



Consolidated Financial Results for the Second Quarter Of Fiscal Year Ending March 31, 2020

1-Nov-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	Telephone : 81-8-3-6221-6811
Manager Masaji Kato	

1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2020 (From April 1, 2019 to September 30, 2019)

(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 FY3/20	8,575	△1.5	740	△12.8	849	△9.7	565	△10.5
2Q FY3/19	8,708	1.0	848	9.9	940	10.0	631	9.7

Note : Comprehensive income :2Q FY3/20 854million yen (33.3%) 2Q FY3/19 640million yen (14.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/20	49.83	—
2Q FY3/19	55.65	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
2Q FY3/20	18,434	13,314	72.2	1,172.50
FY3/19	18,299	12,699	69.4	1,118.30

Note : Equity 2Q FY3/20 13,314million yen FY3/19 12,699million yen

2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/19	—	—	—	21.00	21.00
FY3/20	—	—	—	—	—
FY3/20 (Forecasts)	—	—	—	22.00	22.00

Note : Revisions to the latest projected dividends : None

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

	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	19,000	5.8	1,900	△4.2	2,060	△5.0	1,390	△3.8	122.40

Note : Revisions to the latest projected consolidated results : None

* Notes:

(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 statements : None

④ Re-statement of revisions : None

(4) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	2Q FY3/20	13,109,490	FY3/19	13,109,490
Treasury stock as of term end	2Q FY3/20	1,753,704	FY3/19	1,753,704
Average shares issued during term	2Q FY3/20	11,355,786	2Q FY3/19	11,355,879

* 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 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)

	FY3/19	2nd Quarter FY3/20
Assets		
Current assets		
Cash and deposits	8,938,931	8,292,570
Notes and accounts receivable - trade	3,117,700	2,756,553
Work in process	122,918	269,481
Other	97,350	148,507
Total current assets	12,276,901	11,467,113
Non-current assets		
Property, plant and equipment	403,268	381,661
Intangible assets	90,686	118,151
Investments and other assets		
Investment securities	4,141,858	5,091,886
Deferred tax assets	954,992	815,922
Guarantee deposits	308,241	347,374
Other	123,312	212,099
Total investments and other assets	5,528,404	6,467,281
Total non-current assets	6,022,359	6,967,093
Total assets	18,299,260	18,434,207

(Thousand yen)

	FY3/19	2nd Quarter FY3/20
Liabilities		
Current liabilities		
Accounts payable - trade	393,651	385,285
Accounts payable - other	428,181	241,667
Income taxes payable	401,915	307,085
Provision for bonuses	895,568	927,898
Other	452,400	390,777
Total current liabilities	2,571,716	2,252,714
Non-current liabilities		
Retirement benefit liability	2,334,719	2,339,172
Provision for retirement benefits for directors (and other officers)	626,550	481,350
Asset retirement obligations	45,908	46,297
Other	21,239	—
Total non-current liabilities	3,028,417	2,866,819
Total liabilities	5,600,134	5,119,533
Net assets		
Shareholders' equity		
Share capital	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	12,281,709	12,609,061
Treasury shares	△1,227,333	△1,227,333
Total shareholders' equity	12,196,404	12,523,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	491,503	765,843
Remeasurements of defined benefit plans	11,219	25,074
Total accumulated other comprehensive income	502,722	790,917
Total net assets	12,699,126	13,314,673
Total liabilities and net assets	18,299,260	18,434,207

(2) Consolidated Statements of Income

(Thousand yen)

	2nd Quarter FY3/19	2nd Quarter FY3/20
Net sales	8,708,197	8,575,916
Cost of sales	6,875,937	6,808,160
Gross profit	1,832,259	1,767,755
Selling, general and administrative expenses	983,504	1,027,300
Operating profit	848,755	740,455
Non-operating income		
Interest income	3,424	4,599
Dividend income	76,608	83,159
Gain on sales of investment securities	1,675	-
Other	15,082	29,627
Total non-operating income	96,790	117,385
Non-operating expenses		
Interest expenses	849	709
Loss on sales of investment securities	-	1,360
investment partnership management fee	1,635	2,888
Taxes and dues	2,245	3,150
Other	56	246
Total non-operating expenses	4,787	8,354
Ordinary profit	940,758	849,486
Extraordinary income		
Gain on sales of non-current assets	-	916
Total extraordinary income	-	916
Extraordinary losses		
Loss on retirement of non-current assets	272	8,556
Total extraordinary losses	272	8,556
Profit before income taxes	940,486	841,847
Income taxes	308,521	276,023
Profit	631,965	565,823
Profit attributable to		
Profit attributable to owners of parent	631,965	565,823
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Valuation difference on available-for-sale securities	5,768	274,340
Remeasurements of defined benefit plans, net of tax	3,046	13,854
Total other comprehensive income	8,815	288,195
Comprehensive income	640,780	854,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	640,780	854,018
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	2nd Quarter FY3/19	2nd Quarter FY3/20
Cash flows from operating activities		
Profit before income taxes	940,486	841,847
Depreciation	42,654	50,543
Increase (decrease) in retirement benefit liability	36,004	24,594
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12,725	△145,200
Increase (decrease) in provision for bonuses	18,040	32,330
Interest and dividend income	△80,032	△87,758
Interest expenses	849	709
Loss (gain) on sales of investment securities	△1,675	1,360
Loss (gain) on sales of non-current assets	—	△916
Loss on retirement of non-current assets	272	8,556
Decrease (increase) in trade receivables	330,795	361,146
Decrease (increase) in inventories	△148,674	△146,558
Decrease (increase) in other current assets	27,928	△49,387
Increase (decrease) in trade payables	△63,698	△8,365
Increase (decrease) in accounts payable - other	△26,671	△141,780
Increase (decrease) in accrued consumption taxes	△11,593	△28,877
Increase (decrease) in other current liabilities	20,488	△54,254
Other, net	1,420	△4,159
Subtotal	1,099,320	653,829
Interest and dividends received	74,969	83,275
Interest paid	△849	△709
Income taxes paid	△343,965	△369,034
Net cash provided by (used in) operating activities	829,474	367,360
Cash flows from investing activities		
Payments into time deposits	—	△18,001
Purchase of investment securities	△517,640	△643,505
Proceeds from sales and redemption of investment securities	160,675	98,639
Payments for investments in capital	—	△100,000
Purchase of property, plant and equipment	△1,701	△52,233
Proceeds from sales of property, plant and equipment	—	916
Purchase of intangible assets	△2,868	△55,563
Payments of guarantee deposits	△23,484	△40,187
Proceeds from refund of guarantee deposits	276	1,055
Proceeds from distributions from investment partnerships	11,880	4,685
Other, net	△4,641	11,213
Net cash provided by (used in) investing activities	△377,506	△792,981
Cash flows from financing activities		
Proceeds from short-term borrowings	360,000	360,000
Repayments of short-term borrowings	△360,000	△360,000
Dividends paid	△219,259	△238,398
Other, net	178	△416
Net cash provided by (used in) financing activities	△219,080	△238,814
Net increase (decrease) in cash and cash equivalents	232,887	△664,435
Cash and cash equivalents at beginning of period	7,940,280	8,876,942
Cash and cash equivalents at end of period	8,173,167	8,212,507