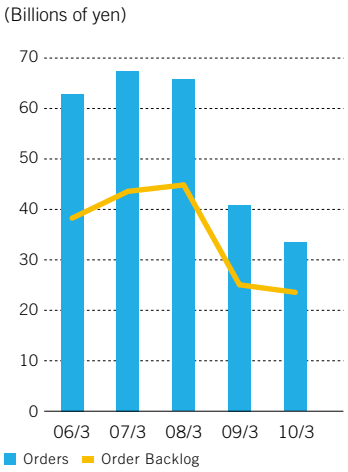
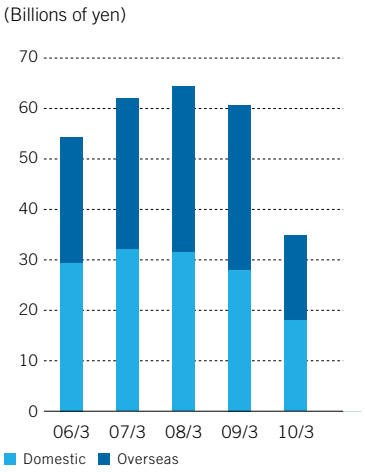
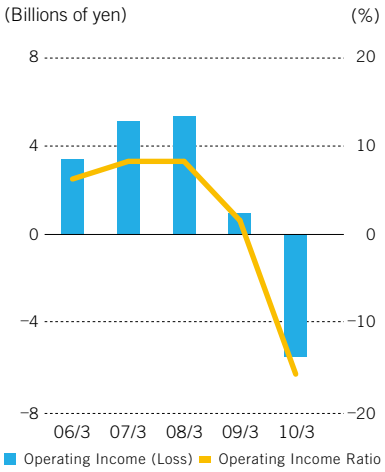
Orders and Order Backlog



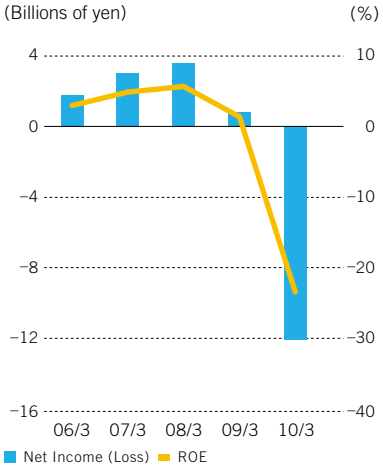
Net Sales



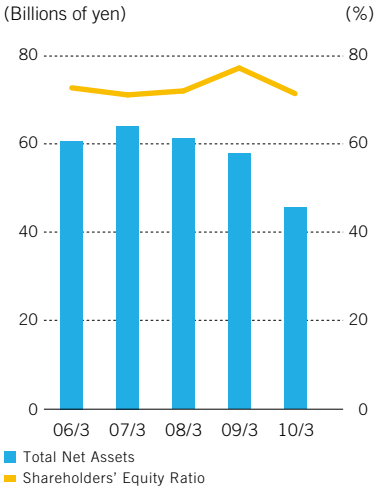
Operating Income (Loss) and Operating Income Ratio



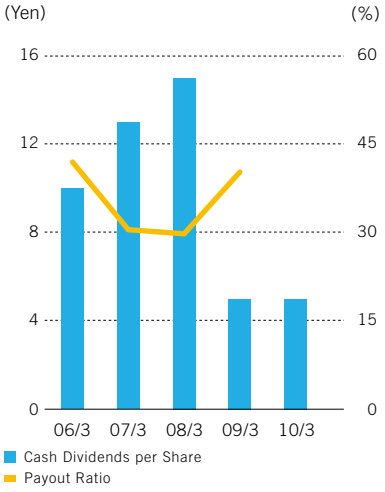
Net Income (Loss) and ROE



Total Net Assets and Shareholders' Equity Ratio



Cash Dividends per Share and Consolidated Payout Ratio



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 the information currently available to it. 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.

TO OUR STAKEHOLDERS

Kimikazu Aida
President & CEO

AIDA ENGINEERING will utilize the unique technical capabilities it has accumulated over many years along with its global business infrastructure as it continues to strive to meet the challenge of realizing new growth.

Operating Environment and Market Trends

Reviewing the operating environment in fiscal 2009, ended March 31, 2010, from the second quarter onward, exports to China and other markets in the Asia region grew and the Japanese economy began to show signs of improvement as the government's economic policies had a positive impact. However, weak conditions persisted in such areas as capital expenditures, employment and personal income levels. Hence, it was still difficult to conclude that the economy had entered a full-fledged period of recovery.

Focusing on the forming (press) machinery manufacturing industry, in which AIDA ENGINEERING operates, the production volume levels at automotive-related companies—major press machine users—recovered somewhat from the recession's low point. However, excluding China, where capital expenditures remained robust, capital expenditures around the world, and particularly in Japan, in such industries as automobiles and electrical equipment failed to move out of their slump. According to statistics compiled by the Japan Forming Machinery Association, the value of orders for press machinery in fiscal 2009 in Japan declined 54% year on year, to approximately ¥54 billion, following a 43% year-on-year decline in the previous fiscal year. This sharp contraction in orders highlights the unprecedented situation in which the forming machinery industry finds itself. The size of the press machinery market peaked in fiscal 2006, ended March 31, 2007, when orders reached an annual level of almost ¥220 billion. Comparing the peak level to the fiscal 2009 level illustrates the extent of the market contraction that has taken place over the past three years.

Overview of Consolidated Operating Results

In the conditions outlined above, consolidated net sales in fiscal 2009 declined 42.5% compared with the previous fiscal year, to ¥34,898 million, and the operating loss amounted to ¥5,529 million, compared with operating income of ¥955 million in the previous fiscal year. The net loss amounted to ¥12,090 million, compared with net income of ¥810 million a year earlier. As demand decreased steeply owing to dramatic falls in capital expenditures in the automotive and electrical and electronic component industries, we focused our efforts on securing profitability through the execution of four key policies: reduction of fixed expenses; lowering of the variable-cost ratio; development of new markets; and expansion of service businesses. However, despite these efforts we were unable to achieve profitability.

Among these policies, in the area of reduction of fixed expenses, we achieved a 20% cut in fixed expenses on a consolidated basis through measures that included the cessation of director bonuses, cuts in director compensation, curbs on employee pay increases, a 60% reduction in employee bonuses compared with the previous fiscal year, and the temporary shutdown of operations in Japan, Europe, Asia and China. However, in addition to the impact of the large drop in net sales, a change in the structure of our sales led to a deterioration in the cost of sales ratio, an increase in losses on inventory valuation, and an increase in retirement benefit expenses accompanying business restructuring. These and other factors led to the posting of the operating loss in fiscal 2009.

The larger size of the net loss was attributable to such factors as the recording of an extraordinary loss amounting to ¥3,761 million stemming from the withdrawal from the employees' pension fund and the recognition of impairment losses on fixed assets. This loss resulted from measures designed to further restructure AIDA ENGINEERING's business to improve our earnings structure as rapidly as possible. Furthermore, the net loss included the reversal of certain deferred tax assets. For our shareholders, the fiscal 2009 results were extremely regrettable, but through the promotion of consistent reforms we are committed to regaining profitability from fiscal 2010 onward and returning to a stable growth path in the future.

Future Industry Trends and Key Issues

The crisis situation that temporarily affected the forming machinery manufacturing industry is now receding, and the current situation for orders is a trend toward recovery. We expect the size of the annual market in Japan, which shrank as low as ¥54 billion on an orders-received basis in fiscal 2009, to recover substantially in fiscal 2010. However, even taking into account these improved conditions, a recovery to the levels seen just a few years ago is still quite a way off. Moreover, major forming machine user industries in Japan, including the automotive industry and electrical machinery-related industries, still retain significant spare capacity, meaning that a full-fledged recovery in capital expenditures will likely require further time.

In contrast, if we look to world markets, near-term economic development is anticipated in Asia, centered on China, and a further expansion in demand is expected to accompany this development. The Japanese domestic market cannot avoid gradual contraction driven by such demographic factors as the country's low birthrate. Consequently, for AIDA ENGINEERING, expansion of the Group's overseas business is an extremely important management task. Since the 1990s, the Company has focused tremendous efforts on globalizing its business; however, I believe that it is imperative for us to further accelerate these efforts. If we look at orders received by the Group in recent fiscal periods, the overseas order ratio (by value) increased from 42% in fiscal 2008 to 59% in fiscal 2009, and in fiscal 2010 we anticipate overseas orders to rise to approximately 65% of total orders. The major task for us is to further bolster our global-scale sales, production and service systems and thereby build a leading position in the world's press machine markets.

Another important issue for management in the medium term is the fact that both market structure and customer needs are undergoing drastic change. If we look at the example of the automobile industry, as hybrid vehicles and electric vehicles (EVs) gain market share at a rapid pace, AIDA ENGINEERING's press machines are achieving an increasingly strong presence in such fields. Prime examples of this are the manufacture of such hybrid vehicle engine components as motor cores and cases for lithium-ion batteries, which power hybrid vehicle motors. In mass production settings, the role of press machines continues to grow in importance. The AIDA ENGINEERING Group is focused on anticipating future market needs and leveraging its state-of-the-art technology capabilities as it continues to produce unique, high-value-added products.

AIDA ENGINEERING's Strengths and Growth Strategy

Faced with an operating environment of unprecedented severity, although our results for fiscal 2009 were extremely

disappointing, we are by no means pessimistic about the future. Although there are a number of obstacles to overcome, I believe that the Group possesses a myriad of strengths that will enable us to surmount these difficult challenges. Specifically, I am referring to our unique technical capabilities and proven strengths in product development, as well as our global business infrastructure.

Our mainstay press machines not only comprise a full lineup from small, multipurpose equipment to large-scale machines with 4,000-tonne pressing capacity, but also boast a level of technical differentiation that cannot be matched by our competitors. For example, in our Direct Servo Former Series, our uniquely developed low-speed, high-torque servo motor allows users to freely program press speed and pressure. This enables press metalforming of materials that have low formability properties, such as titanium, magnesium alloy and high-tensile steel, with high efficiency and precision. There is an increasing trend across a wide range of manufacturing industries—centered on the automotive industry—toward the use of strong, lightweight materials as a way of enhancing the environmental soundness of products. This trend is leading to the greater use of materials with low formability properties and means that there is an increasing degree of difficulty in press forming by such manufacturers. Hence, this represents an important business opportunity for the AIDA ENGINEERING Group. Moreover, we have adopted a strategy to create new demand by reinforcing our development of "smart" products with built-in intelligence and automation functions. By encompassing such peripheral equipment as conveyors, which are used together with press machines, we are striving to contribute to the increased safety and quality of manufacturing. Hence, we are aiming to be not a forming machine builder but rather a forming systems builder.

With regard to our business infrastructure, the Group has already established a production and development network spanning four key regions globally (Japan, Asia, the Americas and Europe) as well as its own directly managed network of sales and service centers in 17 major countries—including Japan—comprising 34 cities. This network is one of the Group's greatest strengths as it pursues further globalization of its business. In the future, we anticipate the establishment of additional operations bases in response to growth in emerging markets. We will also promote the establishment of systems and structures to enable our four-region production network to operate as a "production alliance," which responds efficiently as a Group to demand changes in each region.

Management Objectives and Issues

The AIDA ENGINEERING Group is currently implementing its Medium-Term Management Plan covering the five-year period from April 2007 to March 2012. The plan's three priority policies are (1) expansion of sales with concentrated investment of management resources in strategic products, (2) enhancement of the global system, and (3) reinforcement of human resource development. The plan has achieved steady results so far. By bolstering earnings capacity, we had been making progress toward our medium- to long-term quantitative targets of net sales exceeding ¥70,000 million, an operating income ratio of at least 10%, and return on equity (ROE) of at least 7%. However, the recent drastic changes affecting our operating environment necessitate the reinforcement of our platform for sustainable growth. Consequently, we have decided to formulate a new medium-term management plan during fiscal 2010.

Underlying this decision is a strong sense of crisis based on the likelihood of being exposed to a competitive environment that is even more intense than that experienced to date in the current market, which has suffered from temporary contraction. In these circumstances, it is absolutely essential to avoid chasing very distant numerical targets and also avoid the pursuit of growth for its own sake while ignoring profitability.

To overcome intensifying competition, we must not settle for following the path that brought us success in the past. Rather, we need to pursue further globalization and enhanced levels of value added in our products and services. At the same time as we respond with a sense of urgency to needs in each market around the world, a major theme of our efforts, I believe, will be to strategically seize earnings opportunities by

introducing products that drive the creation of new needs based on sophisticated proposals to customers. We will overcome the current difficult environment by enhancing the cohesiveness of our diverse, global human resources.

Return of Profits to Shareholders

AIDA ENGINEERING recognizes the enhancement of profit for shareholders as one of its most important management issues. By pursuing growth strategies that remain focused on the future, we strive to increase corporate value and continually bolster earnings per share (EPS). Based on this approach, our fundamental policy regarding return of profits to shareholders focuses on continuity in providing stable dividends over the medium to long term and implementing a payout ratio of approximately 30% while taking into account the consolidated operating results achieved in each fiscal period.

Fortunately, in light of the Company's sound, stable financial base, we have decided to adopt the consolidated dividend on equity (DOE) ratio as a measure to further clarify the aforementioned payout policy, beginning with dividends applicable to fiscal 2009. Hence, we have included retained earnings previously accumulated within the pool of profits eligible for return to shareholders.

Although regrettably the results for fiscal 2009 included a large net loss, in recognition of the support we have received from shareholders who have held AIDA ENGINEERING shares for many years, we have decided to maintain ordinary dividends applicable to fiscal 2009 at ¥5.00 per share, the same level as the previous fiscal year.

Based on this dividend payout, the DOE ratio for fiscal 2009 is 0.7%. The forecast ordinary dividend applicable to fiscal 2010 is ¥5.00 per share.

Looking Ahead

Since the global economic crisis of 2008, the operating environment faced by the AIDA ENGINEERING Group has changed radically. As outlined above, we are committed to securing profitability by responding expeditiously and appropriately on a global basis to these changes in market structure

as well as to the new needs of our customers.

The Group's corporate philosophy is "Advance globally as a forming systems builder, and continue to be a company that contributes to people and society." Based on this unchanging commitment—to which we adhere no matter the circumstances of any particular era, through the development, manufacture, sale and service of creative forming systems for metal and a range of other materials—we will make a real contribution to people and society. In doing so, we aim to build long-term relationships based on trust with all our stakeholders, including shareholders, customers, suppliers, employees and local communities.

For fiscal 2010, ending March 31, 2010, we forecast net sales of ¥42,000 million, an increase of 20.3% compared with fiscal 2009, operating income of ¥1,500 million, ordinary profit of ¥1,500 million, and net income of ¥1,000 million*. In these endeavors, we look forward to the ongoing understanding and support of all our stakeholders.

September 2010

Kimikazu Aida
President & CEO

* Forecasts for fiscal 2010 are based on information available at the time of announcement on May 13, 2010. Actual results may differ from these forecasts. These forecasts assume an exchange rate of ¥90 = US$1.

The Press Market and AIDA's Market Presence

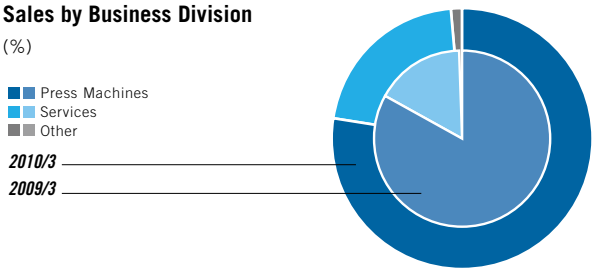
AIDA ENGINEERING is currently the second largest press manufacturer in the world in terms of gross sales, and accounts for one-third of the domestic Japanese market.

Founded more than 90 years ago, the Company has led the world into new press metalforming fields. Headquartered in Japan, it is expanding its global operations from its four production facilities strategically located around the world. As a forming system builder that leverages its advanced engineering capabilities to develop high-value-added products, AIDA is providing its customers worldwide with highly efficient, highly productive and environmentally friendly systems.

An Overview of AIDA's Operations

AIDA's strength lies not only in its press products but also in its overall ability to provide support in many areas, ranging from the development of forming methods and systems to the supply of peripheral automation equipment. This enables the Company to design the optimal production systems to meet customer metalforming requirements in terms of both hardware (press equipment) and software (metalforming expertise, automation methods, etc.).

Sales by Business Division

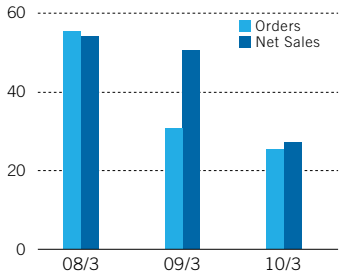


■ PRESS MACHINES

Presses are AIDA's mainstay products, and the Company offers a wide array of presses in its lineup to meet the diverse requirements of its customers. In recent years, AIDA has proactively developed strategic press models for high-value-added production systems, including direct-drive servo presses that leverage independently developed servo motors and control technologies, high-speed automatic presses that enjoy a large market share in Japan, and the "ultimate" ULX Series of presses that are more accurate than the die.

