

## Summary of Consolidated Financial Statements for the Third Quarter Ended December 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/>  
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Filing date of quarterly financial statements: January 30, 2024  
 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 for the nine months ended December 31, 2023

(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 nine months ended December 31, 2023	693,900	(6.1)	112,329	(18.4)	112,025	(18.5)	81,665	(14.8)	81,600	(14.8)	110,470	(2.6)
For the nine months ended December 31, 2022	738,979	14.3	137,718	27.1	137,397	26.4	95,838	22.9	95,766	22.9	113,405	26.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December 31, 2023	570.83	570.62
For the nine months ended December 31, 2022	646.94	646.69

### (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	%
As of December 31, 2023	1,198,754	945,609	944,587	78.8
As of 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	-	130.00	-	-	-
March, 2024 (Forecast)	-	-	-	130.00	260.00

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

3. Forecast for the fiscal year ending March 31, 2024

(% 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	%	Yen
Annual	920,000	(1.0)	140,000	(4.9)	140,000	(4.7)	100,000	(8.5)	100,000	(8.4)	698.57

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

- Others

(1) Changes in significant subsidiaries during the third quarter ended December 31, 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 shares)  
As of December 31, 2023: 143,551,735      As of March 31, 2023: 149,758,428
2. Number of treasury shares at the end of the period  
As of December 31, 2023: 1,000,182      As of March 31, 2023: 3,840,554
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)  
April-December 2023: 142,950,472      April-December 2022: 148,030,323

- 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.

(Reference) Consolidated financial results for the three months ended December 31, 2023

(All monetary values noted herein are rounded down to the nearest million yen)

(% 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 three months ended Dec. 31, 2023	244,556	(3.7)	47,856	5.3	47,784	5.3	37,400	15.4	37,384	15.5	19,512	538.7
For the three months ended Dec. 31, 2022	254,070	15.3	45,439	27.9	45,362	25.9	32,396	25.6	32,367	25.7	3,054	(91.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the three months ended Dec. 31, 2023	262.25	262.16
For the three months ended Dec. 31, 2022	218.64	218.56

(Attached Documents)

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## 1. Qualitative Information Regarding Quarterly Settlement of Accounts

### (1) Explanation of operating results

During the third quarter of the fiscal year ending March 31, 2024 (April 1, 2023 through December 31, 2023), the economic environment was characterized by new geopolitical risks, such as the outbreak of conflicts in the Middle East, in addition to the prolonged war in Russia and Ukraine, and increased uncertainty about the economic outlook. In the United States, the effects of tight monetary policy appeared and the inflation rate declined. In addition, the momentum in consumer spending, which had been firm against the backdrop of favorable employment conditions, began to show signs of a slowdown, and the Federal Reserve Board (FRB) kept interest rates unchanged for the third consecutive meeting. In China, personal consumption remained sluggish due to the prolonged real estate recession. In addition, moves by companies to review their supply chains against the backdrop of trade friction between the United States and China are weighing on the economic recovery. Meanwhile, In Japan, the economy recovered moderately due to an increase in exports, mainly automobiles, and inbound demand. In addition, in the foreign exchange market, the trend of the yen depreciation, which advanced rapidly since the beginning of the year, changed due to interest rate cuts in the United States toward the end of the year and widespread speculation about policy revisions by the Bank of Japan.

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

The yen’s exchange rate against the U.S. dollar for the third quarter ended December 31, 2023, was 143 yen to the dollar, a 5.7% depreciation of the yen compared with the same period of the previous year, and the effect of the weaker yen increased operating profit by 14.5 billion yen.

As a result of the above, revenue decreased by 6.1% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 693,900 million yen. Operating profit decreased by 18.4% to 112,329 million yen, profit before income taxes decreased by 18.5% to 112,025 million yen, net profit decreased by 14.8% to 81,665 million yen, and net profit attributable to owners of the parent company decreased by 14.8% to 81,600 million yen.

### Summary of results by segment

#### ① Industrial Tape

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

As a result of the above, revenue increased by 0.3% to 265,635 million yen and operating profit increased by 24.9% to 30,341 million yen.

#### ② Optronics

In Information Fine Materials, revenue did not reach the level of the same period of the previous year. Demand for optical films and ITO films decreased as stay-at-home demand for high-end laptops and tablets ended. On the other hand, for high-end smartphones, demand for OCA (Optical Clear Adhesive) 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 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 increased compared with the same period of the previous year.

