

FY2015 Consolidated Financial Results [Japanese Standard]

May 14, 2015

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 Annual General Meeting: June 25, 2015

Scheduled date of filing Securities Report: June 25, 2015

Scheduled beginning date of dividend payment: June 26, 2015

Supplementary documents for consolidated financial results are prepared.

Results briefing is planned.

1. Consolidated Results for Fiscal Year 2015 (April 1, 2014 to March 31, 2015)

(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	%
FY2015	76,897	10.5	7,863	24.4	8,208	22.2	6,205	21.0
FY2014	69,594	20.4	6,320	68.1	6,715	64.7	5,127	34.7

Note. Comprehensive Income FY2015 9,407 Million yen (28.5%), FY2014 7,319 Million yen (17.1%)

	Net Income per Share	Diluted Net Income per	Return On Equity	Return On Asset	Operating Profit Ratio
	Yen	Yen	%	%	%
FY2015	100.99	100.52	9.8	8.3	10.2
FY2014	83.95	83.44	9.1	7.7	9.1

Reference. Equity in earnings FY2015 - Million yen, FY2014 - Million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2015	105,126	67,254	63.8	1,088.96
FY2014	91,830	59,655	64.8	969.35

Reference. Shareholders' Equity FY2015 67,104 Million yen, FY2014 59,534 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
FY2015	5,100	(1,237)	(2,077)	29,958
FY2014	5,978	(3,254)	26	26,038

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 2014	-	-	-	25.00	25.00	1,620	29.8	2.7
Fiscal 2015	-	-	-	30.00	30.00	1,950	29.7	2.9
Fiscal 2016 (forecast)	-	-	-	30.00	30.00		30.8	

3. Forecast of Consolidated Results for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(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 2016 (Half)	39,500	15.6	4,000	10.2	4,100	8.3	3,000	9.5	48.68
Fiscal 2016	78,000	1.4	7,900	0.5	8,100	(1.3)	6,000	(3.3)	97.37

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

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included) FY2015 : 73,647,321 shares, FY2014 : 79,147,321 shares2. Treasury Stock FY2015 : 12,024,268 shares, FY2014 : 17,730,640 shares3. Average number of shares outstanding FY2015 : 61,445,617 shares, FY2014 : 61,083,714 shares

[Reference] Outline of Non-Consolidated Results

Non-Consolidated Results for Fiscal Year 2015 (April 1, 2014 to March 31, 2015)

(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	%
FY2015	45,054	16.8	4,168	10.8	6,498	56.6	5,553	82.0
FY2014	38,564	(0.1)	3,762	102.9	4,148	102.5	3,051	37.9

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2015	90.38	89.96
FY2014	49.96	49.66

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2015	68,320	48,742	71.1	788.55
FY2014	60,716	44,474	73.0	722.16

Reference. Shareholders' Equity FY2015 48,593 Million yen, FY2014 44,352 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 25 2015.

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

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2014	FY2015
Assets		
Current assets		
Cash on hand and at banks	19,579	22,868
Notes and accounts receivable, trade	19,768	22,585
Electronically recorded monetary claims-operating	114	242
Securities	7,200	7,200
Finished goods	1,231	2,504
Work in process	8,710	9,318
Raw materials and supplies	1,719	2,705
Deferred tax assets	1,459	1,434
Other current assets	3,853	5,824
Allowance for doubtful accounts	(69)	(69)
Total current assets	63,567	74,614
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,993	21,850
Accumulated depreciation	(13,756)	(14,161)
Buildings and structures - Net	7,237	7,688
Machinery and vehicles	10,268	11,108
Accumulated depreciation	(5,872)	(6,807)
Machinery and vehicles - Net	4,395	4,300
Land	5,088	5,102
Construction in progress	433	1,524
Other fixed assets	2,510	2,767
Accumulated depreciation	(2,020)	(2,149)
Other - Net	489	617
Total property, plant and equipment	17,645	19,233
Intangible assets	1,092	1,121
Investments and other assets		
Investment securities	5,231	5,804
Insurance reserve fund	3,456	3,488
Net defined benefit assets	582	519
Deferred tax assets	93	162
Other assets	237	208
Allowance for doubtful accounts	(77)	(27)
Total investments and other assets	9,525	10,156
Total fixed assets	28,263	30,511
Total assets	91,830	105,126