Orders / Net Sales

(Billions of yen)



A Wide Array of Automation Equipment

ACCESS LTD. is the AIDA Group company that develops and manufactures a diverse array of peripheral equipment required for press automation, including feeders, transfer robots, product removal equipment, and piling systems. The peripheral equipment is integrated into the press HMI to achieve the full functionality that only an experienced press manufacturer can provide.

Development of Dies and Forming Methods

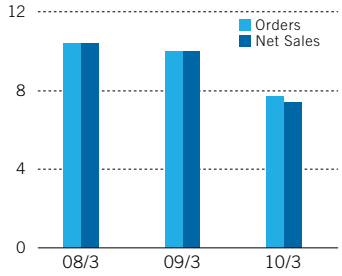
The AIDA Forming Engineering Center (AFEC) is actively engaged in researching new materials, developing new forming methods, studying new processes, and designing and manufacturing dies. In its pursuit of new metalforming methods, AFEC provides high-value-added solutions to its customers, such as taking products that had previously been machined and forming them instead in presses or finding ways to produce a part in one process instead of two.

■ SERVICES

AIDA does not merely provide products to its customers. Not only does AIDA supply repair, maintenance and rebuilding services for its equipment, it also provides consulting services to deal with noise, vibration, energy conservation, safety and health-related issues, receiving high marks from its customers. Because there is a constant need for service response regardless of the fluctuations in new press sales, the Company is focusing even more effort on expanding its service operations.

Orders / Net Sales

(Billions of yen)



Recent Highlights

2008

January 2008

AIDA launches sales activities at its India branch office to boost the number of orders in the Indian market—which is forecasted to continue to expand at a rapid pace—and to further bolster its service activities.

April 2008

AIDA develops the Large Direct Servo Press, with a 23,000 kN capacity that places it in the world's largest class of servo presses.

The Large Direct Servo Press uses AIDA's independently developed low-speed, high-torque servo motors that are directly connected to the main drive gears. With its direct-drive mechanism and high working energy, it can contribute to higher productivity, higher product accuracy, and reduced environmental impact in the production of automotive body panels and other parts.

2009

January 2009

AIDA's Large Direct Servo Press receives the "2008 10 Greatest Innovations Prize."

Unveiled in 2008, the Large Direct Servo Press won high ratings for its powerful capacity and precision controls, and was awarded the "2008 Greatest Innovations Prize" by the *Nikkan Kogyo Shimbun* (Business & Technology Daily News).

February 2009

AIDA establishes a branch office in Mexico to increase the number of orders in the Mexican market—which is forecasted to continue to expand rapidly—and to further bolster its service activities.

June 2009

AIDA launches the sale of its ULX-D Press, the servo press version of its ULX Series precision forming press.

With its vaunted dynamic accuracy, the ULX Press Series became the driving force behind the promotion of high-accuracy press metalforming to take the place of machining processes and vastly improve the life of dies. The ULX-D Series is the Direct Servo Former version of the ULX Series that takes the series to even greater heights. Because the press motion is freely programmable, it enables even higher-accuracy forming of parts that are easily and adversely affected by the forming speed, and it also greatly improves energy conservation. We expect these presses to be used to form environmental parts that require high accuracy.

August 2009

Aiming to bolster its sales and service network in northern China, AIDA opens the Tianjin office of its AIDA ENGINEERING CHINA CO., LTD. subsidiary.

November 2009

Aiming to enhance its sales and service network in the interior of rapidly expanding China, AIDA opens the Wuhan office of its AIDA ENGINEERING CHINA CO., LTD. subsidiary.

December 2009

The servo press line delivered to Honda Motor Co., Ltd. receives the Sozeikai Industry Technology Award.

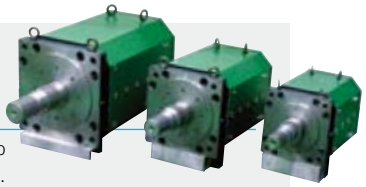
The Materials Process Technology (Sokeizai) Industry Technology Award is given by the Materials Process Technology Center Foundation to recognize technology developers who have contributed to the progress and improvement of engineering in the forming materials industry, and 2009 marked the 25th annual presentation of this award. AIDA received the "Materials Process Technology Center President's Award" for the "world's fastest servo press line used to form automotive body panels" that was jointly developed by AIDA, Honda Engineering Co., Ltd. and Honda Motor Co., Ltd. This line was acclaimed for its innovative technologies that enabled deep drawing applications which were not possible using conventional presses and at the same time achieved the seemingly contradictory result of higher productivity.

(See page 14 for product details.)

2010

July 2010

AIDA launches commercial marketing of large-capacity servo motors.



Servo motor drives are being used increasingly in large machinery other than presses to conserve energy, reduce noise and vibration, and improve performance, among others. AIDA has begun to commercially market the large-capacity servo motors it originally developed independently for use in its servo press applications. The low-speed, high-torque characteristics not found in conventional servo motors are being used to its advantage to stimulate new demand in the capital equipment industry as well as in many other fields.

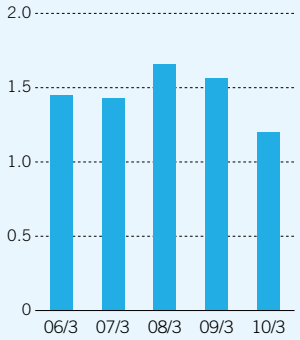
PRODUCT AND TECHNOLOGY

Overview

As a forming systems builder with expertise in all aspects of the manufacturing process, AIDA ENGINEERING's special strength is its ability to provide comprehensive solutions for complete production systems. Besides developing products that precisely fulfill customer requirements, the Company devotes many of its resources to continuing basic research to spark future major trends. Starting in the early 2000s, one of the major initiatives that evolved in R&D was the development of servo presses and their related technologies, and this quickly progressed from the basic R&D stage to a final product; after it was introduced to the market the product lineup was expanded and mass marketed, and the product then entered the market formation stage. AIDA is formulating a strategic investment plan that focuses on specific projects.

R&D Expenditures

(Billions of yen)



ON THE FRONT LINES OF R&D

FCX clarity fuel-cell hybrid automobile

Development of the World's Fastest Servo Press Line for Automotive Body Panel Production

In 2008, Honda Motor Co., Ltd. introduced to the market the FCX Clarity—a next-generation automobile. This was a fuel-cell hybrid automobile developed by Honda Motor for the future hydrogen-fueled society that it envisioned. In the shadow of the innovative powertrain technology used in the FCX Clarity was another challenge that Honda Motor surmounted. Specifically, the challenge of finding a body panel forming technology that would enable the forming of the extreme three-dimensional shapes which resulted from the combination of the narrowing rear section of the passenger cabin and the projecting rear fender. This forming was made possible using a servo press line that was developed by AIDA. The following reports on some of the engineering resources as well as the enthusiasm at AIDA that drove this development.

Challenging Uncharted Technological Boundaries in Uncharted Fields

In the words of Mr. Shuichi Matsuno, a member of AIDA's Sales Engineering Department who served as the project manager and coordinated the engineers, "Since completing this project, we have received queries and inquiries from many different automobile manufacturers. This project has really had that big of an impact."

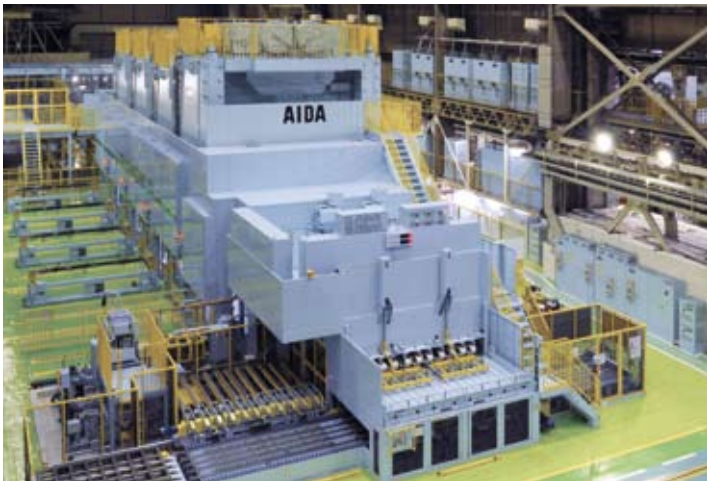
Car body designs—arguably the greatest single factor influencing automobile sales—are becoming increasingly sophisticated. The presses used for forming car bodies are considered the top echelon of presses because of the sophisticated technological requirements that have to be met. In addition, the final purpose of this project for Honda Motor was "to construct a 'next-generation press production system' that could become the world's benchmark for the next 30 years." To accomplish this, not only did it have to be able to form shapes that exceeded previous depth and height specifications, it also had to achieve the world's fastest production speed for such products. Moreover, it also had to be an energy-saving system. However, up to that time AIDA had only manufactured a limited number of press lines for body panel production. "I thought it was a reckless challenge to aim for an uncharted technological level in an uncharted field. However, if we accomplished it, then this would certainly become a major strength for AIDA. And thus, when this project was started the resources of the entire company were focused on making this a reality."

Shuichi Matsuno
Manager,
Sales Engineering Department

Spurring AIDA's Independent Technological Capabilities

Though it could be said that the field of automotive body panels was uncharted territory for AIDA, the Company did have a firm technological foundation when it came to servo

DEVELOPMENT



The AIDA servo press line installed in Honda Motor's Suzuka Plant in Japan enables deep-draw forming of side panel outers and other parts designed with deep draw requirements that is 50 mm deeper than conventional methods. In addition, for shallow parts such as car doors, this line is able to run at 18 spm, thereby achieving the world's fastest productivity rate for press-formed automotive body panels.

applications. To clear the first hurdle of forming performance, AIDA independently developed its largest servo motor. This servo motor was infused with AIDA's independently developed technologies and was able to achieve high torque capabilities even in low speed ranges, which enabled the Company to achieve the deep-draw forming target of reaching a drawing depth that was 50 mm deeper than current methods. And the development advantages did not stop there. Mr. Matsuno recalls, "The customer requested detailed press data to confirm the motor's durability, and this satisfied the customer that we would be able to meet their requirements. I think you could also say that this was the beneficial result of developing the motor in-house."

Another major element that contributes to forming performance is a die cushion, a mechanism that restrains the material while it is being draw-formed. If this restraining force is weak, the material can develop wrinkles, and if it is too strong it can cause the material to crack. Especially when draw-forming body panels and other parts from thin sheets, sophisticated technologies are required to control the die cushion pressure. AIDA developed a new die cushion with a unique mechanism with high-precision adjustable controls and minimal impact force by combining hydraulic media with servo motors. This also leveraged the Company's servo motor and servo control technologies expertise.

AIDA's independently developed large servo motor

As for the remaining major challenge of high productivity, a new synchronization system for the high-speed press-to-press transfer robot system was developed. Despite the necessity of slowing the press speed in the forming portion of the stroke to achieve the required high-level deep draw-forming, AIDA was still able to achieve the world's fastest speed. One could say that as a forming systems builder the Company was able to fully leverage its advanced knowledge of and experience with many types of automation.

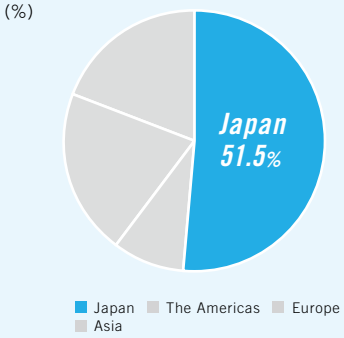
Future Prospects Resulting from Having Successfully Navigated Uncharted Territories

By amassing the various individual technologies for servo motors, die cushions, press-to-press robot transfers, and control systems, and so on, AIDA was able to complete its first servo press line for forming automotive body panels. Reaching this pinnacle of press metalforming technologies was not only a major technological milestone for AIDA, it also opened up new doors to expand its future operations. Automotive manufacturers continually make major investments in body panel equipment to differentiate their products. The Company's mastery of sophisticated formability, productivity and environmental-related expertise will lead to further opportunities to expand its operations. Mr. Matsuno concludes, "Having taken on the challenge of having as a customer Honda Motor—which even among automotive manufacturers is very particular about its technologies—I think that this has pushed the AIDA brand to even greater heights."

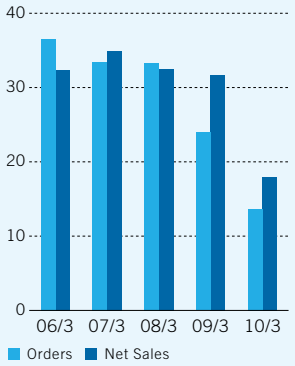
MANUFACTURING AND SALES JAPAN

NAOYOSHI NAKANISHI
Director and Senior Executive Officer

Sales by Geographic Segment
(to External Customers)
Year ended March 31, 2010
(%)



Orders / Net Sales (to External Customers)
(Billions of yen)



Fiscal Year Ended March 31, 2010: Orders Plummet for the Second Consecutive Year

Since the outbreak of the global financial crisis, capital investment by Japanese automobile manufacturers and other major customers of the AIDA ENGINEERING Group has been sluggish. Accordingly, the year-on-year decline in demand for press machines has been significant. During the fiscal year ended March 31, 2010, industrywide orders for press-related equipment plunged 54%, to ¥54,177 million—one-fourth the level of three years earlier. AIDA's orders during the year were down 18%, to ¥33.4 billion. The decline in domestic orders was particularly pronounced, plunging 43%, to ¥13.6 billion. By client sector, automaker demand showed signs of gradual improvement, but demand from the electrical equipment and electronics industries has yet to recover, particularly among small and medium-sized Japanese companies.

Although capital investment in Japan is stagnant, it is flourishing in other regions, particularly China and other parts of Asia, including by Japanese manufacturers operating in these markets. Given these circumstances, we seek to minimize the decline in orders by leveraging our global network.

Leveraging Our Strengths to Bolster Market Share amid a Difficult Operating Environment

Despite this difficult operating environment, our share of the Japanese market is increasing as a result of our initiatives. I believe that our ability to maintain our competitive superiority under these circumstances stems from our strategic focuses.

The first was to concentrate on growth sectors. We offer a broad portfolio of products to meet the needs of a host of client industries. Of these, demand for the high-speed precision presses used to make motor cores is expanding, buoyed by rising demand for hybrid cars. Thanks to this demand, stemming from a growing environmental awareness, our orders for these presses—in which we are far and away the market leader—surged 57% year on year. We are also engaged in R&D of equipment suited for the mass production of cases for lithium-ion batteries used in electric vehicles, another promising growth field.

Our second focus was on furthering our technical expertise in servo presses. Working in collaboration with a client company, we succeeded in developing and introducing a large tandem servo press line, which has earned acclaim for its productivity as the world's fastest line. This success proved our technical expertise. Going forward, we plan to extend this development, including through the application of servo motors that we develop in-house. Eclipsing mechanical presses, compact servo presses account for around 60% of the orders from the electrical equipment and electronics industries.

In addition to these two focuses, we carried out extensive business reforms to reduce fixed costs throughout the Group. These reforms have transformed us into a more muscular organization capable of turning a profit even on lower sales than was possible in the past.

Business Reforms: Battening the Hatches and Preparing for the Upcoming Fiscal Year

Although capital investment levels appear to have bottomed out in the second half of the fiscal year ended March 31, 2010, Japanese business conditions are far from having recovered. Conversely, Japan currently faces the situation of having too much capital equipment on hand.

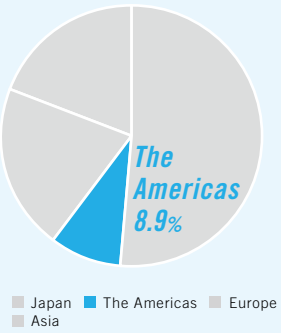
Under these conditions, we aim to achieve profitability by securing Group-wide orders of ¥42.0 billion, including ¥15.0 billion from Japan. I believe we can ensure the viability of our profitability target through such measures as continuous restructuring, higher capacity utilization, and improvement of the product mix (e.g., increasing our percentage of multipurpose products). We are also considering the possibility of further diversification, taking advantage of the technical expertise we have accumulated to date through such initiatives as the commercial sale of servo motors.

MANUFACTURING AND SALES

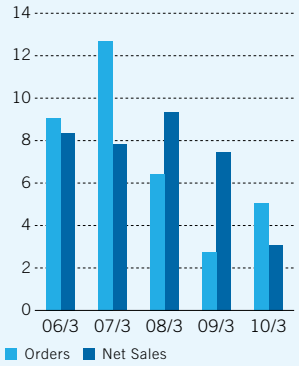
THE AMERICAS

D. TROY ROBERTS
Executive Officer in Charge of Operations in North America and Europe

Sales by Geographic Segment
(to External Customers)
Year ended March 31, 2010
(%)



Orders / Net Sales (to External Customers)
(Billions of yen)



Operating Environment, Robust for a Decade, Changes Drastically

AIDA AMERICA CORP.'s annual sales in the North American market (the United States, Mexico and Canada) consistently averaged between $50 million and $60 million for most years during the first decade of the 21st century. Although light vehicle sales in North America consistently averaged between 16 million and 20 million units a year during this period, the automotive OEM market share shifted dramatically from U.S. domestic automotive OEMs to Japanese transplant automotive OEMs over the decade, and this fueled new investment in AIDA's products, primarily in the United States and Mexico. The impact of the 2009 global financial crisis on credit availability and consumer confidence, however, significantly reduced consumer spending in North America, especially in regard to auto sales. Sales of light vehicles in the United States totaled only 10.4 million units in 2009. The automotive sector saw light vehicle sales increase at the beginning of 2010, but consumers remained very concerned about the economy. In the United States, light vehicles are presently selling at a seasonally adjusted annual rate of only 11.1 million units as of June 2010, a decline of approximately 35% from the average before the financial crisis. The resulting production overcapacity in the North American automotive sector, coupled with the severe economic recession, had a devastating effect on AIDA AMERICA's North American sales in 2009, which decreased 77% from 2008, to approximately $13 million. Sales in 2010 have begun to rebound, and AIDA expects to achieve sales of at least $30 million for the year.

