

FY2014 Third Quarter Consolidated Financial Results [Japanese Standard]

February 12, 2014
Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

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Scheduled date of filing Quarterly Securities Report: February 12, 2014

Scheduled beginning date of dividend payment: -

Supplementary documents for quarterly consolidated financial results are prepared.

Third quarter results briefing is not planned.

1. Consolidated Results for Fiscal Year 2014 Third Quarter (April 1, 2013 to December 31, 2013)

(Figures are rounded down to the nearest million yen)

(1) Consolidated Financial Results (For the Nine months ended December 31)

(Percentages represent the comparisons with the third quarter of previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014 Third Quarter	49,804	20.7	4,790	56.7	5,269	51.8	4,227	33.9
FY2013 Third Quarter	41,271	6.6	3,056	67.3	3,470	79.9	3,156	67.2

Note. Comprehensive Income FY2014 3Q 6,607 Million yen (59.6%), FY2013 3Q 4,138 Million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2014 Third Quarter	69.31	68.92
FY2013 Third Quarter	52.03	51.94

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2014 Third Quarter	91,540	58,601	63.9	954.81
FY2013	82,118	52,978	64.4	868.12

Reference. Shareholders' Equity FY2014 3Q 58,480 Million yen, FY2013 52,877 Million yen

2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2013	-	-	-	19.00	19.00
Fiscal 2014	-	-	-	-	-
Fiscal 2014 (forecast)	-	-	-	24.00	24.00

Note. Dividends forecast not revised

3. Forecast of Consolidated Results for the year ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(Percentages represent the comparisons with previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal Year	65,000	12.4	5,800	54.4	6,100	49.8	5,000	31.5	81.86

Note. Consolidated results forecast not revised

4. Other

(1) Changes among significant subsidiaries during the period : No

Note: This refers to addition and deletion in specific subsidiaries with changes in the scope of consolidation during the period.

(2) Adoption of special accounting treatment for quarter financial report : No

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting principles, estimates, and retrospective restatement

1. Changes due to revisions of accounting standards : No

2. Changes other than "1" : No

3. Change in accounting estimates : No

4. Retrospective restatement : No

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included) FY2014 3Q: 79,147,321 shares, FY2013 : 79,147,321 shares

2. Treasury Stock FY2014 3Q: 17,899,191 shares, FY2013 : 18,236,991 shares

3. Average number of shares outstanding FY2014 3Q: 60,996,026 shares, FY2013 3Q : 60,662,448 shares

Status of execution of the quarterly review process of financial statements:

Review procedures under the Financial Instruments and Exchange Act, had been completed at the time of disclosure of this report.

Statement for proper use of business forecast and other special remarks:

The above forecasts and those presented in appended material are based on the information presently available. Actual results may differ from these forecasts due to changes in various factors.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million of Yen

	FY2013	FY2014 Third quarter
Assets		
Current assets		
Cash on hand and at banks	18,675	21,626
Notes and accounts receivable, trade	16,091	16,474
Electronically recorded monetary claims-operating	98	279
Securities	3,700	5,700
Finished goods	2,042	2,420
Work in process	8,566	9,965
Raw materials and suppliers	2,457	2,071
Deferred tax assets	1,623	1,286
Other current assets	3,270	3,893
Allowance for doubtful accounts	(71)	(80)
Total current assets	56,454	63,637
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,055	21,822
Accumulated depreciation	(13,935)	(14,460)
Buildings and structures - Net	6,119	7,361
Machinery and vehicles	8,607	10,404
Accumulated depreciation	(5,139)	(5,948)
Machinery and vehicles - Net	3,468	4,456
Land	4,851	4,900
Lease assets	1,201	97
Accumulated depreciation	(378)	(64)
Lease assets - Net	823	32
Construction in progress	550	333
Other	2,278	2,455
Accumulated depreciation	(1,924)	(2,049)
Other - Net	353	405
Total property, plant and equipment	16,167	17,490
Intangible assets	842	993
Investments and other assets		
Investment securities	4,116	5,528
Insurance reserve fund	3,216	3,411
Deferred tax assets	61	77
Other assets	1,336	478
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	8,654	9,419
Total fixed assets	25,663	27,903
Total assets	82,118	91,540

