



Consolidated Financial Results for the Second Quarter Of Fiscal Year Ending March 31, 2019

2-Nov-2018

Company Name : NID Co., Ltd.	Listing : JASDAQ
Security Code : 2349	URL : http://www.nid.co.jp
Representative : President Syuntaro Komori	
Contact : Managing Director Masaaki Kita	Telephone : 81-8-3-6221-6811

1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2019

(From April 1, 2018 to September 30, 2018)

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

(1) Consolidated Operating Results

(% 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 FY3/19	8,708	1.0	848	9.9	940	10.0	631	9.7
2Q FY3/18	8,620	4.5	772	2.6	855	6.0	576	6.9

Note: Comprehensive income: 2Q FY3/19 640million yen (14.1%) 2Q FY3/18 561million yen (5.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/19	166.95	-
2Q FY3/18	152.23	-

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
2Q FY3/19	17,244	11,840	68.7	3,128.00
FY3/18	16,867	11,419	67.7	3,016.72

Note : Equity 2Q FY3/19 11,840million yen FY3/18 11,419million yen

2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/18	-	-	-	58.00	58.00
FY3/19	-	-	-	-	-
FY3/19 (Forecasts)			-	20.00	20.00

Note: Revisions to the latest projected dividends: Yes

3. Consolidated Financial Forecasts for the Fiscal Year 2019 (From April 1, 2018 to March 31, 2019)

	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	18,900	5.5	1,700	Δ6.9	1,800	Δ10.7	1,240	Δ9.0	109.19

Note: Revisions to the latest projected consolidated results: None

***Note**

(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 : None

② Changes arising from other reasons : None

③ Changes in estimation related to financial statement : None

④ Re-statement of revisions : None

(4) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	2Q FY3/19	4,369,830	FY3/18	4,369,830
Treasury stock as of term end	2Q FY3/19	584,537	FY3/18	584,537
Average shares issued during term	2Q FY3/19	3,785,293	2Q FY3/18	3,785,365

*This quarterly consolidated financial results are not subject to a quarterly review by a certified public accountant or an audit firm.

*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.

*Stock split

NID plans to conduct a three-for-one common stock split with an effective date of December 1, 2018.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	FY3/18	1st Quarter FY3/19
Assets		
Current assets		
Cash and deposits	8,002,220	8,235,297
Notes and accounts receivable - trade	3,264,291	2,933,495
Securities	200,000	200,000
Work in process	106,438	255,130
Other	98,436	75,363
Total current assets	11,671,385	11,699,287
Non-current assets		
Property, plant and equipment	295,933	280,401
Intangible assets	107,814	94,271
Investments and other assets		
Investment securities	3,396,182	3,750,987
Deferred tax assets	964,356	960,849
Guarantee deposits	306,197	329,406
Other	125,469	129,477
Total investments and other assets	4,792,206	5,170,720
Total non-current assets	5,195,954	5,545,393
Total assets	16,867,339	17,244,680

(Thousand yen)

	FY3/18	2nd Quarter FY3/19
Liabilities		
Current liabilities		
Accounts payable - trade	446,529	382,831
Accounts payable - other	344,550	318,236
Income taxes payable	374,689	339,526
Provision for bonuses	892,144	910,184
Asset retirement obligations	—	3,159
Other	433,037	471,480
Total current liabilities	2,490,950	2,425,418
Non-current liabilities		
Net defined benefit liability	2,300,010	2,331,492
Provision for directors' retirement benefits	596,900	609,625
Asset retirement obligations	40,537	37,762
Other	19,791	—
Total non-current liabilities	2,957,239	2,978,879
Total liabilities	5,448,190	5,404,298
Net assets		
Shareholders' equity		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	11,056,396	11,468,814
Treasury shares	△1,227,211	△1,227,211
Total shareholders' equity	10,971,212	11,383,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	437,721	443,490
Remeasurements of defined benefit plans	10,215	13,261
Total accumulated other comprehensive income	447,936	456,752
Total net assets	11,419,149	11,840,382
Total liabilities and net assets	16,867,339	17,244,680

