



# Financial Results First Quarter FY2023

**Nitto Denko Corporation**

July 26, 2023



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# Results of 1Q FY2023

# Summary of Financial Results

## Results of 1Q FY2023

Revenue

**208.5 B. yen**

Operating  
income

**22.4 B. yen**

## YoY

Revenue

**-7.9 B. yen**  
(-3.7%)

Operating  
income

**-16.1 B. yen**  
(-41.8%)

- Revenue and operating income of Industrial Tape and Optronics decreased
- For Human Life, revenue increased, but operating income decreased
- Impact of yen weakness on operating income was 4.5 B. yen

# 1Q FY2023 Results

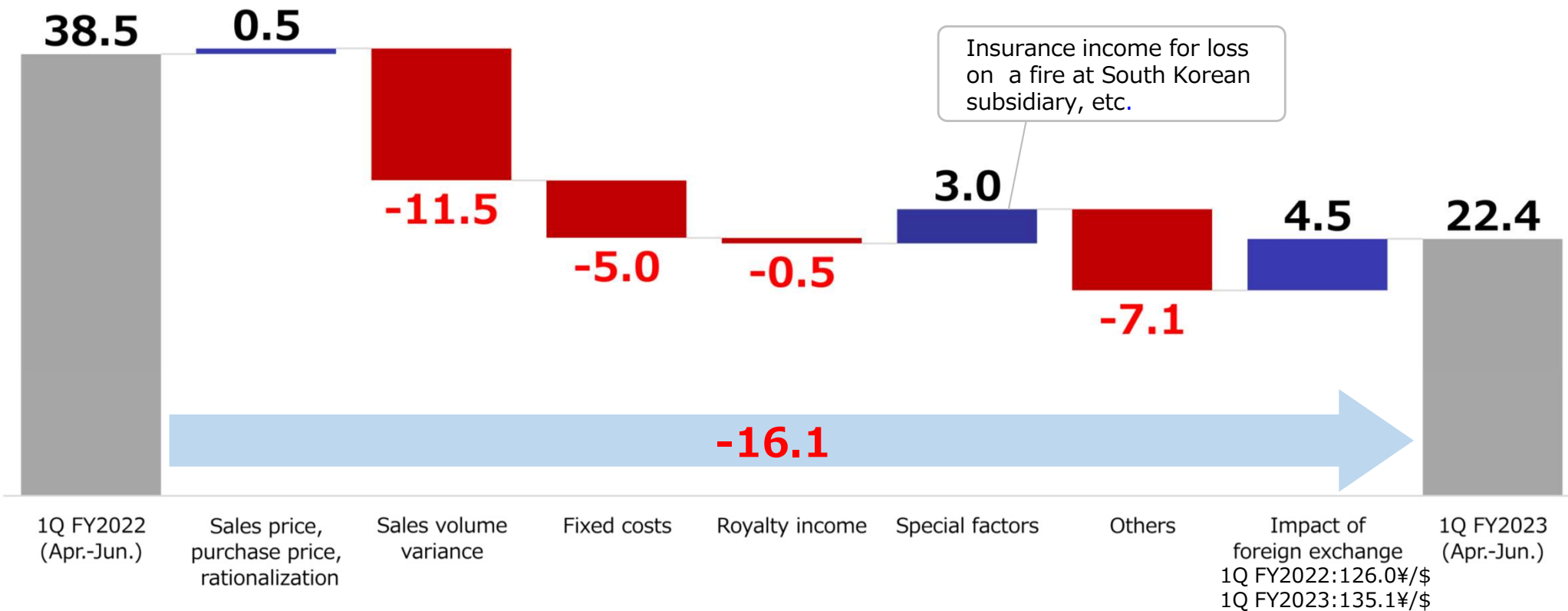
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(Billion yen)

	1Q FY2022 (Apr.-Jun.)	1Q FY2023 (Apr.-Jun.)	YoY	
				%
Revenue	216.4	208.5	-7.9	-3.7%
Operating income	38.5	22.4	-16.1	-41.8%
Operating income to revenue	17.8%	10.8%	-7.1%	—
Income before income taxes	38.7	22.2	-16.5	-42.7%
Net income attributable to owners of the parent company	26.4	15.2	-11.3	-42.6%
Yen/1US\$	126.0	135.1	+9.1	+7.2%

