

Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ended March 31, 2019 [Japanese Standard]

August 10, 2018

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 10, 2018
 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, 2019 (April 1, 2018 to June 30, 2018)

(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, 2018	18,862	19.4	1,203	(8.5)	1,369	8.7	942	(3.5)
Three months ended June 30, 2017	15,792	3.0	1,315	3.9	1,259	(8.6)	977	(1.1)

Note: Comprehensive income Three months ended June 30, 2018 546 million yen (Δ 67.8)%
 Three months ended June 30, 2017 1,695 million yen (—)%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2018	15.28	15.24
Three months ended June 30, 2017	15.84	15.81

(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, 2018	114,201	74,505	64.6	1,196.27
As of March 31, 2018	116,108	75,924	64.8	1,219.02

Reference: Shareholders' equity As of June 30, 2018 73,806 million yen
 As of March 31, 2018 75,210 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, 2018	—	—	—	30.00	30.00
Year ended March 31, 2019	—	—	—	—	—
Year ended March 31, 2019 (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, 2019 (April 1, 2018 to March 31, 2019)

(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, 2018	39,000	19.1	3,400	18.2	3,500	23.5	2,500	28.2	40.52
Full year ended March 31, 2019	78,000	5.6	6,800	7.7	6,900	16.4	4,900	2.4	79.42

Note: Revision of forecasts of consolidated results: None

4. Others

(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": None

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, 2018 73,647,321 shares

As of March 31, 2018 73,647,321 shares

2. Treasury Stock

As of June 30, 2018 11,950,281 shares

As of March 31, 2018 11,950,279 shares

3. Average number of shares outstanding

Three months ended June 30, 2018 61,696,979 shares

Three months ended June 30, 2017 61,692,575 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, 2018	As of June 30, 2018
Assets		
Current assets		
Cash on hand and at banks	33,163	31,031
Notes and accounts receivable - trade	22,444	20,420
Electronically recorded monetary claims - operating	2,485	2,480
Finished goods	2,312	2,759
Work in process	11,038	12,472
Raw materials and supplies	4,014	4,030
Other current assets	3,158	3,795
Allowance for doubtful accounts	(226)	(221)
Total current assets	78,390	76,769
Fixed assets		
Property, plant and equipment		
Buildings and structures	24,664	24,647
Accumulated depreciation	(16,106)	(16,237)
Buildings and structures, net	8,558	8,409
Machinery and vehicles	16,326	16,336
Accumulated depreciation	(9,579)	(9,798)
Machinery and vehicles, net	6,746	6,537
Land	7,140	7,128
Construction in progress	362	954
Other fixed assets	3,535	3,511
Accumulated depreciation	(2,894)	(2,922)
Other fixed assets, net	641	589
Total property, plant and equipment	23,449	23,620
Intangible assets	927	887
Investments and other assets		
Investment securities	8,734	8,211
Insurance reserve fund	2,943	3,090
Net defined benefit assets	795	803
Deferred tax assets	708	665
Other assets	195	189
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	13,340	12,923
Total fixed assets	37,718	37,431
Total assets	116,108	114,201

(Millions of Yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	7,374	7,984
Electronically recorded monetary obligations - operating	4,600	4,760
Short-term loans payable	2,611	2,557
Current portion of long-term loans payable	500	500
Accounts payable - other	1,065	1,378
Income taxes payable	1,156	443
Advances received	11,745	11,000
Accrued warranty costs	717	634
Accrued bonuses for employees	1,214	566
Accrued bonuses for directors	52	25
Provision for loss on orders received	105	116
Other current liabilities	2,055	2,607
Total current liabilities	33,198	32,575
Long-term liabilities		
Long-term loans payable	1,000	1,000
Long-term accounts payable - other	820	892
Deferred tax liabilities	3,039	3,084
Accrued stock payments	344	354
Net defined benefit liabilities	1,461	1,467
Other long-term liabilities	319	320
Total long-term liabilities	6,985	7,120
Total liabilities	40,184	39,696
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,486	12,486
Retained earnings	54,000	52,988
Treasury stock	(5,222)	(5,223)
Total shareholders' equity	69,095	68,082
Accumulated other comprehensive income		
Net unrealized gains on other securities	4,930	4,567
Deferred hedge gains (losses)	26	(42)
Foreign currency translation adjustments	734	786
Retirement benefit plan adjustments	423	411
Total accumulated other comprehensive income	6,114	5,723
Stock options	148	148
Non-controlling interests	566	550
Total net assets	75,924	74,505
Total liabilities and net assets	116,108	114,201

