

## FY2015 Second Quarter Consolidated Financial Results [Japanese Standard]

November 11, 2014  
Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

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

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Scheduled date of filing Quarterly Securities Report: November 11, 2014

Scheduled beginning date of dividend payment: -

Supplementary documents for quarterly consolidated financial results are prepared.

Second quarter results briefing is planned. (For Securities analyst and Institutional investor)

### 1. Consolidated Results for Fiscal Year 2015 Second Quarter (April 1, 2014 to September 30, 2014)

(Figures are rounded down to the nearest million yen)

#### (1) Consolidated Financial Results (For the six months ended September 30)

(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	%
FY2015 Second Quarter	34,163	7.2	3,630	16.1	3,784	9.0	2,739	(10.3)
FY2014 Second Quarter	31,874	19.4	3,126	51.1	3,472	59.4	3,054	64.2

Note. Comprehensive Income FY2015 2Q 4,400 Million yen (7.1%), FY2014 2Q 4,107 Million yen (560.9%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2015 Second Quarter	44.59	44.40
FY2014 Second Quarter	50.11	49.88

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2015 Second Quarter	98,480	62,106	62.9	1,008.62
FY2014	91,830	59,655	64.8	969.35

Reference. Shareholders' Equity FY2015 2Q 61,956 Million yen, FY2014 59,534 Million yen

### 2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2014	-	-	-	25.00	25.00
Fiscal 2015	-	-	-	-	-
Fiscal 2015 (forecast)	-	-	-	25.00	25.00

Note. Dividends forecast not revised

### 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	70,000	0.6	7,000	10.8	7,100	5.7	5,200	1.4	84.66

Note. Consolidated results forecast 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 : Yes

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) FY2015 2Q: 73,647,321 shares, FY2014 : 79,147,321 shares

2. Treasury Stock FY2015 2Q: 12,220,307 shares, FY2014 : 17,730,640 shares

3. Average number of shares outstanding FY2015 2Q: 61,424,074 shares, FY2014 2Q : 60,948,066 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

	FY2014	FY2015 Second quarter
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and at banks	19,579	23,476
Notes and accounts receivable, trade	19,768	17,949
Electronically recorded monetary claims-operating	114	248
Securities	7,200	8,200
Finished goods	1,231	3,493
Work in process	8,710	8,050
Raw materials and suppliers	1,719	2,295
Deferred tax assets	1,459	1,528
Other current assets	3,853	4,796
Allowance for doubtful accounts	(69)	(81)
<b>Total current assets</b>	<b>63,567</b>	<b>69,956</b>
<b>Fixed assets</b>		
Property, plant and equipment		
Buildings and structures	20,993	21,136
Accumulated depreciation	(13,756)	(13,936)
Buildings and structures - Net	7,237	7,199
Machinery and vehicles	10,268	10,874
Accumulated depreciation	(5,872)	(6,394)
Machinery and vehicles - Net	4,395	4,480
Land	5,088	5,103
Construction in progress	433	579
Other fixed assets	2,510	2,667
Accumulated depreciation	(2,020)	(2,104)
Other - Net	489	563
<b>Total property, plant and equipment</b>	<b>17,645</b>	<b>17,925</b>
Intangible assets	1,092	1,103
<b>Investments and other assets</b>		
Investment securities	5,231	5,615
Insurance reserve fund	3,456	3,557
Net defined benefit assets	582	57
Deferred tax assets	93	100
Other assets	237	205
Allowance for doubtful accounts	(77)	(42)
<b>Total investments and other assets</b>	<b>9,525</b>	<b>9,494</b>
<b>Total fixed assets</b>	<b>28,263</b>	<b>28,523</b>
<b>Total assets</b>	<b>91,830</b>	<b>98,480</b>

