

The background features abstract geometric shapes in shades of blue and grey. In the bottom left corner, there is a stylized illustration of a hand pointing at a bar chart and a line graph on a document.

NICE Holdings Investors Relations Book

/ 1H 2018 /

Disclaimer

This material is prepared for your conveniences and all predictive information such as forecasted figures contained in this material are solely based on internal forecast and environments study. Therefore, please be aware that the contents in this material are subject to further changes due to any unexpected changes in economic environments or business conditions at any time.

This material is prepared as the reference material for your investment decisions. NICE Holdings shall not offer any assurance and assume any responsibilities whatsoever with regard to the contents in this material.

NICE Holdings expects that all investment decisions should be made by independent and unprejudiced rationale of each wise investor.

NICE



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V. Appendix (Financial Performance)



I. Overview

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III. Differentiated Competitiveness

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V. Appendix (Financial Performance)

I -1. Overview of NICE Holdings

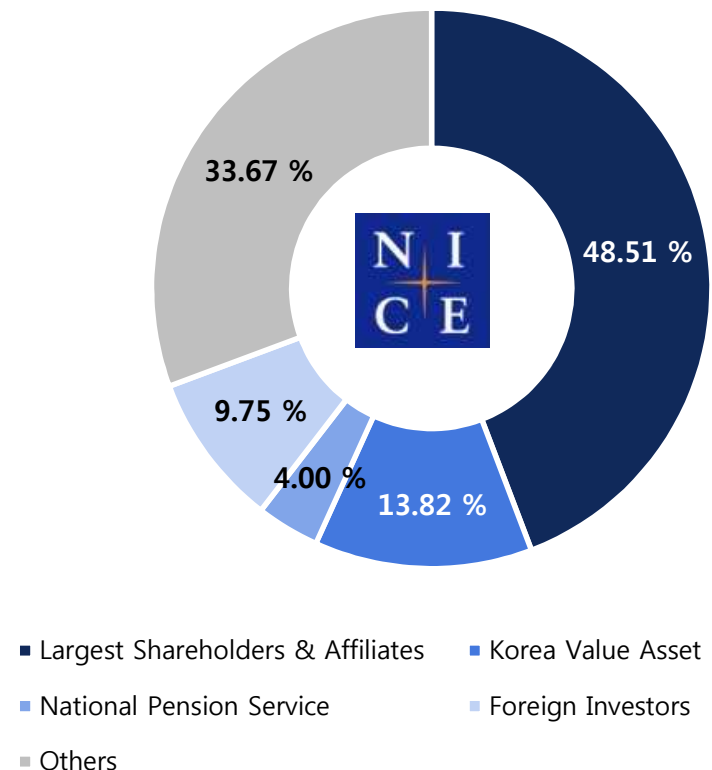


Since incorporated in 1986, NICE Holdings, as a holding company of NICE Group, launched Financial Infra Service for the first time in Korea

Overview NICE Holdings (As of end of June 2018)

Company Name	• NICE Holdings Ltd., Co.
CEO	• Mr. Choi, Young
Date of Incorporation	• September 11, 1986
HQ Address	• 17, Eunhaeng-ro, Yeongdeugpo-gu, Seoul, Korea
Paid-in Capital	• KRW 18.9 Billion (37,882,300 shares)
Listed Date	• February 4, 2004 (KOSPI Listed)
Market Cap.	• 631 Bil KRW (29th June 2018 ; @16,650 KRW)
# of Affiliated	• 53 (Domestic 33, Overseas 20)
# of Employees	• 43 (including 7 Full-time Officers)
Revenue Stream (FY17, Separate FS)	• Dividend Revenue (18.7 Bil KRW), SI Service (14.1 Bil KRW), Brand Commission (2.2 Bil KRW), Other Revenue 2.5 Bil KRW)

Shareholder Composition (As of end of June 2018)

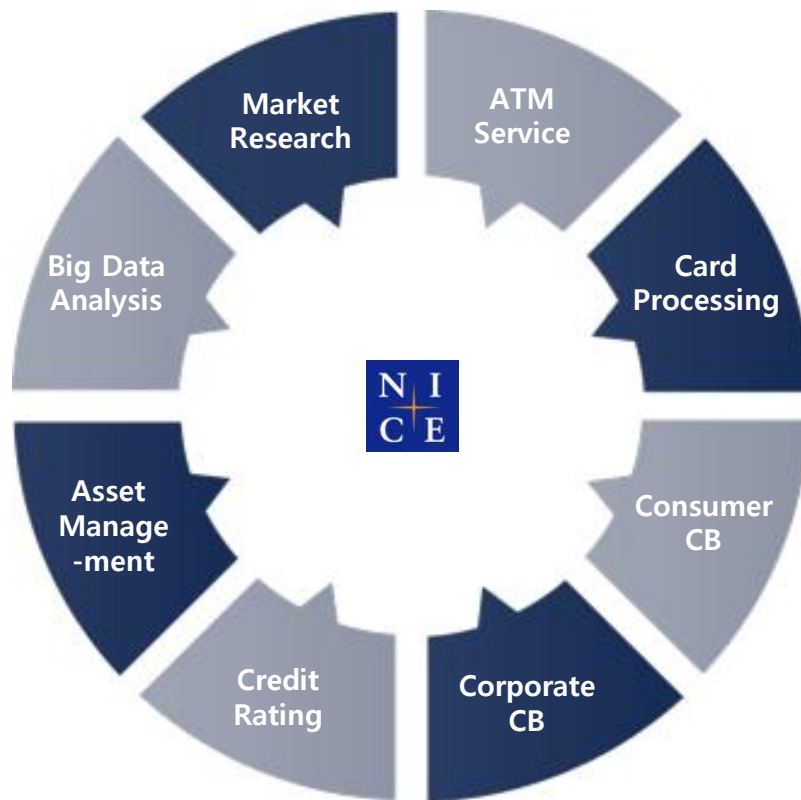


I -2. Unique Service Offering (Full-Line Service Provider)

NICE Group is,

- The only **Total Financial Infra Group** covering Data, Credit Rating, Payment and Others
- **Dominant Market Presence** in each participated business area

NICE Biz Portfolio



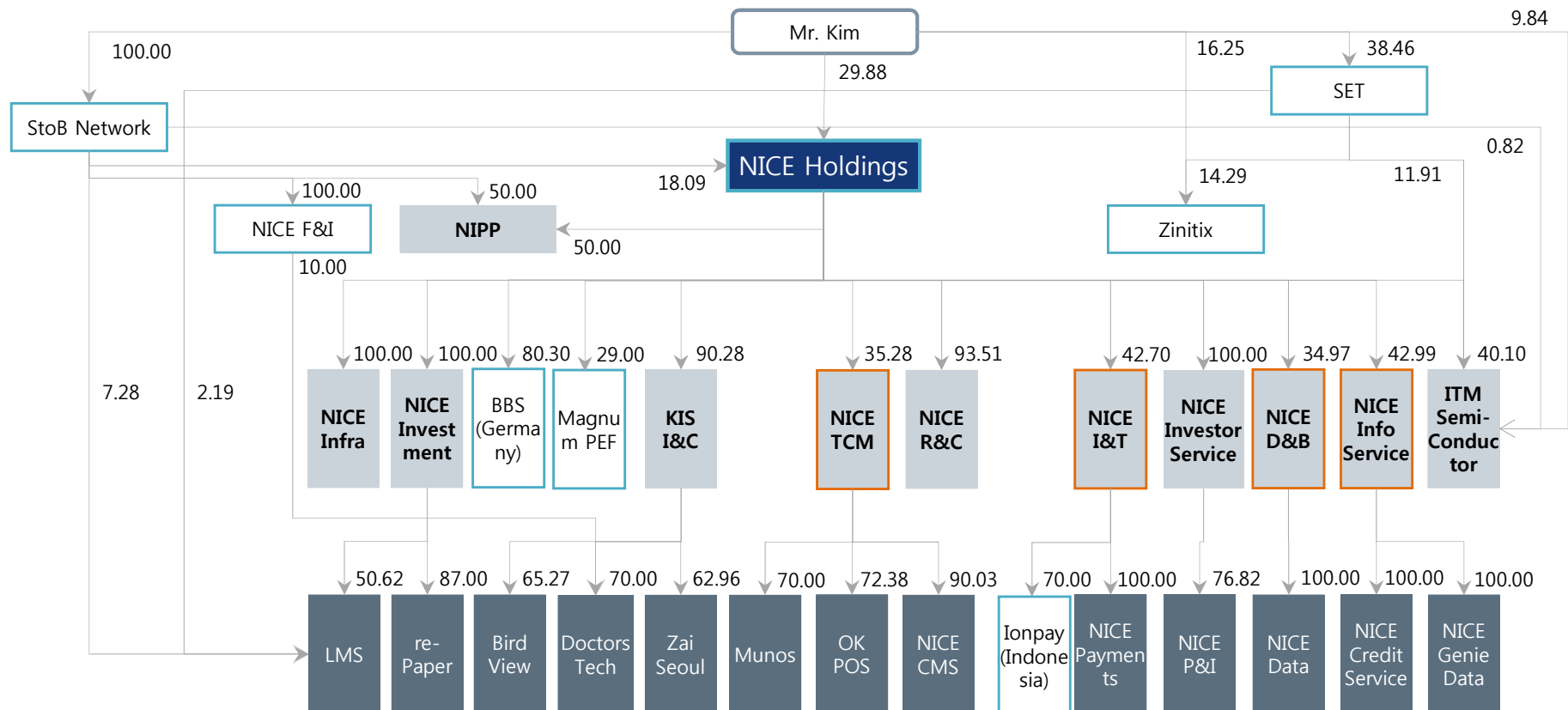
Biz - Highlight

Card Processing	Rank #1	<ul style="list-style-type: none">• M/S 31%• Manages 700,000 merchants
Consumer CB	Rank #1	<ul style="list-style-type: none">• M/S 75%,• Manages DB for 46 Mil Population
Corporate CB	Rank #1	<ul style="list-style-type: none">• M/S 53%• Manages Corporate DB for 2.6 Mil corporations
ATM Service	Rank #1	<ul style="list-style-type: none">• M/S 58%• Manages 27,000 site
Credit Rating	Rank #1	<ul style="list-style-type: none">• M/S 34%

