



Financial Results Second Quarter FY2022

Nitto Denko Corporation

October 26, 2022



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Results for Second Quarter FY2022

Summary of Financial Results

Results for 1H FY2022

Revenue

484.9 B. yen

Operating
Income

92.3 B. yen

YoY

Revenue

+59.0 B. yen
(+13.8%)

Operating
Income

+19.5 B. yen
(+26.7%)

- Sales 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 38.5 B. yen

1H FY2022 Results

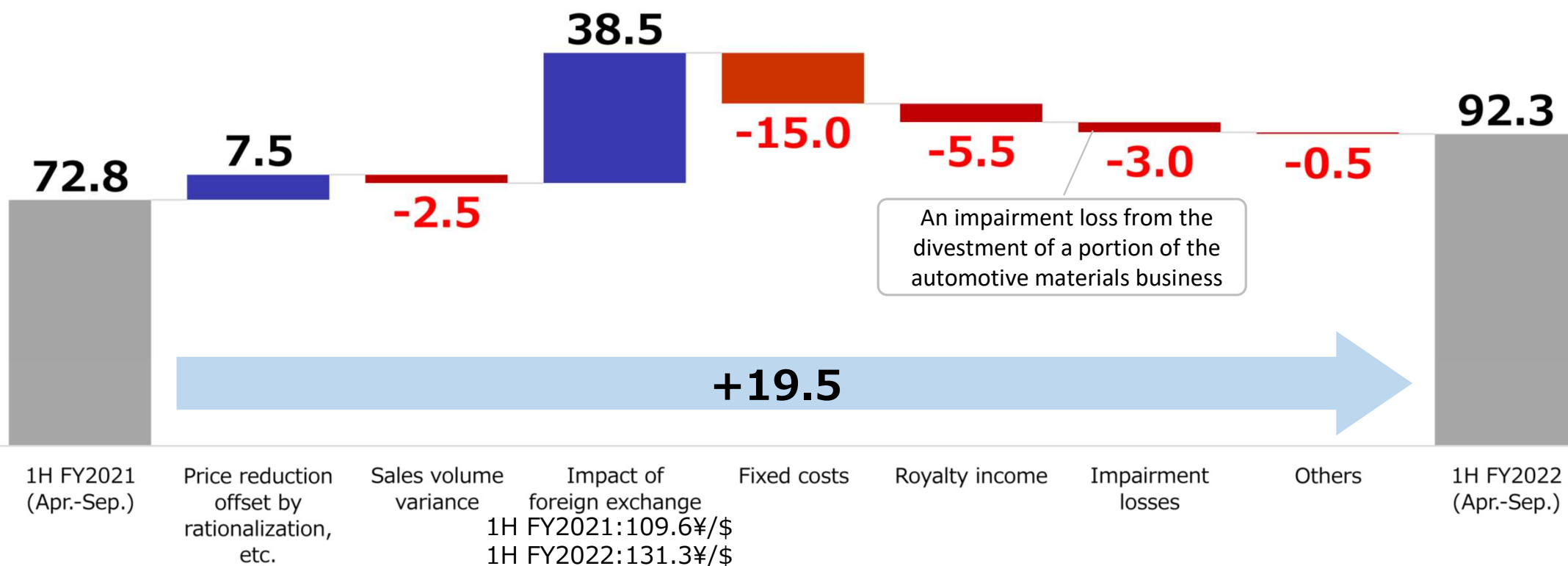
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(Billion yen)

	1H FY2021 (Apr.-Sep.)	1H FY2022 (Apr.-Sep.)	YoY	Change %
Revenue	426.0	484.9	+59.0	+13.8%
Operating income	72.8	92.3	+19.5	+26.7%
Operating income to revenue	17.1%	19.0%	+1.9%	—
Income before income taxes	72.6	92.0	+19.4	+26.7%
Net income	52.2	63.4	+11.3	+21.6%
Yen/1US\$	109.6	131.3	+21.7	+19.8%

