

Summary of Consolidated Financial Statements for the Second Quarter Ended September 30, 2024 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
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 Estimated starting date of dividend paying: November 29, 2024
 Preparation of supplementary explanatory materials: Yes
 Holding of 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 for the six months ended September 30, 2024

(1) Operating results

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

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit 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	%
For the six months ended September 30, 2024	521,723	16.1	109,267	69.5	108,932	69.6	80,009	80.8	79,975	80.9	57,652	(36.6)
For the six months ended September 30, 2023	449,344	(7.3)	64,472	(30.1)	64,240	(30.2)	44,264	(30.2)	44,216	(30.3)	90,958	(17.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the six months ended September 30, 2024	113.92	113.88
For the six months ended September 30, 2023	61.78	61.75

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic and diluted earnings per share for the six months ended September 30, 2023 and for the six months ended September 30, 2024 are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

(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	%
As of September 30, 2024	1,292,749	1,009,332	1,008,355	78.0
As of March 31, 2024	1,251,087	985,048	984,020	78.7

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March, 2024	-	130.00	-	130.00	260.00
March, 2025	-	140.00			
(Forecast)			-	28.00	-
March, 2025					

(Note) 1. Revision of dividend forecast in the current quarter: No

2. The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above annual dividend per share forecast for the fiscal year ending March 31, 2025 is based on a number of shares taking into account the stock split. The total annual dividend per share forecast for the fiscal year ending March 31, 2025 is not presented because the total of the interim dividend and the year-end dividend cannot be calculated due to effect of the stock split. Without taking the stock split into account, the year-end dividend per share forecast for the fiscal year ending March 31, 2025 would be 140 yen and the total annual dividend per share forecast for the fiscal year ending March 31, 2025 would be 280 yen.

3. Forecast for fiscal year ending March 31, 2025

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

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit 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	%	
Annual	982,000	7.3	180,000	29.4	180,000	29.6	130,000	26.5	130,000	26.6	Yen 185.14

(Note) 1. Revision of consolidated forecast in the current quarter: No

2. The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic earnings per share forecast for the fiscal year ending March 31, 2025 is based on the assumption that the stock split is conducted at the beginning of the fiscal year ending March 31, 2025. Without taking the stock split into account, the annual basic earnings per share forecast for the fiscal year ending March 31, 2025 would be 925.71 yen.

- Others

(1) Significant changes in the scope of consolidation during the period: 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 issued shares (Common stock)

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

As of September 30, 2024: 706,760,750 As of March 31, 2024: 717,758,675

2. Number of treasury shares at the end of the period

As of September 30, 2024: 4,907,760 As of March 31, 2024: 10,521,360

3. Average number of issued shares during the period (cumulative from the beginning of the period)

April-September 2024: 702,006,809 April-September 2023: 715,749,580

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above “Number of issued shares at the end of the period”, “Number of treasury shares at the end of the period” and “Average number of issued shares during the period” are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

- These semi-annual securities reports are not subject to 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. For conditions regarding this forecast and precaution for use, please refer to “1. Overview of operating results, etc. (3) Explanation of forecasts and other projections” on page 6 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

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1. Overview of operating results, etc

(1) Overview of operating results during the period

During the second quarter of the fiscal year ending March 31, 2025 (April 1, 2024 through September 30, 2024), the economic environment arrived at a significant turning point as the ongoing global inflation slowed down and the Central Bank of Europe and the United States successively lowered interest rates. In the United States, although the inflation rate declined and the unemployment rate slightly increased, historically stable employment conditions supported consumer spending, which has given to a rise in expectations for a soft landing of the economy. In Europe, the economy also showed improvement due to a recovery in consumer spending as a result of an increase in real income. In China, on the other hand, while exports of IT-related equipment and Electric Vehicles (EVs) were strong, domestic demand remained sluggish due to the prolonged real estate recession and the harsh employment environment, resulting in a slowdown of the economy. In Japan, the economy recovered gradually as a result of a recovery in consumer spending with wage increases that outpaced inflation and strong corporate performance that bolstered capital investments. In the foreign exchange market, the yen rapidly appreciated against the U.S. dollar, reversing from its historic level of depreciation during the first quarter, as the Bank of Japan decided to raise interest rates amid widespread speculation that the Federal Reserve Board (FRB) would lower interest rates.

