



Financial Results Third Quarter FY2022

Nitto Denko Corporation

January 26, 2023



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Results for Third Quarter FY2022

Summary of Financial Results

Results for Q3 FY2022

Revenue

739.0 B. yen

Operating
Income

137.7 B. yen

YoY

Revenue

+92.7 B. yen
(+14.3%)

Operating
Income

+29.4 B. yen
(+27.1%)

- Revenue of Information Fine Materials and Flexible Printed Circuits grew
- For Industrial Tape and Human Life, revenue increased, but operating income decreased
- Impact of yen weakness on operating income was 59.5 B. yen

Q3 FY2022 Results

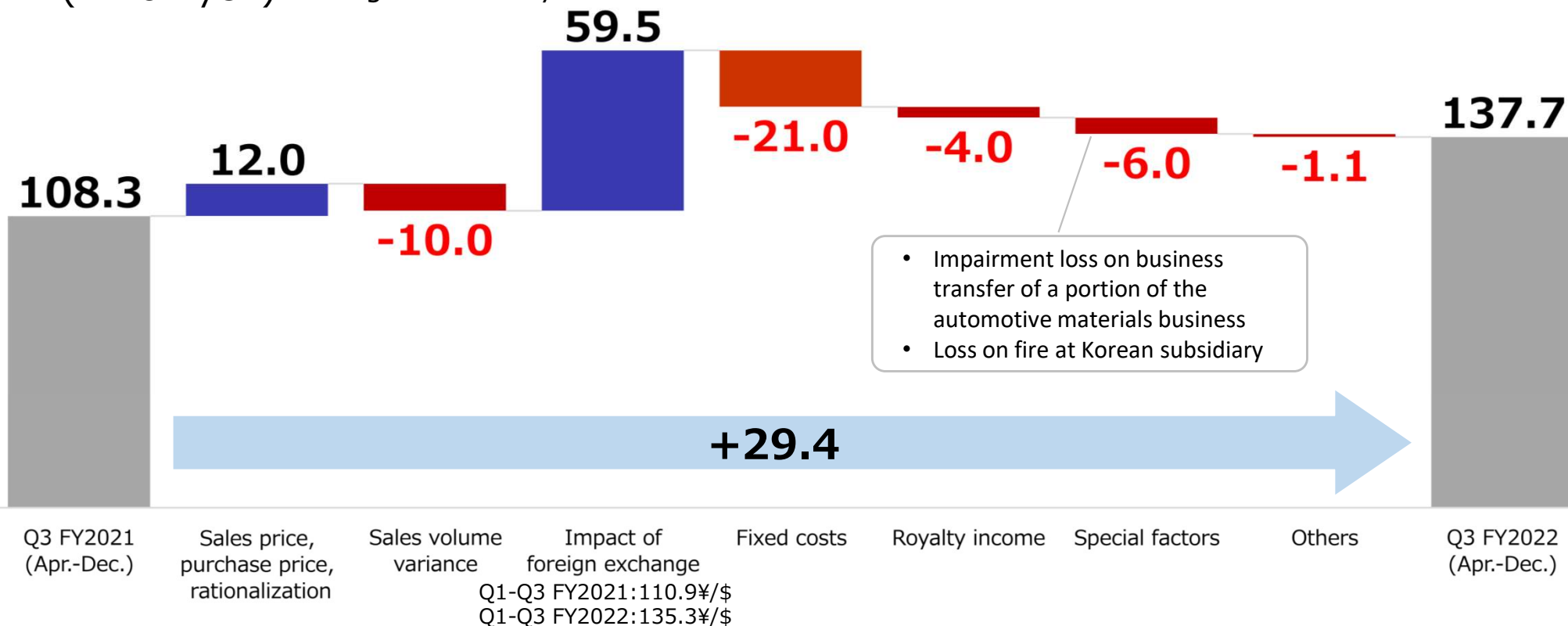
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(Billion yen)

	Q3 FY2021 (Apr.-Dec.)	Q3 FY2022 (Apr.-Dec.)	YoY	Change %
Revenue	646.3	739.0	+92.7	+14.3%
Operating income	108.3	137.7	+29.4	+27.1%
Operating income to revenue	16.8%	18.6%	+1.9%	—
Income before income taxes	108.7	137.4	+28.7	+26.4%
Net income	78.0	95.8	+17.9	+22.9%
Yen/1US\$	110.9	135.3	+24.4	+22.0%