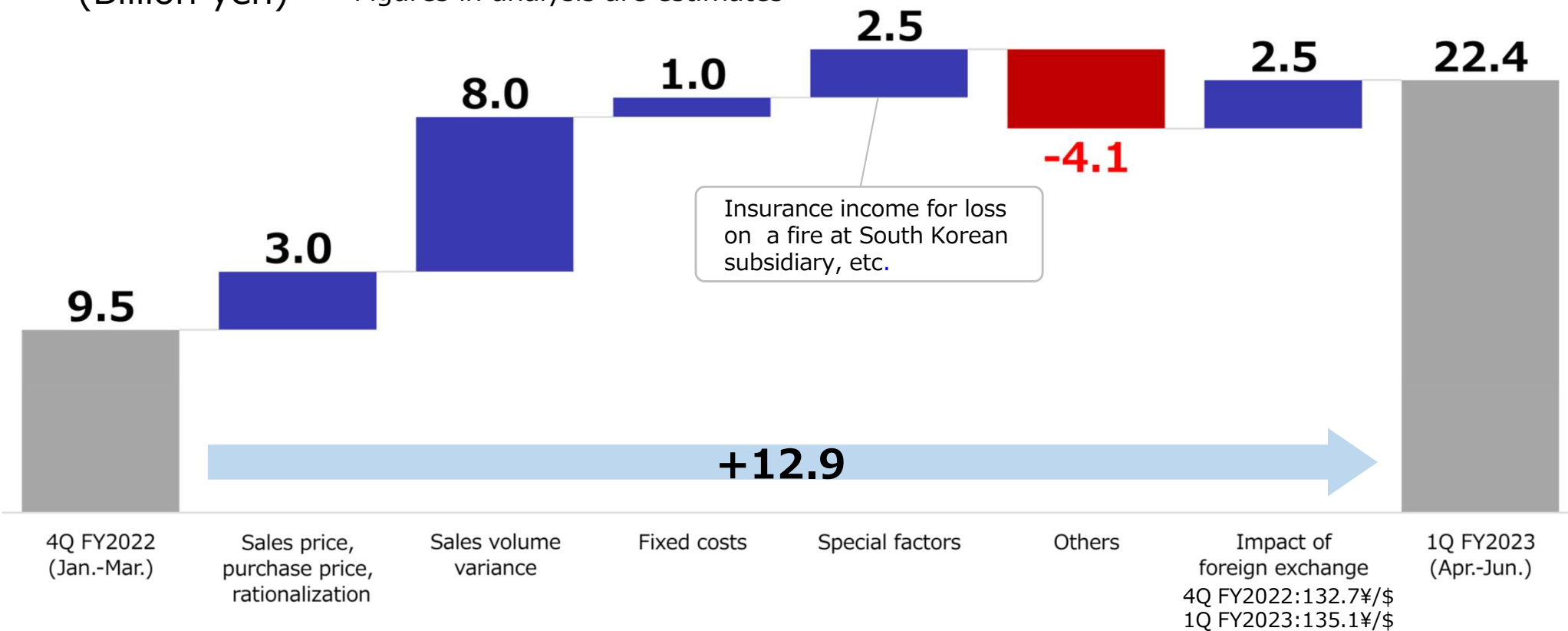
# 1Q FY2023 YoY Operating Income Change Analysis

(Billion yen) \*Figures in analysis are estimates



# 1Q FY2023 QoQ Operating Income Change Analysis

(Billion yen) \*Figures in analysis are estimates



# 1Q FY2023 Results by Segment

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(Billion yen)

Upper row: Revenue Lower row: Operating income	1Q FY2022 (Apr.-Jun.)	1Q FY2023 (Apr.-Jun.)	YoY	
				%
Industrial Tape*	81.4	80.7	-0.8	-0.9%
	8.3	7.5	-0.9	-10.5%
Optronics	111.4	104.4	-7.1	-6.3%
	25.1	20.0	-5.1	-20.3%
Human Life*	28.0	29.3	+1.3	+4.6%
	5.0	-2.9	-8.0	-
Others	0.0	0.0	+0.0	+87.0%
	-0.9	-1.3	-0.4	-
Adjustment	-4.5	-5.9	-1.4	-
	0.9	-0.9	-1.7	-
Total	216.4	208.5	-7.9	-3.7%
	38.5	22.4	-16.1	-41.8%

\* From FY2023, some changes have been made to reporting segments as follows.