	FY2014	FY2015
Liabilities		
Current liabilities		
Accounts payable, trade	7,781	9,930
Electronically recorded obligations-operating	1,931	2,769
Short-term loans payable	991	391
Current portion of long-term loans payable	500	500
Non-trade payables	1,052	1,212
Income taxes payable	943	1,182
Advances from customers on contracts	9,293	10,799
Accrued warranty costs	1,427	1,479
Accrued bonuses for employees	1,087	1,096
Provision for directors' bonuses	54	58
Provision for loss on orders received	324	80
Special suspense account for reduction entry	—	1,224
Other current liabilities	2,563	2,604
Total current liabilities	27,951	33,328
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term accounts payable	250	424
Deferred tax liabilities	2,367	2,441
Stocks payment reserve fund	160	200
Net defined benefit liabilities	114	102
Other long-term liabilities	330	373
Total long-term liabilities	4,223	4,543
Total liabilities	32,174	37,871
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,498	12,415
Retained earnings	43,288	44,951
Treasury stock	(7,978)	(5,188)
Total shareholders' equity	55,639	60,008
Accumulated other comprehensive income		
Net unrealized gains on other securities	2,529	3,056
Deferred gains or losses on hedges	(219)	(211)
Foreign currency translation adjustments	1,367	3,754
Remeasurements of defined benefit plans	216	496
Total accumulated other comprehensive income	3,894	7,096
Stock options	121	149
Total net assets	59,655	67,254
Total liabilities and net assets	91,830	105,126

(2) Consolidated Statements of Income

(Millions of Yen)

	FY2014	FY2015
Net sales	69,594	76,897
Cost of sales	54,617	59,650
Gross profit	14,976	17,246
Selling, general and administrative expenses	8,656	9,383
Operating income	6,320	7,863
Non-operating income		
Interest income	76	115
Dividend income	73	92
Foreign exchange gain	236	298
Redemption profit on maturity of endowment insurance	64	28
Other non-operating income	73	104
Total non-operating income	525	639
Non-operating expense		
Interest expense	39	40
Commission expenses	24	79
Other non-operating expenses	67	173
Total non-operating expense	130	293
Ordinary profit	6,715	8,208
Extraordinary gain		
Gain on sale of fixed assets	3	4
Gain on sales of investment securities	25	—
Insurance income	—	423
Total extraordinary gain	28	427
Extraordinary loss		
Loss on sale of fixed assets	0	0
Loss on disposal of fixed assets	159	91
Other extraordinary loss	—	1
Total extraordinary loss	159	93
Income before income taxes	6,584	8,543
Current taxes	1,258	2,111
Deferred taxes	197	226
Total corporate tax	1,456	2,337
Income before minority interests	5,127	6,205
Net income	5,127	6,205

(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, 2013	7,831	12,979	39,573	(8,992)	51,391
Cumulative effects of changes in accounting policies		(563)	(191)	767	12
Related balance	7,831	12,415	39,382	(8,224)	51,404
Changes of items during the period					
Net income			5,127		5,127
Cash dividends paid			(1,221)		(1,221)
Treasury stock transactions, net		82		246	329
Net Changes of items other than shareholders' equity					
Total changes during the period	—	82	3,905	246	4,235
Balance at March 31, 2014	7,831	12,498	43,288	(7,978)	55,639
Cumulative effects of changes in accounting policies			(365)		(365)
Related balance	7,831	12,498	42,922	(7,978)	55,274
Changes of items during the period					
Net income			6,205		6,205
Cash dividends paid			(1,620)		(1,620)
Treasury stock transactions, net		(83)	(2,556)	2,789	149
Net Changes of items other than shareholders' equity					
Total changes during the period	—	(83)	2,028	2,789	4,734
Balance at March 31, 2015	7,831	12,415	44,951	(5,188)	60,008

	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, 2013	1,898	(412)	0	-	1,485	100	52,978
Cumulative effects of changes in accounting policies							12
Related balance	1,898	(412)	0	-	1,485	100	52,990
Changes of items during the period							
Net income							5,127
Cash dividends paid							(1,221)
Treasury stock transactions, net							329
Net Changes of items other than shareholders' equity	631	193	1,367	216	2,408	20	2,429
Total changes during the period	631	193	1,367	216	2,408	20	6,665
Balance at March 31, 2014	2,529	(219)	1,367	216	3,894	121	59,655
Cumulative effects of changes in accounting policies							(365)
Related balance	2,529	(219)	1,367	216	3,894	121	59,290
Changes of items during the period							
Net income							6,205
Cash dividends paid							(1,620)
Treasury stock transactions, net							149
Net Changes of items other than shareholders' equity	526	8	2,387	280	3,202	28	3,230
Total changes during the period	526	8	2,387	280	3,202	28	7,964
Balance at March 31, 2015	3,056	(211)	3,754	496	7,096	149	67,254