I -3. Governance Structure

NICE Holdings owns 12 subsidiaries
as of the end of June 2018 (4 Listed/ **8 Unlisted Companies**)

Governance Map of NICE Group (As of end of June 2018)



I -4. Performance (1H of FY17 & FY18 classified by BU)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Name of Subsidiary	1H 2018			1H 2017		
		Revenue	Operating Expenses	Operating Profit	Revenue	Operating Expenses	Operating Profit
1) Credit Card VAN	NICE I&T, KIS I&C, NICE Payments	304.6	(279.3)	25.4	269.6	(242.0)	27.6
2) Corporation/Individual CB	NICE Info Service, NICE Genie Data	149.3	(125.1)	24.2	138.8	(116.9)	22.0
3) CD/ATM	NICE TCM, NICE CMS	110.4	(99.8)	10.6	78.3	(70.3)	8.0
4) Credit Rating	NICE Investors' Service	19.4	(12.9)	6.4	17.9	(12.1)	5.8
5) Collecting Service	NICE Credit Service	27.0	(25.6)	1.3	28.1	(27.1)	1.1
6) Research	NICE R&C	6.8	(8.1)	(1.3)	7.7	(9.2)	(1.5)
7) Manufacturing	LMS, BBS, OK POS, etc	129.6	(133.1)	(3.6)	107.9	(111.6)	(3.8)
8) Other	Equity method (ITM, NICE D&B, etc.), Moonos and Others	29.7	(23.4)	6.3	24.4	(21.2)	3.2
9) Discontinued Operation		-	-	-	-	-	-
10) Removal of inter-subsidiary income		(56.7)	55.9	(0.8)	(42.7)	41.1	(1.6)
Sub Total		720.1	(651.5)	68.6	630.0	(569.2)	60.8
Net Finance Income				(2.5)			(1.3)
Other Non-Operating Income				3.8			0.3
Income from Continuing Operations before taxes		720.1	(651.5)	69.9	630.0	(569.2)	59.7

I. Overview

II. Investment Points

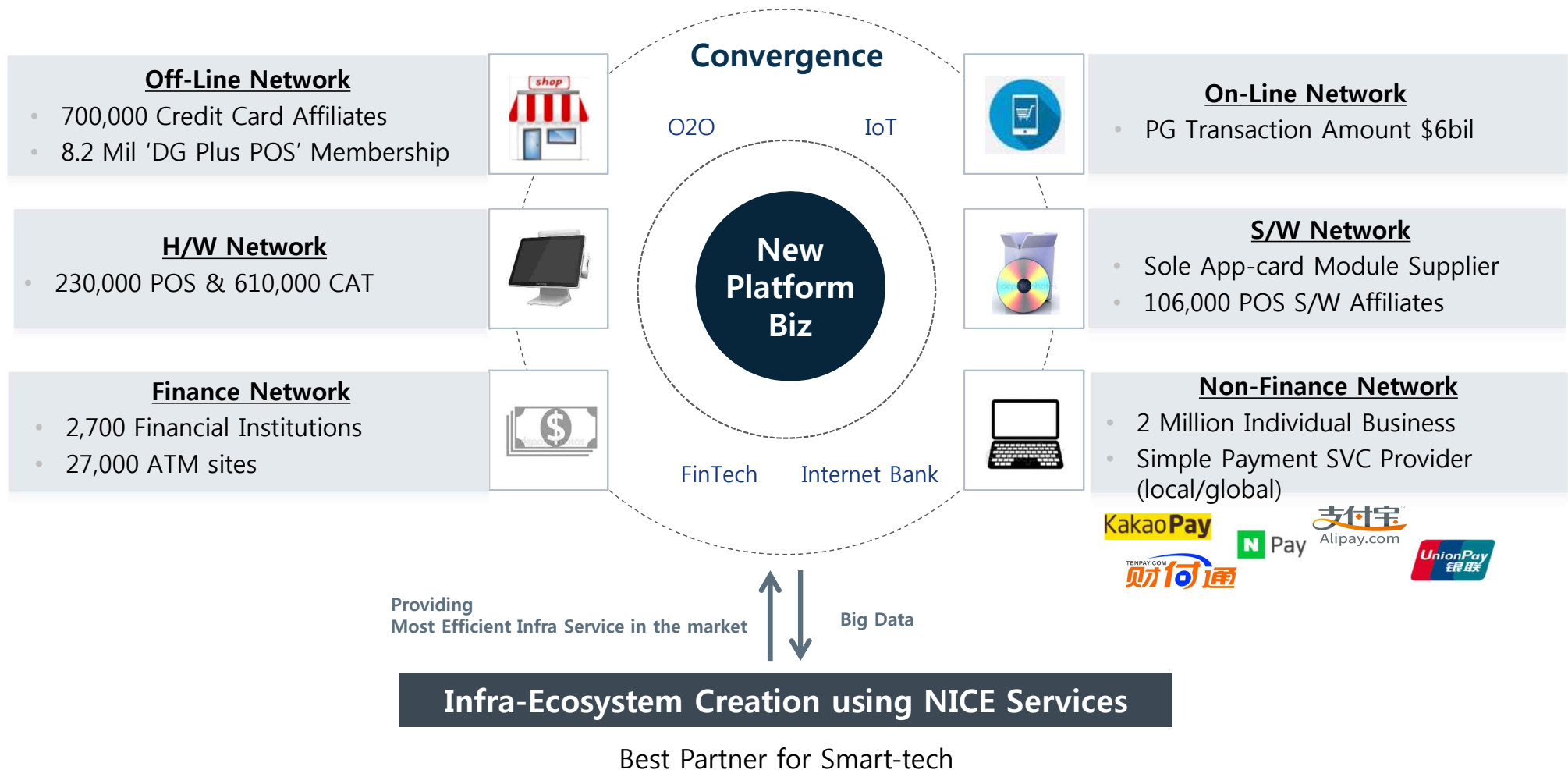
III. Differentiated Competitiveness

IV. Appendix (Subsidiaries Overview)

V. Appendix (Financial Performance)

II -1. Market Trends & New Opportunities

New Business Opportunities for Smart-Tech Biz caused by convergence of existing industries



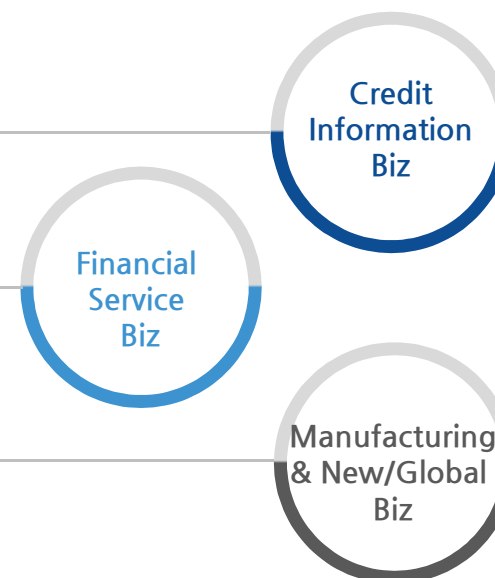
Proactive Adaptation for any changes in market environments by Optimized Business Portfolio

- **Credit Information Biz: Consumer CB, Corporate CB, Credit Rating, Bond Pricing**
 - Excellent Stability by providing **Required Service for National Economy** based on dominant market positioning
- **Financial Service Biz: Card Processing, ATM, Debt Collection, Market Research**
 - High profitability from **the Most Efficient Service** based on national-wide sales & marketing network
- **Manufacturing & New/Global Biz: POS, KIOSK, Sensor, New Material, K-Beauty**
 - Device Manufacturing for Financial Service & Parts/Materials for Smart-Tech → Pursuing **IPO**
 - Overseas Export of Credit Information & Financial Service (Vietnam & Indonesia) → **NICE Market Presence in Global Market**

01. High Stability

02. Strong Profitability

03. Robust Growth



Possibility of Business Expansion to Big Data and FinTech

accelerated by Government Policy of Deregulation on Information Utilization (March 2018)

Utilization of Big Data in Financial Sector

- Clarification of legal basis for analysis and use of Big Data
- Strengthened Market Leadership of CB (Credit Bureau) SVC provider
- Advanced Personal Credit Evaluation based on Big Data analysis

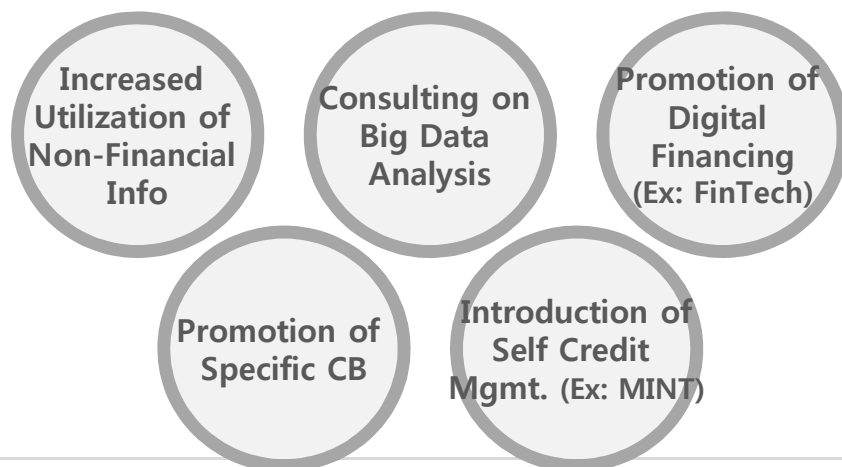
Strengthened Competitiveness of Data Biz in Financial Sector

- Vitalization of Credit Info Industry
 - Introduction of non-financial CB
- Introduction of 'My Data' Industry
 - Promotion of Collective Asset Mgmt.