Restructuring Our Business to Create a New Business Model

This new demand paradigm in the North American market forced AIDA AMERICA to reevaluate its near-term plan and quickly develop and implement a new business model that focused on sales of AIDA products manufactured at other AIDA locations (i.e., import product sales) and a significant expansion of service and retrofit activities related to AIDA's installed base of products in the North American market. In support of this new business model, AIDA AMERICA restructured its operations during 2009 including staff reductions of more than 60%, significant cuts in operating and fixed costs reflecting the suspension of manufacturing operations at its North American facility, and fixed asset impairments. These countermeasures combined to provide a stable foundation for the company to operate profitably at the reduced sales level consistent with U.S. demand.

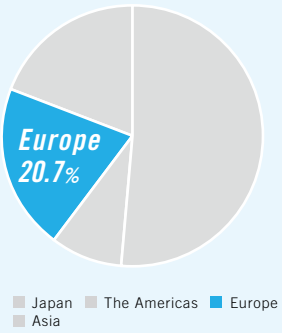
Next Phase of Growth Off to a Good Start

Presently, AIDA AMERICA expects full-year results for orders, sales and operating income for 2010 to meet or exceed initial forecasts. Market acceptance of the company's enhanced service and retrofitting activities has been especially strong, and sales are significantly ahead of plan. Looking to the future, the company is evaluating new business opportunities that would enable it to restart manufacturing in North America on a consistently profitable basis, while diversifying and reducing its exposure to the automotive sector of the North American market.

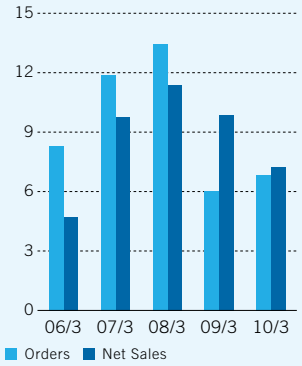
MANUFACTURING AND SALES EUROPE

D. TROY ROBERTS
Executive Officer in Charge of Operations in North America and Europe

Sales by Geographic Segment
(to External Customers)
Year ended March 31, 2010
(%)



Orders / Net Sales (to External Customers)
(Billions of yen)



Major Demand Fluctuations in the Fiscal Year Ended March 31, 2010

AIDA S.r.l. serves diverse and challenging markets including Europe, Russia, North Africa and Brazil. Historically, the company's customer base has been primarily automotive OEMs and tier 1 suppliers that purchase tandem lines, transfer presses and blanking lines, and thus its order volume correlates strongly with the health and investment plans of automotive OEMs operating in its market territory. The global financial crisis affected some markets more than others, but generally speaking the first half of fiscal 2009 yielded very poor sales results. Many of the approved projects in emerging markets like Russia and North Africa were canceled or delayed indefinitely. The second half of fiscal 2009 showed much-improved sales as many West European countries implemented significant "scrapping programs," which were effective in boosting light vehicle sales and new equipment investment. Although orders recovered somewhat during the second half of fiscal 2009, AIDA S.r.l.'s fiscal 2009 sales and profitability were seriously impacted, with the former down 33% compared to fiscal 2008. This required the company to take significant countermeasures to align its operations with the new market demands.

Promoting Business Restructuring through Cost Reductions and Strategic Investment

Previously, AIDA S.r.l. operated out of two manufacturing plants in northern Italy, which proved to be unsustainable at the reduced level of orders. Consequently, press manufacturing operations were consolidated at the larger of the two factories best suited to service large automotive customers, and the smaller factory is undergoing restructuring to reduce staff by 49%. These countermeasures will enable the company to cut labor, fixed and overhead costs by approximately 6.5 million euros compared to the prior year. All restructuring costs were recorded in fiscal 2009, although the restructuring will not be completed until 2010. In addition to streamlining its cost structure, the company is boosting sales and support staff to increase the profitable service, retrofit and relocation business, which is projected to be 150% greater than 2009. AIDA S.r.l. is also investing in developing a sales network in fiscal 2010 to market standard products made by other AIDA group companies, especially those products that are manufactured in low-cost countries. This new sales network has penetrated into Brazil, an emerging market for the company that weathered the financial storm well in fiscal 2009, and is showing strong potential in 2010.

Anticipating a Return to Growth in the Fiscal Year Ending March 31, 2011, Owing to Expansion of Our Customer Base

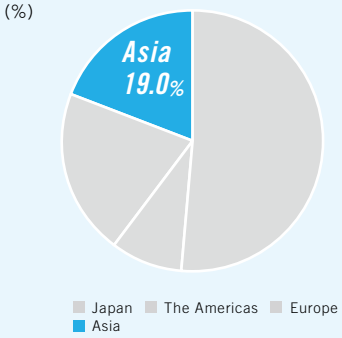
Presently, AIDA S.r.l. is expecting full-year results of orders, net sales and operating income for 2010 to meet or exceed initial forecasts. Service, retrofitting and relocation activities are beating prior-year results. Many European OEMs are approaching the company for the first time and working to develop and approve AIDA as a qualified supplier. The financial crisis has taken its toll on competitors, and customers are looking for superior technology from a financially sound company such as AIDA.

MANUFACTURING AND SALES

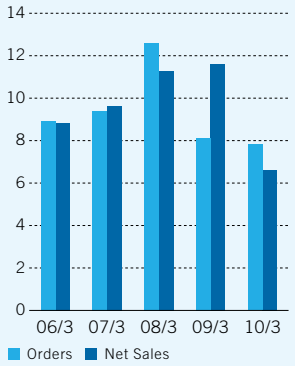
ASIA

YAP TECK MENG
Executive Officer in Charge of Operations in Greater Asia and China

Sales by Geographic Segment
(to External Customers)
Year ended March 31, 2010
(%)



Orders / Net Sales (to External Customers)
(Billions of yen)



Creating a Firm Business Foundation in Greater Asia

AIDA's foresight in developing a global market has proved to be one of the most resilient aspects of its business model, enabling the Company to maintain its competitive edge as the leading system builder. A significant presence in Asia, a region that has shown dynamic growth, has allowed AIDA to serve its customers globally in a most uncompromising way.

AIDA's operations in Asia span the continent, encompassing China/Hong Kong, Singapore, Malaysia, Thailand, Indonesia, the Philippines and India with about 300 associates that are continuously opening up new markets and supporting customers' growth needs. The Asian market is regarded as one of the world's most complex, offering great potential. Characterized by diverse cultures with a range of ethnicities, religions, languages and currencies, Asia poses a complicated operational challenge, but perseverance has achieved encouraging results. Despite the recent global economic turmoil, AIDA's operations in Asia managed to sustain profitability with a compact and lean organizational structure. The ability to adopt effective countermeasures in response to volatile market conditions through quick execution was the key to success. With a firmly established and integrated manufacturing capability in Malaysia and China, AIDA is well positioned to provide a competitive, high-quality production system within the region.

Ongoing Expansion of a Network Designed from the Customer Viewpoint

Offering a comprehensive sales and service network—in close proximity to each other—clearly distinguishes AIDA's unique, pro-business approach from its competitors, as a customer focus has always been the Company's primary consideration. AIDA strengthened its operation in China with the expansion of a market coverage network system in the Tianjin and Wuhan offices. It also combined the relocation of an India subsidiary in Gurgaon with the extensive augmentation of resources. Exploring new opportunities in the used machine business helped open up unchartered frontiers and widen the customer base. An emphasis on overall manpower development to enhance the entire range of quality service received full attention during the economic downturn. This kind of customer-oriented mentality is deeply embedded in the mindset of all associates as a constant reminder to struggle against complacency.

High Growth Rates in Asia Providing Strong Impetus

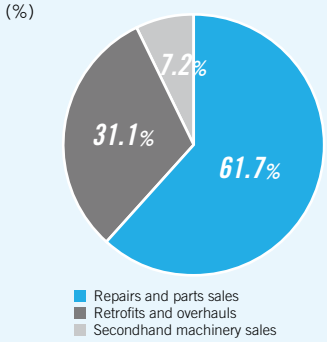
On the back of China's robust economic progress coupled with the rapid emergence of India—where it has enjoyed a firm foundation since 2007—AIDA is poised to propel its business toward a new era, supported by the Company's strength in the automotive sector. Even the challenging setback suffered during the fiscal 2009 financial crisis, which saw operating income decline by more than 90%, has not hindered our determination to fulfill aggressive targets for improvement in fiscal 2010.

Direct engagement to thoroughly understand customer requirements will continue as part of AIDA's concerted approach. We will focus primarily on China's automotive market to achieve greater penetration in the OEM business with the introduction of advanced servo technology. Automotive production in the substantial market of India is also increasing at a rapid pace, complemented by Thailand and Indonesia, and we expect that AIDA's commitment to excellent customer service will help us succeed there in a more stabilized economic environment. By the end of 2009, economies in Asia had shown a strong rebound—as evidenced by results in the fourth quarter—and the positive trend should continue into fiscal 2010. We project the level of orders for 2010 to return to the pre-crisis level or even surpass it. Given that the stimulus packages implemented by many governments around the world will continue for some time, we anticipate that the performance in fiscal 2010 will exceed that of the prior year.

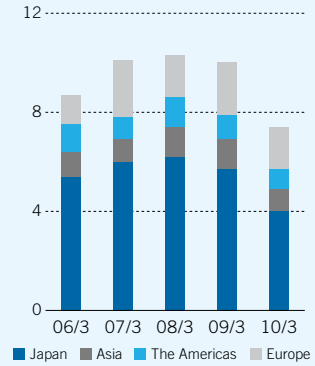
SERVICES

SADAYUKI KANEMURA
Operating Officer and Division Manager, Customer Service Headquarters

Revenues by Business Unit
(AIDA ENGINEERING, non-consolidated basis, fiscal year ended March 31, 2010)



Sales by Geographic Segment (to External Customers)



AIDA's Strength in Service

AIDA's presses can be found in many regions throughout the world. The technical excellence of its products and a robust service structure that supports them are two key reasons. Following product delivery, highly skilled service engineers provide services ranging from preventive and regular maintenance to the supply of spare parts. Our services, which also extend to overhauls and retrofits, are designed to optimize customer production systems.

A Year of Implementing Measures to Counter the Drop in Demand

The business recession that followed the recent global financial crisis caused companies to curtail capital spending. Along with the drop in product sales, demand for service declined sharply. Our manufacturing customers continued to suffer from lackluster production levels throughout the first half. Manufacturing conditions recovered slightly in the second half, but for the full fiscal year orders for service were down 23%, to ¥7,710 million. Similarly, sales in this category plunged 26%, to ¥7,390 million.

As the fallout from the financial crisis caused demand to deteriorate substantially, AIDA's customers revised their capital plans and reconfigured their manufacturing systems. Under these circumstances, we worked to cultivate demand for retrofits and service accompanying extensive facility relocations.

Strengthening Overseas Business in the Fiscal Year Ending March 31, 2011

We foresee little possibility of demand suddenly recovering to the previous year's levels. However, we will take advantage of our solid technical expertise and reinforce our retrofit offerings. We will also redouble our efforts to meet ongoing demand increases in Asia and other overseas regions.

AIDA SERVICE STRUCTURE

PREVENTIVE MAINTENANCE
Field service/routine inspection to ensure productivity and safety/performance diagnostics for principal equipment
Maintaining press machines is vital to the smooth operation of our customers' production lines. We conduct regular checks to maintain or improve the functions of presses.

REPAIR/TROUBLESHOOTING
Prompt action through well-established networks
AIDA's engineers with a wealth of experience both in Japan and overseas are rapidly dispatched to resolve any unforeseen problems, and minimize the impact on a customer's production line.

RELIABLE OVERSEAS AIDA OFFICES
Japanese staff at major bases/service stock of emergency parts
Japanese service engineers are assigned to major AIDA locations, enabling even customers at overseas locations to easily consult with AIDA. AIDA also maintains an inventory of replacement parts to enable a swift response if the need arises.

SECONDHAND MACHINERY BUSINESS
Purchasing, maintenance and sales, full-time sales representatives at major bases
AIDA products are extremely durable and are also rated highly in the market as used presses. AIDA performs the quality and functionality checks that only the original manufacturer can provide.

RESPOND TO ENVIRONMENTAL ISSUES
Measures for noise/vibration reduction, energy saving, safety/health precautions
With greater emphasis being placed on the social responsibility of corporations, ensuring that manufacturing facilities are safe and have minimum impact on both the environment and employees has become a priority. We work with customers to devise optimal solutions.

RETROFIT/REBUILD
Recommending a wide array of systemization solutions
Press machines currently in use can be revitalized as cutting-edge equipment with the addition of the latest technologies and systems. We provide an effective response to changing customer needs.

Behind AIDA ENGINEERING's Competitive Edge



The key to remaining an industry-leading company is to maintain a strong relationship of trust with customers. AIDA ENGINEERING's Service operations support the Company's competitive edge as they interact directly with the customer, and the Company's Service Division Manager, Sadayuki Kanemura, with his long experience in service activities, explains this in further detail.

Contributing to the AIDA Brand through Service Activities

AIDA is a product and technology development-driven company, and the key to its competitive edge is the high quality of its products. However, I feel that AIDA's Service Department has a large role to play, namely, by building relationships of trust with our customers and, over the medium term and long term, being the determining factor as to whether AIDA can provide customer satisfaction to our most valued customers. This is because our service engineers have the opportunity to interact directly with our customers.

Because the basic designs of our presses are extremely durable, in the majority of cases our customers can use the same press for the medium to long term while just performing regular inspections, repairs and maintenance. Accordingly, all service opportunities are also valuable opportunities to glean many kinds of information, such as changes in a customer's service needs, the issues customers are dealing with, the timing of their equipment replacement, and new equipment investment trends.

The information we gather not only serves as a starting point for reviewing specific service initiatives that will satisfy our customer even more, it also enables us to expand opportunities for more revenue by working together with sales staff to provide even more comprehensive forming systems that are even better-suited to a customer's requirements. In other words, AIDA's service engineers do not provide merely engineering support, they also represent the AIDA brand, and they also shoulder the responsibility of being a communication route that identifies the best match between a customer and the presses they need.

The Essence of Service Is to Foster Trust

The strategic and proactive solutions recommended to a customer become possible only if there is first a relationship of trust with that customer. In that sense, you could say that the core responsibility of a service engineer is to build this relationship of trust with a customer. I am always telling the service staff, "The first priority of service is to have determination." The philosophy of AIDA's service engineers is to always see things from the viewpoint of the customer as they act and to respond to each and every customer need with a sense of urgency, including responses to problems that occur unexpectedly at a customer site during production. However, it is even more important to prevent unexpected problems before they occur by providing preventive maintenance services. Service engineers should always know the utilization conditions of the machines at the customer site before a problem ever occurs, have the eyes of a professional that do not overlook the first signs of future problems, and maintain safe and high-reliability forming systems for the customer that contribute to the safe utilization of their production lines. This is what really leads to a true relationship of trust.

Expanding Service Operations

Using the strong relationship of trust that we have built with our customers as a basis, in recent years we have been directing many of our resources toward high-value-added "modernization" service work. Some good examples of this are providing service that enables high productivity by converting a mechanical press to a servo press, and service that improves the forming capabilities of a press by adding the newly developed servo die cushion. In recent years, there have also been increasing demands made of service staff to refurbish presses to enable them to accommodate low-formability materials such as high-tensile steels. We are also upgrading peripheral press equipment, such as converting feeders and process-to-process conveyance equipment to servo-driven systems.

These modernization jobs now account for 20–30% of Service Department revenues. I would like to work to prepare packaged service plans tailored to each customer's requirements and make them easier to implement, to contribute hereafter to the further sophistication and stability of our customers' production systems.

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. Through the adoption of an operating officer system and the enhancement of the internal control system, the Company is working 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 16 persons—14 operating officers, six of whom concurrently serve as directors, and two external directors. The Board of Directors functions as the decision-making body for important matters mandated by law and as a supervisory body for the execution of business operations. The Company has 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. 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 audit the legal compliance and appropriateness of the directors' execution of duties.