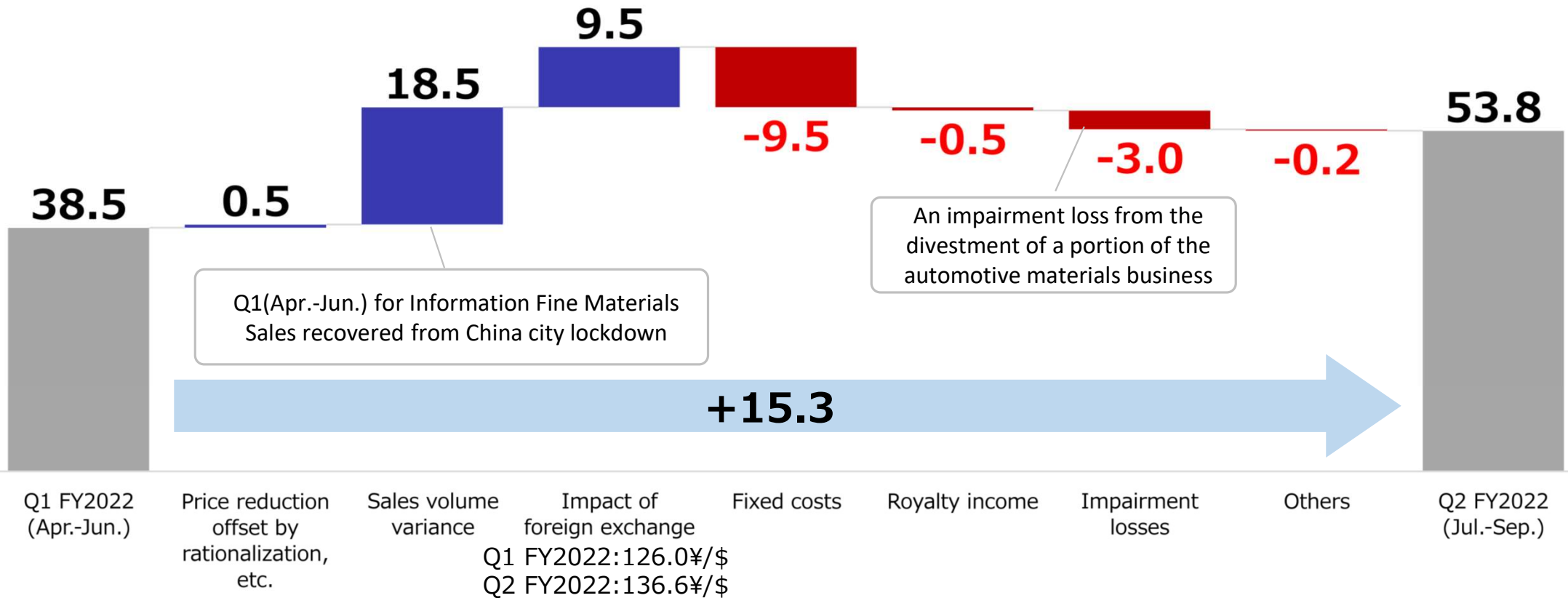
1H FY2022 YoY Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates



Q2 FY2022 QoQ Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates



1H FY2022 Results by Segment

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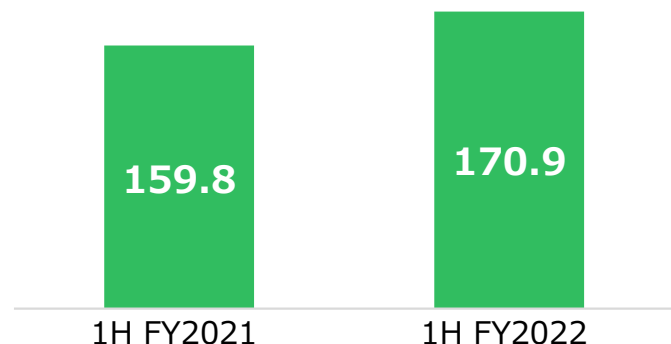
(Billion yen)

Upper row: Revenue Lower row: Operating income	1H FY2021 (Apr.-Sep.)	1H FY2022 (Apr.-Sep.)	YoY	Change %
Industrial Tape*	159.8 20.3	170.9 16.7	+11.1 -3.7	+6.9% -18.0%
Optronics	230.0 48.1	258.4 72.6	+28.4 +24.5	+12.4% +51.0%
Human Life*	45.3 7.6	66.1 5.4	+20.7 -2.2	+45.7% -28.7%
Others	- -2.7	0.0 -2.7	0.0 0.0	- -
Corporate/Elimination	-9.1 -0.5	-10.4 0.3	-1.3 +0.8	- -
Total	426.0 72.8	484.9 92.3	+59.0 +19.5	+13.8% +26.7%

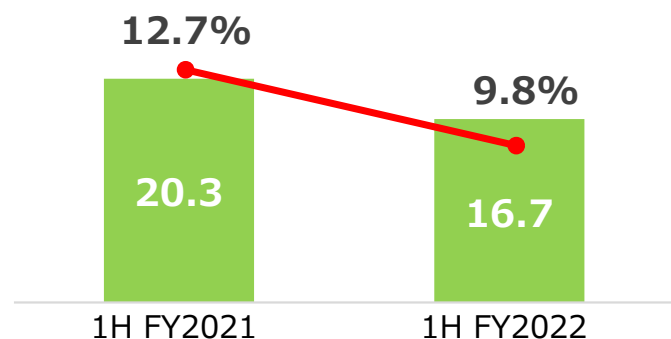
* The personal care components business of Mondi, acquired in the first quarter of FY2022, is included in "Human Life". Certain related businesses has been transferred from "Industrial Tape" to "Personal Care Materials". Such changes have been reflected in the figures for 1H of FY2021, 1H of FY2022.

