

Preliminary
**Summary of Consolidated Financial Statements of Fiscal 2022
(12 Months Ended March 31, 2023 (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, Executive Vice President, Director of Corporate Accounting & Finance Division
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Date of the general shareholders' meeting: June 23, 2023
 Estimated starting date of dividend paying: June 26, 2023
 Filing date of financial statements: June 23, 2023
 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 of Fiscal 2022 (April 1, 2022 through March 31, 2023)

(1) Operating results (% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income 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	%
Fiscal 2022	929,036	8.9	147,173	11.3	146,840	10.9	109,264	12.4	109,173	12.4	137,177	0.6
Fiscal 2021	853,448	12.1	132,260	41.0	132,378	41.9	97,234	38.3	97,132	38.3	136,323	51.8

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent company	Net income to total assets	Operating income to revenue
	Yen	Yen	%	%	%
Fiscal 2022	738.77	738.48	12.7	13.1	15.8
Fiscal 2021	656.31	656.00	12.6	12.8	15.5

(Reference) Equity in earnings of affiliates: (Fiscal 2022) 29 million yen (Fiscal 2021) 42 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
March 31, 2023	1,153,647	903,194	902,211	78.2	6,183.01
March 31, 2022	1,094,469	822,105	821,192	75.0	5,548.09

(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
Fiscal 2022	181,702	-159,906	-57,627	329,966
Fiscal 2021	144,489	-57,594	-36,639	362,046

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, 2022	-	110.00	-	110.00	220.00	32,561	33.5	4.2
March, 2023	-	120.00	-	120.00	240.00	35,274	32.5	4.1
(Forecast) March, 2024	-	130.00	-	130.00	260.00		34.5	

3. Forecast of Fiscal 2023 (April 1, 2023 through March 31, 2024)

(% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income 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	440,000	-9.3	62,000	-32.8	62,000	-32.6	44,000	-30.6	44,000	-30.6	Yen 301.54
Annual	935,000	0.6	150,000	1.9	150,000	2.2	110,000	0.7	110,000	0.8	753.85

- 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 stock)

March, 2023: 149,758,428	March, 2022: 149,758,428
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2. Number of treasury stock at the end of the period

March, 2023: 3,840,554	March, 2022: 1,744,778
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

Fiscal 2022: 147,776,367	Fiscal 2021: 147,996,116
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(Reference) Non-consolidated financial results of Fiscal 2022 (April 1, 2022 through March 31, 2023)

(1) Operating results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2022	544,158	5.2	97,204	43.2	113,735	32.3	91,368	38.8
Fiscal 2021	517,458	7.5	67,868	30.7	85,963	23.6	65,815	26.9

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
Fiscal 2022	618.29	618.04
Fiscal 2021	444.71	444.50

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	760,758	523,833	68.8	3,587.59
March 31, 2022	729,581	487,646	66.8	3,292.16

(Reference) Shareholders' equity: (March 31, 2023) 523,492 million yen (March 31, 2022) 487,285 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.

(Reference) Segment Information

(Yen in Millions)

		Fiscal 2021 (April 1, 2021 through March 31, 2022)	Fiscal 2022 (April 1, 2022 through March 31, 2023)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	319,301	339,433	106.3
	Operating income	37,809	27,553	72.9
Optronics	Information Fine Materials	363,699	367,827	101.1
	Flexible Printed Circuits	95,852	114,604	119.6
	Total	459,552	482,432	105.0
	Operating income	96,599	129,867	134.4
Human Life	Life Science	51,958	53,758	103.5
	Membrane	27,696	33,262	120.1
	Personal Care Materials	12,546	46,356	369.5
	Total	92,202	133,377	144.7
	Operating income	7,233	840	11.6
Others	Revenue	1	4	243.4
	Operating income	-5,932	-5,655	-
Corporate/Elimination	Revenue	-17,609	-26,211	-
	Operating income	-3,449	-5,432	-
Total	Revenue	853,448	929,036	108.9
	Operating income	132,260	147,173	111.3

(Note) Since “Human Life” has been newly established in the reporting segments from FY2022, partial changes have been made to reporting segments. “Human Life” includes “Life Science” and “Membrane” which was previously included in “Others”. In addition, The personal care components business of Mondi, acquired in FY2022, has been newly established as “Personal Care Materials” in the “Human Life”. Certain related businesses has been transferred from “Industrial Tape” to “Personal Care Materials”. Such changes have also been reflected in the figures for the fiscal year ended March 31, 2022.

