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## Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2015

07-NOV-2014

Company Name : <b>NID Co., Ltd.</b>	Listing : JASDAQ
Security Code : 2349	URL : <a href="http://www.nid.co.jp/">http://www.nid.co.jp/</a>
Representative : President Kiyoshi Suzuki	
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### 1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2015

(From April 1, 2014 to September 30, 2014)

#### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY3/15	7,775	1.8	677	4.0	711	8.6	422	136.5
2Q FY3/14	7,638	3.1	651	100.4	655	92.5	178	71.5

Note: Comprehensive income: 2Q FY3/15 536million yen (226.2%) 2Q FY3/14 164million yen (36.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/15	111.67	-
2Q FY3/14	47.22	-

#### (2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio
	Million yen	Million yen	%
2Q FY3/15	12,635	7,819	61.9
FY3/14	12,204	7,386	60.5

Note : Equity 2Q FY3/15 7,819million yen FY3/14 7,386million yen

### 2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/14	-	-	-	45.00	45.00
FY3/15 (Forecasts)	-	-	-	45.00	45.00

Note: Revisions to the latest projected dividends: None

### 3. Consolidated Financial Forecasts for the Fiscal Year 2015(From April 1, 2014 to March 31, 2015)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	16,500	2.4	1,520	5.5	1,550	3.3	900	39.1	237.75

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 : Yes
- ③ Changes in estimation related to financial statements : Yes
- ④ Re-statement of revisions : None

(4) Shares issued (Common stock)

Shares issued as of term end (including treasury stock)	2Q FY3/15	4,369,830	FY3/14	4,369,830
Treasury stock as of term end	2Q FY3/15	584,279	FY3/14	584,279
Average shares issued during term	2Q FY3/15	3,785,551	2Q FY3/14	3,785,564

\*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)

	FY3/14	2nd Quarter FY3/15
<b>Assets</b>		
Current assets		
Cash and deposits	6,090,723	5,866,532
Notes and accounts receivable - trade	2,161,064	2,129,550
Securities	1,040	101,051
Work in process	177,820	468,538
Deferred tax assets	382,838	384,307
Other	184,829	141,792
Total current assets	8,998,317	9,091,772
Non-current assets		
Property, plant and equipment	242,189	237,770
Intangible assets	152,526	131,490
Investments and other assets		
Investment securities	1,660,171	2,131,817
Deferred tax assets	803,623	702,335
Guarantee deposits	257,822	248,995
Other	90,307	91,760
Total investments and other assets	2,811,924	3,174,909
Total non-current assets	3,206,640	3,544,170
Total assets	12,204,957	12,635,943

(Thousand yen)

	FY3/14	2nd Quarter FY3/15
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	346,744	349,692
Accounts payable - other	366,397	268,411
Income taxes payable	253,701	260,412
Provision for bonuses	864,191	867,459
Other	305,180	453,986
<b>Total current liabilities</b>	<b>2,136,215</b>	<b>2,199,960</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	2,161,036	2,091,847
Provision for directors' retirement benefits	439,300	451,550
Asset retirement obligations	36,969	37,173
Other	44,654	35,577
<b>Total non-current liabilities</b>	<b>2,681,960</b>	<b>2,616,148</b>
<b>Total liabilities</b>	<b>4,818,176</b>	<b>4,816,109</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	7,295,103	7,614,297
Treasury shares	Δ1,226,430	Δ1,226,430
<b>Total shareholders' equity</b>	<b>7,210,700</b>	<b>7,529,894</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	157,703	274,951
Remeasurements of defined benefit plans	18,377	14,987
<b>Total accumulated other comprehensive   income</b>	<b>176,081</b>	<b>289,938</b>
<b>Total net assets</b>	<b>7,386,781</b>	<b>7,819,833</b>
<b>Total liabilities and net assets</b>	<b>12,204,957</b>	<b>12,635,943</b>

## (2) Consolidated Statements of Income

(Thousand yen)  
(単位：千円)

