



Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

13-May-2019

Company Name : NID Co., Ltd.	Listing : JASDAQ
Security Code : 2349	URL : https://www.nid.co.jp/
Representative : President Shuntaro Komori	
Contact : Director, Corporate Design Manager, Finance Manager Masaji Kato	Telephone : 81-8-3-6221-6811

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

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

(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	%
FY3/19	17,964	0.3	1,983	8.6	2,168	7.6	1,444	6.0
FY3/18	17,913	1.3	1,826	Δ0.4	2,015	2.4	1,362	4.4

Note : Comprehensive income : FY3/19 1,499million yen (8.3%) FY3/18 1,385million yen (1.5%)

	Net income per share	Diluted net income per share	ROE	ROA	Operating Income Margin
	Yen	Yen	%	%	%
FY3/19	127.24	—	12.0	12.3	11.0
FY3/18	119.99	—	12.6	12.4	10.2

Note : Share of loss of entities accounted for using equity method : FY3/19 - million yen FY3/18 - million yen

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FY3/19	18,299	12,699	69.4	1,118.30
FY3/18	16,867	11,419	67.7	1,005.57

Note : Equity : FY3/19 12,699million yen FY3/18 11,419million yen

(3) Consolidated Cash Flows

	Cash Flows from operating activities	Cash Flows from investment activities	Cash Flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY3/19	1,766	Δ601	Δ228	8,876
FY3/18	1,862	Δ836	Δ227	7,940

2. Dividend Information

Registry Date	Dividends Per Share					Total amount of cash dividends for the year	Dividends payout ratio (Consolidated)	Net Assets to Dividend Ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Year End	Full Year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/18	—	—	—	58.00	58.00	219	16.1	2.0
FY3/19	—	—	—	21.00	21.00	238	16.5	2.0
FY3/20 (Forecasts)	—	—	—	22.00	22.00		18.0	

3. Consolidated Financial Forecasts for the Fiscal Year 2020(From April 1, 2019 to March 31, 2020)

(% of change from the same term of the previous year)

	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
2Q FY3/20	9,000	3.4	800	△5.7	880	△6.4	600	△4.9	52.84
Full Year	19,000	5.8	1,900	△4.2	2,060	△5.0	1,390	△3.8	122.40

*** Notes:**

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

Consolidated subsidiaries : 0 added, 0 removed

(2) Changes in accounting methodology, procedures, and the way our figures

- ① Changes arising from revisions in accounting standards :None
- ② Changes arising from other reasons : None
- ③ Changes in estimation related to financial statements : None
- ④ Re-statement of revisions : None

(3) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	FY3/19	13,109,490	FY3/18	13,109,490
Treasury stock as of term end	FY3/19	1,753,704	FY3/18	1,753,611
Average shares issued during term	FY3/19	11,355,835	FY3/18	11,356,022

* The consolidated financial results are not subject to auditing 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 conducted a three-for-one common stock split effective on December 1, 2018. Net income per share and the number of shares outstanding are calculated as if this stock split had taken place at the beginning of the fiscal year 2018.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousand yen)

	FY3/18	FY3/19
Assets		
Current assets		
Cash and deposits	8,002,220	8,938,931
Notes and accounts receivable - trade	3,264,291	3,117,700
Securities	200,000	—
Work in process	106,438	122,918
Other	98,436	97,350
Total current assets	11,671,385	12,276,901
Non-current assets		
Property, plant and equipment		
Buildings and structures	298,238	368,067
Accumulated depreciation	△131,860	△130,728
Buildings and structures, net	166,378	237,338
Vehicles	45,085	45,600
Accumulated depreciation	△32,411	△36,489
Vehicles, net	12,673	9,111
Tools, furniture and fixtures	250,508	302,819
Accumulated depreciation	△178,227	△193,369
Tools, furniture and fixtures, net	72,280	109,450
Land	20,179	20,179
Leased assets	50,095	59,993
Accumulated depreciation	△25,674	△32,804
Leased assets, net	24,421	27,189
Total property, plant and equipment	295,933	403,268
Intangible assets		
Software	82,535	71,901
Other	25,279	18,785
Total intangible assets	107,814	90,686
Investments and other assets		
Investment securities	3,396,182	4,141,858
Deferred tax assets	964,356	954,992
Guarantee deposits	306,197	308,241
Other	125,469	123,312
Total investments and other assets	4,792,206	5,528,404
Total non-current assets	5,195,954	6,022,359
Total assets	16,867,339	18,299,260

