

Summary of Consolidated Financial Statements for the First Quarter Ended June 30, 2023 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: Tokyo Stock Exchange, Prime Market
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Filing date of quarterly financial statements: July 28, 2023
 Estimated starting date of dividend paying: -
 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 the first quarter ended June 30, 2023 (April 1, 2023 through June 30, 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	%
First quarter ended June 30, 2023	208,455	-3.7	22,411	-41.8	22,176	-42.7	15,191	-42.6	15,168	-42.6	49,140	-19.7
First quarter ended June 30, 2022	216,368	6.2	38,520	29.6	38,674	30.5	26,458	26.8	26,439	26.8	61,159	169.2

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First quarter ended June 30, 2023	105.52		105.48	
First quarter ended June 30, 2022	178.63		178.55	

(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
	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2023	1,160,748	906,729	905,750	78.0
March 31, 2023	1,153,647	903,194	902,211	78.2

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March, 2023	-	120.00	-	120.00	240.00
March, 2024	-				
March, 2024 (Forecast)		130.00	-	130.00	260.00

(Note) Revision of dividend forecast in the current quarter: No

3. Forecast for fiscal year ending March 31, 2024 (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	%	Yen
First half	440,000	-9.3	62,000	-32.8	62,000	-32.6	44,000	-30.6	44,000	-30.6	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

(Note) Revision of consolidated forecast in the current quarter: No

- Others

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2023: 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)

June 30, 2023: 149,758,428	March 31, 2023: 149,758,428
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2. Number of treasury stock at the end of the period

June 30, 2023: 6,829,454	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)

April-June 2023: 143,748,140	April-June 2022: 148,013,617
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- These quarterly financial results are not subject to quarterly review 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. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections" on page 6 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Settlement of Accounts

(1) Explanation of operating results

During the first quarter of the fiscal year ending March 31, 2024 (April 1, 2023 through June 30, 2023), the economic environment saw a continued monetary tightening in Europe and the United States as inflation rates remained high. In the United States, some effects of interest rate hike were seen, such as easing labor supply and demand, but uncertainty about the economic outlook has increased, as the Federal Reserve Board (FRB) indicated that it will raise interest rate twice within the year. In China, demand for services recovered after ending of the Zero-COVID policy, but the pace of economic recovery was lower than expected, mainly due to sluggish demand for durable consumer goods such as automobiles and smartphones and a weak real estate market. Meanwhile, in Japan, companies made progress in passing on prices supported by wage base increases and other factors. In addition, the impact of the shortage of semiconductors eased, and business confidence improved in the domestic manufacturing industry, particularly in automotive manufacturers. In the foreign exchange market, the yen further depreciated against the U.S. dollar on expectations of a further widening of the interest rate differential between Japan and the United States.

In the key markets of Nitto Group (the “Group”) in these circumstances, demand for optical films for automotive and virtual reality (VR), on which the Group is focusing on as its next growth point, increased. Demand for automotive materials increased along with the recovery in automotive production. On the other hand, demand for products for data centers and products used in manufacturing of semiconductors and electronic equipment declined due to deteriorating market conditions. In addition, new orders for immunologic adjuvants for COVID-19 vaccines have been suspended since the second quarter of the previous fiscal year.

The yen’s exchange rate against the U.S. dollar for the first quarter ended June 30, 2023 was 135.1 yen to the dollar, a 7.2% depreciation of the yen compared with the same period of the previous year, and the effect of the weaker yen increased operating income by 4.5 billion yen.

As a result of the above, revenue decreased by 3.7% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 208,455 million yen. Operating income decreased by 41.8% to 22,411 million yen, income before income taxes decreased by 42.7% to 22,176 million yen, net income decreased by 42.6% to 15,191 million yen, and net income attributable to owners of the parent company decreased by 42.6% to 15,168 million yen.

Summary of results by segment

① Industrial Tape

For Functional Base Products, revenue did not reach the level of the same period of the previous year. Revenue of materials for assembly of high-end smartphones decreased as the resolution to secure materials in preparation for supply chain disruptions seen in the same period of the previous year came to an end. In addition, manufacture of semiconductor memories and ceramic capacitors remained sluggish, and demand for the materials used in manufacturing processes of such products decreased. In automotive materials, excluding the impact of the transfer of the NVH (Noise, Vibration, Harshness) business in the first quarter, demand for automotive materials increased as automotive production recovered mainly in Japan as the semiconductor shortage was resolved.

As a result of the above, revenue decreased by 0.9% to 80,693 million yen and operating income decreased by 10.5% to 7,457 million yen

② Optronics

In Information Fine Materials, revenue increased from the same period of the previous year. Demand for products for automotive displays, which are in a period of growth, remained strong, and new production lines for products for VR displays started operation. In addition, for high-end smartphones, the Group provided total solutions that combine optical films with OCA and process protective films, which contributed to revenue growth.

