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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 10, 2023

Company name: Nice Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 8089

URL: <https://www.nice.co.jp/>

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 11, 2023

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	102,100	(10.5)	388	(84.3)	468	(79.7)	2,511	31.3
September 30, 2022	114,018	9.3	2,484	(33.0)	2,302	(32.7)	1,913	35.3

(Note) Comprehensive income: Six months ended September 30, 2023: ¥3,085 million [103.1%]

Six months ended September 30, 2022: ¥1,519 million [2.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	212.84	-
September 30, 2022	162.41	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	156,737	54,526	32.3	4,284.00
As of March 31, 2023	156,722	51,390	30.6	4,070.35

(Reference) Equity: As of September 30, 2023: ¥50,561 million

As of March 31, 2023: ¥48,003 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	40.00	40.00
Fiscal year ending March 31, 2024	-	20.00			
Fiscal year ending March 31, 2024 (Forecast)			-	30.00	50.00

(Notes) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	230,000	(2.7)	3,200	(39.5)	3,000	(39.4)	4,000	5.8	338.98

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2023: 12,180,419 shares

March 31, 2023: 12,170,719 shares

2) Total number of treasury shares at the end of the period:

September 30, 2023: 378,136 shares

March 31, 2023: 377,357 shares

3) Average number of shares during the period:

Six months ended September 30, 2023: 11,797,756 shares

Six months ended September 30, 2022: 11,779,987 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements presented in this document are based on information that is currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not guarantee to achieve them. In addition, actual financial results, etc. may differ significantly from these forecasts and statements due to a wide range of factors.

Quarterly Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	32,421	30,916
Notes and accounts receivable - trade, and contract assets	31,379	30,600
Electronically recorded monetary claims - operating	9,949	9,674
Securities	5,000	4,000
Merchandise	10,023	8,259
Real estate for sale	11,322	16,245
Costs on construction contracts in progress	200	643
Other	2,656	1,946
Allowance for doubtful accounts	(173)	(155)
Total current assets	102,779	102,131
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,623	11,607
Land	27,559	28,259
Other, net	2,543	2,494
Total property, plant and equipment	41,726	42,361
Intangible assets	825	910
Investments and other assets		
Investment securities	6,375	6,592
Other	5,096	4,821
Allowance for doubtful accounts	(80)	(80)
Total investments and other assets	11,390	11,333
Total non-current assets	53,942	54,605
Total assets	156,722	156,737

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,203	21,284
Electronically recorded obligations - operating	15,152	14,798
Short-term borrowings	20,997	21,293
Current portion of bonds payable	40	20
Income taxes payable	652	443
Provisions	2,092	1,527
Other	8,682	8,438
Total current liabilities	69,820	67,806
Non-current liabilities		
Long-term borrowings	25,368	24,257
Retirement benefit liability	1,266	1,287
Other	8,876	8,859
Total non-current liabilities	35,512	34,404
Total liabilities	105,332	102,211
Net assets		
Shareholders' equity		
Share capital	24,426	24,433
Capital surplus	13,271	13,278
Retained earnings	12,135	14,174
Treasury shares	(829)	(829)
Total shareholders' equity	49,003	51,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217	718
Deferred gains or losses on hedges	12	6
Revaluation reserve for land	(214)	(214)
Foreign currency translation adjustment	(847)	(854)
Remeasurements of defined benefit plans	(168)	(151)
Total accumulated other comprehensive income	(1,000)	(496)
Non-controlling interests	3,387	3,965
Total net assets	51,390	54,526
Total liabilities and net assets	156,722	156,737

2. Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six months ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	114,018	102,100
Cost of sales	98,402	88,054
Gross profit	15,616	14,045
Selling, general and administrative expenses	13,131	13,656
Operating profit	2,484	388
Non-operating income		
Interest income	4	2
Dividend income	80	80
Foreign exchange gains	-	122
Other	220	288
Total non-operating income	304	494
Non-operating expenses		
Interest expenses	426	371
Other	60	43
Total non-operating expenses	486	414
Ordinary profit	2,302	468
Extraordinary income		
Gain on sale of non-current assets	21	1,987
Gain on sale of investment securities	1	263
Gain on revision of retirement benefit plan	253	-
Gain on bargain purchase	-	141
Gain on step acquisitions	-	81
Total extraordinary income	276	2,474
Extraordinary losses		
Loss on sale and retirement of non-current assets	70	75
Impairment losses	-	123
Total extraordinary losses	70	198
Profit before income taxes	2,508	2,745
Income taxes - current	339	216
Income taxes - deferred	163	(35)
Total income taxes	503	180
Profit	2,005	2,564
Profit attributable to non-controlling interests	92	53
Profit attributable to owners of parent	1,913	2,511

