

Summary of Consolidated Financial Statements for the Year Ended March 31, 2024 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
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Date of the general shareholders' meeting: June 21, 2024
 Estimated starting date of dividend paying: June 24, 2024
 Filing date of financial statements: June 21, 2024
 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 year ended March 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 year ended March 31, 2024	915,139	(1.5)	139,132	(5.5)	138,901	(5.4)	102,755	(6.0)	102,679	(5.9)	164,910	20.2
For the year ended March 31, 2023	929,036	8.9	147,173	11.3	146,840	10.9	109,264	12.4	109,173	12.4	137,177	0.6

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent company	Net profit to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
For the year ended March 31, 2024	719.57	719.30	10.9	11.6	15.2
For the year ended March 31, 2023	738.77	738.48	12.7	13.1	15.8

(Reference) Share of profit of investments accounted for using the equity method: (For the year ended March 31, 2024) 34 million yen
(For the year ended March 31, 2023) 29 million yen

(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	Equity attributable to owners of the parent company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of the year ended March 31, 2024	1,251,087	985,048	984,020	78.7	6,956.79
As of the year ended March 31, 2023	1,153,647	903,194	902,211	78.2	6,183.01

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2024	155,521	(67,927)	(90,784)	342,269
For the year ended March 31, 2023	181,702	(159,906)	(57,627)	329,966

2. Dividends

	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to equity attributable to owners of the parent company (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March, 2023	-	120.00	-	120.00	240.00	35,274	32.5	4.1
March, 2024	-	130.00	-	130.00	260.00	36,919	36.1	4.0
(Forecast) March, 2025	-	140.00	-	140.00	280.00		40.0	

3. Forecast for the 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	%	
First half	448,000	(0.3)	68,500	6.2	68,500	6.6	48,000	8.4	48,000	8.6	Yen 336.38
Annual	910,000	(0.6)	140,000	0.6	140,000	0.8	100,000	(2.7)	100,000	(2.6)	700.79

- Others

(1) Changes in significant subsidiaries during this fiscal year: 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 shares)

As of March 31, 2024: 143,551,735	As of March 31, 2023: 149,758,428
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2. Number of treasury shares at the end of the period

As of March 31, 2024: 2,104,272	As of March 31, 2023: 3,840,554
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

For the year ended March 31, 2024: 142,696,798	For the year ended March 31, 2023: 147,776,367
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(Reference) Non-consolidated financial results for the year ended March 31, 2024

(1) Operating results

(% of change from previous year)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2024	518,626	(4.7)	88,403	(9.1)	94,261	(17.1)	74,874	(18.1)
For the year ended March 31, 2023	544,158	5.2	97,204	43.2	113,735	32.3	91,368	38.8

	Net profit per share - Basic	Net profit per share -Diluted
	Yen	Yen
For the year ended March 31, 2024	524.71	524.52
For the year ended March 31, 2023	618.29	618.04

(2) Financial position

	Total assets	Net assets	Ratio of shareholder's equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of the year ended March 31, 2024	782,752	515,511	65.8	3,642.47
As of the year ended March 31, 2023	760,758	523,833	68.8	3,587.59

(Reference) Shareholders' equity: (March 31, 2024) 515,218 million yen (March 31, 2023) 523,492 million yen

- This summary is not subject to audit 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. Summary of Operating Results, Etc. (2) Outlook for the fiscal year ending March 31, 2025" on page 6 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

Index

1. Summary of Operating Results, etc.....	2
(1) Summary of consolidated operating results and financial position during the fiscal year ended March 31, 2024.....	2
(2) Outlook for the fiscal year ending March 31, 2025.....	6
(3) Dividend policy and dividends for the current and next fiscal years.....	7
2. Basic Approach to Selection of Accounting Standards.....	7
3. Consolidated Financial Statements and Key Notes.....	8
(1) Consolidated statement of financial position.....	8
(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income.....	10
(3) Consolidated statement of changes in equity.....	12
(4) Consolidated statement of cash flows.....	14
(5) Notes on consolidated financial statements.....	15
(Notes on going concern assumption).....	15
(Segment information).....	15
(Loss of control).....	18
(Per share information).....	19
(Notes in cases where there was a substantial change in the amount of shareholders' equity).....	19
(Impairment losses).....	20
(Significant subsequent events).....	20

