



# Financial Results Third Quarter FY2023

**Nitto Denko Corporation**

January 26, 2024

***Nitto***

Innovation for Customers

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# Results of Third Quarter FY2023

# Summary of Financial Results

## Results of 3Q(Apr.-Dec.) FY2023

Revenue	<b>693.9 B. yen</b>
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Operating profit	<b>112.3 B. yen</b>
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## YoY

Revenue	<b>-45.1 B. yen</b> (-6.1%)
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Operating profit	<b>-25.4 B. yen</b> (-18.4%)
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- Revenue and operating profit of Optronics and Human Life decreased.
- Revenue and operating profit of Industrial Tape increased.
- Impact of yen weakness on operating profit was 14.5 B. yen.

# 3Q FY2023 Results

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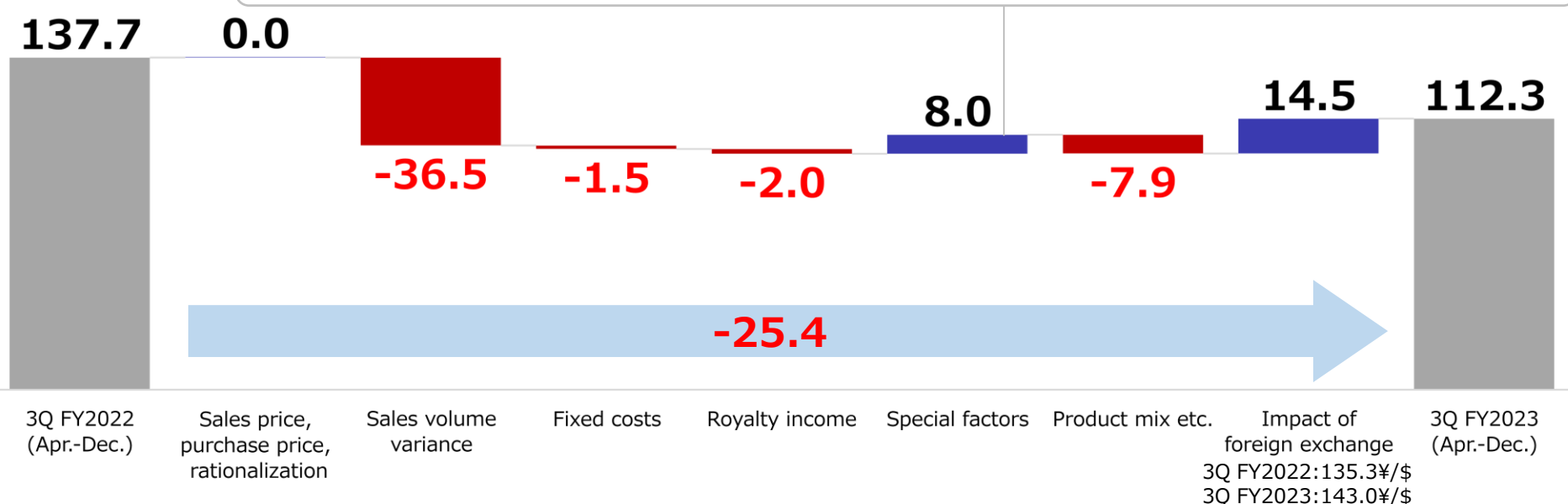
(Billion yen)

	3Q FY2022 (Apr.-Dec.)	3Q FY2023 (Apr.-Dec.)	YoY	
			Dif.	%
Revenue	739.0	693.9	-45.1	-6.1%
Operating profit	137.7	112.3	-25.4	-18.4%
Operating profit to revenue	18.6%	16.2%	-2.4%	—
Profit before income taxes	137.4	112.0	-25.4	-18.5%
Net profit attributable to owners of the parent company	95.8	81.6	-14.2	-14.8%
Yen/1US\$	135.3	143.0	+7.7	+5.7%