	2nd Quarter FY3/14	2nd Quarter FY3/15
Net sales	7,638,008	7,775,830
Cost of sales	6,107,501	6,217,468
Gross profit	1,530,506	1,558,361
Selling, general and administrative expenses	878,985	880,706
Operating income	651,521	677,654
Non-operating income		
Interest income	37	45
Dividend income	16,759	25,570
Gain on sales of investment securities	—	548
Subsidy income	3,003	16,768
Other	7,490	17,643
Total non-operating income	27,290	60,575
Non-operating expenses		
Interest expenses	671	685
Loss on sales of investment securities	—	457
Share of loss of entities accounted for using equity method	11,165	17,782
Loss on investments in capital	9,980	—
Other	1,588	7,760
Total non-operating expenses	23,405	26,686
Ordinary income	655,405	711,544
Extraordinary income		
Gain on sales of investment securities	26,517	—
Gain on refund of guarantee deposits	38,679	—
Other	—	29
Total extraordinary income	65,196	29
Extraordinary losses		
Retirement benefit expenses	—	847
Special retirement expenses	—	25,884
Office transfer expenses	—	10,291
Loss on cancellation of contract	436,492	—
Other	17	1,108
Total extraordinary losses	436,509	38,131
Income before income taxes and minority interests	284,092	673,442
Income taxes	105,323	250,705
Income before minority interests	178,768	422,737
Net income	178,768	422,737
Income before minority interests	178,768	422,737
Other comprehensive income		
Valuation difference on available-for-sale securities	△14,272	117,248
Remeasurements of defined benefit plans, net of tax	—	△3,390
Total other comprehensive income	△14,272	113,857
Comprehensive income	164,495	536,594
Comprehensive income attributable to		

Comprehensive income attributable to owners of parent	164,495	536,594
Comprehensive income attributable to minority interests	—	—

### (3) Consolidated Statements of Cash Flows

(Thousand yen)  
(単位：千円)

	2nd Quarter FY3/14	2nd Quarter FY3/15
Cash flows from operating activities		
Income before income taxes and minority interests	284,092	673,442
Depreciation	82,489	57,466
Increase (decrease) in provision for retirement benefits	53,121	—
Increase (decrease) in retirement benefits liabilities	—	29,344
Increase (decrease) in provision for directors' retirement benefits	15,125	12,250
Increase (decrease) in provision for bonuses	9,488	3,268
Interest and dividend income	△16,796	△25,615
Interest expenses	671	685
Share of (profit) loss of entities accounted for using equity method	11,165	17,782
Loss (gain) on sales of investment securities	△26,517	△90
Decrease (increase) in notes and accounts receivable - trade	630,239	28,097
Decrease (increase) in inventories	△180,572	△281,554
Decrease (increase) in other current assets	△27,279	51,551
Decrease (increase) in other non-current assets	13	11,382
Increase (decrease) in notes and accounts payable - trade	△50,993	2,947
Increase (decrease) in accounts payable - other	△106,720	△104,095
Increase (decrease) in accrued consumption taxes	△2,197	112,706
Increase (decrease) in other current liabilities	36,785	26,590
Other, net	10,536	△8,594
Subtotal	722,650	607,565
Interest and dividend income received	16,796	25,615
Interest expenses paid	△671	△685
Income taxes paid	△163,577	△244,237
Net cash provided by (used in) operating activities	575,197	388,257
Cash flows from investing activities		
Purchase of investment securities	△306,661	△327,618
Proceeds from sales and redemption of investment securities	74,796	11,765
Purchase of property, plant and equipment	△31,484	△17,919
Proceeds from sales of property, plant and equipment	19	30
Purchase of intangible assets	△26,809	△17,649
Payments for guarantee deposits	△45	△3,142
Proceeds from collection of guarantee deposits	48	—

Proceeds from distribution of investment in partnerships	3,439	17,370
Other, net	Δ2,714	Δ3,002
Net cash provided by (used in) investing activities	Δ289,412	Δ340,167
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	410,000	410,000
Decrease in short-term loans payable	Δ410,000	Δ410,000
Cash dividends paid	Δ171,066	Δ170,005
Other, net	Δ3,533	Δ2,203
Net cash provided by (used in) financing activities	Δ174,599	Δ172,208
Net increase (decrease) in cash and cash equivalents	111,185	Δ124,118
Cash and cash equivalents at beginning of period	5,371,465	6,029,485
Cash and cash equivalents at end of period	5,482,651	5,905,367