Results by Segment: Industrial Tape

Revenue
(Billion yen)



Operating income/Operating income to revenue
(Billion yen)



Revenue	170.9 B. yen (YoY +6.9%)
Operating income	16.7 B. yen (YoY -18.0%)

■ Electronics

- Increased demand of assembly materials for high-end smartphones due to higher production of our customers

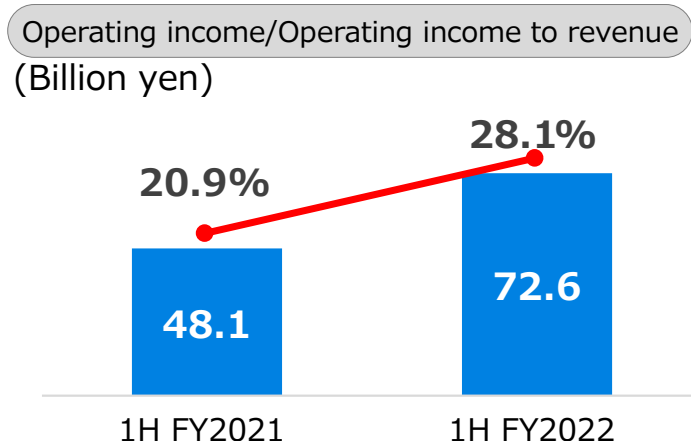
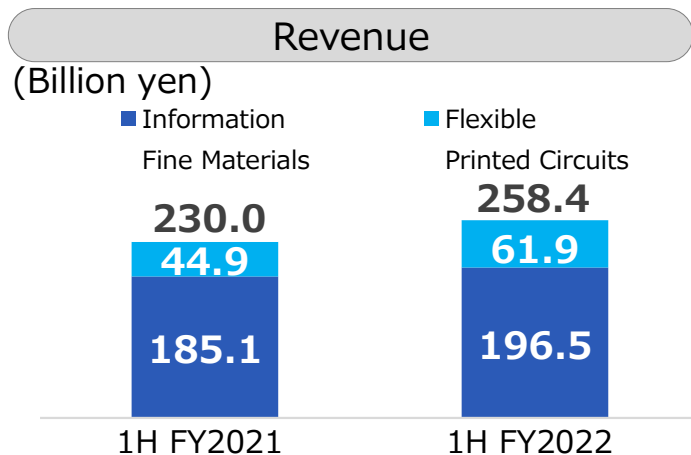
■ Process Materials

- Increased demand of process materials for semiconductors used in PCs and data centers, etc.

■ Others

- Automotive materials recovered from sluggish demand
- Operating income decreased due to cost increase, such as rising raw material prices, etc. and impairment loss

Results by Segment: Optronics



Revenue	258.4 B. yen (YoY +12.4%)
Operating income	72.6 B. yen (YoY +51.0%)

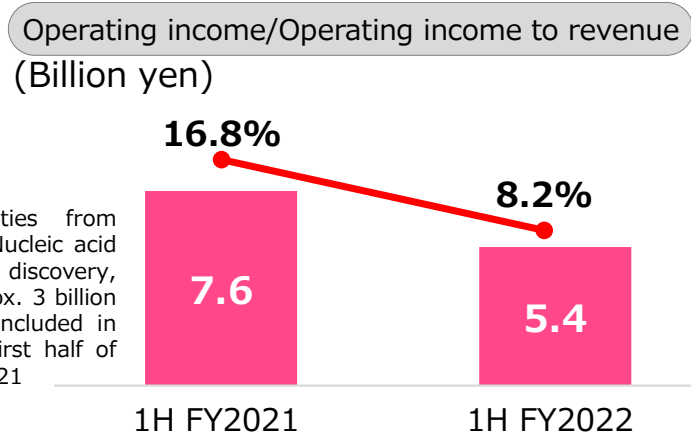
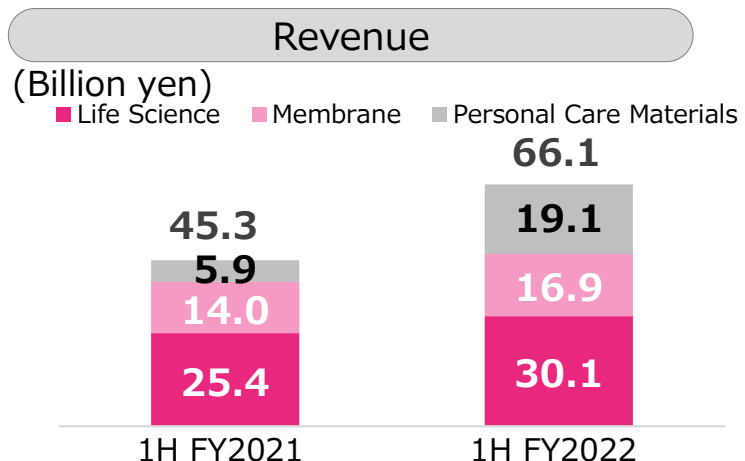
■ Information Fine Materials