(2) Consolidated Statements of Income

(Thousand yen)

	2nd Quarter FY3/18	2nd Quarter FY3/19
Net sales	8,620,524	8,708,197
Cost of sales	6,872,368	6,875,937
Gross profit	1,748,155	1,832,259
Selling, general and administrative expenses	975,648	983,504
Operating profit	772,507	848,755
Non-operating income		
Interest income	1,252	3,424
Dividend income	51,074	76,608
Gain on sales of investment securities	12,320	1,675
Other	20,824	15,082
Total non-operating income	85,471	96,790
Non-operating expenses		
Interest expenses	865	849
investment partnership management fee	575	1,635
Taxes and dues	700	2,245
Other	390	56
Total non-operating expenses	2,531	4,787
Ordinary profit	855,447	940,758
Extraordinary losses		
Loss on retirement of non-current assets	0	272
Settlement package	2,264	—
Total extraordinary losses	2,264	272
Profit before income taxes	853,183	940,486
Income taxes	276,955	308,521
Profit	576,228	631,965
Profit attributable to		
Profit attributable to owners of parent	576,228	631,965
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ16,034	5,768
Remeasurements of defined benefit plans, net of tax	1,450	3,046
Total other comprehensive income	Δ14,584	8,815
Comprehensive income	561,643	640,780
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	561,643	640,780
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	2nd Quarter FY3/18	2nd Quarter FY3/19
Cash flows from operating activities		
Profit before income taxes	853,183	940,486
Depreciation	43,391	42,654
Increase (decrease) in net defined benefit liability	35,865	36,004
Increase (decrease) in provision for directors' retirement benefits	9,675	12,725
Increase (decrease) in provision for bonuses	23,008	18,040
Interest and dividend income	△52,326	△80,032
Interest expenses	865	849
Loss (gain) on sales of investment securities	△12,320	△1,675
Loss on retirement of non-current assets	0	272
Decrease (increase) in notes and accounts receivable - trade	813,152	330,795
Decrease (increase) in inventories	△170,012	△148,674
Decrease (increase) in other current assets	24,081	27,928
Increase (decrease) in notes and accounts payable - trade	△17,036	△63,698
Increase (decrease) in accounts payable - other	9,121	△26,671
Increase (decrease) in accrued consumption taxes	△52,868	△11,593
Increase (decrease) in other current liabilities	133,442	20,488
Other, net	△6,101	1,420
Subtotal	1,635,121	1,099,320
Interest and dividend income received	46,771	74,969
Interest expenses paid	△865	△849
Income taxes paid	△358,939	△343,965
Net cash provided by (used in) operating activities	1,322,088	829,474
Cash flows from investing activities		
Purchase of securities	△100,000	—
Purchase of investment securities	△78,772	△517,640
Proceeds from sales and redemption of investment securities	97,395	160,675
Purchase of property, plant and equipment	△13,309	△1,701
Purchase of intangible assets	△2,267	△2,868
Payments for guarantee deposits	△1,927	△23,484
Proceeds from collection of guarantee deposits	138	276
Proceeds from distribution of investment in partnerships	12,872	11,880
Other, net	△4,641	△4,641
Net cash provided by (used in) investing activities	△90,514	△377,506
Cash flows from financing activities		
Increase in short-term loans payable	440,000	360,000
Decrease in short-term loans payable	△440,000	△360,000

Cash dividends paid	Δ219,018	Δ219,259
Purchase of treasury shares	Δ129	—
Other, net	Δ4,614	178
Net cash provided by (used in) financing activities	Δ223,761	Δ219,080
Net increase (decrease) in cash and cash equivalents	1,007,811	232,887
Cash and cash equivalents at beginning of period	7,142,287	7,940,280
Cash and cash equivalents at end of period	8,150,098	8,173,167