In the key markets of Nitto Group (the “Group”) under these circumstances, demand for our products increased due to higher-than-expected demand for high capacity Hard Disk Drives (HDDs) used in data centers and production of tablets.

The yen’s exchange rate against the U.S. dollar for the second quarter ended September 30, 2024, was 153.6 yen to the dollar, a 10.2% depreciation of the yen compared with the same period of the previous year, and the effect of the weaker yen increased operating profit by 17.1 billion yen.

As a result of the above, revenue increased by 16.1% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 521,723 million yen. Operating profit increased by 69.5% to 109,267 million yen, profit before income taxes increased by 69.6% to 108,932 million yen, net profit increased by 80.8% to 80,009 million yen, and net profit attributable to owners of the parent company increased by 80.9% to 79,975 million yen.

Summary of results by segment

① Industrial Tape

In Functional Base Products, revenue increased from the same period of the previous year. Demand for assembly materials used in high-end smartphones increased due to our main customer’s production being ahead of schedule as well as from expansion of models adopting our materials. In addition, demand for process materials used in the production of semiconductor memories and ceramic capacitors continued its gradual recovery. Demand for automotive materials were sluggish due to a decrease in the number of automotive productions.

As a result of the above, revenue increased by 7.6% to 178,745 million yen and operating profit increased by 45.9% to 25,375 million yen.

② Optronics

In Information Fine Materials, revenue increased from the same period of the previous year. Demand for optical films and transparent conductive films (ITO) increased significantly as the production of tablets remained strong. Additionally, demand for Optical Clear Adhesive (OCA), process protective materials and optical films increased with the strong production of Chinese high-end smartphones and expansion in automotive display size.

In Circuit Materials, revenue increased from the same period of the previous year. The spread of generative AI has pushed up the demand for storage used in data centers as well as for HDDs with higher capacity, and thus the demand for Circuit Integrated Suspension (CIS) increased significantly. In addition, demand for high-precision circuits increased, as the production of high-end smartphones remained strong.

As a result of the above, revenue increased by 24.6% to 286,755 million yen and operating profit increased by 66.1% to 96,115 million yen.

③ Human Life

In Life Science, revenue increased from the same period of the previous year. In the oligonucleotide contract manufacturing business, the production of projects that are expected to be commercialized at a future date has been started at our new plant established in Massachusetts, United States. In addition, demand for nucleic acid synthesis materials (NittoPhaseTM) used in commercial drugs increased among some customers. In nucleic acid drug discovery, Phase 1 clinical trial of intractable cancer drug was completed in the first quarter and the Group continues to work toward out-licensing its pipeline.

In Membrane (high-polymer separation membrane), revenue increased from the same period of the previous year. While demand for various industrial applications decreased particularly in China, demand for ZLD (Zero Liquid Discharge) contributing to complete reduction of industrial wastewater and effluent increased due to the tightening of environmental regulations relating to wastewater in India.

In Personal Care Materials, revenue increased from the same period of the previous year. Profitability improved as revenue of new products in hygiene materials for diapers and environmentally friendly products using biodegradable technologies expanded.

As a result of the above, revenue increased by 6.6% to 65,184 million yen and operating loss amounted to 4,560 million yen. (operating loss of 5,427 million yen was reported in the same period of the previous year)

④ Others

Please note that this segment includes new products that have not generated sufficient revenue yet. Primarily, the Group is conducting kits sales of flexible sensor to developers.

As a result of the above, revenue decreased by 70.8% to 1 million yen and operating loss amounted to 3,587 million yen. (operating loss of 2,906 million yen was reported in the same period of the previous year)

		For the six months ended September 30, 2023	For the six months ended September 30, 2024	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	166,084	178,745	107.6
	Operating profit	17,390	25,375	145.9
Optronics	Information Fine Materials	182,273	213,672	117.2
	Circuit Materials	47,917	73,083	152.5
	Total	230,191	286,755	124.6
	Operating profit	57,874	96,115	166.1
Human Life	Life Science	19,286	21,031	109.0
	Membrane	16,314	17,246	105.7
	Personal Care Materials	25,534	26,907	105.4
	Total	61,135	65,184	106.6
	Operating profit	(5,427)	(4,560)	-
Others	Revenue	6	1	29.2
	Operating profit	(2,906)	(3,587)	-
Adjustment	Revenue	(8,073)	(8,963)	-
	Operating profit	(2,458)	(4,075)	-
Total	Revenue	449,344	521,723	116.1
	Operating profit	64,472	109,267	169.5

(Note) As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the six months ended September 30, 2023.

