

## Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ended March 31, 2019 [Japanese Standard]

February 12, 2019

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.  
 Stock code: 6118 (URL <http://www.aida.co.jp>)  
 Representative: Kimikazu Aida, Chairman & President (CEO)  
 Contact: Hiromitsu Ugawa, Managing Executive Officer, Division Manager, General Administration Headquarters Tel: +81-42-772-5231  
 Scheduled date of filing quarterly securities report: February 12, 2019  
 Scheduled beginning date of dividend payment: —  
 Preparation of supplemental explanatory materials: Yes  
 Holding of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Results for 3rd Quarter of the Fiscal Year Ended March 31, 2019 (April 1, 2018 to December 31, 2018)

## (1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

|                                     | Net sales       |      | Operating income |        | Ordinary income |        | Net income attributable to owners of parent |        |
|-------------------------------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|
|                                     | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                             | %      |
| Nine months ended December 31, 2018 | 61,257          | 20.7 | 3,723            | (10.1) | 4,109           | 2.3    | 2,783                                       | 3.2    |
| Nine months ended December 31, 2017 | 50,763          | 6.5  | 4,141            | (8.6)  | 4,016           | (16.2) | 2,696                                       | (20.9) |

Note: Comprehensive income  
 Nine months ended December 31, 2018 970 million yen ( -82.4 %)  
 Nine months ended December 31, 2017 5,509 million yen ( 105.9 %)

|                                     | Net income per share | Diluted net income per share |
|-------------------------------------|----------------------|------------------------------|
|                                     | Yen                  | Yen                          |
| Nine months ended December 31, 2018 | 45.11                | 45.01                        |
| Nine months ended December 31, 2017 | 43.71                | 43.60                        |

## (2) Consolidated Financial Position

|                         | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|----------------------------|----------------------|
|                         | Millions of yen | Millions of yen | %                          | Yen                  |
| As of December 31, 2018 | 113,387         | 74,934          | 65.5                       | 1,202.74             |
| As of March 31, 2018    | 116,108         | 75,924          | 64.8                       | 1,219.02             |

Reference: Shareholders' equity  
 As of December 31, 2018 74,232 million yen  
 As of March 31, 2018 75,210 million yen

## 2. Cash Dividends

|                                      | Cash dividends per share |        |        |          |       |
|--------------------------------------|--------------------------|--------|--------|----------|-------|
|                                      | 1Q End                   | 2Q End | 3Q End | Year-end | Total |
|                                      | Yen                      | Yen    | Yen    | Yen      | Yen   |
| Year ended March 31, 2018            | —                        | —      | —      | 30.00    | 30.00 |
| Year ended March 31, 2019            | —                        | —      | —      | —        | —     |
| Year ended March 31, 2019 (forecast) | —                        | —      | —      | 30.00    | 30.00 |

Note: Revision of dividend forecast for this period: None

## 3. Forecasts of Consolidated Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentages represent change compared to the previous period)

|                                | Net sales       |     | Operating income |       | Ordinary income |      | Net income attributable to owners of parent |     | Net income per share |
|--------------------------------|-----------------|-----|------------------|-------|-----------------|------|---|-----|----------------------|
|                                | Millions of yen | %   | Millions of yen  | %     | Millions of yen | %    | Millions of yen                             | %   | Yen                  |
| Full year ended March 31, 2019 | 80,000          | 8.3 | 6,050            | (4.2) | 6,600           | 11.3 | 4,900                                       | 2.4 | 79.40                |

Note: Revision of forecasts of consolidated results: Yes

4. Others

(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: Yes

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

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: None

2. Changes in accounting policies other than "1": None

3. Changes in accounting estimates: None

4. Retrospective restatement: None

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included)

As of December 31, 2018 73,647,321 shares

As of March 31, 2018 73,647,321 shares

2. Treasury Stock

As of December 31, 2018 11,927,927 shares

As of March 31, 2018 11,950,279 shares

3. Average number of shares outstanding

Nine months ended December 31, 2018 61,707,164 shares

Nine months ended December 31, 2017 61,695,351 shares

This financial results falls outside the scope of audit procedures.

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.

