



Member of the Financial Accounting Standards Foundation

Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2018

2-NOV-2017

Company Name : NID Co., Ltd.	Listing : TSE JASDAQ
Security Code : 2349	URL : http://www.nid.co.jp
Representative : President Syuntaro Komori	Telephone : 81-8-3-6221-6811
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1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2018

(From April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results

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

(% 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 FY3/18	8,620	4.5	772	2.6	855	6.0	576	6.9
2Q FY3/17	8,247	1.1	753	35.0	806	20.5	538	15.9

Note: Comprehensive income: 2Q FY3/18 561million yen (5.7%)

2Q FY3/17 531million yen (65.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY3/18	152.23	-
2Q FY3/17	142.34	-

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
2Q FY3/18	15,969	10,595	66.3	2,799.13
FY3/17	15,569	10,253	65.9	2,708.77

Note : Equity 2Q FY3/18 10,595million yen

FY3/17 10,253million yen

2. Dividend Information

Registry Date	Dividends Per Share				
	First quarter	Second quarter	Third quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY3/17	-	-	-	58.00	58.00
FY3/18	-	-	-	-	-
FY3/18 (Forecasts)	-	-	-	53.00	53.00

Note: Revisions to the latest projected dividends: None

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

	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	18,000	1.8	1,620	△11.7	1,720	△12.6	1,190	△8.8	314.37

Note: Revisions to the latest projected consolidated results: None

***Note**

(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 FY3/18	4,369,830	FY3/17	4,369,830
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Treasury stock as of term end	2Q FY3/18	584,501	FY3/17	584,461
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Average shares issued during term	2Q FY3/18	3,785,365	2Q FY3/17	3,785,412
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* This quarterly consolidated financial results are not subject to a quarterly review

*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, and NID makes no guarantee that these figures will be achieved. Actual results may differ from our projections due to various unforeseen reasons.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	FY3/17	2nd Quarter FY3/18
Assets		
Current assets		
Cash and deposits	6,996,807	8,005,415
Notes and accounts receivable - trade	3,526,942	2,713,789
Securities	207,298	307,298
Work in process	166,296	336,633
Deferred tax assets	348,107	349,175
Other	139,305	83,455
Total current assets	11,384,757	11,795,768
Non-current assets		
Property, plant and equipment	275,130	264,071
Intangible assets	119,793	103,062
Investments and other assets		
Investment securities	2,765,807	2,770,359
Deferred tax assets	599,101	605,781
Guarantee deposits	314,893	316,683
Other	109,668	114,215
Total investments and other assets	3,789,470	3,807,039
Total non-current assets	4,184,394	4,174,172
Total assets	15,569,152	15,969,941
Liabilities		
Current liabilities		
Accounts payable - trade	441,984	424,948
Accounts payable - other	299,094	308,530
Income taxes payable	409,367	314,856
Provision for bonuses	882,485	905,493
Asset retirement obligations	2,673	2,702
Other	395,550	512,419
Total current liabilities	2,431,155	2,468,950
Non-current liabilities		
Net defined benefit liability	2,252,030	2,285,439
Provision for directors' retirement benefits	570,075	579,750
Asset retirement obligations	39,783	40,160
Other	22,430	—
Total non-current liabilities	2,884,319	2,905,349
Total liabilities	5,315,474	5,374,300
Net assets		
Shareholders' equity		
Capital stock	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	9,913,319	10,269,996
Treasury shares	Δ1,226,945	Δ1,227,075
Total shareholders' equity	9,828,401	10,184,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	414,776	398,741

Remeasurements of defined benefit plans	10,500	11,950
Total accumulated other comprehensive income	425,276	410,691
Total net assets	10,253,678	10,595,640
Total liabilities and net assets	15,569,152	15,969,941

(2) Consolidated Statements of Income

(Thousand yen)

	2nd Quarter FY3/17	2nd Quarter FY3/18
Net sales	8,247,553	8,620,524
Cost of sales	6,582,565	6,872,368
Gross profit	1,664,988	1,748,155
Selling, general and administrative expenses	911,805	975,648
Operating profit	753,182	772,507
Non-operating income		
Interest income	1,267	1,252
Dividend income	43,938	51,074
Gain on sales of investment securities	—	12,320
Other	12,212	20,824
Total non-operating income	57,418	85,471
Non-operating expenses		
Interest expenses	736	865
investment partnership management fee	974	575
Taxes and dues	1,820	700
Other	111	390
Total non-operating expenses	3,643	2,531
Ordinary profit	806,957	855,447
Extraordinary income		
Gain on sales of non-current assets	802	—
Total extraordinary income	802	—
Extraordinary losses		
Loss on valuation of investment securities	7,196	—
Loss on retirement of non-current assets	801	0
Settlement package	—	2,264
Total extraordinary losses	7,997	2,264
Profit before income taxes	799,763	853,183
Income taxes	260,942	276,955
Profit	538,820	576,228
Profit attributable to		
Profit attributable to owners of parent	538,820	576,228
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ7,919	Δ16,034
Remeasurements of defined benefit plans, net of tax	652	1,450
Total other comprehensive income	Δ7,266	Δ14,584
Comprehensive income	531,553	561,643
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	531,553	561,643
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	2nd Quarter FY3/17	2nd Quarter FY3/18
Cash flows from operating activities		
Profit before income taxes	799,763	853,183
Depreciation	44,439	43,391
Increase (decrease) in net defined benefit liability	46,753	35,865
Increase (decrease) in provision for directors' retirement benefits	14,512	9,675
Increase (decrease) in provision for bonuses	19,618	23,008
Interest and dividend income	△45,205	△52,326
Interest expenses	736	865
Loss (gain) on sales of investment securities	—	△12,320
Loss (gain) on valuation of investment securities	7,196	—
Decrease (increase) in notes and accounts receivable - trade	297,562	813,152
Decrease (increase) in inventories	△262,399	△170,012
Decrease (increase) in other current assets	70,962	24,081
Increase (decrease) in notes and accounts payable - trade	△32,256	△17,036
Increase (decrease) in accounts payable - other	△58,493	9,121
Increase (decrease) in accrued consumption taxes	△45,171	△52,868
Increase (decrease) in other current liabilities	△891	133,442
Other, net	5,470	△6,101
Subtotal	862,595	1,635,121
Interest and dividend income received	43,725	46,771
Interest expenses paid	△736	△865
Income taxes paid	△329,484	△358,939
Net cash provided by (used in) operating activities	576,099	1,322,088
Cash flows from investing activities		
Purchase of securities	—	△100,000
Purchase of investment securities	△298,445	△78,772
Proceeds from sales and redemption of investment securities	203,000	97,395
Purchase of property, plant and equipment	△19,182	△13,309
Proceeds from sales of property, plant and equipment	885	—
Purchase of intangible assets	△21,664	△2,267
Payments for guarantee deposits	△23,174	△1,927
Proceeds from collection of guarantee deposits	250	138
Proceeds from distribution of investment in partnerships	7,754	12,872
Other, net	△4,644	△4,641
Net cash provided by (used in) investing activities	△155,221	△90,514
Cash flows from financing activities		
Increase in short-term loans payable	390,000	440,000
Decrease in short-term loans payable	△390,000	△440,000
Cash dividends paid	△188,791	△219,018
Purchase of treasury shares	—	△129
Other, net	△2,757	△4,614
Net cash provided by (used in) financing activities	△191,549	△223,761
Net increase (decrease) in cash and cash equivalents	229,328	1,007,811
Cash and cash equivalents at beginning of period	6,474,172	7,142,287
Cash and cash equivalents at end of period	6,703,501	8,150,098