Forecasts of fiscal year ending March 31, 2025

		Revenue	Y-o-Y (%)
Industrial Tape	Revenue	356,000	105.4
	Operating profit	46,500	120.2
Optronics	Information Fine Materials	384,500	105.1
	Circuit Materials	127,000	121.4
	Total	511,500	108.7
	Operating profit	153,000	122.8
Human Life	Life Science	49,500	119.3
	Membrane	33,000	100.6
	Personal Care Materials	54,000	107.5
	Total	136,500	109.6
	Operating profit	(1,000)	-
Others	Revenue	-	-
	Operating profit	(7,500)	-
Adjustment	Revenue	(22,000)	-
	Operating profit	(11,000)	-
Total	Revenue	982,000	107.3
	Operating profit	180,000	129.4

(2) Overview of financial position during the period

The Group's financial position at the end of the second quarter of the fiscal year ending March 31, 2025 was as follows.

Compared with the end of the fiscal year ended March 31, 2024, total assets increased by 41,661 million yen to 1,292,749 million yen and total liabilities increased by 17,377 million yen to 283,416 million yen. Total equity increased by 24,283 million yen to 1,009,332 million yen. This was mainly due to a 35,323 million yen increase in retained earnings, a 11,544 million yen decrease in treasury shares and a 22,494 million yen decrease in other components of equity from the end of the fiscal year ended March 31, 2024. As a result, the ratio of equity attributable to owners of the parent company to total assets changed from 78.7% at the end of the fiscal year ended March 31, 2024 to 78.0% at the end of the second quarter of the fiscal year ending March 31, 2025.

The main changes in assets were a decrease in cash and cash equivalents of 1,970 million yen, an increase in trade and other receivables of 13,520 million yen, an increase in inventories of 6,243 million yen, an increase in other financial assets of 4,412 million yen, an increase in other current assets of 5,906 million yen, an increase in property, plant and equipment of 10,856 million yen, a decrease in goodwill of 1,970 million yen, a decrease in intangible assets of 1,179 million yen, an increase in investments accounted for using equity method of 5,834 million yen, a decrease in deferred tax assets of 1,088 million yen. In terms of liabilities, trade and other payables increased by 10,743 million yen, income tax payables increased by 12,962 million yen, other current financial liabilities decreased by 8,539 million yen, other current liabilities increased by 2,316 million yen.

(3) Explanation of forecasts and other projections

While the Group is expected to exceed our forecasts for the full year announced on July 26, 2024, given that demand for CIS used in data centers, optical films and other peripheral materials used in tablets were strong, the yen's exchange rate is expected to remain stronger than what we originally anticipated. Thus, although there are no changes to consolidated forecasts for the fiscal year ending March 31, 2025 for the entire Group, forecasts for individual segments have been revised. The Group assumes yen's exchange rate against the U.S. dollar to be 1\$=140 yen from the third quarter onwards.

2. Interim Consolidated Financial Statements and Key Notes

(1) Interim consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	342,269	340,298
Trade and other receivables	209,341	222,862
Inventories	136,804	143,048
Other financial assets	5,220	9,632
Other current assets	24,321	30,227
Total current assets	<u>717,957</u>	<u>746,070</u>
Noncurrent assets		
Property, plant and equipment	378,535	389,392
Right-of-use assets	19,321	19,737
Goodwill	66,056	64,086
Intangible assets	20,674	19,495
Investments accounted for using equity method	2,115	7,949
Financial assets	9,192	10,080
Deferred tax assets	20,985	19,896
Other noncurrent assets	16,248	16,041
Total noncurrent assets	<u>533,130</u>	<u>546,678</u>
Total assets	<u><u>1,251,087</u></u>	<u><u>1,292,749</u></u>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	98,965	109,709
Borrowings	345	396
Income tax payables	13,402	26,365
Other financial liabilities	38,396	29,857
Other current liabilities	55,746	58,063
Total current liabilities	206,856	224,391
Noncurrent liabilities		
Other financial liabilities	20,843	20,342
Defined benefit liabilities	33,130	33,588
Deferred tax liabilities	3,427	3,124
Other noncurrent liabilities	1,779	1,968
Total noncurrent liabilities	59,182	59,024
Total liabilities	266,038	283,416
Equity		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	49,928	49,889
Retained earnings	808,062	843,386
Treasury shares	(23,298)	(11,753)
Other components of equity	122,544	100,049
Total equity attributable to owners of the parent company	984,020	1,008,355
Noncontrolling interests	1,028	977
Total equity	985,048	1,009,332
Total liabilities and equity	1,251,087	1,292,749