In Circuit Materials, revenue did not reach the level of the same period of the previous year. In CIS (Circuit Integrated Suspension), 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 has increased from the same period of the previous year.

As a result of the above, revenue decreased by 6.3% to 104,363 million yen and operating income decreased by 20.3% to 20,032 million yen.

③ Human Life

In Life Science, revenue did not reach the level of the same period of the previous year. In the oligonucleotide contract manufacturing business, demand for immunologic adjuvants for vaccine declined 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 a new plant has been completed at a production site, Massachusetts, in the United States, to meet the growing demand in the future. An opening ceremony was held at the new plant. In development of nucleic acid drug discovery, the Group continues to promote clinical trials to out-license its pipelines. In medical products, demand decreased for surgical tapes and transdermal patches due to weak market conditions.

In Membrane (high-polymer separation membrane), revenue increased from the same period of the previous year. Demand of Membrane for ultra-pure water refining used in semiconductor production remained strong.

In Personal Care Materials, revenue increased from the same period of the previous year due to the acquisition of Mondi plc's personal care business 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 increased by 4.6% to 29,278 million yen and operating loss amounted to 2,937 million yen. (operating income of 5,043 million yen was reported in the same period of the previous year)

④ Others

Please note that this segment includes new products that have not generated sufficient revenue yet. Major business theme is the disposable Holter ECG device, and the Group is conducting pilot sales for full-scale mass production.

As a result of the above, revenue increased by 87.0% to 3 million yen and operating loss amounted to 1,284 million yen. (operating loss of 868 million yen was reported in the same period of the previous year)

		First quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	81,445	80,693	99.1
	Operating income	8,328	7,457	89.5
Optronics	Information Fine Materials	84,804	86,645	102.2
	Circuit Materials	26,627	17,718	66.5
	Total	111,432	104,363	93.7
	Operating income	25,134	20,032	79.7
Human Life	Life Science	17,945	9,140	50.9
	Membrane	7,840	8,294	105.8
	Personal Care Materials	2,194	11,843	539.7
	Total	27,979	29,278	104.6
	Operating income	5,043	-2,937	-
Others	Revenue	2	3	187.0
	Operating income	-868	-1,284	-
Adjustment	Revenue	-4,491	-5,884	-
	Operating income	882	-856	-
Total	Revenue	216,368	208,455	96.3
	Operating income	38,520	22,411	58.2

(Note) Some changes have been made to reporting segments from FY2023. The personal care components business of Mondi, acquired in the first quarter of FY2022, was newly established as “Personal Care Materials” in the “Human Life” in second quarter of FY2022. 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 first quarter ended June 30, 2022.

Forecasts of fiscal year ending March 31, 2024

		Revenue	Y-o-Y (%)
Industrial Tape	Revenue	338,000	97.9
	Operating income	37,500	137.0
Optronics	Information Fine Materials	367,500	99.9
	Circuit Materials	110,500	96.4
	Total	478,000	99.1
	Operating income	123,500	96.9
Human Life	Life Science	51,500	95.8
	Membrane	31,500	94.7
	Personal Care Materials	57,000	144.6
	Total	140,000	110.7
	Operating income	2,500	705.6
Others	Revenue	-	-
	Operating income	-5,500	-
Adjustment	Revenue	-21,000	-
	Operating income	-8,000	-
Total	Revenue	935,000	100.6
	Operating income	150,000	101.9

(2) Explanation of financial position

The Group's financial position at the end of the first quarter of the fiscal year ending March 31, 2024 was as follows.

Compared with the end of the fiscal year ended March 31, 2023, total assets increased by 7,100 million yen to 1,160,748 million yen and total liabilities increased by 3,565 million yen to 254,018 million yen. Total equity increased by 3,534 million yen to 906,729 million yen. As a result, the ratio of equity attributable to owners of the parent company to total assets changed from 78.2% at the end of the fiscal year ended March 31, 2023 to 78.0% at the end of the first quarter of the fiscal year ending March 31, 2024.

The main changes in assets were a decrease in cash and cash equivalents of 41,645 million yen, an increase in trade and other receivables of 18,188 million yen, an increase in inventories of 2,303 million yen, an increase in other current assets of 8,051 million yen, a decrease in assets held for sale of 5,232 million yen, an increase in property, plant and equipment of 17,220 million yen, an increase in right-of-use assets of 1,646 million yen, an increase in goodwill of 4,705 million yen, an increase in deferred tax assets of 1,147 million yen. In terms of liabilities, trade and other payables increased by 7,026 million yen, income tax payables decreased by 10,715 million yen, other current financial liabilities increased by 3,794 million yen, other current liabilities increased by 3,445 million yen, liabilities directly associated with assets classified as held for sale decreased by 1,436 million yen, other non-current assets financial liabilities increased by 1,390 million yen.

