

(For reference purposes only)

FY2014 Consolidated Financial Results [Japanese Standard]

May 13, 2014

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

Code: 6118 URL <http://www.aida.co.jp>

Representative: Kimikazu Aida, President

Contact: Ken Masuda, Director of The Board, Executive Officer, General Manager Business Administration Department

Tel: +81-42-772-5231

Scheduled date of Annual General Meeting: June 27, 2014

Scheduled date of filing Securities Report: June 27, 2014

Scheduled beginning date of dividend payment: June 30, 2014

Supplementary documents for consolidated financial results are prepared.

Results briefing is planned.

1. Consolidated Results for Fiscal Year 2014 (April 1, 2013 to March 31, 2014)

(Figures are rounded down to the nearest million yen)

(1) Consolidated Financial Results

(Percentages represent the comparisons with previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014	69,594	20.4	6,315	68.1	6,710	64.7	5,123	34.7
FY2013	57,812	10.7	3,756	69.1	4,073	34.8	3,803	33.8

Note. Comprehensive Income FY2014 7,315 Million yen (17.1%), FY2013 6,245 Million yen (137.0%)

	Net Income per Share	Diluted Net Income per Share	Return On Equity	Return On Asset	Operating Profit Ratio
	Yen	Yen	%	%	%
FY2014	83.87	83.37	9.1	7.7	9.1
FY2013	62.67	62.54	7.6	5.3	6.5

Reference. Equity in earnings FY2014 - Million yen, FY2013 - Million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2014	91,830	59,639	64.8	969.08
FY2013	82,118	52,978	64.4	868.12

Reference. Shareholders' Equity FY2014 59,217 Million yen, FY2013 52,877 Million yen

(3) Consolidated Cash Flow

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2014	5,978	(3,254)	26	26,038
FY2013	5,938	(1,277)	(1,446)	22,281

2. Cash Dividends

	Cash Dividends per Share					Total Dividends Payments	Dividend Payout Ratio (Consolidated)	Net Asset-Dividend Ratio (Consolidated)
	1Q End	2Q End	3Q End	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2013	-	-	-	19.00	19.00	1,221	30.3	2.2
Fiscal 2014	-	-	-	25.00	25.00	1,620	29.8	2.7
Fiscal 2015 (forecast)	-	-	-	25.00	25.00		29.5	

3. Forecast of Consolidated Results for the year ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(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 2015 (Half)	35,000	9.8	3,200	2.4	3,300	(4.9)	2,600	(14.8)	42.33
Fiscal 2015	70,000	0.6	6,400	1.3	6,600	(1.6)	5,200	1.5	84.67

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) Changes in accounting principles, estimates, and retrospective restatement

1. Changes due to revisions of accounting standards : Yes
2. Changes other than "1" : No
3. Change in accounting estimates : No
4. Retrospective restatement : No

(3) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included) FY2014 : 79,147,321 shares, FY2013 : 79,147,321 shares
2. Treasury Stock FY2014 : 17,730,640 shares, FY2013 : 18,236,991 shares
3. Average number of shares outstanding FY2014 : 61,083,714 shares, FY2013 : 60,700,737 shares

[Reference] Outline of Non-Consolidated Results

Non-Consolidated Results for Fiscal Year 2014 (April 1, 2013 to March 31, 2014)

(1) Non-Consolidated Financial Results

(Percentages represent the comparisons with previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014	38,564	(0.1)	3,758	103.1	4,144	102.7	3,047	38.0
FY2013	38,593	14.3	1,851	66.4	2,045	7.4	2,209	6.5

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2014	49.90	49.60
FY2013	36.39	36.32

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2014	60,716	44,459	73.0	721.93
FY2013	59,244	41,549	70.0	680.49

Reference. Shareholders' Equity FY2014 44,338 Million yen, FY2013 41,448 Million yen

Status of execution of the review process of financial statements:

Since this financial results is not subject to review procedures under the Financial Instruments and Exchange Act, said review procedures had not 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.

Results briefing for an institutional investor and an analyst is planned in May 23 2014.

The documents for results briefing will be upload to home page after hold briefing.

