

FY2015 First Quarter Consolidated Financial Results [Japanese Standard]

August 8, 2014

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

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Scheduled date of filing Quarterly Securities Report: August 8, 2014

Scheduled beginning date of dividend payment: -

Supplementary documents for quarterly consolidated financial results are prepared.

First quarter results briefing is not planned.

1. Consolidated Results for Fiscal Year 2015 First Quarter (April 1, 2014 to June 30, 2014)

(Figures are rounded down to the nearest million yen)

(1) Consolidated Financial Results (For the Three months ended June 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 First Quarter	17,168	14.8	1,815	19.2	1,820	10.5	1,283	(11.0)
FY2014 First Quarter	14,960	24.0	1,522	78.0	1,647	66.6	1,442	76.7

Note. Comprehensive Income FY2015 1Q 1,641 Million yen (21.5%), FY2014 1Q 2,090 Million yen -%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2015 First Quarter	20.90	20.81
FY2014 First Quarter	23.68	23.58

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2015 First Quarter	92,693	59,317	63.9	963.72
FY2014	91,830	59,655	64.8	969.35

Reference. Shareholders' Equity FY2015 1Q 59,195 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 (Half)	35,000	9.8	3,200	2.4	3,300	(5.0)	2,600	(14.9)	42.33
Fiscal 2015	70,000	0.6	6,400	1.3	6,600	(1.7)	5,200	1.4	84.67

Note. Revision of Forecast of Consolidated Results was not made

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 1Q: 73,647,321 shares, FY2014 : 79,147,321 shares
2. Treasury Stock FY2015 1Q: 12,222,748 shares, FY2014 : 17,730,640 shares
3. Average number of shares outstanding FY2015 1Q: 61,421,876 shares, FY2014 1Q : 60,924,716 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 First quarter
Assets		
Current assets		
Cash on hand and at banks	19,579	23,174
Notes and accounts receivable, trade	19,768	17,368
Electronically recorded monetary claims-operating	114	188
Securities	7,200	6,200
Finished goods	1,231	1,651
Work in process	8,710	7,741
Raw materials and suppliers	1,719	2,073
Deferred tax assets	1,459	1,311
Other current assets	3,853	4,851
Allowance for doubtful accounts	(69)	(82)
Total current assets	63,567	64,478
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,993	21,027
Accumulated depreciation	(13,756)	(13,861)
Buildings and structures - Net	7,237	7,166
Machinery and vehicles	10,268	10,640
Accumulated depreciation	(5,872)	(6,032)
Machinery and vehicles - Net	4,395	4,608
Land	5,088	5,077
Construction in progress	433	317
Other fixed assets	2,510	2,533
Accumulated depreciation	(2,020)	(2,054)
Other - Net	489	479
Total property, plant and equipment	17,645	17,649
Intangible assets	1,092	1,066
Investments and other assets		
Investment securities	5,231	5,746
Insurance reserve fund	3,456	3,473
Net defined benefit assets	582	34
Deferred tax assets	93	87
Other assets	237	198
Allowance for doubtful accounts	(77)	(42)
Total investments and other assets	9,525	9,498
Total fixed assets	28,263	28,214
Total assets	91,830	92,693

	FY2014	FY2015 First quarter
Liabilities		
Current liabilities		
Accounts payable, trade	7,781	7,076
Electronically recorded obligations-operating	1,931	2,389
Short-term loans payable	991	1,243
Current portion of long-term loans payable	500	500
Non-trade payables	1,052	1,088
Income taxes payable	943	560
Advances from customers on contracts	9,293	10,357
Accrued warranty costs	1,427	1,442
Accrued bonuses for employees	1,087	468
Provision for directors' bonuses	54	24
Provision for loss on orders received	324	196
Other current liabilities	2,563	2,932
Total current liabilities	27,951	28,280
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term accounts payable	250	250
Deferred tax liabilities	2,367	2,489
Net defined benefit liabilities	114	113
Stocks payment reserve fund	160	170
Special suspense account for reduction entry	—	754
Other long-term liabilities	330	317
Total long-term liabilities	4,223	5,095
Total liabilities	32,174	33,375
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,498	12,415
Retained earnings	43,288	39,981
Treasury stock	(7,978)	(5,284)
Total shareholders' equity	55,639	54,943
Accumulated other comprehensive income		
Net unrealized gains on other securities	2,529	2,862
Deferred hedge gains	(219)	(55)
Foreign currency translation adjustments	1,367	1,230
Remeasurements of defined benefit plans	216	215
Total accumulated other comprehensive income	3,894	4,252
Stock options	121	121
Total net assets	59,655	59,317
Total liabilities and net assets	91,830	92,693

(2) Consolidated Statements of Income

Million of Yen

	FY2014 First quarter (Three months ended June 30, 2013)	FY2015 First quarter (Three months ended June 30, 2014)
Net sales	14,960	17,168
Cost of sales	11,544	13,271
Gross profit	3,415	3,897
Selling, general and administrative expenses	1,892	2,081
Operating income	1,522	1,815
Non-operating income		
Interest income	10	16
Dividend income	45	54
Foreign exchange gain	61	—
Other non-operating income	21	24
Total non-operating income	139	95
Non-operating expense		
Interest expense	6	8
Foreign exchange loss	—	48
Other non-operating expenses	8	33
Total non-operating expense	15	90
Ordinary profit	1,647	1,820
Extraordinary gain		
Gain on sale of fixed assets	0	0
Insurance income	—	103
Total extraordinary gain	0	104
Extraordinary loss		
Loss on sale of fixed assets	—	0
Loss on disposal of fixed assets	0	0
Total extraordinary loss	0	0
Income before income taxes	1,647	1,924
Current taxes	95	304
Deferred taxes	108	336
Total corporate tax	204	641
Income before minority interests	1,442	1,283
Net income	1,442	1,283

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2014 First quarter(Three months ended June 30, 2013)	FY2015 First quarter(Three months ended June 30, 2014)
Income before minority interests	1,442	1,283
Other comprehensive income		
Net unrealized gains on other securities	397	332
Deferred hedge gains	(50)	163
Foreign currency translation adjustments	300	(136)
Remeasurements defined benefit plans	—	(1)
Total other comprehensive income	647	358
Comprehensive income	2,090	1,641
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	2,090	1,641

(3) Notes to going concern

None

(4) 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 three months ended June 30, 2014.

(5) Segment Information

FY2014 First quarter (Three months ended June 30, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	2,771	4,499	4,819	2,869	14,960	—	14,960
Inter-segment sales	5,332	401	148	63	5,944	(5,944)	—
Total sales	8,103	4,900	4,968	2,932	20,904	(5,944)	14,960
Segment income	884	305	277	3	1,470	52	1,522

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. Segment income 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 1 million.

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 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 First quarter (Three months ended June 30, 2014)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2014 First quarter Fluctuation Rate (%)	Amount	FY2014 First quarter Fluctuation Rate (%)
Japan	6,835	874.8	21,940	37.9
Asia	7,193	(20.5)	13,119	(5.6)
Americas	3,876	(42.2)	15,469	0.1
Europe	1,614	(73.0)	10,398	(24.1)
Total	19,520	(13.0)	60,927	3.3

Note.

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