

Presentation of Consolidated Financial Results for the 2nd Quarter of the FY Ended March 31, 2017

(from Apr. 2016 to Sep. 2016)

AIDA



Highlights of Consolidated Results Summary of P&L

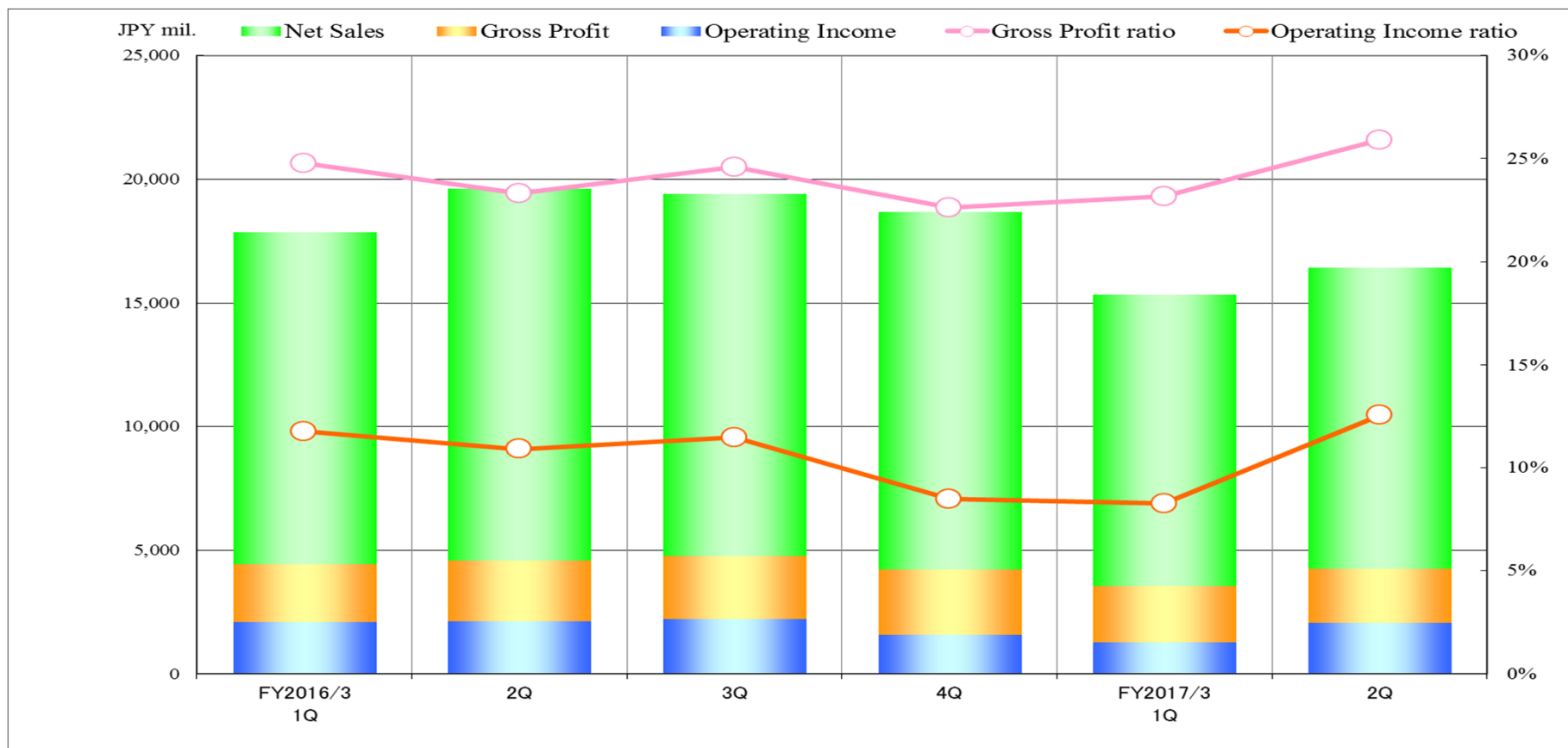


| (JPY mil.) | | FY2016/3 | FY2017/3 | Fluctuation | | FY2017/3 | vs. Forecast | |
|--|-------|----------|----------|-------------|---------|----------|--------------|---------|
| | | 1st Half | 1st Half | Amount | % | Forecast | Amount | % |
| Net Sales | | 37,468 | 31,768 | △ 5,699 | △15.2% | 32,000 | △ 231 | △0.7% |
| Cost of Sales | | 28,475 | 23,959 | △ 4,515 | △15.9% | 24,500 | △ 540 | △2.3% |
| Gross Profit | | 8,993 | 7,809 | △ 1,183 | △13.2% | 7,500 | 309 | 4.0% |
| <Gross Profit ratio> | | 24.0% | 24.6% | | (+0.6P) | 23.4% | | (+1.2P) |
| Selling, general and administrative expenses | | 4,759 | 4,483 | △ 276 | △5.8% | 4,600 | △ 116 | △2.6% |
| Operating Income | | 4,233 | 3,325 | △ 907 | △21.4% | 2,900 | 425 | 12.8% |
| <Operating Income ratio> | | 11.3% | 10.5% | | (△0.8P) | 9.1% | | (+1.4P) |
| Ordinary Income | | 5,055 | 3,587 | △ 1,467 | △29.0% | 3,000 | 587 | 16.4% |
| Income Before Income Taxes | | 5,054 | 3,574 | △ 1,480 | △29.3% | 3,000 | 574 | 16.1% |
| Net Income | | 3,386 | 2,596 | △ 789 | △23.3% | 2,100 | 496 | 19.1% |
| Exchange Rate | 1USD= | ¥121.81 | ¥105.38 | ¥-16.43 | -13.5% | ¥105.00 | ¥0.38 | 0.4% |
| | 1EUR= | ¥135.13 | ¥118.31 | ¥-16.82 | -12.4% | ¥117.00 | ¥1.31 | 1.1% |

<Summary>

| | |
|-------------------|--|
| Net Sales: | Net sales declined by 5.7 billion yen (by 15.2%) from 2Q of previous FY. The decline was due to the stronger yen and decrease of automotive related sales in Japan and Asia. The impact of yen appreciation to the net sales decline is approximately 3.1 billion yen. |
| Gross Profit: | Gross profit decreased by 1.2 billion yen (by 13.2%) from 2Q of previous FY. The decrease was due to yen appreciation and decrease of net sales. The impact of yen appreciation to the profit decrease is around 0.7 billion yen. |
| Operating Income: | Operating income decreased by 0.9 billion yen (by 21.4%) from 2Q of previous FY due to decrease of the gross profit. The impacts of yen appreciation to the income decrease is approximately 0.4 billion yen. |
| Ordinary Income: | Ordinary income decreased by 29.0% from 2Q of the previous FY, due to decline of non-operating income caused by reduction in foreign exchange gain. |
| Net Income: | Net income decreased by 23.3% from 2Q of previous FY due to the decrease of ordinary income. |