1. The plastic optical cable business has been transferred from "Others" to "Optronics".
2. Certain related businesses has been transferred from "Human Life" to "Industrial Tape".
3. Certain business included in "Adjustment" has been transferred to "Others".

Such changes have been reflected in the figures for 1Q FY2022.

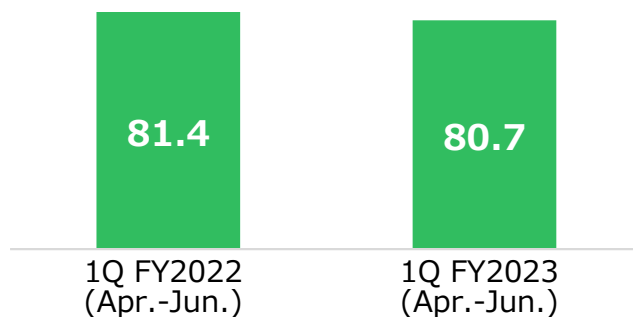
## Nitto

Innovation for Customers

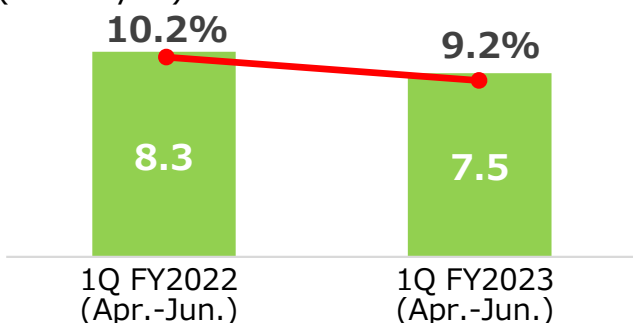


# Results by Segment: Industrial Tape

Revenue  
(Billion yen)



Operating income/Operating income to revenue  
(Billion yen)



Revenue	<b>80.7 B. yen</b> (YoY <b>-0.9%</b> )
Operating income	<b>7.5 B. yen</b> (YoY <b>-10.5%</b> )

## ■ Electronics

- Demand for materials for assembly of high-end smartphones and process materials for ceramic capacitors decreased due to deteriorating market conditions.

## ■ Process Materials

- Production for semiconductor memories remained sluggish.

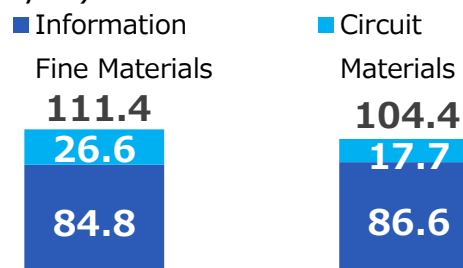
## ■ Others

- Demand for automotive materials increased as automotive production recovered mainly in Japan as the semiconductor shortage was resolved.

# Results by Segment: Optronics

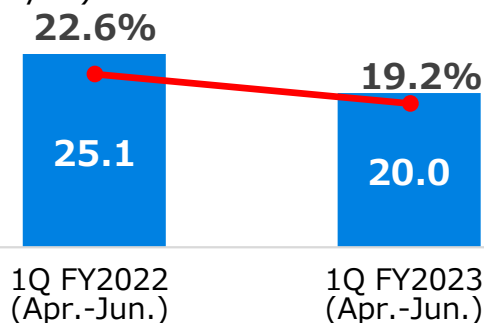
## Revenue

(Billion yen)



## Operating income/Operating income to revenue

(Billion yen)



Revenue	<b>104.4 B. yen</b> (YoY <b>-6.3%</b> )
Operating income	<b>20.0 B. yen</b> (YoY <b>-20.3%</b> )

