

## Summary of Consolidated Financial Statements of Fiscal 2020 (12 Months Ended March 31, 2021 (IFRS Basis))

Listed company name: **Nitto Denko Corporation**  
 Stock exchange listing: First Section of Tokyo Stock Exchange  
 Code Number: 6988 URL <https://www.nitto.com/>  
 Company Representative: Hideo Takasaki, President  
 Contact Person: Yasuhiro Iseyama, Senior Vice President, Director of Corporate Accounting & Finance Division  
 Phone: +81-6-7632-2101

Date of the general shareholders' meeting: June 18, 2021  
 Estimated starting date of dividend paying: June 21, 2021  
 Filing date of financial statements: June 18, 2021  
 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 2020 (April 1, 2020 through March 31, 2021)

#### (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 2020	761,321	2.7	93,809	34.5	93,320	35.2	70,308	48.9	70,235	48.9	89,796	154.0
Fiscal 2019	741,018	-8.1	69,733	-24.8	69,013	-24.9	47,224	-29.1	47,156	-29.2	35,359	-43.0

	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 2020	472.71	472.39	10.0	9.9	12.3
Fiscal 2019	301.32	301.08	6.8	7.5	9.4

(Reference) Equity in earnings of affiliates: (Fiscal 2020) 25 million yen (Fiscal 2019) 13 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, 2021	965,901	716,686	715,868	74.1	4,838.07
March 31, 2020	921,900	690,204	689,446	74.8	4,479.29

#### (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 2020	116,309	-57,538	-68,297	300,888
Fiscal 2019	123,641	-59,991	-51,637	304,922

## 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, 2020	-	100.00	-	100.00	200.00	31,081	66.4	4.5
March, 2021	-	100.00	-	100.00	200.00	29,593	42.3	4.3
(Forecast) March, 2022	-	110.00	-	110.00	220.00		43.4	

## 3. Forecast of Fiscal 2021 (April 1, 2021 through March 31, 2022)

(% 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	%	
Annual	785,000	3.1	105,000	11.9	105,000	12.5	75,000	6.7	75,000	6.8	yen 506.87

### - 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, 2021: 149,758,428	March, 2020: 158,758,428
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2. Number of treasury stock at the end of the period
 

March, 2021: 1,792,681	March, 2020: 4,839,755
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
 

Fiscal 2020: 148,580,010	Fiscal 2019: 156,501,732
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(Reference) Non-consolidated financial results of Fiscal 2020 (April 1, 2020 through March 31, 2021)

(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 2020	481,473	2.3	51,919	22.4	69,522	17.1	51,855	12.5
Fiscal 2019	470,701	-4.1	42,406	4.1	59,356	-31.5	46,093	-35.9

	Net income per share - Basic	Net income per share -Diluted
	yen	yen
Fiscal 2020	349.01	348.77
Fiscal 2019	294.52	294.29

(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, 2021	681,499	454,160	66.6	3,066.03
March 31, 2020	679,932	464,800	68.3	3,015.27

(Reference) Shareholders' equity: (March 31, 2021) 453,667 million yen (March 31, 2020) 464,106 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. For conditions regarding this forecast and precaution for use, please refer to "1. Summary of Operating Results, Etc. (2) Outlook for the fiscal year ending March 31, 2022" on page 6 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

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## 1. Summary of Operating Results, Etc

### (1) Summary of consolidated operating results and financial position during the fiscal year ended March 31, 2021

#### ① Summary of operating results during the fiscal year ended March 31, 2021

#### Summary of overall business

The economic environment in FY2020 temporarily saw its slowdown from the impact of COVID-19, but also experienced recovery of consumption driven by resuming economic activity. Nitto Group (the “Group”) has cultivated new demand, that is, “Things that will grow” emerged through evolving electronics market and growing life science market under the spread of new lifestyle. On the other hand, there are also “Things that will recover” and “Things that will not recover” in demands, the Group responded to the changing environment in a flexible and speedy way.

In the key markets of the Group under this economic environment, the demands for the assembling materials for electronic devices and the process materials for manufacturing semiconductor, as well as for optical films for laptop and tablet device, have increased from the background of expanding telework. As a part of the Group’s intellectual property strategy, the Group progressed in its alliances with business partners in optical films for TV, and recorded royalty income from the licensing of technologies. In Flexible Printed Circuits, where the further growth is expected, high-precision circuits have expanded into new market and have started their contribution to higher operating results through the smartphone market. In businesses related to nucleic acid drug, with a rising expectation for it as therapeutic drug and vaccine against COVID-19, oligonucleotide contract manufacturing business and demand for its related materials remained strong. In addition, the demand for porous material for medical-use masks has also increased.

Meanwhile, Transportation Business was strongly influenced by COVID-19, and saw significant decrease of automobile production in the first quarter of this fiscal year. Although trend of demands moved toward recovery, it did not reach the level of the previous fiscal year. Optical films for smartphone were introduced into high-end smartphone, but their demand did not reach the level of the previous fiscal year.

In response to COVID-19, the Group is working to continue supplying to customers while prioritizing everyone’s health and safety and preventing the spread of infection. As a part of such efforts, the Group increased productivity through utilizing information and communication technology and actively promoting new work style such as telework and web conferencing, which resulted in the reduction of total activity expense of the Group.

In addition, impairment losses were recorded in the fourth quarter due to structural reform.