Trend of Sales, Gross Profit and Operating Income

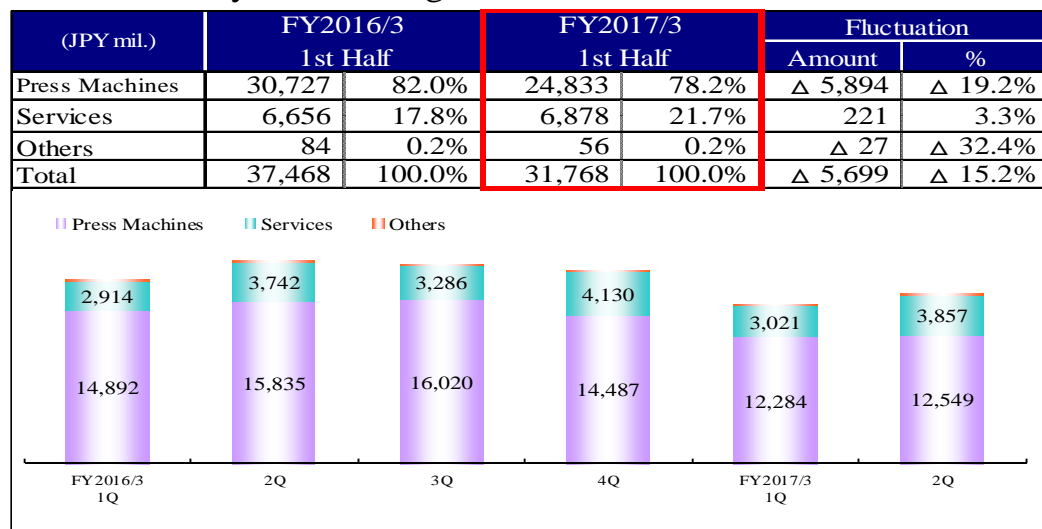


| | | FY2016 | | | | FY2017 | |
|--|------------------------|--------|--------|--------|--------|--------|--------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| | Net Sales | 17,857 | 19,611 | 19,393 | 18,668 | 15,338 | 16,430 |
| | Gross Profit | 4,421 | 4,572 | 4,767 | 4,225 | 3,553 | 4,256 |
| | Operating Income | 2,097 | 2,136 | 2,221 | 1,583 | 1,266 | 2,059 |
| | Gross Profit ratio | 24.8% | 23.3% | 24.6% | 22.6% | 23.2% | 25.9% |
| | Operating Income ratio | 11.7% | 10.9% | 11.5% | 8.5% | 8.3% | 12.5% |

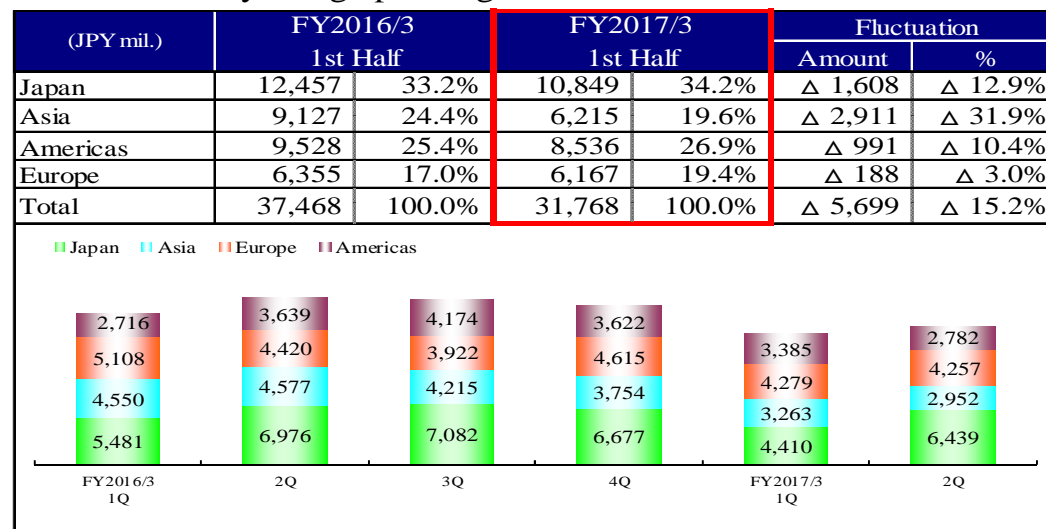
Sales to Third Party (by Business/Customer/Geographic segment)



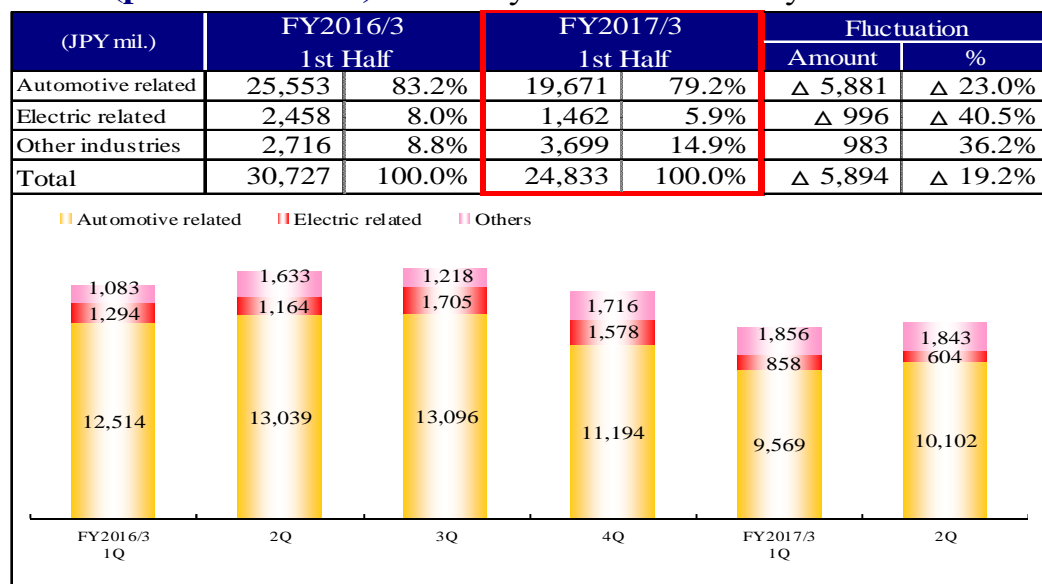
Sales by Business segment



Sales by Geographic segment



Sales (press machines) by Customer industry

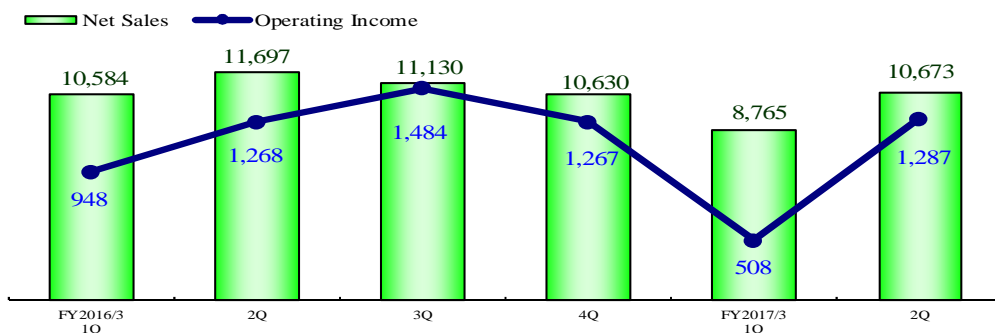


Sales / Operating Income (by Geographic segment)



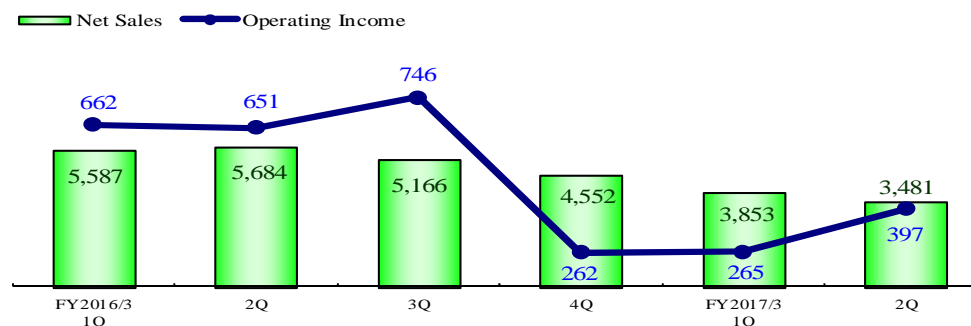
Japan

| (JPY mil.) | FY2016/3 1st Half | | FY2017/3 1st Half | | Fluctuation | |
|------------------|----------------------|------|----------------------|------|-------------|---------|
| | | | | | Amount | % |
| Net Sales | 22,281 | | 19,438 | | Δ 2,843 | Δ 12.8% |
| Operating Income | 2,216 | 9.9% | 1,795 | 9.2% | Δ 420 | Δ 19.0% |