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2014	FY2015
Income before minority interests	5,127	6,205
Other comprehensive income		
Net unrealized gains on other securities	631	526
Deferred gains or losses on hedges	193	8
Foreign currency translation adjustments	1,367	2,387
Remeasurements defined benefit plans	—	280
Total other comprehensive income	2,192	3,202
Comprehensive income	7,319	9,407
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	7,319	9,407

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2014	FY2015
Cash flows from operating activities:		
Income before income taxes	6,584	8,543
Depreciation and amortization	1,548	1,712
(Gain) loss on sale of property, plant and equipment	(2)	(3)
Loss on disposal of fixed assets	159	91
(Gain) loss on sales of securities	(25)	—
Increase (decrease) in allowance for doubtful accounts	(12)	(45)
Increase (decrease) in accrued bonuses for employees, net	253	(18)
Increase (decrease) in accrued bonuses for directors, net	20	4
Increase (decrease) in accrued warranty costs, net	118	60
Increase (decrease) in accrued pension and severance costs for employees, net	(137)	—
Increase (decrease) in net defined benefit liabilities	114	(2)
(Increase) decrease in net defined benefit assets	49	(446)
Increase (decrease) in stocks payment reserve fund	39	48
Increase (decrease) in provision for loss on orders received, net	33	(234)
Interest and dividend income	(150)	(208)
Interest expense	39	40
(Increase) decrease in accounts receivable, trade	(3,331)	(1,673)
(Increase) decrease in inventories	2,135	(3,021)
Increase (decrease) in accounts payable, trade	(810)	1,098
(Increase) decrease in other assets	(513)	60
Increase (decrease) in other liabilities	229	727
Other, net	100	172
Sub-total	6,444	6,904
Interest and dividends received	150	208
Interest paid	(39)	(39)
Income taxes paid	(577)	(1,972)
Cash flows from operating activities:	5,978	5,100
Payments for purchase of property, plant and equipment	(2,003)	(1,881)
Proceeds from sale of property, plant and equipment	68	28
Payments for purchase of intangible assets	(563)	(114)
Payments of purchase of short-term investments	(200)	—
Proceeds from sales of short-term investments	—	200
Payments of purchase of investments securities	(200)	—
Proceeds from sales of investments securities	74	13
Payments for deposits of funds into time deposits	(432)	(654)
Proceeds for withdrawal of time deposit	—	1,118
Other, net	2	52
Cash flows from investing activities:	(3,254)	(1,237)
Proceeds from short-term loans	941	—
Payments for short-term loans	—	(602)
Payments for finance lease obligations	(16)	(8)
Proceeds from sale of treasury stock	320	150
Payments for purchase of treasury stock	(2)	(1)
Cash dividends paid	(1,217)	(1,616)
Cash flows from financing activities:	26	(2,077)
Effect of exchange rate changes on cash and cash equivalents	1,006	2,134
Net increase (decrease) in cash and cash equivalents	3,756	3,920
Cash and cash equivalents at the beginning of the year	22,281	26,038
Cash and cash equivalents at the end of the year	26,038	29,958

(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 25th June, 2015), 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

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)	4,181	1,585	902	(717)	5,951	368	6,320
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

1. 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.

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 by 4 million.

FY2015 (FY ended March 31, 2015)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	24,185	16,812	23,804	12,094	76,897	—	76,897
Inter-segment sales	21,809	2,045	894	2,854	27,604	(27,604)	—
Total sales	45,994	18,858	24,699	14,948	104,501	(27,604)	76,897
Segment income	4,765	1,478	1,587	78	7,908	(45)	7,863
Segment Assets	70,358	25,363	13,966	14,096	123,785	(18,658)	105,126
Others							
Depreciation	885	467	112	250	1,715	(3)	1,712
Capital expenditure	805	360	161	647	1,975	-	1,975

Note

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

Adjustments of segment income 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.

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 were 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."

(6) Notes to going concern

None

2. Supplementary Information

Status of Order Received

Orders Receipt and Backlog

FY2015 (FY ended March 31, 2015)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2015 Fluctuation Rate (%)	Amount	FY2015 Fluctuation Rate (%)
Japan	21,080	(8.2)	16,783	(15.6)
Asia	19,989	4.9	13,098	32.0
Americas	18,568	(8.0)	11,879	(30.0)
Europe	10,617	(26.6)	10,172	(13.8)
Total	70,256	(8.4)	51,934	(11.3)

Note.

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