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November 02, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: NID Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2349
 URL: <https://www.nid.co.jp/>
 Representative: Shuntaro Komori, President
 Inquiries: Hiroshi Kosuge, Director, Corporate Design Manager, Finance Manager
 Telephone: 81-8-3-6221-6811
 Scheduled date to file quarterly securities report: November 02, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-----------------|------|------------------|------|-----------------|------|---|------|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2023 | 10,554 | 11.4 | 1,225 | 15.2 | 1,390 | 20.2 | 926 | △8.8 |
| September 30, 2022 | 9,478 | 10.6 | 1,064 | 12.6 | 1,156 | 5.7 | 1,014 | 40.9 |

Note: Comprehensive income For the six months ended September 30, 2023 : ¥1,100 million [12.8%]
 For the six months ended September 30, 2022 : ¥ 976 million [34.4%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| September 30, 2023 | 83.79 | — |
| September 30, 2022 | 91.39 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2023 | 24,693 | 18,435 | 74.7 |
| March 31, 2023 | 24,020 | 17,911 | 74.6 |

Reference: Equity
 As of September 30, 2023: ¥18,435 million
 As of March 31, 2023: ¥17,911 million

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2023 | — | — | — | 26.00 | 26.00 |
| Fiscal year ending March 31, 2024 | — | — | | | |
| Fiscal year ending March 31, 2024 (Forecast) | | | — | 27.00 | 27.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31,2024 (From April 1, 2023 to March 31, 2024)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Net income per share |
|-----------|-------------|-----|------------------|-----|-----------------|-----|---|-------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full Year | 21,000 | 2.7 | 2,600 | 2.2 | 2,840 | 3.5 | 1,970 | △10.9 | 180.31 |

Note : Revisions to the latest projected consolidated results : Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|-------------------------|-------------------|
| As of September 30,2023 | 13,109,490 shares |
| As of March 31, 2023 | 13,109,490 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|-------------------------|------------------|
| As of September 30,2023 | 2,183,853 shares |
| As of March 31, 2023 | 2,003,853 shares |

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|------------------------------------|-------------------|
| Six months ended September 30,2023 | 11,052,522 shares |
| Six months ended September 30,2022 | 11,105,709 shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

| | As of March 31, 2023 | As of September 30, 2023 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,049,487 | 13,377,861 |
| Notes receivable - trade | 99,824 | 204,718 |
| Accounts receivable - trade | 3,416,640 | 3,216,710 |
| Work in process | 147,453 | 451,952 |
| Other | 161,928 | 186,031 |
| Total current assets | 16,875,335 | 17,437,274 |
| Non-current assets | | |
| Property, plant and equipment | 328,817 | 302,016 |
| Intangible assets | 345,908 | 323,930 |
| Investments and other assets | | |
| Investment securities | 4,992,906 | 5,223,995 |
| Deferred tax assets | 968,446 | 891,227 |
| Guarantee deposits | 354,127 | 356,407 |
| Other | 154,465 | 158,287 |
| Total investments and other assets | 6,469,944 | 6,629,917 |
| Total non-current assets | 7,144,670 | 7,255,864 |
| Total assets | 24,020,006 | 24,693,139 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 587,392 | 628,266 |
| Accounts payable - other | 350,464 | 350,067 |
| Income taxes payable | 568,346 | 495,936 |
| Accrued consumption taxes | 308,823 | 190,958 |
| Advances received | 1,155 | 55 |
| Provision for bonuses | 931,757 | 968,723 |
| Other | 254,655 | 453,362 |
| Total current liabilities | 3,002,594 | 3,087,369 |
| Non-current liabilities | | |
| Retirement benefit liability | 2,484,080 | 2,548,570 |
| Provision for retirement benefits for directors (and other officers) | 556,987 | 569,887 |
| Asset retirement obligations | 49,109 | 49,528 |
| Other | 16,001 | 2,402 |
| Total non-current liabilities | 3,106,178 | 3,170,389 |
| Total liabilities | 6,108,773 | 6,257,758 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 653,352 | 653,352 |
| Capital surplus | 488,675 | 488,675 |
| Retained earnings | 17,760,317 | 18,397,647 |
| Treasury shares | △1,587,797 | △1,875,617 |
| Total shareholders' equity | 17,314,547 | 17,664,056 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 584,855 | 754,989 |
| Remeasurements of defined benefit plans | 11,830 | 16,334 |
| Total accumulated other comprehensive income | 596,685 | 771,323 |
| Total net assets | 17,911,232 | 18,435,380 |
| Total liabilities and net assets | 24,020,006 | 24,693,139 |

