



Financial Results

Second Quarter FY2023

Nitto Denko Corporation

October 26, 2023

Nitto

Innovation for Customers

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Results of Second Quarter FY2023

Summary of Financial Results

Results of 1H FY2023

Revenue

449.3 B. yen

Operating
profit

64.5 B. yen

YoY

Revenue

-35.6 B. yen
(-7.3%)

Operating
profit

-27.8 B. yen
(-30.1%)

- Revenue and operating profit of Optronics and Human Life decreased.
- For Industrial Tape, revenue decreased, but operating profit increased.
- Impact of yen weakness on operating profit was 9.3 B. yen.

1H FY2023 Results

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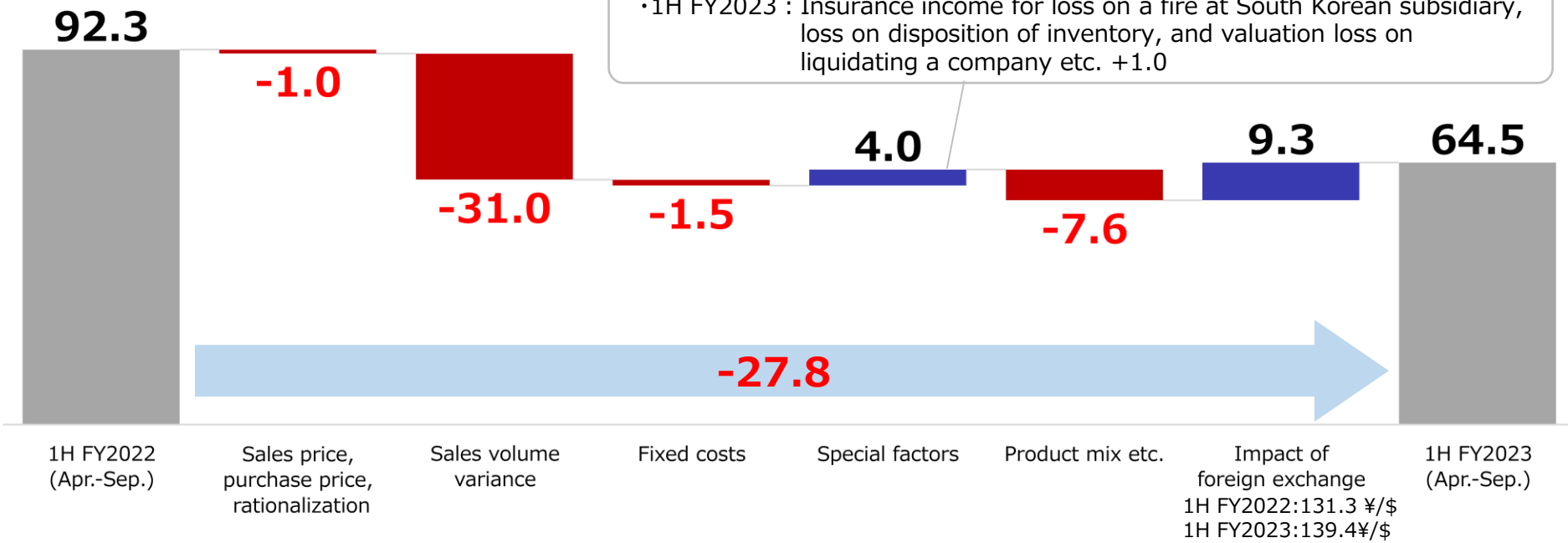
(Billion yen)

	1H FY2022 (Apr.-Sep.)	1H FY2023 (Apr.-Sep.)	YoY	
			Dif.	%
Revenue	484.9	449.3	-35.6	-7.3%
Operating profit	92.3	64.5	-27.8	-30.1%
Operating profit to revenue	19.0%	14.3%	-4.7%	—
Profit before income taxes	92.0	64.2	-27.8	-30.2%
Net profit attributable to owners of the parent company	63.4	44.2	-19.2	-30.3%
Yen/1US\$	131.3	139.4	+8.1	+6.2%

