



Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2017

09-NOV-2016

Company Name : NID Co., Ltd.	Listing : TSE JASDAQ
Security Code : 2349	URL : http://www.nid.co.jp/
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1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2017

(From April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results

(All figures are rounded down to the nearest million yen)

(% of change from previous year)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY3/17	8,247	1.1	753	35.0	806	20.5	538	15.9
2Q FY3/16	8,154	4.9	557	Δ17.7	669	Δ5.9	464	9.9

Note: Comprehensive income: 2Q FY3/17 531million yen (65.4%) 2Q FY3/16 321million yen (Δ40.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/17	142.34	-
2Q FY3/16	122.77	-

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
2Q FY3/17	14,413	9,420	65.4	2,488.62
FY3/16	14,126	9,042	64.0	2,388.74

Note : Equity 2Q FY3/17 9,420million yen FY3/16 9,042million yen

2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/16	-	-	-	50.00	50.00
FY3/17	-	-	-	50.00	50.00
FY3/17 (Forecasts)	-	-	-	50.00	50.00

Note: Revisions to the latest projected dividends: None

3. Consolidated Financial Forecasts for the Fiscal Year 2017(From April 1, 2016 to March 31, 2017)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	17,500	2.3	1,575	2.0	1,675	Δ2.5	1,150	20.2	303.80

Note: Revisions to the latest projected consolidated results: None

4.Others

(1) Changes in the scope of our consolidation, including changes in our subsidiaries : None

Consolidated subsidiaries : 0 added, 0 removed

(2) Application of simple accounting method : Yes

(3) Changes in accounting methodology, procedures, and the way our figures are displayed in the creation of our Quarter consolidated financial statements.

① Changes arising from revisions in accounting standards : Yes

② Changes arising from other reasons : None

③ Changes in estimation related to financial statements : None

④ Re-statement of revisions : None

(4) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	2Q FY3/17	4,369,830	FY3/16	4,369,830
Treasury stock as of term end	2Q FY3/17	584,418	FY3/16	584,418
Average shares issued during term	2Q FY3/17	3,785,412	2Q FY3/16	3,785,551

*Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this report.

*Regarding the appropriate use of our earnings projections and other notes.

All projections provided in this document are based on the most accurate information available at the time of this writing. However our actual results may differ from our projections due to various unforeseen reasons.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	FY3/16	2nd Quarter FY3/17
Assets		
Current assets		
Cash and deposits	6,327,610	6,556,877
Notes and accounts receivable - trade	2,931,993	2,634,430
Securities	208,337	208,339
Work in process	279,823	542,577
Deferred tax assets	347,319	347,604
Other	173,394	106,755
Total current assets	10,268,478	10,396,584
Non-current assets		
Property, plant and equipment	263,040	287,351
Intangible assets	117,291	117,996
Investments and other assets		
Investment securities	2,546,002	2,614,126
Deferred tax assets	559,313	598,447
Guarantee deposits	268,218	291,143
Other	103,939	108,333
Total investments and other assets	3,477,473	3,612,050
Total non-current assets	3,857,805	4,017,398
Total assets	14,126,283	14,413,982

(Thousand yen)

	FY3/16	2nd Quarter FY3/17
Liabilities		
Current liabilities		
Accounts payable - trade	425,365	393,108
Accounts payable - other	317,939	268,560
Income taxes payable	354,791	267,963
Provision for bonuses	868,643	888,261
Other	361,112	368,931
Total current liabilities	2,327,851	2,186,823
Non-current liabilities		
Net defined benefit liability	2,163,442	2,209,074
Provision for directors' retirement benefits	541,050	555,562
Asset retirement obligations	38,310	42,060
Other	13,254	—
Total non-current liabilities	2,756,056	2,806,696
Total liabilities	5,083,908	4,993,520
Net assets		
Shareholders' equity		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	8,761,870	9,147,224
Treasury shares	Δ1,226,780	Δ1,226,780
Total shareholders' equity	8,677,116	9,062,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	352,832	344,913
Remeasurements of defined benefit plans	12,425	13,077
Total accumulated other comprehensive income	365,258	357,991
Total net assets	9,042,375	9,420,462
Total liabilities and net assets	14,126,283	14,413,982

