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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]



November 7, 2024

Company name: Nice Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8089
 URL: <https://www.nice.co.jp>
 Representative: Hironori Tsudo, Director and President
 Contact: Hiroshi Tanabe, Director and General Manager of Administration Division
 Phone: +81-45-521-6111
 Scheduled date to file semi-annual securities report: November 7, 2024
 Scheduled date to commence dividend payments: December 5, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for securities analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(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, 2024	105,347	3.2	470	21.0	310	(33.7)	98	(96.1)
September 30, 2023	102,100	(10.5)	388	(84.3)	468	(79.7)	2,511	31.3

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ (34) million [- %]
 Six months ended September 30, 2023: ¥3,085 million [103.1 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	8.31	-
September 30, 2023	212.84	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2024	151,440	56,914	34.9	4,455.39
As of March 31, 2024	161,308	56,973	32.8	4,489.03

(Reference) Equity: As of September 30, 2024: ¥52,867 million
 As of March 31, 2024: ¥52,976 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, 2024	-	20.00	-	40.00	60.00
Fiscal year ending March 31, 2025	-	25.00			
Fiscal year ending March 31, 2025 (Forecast)			-	40.00	65.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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	238,000	5.4	4,700	6.7	4,400	1.6	3,200	(23.9)	270.21

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

* Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual 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: Yes
 - 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, 2024: 12,180,419 shares
March 31, 2024: 12,180,419 shares
 - 2) Total number of treasury shares at the end of the period:
September 30, 2024: 314,491 shares
March 31, 2024: 379,158 shares
 - 3) Average number of shares during the period:
Six months ended September 30, 2024: 11,819,185 shares
Six months ended September 30, 2023: 11,797,756 shares

* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* 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.

Semi-annual Consolidated Financial Statements

1. Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	33,269	22,977
Notes and accounts receivable - trade, and contract assets	29,551	29,212
Electronically recorded monetary claims - operating	9,703	9,751
Securities	8,500	2,500
Merchandise	7,052	7,726
Real estate for sale	15,268	18,884
Costs on construction contracts in progress	458	600
Other	2,479	2,684
Allowance for doubtful accounts	(148)	(162)
Total current assets	106,135	94,174
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,481	12,626
Land	26,875	26,863
Other, net	3,215	4,115
Total property, plant and equipment	42,572	43,605
Intangible assets	896	819
Investments and other assets		
Investment securities	7,264	8,131
Other	4,516	4,786
Allowance for doubtful accounts	(77)	(76)
Total investments and other assets	11,704	12,841
Total non-current assets	55,173	57,266
Total assets	161,308	151,440

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,371	20,546
Electronically recorded obligations - operating	15,924	15,027
Short-term borrowings	18,735	20,391
Income taxes payable	772	456
Provisions	1,612	1,538
Other	9,292	7,812
Total current liabilities	72,709	65,772
Non-current liabilities		
Long-term borrowings	22,112	19,631
Retirement benefit liability	1,022	910
Other	8,491	8,210
Total non-current liabilities	31,626	28,753
Total liabilities	104,335	94,525
Net assets		
Shareholders' equity		
Share capital	24,433	24,433
Capital surplus	13,294	13,274
Retained earnings	16,711	16,680
Treasury shares	(830)	(688)
Total shareholders' equity	53,609	53,701
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,152	1,090
Deferred gains or losses on hedges	15	(23)
Revaluation reserve for land	(1,293)	(1,293)
Foreign currency translation adjustment	(701)	(781)
Remeasurements of defined benefit plans	194	174
Total accumulated other comprehensive income	(632)	(833)
Non-controlling interests	3,997	4,047
Total net assets	56,973	56,914
Total liabilities and net assets	161,308	151,440

2. Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six months ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	102,100	105,347
Cost of sales	88,054	90,934
Gross profit	14,045	14,413
Selling, general and administrative expenses	13,656	13,942
Operating profit	388	470
Non-operating income		
Interest income	2	2
Dividend income	80	90
Other	411	153
Total non-operating income	494	246
Non-operating expenses		
Interest expenses	371	349
Other	43	57
Total non-operating expenses	414	406
Ordinary profit	468	310
Extraordinary income		
Gain on sale of non-current assets	1,987	11
Gain on sale of investment securities	263	22
Gain on bargain purchase	141	-
Gain on step acquisitions	81	-
Total extraordinary income	2,474	33
Extraordinary losses		
Loss on sale and retirement of non-current assets	75	44
Impairment losses	123	-
Total extraordinary losses	198	44
Profit before income taxes	2,745	299
Income taxes - current	216	203
Income taxes - deferred	(35)	(50)
Total income taxes	180	152
Profit	2,564	147
Profit attributable to non-controlling interests	53	48
Profit attributable to owners of parent	2,511	98

Semi-annual Consolidated Statements of Comprehensive Income

Six months ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,564	147
Other comprehensive income		
Valuation difference on available-for-sale securities	517	(43)
Deferred gains or losses on hedges	(6)	(38)
Foreign currency translation adjustment	(7)	(79)
Remeasurements of defined benefit plans, net of tax	17	(20)
Total other comprehensive income	521	(181)
Comprehensive income	3,085	(34)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,015	(102)
Comprehensive income attributable to non-controlling interests	70	67

3. Semi-annual Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,745	299
Depreciation	792	865
Impairment losses	123	-
Amortization of goodwill	3	-
Increase (decrease) in allowance for doubtful accounts	(23)	14
Increase (decrease) in provision for bonuses	(592)	(48)
Increase (decrease) in retirement benefit liability	(8)	(126)
Interest and dividend income	(83)	(92)
Interest expenses	371	349
Loss (gain) on sale and retirement of non-current assets	(1,911)	33
Loss (gain) on sale of investment securities	(263)	(22)
Gain on bargain purchase	(141)	-
Loss (gain) on step acquisitions	(81)	-
Decrease (increase) in trade receivables	1,733	291
Decrease (increase) in inventories	(3,456)	(4,431)
Increase (decrease) in trade payables	(2,459)	(6,722)
Other, net	893	(981)
Subtotal	(2,360)	(10,570)
Interest and dividends received	85	92
Interest paid	(360)	(347)
Income taxes paid	(436)	(581)
Net cash provided by (used in) operating activities	(3,072)	(11,407)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,683)	(2,868)
Proceeds from sale of property, plant and equipment	1,987	21
Purchase of investment securities	(9)	(609)
Proceeds from sale of investment securities	534	41
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,161	-
Loan advances	(37)	(35)
Proceeds from collection of loans receivable	40	31
Other, net	(188)	(48)
Net cash provided by (used in) investing activities	1,805	(3,466)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,202	(375)
Proceeds from long-term borrowings	1,237	2,000
Repayments of long-term borrowings	(3,414)	(2,449)
Redemption of bonds	(20)	-
Purchase of treasury shares	(0)	(0)
Dividends paid	(467)	(470)
Dividends paid to non-controlling interests	(71)	(16)
Other, net	(56)	(48)
Net cash provided by (used in) financing activities	(1,591)	(1,361)
Effect of exchange rate change on cash and cash equivalents	51	(64)
Net increase (decrease) in cash and cash equivalents	(2,806)	(16,299)
Cash and cash equivalents at beginning of period	37,348	41,501
Cash and cash equivalents at end of period	34,541	25,201

(Segment information)

I. 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 semi-annual 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 semi-annual financial statements	388

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

II. For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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	83,574	17,553	101,128	4,218	105,347
Inter-segment net sales or transfers	992	111	1,103	2,662	3,765
Total	84,567	17,665	102,232	6,881	109,113
Segment profit	680	411	1,092	324	1,416

(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 semi-annual financial statements and major contents of the difference (matters for adjustment)

(Million yen)

Profit	Amount
Total profit for reportable segments	1,092
Profit for the “Others” segment	324
Elimination of inter-segment transactions	19
Overhead expenses (Note)	(964)
Operating profit recorded in the semi-annual financial statements	470

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