

**Preliminary**

## Summary of Consolidated Financial Statements for the Second Quarter Ended September 30, 2020 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**  
 Stock exchange listing: First Section of Tokyo Stock Exchange  
 Code Number: 6988 URL <https://www.nitto.com/>  
 Company Representative: Hideo Takasaki, President  
 Contact Person: Yasuhiro Iseyama, Senior Vice President, Director of Corporate Accounting & Finance Division  
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Filing date of quarterly financial statements: November 13, 2020  
 Estimated starting date of dividend paying: November 27, 2020  
 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 the first half ended September 30, 2020 (April 1, 2020 through September 30, 2020)

(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	%
First half ended September 30, 2020	357,737	-5.4	42,367	3.1	41,822	2.0	30,573	4.8	30,544	4.8	28,322	110.4
First half ended September 30, 2019	378,285	-6.3	41,102	-20.0	41,016	-18.3	29,162	-17.1	29,133	-17.1	13,459	-66.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half ended September 30, 2020	204.73	204.59
First half ended September 30, 2019	185.71	185.57

### (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
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2020	898,950	669,910	669,145	74.4
March 31, 2020	921,900	690,204	689,446	74.8

### 2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2020	-	100.00	-	100.00	200.00
March, 2021	-	100.00	-	-	-
March, 2021 (Forecast)	-	-	-	100.00	200.00

(Note) Revision of dividend forecast in the current quarter: No

3. Forecast for fiscal year ending March 31, 2021 (April 1, 2020 through March 31, 2021)

(% 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
Annual	715,000	-3.5	75,000	7.6	75,000	8.7	52,000	10.1	52,000	10.3	351.43

(Note) Revision of consolidated forecast in the current quarter: Yes

- Others

(1) Changes in significant subsidiaries during the second quarter ended September 30, 2020: 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)
 

September 30, 2020: 158,758,428	March 31, 2020: 158,758,428
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2. Number of treasury stock at the end of the period
 

September 30, 2020: 10,792,338	March 31, 2020: 4,839,755
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
 

April-September 2020: 149,194,091	April-September 2019: 156,874,153
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- These quarterly financial results are not subject to quarterly review 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.

		First half ended September 30, 2019 (April 1, 2019 through September 30, 2019)	First half ended September 30, 2020 (April 1, 2020 through September 30, 2020)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	90,964	87,366	96.0
	Transportation	72,274	50,614	70.0
	Total	163,238	137,981	84.5
	Operating income	13,527	8,471	62.6
Optronics	Information Fine Materials	182,541	183,783	100.7
	Flexible Printed Circuits	20,629	23,930	116.0
	Total	203,170	207,714	102.2
	Operating income	30,961	37,768	122.0
Life Science	Revenue	12,752	13,799	108.2
	Operating income	-1,971	-1,315	-
Others	Revenue	14,260	11,800	82.7
	Operating income	-847	-2,364	-
Corporate/Elimination	Revenue	-15,136	-13,557	-
	Operating income	-567	-191	-
Total	Revenue	378,285	357,737	94.6
	Operating income	41,102	42,367	103.1

(Note) With the changes in the management structure that have been made during the fiscal year 2020 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the first half ended September 30, 2019.

## (Reference) Segment Information (three months)

(Yen in Millions)

		Second quarter ended September 30, 2019 (July 1, 2019 through September 30, 2019)	Second quarter ended September 30, 2020 (July 1, 2020 through September 30, 2020)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	47,247	47,212	99.9
	Transportation	36,189	29,868	82.5
	Total	83,436	77,080	92.4
	Operating income	7,960	6,820	85.7
Optronics	Information Fine Materials	101,132	98,001	96.9
	Flexible Printed Circuits	10,835	13,539	125.0
	Total	111,967	111,541	99.6
	Operating income	19,909	20,051	100.7
Life Science	Revenue	6,896	6,755	98.0
	Operating income	-547	-797	-
Others	Revenue	6,621	6,407	96.8
	Operating income	-821	-1,342	-
Corporate/Elimination	Revenue	-7,874	-7,357	-
	Operating income	-276	193	-
Total	Revenue	201,046	194,427	96.7
	Operating income	26,224	24,925	95.0

(Note) With the changes in the management structure that have been made during the fiscal year 2020 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the second quarter ended September 30, 2019.

