

# Financial Results

## Second Quarter FY2024

**Nitto Denko Corporation**

October 28, 2024

***Nitto***

Innovation for Customers

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# Results of 2Q FY2024

# Summary of Financial Results

## Results of 1H FY2024

Revenue	<b>521.7 B. yen</b>
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Operating profit	<b>109.3 B. yen</b>
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## YoY

Revenue	<b>+72.4 B. yen</b> (+16.1%)
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Operating profit	<b>+44.8 B. yen</b> (+69.5%)
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- Revenue and operating profit reached a record high for a half-year period.
- For Industrial Tape, Optronics and Human life, both [revenue and operating profit increased](#).
- Positive impact from yen weakness on operating profit was [17.1 B. yen](#).

# 1H FY2024 Results

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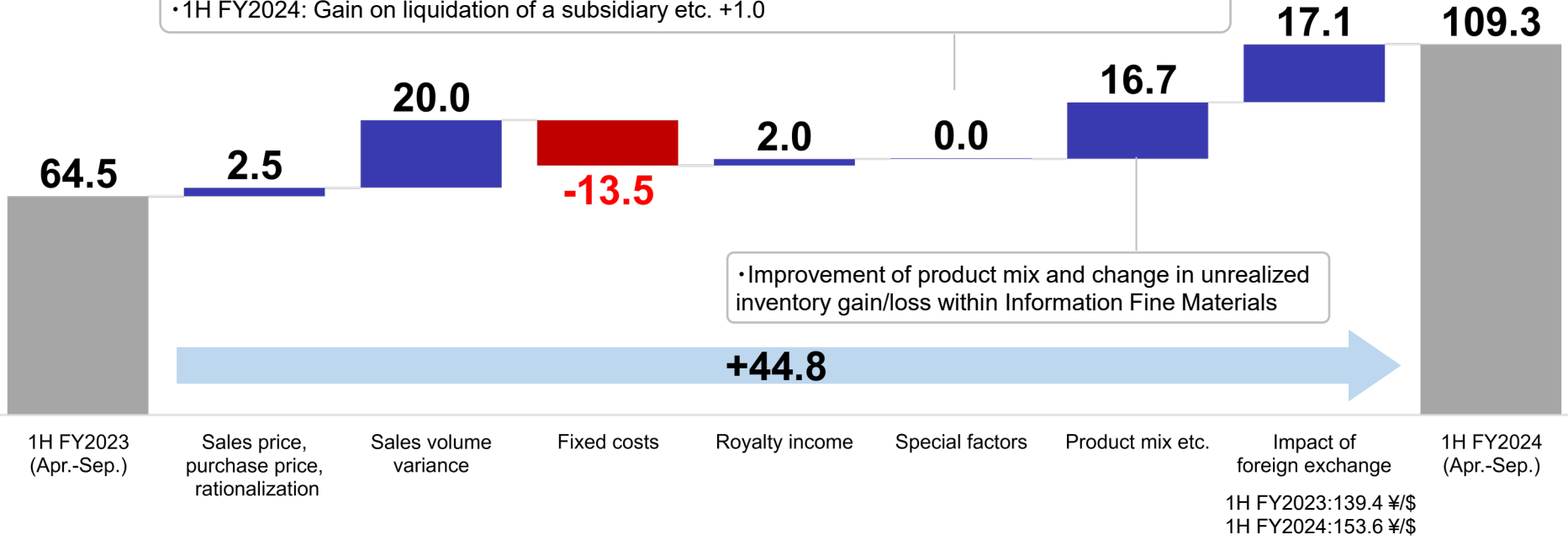
(Billion yen)

	1H FY2023 (Apr.-Sep.)	1H FY2024 (Apr.-Sep.)	YoY	
			Dif.	%
Revenue	449.3	521.7	+72.4	+16.1%
Operating profit	64.5	109.3	+44.8	+69.5%
Operating profit to revenue	14.3%	20.9%	+6.6%	—
Profit before income taxes	64.2	108.9	+44.7	+69.6%
Net profit attributable to owners of the parent company	44.2	80.0	+35.8	+80.9%
Yen/1US\$	139.4	153.6	+14.2	+10.2%