Institutionalization of Self Information Flow

- Upgrade of Consent for Information Offering
 - Simplification of consent procedure
 - Phase-In Introduction of Opt-Out
- Self-Determination Right of Personal Info
 - Guarantee of interpellation and right of objection
 - Right to Data Portability of Personal Credit Info

☑ Major Impact



Government Deregulation
on Utilization of Information



Market Expansion



※ 24% of the total revenue of Experian (US) comes from marketing service and data analysis service.

Leadership in Payment Platform Biz by preoccupying Fast Growing O2O Service Provider

- **Proactive Preparation for Market Change since FY15**

- Service: Card-VAN(NICE I&T, KIS I&C*), POS(Acquisition of OKPOS*), on-line PG (Incorporation of & **NICE Payments*** , Transfer and Acquisition of Aegis), ATM(Merger of BGF FinLink)

(*) Non-Listed Company

- Device: OK POS **R&D** → SET **Manufacturing** → OK POS **Sales** (Domestic/Overseas) → NICE TCM **After Service**

- Data: POS Data Mining System constructed by NICE Information Service

- Distinguished positioning through Establishment of Efficient Full-line Service, compared by competitors

- **Market Dominance of NICE Group will stay unchanged by any market changes**

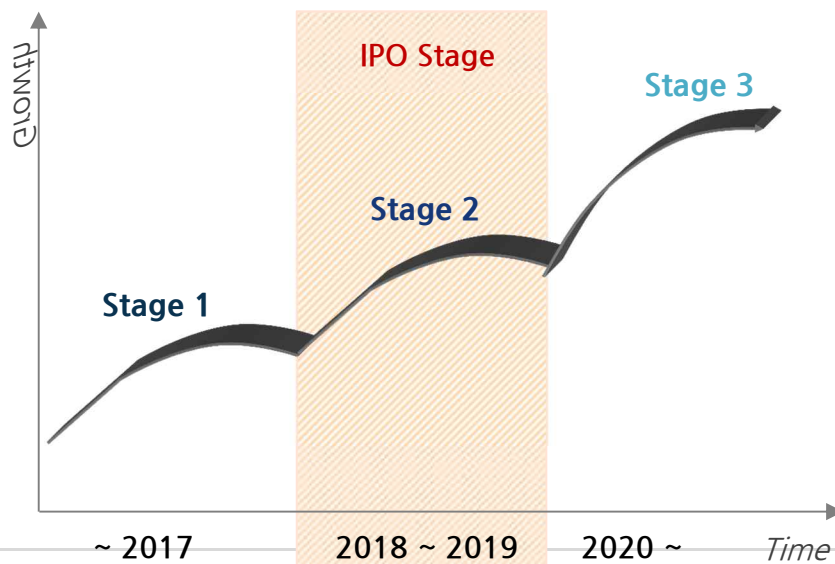
- Continuously expanding scope of business collaboration with domestic/overseas Simple Payment/O2O Platforms

☑ Affiliated Mobile Simple Payment



Composition of Business Items with Stable Profit Generation based on Differentiated Technologies → High Potential of IPO

- **Business Features: Differentiated Technologies, Market Dominance, Sustainability for Long-term Growth**
 - ITM Semiconductor (2nd Battery Protection, Global M/S #1) → **IPO in 2018 Expected**
 - BBS(Global #1 Premium Automotive Wheel) → **Delivery to Prestigious German Brands** such as Porsche & Audi, Co-work with Audi R&D Team for application of new material of LMS
 - LMS(Non-ferrous Material (Al & Mg), Internalized Alloying Technology) → **1st Vendor for EV Makers** (LG Chemical, SK Innovation, Panasonic)
 - rePAPER(Eco Friendly Coating Material – Paper Cup) → **5-year 31.3 Mil USD Supply Contract with Lecta (Spain)**, premier paper supplier
- **Main Biz Focus: Electrification, Eco-friendly, Weight-lighting, Well-being**
 - Business Portfolio Management based on Future-oriented Technology/Trend (instead of conventional business)



Stage 1

- Move Production Site to Vietnam → **Strengthened Cost Competitiveness**
- Early Investment for Business Expansion

Stage 2

- **IPO** after Market Validation for Technology
- Customer Diversification

Stage 3

- Re-investment & Expanded Business Scope
- Stable Revenue Creation

Embarked Global Business from 2011

Revenue Accomplished in 1HY of 2018: Vietnam (2.1 Mil USD) & Indonesia (2.0 Mil USD)

- **First Timer to export Service to Asian market for any financial infra service provider**
 - Proactive Market Entry to Vietnam and Indonesia with high Growth Potentials
 - Secured local customers (financial institutions, large shopping mall, etc.) by launching market-specific service based on infra service in Korea
- **Improvement of Business Performance along with Development of Local Market**

☑ Vietnam



Key Activities

- 2016.11 Incorporation of NICE Info VINA
- 2017.12 Incorporation of NICE Retail VINA
- 2018.4 Incorporation of NICE Tech Center

Key Accomplishment

- Providing Credit Score to Central Bank
- Providing Credit Evaluation Model to major Financial Institutions
- **Revenue in 1HY of 2018: 2.1 Mil USD**

☑ Indonesia



Key Activities

- 2015.7 Investment in local PG Co. (ION Pay)
- 2016.4 Launch of Korean Model of PG System
- 2017.12 Acquisition of Ion Pay (70% Share)

Key Accomplishment

- 2018 Revenue of 2 Mil USD in 1HY
- **Achieved #3 Local PG Company (as of now)**

II -7. Low Share Price compared to Asset Value

PBR as of July 2018 is 1.59, while adjusted PBR in which acquisition cost is replaced with either stock price or net asset value is 0.65

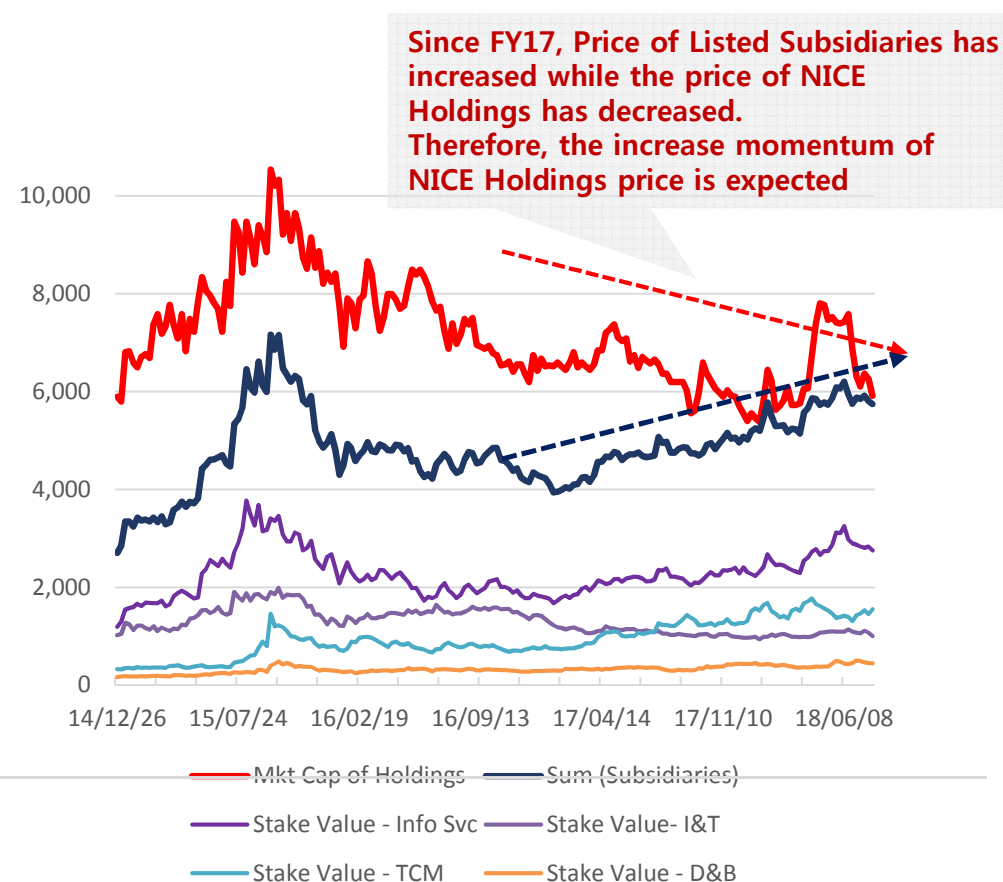
PBR adjusted with Stock Valuation Gain

(Unit: 100 Million KRW)	End of FY15	End of FY16	End of FY17	July FY18
A. Market Cap (Treasury Stock excluded)	7,713	6,241	5,195	5,910
B. Net Asset (Separate F/S)	3,110	3,251	3,256	3,715
C. Adjustment				
G/L of Valuation of Securities (Listed) (Note 1)	4,079	3,211	4,138	4,693
G/L of Valuation of Securities (Not Listed) (Note 2)	519	622	761	734
D. Adjusted Net Asset (=B+C)	7,708	7,084	8,155	9,142
E. PBR(=A/B)	2.48x	1.92x	1.60x	1.59x
F Adjusted PBR(=A/D)	1.00x	0.88x	0.64x	0.65x

(Note 1) Stock Price at Base Date – BV (Acquisition Cost)

(Note 2) Net Asset Value at Base Date – BV (Acquisition Cost)

Mkt. Cap of NICE Holdings & Stake Value of Listed Subsidiaries



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Market Dominant #1 Risk Mgmt. Solution Provider with the Best Brand & Best Recourses (Professional Workforce)

- #1 Player in the market for Credit Risk Management Solution**

- Market Share of Corporate Risk Management Solution (RMS): 88%, Market Share of Individual Credit Assessment (CSS): 90%

- Best Brand Power and Awareness & Retention of Best Recourses**

- 150 Personnel with Master's and Doctorate degrees in Financial Engineering, Statistics and IT

- Extensive Data Coverage: Credit/Identification Information of 46 Mil persons, Corporation CB Information of 2.6 Mil companies

► Financial Solutions (Corporate/Individual Risk Management Solution)

Corporate Risk Mgmt. Solution

Risk Assessment/Mgmt.,
Early Warning

Corporate Credit
Analysis/Mgmt

Consulting Service

Individual Risk Mgmt. Solution

Loan Process Solution

Credit Rating
Modeling, Strategy, SW

Interest Rate Modeling

Risk-adjusted
Marketing Strategy

DB Source of
Individual
Credit Info



Big Data
Analysis

Collecting

- Individual, Corporate CB
- Commercial Area Info, etc.

