

## FY2014 Second Quarter Consolidated Financial Results [Japanese Standard]

November 12, 2013  
Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

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Scheduled date of filing Quarterly Securities Report: November 12, 2013

Scheduled beginning date of dividend payment: -

Supplementary documents for quarterly consolidated financial results are prepared.

Second quarter results briefing is planned. (For Securities analyst and Institutional investor)

### 1. Consolidated Results for Fiscal Year 2014 Second Quarter(April 1, 2013 to September 30, 2013)

(Figures are rounded down to the nearest million yen)

#### (1) Consolidated Financial Results(For the six months ended September 30)

(Percentages represent the comparisons with the second quarter of previous year)

	Net Sales		Operating Income		Ordinary Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2014 Second Quarter	31,874	19.4	3,124	51.0	3,470	59.3	3,051	64.1
FY2013 Second Quarter	26,702	(0.7)	2,069	85.7	2,178	81.9	1,859	83.9

Note. Comprehensive Income FY2014 2Q 4,104 Million yen (560.2%), FY2013 2Q 621 Million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY2014 Second Quarter	50.07	49.84
FY2013 Second Quarter	30.66	30.61

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
FY2014 Second Quarter	85,135	55,924	65.5	914.96
FY2013	82,118	52,978	64.4	868.12

Reference. Shareholders' Equity FY2014 2Q 55,803 Million yen, FY2013 52,877 Million yen

### 2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2013	-	-	-	19.00	19.00
Fiscal 2014					
Fiscal 2014(forecast)		-	-	24.00	24.00

Note. Dividends forecast revised

### 3. Forecast of Consolidated Results for the year ending March 31, 2014(April 1, 2013 to March 31, 2014)

(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 Year	65,000	12.4	5,800	54.4	6,100	49.8	5,000	31.5	82.01

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: No

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)      FY2014 2Q: 79,147,321 shares,      FY2013 : 79,147,321 shares

2. Treasury Stock      FY2014 2Q: 18,157,347 shares,      FY2013 : 18,236,991 shares

3. Average number of shares outstanding      FY2014 2Q: 60,948,066 shares,      FY2013 2Q : 60,659,586 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

	FY2013	FY2014 Second quarter
Current assets		
Cash on hand and at banks	18,675	17,941
Notes and accounts receivable, trade	16,091	14,492
Electronically recorded monetary claims-operating	98	31
Securities	3,700	5,700
Finished goods	2,042	1,464
Work in process	8,566	10,619
Raw materials and suppliers	2,457	1,966
Deferred tax assets	1,623	1,571
Other current assets	3,270	4,756
Allowance for doubtful accounts	(71)	(74)
Total current assets	56,454	58,469
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,055	20,506
Accumulated depreciation	(13,935)	(14,152)
Buildings and structures - Net	6,119	6,354
Machinery and vehicles	8,607	9,781
Accumulated depreciation	(5,139)	(5,517)
Machinery and vehicles - Net	3,468	4,264
Land	4,851	4,870
Lease assets	1,201	97
Accumulated depreciation	(378)	(59)
Lease assets - Net	823	37
Construction in progress	550	836
Other fixed assets	2,278	2,397
Accumulated depreciation	(1,924)	(1,995)
Other - Net	353	402
Total property, plant and equipment	16,167	16,766
Intangible assets	842	946
Investments and other assets		
Investment securities	4,116	5,071
Insurance reserve fund	3,216	3,391
Deferred tax assets	61	63
Other assets	1,336	503
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	8,654	8,952
Total fixed assets	25,663	26,666
Total assets	82,118	85,135

	FY2013	FY2014 Second quarter
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable, trade	5,991	6,134
Electronically recorded obligations-operating	2,703	1,642
Short-term loans payable	—	931
Current portion of long-term loans payable	500	500
Short-term Lease obligations	796	17
Non-trade payables	1,365	901
Income taxes payable	428	503
Advances from customers on contracts	9,381	10,460
Accrued warranty costs	1,231	1,266
Accrued bonuses for employees	810	861
Provision for directors' bonuses	33	48
Provision for loss on orders received	257	163
Other current liabilities	1,790	1,495
<b>Total current liabilities</b>	<b>25,290</b>	<b>24,928</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,000	1,000
Long-term Lease obligations	29	22
Long-term accounts payable	362	381
Deferred tax liabilities	1,947	2,321
Accrued pension and severance costs for employees	117	106
Other long-term liabilities	392	451
<b>Total long-term liabilities</b>	<b>3,850</b>	<b>4,283</b>
<b>Total liabilities</b>	<b>29,140</b>	<b>29,211</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,831	7,831
Additional paid-in capital	12,979	12,983
Retained earnings	39,573	41,403
Treasury stock	(8,992)	(8,953)
<b>Total shareholders' equity</b>	<b>51,391</b>	<b>53,264</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains on other securities	1,898	2,524
Deferred hedge gains	(412)	(166)
Foreign currency translation adjustments	0	180
<b>Total accumulated other comprehensive income</b>	<b>1,485</b>	<b>2,538</b>
<b>Stock options</b>	<b>100</b>	<b>121</b>
<b>Total net assets</b>	<b>52,978</b>	<b>55,924</b>
<b>Total liabilities and net assets</b>	<b>82,118</b>	<b>85,135</b>