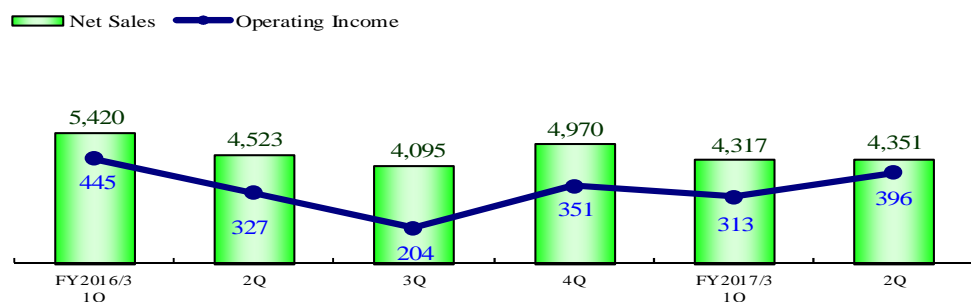
Asia

| (JPY mil.) | FY2016/3 1st Half | | FY2017/3 1st Half | | Fluctuation | |
|------------------|----------------------|-------|----------------------|------|-------------|---------|
| | | | | | Amount | % |
| Net Sales | 11,271 | | 7,334 | | Δ 3,937 | Δ 34.9% |
| Operating Income | 1,313 | 11.7% | 662 | 9.0% | Δ 650 | Δ 49.5% |



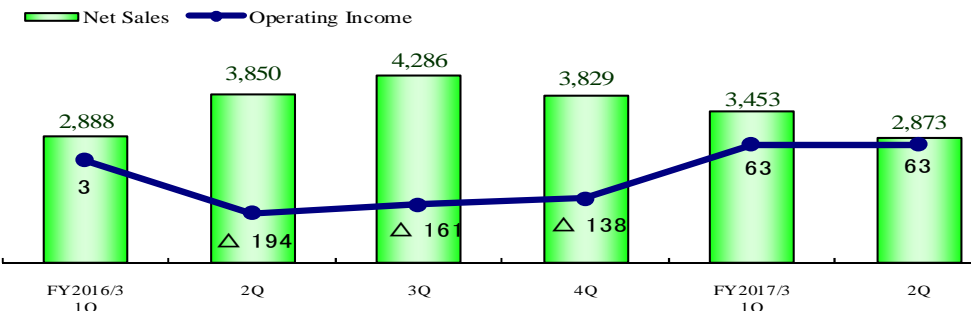
Americas

| (JPY mil.) | FY2016/3 1st Half | | FY2017/3 1st Half | | Fluctuation | |
|------------------|----------------------|------|----------------------|------|-------------|---------|
| | | | | | Amount | % |
| Net Sales | 9,943 | | 8,668 | | Δ 1,275 | Δ 12.8% |
| Operating Income | 772 | 7.8% | 709 | 8.2% | Δ 63 | Δ 8.2% |

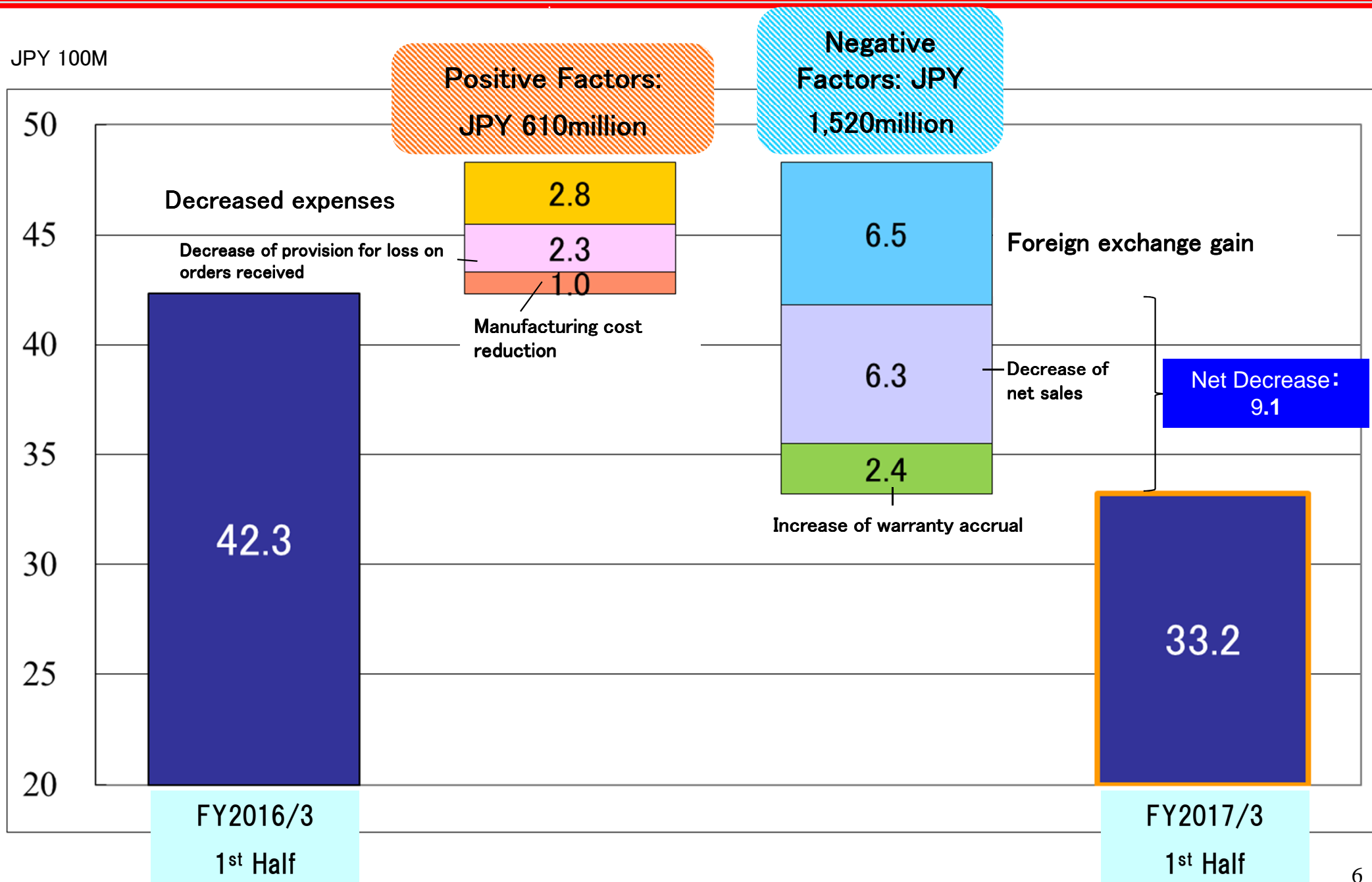


Europe

| (JPY mil.) | FY2016/3 1st Half | | FY2017/3 1st Half | | Fluctuation | |
|------------------|----------------------|--------|----------------------|------|-------------|--------|
| | | | | | Amount | % |
| Net Sales | 6,738 | | 6,326 | | Δ 412 | Δ 6.1% |
| Operating Income | Δ 191 | Δ 2.8% | 126 | 2.0% | 317 | - |



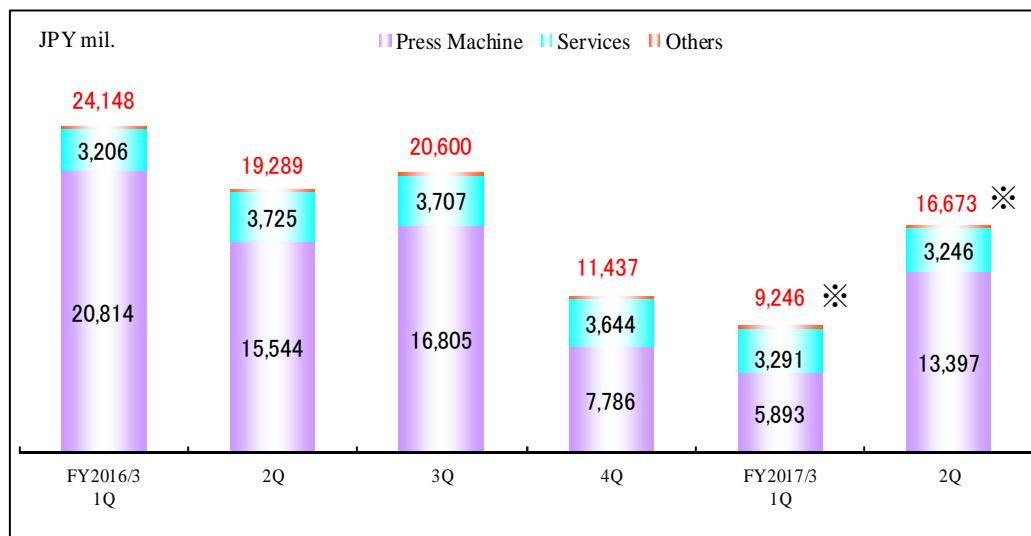
Fluctuation Analysis with regards to Operating Income