1H FY2023 YoY Operating Profit Change Analysis

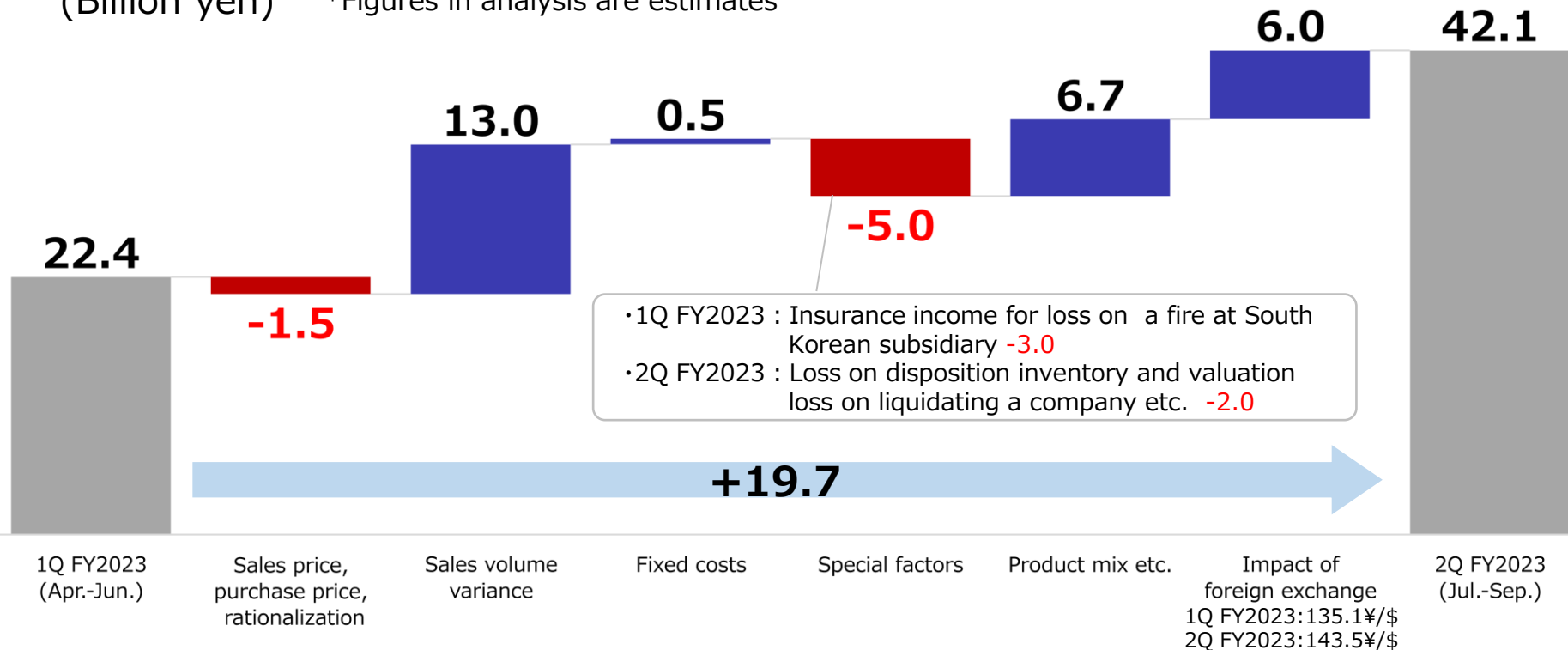
(Billion yen) *Figures in analysis are estimates

•1H FY2022 : An impairment loss from the divestment of a portion of the automotive materials business +3.0
 •1H FY2023 : Insurance income for loss on a fire at South Korean subsidiary, loss on disposition of inventory, and valuation loss on liquidating a company etc. +1.0



2Q FY2023 QoQ Operating Profit Change Analysis

(Billion yen) *Figures in analysis are estimates



1H FY2023 Results by Segment

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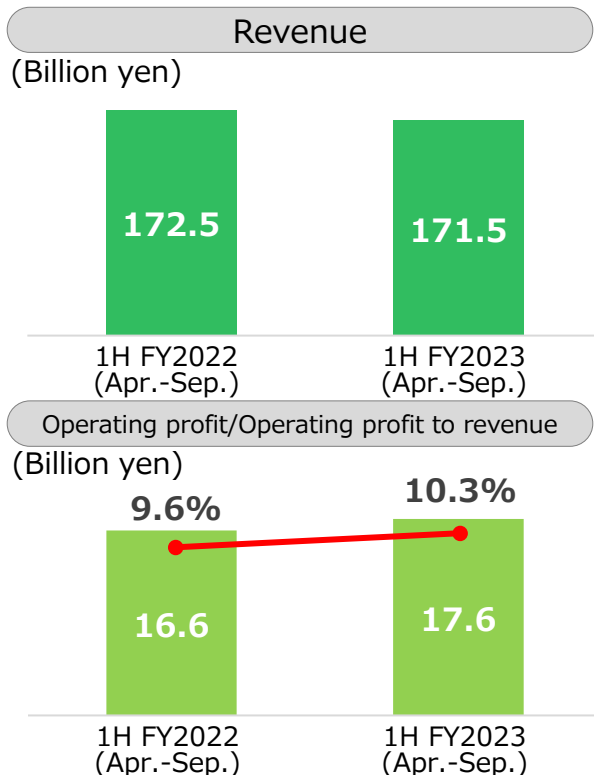
(Billion yen)