Analysis

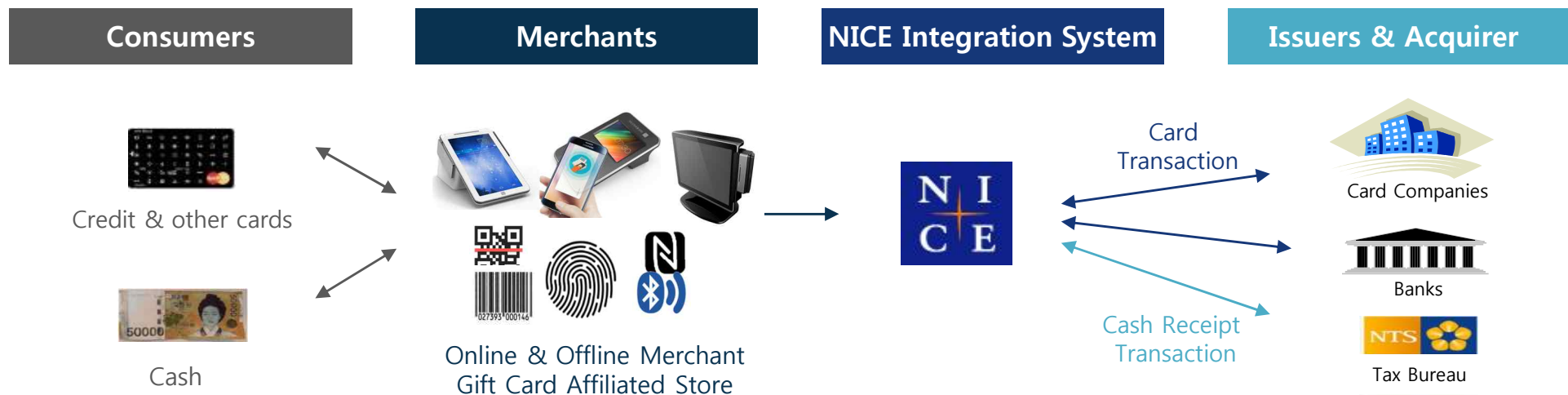
- Inter-industry Data Convergence
- Consumer Analysis, Problem Definition

Creating Added Value

- Industry-specialized Service (Public, Distribution, Finance, Credit Card, Manufacturing, etc.) → **Value-Added Service**

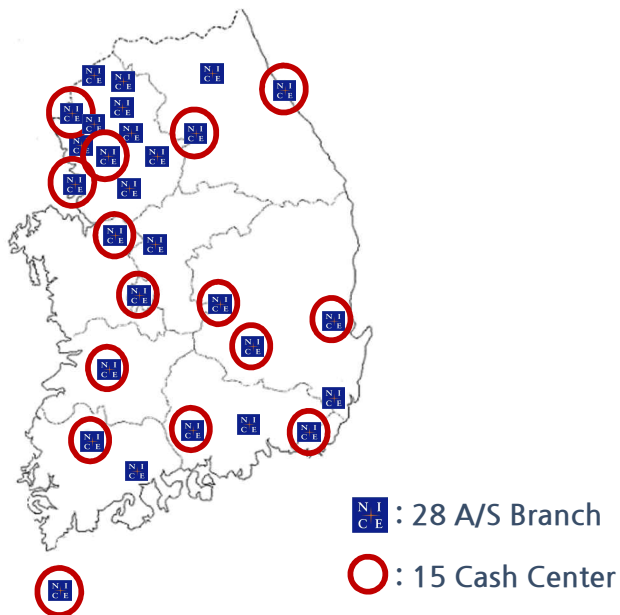
Full process & Customizable Service Offering for Omni Channel (On-Off, Mobile) Payment Solution

- **Integrated Offering of Omni-Channel (Offline, On-line & Mobile) Commerce Payment**
 - #1 Player in VAN service (offline), #4 Player in PG service (online), Mediation of app-cards of credit card companies with partnership, service offering for mobile app including Samsung Wallet (Mobile)
- **Integrated Service of Payment Process (Credit Rating → Authentication → Intermediation → Settlement)**
 - Identification Confirmation, Payment Gateway, Data Storage, Cash logistics, Call center operation, Cash receipt, Settlement, Customer management, Device supply, Integrated distribution service
- **Service & Customized Functions satisfying Needs of Affiliated Platforms**
 - Issue/Settlement/Mgmt. Service of Franchisee-specific Payment Methods such as coupon, E/Mobile Gift Card, Digital Content



Virtual Network & Organization Operation for Largest Number of Merchants (700,000) & CD VAN/ATM (27,000)

- Largest Offline VAN (Value-Added Network) Provider with 31% MS and 700,000 Merchants' Membership
- Providing Operational Mgmt. of CD VAN/ATM (27,000 Sites including CU Convenient Store, Subway and Rest Areas)
- Ownership of Virtual Network based on Financial Infrastructure (POS, Terminal, Sign Pad, ATM)
- National-wide Card VAN Sales Organization (2,000 Franchisees), Operation of CD VAN/ATM (28 Branches, 15 Cash Processing Centers, 450 Vehicles and 20,000 AS Dispatched Support per month)



On/Off-line Merchants

01. Domestic #1 Player with On/Offline Merchants

Virtual Infra Network

02. Virtual Network based on Financial Infrastructure

National Distribution Channel

03. National-wide Network of Sales/AS/Cash Logistics

I. Overview

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V. Appendix (Financial Performance)

NICE Group consists of 4 Business Divisions of Credit Info, Financial Service, Manufacturing Business and New Business with 53 Subsidiaries.



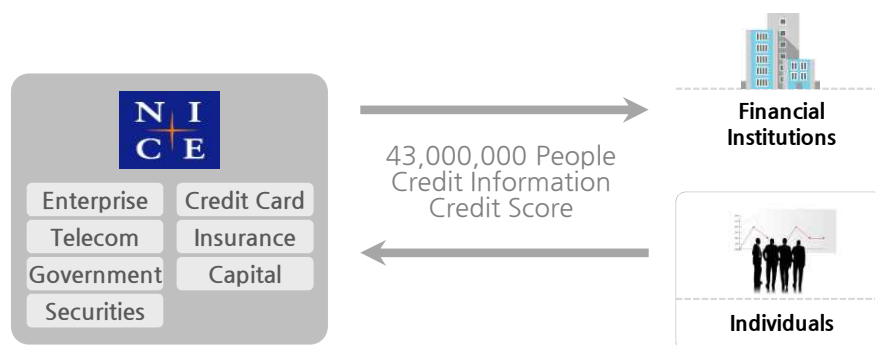
IV-1. Individual & Corporate CB (NICE Information Service)

Individual CB

Provides individual credit information (Credit Bureau) service based on **accumulated credit info DB of 46 million economically active population.**

Corporate CB

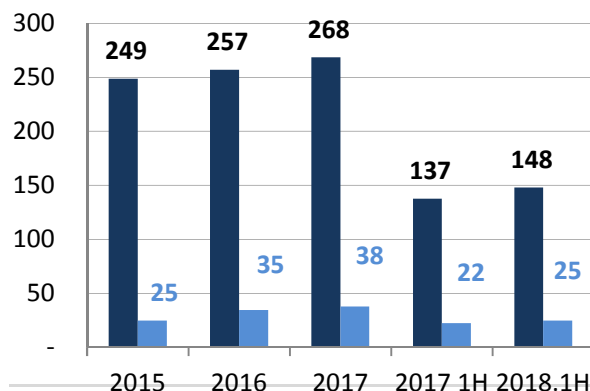
Provides corporate data through collecting corporate info (disclosure, overdue, delinquency, etc.) from **2.6 million corporations** & Vitalizes technology financing as TCB rating agent.



Revenue & Operating Profit

3yr CAGR(14~17)
Revenue: **10.8%** / OP.Margin: **23.3%**

[Unit: Mil USD]

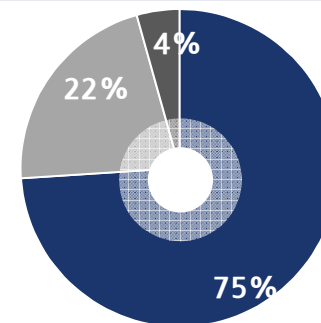


Service Offering

- NICE CB
- NICE JIKIMI
- Authentication Service
- Risk Management System
- KIS-LINE(Corp. CB)
- Info Solution Consulting
- TCB(Tech Credit Bureau)
- Corporation Rating

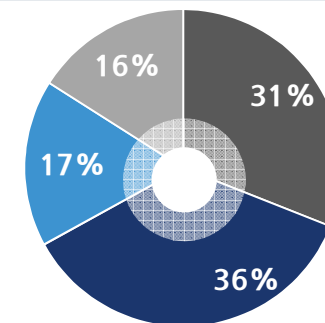
Market Share

Individual CB



■ NICE Info SVC ■ KCB ■ SCI

Corporate CB



■ KED ■ NICE Info SVC
■ NICE D&B ■ Other

IV-2. Credit Card VAN (NICE I&T, KIS I&C, NICE Payments)

NICE I&T + Payments KIS I&C

Provide electronic settlement service to around 500,000 merchants through computerized system and supporting network for various types of settlement methods such as credit cards and debit cards.