# 1H FY2024 YoY Operating Profit Change Analysis

(Billion yen) \*Figures in analysis are estimates

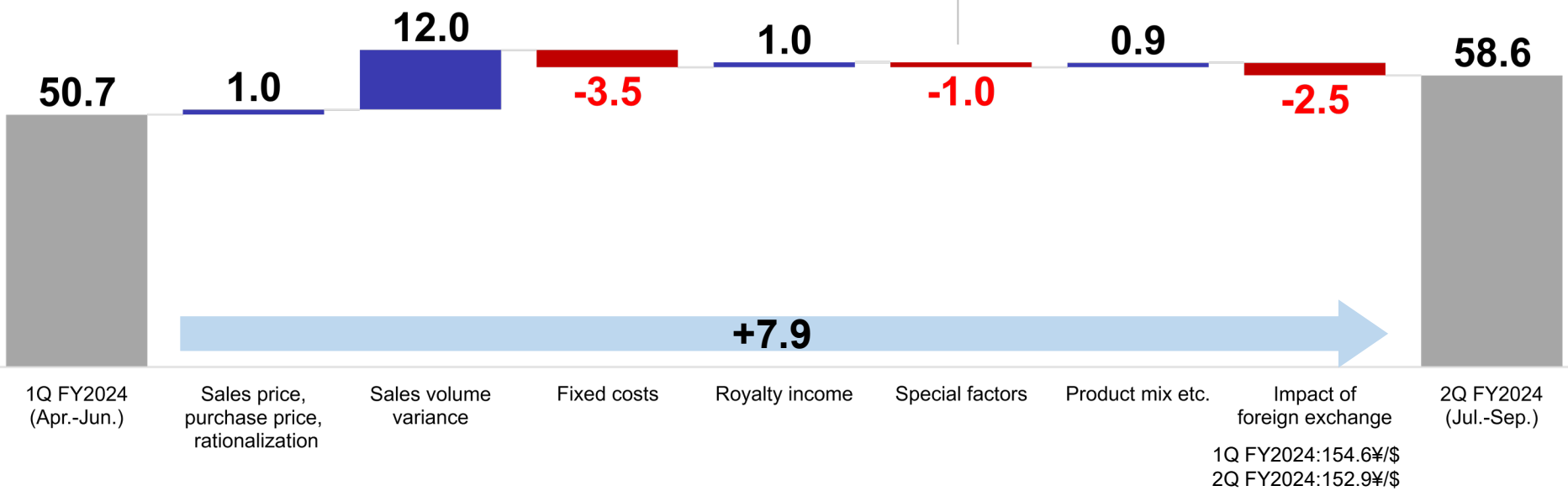
- 1H FY2023: Reactionary loss from insurance income for loss on a fire at South Korean subsidiary, loss on disposition of inventory and valuation loss on liquidating a company etc. **-1.0**
- 1H FY2024: Gain on liquidation of a subsidiary etc. **+1.0**



# 2Q FY2024 QoQ Operating Profit Change Analysis

(Billion yen) \*Figures in analysis are estimates

· 1Q FY2024: Reactionary loss from gain on liquidation of a subsidiary etc. -1.0



# 1H FY2024 Results by Segment

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(Billion yen)

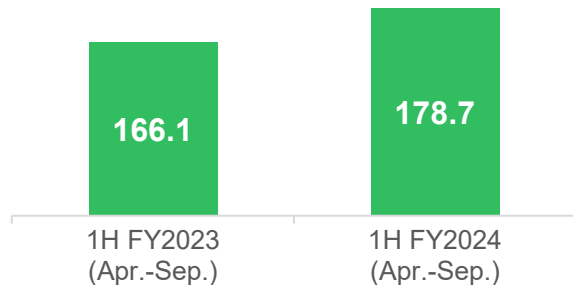
Upper row: Revenue Lower row: Operating profit	1H FY2023 (Apr.-Sep.)	1H FY2024 (Apr.-Sep.)	YoY	
			Dif.	%
Industrial Tape*	166.1	178.7	12.7	+7.6%
	17.4	25.4	8.0	+45.9%
Optronics*	230.2	286.8	56.6	+24.6%
	57.9	96.1	38.2	+66.1%
Human Life	61.1	65.2	4.1	+6.6%
	-5.4	-4.6	0.9	—
Others	0.0	0.0	-0.0	-70.8%
	-2.9	-3.6	-0.7	—
Adjustment*	-8.1	-9.0	-0.9	—
	-2.5	-4.1	-1.6	—
Total	449.3	521.7	72.4	+16.1%
	64.5	109.3	44.8	+69.5%

\*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.