Upper row: Revenue Lower row: Operating profit	1H FY2022 (Apr.-Sep.)	1H FY2023 (Apr.-Sep.)	YoY	
			Dif.	%
Industrial Tape*	172.5	171.5	-1.0	-0.6%
	16.6	17.6	+1.0	+6.1%
Optronics	258.4	230.0	-28.4	-11.0%
	71.5	57.6	-13.8	-19.4%
Human Life*	63.7	61.1	-2.6	-4.1%
	5.2	-5.4	-10.7	-
Others	0.0	0.0	0.0	-
	-1.8	-2.9	-1.1	-
Adjustment	-9.8	-13.2	-3.5	-
	0.7	-2.5	-3.2	-
Total	484.9	449.3	-35.6	-7.3%
	92.3	64.5	-27.8	-30.1%

* From FY2023, some changes have been made to reporting segments as follows.

1. The plastic optical cable business has been transferred from Others to Optronics.
2. Certain related businesses has been transferred from Human Life to Industrial Tape.
3. Certain business included in Adjustment has been transferred to Others.
Such changes have been reflected in the figures for FY2022.

Results by Segment: Industrial Tape



Revenue	171.5 B. yen (YoY -0.6%)
Operating profit	17.6 B. yen (YoY +6.1%)

■ Electronics

- Demand for materials for assembly of high-end smartphones and process materials for ceramic capacitors decreased due to deteriorating market conditions.

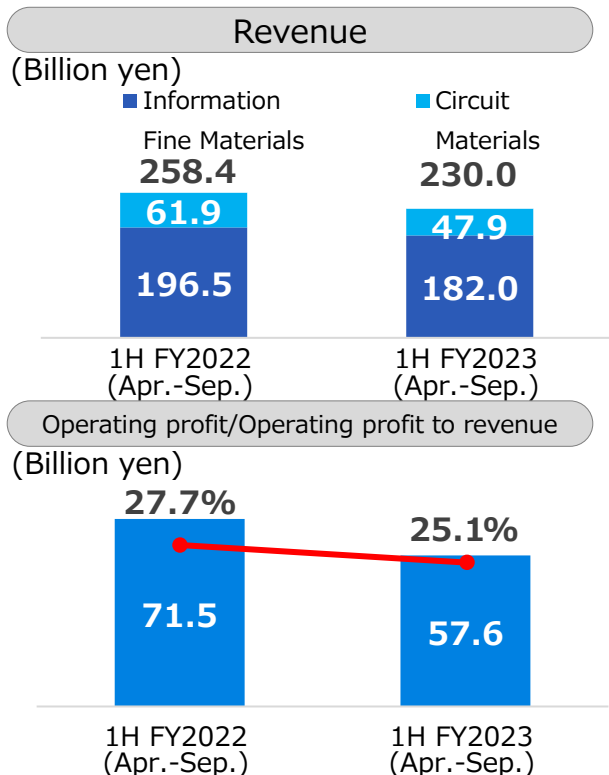
■ Process Materials

- Demand for materials for semiconductor memories remained sluggish despite a gradual recovery trend after bottoming out in Q4 of the previous fiscal year.

■ Others

- Demand for automotive materials increased as automotive production recovered mainly in Japan and Europe due to the resolution of the semiconductor shortage.

Results by Segment: Optronics



Revenue	230.0 B. yen (YoY -11.0%)
Operating profit	57.6 B. yen (YoY -19.4%)