# 3Q FY2023 YoY Operating Profit Change Analysis

(Billion yen) \*Figures in analysis are estimates

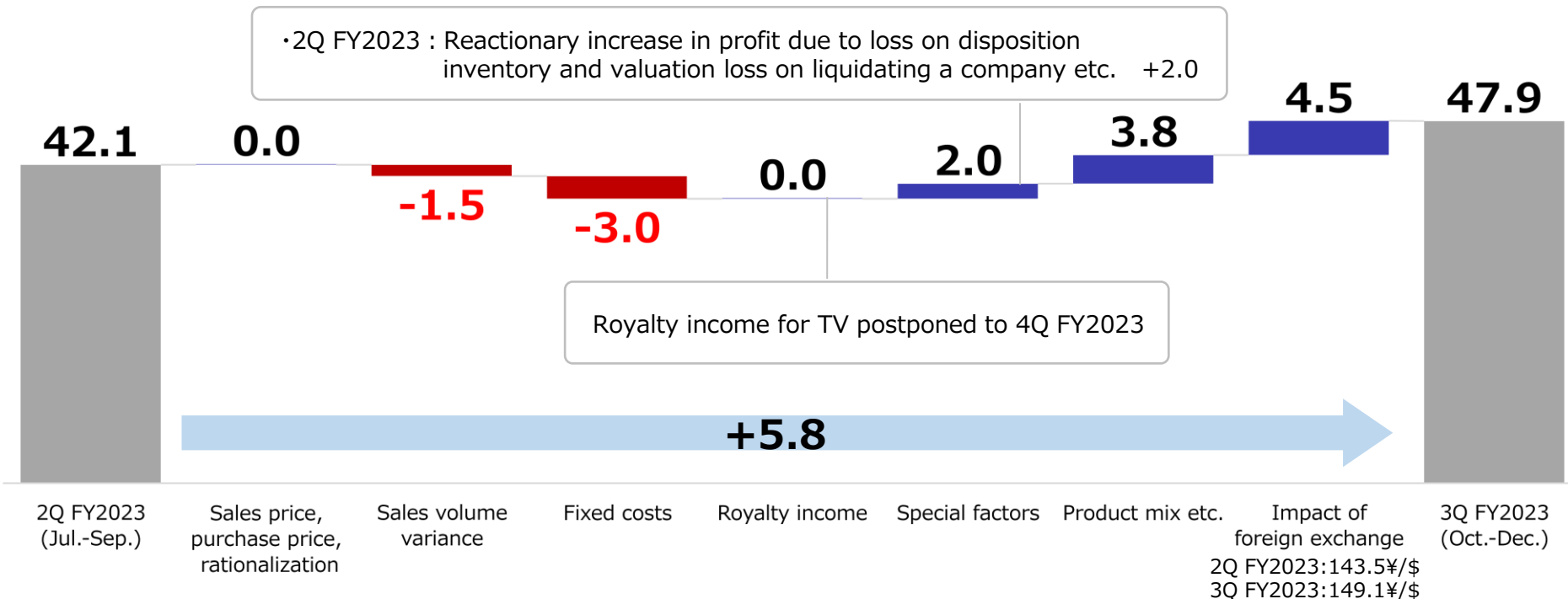
- 3Q FY2022(Apr.-Dec.): Reactionary increase in profit due to an impairment loss from the divestment of a portion of the automotive materials business and loss on fire at Korean subsidiary +7.0
- 3Q FY2023(Apr.-Dec.): Insurance income for loss on a fire at Korean subsidiary, loss on disposition of inventory, and valuation loss on liquidating a company etc. +1.0



# 3Q FY2023 QoQ Operating Profit Change Analysis

(Billion yen) \*Figures in analysis are estimates

•2Q FY2023 : Reactionary increase in profit due to loss on disposition inventory and valuation loss on liquidating a company etc. +2.0



# 3Q FY2023 Results by Segment

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(Billion yen)

Upper row: Revenue Lower row: Operating profit	3Q FY2022 (Apr.-Dec.)	3Q FY2023 (Apr.-Dec.)	YoY	
			Dif.	%
Industrial Tape*	264.8	265.6	+0.8	+0.3%
	24.3	30.3	+6.1	+24.9%
Optronics*	394.0	358.0	-36.0	-9.1%
	112.8	99.6	-13.2	-11.7%
Human Life*	99.3	93.2	-6.0	-6.1%
	6.3	-6.4	-12.7	-
Others	0.0	0.0	0.0	+3.7%
	-2.8	-4.3	-1.5	-
Adjustment	-19.1	-22.9	-3.8	-
	-2.8	-6.9	-4.1	-
Total	739.0	693.9	-45.1	-6.1%
	137.7	112.3	-25.4	-18.4%