	FY2014	FY2015 Second quarter
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable, trade	7,781	7,559
Electronically recorded obligations-operating	1,931	2,844
Short-term loans payable	991	1,249
Current portion of long-term loans payable	500	500
Non-trade payables	1,052	1,019
Income taxes payable	943	1,299
Advances from customers on contracts	9,293	11,297
Accrued warranty costs	1,427	1,432
Accrued bonuses for employees	1,087	895
Provision for directors' bonuses	54	56
Provision for loss on orders received	324	174
Other current liabilities	2,563	2,409
<b>Total current liabilities</b>	<b>27,951</b>	<b>30,736</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,000	1,000
Long-term accounts payable	250	250
Deferred tax liabilities	2,367	2,373
Stocks payment reserve fund	160	180
Net defined benefit liabilities	114	115
Special suspense account for reduction entry	—	1,338
Other long-term liabilities	330	379
<b>Total long-term liabilities</b>	<b>4,223</b>	<b>5,637</b>
<b>Total liabilities</b>	<b>32,174</b>	<b>36,374</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,831	7,831
Additional paid-in capital	12,498	12,415
Retained earnings	43,288	41,438
Treasury stock	(7,978)	(5,283)
<b>Total shareholders' equity</b>	<b>55,639</b>	<b>56,400</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains on other securities	2,529	2,780
Deferred hedge gains	(219)	(167)
Foreign currency translation adjustments	1,367	2,728
Remeasurements of defined benefit plans	216	214
<b>Total accumulated other comprehensive income</b>	<b>3,894</b>	<b>5,556</b>
<b>Stock options</b>	<b>121</b>	<b>149</b>
<b>Total net assets</b>	<b>59,655</b>	<b>62,106</b>
<b>Total liabilities and net assets</b>	<b>91,830</b>	<b>98,480</b>

## (2) Consolidated Statements of Income

Million of Yen

	FY2014 Second quarter (Six months ended September 30, 2013)	FY2015 Second quarter (Six months ended September 30, 2014)
Net sales	31,874	34,163
Cost of sales	24,805	26,316
Gross profit	7,068	7,847
Selling, general and administrative expenses	3,941	4,216
Operating income	3,126	3,630
Non-operating income		
Interest income	26	46
Dividend income	46	59
Redemption profit on maturity of endowment insurance	64	28
Foreign exchange gain	208	21
Other non-operating income	37	58
Total non-operating income	384	213
Non-operating expense		
Interest expense	18	17
Other non-operating expenses	19	41
Total non-operating expense	38	59
Ordinary profit	3,472	3,784
Extraordinary gain		
Gain on sale of fixed assets	1	1
Insurance income	—	172
Total extraordinary gain	1	173
Extraordinary loss		
Loss on sale of fixed assets	0	0
Loss on disposal of fixed assets	3	38
Total extraordinary loss	3	38
Income before income taxes	3,471	3,919
Current taxes	339	1,125
Deferred taxes	77	55
Total corporate tax	417	1,180
Income before minority interests	3,054	2,739
Net income	3,054	2,739

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2014 Second quarter(Six months ended September 30, 2013)	FY2015 Second quarter(Six months ended September 30, 2014)
Income before minority interests	3,054	2,739
Other comprehensive income		
Net unrealized gains on other securities	626	250
Deferred hedge gains	246	51
Foreign currency translation adjustments	180	1,361
Remeasurements defined benefit plans	—	(2)
Total other comprehensive income	1,053	1,661
Comprehensive income	4,107	4,400
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	4,107	4,400