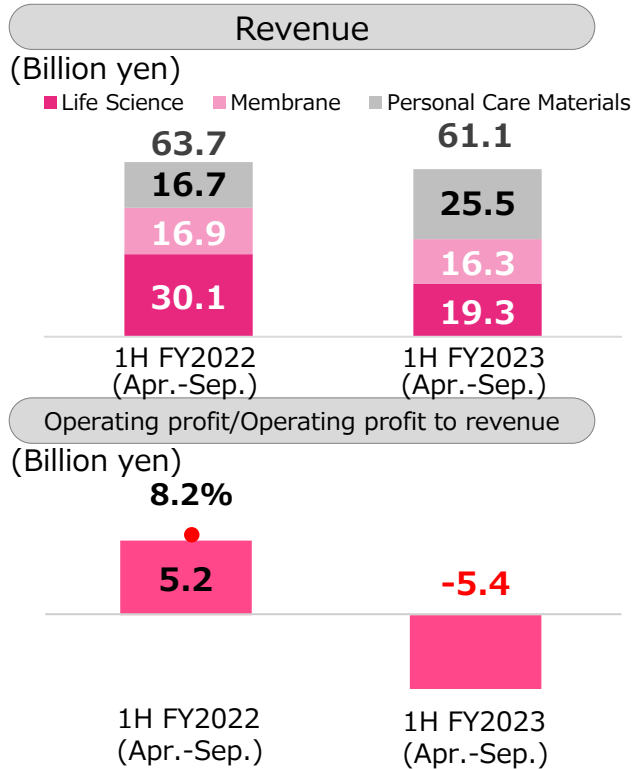
■ Information Fine Materials

- Demand for optical films for high-end laptops and tablets decreased as stay-at-home demand has ended.
- For high-end smartphones, in addition to optical films, demand for OCA (Optical Clear Adhesive) and process protective films, remained strong.
- Mass production of optical films for VR has started in a new production line

■ Circuit Materials

- The number of models adopting the high-precision circuits for high-end smartphones increased.
- In CIS (Circuit Integrated Suspension), demand for hard disk drives (HDDs) with high capacities in data centers decreased.

Results by Segment: Human Life



Revenue	61.1 B. yen (YoY -4.1%)
Operating profit	-5.4 B. yen (YoY -)

■ Life Science

- New orders for immunologic adjuvants for COVID-19 vaccines have been suspended since the second quarter of the previous fiscal year.
- A new plant at a production site, Massachusetts, in the United States has been completed and engineering batch has begun.

■ Membranes

- Demand for high-polymer separation membrane for various industrial applications decreased, mainly in China.

■ Personal Care Materials

- Introduced new products for diapers to major customers in Europe.
- Working on new products development that contributes to the environment using biodegradable technologies.

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Full-year Forecasts for FY2023

Full-year Forecasts for FY2023

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(Billion yen)

	FY2022 (Apr.-Mar.)	FY2023 Forecasts (Apr.-Mar.)	YoY	
			Dif.	%
Revenue	929.0	920.0	-9.0	-1.0%
Operating profit	147.2	140.0	-7.2	-4.9%
Operating profit to revenue	15.8%	15.2%	-0.6%	—
Profit before income taxes	146.8	140.0	-6.8	-4.7%
Net profit attributable to owners of the parent company	109.2	100.0	-9.2	-8.4%
Yen/1US\$	134.7	139.7	+5.0	+3.7%

Full-year Forecasts for FY2023 by Segment

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(Billion yen)

Upper row: Revenue Lower row: Operating profit	FY2022 (Apr.-Mar.)	FY2023 Forecasts (Apr.-Mar.)	YoY	
			Dif.	%
Industrial tape*	342.9	347.5	+4.6	+1.3%
	27.2	38.5	+11.3	+41.5%
Optronics	482.4	467.5	-14.9	-3.1%
	127.4	120.0	-7.4	-5.8%
Human Life*	128.6	131.5	+2.9	+2.2%
	0.5	-5.0	-5.5	-
Others	0.0	0.0	-0.0	-
	-3.9	-5.5	-1.6	-
Adjustment	-25.0	-26.5	-1.5	-
	-4.1	-8.0	-3.9	-
Total	929.0	920.0	-9.0	-1.0%
	147.2	140.0	-7.2	-4.9%

* From FY2023, some changes have been made to reporting segments as follows.

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<Notes regarding this material>