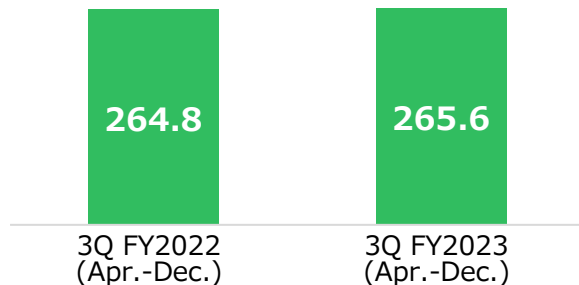
\* From FY2023, some changes have been made to reporting segments as follows.

1. The plastic optical cable business has been transferred from Others to Optronics.
2. Certain related business 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.

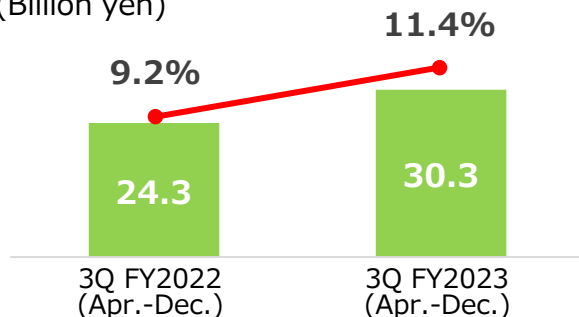


# Results by Segment: Industrial Tape

Revenue  
(Billion yen)



Operating profit/Operating profit to revenue  
(Billion yen)



Revenue	<b>265.6 B. yen</b> (YoY +0.3%)
Operating profit	<b>30.3 B. yen</b> (YoY +24.9%)

## ■ Electronics

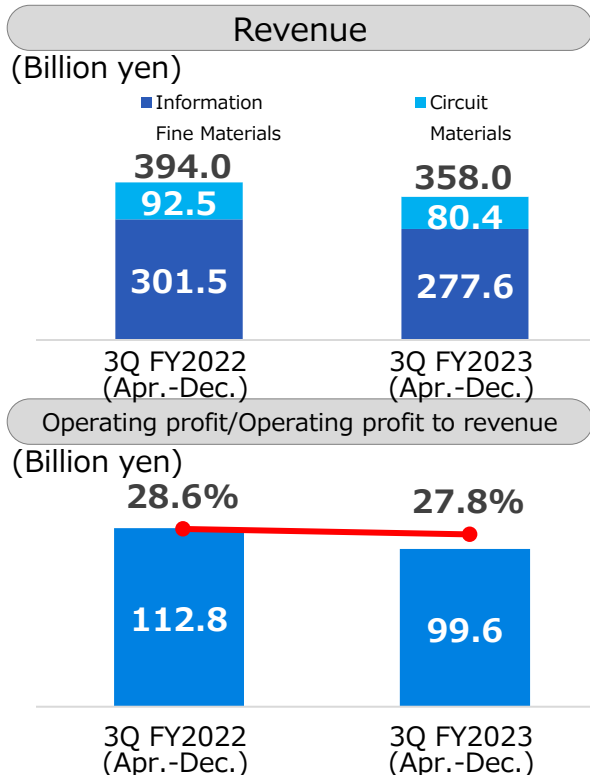
- Demand for assembly materials for high-end smartphones increased due to the launch of new products.
- Demand for process materials for ceramic capacitors decreased, despite a recovery trend after bottoming out in 4Q FY2022.

## ■ Process Materials

- Demand for semiconductor memories is gradually recovering.
- Demand for protection tape applicator decreased.