	FY2013	FY2014 Third quarter
Liabilities		
Current liabilities		
Accounts payable, trade	5,991	7,712
Electronically recorded obligations-operating	2,703	2,409
Short-term loans payable	—	1,015
Current portion of long-term loans payable	500	500
Short-term Lease obligations	796	16
Non-trade payables	1,365	1,217
Income taxes payable	428	470
Advances from customers on contracts	9,381	10,370
Accrued warranty costs	1,231	1,314
Accrued bonuses for employees	810	562
Provision for directors' bonuses	33	36
Provision for loss on orders received	257	212
Other current liabilities	1,790	2,738
Total current liabilities	25,290	28,576
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term Lease obligations	29	18
Long-term accounts payable	362	405
Deferred tax liabilities	1,947	2,466
Accrued pension and severance costs for employees	117	108
Other long-term liabilities	392	362
Total long-term liabilities	3,850	4,362
Total liabilities	29,140	32,939
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,979	13,032
Retained earnings	39,573	42,579
Treasury stock	(8,992)	(8,827)
Total shareholders' equity	51,391	54,615
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,898	2,723
Deferred hedge gains	(412)	(861)
Foreign currency translation adjustments	0	2,003
Total accumulated other comprehensive income	1,485	3,865
Stock options	100	121
Total net assets	52,978	58,601
Total liabilities and net assets	82,118	91,540

(2) Consolidated Statements of Income

Million of Yen

	FY2013 Third quarter(Nine months ended December 31, 2012)	FY2014 Third quarter(Nine months ended December 31, 2013)
Net sales	41,271	49,804
Cost of sales	32,707	38,890
Gross profit	8,564	10,914
Selling, general and administrative expenses	5,507	6,124
Operating income	3,056	4,790
Non-operating income		
Interest income	18	55
Dividend income	72	73
Redemption profit on maturity of endowment insurance	84	64
Foreign exchange gain	267	307
Other non-operating income	78	54
Total non-operating income	521	554
Non-operating expense		
Interest expense	35	24
Other non-operating expenses	72	51
Total non-operating expense	107	76
Ordinary profit	3,470	5,269
Extraordinary gain		
Gain on sale of fixed assets	7	2
Gain on sales of investment securities	—	25
Total extraordinary gain	7	27
Extraordinary loss		
Loss on sale of fixed assets	9	0
Loss on disposal of fixed assets	1	3
Loss on evaluation of golf club membership	8	—
Total extraordinary loss	20	3
Income before income taxes	3,457	5,293
Current taxes	406	640
Deferred taxes	(105)	425
Total corporate tax	301	1,065
Income before minority interests	3,156	4,227
Net income	3,156	4,227

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2013 Third quarter(Nine months ended December 31, 2012)	FY2014 Third quarter(Nine months ended December 31, 2013)
Income before minority interests	3,156	4,227
Other comprehensive income		
Net unrealized gains on other securities	27	824
Deferred hedge gains	(149)	(448)
Foreign currency translation adjustments	1,104	2,003
Total other comprehensive income	982	2,379
Comprehensive income	4,138	6,607
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	4,138	6,607

(3) Notes to going concern

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

FY2013 Third quarter (Nine months ended December 31, 2012)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	15,560	12,002	6,978	6,730	41,271	—	41,271
Inter-segment sales	13,464	1,108	349	1,083	16,005	(16,005)	—
Total sales	29,024	13,111	7,327	7,813	57,277	(16,005)	41,271
Segment income	1,826	1,082	319	(65)	3,163	(106)	3,056

Note

1. Adjustment of sales amount means elimination among inter-segment transactions.

Adjustments of segment income (loss) arose from elimination among inter-segment transactions.

2. Segment income (loss) is adjusted to operating income of consolidated statements of income.

FY2014 Third quarter (Nine months ended December 31, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	12,969	14,117	12,465	10,251	49,804	—	49,804
Inter-segment sales	13,963	956	449	2,196	17,565	(17,565)	—
Total sales	26,932	15,074	12,914	12,448	67,369	(17,565)	49,804
Segment income (loss)	2,552	1,118	928	(45)	4,554	235	4,790

Note

1. Adjustment of sales amount means elimination among inter-segment transactions.

Adjustments of segment income (loss) arose from elimination among inter-segment transactions.

2. Segment income (loss) is adjusted to operating income of consolidated statements of income.

2. Supplementary Information

Status of Orders and Sales

(1) Orders Receipt and Backlog

(Millions of Yen)

		Nine months ended December 31, 2012	Nine months ended December 31, 2013	Fluctuation rate(%)
Orders	Japan	23,545	15,442	(34.4)
	Asia	13,600	17,439	28.2
	Americas	11,811	15,985	35.3
	Europe	8,828	9,266	5.0
	Total	57,785	58,134	0.6
Backlog	Japan	20,828	20,453	(1.8)
	Asia	9,601	12,670	32.0
	Americas	10,961	17,093	55.9
	Europe	11,401	9,612	(15.7)
	Total	52,792	59,828	13.3

Note.

1. After eliminating inter-segment transactions.
2. Excluding consumption tax.

(2) Sales

(Millions of Yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Fluctuation rate(%)
Japan	15,560	12,969	(16.7)
Asia	12,002	14,117	17.6
Americas	6,978	12,465	78.6
Europe	6,730	10,251	52.3
Total	41,271	49,804	20.7

Note.

1. After eliminating inter-segment transactions.
2. Excluding consumption tax.