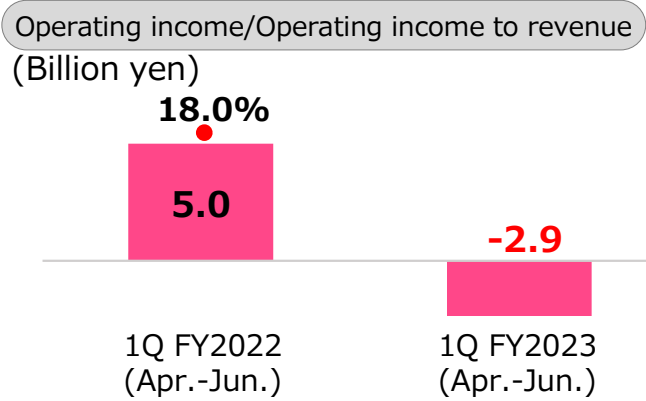
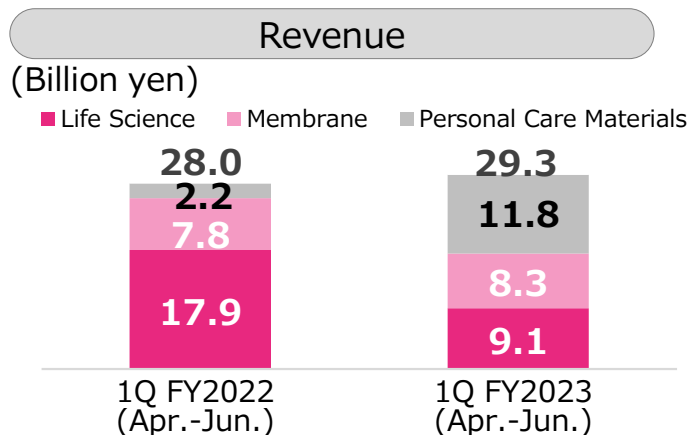
### ■ Information Fine Materials

- Demand for products for automotive displays and VR displays, which are in a period of growth, increased.
- Revenue for high-end smartphones increased by providing total solutions that combine optical films with OCA and process protective films.

### ■ Circuit Materials

- The number of models adopting the high-precision circuits for high-end smartphones increased.
- In CIS (Circuit Integrated Suspension), demand for hard disk drives (HDDs) with high capacities in data centers decreased.

# Results by Segment: Human Life



Revenue	<b>29.3 B. yen</b> (YoY +4.6%)
Operating income	<b>-2.9 B. yen</b> (YoY -)

## ■ Life Science

- New orders for immunologic adjuvants for COVID-19 vaccines have been suspended since the second quarter of the previous fiscal year.
- A new plant at a production site, Massachusetts, in the United States has been completed and operation will start in the second half of the fiscal year.

## ■ Membranes

- Demand for Membrane for ultra-pure water refining used in semiconductor production remained strong.

## ■ Personal Care Materials

- Introduced new products for diapers to major customers in Europe.
- Working on new products development that contributes to the environment using biodegradable technologies.

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# Full-year Forecasts for FY2023

# Full-year Forecasts for FY2023

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(Billion yen)

	FY2022 (Apr.-Mar.)	FY2023 Forecasts (Apr.-Mar.)	YoY	
				%
Revenue	929.0	935.0	+6.0	+0.6%
Operating income	147.2	150.0	+2.8	+1.9%
Operating income to revenue	15.8%	16.0%	+0.2%	—
Income before income taxes	146.8	150.0	+3.2	+2.2%
Net income attributable to owners of the parent company	109.2	110.0	+0.8	+0.8%
Yen/1US\$	134.7	135.0	+0.3	+0.2%

# Full-year Forecasts for FY2023 by Segment

(Billion yen) 14

Upper row: Revenue Lower row: Operating income	FY2022 (Apr.-Mar.)	FY2023 Forecasts (Apr.-Mar.)	YoY	
				%
Industrial tape*	345.1	338.0	-7.1	-2.1%
	27.4	37.5	+10.1	+37.0%
Optronics	482.4	478.0	-4.4	-0.9%
	127.4	123.5	-3.9	-3.1%
Human Life*	126.4	140.0	+13.6	+10.7%
	0.4	2.5	+2.1	+605.6%
Others	0.0	0.0	0.0	-
	-3.9	-5.5	-1.6	-
Adjustment	-25.0	-21.0	+4.0	-
	-4.1	-8.0	-3.9	-
Total	929.0	935.0	+6.0	+0.6%
	147.2	150.0	+2.8	+1.9%

\* From FY2023, some changes have been made to reporting segments as follows.

1. The plastic optical cable business has been transferred from "Others" to "Optronics".
2. Certain related businesses has been transferred from "Human Life" to "Industrial Tape".
3. Certain business included in "Adjustment" has been transferred to "Others".

Such changes have been reflected in the figures for 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.