Service Offering

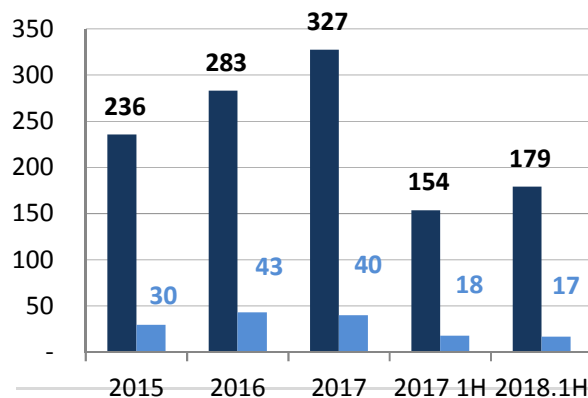
- Credit Card VAN
- Sales of POS/Terminal
- Internet Electronic Payment (NICE Payments)
- Payment Gateway(NICE I&T)
- CMS (Firm Banking) & Intermediation of Virtual Account (Payments)
- Expressway Rest Area (KIS I&C)

Revenue & Operating Profit

NICE I&T + NICE Payments

3yr CAGR(14~17)
Revenue: **17.5%** / OP.Margin: **27.4%**

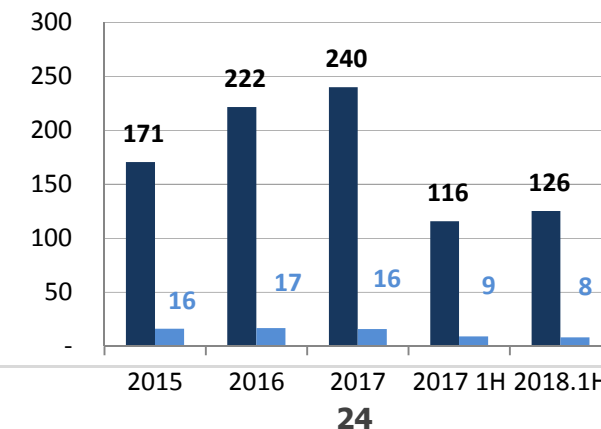
[Unit: Mil USD]



KIS I&C

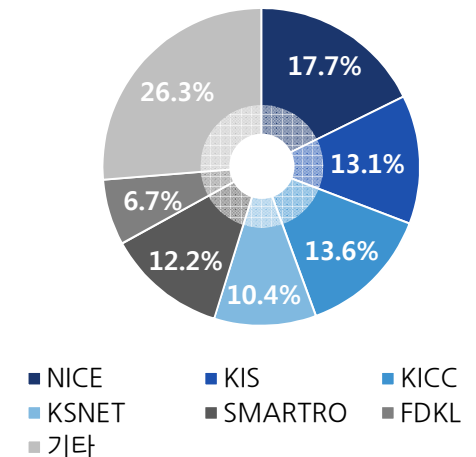
3yr CAGR(14~17)
Revenue : **16.7%** / OP.Margin : **2.3%**

[Unit: Mil USD]



Market Share (# of transactions)

✓ MS of NICE I&T & KIS I&C = 29.7%

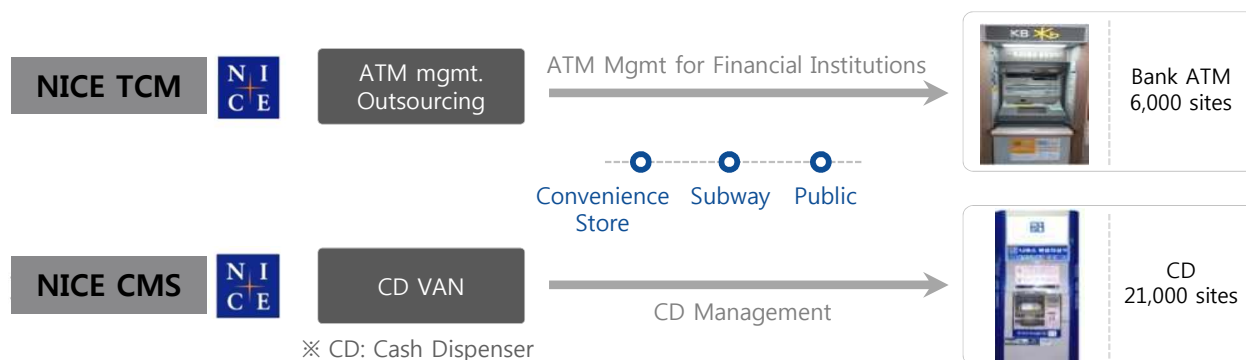


IV-3. ATM Mgmt. & CD VAN (NICE TCM, NICE CMS)

NICE TCM NICE CMS

Korea's largest total cash management service provider **operating nearly 21,000 of NICE Cash dispensers and servicing ATMs located at as many as 6,000 sites** based on nationwide service network

While maintaining dominant market position in its core business based on differentiated service competitiveness, NICE TCM will actively foster future growth drivers such as **automated parking lot business**



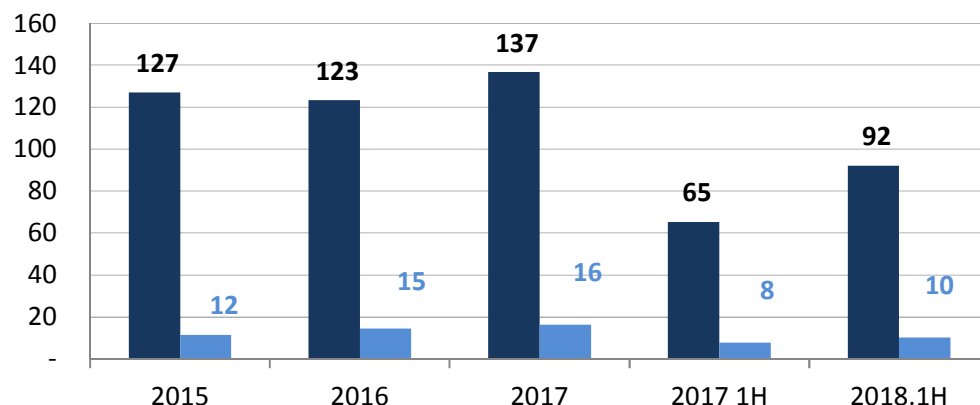
Service Offering

- CD VAN Operation
- ATM Mgmt
- Cash Logistics
- Membership Network
- Automated Parking Lot

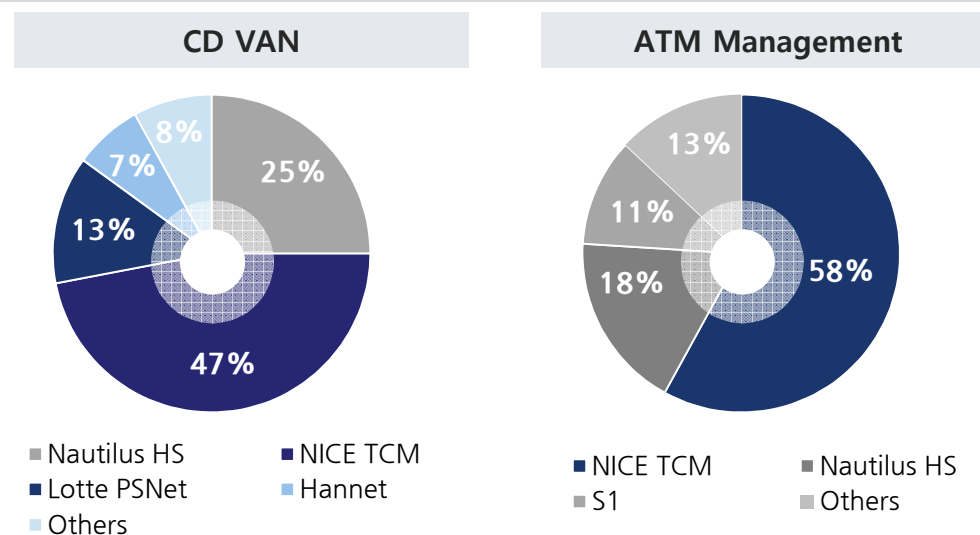
Revenue & Operating Profit

[Unit: Mil USD]

3yr CAGR(14~17)
Revenue: **3.1%** / OP.Margin: **27.4%**



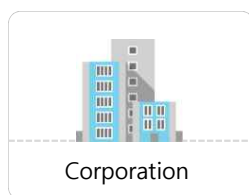
Market Share



IV-4. Credit Rating (NICE Investors Service)

NICE Investors Service

As the only indigenous credit rating agency with expertise and credibility in Korea, NICE Investors Service conducts credit rating and corporate credit rating on companies and securities.