## (2) Consolidated Statements of Income

Million of Yen

	FY2013 Second quarter(Six months ended September 30, 2012)	FY2014 Second quarter(Six months ended September 30, 2013)
Net sales	26,702	31,874
Cost of sales	21,060	24,807
Gross profit	5,642	7,066
Selling, general and administrative expenses	3,572	3,942
Operating income	2,069	3,124
Non-operating income		
Interest income	12	26
Dividend income	46	46
Redemption profit on maturity of endowment insurance	84	64
Foreign exchange gain	—	208
Other non-operating income	48	38
Total non-operating income	193	384
Non-operating expense		
Interest expense	25	18
Foreign exchange loss	19	—
Other non-operating expenses	38	19
Total non-operating expense	84	38
Ordinary profit	2,178	3,470
Extraordinary gain		
Gain on sale of fixed assets	3	1
Total extraordinary gain	3	1
Extraordinary loss		
Loss on sale of fixed assets	—	0
Loss on disposal of fixed assets	1	3
Loss on evaluation of golf club membership	8	—
Total extraordinary loss	10	3
Income before income taxes	2,172	3,468
Current taxes	276	339
Deferred taxes	35	77
Total corporate tax	312	417
Income before minority interests	1,859	3,051
Net income	1,859	3,051

Consolidated Statements of Comprehensive Income

Million of Yen

	FY2013 Second quarter(Six months ended September 30, 2012)	FY2014 Second quarter(Six months ended September 30, 2013)
Income before minority interests	1,859	3,051
Other comprehensive income		
Net unrealized gains on other securities	(391)	626
Deferred hedge gains	10	246
Foreign currency translation adjustment	(856)	180
Total other comprehensive income	(1,238)	1,053
Comprehensive income	621	4,104
Comprehensive income attributable to: Shareholders of Aida Engineering, Ltd.	621	4,104

## (3) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2013 second quarter (Six months ended September 30, 2012)	FY2014 second quarter (Six months ended September 30, 2013)
Cash flows from operating activities:		
Income before income taxes	2,172	3,468
Depreciation and amortization	657	728
Increase (decrease) in allowance for doubtful accounts	(39)	(3)
Increase (decrease) in accrued warranty costs, net	(29)	(0)
Increase (decrease) in accrued bonuses for employees, net	(57)	41
Increase (decrease) in accrued bonuses for directors, net	11	14
Increase (decrease) in provision for loss on orders received, net	(255)	(105)
Increase (decrease) in accrued pension and severance costs for employees, net	(65)	(22)
Interest and dividend income	(59)	(73)
Interest expense	25	18
(Gain) loss on sale of property, plant and equipment	(3)	(1)
(Increase) decrease in accounts receivable, trade	67	2,149
(Increase) decrease in inventories	(1,026)	(622)
(Decrease) increase in accounts payable, trade	1,613	(1,855)
(Increase) decrease in other assets	390	(811)
Increase (decrease) in other liabilities	210	(597)
Other, net	8	60
Sub-total	3,617	2,388
Interest and dividends received	59	72
Interest paid	(25)	(18)
Income taxes paid	(221)	(224)
Cash flows from operating activities:	3,430	2,218
Cash flows from investing activities:		
Payments for deposits of funds into time deposits	—	(1,269)
Proceeds for withdrawal of time deposit	10	—
Payments for purchase of property, plant and equipment	(666)	(868)
Proceeds from sale of property, plant and equipment	25	106
Payments of purchase of investments securities	(50)	—
Payments for purchase of intangible assets	(18)	(367)
Other, net	1	1
Cash flows from investing activities:	(697)	(2,397)
Cashes flows from financing activities:		
Proceeds from short-term loans	—	918
Payments for short-term loans	(503)	—
Payments for finance lease obligations	(66)	(8)
Payments for purchase of treasury stock	(0)	(1)
Proceeds from sale of treasury stock	2	32
Cash dividends paid	(892)	(1,215)
Cashes flows from financing activities:	(1,461)	(273)
Effect of exchange rate changes on cash and cash equivalents	(678)	463
Net (decrease) increase in cash and cash equivalents	592	10
Cash and cash equivalents at the beginning of the year	17,129	22,281
Increase in cash and cash equivalents from newly consolidated subsidiary	2	—
Cash and cash equivalents at the end of period	17,725	22,292



(4) Notes to going concern

None

(5) Notes regarding remarkable fluctuation in shareholders' equity

None

(6) Segment Information

FY2013 Second quarter (Six months ended September 30, 2012)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	9,904	8,098	4,146	4,552	26,702	—	26,702
Inter-segment sales	8,509	825	154	770	10,260	(10,260)	—
Total sales	18,414	8,923	4,301	5,323	36,963	(10,260)	26,702
Segment income	1,037	830	185	46	2,100	(30)	2,069

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.

FY2014 Second quarter (Six months ended September 30, 2013)

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustment(*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	7,906	8,829	8,643	6,495	31,874	—	31,874
Inter-segment sales	9,205	690	272	685	10,853	(10,853)	—
Total sales	17,111	9,519	8,915	7,180	42,727	(10,853)	31,874
Segment income (loss)	1,632	705	634	(10)	2,962	162	3,124

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.

## 2. Supplementary Information

### Status of Orders and Sales

#### (1) Orders Receipt and Backlog

(Millions of Yen)

		Six months ended September 30, 2012	Six months ended September 30, 2013	Fluctuation rate(%)
Orders	Japan	17,290	8,238	(52.4)
	Asia	9,200	12,402	34.8
	Americas	7,227	9,373	29.7
	Europe	5,313	6,582	23.9
	Total	39,032	36,597	(6.2)
Backlog	Japan	20,228	18,311	(9.5)
	Asia	9,106	12,921	41.9
	Americas	9,208	14,304	55.3
	Europe	10,065	10,684	6.2
	Total	48,608	56,222	15.7

Note.

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

#### (2) Sales

(Millions of Yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013	Fluctuation rate(%)
Japan	9,904	7,906	(20.2)
Asia	8,098	8,829	9.0
Americas	4,146	8,643	108.4
Europe	4,552	6,495	42.7
Total	26,702	31,874	19.4

Note.

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