

## Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ended March 31, 2020 [Japanese Standard]

February 12, 2020

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.  
 Stock code: 6118 (URL <https://www.aida.co.jp/en/>)  
 Representative: Kimikazu Aida, Chairman & President (CEO)  
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 Scheduled date of filing quarterly securities report: February 12, 2020  
 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 3rd Quarter of the Fiscal Year Ended March 31, 2020 (April 1, 2019 to December 31, 2019)

## (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	%
Nine months ended December 31, 2019	50,809	(17.1)	4,314	15.9	4,371	6.4	3,024	8.6
Nine months ended December 31, 2018	61,257	20.7	3,723	(10.1)	4,109	2.3	2,783	3.2

Note: Comprehensive income  
 Nine months ended December 31, 2019 2,587 million yen ( 166.7 %)  
 Nine months ended December 31, 2018 970 million yen ( -82.4 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2019	50.12	50.02
Nine months ended December 31, 2018	45.11	45.01

## (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2019	107,887	75,821	69.6	1,260.39
As of March 31, 2019	111,564	77,206	68.5	1,238.41

Reference: Shareholders' equity  
 As of December 31, 2019 75,056 million yen  
 As of March 31, 2019 76,453 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, 2019	—	—	—	30.00	30.00
Year ended March 31, 2020	—	—	—	—	—
Year ended March 31, 2020 (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, 2020 (April 1, 2019 to March 31, 2020)

(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
Full year ended March 31, 2020	72,000	(14.4)	6,350	14.2	6,400	8.8	4,650	0.3	77.31

Note: Revision of forecasts of consolidated results: Yes

4. Others

(1) Changes among significant subsidiaries during the period: None

(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. Total number of issued shares (Including treasury stock)

As of December 31, 2019 69,448,421 shares

As of March 31, 2019 71,647,321 shares

2. Total number of treasury stock

As of December 31, 2019 9,897,735 shares

As of March 31, 2019 9,912,330 shares

3. Average number of shares

Nine months ended December 31, 2019 60,347,835 shares

Nine months ended December 31, 2018 61,707,164 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, 2019	As of December 31, 2019
Assets		
Current assets		
Cash on hand and at banks	31,155	29,391
Notes and accounts receivable - trade	22,859	19,575
Electronically recorded monetary claims - operating	2,213	2,241
Finished goods	2,761	2,857
Work in process	9,814	11,896
Raw materials and supplies	3,914	3,694
Other current assets	3,906	3,580
Allowance for doubtful accounts	(231)	(220)
Total current assets	76,396	73,017
Fixed assets		
Property, plant and equipment		
Buildings and structures	25,102	25,380
Accumulated depreciation	(16,613)	(17,000)
Buildings and structures, net	8,488	8,379
Machinery and vehicles	17,687	17,459
Accumulated depreciation	(10,451)	(11,028)
Machinery and vehicles, net	7,235	6,431
Land	7,301	7,307
Construction in progress	296	468
Other fixed assets	3,578	3,620
Accumulated depreciation	(2,967)	(3,059)
Other fixed assets, net	610	560
Total property, plant and equipment	23,932	23,147
Intangible assets	800	780
Investments and other assets		
Investment securities	6,808	7,187
Insurance reserve fund	2,219	2,283
Net defined benefit assets	856	879
Deferred tax assets	405	471
Other assets	178	153
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	10,435	10,942
Total fixed assets	35,167	34,870
Total assets	111,564	107,887

