

FY2016 First Quarter Consolidated Financial Results [Japanese Standard]

August 7, 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 filing quarterly securities report: August 7, 2015
 Scheduled beginning date of dividend payment: —
 Preparation of First quarter presentation materials: Yes
 Holding of First quarter results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for Fiscal Year 2016 First Quarter (April 1, 2015 to June 30, 2015)

(1) Consolidated Financial Results (For three months ended June 30)

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2016 First Quarter	17,857	4.0	2,097	15.5	2,347	28.9	1,536	19.7
FY2015 First Quarter	17,168	14.8	1,815	19.2	1,820	10.5	1,283	(11.0)

Note: Comprehensive Income FY2016 1Q 2,202 Million yen (34.2%), FY2015 1Q 1,641 Million yen (-21.5%)

	Net Income per Share		Diluted Net Income per Share	
	Yen	Yen	Yen	Yen
FY2016 First Quarter	24.94	24.86	24.86	24.86
FY2015 First Quarter	20.90	20.81	20.81	20.81

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen
FY2016 First Quarter	106,545	67,506	67,506	67,506	63.2	1,092.63
FY2015	105,126	67,254	67,254	67,254	63.8	1,088.96

Reference: Shareholders' Equity FY2016 1Q 67,380 Million yen, FY2015 67,104 Million yen

2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
Fiscal 2015	Yen -	Yen -	Yen -	Yen 30.00	Yen 30.00
Fiscal 2016	-	-	-	-	-
Fiscal 2016 (forecast)	-	-	-	30.00	30.00

Note: Revision of dividend forecast for this period: None

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

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company		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	48.67
Fiscal 2016	78,000	1.4	7,900	0.5	8,100	(1.3)	6,000	(3.3)	97.31

Note: Revision of forecast of consolidated results: None

4. Other

(1) Changes among significant subsidiaries during the period : None

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 : None

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" : None

3. Change in accounting estimates : None

4. Retrospective restatement : None

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included)	<u>FY2016 1Q</u> : 73,647,321 shares,	<u>FY2015</u> : 73,647,321 shares
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2. Treasury Stock	<u>FY2016 1Q</u> : 11,979,570 shares,	<u>FY2015</u> : 12,024,268 shares
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3. Average number of shares outstanding	<u>FY2016 1Q</u> : 61,623,442 shares,	<u>FY2015 1Q</u> : 61,421,876 shares
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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

(Millions of Yen)

	FY2015	FY2016 First quarter
Assets		
Current assets		
Cash on hand and at banks	22,868	21,337
Notes and accounts receivable, trade	22,585	25,066
Electronically recorded monetary claims-operating	242	358
Securities	7,200	6,200
Finished goods	2,504	2,170
Work in process	9,318	10,287
Raw materials and suppliers	2,705	2,910
Deferred tax assets	1,434	1,149
Other current assets	5,824	5,012
Allowance for doubtful accounts	(69)	(78)
Total current assets	74,614	74,414
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,850	22,040
Accumulated depreciation	(14,161)	(14,318)
Buildings and structures - Net	7,688	7,721
Machinery and vehicles	11,108	12,586
Accumulated depreciation	(6,807)	(7,117)
Machinery and vehicles - Net	4,300	5,468
Land	5,102	5,110
Construction in progress	1,524	1,366
Other fixed assets	2,767	2,859
Accumulated depreciation	(2,149)	(2,230)
Other - Net	617	629
Total property, plant and equipment	19,233	20,297
Intangible assets	1,121	1,142
Investments and other assets		
Investment securities	5,804	6,276
Insurance reserve fund	3,488	3,513
Net defined benefit assets	519	546
Deferred tax assets	162	163
Other assets	208	217
Allowance for doubtful accounts	(27)	(26)
Total investments and other assets	10,156	10,690
Total fixed assets	30,511	32,130
Total assets	105,126	106,545

(Millions of Yen)