1. Summary of Operating Results, etc

(1) Summary of consolidated operating results and financial position during the fiscal year ended March 31, 2024

① Summary of operating results during the fiscal year ended March 31, 2024

Summary of overall business

The economic environment in fiscal 2023 slowed globally, with some regional variations, due to the continuation of monetary tightening associated with inflation, the increase in geopolitical risks such as the war between Russia and Ukraine and the outbreak of conflicts in the Middle East. In the United States, while the effects of interest rate hikes are visible, persistent inflation remains due to factors such as the sustained high service prices caused by labor shortages. As a result, the Federal Reserve Board (FRB) kept interest rates unchanged for five consecutive meetings. In China, personal consumption remained sluggish due to the prolonged real estate recession. In addition, constraints on imports and exports due to trade friction between the United States and China and the decrease in investment in China against the backdrop of the review of supply chains are weighing on economic recovery. In Japan, the economy recovered moderately due to solid inbound demand and corporate capital investment. In the foreign exchange market, the yen continued to depreciate even after the termination of the negative interest rate policy by the Bank of Japan due to the divergence in interest rate differentials between Japan and the United States.

In the key markets of Nitto Group (the “Group”) under these circumstances, demand for optical films, Optical Clear Adhesive (OCA) and process protective films for high-end smartphones increased. In addition, demand for optical films for automotive displays and Virtual Reality (VR) increased as a new market. Demand for automotive materials recovered as the impact of a shortage of semiconductors eased. Demand for products used in the manufacture of semiconductors and electronic equipment recovered moderately as inventory adjustments completed. On the other hand, demand for optical films for high-end laptop PCs and tablets and products for data centers decreased due to deteriorating market conditions. In addition, revenue for immunologic adjuvants for COVID-19 vaccines has not been recorded in the current fiscal year.

The yen’s exchange rate against the U.S. dollar for the fiscal year ended March 31, 2024, was 143.9 yen to the dollar, a 6.8% depreciation of the yen compared with the same period of the previous year, and the effect of the weaker yen increased operating profit by 24 billion yen.

As a result of the above, revenue decreased by 1.5% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 915,139 million yen. Operating profit decreased by 5.5% to 139,132 million yen, profit before income taxes decreased by 5.4% to 138,901 million yen, net profit decreased by 6.0% to 102,755 million yen, and net profit attributable to owners of the parent company decreased by 5.9% to 102,679 million yen.

Summary of results by segment

(Industrial Tape)

In Functional Base Products, revenue increased from the previous fiscal year. Demand for assembly materials for high-end smartphones increased due to the launch of new products. In addition, excluding Noise, Vibration, Harshness (NVH) business which was divested in the first quarter, demand for automotive materials increased as automotive production recovered, mainly in Japan and Europe. Demand for process materials used in the manufacture of semiconductor memories and ceramic capacitors increased, reflecting a gradual recovery trend after bottoming out in the fourth quarter of the previous fiscal year.

As a result of the above, revenue increased by 2.7% to 352,158 million yen and operating profit increased by 44.3% to 39,281 million yen.

(Optronics)

In Information Fine Materials, revenue did not reach the level of the previous fiscal year. Demand for optical films and transparent conductive films (ITO) decreased as stay-at-home demand for high-end laptop PCs and tablets ended. On the other hand, for high-end smartphones, demand for OCA and process protective films, in addition to optical films, remained strong. In addition, mass production of optical films for VR started in a new production line.

In Circuit Materials, revenue did not reach the level of the previous fiscal year. In Circuit Integrated Suspension (CIS), demand for Hard Disk Drives (HDDs) with high capacities in data centers decreased, and the Group reduced costs by adjusting operations and other measures. The number of models adopting the high-precision circuits for high-end smartphones increased compared with the previous fiscal year.

As a result of the above, revenue decreased by 2.6% to 469,909 million yen and operating profit decreased by 2.7% to 123,971 million yen.