(Millions of Yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	6,806	5,848
Electronically recorded monetary obligations - operating	4,671	4,401
Short-term loans payable	2,491	2,450
Current portion of long-term loans payable	500	1,000
Accounts payable - other	1,123	980
Income taxes payable	617	1,013
Advances received	8,291	7,598
Accrued warranty costs	596	603
Accrued bonuses for employees	1,080	612
Accrued bonuses for directors	44	22
Provision for loss on orders received	56	47
Other current liabilities	2,148	2,071
<b>Total current liabilities</b>	<b>28,428</b>	<b>26,651</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,000	500
Long-term accounts payable - other	817	892
Deferred tax liabilities	2,024	1,887
Accrued stock payments	401	455
Net defined benefit liabilities	1,385	1,388
Other long-term liabilities	300	290
<b>Total long-term liabilities</b>	<b>5,929</b>	<b>5,414</b>
<b>Total liabilities</b>	<b>34,358</b>	<b>32,066</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,831	7,831
Additional paid-in capital	12,415	12,415
Retained earnings	55,777	55,538
Treasury stock	(4,230)	(4,917)
<b>Total shareholders' equity</b>	<b>71,793</b>	<b>70,866</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains on other securities	3,617	3,687
Deferred hedge gains (losses)	(1)	5
Foreign currency translation adjustments	645	170
Retirement benefit plan adjustments	398	326
<b>Total accumulated other comprehensive income</b>	<b>4,660</b>	<b>4,190</b>
<b>Stock options</b>	<b>139</b>	<b>139</b>
<b>Non-controlling interests</b>	<b>613</b>	<b>624</b>
<b>Total net assets</b>	<b>77,206</b>	<b>75,821</b>
<b>Total liabilities and net assets</b>	<b>111,564</b>	<b>107,887</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	61,257	50,809
Cost of sales	50,378	39,802
Gross profit	10,878	11,006
Selling, general and administrative expenses	7,154	6,691
Operating income	3,723	4,314
Non-operating income		
Interest income	73	74
Dividend income	147	158
Gain from redemption at maturity of endowment insurance	13	0
Insurance premiums refunded cancellation	167	—
Other non-operating income	114	93
Total non-operating income	516	326
Non-operating expense		
Restructuring charges	—	71
Interest expenses	27	21
Foreign exchange loss	36	131
Other non-operating expenses	66	45
Total non-operating expenses	130	269
Ordinary income	4,109	4,371
Extraordinary gain		
Gain on sales of fixed assets	17	3
Gain on sales of investment securities	—	38
Total extraordinary gain	17	42
Extraordinary loss		
Loss on labor accident	—	26
Loss on sales of fixed assets	0	—
Loss on disposal of fixed assets	184	22
Other extraordinary loss	4	0
Total extraordinary loss	189	49
Income before income taxes	3,938	4,364
Income taxes	1,147	1,308
Net income	2,790	3,056
Net income attributable to non-controlling interests	7	32
Net income attributable to owners of parent	2,783	3,024

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net income	2,790	3,056
Other comprehensive income		
Net unrealized gains (losses) on other securities	(1,400)	69
Deferred hedge gains	5	7
Foreign currency translation adjustments	(391)	(475)
Retirement benefit plan adjustments	(33)	(71)
Total other comprehensive income (loss)	(1,820)	(469)
Comprehensive income	970	2,587
Comprehensive income attributable to owners of parent	963	2,554
Comprehensive income attributable to non-controlling interests	6	32

(3) Notes to Going Concern Assumption

None

(4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

AIDA resolved to repurchase treasury stock at the meeting of the Board of Directors held on June 11, 2019 in accordance with the Companies Act, Article 156, applied by replacement under Article 165, paragraph 3 of the same Act, and repurchased treasury stock 2,198,900 shares as ¥1,999 million.

AIDA resolved to cancel treasury stock at the meeting of the Board of Directors held on June 11, 2019 in accordance with the Companies Act, Article 178, and canceled treasury stock 2,198,900 shares as ¥1,309 million. As a result, retained earnings decreased by ¥1,309 million and treasury stock decreased by the same amount. Retained earnings was ¥55,538 million and treasury stock was 9,897,735 shares as ¥4,917 million as of December 31, 2019.

(5) Segment Information

Nine months ended December 31, 2018

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	25,098	9,501	3,474	12,211	10,972	61,257	—	61,257
Inter-segment sales	13,098	625	3,349	269	353	17,696	(17,696)	—
Total sales	38,196	10,126	6,823	12,480	11,325	78,953	(17,696)	61,257
Segment profit or loss	1,530	584	915	568	(53)	3,545	178	3,723

Note:

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

Nine months ended December 31, 2019

(Millions of Yen)

	Japan	China	Asia	Americas	Europe	Sub total	Adjustments (*1)	Consolidated statements of income(*2)
Sales								
Sales to third parties	25,661	4,724	3,862	8,194	8,366	50,809	—	50,809
Inter-segment sales	9,812	396	2,657	245	232	13,343	(13,343)	—
Total sales	35,474	5,120	6,520	8,439	8,599	64,153	(13,343)	50,809
Segment profit or loss	3,252	153	862	368	(67)	4,569	(254)	4,314

Note:

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



## 2. Supplementary Information

### Status of Orders

Nine months ended December 31, 2019

(Millions of Yen)

	Orders		Order backlog	
	Amount	Comparison with the previous period (%)	Amount	Comparison with the end of previous year (%)
Japan	22,301	(32.1)	25,766	(11.5)
China	4,148	(40.0)	4,689	(10.9)
Asia	4,699	11.9	3,483	31.6
Americas	7,775	(17.3)	5,773	(6.8)
Europe	8,225	(12.2)	7,561	(1.8)
Total	47,150	(24.8)	47,274	(7.2)

Note:

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