(3) Explanation of forecasts and other projections

The full-year forecasts of the fiscal year ending March 31, 2024, are unchanged from the previous report on April 26, 2023, considering the circumstances described above and the results for the first quarter, but the forecasts for the second quarter by segment have been revised. The exchange rate for the second quarter is assumed to be 1\$ = ¥144.9 and from the third quarter onward is assumed to be 1\$ = ¥130.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2023	June 30, 2023
(Assets)		
Current assets		
Cash and cash equivalents	329,966	288,321
Trade and other receivables	178,388	196,577
Inventories	141,101	143,404
Other financial assets	2,141	2,350
Other current assets	20,358	28,410
Subtotal	671,956	659,065
Assets held for sale	5,232	-
Total current assets	677,189	659,065
Non-current assets		
Property, plant and equipment	333,103	350,324
Right-of-use assets	12,959	14,605
Goodwill	58,822	63,527
Intangible assets	21,469	21,411
Investments accounted for using equity method	2,140	2,174
Financial assets	8,860	9,463
Deferred tax assets	23,420	24,568
Other non-current assets	15,682	15,608
Total non-current assets	476,457	501,682
Total assets	1,153,647	1,160,748

(Yen in Millions)

	March 31, 2023	June 30, 2023
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	91,834	98,861
Borrowings	272	255
Income tax payables	18,488	7,772
Other financial liabilities	22,162	25,957
Other current liabilities	54,053	57,498
Subtotal	186,811	190,344
Liabilities directly associated with assets classified as held for sale	1,436	-
Total current liabilities	188,248	190,344
Non-current liabilities		
Other financial liabilities	15,729	17,119
Defined benefit liabilities	40,015	40,426
Deferred tax liabilities	4,173	3,996
Other non-current liabilities	2,286	2,130
Total non-current liabilities	62,204	63,673
Total liabilities	250,452	254,018
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,047	49,996
Retained earnings	786,269	783,928
Treasury stock	-27,631	-55,696
Other components of equity	66,741	100,738
Total equity attributable to owners of the parent company	902,211	905,750
Non-controlling interests	983	979
Total equity	903,194	906,729
Total liabilities and equity	1,153,647	1,160,748

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)

(Yen in Millions)

	First quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)
Revenue	216,368	208,455
Cost of sales	135,190	142,362
Gross profit	81,178	66,093
Selling, general and administrative expenses	33,650	35,778
Research and development expenses	9,748	10,864
Other income	1,503	4,841
Other expenses	762	1,880
Operating income	38,520	22,411
Financial income	858	424
Financial expenses	722	665
Equity in profits (losses) of affiliates	18	5
Income before income taxes	38,674	22,176
Income tax expenses	12,215	6,985
Net income	26,458	15,191
Net income attributable to:		
Owners of the parent company	26,439	15,168
Non-controlling interests	19	22
Total	26,458	15,191
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	178.63	105.52
Diluted earnings per share (Yen)	178.55	105.48

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)
Net income	26,458	15,191
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	-132	11
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	32,618	33,888
Net gain (loss) in fair value of cash flow hedges	2,211	0
Share of other comprehensive income of associates accounted for using equity method	2	49
Total other comprehensive income	34,700	33,949
Total comprehensive income	61,159	49,140
Total comprehensive income attributable to:		
Owners of the parent company	61,136	49,116
Non-controlling interests	22	24
Total	61,159	49,140

(3) Quarterly consolidated statements of changes in equity

For the first quarter ended June 30, 2022 (April 1, 2022 through June 30, 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, 2022	26,783	49,992	705,910	-9,771	48,276	821,192	913	822,105
Net income	-	-	26,439	-	-	26,439	19	26,458
Other comprehensive income	-	-	-	-	34,697	34,697	3	34,700
Total comprehensive income	-	-	26,439	-	34,697	61,136	22	61,159
Share-based payment transactions	-	-	-	-	47	47	-	47
Dividends	-	-	-16,281	-	-	-16,281	-29	-16,311
Changes in treasury stock	-	-	-	-0	-	-0	-	-0
Transfer from other components of equity to non-financial assets	-	-	-	-	-4,206	-4,206	-	-4,206
Total transactions with owners	-	-	-16,281	-0	-4,159	-20,440	-29	-20,470
Balance as of June 30, 2022	26,783	49,992	716,067	-9,771	78,815	861,888	906	862,794

For the first quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)