(Human Life)

In Life Science, revenue did not reach the level of the previous fiscal year. In the oligonucleotide contract manufacturing business, demand for immunologic adjuvants for vaccine decreased due to the end of COVID-19. On the other hand, in the nucleic acid drugs market, commercialization for large-scale diseases is expected, and engineering batch began at a new plant in Massachusetts, in the United States, to meet the growing demand in the future. In development of nucleic acid drug discovery, following the result of the Phase 2 clinical trial for the treatment of idiopathic pulmonary fibrosis, the Group received the notification that Bristol Myers Squibb Company had decided not to exercise the option rights to further in-license in the second quarter. The Group also received the notification from the company that it was decided to discontinue the ongoing Phase 2 clinical trial for the treatment of Non-Alcoholic SteatoHepatitis (NASH), which was based on the exclusive licensing agreement about the drug discovery for liver fibrosis and cirrhosis. For intractable cancer drugs, the Group continues clinical trials to out-license its pipeline. In medical products, demand for transdermal absorbents recovered due to an increase in outpatients.

In Membrane (high-polymer separation membrane), revenue did not reach the level of the previous fiscal year. Demand for high-polymer separation membrane for various industrial applications decreased, mainly in China.

In Personal Care Materials, revenue increased from the previous year due to the full-year contribution of Mondi plc's personal care component business acquired in June 2022. In addition to the mainstay products for diapers, the Group is advancing the development of new applications that leverage the characteristics of functional films, which are the core materials. At the same time, the Group is working to develop new products contributing to the environment using biodegradable technologies.

As a result of the above, revenue decreased by 3.2% to 124,501 million yen and operating loss amounted to 9,490 million yen. (operating profit of 519 million yen was reported in the same period of the previous year)

(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 7.0% to 12 million yen and operating loss amounted to 5,661 million yen. (operating loss of 3,892 million yen was reported in the same period of the previous year)

		For the year ended March 31,2023	For the year ended March 31,2024	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	342,944	352,158	102.7
	Operating profit	27,217	39,281	144.3
Optronics	Information Fine Materials	367,827	365,328	99.3
	Circuits Materials	114,605	104,580	91.3
	Total	482,433	469,909	97.4
	Operating profit	127,441	123,971	97.3
Human Life	Life Science	53,758	41,500	77.2
	Membrane	33,262	32,788	98.6
	Personal Care Materials	41,614	50,212	120.7
	Total	128,636	124,501	96.8
	Operating profit	519	(9,490)	-
Others	Revenue	13	12	93.0
	Operating profit	(3,892)	(5,661)	-
Adjustment	Revenue	(24,991)	(31,442)	-
	Operating profit	(4,112)	(8,968)	-
Total	Revenue	929,036	915,139	98.5
	Operating profit	147,173	139,132	94.5

(Note) Some changes have been made to reporting segments from the current fiscal year. The name of Flexible Printed Circuits has been changed to Circuit Materials and the plastic optical cable business has been transferred from Others to Circuit Materials of Optronics. In addition, Certain related businesses have been transferred from Personal Care Materials of Human Life to Industrial Tape and Certain business included in Adjustment has been transferred to Others. Such changes have also been reflected in the figures for the year ended March 31, 2023.

② Summary of consolidated financial position and cash flows for the fiscal year ended March 31, 2024

Cash and cash equivalents (hereinafter referred to as “Cash”) was 342,269 million yen at the end of the fiscal year ended March 31, 2024, an increase of 12,302 million yen from the end of the previous fiscal year. The following are changes in the financial position by each cash flow activity and their factors.

(Cash flow from operating activities)

Cash increased by 155,521 million yen as a result of operating activities (an increase of 181,702 million yen at the end of the previous fiscal year). The main factors responsible for the increase were profit before income taxes of 138,901 million yen and depreciation and amortization of 60,811 million yen and impairment losses of 1,651 million yen and increase (decrease) in defined benefit liabilities of 1,371 million yen and decrease (increase) in inventories of 11,769 million yen and increase (decrease) in trade and other payables of 3,804 million yen and interest and dividend income of 2,065 million yen, while the main offsetting factor was decrease (increase) in trade and other receivables of 19,033 million yen and increase (decrease) in advances received of 1,312 million yen and income taxes (paid) refunded of 41,030 million yen.