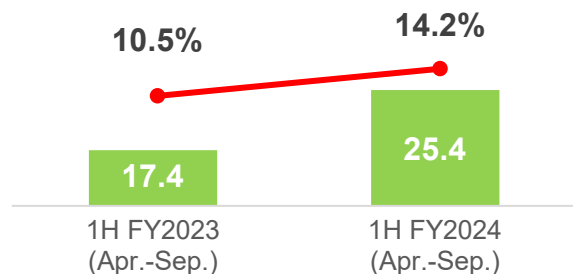


# Results by Segment: Industrial Tape

Revenue  
(Billion yen)



Operating profit/Operating profit to revenue  
(Billion yen)



Revenue	<b>178.7 B. yen</b> (YoY +7.6%)
Operating profit	<b>25.4 B. yen</b> (YoY +45.9%)

## ■ Electronics

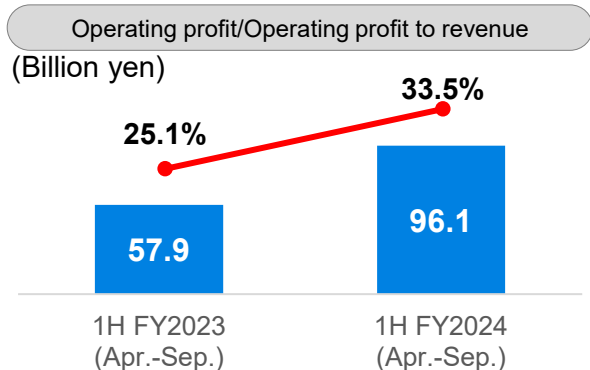
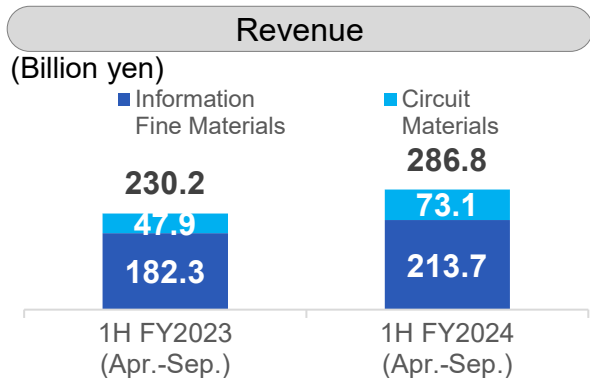
- Demand for assembly materials used in high-end smartphones increased due to production being ahead of schedule as well as from expansion of models adopting our materials.
- Demand for process materials used in ceramic capacitors continued its gradual recovery.

## ■ Process Materials

- Demand for process materials used in semiconductor memories continued its gradual recovery.

## ■ Others

- Demand for automotive materials were sluggish due to a decrease in the number of automotive productions.



<b>Revenue</b>	<b>286.8 B. yen</b> (YoY +24.6%)
<b>Operating profit</b>	<b>96.1 B. yen</b> (YoY +66.1%)

## ■ Information Fine Materials

- Demand for optical films and transparent conductive films (ITO) increased significantly as the production of tablets remained strong.
- 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.

## ■ Circuit Materials

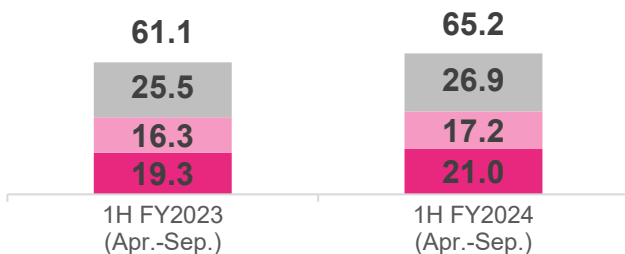
- In Circuit Integrated Suspension (CIS), demand for Hard Disk Drives (HDDs) with high capacity used in data centers increased significantly.
- Demand for high-precision circuits increased, as the production of high-end smartphones remained strong.

# Results by Segment: Human Life

## Revenue

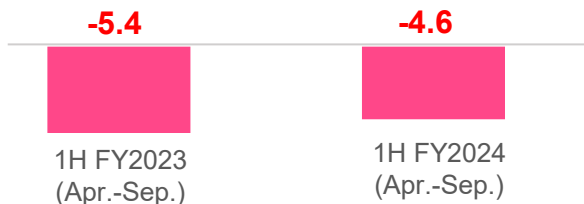
(Billion yen)

■ Life Science ■ Membrane ■ Personal Care Materials



## Operating profit/Operating profit to revenue

(Billion yen)



Revenue	<b>65.2 B. yen</b> (YoY +6.6%)
Operating profit	<b>-4.6 B. yen</b> (YoY -)

## ■ Life Science

- The production of projects that are expected to be commercialized at a future date has been started at our new plant in Massachusetts.
- Demand for nucleic acid synthesis materials (NittoPhase™) used in commercial drugs increased among some customers.
- In nucleic acid drug discovery, Phase 1 clinical trial of intractable cancer drug was completed. We are continuing to work toward out-licensing our pipeline.