(Thousand yen)

	FY3/18	FY3/19
Liabilities		
Current liabilities		
Accounts payable - trade	446,529	393,651
Accounts payable - other	344,550	428,181
Income taxes payable	374,689	401,915
Accrued consumption taxes	162,409	171,908
Deposits received	131,634	139,619
Provision for bonuses	892,144	895,568
Other	138,993	140,871
Total current liabilities	2,490,950	2,571,716
Non-current liabilities		
Retirement benefit liability	2,300,010	2,334,719
Provision for retirement benefits for directors (and other officers)	596,900	626,550
Asset retirement obligations	40,537	45,908
Other	19,791	21,239
Total non-current liabilities	2,957,239	3,028,417
Total liabilities	5,448,190	5,600,134
Net assets		
Shareholders' equity		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	11,056,396	12,281,709
Treasury shares	△1,227,211	△1,227,333
Total shareholders' equity	10,971,212	12,196,404
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	437,721	491,503
Remeasurements of defined benefit plans	10,215	11,219
Total accumulated other comprehensive income	447,936	502,722
Total net assets	11,419,149	12,699,126
Total liabilities and net assets	16,867,339	18,299,260

(2) Consolidated Statements of Income

(Thousand yen)

	FY3/18	FY3/19
Net sales	17,913,405	17,964,983
Cost of sales	14,103,048	13,941,165
Gross profit	3,810,357	4,023,818
Selling, general and administrative expenses	1,983,683	2,040,457
Operating profit	1,826,673	1,983,360
Non-operating income		
Interest income	2,556	10,842
Dividend income	118,318	131,950
Gain on investments in partnership	15,539	5,599
Gain on sales of investment securities	12,320	1,675
Insurance income	7,421	7,497
Subsidy income	19,865	20,080
Other	18,982	17,582
Total non-operating income	195,003	195,226
Non-operating expenses		
Interest expenses	1,724	1,664
investment partnership management fee	3,041	4,367
Taxes and dues	1,067	3,051
Other	599	975
Total non-operating expenses	6,432	10,058
Ordinary profit	2,015,244	2,168,528
Extraordinary income		
Gain on sales of investment securities	433	—
Total extraordinary income	433	—
Extraordinary losses		
Loss on sales of non-current assets	178	—
Loss on retirement of non-current assets	1,053	939
Loss on valuation of investment securities	—	11,340
Office transfer expenses	—	23,216
Settlement package	2,264	—
Other	—	550
Total extraordinary losses	3,496	36,046
Profit before income taxes	2,012,181	2,132,481
Income taxes - current	677,492	707,346
Income taxes - deferred	△27,939	△19,725
Total income taxes	649,553	687,621
Profit	1,362,627	1,444,860
Profit attributable to		
Profit attributable to owners of parent	1,362,627	1,444,860
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	22,945	53,781
Remeasurements of defined benefit plans, net of tax	△284	1,003
Total other comprehensive income	22,660	54,785
Comprehensive income	1,385,288	1,499,646
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,385,288	1,499,646
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Shareholders' Equity

Consolidated Financial Results for the Fiscal Year 2018 (From April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	653,352	488,675	9,913,319	Δ1,226,945	9,828,401
Changes of items during period					
Dividends of surplus			Δ219,551		Δ219,551
Profit attributable to owners of parent			1,362,627		1,362,627
Purchase of treasury shares				Δ266	Δ266
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,143,076	Δ266	1,142,810
Balance at end of current period	653,352	488,675	11,056,396	Δ1,227,211	10,971,212

