

Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ended March 31, 2018 [Japanese Standard]

August 8, 2017

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

Stock code: 6118 (URL <http://www.aida.co.jp>)

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Scheduled date of filing quarterly securities report: August 8, 2017

Scheduled beginning date of dividend payment: —

Preparation of supplemental explanatory materials: Yes

Holding of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for 1st Quarter of the Fiscal Year Ended March 31, 2018 (April 1, 2017 to June 30, 2017)

(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, 2017	15,792	3.0	1,315	3.9	1,259	(8.6)	977	(1.1)
Three months ended June 30, 2016	15,338	(14.1)	1,266	(39.6)	1,378	(41.3)	988	(35.7)

Note: Comprehensive income Three months ended June 30, 2017 1,695 million yen (-%)
Three months ended June 30, 2016 (1,079) million yen (-%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2017	15.84		15.81	
Three months ended June 30, 2016	16.03		15.99	

(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, 2017	102,488		69,926		68.1		1,131.00	
As of March 31, 2017	101,683		70,834		69.5		1,145.74	

Reference: Shareholders' equity As of June 30, 2017 69,778 million yen
As of March 31, 2017 70,683 million yen

2. Cash Dividends

	Cash dividends per share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	-	-	-	40.00	40.00
Year ended March 31, 2018	-	-	-	-	-
Year ended March 31, 2018 (forecast)	-	-	-	30.00	30.00

Note: Revision of dividend forecast for this period: None

3. Forecasts of Consolidated Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	
Six months ended September 30, 2017	36,000	13.3	3,500	5.3	3,600	0.3	2,500	(3.7)	40.52	
Year ended March 31, 2018	72,000	6.6	7,000	5.8	7,100	4.8	5,000	0.3	81.04	

Note: Revision of forecasts of consolidated results: None

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: Yes

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: None

2. Changes in accounting policies other than "1": Yes

3. Changes in accounting estimates: None

4. Retrospective restatement: None

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included)

As of June 30, 2017 73,647,321 shares

As of March 31, 2017 73,647,321 shares

2. Treasury Stock

As of June 30, 2017 11,951,322 shares

As of March 31, 2017 11,955,096 shares

3. Average number of shares outstanding

Three months ended June 30, 2017 61,692,575 shares

Three months ended June 30, 2016 61,675,049 shares

This financial results falls outside the scope of audit procedures.

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, 2017	As of June 30, 2017
Assets		
Current assets		
Cash on hand and at banks	24,491	25,734
Notes and accounts receivable - trade	23,233	21,876
Electronically recorded monetary claims - operating	657	1,457
Short-term securities	2,000	—
Finished goods	1,647	1,930
Work in process	9,416	9,769
Raw materials and supplies	2,962	3,169
Deferred tax assets	857	830
Other current assets	4,890	5,306
Allowance for doubtful accounts	(202)	(220)
Total current assets	69,955	69,855
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,756	21,952
Accumulated depreciation	(14,241)	(14,425)
Buildings and structures, net	7,515	7,526
Machinery and vehicles	14,785	15,497
Accumulated depreciation	(8,276)	(8,610)
Machinery and vehicles, net	6,508	6,887
Land	5,053	5,066
Construction in progress	1,151	1,229
Other fixed assets	2,861	2,959
Accumulated depreciation	(2,273)	(2,362)
Other fixed assets, net	587	597
Total property, plant and equipment	20,815	21,307
Intangible assets	845	824
Investments and other assets		
Investment securities	6,824	7,137
Insurance reserve fund	2,192	2,265
Net defined benefit assets	630	658
Deferred tax assets	247	259
Other assets	195	204
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	10,067	10,501
Total fixed assets	31,728	32,633
Total assets	101,683	102,488

(Millions of Yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	6,353	6,124
Electronically recorded monetary obligations - operating	2,457	2,608
Short-term loans payable	2,970	3,173
Accounts payable - other	854	774
Income taxes payable	708	359
Advances received	8,085	9,309
Accrued warranty costs	700	724
Accrued bonuses for employees	1,040	526
Accrued bonuses for directors	53	24
Provision for loss on orders received	166	136
Other current liabilities	2,127	3,135
Total current liabilities	25,518	26,897
Long-term liabilities		
Long-term loans payable	1,500	1,500
Long-term accounts payable - other	581	712
Deferred tax liabilities	2,543	2,683
Accrued stock payments for employees	278	287
Net defined benefit liabilities	108	117
Other long-term liabilities	319	364
Total long-term liabilities	5,330	5,664
Total liabilities	30,848	32,562
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,420	12,421
Retained earnings	51,817	50,191
Treasury stock	(5,158)	(5,157)
Total shareholders' equity	66,909	65,286
Accumulated other comprehensive income		
Net unrealized gains on other securities	3,761	3,982
Deferred hedge gains (losses)	(75)	(183)
Foreign currency translation adjustments	(301)	302
Retirement benefit plans adjustments	390	390
Total accumulated other comprehensive income	3,774	4,491
Stock options	151	148
Total net assets	70,834	69,926
Total liabilities and net assets	101,683	102,488

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	15,338	15,792
Cost of sales	11,784	12,147
Gross profit	3,553	3,644
Selling, general and administrative expenses	2,287	2,329
Operating income	1,266	1,315
Non-operating income		
Interest income	15	17
Dividend income	73	72
Foreign exchange gain	13	—
Other non-operating income	27	29
Total non-operating income	130	118
Non-operating expense		
Interest expenses	9	9
Foreign exchange loss	—	138
Other non-operating expenses	8	25
Total non-operating expenses	18	174
Ordinary income	1,378	1,259
Extraordinary gain		
Gain on sales of fixed assets	0	1
Other extraordinary gain	—	0
Total extraordinary gain	0	1
Extraordinary loss		
Loss on disposal of fixed assets	0	2
Total extraordinary loss	0	2
Income before income taxes	1,377	1,259
Income taxes	389	281
Net income	988	977
Net income attributable to owners of parent	988	977

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	988	977
Other comprehensive income		
Net unrealized gains (losses) on other securities	(304)	220
Deferred hedge gains (losses)	274	(107)
Foreign currency translation adjustments	(2,037)	604
Retirement benefit plans adjustments	(1)	0
Total other comprehensive income (loss)	(2,067)	717
Comprehensive income	(1,079)	1,695
Comprehensive income attributable to owners of parent	(1,079)	1,695

(3) Notes to Going Concern Assumption

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

Three months ended June 30, 2016

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales							
Sales to third parties	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	508	265	313	63	1,151	114	1,266

Note:

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

Three months ended June 30, 2017

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales							
Sales to third parties	5,599	2,852	4,473	2,868	15,792	—	15,792
Inter-segment sales	4,460	680	115	169	5,424	(5,424)	—
Total sales	10,059	3,532	4,588	3,037	21,217	(5,424)	15,792
Segment profit or loss	555	439	349	39	1,384	(69)	1,315

Note:

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

2. Supplementary Information

Status of Orders

Three months ended June 30, 2017

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	8,412	99.3	19,375	17.0
Asia	2,609	70.1	8,297	(2.8)
Americas	6,659	180.9	14,122	18.4
Europe	4,589	309.5	11,669	17.2
Total	22,270	140.8	53,464	13.8

Note:

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