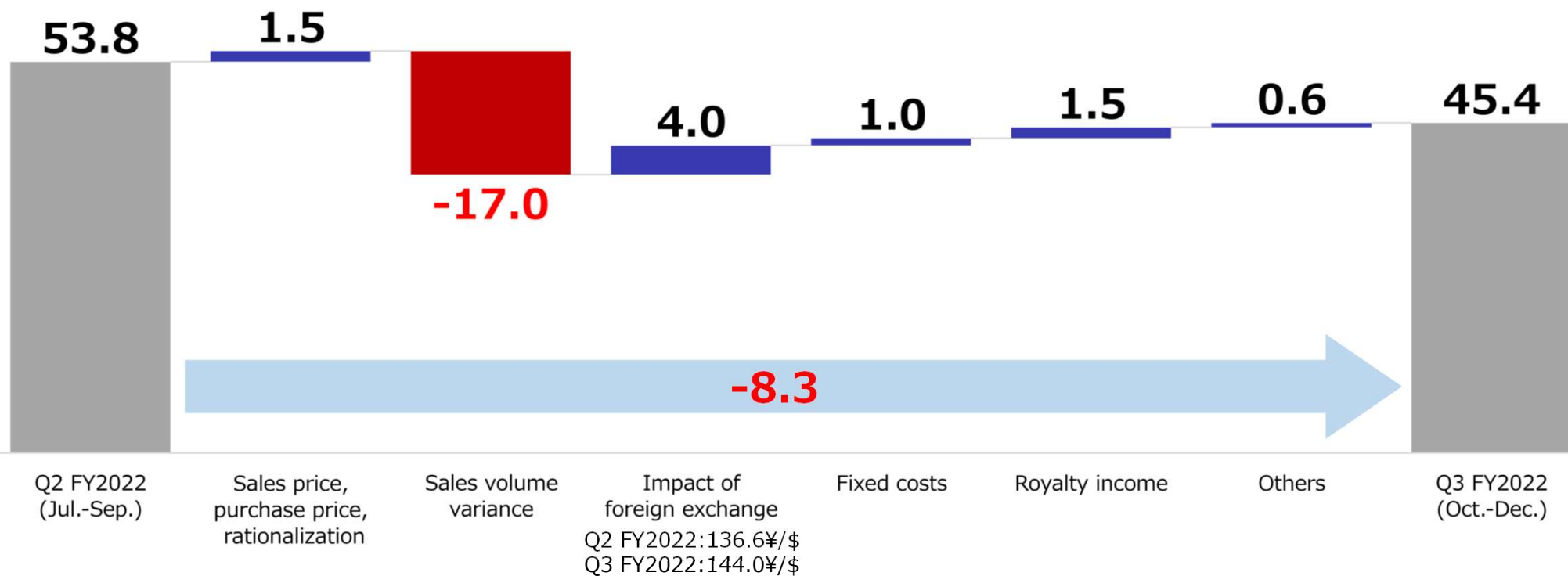
Q3 FY2022 YoY Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates



Q3 FY2022 QoQ Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates



Q3 FY2022 Results by Segment

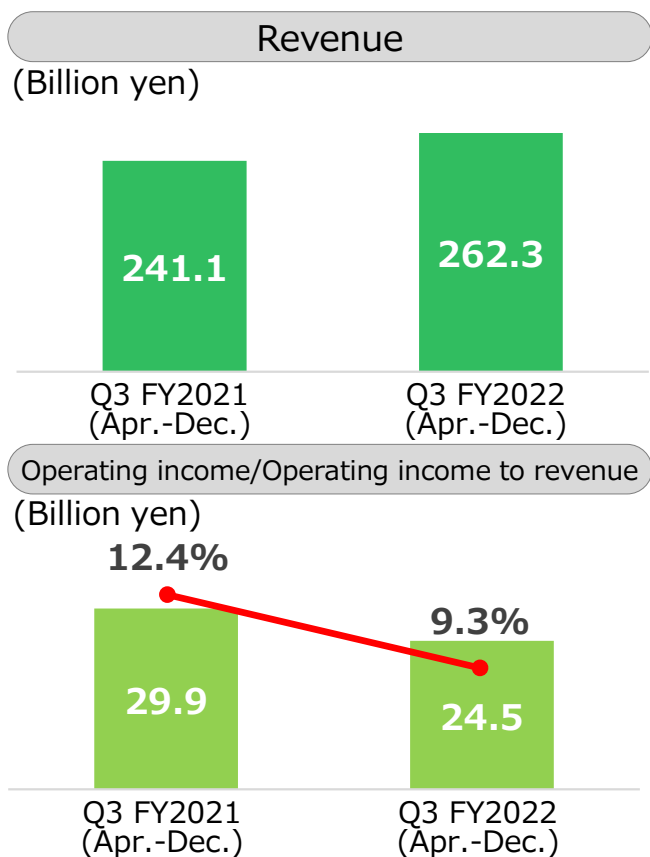
8

(Billion yen)