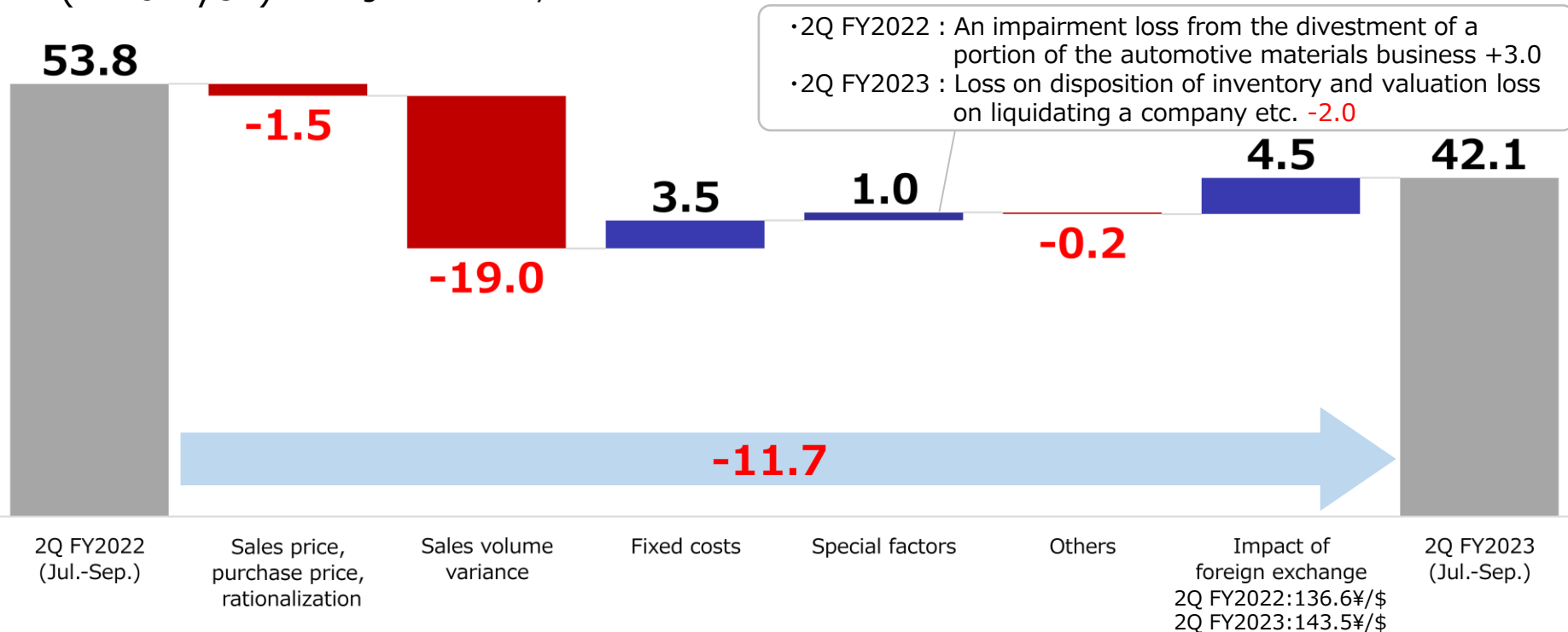
1. Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.
2. Amounts and rates (%) are rounded off to the nearest whole unit.

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Supplementary Data

2Q FY2023 YoY Operating Profit Change Analysis

(Billion yen) *Figures in analysis are estimates

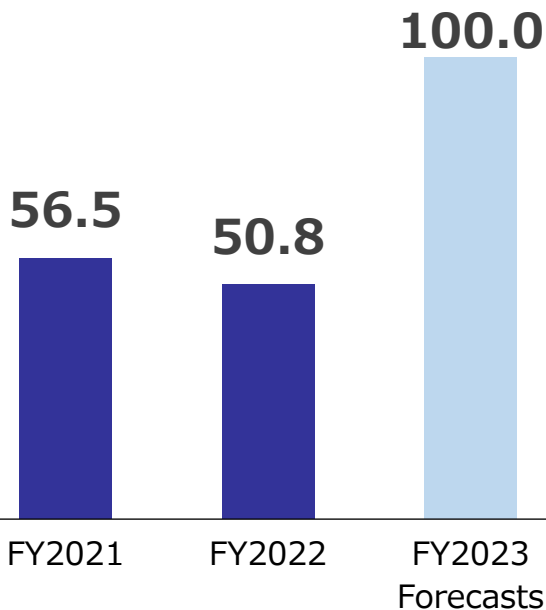


Capital Expenditure, Depreciation and Amortization, R&D Expenditure

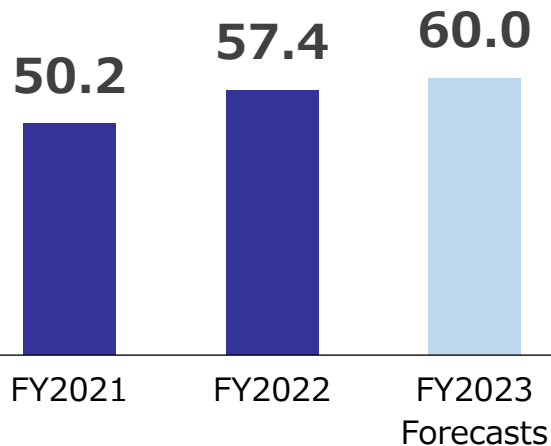
18

(Billion yen)