- Production of optical films for high-end smartphones recovered rapidly as the lockdown in China ended
- Sales of optical films for automotive increased

■ Flexible Printed Circuits

- Increased number of models in high-end smartphones adopting high-precision circuits contributed to the results

Results by Segment: Human Life



Revenue	66.1 B. yen (YoY +45.7%)
Operating income	5.4 B. yen (YoY -28.7%)

■ Life Science

- In oligonucleotide contract manufacturing, immunologic adjuvants for COVID-19 vaccines grew
- Demand for Oligonucleotide synthesis material (Nitto Phase™) increased with rapid growth in nucleic acid drug market

■ 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	955.0	+101.6	+11.9%
Operating income	132.3	160.0	+27.7	+21.0%
Operating income to revenue	15.5%	16.8%	+1.3%	—
Income before income taxes	132.4	160.0	+27.6	+20.9%
Net income	97.2	115.0	+17.8	+18.3%
Yen/1US\$	111.8	125.7	+13.9	+12.4%

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 37.0	+20.7 -0.8	+6.5% -2.1%
Optronics	459.6 96.6	500.0 130.0	+40.4 +33.4	+8.8% +34.6%
Human Life*	92.2 7.2	134.5 4.0	+42.3 -3.2	+45.9% -44.7%
Others	0.0 -5.9	0.0 -6.5	0.0 -0.6	— —
Corporate/Elimination	-17.6 -3.4	-19.5 -4.5	-1.9 -1.1	— —
Total	853.4 132.3	955.0 160.0	+101.6 +27.7	+11.9% +21.0%

* The personal care components business of Mondi, 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>

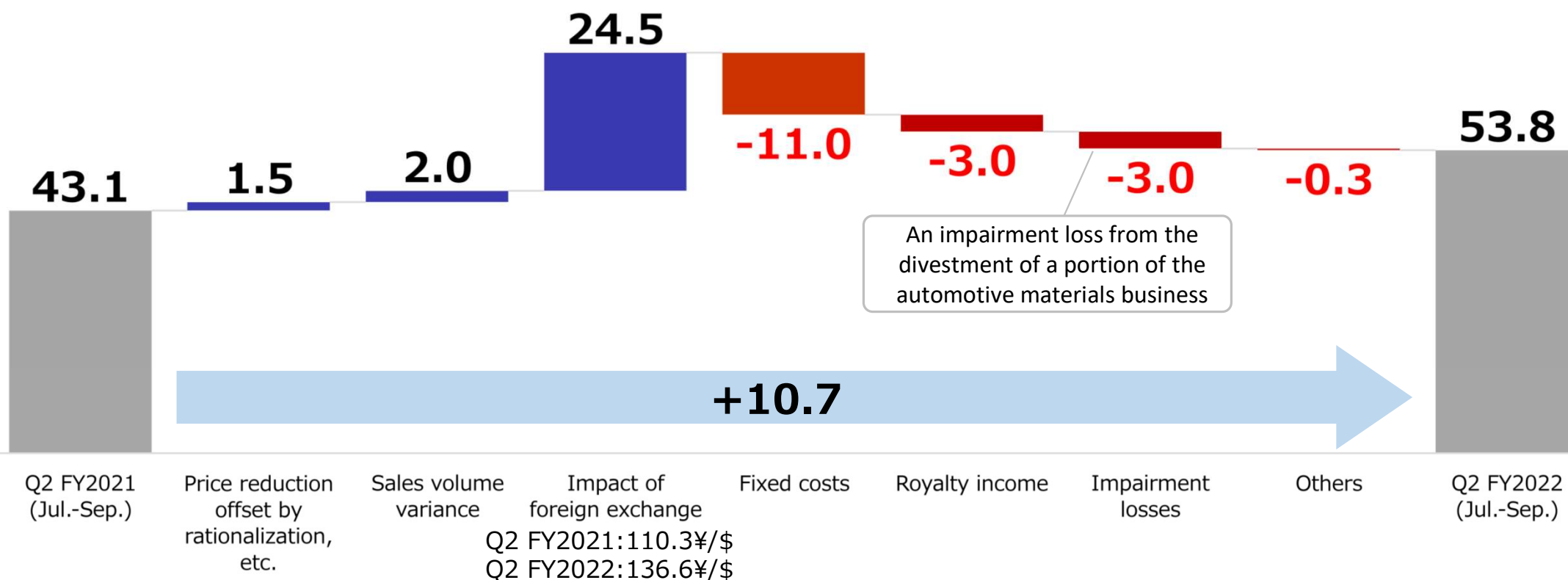
1. Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other 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.