## 3 Supplementary Data

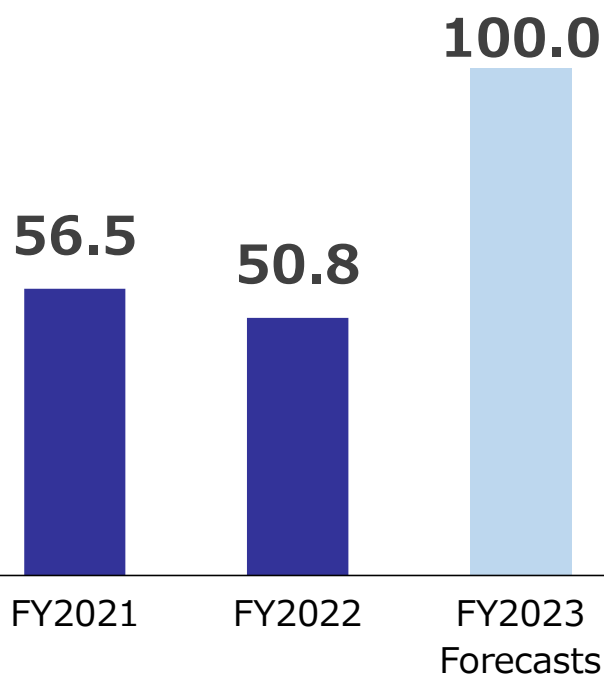


# Capital Expenditure, Depreciation and Amortization, R&D Expenditure

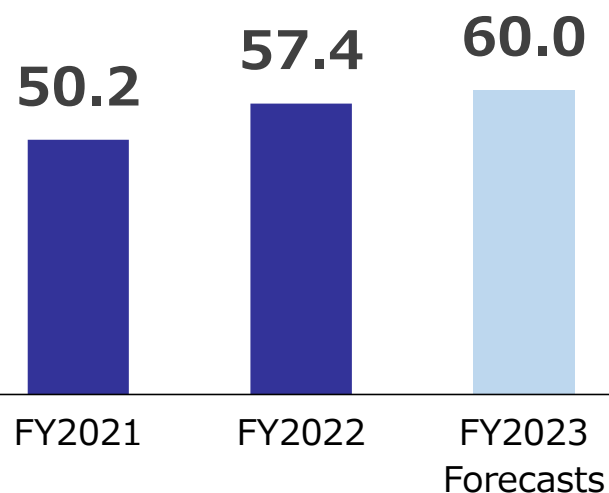
17

(Billion yen)