As a result of the above, revenue decreased by 9.1% to 357,981 million yen and operating profit decreased by 11.7% to 99,575 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 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 of the fiscal year. 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 pipelines. 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 same period of the previous year. Demand for high-polymer separation membrane for various industrial applications decreased, mainly in China.

In Personal Care Materials, revenue increased from the same period of the previous year due to the acquisition of Mondi plc's personal care components 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 decreased by 6.1% to 93,204 million yen and operating loss amounted to 6,388 million yen. (operating profit of 6,291 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 3.7% to 10 million yen and operating loss amounted to 4,286 million yen. (operating loss of 2,814 million yen was reported in the same period of the previous year)

(Reference) Segment Information (nine months)

(Millions of yen)

		For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	264,823	265,635	100.3
	Operating profit	24,284	30,341	124.9
Optronics	Information Fine Materials	301,473	277,601	92.1
	Circuit Materials	92,511	80,379	86.9
	Total	393,985	357,981	90.9
	Operating profit	112,762	99,575	88.3
Human Life	Life Science	43,303	30,949	71.5
	Membrane	25,896	24,559	94.8
	Personal Care Materials	30,050	37,695	125.4
	Total	99,250	93,204	93.9
	Operating profit	6,291	(6,388)	-
Others	Revenue	9	10	103.7
	Operating profit	(2,814)	(4,286)	-
Adjustment	Revenue	(19,089)	(22,931)	-
	Operating profit	(2,806)	(6,912)	-
Total	Revenue	738,979	693,900	93.9
	Operating profit	137,718	112,329	81.6

(Note) Some changes have been made to reporting segments from FY2023. 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 nine months ended December 31, 2022.

(Reference) Segment Information (three months)

(Millions of yen)

		For the three months ended December 31, 2022	For the three months ended December 31, 2023	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	92,277	94,136	102.0
	Operating profit	7,672	12,718	165.8
Optronics	Information Fine Materials	104,959	95,567	91.1
	Circuit Materials	30,632	32,462	106.0
	Total	135,592	128,029	94.4
	Operating profit	41,277	41,932	101.6
Human Life	Life Science	13,231	11,662	88.1
	Membrane	8,989	8,244	91.7
	Personal Care Materials	13,306	12,161	91.4
	Total	35,527	32,068	90.3
	Operating profit	1,056	(960)	-
Others	Revenue	6	3	59.8
	Operating profit	(1,031)	(1,379)	-
Adjustment	Revenue	(9,333)	(9,681)	-
	Operating profit	(3,536)	(4,454)	-
Total	Revenue	254,070	244,556	96.3
	Operating profit	45,439	47,856	105.3

(Note) Some changes have been made to reporting segments from FY2023. 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 three months ended December 31, 2022.



(2) Explanation of financial position

The Group's financial position at the end of the third 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 45,106 million yen to 1,198,754 million yen and total liabilities increased by 2,692 million yen to 253,145 million yen. Total equity increased by 42,414 million yen to 945,609 million yen. This was mainly due to a 5,272 million yen decrease in retained earnings from the end of the fiscal year ended March 31, 2023 caused by quarterly net profit attributable to owners of the parent company and dividends and the cancellation of the treasury shares, etc., and a 19,366 million yen decrease in treasury shares and an 28,405 million yen increase in other components of equity. 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 78.8% at the end of the third quarter of the fiscal year ending March 31, 2024.

The main changes in assets were a decrease in cash and cash equivalents of 18,306 million yen, an increase in trade and other receivables of 32,398 million yen, a decrease in inventories of 1,237 million yen, an increase in other financial assets 3,779 million yen, an increase in other current assets of 4,975 million yen, a decrease in assets held for sale of 5,232 million yen, an increase in property, plant and equipment of 23,806 million yen, an increase in right-of-use assets of 1,432 million yen, an increase in goodwill of 4,406 million yen, a decrease in intangible assets of 1,133 million yen. In terms of liabilities, trade and other payables increased by 7,901 million yen, income tax payables decreased by 7,244 million yen, other current financial liabilities increased by 4,136 million yen, other current liabilities decreased by 3,407 million yen, liabilities directly associated with assets held for sale decreased by 1,436 million yen, other noncurrent financial liabilities increased by 1,759 million yen, defined benefit liabilities increased by 1,191 million yen.