(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, 2023	26,783	50,047	786,269	-27,631	66,741	902,211	983	903,194
Net income	-	-	15,168	-	-	15,168	22	15,191
Other comprehensive income	-	-	-	-	33,947	33,947	1	33,949
Total comprehensive income	-	-	15,168	-	33,947	49,116	24	49,140
Share-based payment transactions	-	-47	-	-	48	1	-	1
Dividends	-	-	-17,510	-	-	-17,510	-28	-17,538
Changes in treasury stock	-	-3	-	-28,064	-	-28,068	-	-28,068
Total transactions with owners	-	-51	-17,510	-28,064	48	-45,577	-28	-45,605
Balance as of June 30, 2023	26,783	49,996	783,928	-55,696	100,738	905,750	979	906,729

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022)	First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)
Cash flows from operating activities		
Income before income taxes	38,674	22,176
Depreciation and amortization	13,186	14,801
Impairment losses	77	47
Increase (decrease) in defined benefit liabilities	526	382
Decrease (increase) in trade and other receivables	11,066	-11,099
Decrease (increase) in inventories	-12,234	2,449
Increase (decrease) in trade and other payables	3,203	4,690
Increase (decrease) in advances received	-6,660	1,192
Interest and dividend income	194	320
Interest expenses paid	-156	-124
Income taxes (paid) refunded	-17,181	-18,666
Others	-9,415	-4,599
Net cash provided by (used in) operating activities	21,280	11,569
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-15,812	-16,785
Proceeds from sale of property, plant and equipment and intangible assets	133	20
Decrease (increase) in time deposits	-366	33
Purchase of investment securities	-12	-32
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-95,411	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,871
Others	4	0
Net cash provided by (used in) investing activities	-111,464	-14,892
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1	-17
Repayment of finance lease obligations	-1,676	-2,032
Decrease (increase) in treasury stock	-0	-28,115
Cash dividends paid	-16,281	-17,510
Others	-35	-33
Net cash provided by (used in) financing activities	-17,991	-47,708
Effect of exchange rate changes on cash and cash equivalents	10,153	7,466
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	-98,022	-41,645
Cash and cash equivalents at the beginning of the period	362,046	329,966
Cash and cash equivalents at the end of the period	264,024	288,321

(5) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, income or loss by segments

First quarter ended June 30, 2022 (April 1, 2022 through June 30, 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	80,487	109,714	25,933	216,135	2	216,137	231	216,368
Inter-segment revenue	957	1,718	2,046	4,722	-	4,722	-4,722	-
Total segment revenue	81,445	111,432	27,979	220,858	2	220,860	-4,491	216,368
Operating income (loss)	8,328	25,134	5,043	38,505	-868	37,637	882	38,520
Financial income								858
Financial expenses								-722
Equity in profits (losses) of affiliates								18
Income before income taxes								38,674

(Note) 1. "Others" is a business segment that is not included in the reportable segments and consists of "New Businesses".

2. 882 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.

3. Some changes have been made to reporting segments from FY2023. The personal care components business of Mondi, acquired in the first quarter of FY2022, was newly established as "Personal Care Materials" in the "Human Life" in second quarter of FY2022. 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 first quarter ended June 30, 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.), 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 (hygienic materials for functional film, etc.)
Others	New Business, Other Products

First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)

(Yen in Millions)

	Reporting segments				Others	Total	Adjustment	Quarterly consolidated statements of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from outside customers	79,508	101,115	27,568	208,192	3	208,196	259	208,455
Inter-segment revenue	1,184	3,248	1,710	6,143	-	6,143	-6,143	-
Total segment revenue	80,693	104,363	29,278	214,336	3	214,340	-5,884	208,455
Operating income (loss)	7,457	20,032	-2,937	24,552	-1,284	23,268	-856	22,411
Financial income								424
Financial expenses								-665
Equity in profits (losses) of affiliates								5
Income before income taxes								22,176

(Note) 1. "Others" is a business segment that is not included in the reportable segments and consists of "New Business".

2. -856 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each 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.), 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 (hygienic materials for functional film, etc.)
Others	New Business, Other Products

(Loss of control)

First quarter ended June 30, 2022 (April 1, 2022 through June 30, 2022)

Not applicable.

First quarter ended June 30, 2023 (April 1, 2023 through June 30, 2023)

(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 statements of income.

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.

	(Yen in Millions)
	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

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

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 2,995 thousand and 28,115 million yen in the first quarter of the fiscal year ending March 31, 2024. As a result, the number of treasury shares at the end of the first quarter of the fiscal year ending March 31, 2024, was 6,829 thousand, and the book balance was 55,696 million yen.

(Significant subsequent events)

Not applicable.