4. Consolidated Financial Statements

(1) Consolidated statements of financial position

(Yen in Millions)

	March 31, 2022	March 31, 2023
(Assets)		
Current assets		
Cash and cash equivalents	362,046	329,966
Trade and other receivables	206,084	178,388
Inventories	128,318	141,101
Other financial assets	4,939	2,141
Other current assets	21,349	20,358
Subtotal	<u>722,738</u>	<u>671,956</u>
Assets held for sale	-	5,232
Total current assets	<u>722,738</u>	<u>677,189</u>
Non-current assets		
Property, plant and equipment	286,949	333,103
Right-of-use assets	13,681	12,959
Goodwill	4,809	58,822
Intangible assets	13,707	21,469
Investments accounted for using equity method	547	2,140
Financial assets	12,131	8,860
Deferred tax assets	24,131	23,420
Other non-current assets	15,772	15,682
Total non-current assets	<u>371,730</u>	<u>476,457</u>
Total assets	<u><u>1,094,469</u></u>	<u><u>1,153,647</u></u>

(Yen in Millions)

	March 31, 2022	March 31, 2023
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	102,798	91,834
Bonds and borrowings	241	272
Income tax payables	18,138	18,488
Other financial liabilities	19,979	22,162
Other current liabilities	67,330	54,053
Subtotal	208,489	186,811
Liabilities directly associated with assets classified as held for sale	-	1,436
Total current liabilities	208,489	188,248
Non-current liabilities		
Other financial liabilities	16,941	15,729
Defined benefit liabilities	44,125	40,015
Deferred tax liabilities	326	4,173
Other non-current liabilities	2,480	2,286
Total non-current liabilities	63,873	62,204
Total liabilities	272,363	250,452
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	49,992	50,047
Retained earnings	705,910	786,269
Treasury stock	-9,771	-27,631
Other components of equity	48,276	66,741
Total equity attributable to owners of the parent company	821,192	902,211
Non-controlling interests	913	983
Total equity	822,105	903,194
Total liabilities and equity	1,094,469	1,153,647

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Yen in Millions)

	Fiscal 2021 (April 1, 2021 through March 31, 2022)	Fiscal 2022 (April 1, 2022 through March 31, 2023)
Revenue	853,448	929,036
Cost of sales	551,059	591,592
Gross profit	302,388	337,443
Selling, general and administrative expenses	129,625	145,436
Research and development expenses	37,271	40,175
Other income	6,707	8,103
Other expenses	9,938	12,761
Operating income	132,260	147,173
Financial income	1,459	1,574
Financial expenses	1,384	1,936
Equity in profits (losses) of affiliates	42	29
Income before income taxes	132,378	146,840
Income tax expenses	35,143	37,576
Net income	97,234	109,264
Net income attributable to:		
Owners of the parent company	97,132	109,173
Non-controlling interests	102	91
Total	97,234	109,264
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	656.31	738.77
Diluted earnings per share (Yen)	656.00	738.48

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2021 (April 1, 2021 through March 31, 2022)	Fiscal 2022 (April 1, 2022 through March 31, 2023)
Net income	97,234	109,264
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	339	-63
Reevaluation of defined benefit liability	3,131	3,962
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	33,613	21,807
Net gain (loss) in fair value of cash flow hedges	1,998	2,210
Share of other comprehensive income of associates accounted for using equity method	5	-4
Total other comprehensive income	<u>39,088</u>	<u>27,913</u>
Total comprehensive income	<u>136,323</u>	<u>137,177</u>
Total comprehensive income attributable to:		
Owners of the parent company	136,207	137,078
Non-controlling interests	115	99
Total	<u>136,323</u>	<u>137,177</u>

(3) Consolidated statements of changes in equity
 Fiscal 2021 (April 1, 2021 through March 31, 2022)

(Yen in Millions)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of April 1, 2021	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686
Net income	-	-	97,132	-	-	97,132	102	97,234
Other comprehensive income	-	-	-	-	39,075	39,075	12	39,088
Total comprehensive income	-	-	97,132	-	39,075	136,207	115	136,323
Share-based payment transactions	-	-132	-	-	3	-128	-	-128
Dividends	-	-	-31,076	-	-	-31,076	-20	-31,097
Changes in treasury stock	-	54	-	267	-	322	-	322
Transfer from other components of equity to retained earnings	-	-	3,937	-	-3,937	-	-	-
Total transactions with owners	-	-77	-27,138	267	-3,934	-30,883	-20	-30,903
Balance as of March 31, 2022	26,783	49,992	705,910	-9,771	48,276	821,192	913	822,105

Fiscal 2022 (April 1, 2022 through March 31, 2023)

(Yen in Millions)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
Balance as of April 1, 2022	26,783	49,992	705,910	-9,771	48,276	821,192	913	822,105
Net income	-	-	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 payment transactions	-	-21	-	-	-0	-21	-	-21
Dividends	-	-	-34,046	-	-	-34,046	-29	-34,075
Changes in treasury stock	-	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