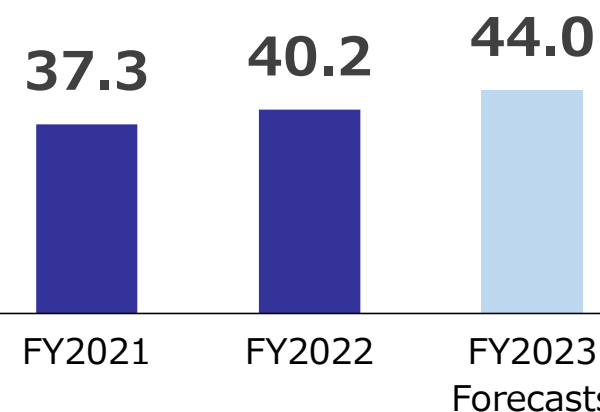
## Capital Expenditure



## Depreciation and Amortization



## R&D Expenditure



# Consolidated Cash Flow Statement

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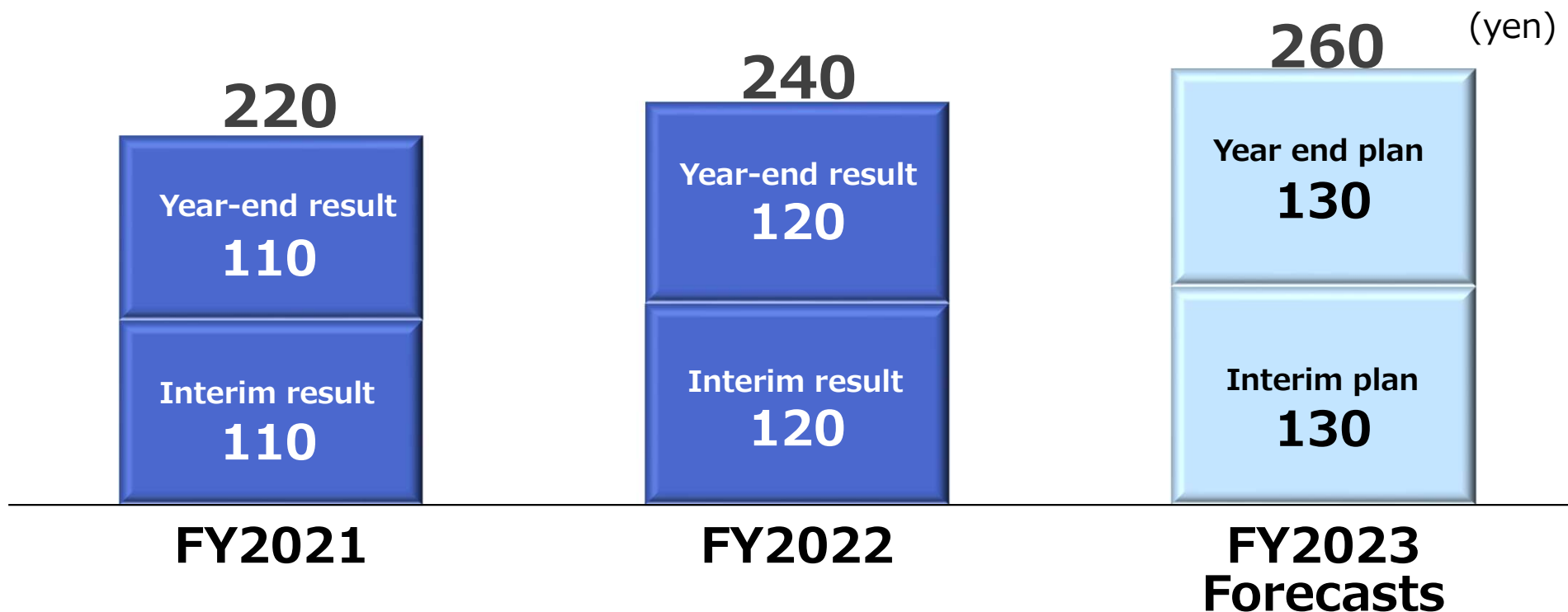
Increase in expenditures of CF from investing in 1Q FY2022 was due to M&A  
(Personal Care Components Business of Mondi and Bend Labs)

(Billion yen)

	1Q FY2022 (Apr.-Jun.)	1Q FY2023 (Apr.-Jun.)	YoY
Cash flows from operating activities (Operating CF)	21.3	11.6	-9.7
Cash flows from investing activities (Investment CF)	-111.5	-14.9	+96.6
Free cash flow (FCF)	-90.2	-3.3	+86.9
Cash flows from financing activities (Financial CF)	-18.0	-47.7	-29.7
Effect of exchange rate changes on cash and cash equivalents	10.2	9.4	-0.8
Net increase (decrease) in cash and cash equivalents	-98.0	-41.6	+56.4
Cash and cash equivalents at the end of the period	264.0	288.3	+24.3

# Shareholder Returns

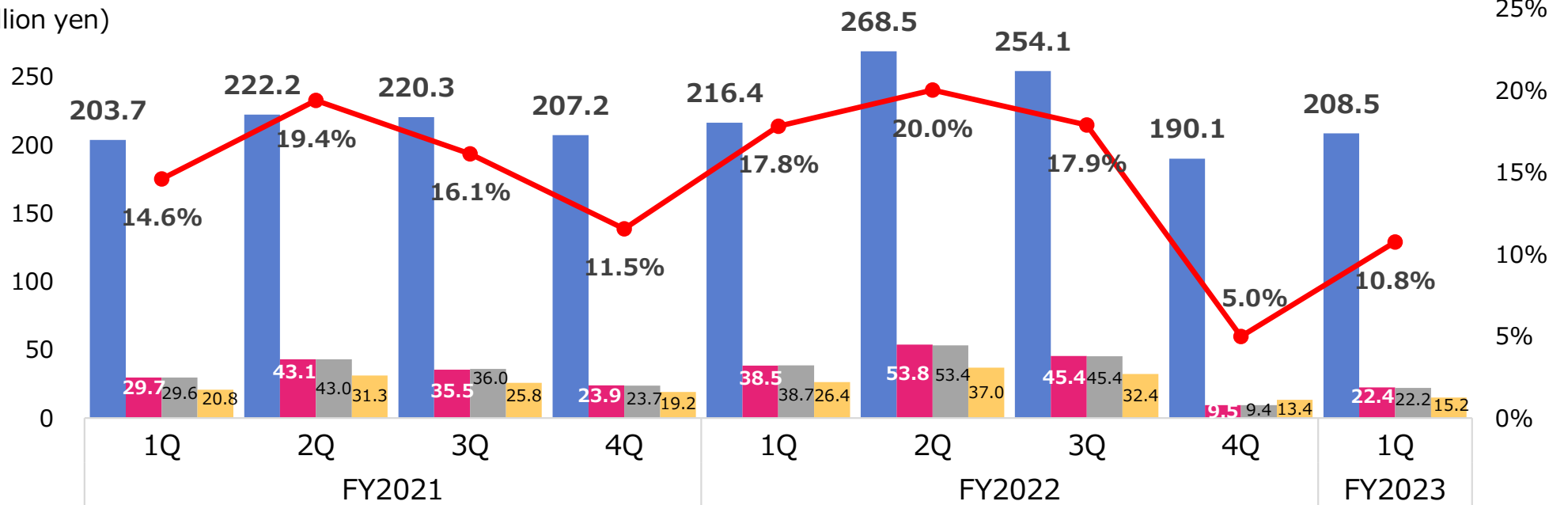
Dividend of full-year total 260 yen per share planned for this fiscal year, an increase of 20 yen  
Share Repurchase up to 50 billion yen planned from February to July 2023