## TABLE OF CONTENTS

|   |   |
|---|---|
| 1. Consolidated Financial Statements                                    |   |
| (1) Consolidated Balance Sheets.....                                    | 2 |
| (2) Consolidated Statements of Income and Comprehensive Income.....     | 4 |
| Consolidated Statements of Income.....                                  | 4 |
| Consolidated Statements of Comprehensive Income.....                    | 5 |
| (3) Notes to Going Concern Assumption.....                              | 6 |
| (4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity..... | 6 |
| (5) Segment Information.....  | 6 |
| 2. Supplementary Information  |   |
| Status of Orders .....  | 7 |

## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of Yen)

|   | As of March 31, 2018 | As of December 31, 2018 |
|---|----------------------|-------------------------|
| Assets  |                      |                         |
| Current assets                                      |                      |                         |
| Cash on hand and at banks                           | 33,163               | 30,200                  |
| Notes and accounts receivable - trade               | 22,444               | 23,460                  |
| Electronically recorded monetary claims - operating | 2,485                | 2,225                   |
| Finished goods                                      | 2,312                | 3,392                   |
| Work in process                                     | 11,038               | 11,805                  |
| Raw materials and supplies                          | 4,014                | 3,972                   |
| Other current assets                                | 3,158                | 3,658                   |
| Allowance for doubtful accounts                     | (226)                | (212)                   |
| Total current assets                                | 78,390               | 78,504                  |
| Fixed assets  |                      |                         |
| Property, plant and equipment                       |                      |                         |
| Buildings and structures                            | 24,664               | 24,995                  |
| Accumulated depreciation                            | (16,106)             | (16,451)                |
| Buildings and structures, net                       | 8,558                | 8,543                   |
| Machinery and vehicles                              | 16,326               | 17,287                  |
| Accumulated depreciation                            | (9,579)              | (10,221)                |
| Machinery and vehicles, net                         | 6,746                | 7,065                   |
| Land  | 7,140                | 7,064                   |
| Construction in progress                            | 362                  | 473                     |
| Other fixed assets                                  | 3,535                | 3,514                   |
| Accumulated depreciation                            | (2,894)              | (2,952)                 |
| Other fixed assets, net                             | 641                  | 562                     |
| Total property, plant and equipment                 | 23,449               | 23,709                  |
| Intangible assets                                   | 927                  | 805                     |
| Investments and other assets                        |                      |                         |
| Investment securities                               | 8,734                | 6,732                   |
| Insurance reserve fund                              | 2,943                | 2,239                   |
| Net defined benefit assets                          | 795                  | 819                     |
| Deferred tax assets                                 | 708                  | 424                     |
| Other assets  | 195                  | 184                     |
| Allowance for doubtful accounts                     | (36)                 | (32)                    |
| Total investments and other assets                  | 13,340               | 10,367                  |
| Total fixed assets                                  | 37,718               | 34,883                  |
| Total assets  | 116,108              | 113,387                 |

(Millions of Yen)

