

(For reference purposes only)

FY2015 Third Quarter Consolidated Financial Results [Japanese Standard]

February 10, 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: February 10, 2015

Scheduled beginning date of dividend payment: -

Supplementary documents for quarterly consolidated financial results are prepared.

Third quarter results briefing is not planned.

1. Consolidated Results for Fiscal Year 2015 Third Quarter (April 1, 2014 to December 31, 2014)

(Figures are rounded down to the nearest million yen)

(1) Consolidated Financial Results (For the nine months ended December 31)

(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 Third Quarter	56,114	12.7	6,166	28.6	6,490	23.1	4,451	5.2
FY2014 Third Quarter	49,804	20.7	4,793	56.7	5,272	51.9	4,231	34.0

Note. Comprehensive Income FY2015 3Q 7,519 Million yen (13.7%), FY2014 3Q 6,610 Million yen (59.7%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2015 Third Quarter	72.47	72.15
FY2014 Third Quarter	69.37	68.98

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2015 Third Quarter	106,003	65,239	61.4	1,059.27
FY2014	91,830	59,655	64.8	969.35

Reference. Shareholders' Equity FY2015 3Q 65,089 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)	-	-	-	28.00	28.00

Note. Dividends forecast 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	74,500	7.0	7,700	21.8	7,900	17.6	5,700	11.2	92.78

Note. Consolidated results forecast revised

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) | <u>FY2015 3Q</u> : 73,647,321 shares, | <u>FY2014</u> : 79,147,321 shares |
| 2. Treasury Stock | <u>FY2015 3Q</u> : 12,199,668 shares, | <u>FY2014</u> : 17,730,640 shares |
| 3. Average number of shares outstanding | <u>FY2015 3Q</u> : 61,428,729 shares, | <u>FY2014 3Q</u> : 60,996,026 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 Third quarter
Assets		
Current assets		
Cash on hand and at banks	19,579	24,082
Notes and accounts receivable, trade	19,768	23,891
Electronically recorded monetary claims-operating	114	232
Securities	7,200	7,200
Finished goods	1,231	2,908
Work in process	8,710	9,009
Raw materials and supplies	1,719	2,532
Deferred tax assets	1,459	1,194
Other current assets	3,853	6,014
Allowance for doubtful accounts	(69)	(84)
Total current assets	63,567	76,981
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,993	21,524
Accumulated depreciation	(13,756)	(14,133)
Buildings and structures - Net	7,237	7,390
Machinery and vehicles	10,268	11,374
Accumulated depreciation	(5,872)	(6,800)
Machinery and vehicles - Net	4,395	4,573
Land	5,088	5,139
Construction in progress	433	932
Other fixed assets	2,510	2,781
Accumulated depreciation	(2,020)	(2,198)
Other - Net	489	583
Total property, plant and equipment	17,645	18,619
Intangible assets	1,092	1,137
Investments and other assets		
Investment securities	5,231	5,284
Insurance reserve fund	3,456	3,581
Net defined benefit assets	582	80
Deferred tax assets	93	133
Other assets	237	213
Allowance for doubtful accounts	(77)	(27)
Total investments and other assets	9,525	9,265
Total fixed assets	28,263	29,022
Total assets	91,830	106,003

	FY2014	FY2015 Third quarter
Liabilities		
Current liabilities		
Accounts payable, trade	7,781	9,363
Electronically recorded obligations-operating	1,931	3,983
Short-term loans payable	991	1,318
Current portion of long-term loans payable	500	1,000
Non-trade payables	1,052	1,609
Income taxes payable	943	1,181
Advances from customers on contracts	9,293	11,818
Accrued warranty costs	1,427	1,419
Accrued bonuses for employees	1,087	649
Provision for directors' bonuses	54	33
Provision for loss on orders received	324	217
Other current liabilities	2,563	3,065
Total current liabilities	27,951	35,661
Long-term liabilities		
Long-term loans payable	1,000	500
Long-term accounts payable	250	250
Deferred tax liabilities	2,367	2,304
Stocks payment reserve fund	160	190
Net defined benefit liabilities	114	113
Special suspense account for reduction entry	—	1,315
Other long-term liabilities	330	428
Total long-term liabilities	4,223	5,103
Total liabilities	32,174	40,764
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,498	12,415
Retained earnings	43,288	43,155
Treasury stock	(7,978)	(5,274)
Total shareholders' equity	55,639	58,127
Accumulated other comprehensive income		
Net unrealized gains on other securities	2,529	2,566
Deferred hedge gains	(219)	(369)
Foreign currency translation adjustments	1,367	4,551
Remeasurements of defined benefit plans	216	213
Total accumulated other comprehensive income	3,894	6,961
Stock options	121	149
Total net assets	59,655	65,239
Total liabilities and net assets	91,830	106,003

