

(For reference purposes only)

FY2016 Consolidated Financial Results [Japanese Standard]

May 12, 2016

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.
 Code: 6118 (URL <http://www.aida.co.jp>)
 Representative: Kimikazu Aida, President
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 Scheduled date of annual general shareholders' meeting: June 28, 2016
 Scheduled beginning date of dividend payment: June 29, 2016
 Scheduled date of filing annual securities report: June 28, 2016
 Preparation of the presentation materials for financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated results for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated financial results (Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	75,529	(1.8)	8,037	2.2	8,364	1.9	5,782	(6.8)
Year ended March 31, 2015	76,897	10.5	7,863	24.4	8,208	22.2	6,205	21.0

Note: Comprehensive income FY2016 3,434 Million yen (-63.5%) FY2015 9,407 Million yen (28.5%)

	Net Income per Share		Diluted Net Income per Share		Return on Equity		Ratio of Ordinary Income to Total Assets		Ratio of Operating Income to Net Sales	
	Yen	%	Yen	%	%	%	%	%		
Year ended March 31, 2016	93.78		93.54		8.5		8.1		10.6	
Year ended March 31, 2015	100.99		100.52		9.8		8.3		10.2	

Reference: Equity in earnings (losses) of affiliates FY 2016 — millions of yen FY2015 — millions of yen

(2) Consolidated financial position

	Total Assets		Net Assets		Shareholders' Equity Ratio		Net Assets per Share	
	Millions of yen	%	Millions of yen	%	%	Yen	%	
Year ended March 31, 2016	100,609		68,758		68.2	1,112.51		
Year ended March 31, 2015	105,126		67,254		63.8	1,088.96		

Reference: Shareholders' equity FY2016 68,613 million yen FY2015 67,104 million yen

(3) Consolidated cash flow

	Cash Flows from Operating Activities		Cash Flows from Investing Activities		Cash Flows from Financing Activities		Cash and Cash Equivalents at the End of Period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	6,596		(5,655)		915		29,524	
Year ended March 31, 2015	5,100		(1,237)		(2,077)		29,958	

2. Cash dividends

	Cash Dividends per Share					Dividends Total (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Equity Attributable to Owners of the Parent Company
	1Q End	2Q End	3Q End	Year-end	Total			
Fiscal year 2015	Yen -	Yen -	Yen -	Yen 30.00	Yen 30.00	Millions of yen 1,950	% 29.7	% 2.9
Fiscal year 2016	Yen -	Yen -	Yen -	Yen 30.00	Yen 30.00	Millions of yen 1,951	% 32.0	% 2.7
Fiscal year 2017 (forecast)	Yen -	Yen -	Yen -	Yen 40.00	Yen 40.00		% 41.8	

Note: 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)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company		Net Income per Share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	%
Fiscal year 2017 (Half)	40,000	6.8	4,000	(5.5)	4,100	(18.9)	3,000	(11.4)	48.64	
Fiscal year 2017 (Full)	80,000	5.9	8,100	0.8	8,200	(2.0)	5,900	2.0	95.66	

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) Changes in accounting principles, estimates, and retrospective restatement

1. Changes due to revisions of accounting standards : Yes
2. Changes other than "1" : None
3. Change in accounting estimates : None
4. Retrospective restatement : None

(3) Number of shares outstanding (Common stock)

- | | | |
|---|------------------------------------|-----------------------------------|
| 1. Common stock (Treasury stock included) | <u>FY2016</u> : 73,647,321 shares, | <u>FY2015</u> : 73,647,321 shares |
| 2. Treasury stock | <u>FY2016</u> : 11,973,276 shares, | <u>FY2015</u> : 12,024,268 shares |
| 3. Average number of shares outstanding | <u>FY2016</u> : 61,660,315 shares, | <u>FY2015</u> : 61,445,617 shares |

[Reference] Outline of non-consolidated results

Non-consolidated results for fiscal year 2016 (April 1, 2015 to March 31, 2016)

(1) Non-consolidated financial results

(Percentages represent the comparisons with previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%		%	Millions of yen	%
Year ended March 31, 2016	42,515	(5.6)	4,484	7.6	5,912	(9.0)	4,324	(22.1)
Year ended March 31, 2015	45,054	16.8	4,168	10.8	6,498	56.6	5,553	82.0

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Year ended March 31, 2016	70.14	69.96
Year ended March 31, 2015	90.38	89.96

(2) Non-consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2016	67,200	51,467	76.4	832.15
Year ended March 31, 2015	68,320	48,742	71.1	788.55

Reference: Shareholders' Equity FY2016 51,322 Million yen, FY2015 48,593 Million yen

Status of execution of the review process of financial statements:

These financial results are not subject to the audit procedure under the Financial Instruments and Exchange Act. The audit procedures are still ongoing as of the date of announcement of these consolidated financial results.