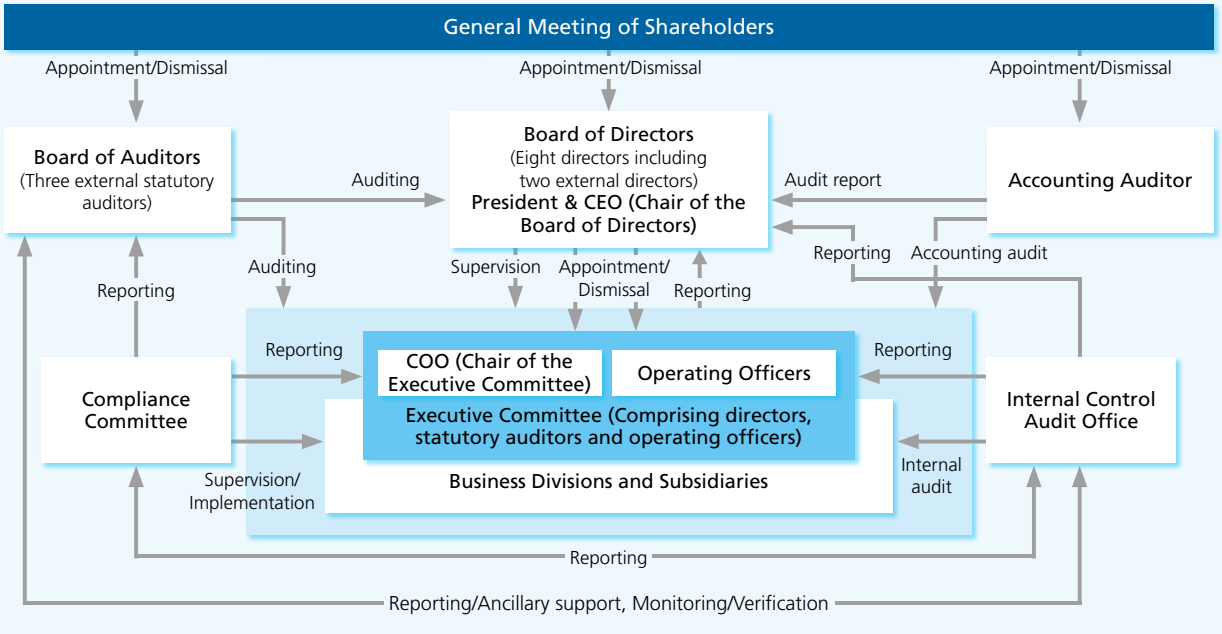
Remuneration for Directors and Statutory Auditors

In fiscal 2009, remuneration for the Company's directors and statutory auditors was as follows.

(Millions of yen)

	Number of persons	Basic remuneration	Stock options	Bonus	Total amount
Directors (excluding external directors)	6	¥83	¥21	—	¥105
External directors	2	¥16	—	—	¥16
Statutory auditors (all external)	4	¥25	—	—	¥25

Corporate Governance Structure



Internal Control System

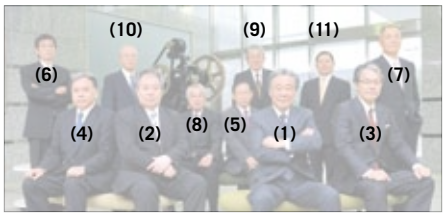
To ensure stringent legal compliance and promote the highest ethical standards in the conduct of its business, the Company has formulated the "AIDA Group Action Guidelines." The Company has also established the Compliance Committee to strengthen its internal control system. In addition, the Internal Control Audit Office audits 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 Group-wide control systems and control activities.

Policy for Responding to Large-Scale Share Purchases (Takeover Defense Strategy)

In light of its basic policy on corporate control, the Company has established rules pertaining to large-scale purchases of the Company's shares along with a clearly defined policy for responding to such purchases, in contingencies where the purchasing party complies or does not comply with these rules. These rules and policies are designed to prevent parties deemed inappropriate from gaining control over the Company's assets or business policy decisions. For details on this policy, please refer to the Company's press release dated May 13, 2010 at the Company's web site (http://www.aida.co.jp).

Board of Directors and Corporate Auditors



President & CEO

Kimikazu Aida (1)

Directors

Naoyoshi Nakanishi (2)
Masaharu Sakaki (3)
Eiji Takei (4)
Takashi Yagi (5)
Nobuyoshi Maeda (6)
Hiroo Wakabayashi (7)
Takeru Yamazaki (8)

Standing Statutory Auditor

Shigeo Matsumoto (9)

Statutory Auditors

Yoshihiro Masuoka (10)
Kimio Oiso (11)

CONSOLIDATED FINANCIAL SUMMARY

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

Millions of yen

	2010	2009	2008	2007
Orders, Net Sales, and Income (Loss)				
Orders	¥ 33,403	¥40,883	¥65,785	¥67,434
Net sales	34,898	60,675	64,513	62,120
Cost of sales	32,313	50,148	49,023	47,180
Selling, general and administrative expenses	8,114	9,571	10,124	9,776
Operating income (loss)	(5,529)	955	5,365	5,164
Income (loss) before income taxes	(8,945)	145	5,411	4,809
Income taxes	3,144	(664)	1,825	1,755
Net income (loss)	(12,090)	810	3,585	3,053
Profitability Ratio				
Operating income ratio	(15.8)%	1.6%	8.3%	8.3%
Total Assets, Total Net Assets, and Interest-bearing Debt				
Total assets	¥ 63,867	¥74,796	¥85,036	¥90,076
Total net assets	45,706	57,869	61,326	64,138
Total interest-bearing debt	1,000	500	1,500	—
Shareholders' equity ratio	71.5%	77.3%	72.1%	71.2%
Capital Expenditures, Depreciation and Amortization, and R&D Expenditures				
Capital expenditures	¥ 578	¥ 3,248	¥ 4,771	¥ 3,087
Depreciation and amortization	2,684	2,728	2,333	1,894
R&D expenditures	1,203	1,567	1,658	1,433
Return Indicators				
Return on equity (ROE)	(23.4)%	1.4%	5.7%	4.9%
Return on assets (ROA)	(17.4)%	1.0%	4.1%	3.5%
Cash Flows				
Net cash (used in) provided by operating activities	¥ 4,857	¥ 2,475	¥ (1,103)	¥ 4,054
Net cash (used in) provided by investing activities	(294)	3,985	(0)	(1,275)
Free cash flow	4,562	6,460	(1,103)	2,779
Net cash (used in) provided by financing activities	309	(3,599)	(2,162)	(1,609)
Cash and cash equivalents at the end of the year	14,580	9,859	7,420	11,475

Yen

	2010	2009	2008	2007
Per Share Data				
Net income (loss)–basic	¥(189.36)	¥ 12.41	¥ 50.27	¥ 42.67
Cash dividends	5.00	5.00	15.00	13.00
Net assets	715.08	905.90	911.28	893.19
Stock Information				
Stock price	¥ 390	¥ 278	¥ 626	¥ 828
Market capitalization (millions of yen)	30,867	22,002	49,546	65,533
Number of shares issued (shares)	79,147,321	79,147,321	79,147,321	79,147,321
Other Data				
Number of employees	1,507	1,629	1,610	1,539

2006	2005	2004	2003	2002	2001	% change 2010 vs 2009
¥62,838	¥53,341	¥37,910	¥38,612	¥36,774	¥40,034	**(18.3)**
54,303	43,679	39,017	35,646	37,715	39,889	**(42.5)**
42,208	34,175	31,894	29,408	31,226	31,356	**(35.6)**
8,682	7,476	6,466	6,707	6,183	5,903	**(15.2)**
3,412	2,027	657	(469)	305	2,629	**—**
3,168	2,566	565	(1,825)	783	1,342	**—**
1,375	1,285	276	(79)	590	745	**—**
1,792	1,281	289	(1,745)	193	596	**—**
6.3%	4.6%	1.7%	(1.3)%	0.8%	6.6%	**—**
¥83,510	¥75,687	¥65,418	¥68,118	¥74,275	¥77,456	**(14.6)**
60,780	59,413	56,186	57,566	62,631	63,807	**(21.0)**
1,000	—	—	82	862	562	**100.0**
72.8%	78.5%	85.9%	84.5%	84.3%	82.4%	**—**
¥ 1,800	¥ 2,240	¥ 4,620	¥ 4,055	¥ 2,708	¥ 2,123	**(82.2)**
1,814	1,883	1,990	1,823	1,779	1,548	**(1.6)**
1,448	1,450	1,727	1,953	1,985	1,513	**(23.2)**
3.0%	2.2%	0.5%	(2.9)%	0.3%	0.9%	**—**
2.3%	1.8%	0.4%	(2.5)%	0.3%	0.8%	**—**
¥ 407	¥ 3,297	¥ 2,501	¥ 1,054	¥ (797)	¥ 2,373	**96.2**
(1,300)	424	(98)	820	1,797	(5,629)	**—**
(892)	3,721	2,402	1,875	999	(3,256)	**(29.4)**
(2,078)	1,502	(1,545)	(3,181)	(1,614)	(1,244)	**—**
9,983	12,420	6,980	6,404	8,103	8,234	**47.9**

2006	2005	2004	2003	2002	2001	% change 2010 vs 2009
¥ 23.79	¥ 17.40	¥ 4.06	¥ (22.90)	¥ 2.44	¥ 7.36	**—**
10.00	10.00	8.00	8.00	10.00	10.00	**—**
849.94	801.36	805.88	801.11	804.55	788.14	**(21.1)**
¥ 939	¥ 627	¥ 460	¥ 297	¥ 408	¥ 431	**40.3**
74,319	49,625	36,407	23,506	32,399	35,351	**40.3**
79,147,321	79,147,321	79,147,321	79,147,321	79,410,321	82,021,506	**—**
1,472	1,375	1,050	1,094	1,198	1,254	**(7.5)**

CONSOLIDATED SEGMENT INFORMATION

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

	Millions of yen					% change
	2010	2009	2008	2007	2006	2010 vs 2009
Busisness Division						
Net sales						
Press machines	¥27,093	¥ 50,416	¥ 54,036	¥ 51,771	¥ 45,414	(46.3)
Services	7,392	9,995	10,394	10,212	8,677	(26.0)
Other	412	264	82	136	211	56.4
Consolidated	¥34,898	¥ 60,675	¥ 64,513	¥ 62,120	¥ 54,303	(42.5)
Geographic Segment						
Net Sales						
Japan	¥24,889	¥ 43,171	¥ 46,856	¥ 45,311	¥ 42,630	(42.3)
Asia	7,034	12,734	12,853	11,181	9,938	(44.8)
Americas	3,630	8,618	10,847	8,464	9,084	(57.9)
Europe	7,914	11,591	12,361	10,218	6,128	(31.7)
Elimination of intersegment	(8,570)	(15,440)	(18,405)	(13,054)	(13,479)	—
Consolidated	¥34,898	¥ 60,675	¥ 64,513	¥ 62,120	¥ 54,303	(42.5)
Operating income (loss)						
Japan	¥ (2,462)	¥ 595	¥ 3,683	¥ 4,114	¥ 3,407	—
Asia	59	1,317	1,462	1,323	1,013	(95.5)
Americas	(800)	(68)	104	(190)	(163)	1,073.8
Europe	(2,418)	(807)	(164)	58	(736)	199.6
Elimination of intersegment	93	(81)	278	(141)	(108)	—
Consolidated	¥ (5,529)	¥ 955	¥ 5,365	¥ 5,164	¥ 3,412	—

QUARTERLY INFORMATION

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

	Millions of yen					% change
	2010	2009	2008	2007	2006	2010 vs 2009
Net Sales						
1st quarter	¥ 9,378	¥12,208	¥12,236	¥13,281	¥ 9,904	(23.2)
2nd quarter	8,360	15,791	16,740	14,267	15,383	(47.1)
3rd quarter	7,089	16,752	13,194	16,521	12,375	(57.7)
4th quarter	10,070	15,922	22,341	18,050	16,640	(36.8)
Consolidated	¥34,898	¥60,675	¥64,513	¥62,120	¥54,303	(42.5)
Operating Income (Loss)						
1st quarter	¥ (805)	¥ 408	¥ 1,191	¥ 1,240	¥ 513	—
2nd quarter	(703)	390	1,396	1,155	1,315	—
3rd quarter	(1,065)	583	851	1,289	625	—
4th quarter	(2,955)	(426)	1,926	1,478	956	—
Consolidated	¥ (5,529)	¥ 955	¥ 5,365	¥ 5,164	¥ 3,412	—

ORDERS AND SALES

During the fiscal year ended March 31, 2010, the global economy was characterized by a second-half recovery in demand, spurred by China and other emerging economies. The Japanese economy, however, continued to suffer from lackluster capital investment, and employment and personal income levels remained sluggish. Consequently, the domestic economy fell short of a full-fledged recovery. In the press machine manufacturing industry, with the exception of China, where capital investment continued to flourish, conditions were depressed. In particular, capital investment by the Japanese automotive and electrical equipment industries remained slack, causing orders to fall year on year. According to the Japan Forming Machinery Association, of which the Company is a member, during the fiscal year ended March 31, 2010, orders for press-related equipment plunged 54.0%, to ¥54,177 million, following a 43.3% year-on-year decline during the fiscal year ended March 31, 2009. The AIDA ENGINEERING Group's order volume fell 18.3% during the year, to ¥33,403 million. Affected by a significant drop in orders during the preceding fiscal year, consolidated net sales were down 42.5% year on year, to ¥34,898 million.

RESULTS BY BUSINESS DIVISION AND GEOGRAPHIC SEGMENT

Business Divisions

Press Machines

Orders showed signs of recovery, beginning in the second half of the fiscal year, but a sluggish first half pulled down orders 17.5% year on year, to ¥25,269 million. Lackluster demand for capital investment caused net sales in this division to fall 46.3%, to ¥27,093 million.

Services

Sluggish demand also affected the services division, with orders declining 22.9%, to ¥7,710 million, and net sales dropping 26.0%, to ¥7,392 million.

Other

Orders surged 60.5%, to ¥423 million, and net sales expanded 56.4%, to ¥412 million.

Geographic Segments

Japan

In Japan, capital investment was down sharply in the automotive and other industries. Accordingly, sales dropped 42.3%, to ¥24,889 million. Income worsened, owing to this downturn and a deterioration in the cost of sales ratio, which stemmed from a change in the sales composition—including a drop in general-purpose equipment sales. As a result, the Group recorded an operating loss of ¥2,462 million, compared with operating income of ¥595 million in the preceding fiscal year.

Asia

Affected by a sharp falloff in orders from the second half of the preceding fiscal year, sales dropped 44.8%, to ¥7,034 million, and operating income slid 95.5%, to ¥59 million.

The Americas

Slack orders in this region from the second half of the preceding fiscal year prompted a 57.9% decrease in sales, to ¥3,630 million. On the profit front, the downturn in revenues and a worsening in the cost of sales ratio, owing to the posting of an inventory appraisal loss, resulted in an operating loss of ¥800 million, up 1,073.8%.

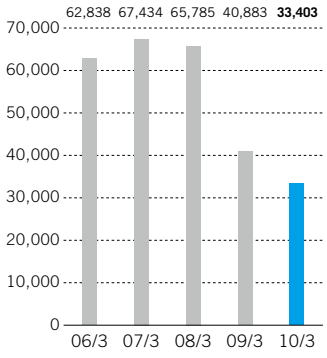
Europe

Owing to sluggish orders from the second quarter of the preceding fiscal year, sales in Europe dropped 31.7% during the year, to ¥7,914 million. These lower revenues, a deterioration in the cost of sales because of an inventory appraisal loss, and a rise in retirement benefit expenses caused the operating loss to expand 199.6%, to ¥2,418 million.

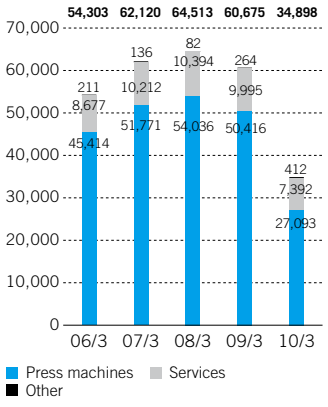
EARNINGS

Faced by a difficult operating environment characterized by ongoing demand stagnation, we strove to cut fixed expenses 20% across the Group. Although successful, these results were overshadowed by substantial sales declines, worsening cost of sales ratios owing to changes in the product mix, and an increase in retirement benefit

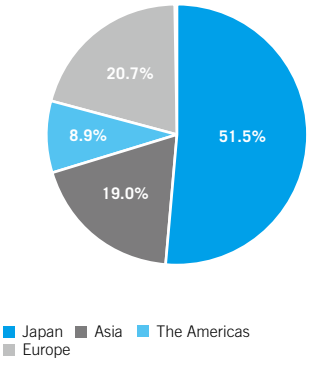
Orders
(Millions of yen)



Net Sales by Business Division
(Millions of yen)



Sales by Geographic Segment (10/3)
(Millions of yen)



expenses. Gross profit dropped 75.4%, to ¥2,585 million, and the gross profit margin slid 9.9 percentage points, to 7.4%. We reduced fixed costs to offset the increase in employee retirement benefits that resulted from business restructuring efforts. This caused selling, general and administrative (SG&A) expenses to fall 15.2%, to ¥8,114 million, but the Group fell short of profitability, posting an operating loss of ¥5,529 million and an ordinary loss of ¥5,414 million. These amounts compare with operating income of ¥955 million and ordinary profit of ¥1,103 million in the preceding fiscal year. Against this backdrop, we pursued business restructuring with a view to making early improvements in the operating structure to bolster profitability. In line with these efforts, the Group posted an extraordinary loss of ¥3,761 million, stemming from the withdrawal from the employees' pension fund and the recognition of impairment losses on fixed assets. This loss, the reversal of tax assets and other factors, resulted in a net loss of ¥12,090 million, compared with net income of ¥810 million in the preceding year.