	FY2015	FY2016 First quarter
Liabilities		
Current liabilities		
Accounts payable, trade	9,930	8,569
Electronically recorded obligations-operating	2,769	2,854
Short-term loans payable	391	1,934
Current portion of long-term loans payable	500	500
Non-trade payables	1,212	1,565
Income taxes payable	1,182	587
Advances from customers on contracts	10,799	12,148
Accrued warranty costs	1,479	1,256
Accrued bonuses for employees	1,096	508
Provision for directors' bonuses	58	29
Provision for loss on orders received	80	139
Special suspense account for reduction entry	1,224	1,195
Other current liabilities	2,604	2,913
Total current liabilities	33,328	34,201
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term accounts payable	424	519
Deferred tax liabilities	2,441	2,619
Stocks payment reserve fund	200	211
Net defined benefit liabilities	102	106
Other long-term liabilities	373	379
Total long-term liabilities	4,543	4,836
Total liabilities	37,871	39,038
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,415	12,416
Retained earnings	44,951	44,537
Treasury stock	(5,188)	(5,167)
Total shareholders' equity	60,008	59,617
Accumulated other comprehensive income		
Net unrealized gains on other securities	3,056	3,380
Deferred gains or losses on hedges	(211)	(177)
Foreign currency translation adjustments	3,754	4,067
Remeasurements of defined benefit plans	496	491
Total accumulated other comprehensive income	7,096	7,762
Stock options	149	126
Total net assets	67,254	67,506
Total liabilities and net assets	105,126	106,545

(2) Consolidated Statements of Income

(Millions of Yen)

	FY2015 First quarter (Three months ended June 30, 2014)	FY2016 First quarter (Three months ended June 30, 2015)
Net sales	17,168	17,857
Cost of sales	13,271	13,435
Gross profit	3,897	4,421
Selling, general and administrative expenses	2,081	2,323
Operating income	1,815	2,097
Non-operating income		
Interest income	16	25
Dividend income	54	77
Foreign exchange gain	—	156
Other non-operating income	24	20
Total non-operating income	95	279
Non-operating expense		
Interest expense	8	6
Foreign exchange loss	48	—
Other non-operating expenses	33	23
Total non-operating expense	90	30
Ordinary profit	1,820	2,347
Extraordinary gain		
Gain on sale of fixed assets	0	—
Insurance income	103	—
Total extraordinary gain	104	—
Extraordinary loss		
Loss on sale of fixed assets	0	0
Loss on disposal of fixed assets	0	0
Total extraordinary loss	0	0
Income before income taxes	1,924	2,347
Current taxes	304	435
Deferred taxes	336	374
Total corporate tax	641	810
Net income	1,283	1,536
Profit attributable to owners of parent company	1,283	1,536

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2015 First quarter (Three months ended June 30, 2014)	FY2016 First quarter (Three months ended June 30, 2015)
Net income	1,283	1,536
Other comprehensive income		
Net unrealized gains on other securities	332	324
Deferred gains or losses on hedges	163	33
Foreign currency translation adjustments	(136)	313
Remeasurements defined benefit plans	(1)	(5)
Total other comprehensive income	358	665
Comprehensive income	1,641	2,202
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	1,641	2,202

(3) Notes to going concern assumption

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

FY2015 First quarter (Three months ended June 30, 2014)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	4,783	3,996	5,373	3,015	17,168	—	17,168
Inter-segment sales	5,142	434	223	750	6,551	(6,551)	—
Total sales	9,925	4,430	5,596	3,766	23,719	(6,551)	17,168
Segment income	1,146	276	358	75	1,857	(41)	1,815

Note:

1. Adjustment of sales refers to 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.

FY2016 First quarter (Three months ended June 30, 2015)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	5,481	4,550	5,108	2,716	17,857	—	17,857
Inter-segment sales	5,103	1,036	312	171	6,623	(6,623)	—
Total sales	10,584	5,587	5,420	2,888	24,480	(6,623)	17,857
Segment income	948	662	445	3	2,060	36	2,097

Note:

1. Adjustment of sales refers to 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.

2. Supplementary Information

Status of Orders

Orders Receipt and Backlog

FY2016 First quarter (Three months ended June 30, 2015)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2015 First quarter Fluctuation Rate (%)	Amount	FY2015 First quarter Fluctuation Rate (%)
Japan	9,970	45.9	21,273	(3.0)
Asia	3,945	(45.2)	12,493	(4.8)
Americas	5,526	42.5	12,301	(20.5)
Europe	4,705	191.4	12,157	16.9
Total	24,148	23.7	58,225	(4.4)

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.