(2) Consolidated Statements of Income

(Thousand yen)

	2nd Quarter FY3/16	2nd Quarter FY3/17
Net sales	8,154,232	8,247,553
Cost of sales	6,692,482	6,582,565
Gross profit	1,461,749	1,664,988
Selling, general and administrative expenses	904,010	911,805
Operating income	557,738	753,182
Non-operating income		
Interest income	1,375	1,267
Dividend income	35,382	43,938
Gain on sales of investment securities	32,315	—
Other	48,068	12,212
Total non-operating income	117,142	57,418
Non-operating expenses		
Interest expenses	645	736
investment partnership management fee	1,103	974
Taxes and dues	3,325	1,820
Other	—	111
Total non-operating expenses	5,074	3,643
Ordinary income	669,807	806,957
Extraordinary income		
Gain on sales of non-current assets	92	802
Gain on sales of investment securities	42,001	—
Total extraordinary income	42,093	802
Extraordinary losses		
Loss on valuation of investment securities	—	7,196
Loss on retirement of non-current assets	0	801
Total extraordinary losses	0	7,997
Profit before income taxes	711,900	799,763
Income taxes	247,141	260,942
Profit	464,758	538,820
Profit attributable to		
Profit attributable to owners of parent	464,758	538,820
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ148,360	Δ7,919
Remeasurements of defined benefit plans, net of tax	4,887	652
Total other comprehensive income	Δ143,473	Δ7,266
Comprehensive income	321,285	531,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	321,285	531,553
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	2nd Quarter FY3/16	2nd Quarter FY3/17
Cash flows from operating activities		
Profit before income taxes	711,900	799,763
Depreciation	50,544	44,439
Increase (decrease) in net defined benefit liability	36,452	46,753
Increase (decrease) in provision for directors' retirement benefits	△24,450	14,512
Increase (decrease) in provision for bonuses	23,826	19,618
Interest and dividend income	△36,758	△45,205
Interest expenses	645	736
Loss (gain) on sales of investment securities	△74,316	—
Loss (gain) on valuation of investment securities	—	7,196
Decrease (increase) in notes and accounts receivable - trade	247,254	297,562
Decrease (increase) in inventories	△121,685	△262,399
Decrease (increase) in other current assets	△3,368	70,962
Increase (decrease) in notes and accounts payable - trade	△5,005	△32,256
Increase (decrease) in accounts payable - other	△57,387	△58,493
Increase (decrease) in accrued consumption taxes	△274,461	△45,171
Increase (decrease) in other current liabilities	19,183	△891
Other, net	△18,592	5,470
Subtotal	473,779	862,595
Interest and dividend income received	36,758	43,725
Interest expenses paid	△645	△736
Income taxes paid	△404,353	△329,484
Net cash provided by (used in) operating activities	105,538	576,099
Cash flows from investing activities		
Purchase of investment securities	△496,870	△298,445
Proceeds from sales and redemption of investment securities	493,118	203,000
Purchase of property, plant and equipment	△23,894	△19,182
Proceeds from sales of property, plant and equipment	597	885
Purchase of intangible assets	△22,981	△21,664
Payments for guarantee deposits	△4,291	△23,174
Proceeds from collection of guarantee deposits	—	250
Proceeds from distribution of investment in partnerships	28,180	7,754
Other, net	△3,313	△4,644
Net cash provided by (used in) investing activities	△29,453	△155,221
Cash flows from financing activities		
Increase in short-term loans payable	410,000	390,000
Decrease in short-term loans payable	△410,000	△390,000
Cash dividends paid	△176,904	△188,791
Other, net	△2,122	△2,757
Net cash provided by (used in) financing activities	△179,026	△191,549
Net increase (decrease) in cash and cash equivalents	△102,941	229,328
Cash and cash equivalents at beginning of period	6,273,144	6,474,172
Cash and cash equivalents at end of period	6,170,202	6,703,501