(3) Explanation of forecasts and other projections

The consolidated full-year forecasts for the year ending March 31, 2024 have not been changed from those announced on October 26, 2023. We will disclose the revisions immediately, if required due to changes in the business results.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	329,966	311,660
Trade and other receivables	178,388	210,787
Inventories	141,101	139,863
Other financial assets	2,141	5,920
Other current assets	20,358	25,334
Subtotal	<u>671,956</u>	<u>693,565</u>
Assets held for sale	5,232	-
Total current assets	<u>677,189</u>	<u>693,565</u>
Noncurrent assets		
Property, plant and equipment	333,103	356,910
Right-of-use assets	12,959	14,391
Goodwill	58,822	63,228
Intangible assets	21,469	20,336
Investments accounted for using equity method	2,140	2,119
Financial assets	8,860	9,609
Deferred tax assets	23,420	23,022
Other noncurrent assets	15,682	15,569
Total noncurrent assets	<u>476,457</u>	<u>505,188</u>
Total assets	<u><u>1,153,647</u></u>	<u><u>1,198,754</u></u>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	91,834	99,735
Borrowings	272	301
Income tax payables	18,488	11,243
Other financial liabilities	22,162	26,299
Other current liabilities	54,053	50,645
Subtotal	186,811	188,226
Liabilities directly associated with assets held for sale	1,436	-
Total current liabilities	188,248	188,226
Noncurrent liabilities		
Other financial liabilities	15,729	17,488
Defined benefit liabilities	40,015	41,206
Deferred tax liabilities	4,173	3,969
Other noncurrent liabilities	2,286	2,253
Total noncurrent liabilities	62,204	64,918
Total liabilities	250,452	253,145
<b>Equity</b>		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,047	49,924
Retained earnings	786,269	780,996
Treasury shares	(27,631)	(8,264)
Other components of equity	66,741	95,147
Total equity attributable to owners of the parent company	902,211	944,587
Noncontrolling interests	983	1,021
Total equity	903,194	945,609
Total liabilities and equity	1,153,647	1,198,754

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Revenue	738,979	693,900
Cost of sales	454,360	438,037
Gross profit	284,619	255,863
Selling, general and administrative expenses	110,485	110,497
Research and development expenses	30,718	32,708
Other income	4,206	8,046
Other expenses	9,903	8,374
Operating profit	137,718	112,329
Finance income	1,070	1,587
Finance expenses	1,433	1,926
Share of profit of investments accounted for using the equity method	42	35
Profit before income taxes	137,397	112,025
Income tax expenses	41,559	30,360
Net profit	95,838	81,665
Net profit attributable to:		
Owners of the parent company	95,766	81,600
Noncontrolling interests	72	64
Total	95,838	81,665
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	646.94	570.83
Diluted earnings per share (Yen)	646.69	570.62

## (Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net profit	95,838	81,665
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	(123)	129
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	15,478	28,636
Net changes in fair value of cash flow hedges	2,212	1
Share of other comprehensive income of investments accounted for using equity method	(0)	37
Total other comprehensive income	17,566	28,805
Total comprehensive income	113,405	110,470
Total comprehensive income attributable to:		
Owners of the parent company	113,334	110,404
Noncontrolling interests	71	66
Total	113,405	110,470

## (3) Quarterly consolidated statement of changes in equity

For the nine months ended December 31, 2022

(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	-	-	95,766	-	-	95,766	72	95,838
Other comprehensive income	-	-	-	-	17,567	17,567	(0)	17,566
Total comprehensive income	-	-	95,766	-	17,567	113,334	71	113,405
Share based remuneration transactions	-	(21)	-	-	(49)	(70)	-	(70)
Dividends	-	-	(34,046)	-	-	(34,046)	(29)	(34,075)
Changes in treasury shares	-	75	-	145	-	220	-	220
Transfer from other components of equity to retained earnings	-	-	1,207	-	(1,207)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	-	-	(4,206)	(4,206)	-	(4,206)
Total transactions with owners	-	54	(32,838)	145	(5,463)	(38,102)	(29)	(38,131)
Balance as of December 31, 2022	26,783	50,047	768,837	(9,625)	60,381	896,424	955	897,379

For the nine months ended December 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, 2023	26,783	50,047	786,269	(27,631)	66,741	902,211	983	903,194
Net profit	-	-	81,600	-	-	81,600	64	81,665
Other comprehensive income	-	-	-	-	28,803	28,803	1	28,805
Total comprehensive income	-	-	81,600	-	28,803	110,404	66	110,470
Share based remuneration transactions	-	(47)	-	-	(51)	(98)	-	(98)
Dividends	-	-	(36,041)	-	-	(36,041)	(28)	(36,070)
Changes in treasury shares	-	(51,254)	-	19,366	-	(31,887)	-	(31,887)
Transfer from other components of equity to retained earnings	-	-	347	-	(347)	-	-	-
Transfer from retained earnings to capital surplus	-	51,178	(51,178)	-	-	-	-	-
Total transactions with owners	-	(122)	(86,873)	19,366	(398)	(68,028)	(28)	(68,056)
Balance as of December 31, 2023	26,783	49,924	780,996	(8,264)	95,147	944,587	1,021	945,609