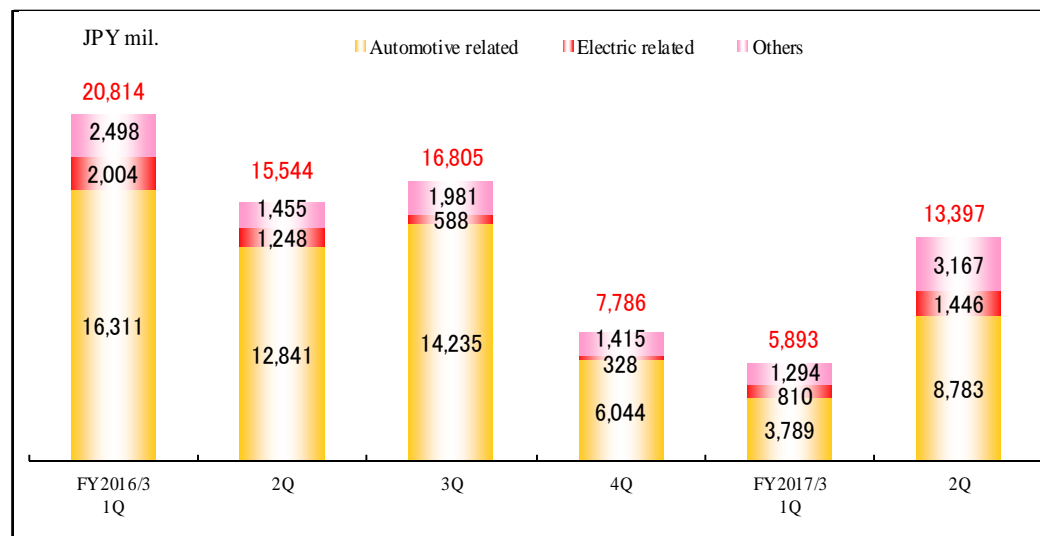
Orders Intake & Backlog (by Business/Customer/Geographic segment)



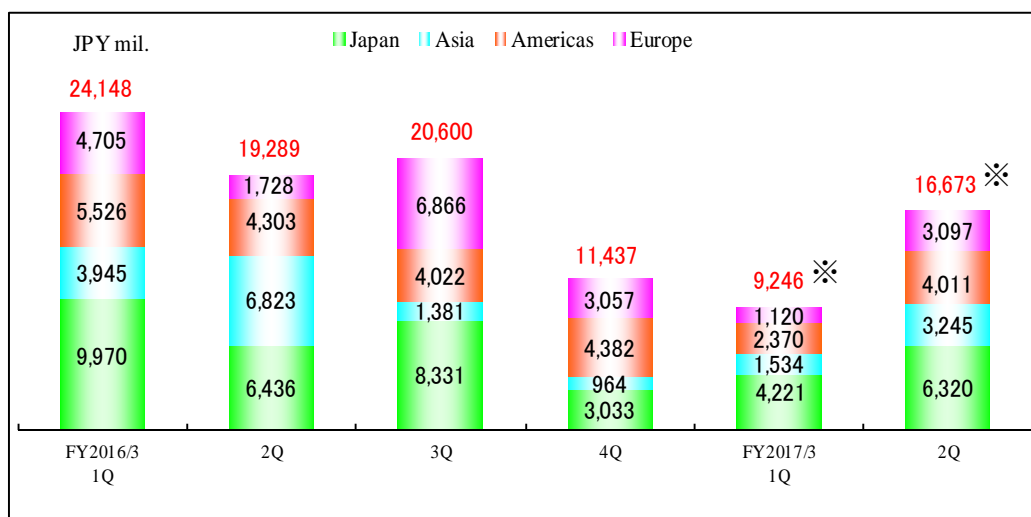
Orders Intake by Business Segment



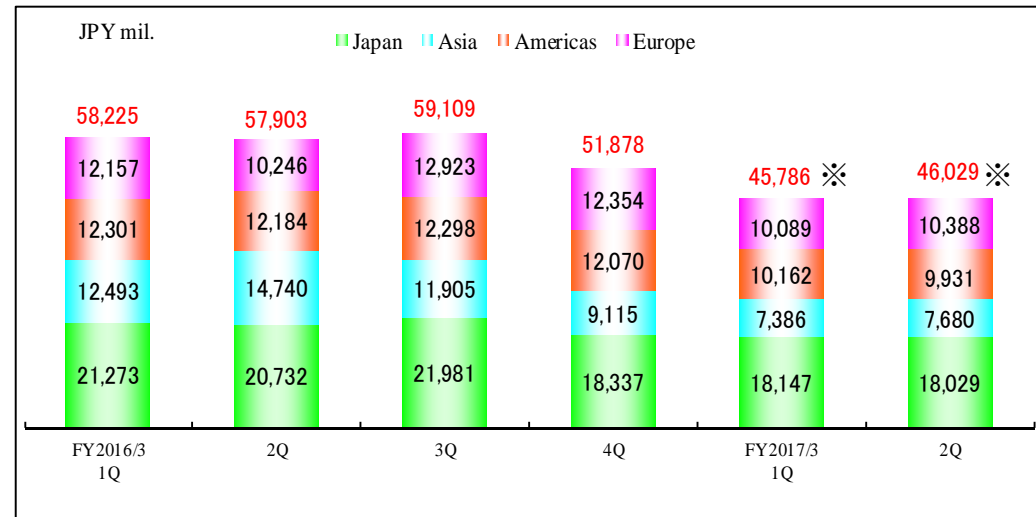
Orders Intake by Customer Industry (Press Machines)



Orders Intake by Geographic Segment



Orders Backlog by Geographic Segment



Negative impact due to Yen appreciation, compared with 4Q of FY 2016/3:

【Orders Intake】1Q: 2.8 billion yen, 2Q: 0.7 billion yen (1H 3.5 billion yen) 【Backlog】1Q: 2.8 billion yen 2Q: 3.5 billion yen

