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## Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016

09-NOV-2015

Company Name : <b>NID Co., Ltd.</b>	Listing :	TSE JASDAQ
Security Code : 2349	URL :	<a href="http://www.nid.co.jp/">http://www.nid.co.jp/</a>
Representative : President	Syuntaro Komori	
Contact : Finance Manager	Kazuo Shimoyama	Telephone : 81-8-3-6221-6811

### 1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2016 (From April 1, 2015 to September 30, 2015)

#### (1) Consolidated Operating Results (All figures are rounded down to the nearest million yen)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY3/16	8,154	4.9	557	Δ17.7	669	Δ5.9	464	9.9
2Q FY3/15	7,775	1.8	677	4.0	711	8.6	422	136.5

Note: Comprehensive income: 2Q FY3/16 321million yen (Δ40.1%) 2Q FY3/15 536million yen (226.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/16	122.77	-
2Q FY3/15	111.67	-

#### (2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
2Q FY3/16	13,285	8,492	63.9	2,243.35
FY3/15	13,597	8,348	61.4	2,205.48

Note : Equity 2Q FY3/16 8,492million yen FY3/15 8,348million yen

### 2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/15	-	-	-	47.00	47.00
FY3/16 (Forecasts)	-	-	-	47.00	47.00

Note: Revisions to the latest projected dividends: None

### 3. Consolidated Financial Forecasts for the Fiscal Year 2016(From April 1, 2015 to March 31, 2016)

	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	16,500	1.7	1,550	9.5	1,650	5.9	925	16.9	244.35

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 : 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 FY3/16	4,369,830	FY3/15	4,369,830
Treasury stock as of term end	2Q FY3/16	584,279	FY3/15	584,279
Average shares issued during term	2Q FY3/16	3,785,551	2Q FY3/15	3,785,551

\*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)

	FY3/15	2nd Quarter FY3/16
<b>Assets</b>		
Current assets		
Cash and deposits	6,334,240	6,124,015
Notes and accounts receivable - trade	2,493,784	2,246,530
Securities	101,063	208,306
Work in process	318,033	432,948
Deferred tax assets	361,853	363,141
Other	191,863	197,462
Total current assets	9,800,839	9,572,405
Non-current assets		
Property, plant and equipment	256,059	254,460
Intangible assets	133,437	126,383
Investments and other assets		
Investment securities	2,533,289	2,379,509
Deferred tax assets	531,931	602,593
Guarantee deposits	248,941	253,232
Other	93,448	96,501
Total investments and other assets	3,407,610	3,331,837
Total non-current assets	3,797,107	3,712,681
Total assets	13,597,946	13,285,086

(Thousand yen)

	FY3/15	2nd Quarter FY3/16
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	387,978	382,972
Accounts payable - other	315,276	248,555
Income taxes payable	411,418	250,495
Provision for bonuses	847,619	871,445
Other	592,606	347,527
Total current liabilities	2,554,899	2,100,995
<b>Non-current liabilities</b>		
Net defined benefit liability	2,077,768	2,106,975
Provision for directors' retirement benefits	555,250	530,800
Asset retirement obligations	37,547	37,928
Other	23,512	16,053
Total non-current liabilities	2,694,078	2,691,758
<b>Total liabilities</b>	5,248,978	4,792,754
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	7,982,725	8,269,563
Treasury shares	Δ1,226,430	Δ1,226,430
Total shareholders' equity	7,898,322	8,185,160
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	439,397	291,036
Remeasurements of defined benefit plans	11,248	16,135
Total accumulated other comprehensive income	450,646	307,172
<b>Total net assets</b>	8,348,968	8,492,332
<b>Total liabilities and net assets</b>	13,597,946	13,285,086

**(2) Consolidated Statements of Income**

(Thousand yen)