Statement for proper use of business forecast and other special remarks:

Forecasts are based on presently available information as of the date of publication. Therefore, the actual result might be significantly differed due to variety kinds of events. Financial results briefing for institutional investors and analysts is scheduled to be held on May 27, 2016. The presentation material will be available on our website after the briefing.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	FY2015	FY2016
Assets		
Current assets		
Cash on hand and at banks	22,868	22,529
Notes and accounts receivable, trade	22,585	20,105
Electronically recorded monetary claims-operating	242	397
Short-term securities	7,200	7,200
Finished goods	2,504	1,473
Work in process	9,318	9,332
Raw materials and supplies	2,705	2,624
Advances	1,818	1,034
Deferred tax assets	1,434	1,049
Accounts receivable - other	1,189	1,348
Consumption taxes receivable	2,028	1,040
Other current assets	788	953
Allowance for doubtful accounts	(69)	(186)
Total current assets	74,614	68,903
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,850	21,650
Accumulated depreciation	(14,161)	(14,061)
Buildings and structures - Net	7,688	7,589
Machinery and vehicles	11,108	14,096
Accumulated depreciation	(6,807)	(7,492)
Machinery and vehicles - Net	4,300	6,604
Land	5,102	5,062
Construction in progress	1,524	779
Other fixed assets	2,767	2,798
Accumulated depreciation	(2,149)	(2,177)
Other - Net	617	620
Total property, plant and equipment	19,233	20,656
Intangible assets	1,121	984
Investments and other assets		
Investment securities	5,804	5,802
Insurance reserve fund	3,488	3,390
Net defined benefit assets	519	435
Deferred tax assets	162	155
Other assets	208	308
Allowance for doubtful accounts	(27)	(26)
Total investments and other assets	10,156	10,064
Total fixed assets	30,511	31,705
Total assets	105,126	100,609

	FY2015	FY2016
Liabilities		
Current liabilities		
Accounts payable, trade	9,930	6,882
Electronically recorded obligations-operating	2,769	1,828
Short-term loans payable	391	3,163
Current portion of long-term loans payable	500	—
Non-trade payables	1,212	1,070
Income taxes payable	1,182	1,235
Accrued expenses	1,244	1,431
Advances from customers on contracts	10,799	7,738
Accrued warranty costs	1,479	1,081
Accrued bonuses for employees	1,096	1,117
Provision for directors' bonuses	58	60
Provision for loss on orders received	80	161
Special suspense account for reduction entry	1,224	126
Other current liabilities	1,359	1,041
Total current liabilities	33,328	26,940
Long-term liabilities		
Long-term loans payable	1,000	1,500
Long-term accounts payable	424	496
Deferred tax liabilities	2,441	2,261
Stocks payment reserve fund	200	238
Net defined benefit liabilities	102	99
Other long-term liabilities	373	314
Total long-term liabilities	4,543	4,911
Total liabilities	37,871	31,851
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,415	12,416
Retained earnings	44,951	48,783
Treasury stock	(5,188)	(5,166)
Total shareholders' equity	60,008	63,864
Accumulated other comprehensive income		
Net unrealized gains on other securities	3,056	3,043
Deferred gains or losses on hedges	(211)	159
Foreign currency translation adjustments	3,754	1,211
Remeasurements of defined benefit plans	496	333
Total accumulated other comprehensive income	7,096	4,748
Subscription rights to shares	149	145
Total net assets	67,254	68,758
Total liabilities and net assets	105,126	100,609

(2) Consolidated Statements of Income

(Millions of Yen)

	FY2015	FY2016
Net sales	76,897	75,529
Cost of sales	59,650	57,544
Gross profit	17,246	17,985
Selling, general and administrative expenses	9,383	9,947
Operating income	7,863	8,037
Non-operating income		
Interest income	115	86
Dividend income	92	119
Foreign exchange gain	298	192
Redemption profit on maturity of endowment insurance	28	28
Other non-operating income	104	90
Total non-operating income	639	517
Non-operating expense		
Interest expense	40	48
Taxes and dues	32	30
Other non-operating expenses	220	110
Total non-operating expense	293	189
Ordinary profit	8,208	8,364
Extraordinary gain		
Gain on sale of fixed assets	4	10
Insurance income	423	—
Total extraordinary gain	427	10
Extraordinary loss		
Loss on sale of fixed assets	0	3
Loss on disposal of fixed assets	91	37
Other extraordinary loss	1	5
Total extraordinary loss	93	46
Income before income taxes	8,543	8,329
Current taxes	2,111	2,213
Deferred taxes	226	332
Total corporate tax	2,337	2,546
Net income	6,205	5,782
Profit attributable to owners of parents	6,205	5,782