## (3) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2014 Second quarter(Six months ended September 30, 2013)	FY2015 Second quarter(Six months ended September 30, 2014)
Cash flows from operating activities:		
Income before income taxes	3,471	3,919
Depreciation and amortization	728	808
Increase (decrease) in allowance for doubtful accounts	(3)	(23)
Increase (decrease) in accrued warranty costs, net	0	1
Increase (decrease) in accrued bonuses for employees, net	41	(198)
Increase (decrease) in accrued bonuses for directors, net	14	1
Increase (decrease) in provision for loss on orders received, net	(105)	(146)
Increase (decrease) in accrued pension and severance costs for employees, net	(22)	—
Increase (decrease) in net defined benefit liabilities	—	0
Increase (decrease) in net defined benefit assets	—	(44)
Increase (decrease) in stocks payment reserve fund	21	20
Interest and dividend income	(73)	(105)
Interest expense	18	17
(Gain) loss on sale of property, plant and equipment	(1)	(1)
(Increase) decrease in accounts receivable, trade	2,149	3,909
(Increase) decrease in inventories	(622)	(1,774)
Increase (decrease) in accounts payable, trade	(1,855)	90
(Increase) decrease in other assets	(811)	527
Increase (decrease) in other liabilities	(621)	(288)
Other, net	60	(106)
Sub-total	2,388	6,607
Interest and dividends received	72	105
Interest paid	(18)	(17)
Income taxes paid	(224)	(802)
Cash flows from operating activities:	2,218	5,893
Payments for deposits of funds into time deposits	(1,269)	—
Proceeds for withdrawal of time deposit	—	110
Proceeds from sales of short-term investments	—	200
Payments for purchase of property, plant and equipment	(868)	(797)
Proceeds from sale of property, plant and equipment	106	3
Payments for purchase of intangible assets	(367)	(51)
Other, net	1	1
Cash flows from investing activities:	(2,397)	(533)
Proceeds from short-term loans	918	277
Payments for lease obligations	(8)	(7)
Payments for purchase of treasury stock	(1)	0
Proceeds from sale of treasury stock	32	7
Cash dividends paid	(1,215)	(1,614)
Cashes flows from financing activities:	(273)	(1,336)
Effect of exchange rate changes on cash and cash equivalents	463	1,157
Net increase (decrease) in cash and cash equivalents	10	5,180
Cash and cash equivalents at the beginning of the year	22,281	26,038
Cash and cash equivalents at the end of period	22,292	31,218



(4) Notes to going concern

None

(5) Notes regarding remarkable fluctuation in shareholders' equity

The Company canceled 5,500,000 shares held as treasury stock on May 30 2014 pursuant to the resolution at board of directors meeting on May 13, 2014.

As a result, decrease treasury stock 2,689 million, capital surplus 85 million, earned surplus 2,603 million in the six months ended September 30, 2014.

(6) Segment Information

FY2014 Second quarter (Six months ended September 30, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	7,906	8,829	8,643	6,495	31,874	—	31,874
Inter-segment sales	9,205	690	272	685	10,853	(10,853)	—
Total sales	17,111	9,519	8,915	7,180	42,727	(10,853)	31,874
Segment income (loss)	1,634	705	634	(10)	2,964	162	3,126

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.

3. Segment income (loss) was calculated based on retroactively adjusted figures for the first quarter of the previous fiscal year due to the change in accounting policy for "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts".

As a result, compared with the accounting policy prior to retrospective application, Segment income of Japan increased 2 million.

FY2015 Second quarter (Six months ended September 30, 2014)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	10,373	7,373	11,003	5,411	34,163	—	34,163
Inter-segment sales	10,856	863	360	1,492	13,573	(13,573)	—
Total sales	21,230	8,237	11,364	6,904	47,736	(13,573)	34,163
Segment income	2,434	552	791	68	3,847	(216)	3,630

Note

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

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

2. Segment income is adjusted to operating income of consolidated statements of income.

3. Due to the change in calculation method of projected benefit obligation and service cost, calculation method and determination method for discount rate of projected benefit obligation and service cost for segment was changed. The influence of the change on segment profit and loss is insignificant.

4. The company has applied "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts".

## 2. Supplementary Information

### Status of Orders

#### Orders Receipt and Backlog

FY2015 Second quarter (Six months ended September 30, 2014)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2014 Second quarter Fluctuation Rate (%)	Amount	FY2014 Second quarter Fluctuation Rate (%)
Japan	8,860	7.6	18,375	0.3
Asia	13,020	5.0	15,569	20.5
Americas	13,002	38.7	18,964	32.6
Europe	3,745	(43.1)	10,132	(5.2)
Total	38,629	5.6	63,041	12.1

Note.

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