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	15,792	18,862
Cost of sales	12,147	15,224
Gross profit	3,644	3,637
Selling, general and administrative expenses	2,329	2,433
Operating income	1,315	1,203
Non-operating income		
Interest income	17	25
Dividend income	72	84
Foreign exchange gain	—	73
Other non-operating income	29	52
Total non-operating income	118	235
Non-operating expense		
Interest expenses	9	9
Foreign exchange loss	138	—
Equipment relocation expenses	—	48
Other non-operating expenses	25	12
Total non-operating expenses	174	69
Ordinary income	1,259	1,369
Extraordinary gain		
Gain on sales of fixed assets	1	6
Other extraordinary gain	0	—
Total extraordinary gain	1	6
Extraordinary loss		
Loss on disposal of fixed assets	2	12
Total extraordinary loss	2	12
Income before income taxes	1,259	1,363
Income taxes	281	426
Net income	977	937
Net income (loss) attributable to non-controlling interests	—	(5)
Net income attributable to owners of parent	977	942

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net income	977	937
Other comprehensive income		
Net unrealized gains (losses) on other securities	220	(362)
Deferred hedge gains (losses)	(107)	(68)
Foreign currency translation adjustments	604	51
Retirement benefit plan adjustments	0	(11)
Total other comprehensive income (loss)	717	(391)
Comprehensive income	1,695	546
Comprehensive income attributable to owners of parent	1,695	551
Comprehensive income attributable to non-controlling interests	—	(5)

(3) Notes to Going Concern Assumption

None

(4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

None

(5) Segment Information

Three months ended June 30, 2017

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	5,599	1,990	861	4,465	2,876	15,792	—	15,792
Inter-segment sales	4,460	113	1,153	115	261	6,104	(6,104)	—
Total sales	10,059	2,103	2,015	4,580	3,137	21,897	(6,104)	15,792
Segment profit	541	187	375	356	45	1,506	(190)	1,315

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.
Adjustments of segment profit refer to inter-segment transaction eliminations.
2. Segment profit is adjusted to operating income of consolidated statements of income.

Three months ended June 30, 2018

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	7,270	2,464	1,070	4,936	3,120	18,862	—	18,862
Inter-segment sales	4,503	266	1,360	36	113	6,280	(6,280)	—
Total sales	11,774	2,730	2,430	4,973	3,234	25,142	(6,280)	18,862
Segment profit or loss	468	88	344	248	(36)	1,112	91	1,203

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.
Adjustments of segment profit or loss refer to inter-segment transaction eliminations.
2. Segment profit or loss is adjusted to operating income of consolidated statements of income.

Changes in the reportable segment classification method

Effective from the 1st quarter of the fiscal year ended March 31, 2019, the reportable segment classification method has been revised in line with the internal control of group companies.

The business in China and Hong Kong, which was previously included in the Asia segment, is now included in the China segment (new segment).

Accordingly the Asia segment includes the business in Asia excluding Japan, China and Hong Kong.

The segment information for the previous period has been restated in line with the new method of classification.

2. Supplementary Information

Status of Orders

Three months ended June 30, 2018

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	12,277	45.9	29,427	20.1
China	3,747	106.4	11,872	12.1
Asia	1,235	55.8	2,577	6.9
Americas	2,570	(61.4)	8,836	(21.1)
Europe	4,706	2.5	12,283	15.7
Total	24,537	10.2	64,997	9.6

Note:

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