(Cash flow from investing activities)

Cash decreased by 67,927 million yen as a result of investing activities (a decrease of 159,906 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were the purchase of property, plant and equipment and intangible assets of 67,774 million yen, decrease (increase) in time deposits of 2,465 million yen, while the main offsetting factor was proceeds from sale of share of subsidiaries resulting in change in scope of consolidation of 1,871 million yen.

(Cash flow from financing activities)

Cash decreased by 90,784 million yen as a result of financing activities (a decrease of 57,627 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were repayment of lease liabilities of 7,631 million yen, decrease (increase) in treasury shares of 47,167 million yen, cash dividends paid of 36,041 million yen.

Shown below are the changes in the Group’s cash flow indices.

	March 2021	March 2022	March 2023	March 2024
Ratio of equity attributable to owners of the parent company to total assets (%)	74.1	75.0	78.2	78.7
Ratio of equity attributable to owners of the parent company on a market value basis (%)	144.9	119.3	108.1	155.8
Ratio of liabilities with interest to cash flow (year)	0.2	0.2	0.1	0.2
Interest coverage ratio (times)	188.3	269.8	337.4	255.0

(Notes) 1 Each index is calculated using the following formulae based on consolidated financial results.

Ratio of equity attributable to owners of the parent company to total assets (%): $\text{Equity attributable to owners of the parent company} / \text{Total assets}$

Ratio of equity attributable to owners of the parent company on a market value basis (%): $\text{Market capitalization} / \text{Total assets}$

Ratio of liabilities with interest to cash flow (year): $\text{Liabilities with interest} / \text{Cash flow from operating activities}$

Interest coverage ratio (times): $\text{Cash flow from operating activities} / \text{Interest payment}$

- 2 Market capitalization is calculated by the closing price of the share at the end of the year multiplied by the number of shares issued at the end of the year, after deduction of treasury shares.
- 3 Cash flow from operating activities is used to calculate the Group’s cash flow indices shown above.
- 4 Liabilities with interest represent all liabilities included in the consolidated statement of financial position for which interest is paid.

(2) Outlook for the fiscal year ending March 31, 2025

In the fiscal year ending March 2025 (April 1, 2024 to March 31, 2025), the global economy is expected to shift to ease progressively from the tightening of monetary policy in Europe and the United States, and although the economic slowdown will continue in the first half, it is expected to recover through the second half. In Japan, personal consumption is expected to recover due to a virtuous cycle of wages and prices. On the other hand, there are concerns about further disruption of supply chains and soaring resource prices due to the stagnation of the Chinese economy and heightened geopolitical risks, and uncertainty about the future of the global economy is increasing.

The fiscal year ending March 2025 is the second year of the mid-term management plan, “Nitto for Everyone 2025”, which was formulated by backcasting to achieve 2030 Ideal State of an “essential top ESG company”. Based on the idea that “From changes arise opportunities”, we will proactively invest our management resources in fields that we believed would grow and continuously create essential products, services and business models for our customers, society and planet earth. Meanwhile, we will implement structural reforms in low-growth, low-margin products and products that have a high impact on the environment to build a resilient business portfolio immune to the external environment.

In Industrial Tape, demand for process materials of semiconductors and ceramic capacitors is expected to increase due to the widespread use of generative AI and technological evolution in advanced driver assistance systems. In automotive materials, we will work to expand sales of insulation materials and sub-gasket materials which are peripheral materials for motors and batteries, and develop new products in thermal management materials that contribute to improving EV performance. In addition, we will expand our business by launching new products with our releasing technology in response to “Right to Repair” movement in electronic devices which is rapidly rising. Through these efforts, we aim to build a business foundation that can consistently generate high profit margins for Industrial Tape as a whole.

For Optronics, in Information Fine Materials, as the display market is maturing, we will focus on high-end products such as foldable smartphones. In addition, we will contribute to enhancing customer’s productivity and reducing environmental impact through total solutions that combine optical films and other peripheral components. Demand for optical films for automotive applications with superior durability, which is one of our strengths, is expected to remain strong due to an increase in the number of films used per vehicle and an expansion in size of displays.

The Group decided to acquire a partial stake in TruLife Optics, a UK-based Augmented Reality (AR) glasses developer. To enhance the performance and user comfort of AR glasses, we will focus on developing materials that leverage our strengths in optical designs and adhesive technologies such as thin film and multi-layer coatings.

