

Preliminary

Summary of Consolidated Financial Statements of Fiscal 2021 (12 Months Ended March 31, 2022 (IFRS Basis))

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
 Code Number: 6988 URL <https://www.nitto.com/>
 Company Representative: Hideo Takasaki, President
 Contact Person: Yasuhiro Iseyama, Executive Vice President, Director of Corporate Accounting & Finance Division
 Phone: +81-6-7632-2101

Date of the general shareholders' meeting: June 17, 2022
 Estimated starting date of dividend paying: June 20, 2022
 Filing date of financial statements: June 17, 2022
 Preparation of supplementary explanatory materials: Yes
 Holding of quarterly earnings release conference: Yes (for investment analysts and institutional investors)

(All monetary values noted herein are rounded down to the nearest million yen)

1. Consolidated financial results of Fiscal 2021 (April 1, 2021 through March 31, 2022)

(1) Operating results (% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2021	853,448	12.1	132,260	41.0	132,378	41.9	97,234	38.3	97,132	38.3	136,323	51.8
Fiscal 2020	761,321	2.7	93,809	34.5	93,320	35.2	70,308	48.9	70,235	48.9	89,796	154.0

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent company	Net income to total assets	Operating income to revenue
	Yen	Yen	%	%	%
Fiscal 2021	656.31	656.00	12.6	12.8	15.5
Fiscal 2020	472.71	472.39	10.0	9.9	12.3

(Reference) Equity in earnings of affiliates: (Fiscal 2021) 42 million yen (Fiscal 2020) 25 million yen

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets	Equity attributable to owners of the parent company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	1,094,469	822,105	821,192	75.0	5,548.09
March 31, 2021	965,901	716,686	715,868	74.1	4,838.07

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2021	144,489	-57,594	-36,639	362,046
Fiscal 2020	116,309	-57,538	-68,297	300,888

2. Dividends

	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to equity attributable to owners of the parent company (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March, 2021	-	100.00	-	100.00	200.00	29,593	42.3	4.3
March, 2022	-	110.00	-	110.00	220.00	32,561	33.5	4.2
(Forecast) March, 2023	-	120.00	-	120.00	240.00		35.5	

3. Forecast of Fiscal 2022 (April 1, 2022 through March 31, 2023)

(% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	440,000	3.3	75,000	3.0	75,000	3.2	53,000	1.6	53,000	1.7	358.08
Annual	880,000	3.1	140,000	5.9	140,000	5.8	100,000	2.8	100,000	3.0	675.61

- Others

(1) Changes in significant subsidiaries during this fiscal year: No

(2) Changes in accounting policies applied and changes in accounting estimates

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies other than the above: No
3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)

March, 2022: 149,758,428	March, 2021: 149,758,428
--------------------------	--------------------------
2. Number of treasury stock at the end of the period

March, 2022: 1,744,778	March, 2021: 1,792,681
------------------------	------------------------
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

Fiscal 2021: 147,996,116	Fiscal 2020: 148,580,010
--------------------------	--------------------------

(Reference) Non-consolidated financial results of Fiscal 2021 (April 1, 2021 through March 31, 2022)

(1) Operating results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2021	517,458	7.5	67,868	30.7	85,963	23.6	65,815	26.9
Fiscal 2020	481,473	2.3	51,919	22.4	69,522	17.1	51,855	12.5

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Fiscal 2021	444.71	444.50
Fiscal 2020	349.01	348.77

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	729,581	487,646	66.8	3,292.16
March 31, 2021	681,499	454,160	66.6	3,066.03

(Reference) Shareholders' equity: (March 31, 2022) 487,285 million yen (March 31, 2021) 453,667 million yen

- This summary is not subject to audit procedures by Certified Public Accountants or audit firm.
- Explanations for adequate utilization of the forecast and other special matters

The forward-looking statements shown in this report, including the forecast, are prepared based on information available to the Company and on certain assumptions deemed reasonable as of the issuing date of the report. Consequently, the statements herein do not constitute promises regarding actual results by the Company. Actual results may differ materially from forecasted figures due to various unknown factors.

(Reference) Segment Information

(Yen in Millions)

		Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	297,080	330,427	111.2
	Operating income	27,311	39,283	143.8
Optronics	Information Fine Materials	372,822	363,699	97.6
	Flexible Printed Circuits	56,063	95,852	171.0
	Total	428,886	459,552	107.2
	Operating income	80,727	96,599	119.7
Life Science	Revenue	29,855	51,958	174.0
	Operating income	-3,011	9,790	-
Others	Revenue	23,266	27,698	119.0
	Operating income	-7,496	-9,964	-
Corporate/Elimination	Revenue	-17,767	-16,188	-
	Operating income	-3,722	-3,449	-
Total	Revenue	761,321	853,448	112.1
	Operating income	93,809	132,260	141.0

(Note) Previously, Industrial Tape was divided into Functional Base Products and Transportation. However, as a result of changes in the management structure that have been made during the fiscal year 2021, Functional Base Products and Transportation have been integrated and described as Industrial Tape. Such changes have also been reflected in the figures for the fiscal year ended March 31, 2021.