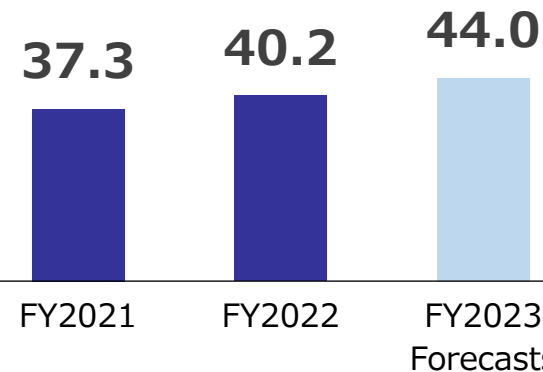
Capital Expenditure



Depreciation and Amortization



R&D Expenditure



Consolidated Cash Flow Statement

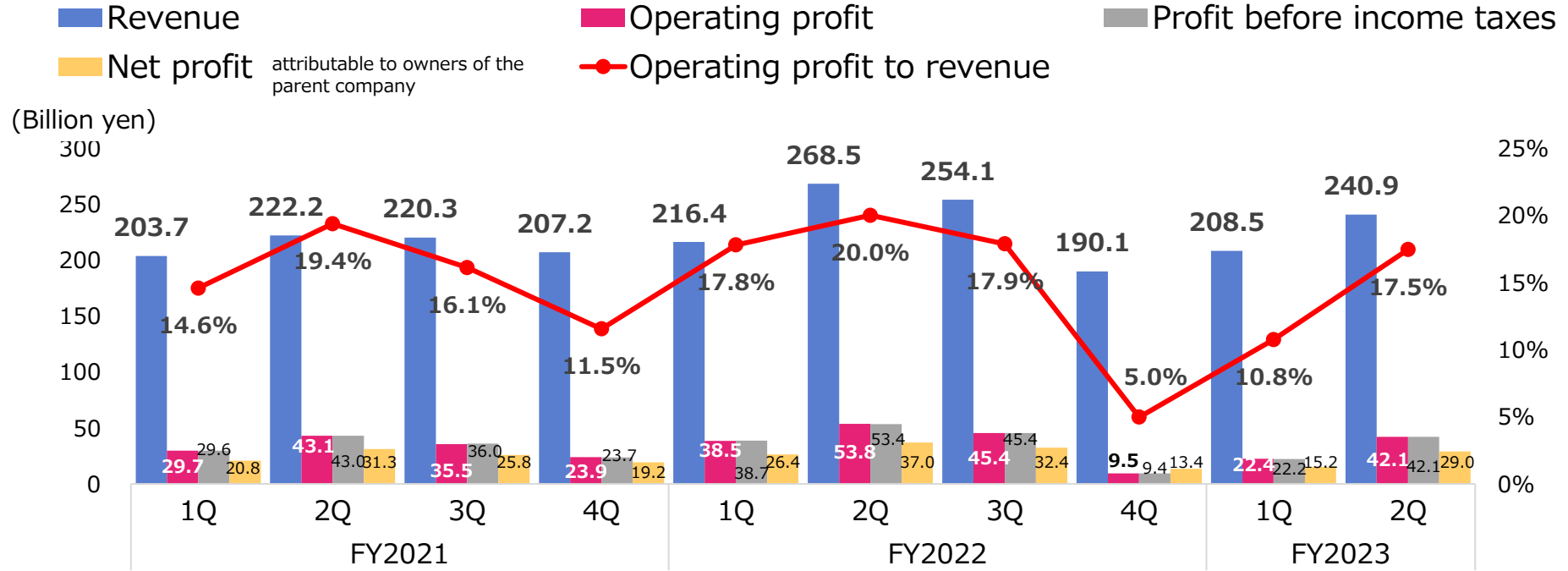
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Increase in expenditures of CF from investing in 1H FY2022 was due to M&A
(Personal Care Components Business of Mondri and Bend Labs)

(Billion yen)

