



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

2-Aug-2019

|  |   |
|--|---|
| Company Name : <b>NID Co., Ltd.</b>  | Listing : JASDAQ  |
| Security Code : 2349   | URL : <a href="https://www.nid.co.jp/">https://www.nid.co.jp/</a> |
| Representative : President Shuntaro Komori                                   |   |
| Contact : Director, Corporate Design Manager, Finance<br>Manager Masaji Kato | Telephone : 81-8-3-6221-6811                                      |

### 1. Consolidated Financial Results for the First Quarter of Fiscal Year 2020 (From April 1, 2019 to June 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                             | %     |
| 1Q FY3/20 | 4,095       | Δ0.5 | 275              | Δ17.6 | 311             | Δ16.0 | 210                                     | Δ15.6 |
| 1Q FY3/19 | 4,116       | 2.0  | 333              | 3.6   | 371             | 4.7   | 249                                     | 4.3   |

Note : Comprehensive income : 1Q FY3/20 234million yen (Δ15.4%) 1Q FY3/19 277million yen (25.2%)

|           | Net income per share | Diluted net income per share |
|-----------|----------------------|------------------------------|
|           | Yen                  | Yen                          |
| 1Q FY3/20 | 18.53                | —                            |
| 1Q FY3/19 | 21.94                | —                            |

#### (2) Consolidated Financial Position

|           | Total Assets | Total Net Assets | Equity Ratio | Net Assets per Share |
|-----------|--------------|------------------|--------------|----------------------|
|           | Million yen  | Million yen      | %            | Yen                  |
| 1Q FY3/20 | 18,241       | 12,695           | 69.6         | 1,117.95             |
| FY3/19    | 18,299       | 12,699           | 69.4         | 1,118.30             |

Note : Equity 1Q FY3/20 12,695million 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                  |
| 2Q FY3/20 | 9,000       | 3.4 | 800              | Δ5.7 | 880             | Δ6.4 | 600                                     | Δ4.9 | 52.84                |
| Full Year | 19,000      | 5.8 | 1,900            | Δ4.2 | 2,060           | Δ5.0 | 1,390                                   | Δ3.8 | 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) | 1Q FY3/20 | 13,109,490 | FY3/19    | 13,109,490 |
| Treasury stock as of term end                           | 1Q FY3/20 | 1,753,704  | FY3/19    | 1,753,704  |
| Average shares issued during term                       | 1Q FY3/20 | 11,355,786 | 1Q 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     | 1st Quarter FY3/20 |
|---------------------------------------|------------|--------------------|
| <b>Assets</b>                         |            |                    |
| Current assets                        |            |                    |
| Cash and deposits                     | 8,938,931  | 8,940,604          |
| Notes and accounts receivable - trade | 3,117,700  | 2,514,434          |
| Work in process                       | 122,918    | 323,006            |
| Other                                 | 97,350     | 90,747             |
| Total current assets                  | 12,276,901 | 11,868,793         |
| Non-current assets                    |            |                    |
| Property, plant and equipment         | 403,268    | 394,364            |
| Intangible assets                     | 90,686     | 107,675            |
| Investments and other assets          |            |                    |
| Investment securities                 | 4,141,858  | 4,394,650          |
| Deferred tax assets                   | 954,992    | 942,245            |
| Guarantee deposits                    | 308,241    | 307,553            |
| Other                                 | 123,312    | 226,085            |
| Total investments and other assets    | 5,528,404  | 5,870,535          |
| Total non-current assets              | 6,022,359  | 6,372,575          |
| Total assets                          | 18,299,260 | 18,241,369         |

(Thousand yen)

|  | FY3/19     | 1st Quarter FY3/20 |
|--|------------|--------------------|
| <b>Liabilities</b>   |            |                    |
| Current liabilities  |            |                    |
| Accounts payable - trade   | 393,651    | 372,131            |
| Short-term borrowings  | —          | 360,000            |
| Accounts payable - other   | 428,181    | 499,173            |
| Income taxes payable   | 401,915    | 118,533            |
| Provision for bonuses  | 895,568    | 467,178            |
| Other  | 452,400    | 694,707            |
| Total current liabilities  | 2,571,716  | 2,511,722          |
| Non-current liabilities  |            |                    |
| Retirement benefit liability   | 2,334,719  | 2,354,289          |
| Provision for retirement benefits for directors (and other officers) | 626,550    | 634,087            |
| Asset retirement obligations   | 45,908     | 46,102             |
| Other  | 21,239     | —                  |
| Total non-current liabilities  | 3,028,417  | 3,034,479          |
| Total liabilities  | 5,600,134  | 5,546,202          |
| <b>Net assets</b>  |            |                    |
| Shareholders' equity   |            |                    |
| Share capital  | 653,352    | 653,352            |
| Capital surplus  | 488,675    | 488,675            |
| Retained earnings  | 12,281,709 | 12,253,612         |
| Treasury shares  | △1,227,333 | △1,227,333         |
| Total shareholders' equity   | 12,196,404 | 12,168,306         |
| Accumulated other comprehensive income                               |            |                    |
| Valuation difference on available-for-sale securities                | 491,503    | 516,562            |
| Remeasurements of defined benefit plans                              | 11,219     | 10,297             |
| Total accumulated other comprehensive income                         | 502,722    | 526,860            |
| Total net assets   | 12,699,126 | 12,695,166         |
| Total liabilities and net assets                                     | 18,299,260 | 18,241,369         |

**(2) Consolidated Statements of Income**

(Thousand yen)

|  | 1st Quarter FY3/19 | 1st Quarter FY3/20 |
|--|--------------------|--------------------|
| Net sales  | 4,116,071          | 4,095,115          |
| Cost of sales  | 3,283,011          | 3,290,641          |
| Gross profit   | 833,060            | 804,474            |
| Selling, general and administrative expenses                   | 499,188            | 529,347            |
| Operating profit   | 333,871            | 275,127            |
| Non-operating income   |                    |                    |
| Interest income  | 1,250              | 1,385              |
| Dividend income  | 29,942             | 29,864             |
| Subsidy income   | 5,886              | —                  |
| Other  | 4,296              | 10,582             |
| Total non-operating income                                     | 41,375             | 41,832             |
| Non-operating expenses   |                    |                    |
| Interest expenses  | 402                | 368                |
| Taxes and dues   | 1,715              | 2,100              |
| investment partnership management fee                          | 1,611              | 2,458              |
| Other  | 57                 | 58                 |
| Total non-operating expenses                                   | 3,785              | 4,986              |
| Ordinary profit  | 371,462            | 311,973            |
| Extraordinary losses   |                    |                    |
| Loss on retirement of non-current assets                       | —                  | 21                 |
| Total extraordinary losses                                     | —                  | 21                 |
| Profit before income taxes                                     | 371,462            | 311,952            |
| Income taxes   | 122,318            | 101,578            |
| Profit   | 249,143            | 210,373            |
| Profit attributable to   |                    |                    |
| Profit attributable to owners of parent                        | 249,143            | 210,373            |
| Profit attributable to non-controlling interests               | —                  | —                  |
| Other comprehensive income                                     |                    |                    |
| Valuation difference on available-for-sale securities          | 28,999             | 25,058             |
| Remeasurements of defined benefit plans, net of tax            | △813               | △921               |
| Total other comprehensive income                               | 28,186             | 24,137             |
| Comprehensive income   | 277,329            | 234,511            |
| Comprehensive income attributable to                           |                    |                    |
| Comprehensive income attributable to owners of parent          | 277,329            | 234,511            |
| Comprehensive income attributable to non-controlling interests | —                  | —                  |