(2) Interim consolidated statement of profit or loss and Interim consolidated statement of comprehensive income
 (Interim consolidated statement of profit or loss)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Revenue	449,344	521,723
Cost of sales	291,972	312,522
Gross profit	157,371	209,200
Selling, general and administrative expenses	71,731	75,301
Research and development expenses	21,870	23,021
Other income	6,376	4,212
Other expenses	5,673	5,822
Operating profit	64,472	109,267
Finance income	1,029	1,482
Finance expenses	1,268	1,709
Share of profit of investments accounted for using the equity method	7	(107)
Profit before income taxes	64,240	108,932
Income tax expenses	19,976	28,922
Net profit	44,264	80,009
Net profit attributable to:		
Owners of the parent company	44,216	79,975
Noncontrolling interests	48	33
Total	44,264	80,009
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	61.78	113.92
Diluted earnings per share (Yen)	61.75	113.88

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net profit	44,264	80,009
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes on financial assets measured at fair value through other comprehensive income	16	(25)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	46,607	(22,052)
Net changes in fair value of cash flow hedges	1	0
Share of other comprehensive income of investments accounted for using equity method	68	(278)
Total other comprehensive income	46,693	(22,356)
Total comprehensive income	90,958	57,652
Total comprehensive income attributable to:		
Owners of the parent company	90,907	57,620
Noncontrolling interests	51	32
Total	90,958	57,652

(3) Interim consolidated statement of changes in equity
For the six months ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance as of April 1, 2023	26,783	50,047	786,269	(27,631)	66,741	902,211	983	903,194
Net profit	-	-	44,216	-	-	44,216	48	44,264
Other comprehensive income	-	-	-	-	46,690	46,690	3	46,693
Total comprehensive income	-	-	44,216	-	46,690	90,907	51	90,958
Share based remuneration transactions	-	(47)	-	-	(100)	(148)	-	(148)
Dividends	-	-	(17,510)	-	-	(17,510)	(28)	(17,538)
Changes in treasury shares	-	(51,254)	-	19,366	-	(31,887)	-	(31,887)
Transfer from retained earnings to capital surplus	-	51,178	(51,178)	-	-	-	-	-
Total transactions with owners	-	(122)	(68,688)	19,366	(100)	(49,545)	(28)	(49,573)
Balance as of September 30, 2023	26,783	49,924	761,797	(8,264)	113,331	943,572	1,006	944,579

For the six months ended September 30, 2024

(Millions of yen)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance as of April 1, 2024	26,783	49,928	808,062	(23,298)	122,544	984,020	1,028	985,048
Net profit	-	-	79,975	-	-	79,975	33	80,009
Other comprehensive income	-	-	-	-	(22,355)	(22,355)	(1)	(22,356)
Total comprehensive income	-	-	79,975	-	(22,355)	57,620	32	57,652
Share based remuneration transactions	-	-	-	-	(139)	(139)	-	(139)
Dividends	-	-	(18,388)	-	-	(18,388)	(20)	(18,408)
Changes in treasury shares	-	(26,308)	-	11,544	-	(14,763)	-	(14,763)
Acquisition of NCI without change in control	-	6	-	-	-	6	(63)	(56)
Transfer from retained earnings to capital surplus	-	26,263	(26,263)	-	-	-	-	-
Total transactions with owners	-	(38)	(44,651)	11,544	(139)	(33,285)	(83)	(33,368)
Balance as of September 30, 2024	26,783	49,889	843,386	(11,753)	100,049	1,008,355	977	1,009,332