## ■ Others

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



<b>Revenue</b>	<b>358.0 B. yen</b> (YoY <b>-9.1%</b> )
<b>Operating profit</b>	<b>99.6 B. yen</b> (YoY <b>-11.7%</b> )

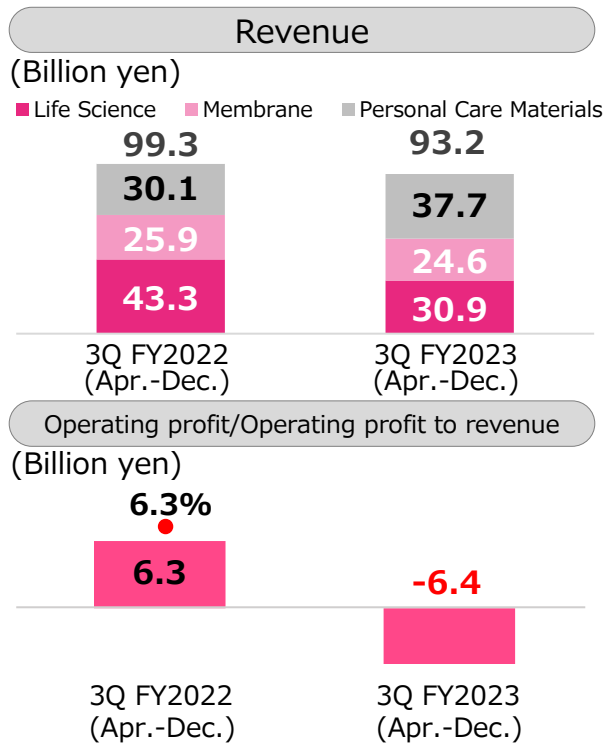
## ■ Information Fine Materials

- Demand for optical films for high-end laptops and tablets decreased as stay-at-home demand 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 (Virtual Reality) 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 HDDs (hard disk drives) with high capacities in data centers decreased.

# Results by Segment: Human Life



<b>Revenue</b>	<b>93.2 B. yen</b> (YoY <b>-6.1%</b> )
<b>Operating profit</b>	<b>-6.4 B. yen</b> (YoY <b>-</b> )

## ■ Life Science

- Revenue for immunologic adjuvants for COVID-19 vaccines has not been recorded during the current fiscal year.
- A new plant at Massachusetts, in the United States was completed and engineering batch began.

## ■ 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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Forecasts as of October 26 remain unchanged

(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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Forecasts as of October 26 remain unchanged

(Billion yen)

Upper row: Revenue Lower row: Operating profit	FY2022	FY2023 Forecasts	YoY	
	(Apr.-Mar.)	(Apr.-Mar.)	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.

1. The plastic optical cable business has been transferred from Others to Optronics.
2. Certain related business 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.