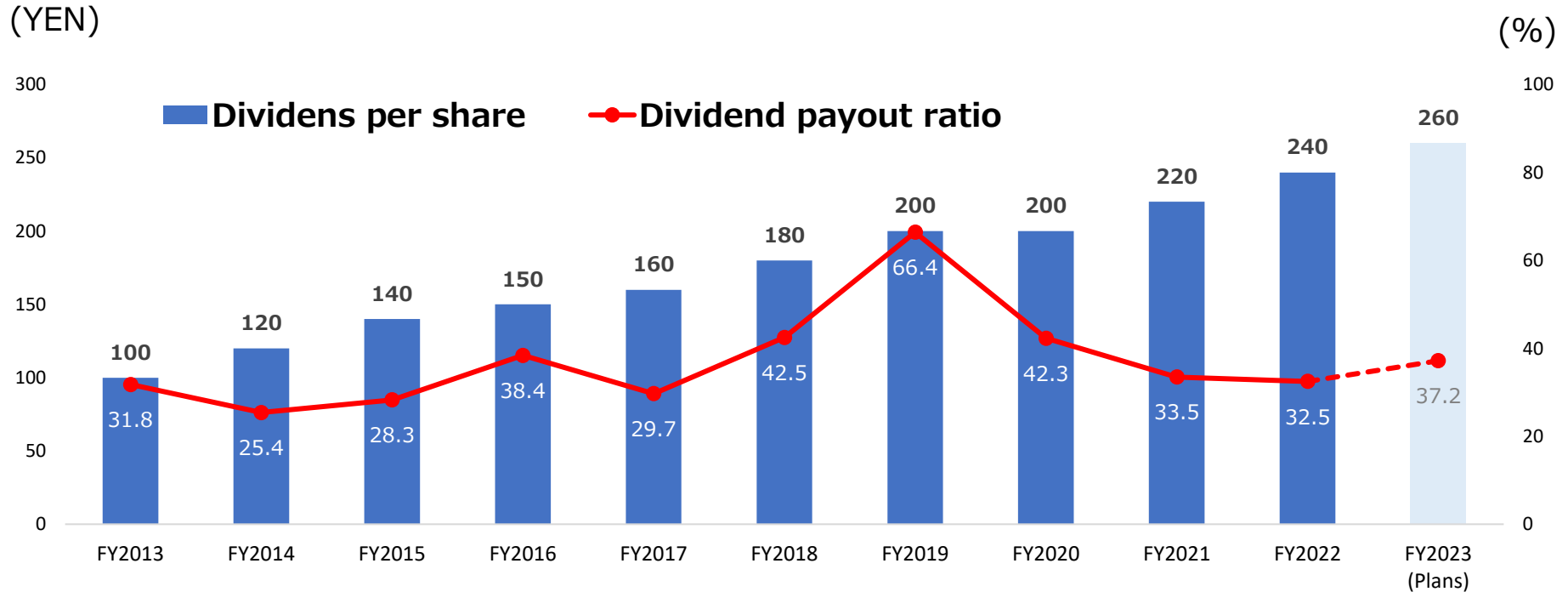
	1H FY2022 (Apr.-Sep.)	1H FY2023 (Apr.-Sep.)	YoY
Cash flows from operating activities (Operating CF)	62.9	48.7	-14.2
Cash flows from investing activities (Investment CF)	-129.4	-30.4	+99.0
Free cash flow (FCF)	-66.5	18.3	+84.8
Cash flows from financing activities (Financial CF)	-19.3	-53.0	-33.7
Effect of exchange rate changes on cash and cash equivalents	10.5	12.2	+1.7
Net increase (decrease) in cash and cash equivalents	-75.2	-22.5	+52.8
Cash and cash equivalents at the end of the period	286.8	307.5	+20.7

Performance Trend (Quarterly)



Shareholder Returns

Dividend of full-year total 260 yen per share planned for this fiscal year, an increase of 20 yen



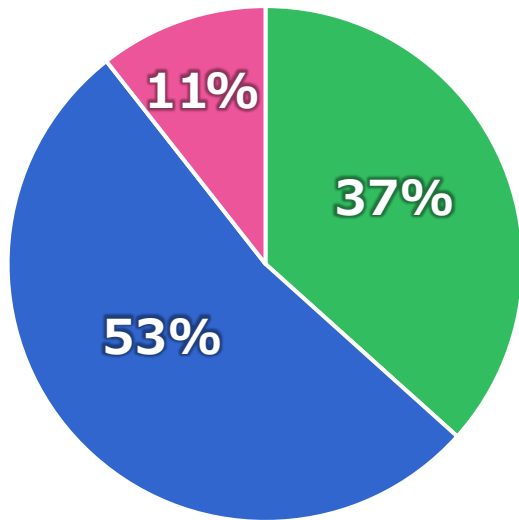
Business Portfolio Status

(*Component ratios not including Adjustment)
(Rates (%) are rounded off)

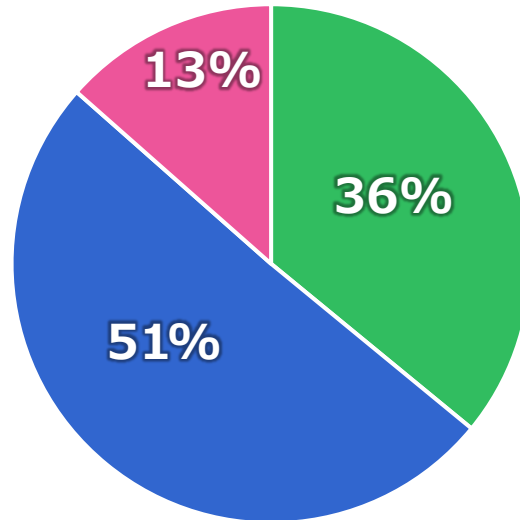
Revenue

Industrial Tape Optronics Human Life

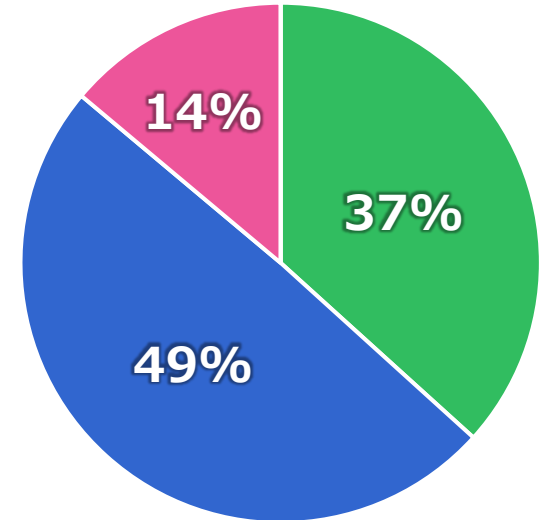
FY2021 results
853.4 B. yen
(111.8 ¥/\$)



