

Preliminary

Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2024 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
 Code Number: 6988 URL <https://www.nitto.com/>
 Company Representative: Hideo Takasaki, President
 Contact Person: Yasuhiro Iseyama, Senior Executive Vice President, Director of Corporate Accounting & Finance Division
 Phone: +81-6-7632-2101

Estimated starting date of dividend paying: -
 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 for the nine months ended December 31, 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 nine months ended December 31, 2024	778,285	12.2	152,935	36.1	152,845	36.4	108,741	33.2	108,689	33.2	129,622	17.3
For the nine months ended December 31, 2023	693,900	(6.1)	112,329	(18.4)	112,025	(18.5)	81,665	(14.8)	81,600	(14.8)	110,470	(2.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December 31, 2024	154.84	154.78
For the nine months ended December 31, 2023	114.17	114.12

(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 nine months ended December 31, 2023 and for the nine months ended December 31, 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 December 31, 2024	1,343,538	1,061,711	1,060,711	78.9
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	1,005,000	9.8	185,000	33.0	185,000	33.2	135,000	31.4	135,000	31.5	Yen 192.32

(Note) 1. Revision of consolidated forecast in the current quarter: Yes

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 961.6 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 December 31, 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 December 31, 2024: 4,908,550 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-December 2024: 701,955,285 April-December 2023: 714,752,363

(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.

- Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

- 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 the nine months ended December 31, 2023	For the nine months ended December 31, 2024	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	255,347	270,011	105.7
	Operating profit	29,914	37,855	126.5
Optronics	Information Fine Materials	278,037	316,767	113.9
	Circuit Materials	80,379	106,205	132.1
	Total	358,416	422,973	118.0
	Operating profit	100,002	137,892	137.9
Human Life	Life Science	30,949	32,950	106.5
	Membrane	24,559	26,291	107.1
	Personal Care Materials	37,695	39,442	104.6
	Total	93,204	98,684	105.9
	Operating profit	(6,388)	(5,863)	-
Others	Revenue	10	3	35.0
	Operating profit	(4,286)	(10,484)	-
Adjustment	Revenue	(13,078)	(13,386)	-
	Operating profit	(6,912)	(6,464)	-
Total	Revenue	693,900	778,285	112.2
	Operating profit	112,329	152,935	136.1

(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 nine months ended December 31, 2023.

Forecasts of fiscal year ending March 31, 2025

		Revenue	Y-o-Y (%)
Industrial Tape	Revenue	354,000	104.8
	Operating profit	44,500	115.0
Optronics	Information Fine Materials	404,000	110.4
	Circuit Materials	133,000	127.2
	Total	537,000	114.1
	Operating profit	167,000	134.1
Human Life	Life Science	47,000	113.3
	Membrane	34,000	103.7
	Personal Care Materials	51,500	102.6
	Total	132,500	106.4
	Operating profit	(5,000)	-
Others	Revenue	-	-
	Operating profit	(12,500)	-
Adjustment	Revenue	(18,500)	-
	Operating profit	(9,000)	-
Total	Revenue	1,005,000	109.8
	Operating profit	185,000	133.0

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	342,269	359,655
Trade and other receivables	209,341	230,331
Inventories	136,804	147,190
Other financial assets	5,220	7,671
Other current assets	24,321	30,260
Total current assets	<u>717,957</u>	<u>775,110</u>
Noncurrent assets		
Property, plant and equipment	378,535	414,939
Right-of-use assets	19,321	20,288
Goodwill	66,056	61,822
Intangible assets	20,674	18,061
Investments accounted for using equity method	2,115	8,399
Financial assets	9,192	10,369
Deferred tax assets	20,985	18,566
Other noncurrent assets	16,248	15,981
Total noncurrent assets	<u>533,130</u>	<u>568,428</u>
Total assets	<u><u>1,251,087</u></u>	<u><u>1,343,538</u></u>

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	98,965	108,492
Borrowings	345	443
Income tax payables	13,402	24,806
Other financial liabilities	38,396	34,636
Other current liabilities	55,746	53,666
Total current liabilities	<u>206,856</u>	<u>222,045</u>
Noncurrent liabilities		
Other financial liabilities	20,843	20,697
Defined benefit liabilities	33,130	34,051
Deferred tax liabilities	3,427	3,223
Other noncurrent liabilities	1,779	1,809
Total noncurrent liabilities	<u>59,182</u>	<u>59,782</u>
Total liabilities	<u>266,038</u>	<u>281,827</u>
Equity		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	49,928	49,934
Retained earnings	808,062	852,442
Treasury shares	(23,298)	(11,755)
Other components of equity	122,544	143,306
Total equity attributable to owners of the parent company	<u>984,020</u>	<u>1,060,711</u>
Noncontrolling interests	<u>1,028</u>	<u>999</u>
Total equity	<u>985,048</u>	<u>1,061,711</u>
Total liabilities and equity	<u>1,251,087</u>	<u>1,343,538</u>

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

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Revenue	693,900	778,285
Cost of sales	438,037	470,329
Gross profit	255,863	307,956
Selling, general and administrative expenses	110,497	115,119
Research and development expenses	32,708	35,039
Other income	8,046	9,184
Other expenses	8,374	14,046
Operating profit	112,329	152,935
Finance income	1,587	2,140
Finance expenses	1,926	2,140
Share of profit of investments accounted for using the equity method	35	(89)
Profit before income taxes	112,025	152,845
Income tax expenses	30,360	44,103
Net profit	81,665	108,741
Net profit attributable to:		
Owners of the parent company	81,600	108,689
Noncontrolling interests	64	52
Total	81,665	108,741
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	114.17	154.84
Diluted earnings per share (Yen)	114.12	154.78