Upper row: Revenue Lower row: Operating income	Q3 FY2021 (Apr.-Dec.)	Q3 FY2022 (Apr.-Dec.)	YoY	Change %
Industrial Tape*	241.1	262.3	+21.2	+8.8%
	29.9	24.5	-5.4	-18.0%
Optronics	349.1	394.0	+44.9	+12.9%
	74.1	114.5	+40.4	+54.6%
Human Life*	69.8	102.8	+32.9	+47.2%
	10.7	6.5	-4.1	-38.6%
Others	0.0	0.0	+0.0	—
	-4.7	-4.2	+0.5	—
Corporate/Elimination	-13.7	-20.0	-6.3	—
	-1.6	-3.6	-2.1	—
Total	646.3	739.0	+92.7	+14.3%
	108.3	137.7	+29.4	+27.1%

* The personal care components business of Mondj, acquired in the first quarter of FY2022, is included in "Human Life". Certain related businesses has been transferred from "Industrial Tape" to "Personal Care Materials". Such changes have been reflected in the figures for FY2021, FY2022.

Results by Segment: Industrial Tape



Revenue	262.3 B. yen (YoY +8.8%)
Operating income	24.5 B. yen (YoY -18.0%)

■ Electronics

- Demand for assembly materials for high-end smartphones increased

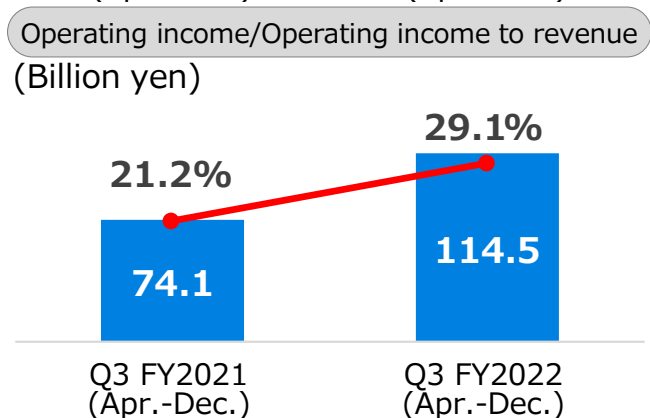
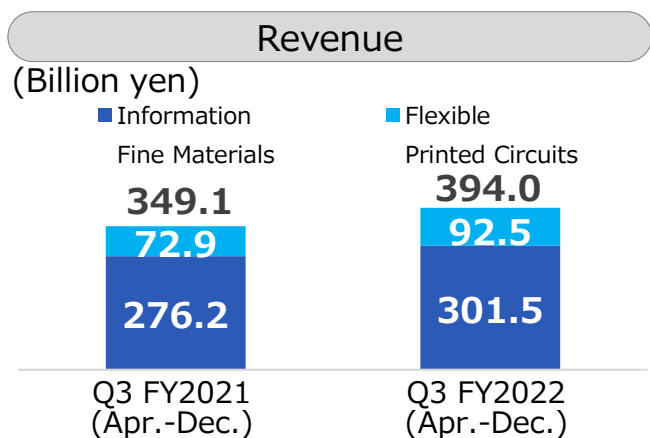
■ Process Materials

- Demand for semiconductors and ceramic capacitors used in electronic equipment declined due to deteriorating market conditions

■ Others

- In the automotive materials business, revenues increased due to recovery in automobile production, but an impairment loss recorded on a transfer of a portion of the business
- Costs increased due to the increase in raw material prices

Results by Segment: Optronics



Revenue	394.0 B. yen (YoY +12.9%)
Operating income	114.5 B. yen (YoY +54.6%)