Forecasts of fiscal year ending March 31, 2021

		Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	175,000	96.6
	Transportation	110,000	80.1
	Total	285,000	89.5
	Operating income	15,000	73.1
Optronics	Information Fine Materials	344,000	96.9
	Flexible Printed Circuits	56,000	129.4
	Total	400,000	100.4
	Operating income	68,500	119.6
Life Science	Revenue	30,500	112.4
	Operating income	0	-
Others	Revenue	24,000	89.1
	Operating income	-5,000	-
Corporate/Elimination	Revenue	-24,500	-
	Operating income	-3,500	-
Total	Revenue	715,000	96.5
	Operating income	75,000	107.6

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2020	September 30, 2020
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	304,922	263,280
Trade and other receivables	154,473	170,375
Inventories	96,124	95,610
Other financial assets	2,642	1,838
Other current assets	17,893	18,294
Total current assets	<u>576,056</u>	<u>549,398</u>
Non-current assets		
Property, plant and equipment	266,948	266,562
Right-of-use assets	16,266	15,890
Goodwill	4,852	4,626
Intangible assets	10,198	12,228
Investments accounted for using equity method	206	1,075
Financial assets	7,242	8,910
Deferred tax assets	25,694	25,937
Other non-current assets	14,434	14,321
Total non-current assets	<u>345,843</u>	<u>349,551</u>
Total assets	<u><u>921,900</u></u>	<u><u>898,950</u></u>

(Yen in Millions)

	March 31, 2020	September 30, 2020
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	90,811	93,688
Bonds and borrowings	90	129
Income tax payables	10,036	9,005
Other financial liabilities	24,050	19,352
Other current liabilities	36,907	36,672
Total current liabilities	<u>161,895</u>	<u>158,848</u>
Non-current liabilities		
Other financial liabilities	18,976	17,812
Defined benefit liabilities	48,272	49,561
Deferred tax liabilities	284	639
Other non-current liabilities	2,266	2,178
Total non-current liabilities	<u>69,800</u>	<u>70,191</u>
Total liabilities	<u>231,696</u>	<u>229,040</u>
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,271	50,094
Retained earnings	643,521	658,674
Treasury stock	-27,505	-60,435
Other components of equity	-3,624	-5,972
Total equity attributable to owners of the parent company	<u>689,446</u>	<u>669,145</u>
Non-controlling interests	<u>757</u>	<u>764</u>
Total equity	<u>690,204</u>	<u>669,910</u>
Total liabilities and equity	<u>921,900</u>	<u>898,950</u>

## (2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

(Yen in Millions)

	First half ended September 30, 2019 (April 1, 2019 through September 30, 2019)	First half ended September 30, 2020 (April 1, 2020 through September 30, 2020)
Revenue	378,285	357,737
Cost of sales	265,743	247,228
Gross profit	112,542	110,509
Selling, general and administrative expenses	54,926	50,885
Research and development expenses	16,524	17,261
Other income	2,781	2,294
Other expenses	2,771	2,289
Operating income	41,102	42,367
Financial income	471	275
Financial expenses	577	838
Equity in profits (losses) of affiliates	20	16
Income before income taxes	41,016	41,822
Income tax expenses	11,853	11,248
Net income	29,162	30,573
Net income attributable to:		
Owners of the parent company	29,133	30,544
Non-controlling interests	29	29
Total	29,162	30,573
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	185.71	204.73
Diluted earnings per share (yen)	185.57	204.59



(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First half ended September 30, 2019 (April 1, 2019 through September 30, 2019)	First half ended September 30, 2020 (April 1, 2020 through September 30, 2020)
Net income	29,162	30,573
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	-116	244
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-15,577	-2,491
Net gain (loss) in fair value of cash flow hedges	-1	-1
Share of other comprehensive income of associates accounted for using equity method	-7	-2
Total other comprehensive income	<u>-15,703</u>	<u>-2,251</u>
Total comprehensive income	<u>13,459</u>	<u>28,322</u>
Total comprehensive income attributable to:		
Owners of the parent company	13,432	28,292
Non-controlling interests	26	29
Total	<u>13,459</u>	<u>28,322</u>

## (3) Quarterly consolidated statements of changes in equity

For the first half ended September 30, 2019 (April 1, 2019 through September 30, 2019)