4. Consolidated Financial Statements

(1) Consolidated statements of financial position

(Yen in Millions)

	March 31, 2021	March 31, 2022
(Assets)		
Current assets		
Cash and cash equivalents	300,888	362,046
Trade and other receivables	182,939	206,084
Inventories	107,668	128,318
Other financial assets	1,399	4,939
Other current assets	17,121	21,349
Total current assets	<u>610,017</u>	<u>722,738</u>
Non-current assets		
Property, plant and equipment	270,813	286,949
Right-of-use assets	14,979	13,681
Goodwill	4,593	4,809
Intangible assets	13,620	13,707
Investments accounted for using equity method	392	547
Financial assets	10,856	12,131
Deferred tax assets	25,951	24,131
Other non-current assets	14,676	15,772
Total non-current assets	<u>355,884</u>	<u>371,730</u>
Total assets	<u><u>965,901</u></u>	<u><u>1,094,469</u></u>

(Yen in Millions)

	March 31, 2021	March 31, 2022
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	100,790	102,798
Bonds and borrowings	545	241
Income tax payables	11,225	18,138
Other financial liabilities	22,834	19,979
Other current liabilities	47,387	67,330
Total current liabilities	182,783	208,489
Non-current liabilities		
Other financial liabilities	17,161	16,941
Defined benefit liabilities	46,754	44,125
Deferred tax liabilities	347	326
Other non-current liabilities	2,167	2,480
Total non-current liabilities	66,431	63,873
Total liabilities	249,214	272,363
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,070	49,992
Retained earnings	635,916	705,910
Treasury stock	-10,039	-9,771
Other components of equity	13,136	48,276
Total equity attributable to owners of the parent company	715,868	821,192
Non-controlling interests	817	913
Total equity	716,686	822,105
Total liabilities and equity	965,901	1,094,469

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Revenue	761,321	853,448
Cost of sales	517,872	551,059
Gross profit	243,449	302,388
Selling, general and administrative expenses	107,722	129,625
Research and development expenses	35,261	37,271
Other income	4,466	6,707
Other expenses	11,122	9,938
Operating income	93,809	132,260
Financial income	559	1,459
Financial expenses	1,073	1,384
Equity in profits (losses) of affiliates	25	42
Income before income taxes	93,320	132,378
Income tax expenses	23,012	35,143
Net income	70,308	97,234
Net income attributable to:		
Owners of the parent company	70,235	97,132
Non-controlling interests	72	102
Total	70,308	97,234
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	472.71	656.31
Diluted earnings per share (Yen)	472.39	656.00

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Net income	70,308	97,234
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	1,457	339
Reevaluation of defined benefit liability	2,626	3,131
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	15,402	33,613
Net gain (loss) in fair value of cash flow hedges	-4	1,998
Share of other comprehensive income of associates accounted for using equity method	6	5
Total other comprehensive income	19,488	39,088
Total comprehensive income	89,796	136,323
Total comprehensive income attributable to:		
Owners of the parent company	89,714	136,207
Non-controlling interests	82	115
Total	89,796	136,323

(3) Consolidated statements of changes in equity
 Fiscal 2020 (April 1, 2020 through March 31, 2021)

(Yen in Millions)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of April 1, 2020	26,783	50,271	643,521	-27,505	-3,624	689,446	757	690,204
Net income	-	-	70,235	-	-	70,235	72	70,308
Other comprehensive income	-	-	-	-	19,478	19,478	10	19,488
Total comprehensive income	-	-	70,235	-	19,478	89,714	82	89,796
Share-based payment transactions	-	-200	-	-	5	-195	-	-195
Dividends	-	-	-30,188	-	-	-30,188	-22	-30,211
Changes in treasury stock	-	-50,374	-	17,466	-	-32,908	-	-32,908
Transfer from other components of equity to retained earnings	-	-	2,723	-	-2,723	-	-	-
Transfer from retained earnings to capital surplus	-	50,374	-50,374	-	-	-	-	-
Total transactions with owners	-	-200	-77,840	17,466	-2,717	-63,291	-22	-63,314
Balance as of March 31, 2021	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686

Fiscal 2021 (April 1, 2021 through March 31, 2022)