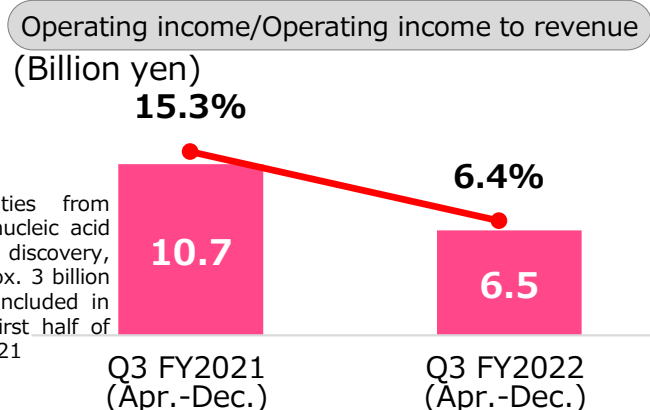
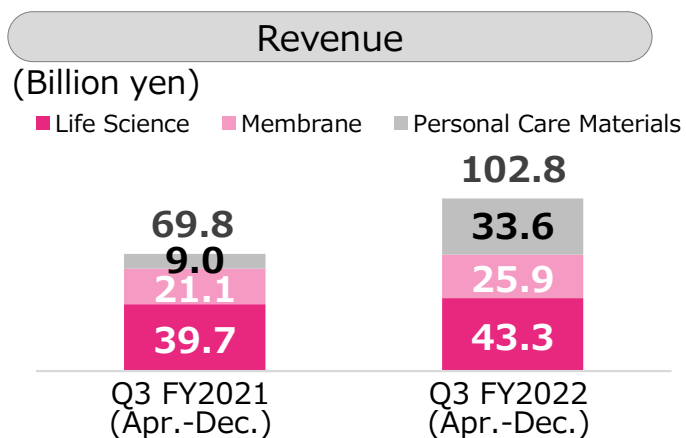
■ Information Fine Materials

- Optical films for high-end laptops and automotive increased
- Demand of optical films for TVs and LCD smartphone was sluggish due to deteriorating market conditions

■ Flexible Printed Circuits

- Increased number of models in high-end smartphones adopting high-precision circuits contributed to the results
- CIS for data-center applications, which had been strong so far, entered an adjustment phase in the third quarter and demand declined

Results by Segment: Human Life



Revenue	102.8 B. yen (YoY +47.2%)
Operating income	6.5 B. yen (YoY -38.6%)

■ Life Science

- Demand for oligonucleotide synthesis material (Nitto Phase™) increased with rapid growth in nucleic acid drug market
- New orders for immunologic adjuvants for COVID-19 vaccines stopped from the second quarter of the current fiscal year due to the global decline in vaccination rates

■ Membranes

- Demand for high-polymer separation membranes for industrial applications increased

■ Personal Care Materials

- The personal care components business of Mondi started operations with the existing hygiene business under a new business division

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Full-year Forecasts for FY2022

Full-year Forecasts for FY2022

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(Billion yen)

	FY2021	FY2022 Forecasts	YoY	Change %
Revenue	853.4	940.0	+86.6	+10.1%
Operating income	132.3	145.0	+12.7	+9.6%
Operating income to revenue	15.5%	15.4%	-0.1%	—
Income before income taxes	132.4	145.0	+12.6	+9.5%
Net income	97.2	100.0	+2.8	+2.8%
Yen/1US\$	111.8	135.0	+23.2	+20.8%

Full-year Forecasts for FY2022 by Segment

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(Billion yen)

Upper row: Revenue Lower row: Operating income	FY2021	FY2022 Forecasts	YoY	Change %
Industrial tape*	319.3 37.8	340.0 30.0	+20.7 -7.8	+6.5% -20.7%
Optronics	459.6 96.6	490.0 125.0	+30.4 +28.4	+6.6% +29.4%
Human Life*	92.2 7.2	133.0 1.5	+40.8 -5.7	+44.2% -79.3%
Others	0.0 -5.9	0.0 -6.5	0.0 -0.6	+176.9% -
Corporate/Elimination	-17.6 -3.4	-23.0 -5.0	-5.4 -1.6	- -
Total	853.4 132.3	940.0 145.0	+86.5 +12.7	+10.1% +9.6%

* The personal care components business of Mondj, acquired in the first quarter of FY2022, is included in "Human Life". Certain related businesses has been transferred from "Industrial Tape" to "Personal Care Materials". Such changes have been reflected in the figures for FY2021, FY2022.