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	414,776	10,500	425,276	10,253,678
Changes of items during period				
Dividends of surplus				Δ219,551
Profit attributable to owners of parent				1,362,627
Purchase of treasury shares				Δ266
Net changes of items other than shareholders' equity	22,945	Δ284	22,660	22,660
Total changes of items during period	22,945	Δ284	22,660	1,165,470
Balance at end of current period	437,721	10,215	447,936	11,419,149

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

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	653,352	488,675	11,056,396	△1,227,211	10,971,212
Changes of items during period					
Dividends of surplus			△219,546		△219,546
Profit attributable to owners of parent			1,444,860		1,444,860
Purchase of treasury shares				△121	△121
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,225,313	△121	1,225,192
Balance at end of current period	653,352	488,675	12,281,709	△1,227,333	12,196,404

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	437,721	10,215	447,936	11,419,149
Changes of items during period				
Dividends of surplus				△219,546
Profit attributable to owners of parent				1,444,860
Purchase of treasury shares				△121
Net changes of items other than shareholders' equity	53,781	1,003	54,785	54,785
Total changes of items during period	53,781	1,003	54,785	1,279,977
Balance at end of current period	491,503	11,219	502,722	12,699,126

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	FY3/18	FY3/19
Cash flows from operating activities		
Profit before income taxes	2,012,181	2,132,481
Depreciation	87,631	93,349
Increase (decrease) in retirement benefit liability	47,914	36,226
Increase (decrease) in provision for retirement benefits for directors (and other officers)	26,825	29,650
Increase (decrease) in provision for bonuses	9,659	3,424
Interest and dividend income	△120,875	△142,792
Interest expenses	1,724	1,664
Loss (gain) on sales of investment securities	△12,753	△1,675
Loss (gain) on valuation of investment securities	—	9,998
Loss (gain) on sales of property, plant and equipment	178	—
Loss on retirement of property, plant and equipment	1,053	939
Loss (gain) on investments in partnership	△6,600	△4,964
Decrease (increase) in notes and accounts receivable - trade	262,651	146,590
Decrease (increase) in inventories	60,114	△16,669
Decrease (increase) in other current assets	7,482	4,948
Decrease (increase) in other non-current assets	△810	810
Increase (decrease) in notes and accounts payable - trade	4,545	△52,878
Increase (decrease) in accounts payable - other	44,906	38,195
Increase (decrease) in accrued consumption taxes	△31,018	9,499
Increase (decrease) in other current liabilities	55,023	8,646
Other, net	△8,192	11,050
Subtotal	2,441,642	2,308,494
Interest and dividend income received	120,757	141,705
Interest expenses paid	△1,724	△1,664
Income taxes paid	△698,354	△682,378
Net cash provided by (used in) operating activities	1,862,321	1,766,157
Cash flows from investing activities		
Payments into time deposits	△1	△1
Purchase of securities	△200,000	—
Purchase of investment securities	△657,941	△995,792
Proceeds from sales and redemption of investment securities	100,292	513,675
Purchase of property, plant and equipment	△72,458	△114,419
Proceeds from sales of property, plant and equipment	18	—
Purchase of intangible assets	△19,138	△13,630
Payments for asset retirement obligations	—	△5,314
Proceeds from distribution of investment in partnerships	19,013	15,439
Payments for guarantee deposits	△2,227	△23,674
Proceeds from collection of guarantee deposits	10,924	21,630
Purchase of insurance funds	△8,149	△8,149
Proceeds from maturity of insurance funds	2,003	9,003
Other, net	△9,005	△150
Net cash provided by (used in) investing activities	△836,670	△601,382

	FY3/18	FY3/19
Cash flows from financing activities		
Increase in short-term loans payable	850,000	720,000
Decrease in short-term loans payable	Δ850,000	Δ720,000
Cash dividends paid	Δ219,394	Δ219,379
Purchase of treasury shares	Δ266	Δ121
Other, net	Δ7,996	Δ8,612
Net cash provided by (used in) financing activities	Δ227,657	Δ228,113
Net increase (decrease) in cash and cash equivalents	797,993	936,662
Cash and cash equivalents at beginning of period	7,142,287	7,940,280
Cash and cash equivalents at end of period	7,940,280	8,876,942