(Yen in Millions)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
Balance as of April 1, 2021	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686
Net income	-	-	97,132	-	-	97,132	102	97,234
Other comprehensive income	-	-	-	-	39,075	39,075	12	39,088
Total comprehensive income	-	-	97,132	-	39,075	136,207	115	136,323
Share-based payment transactions	-	-132	-	-	3	-128	-	-128
Dividends	-	-	-31,076	-	-	-31,076	-20	-31,097
Changes in treasury stock	-	54	-	267	-	322	-	322
Transfer from other components of equity to retained earnings	-	-	3,937	-	-3,937	-	-	-
Total transactions with owners	-	-77	-27,138	267	-3,934	-30,883	-20	-30,903
Balance as of March 31, 2022	26,783	49,992	705,910	-9,771	48,276	821,192	913	822,105

(4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Cash flows from operating activities		
Income before income taxes	93,320	132,378
Depreciation and amortization	47,950	50,211
Impairment losses	6,011	5,986
Increase (decrease) in defined benefit liabilities	1,878	691
Decrease (increase) in trade and other receivables	-21,058	-10,118
Decrease (increase) in inventories	-7,607	-14,000
Increase (decrease) in trade and other payables	9,234	440
Increase (decrease) in advances received	3,560	13,897
Interest and dividend income	587	569
Interest expenses paid	-617	-535
Income taxes (paid) refunded	-24,560	-30,445
Others	7,610	-4,587
Net cash provided by (used in) operating activities	116,309	144,489
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-57,724	-58,958
Proceeds from sale of property, plant and equipment and intangible assets	341	881
Decrease (increase) in time deposits	769	-398
Purchase of investment securities	-507	-596
Proceeds from sale of investment securities	292	764
Purchase of shares of subsidiaries and associates	-880	-269
Others	170	982
Net cash provided by (used in) investing activities	-57,538	-57,594
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	428	-315
Repayment of finance lease obligations	-5,199	-5,228
Decrease (increase) in treasury stock	-33,312	-0
Cash dividends paid	-30,188	-31,076
Others	-25	-18
Net cash provided by (used in) financing activities	-68,297	-36,639
Effect of exchange rate changes on cash and cash equivalents	5,492	10,901
Net increase (decrease) in cash and cash equivalents	-4,034	61,157
Cash and cash equivalents at the beginning of the period	304,922	300,888
Cash and cash equivalents at the end of the period	300,888	362,046

(Segment information)

Information regarding revenue, income or loss, assets, liabilities, and other items by segments

Fiscal 2020 (April 1, 2020 through March 31, 2021)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Figures in consolidated statements of income
Revenue from outside customers	293,529	420,073	25,901	20,784	760,289	1,032	761,321
Inter-segment revenue	3,550	8,813	3,953	2,482	18,799	-18,799	-
Total segment revenue	297,080	428,886	29,855	23,266	779,089	-17,767	761,321
Operating income (loss)	27,311	80,727	-3,011	-7,496	97,531	-3,722	93,809
Financial income							559
Financial expenses							-1,073
Equity in profits (losses) of affiliates							25
Income before income taxes							93,320
Segment assets	250,369	486,969	39,269	29,368	805,976	159,925	965,901
Other items:							
Depreciation and amortization	16,108	20,884	2,405	2,129	41,527	6,422	47,950
Impairment losses	3,809	836	1,258	0	5,904	106	6,011
Increase in property, plant and equipment and intangible assets	12,660	29,697	1,358	2,272	45,989	4,608	50,597

- (Note) 1. -3,722 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.
2. 159,925 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.
3. With the changes in the management structure that have been made during the fiscal year 2021, Functional Base Products and Transportation, both included in the Industrial Tape, have been integrated. Such changes have also been reflected in the figures for the fiscal year ended March 31, 2021.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, automotive products, etc.)
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Figures in consolidated statements of income
Revenue from outside customers	327,617	452,332	47,699	24,594	852,244	1,204	853,448
Inter-segment revenue	2,809	7,220	4,258	3,104	17,392	-17,392	-
Total segment revenue	330,427	459,552	51,958	27,698	869,637	-16,188	853,448
Operating income (loss)	39,283	96,599	9,790	-9,964	135,709	-3,449	132,260
Financial income							1,459
Financial expenses							-1,384
Equity in profits (losses) of affiliates							42
Income before income taxes							132,378
Segment assets	263,176	551,768	62,726	26,684	904,355	190,113	1,094,469
Other items:							
Depreciation and amortization	16,035	22,370	2,267	2,393	43,067	7,143	50,211
Impairment losses	180	523	3	5,194	5,901	84	5,986
Increase in property, plant and equipment and intangible assets	14,278	25,212	4,458	3,550	47,499	8,997	56,496

(Note) 1. -3,449 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.

2. 190,113 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, automotive products, etc.)
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products