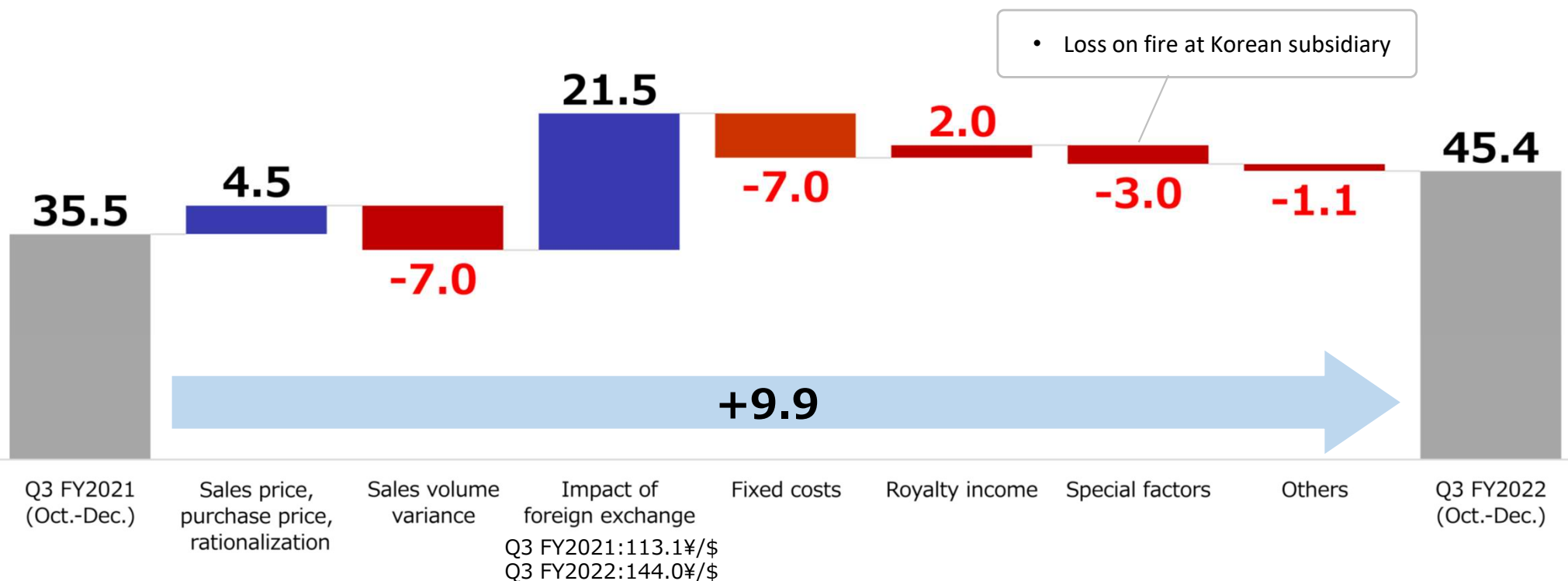
<Notes regarding this material>

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

Q3 FY2022 YoY Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates

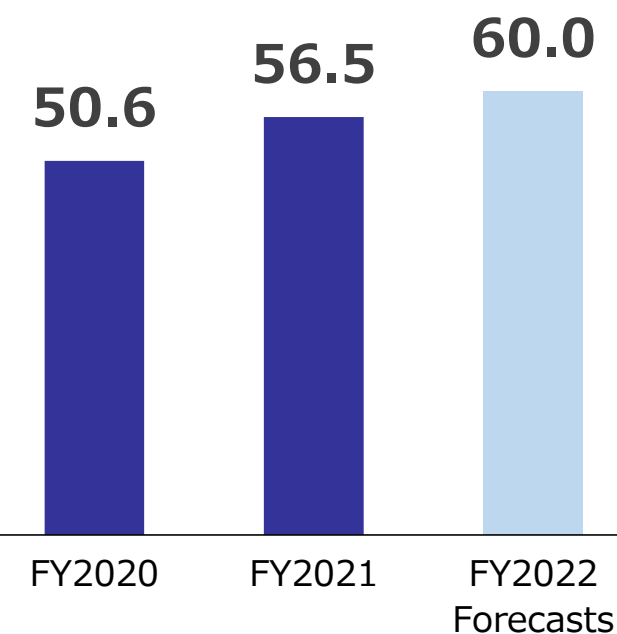


Capital Expenditure, Depreciation and Amortization, R&D Expenditure

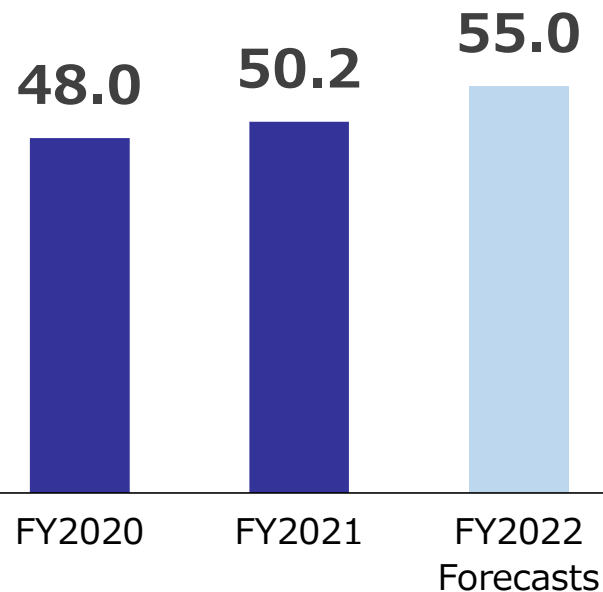
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(Billion yen)