- Financing



- Investment Risk Minimization
- Cost Saving for Investment Decision Making

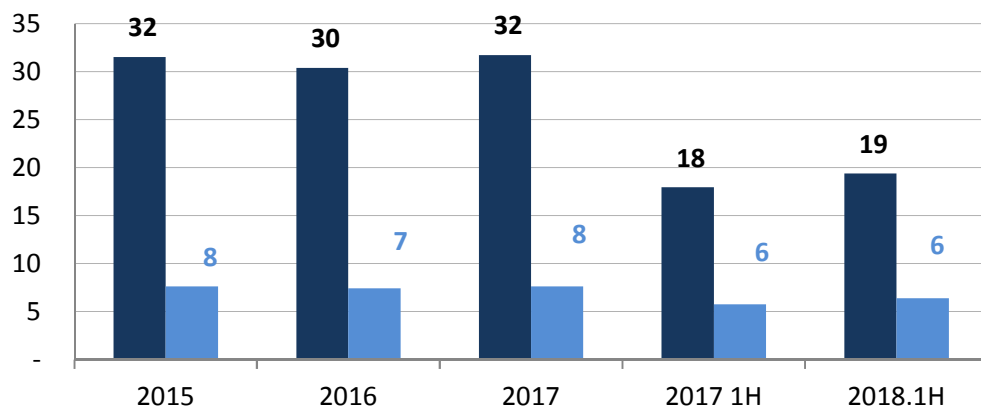
Service Offering

- Financial Securities (bond, note, E-debenture, ABS, etc.) Credit Rating
- Real Estate Feasibility Evaluation
- IFSR Rating
- Guarantor Rating
- Sovereign Rating

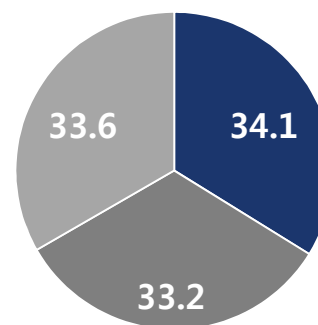
Revenue & Operating Profit

[Unit: Mil USD]

3yr CAGR(14~17)
Revenue: 4.7% / OP.Margin: 11.3%



Market Share



- NICE Investors Service
- KIS Rating
- Korea Rating

Major Shareholder Information

NICE Investor's Service	NICE Holdings (100%)
KIS Rating	Moody's (100%)
Korea Rating (Listed)	Pitch (74%)

IV-5. Collection Service(NICE Credit Service)

NICE Credit Service

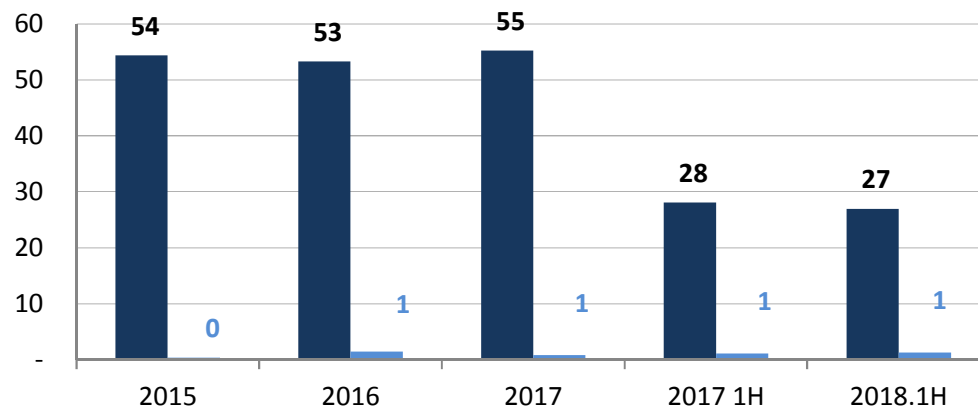
Participates in efficient and systematic collection service based on 20+ years experience and in-house receivables management system for optimized receivable and wealth management.



Revenue & Operating Profit v

[Unit: Mil USD]

3yr CAGR(14~17)
Revenue: **2.6%** / OP.Margin: **△7.0%**

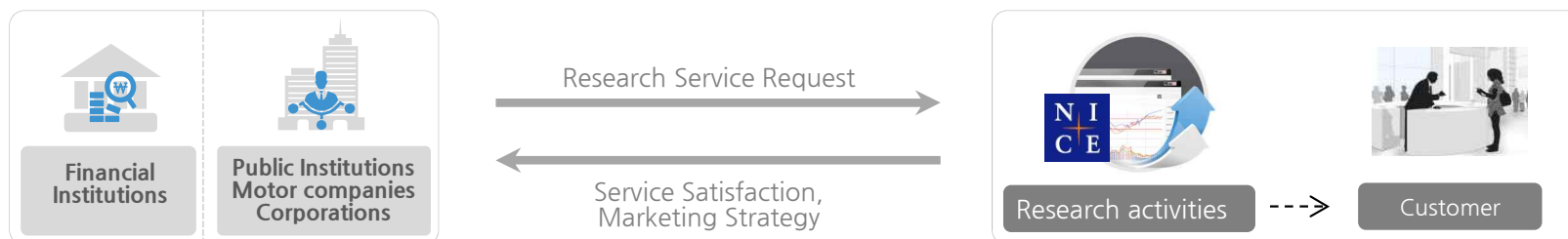


Service Offering

- Telecommunication Receivables Mgmt.
- Financial Receivables Mgmt.
- Corporate (Trading) Receivable Mgmt.
- Customer Center (Call Center)
Consigned Mgmt.
- Wealth Mgmt.

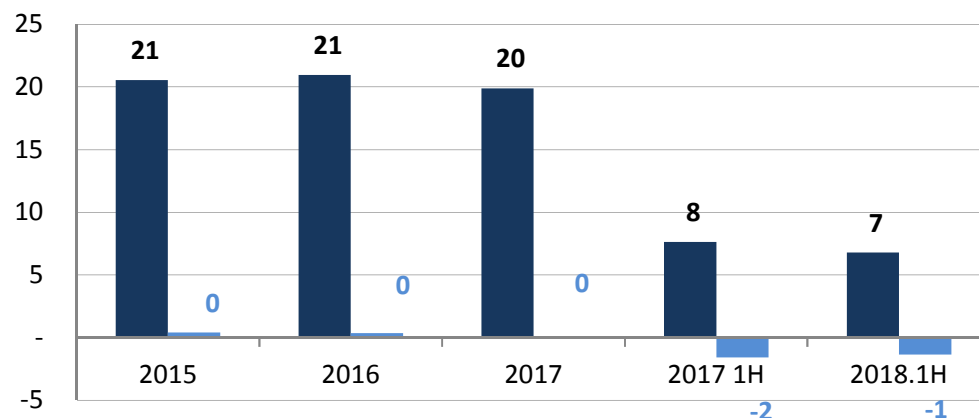
NICE R&C

Provides various information of marketing, industry and public opinion to domestic/global customers including corporations, financial institutions and public institutions through accurate planning and analysis.



Revenue & Operating Profit v

[Unit: Mil USD]



Service Offering

- Customer Satisfaction Survey
- Service Monitoring
- General/Financing Marketing Survey
- Advertisement Effects Analysis
- Public Opinion Poll
- Call Center Service Quality Survey
- Consumer Awareness Survey
- Automotive Competitive Show Survey

IV-7. Overview of Manufacturing Division

Manufacturing Division manages Future-Oriented Business Portfolio including ITM Semiconductor, LMS, BBS GmbH and rePAPER.

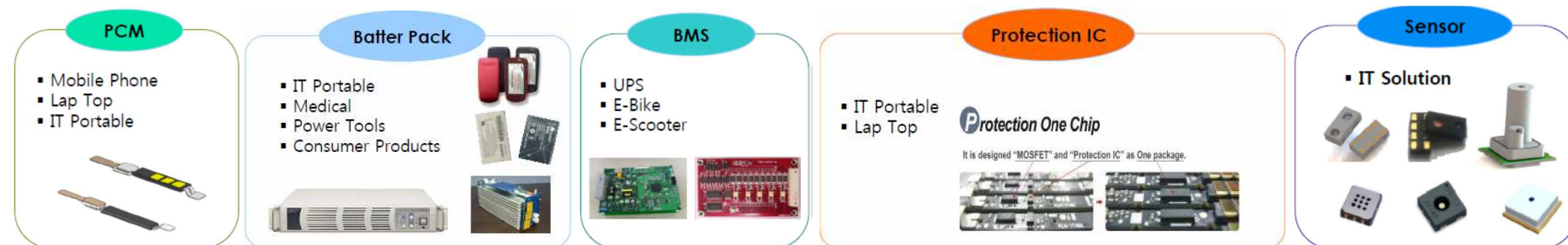
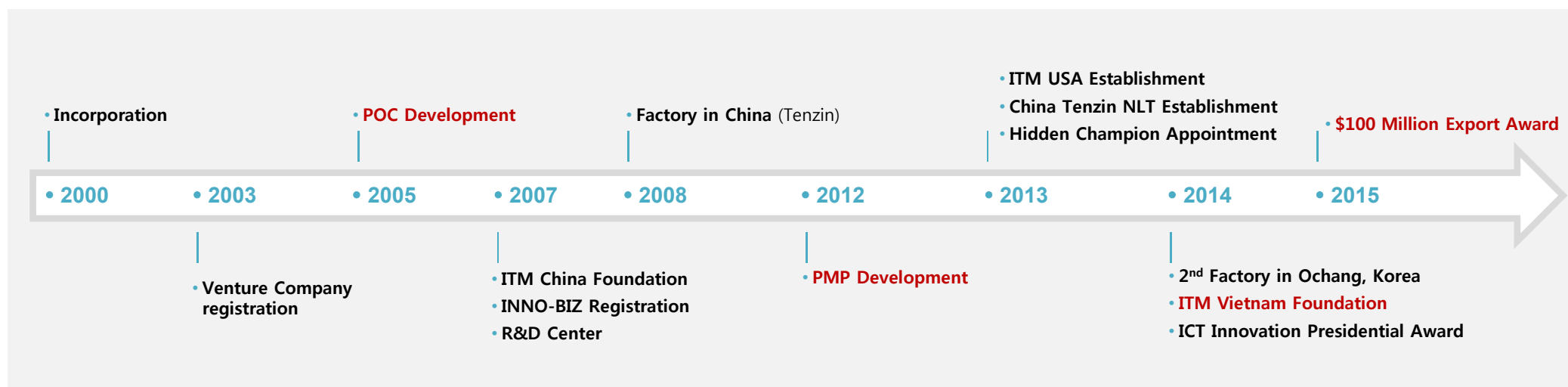
- **Differentiated Technologies, Market Dominance, Sustainability for Long-term Growth**
 - ITM Semiconductor (2nd Battery Protection, Global M/S 1위), BBS(Global #1 Premium Wheel), LMS(Non-ferrous Material (Al & Mg), Internalized Alloying Technology), rePAPER(Eco Friendly Coating Material – Paper Cup)
- **Electrification, Eco-friendly, Weight-lighting, Well-being**
 - Business Portfolio Management based on Future-oriented Technology/Trend (instead of conventional business)
 - Consist of Business Resistant to variability of market environments and easy for horizontal expansion