In Circuit Materials, demand for CIS is expected to increase again as inventory adjustment completed. Furthermore, in the HDD market for data centers, new technologies enable higher capacity are expected. In response to these demands, we have been constructing a new plant in Vietnam to increase production capacity. In high-precision circuits for high-end smartphones, we will work to develop products that will contribute to future growth with enhancing customer relationships.

For Human Life, in Life Science, in the oligonucleotide contract manufacturing business, it is expected to shift from rare diseases to commercialization of therapeutic drugs targeting more patients, and the market is expected to grow over the medium to long term. In addition, as the nucleic acid drugs market expands, demand for synthesis materials (NittoPhase™) used in the manufacture of nucleic acid drugs is expected to increase. In response to these growth markets, we will expand manufacturing capacity and improve productivity. In development of nucleic acid drug discovery, we will focus on developing nucleic acid Drug Delivery System (DDS) designing technologies and concluding licensing agreements. Phase 1 clinical trial for development of intractable cancer drugs is expected to be completed.

In Membrane, we will strategically scale back projects for seawater desalination, on the other hand, demand for products contributing to reduce industrial sewage and waste liquid to zero, due to tightening environmental regulations in wastewater in various countries.

In Personal Care Materials, we aim to improve profitability by expanding sales of new products to hygiene materials for diapers and environmentally friendly products using biodegradable technologies.

For new businesses in Others, we will concentrate management resources on themes that will be candidates for PlanetFlags™/HumanFlags™ and aim for commercialization at an early stage.

The forecasts for the consolidated fiscal year ending March 31, 2025, are as follows: The exchange rate is assumed to be 1\$ = 140yen.

(The forecasts for the consolidated fiscal year ending March 31, 2025)

Revenue	910,000 million yen (down by 0.6% from the previous fiscal year)
Operating profit	140,000 million yen (up by 0.6% from the previous fiscal year)
Profit before income taxes	140,000 million yen (up by 0.8% from the previous fiscal year)
Net profit	100,000 million yen (down by 2.7% from the previous fiscal year)
Net profit attributable to owners of the parent company	100,000 million yen (down by 2.6% from the previous fiscal year)

(The forecasts for the first six months of the fiscal year ending March 31, 2025 (April 1, 2024 through September 30, 2024))

Revenue	448,000 million yen (down by 0.3% from the previous fiscal year)
Operating profit	68,500 million yen (up by 6.2% from the previous fiscal year)
Profit before income taxes	68,500 million yen (up by 6.6% from the previous fiscal year)
Net profit	48,000 million yen (up by 8.4% from the previous fiscal year)
Net profit attributable to owners of the parent company	48,000 million yen (up by 8.6% from the previous fiscal year)

The earnings forecasts and other data above are based on information currently available to the Company, and they involve potential risks and uncertainties. Please be aware that actual results may vary significantly due to various factors.

(3) Dividend policy and dividends for the current and next fiscal years

The Group's dividend policy is to ensure stable and fair returns to its shareholders, and we aim to maintain DOE (dividend on equity) of 4% or higher. In addition, we will acquire treasury shares as part of our flexible capital policy and comprehensive shareholder return policy.

In accordance with the basic policy outlined above, the Group has planned to pay 130 yen per share for the year-end dividend of fiscal 2023, which is unchanged from the interim dividend, therefore the full-year total 260 yen per share.

In addition, the Group has planned to pay the full-year total 280 yen per share as the dividend amount for the next fiscal year.

2. Basic Approach to Selection of Accounting Standards

For the purposes of improving international comparability of financial information and unifying accounting within the Group, the International Financial Reporting Standards (IFRS) has been introduced from the first quarter of the year ended March 31, 2015 in order to prepare consolidated financial statements accordingly.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated statement of financial position

(Millions of yen)

	As of the year ended March 31, 2023	As of the year ended March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	329,966	342,269
Trade and other receivables	178,388	209,341
Inventories	141,101	136,804
Other financial assets	2,141	5,220
Other current assets	20,358	24,321
Subtotal	671,956	717,957
Assets held for sale	5,232	-
Total current assets	677,189	717,957
Noncurrent assets		
Property, plant and equipment	333,103	378,535
Right-of-use assets	12,959	19,321
Goodwill	58,822	66,056
Intangible assets	21,469	20,674
Investments accounted for using equity method	2,140	2,115
Financial assets	8,860	9,192
Deferred tax assets	23,420	20,985
Other noncurrent assets	15,682	16,248
Total noncurrent assets	476,457	533,130
Total assets	1,153,647	1,251,087