Quarterly Consolidated Statements of Comprehensive Income

Six months ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	2,005	2,564
Other comprehensive income		
Valuation difference on available-for-sale securities	(97)	517
Deferred gains or losses on hedges	(107)	(6)
Foreign currency translation adjustment	(115)	(7)
Remeasurements of defined benefit plans, net of tax	(166)	17
Share of other comprehensive income of entities accounted for using equity method	1	-
Total other comprehensive income	(486)	521
Comprehensive income	1,519	3,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,429	3,015
Comprehensive income attributable to non-controlling interests	90	70

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,508	2,745
Depreciation	755	792
Impairment losses	-	123
Amortization of goodwill	4	3
Increase (decrease) in allowance for doubtful accounts	27	(23)
Increase (decrease) in provision for bonuses	(436)	(592)
Increase (decrease) in retirement benefit liability	(25)	(8)
Interest and dividend income	(84)	(83)
Interest expenses	426	371
Loss (gain) on sale and retirement of property, plant and equipment	50	(1,911)
Loss (gain) on sale of investment securities	(1)	(263)
Gain on bargain purchase	-	(141)
Loss (gain) on step acquisitions	-	(81)
Gain on revision of retirement benefit plan	(253)	-
Decrease (increase) in trade receivables	1,181	1,733
Decrease (increase) in inventories	(5,598)	(3,456)
Increase (decrease) in trade payables	2,002	(2,459)
Other, net	341	893
Subtotal	896	(2,360)
Interest and dividends received	79	85
Interest paid	(420)	(360)
Income taxes paid	(1,434)	(436)
Net cash provided by (used in) operating activities	(880)	(3,072)
Cash flows from investing activities		
Purchases of property, plant, and equipment	(687)	(1,683)
Proceeds from sale of property, plant and equipment	110	1,987
Purchase of investment securities	(10)	(9)
Proceeds from sale of investment securities	6	534
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	1,161
Loan advances	(40)	(37)
Proceeds from collection of loans receivable	48	40
Other, net	(154)	(188)
Net cash provided by (used in) investing activities	(727)	1,805
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,487	1,202
Proceeds from long-term borrowings	1,900	1,237
Repayments of long-term borrowings	(4,166)	(3,414)
Redemption of bonds	(20)	(20)
Dividends paid	(583)	(467)
Dividends paid to non-controlling interests	(39)	(71)
Purchases of treasury shares	(0)	(0)
Other, net	(72)	(56)
Net cash provided by (used in) financing activities	1,503	(1,591)
Effect of exchange rate changes on cash and cash equivalents	50	51
Net increase (decrease) in cash and cash equivalents	(53)	(2,806)
Cash and cash equivalents at beginning of period	33,006	37,348
Cash and cash equivalents at end of period	32,953	34,541

(Segment information)

I. For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note)	Total
	Building materials	Housing	Total		
Net sales					
Net sales to outside customers	94,372	14,743	109,116	4,902	114,018
Inter-segment net sales or transfers	1,254	144	1,398	2,243	3,641
Total	95,626	14,888	110,514	7,146	117,660
Segment profit (loss)	3,037	(195)	2,842	541	3,383

(Note) The “Others” segment is a business segment not included in the reportable segments and includes the general public broadcasting business, the construction work business, the software development and sales business, etc.

2. Difference between the total amount of profit (loss) for reportable segments and the amount of profit (loss) recorded in quarterly financial statements and major contents of the difference (matters for adjustment)

(Million yen)

Profit	Amount
Total profit for reportable segments	2,842
Profit for the “Others” segment	541
Elimination of inter-segment transactions	(35)
Overhead expenses (Note)	(863)
Operating profit recorded in the quarterly financial statements	2,484

(Note) Overhead expenses mainly consist of general and administrative expenses not attributable to the reportable segments.

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Others (Note)	Total
	Building materials	Housing	Total		
Net sales					
Net sales to outside customers	83,098	14,287	97,385	4,714	102,100
Inter-segment net sales or transfers	1,064	148	1,213	2,629	3,842
Total	84,162	14,435	98,598	7,344	105,942
Segment profit (loss)	1,154	(83)	1,071	362	1,434

(Note) The “Others” segment is a business segment not included in the reportable segments and includes the general public broadcasting business, the construction work business, the software development and sales business, etc.

2. Difference between the total amount of profit (loss) for reportable segments and the amount of profit (loss) recorded in quarterly financial statements and major contents of the difference (matters for adjustment)

(Million yen)

Profit	Amount
Total profit for reportable segments	1,071
Profit for the “Others” segment	362
Elimination of inter-segment transactions	13
Overhead expenses (Note)	(1,058)
Operating profit recorded in the quarterly financial statements	388

(Note) Overhead expenses mainly consist of general and administrative expenses not attributable to the reportable segments.