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2015	FY2016
Net income	6,205	5,782
Other comprehensive income		
Net unrealized gains on other securities	526	(12)
Deferred gains or losses on hedges	8	371
Foreign currency translation adjustments	2,387	(2,543)
Remeasurements defined benefit plans	280	(163)
Total other comprehensive income	3,202	(2,348)
Comprehensive income	9,407	3,434
Comprehensive income attributable to shareholders of Aida Engineering, Ltd.	9,407	3,434

(3) Consolidated Statements of Change in Net Assets
 Previous fiscal year (from April 1, 2014 to March 31, 2015)

(Millions of Yen)

	Shareholder's equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the beginning of the period	7,831	12,498	43,288	(7,978)	55,639
Cumulative effects of changes in accounting policies			(365)		(365)
Related balance	7,831	12,498	42,922	(7,978)	55,274
Changes during the period					
Dividends			(1,620)		(1,620)
Profit attributable to owners of parents			6,205		6,205
Acquisition of treasury stock				(1)	(1)
Disposal of treasury stock		49		101	150
Retirement of treasury stock		(132)	(2,556)	2,689	—
Net changes of items other than shareholder's equity					
Total current changes	—	(83)	2,028	2,789	4,734
Balance at the end of period	7,831	12,415	44,951	(5,188)	60,008

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized gains on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements plans of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	2,529	(219)	1,367	216	3,894	121	59,655
Cumulative effects of changes in accounting policies							(365)
Related balance	2,529	(219)	1,367	216	3,894	121	59,290
Changes during the period							
Dividends							(1,620)
Profit attributable to owners of parents							6,205
Acquisition of treasury stock							(1)
Disposal of treasury stock							150
Retirement of treasury stock							—
Net changes of items other than shareholder's equity	526	8	2,387	280	3,202	28	3,230
Total current changes	526	8	2,387	280	3,202	28	7,964
Balance at the end of period	3,056	(211)	3,754	496	7,096	149	67,254

Current fiscal year (from April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Shareholder's equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholder's equity
Balance at the beginning of the period	7,831	12,415	44,951	(5,188)	60,008
Cumulative effects of changes in accounting policies					
Related balance	7,831	12,415	44,951	(5,188)	60,008
Changes during the period					
Dividends			(1,950)		(1,950)
Profit attributable to owners of parents			5,782		5,782
Acquisition of treasury stock				(1)	(1)
Disposal of treasury stock		1		24	25
Retirement of treasury stock					—
Net changes of items other than shareholder's equity					
Total current changes	—	1	3,832	22	3,856
Balance at the end of period	7,831	12,416	48,783	(5,166)	63,864

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized gains on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements plans of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	3,056	(211)	3,754	496	7,096	149	67,254
Cumulative effects of changes in accounting policies							
Related balance	3,056	(211)	3,754	496	7,096	149	67,254
Changes during the period							
Dividends							(1,950)
Profit attributable to owners of parents							5,782
Acquisition of treasury stock							(1)
Disposal of treasury stock							25
Retirement of treasury stock							—
Net changes of items other than shareholder's equity	(12)	371	(2,543)	(163)	(2,348)	(4)	(2,352)
Total current changes	(12)	371	(2,543)	(163)	(2,348)	(4)	1,503
Balance at the end of period	3,043	159	1,211	333	4,748	145	68,758

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2015	FY2016
Cash flows from operating activities:		
Income before income taxes	8,543	8,329
Depreciation and amortization	1,712	1,995
(Gain) loss on sale of property, plant and equipment	(3)	(7)
Loss on disposal of fixed assets	91	37
Increase (decrease) in allowance for doubtful accounts	(45)	126
Increase (decrease) in accrued bonuses for employees, net	(18)	40
Increase (decrease) in accrued bonuses for directors, net	4	2
Increase (decrease) in accrued warranty costs, net	60	(372)
Increase (decrease) in net defined benefit liabilities	(2)	(1)
Increase (decrease) in net defined benefit assets	(446)	102
Increase (decrease) in stocks payment reserve fund	48	37
Increase (decrease) in provision for loss on orders received, net	(234)	83
Interest and dividend income	(208)	(206)
Interest expense	40	48
(Increase) decrease in accounts receivable, trade	(1,673)	(1,133)
(Increase) decrease in inventories	(3,021)	668
Increase (decrease) in accounts payable, trade	1,098	(2,744)
(Increase) decrease in other assets	60	666
Increase (decrease) in other liabilities	727	940
Other, net	172	91
Sub-total	6,904	8,706
Interest and dividends received	208	204
Interest paid	(39)	(50)
Income taxes paid	(1,972)	(2,264)
Net cash provided by operating activities	5,100	6,596
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(1,881)	(5,384)
Proceeds from sale of property, plant and equipment	28	45
Payments for purchase of intangible assets	(114)	(109)
Proceeds from sales of short-term investments	200	—
Payments of purchase of investments securities	—	(102)
Proceeds from sales of investments securities	13	—
Payments for deposits of funds into time deposits	(654)	(813)
Proceeds for withdrawal of time deposit	1,118	708
Other, net	52	1
Net cash used in investing activities	(1,237)	(5,655)
Cash flows from financing activities:		
Increase (decrease) in short term loans payable	(602)	2,871
Payments for finance lease obligations	(8)	(9)
Proceeds from sale of treasury stock	150	0
Payments for purchase of treasury stock	(1)	(1)
Cash dividends paid	(1,616)	(1,945)
Net cash used in financing activities	(2,077)	915
Effect of exchange rate changes on cash and cash equivalents	2,134	(2,291)
Net increase (decrease) in cash and cash equivalents	3,920	(434)
Cash and cash equivalents at the beginning of the year	26,038	29,958
Cash and cash equivalents at the end of the year	29,958	29,524