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Supplementary Data

Q2 FY2022 YoY Operating Income Change Analysis

(Billion yen) *Figures in analysis are estimates

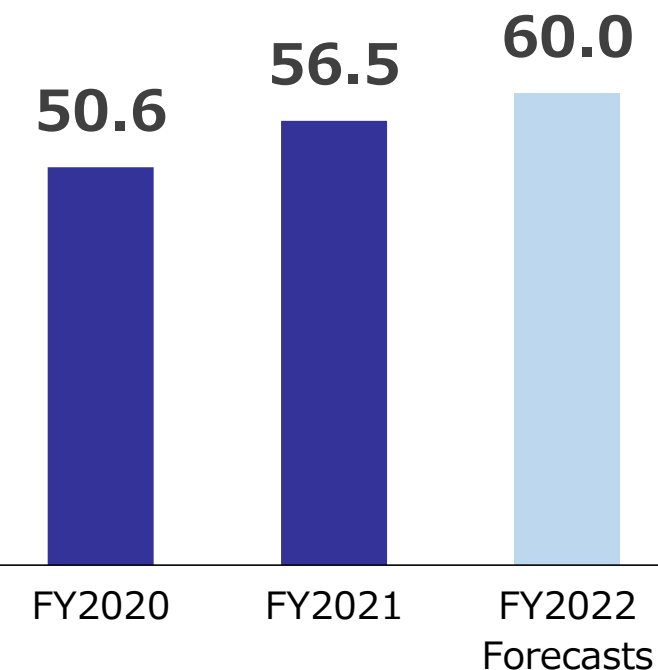


Capital Expenditure, Depreciation and Amortization, R&D Expenditure

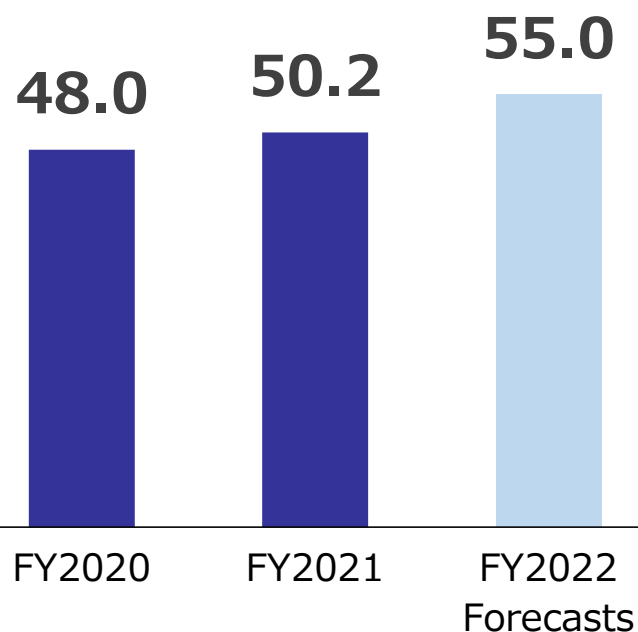
18

(Billion yen)