## ■ Membrane

- While demand for various industrial applications decreased particularly in China, demand for ZLD (Zero Liquid Discharge) increased due to the tightening of environmental regulations relating to wastewater in India.

## ■ Personal Care Materials

- Profitability improved as sales of new products for diapers and environmentally friendly products using biodegradable technologies expanded.

## 2

# Full-year Forecasts for FY2024

# Full-year Forecasts for FY2024

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(Billion yen)

	FY2023 (Apr.-Mar.)	FY2024 Forecasts (Apr.-Mar.)	YoY	
			Dif.	%
Revenue	915.1	982.0	+66.9	+7.3%
Operating profit	139.1	180.0	+40.9	+29.4%
Operating profit to revenue	15.2%	18.3%	+3.1%	—
Profit before income taxes	138.9	180.0	+41.1	+29.6%
Net profit attributable to owners of the parent company	102.7	130.0	+27.3	+26.6%
Yen/1US\$	143.9	146.8	+2.9	+2.0%

# Full-year Forecasts for FY2024 by Segment

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Upper row: Revenue Lower row: Operating profit	FY2023 (Apr.-Mar.)	FY2024 Forecasts (Apr.-Mar.)		(Billion yen) YoY	
				Dif.	%
Industrial tape*	337.7	356.0	18.3	+5.4%	
	38.7	46.5	7.8	+20.2%	
Optronics*	470.5	511.5	41.0	+8.7%	
	124.6	153.0	28.4	+22.8%	
Human Life	124.5	136.5	12.0	+9.6%	
	-9.5	-1.0	8.5	—	
Others	0.0	0.0	-0.0	—	
	-5.7	-7.5	-1.8	—	
Adjustment*	-17.6	-22.0	-4.4	—	
	-9.0	-11.0	-2.0	—	
Total	915.1	982.0	66.9	+7.3%	
	139.1	180.0	40.9	+29.4%	

\*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 also been reflected in the figures for the twelve months ended March 31, 2024.