## <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.

## 3

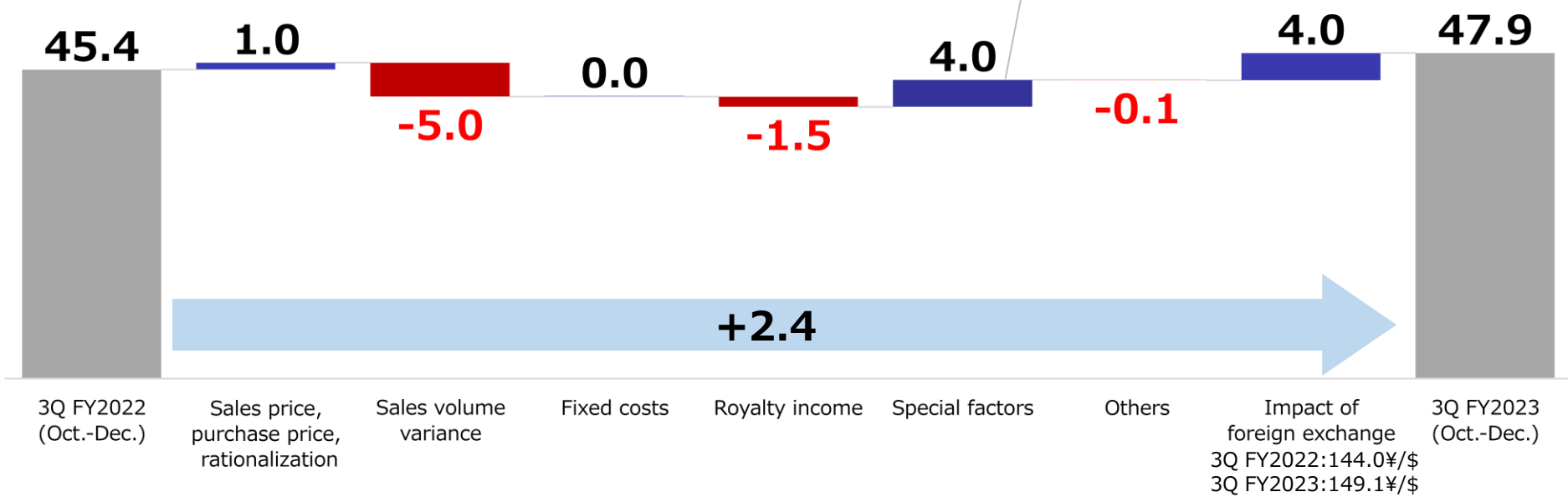
# Supplementary Data



# 3Q FY2023 YoY Operating Profit Change Analysis

(Billion yen) \*Figures in analysis are estimates

·3Q FY2022 : Reactionary increase in profit due to an impairment loss from the divestment of a portion of the automotive materials business and loss on fire at Korean subsidiary +4.0



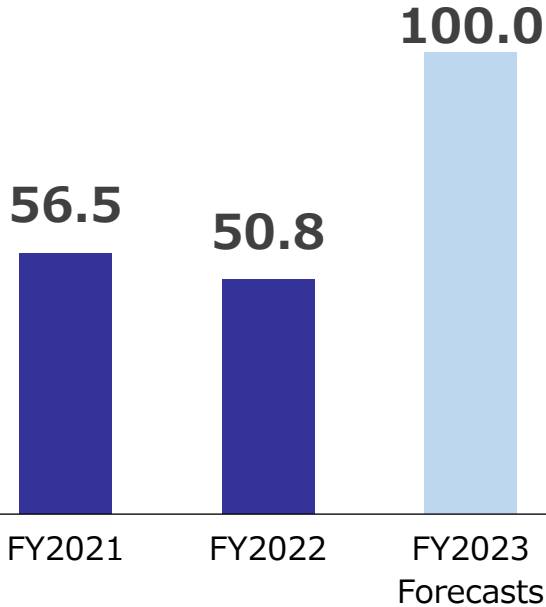
# Capital Expenditure, Depreciation and Amortization, R&D Expenditure

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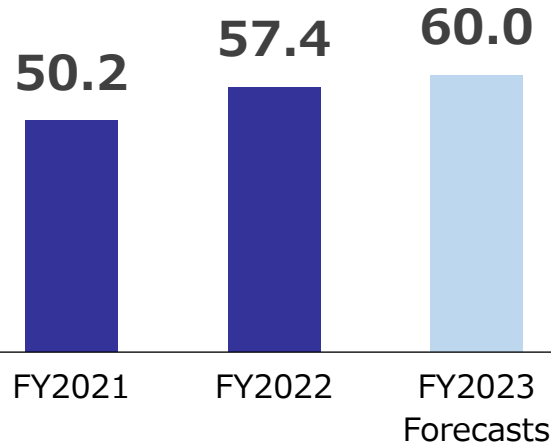
(Billion yen)