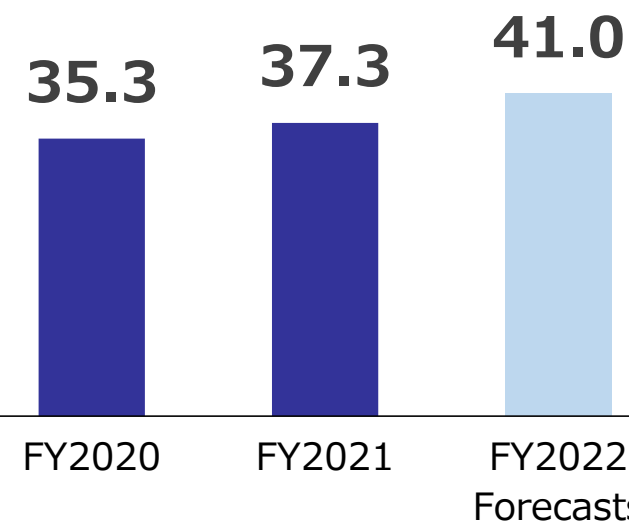
Capital Expenditure



Depreciation and Amortization



R&D Expenditure



Consolidated Cash Flow Statement

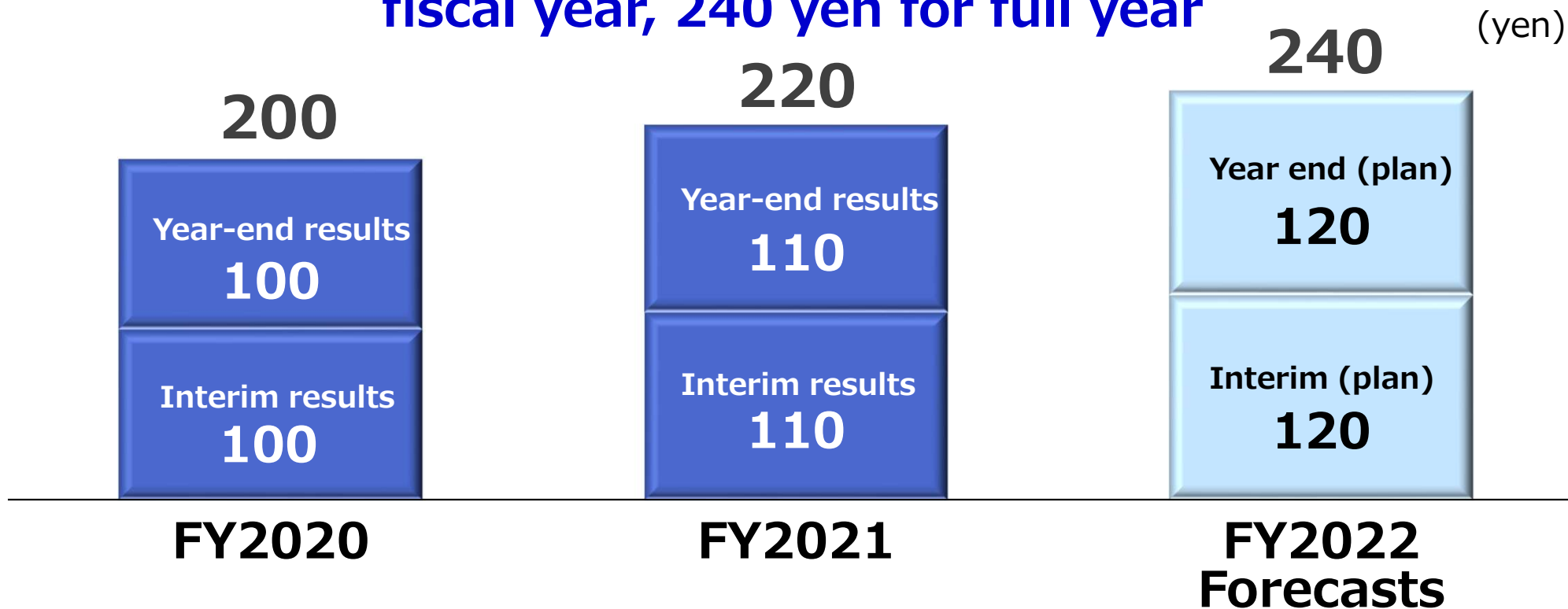
19

(Billion yen)

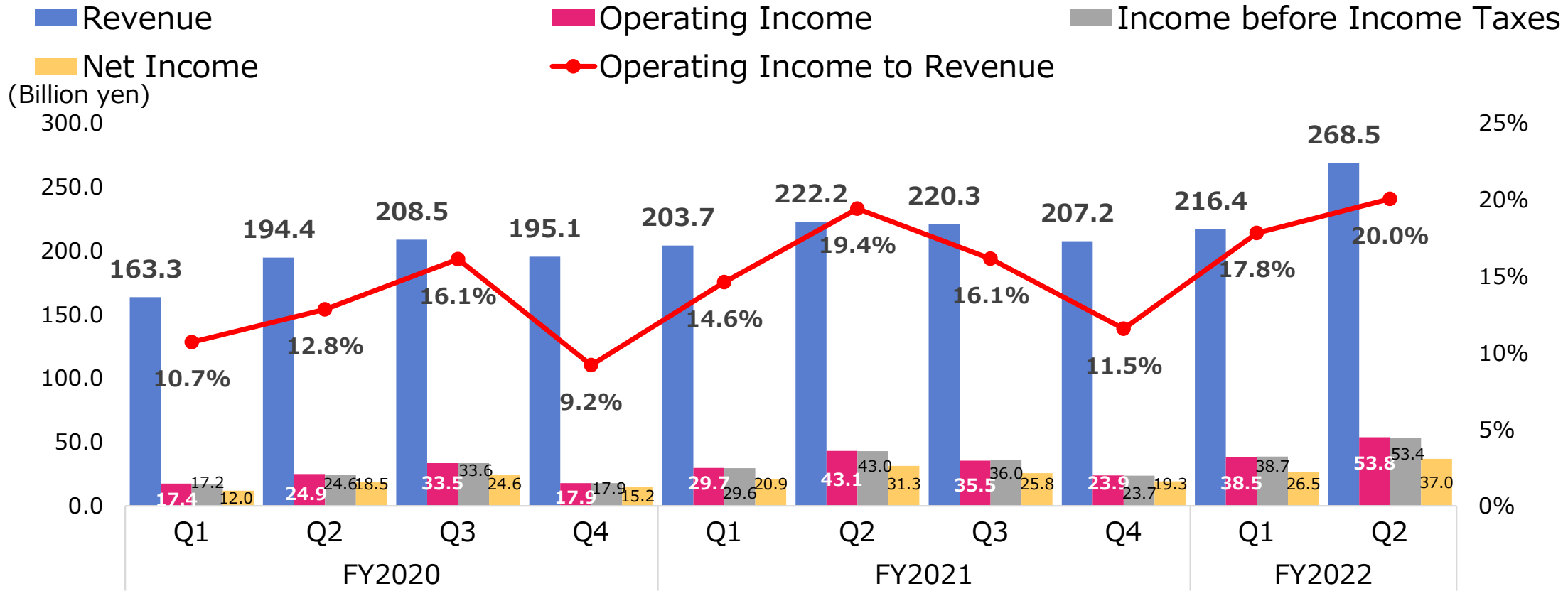
	1H FY2021	1H FY2022	YoY
Cash flows from operating activities (Operating CF)	65.4	62.9	-2.6
Cash flows from investing activities (Investment CF)	-28.7	-129.4	-100.7
Free cash flow (FCF)	36.7	-66.5	-103.2
Cash flows from financing activities (Financial CF)	-18.0	-19.3	-1.3
Effect of exchange rate changes on cash and cash equivalents	0.9	10.5	+9.7
Net increase (decrease) in cash and cash equivalents	19.6	-75.2	-94.9
Cash and cash equivalents at the end of the period	320.5	286.8	-33.7