Despite this substantial net loss, consistent with its basic policy of returning profits to shareholders through steady dividends, the Group set dividends for the year at ¥5.00 per share, equivalent to the preceding year's dividend.

FINANCIAL POSITION

Total assets were ¥63,867 million as of March 31, 2010, down ¥10,929 million from one year earlier. Within this category, current assets amounted to ¥40,125 million, down ¥6,377 million, mainly owing to a ¥9,110 million decline in inventories, despite a ¥4,856 million rise in cash on hand and at banks. Fixed assets were ¥23,741 million at the fiscal year-end, down ¥4,551 million. This decrease was mainly the result of a ¥4,419 million drop in property, plant and equipment, and a ¥1,645 million decrease in deferred income tax (fixed).

Total liabilities at the fiscal year-end were ¥18,161 million, up ¥1,234 million from a year earlier. Of this amount, current liabilities were down ¥1,550 million, to ¥14,441 million, mainly because of a ¥1,022 million decline in non-trade payables and a ¥1,088 million drop in advances from customers on contracts. Conversely, long-term liabilities expanded ¥2,784 million, to ¥3,719 million. Major factors included a ¥1,607 million rise in deferred income taxes (fixed), higher accrued pension and severance costs for employees and an increase in long-term loans payable.

Total net assets amounted to ¥45,706 million at the fiscal year-end, down ¥12,163 million from a year earlier. The principal reason was a ¥12,409 million decline in retained earnings, stemming from the year's net loss.

CASH FLOWS

Cash and cash equivalents at the end of the year were ¥14,580 million, up ¥4,721 million.

Net cash provided by operating activities came to ¥4,857 million, compared with ¥2,475 million provided by these activities in the preceding fiscal year. Major sources of cash included depreciation and amortization of ¥2,684 million, an impairment loss on fixed assets of ¥1,650 million, a ¥1,167 million decrease in trade notes and accounts receivable, and an ¥8,828 million decrease in inventories. The primary use of cash was an ¥8,945 million loss before income taxes.

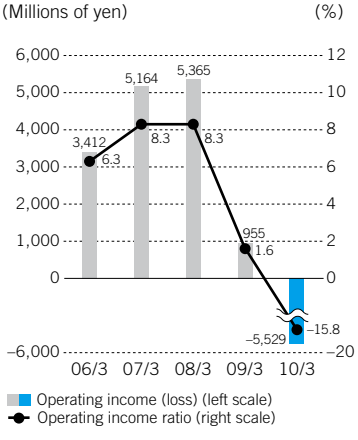
Net cash used in investing activities was ¥294 million, compared with ¥3,985 million provided by these activities in the previous year. The main use of cash was ¥558 million in payments for purchase of property, plant and equipment.

Net cash provided by financing activities amounted to ¥309 million, compared with ¥3,599 million used in these activities in the preceding term. The major source of cash was ¥500 million in proceeds from long-term loan.

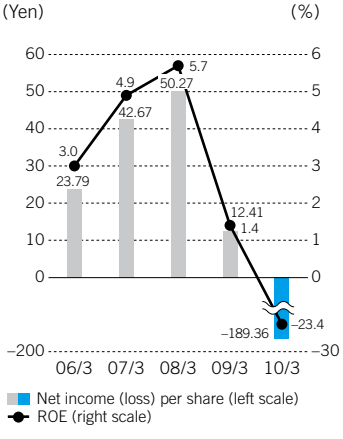
CAPITAL EXPENDITURES

During the year, the Group's capital expenditures totaled ¥578 million, mainly comprising capital investment for machine tool upgrades at the Sagami factory.

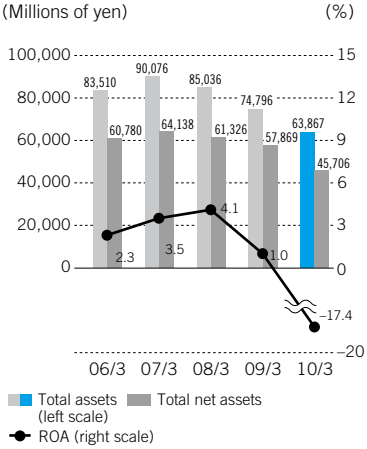
Operating Inome (Loss) and Operating Income Ratio



Net Income (Loss) per Share and ROE



Total Assets, Total Net Assets and ROA



Risks with the potential to significantly influence investment decisions are presented as follows. 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 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 expense, 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.

FLUCTUATIONS 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 (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 operating results and financial position of the Group.

CONSOLIDATED BALANCE SHEETS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
Assets	**2010**	2009	**2010**
Current assets:			
Cash on hand and at banks (Note 4)	**¥ 14,726**	¥ 9,870	**$ 158,276**
Notes and accounts receivable, trade	**8,840**	10,309	**95,022**
Inventories (Note 5)	**13,502**	22,612	**145,120**
Deferred income taxes (Note 12)	**676**	742	**7,269**
Other current assets	**2,487**	3,078	**26,731**
Allowance for doubtful accounts	**(106)**	(110)	**(1,146)**
Total current assets	**40,125**	46,503	**431,274**
Fixed assets:			
Property, plant and equipment (Note 15)**:**			
Buildings and structures	**19,372**	21,419	**208,217**
Less: Accumulated depreciation	**(12,895)**	(12,902)	**(138,604)**
	6,476	8,516	**69,613**
Machinery and vehicles	**19,246**	21,038	**206,863**
Less: Accumulated depreciation	**(14,095)**	(14,126)	**(151,501)**
	5,150	6,912	**55,362**
Land	**4,762**	4,990	**51,192**
Construction in progress	**38**	184	**415**
Other	**2,211**	2,516	**23,768**
Less: Accumulated depreciation	**(1,904)**	(1,964)	**(20,473)**
	306	551	**3,294**
Total property, plant and equipment	**16,735**	21,155	**179,877**
Intangible assets	**729**	923	**7,840**
Investments and other assets:			
Investments securities (Note 7)	**2,933**	1,964	**31,532**
Insurance reserve fund	**2,613**	2,179	**28,087**
Deferred income tax (Note 12)	**38**	1,684	**418**
Other assets	**704**	453	**7,576**
Allowance for doubtful accounts	**(14)**	(67)	**(155)**
Total investments and other assets	**6,276**	6,214	**67,460**
Total fixed assets	**23,741**	28,293	**255,178**
Total assets	**¥ 63,867**	¥ 74,796	**$ 686,453**

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
Liabilities and net assets	**2010**	2009	**2010**
Current liabilities:			
Accounts payable, trade	**¥ 2,978**	¥ 2,857	**$ 32,008**
Non-trade payables	**1,864**	2,886	**20,042**
Income taxes payable	**118**	95	**1,274**
Advances from customers on contracts	**5,842**	6,930	**62,796**
Accrued warranty costs	**1,247**	1,343	**13,404**
Accrued bonuses for employees	**377**	291	**4,061**
Provision for loss on orders received	**615**	65	**6,612**
Other current liabilities	**1,397**	1,521	**15,019**
Total current liabilities	**14,441**	15,992	**155,220**
Long-term liabilities:			
Long-term loans payable (Note 9)	**1,000**	500	**10,748**
Long-term accounts payable	**278**	283	**2,991**
Deferred income taxes (Note 12)	**1,626**	19	**17,485**
Accrued pension and severance costs for employees (Note 10)	**814**	132	**8,752**
Total long-term liabilities	**3,719**	934	**39,978**
Total liabilities	**18,161**	16,927	**195,198**
Net assets:			
Shareholders' equity:			
Common stock			
Authorized: 188,149,000 shares in 2010 and 2009			
Issued: 79,147,321 shares in 2010 and 2009	**7,831**	7,831	**84,168**
Additional paid-in capital	**12,991**	12,991	**139,632**
Retained earnings	**33,326**	45,736	**358,196**
Treasury stock			
(15,298,477 shares, in 2009)			
(15,300,323 shares, in 2010)	**(7,852)**	(7,852)	**(84,401)**
Total shareholders' equity	**46,296**	58,706	**497,595**
Revaluation and translation adjustments			
Net unrealized gains on other securities	**1,112**	520	**11,952**
Deferred hedge gains	**19**	—	**205**
Foreign currency translation adjustments	**(1,771)**	(1,386)	**(19,043)**
Total revaluation and translation adjustments	**(640)**	(865)	**(6,885)**
Stock options (Note 20)	**50**	29	**544**
Total net assets	**45,706**	57,869	**491,255**
Commitments and contingent liabilities (Note 17)	**—**	—	**—**
Total liabilities and net assets	**¥63,867**	¥74,796	**$686,453**

CONSOLIDATED STATEMENTS OF OPERATIONS

AIDA ENGINEERING, LTD. and Consolidated Subsidiaries
For the years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2010	2009	2008	2010
Net sales	**¥ 34,898**	¥60,675	¥64,513	**$ 375,092**
Cost of sales (Notes 2 (9), (11), 5 and 14)	**32,313**	50,148	49,023	**347,307**
Gross profit	**2,585**	10,527	15,490	**27,785**
Selling, general and administrative expenses (Notes 13, 14 and 20)	**8,114**	9,571	10,124	**87,214**
Operating income (loss)	**(5,529)**	955	5,365	**(59,429)**
Interest income	**23**	139	340	**253**
Dividend income	**52**	138	127	**564**
Foreign exchange gain	**34**	12	—	**372**
Subsidized income	**127**	46	—	**1,367**
Other non-operating income	**128**	173	189	**1,384**
Total non-operating income	**366**	509	657	**3,942**
Interest expense	**28**	46	16	**301**
Commission expense	**85**	113	—	**919**
Other non-operating expenses	**137**	201	436	**1,482**
Total non-operating expenses	**251**	361	453	**2,702**
Ordinary profit (loss)	**(5,414)**	1,103	5,569	**(58,190)**
Gain on sale of fixed assets	**22**	16	45	**243**
Gain on sale of investment securities (Note 7)	**—**	346	—	**—**
Gain on reversal of foreign currency transaction adjustments	**205**	—	—	**2,208**
Other extraordinary gain	**1**	—	17	**13**
Total extraordinary gain	**229**	362	63	**2,465**
Loss on sale of fixed assets	**73**	5	3	**791**
Loss on disposal of fixed assets	**50**	32	45	**545**
Impairment loss on fixed assets (Note 15)	**1,650**	214	—	**17,742**
Loss on sale of investment securities (Note 7)	**—**	707	31	**—**
Loss on revaluation of investment securities	**—**	337	124	**—**
Loss on withdrawal from welfare pension fund (Note 10)	**1,983**	—	—	**21,319**
Other extraordinary loss	**2**	23	15	**24**
Total extraordinary loss	**3,761**	1,320	221	**40,423**
Income (loss) before income taxes	**(8,945)**	145	5,411	**(96,148)**
Current	**131**	313	1,983	**1,410**
Refund	**—**	(203)	—	**—**
Deferred	**3,013**	(774)	(157)	**32,387**
Income taxes (Note 12)	**3,144**	(664)	1,825	**33,798**
Net income (loss)	**¥(12,090)**	¥ 810	¥ 3,585	**$(129,947)**

	Yen			U.S. cents
	2010	2009	2008	2010
Per share:				
Net income (loss)–Basic (Note 11)	**¥(189.36)**	¥12.41	¥50.27	**¢(203.53)**
–Diluted (Note 11)	**—**	12.40	49.32	**—**
Cash dividends (Note 21)	**5.00**	5.00	15.00	**5.37**

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, 2010, 2009 and 2008

	Millions of yen											
	Number of shares of common stock Issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total revaluation and translation adjustments	Stock options	Total net assets
Balance at March 31, 2007	79,147	¥7,831	¥13,009	¥ 43,078	¥(3,548)	¥ 60,370	¥ 2,046	¥(25)	¥ 1,745	¥ 3,767	¥—	¥ 64,138
Net income	—	—	—	3,585	—	3,585	—	—	—	—	—	3,585
Net unrealized gains on other securities	—	—	—	—	—	—	(1,143)	—	—	(1,143)	—	(1,143)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(1,634)	(1,634)	—	(1,634)
Cash dividends	—	—	—	(933)	—	(933)	—	—	—	—	—	(933)
Treasury stock transactions, net	—	—	(16)	—	(2,712)	(2,729)	—	—	—	—	—	(2,729)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	29	—	29	—	29
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	14	14
Balance at March 31, 2008	79,147	7,831	12,992	45,731	(6,260)	60,293	903	4	111	1,018	14	61,326
Effect of changes in accounting policies applied to foreign subsidiaries	—	—	—	204	—	204	—	—	—	—	—	204
Net income	—	—	—	810	—	810	—	—	—	—	—	810
Net unrealized gains on other securities	—	—	—	—	—	—	(383)	—	—	(383)	—	(383)
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(1,497)	(1,497)	—	(1,497)
Cash dividends	—	—	—	(1,009)	—	(1,009)	—	—	—	—	—	(1,009)
Treasury stock transactions, net	—	—	(0)	—	(1,591)	(1,592)	—	—	—	—	—	(1,592)
Deferred hedge gains (losses)	—	—	—	—	—	—	—	(4)	—	(4)	—	(4)
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	14	14
Balance at March 31, 2009	79,147	7,831	12,991	45,736	(7,852)	58,706	520	—	(1,386)	(865)	29	57,869
Net loss	—	—	—	**(12,090)**	—	**(12,090)**	—	—	—	—	—	**(12,090)**
Net unrealized gains on other securities	—	—	—	—	—	—	**591**	—	—	**591**	—	**591**
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	**(385)**	**(385)**	—	**(385)**
Cash dividends	—	—	—	**(319)**	—	**(319)**	—	—	—	—	—	**(319)**
Treasury stock transactions, net	—	—	—	—	**(0)**	**(0)**	—	—	—	—	—	**(0)**
Deferred hedge gains (losses)	—	—	—	—	—	—	—	**19**	—	**19**	—	**19**
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	**21**	**21**
Balance at March 31, 2010	**79,147**	**¥7,831**	**¥12,991**	**¥ 33,326**	**¥(7,852)**	**¥ 46,296**	**¥ 1,112**	**¥ 19**	**¥(1,771)**	**¥ (640)**	**¥50**	**¥ 45,706**

	Thousands of U.S. dollars (Note 3)											
	Number of shares of common stock Issued (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Total revaluation and translation adjustments	Stock options	Total net assets
Balance at March 31, 2009	79,147	$84,168	$139,642	$ 491,574	$(84,395)	$ 630,989	$ 5,591	$ —	$(14,899)	$(9,307)	$312	$ 621,984
Net loss	—	—	—	**(129,947)**	—	**(129,947)**	—	—	—	—	—	**(129,947)**
Net unrealized gains on other securities	—	—	—	—	—	—	**6,360**	—	—	**6,360**	—	**6,360**
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	**(4,144)**	**(4,144)**	—	**(4,144)**
Cash dividends	—	—	—	**(3,431)**	—	**(3,431)**	—	—	—	—	—	**(3,431)**
Treasury stock transactions, net	—	—	—	—	**(5)**	**(5)**	—	—	—	—	—	**(5)**
Deferred hedge gains (losses)	—	—	—	—	—	—	—	**205**	—	**205**	—	**205**
Stock options (Note 20)	—	—	—	—	—	—	—	—	—	—	**232**	**232**
Balance at March 31, 2010	**79,147**	**$84,168**	**$139,632**	**$ 358,196**	**$(84,401)**	**$ 497,595**	**$11,952**	**$205**	**$(19,043)**	**$(6,885)**	**$544**	**$ 491,255**

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, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2010	2009	2008	2010
Cash flows from operating activities:				
Income (loss) before income taxes	¥(8,945)	¥ 145	¥ 5,411	$(96,148)
Adjustments for:				
Depreciation and amortization	2,684	2,728	2,333	28,857
Impairment loss on fixed assets	1,650	214	—	17,742
Gain on reversal of foreign currency translation adjustments	(205)	—	—	(2,208)
Loss on sale of short-term investments and investment securities	—	361	31	—
Loss on the revaluation of investment securities	—	337	124	—
Increase (decrease) in allowance for doubtful accounts	(32)	21	8	(354)
Increase (decrease) in accrued bonuses for employees, net	86	(347)	(56)	930
Increase (decrease) in accrued warranty costs, net	(73)	(133)	(724)	(789)
Increase (decrease) in accrued pension and severance costs for employees, net	721	(75)	38	7,758
Increase (decrease) in provision for loss on orders received, net	573	65	—	6,165
Interest and dividend income	(76)	(277)	(467)	(818)
Interest expense	28	46	16	301
Loss on disposal of fixed assets	50	32	45	545
(Gain) loss on sale of property, plant and equipment	50	(10)	(42)	547
(Increase) decrease in accounts receivable, trade	1,167	3,791	(1,221)	12,553
(Increase) decrease in inventories	8,828	68	(2,831)	94,892
(Decrease) increase in accounts payable, trade	(536)	(3,602)	(131)	(5,771)
(Increase) decrease in other assets	(946)	(537)	(1,506)	(10,169)
Increase (decrease) in other liabilities	(139)	135	139	(1,494)
Other, net	37	161	(334)	407
Sub-total	4,926	3,122	832	52,947
Interest and dividends received	72	304	458	779
Interest paid	(24)	(46)	(16)	(267)
Income taxes paid	(116)	(1,108)	(2,378)	(1,254)
Income taxes refund	—	203	—	—
Net cash (used in) provided by operating activities	4,857	2,475	(1,103)	52,205
Cash flows from investing activities:				
Payments for purchase of property, plant and equipment	(558)	(1,711)	(3,291)	(6,005)
Proceeds from sale of property, plant and equipment	396	311	792	4,258
Payments for purchase of investments in securities	—	(100)	(211)	—
Proceeds from sale of investments in securities	0	5,546	2,645	1
Payments for deposits of funds into time deposits	(135)	(10)	—	(1,456)
Proceeds from withdrawal of time deposits	—	—	40	—
Other, net	3	(49)	24	33
Net cash (used in) provided by investing activities	(294)	3,985	(0)	(3,168)
Cashs flows from financing activities:				
Proceeds from short-term loan	131	—	1,500	1,410
Payments of short-term loan	—	(1,500)	—	—
Proceeds from long-term loan	500	500	—	5,374
Payments for purchase of treasury stock	(0)	(1,594)	(2,841)	(5)
Proceeds from sale of treasury stock	—	2	112	—
Cash dividends paid	(318)	(1,007)	(932)	(3,426)
Other, net	(2)	—	—	(22)
Net cash (used in) provided by financing activities	309	(3,599)	(2,162)	3,329
Effect of exchange rate changes on cash and cash equivalents	(151)	(431)	(788)	(1,624)
Net (decrease) increase in cash and cash equivalents	4,721	2,428	(4,054)	50,741
Cash and cash equivalents at the beginning of the year	9,859	7,420	11,475	105,972
Increase in cash and cash equivalents from the addition of consolidated subsidiary	—	10	—	—
Cash and cash equivalents at the end of the year (Note 4)	¥14,580	¥ 9,859	¥ 7,420	$156,714

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

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of AIDA ENGINEERING, LTD. ("AIDA") and its consolidated subsidiaries (collectively, the "Companies") have been prepared 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.