TABLE OF CONTENTS

1. Consolidated Financial Statements	
(1) Consolidated Balance Sheets.....	2
(2) Consolidated Statements of Income.....	4
Consolidated Statements of Comprehensive Income.....	5
(3) Consolidated Statements of Change in Net Assets	6
(4) Consolidated Statements of Cash Flows.....	7
(5) Segment Information.....	8
(6) Going Concern Assumption.....	8
2. Supplementary Information	
Status of Orders	9

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Million of Yen

	FY2013	FY2014
Assets		
Current assets		
Cash on hand and at banks	18,675	19,579
Notes and accounts receivable, trade	16,091	19,768
Electronically recorded monetary claims-operating	98	114
Securities	3,700	7,200
Finished goods	2,042	1,231
Work in process	8,566	8,710
Raw materials and suppliers	2,457	1,719
Deferred tax assets	1,623	1,459
Other current assets	3,270	3,853
Allowance for doubtful accounts	(71)	(69)
Total current assets	56,454	63,567
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,055	20,993
Accumulated depreciation	(13,935)	(13,756)
Buildings and structures - Net	6,119	7,237
Machinery and vehicles	8,607	10,268
Accumulated depreciation	(5,139)	(5,872)
Machinery and vehicles - Net	3,468	4,395
Land	4,851	5,088
Lease assets	1,201	97
Accumulated depreciation	(378)	(69)
Lease assets - Net	823	27
Construction in progress	550	433
Other fixed assets	2,278	2,412
Accumulated depreciation	(1,924)	(1,950)
Other - Net	353	462
Total property, plant and equipment	16,167	17,645
Intangible assets	842	1,092
Investments and other assets		
Investment securities	4,116	5,231
Insurance reserve fund	3,216	3,456
Net defined benefit assets	—	582
Deferred tax assets	61	93
Other assets	1,336	237
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	8,654	9,525
Total fixed assets	25,663	28,263
Total assets	82,118	91,830

	FY2013	FY2014
Liabilities		
Current liabilities		
Accounts payable, trade	5,991	7,781
Electronically recorded obligations-operating	2,703	1,931
Short-term loans payable	—	991
Current portion of long-term loans payable	500	500
Short-term Lease obligations	796	14
Non-trade payables	1,365	1,052
Income taxes payable	428	943
Advances from customers on contracts	9,381	9,293
Accrued warranty costs	1,231	1,427
Accrued bonuses for employees	810	1,087
Provision for directors' bonuses	33	54
Provision for loss on orders received	257	324
Other current liabilities	1,790	2,573
Total current liabilities	25,290	27,976
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term Lease obligations	29	15
Long-term accounts payable	362	402
Deferred tax liabilities	1,947	2,367
Accrued pension and severance costs for employees	117	—
Net defined benefit liabilities	—	114
Other long-term liabilities	392	315
Total long-term liabilities	3,850	4,215
Total liabilities	29,140	32,191
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,979	13,062
Retained earnings	39,573	43,474
Treasury stock	(8,992)	(8,745)
Total shareholders' equity	51,391	55,623
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,898	2,529
Deferred hedge gains	(412)	(219)
Foreign currency translation adjustments	0	1,367
Remeasurements of defined benefit plans	—	216
Total accumulated other comprehensive income	1,485	3,894
Stock options	100	121
Total net assets	52,978	59,639
Total liabilities and net assets	82,118	91,830

(2) Consolidated Statements of Income

Million of Yen

	FY2013	FY2014
Net sales	57,812	69,594
Cost of sales	46,396	54,621
Gross profit	11,416	14,973
Selling, general and administrative expenses	7,659	8,657
Operating income	3,756	6,315
Non-operating income		
Interest income	29	76
Dividend income	73	73
Foreign exchange gain	232	236
Redemption profit on maturity of endowment insurance	84	64
Other non-operating income	103	73
Total non-operating income	523	525
Non-operating expense		
Interest expense	58	39
Commission expenses	24	24
Other non-operating expenses	123	67
Total non-operating expense	206	130
Ordinary profit	4,073	6,710
Extraordinary gain		
Gain on sale of fixed assets	6	3
Gain on sales of investment securities	—	25
Total extraordinary gain	6	28
Extraordinary loss		
Loss on sale of fixed assets	3	0
Loss on disposal of fixed assets	2	159
Loss on impairment	49	—
Loss on evaluation of golf club membership	8	—
Total extraordinary loss	64	159
Income before income taxes	4,015	6,579
Current taxes	560	1,258
Deferred taxes	(348)	197
Total corporate tax	211	1,456
Income before minority interests	3,803	5,123
Net income	3,803	5,123