(4) Interim consolidated statement of cash flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	64,240	108,932
Depreciation and amortization	29,901	32,302
Impairment losses	65	193
Increase (decrease) in defined benefit liabilities	779	713
Decrease (increase) in trade and other receivables	(33,229)	(18,524)
Decrease (increase) in inventories	8,350	(9,557)
Increase (decrease) in trade and other payables	5,622	11,836
Increase (decrease) in advances received	(703)	1,096
Interest and dividend income	890	1,449
Interest expenses paid	(276)	(407)
Income taxes (paid) refunded	(20,657)	(15,815)
Others	(6,313)	(5,727)
Net cash provided by (used in) operating activities	48,670	106,490
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(32,394)	(56,787)
Proceeds from sale of property, plant and equipment and intangible assets	59	85
Decrease (increase) in time deposits	454	(3,877)
Purchase of investment securities	(378)	(498)
Purchase of shares of subsidiaries and affiliates	-	(6,256)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,871	-
Others	0	5
Net cash provided by (used in) investing activities	(30,386)	(67,328)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8)	51
Repayment of lease liabilities	(3,323)	(3,207)
Decrease (increase) in treasury shares	(32,133)	(15,016)
Cash dividends paid	(17,510)	(18,388)
Others	(3)	(80)
Net cash provided by (used in) financing activities	(52,979)	(36,640)
Effect of exchange rate changes on cash and cash equivalents	10,289	(4,492)
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	1,920	-
Net increase (decrease) in cash and cash equivalents	(22,485)	(1,970)
Cash and cash equivalents at the beginning of the period	329,966	342,269
Cash and cash equivalents at the end of the period	307,481	340,298

(5) Notes on interim consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on interim consolidated financial statements)

1. Reporting entity

Nitto Denko Corporation (the “Company”) is a corporation domiciled in Japan. The interim consolidated financial statements above comprise the Company and its subsidiaries (the “Group”) and the Group’s affiliates. The Group is engaged mainly in the “Industrial Tape business,” the “Optronics business,” the “Human Life business,” and “Others” (related businesses with a broad range of products). See “Segment information,” for details.

2. Basis of preparation

(1) Accounting standards compliance

The Group’s interim consolidated financial statements, which meet the requirements of a “specified company complying with any designated international accounting standards” defined in Article 1-2 of the Regulation on Consolidated Financial Statements, have been prepared in accordance with IAS 34 as prescribed in Article 312 of the Regulation on Consolidated Financial Statements. The interim consolidated financial statements should be read in conjunction with the Group’s consolidated financial statements for the fiscal year ended March 31, 2024, since the interim consolidated financial statements do not include all the information required in the annual consolidated financial statements.

(2) Presentation currency and units

The interim consolidated financial statements are presented in Japanese yen and figures less than a million yen are rounded down to the nearest million yen.

(3) Significant accounting estimates and judgments

When preparing the interim consolidated financial statements, management makes judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and the effect of revised accounting estimates is recognized in the current and future accounting periods.

The interim consolidated financial statements are prepared based on the same judgments, estimations and assumptions as those applied and described in the Group’s consolidated financial statements for the fiscal year ended March 31, 2024

(4) Approval of the interim consolidated financial statements

The interim consolidated financial statements were approved by Hideo Takasaki, President, and Yasuhiro Iseyama, CFO on October 28, 2024.

3. Material accounting policies

Material accounting policies implemented in the interim consolidated financial statements are the same as the accounting policies implemented in the Group’s consolidated financial statements for the fiscal year ended March 31, 2024.

(Segment information)

(1) Outline of reportable segments

Reportable segments of the Group are determined as segments whose separate financial information is available among the constituent units of the Group and which are regularly used by the Board of Directors, the chief operating decision maker, to determine the allocation of management resources and to evaluate their business results.

The Group has divisions by product, and each division develops comprehensive domestic and overseas strategies for its products and conducts business activities.

The Group's segments are based on three product divisions, and its three reportable segments are the Industrial Tape segment the Optronics segment and the Human Life segment. Each reportable segment is grouped into one operating segment based on similarities in products, markets, and other aspects.

Intersegment revenue is based on prevailing market prices.

Major products for each segment

Operating segment	Major products or business
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, automotive products, etc.)
Optronics	Information Fine Materials (optical films, etc.), Circuits Materials (CIS (Circuit Integrated Suspension), high-precision circuits, etc.)
Human Life	Life Science (oligonucleotide contract manufacturing business, nucleic acid synthesis materials, nucleic acid drug discovery, medical products, etc.), Membrane (high-polymer separation membrane), Personal Care Materials (functional film for hygienic materials, etc.)
Others	New Business, Other Products

(2) Information regarding revenue, profit or loss by segments

Segment information regarding the Group's reportable segments is as follows.