	2nd Quarter FY3/15	2nd Quarter FY3/16
Net sales	7,775,830	8,154,232
Cost of sales	6,217,468	6,692,482
Gross profit	1,558,361	1,461,749
Selling, general and administrative expenses	880,706	904,010
Operating income	677,654	557,738
Non-operating income		
Interest income	45	1,375
Dividend income	25,570	35,382
Gain on sales of investment securities	548	32,315
Other	34,412	48,068
Total non-operating income	60,575	117,142
Non-operating expenses		
Interest expenses	685	645
Loss on sales of investment securities	457	—
investment partnership management fee	3,342	1,103
Share of loss of entities accounted for using equity method	17,782	—
Taxes and dues	4,410	3,325
Other	8	—
Total non-operating expenses	26,686	5,074
Ordinary income	711,544	669,807
Extraordinary income		
Gain on sales of investment securities	—	42,001
Gain on sales of non-current assets	29	92
Total extraordinary income	29	42,093
Extraordinary losses		
Retirement benefit expenses	847	—
Special retirement expenses	25,884	—
Office transfer expenses	10,291	—
Loss on retirement of non-current assets	776	0
Other	332	—
Total extraordinary losses	38,131	0
Income before income taxes and minority interests	673,442	711,900
Income taxes	250,705	247,141
Profit	422,737	464,758
Profit attributable to		
Profit attributable to owners of parent	422,737	464,758
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	117,248	△148,360
Remeasurements of defined benefit plans, net of tax	△3,390	4,887
Total other comprehensive income	113,857	△143,473
Comprehensive income	536,594	321,285
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	536,594	321,285
Comprehensive income attributable to non-controlling interests	—	—

**(3) Consolidated Statements of Cash Flows**

(Thousand yen)

	2nd Quarter FY3/15	2nd Quarter FY3/16
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	673,442	711,900
Depreciation	57,466	50,544
Increase (decrease) in net defined benefit liability	29,344	36,452
Increase (decrease) in provision for directors' retirement benefits	12,250	△24,450
Increase (decrease) in provision for bonuses	3,268	23,826
Interest and dividend income	△25,615	△36,758
Interest expenses	685	645
Share of (profit) loss of entities accounted for using equity method	17,782	—
Loss (gain) on sales of investment securities	△90	△74,316
Decrease (increase) in notes and accounts receivable - trade	28,097	247,254
Decrease (increase) in inventories	△281,554	△121,685
Decrease (increase) in other current assets	51,551	△3,368
Decrease (increase) in other non-current assets	11,382	21
Increase (decrease) in notes and accounts payable - trade	2,947	△5,005
Increase (decrease) in accounts payable - other	△104,095	△57,387
Increase (decrease) in accrued consumption taxes	112,706	△274,461
Increase (decrease) in other current liabilities	26,590	19,183
Other, net	△8,594	△18,613
Subtotal	607,565	473,779
Interest and dividend income received	25,615	36,758
Interest expenses paid	△685	△645
Income taxes paid	△244,237	△404,353
Net cash provided by (used in) operating activities	388,257	105,538
<b>Cash flows from investing activities</b>		
Purchase of investment securities	△327,618	△496,870
Proceeds from sales and redemption of investment securities	11,765	493,118
Purchase of property, plant and equipment	△17,919	△23,894
Proceeds from sales of property, plant and equipment	30	597
Purchase of intangible assets	△17,649	△22,981
Payments for guarantee deposits	△3,142	△4,291
Proceeds from distribution of investment in partnerships	17,370	28,180
Other, net	△3,002	△3,313
Net cash provided by (used in) investing activities	△340,167	△29,453
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	410,000	410,000
Decrease in short-term loans payable	△410,000	△410,000
Cash dividends paid	△170,005	△176,904
Other, net	△2,203	△2,122
Net cash provided by (used in) financing activities	△172,208	△179,026
Net increase (decrease) in cash and cash equivalents	△124,118	△102,941
Cash and cash equivalents at beginning of period	6,029,485	6,273,144
Cash and cash equivalents at end of period	5,905,367	6,170,202