Effective April 1, 2008, the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18). In accordance with PITF No. 18, the accompanying consolidated financial statements for the year ended March 31, 2009 have been prepared by using, the accounts of foreign consolidated subsidiaries prepared in accordance with either International Financial Reporting Standards (IFRS) or accounting principles generally accepted in the United States as adjusted for certain items including those for goodwill, actuarial differences and capitalized development costs. Until March 31, 2008, the accompanying consolidated financial statements had been prepared by using the accounts of foreign consolidated subsidiaries prepared in accordance with accounting principles generally accepted in their countries of domicile. As a result, this implementation had no major effect on operating income, ordinary profit, and income before income taxes for the year ended March 31, 2009.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

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

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

In principle, all subsidiaries have been consolidated (16 subsidiaries in 2010, 17 subsidiaries in 2009 and 15 subsidiaries in 2008). One subsidiary (ARBIOTEC, LTD.) was excluded from consolidation and the investment in such subsidiary was carried at cost due to its immateriality from the perspective of consolidated financial position and results of operation.

Consolidated subsidiaries as of March 31, 2010 and for the year then ended are as follows:

- Domestic subsidiaries:
  ACCESS LTD.
  AIDA BUSINESS CORP.
- Overseas subsidiaries:
  AIDA AMERICA CORP.
  AIDA CANADA, INC.
  AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V.
  AIDA MANUFACTURING (MALAYSIA) SDN. BHD.
  AIDA ENGINEERING CHINA CO., LTD.
  AIDA STAMPING TECHNOLOGY PTE. LTD.
  AIDA STAMPING TECHNOLOGY (MALAYSIA) SDN. BHD.
  AIDA STAMPING TECHNOLOGY (THAILAND) CO., LTD.
  PT AIDA STAMPING TECHNOLOGY INDONESIA
  PT AIDA STAMPING TECHNOLOGY (INDIA) PVT. LTD.
  AIDA HONG KONG, LTD.
  AIDA-PRESSEN GmbH
  AIDA S.r.l.
  AIDA do BRASIL

(Remarks)
In fiscal year ended March 31, 2010, one consolidated subsidiary, AIDA ENGINEERING UK LTD. has been decreased due to completion of liquidation.

All consolidated subsidiaries are wholly owned by AIDA.

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

The year-end date of AIDA ENGINEERING CHINA CO., LTD. is December 31, and the year-end dates of all other consolidated subsidiaries are consistent with the consolidated balance sheet date. Adjustments have been properly recorded to the accompanying consolidated financial statements for significant transactions during the period between the fiscal year-end of the above mentioned subsidiary and the balance sheet date.

(2) Foreign currency

(a) Translation of foreign currency transactions

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

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

All assets and liabilities of foreign subsidiaries are translated at the current rates at the respective balance sheet dates whereas the net assets are translated at historical rates. All the income and expense accounts are translated at the average exchange rates for the period.

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

(3) Cash and cash equivalents

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

(4) Allowance for doubtful accounts

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

(5) Inventories

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

The effect on segment information is shown in Note 19.

(6) Financial instruments

Japanese accounting standard for financial instruments, which covers accounting treatments for short-term investments, investment securities, derivative financial instruments and hedge accounting, has been applied.

(a) Investment securities

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

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

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

Securities other than trading securities and held-to-maturity securities are classified as other securities. Other securities with fair market value are recognized at such fair market value at the balance sheet date, and the related unrealized gains or losses, net of applicable tax effects thereon, are reported in a separate component of net assets. Other securities without fair market value are stated at cost using the moving-average method.

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

(b) Derivative financial instruments

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

(c) Hedge accounting

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

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

(7) Property, plant and equipment

Property, plant and equipment, including significant renewals and improvements, are carried at cost. Maintenance and repairs including minor renewals and betterments are charged to income as incurred. Depreciation for property, plant and equipment in AIDA and its domestic subsidiaries are mainly calculated by applying the declining-balance method, whereas those held by the overseas consolidated subsidiaries and the new head office building of AIDA are depreciated by 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

In accordance with amendments to Corporate Tax Law of Japan, enacted on March 30, 2007, AIDA and its domestic subsidiaries have changed the depreciation method for property, plant and equipment acquired since April 1, 2007.

As a result of this change, operating income, ordinary profit and income before income taxes for the year ended March 31, 2008 decreased by ¥59 million.

The effect on segment information is shown in Note 19.

In accordance with the amendments to the Corporate Tax Law, the allowable limit of property, plant and equipment acquired on or before March 31, 2007 that has been depreciated to its allowable limits under the previous regulations, is depreciated by the straight-line method over 5 years from next fiscal year.

As a result of this change, operating income, ordinary profit and income before income taxes for the year ended March 31, 2008 decreased by ¥96 million.

The effect on segment information is shown in Note 19.

AIDA and its domestic consolidated subsidiaries, from the fiscal year ended March 31, 2009, have changed the useful life of the machinery and equipment from 10 years to 9 years, taking the

opportunity arising from the amendments to the Corporate Tax Law. As a result of this change, for the fiscal year ended March 31, 2009, operating income decreased by ¥61 million, and ordinary profit and income before income taxes each decreased by ¥63 million.

The effect on segment information is shown in Note 19.

(8) Intangible assets

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

(9) Accrued warranty costs

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

Warranty costs included in costs of sales were ¥456 million (U.S. $4,906 thousand), ¥864 million, and ¥1,296 million for the years ended March 31, 2010, 2009 and 2008, respectively.

(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) Provision for loss on orders received

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

Provision for loss on orders received included in costs of sales is ¥969 million (U.S.$10,418 thousand) for the year ended March 31, 2010.

(12) Accrued pension and severance costs for employees

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

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

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

(13) Research and development costs

Research and development costs are expensed as incurred.

(14) Income taxes

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

(15) Leases

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

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

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

(16) Appropriation of retained earnings

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

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

(17) 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.

(18) Recognition of material sales and costs of sales

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

For construction contracts that commenced on or after April 1, 2009, the percentage of completion method (cost-comparison method using primarily estimates of construction progress) is applied for the construction contracts of which the percentage of completion can be reliably estimated. The completed-contract method is applied for other construction contracts.

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

The impact on segment information is stated in Note 19.

3. 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 ¥93.04 = US$1, the approximate rate of exchange as of March 31, 2010, has been used for the purpose of such translation. Those translations should not be construed as representations that the Japanese yen amounts actually represent, or have been or could be converted into U.S. dollars at that rate.

4. SUPPLEMENTARY CASH FLOW INFORMATION: CASH AND CASH EQUIVALENTS

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

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Cash on hand and at banks	¥14,726	¥9,870	¥7,251	$158,276
Add: Securities maturities of three months or less	—	—	169	—
Less: Time deposits with maturities of more than three months	145	10	—	1,562
Cash and cash equivalents	¥14,580	¥9,859	¥7,420	$156,714

5. INVENTORIES

"Finished goods", "Work in process" and "Raw materials" in "Inventories" on the consolidated balance sheets as of March 31, 2010 and 2009 were as followings;

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Finished goods	¥ 3,164	¥ 4,059	$ 34,014
Work in process	8,654	15,944	93,015
Raw materials	1,683	2,608	18,090
Inventories	¥13,502	¥22,612	$145,120

Inventories amounts as of March 31, 2010, which were offset by corresponding provision for loss on orders received were ¥419 million (U.S.$4,514 thousand).

Breakout is as follows:

Finished goods: ¥174 million (U.S.$1,878 thousand)

Work in process: ¥245 million (U.S.$2,635 thousand)

Losses recognized and charged to cost of sales as a result of devaluation of inventories for the years ended March 31, 2010 and 2009, were ¥259 million (U.S.$2,789 thousand) and ¥245 million, respectively.

6. NOTES TO FINANCIAL INSTRUMENTS

(Additional Information)

Effective the fiscal year ended March 31, 2010, "Accounting Standard for Financial Instruments (ASBJ Statement No. 10) (March 10, 2008) and Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No.19) (March 10, 2008)" have been applied.

Status of Financial Instruments

(1) Policy for financial instruments

Fund management is restricted to short-term deposits at banks; financing activities of our group are through bank loans. Derivatives are not used for speculative transactions, but are used in order to prevent 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 credibility. In order to reduce foreign exchange risks caused by global business activities on foreign currency based operating receivables that arise from global operations, our group uses exchange contracts to hedge such risk.

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

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

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

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

(3) Risk management for financial instruments

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

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

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

The maximum amount of credit risk as at March 31, 2010 is stated in credit risk exposure of financial instruments amount of balance sheets.

2. Market risk management

Our 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 our internal authorization and budgetary regulations, which sustain 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 of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market value, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. In addition, the notional amounts of derivatives in Note 8, Derivative Financial Instruments, are not necessarily indicative of the actual market risk involved in derivative transactions.

Information Regarding Fair Value of Financial Instruments

Excluding items of which the fair value is extremely difficult to be obtained, following is the balance of fair value as of March31, 2010.

	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	¥14,726	¥14,726	¥—	$158,276	$158,276	$ —
(2) Notes and accounts receivable, trade	8,840	8,840	—	95,022	95,022	—
(3) Investment securities						
Other securities	2,861	2,861	—	30,755	30,755	—
Total assets	¥26,428	¥26,428	¥—	$284,054	$284,054	$ —
(1) Accounts payable, trade	¥ 2,978	¥ 2,978	¥—	$ 32,008	$ 32,008	$ —
(2) Non-trade payable	1,864	1,864	—	20,042	20,042	—
(3) Long-term loans payable	1,000	1,004	4	10,748	10,797	49
Total liabilities	¥ 5,842	¥ 5,847	¥ 4	$ 62,799	$ 62,848	$49
Derivative transactions which are not subject to hedge accounting (*)	(18)	(18)	—	(200)	(200)	—
Derivative transactions which are subject to hedge accounting (*)	32	32	—	346	346	—

* 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 receivables, trade

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

(3) Investment securities

The details of investment securities are shown in Note 7.

Liabilities

(1) Notes and accounts payable, trade

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

(2) Non trade payable

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

(3) Long-term loans payable

Fair value is computed by discounting the amount by using the interest rate, based on the assumption of new borrowing 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

	Carrying value	
Types of securities	Millions of yen	Thousands of U.S. dollars
Unlisted stocks	¥62	$669
Equity in an unconsolidated subsidiary	10	107
Total	¥72	$777

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

Redemption schedule for monetary claims or securities with maturities subsequent to March 31, 2010.

	Millions of yen			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash at bank	¥14,703	—	—	—
Notes and accounts receivable, trade	8,840	—	—	—
Total	¥23,556	—	—	—

	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	$158,031	—	—	—
Notes and accounts receivable, trade	95,022	—	—	—
Total	$253,053	—	—	—

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

7. SHORT-TERM SECURITIES AND INVESTMENTS SECURITIES

March 31, 2010

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

	Millions of yen			Thousands of U.S. dollars		
Types of securities	Acquisition cost	Carrying value	Unrealized gains (losses)	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:						
Stocks	¥1,019	¥2,860	¥1,841	$10,961	$30,748	$19,787
Sub-total	¥1,019	¥2,860	¥1,841	$10,961	$30,748	$197,87
Carrying value does not exceed acquisition cost:						
Stocks	¥ 1	¥ 0	¥ (0)	$ 10	$ 6	$ (4)
Sub-total	¥ 1	¥ 0	¥ (0)	$ 10	$ 6	$ (4)
Total	¥1,020	¥2,861	¥1,840	$10,971	$30,755	$19,783

March 31, 2009

(1) The aggregate cost and carrying value of other securities with market values as of March 31, 2009 were as follows:

	Millions of yen		
Types of securities	Acquisition cost	Carrying value	Unrealized gains (losses)
Carrying value exceeds acquisition cost:			
Stocks	¥ 604	¥1,487	¥ 883
Sub-total	¥ 604	¥1,487	¥ 883
Carrying value does not exceed acquisition cost:			
Stocks	¥ 753	¥ 404	¥(349)
Sub-total	¥ 753	¥ 404	¥(349)
Total	¥1,357	¥1,891	¥ 533

(2) Other securities sold during the year ended March 31, 2009:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥5,546	¥346	¥707

(3) Major components of securities whose fair market value is not readily determinable as of March 31, 2009 were as follows:

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

8. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Fair value information on the derivatives outstanding as of March 31, 2010 and 2009 is summarized in the following tables:

March 31, 2010

(1) Derivative transactions (hedge accounting not applied)

Currency-related transactions

	Millions of yen				Thousands of U.S. dollars			
	2010				2010			
	Contract value				Contract value			
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:								
Sell -								
USD (EUR Buy)	¥1,518	¥377	¥(64)	¥(64)	$16,318	$4,060	$(690)	$(690)
EUR (JPY Buy)	113	—	7	7	1,214	—	82	82
Buy -								
USD (JPY Sell)	465	—	(1)	(1)	5,008	—	(17)	(17)
USD (EUR Sell)	482	—	41	41	5,189	—	447	447
JPY (USD Sell)	15	—	(0)	(0)	170	—	(0)	(0)
EUR (USD Sell)	2	—	(0)	(0)	29	—	(0)	(0)
Currency options								
Sell -								
EUR call	¥ 701	¥ —	¥ —	¥ —	$ 7,540	$ —	$ —	$ —
(Option premium)	(11)	(—)	(9)	1	(124)	—	(106)	17
Buy -								
EUR call	701	—	—	—	7,540	—	—	—
(Option premium)	11	(—)	8	(3)	124	(—)	86	(37)
Total	¥4,001	¥377	¥(16)	¥(16)	$43,011	$4,060	$(180)	$(180)
	—	—	(1)	(1)	—	—	(20)	(20)

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

(2) Derivative transactions (hedge accounting applied)

Currency related transactions

Deferred hedge accounting is used as hedge accounting

	Millions of yen				Thousands of U.S. dollars			
	2010				2010			
		Contract value				Contract value		
	Main hedge object	Contract value total	Over 1 year	Fair value	Main hedge object	Contract value total	Over 1 year	Fair value
Currency options								
Sell -								
USD call		¥ 457	¥—	¥ —		$ 4,919	$—	$ —
(Option premium)		(14)	—	(24)		(159)	—	(267)
EUR call	Foreign currency expected transaction	863	—	—	Foreign currency expected transaction	9,279	—	—
(Option premium)		(26)		(0)		(284)		(1)
Buy -								
USD put		¥ 457	¥—	¥ —		$ 4,919	$—	$ —
(Option premium)		14	—	7		159	—	83
EUR put		863	—	—		9,279	—	—
(Option premium)		26	—	49		284	—	531
Total		¥2,642	¥—	¥ —		$28,396	$—	$ —
		—	—	32		—	—	346

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

March 31, 2009

Derivative transactions to which hedge accounting has been applied are excluded from the table shown below.

Currency related transactions

	Millions of yen			
	2009			
	Contract value			
	Contract value total	Over 1 year	Fair value	Unrealized gain (loss)
Forward exchange transactions:				
Sell -				
USD (JPY Buy)	¥419	¥—	¥408	¥10
EUR (USD Buy)	59	—	57	1
Buy -				
USD (JPY Sell)	¥137	¥—	¥128	¥ (8)
EUR (USD Sell)	10	—	11	0
Total	¥626	¥—	¥606	¥ 4

9. SHORT-TERM LOANS PAYABLE AND LONG-TERM LOANS PAYABLE

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

	Millions of yen			Thousands of U.S. dollars
	Amount	Average interest rate	Last due	Amount
Short-term loans payable	¥124	2.71%	April 6, 2010	$1,342

There were no short-term loans payable as of March 31, 2009.

