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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 10, 2022

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, 2022
 Scheduled date of commencing dividend payments: –
 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, 2022 (April 1, 2022 to September 30, 2022)

(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, 2022	114,018	9.3	2,484	(33.0)	2,302	(32.7)	1,913	35.3
September 30, 2021	104,335	6.2	3,711	98.5	3,422	109.8	1,414	9.0

(Note) Comprehensive income: Six months ended September 30, 2022: ¥1,519 million [2.6%]
 Six months ended September 30, 2021: ¥1,480 million [(31.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	162.41	-
September 30, 2021	140.58	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	161,704	49,470	28.6	3,921.99
As of March 31, 2022	157,921	48,543	28.8	3,855.78

(Reference) Equity: As of September 30, 2022: ¥46,287 million
 As of March 31, 2022: ¥45,410 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, 2022	-	0.00	-	50.00	50.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	40.00	40.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. Breakdown of year-end dividends for the fiscal year ended March 31, 2022:

Ordinary dividends: ¥40.00 Extraordinary dividends: ¥10.00

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

(% 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	228,000	(0.7)	5,600	(45.2)	4,800	(49.9)	3,600	(19.7)	305.32

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 (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, 2022: 12,170,719 shares

March 31, 2022: 12,143,719 shares

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

September 30, 2022: 368,701 shares

March 31, 2022: 366,399 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2021: 10,058,074 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	29,107	33,055
Notes and accounts receivable - trade, and contract assets	37,225	35,337
Electronically recorded monetary claims - operating	9,463	10,170
Securities	4,000	-
Merchandise	11,309	13,756
Real estate for sale	9,871	12,697
Costs on construction contracts in progress	510	543
Other	4,772	4,049
Allowance for doubtful accounts	(167)	(182)
Total current assets	106,094	109,427
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,659	10,051
Land	27,762	27,812
Other, net	2,520	2,694
Total property, plant and equipment	39,942	40,558
Intangible assets	565	572
Investments and other assets		
Investment securities	6,483	6,389
Other	4,957	4,890
Allowance for doubtful accounts	(121)	(133)
Total investments and other assets	11,318	11,145
Total non-current assets	51,826	52,276
Total assets	157,921	161,704

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,408	22,178
Electronically recorded obligations - operating	12,273	15,505
Short-term borrowings	26,655	30,114
Current portion of bonds payable	40	40
Income taxes payable	1,780	521
Provisions	1,758	1,321
Other	7,816	8,253
Total current liabilities	73,733	77,934
Non-current liabilities		
Bonds payable	40	20
Long-term borrowings	24,981	23,743
Retirement benefit liability	1,244	1,198
Other	9,378	9,336
Total non-current liabilities	35,644	34,299
Total liabilities	109,378	112,233
Net assets		
Shareholders' equity		
Share capital	24,404	24,426
Capital surplus	13,325	13,347
Retained earnings	9,210	10,530
Treasury shares	(828)	(829)
Total shareholders' equity	46,111	47,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	195	98
Deferred gains or losses on hedges	123	15
Revaluation reserve for land	(402)	(402)
Foreign currency translation adjustment	(631)	(747)
Remeasurements of defined benefit plans	15	(151)
Total accumulated other comprehensive income	(700)	(1,187)
Non-controlling interests	3,132	3,183
Total net assets	48,543	49,470
Total liabilities and net assets	157,921	161,704

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, 2021	For the six months ended September 30, 2022
Net sales	104,335	114,018
Cost of sales	86,286	98,402
Gross profit	18,049	15,616
Selling, general and administrative expenses	14,338	13,131
Operating profit	3,711	2,484
Non-operating income		
Interest income	4	4
Dividend income	78	80
Share of profit of entities accounted for using equity method	30	97
Other	109	122
Total non-operating income	223	304
Non-operating expenses		
Interest expenses	380	426
Other	131	60
Total non-operating expenses	512	486
Ordinary profit	3,422	2,302
Extraordinary income		
Gain on sale of non-current assets	13	21
Gain on sale of investment securities	-	1
Gain on revision of retirement benefit plan	-	253
Total extraordinary income	13	276
Extraordinary losses		
Loss on sale and retirement of non-current assets	22	70
Impairment losses	938	-
Total extraordinary losses	961	70
Profit before income taxes	2,474	2,508
Income taxes - current	917	339
Income taxes - deferred	15	163
Total income taxes	932	503
Profit	1,541	2,005
Profit attributable to non-controlling interests	127	92
Profit attributable to owners of parent	1,414	1,913

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	1,541	2,005
Other comprehensive income		
Valuation difference on available-for-sale securities	(31)	(97)
Deferred gains or losses on hedges	(54)	(107)
Foreign currency translation adjustment	22	(115)
Remeasurements of defined benefit plans, net of tax	2	(166)
Share of other comprehensive income of entities accounted for using equity method	-	1
Total other comprehensive income	(61)	(486)
Comprehensive income	1,480	1,519
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,357	1,429
Comprehensive income attributable to non-controlling interests	122	90

3. Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,474	2,508
Depreciation	854	755
Impairment losses	938	-
Amortization of goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	(7)	27
Increase (decrease) in provision for bonuses	531	(436)
Increase (decrease) in retirement benefit liability	10	(25)
Interest and dividend income	(83)	(84)
Interest expenses	380	426
Share of loss (profit) of entities accounted for using equity method	(30)	(97)
Loss (gain) on sale and retirement of property, plant and equipment	10	50
Loss (gain) on sale of investment securities	-	(1)
Gain on revision of retirement benefit plan	-	(253)
Decrease (increase) in trade receivables	(7,457)	1,181
Decrease (increase) in inventories	(3,751)	(5,598)
Increase (decrease) in trade payables	2,710	2,002
Other, net	(381)	438
Subtotal	(3,795)	896
Interest and dividends received	83	79
Interest paid	(374)	(420)
Income taxes paid	(331)	(1,434)
Net cash provided by (used in) operating activities	(4,418)	(880)
Cash flows from investing activities		
Purchase of property, plant and equipment	(460)	(687)
Proceeds from sale of property, plant and equipment	22	110
Purchase of investment securities	(9)	(10)
Proceeds from sale of investment securities	-	6
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(6)	-
Loan advances	(62)	(40)
Proceeds from collection of loans receivable	984	48
Other, net	71	(154)
Net cash provided by (used in) investing activities	539	(727)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(661)	4,487
Proceeds from long-term borrowings	3,634	1,900
Repayments of long-term borrowings	(5,588)	(4,166)
Redemption of bonds	(20)	(20)
Dividends paid	(280)	(583)
Dividends paid to non-controlling interests	(40)	(39)
Proceeds from issuance of shares	3,920	-
Purchase of treasury shares	(0)	(0)
Other, net	(70)	(72)
Net cash provided by (used in) financing activities	891	1,503
Effect of exchange rate change on cash and cash equivalents	(1)	50
Net increase (decrease) in cash and cash equivalents	(2,989)	(53)
Cash and cash equivalents at beginning of period	27,631	33,006
Cash and cash equivalents at end of period	24,642	32,953

(Segment information)

I. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

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	82,901	16,690	99,592	4,743	104,335
Inter-segment net sales or transfers	1,079	103	1,182	2,183	3,365
Total	83,981	16,793	100,775	6,926	107,701
Segment profit (loss)	4,871	(506)	4,364	449	4,813

(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	4,364
Profit for the “Others” segment	449
Elimination of inter-segment transactions	53
Overhead expenses (Note)	(1,155)
Operating profit recorded in the quarterly financial statements	3,711

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

II. 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.