IV-8. Manufacturing (ITM Semiconductor)

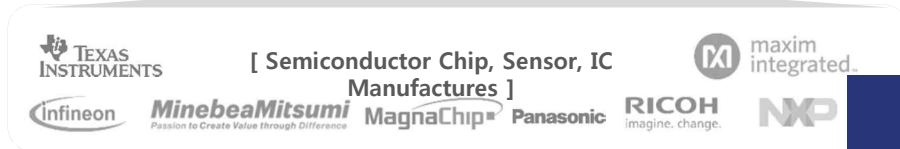
ITM Semiconductor

- Established in 2000, ITM is Global #1 player in ICT protection circuit for secondary battery based on patent-protected packaging technologies manufacturing protection semiconductor for controlling charge/discharge of secondary battery
- Has completed [innovative PMP development](#), compared with existing POC product and started to increase delivery amount to a major domestic customer from 2014 (S company).
- New business opportunities from 2018 include [various sensor chip products and subminiature NFC antenna products](#) preparing for promising business of IoT.



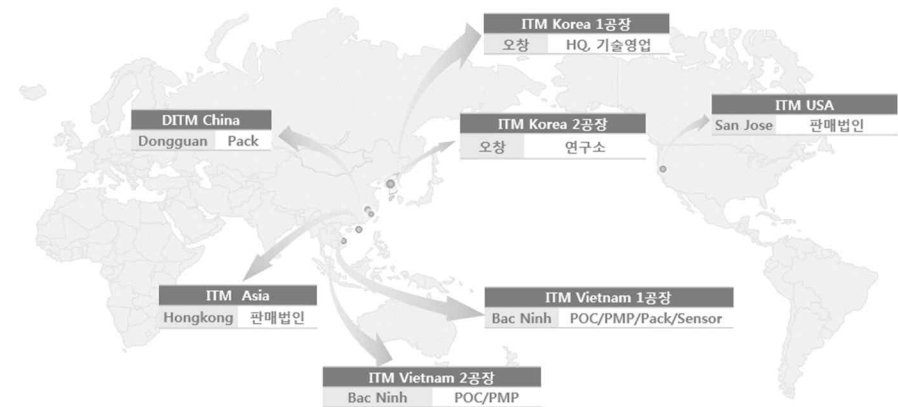
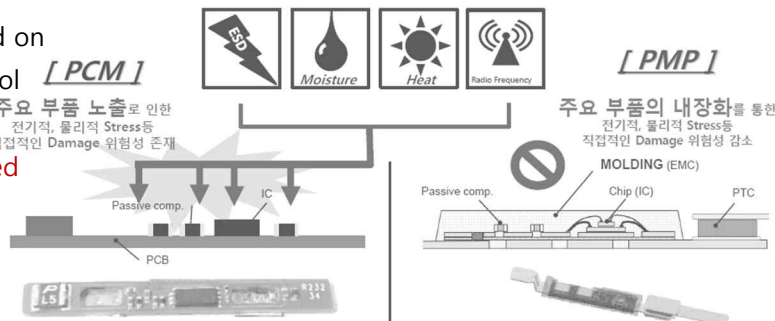


➔ SCM Positioning specialized in semiconductor packaging



ITM Semiconductor

- Extremely Low Electric Resistance (Boosting Charge), Low Cost(NTF Tech), Molding Know-how ➔ **Source Technologies & R&D Capabilities in Application (Registered Patents: 160, Applied Patents: 96, PCT 25)**
- Mass Production Expertise and management of FAE team based on Thorough Process/Quality Control
- ➔ **Comparative Advantages in Productivity, Marketing compared with competitors**



HQ, R&D Center, Sales + Production Sites in China and Vietnam + Sales Corporation in USA and Hong Kong

➔ **Site Allocation for optimized process of development, manufacturing and sales**

Device	중전 PCM	PMP (Molding PCM)	Size 감소
Mobile	 ≈ 50 mm ※ Thickness 1.80 (t) mm	 26 mm ※ Thickness 1.00 (t) mm	- 48% 축소
Tablet PC	 ≈ 56 mm ※ Thickness 1.80 (t) mm	 24 mm ※ Thickness 1.40 (t) mm	- 57% 축소
Blue-Tooth	 ≈ 16 mm ※ Thickness 1.40 (t) mm	 7.2 mm ※ Thickness 1.00 (t) mm	- 55% 축소

LMS

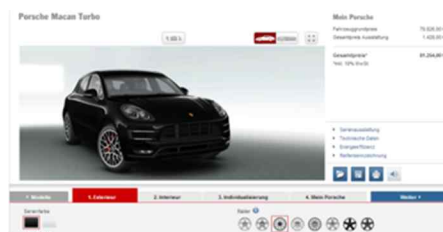
- LMS (former Bowon Light Metal & IONE) currently mass-produces automotive structural parts such as automobile bumpers through casting and extrusion of aluminum alloy.
- Completion of Plant in Vietnam in 2HY of 2018 → monthly capacity increased up to 1,000 ton





Classification	Extrusion Factory	Casting Factory	Mg Factory	Vietnam Plant
Established	June 1975	May 2013	October 2010	August 2017
Employees	Production (48), Admin(39), R&D (10) → 97 Employees	Production (18), Admin (4) → 22 Employees	Production (12), Admin (4) → 16 Employees	120 Employees (Completed in July 2018)
CAPA	Aluminum Extrusion 500 ton/month 6,000 ton/year	Aluminum Billet 1,500 ton/month 18,000 ton/year	Magnesium Alloy 500 ton/month 6,000 ton/year	Aluminum Extrusion/Processing 1,000 ton/month 12,000 ton/year
Equipment	Indirect Extrusion (2,200Ton, 9") Direct Extrusion (2,500Ton, 7") Heat Treatment 3, Strecher	Furnace(10Ton, 2pc) Homogenizer Furnace (2 pc) Billet Casting (Wagstaff)	Mg Alloying Equipment (600Kg 4 pc, Rauch)	Extrusion (2,200Ton, 7") Extrusion (4,400Ton, 10") Drawing Machine, Anodizing Line

BBS GmbH

- Established in 1970 in Germany
- Manufacturing high-performance light-weighted alloy wheel for premium vehicles
- Acquired by NICE in July 2015 based on Strategy of Synergy Creation with Light Metal Business with LMS



Segment	Original Equipment Manufacturer (OEM)	After Market (AM)
Summary	<ul style="list-style-type: none"> Non-branded high-performance light alloy wheels for German and international premium OEMs 	<ul style="list-style-type: none"> Branded light alloy wheels with various high-grade surface finishing in different performance variances
Business Model	<ul style="list-style-type: none"> Project business, individual R&D driven projects 	<ul style="list-style-type: none"> Catalogue business, country/distributor specific variants
Manufacturing Type	<ul style="list-style-type: none"> EDI based series supply 	<ul style="list-style-type: none"> Multi-channel distribution (tire wholesalers, car dealers, online shops, etc.)
Heat Treatment	<ul style="list-style-type: none"> 3-layer paint coating Diamond-cut Ceramic polishing 	<ul style="list-style-type: none"> 3-layer paint coating Diamond-cut
Capacity Growth CAGR (2014-2018)	460,000  857,000	90,000  120,000
Sales FY17A (% of revenue)	€ 75.2m (80.6%)	€ 18.1m (19.4%)

Other Business

- ITM Semiconductor (share: 40.1%) and NICE D&B (share: 35.0%) are not classified as subsidiaries for consolidation according to K-IFRS. Therefore, gains/loss from equity method from those companies are accounted as operating revenue.
- Small-sized BUs including NICE P&I and others are classified as other business.

Gain/Loss from Equity Method



- ITM Semiconductor
- NICE D&B
- NIPP
- Dongbu Real Estate Investment Trusts
- Whoopersoft

Bond Pricing (NICE P&I)



- Bond Pricing Information
- Rating for non-listed company
- NPL/Derivatives / Collateralized Loan Rating
- Financial Solution Implementation

Real Estate Lease (NICE Infra)



- Real Estate Lease
- Canteen Operation

I. Overview

II. Investment Points

III. Differentiated Competitiveness

IV. Appendix (Subsidiaries Overview)

V. Appendix (Financial Performance)

V-1. Statement of Financial Position

• Statement of Financial Position (as of end of June 2018)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Consolidated	Separate
Current Asset	970.4	14.7
Non Current Asset	693.9	369.2
Total Asset	1,664.3	383.9
Current Liabilities	680.8	53.1
Non Current Liabilities	130.4	1.0
Total Liabilities	811.3	54.1
Issued Capital	16.9	16.9
Other Contributed Equity	201.3	186.1
Elements of Other Stockholders' Equity	2.8	- 0.2
Retained Earning	342.3	127.1
Non-Controlling Interests	289.7	-
Total Shareholders' Equity	853.0	329.8
Total Liabilities & Shareholders' Equity	1,664.3	383.9

•Consolidated Subsidiaries(30companies):