For the six months ended September 30, 2023

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of profit or loss
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	163,967	227,312	57,453	448,733	6	448,739	604	449,344
Intersegment revenue	2,117	2,879	3,681	8,678	-	8,678	(8,678)	-
Total segment revenue	166,084	230,191	61,135	457,411	6	457,417	(8,073)	449,344
Operating profit (loss)	17,390	57,874	(5,427)	69,837	(2,906)	66,930	(2,458)	64,472
Finance income								1,029
Finance expenses								(1,268)
Share of profit of investments accounted for using the equity method								7
Profit before income taxes								64,240

(Note) 1. Others is an operating segment that is not included in the reportable segments and consists of New Business.

2. Adjustment of operating profit (loss) in the amount of (2,458) million yen includes other incomes (losses) not allocated to each segment.

3. As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the six months ended September 30, 2023.

For the six months ended September 30, 2024

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of profit or loss
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	176,542	283,689	60,805	521,037	1	521,038	684	521,723
Intersegment revenue	2,202	3,066	4,379	9,648	-	9,648	(9,648)	-
Total segment revenue	178,745	286,755	65,184	530,685	1	530,687	(8,963)	521,723
Operating profit (loss)	25,375	96,115	(4,560)	116,930	(3,587)	113,342	(4,075)	109,267
Finance income								1,482
Finance expenses								(1,709)
Share of profit of investments accounted for using the equity method								(107)
Profit before income taxes								108,932

(Note) 1. Others is an operating segment that is not included in the reportable segments and consists of New Business.

2. Adjustment of operating profit (loss) in the amount of (4,075) million yen includes other incomes (losses) not allocated to each segment.

(Notes on dividends)

For the six months ended September 30, 2023

(1) Dividend payments

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
June 23, 2023 Ordinary General Meeting of Shareholders	Common stock	17,510	120	March 31, 2023	June 26, 2023	Retained earnings

(2) Of the dividends for which the record date falls during the first half of the current fiscal year, items for which the effective date is after the end of the first half of the current fiscal year

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
October 26, 2023 Board of Directors Meeting	Common stock	18,531	130	September 30, 2023	November 24, 2023	Retained earnings

For the six months ended September 30, 2024

(1) Dividend payments

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
June 21, 2024 Ordinary General Meeting of Shareholders	Common stock	18,388	130	March 31, 2024	June 24, 2024	Retained earnings

(2) Of the dividends for which the record date falls during the first half of the current fiscal year, items for which the effective date is after the end of the first half of the current fiscal year

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
October 28, 2024 Board of Directors Meeting	Common stock	19,651	140	September 30, 2024	November 29, 2024	Retained earnings

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above dividends per share is based on the actual amount of dividends before the stock split.

(Equity and other equity items)

(Repurchase of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on January 26, 2024, the Company has acquired its treasury shares. According to this repurchase, treasury shares increased by 1,095 thousand and 15,014 million yen in the first half of the fiscal year ending March 31, 2025.

(Cancellation of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on June 21, 2024, the Company has canceled its treasury shares on July 16, 2024. According to this cancellation, treasury shares decreased by 2,199 thousand and 26,338 million yen in the first half of the fiscal year ending March 31, 2025.

As a result, the number of treasury shares at the end of the first half of the fiscal year ending March 31, 2025, was 981 thousand, and the book balance was 11,753 million yen.

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above figures show the number of treasury shares before the stock split.

(Revenue)

As described in (Segment information), the Group has three reportable segments which are the Industrial Tape segment the Optronics segment and the Human Life segment. The relationship between the disaggregated revenues and the revenues from external customers in each reportable segment is as follows.

For the six months ended September 30, 2023

(Millions of yen)

Segment name	Major products or business	Japan	Americas	Europe	Asia/ Oceania	Total
Industrial Tape	Functional Base Products	53,406	18,224	17,469	74,867	163,967
	Information Fine Materials	7,140	-	-	172,819	179,959
Optronics	Circuits Materials	23,275	-	-	24,077	47,353
	Total	30,415	-	-	196,897	227,312
	Life Science	1,944	14,958	4	-	16,907
Human Life	Membrane	1,307	6,768	2,523	4,632	15,231
	Personal Care Materials	-	2,308	22,786	219	25,314
	Total	3,252	24,035	25,314	4,851	57,453
Others	New Business, Other Products	0	5	-	-	6
Adjustment		604	-	-	-	604
	Total	87,679	42,264	42,783	276,616	449,344

As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the six months ended September 30, 2023.