## (4) Quarterly consolidated statement of cash flows

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	137,397	112,025
Depreciation and amortization	42,231	45,272
Impairment losses	3,447	343
Increase (decrease) in defined benefit liabilities	1,621	1,114
Decrease (increase) in trade and other receivables	12,777	(27,244)
Decrease (increase) in inventories	(9,762)	4,878
Increase (decrease) in trade and other payables	(402)	5,685
Increase (decrease) in advances received	(15,342)	(631)
Interest and dividend income	736	1,366
Interest expenses paid	(443)	(445)
Income taxes (paid) refunded	(35,394)	(37,117)
Others	(3,650)	(7,398)
Net cash provided by (used in) operating activities	133,216	97,849
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(50,653)	(51,114)
Proceeds from sale of property, plant and equipment and intangible assets	331	545
Decrease (increase) in time deposits	633	(2,078)
Purchase of investment securities	(48)	(612)
Proceeds from sale of investment securities	2,566	551
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	51	5
Net cash provided by (used in) investing activities	(142,529)	(50,831)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	41	28
Repayment of lease liabilities	(4,324)	(4,698)
Decrease (increase) in treasury shares	(2)	(32,134)
Cash dividends paid	(34,046)	(36,041)
Others	(36)	(7)
Net cash provided by (used in) financing activities	(38,368)	(72,852)
Effect of exchange rate changes on cash and cash equivalents	3,802	5,608
Cash and cash equivalents included in assets held for sale	(1,030)	-
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	(44,909)	(18,306)
Cash and cash equivalents at the beginning of the period	362,046	329,966
Cash and cash equivalents at the end of the period	317,137	311,660

(5) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, profit or loss by segments

For the nine months ended December 31, 2022

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of income
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	261,299	384,067	92,741	738,108	9	738,118	861	738,979
Intersegment revenue	3,524	9,917	6,508	19,950	-	19,950	(19,950)	-
Total segment revenue	264,823	393,985	99,250	758,059	9	758,068	(19,089)	738,979
Operating profit (loss)	24,284	112,762	6,291	143,338	(2,814)	140,524	(2,806)	137,718
Finance income								1,070
Finance expenses								(1,433)
Share of profit of investments accounted for using the equity method								42
Profit before income taxes								137,397

(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 (2,806) million yen includes other incomes (losses) not allocated to each segment.

3. Some changes have been made to reporting segments from FY2023. 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 nine months ended December 31, 2022.

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 nine months ended December 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	261,958	343,536	87,475	692,969	10	692,980	920	693,900
Intersegment revenue	3,677	14,445	5,728	23,852	-	23,852	(23,852)	-
Total segment revenue	265,635	357,981	93,204	716,822	10	716,832	(22,931)	693,900
Operating profit (loss)	30,341	99,575	(6,388)	123,527	(4,286)	119,241	(6,912)	112,329
Finance income								1,587
Finance expenses								(1,926)
Share of profit of investments accounted for using the equity method								35
Profit before income taxes								112,025

- (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 (6,912) million yen includes other incomes (losses) not allocated to each 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 nine months ended December 31, 2022

Not applicable.

For the nine months ended December 31, 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 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

(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 third quarter of 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 second quarter of 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 second quarter of the fiscal year ending March 31, 2024.

As a result, the number of treasury shares at the end of the third quarter of the fiscal year ending March 31, 2024, was 1,000 thousand, and the book balance was 8,264 million yen.

(Significant subsequent events)

- Share Repurchase

The Company resolved at a meeting of its Board of Directors on January 26, 2024 the repurchase of its own shares pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3.

1. Purpose of the Share Repurchase

To enable an execution of agile capital management policy following changes in the business environment as a part of the return to shareholders.

2. Details of the Share Repurchase

- (1) Class of shares to be repurchased: Common stock
- (2) Total number of repurchasable shares: 3,000,000 shares (maximum)  
(2.1% of the total number of shares issued [excluding treasury stock])
- (3) Total repurchase amount: JPY 30,000,000,000 (maximum)
- (4) Repurchase period: From February 5, 2024 to May 31, 2024
- (5) Method of repurchase: Market purchase at Tokyo Stock Exchange