(4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2021 (April 1, 2021 through March 31, 2022)	Fiscal 2022 (April 1, 2022 through March 31, 2023)
Cash flows from operating activities		
Income before income taxes	132,378	146,840
Depreciation and amortization	50,211	57,362
Impairment losses	5,986	4,036
Increase (decrease) in defined benefit liabilities	691	1,270
Decrease (increase) in trade and other receivables	-10,118	44,492
Decrease (increase) in inventories	-14,000	-2,230
Increase (decrease) in trade and other payables	440	-15,779
Increase (decrease) in advances received	13,897	-17,420
Interest and dividend income	569	1,283
Interest expenses paid	-535	-538
Income taxes (paid) refunded	-30,445	-38,748
Others	-4,587	1,133
Net cash provided by (used in) operating activities	144,489	181,702
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-58,958	-65,921
Proceeds from sale of property, plant and equipment and intangible assets	881	350
Decrease (increase) in time deposits	-398	81
Purchase of investment securities	-596	-177
Proceeds from sale of investment securities	764	2,675
Purchase of shares of subsidiaries and associates	-269	-1,703
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-95,263
Others	982	51
Net cash provided by (used in) investing activities	-57,594	-159,906
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-315	29
Repayment of finance lease obligations	-5,228	-5,567
Decrease (increase) in treasury stock	-0	-18,008
Cash dividends paid	-31,076	-34,046
Others	-18	-35
Net cash provided by (used in) financing activities	-36,639	-57,627
Effect of exchange rate changes on cash and cash equivalents	10,901	5,671
Cash and cash equivalents included in assets held for sale	-	-1,920
Net increase (decrease) in cash and cash equivalents	61,157	-32,079
Cash and cash equivalents at the beginning of the period	300,888	362,046
Cash and cash equivalents at the end of the period	362,046	329,966

(Segment information)

Information regarding revenue, income or loss, assets, and other items by segments
Fiscal 2021 (April 1, 2021 through March 31, 2022)

(Yen in Millions)

	Reporting segments				Others	Total	Adjustment	Figures in consolidated statements of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from outside customers	315,940	452,332	83,970	852,242	1	852,244	1,204	853,448
Inter-segment revenue	3,361	7,220	8,232	18,813	-	18,813	-18,813	-
Total segment revenue	319,301	459,552	92,202	871,055	1	871,057	-17,609	853,448
Operating income (loss)	37,809	96,599	7,233	141,641	-5,932	135,709	-3,449	132,260
Financial income								1,459
Financial expenses								-1,384
Equity in profits (losses) of affiliates								42
Income before income taxes								132,378
Segment assets	276,393	551,768	92,619	920,781	3,481	924,262	170,206	1,094,469
Other items:								
Depreciation and amortization	15,650	22,370	4,375	42,397	670	43,067	7,143	50,211
Impairment losses	180	523	5,196	5,900	1	5,901	84	5,986
Increase in property, plant and equipment and intangible assets	14,002	25,212	7,339	46,555	944	47,499	8,997	56,496

- (Note) 1. "Others" is a business segment that is not included in reportable segments and consists of "New Business".
2. -3,499 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.
3. 170,206 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.
4. Since "Human Life" has been newly established in the reporting segments from FY2022, partial changes have been made to reporting segments. "Human Life" includes "Life Science" and "Membrane" which was previously included in "Others". In addition, The personal care components business of Mondi, acquired in FY2022, has been newly established as "Personal Care Materials" in the "Human Life". Certain related businesses has been transferred from "Industrial Tape" to "Personal Care Materials". Such changes have also been reflected in the figures for the fiscal year ended March 31, 2022.

Major products for each segment

Business 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.), Flexible Printed Circuits (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 (hygienic materials for functional film, etc.)
Others	New Business, Other Products

	Reporting segments				Others	Total	Adjustment	Figures in consolidated statements of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from outside customers	334,456	469,330	123,974	927,761	4	927,765	1,270	929,036
Inter-segment revenue	4,976	13,102	9,403	27,481	-	27,481	-27,481	-
Total segment revenue	339,433	482,432	133,377	955,243	4	955,247	-26,211	929,036
Operating income (loss)	27,553	129,867	840	158,260	-5,655	152,605	-5,432	147,173
Financial income								1,574
Financial expenses								-1,936
Equity in profits (losses) of affiliates								29
Income before income taxes								146,840
Segment assets	282,267	588,380	206,671	1,077,320	4,288	1,081,608	72,038	1,153,647
Other items:								
Depreciation and amortization	16,683	25,249	7,062	48,995	591	49,587	7,775	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	24,372	6,197	45,333	850	46,184	4,604	50,789

- (Note) 1. "Others" is a business segment that is not included in reportable segments and consists of "New Business".
2. -5,432 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.
3. 72,038 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.

Major products for each segment

Business 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.), Flexible Printed Circuits (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 (hygienic materials for functional film, etc.)
Others	New Business, Other Products