Forecasts as of October 26 remain unchanged

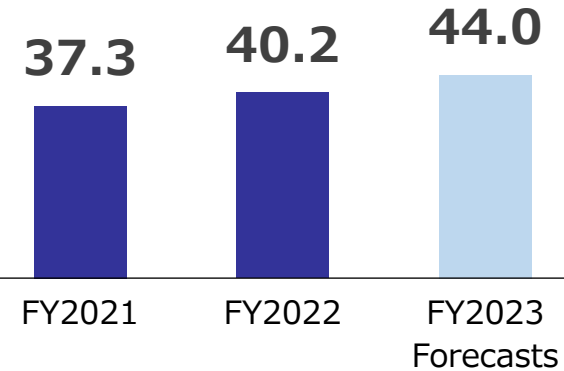
## Capital Expenditure



## Depreciation and Amortization



## R&D Expenditure



# Consolidated Cash Flow Statement

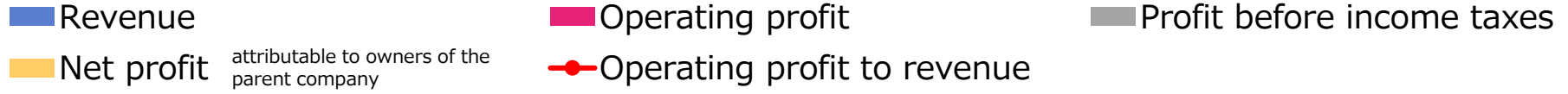
19

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

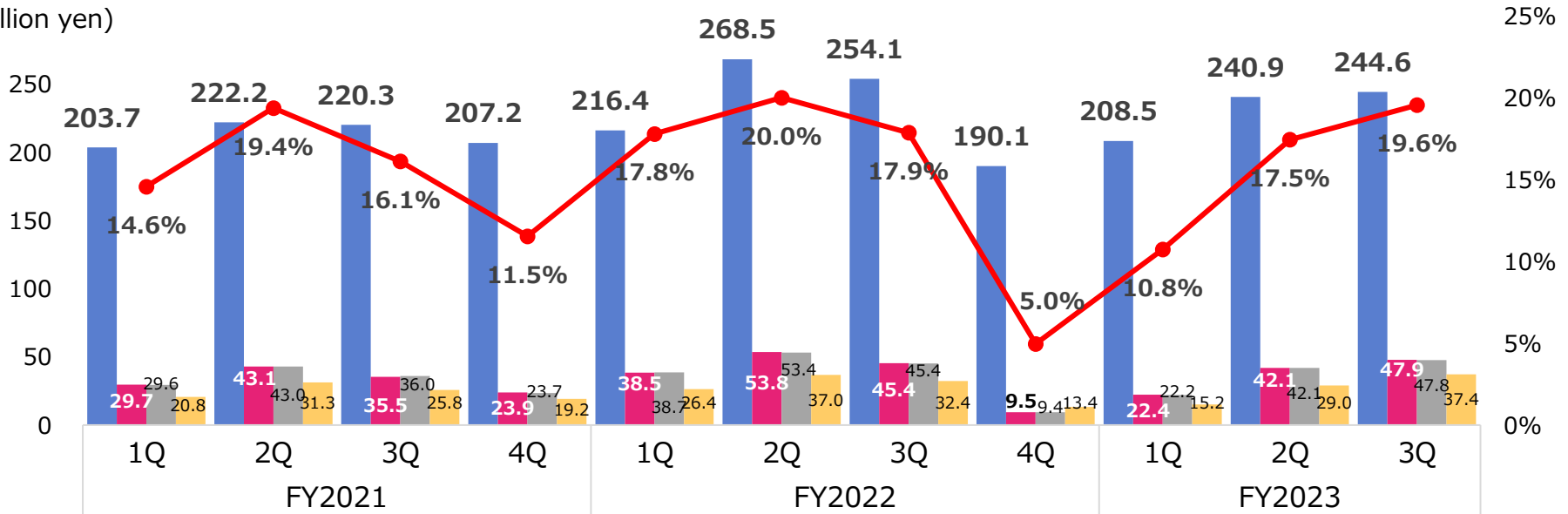
(Billion yen)

	3Q FY2022 (Apr.-Dec.)	3Q FY2023 (Apr.-Dec.)	YoY
Cash flows from operating activities (Operating CF)	133.2	97.8	-35.4
Cash flows from investing activities (Investment CF)	-142.5	-50.8	+91.7
Free cash flow (FCF)	-9.3	47.0	+56.3
Cash flows from financing activities (Financial CF)	-38.4	-72.9	-34.5
Effect of exchange rate changes on cash and cash equivalents	2.8	7.5	+4.8
Net increase (decrease) in cash and cash equivalents	-44.9	-18.3	+26.6
Cash and cash equivalents at the end of the period	317.1	311.7	-5.5

# Performance Trend (Quarterly)



(Billion yen)



# Shareholder Returns

- Dividend of full-year total 260 yen per share planned for this fiscal year, an increase of 20 yen
- Plan to acquire treasury shares up to 30.0 B. yen from February to May in 2024