Revenue by region is based on the location of each base, and the main countries and regions included in the classification other than Japan are as follows.

Americas: United States, Mexico, Brazil

Europe: Belgium, France, Germany, Sweden, Turkey

Asia/Oceania: China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand, Vietnam

For the six months ended September 30, 2024

(Millions of yen)

Segment name	Major products or business	Japan	Americas	Europe	Asia/ Oceania	Total
Industrial Tape	Functional Base Products	52,603	17,287	17,698	88,951	176,542
Optronics	Information Fine Materials	14,046	-	-	197,591	211,637
	Circuits Materials	32,223	-	-	39,829	72,052
	Total	46,269	-	-	237,420	283,689
Human Life	Life Science	1,994	16,621	4	-	18,620
	Membrane	1,357	8,438	2,571	3,036	15,404
	Personal Care Materials	-	1,925	24,642	212	26,780
	Total	3,352	26,985	27,218	3,249	60,805
Others	New Business, Other Products	-	1	-	-	1
Adjustment		674	9	-	-	684
	Total	102,899	44,284	44,917	329,621	521,723

Revenue by region is based on the location of each base, and the main countries and regions included in the classification other than Japan are as follows.

Americas: United States, Mexico, Brazil

Europe: Belgium, France, Germany, Sweden, Turkey

Asia/Oceania: China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand, Vietnam

(Per share information)

Basic earnings per share, diluted earnings per share and basis for calculations are as follows.

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
(1) Basic earnings per share	61.78 yen	113.92 yen
Basis for calculation		
Net profit attributable to owners of the parent company (Millions of yen)	44,216	79,975
Average number of common shares (Thousands of shares)	715,749	702,006
(2) Diluted earnings per share	61.75 yen	113.88 yen
Basis for calculation		
Increase in the number of common stock upon exercise of the stock options (Thousands of shares)	266	250

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic and diluted earnings per share for the six months ended September 30, 2023 and for the six months ended September 30, 2024 are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

(Significant subsequent events)

(Stock split, partial amendment of articles of incorporation)

Pursuant to the resolution at the Board of Directors meeting on May 24, 2024, the Company has implemented the stock split on October 1, 2024.

1. Stock split

(1) Purpose of the stock split

The purpose is to lower the stock price per investment unit through the stock split, thereby creating more accessible investment environment for investors, and to expand the investor base and improve the liquidity of the Company's stock.

(2) Overview of stock split

① Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing shareholder register on the record date of September 30, 2024, has been split into five shares.

② Number of shares to be increased by the stock split

Total number of issued shares before the stock split	141,352,150 shares
Number of shares to be increased by the stock split	565,408,600 shares
Total number of issued shares after the stock split	706,760,750 shares
Total number of authorized shares after the stock split	2,000,000,000 shares

③ Schedule for the stock split

Public notice of record date (scheduled)	September 10, 2024
Record date	September 30, 2024
Effective date	October 1, 2024

2. Impact on per share information

As for impact on per share information by the stock split, please refer to (Per share information).

3. Partial amendment to the articles of incorporation

(1) Reason for the amendment

In connection with the stock split, the Company has amended the total number of authorized shares described in Article 6 of the Company's articles of incorporation, effective as of October 1, 2024, pursuant to Article 184, Paragraph 2 of the Companies Act of Japan.

(2) Details of the amendment

Details of the amendment are as follows. (Underlined parts indicate the amendment.)

Current articles on incorporation	Articles on incorporation after the amendment
Article 6. (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be <u>400,000,000</u> shares.	Article 6. (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be <u>2,000,000,000</u> shares.

(3) Schedule for the amendment

Date of resolution of the Board of Directions	May 24, 2024
Effective date	October 1, 2024

4. Others

As the effective date of this stock split is October 1, 2024, the interim dividend for the fiscal year ending March 31, 2025, will be paid based on the number of shares before the stock split.