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November 04, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (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
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 Scheduled date to file quarterly securities report: November 04, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	9,478	10.6	1,064	12.6	1,156	5.7	1,014	40.9
September 30, 2021	8,570	△0.8	945	22.9	1,094	16.8	720	15.7

Note: Comprehensive income For the six months ended September 30, 2022 : ¥976 million [34.4%]
 For the six months ended September 30, 2021 : ¥726 million [△5.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	91.39	—
September 30, 2021	63.78	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	22,482	16,821	74.8
March 31, 2022	21,904	16,101	73.5

Reference: Equity
 As of September 30, 2022: ¥16,821 million
 As of March 31, 2022: ¥16,101 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, 2022	—	—	—	23.00	23.00
Fiscal year ending March 31, 2023	—	—			
Fiscal year ending March 31, 2023 (Forecast)			—	23.00	23.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

	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	18,700	2.5	2,100	△5.7	2,250	△8.8	1,540	△5.6	138.67

Note : Revisions to the latest projected consolidated results : None

*** 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: Yes
 - (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 30,2022	13,109,490 shares
As of March 31, 2022	13,109,490 shares

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

As of September 30,2022	2,003,795 shares
As of March 31, 2022	2,003,759 shares

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

Six months ended September 30,2022	11,105,709 shares
Six months ended September 30,2021	11,295,621 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,845,184	12,471,995
Notes receivable - trade	138,825	96,949
Accounts receivable - trade	3,149,350	2,745,864
Work in process	254,149	463,398
Other	81,250	92,891
Total current assets	15,468,759	15,871,098
Non-current assets		
Property, plant and equipment	351,770	341,414
Intangible assets	161,591	147,935
Investments and other assets		
Investment securities	4,560,544	4,738,440
Deferred tax assets	871,742	892,516
Guarantee deposits	345,739	345,626
Other	144,227	145,365
Total investments and other assets	5,922,253	6,121,948
Total non-current assets	6,435,615	6,611,298
Total assets	21,904,375	22,482,396

(Thousand yen)

As of March 31, 2022 As of September 30, 2022

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	469,479	499,712
Accounts payable - other	465,463	285,542
Income taxes payable	506,938	447,567
Accrued consumption taxes	217,248	191,428
Advances received	684	371
Provision for bonuses	922,888	942,929
Other	218,401	275,038
Total current liabilities	2,801,102	2,642,589
Non-current liabilities		
Retirement benefit liability	2,448,765	2,458,923
Provision for retirement benefits for directors (and other officers)	496,750	510,300
Asset retirement obligations	48,285	48,697
Other	8,294	—
Total non-current liabilities	3,002,095	3,017,920
Total liabilities	5,803,198	5,660,510
Net assets		
Shareholders' equity		
Share capital	653,352	653,352
Capital surplus	488,675	488,675
Retained earnings	15,805,353	16,564,880
Treasury shares	△1,587,655	△1,587,708
Total shareholders' equity	15,359,725	16,119,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	728,413	686,988
Remeasurements of defined benefit plans	13,037	15,698
Total accumulated other comprehensive income	741,451	702,686
Total net assets	16,101,177	16,821,886
Total liabilities and net assets	21,904,375	22,482,396

(2) Consolidated Statements of Income

(Thousand yen)

	Six months ended September 30,2021	Six months ended September 30,2022
Net sales	8,570,965	9,478,044
Cost of sales	6,563,273	7,313,745
Gross profit	2,007,692	2,164,299
Selling, general and administrative expenses	1,062,553	1,100,030
Operating profit	945,138	1,064,268
Non-operating income		
Interest income	5,055	5,732
Dividend income	135,803	77,667
Gain on sale of investment securities	—	7,534
Subsidy income	13,421	3,252
Other	11,347	5,454
Total non-operating income	165,628	99,641
Non-operating expenses		
Interest expenses	293	570
Loss on investments in investment partnerships	—	2,042
investment partnership management fee	1,384	1,387
Taxes and dues	5,805	1,373
Commission expenses	3,685	—
Loss on cancellation of insurance policies	5,337	—
Foreign exchange losses	—	1,371
Other	100	969
Total non-operating expenses	16,606	7,715
Ordinary profit	1,094,159	1,156,193
Extraordinary income		
Gain on sale of non-current assets	90	2,290
Gain on sale of investment securities	—	341,845
Total extraordinary income	90	344,136
Extraordinary losses		
Loss on retirement of non-current assets	0	323
Total extraordinary losses	0	323
Profit before income taxes	1,094,250	1,500,007
Income taxes	373,809	485,047
Profit	720,440	1,014,959
Profit attributable to		
Profit attributable to owners of parent	720,440	1,014,959
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	6,530	△41,425
Remeasurements of defined benefit plans, net of tax	△452	2,660
Total other comprehensive income	6,077	△38,764
Comprehensive income	726,518	976,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	726,518	976,194
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Thousand yen)

	Six months ended September 30,2021	Six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	1,094,250	1,500,007
Depreciation	60,252	57,476
Increase (decrease) in retirement benefit liability	5,825	13,956
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△43,650	13,550
Increase (decrease) in provision for bonuses	4,044	20,041
Interest and dividend income	△140,859	△83,399
Interest expenses	293	570
Loss (gain) on sale of investment securities	-	△349,380
Loss (gain) on sale of non-current assets	△90	△2,290
Loss on retirement of non-current assets	0	323
Decrease (increase) in trade receivables	360,792	445,361
Decrease (increase) in inventories	△178,115	△209,114
Decrease (increase) in other current assets	36,432	△12,151
Increase (decrease) in trade payables	△1,189	30,233
Increase (decrease) in accounts payable - other	△48,139	△52,445
Increase (decrease) in accrued consumption taxes	△130,883	△25,819
Increase (decrease) in other current liabilities	42,030	37,839
Other, net	1,136	8,448
Subtotal	1,062,130	1,393,206
Interest and dividends received	141,685	83,369
Interest paid	△293	△570
Income taxes paid	△333,227	△542,948
Net cash provided by (used in) operating activities	870,294	933,056
Cash flows from investing activities		
Payments into time deposits	-	△0
Purchase of investment securities	△273,738	△623,127
Proceeds from sale and redemption of investment securities	189,000	604,851
Purchase of property, plant and equipment	△337	△14,159
Proceeds from sale of property, plant and equipment	90	2,290
Purchase of intangible assets	△17,076	△13,298
Payments of guarantee deposits	△19,029	-
Proceeds from refund of guarantee deposits	-	112
Other, net	31,381	△1,837
Net cash provided by (used in) investing activities	△89,709	△45,169
Cash flows from financing activities		
Proceeds from short-term borrowings	-	360,000
Repayments of short-term borrowings	-	△360,000
Purchase of treasury shares	△360,250	△53
Dividends paid	△249,250	△254,953
Other, net	△2,809	△6,476
Net cash provided by (used in) financing activities	△612,309	△261,483
Net increase (decrease) in cash and cash equivalents	168,274	626,403
Cash and cash equivalents at beginning of period	11,069,587	11,783,346
Cash and cash equivalents at end of period	11,237,862	12,409,750