Share Repurchase

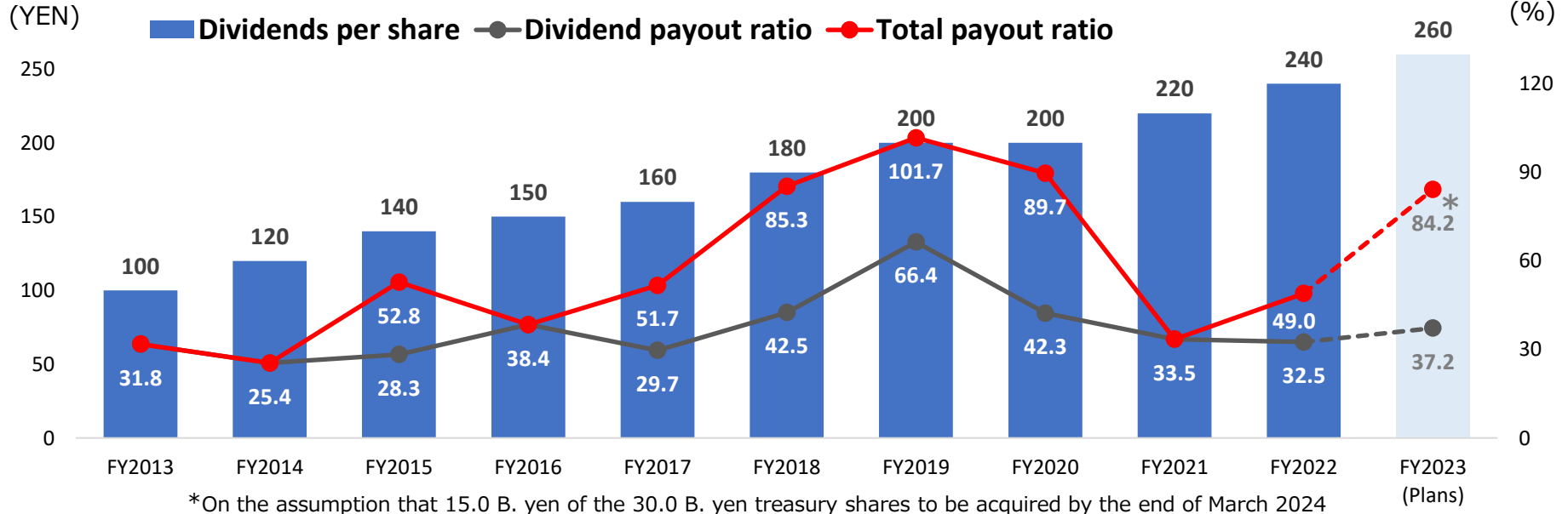
20.0B.yen

47.8B.yen

50.0B.yen

50.0B.yen

30.0B.yen



# Business Portfolio Status

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

## Revenue

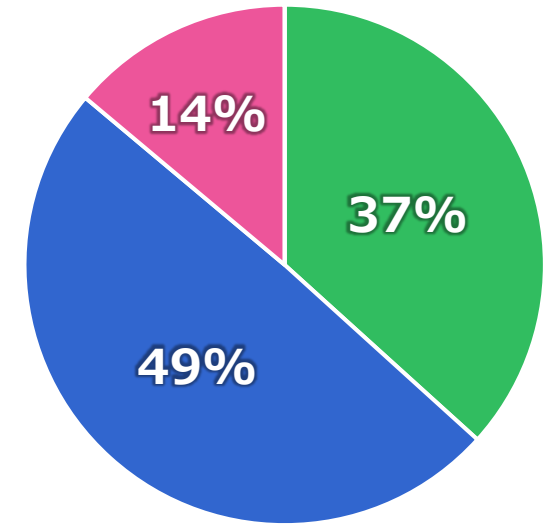
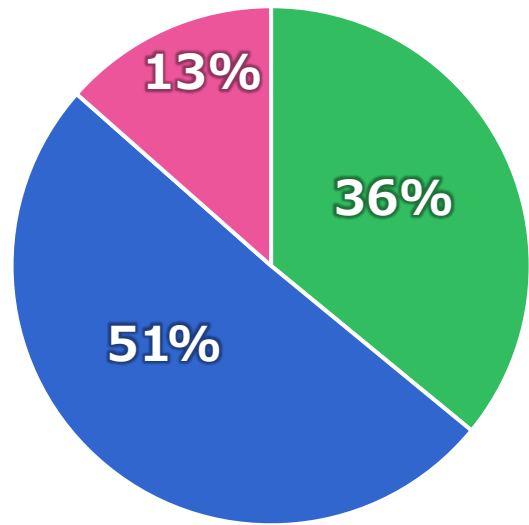
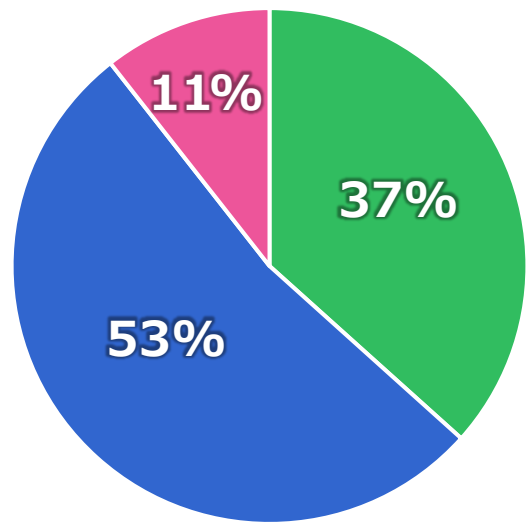
Industrial Tape    Optronics    Human Life