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2013	FY2014
Income before minority interests	3,803	5,123
Other comprehensive income		
Net unrealized gains on other securities	327	631
Deferred hedge gains	(432)	193
Foreign currency translation adjustments	2,546	1,367
Total other comprehensive income	2,441	2,192
Comprehensive income	6,245	7,315
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	6,245	7,315

(3) Consolidated Statements of Change in Net Assets

Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity
Balance at March 31, 2012	7,831	12,978	36,666	(9,114)	48,360
Net income			3,803		3,803
Net unrealized gains on other securities					-
Foreign currency translation adjustments					-
Cash dividends paid			(896)		(896)
Treasury stock transactions, net		0		122	123
Deferred hedge gains (losses)					-
Stock options					-
Balance at March 31, 2013	7,831	12,979	39,573	(8,992)	51,391
Net income			5,123		5,123
Net unrealized gains on other securities					-
Foreign currency translation adjustments					-
Cash dividends paid			(1,221)		(1,221)
Treasury stock transactions, net		83		246	329
Deferred hedge gains (losses)					-
Stock options					-
Remeasurements of defined benefit plans					-
Balance at March 31, 2014	7,831	13,062	43,474	(8,745)	55,623

	Net unrealized gains on other securities	Deferred hedge gains (losses)	Foreign currency translation adjustments	Remeasurements plans of defined benefit plans	Total accumulated other comprehensive income	Stock options	Total net assets
Balance at March 31, 2012	1,570	19	(2,546)	-	(955)	66	47,472
Net income					-		3,803
Net unrealized gains on other securities	327				327		327
Foreign currency translation adjustments			2,546		2,546		2,546
Cash dividends paid					-		(896)
Treasury stock transactions, net					-		123
Deferred hedge gains (losses)		(432)			(432)		(432)
Stock options					-	33	33
Balance at March 31, 2013	1,898	(412)	0	-	1,485	100	52,978
Net income					-		5,123
Net unrealized gains on other securities	631				631		631
Foreign currency translation adjustments			1,367		1,367		1,367
Cash dividends paid					-		(1,221)
Treasury stock transactions, net					-		329
Deferred hedge gains (losses)		193			193		193
Stock options					-	20	20
Remeasurements of defined benefit plans				216	216		216
Balance at March 31, 2014	2,529	(219)	1,367	216	3,894	121	59,639

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2013	FY2014
Cash flows from operating activities:		
Income before income taxes	4,015	6,579
Depreciation and amortization	1,362	1,548
Impairment	49	—
(Gain) loss on sale of property, plant and equipment	(2)	(2)
Loss on disposal of fixed assets	2	159
(Gain) loss on sales of securities	—	(25)
Increase (decrease) in allowance for doubtful accounts	(24)	(12)
Increase (decrease) in accrued bonuses for employees, net	95	253
Increase (decrease) in accrued bonuses for directors, net	8	20
Increase (decrease) in accrued warranty costs, net	411	118
Increase (decrease) in accrued pension and severance costs for employees, net	(194)	(137)
Increase (decrease) in net defined benefit liabilities	—	114
Increase (decrease) in net defined benefit assets	—	49
Increase (decrease) in provision for loss on orders received, net	(248)	33
Interest and dividend income	(102)	(150)
Interest expense	58	39
(Increase) decrease in accounts receivable, trade	(1,115)	(3,331)
(Increase) decrease in inventories	734	2,135
Increase (decrease) in accounts payable, trade	1,165	(810)
(Increase) decrease in other assets	(319)	(513)
Increase (decrease) in other liabilities	417	274
Other, net	48	100
Sub-total	6,361	6,444
Interest and dividends received	102	150
Interest paid	(58)	(39)
Income taxes paid	(466)	(577)
Cash flows from operating activities:	5,938	5,978
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(1,399)	(2,003)
Proceeds from sale of property, plant and equipment	199	68
Payments for purchase of intangible assets	(38)	(563)
Proceeds from sales of intangible assets	—	0
Payments of purchase of short-term investments	—	(200)
Payments of purchase of investments securities	(50)	(200)
Proceeds from sales of investments securities	—	74
Payments for deposits of funds into time deposits	—	(432)
Proceeds for withdrawal of time deposit	8	—
Other, net	2	2
Cash flows from investing activities:	(1,277)	(3,254)
Cashes flows from financing activities:		
Proceeds from short-term loans	—	941
Payments for short-term loans	(535)	—
Payments for finance lease obligations	(141)	(16)
Proceeds from sale of treasury stock	124	320
Payments for purchase of treasury stock	(0)	(2)
Cash dividends paid	(893)	(1,217)
Cashes flows from financing activities:	(1,446)	26
Effect of exchange rate changes on cash and cash equivalents	1,934	1,006
Net increase (decrease) in cash and cash equivalents	5,148	3,756
Cash and cash equivalents at the beginning of the year	17,129	22,281
Increase in cash and cash equivalents from newly consolidated subsidiary	2	—
Cash and cash equivalents at the end of the year	22,281	26,038