<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

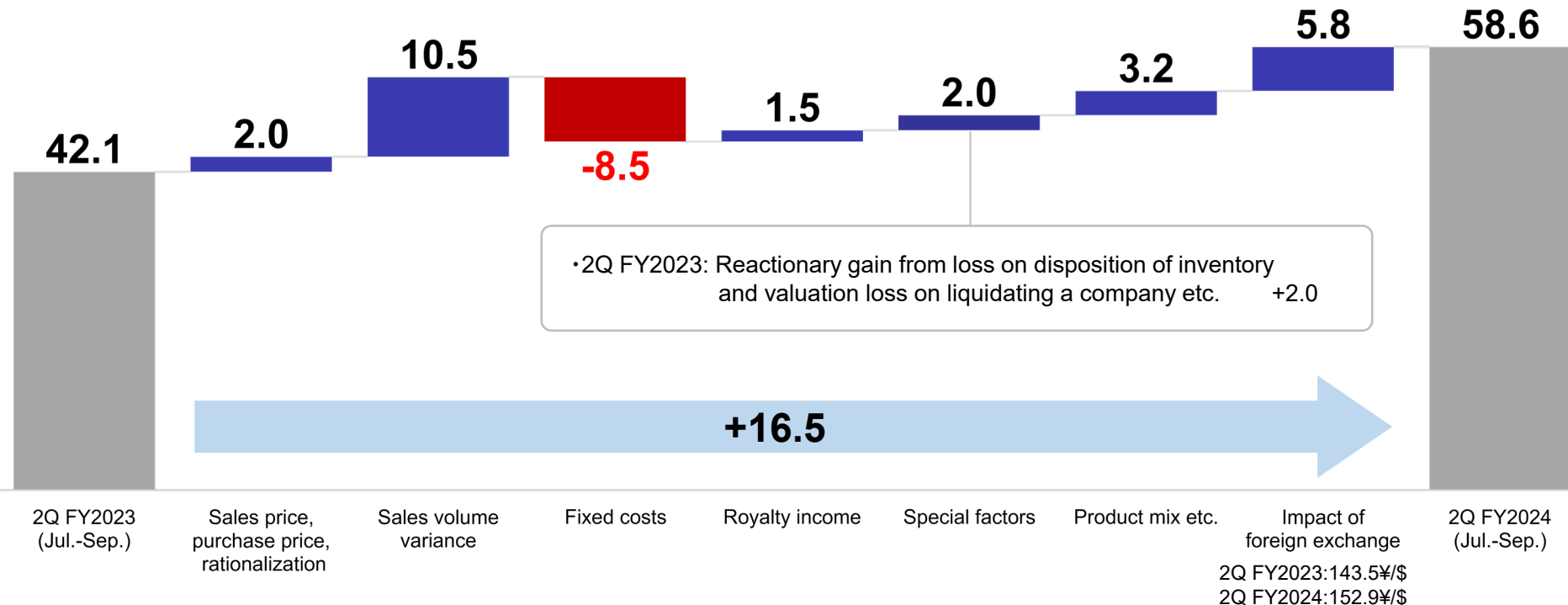
## Supplementary Data



# 2Q FY2024 YoY Operating Profit Change Analysis

(Billion yen)

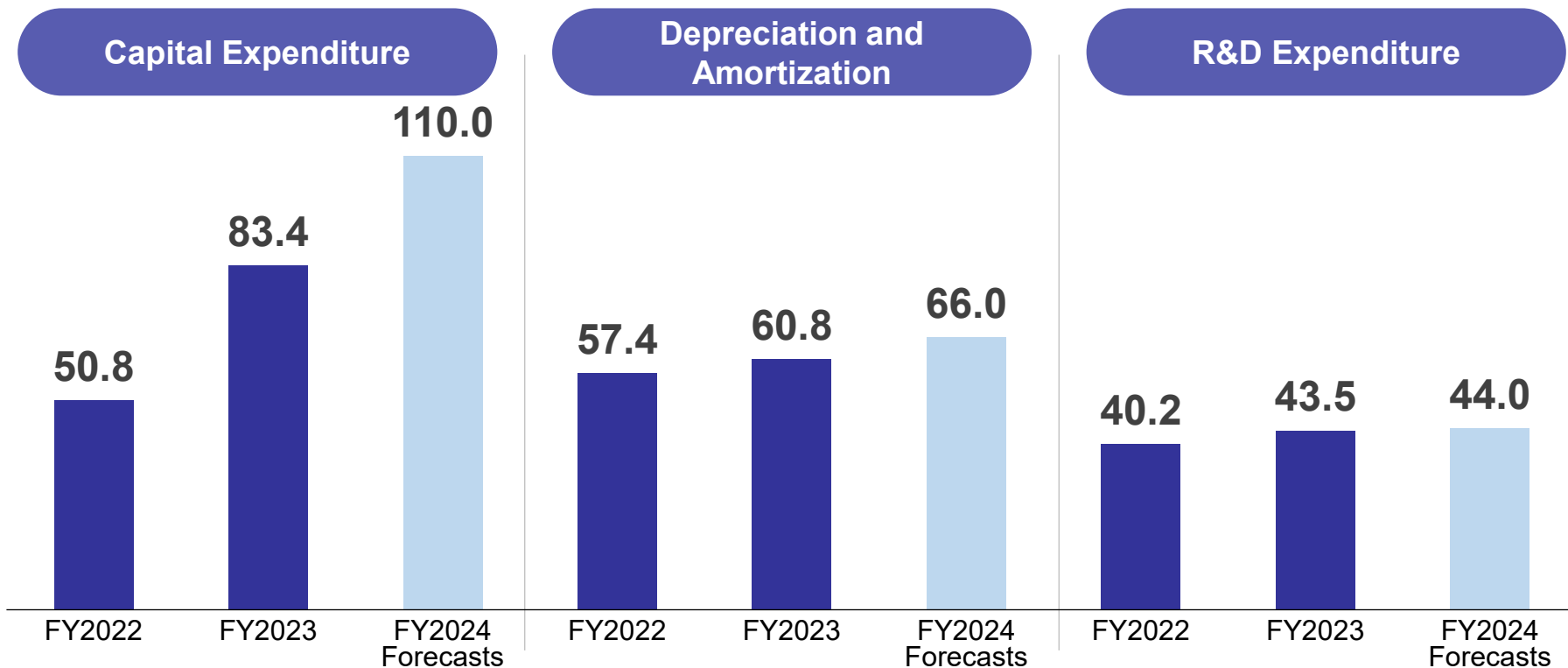
\*Figures in analysis are estimates



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

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(Billion yen)