(2) Consolidated Statements of Income

(Thousand yen)

| | Six months ended September 30, 2022 | Six months ended September 30, 2023 |
|--|--|--|
| Net sales | 9,478,044 | 10,554,183 |
| Cost of sales | 7,313,745 | 8,106,506 |
| Gross profit | 2,164,299 | 2,447,677 |
| Selling, general and administrative expenses | 1,100,030 | 1,222,036 |
| Operating profit | 1,064,268 | 1,225,641 |
| Non-operating income | | |
| Interest income | 5,732 | 5,615 |
| Dividend income | 77,667 | 83,938 |
| Gain on sale of investment securities | 7,534 | — |
| Gain on redemption of investment securities | — | 35,365 |
| Subsidy income | 3,252 | 28,655 |
| Other | 5,454 | 17,037 |
| Total non-operating income | 99,641 | 170,613 |
| Non-operating expenses | | |
| Interest expenses | 570 | 552 |
| Loss on investments in investment partnerships | 2,042 | 754 |
| investment partnership management fee | 1,387 | 522 |
| Taxes and dues | 1,373 | 832 |
| Foreign exchange losses | 1,371 | — |
| Other | 969 | 3,368 |
| Total non-operating expenses | 7,715 | 6,031 |
| Ordinary profit | 1,156,193 | 1,390,223 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 2,290 | — |
| Gain on sale of investment securities | 341,845 | — |
| Total extraordinary income | 344,136 | — |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 323 | 98 |
| Total extraordinary losses | 323 | 98 |
| Profit before income taxes | 1,500,007 | 1,390,124 |
| Income taxes | 485,047 | 464,048 |
| Profit | 1,014,959 | 926,076 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 1,014,959 | 926,076 |
| Profit attributable to non-controlling interests | — | — |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △41,425 | 170,134 |
| Remeasurements of defined benefit plans, net of tax | 2,660 | 4,503 |
| Total other comprehensive income | △38,764 | 174,638 |
| Comprehensive income | 976,194 | 1,100,714 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 976,194 | 1,100,714 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated Statements of Cash Flows

(Thousand yen)

| | Six months ended September 30, 2022 | Six months ended September 30, 2023 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,500,007 | 1,390,124 |
| Depreciation | 57,476 | 52,582 |
| Amortization of goodwill | — | 24,330 |
| Increase (decrease) in retirement benefit liability | 13,956 | 71,028 |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 13,550 | 12,900 |
| Increase (decrease) in provision for bonuses | 20,041 | 36,966 |
| Interest and dividend income | △83,399 | △89,554 |
| Interest expenses | 570 | 552 |
| Loss (gain) on sale of investment securities | △349,380 | — |
| Loss (gain) on redemption of investment securities | — | △35,365 |
| Loss (gain) on sale of non-current assets | △2,290 | — |
| Loss on retirement of non-current assets | 323 | 98 |
| Decrease (increase) in trade receivables | 445,361 | 95,036 |
| Decrease (increase) in inventories | △209,114 | △304,425 |
| Decrease (increase) in other current assets | △12,151 | △32,418 |
| Increase (decrease) in trade payables | 30,233 | 40,874 |
| Increase (decrease) in accounts payable - other | △52,445 | 4,168 |
| Increase (decrease) in accrued consumption taxes | △25,819 | △117,865 |
| Increase (decrease) in other current liabilities | 37,839 | 185,727 |
| Other, net | 8,448 | △10,582 |
| Subtotal | 1,393,206 | 1,324,177 |
| Interest and dividends received | 83,369 | 89,541 |
| Interest paid | △570 | △552 |
| Income taxes paid | △542,948 | △526,324 |
| Net cash provided by (used in) operating activities | 933,056 | 886,841 |
| Cash flows from investing activities | | |
| Payments into time deposits | △0 | △0 |
| Purchase of investment securities | △623,127 | △353,529 |
| Proceeds from sale and redemption of investment securities | 604,851 | 408,768 |
| Purchase of property, plant and equipment | △14,159 | △8,253 |
| Proceeds from sale of property, plant and equipment | 2,290 | — |
| Purchase of intangible assets | △13,298 | △25,554 |
| Payments of guarantee deposits | — | △2,342 |
| Proceeds from refund of guarantee deposits | 112 | 62 |
| Other, net | △1,837 | △1,837 |
| Net cash provided by (used in) investing activities | △45,169 | 17,312 |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 360,000 | 360,000 |
| Repayments of short-term borrowings | △360,000 | △360,000 |
| Purchase of treasury shares | △53 | △287,820 |
| Dividends paid | △254,953 | △287,999 |
| Other, net | △6,476 | △1,254 |
| Net cash provided by (used in) financing activities | △261,483 | △577,073 |
| Net increase (decrease) in cash and cash equivalents | 626,403 | 327,080 |
| Cash and cash equivalents at beginning of period | 11,783,346 | 12,387,759 |
| Cash and cash equivalents at end of period | 12,409,750 | 12,714,839 |