(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, 2019	26,783	50,319	622,025	-11,081	12,395	700,443	744	701,187
Net income	-	-	29,133	-	-	29,133	29	29,162
Other comprehensive income	-	-	-	-	-15,700	-15,700	-2	-15,703
Total comprehensive income	-	-	29,133	-	-15,700	13,432	26	13,459
Share-based payment transactions	-	-37	-	-	-121	-158	-	-158
Dividends	-	-	-14,116	-	-	-14,116	-23	-14,140
Changes in treasury stock	-	-12	-	275	-	263	-	263
Additional purchase of shares of consolidated subsidiaries	-	1	-	-	-	1	-32	-30
Total transactions with owners	-	-48	-14,116	275	-121	-14,010	-55	-14,065
Balance as of September 30, 2019	26,783	50,271	637,042	-10,805	-3,426	699,866	714	700,581

For the first half ended September 30, 2020 (April 1, 2020 through September 30, 2020)

(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	-	-	30,544	-	-	30,544	29	30,573
Other comprehensive income	-	-	-	-	-2,251	-2,251	0	-2,251
Total comprehensive income	-	-	30,544	-	-2,251	28,292	29	28,322
Share-based payment transactions	-	-200	-	-	-95	-296	-	-296
Dividends	-	-	-15,391	-	-	-15,391	-22	-15,414
Changes in treasury stock	-	24	-	-32,929	-	-32,905	-	-32,905
Total transactions with owners	-	-176	-15,391	-32,929	-95	-48,593	-22	-48,616
Balance as of September 30, 2020	26,783	50,094	658,674	-60,435	-5,972	669,145	764	669,910

## (4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First half ended September 30, 2019 (April 1, 2019 through September 30, 2019)	First half ended September 30, 2020 (April 1, 2020 through September 30, 2020)
Cash flows from operating activities		
Income before income taxes	41,016	41,822
Depreciation and amortization	24,557	23,796
Impairment losses	12	112
Increase (decrease) in defined benefit liabilities	1,528	1,286
Decrease (increase) in trade and other receivables	-15,267	-16,635
Decrease (increase) in inventories	-5,716	345
Increase (decrease) in trade and other payables	877	3,158
Interest and dividend income	461	300
Interest expenses paid	-293	-324
Income taxes (paid) refunded	-5,396	-12,852
Others	2,524	-381
Net cash provided by (used in) operating activities	44,304	40,627
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-34,387	-30,107
Proceeds from sale of property, plant and equipment and intangible assets	230	120
Decrease (increase) in time deposits	-1,492	802
Purchase of investment securities	-696	-322
Purchase of shares of subsidiaries and associates	-	-879
Others	0	-6
Net cash provided by (used in) investing activities	-36,345	-30,392
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	120	39
Repayment of finance lease obligations	-2,615	-2,744
Decrease (increase) in treasury stock	-0	-33,309
Cash dividends paid	-14,130	-15,391
Others	-46	-23
Net cash provided by (used in) financing activities	-16,672	-51,430
Effect of exchange rate changes on cash and cash equivalents	-4,976	-448
Net increase (decrease) in cash and cash equivalents	-13,690	-41,642
Cash and cash equivalents at the beginning of the period	297,682	304,922
Cash and cash equivalents at the end of the period	283,991	263,280

(Segment information)

Information regarding revenue, income, or loss by segments

First half ended September 30, 2019 (April 1, 2019 through September 30, 2019)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	155,412	199,271	10,460	12,608	377,754	531	378,285
Inter-segment revenue	7,825	3,898	2,291	1,651	15,667	-15,667	-
Total segment revenue	163,238	203,170	12,752	14,260	393,421	-15,136	378,285
Total operating income (loss)	13,527	30,961	-1,971	-847	41,669	-567	41,102
Financial income							471
Financial expenses							-577
Equity in profits (losses) of affiliates							20
Income before income taxes							41,016

(Note) With the changes in the management structure that have been made during the fiscal year 2020 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the first half ended September 30, 2019.

Major products for each segment

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

First half ended September 30, 2020 (April 1, 2020 through September 30, 2020)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	131,278	203,715	11,871	10,412	357,279	458	357,737
Inter-segment revenue	6,702	3,998	1,927	1,387	14,015	-14,015	-
Total segment revenue	137,981	207,714	13,799	11,800	371,295	-13,557	357,737
Total operating income (loss)	8,471	37,768	-1,315	-2,364	42,559	-191	42,367
Financial income							275
Financial expenses							-838
Equity in profits (losses) of affiliates							16
Income before income taxes							41,822

Major products for each segment

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