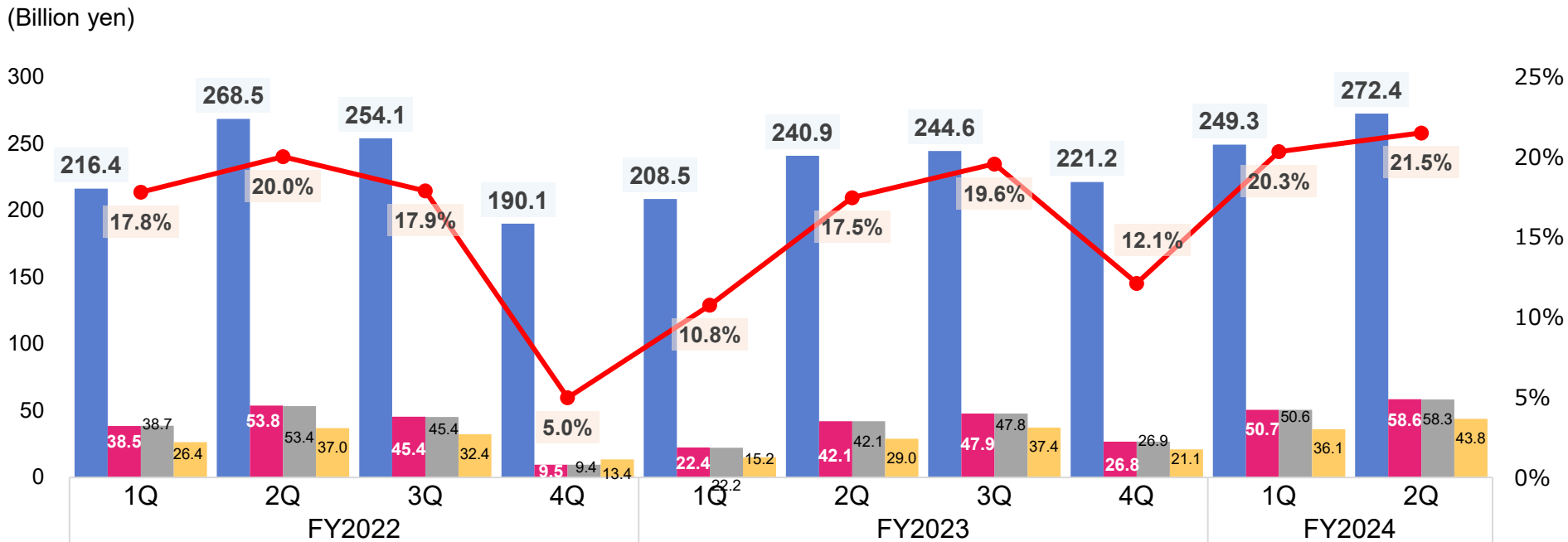
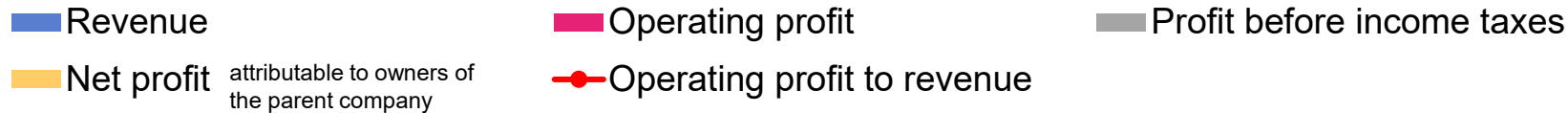
# Consolidated Cash Flow Statement

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(Billion yen)

	1H FY2023 (Apr.-Sep.)	1H FY2024 (Apr.-Sep.)	YoY
Cash flows from operating activities (Operating CF)	48.7	106.5	+57.8
Cash flows from investing activities (Investment CF)	-30.4	-67.3	-36.9
Free cash flow (FCF)	18.3	39.2	+20.9
Cash flows from financing activities (Financial CF)	-53.0	-36.6	-16.3
Effect of exchange rate changes on cash and cash equivalents	12.2	-4.5	-16.7
Net increase (decrease) in cash and cash equivalents	-22.5	-2.0	+20.5
Cash and cash equivalents at the end of the period	307.5	340.3	+32.8

# Performance Trend (Quarterly)



# Shareholder Returns

- Acquired 30.0 B. yen of treasury shares from February to May in 2024.
- Completed the stock split (five-for-one) effective as of October 1, 2024.