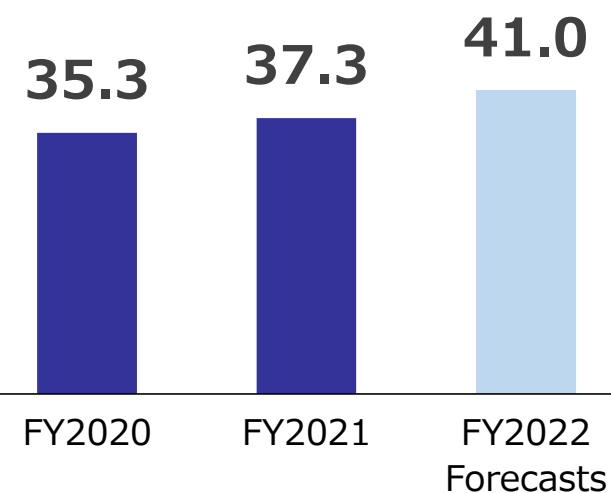
Capital Expenditure



Depreciation and Amortization



R&D Expenditure



Consolidated Cash Flow Statement

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

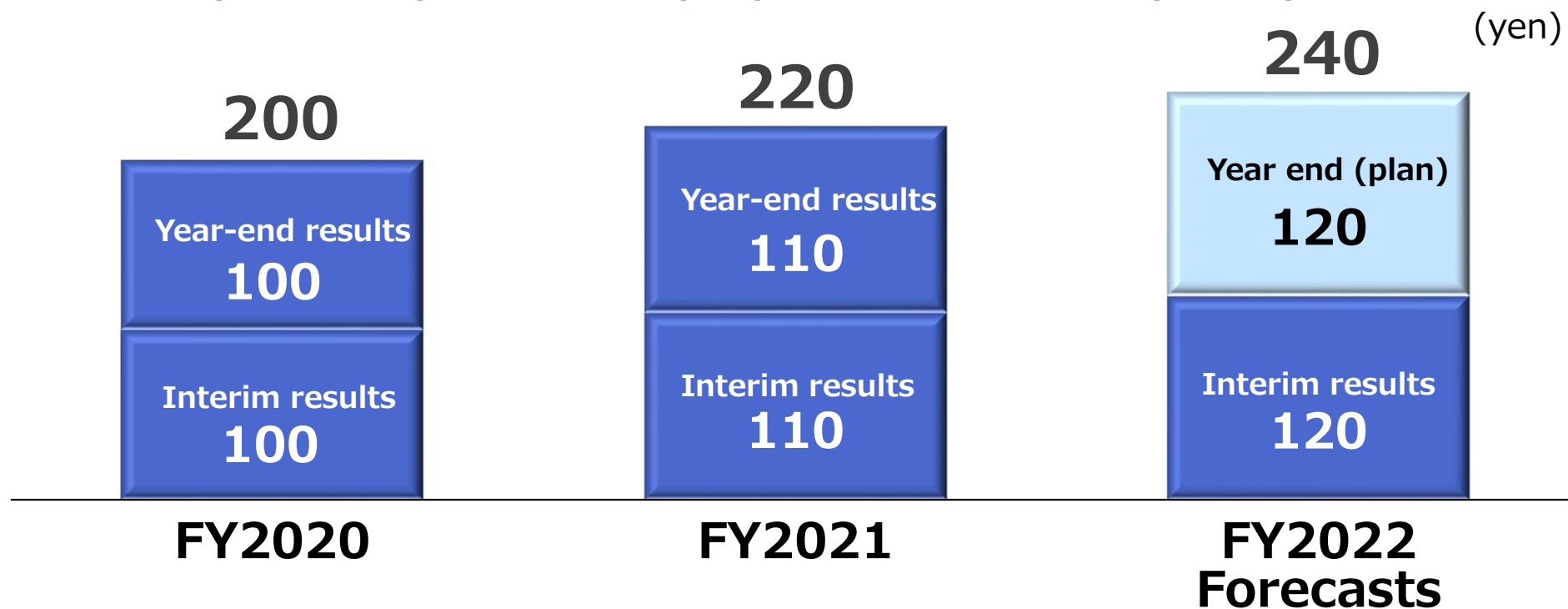
(Billion yen)