Trend of Orders Intake & Backlog

| (JPY mil.) | FY2015/3 | | | | FY2016/3 | | | | FY2017/3 | | vs. FY2016/3 | |
|-----------------------------|----------|------------|-----------|------------|----------|------------|-----------|------------|----------|------------|--------------|---------|
| | 1st Half | | Full-year | | 1st Half | | Full-year | | 1st Half | | Fluctuation | |
| | Amount | Proportion | Amount | Proportion | Amount | Proportion | Amount | Proportion | Amount | Proportion | Amount | % |
| Order Intake: total | 37,399 | 100.0% | 70,256 | 100.0% | 43,437 | 100.0% | 75,474 | 100.0% | 25,919 | 100.0% | Δ 17,518 | Δ 40.3% |
| By Business | | | | | | | | | | | | |
| Press Machines | 31,236 | 83.5% | 56,355 | 80.2% | 36,358 | 83.7% | 60,949 | 80.8% | 19,290 | 74.4% | Δ 17,067 | Δ 46.9% |
| By Customer | | | | | | | | | | | | |
| Automotive related | 26,455 | 84.7% | 45,426 | 80.6% | 29,152 | 80.2% | 49,431 | 81.1% | 12,572 | 65.2% | Δ 16,579 | Δ 56.9% |
| Electric related | 1,859 | 6.0% | 4,932 | 8.8% | 3,252 | 8.9% | 4,168 | 6.8% | 2,256 | 11.7% | Δ 995 | Δ 30.6% |
| Other industries | 2,921 | 9.4% | 5,996 | 10.6% | 3,953 | 10.9% | 7,349 | 12.1% | 4,461 | 23.1% | 507 | 12.8% |
| Services | 6,034 | 16.1% | 13,717 | 19.5% | 6,931 | 16.0% | 14,282 | 18.9% | 6,537 | 25.2% | Δ 393 | Δ 5.7% |
| Others | 127 | 0.3% | 183 | 0.3% | 148 | 0.3% | 242 | 0.3% | 91 | 0.4% | Δ 56 | Δ 38.2% |
| By Region | | | | | | | | | | | | |
| Japan | 8,860 | 23.7% | 21,080 | 30.0% | 16,406 | 37.8% | 27,770 | 36.8% | 10,541 | 40.7% | Δ 5,864 | Δ 35.7% |
| Asia | 11,928 | 31.9% | 19,989 | 28.5% | 10,768 | 24.8% | 13,113 | 17.4% | 4,779 | 18.4% | Δ 5,988 | Δ 55.6% |
| Americas | 12,863 | 34.4% | 18,568 | 26.4% | 9,829 | 22.6% | 18,233 | 24.2% | 6,381 | 24.6% | Δ 3,448 | Δ 35.1% |
| Europe | 3,745 | 10.0% | 10,617 | 15.1% | 6,433 | 14.8% | 16,356 | 21.7% | 4,217 | 16.3% | Δ 2,216 | Δ 34.4% |
| Order Backlog: total | 61,810 | 100.0% | 51,934 | 100.0% | 57,903 | 100.0% | 51,878 | 100.0% | 46,029 | 100.0% | Δ 11,873 | Δ 20.5% |
| By Region | | | | | | | | | | | | |
| Japan | 18,375 | 29.7% | 16,783 | 32.3% | 20,732 | 35.8% | 18,337 | 35.3% | 18,029 | 39.2% | Δ 2,703 | Δ 13.0% |
| Asia | 14,477 | 23.4% | 13,098 | 25.2% | 14,740 | 25.5% | 9,115 | 17.6% | 7,680 | 16.7% | Δ 7,060 | Δ 47.9% |
| Americas | 18,825 | 30.5% | 11,879 | 22.9% | 12,184 | 21.0% | 12,070 | 23.3% | 9,931 | 21.6% | Δ 2,252 | Δ 18.5% |
| Europe | 10,132 | 16.4% | 10,172 | 19.6% | 10,246 | 17.7% | 12,354 | 23.8% | 10,388 | 22.6% | 141 | 1.4% |

Major Changes on Balance Sheet



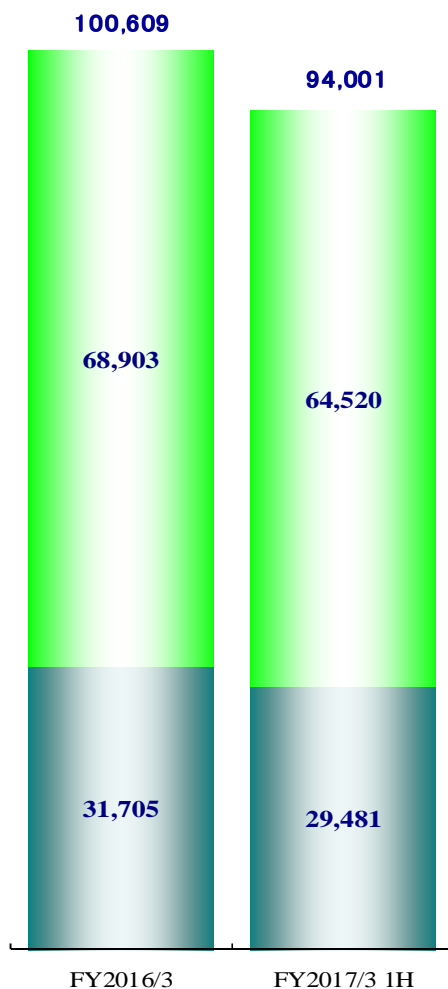
Assets

(JPY mil.)

■ Fixed assets ■ Current assets

VS end of Mar. 2015

Total assets **Δ 6,608**



Current assets **Δ 4,383**
 Cash on hand and at bank **Δ 3,286**
 Notes and accounts receivable, trade and Electronically recorded monetary claims-operating **Δ 1,080**

Fixed assets **Δ 2,224**
 Property, plant and equipment **Δ 1,101**
 Insurance reserve fund **Δ 1,237**

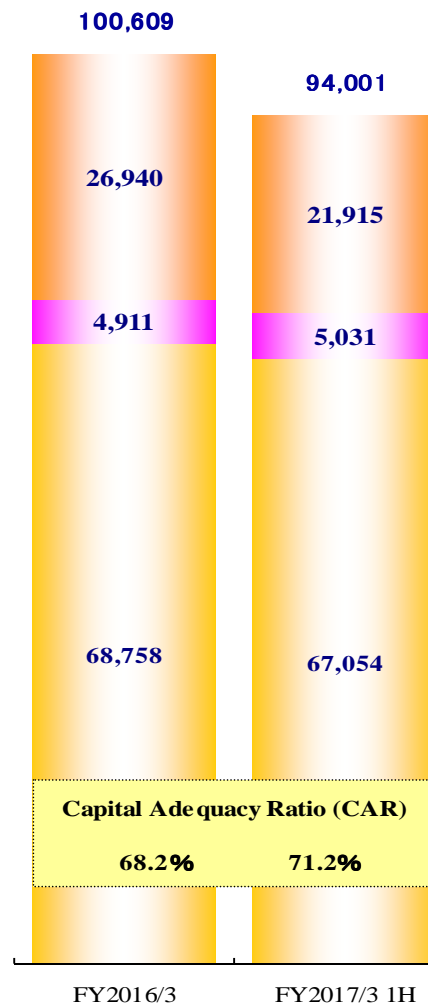
Liabilities and Net Assets

(JPY mil.)

■ Current liabilities
 ■ Long-term liabilities
 ■ Net assets

VS end of Mar. 2015

Total current liabilities **Δ 4,904**



Current liabilities **Δ 5,024**
 Accounts payable, trade **Δ 1,069**
 Advances received **Δ 2,345**

Net assets **Δ 1,703**
 Retained earnings **+ 644**
 Foreign currency translation adjustments **Δ 2,621**

Capital Adequacy Ratio (CAR)
68.2% **71.2%**

Highlights: Forecasts of FY2017 Consolidated Results



| (JPY mil.) | FY2016/3 | FY2017/3 | | | Fluctuation | |
|--|----------|------------|-------------|--------------------|-------------|---------|
| | | 1H Results | 2H Forecast | Full-year forecast | Amount | % |
| Net Sales | 75,529 | 31,768 | 38,232 | 70,000 | Δ 5,529 | Δ7.3% |
| Cost of Sales | 57,544 | 23,959 | 29,941 | 53,900 | Δ 3,644 | Δ6.3% |
| Gross Profit | 17,985 | 7,809 | 8,291 | 16,100 | Δ 1,885 | Δ10.5% |
| <Gross Profit ratio> | 23.8% | 24.6% | 21.7% | 23.0% | | (Δ0.8P) |
| Selling, general and administrative expenses | 9,947 | 4,483 | 5,117 | 9,600 | Δ 347 | Δ3.5% |
| Operating Income | 8,037 | 3,325 | 3,175 | 6,500 | Δ 1,537 | Δ 19.1% |
| <Operating Income ratio> | 10.6% | 10.5% | 8.3% | 9.3% | | (Δ1.3P) |
| Ordinary Income | 8,364 | 3,587 | 3,013 | 6,600 | Δ 1,764 | Δ 21.1% |
| Income Before Income Taxes | 8,329 | 3,574 | 3,026 | 6,600 | Δ 1,729 | Δ 20.8% |
| Net Income | 5,782 | 2,596 | 2,004 | 4,600 | Δ 1,182 | Δ 20.5% |
| Cash Dividends per Share | 30 | — | — | 40 | 10 | 33.3% |
| Exchange Rate | 1USD= | ¥120.11 | ¥105.38 | ¥104.00 | ¥105.00 | ¥-15.11 |
| | 1EUR= | ¥132.66 | ¥118.31 | ¥115.00 | ¥117.00 | ¥-15.66 |

Cause of Change of Operating Income

(in million JPY)

| | |
|--|--------|
| Decreased expenses : | +350 |
| Decrease of provision for on orders received : | +200 |
| Foreign exchange gain : | Δ1,170 |
| Increase of cost ratio : | Δ720 |
| Increase of warranty | Δ200 |
| Net Change : | Δ1,540 |

<Summary>

Net Sales:

The second half of net sales will expand because of orders increase and progress of POC sales. Meanwhile the full-year forecast of net sales shows 5.5 billion yen decrease from the previous FY, the net sales excluding foreign exchange factor is expected to be the same level as the previous FY.