Acquisition of treasury shares (Billion Yen)

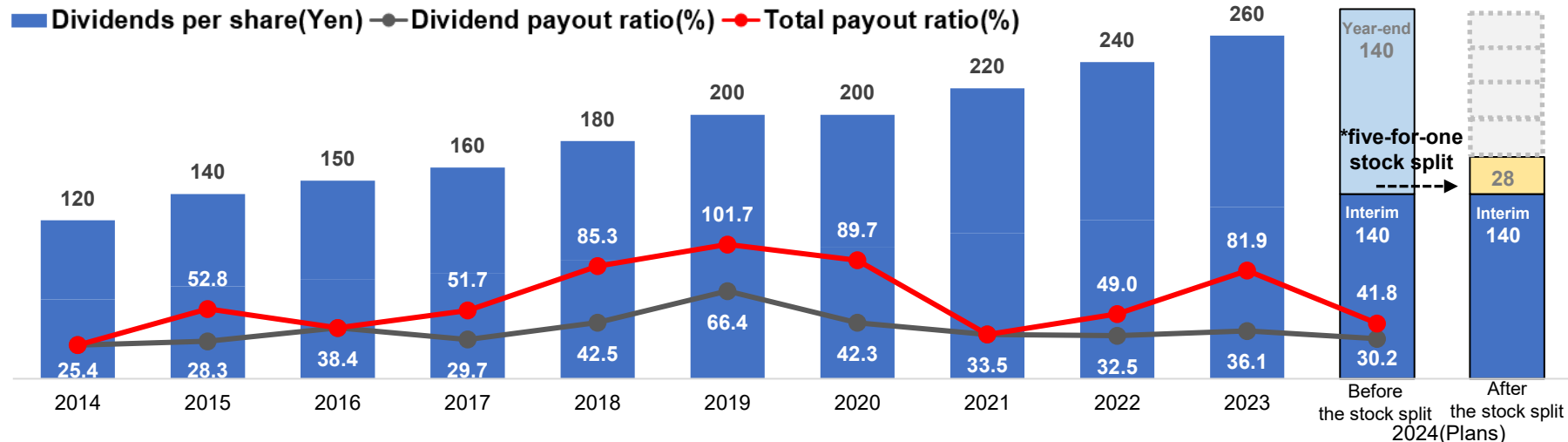
20.0

47.8

50.0

50.0

30.0



\*The interim dividend for the fiscal year ending March 31, 2025, on the record date of September 30, 2024, will be paid based on the number of shares before the stock split. The year-end dividend forecast for the fiscal year ending March 31, 2025, shows both of dividend forecast before the stock split and after the stock split.