	Q3 FY2021 (Apr.-Dec.)	Q3 FY2022 (Apr.-Dec.)	YoY
Cash flows from operating activities (Operating CF)	103.3	133.2	+29.9
Cash flows from investing activities (Investment CF)	-41.4	-142.5	-101.1
Free cash flow (FCF)	61.9	-9.3	-71.2
Cash flows from financing activities (Financial CF)	-35.6	-38.4	-2.8
Effect of exchange rate changes on cash and cash equivalents	4.1	2.8	-1.4
Net increase (decrease) in cash and cash equivalents	30.5	-44.9	-75.4
Cash and cash equivalents at the end of the period	331.4	317.1	-14.3

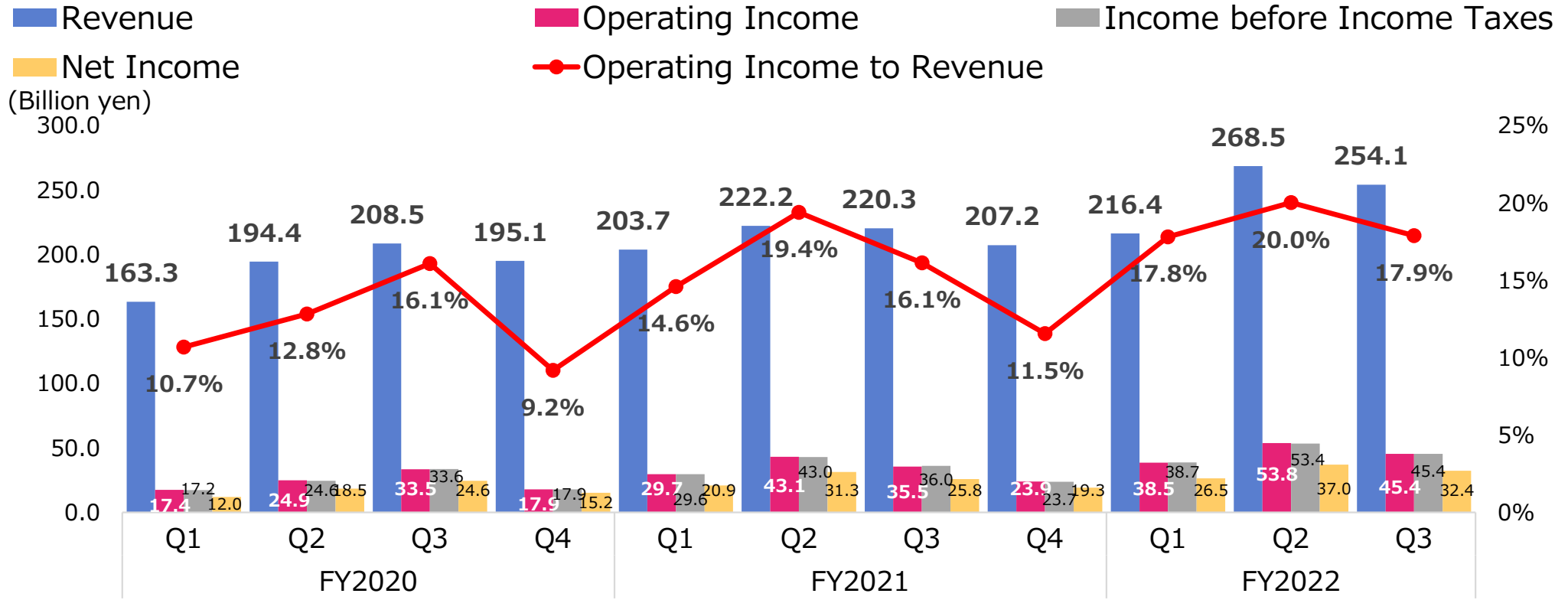
Shareholder Returns

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- Dividend of 120 yen per share planned for current fiscal year, 240 yen for full year
- Share Repurchase up to 50 billion yen planned from February to July 2023



Performance Trend (Quarterly)



Business Portfolio Status

(*Component ratios not including Corporate/Elimination)

