

Engaged in the Horizontal DX business and the Mobility DX business

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[5618 Nyle Sector : Information & Communication]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec.2021	2,628	23.7	-1,865	-	-1,890	-	-1,895	-	-247.2	-447.3	0.0
Dec.2022	4,139	57.5	-1,336	-	-1,354	-	-1,355	-	-175.7	-600.8	0.0
Dec.2023 f	5,047	21.9	-880	-	-930	-	-933	-	-113.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.
It conducted 1:400 stock split on September 22, 2023. Per share indices are adjusted retroactively.

Engaged in Horizontal DX Business and Mobility DX Business

Nyle is engaged in the Horizontal DX (digital transformation) business of identifying digital issues, presenting solutions, and implementing them for various companies across the industry. Additionally, Nyle is involved in the Mobility DX business, which provides a car leasing service online to save time when buying cars and facilitate car ownership among those with poor credit standing.

In fiscal year ended December 2022, the Horizontal DX business accounted for 54.6% of net sales and the Mobility DX business accounted for 45.4%. On a segment basis, the Horizontal DX business is profitable, while the Mobility DX business is posting losses due to the heavy burden of advertising and promotional expenses.

Horizontal DX Business

Horizontal DX business consists of (1) a DX & marketing business that supports enhancing operational efficiency and sales expansion by offering a wide range of solutions by utilizing know-how in areas such as SEO, content production, data analysis and generative AI; and (2) a media & solutions business of providing the development and operation of multiple media channels and solutions for digital advertising.

Mobility DX Business

Launched in January 2018, this segment is mainly focused on the car leasing business. Nyle's car leasing service offers individuals new cars covering all models of Japanese carmakers and used cars. While the industry standard for lease term is around 3-5 years for finance companies affiliated with carmakers, Nyle offers a broad range of lease periods from 1-11 years.

When purchasing a car, individuals must make the extra effort to visit multiple car dealers to select their desired model. Additionally, applying for a credit assessment online lowers the psychological hurdle, making it possible for people to obtain a car lease. Nyle is working to create a new market by taking the individual's car buying process into the digital age.

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Nine months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,628	100.0	4,139	100.0	3,960	100.0
Cost of sales		1,380	52.5	2,437	58.9	2,223	56.1
Gross profit		1,248	47.5	1,701	41.1	1,737	43.9
Selling, general and administrative expenses		3,114	118.5	3,038	73.4	2,236	56.5
Operating profit		-1,865	-	-1,336	-	-499	-
Non-operating income		0	-	1	-	0	-
Non-operating expenses		25	-	18	-	29	-
Ordinary profit		-1,890	-	-1,354	-	-528	-
Profit before income taxes		-1,890	-	-1,353	-	-528	-
Net profit		-1,895	-	-1,355	-	-530	-

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,916	93.1	2,504	92.9	2,672	92.9
Cash and deposits		2,297	73.3	1,827	67.8	1,719	59.8
Accounts receivable-trade		338	10.8	391	14.5	544	18.9
Inventories		24	0.8	143	5.3	211	7.3
Non-current assets		215	6.9	190	7.1	203	7.1
Property, plant and equipment		28	0.9	16	0.6	12	0.4
Intangible assets		-	-	-	-	1	0.0
Investments and other assets		187	6.0	174	6.5	188	6.5
Total assets		3,132	100.0	2,695	100.0	2,875	100.0
Current liabilities		902	28.8	862	32.0	999	34.7
Accounts payable - trade		98	3.1	105	3.9	94	3.3
Current portion of long-term borrowings.		310	9.9	301	11.2	301	10.5
Non-current liabilities		427	13.6	786	29.2	912	31.7
Long-term borrowings		427	13.6	786	29.2	912	31.7
Net assets		1,801	57.5	1,045	38.8	963	33.5
Owners' equity		1,788	57.1	1,032	38.3	951	33.1

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022	Six months to Jun.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-1,875	-1,472	-400
Depreciation		2	19	2
Cash flows from investing activities		-48	95	9
Cash flows from financing activities		-785	946	684
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-2,710	-430	293
Cash and cash equivalents		2,217	1,787	2,080

Note:Consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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