(Millions of yen)

	As of the year ended March 31, 2023	As of the year ended March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	91,834	98,965
Borrowings	272	345
Income tax payables	18,488	13,402
Other financial liabilities	22,162	38,396
Other current liabilities	54,053	55,746
Subtotal	186,811	206,856
Liabilities directly associated with assets held for sale	1,436	-
Total current liabilities	188,248	206,856
Noncurrent liabilities		
Other financial liabilities	15,729	20,843
Defined benefit liabilities	40,015	33,130
Deferred tax liabilities	4,173	3,427
Other noncurrent liabilities	2,286	1,779
Total noncurrent liabilities	62,204	59,182
Total liabilities	250,452	266,038
Equity		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,047	49,928
Retained earnings	786,269	808,062
Treasury shares	(27,631)	(23,298)
Other components of equity	66,741	122,544
Total equity attributable to owners of the parent company	902,211	984,020
Noncontrolling interests	983	1,028
Total equity	903,194	985,048
Total liabilities and equity	1,153,647	1,251,087

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

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024
Revenue	929,036	915,139
Cost of sales	591,592	584,280
Gross profit	337,443	330,858
Selling, general and administrative expenses	145,436	146,143
Research and development expenses	40,175	43,485
Other income	8,103	9,914
Other expenses	12,761	12,012
Operating profit	147,173	139,132
Finance income	1,574	2,195
Finance expenses	1,936	2,460
Share of profit of investments accounted for using the equity method	29	34
Profit before income taxes	146,840	138,901
Income tax expenses	37,576	36,146
Net profit	109,264	102,755
Net profit attributable to:		
Owners of the parent company	109,173	102,679
Noncontrolling interests	91	75
Total	109,264	102,755
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	738.77	719.57
Diluted earnings per share (Yen)	738.48	719.30

(Consolidated statement of comprehensive income)

(Millions of yen)

	For the year ended March 31,2023	For the year ended March 31,2024
Net profit	109,264	102,755
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	(63)	85
Remeasurement of defined benefit liability	3,962	5,999
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	21,807	55,986
Net changes in fair value of cash flow hedges	2,210	1
Share of other comprehensive income of investments accounted for using equity method	(4)	81
Total other comprehensive income	27,913	62,154
Total comprehensive income	137,177	164,910
Total comprehensive income attributable to:		
Owners of the parent company	137,078	164,816
Noncontrolling interests	99	93
Total	137,177	164,910

(3) Consolidated statement of changes in equity
For the year ended March 31, 2023

(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, 2022	26,783	49,992	705,910	(9,771)	48,276	821,192	913	822,105
Net profit	-	-	109,173	-	-	109,173	91	109,264
Other comprehensive income	-	-	-	-	27,905	27,905	8	27,913
Total comprehensive income	-	-	109,173	-	27,905	137,078	99	137,177
Share based remuneration transactions	-	(21)	-	-	(0)	(21)	-	(21)
Dividends	-	-	(34,046)	-	-	(34,046)	(29)	(34,075)
Changes in treasury shares	-	75	-	(17,860)	-	(17,784)	-	(17,784)
Transfer from other components of equity to retained earnings	-	-	5,232	-	(5,232)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	-	-	(4,206)	(4,206)	-	(4,206)
Total transactions with owners	-	54	(28,813)	(17,860)	(9,440)	(56,059)	(29)	(56,088)
Balance as of March 31, 2023	26,783	50,047	786,269	(27,631)	66,741	902,211	983	903,194