Shareholder Returns

Dividend of 120 yen per share planned for current fiscal year, 240 yen for full year



Performance Trend (Quarterly)



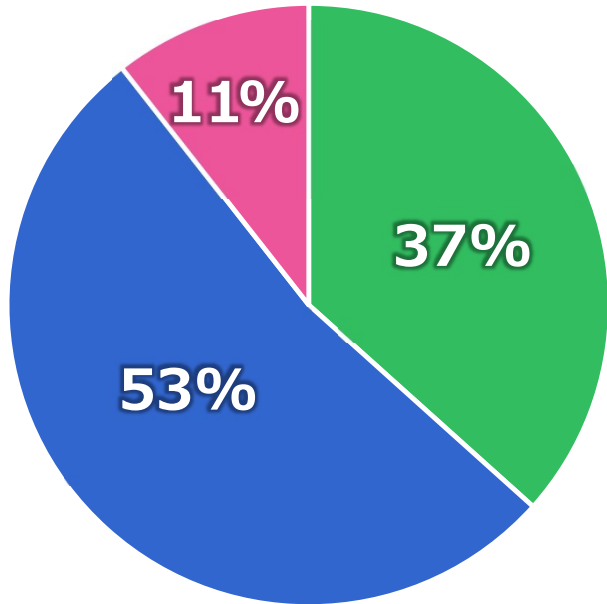
Business Portfolio Status

(*Component ratios not including Corporate/Elimination)

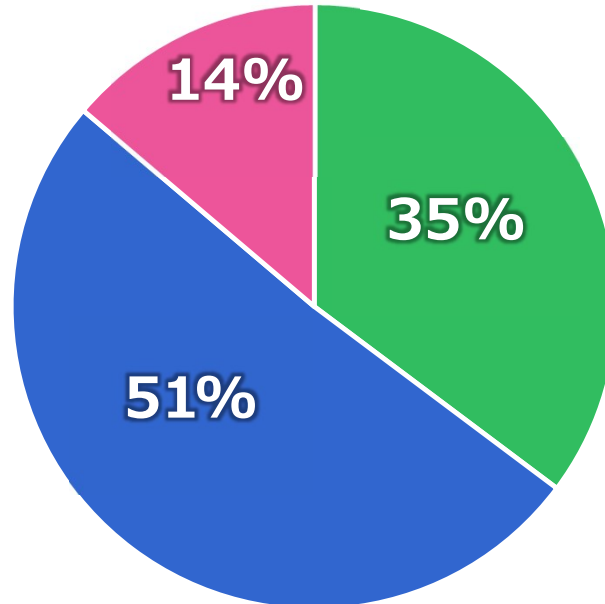
Revenue

Industrial Tape Optronics Human Life Others

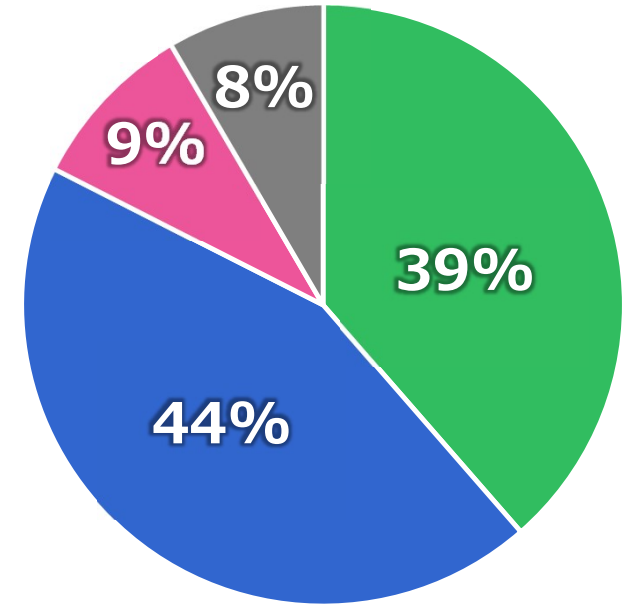
FY2021 results
853.4 B. yen
(111.8 ¥/\$)