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

	Millions of yen			Thousands of U.S. dollars
	Amount	Average interest rate	Last due	Amount
Long-term loans payable	¥500	1.94%	March 31, 2014	$5,374
Long-term loans payable	¥500	1.70%	March 31, 2015	$5,374

Long-term loans payable as of March 31, 2009 consisted of the following:

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

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

	Millions of yen		Thousands of U.S. dollars
	Amount	Last due	Amount
Current portion of lease obligations	¥2	—	$22
Lease obligations	¥5	2014	$54

Redemption schedules for long term loans payable and lease obligations, as of March 31, 2010, is follows:

Long-term loans payable:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2012	—	—
2013	—	—
2014	¥500	$5,374
2015	500	5,374

Lease obligations:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2012	¥2	$22
2013	2	22
2014	0	9
2015	—	—

10. ACCRUED PENSION AND SEVERANCE COSTS FOR EMPLOYEES

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

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

Certain overseas consolidated subsidiaries adopt defined benefits pension plan or defined contribution pension plan.

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

Due to this withdrawal, "loss on withdrawal from welfare pension fund" for ¥1,983 million (U.S.$21,319 thousand) is recorded as extraordinary loss in the statement of operations for the fiscal year ended March 31, 2010.

Matters relating to liabilities for retirement benefits as of March 31, 2010 and 2009:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
(1) Projected benefit obligations	**¥(4,761)**	¥(4,674)	**$(51,173)**
(2) Plan assets	**3,817**	3,499	**41,025**
(3) Unfunded liabilities for retirement benefits (1) + (2)	**(944)**	(1,175)	**(10,148)**
(4) Unrecognized actuarial differences	**575**	1,252	**6,183**
(5) Total (3) + (4)	**(368)**	77	**(3,964)**
(6) Prepaid expenses for retirement benefits	**445**	209	**4,788**
(7) Accrued pension and severance costs for employees (5) – (6)	**¥ (814)**	¥ (132)	**$ (8,752)**

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

Expenses for retirement benefits to employees for the years ended March 31, 2010, 2009 and 2008 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	**2010**
(1) Service expenses	**¥ 947**	¥203	¥318	**$10,180**
(2) Interest costs	**91**	100	92	**980**
(3) Expected return on fund assets	**(68)**	(83)	(92)	**(740)**
(4) Amortization of past service cost	**(437)**	—	—	**(4,705)**
(5) Amortization of actuarial differences	**210**	141	91	**2,260**
(6) Contribution for pension plan	**171**	129	128	**1,838**
Expenses for retirement benefits	**¥ 913**	¥491	¥538	**$ 9,814**

Other than expenses for retirement benefits, as shown above contributions to the pension fund of ¥217 million (U.S.$2,336 thousand), ¥256 million and ¥235 million were charged to income for the years ended March 31, 2010, 2009 and 2008, respectively. "Service expenses" of overseas consolidated subsidiaries using the simplified method were included in "Service expenses" above.

Matters relating to the calculation basis of liabilities for retirement benefits as of March 31, 2010, 2009 and 2008 are as follows:

	2010	2009	2008
(1) Discount rate	**2.0%**	2.0%	2.0%
(2) Expected rate of return on plan assets	**2.0%**	2.0%	2.0%
(3) Method of attributing projected benefits to periods of services	**Straight-line basis**	Straight-line basis	Straight-line basis
(4) Amortization of actuarial differences	**5 or 10 years from the following year of recognition**	5 or 10 years from the following year of recognition	5 or 10 years from the following year of recognition

11. NET INCOME PER SHARE

Calculation of net assets per share and net income per share for the years ended March 31, 2010, 2009 and 2008:

	Yen			U.S. dollars / cents
	2010	2009	2008	2010
Net assets per share*1	**¥ 715.08**	¥905.90	¥911.28	**$7.68**
Net income (loss)—Basic*2	**¥(189.36)**	¥ 12.41	¥ 50.27	**¢(203.53)**
—Diluted*2, 3	**—**	¥ 12.40	¥ 49.32	**—**

*1: The basic facts underlying the calculation of "Net assets per share" are as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Total net assets on consolidated balance sheets	**¥45,706**	¥57,869	¥61,326	**$491,255**
Total net assets attributable to shares of common stocks	**¥45,655**	¥57,840	¥61,312	**$490,710**
Main differences: Stock options	**¥ 50**	¥ 29	¥ 14	**$ 544**
Number of shares outstanding (thousands of shares)	**79,147**	79,147	79,147	**79,147**
Number of treasury stock (thousands of shares)	**15,299**	15,298	11,866	**15,299**
Number of shares used for computing net assets per share	**63,846**	63,848	67,281	**63,846**

*2: The basic facts underlying the calculation of "Net income (loss)—Basic" and "Diluted" are as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Net income (loss)	**¥(12,090)**	¥ 810	¥ 3,585	**$(129,947)**
Net income (loss) attributable to shares of common stocks	**¥(12,090)**	¥ 810	¥ 3,585	**$(129,947)**
Average number of shares outstanding during the years (thousands of shares)	**63,847**	65,272	71,339	**63,847**
Potential increase in common stock for the diluted income calculation (thousands of shares)	**—**	40	1,374	**—**

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

12. INCOME TAXES

The Companies are subject to a number of different income taxes. The applicable statutory tax rate in Japan was approximately 40.6% for the years ended March 31, 2010, 2009 and 2008.

(1) Reconciliation of the difference between the effective income tax rate and statutory income tax rate for the years ended March 31, 2009 and 2008 were shown below:

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

	2009	2008
Statutory income tax rate	40.6%	40.6%
Non-deductible expenses (entertainment expenses and others) for tax purposes	120.5	3.8
Dividend income	(14.4)	(0.4)
Difference of tax rates applied to overseas subsidiaries	(333.1)	(5.1)
Changes in valuation allowance	(128.6)	(3.3)
Inhabitant taxes per capita	15.3	2.1
Tax credit	(139.6)	(3.6)
Others	(16.3)	(0.4)
Effective income tax rate	(455.6)%	33.7%

(2) The major components of deferred income tax assets and liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Deferred income tax assets:			
Loss on write-down of inventories	**¥ 705**	¥ 384	**$ 7,587**
Accrued warranty costs	**455**	496	**4,897**
Accrued bonuses for employees	**155**	116	**1,670**
Unrealized intercompany profits in inventories	**—**	39	**—**
Depreciation expense	**1,496**	916	**16,082**
Unrealized loss on golf club membership	**23**	120	**251**
Unrealized loss of stocks	**—**	964	**—**
Long-term accounts payable	**110**	112	**1,192**
Tax losses carried-forward	**4,553**	1,845	**48,938**
Others	**512**	220	**5,510**
Subtotal deferred income tax assets	**8,013**	5,217	**86,131**
Less: Valuation allowance	**(7,269)**	(1,604)	**(78,135)**
Total deferred income tax assets	**743**	3,613	**7,996**
Deferred income tax liabilities:			
Undistributed subsidiaries earnings	**(146)**	—	**(1,579)**
Unrealized gains on other securities	**(728)**	(353)	**(7,828)**
Reserve for reduction entry of replaced property	**(665)**	(677)	**(7,157)**
Accrued pension and severance costs for employees	**(87)**	(78)	**(935)**
Others	**(25)**	(106)	**(276)**
Total deferred income tax liabilities	**(1,653)**	(1,216)	**(17,776)**
Add: Valuation allowance	**—**	11	**—**
Net deferred income tax assets(liabilities)	**¥ (910)**	¥ 2,408	**$ (9,780)**

13. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The significant components of selling, general and administrative expenses for the year ended March 31, 2010, 2009 and 2008.

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Salaries and wages	¥2,271	¥2,686	¥3,268	$24,411
Bonuses	160	313	366	1,726
Provision for accrued bonuses for employees	100	103	197	1,082
Provision for accrued bonuses for directors	—	—	51	—
Provision for accrued pension and severance costs for employees	787	136	121	8,462
Welfare expenses	509	574	649	5,476
Commission expenses	159	318	335	1,710
Advertising and promotion expenses	44	161	151	477
Traveling expenses	366	457	474	3,942
Communication expenses	89	110	133	962
Rental expenses	286	325	365	3,082
Insurance expenses	141	170	156	1,521
Depreciation expenses	672	644	558	7,233
Taxation and other public dues	163	194	258	1,760
Compensation fee	412	568	416	4,436
Provision for doubtful accounts	10	35	16	108

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, 2010, 2009 and 2008 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Cost of sales	¥ 502	¥ 634	¥ 855	$ 5,405
Selling, general and administrative expenses	700	944	802	7,524
Total	¥1,203	¥1,567	¥1,658	$12,930

15. IMPAIRMENT LOSS ON FIXED ASSETS

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

Purpose	Type of assets	Location	Millions of yen	Thousands of U.S. dollars
Office	Land, Building	Misato city (Saitama prefecture)	¥ 57	$ 620
Office	Building	Komaki city (Aichi prefecture)	14	153
Plant	Land, Building	Derby city (UK)	3	37
Recreation facilities	Building	Chino city (Nagano prefecture)	1	18
	Lease right	Chino city (Nagano prefecture)	29	313
Subsidiaries plant in USA	Building, Land	Ohio state (USA)	1,079	11,603
	Machine, Equipment		260	2,803
	Other		10	117
Subsidiaries plant in Italy	Building, Land	Lecco city (Italy)	181	1,953
	Machine, Equipment		11	121

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

Purpose	Type of assets	Location	Millions of yen
Closing plant	Land, Building	Derby city (UK)	¥134
Closing office	Land, Building	Yamagata city (Yamagata prefecture)	77
Unused land	Land	Yao city (Toyama prefecture)	1
Unused land	Land	Iwaki city (Fukushima prefecture)	0

There was no impairment loss for the year ended March 31, 2008.

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

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

AE Group used the classification of management accounting for business properties, and each individual unit for unused properties.

16. LEASES

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

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Operating leases:				
Due within one year	¥178	¥ 59	¥100	$1,916
Thereafter	373	43	85	4,015
Total	¥551	¥103	¥186	$5,931
Finance leases:				
Due within one year	¥ 60	¥ 68	¥104	$ 646
Thereafter	85	144	212	922
Total	¥145	¥212	¥316	$1,568

Lease expenses relating to finance leases which do not transfer ownership of the leased assets for the years ended March 31, 2010, 2009 and 2008 were ¥68 million (U.S. $739 thousand), ¥103 million and ¥142 million, respectively.

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

Pro forma data as of March 31, 2010 and 2009 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
	2010	2009	2010
Acquisition cost	¥ 318	¥ 386	$ 3,149
Accumulated depreciation	(172)	(173)	(1,850)
Net book value	145	212	1,568
Depreciation expense	¥ 68	¥ 103	$ 739

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 of the leased assets with no residual value.

17. COMMITMENT AND CONTINGENT LIABILITIES

There were no material contingent liabilities as of March 31, 2010.

18. RELATED PARTY TRANSACTIONS

There are no material transactions between AIDA and its related companies and individuals, excluding transactions with consolidated subsidiaries which are eliminated in the consolidated financial statements and other than those disclosed elsewhere in these financial statements, for the years ended March 31, 2010, 2009 and 2008.

From fiscal year ended March 31, 2009, AE applied “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11), and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13).

19. SEGMENT INFORMATION

(1) Information by business segment

The Companies are primarily engaged in manufacturing and merchandising products in the metalforming machinery and equipment segment. As net sales and operating income from this segment constituted more than 90% of the consolidated sales for the years ended March 31, 2010, 2009 and 2008, the disclosure of business segment information has been omitted.

(2) Information by geographic segment

Sales of the Companies classified by geographic area for the years ended March 31, 2010, 2009 and 2008 are summarized as follows:

Millions of yen

For the year ended March 31, 2010	Japan	Asia (*1)	Americas (*2)	Europe (*3)	Elimination of inter segment sales and expenses	Total
Sales to third parties	¥17,956	¥ 6,620	¥3,089	¥ 7,233	¥ —	¥34,898
Inter-segment sales	6,933	414	541	681	(8,570)	—
Total sales	24,889	7,034	3,630	7,914	(8,570)	34,898
Operating expenses	27,352	6,975	4,430	10,333	(8,663)	40,427
Operating income (loss)	¥ (2,462)	¥ 59	¥ (800)	¥ (2,418)	¥ 93	¥ (5,529)
Total assets	¥61,215	¥10,565	¥4,084	¥ 7,382	¥(19,379)	¥63,867

Thousands of U.S. dollars

For the year ended March 31, 2010	Japan	Asia (*1)	Americas (*2)	Europe (*3)	Elimination of inter segment sales and expenses	Total
Sales to outside customers	$192,995	$ 71,154	$33,200	$ 77,741	$ —	$375,092
Inter-segment sales	74,522	4,453	5,814	7,324	(92,114)	—
Total sales	267,518	75,608	39,015	85,065	(92,114)	375,092
Operating expenses	293,982	74,971	47,621	111,064	(93,117)	434,522
Operating income (loss)	$ (26,464)	$ 637	$ (8,606)	$ (25,999)	$ 1,002	$ (59,429)
Total assets	$657,944	$113,557	$43,900	$ 79,346	$(208,295)	$686,453

Notes:
(*1) Asia: China / Hong Kong, Singapore, Malaysia, Thailand, Indonesia, India
(*2) Americas: U.S.A., Canada, Mexico, Brazil
(*3) Europe: Italy, Germany, U.K., France, Czech Republic

As described in Note 2(18), AIDA applied "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 December 27, 2007) and the "Implementation Guidance on the Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). The impacts from this change are as follows:

Millions of yen

	Japan	Asia	Americas	Europe	Elimination of inter segment sales and expenses	Total
Sales	¥1,615	¥641	¥100	¥1,570	¥(767)	¥3,160
Operating income (loss)	22	11	(18)	67	—	83

Thousands of U.S. dollars

	Japan	Asia	Americas	Europe	Elimination of inter segment sales and expenses	Total
Sales	$17,359	$6,895	$1,082	$16,878	$(8,245)	$33,970
Operating income (loss)	244	126	(198)	728	—	901

For the year ended March 31, 2009	Millions of yen					
	Japan	Asia (*4)	Americas (*5)	Europe (*6)	Elimination of inter segment sales and expenses	Total
Sales to third parties	¥31,727	¥11,619	¥7,449	¥ 9,879	¥ —	¥60,675
Inter-segment sales	11,444	1,114	1,169	1,711	(15,440)	—
Total sales	43,171	12,734	8,618	11,591	(15,440)	60,675
Operating expenses	42,576	11,416	8,687	12,398	(15,358)	59,720
Operating income (loss)	¥ 595	¥ 1,317	¥ (68)	¥ (807)	¥ (81)	¥ 955
Total assets	¥66,731	¥10,706	¥6,466	¥10,649	¥(19,757)	¥74,796

Notes:
(*4) Asia: China / Hong Kong, Singapore, Malaysia, Thailand, Indonesia, South Korea, India
(*5) Americas: U.S.A., Canada, Mexico, Brazil
(*6) Europe: Italy, Germany, U.K., France, Czech Republic

As described in Note 2(5) and (7), for geographical segments, operating income in Japan also decreased by the same amount.

For the year ended March 31, 2008	Millions of yen					
	Japan	Asia (*7)	Americas (*8)	Europe (*9)	Elimination of inter segment sales and expenses	Total
Sales to third parties	¥32,524	¥11,292	¥ 9,337	¥11,359	¥ —	¥64,513
Inter-segment sales	14,332	1,561	1,509	1,002	(18,405)	—
Total sales	46,856	12,853	10,847	12,361	(18,405)	64,513
Operating expenses	43,172	11,390	10,742	12,526	(18,684)	59,184
Operating income (loss)	¥ 3,683	¥ 1,462	¥ 104	¥ (164)	¥ 278	¥ 5,365
Total assets	¥75,399	¥10,928	¥ 8,323	¥11,080	¥(20,694)	¥85,036

Notes:
(*7) Asia: China / Hong Kong, Singapore, Malaysia, Thailand, Indonesia, South Korea
(*8) Americas: U.S.A., Canada, Brazil
(*9) Europe: Italy, France, Germany, U.K., Czech Republic

As described in Note 2(7), for geographical segments, operating income in Japan also decreased by the same amount.

(3) Export sales and sales by overseas subsidiaries

Export sales information of the Company for the years ended March 31, 2010, 2009 and 2008 is as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	**2010**
Export sales and sales by overseas subsidiaries:				
Asia (*1)	**¥ 6,557**	¥13,837	¥11,987	**$ 70,479**
Americas (*2)	**3,371**	8,505	9,830	**36,235**
Europe (*3)	**6,961**	10,302	11,119	**74,821**
Others (*4)	**0**	2	150	**7**
Total	**¥16,890**	¥32,648	¥33,087	**$181,545**
Percentage against consolidated net sales	**48.4%**	53.8%	51.3%	**48.4%**

Notes:
(*1) Asia: China, Thailand, Malaysia, Indonesia, South Korea, India
(*2) Americas: U.S.A., Canada, Mexico, Brazil
(*3) Europe: Italy, U.K., Germany, Czech Republic, Turkey, Ukraine
(*4) Other: Australia

	Millions of yen				
	Japan	Americas	Europe	Others	Total
I. Overseas Sales	¥738	¥242	¥1,418	¥—	¥2,399
II. Consolidated Sales					3,160

	Thousands of U.S. dollars				
	Japan	Americas	Europe	Others	Total
I. Overseas Sales	$7,940	$2,603	$15,249	$—	$25,793
II. Consolidated Sales					33,970

20. STOCK OPTIONS

The directors' remuneration recorded in "Selling, general and administrative expenses" for the year ended March 31, 2010 and 2009 are ¥21 million (U.S.$232 thousand) and ¥14 million, respectively.

