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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 14, 2023

Company name: Nice Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 8089

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

Representative: Masayuki Sugita, Director and President

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Scheduled date of filing quarterly securities report: February 14, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	171,408	3.5	2,688	(60.4)	2,626	(59.1)	2,001	(28.3)
December 31, 2021	165,673	8.9	6,782	178.5	6,417	191.1	2,791	87.3

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥1,599 million [(43.1)%]

Nine months ended December 31, 2021: ¥2,810 million [11.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	169.84	-
December 31, 2021	262.58	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2022	161,443	49,392	28.6	3,917.48
As of March 31, 2022	157,921	48,543	28.8	3,855.78

(Reference) Equity: As of December 31, 2022: ¥46,231 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
Fiscal year ended March 31, 2022	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 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 nine months ended December 31, 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):

December 31, 2022: 12,170,719 shares

March 31, 2022: 12,143,719 shares

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

December 31, 2022: 369,311 shares

March 31, 2022: 366,399 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 11,787,170 shares

Nine months ended December 31, 2021: 10,631,971 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	29,107	30,007
Notes and accounts receivable - trade, and contract assets	37,225	35,522
Electronically recorded monetary claims - operating	9,463	10,702
Securities	4,000	-
Merchandise	11,309	13,015
Real estate for sale	9,871	15,469
Costs on construction contracts in progress	510	423
Other	4,772	3,582
Allowance for doubtful accounts	(167)	(186)
Total current assets	106,094	108,538
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,659	10,775
Land	27,762	27,804
Other, net	2,520	2,716
Total property, plant and equipment	39,942	41,297
Intangible assets	565	631
Investments and other assets		
Investment securities	6,483	6,368
Other	4,957	4,747
Allowance for doubtful accounts	(121)	(138)
Total investments and other assets	11,318	10,976
Total non-current assets	51,826	52,905
Total assets	157,921	161,443

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,408	22,808
Electronically recorded obligations - operating	12,273	15,655
Short-term borrowings	26,655	30,141
Current portion of bonds payable	40	40
Income taxes payable	1,780	254
Provisions	1,758	1,200
Other	7,816	8,648
Total current liabilities	73,733	78,748
Non-current liabilities		
Bonds payable	40	20
Long-term borrowings	24,981	22,836
Retirement benefit liability	1,244	1,181
Other	9,378	9,265
Total non-current liabilities	35,644	33,302
Total liabilities	109,378	112,051
Net assets		
Shareholders' equity		
Share capital	24,404	24,426
Capital surplus	13,325	13,335
Retained earnings	9,210	10,545
Treasury shares	(828)	(829)
Total shareholders' equity	46,111	47,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	195	259
Deferred gains or losses on hedges	123	(15)
Revaluation reserve for land	(402)	(402)
Foreign currency translation adjustment	(631)	(944)
Remeasurements of defined benefit plans	15	(142)
Total accumulated other comprehensive income	(700)	(1,245)
Non-controlling interests	3,132	3,160
Total net assets	48,543	49,392
Total liabilities and net assets	157,921	161,443

2. Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	165,673	171,408
Cost of sales	138,480	148,824
Gross profit	27,193	22,584
Selling, general and administrative expenses	20,410	19,896
Operating profit	6,782	2,688
Non-operating income		
Interest income	9	5
Dividend income	139	146
Share of profit of entities accounted for using equity method	74	167
Other	169	295
Total non-operating income	393	615
Non-operating expenses		
Interest expenses	579	647
Other	178	30
Total non-operating expenses	757	677
Ordinary profit	6,417	2,626
Extraordinary income		
Gain on sale of non-current assets	14	30
Gain on sale of investment securities	-	1
Gain on revision of retirement benefit plan	-	253
Gain on liquidation of subsidiaries and associates	-	12
Total extraordinary income	14	298
Extraordinary losses		
Loss on sale and retirement of non-current assets	23	71
Impairment losses	2,097	-
Loss on sale of shares of subsidiaries and associates	-	127
Other	15	-
Total extraordinary losses	2,137	198
Profit before income taxes	4,294	2,726
Income taxes - current	1,377	494
Income taxes - deferred	(65)	85
Total income taxes	1,311	580
Profit	2,983	2,146
Profit attributable to non-controlling interests	191	144
Profit attributable to owners of parent	2,791	2,001

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	2,983	2,146
Other comprehensive income		
Valuation difference on available-for-sale securities	(236)	62
Deferred gains or losses on hedges	(12)	(139)
Foreign currency translation adjustment	72	(312)
Remeasurements of defined benefit plans, net of tax	3	(158)
Share of other comprehensive income of entities accounted for using equity method	-	0
Total other comprehensive income	(172)	(547)
Comprehensive income	2,810	1,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,619	1,456
Comprehensive income attributable to non-controlling interests	191	142

(Segment information)

I. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	133,044	24,827	157,871	7,801	165,673
Inter-segment net sales or transfers	2,341	153	2,494	3,401	5,896
Total	135,385	24,980	160,366	11,203	171,570
Segment profit (loss)	7,753	(431)	7,321	1,054	8,376

(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	7,321
Profit for the “Others” segment	1,054
Elimination of inter-segment transactions	32
Overhead expenses (Note)	(1,626)
Operating profit recorded in the quarterly financial statements	6,782

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

II. For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	141,754	22,026	163,780	7,628	171,408
Inter-segment net sales or transfers	1,950	390	2,340	3,487	5,828
Total	143,705	22,416	166,121	11,116	177,237
Segment profit (loss)	3,731	(521)	3,209	662	3,872

(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	3,209
Profit for the “Others” segment	662
Elimination of inter-segment transactions	(15)
Overhead expenses (Note)	(1,168)
Operating profit recorded in the quarterly financial statements	2,688

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