|  | As of March 31, 2018 | As of December 31, 2018 |
|--|----------------------|-------------------------|
| <b>Liabilities</b>                                       |                      |                         |
| <b>Current liabilities</b>                               |                      |                         |
| Accounts payable - trade                                 | 7,374                | 7,379                   |
| Electronically recorded monetary obligations - operating | 4,600                | 5,478                   |
| Short-term loans payable                                 | 2,611                | 2,537                   |
| Current portion of long-term loans payable               | 500                  | 500                     |
| Accounts payable - other                                 | 1,065                | 1,595                   |
| Income taxes payable                                     | 1,156                | 409                     |
| Advances received  | 11,745               | 10,284                  |
| Accrued warranty costs                                   | 717                  | 656                     |
| Accrued bonuses for employees                            | 1,214                | 639                     |
| Accrued bonuses for directors                            | 52                   | 24                      |
| Provision for loss on orders received                    | 105                  | 129                     |
| Other current liabilities                                | 2,055                | 2,195                   |
| <b>Total current liabilities</b>                         | <b>33,198</b>        | <b>31,831</b>           |
| <b>Long-term liabilities</b>                             |                      |                         |
| Long-term loans payable                                  | 1,000                | 1,000                   |
| Long-term accounts payable - other                       | 820                  | 827                     |
| Deferred tax liabilities                                 | 3,039                | 2,682                   |
| Accrued stock payments                                   | 344                  | 398                     |
| Net defined benefit liabilities                          | 1,461                | 1,416                   |
| Other long-term liabilities                              | 319                  | 297                     |
| <b>Total long-term liabilities</b>                       | <b>6,985</b>         | <b>6,621</b>            |
| <b>Total liabilities</b>                                 | <b>40,184</b>        | <b>38,453</b>           |
| <b>Net assets</b>  |                      |                         |
| <b>Shareholders' equity</b>                              |                      |                         |
| Common stock   | 7,831                | 7,831                   |
| Additional paid-in capital                               | 12,486               | 12,489                  |
| Retained earnings  | 54,000               | 54,829                  |
| Treasury stock   | (5,222)              | (5,213)                 |
| <b>Total shareholders' equity</b>                        | <b>69,095</b>        | <b>69,937</b>           |
| <b>Accumulated other comprehensive income</b>            |                      |                         |
| Net unrealized gains on other securities                 | 4,930                | 3,530                   |
| Deferred hedge gains                                     | 26                   | 31                      |
| Foreign currency translation adjustments                 | 734                  | 343                     |
| Retirement benefit plan adjustments                      | 423                  | 389                     |
| <b>Total accumulated other comprehensive income</b>      | <b>6,114</b>         | <b>4,294</b>            |
| <b>Stock options</b>                                     | <b>148</b>           | <b>139</b>              |
| <b>Non-controlling interests</b>                         | <b>566</b>           | <b>562</b>              |
| <b>Total net assets</b>                                  | <b>75,924</b>        | <b>74,934</b>           |
| <b>Total liabilities and net assets</b>                  | <b>116,108</b>       | <b>113,387</b>          |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of Yen)

|   | Nine months ended<br>December 31, 2017 | Nine months ended<br>December 31, 2018 |
|---|--|--|
| Net sales   | 50,763                                 | 61,257                                 |
| Cost of sales   | 39,663                                 | 50,378                                 |
| Gross profit  | 11,099                                 | 10,878                                 |
| Selling, general and administrative expenses            | 6,957                                  | 7,154                                  |
| Operating income  | 4,141                                  | 3,723                                  |
| Non-operating income                                    |  |  |
| Interest income   | 62                                     | 73                                     |
| Dividend income   | 115                                    | 147                                    |
| Gain from redemption at maturity of endowment insurance | 28                                     | 13                                     |
| Insurance premiums refunded cancellation                | 19                                     | 167                                    |
| Other non-operating income                              | 99                                     | 114                                    |
| Total non-operating income                              | 325                                    | 516                                    |
| Non-operating expense                                   |  |  |
| Interest expenses                                       | 31                                     | 27                                     |
| Foreign exchange loss                                   | 299                                    | 36                                     |
| Other non-operating expenses                            | 119                                    | 66                                     |
| Total non-operating expenses                            | 450                                    | 130                                    |
| Ordinary income   | 4,016                                  | 4,109                                  |
| Extraordinary gain                                      |  |  |
| Gain on sales of fixed assets                           | 3                                      | 17                                     |
| Gain on bargain purchase                                | 28                                     | —                                      |
| Other extraordinary gain                                | 0                                      | —                                      |
| Total extraordinary gain                                | 31                                     | 17                                     |
| Extraordinary loss                                      |  |  |
| Loss on sales of fixed assets                           | 0                                      | 0                                      |
| Loss on disposal of fixed assets                        | 14                                     | 184                                    |
| Other extraordinary loss                                | —                                      | 4                                      |
| Total extraordinary loss                                | 14                                     | 189                                    |
| Income before income taxes                              | 4,033                                  | 3,938                                  |
| Income taxes  | 1,336                                  | 1,147                                  |
| Net income  | 2,696                                  | 2,790                                  |
| Net income attributable to non-controlling interests    | —                                      | 7                                      |
| Net income attributable to owners of parent             | 2,696                                  | 2,783                                  |