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net profit	81,665	108,741
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	129	(11)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	28,636	20,674
Net changes in fair value of cash flow hedges	1	(0)
Share of other comprehensive income of investments accounted for using equity method	37	218
Total other comprehensive income	28,805	20,880
Total comprehensive income	110,470	129,622
Total comprehensive income attributable to:		
Owners of the parent company	110,404	129,567
Noncontrolling interests	66	55
Total	110,470	129,622

(3) Quarterly consolidated statement of changes in equity

For the nine months ended December 31, 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	-	-	81,600	-	-	81,600	64	81,665
Other comprehensive income	-	-	-	-	28,803	28,803	1	28,805
Total comprehensive income	-	-	81,600	-	28,803	110,404	66	110,470
Share based remuneration transactions	-	(47)	-	-	(51)	(98)	-	(98)
Dividends	-	-	(36,041)	-	-	(36,041)	(28)	(36,070)
Changes in treasury shares	-	(51,254)	-	19,366	-	(31,887)	-	(31,887)
Transfer from other components of equity to retained earnings	-	-	347	-	(347)	-	-	-
Transfer from retained earnings to capital surplus	-	51,178	(51,178)	-	-	-	-	-
Total transactions with owners	-	(122)	(86,873)	19,366	(398)	(68,028)	(28)	(68,056)
Balance as of December 31, 2023	26,783	49,924	780,996	(8,264)	95,147	944,587	1,021	945,609

For the nine months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2024	26,783	49,928	808,062	(23,298)	122,544	984,020	1,028	985,048
Net profit	-	-	108,689	-	-	108,689	52	108,741
Other comprehensive income	-	-	-	-	20,877	20,877	2	20,880
Total comprehensive income	-	-	108,689	-	20,877	129,567	55	129,622
Share based remuneration transactions	-	-	-	-	(76)	(76)	-	(76)
Dividends	-	-	(38,040)	-	-	(38,040)	(20)	(38,060)
Changes in treasury shares	-	(26,308)	-	11,542	-	(14,765)	-	(14,765)
Transfer from other components of equity to retained earnings	-	-	39	-	(39)	-	-	-
Acquisition of NCI without change in control	-	6	-	-	-	6	(63)	(56)
Transfer from retained earnings to capital surplus	-	26,308	(26,308)	-	-	-	-	-
Total transactions with owners	-	6	(64,309)	11,542	(115)	(52,875)	(83)	(52,959)
Balance as of December 31, 2024	26,783	49,934	852,442	(11,755)	143,306	1,060,711	999	1,061,711

(4) Quarterly consolidated statement of cash flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	112,025	152,845
Depreciation and amortization	45,272	48,854
Impairment losses	343	7,352
Increase (decrease) in defined benefit liabilities	1,114	1,124
Decrease (increase) in trade and other receivables	(27,244)	(14,576)
Decrease (increase) in inventories	4,878	(7,796)
Increase (decrease) in trade and other payables	5,685	8,850
Increase (decrease) in advances received	(631)	(947)
Interest and dividend income	1,366	1,937
Interest expenses paid	(445)	(494)
Income taxes (paid) refunded	(37,117)	(31,085)
Others	(7,398)	(8,012)
Net cash provided by (used in) operating activities	97,849	158,052
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(51,114)	(79,596)
Proceeds from sale of property, plant and equipment and intangible assets	545	112
Decrease (increase) in time deposits	(2,078)	(2,516)
Purchase of investment securities	(612)	(647)
Proceeds from sale of investment securities	551	55
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	5	25
Net cash provided by (used in) investing activities	(50,831)	(88,824)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	28	97
Repayment of lease liabilities	(4,698)	(4,756)
Decrease (increase) in treasury shares	(32,134)	(15,018)
Cash dividends paid	(36,041)	(38,040)
Others	(7)	(83)
Net cash provided by (used in) financing activities	(72,852)	(57,800)
Effect of exchange rate changes on cash and cash equivalents	5,608	5,958
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	(18,306)	17,386
Cash and cash equivalents at the beginning of the period	329,966	342,269
Cash and cash equivalents at the end of the period	311,660	359,655

(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 nine months ended December 31, 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	252,036	353,457	87,475	692,969	10	692,980	920	693,900
Intersegment revenue	3,311	4,959	5,728	13,999	-	13,999	(13,999)	-
Total segment revenue	255,347	358,416	93,204	706,969	10	706,979	(13,078)	693,900
Operating profit (loss)	29,914	100,002	(6,388)	123,527	(4,286)	119,241	(6,912)	112,329
Finance income								1,587
Finance expenses								(1,926)
Share of profit of investments accounted for using the equity method								35
Profit before income taxes								112,025

(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 (6,912) 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 nine months ended December 31, 2023.

For the nine months ended December 31, 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	266,731	418,562	91,956	777,250	3	777,254	1,031	778,285
Intersegment revenue	3,279	4,410	6,727	14,417	-	14,417	(14,417)	-
Total segment revenue	270,011	422,973	98,684	791,668	3	791,672	(13,386)	778,285
Operating profit (loss)	37,855	137,892	(5,863)	169,884	(10,484)	159,399	(6,464)	152,935
Finance income								2,140
Finance expenses								(2,140)
Share of profit of investments accounted for using the equity method								(89)
Profit before income taxes								152,845

(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 (6,464) million yen includes other incomes (losses) not allocated to each segment.