For the year ended March 31, 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, 2023	26,783	50,047	786,269	(27,631)	66,741	902,211	983	903,194
Net profit	-	-	102,679	-	-	102,679	75	102,755
Other comprehensive income	-	-	-	-	62,136	62,136	17	62,154
Total comprehensive income	-	-	102,679	-	62,136	164,816	93	164,910
Share based remuneration transactions	-	(47)	-	-	(1)	(48)	-	(48)
Dividends	-	-	(36,041)	-	-	(36,041)	(28)	(36,070)
Changes in treasury shares	-	(51,254)	-	4,333	-	(46,921)	-	(46,921)
Transfer from other components of equity to retained earnings	-	-	6,333	-	(6,333)	-	-	-
Additional purchase of shares of consolidated subsidiaries	-	3	-	-	-	3	(20)	(17)
Transfer from retained earnings to capital surplus	-	51,178	(51,178)	-	-	-	-	-
Total transactions with owners	-	(119)	(80,887)	4,333	(6,334)	(83,007)	(49)	(83,056)
Balance as of March 31, 2024	26,783	49,928	808,062	(23,298)	122,544	984,020	1,028	985,048

(4) Consolidated statement of cash flows

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	146,840	138,901
Depreciation and amortization	57,362	60,811
Impairment losses	4,036	1,651
Increase (decrease) in defined benefit liabilities	1,270	1,371
Decrease (increase) in trade and other receivables	44,492	(19,033)
Decrease (increase) in inventories	(2,230)	11,769
Increase (decrease) in trade and other payables	(15,779)	3,804
Increase (decrease) in advances received	(17,420)	(1,312)
Interest and dividend income	1,283	2,065
Interest expenses paid	(538)	(609)
Income taxes (paid) refunded	(38,748)	(41,030)
Others	1,133	(2,868)
Net cash provided by (used in) operating activities	181,702	155,521
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(65,921)	(67,774)
Proceeds from sale of property, plant and equipment and intangible assets	350	602
Decrease (increase) in time deposits	81	(2,465)
Purchase of investment securities	(177)	(723)
Proceeds from sale of investment securities	2,675	551
Purchase of shares of subsidiaries and affiliates	(1,703)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(95,263)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,871
Others	51	10
Net cash provided by (used in) investing activities	(159,906)	(67,927)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing	29	72
Repayment of lease liabilities	(5,567)	(7,631)
Decrease (increase) in treasury shares	(18,008)	(47,167)
Cash dividends paid	(34,046)	(36,041)
Others	(35)	(16)
Net cash provided by (used in) financing activities	(57,627)	(90,784)
Effect of exchange rate changes on cash and cash equivalents	5,671	13,573
Cash and cash equivalents included in assets held for sale	(1,920)	-
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	(32,079)	12,302
Cash and cash equivalents at the beginning of the period	362,046	329,966
Cash and cash equivalents at the end of the period	329,966	342,269

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, profit or loss, assets, and other items by segments

For the year ended March 31, 2023

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	338,124	469,331	120,306	927,762	13	927,776	1,260	929,036
Intersegment revenue	4,819	13,102	8,329	26,252	-	26,252	(26,252)	-
Total segment revenue	342,944	482,433	128,636	954,014	13	954,028	(24,991)	929,036
Operating profit (loss)	27,217	127,441	519	155,178	(3,892)	151,285	(4,112)	147,173
Finance income								1,574
Finance expenses								(1,936)
Share of profit of investments accounted for using the equity method								29
Profit before income taxes								<u>146,840</u>
Segment assets	271,860	588,380	203,436	1,063,677	13,045	1,076,723	76,924	1,153,647
Other items:								
Depreciation and amortization	16,767	25,560	6,978	49,306	567	49,874	7,488	57,362
Impairment losses	3,065	617	225	3,909	0	3,910	126	4,036
Increase in property, plant and equipment and intangible assets	14,763	24,654	6,197	45,615	502	46,118	4,670	50,789

(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 (4,112) million yen includes other incomes (losses) not allocated to each segment.

3. Adjustment of segment assets in the amount of 76,924 million yen includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each operating segment.

4. Some changes have been made to reporting segments from the current fiscal year. The name of Flexible Printed Circuits has been changed to Circuit Materials and the plastic optical cable business has been transferred from Others to Circuit Materials of Optronics. In addition, Certain related businesses have been transferred from Personal Care Materials of Human Life to Industrial Tape and Certain business included in Adjustment has been transferred to Others. Such changes have also been reflected in the figures for the year ended March 31, 2023.