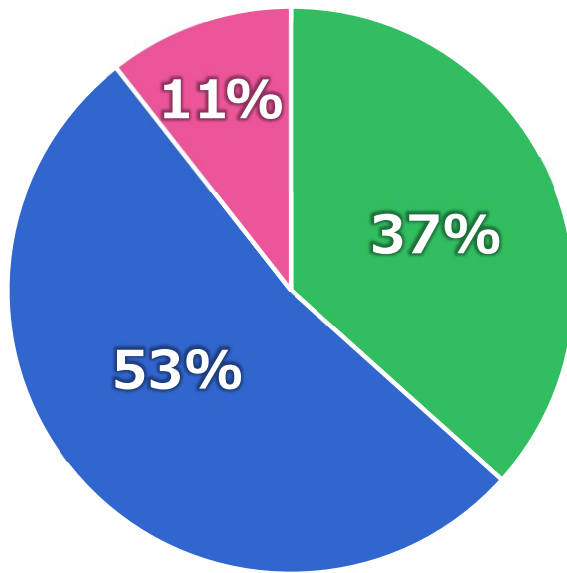
Revenue

Industrial Tape

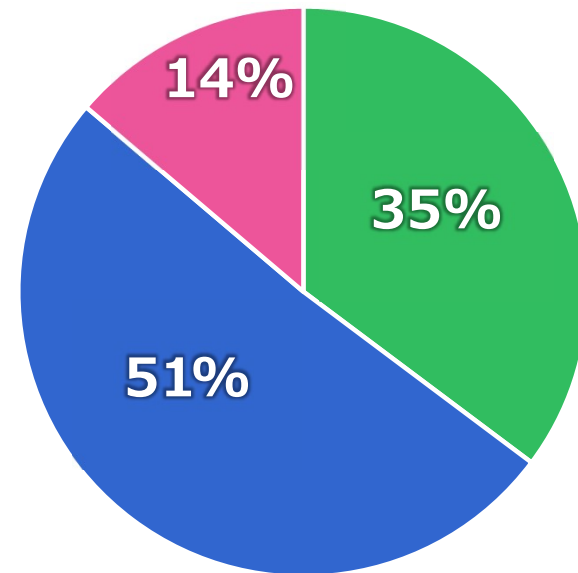
Optronics

Human Life

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



FY2022 forecasts
940.0B. yen
(135.0¥/\$)



Business Portfolio Status

(*Component ratios not including Corporate/Elimination and negative segments)

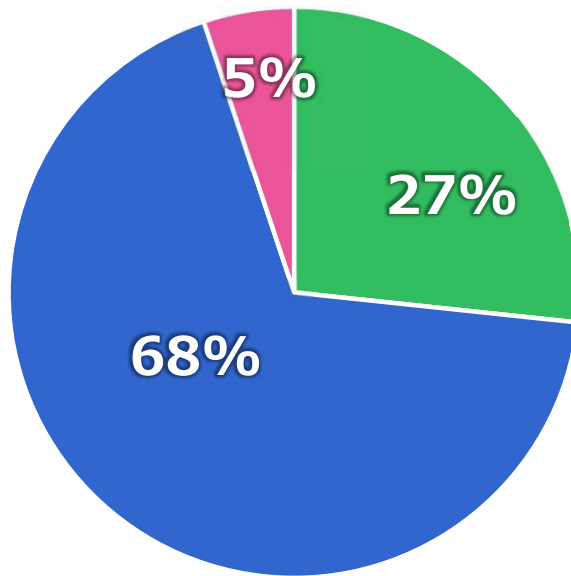
Operating Income

Industrial Tape

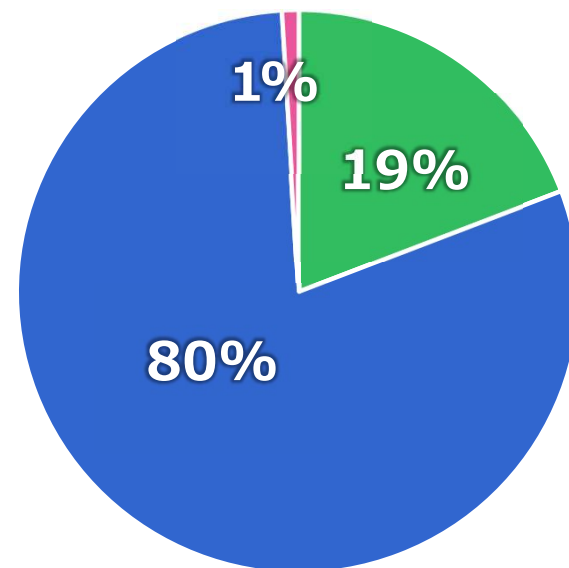
Optronics

Human Life

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



FY2022 forecasts
145.0B. yen
(135.0¥/\$)



Disclosure Segment Categories

Up to FY2021

Disclosed on April 26, 2022

Updated on July 26, 2022

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

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)	



Nitto

Innovation for Customers