

(For reference purposes only)

FY2017 First Quarter Consolidated Financial Results [Japanese Standard]

August 9, 2016

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.
 Code: 6118 (URL <http://www.aida.co.jp>)
 Representative: Kimikazu Aida, President
 Contact: Hiromitsu Ugawa, Operating Officer, Division Manager, General Administration Headquarters
 Scheduled date of filing quarterly securities report: August 9, 2016
 Scheduled beginning date of dividend payment: —
 Preparation of supplemental explanatory materials: Yes
 Holding of quarterly financial results briefing: None

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(Figures are rounded down to the nearest million yen)

1. Consolidated Results for the First Quarter of the fiscal year ending March 31, 2017 (April 1, 2016 to June 30, 2016)

(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	%
Three months ended June 30, 2016	15,338	(14.1)	1,266	(39.6)	1,378	(41.3)	988	(35.7)
Three months ended June 30, 2015	17,857	4.0	2,097	15.5	2,347	28.9	1,536	19.7

Note: Comprehensive Income FY2017 1Q (1,079) Million yen (—%), FY2016 1Q 2,202 Million yen (34.2%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2016	16.03	15.99
Three months ended June 30, 2015	24.94	24.86

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2016	94,568	65,727	69.3	1,063.34
As of March 31, 2016	100,609	68,758	68.2	1,112.51

Reference: Shareholders' Equity As of June 30, 2016 65,581 Million yen, As of March 31, 2016 68,613 Million yen

2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2016	-	-	-	30.00	30.00
Fiscal year 2017	-	-	-	-	-
Fiscal year 2017 (forecast)	-	-	-	40.00	40.00

Note: Revision of dividend forecast for this period: None

Remark: Cash dividends for fiscal year 2017 Ordinary dividend 30.00 Yen 100th anniversary commemorative dividend 10.00 Yen

3. Forecast of Consolidated Results for the year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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
Fiscal year 2017 (Half)	32,000	(14.6)	2,900	(31.5)	3,000	(40.7)	2,100	(38.0)	34.05
Fiscal year 2017	70,000	(7.3)	6,500	(19.1)	6,600	(21.1)	4,600	(20.5)	74.57

Note: Revision of forecast of consolidated results: Yes

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 : None

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>FY2017 1Q</u> : 73,647,321 shares,	<u>FY2016</u> : 73,647,321 shares
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2. Treasury Stock	<u>FY2017 1Q</u> : 11,971,943 shares,	<u>FY2016</u> : 11,973,276 shares
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3. Average number of shares outstanding	<u>FY2017 1Q</u> : 61,675,049 shares,	<u>FY2016 1Q</u> : 61,623,442 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)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash on hand and at banks	22,529	19,784
Notes and accounts receivable - trade	20,105	17,643
Electronically recorded monetary claims - operating	397	1,129
Short-term securities	7,200	7,200
Finished goods	1,473	1,276
Work in process	9,332	9,441
Raw materials and supplies	2,624	2,797
Deferred tax assets	1,049	758
Other current assets	4,376	4,293
Allowance for doubtful accounts	(186)	(169)
Total current assets	68,903	64,158
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,650	21,213
Accumulated depreciation	(14,061)	(14,011)
Buildings and structures - Net	7,589	7,202
Machinery and vehicles	14,096	13,629
Accumulated depreciation	(7,492)	(7,383)
Machinery and vehicles - Net	6,604	6,246
Land	5,062	5,019
Construction in progress	779	685
Other fixed assets	2,798	2,645
Accumulated depreciation	(2,177)	(2,095)
Other fixed assets - Net	620	550
Total property, plant and equipment	20,656	19,704
Intangible assets	984	904
Investments and other assets		
Investment securities	5,802	5,386
Insurance reserve fund	3,390	3,407
Net defined benefit assets	435	460
Deferred tax assets	155	127
Other assets	308	446
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	10,064	9,801
Total fixed assets	31,705	30,410
Total assets	100,609	94,568