(5) Segment Information

1. Overview of Report Segment

Report segments are available to obtain the separated financial report among constituent units of the company, and regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

Aida Engineering group business is defined as single unit of forming machine, manufacturing equipments

For domestic business, Aida Engineering is main company.

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

Each foreign subsidiary is single business entity.

To expand business activities, they are planning comprehensive business strategy of products in each area.

Aida Engineering consists of geographic segments based on manufacturing, sales and service.

Report segments are categorized into "Japan", "Asia", "Americas" and "Europe".

2. Calculation criteria of sales, profit / loss, assets and other

Reported criteria of geographical segment is normally same as security report (submitted on 27th June, 2013), based on "Underlying significant articles for the preparation of consolidated financial statements".

The profit shown in segment information is operating income. Transactions between segments refer to cross function dealing between companies, showing the amount based on market value.

3. Information regarding amounts of sales, profit by report segment

FY2013 (FY ended March 31, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	20,192	15,946	11,410	10,263	57,812	—	57,812
Inter-segment sales	19,522	1,535	514	1,558	23,131	(23,131)	—
Total sales	39,714	17,482	11,924	11,822	80,944	(23,131)	57,812
Segment income (loss)	2,070	1,462	493	(49)	3,976	(219)	3,756
Segment Assets	52,419	18,140	8,997	10,322	89,879	(7,761)	82,118
Others							
Depreciation	874	321	74	104	1,375	(12)	1,362
Capital expenditure	718	731	43	118	1,611	(56)	1,555

Note

- Adjustment of sales amount means elimination among inter-segment transactions.
Adjustments of segment income (loss) arose from elimination among inter-segment transactions.
Adjustments of segment asset means elimination among inter-segment debit and credit.
Adjustments of capital expenditure arose from elimination among inter-segment transactions.
- Segment income (loss) is adjusted to operating income of consolidated statements of income.

FY2014 (FY ended March 31, 2014)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	21,053	18,478	16,796	13,266	69,594	—	69,594
Inter-segment sales	18,626	1,475	600	3,152	23,855	(23,855)	—
Total sales	39,679	19,954	17,397	16,418	93,450	(23,855)	69,594
Segment income (loss)	4,177	1,585	902	(717)	5,947	368	6,315
Segment Assets	62,621	20,917	11,650	15,767	110,957	(19,126)	91,830
Others							
Depreciation	860	422	92	175	1,551	(3)	1,548
Capital expenditure	977	513	131	1,496	3,117	-	3,117

Note

- Adjustment of sales amount means elimination among inter-segment transactions.
Adjustments of segment income (loss) arose from elimination among inter-segment transactions.
Adjustments of segment asset means elimination among inter-segment debit and credit.
Adjustments of depreciation arose from elimination among inter-segment transactions.
- Segment income (loss) is adjusted to operating income of consolidated statements of income.

(6) Notes to going concern

None

2. Supplementary Information

Status of Orders

Orders Receipt and Backlog

FY2014 (FY ended March 31, 2014)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2013 Fluctuation Rate (%)	Amount	FY2013 Fluctuation Rate (%)
Japan	22,961	(9.3)	19,888	10.6
Asia	19,052	10.2	9,922	6.1
Americas	20,188	7.1	16,965	25.0
Europe	14,467	25.2	11,799	11.3
Total	76,670	5.0	58,575	13.7

Note.

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