FY2022 forecasts
955.0 B. yen
(125.7 ¥/\$)



FY2023 mid-term plan
920.0 B. yen
(105.0 ¥/\$)



Business Portfolio Status

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

Operating Income



Industrial Tape

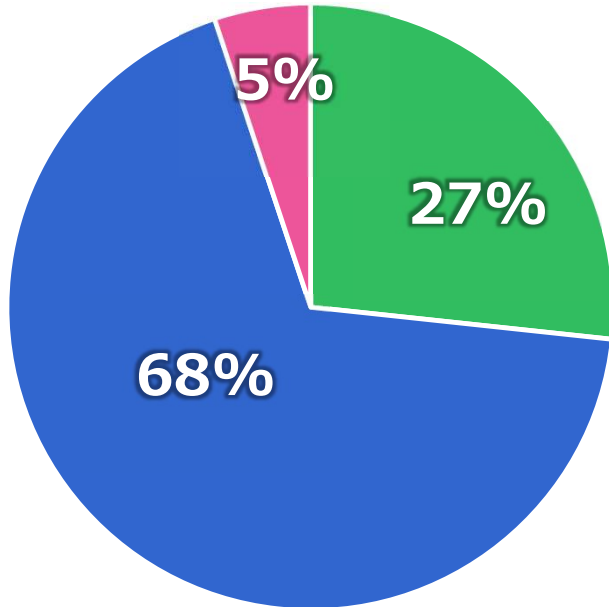


Optronics

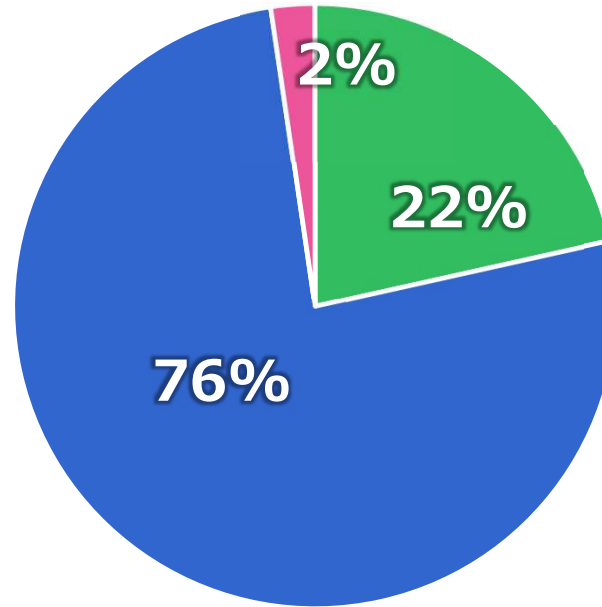


Human Life

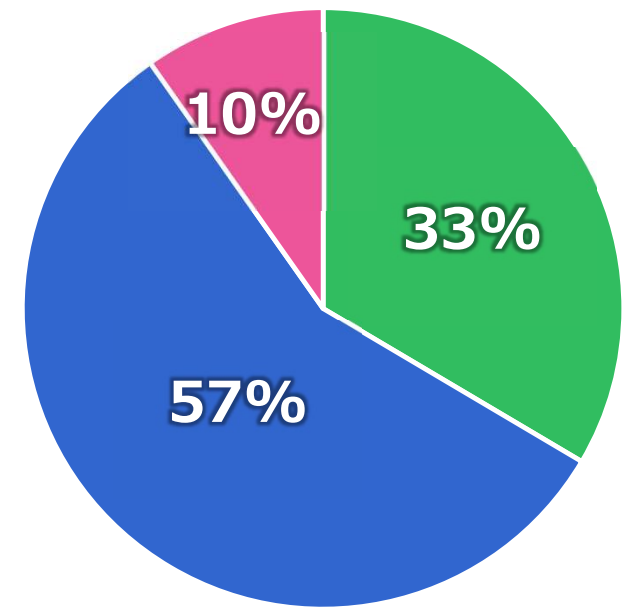
FY2021 results
132.3 B. yen
(111.8 ¥/\$)



FY2022 forecasts
160.0 B. yen
(125.7 ¥/\$)



FY2023 mid-term plan
140.0 B. yen
(105.0 ¥/\$)



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