(5) Segment Information

1. Overview of Report Segment

Reporting segments are available to obtain the separate financial report among constituent units of the companies and are regularly examined by the board of directors for decisions on the allocation of management resources and for assessing business performance.

Aida Engineering is a single business unit company that manufactures and sells forming machines and ancillary equipment and provides related services. The Company is responsible for domestic business while companies located in Asia (China, Hong Kong, Singapore, and Malaysia), Americas (U.S.A.), and Europe (Italy) are in charge of overseas business.

Local subsidiaries are independent management unit and formulate comprehensive strategies and conduct business activities respectively.

Geographic segments underlie the structure of Aida Engineering's manufacturing, sales and services; therefore, Japan, Asia, Americas, and Europe are defined as four reporting segments.

2. Calculation criteria of sales, profit / loss, assets and other

Methods of accounting procedures for reported business segments are substantially the same as those shown in "Important matters providing the basis for the preparation of consolidated financial statements."

The segment income is operating income. Inter-segment transactions refer to intercompany transactions and are based on market prices.

3. Information regarding amounts of sales, profit by report segment

FY2015 (year ended March 31, 2015) (Millions of Yen)

	Reporting Segment					Adjustments (*1)	Consolidated Statements of Income(*2)
	Japan	Asia	Americas	Europe	Sub Total		
Sales							
Sales to external customers	24,185	16,812	23,804	12,094	76,897	—	76,897
Inter-segment sales	21,809	2,045	894	2,854	27,604	(27,604)	—
Total sales	45,994	18,858	24,699	14,948	104,501	(27,604)	76,897
Segment income (loss)	4,765	1,478	1,587	78	7,908	(45)	7,863
Segment Assets	70,358	25,363	13,966	14,096	123,785	(18,658)	105,126
Others							
Depreciation	885	467	112	250	1,715	(3)	1,712
Capital expenditure	788	360	161	647	1,958	—	1,958

Note

1. Adjustment of sales amount means elimination among inter-segment transactions, and adjustments of segment income arose from elimination amount inter-segment transactions, Adjustments of segment asset means elimination among inter-segment debit and credit.

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

FY2016 (year ended March 31, 2016) (Millions of Yen)

	Reporting Segment					Adjustments (*1)	Consolidated Statements of Income(*2)
	Japan	Asia	Americas	Europe	Sub Total		
Sales							
Sales to external customers	26,216	17,096	18,065	14,151	75,529	—	75,529
Inter-segment sales	17,825	3,892	943	702	23,363	(23,363)	—
Total sales	44,041	20,989	19,008	14,853	98,893	(23,363)	75,529
Segment income	4,967	2,321	1,327	(490)	8,125	(88)	8,037
Segment Assets	70,839	24,154	10,611	14,230	119,835	(19,226)	100,609
Others							
Depreciation	1,052	501	191	252	1,998	(2)	1,995
Capital expenditure	2,583	453	1,371	245	4,654	—	4,654

Note

1. Adjustment of sales amount means elimination among inter-segment transactions, and adjustments of segment income (loss) arose from elimination among inter-segment transactions, and adjustments of segment asset means elimination among inter-segment debits and credits.

2. Segment income is adjusted to operating income of consolidated statements of income.

(6) Notes to going concern

None

2. Supplementary Information

Status of Orders Received

Orders Receipt and Backlog

FY2016 (year ended March 31, 2016)

(Millions of Yen)

	Order Intake		Backlog	
	Amount	Fluctuation Rate (%)	Amount	Fluctuation Rate (%)
Japan	27,770	31.7	18,337	9.3
Asia	13,113	(34.4)	9,115	(30.4)
Americas	18,233	(1.8)	12,070	1.6
Europe	16,356	54.1	12,354	21.4
Total	75,474	7.4	51,878	(0.1)

Note.

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