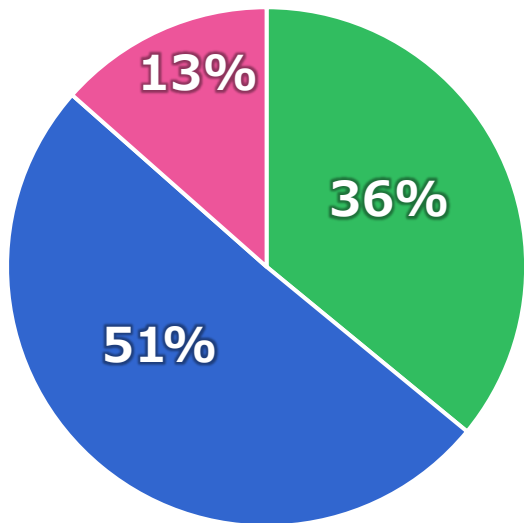
# Business Portfolio Status

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

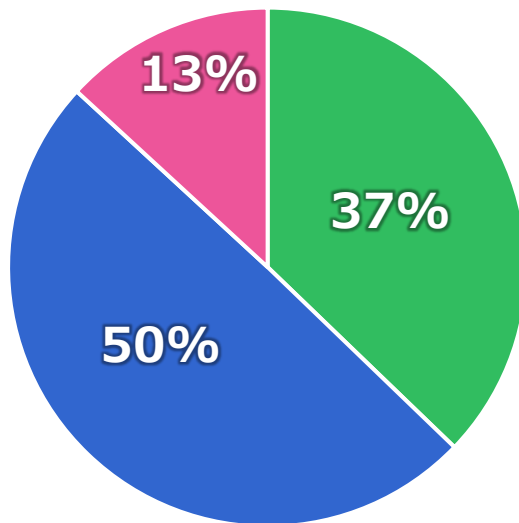
## Revenue

Industrial Tape    Optronics    Human Life

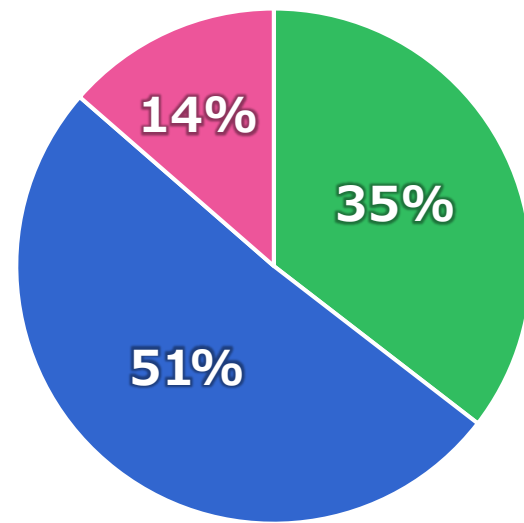
**FY2022 results**  
929.0 B. yen  
(134.7¥/\$)



**FY2023 results**  
915.1 B. yen  
(143.9¥/\$)



**FY2024 forecasts**  
982.0 B. yen  
(146.8¥/\$)



# Business Portfolio Status

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

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## Operating profit

Industrial Tape

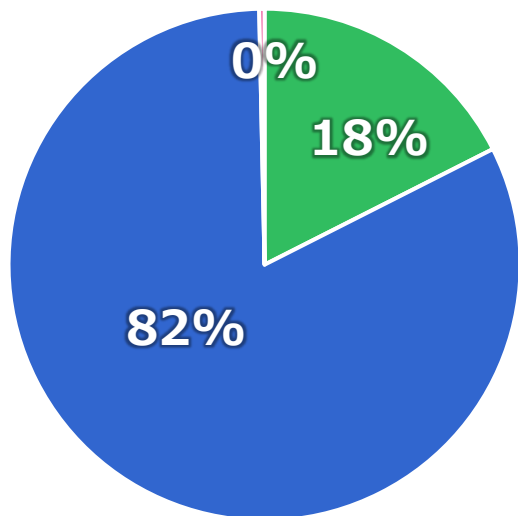
Optronics

Human Life

FY2022 results

147.2 B. yen

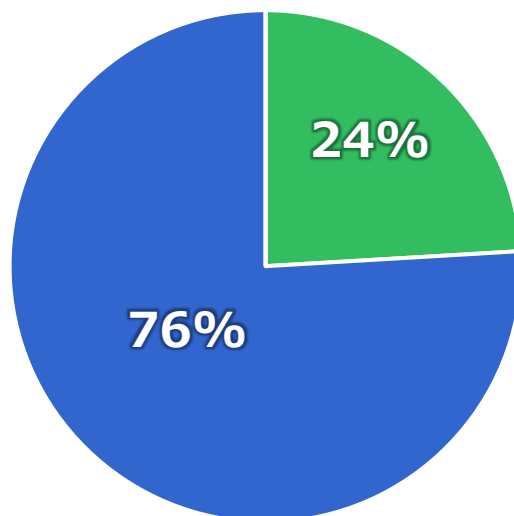
(134.7¥/\$)



FY2023 results

139.1 B. yen

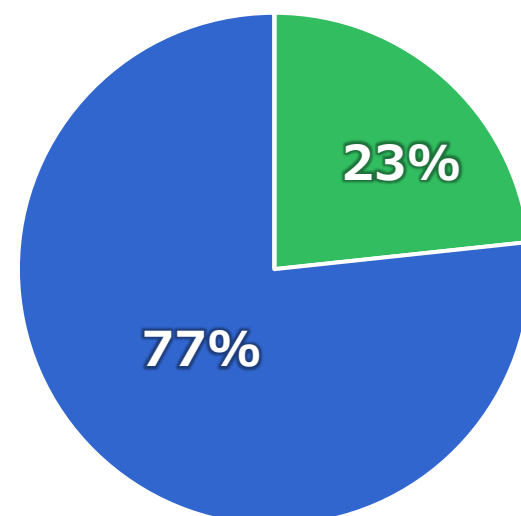
(143.9¥/\$)



FY2024 forecasts

180.0 B. yen

(146.8¥/\$)



# 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
	Membrane
Others (New businesses)	

Segment	
Industrial Tape	
Optronics	Information Fine Materials
	Flexible Printed Circuits
Human Life	Life Science
	Membrane
	Personal Care Materials
Others (New businesses)	

Segment	
Industrial Tape	
Optronics	Information Fine Materials
	Circuit Materials
Human Life	Life Science
	Membrane
	Personal Care Materials
Others (New businesses)	





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