Forecasts as of October 26 remain unchanged

**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  
(Rates (%) are rounded off)

## Operating profit



Industrial Tape



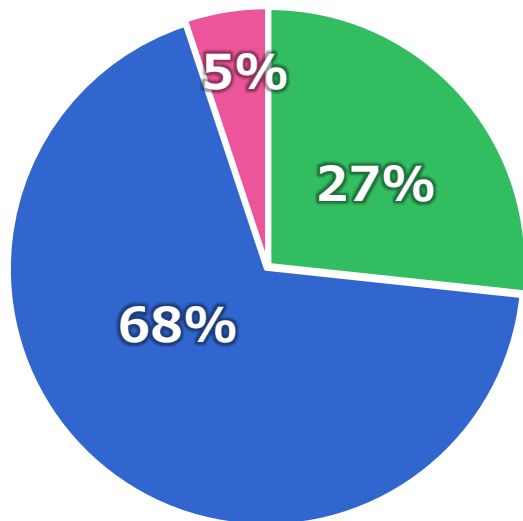
Optronics



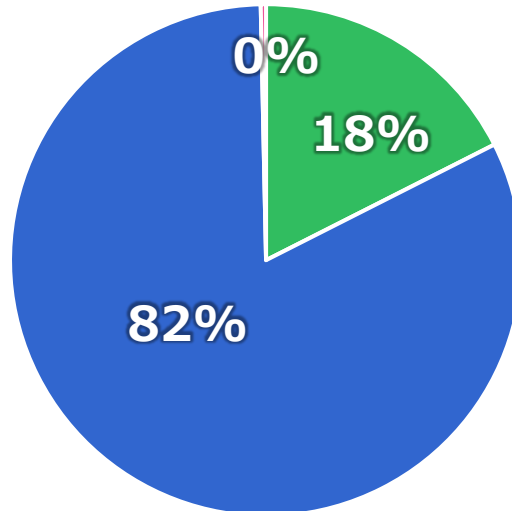
Human Life

Forecasts as of October 26 remain unchanged

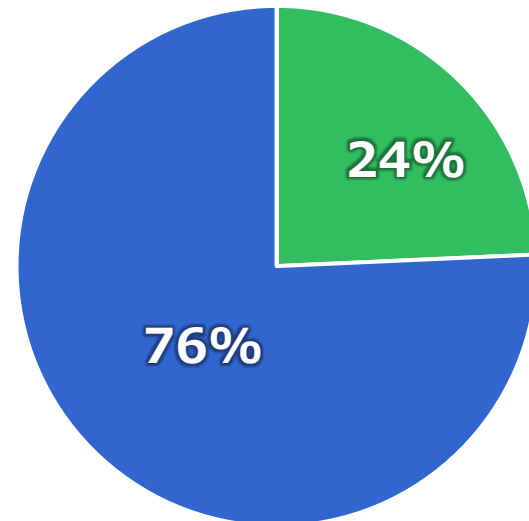
**FY2021 results**  
132.3 B. yen  
(111.8 ¥/\$)



**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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