(2) Consolidated Statements of Income

Million of Yen

	FY2014 Third quarter (Nine months ended December 31, 2013)	FY2015 Third quarter (Nine months ended December 31, 2014)
Net sales	49,804	56,114
Cost of sales	38,887	43,251
Gross profit	10,917	12,862
Selling, general and administrative expenses	6,123	6,695
Operating income	4,793	6,166
Non-operating income		
Interest income	55	91
Dividend income	73	92
Redemption profit on maturity of endowment insurance	64	28
Foreign exchange gain	307	176
Other non-operating income	54	79
Total non-operating income	554	466
Non-operating expense		
Interest expense	24	27
Other non-operating expenses	51	114
Total non-operating expense	76	142
Ordinary profit	5,272	6,490
Extraordinary gain		
Gain on sale of fixed assets	2	1
Gain on sales of investment securities	25	—
Insurance income	—	194
Total extraordinary gain	27	195
Extraordinary loss		
Loss on sale of fixed assets	0	0
Loss on disposal of fixed assets	3	45
Other extraordinary loss	—	0
Total extraordinary loss	3	46
Income before income taxes	5,296	6,639
Current taxes	640	1,605
Deferred taxes	425	583
Total corporate tax	1,065	2,188
Income before minority interests	4,231	4,451
Net income	4,231	4,451

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2014 Third quarter (Nine months ended December 31, 2013)	FY2015 Third quarter (Nine months ended December 31, 2014)
Income before minority interests	4,231	4,451
Other comprehensive income		
Net unrealized gains on other securities	824	36
Deferred hedge gains	(448)	(149)
Foreign currency translation adjustments	2,003	3,183
Remeasurements defined benefit plans	—	(3)
Total other comprehensive income	2,379	3,067
Comprehensive income	6,610	7,519
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	6,610	7,519

(3) Notes to going concern

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

The Company retired 5,500,000 shares of treasury stock on May 30 2014 followed by the resolution at board of directors meeting held on May 13, 2014.

The treasury stock, capital surplus, and earning surplus were decreased by 2,689 million, 91 million, and 2,598 million respectively in the nine month ended December 31, 2014.

(5) Segment Information

FY2014 Third quarter (Nine months ended December 31, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	12,969	14,117	12,465	10,251	49,804	—	49,804
Inter-segment sales	13,963	956	449	2,196	17,565	(17,565)	—
Total sales	26,932	15,074	12,914	12,448	67,369	(17,565)	49,804
Segment income (loss)	2,556	1,118	928	(45)	4,558	235	4,793

Note

1. Adjustment of sales amount means elimination among inter-segment transactions.

Adjustments of segment income (loss) arose from elimination among inter-segment transactions.

2. Segment income (loss) is adjusted to operating income of consolidated statements of income.

3. Segment income (loss) 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 by 3 million.

FY2015 Third quarter (Nine months ended December 31, 2014)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	17,124	11,967	18,054	8,967	56,114	—	56,114
Inter-segment sales	16,344	1,510	697	2,215	20,768	(20,768)	—
Total sales	33,468	13,478	18,752	11,183	76,882	(20,768)	56,114
Segment income	3,969	959	1,253	74	6,257	(90)	6,166

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 were 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 Order Received

Orders Receipt and Backlog

FY2015 Third quarter (Nine months ended December 31, 2014)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	FY2014 Third quarter Fluctuation Rate (%)	Amount	FY2014 Third quarter Fluctuation Rate (%)
Japan	16,338	5.8	19,101	(6.6)
Asia	17,519	0.5	15,474	22.1
Americas	16,863	5.5	15,774	(7.7)
Europe	7,057	(23.8)	9,888	2.9
Total	57,778	(0.6)	60,239	0.7

Note.

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