# Performance Trend (Quarterly)

■ Revenue     
 ■ Operating Income     
 ■ Income before Income Taxes  
■ Net Income attributable to owners of the parent company     
 ● Operating Income to Revenue

(Billion yen)



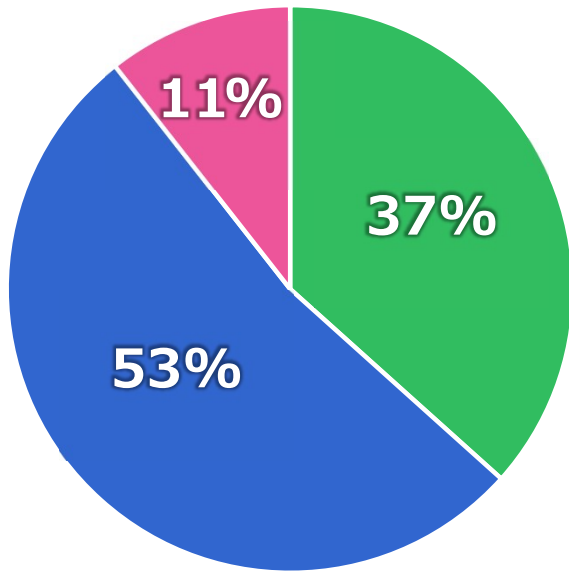
# Business Portfolio Status

(\*Component ratios not including Adjustment)

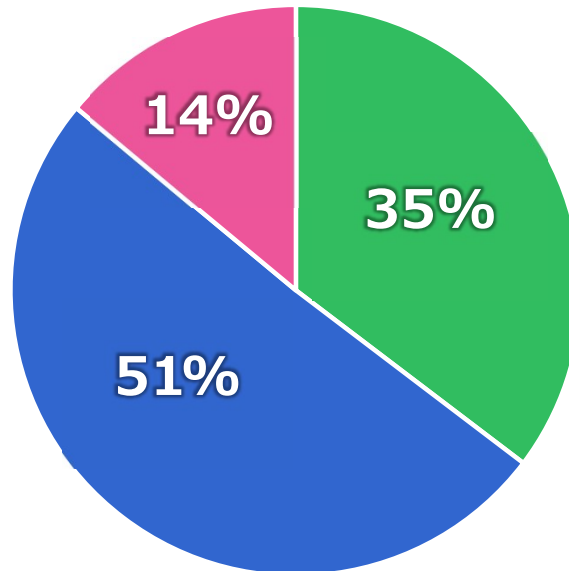
## Revenue

Industrial Tape   Optronics   Human Life

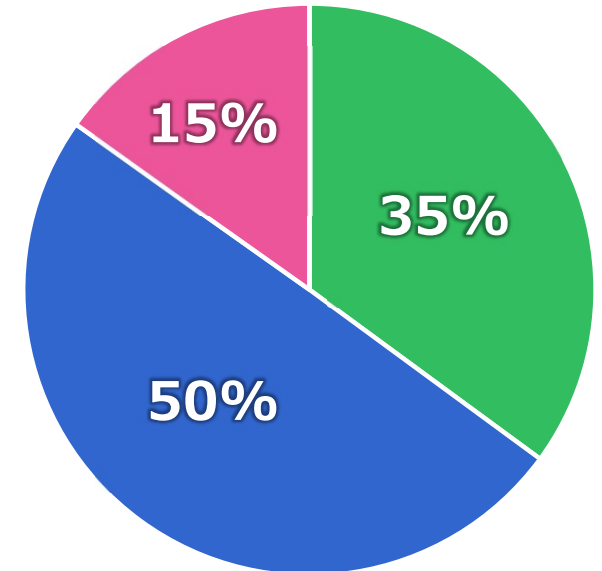
**FY2021 results**  
853.4 B. yen  
(111.8 ¥/\$)