NICE Info Service, NICE TCM, NICE I&T, NICE Investors' Service, NICE R&C, KIS I&C, NICE P&I, NICE Data, NICE Investment, NICE Credit Service, NICE CMS, NICE Infra, LMS,BBS GmbH, BBS of America, Zai Seoul, Doctorstech,OK POS, Re-Paper, NICE Zenie data, Birdview, Munos, NICE Payments, NICE VINA, etc

•Associates accounted with equity method : NICE D&B, NIPP, Dong-Bu 11th Private Equity Fund , ITM Semiconductor, etc

• Financial Structure (as of end of June 2018)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Account	Consolidated	Separate
Cashable Assets	Cash and cash equivalents, Short-Term Fin. Instrument	468.8	10.6
Account Receivable & Other Current Receivables	Account Receivable, Other Current Receivables	328.7	3.3
PPE & Investment Real Estate	Land, Building	114.4	12.7
	Machinery	154.2	3.7
Securities Issued by Affiliated Companies	Securities Issued by Affiliated Companies	77.6	327.4
Other Assets	Other Current/Non-Current Assets	520.6	26.3
Total Assets		1,664.3	384.0
Borrowing	L/T & S/T Borrowing, Financial Lease Liabilities	373.5	47.8
Other Liabilities	Other Liabilities	437.9	6.3
Total Liabilities		811.3	54.1
Total Equity		852.9	329.9
Debt Ratio		95.1%	16.4%

V-3. Comprehensive Income Statement (1H 2017 & 1H 2018)

• Summarized Comprehensive Income Statement (1H 2018 & 1H 2017)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Consolidated			Separate		
	18.1H	17.1H	Change	18.1H	17.1H	Change
I. Gross Profit Revenue	720.1	629.8	90.3	23.5	20.8	2.7
1. Revenue from rendering services	546.2	479.1	67.1	7.7	8.1	(0.4)
2. Valuation Gain/Loss by Equity Method	5.1	3.1	2.0	0.0	0.0	0.0
3. Revenue from Dividend	0.0	0.0	0.0	15.8	12.7	3.1
4. Revenue from Sales of Goods	168.8	147.6	21.3	0.0	0.0	0.0
II. Operating Expenses	(651.7)	(569.2)	(82.5)	(7.6)	(8.4)	0.8
III. Operating Income(Loss)	68.4	60.6	7.8	15.9	12.4	3.5
IV. Financial Income(Loss)	(2.5)	(1.3)	(1.2)	(0.5)	(0.5)	0.0
V. Non-Operating Income(Loss)	3.8	0.3	3.6	(2.4)	(0.1)	(2.3)
VI. Income Tax Expenses	(21.2)	(16.1)	(5.1)	0.1	0.2	(0.1)
VII. Profit(Loss) from continuing operation	48.6	43.5	5.1	13.0	12.0	1.1
VIII. Profit(Loss) from discontinued operation	0.0	0.0	0.0	0.0	0.0	0.0
IX. Profit (Loss) (VII+VIII)	48.6	43.5	5.1	13.0	12.0	1.1
(Profit/Loss attributed to owners of parents)	28.9	24.6	4.4	13.0	12.0	1.1
v Earning per Share (USD)	0.8	0.7	0.1	0.4	0.3	0.0

V-4. Comprehensive Income Statement (2016 & 2017)

• Summarized Comprehensive Income Statement (2017 & 2016)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Consolidated			Separate		
	2017	2016	Change	2017	2016	Change
I. Gross Profit Revenue	1,294.7	1,202.2	92.6	33.4	30.1	3.4
1. Revenue from rendering services	991.7	900.9	90.8	16.8	15.0	1.8
2. Valuation Gain/Loss by Equity Method	3.6	(4.9)	8.5	0.0	0.0	0.0
3. Revenue from Dividend	0.0	0.0	(0.0)	16.7	15.1	1.6
4. Revenue from Sales of Goods	299.4	306.1	(6.7)	0.0	0.0	0.0
II. Operating Expenses	(1,185.2)	(1,088.8)	(96.4)	(17.1)	(16.4)	(0.7)
III. Operating Income(Loss)	109.5	113.3	(3.9)	16.3	13.7	2.6
IV. Financial Income(Loss)	(3.5)	(2.9)	(0.6)	(1.1)	(1.0)	(0.1)
V. Non-Operating Income(Loss)	5.1	(3.0)	8.1	(11.2)	0.6	(11.8)
VI. Income Tax Expenses	(28.3)	(26.4)	(1.9)	0.5	3.1	(2.5)
VII. Profit(Loss) from continuing operation	82.8	81.1	1.8	4.6	16.4	(11.8)
VIII. Profit(Loss) from discontinued operation	0.0	0.0	0.0	0.0	0.0	0.0
IX. Profit (Loss) (VII+VIII)	82.8	81.1	1.8	4.6	16.4	(11.8)
(Profit/Loss attributed to owners of parents)	44.0	46.6	(2.7)	4.6	16.4	(11.8)
v Earning per Share (USD)	1.2	1.3	(0.1)	0.1	0.5	(0.3)

V-5. Business Performance (2016 & 2017, Classified by Business Divisions)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)	Name of Subsidiary	2017			2016		
		Revenue	Operating Expenses	Operating Profit	Revenue	Operating Expenses	Operating Profit
1) Credit Card VAN	NICE I&T, KIS I&C, NICE Payments	567.3	(511.2)	56.0	504.7	(444.5)	60.2
2) Corporation/Individual CB	NICE Info Service	271.7	(234.4)	37.2	259.1	(225.6)	33.5
3) CD/ATM	NICE TCM, NICE CMS	173.0	(154.8)	18.3	146.8	(132.2)	14.7
4) Credit Rating	NICE Investors' Service	31.7	(24.1)	7.6	30.4	(22.9)	7.4
5) Collecting Service	NICE Credit Service	55.2	(54.4)	0.8	53.3	(51.8)	1.5
6) Research	NICE R&C	19.9	(19.8)	0.1	21.0	(20.6)	0.3
7) Manufacturing	LMS, BBS, etc	212.1	(223.3)	(11.3)	241.6	(237.7)	3.9
8) Other	Equity method (ITM, NICE D&B, etc), NICE Infra, etc,	48.2	(43.6)	4.6	33.4	(39.5)	(6.1)
9) Discontinued Operation		0.0	0.0	0.0	0.0	0.0	0.0
10) Removal of inter-subsidiary income		(84.4)	80.4	(4.0)	(88.1)	86.1	(2.1)
Sub Total		1,294.7	(1,185.2)	109.5	1,202.2	(1,088.8)	113.3
Net Finance Income		0.0	0.0	(3.5)	0.0	0.0	(2.9)
Other Non-Operating Income		0.0	0.0	5.1	0.0	0.0	(3.0)
Income from Continuing Operations before Taxes		1,294.7	(1,185.2)	111.1	1,202.2	(1,088.8)	107.4

V-6. Profit/Loss of Major Subsidiaries

• Profit/Loss of Major Subsidiaries (1H of 2018)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)		Share of NICE Holdings	Revenue	Operating Profit(Loss)	Profit/Loss	Other Comprehensive Income	Comprehensive Income
Consolidated	NICE Info Service	43.0%	147.9	24.7	18.9	0.0	19.0
	NICE I&T	42.7%	107.4	16.3	16.1	(0.0)	16.1
	KIS I&C	90.3%	125.6	8.3	7.7	0.0	7.7
	NICE TCM	35.3%	92.0	10.2	4.1	(0.2)	4.0
	NICE Investor's Service	100.0%	19.4	6.4	5.1	0.0	5.1
	NICE R&C	93.5%	6.8	(1.4)	(1.3)	0.0	(1.3)
	NICE Investment	100.0%	0.0	(0.0)	(0.0)	0.0	(0.0)
	BBS GmbH	80.3%	58.2	(4.6)	(7.3)	0.3	(7.1)
	NICE Infra	100.0%	4.1	0.4	0.8	(0.0)	0.8
Non-Consolidated	ITM Semiconductor	40.1%	85.0	9.6	8.6	(0.6)	8.0
	NICE D&B	35.0%	26.7	7.9	6.7	(0.1)	6.6
	NIPP	50.0%	0.1	0.1	0.1	0.0	0.1

(*) Figures in the table are net of adjustment of different accounting policies from a controlling company and inter-company transaction has not been offset.
Business performances of NICE Info Service and NICE TCM are based on separate financial statements.

V -7. Profit/Loss of Major Subsidiaries

• Profit/Loss of Major Subsidiaries (2017)

Exchange Rate: KRW1,120/US\$1

(Unit: Million USD)		Share of NICE Holdings	Revenue	Operating Profit(Loss)	Profit/Loss	Other Comprehensive Income	Comprehensive Income
Consolidated	NICE Info Service	43.0%	268.5	37.8	26.9	0.4	27.3
	NICE I&T	42.7%	217.3	38.9	43.5	0.0	43.5
	KIS I&C	90.3%	240.2	16.2	11.8	(0.2)	11.6
	NICE TCM	47.0%	136.7	16.3	13.3	(0.6)	12.6
	NICE Investor's Service	100.0%	31.7	7.6	6.1	0.0	6.1
	NICE R&C	93.5%	19.9	0.1	0.1	0.1	0.2
	NICE Investment	100.0%	0.0	(0.0)	(0.7)	0.0	(0.7)
	BBS GmbH	80.3%	106.5	(11.7)	(17.5)	(0.5)	(18.1)
	NICE Infra	100.0%	7.9	0.9	8.2	(0.1)	8.1
Non-Consolidated	ITM Semiconductor	40.1%	176.0	20.9	6.0	1.8	7.8
	NICE D&B	35.0%	37.8	7.5	4.5	1.0	5.5
	NIPP	50.0%	0.3	(0.0)	(0.1)	0.0	(0.1)

(*) Figures in the table are net of adjustment of different accounting policies from a controlling company and inter-company transaction has not been offset.
Business performances of NICE Info Service and NICE TCM are based on separate financial statements.