Gross Profit:

Gross profit will decrease by 1.9 billion yen (by 10.5%) from the previous FY due to decline of gross profit ratio and yen appreciation. The impact of yen appreciation is approximately 1.2 billion yen. The decline of gross profit ratio is due to increase of fixed cost related to capital investment and human resource development. We aimed to maintain 23% of gross profit ratio by improving productivity.

Operation Income:

Operating income is expected to decrease by 1.5 billion (by 19.1%) from the previous FY. The impact of yen appreciation is approximately 0.7 billion yen. We aimed operating income ratio more than 9.3% by reducing other SG&A, minimizing impact of gross profit decline.

Cash Dividends per Share:

Cash dividends per share is forecasted to be 40 yen as originally planned, regardless of decline in profit.

Forecasts of Orders Intake/Sales/Operating Income (by segment)



By Business

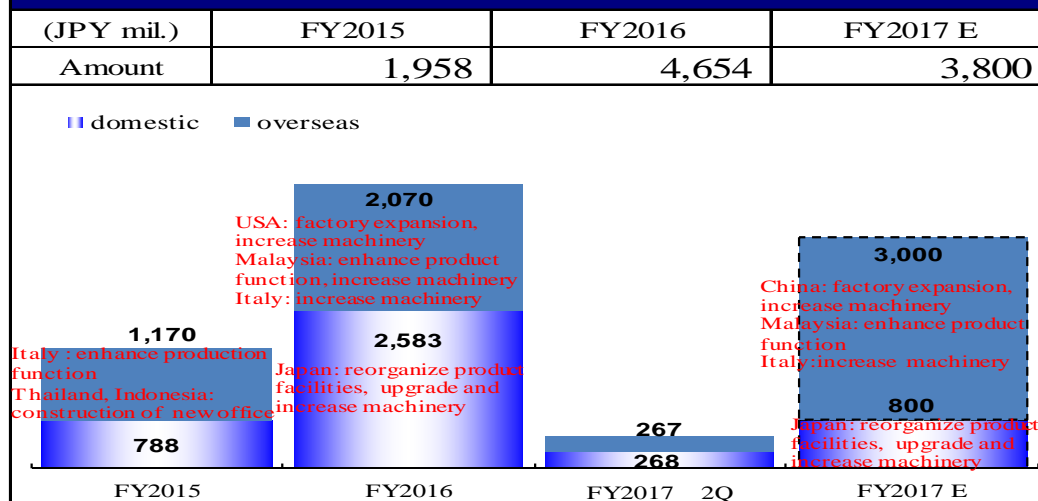
| (JPY mil.) | Orders | | | | Net Sales | | | |
|----------------|--------|--------------------|-------------------------------------|---------|-----------|--------------------|-------------------------------------|---------|
| | FY2016 | FY2017 forecast | Fluctuation: FY2017 vs FY2016 | | FY2016 | FY2017 forecast | Fluctuation: FY2017 vs FY2016 | |
| | | | Amount | % | | | Amount | % |
| Press Machines | 60,949 | 56,800 | Δ 4,149 | Δ 6.8% | 61,234 | 54,800 | Δ 6,434 | Δ 10.5% |
| Services | 14,282 | 15,000 | 718 | 5.0% | 14,072 | 15,000 | 928 | 6.6% |
| Others | 242 | 200 | Δ 42 | Δ 17.4% | 222 | 200 | Δ 22 | Δ 9.9% |
| Consolidated | 75,474 | 72,000 | Δ 3,474 | Δ 4.6% | 75,529 | 70,000 | Δ 5,529 | Δ 7.3% |

By Region

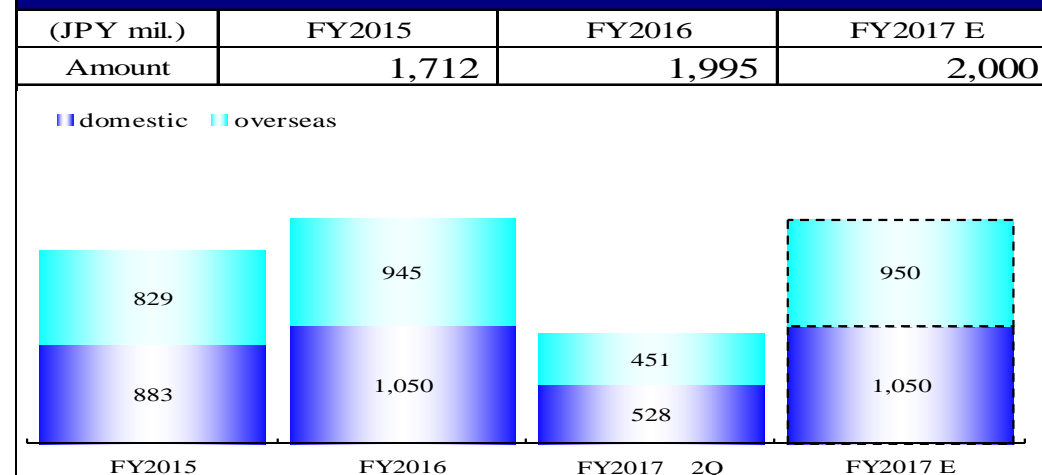
| (JPY mil.) | Orders | | | | Net Sales | | | | Operating income | | | |
|----------------|--------|--------------------|-------------------------------------|---------|-----------|--------------------|-------------------------------------|---------|------------------|--------------------|-------------------------------------|---------|
| | FY2016 | FY2017 forecast | Fluctuation: FY2017 vs FY2016 | | FY2016 | FY2017 forecast | Fluctuation: FY2017 vs FY2016 | | FY2016 | FY2017 forecast | Fluctuation: FY2017 vs FY2016 | |
| | | | Amount | % | | | Amount | % | | | Amount | % |
| Japan | 27,770 | 25,000 | Δ 2,770 | Δ 10.0% | 44,041 | 41,000 | Δ 3,041 | Δ 6.9% | 4,967 | 3,500 | Δ 1,467 | Δ 29.5% |
| Asia | 13,113 | 14,000 | 887 | 6.8% | 20,989 | 18,500 | Δ 2,489 | Δ 11.9% | 2,321 | 1,500 | Δ 821 | Δ 35.4% |
| Americas | 18,233 | 18,000 | Δ 233 | Δ 1.3% | 19,008 | 18,500 | Δ 508 | Δ 2.7% | 1,327 | 1,300 | Δ 27 | Δ 2.0% |
| Europe | 16,356 | 15,000 | Δ 1,356 | Δ 8.3% | 14,853 | 13,500 | Δ 1,353 | Δ 9.1% | Δ 490 | 100 | 590 | – |
| Reconciliation | | | | | Δ 23,363 | Δ 21,500 | 1,863 | Δ 8.0% | Δ 88 | 100 | 188 | – |
| Consolidated | 75,474 | 72,000 | Δ 3,474 | Δ 4.6% | 75,529 | 70,000 | Δ 5,529 | Δ 7.3% | 8,037 | 6,500 | Δ 1,537 | Δ 19.1% |