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



**FY2023 forecasts**  
935.0 B. yen  
(135.0 ¥/\$)



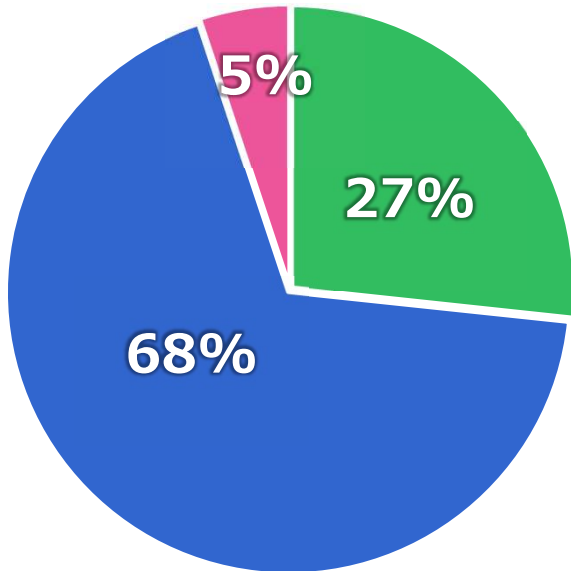
# Business Portfolio Status

(\*Component ratios not including Adjustment and negative segments)

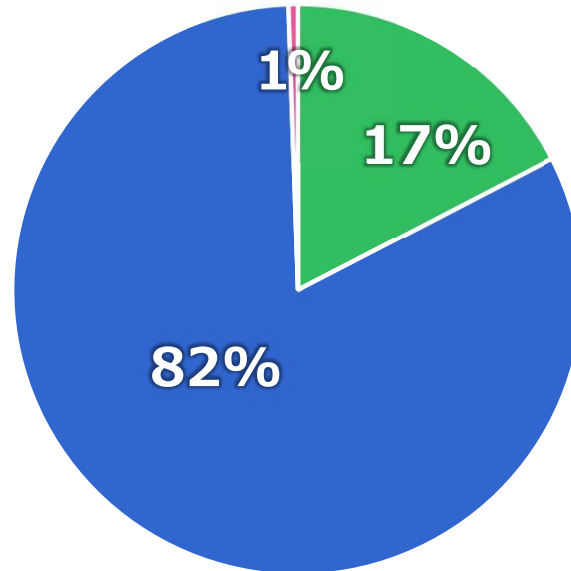
## Operating income

Industrial Tape    Optronics    Human Life

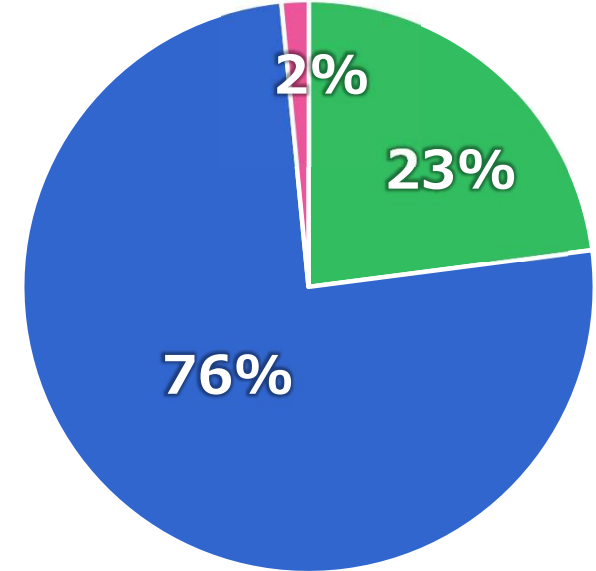
**FY2021 results**  
132.3 B. yen  
(111.8 ¥/\$)



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



**FY2023 forecasts**  
150.0 B. yen  
(135.0¥/\$)



# 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
	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)	

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



***Nitto***

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