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

For the year ended March 31, 2024

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	347,206	449,966	116,629	913,802	12	913,815	1,323	915,139
Intersegment revenue	4,951	19,943	7,872	32,766	-	32,766	(32,766)	-
Total segment revenue	352,158	469,909	124,501	946,569	12	946,582	(31,442)	915,139
Operating profit (loss)	39,281	123,971	(9,490)	153,762	(5,661)	148,100	(8,968)	139,132
Finance income								2,195
Finance expenses								(2,460)
Share of profit of investments accounted for using the equity method								34
Profit before income taxes								138,901
Segment assets	282,736	666,872	228,637	1,178,247	14,407	1,192,654	58,433	1,251,087
Other items:								
Depreciation and amortization	17,368	25,587	9,821	52,777	719	53,496	7,314	60,811
Impairment losses	395	230	893	1,519	18	1,537	113	1,651
Increase in property, plant and equipment and intangible assets	17,427	30,240	30,674	78,342	573	78,916	4,529	83,445

- (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 (8,968) million yen includes other incomes (losses) not allocated to each segment.
3. Adjustment of segment assets in the amount of 58,433 million yen includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each operating segment.

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

(Loss of control)

For the year ended March 31, 2023

Not applicable.

For the year ended March 31, 2024

(Transfer of shares in subsidiaries)

On October 24, 2022, we concluded an agreement to transfer a portion of Transportation business belonging to Industrial Tape Business Segment to Parker Corporation and transferred it on April 3, 2023. The gain on transfer of 614 million yen was recorded in “Others income” in the Quarterly consolidated statement of profit or loss.

The breakdown of assets and liabilities at the time of loss of control of a company that is no longer a subsidiary due to the transfer of equity interests, and the relationship between the consideration received and the balance due to the sale are as follows.

	(Millions of yen)
	Amount
Current assets	5,232
Total assets	5,232
Current liabilities	1,436
Total liabilities	1,436
Consideration received	3,791
Cash and cash equivalents of assets at the time of loss of control	(1,920)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,871

(Per share information)

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

	For the year ended March 31, 2023	For the year ended March 31, 2024
(1) Basic earnings per share	738.77 yen	719.57 yen
Basis for calculation		
Net profit attributable to owners of the parent company (Millions of yen)	109,173	102,679
Average number of common shares (Thousands of shares)	147,776	142,696
(2) Diluted earnings per share	738.48 yen	719.30 yen
Basis for calculation		
Increase in the number of common stock upon exercise of the stock option (Thousands of shares)	57	53

(Notes in cases where there was a substantial change in the amount of shareholders' equity)

(Repurchase of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on January 26, 2023, the Company has acquired its treasury shares. According to this repurchase, treasury shares increased by 3,392 thousand and 32,132 million yen in the fiscal year ending March 31, 2024, completing the share repurchase under that resolution.

In addition, 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 1,103 thousand and 15,029 million yen in the fiscal year ending March 31, 2024.

(Disposal of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on June 23, 2023, the Company has disposed of its treasury shares as remuneration for restricted shares on July 13, 2023. According to this disposal, treasury shares decreased by 20 thousand and 163 million yen in the fiscal year ending March 31, 2024.

(Cancellation of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on August 30, 2023, the Company has canceled its treasury shares on September 15, 2023. According to this cancellation, treasury shares decreased by 6,206 thousand and 51,286 million yen in the fiscal year ending March 31, 2024.

As a result, the number of treasury shares at the end of the fiscal year ending March 31, 2024, was 2,104 thousand, and the book balance was 23,298 million yen.

(Impairment losses)

For the year ended March 31, 2023

During the current fiscal year, Impairment losses were 4,036 million yen, and included in “Other expenses”.

The major factors were as follows.

As part of the restructuring, the Group made a decision to transfer a portion of Transportation business belonging to Industrial Tape operating segment. In conjunction with this decision, the Group recognized an impairment loss because the carrying amount of the disposal groups (property, plant and equipment, etc.) was less than the fair value less costs of disposal. The fair value was determined based on pricing negotiations with the buyer and other factors and the hierarchy as Level 3.

For the year ended March 31, 2024

Since there is no important matter for the year ended March 31, 2024, a description is omitted.

(Significant subsequent events)

Not applicable.