FY2022 results
929.0 B. yen
(134.7 ¥/\$)



FY2023 forecasts
920.0 B. yen
(139.7 ¥/\$)



Business Portfolio Status

(*Component ratios not including Adjustment and negative segments) 23
(Rates (%) are rounded off)

Operating profit



Industrial Tape

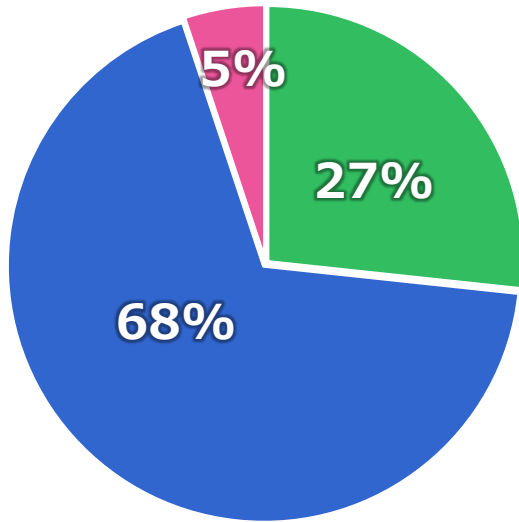


Optronics

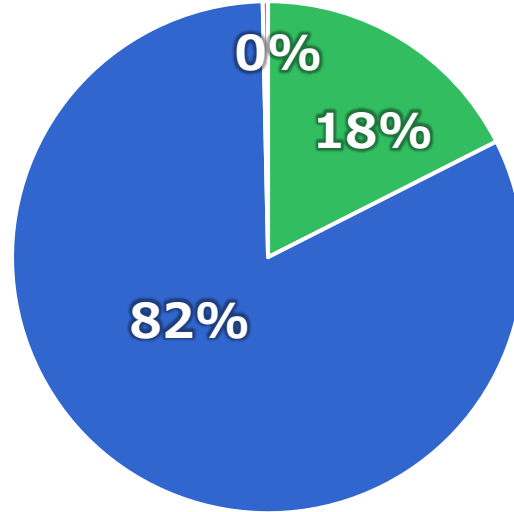


Human Life

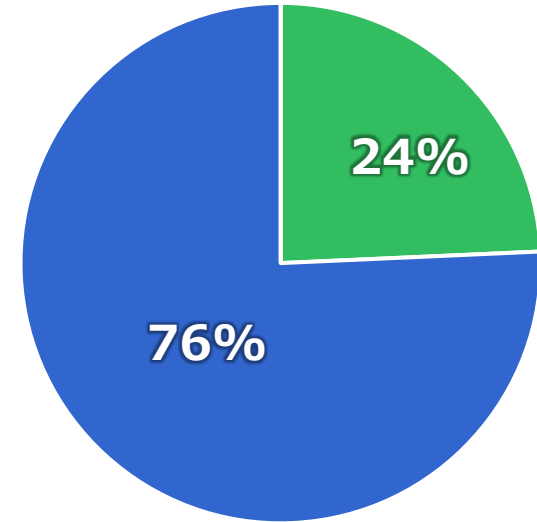
FY2021 results
132.3 B. yen
(111.8 ¥/\$)



FY2022 results
147.2 B. yen
(134.7¥/\$)



FY2023 forecasts
140.0 B. yen
(139.7¥/\$)



Disclosure Segment Categories

Disclosed on April 26, 2022

Disclosed on July 26, 2022

Updated on April 26, 2023

Segment	
Industrial Tape	
Optronics	Information Fine Materials
	Flexible Printed Circuits
Human Life	Life Science
	Membranes
Others (New businesses)	

Segment	
Industrial Tape	
Optronics	Information Fine Materials
	Flexible Printed Circuits
Human Life	Life Science
	Membranes
	Personal Care Materials
	Others (New businesses)

Segment	
Industrial Tape	
Optronics	Information Fine Materials
	Circuit Materials
Human Life	Life Science
	Membranes
	Personal Care Materials
Others (New businesses)	



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