Trend of Capex, Depreciation, R&D & CF

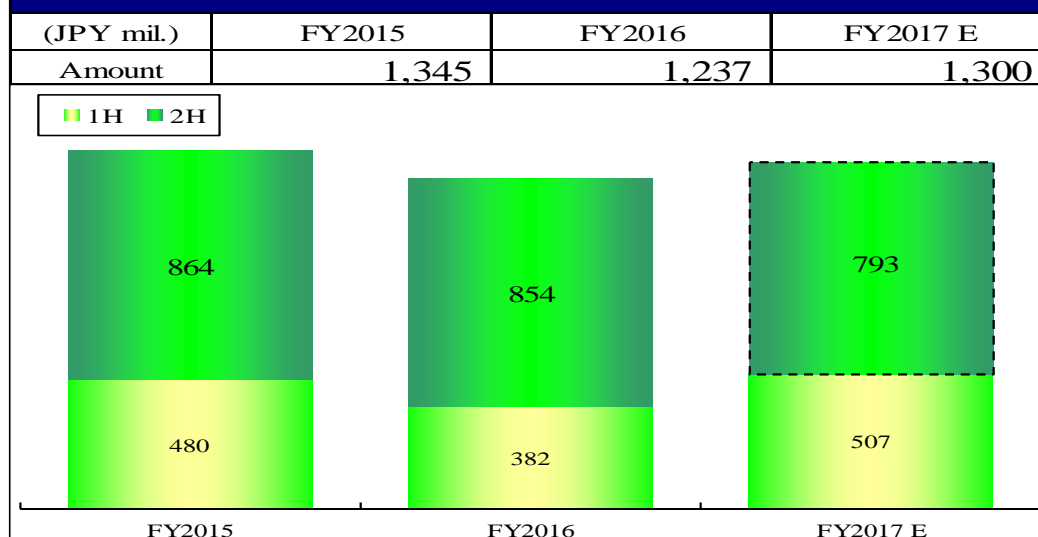
Capital Expenditures



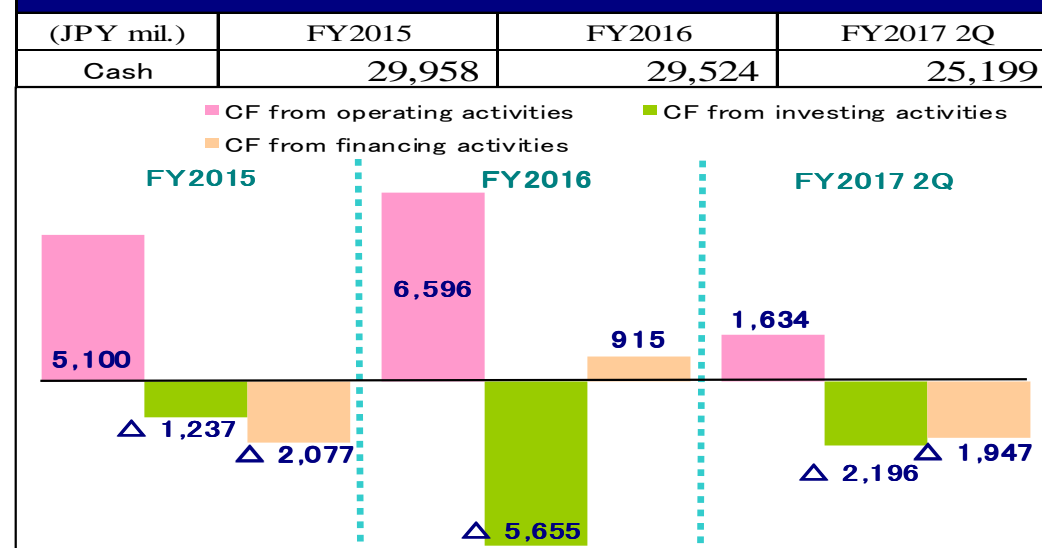
Depreciation & Amortization



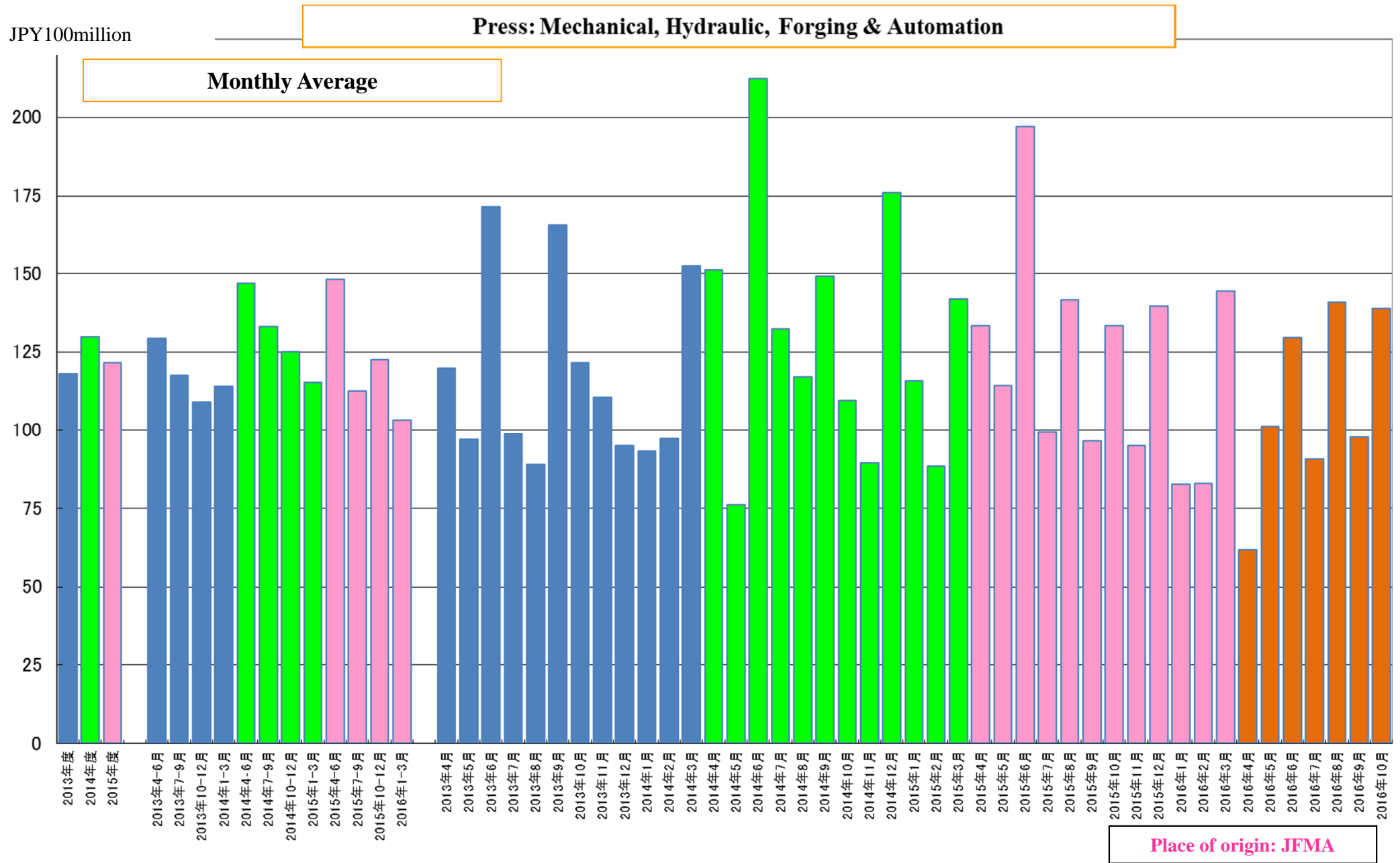
R&D Expenditures



Cash & Cash Equivalents / Cash Flow

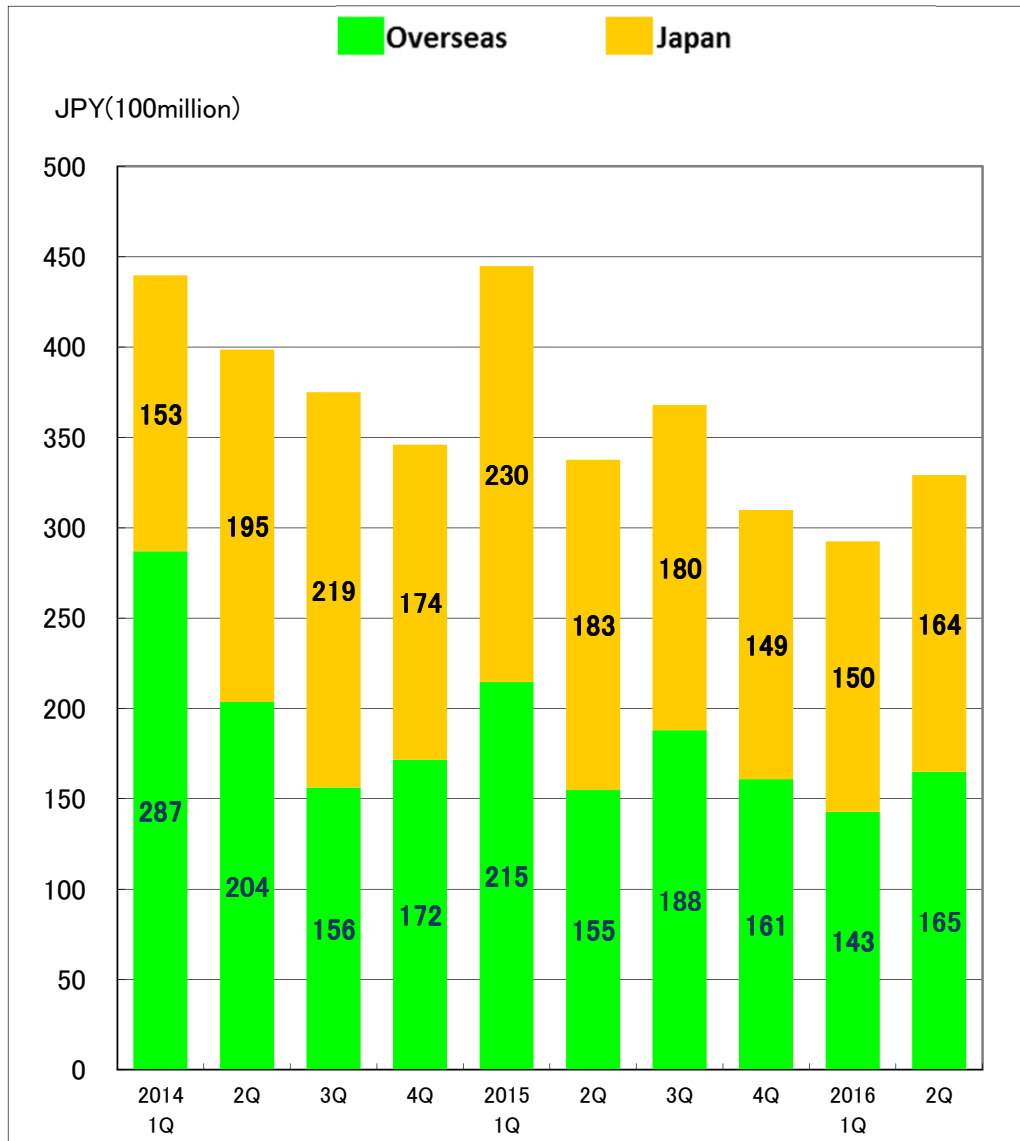


(for Reference) Statistics of Forming Machinery Industry- 1)

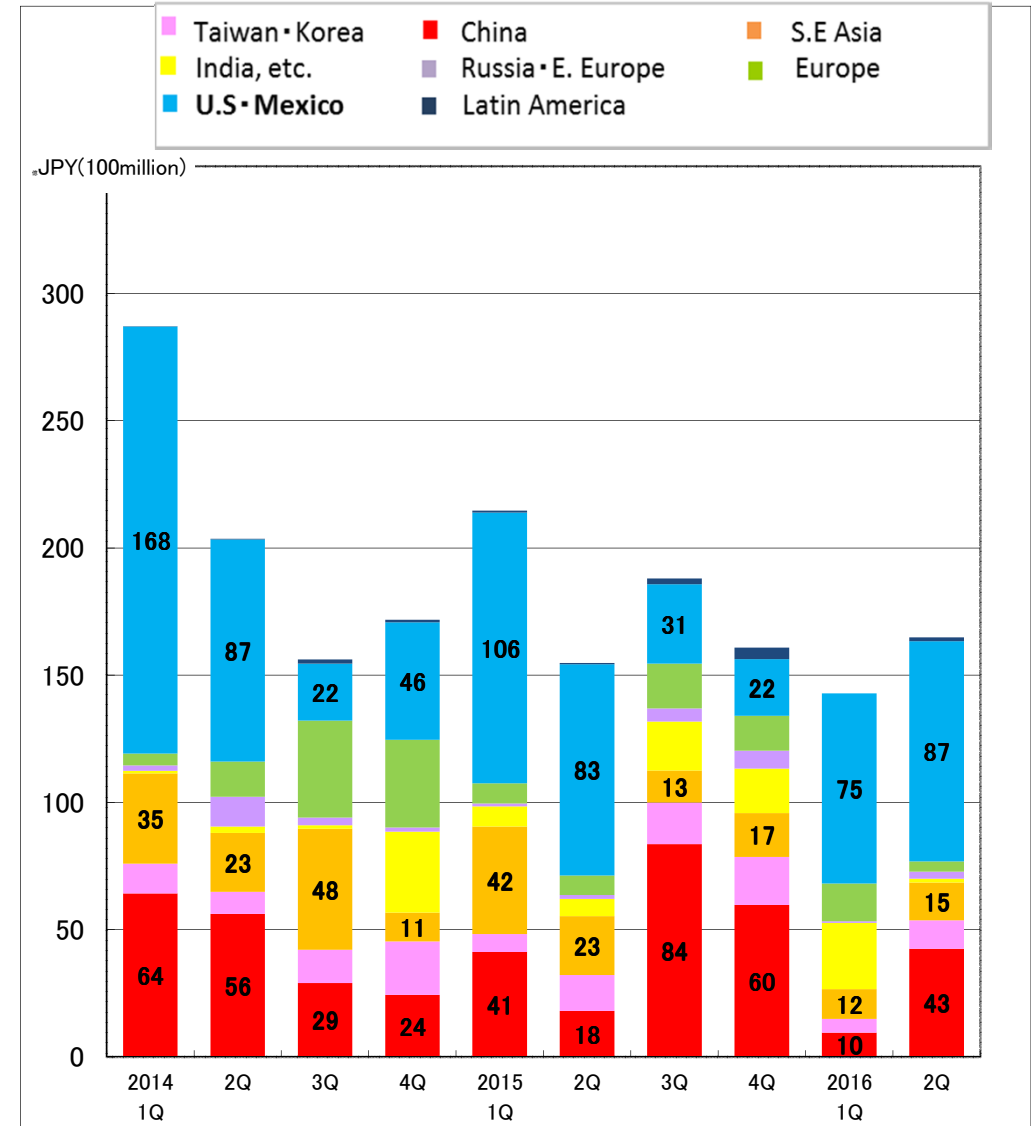


(for Reference) Statistics of Forming Machinery Industry- 2)

Trend of Order Intake



Trend of Order Intake (Overseas) by Geographic Segment



Cautions about forecast statements contained in this package

- **The information in this package contains future forecasts.**
- **Future forecasts contained in this document are based on the judgment of company management based on currently available information. Although the future forecasts are based on or grounded in assumptions, future economic circumstances and actual business results may differ from these assumptions.**
- **Although the Company or its management is stating its expectations and/or convictions regarding future results, this does not guarantee that these expectations or convictions will be realized, nor does it guarantee that the actual results will be close to the forecasts. Moreover, the Company does not assume any obligation to update or revise any forecasts unless otherwise stipulated by law.**

November 2016

AIDA ENGINEERING, LTD.