Consolidated Statements of Comprehensive Income

(Millions of Yen)

|  | Nine months ended<br>December 31, 2017 | Nine months ended<br>December 31, 2018 |
|--|--|--|
| Net income   | 2,696                                  | 2,790                                  |
| Other comprehensive income                                     |  |  |
| Net unrealized gains (losses) on other securities              | 1,238                                  | (1,400)                                |
| Deferred hedge gains (losses)                                  | (135)                                  | 5                                      |
| Foreign currency translation adjustments                       | 1,710                                  | (391)                                  |
| Retirement benefit plan adjustments                            | (1)                                    | (33)                                   |
| Total other comprehensive income                               | 2,812                                  | (1,820)                                |
| Comprehensive income   | 5,509                                  | 970                                    |
| Comprehensive income attributable to owners of parent          | 5,509                                  | 963                                    |
| Comprehensive income attributable to non-controlling interests | —                                      | 6                                      |

(3) Notes to Going Concern Assumption

None

(4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

None

(5) Segment Information

Nine months ended December 31, 2017

(Millions of Yen)

|                        | Japan  | China | Asia  | Americas | Europe | Sub total | Adjustments<br>(*1) | Consolidated<br>statements of<br>income(*2) |
|------------------------|--------|-------|-------|----------|--------|-----------|---------------------|---|
| Sales                  |        |       |       |          |        |           |                     |   |
| Sales to third parties | 18,698 | 6,586 | 2,877 | 13,695   | 8,905  | 50,763    | —                   | 50,763                                      |
| Inter-segment sales    | 12,966 | 437   | 3,423 | 352      | 919    | 18,099    | (18,099)            | —   |
| Total sales            | 31,665 | 7,023 | 6,300 | 14,048   | 9,825  | 68,863    | (18,099)            | 50,763                                      |
| Segment profit         | 2,133  | 207   | 1,214 | 831      | 101    | 4,487     | (345)               | 4,141                                       |

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.  
Adjustments of segment profit refer to inter-segment transaction eliminations.
2. Segment profit is adjusted to operating income of consolidated statements of income.

Nine months ended December 31, 2018

(Millions of Yen)

|                        | Japan  | China  | Asia  | Americas | Europe | Sub total | Adjustments<br>(*1) | Consolidated<br>statements of<br>income(*2) |
|------------------------|--------|--------|-------|----------|--------|-----------|---------------------|---|
| Sales                  |        |        |       |          |        |           |                     |   |
| Sales to third parties | 25,098 | 9,501  | 3,474 | 12,211   | 10,972 | 61,257    | —                   | 61,257                                      |
| Inter-segment sales    | 13,098 | 625    | 3,349 | 269      | 353    | 17,696    | (17,696)            | —   |
| Total sales            | 38,196 | 10,126 | 6,823 | 12,480   | 11,325 | 78,953    | (17,696)            | 61,257                                      |
| Segment profit or loss | 1,530  | 584    | 915   | 568      | (53)   | 3,545     | 178                 | 3,723                                       |

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.  
Adjustments of segment profit or loss refer to inter-segment transaction eliminations.
2. Segment profit or loss is adjusted to operating income of consolidated statements of income.

Changes in the reportable segment classification method

Effective from the 1st quarter of the fiscal year ended March 31, 2019, the reportable segment classification method has been revised in line with the internal control of group companies.

The business in China and Hong Kong, which was previously included in the Asia segment, is now included in the China segment (new segment).

Accordingly the Asia segment includes the business in Asia excluding Japan, China and Hong Kong.

The segment information for the previous period has been restated in line with the new method of classification.



## 2. Supplementary Information

### Status of Orders

Nine months ended December 31, 2018

(Millions of Yen)

|          | Orders |   | Order backlog |  |
|----------|--------|---|---------------|--|
|          | Amount | Comparison with the previous period (%) | Amount        | Comparison with the end of previous year (%) |
| Japan    | 32,841 | 29.7                                    | 32,164        | 31.7   |
| China    | 6,911  | (35.7)                                  | 7,999         | (24.5)                                       |
| Asia     | 4,199  | 19.7                                    | 3,136         | 30.1   |
| Americas | 9,397  | (37.4)                                  | 8,388         | (25.1)                                       |
| Europe   | 9,365  | (23.9)                                  | 9,090         | (15.0)                                       |
| Total    | 62,716 | (6.2)                                   | 60,779        | 2.5  |

Note:

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