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

	Fiscal Year	Individual granted	Number of common shares granted (shares)	Grant date	Exercise price per share (yen)	Exercise periods
I. Stock options to purchase treasury stocks	2000	Directors (8) Employees of the Company (4)	320,000	August 8, 2000	519	From July 1, 2002 to March 31, 2010
	2001	Directors (6) Employees of the Company (20)	500,000	December 12, 2001	374	From July 1, 2003 to March 31, 2011
	2002	Directors (8) Employees of the Company (22)	410,000	March 24, 2003	304	From July 1, 2004 to March 31, 2012
	2003	Directors (7) Employees of the Company (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 the Company (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 the Company (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 26, 2008	1	From September 26, 2008 to September 25, 2038
	2009	Directors (6)	85,000	September 26, 2009	1	From September 26, 2009 to September 25, 2039

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

For the year ended March 31, 2010

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

For the year ended March 31, 2009

Granted fiscal year	2000	2001	2002	2003	2004	2005	2006	2008	2009
Exercise price per share (yen)	437	519	374	304	388	563	725	1	1
Share subscription rights which are not yet vested									
Outstanding as of March 31, 2008	—	—	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—	—	36,000
Forfeited	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	36,000
Outstanding as of March 31, 2009	—	—	—	—	—	—	—	—	—
Share subscription rights which have already been vested									
Outstanding as of March 31, 2008	288,000	165,000	150,000	38,000	149,000	523,000	897,000	22,000	—
Vested	—	—	—	—	—	—	—	—	36,000
Exercised	—	—	—	(2,000)	—	—	—	—	—
Forfeited	(288,000)	(40,000)	(50,000)	—	—	(10,000)	(11,000)	—	—
Outstanding as of March 31, 2009	—	125,000	100,000	36,000	149,000	513,000	886,000	22,000	36,000

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

1. For the year ended March 31, 2010

(a) Valuation method used: Black-Scholes model

(b) Principal basic values and estimation methods

Share price fluctuations (*1) 40.63%

Projected remaining period (*2) ..... 6 years

Projected dividend (*3) ¥10/share

Non-risk interest rate..... 0.71%

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

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

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

2. For the year ended March 31, 2009

(a) Valuation method used: Black-Scholes model

(b) Principal basic values and estimation methods

Share price fluctuations (*1) 36.650%

Projected remaining period (*2) ..... 5 years

Projected dividend (*3) ¥15/share

Non-risk interest rate..... 1.075%

(*1) Computed based on share prices during a five-year period from September 25, 2003 to September 25, 2008.

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

(*3) Determined based on the year-end dividend for the year ended March 31, 2008.

21. SUBSEQUENT EVENT

March 31, 2010:

On June 29, 2010, at the general meeting of shareholders, the following appropriation of retained earnings was approved:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥5.00 (U.S.¢5.3) per share)	¥319	$3,431

March 31, 2009:

On June 26, 2009, at the general meeting of shareholders, the following appropriation of retained earnings was approved:

	Millions of yen
Cash dividends (¥5.00 per share)	¥319

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Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

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Report of Independent Auditors

The Board of Directors
AIDA ENGINEERING, LTD.

We have audited the accompanying consolidated balance sheet of AIDA ENGINEERING, LTD. and consolidated subsidiaries as of March 31, 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated balance sheet of the Company and consolidated subsidiaries as of March 31, 2009 and the related consolidated statements of operations, changes in net assets, and cash flows for each of two years ended March 31, 2009 and March 31, 2008 were audited by other auditors whose reports dated June 26, 2009 and July 18, 2008 expressed an unqualified opinion on those consolidated financial statements.

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

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

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 29, 2010

HISTORY

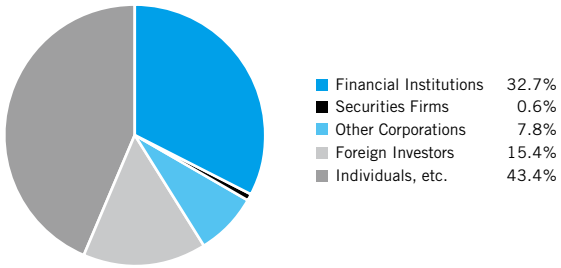
1917	AIDA Ironworks is founded in Honjo, Tokyo, by Yokei Aida.
1923	Totally destroyed by the Great Kanto Earthquake, but rebuilt immediately.
1933	Introduced the first Japanese knuckle-joint press.
1937	Incorporated as a limited company with capital of ¥200,000.
1945	The factory is totally destroyed in an air raid, then rebuilt and operations are restarted two months later.
1951	Introduced the first Japanese crown capping press.
1955	Introduced the first 200tf 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 2,500tf 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 and Osaka stock exchanges.
1972	AIDA AMERICA CORP. is established.
1974	Tsukui Factory is constructed (the current Tsukui Plant Division in Sagamihara City).
1977	Introduced 3-D Motion Mark IV Transfer Press stamping center system.
1985	Nominated as a marginable stock at the Tokyo Stock Exchange.
	AIDA CANADA, INC. is established.
1989	AIDA STAMPING TECHNOLOGY PTE. LTD. is established in Singapore.
1990	AIDA INSTITUTE OF RESEARCH AND DEVELOPMENT is established in Sagamihara City.
1991	Awarded the Technology Development Prize from the Japan Society for Technology of Plasticity for AIDA's Precision Closed Die Cold Forging System.
1992	ACCESS LTD. is established in Ishikawa Prefecture.
1993	AIDA HONG KONG, LTD. is established.
1995	Manufacturing bases are established in the United States and Malaysia.
	A new facility is constructed in Hakusan City in Ishikawa Prefecture.
	Awarded the Mitsui Precision Technology Prize from the Japan Society for Technology of Plasticity for AIDA's high-speed HMX-U press.
1997	AIDA STAMPING TECHNOLOGY (THAILAND) CO., LTD. is established.
	Introduced the "New Corporate Identity Program."
1999	Received ISO 9001 certification.
1998	Technology Development Prize from the Japan Society for Technology of Plasticity for AC servomotor-driven screw press.
2000	Awarded the Mitsui Precision Technology Prize from the Japan Society for Technology of Plasticity for the VL Series.
2001	Received ISO 14001 certification.
2002	AIDA S.r.l. FRANCE and AIDA ENGINEERING CHINA CO., LTD. offices are established.
	Introduced the world first direct-drive Digital Servo Former (now called the Direct Servo Former).
2003	Introduced the UL Series ultimate precision forming press.
2004	AIDA PRESSEN GmbH is established in Germany.
	An Italian corporation is acquired, and AIDA S.r.l. is established as a production facility.
2005	AIDA do BRASIL is established. PT AIDA STAMPING TECHNOLOGY INDONESIA is established.
2006	Awarded the Aida Technology Award from the Japan Society for Technology of Plasticity for Heavy-Plate FCF (sheet metal forging) Process Method Development.
2007	A new plant is constructed on land adjacent to the headquarters.
	AIDA STAMPING TECHNOLOGY (INDIA) PVT. LTD. is established.
2008	Completed the development of a 23,000 kN capacity large servo press.
2009	AIDA ENGINEERING DE MEXICO, S. DE R. L. DE C.V. is established.
	Introduced the UL-D Series ultimate precision forming press (servo press version).
	Awarded the Technology Development Prize from the Japan Society for Technology of Plasticity for Leveraging press motion controls in the development of improved metalforming technologies (collaborative research with JFE Steel Corporation).
	Received the Materials Process Technology (Sokeizai) Center's President's Industry Technology Award for 2009 for the "Development of the World's Fastest Servo Press Line for Automotive Body Panels." (collaborative research with Honda Engineering Co., Ltd., and Honda Motor Co., Ltd.)

STOCK INFORMATION

(As of March 31, 2010)

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:	15,300,323
Number of Shareholders Issued:	7,735
Number of Shares per Trading Unit:	100 shares
Custodian of Shareholders:	Mizuho Trust & Banking Co., Ltd.

Breakdown of Issued Shares by Type of Shareholder:

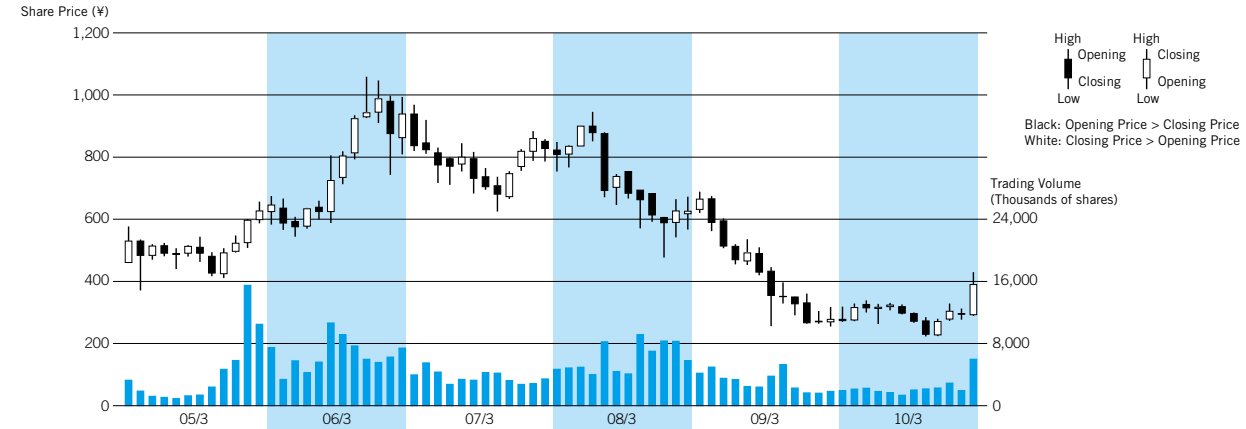


Major Shareholders

	Number of Shares Held (thousands)	Percentage of Total Issued Shares (%)
The Dai-ichi Mutual Life Insurance Company	5,995	7.58
Nippon Life Insurance Company	3,725	4.71
Japan Trustee Services Bank, Ltd. (trust account)	2,993	3.78
Meiji Yasuda Life Insurance Company	2,516	3.18
The Master Trust Bank of Japan, Ltd. (trust account)	2,390	3.02
Mizuho Corporate Bank, Ltd.	2,179	2.75
The Bank of New York, Treaty Jasdec Account	2,059	2.60
Kimikazu Aida	1,433	1.81
State Street Bank and Trust Company 505019	1,200	1.52
Tokyo Marine & Nichido Fire Insurance Co., Ltd	1,104	1.40

Note: The Dai-ichi Mutual Life Insurance Company carried out demutualization on April 1, 2010 and therefore its company name was changed to The Dai-ichi Life Insurance Company, Limited.

Monthly Share Price Range and Trading Volume



	05/3	06/3	07/3	08/3	09/3	10/3
High (¥)	657	1,059	969	946	699	430
Low (¥)	371	544	625	477	255	223
At Year-End (¥)	627	939	828	626	278	390

CORPORATE DATA

(As of March 31, 2010)

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:	755 (Consolidated: 1,507)
Head Office:	2-10 Ohyama-cho, Midori Ward, Sagamihara City, Kanagawa Prefecture 252-5181, Japan
TEL:	(81) 42-772-5231
FAX:	(81) 42-772-5263
Company Web Site:	http://www.aida.co.jp/e/index.html

■ Group Companies:

ACCESS LTD.

AIDA BUSINESS CORP.

■ Domestic (As of March 31, 2010):

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

■ Overseas (As of March 31, 2010):

North America

AIDA AMERICA CORP. (U.S.A.)
7660 Center Point 70 Blvd., Dayton, Ohio 45424-6380, U.S.A.
Phone: (1) 937-237-2382
Facsimile: (1) 937-237-1995

AIDA CANADA, INC. (CANADA)
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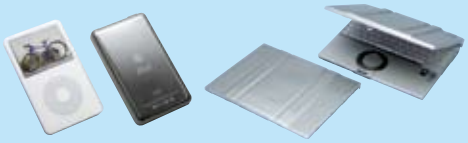
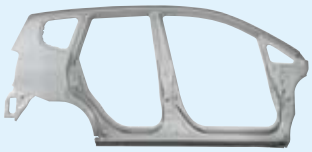
Press-Manufactured Products	Corresponding Presses	Press Models	Rated Capacities (kN)
 iPods (case) Laptops (case parts)	**Multipurpose Servo Presses** 	NC1-D NS1-D NS2-D	800 – 2,500 800 – 3,000 1,100 – 3,000
 Car body panels (side panel)	**Mid-Size and Large Servo Presses** 	UL-D SMX-D TMX-D	2,000 – 6,000 2,000 – 24,000 3,000 – 40,000
 Many high-precision car parts  Car parts (steering yoke)	**Ultimate Forming Presses (ULX)** 	UL	2,000 – 25,000
 Doorknobs  Metal containers	**Multipurpose Presses** 	NC1-E NC2-E NS1 NS2	350 – 2,500 1,100 – 2,500 800 – 2,000 1,100 – 4,000
 Dry-cell batteries (cases)  Seatbelts (buckles)	**Mid-Size and Large Presses** 	S1-E PMX TMX* SMX*	3,000 – 5,000 2,000 – 16,000 3,000 – 40,000 2,000 – 24,000
 Hybrid car motor cores	**High-Speed Presses** 	HMX HMX-M MSP	1,250 – 4,000 1,250 – 2,000 2,000 – 3,000
 Car parts  Coins	**Cold Forging Presses** 	PK K1-E CF1 CFT FMX	12,000 – 20,000 2,500 – 10,000 6,300 – 15,000 6,000 – 15,000 2,500 – 30,000

* AIDA has also manufactured many presses with capacities outside of the standard ranges given above.

Characteristics	Forming System Examples
These were the first presses in the world to be powered by a low-speed, high-torque servo motor (official designation: Direct Servo Former Series). A “direct-drive system” is used to directly connect the motor shaft to the main gear, thereby enabling high working energy performance. With its freely programmable slide motion, it brings many value-added advantages, including higher productivity, lower energy consumption, high-accuracy forming, and the ability to form low-formability materials.	 NC1-D + LFL Straightener Feeder + Product Removal Equipment
These are mid-size and large servo presses that were developed from the Direct Servo Former Series. These servo presses deliver the powerful force required for the high-accuracy forming of even large parts, and because the forming conditions and conveyance motions can be optimized, these presses provide greatly improved productivity compared to conventional forming systems. They also make major environmental contributions by decreasing noise and vibration in factories, keeping the air cleaner, and conserving energy.	 SMX-D Tandem Line
As a “forming machine with higher accuracy than the die,” these presses turn conventional wisdom about presses on its head. With a unique design that includes zero gib clearances, a high-rigidity ring frame, and no connecting rods, this series has led to 18 patent applications. Moreover, when used in combination with automation equipment, these presses can accommodate a wide array of metalforming applications. With its exceptional dynamic accuracy, die life is extended by a factor ranging from 10 to almost 100, truly making it the ultimate forming machine.	 ULX + LFG Straightener Feeder
With their highly rigid frames and their minimal total clearances, these multipurpose mechanical presses have been enduring bestsellers. And due to their high compatibility with automation, they can be easily adapted for use in a wide variety of metalforming applications. These presses are equipped with a patented hydraulic overload protector as standard, enabling instantaneous reaction to overloads that occur while stamping, and thus protecting the press from damage.	 Six NC1 + A-8II Conveyance Robot
AIDA has a diverse product lineup of optimal models for a wide array of automotive and consumer electronics metalforming applications, including the transfer forming and progressive forming of medium and large-sized parts and the blanking and drawing of thick materials. The Company can design the entire forming system—including auxiliary equipment such as material feeders, product removal equipment, conveyance equipment, and die change equipment—and recommend the best high-efficiency complete system for the customer.	 PMX + Piler System
These presses run at high speed—between 120–800 strokes per minute—while achieving the delicate high-accuracy forming required for motor cores and IC lead frames, and others. HMX Series presses were the first high-speed presses in Japan, and more than 1,000 units have already been delivered. And the MSP Series, with its even higher accuracy and rigidity, enables the blanking and laminating of sheet materials as thin as 0.2 mm. AIDA’s market share in Japan for 200–300-ton presses exceeds 90%, and AIDA also has by far the largest share in Japan for presses used to manufacture the motor cores used in hybrid car engines.	 MSP Tandem Line
These presses are suited for cold forging applications, where room-temperature materials are subjected to strong pressure (compressive force) that deforms the material to attain the predefined dimensions and shapes. These presses can be used to form a vast array of shapes including shafts, and can also be used for closed-die forging and multi-process cold forging processes. AIDA has long advocated the usage of flow-control forming (FCF) methodologies, where sheet-forming is combined with cold forging (and which also includes die and forming method development). Many companies have currently adopted FCF methodologies, and these methodologies are contributing to the high-value-added content of their products.	 CFT + TCS Servo Transfer Unit + Material Feeder + Die Change Equipment + Product Removal Equipment

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