(Millions of Yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	6,882	6,852
Electronically recorded monetary obligations - operating	1,828	2,185
Short-term loans payable	3,163	2,836
Accounts payable - other	1,070	644
Income taxes payable	1,235	540
Advances received	7,738	6,671
Accrued warranty costs	1,081	982
Accrued bonuses for employees	1,117	591
Accrued bonuses for directors	60	20
Provision for loss on orders received	161	123
Special suspense account for reduction entry	126	126
Other current liabilities	2,473	2,362
Total current liabilities	26,940	23,937
Long-term liabilities		
Long-term loans payable	1,500	1,500
Long-term accounts payable - other	496	594
Deferred tax liabilities	2,261	2,171
Accrued stock payments for employees	238	247
Net defined benefit liabilities	99	106
Other long-term liabilities	314	283
Total long-term liabilities	4,911	4,903
Total liabilities	31,851	28,841
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,416	12,416
Retained earnings	48,783	47,819
Treasury stock	(5,166)	(5,166)
Total shareholders' equity	63,864	62,901
Accumulated other comprehensive income		
Net unrealized gains on other securities	3,043	2,739
Deferred hedge gains	159	434
Foreign currency translation adjustments	1,211	(825)
Retirement benefit plans adjustments	333	332
Total accumulated other comprehensive income	4,748	2,680
Stock options	145	145
Total net assets	68,758	65,727
Total liabilities and net assets	100,609	94,568

(2) Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	17,857	15,338
Cost of sales	13,435	11,784
Gross profit	4,421	3,553
Selling, general and administrative expenses	2,323	2,287
Operating income	2,097	1,266
Non-operating income		
Interest income	25	15
Dividend income	77	73
Foreign exchange gain	156	13
Other non-operating income	20	27
Total non-operating income	279	130
Non-operating expense		
Interest expenses	6	9
Other non-operating expenses	23	8
Total non-operating expenses	30	18
Ordinary income	2,347	1,378
Extraordinary gain		
Gain on sales of fixed assets	—	0
Total extraordinary gain	—	0
Extraordinary loss		
Loss on sales of fixed assets	0	—
Loss on disposal of fixed assets	0	0
Total extraordinary loss	0	0
Income before income taxes	2,347	1,377
Current taxes	435	158
Deferred taxes	374	230
Income taxes	810	389
Net income	1,536	988
Net income attributable to owners of parent	1,536	988

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	1,536	988
Other comprehensive income		
Net unrealized gains (losses) on other securities	324	(304)
Deferred hedge gains	33	274
Foreign currency translation adjustments	313	(2,037)
Retirement benefit plans adjustments	(5)	(1)
Total other comprehensive income	665	(2,067)
Comprehensive income	2,202	(1,079)
Comprehensive income attributable to owners of parent	2,202	(1,079)

(3) Notes to going concern assumption

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

Three months ended June 30, 2015

	Japan	Asia	Americas	Europe	Sub Total	Adjustments (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to third	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 profit or loss	948	662	445	3	2,060	36	2,097

Note:

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

Three months ended June 30, 2016

	Japan	Asia	Americas	Europe	Sub Total	Adjustments (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to third	4,410	3,263	4,279	3,385	15,338	—	15,338
Inter-segment sales	4,354	589	38	68	5,051	(5,051)	—
Total sales	8,765	3,853	4,317	3,453	20,389	(5,051)	15,338
Segment profit or loss	508	265	313	63	1,151	114	1,266

Note:

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

2. Supplementary Information

Status of Orders

Orders and Order Backlog

Three months ended June 30, 2016

(Millions of Yen)

	Orders		Order Backlog	
	Amount	Year to year comparison (%)	Amount	Year to year comparison (%)
Japan	4,221	(57.7)	18,147	(14.7)
Asia	1,534	(61.1)	7,386	(40.9)
Americas	2,370	(57.1)	10,162	(17.4)
Europe	1,120	(76.2)	10,089	(17.0)
Total	9,246	(61.7)	45,786	(21.4)

Note:

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