As a result of the above, revenue increased by 2.7% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 761,321 million yen. Operating income increased by 34.5% to 93,809 million yen, income before income taxes increased by 35.2% to 93,320 million yen, net income increased by 48.9% to 70,308 million yen, and net income attributable to owners of the parent company increased by 48.9% to 70,235 million yen.

#### Summary of results by segment

##### (Industrial Tape)

For Functional Base Products, demand increased from the previous fiscal year. Due to display evolution, manufacturing of high-end smartphone increased, and thus, demand for products for it increased. From the background of expanding telework, demands expanded for ceramic condenser and semiconductor used for electronic devices such as smartphone, tablet device, and server, and thus demands for related materials used in their manufacturing process also increased. Meanwhile, in the first quarter, demands decreased significantly for general industry materials, housing-related materials, and protective materials for metal plates, and then, from the second quarter, trend of demands moved toward recovery, however, it did not reach the level of the previous fiscal quarter.

Transportation Business faced sluggish demand, compared with the previous fiscal year. It saw significant decrease of demand in the first quarter, mainly in Europe and US. From the second quarter, its trend moved toward recovery, however, it did not reach the level of the previous fiscal year. In addition, impairment losses were recorded in the fourth quarter due to structural reform.

As a result of the above, revenue decreased by 3.0% to 309,063 million yen and operating income increased by 33.1% to 27,311 million yen.

(Optronics)

In Information Fine Materials, demand increased from the previous fiscal year. The demand for optical films for laptop and tablet device expanded from the background of expanding telework and contributed greatly to operating results. Materials for smartphone saw expanding adoption of optical films for OLED display, but their demand decreased as a whole. Although revenue from materials for TV decreased, the Group progressed in its alliances with business partners, and, in the first quarter, recorded royalty income from the licensing of technologies.

In Flexible Printed Circuits, demand increased from the previous fiscal year. Production of hard disk drive (HDD) temporarily decreased in the first quarter, but then moved toward recovery. Its production was sluggish for personal computers, however, expanded steadily for high-capacity HDD used in data center. High-precision circuits have expanded into new market and have started their contribution to higher operating results through the smartphone market. With this change, the Group increased its production capacity.

As a result of the above, revenue increased by 7.7% to 428,886 million yen and operating income increased by 40.9% to 80,727 million yen.

(Life Science)

In Life Science, demand increased from the previous fiscal year. In oligonucleotide contract manufacturing business, demand expanded steadily with a rising expectation for nucleic acid drugs as therapeutics and vaccines against COVID-19. Demand for NittoPhase also expanded for synthesizing nucleic acid drug.

Demands for transdermal therapeutic patches and medical sanitary materials decreased due to the declined outpatient visits. Although demand has been recovering, it did not reach the level of the previous fiscal year. In addition, impairment losses were recorded in the fourth quarter due to reorganization of existing facilities.

In nucleic acid new drug development, the Group continues working on the clinical trials of idiopathic pulmonary fibrosis and intractable cancer drugs.

As a result of the above, revenue increased by 10.0% to 29,855 million yen and operating loss amounted to 3,011 million yen. (operating loss of 2,546 million yen was reported in the same period of the previous year)

(Others)

Membranes (polymer separation membrane business), under the impact of COVID-19, faced sluggish demand, compared with the previous fiscal year. Demands remained weak mainly in various industrial applications and energy field. Please note that this segment includes new business that has not generated sufficient revenue yet.

As a result of the above, revenue decreased by 13.6% to 23,266 million yen and operating loss amounted to 7,496 million yen. (operating loss of 2,622 million yen was reported in the same period of the previous year)

## (Reference) Segment Information

(Yen in Millions)

		Fiscal 2019 (April 1, 2019 through March 31, 2020)	Fiscal 2020 (April 1, 2020 through March 31, 2021)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	181,218	187,305	103.4
	Transportation	137,345	121,757	88.7
	Total	318,564	309,063	97.0
	Operating income	20,525	27,311	133.1
Optronics	Information Fine Materials	355,009	372,822	105.0
	Flexible Printed Circuits	43,289	56,063	129.5
	Total	398,299	428,886	107.7
	Operating income	57,294	80,727	140.9
Life Science	Revenue	27,129	29,855	110.0
	Operating income	-2,546	-3,011	-
Others	Revenue	26,943	23,266	86.4
	Operating income	-2,622	-7,496	-
Corporate/Elimination	Revenue	-29,918	-29,750	-
	Operating income	-2,916	-3,722	-
Total	Revenue	741,018	761,321	102.7
	Operating income	69,733	93,809	134.5

\* With the changes in the management structure that have been made during the fiscal year 2020 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the fiscal year ended March 31, 2020.

## ② Summary of consolidated financial position and cash flows for the fiscal year ended March 31, 2021

Cash and cash equivalents (hereinafter referred to as “Cash”) was 300,888 million yen at the end of the fiscal year ended March 31, 2021, a decrease of 4,034 million yen from the end of the previous fiscal year. The following are changes in the financial position by each cash flow activity and their factors.

(Cash flow from operating activities)

Cash increased by 116,309 million yen as a result of operating activities (an increase of 123,641 million yen at the end of the previous fiscal year). The main factors responsible for the increase were income before income taxes of 93,320 million yen and depreciation and amortization of 47,950 million yen and impairment losses of 6,011 million yen and increase (decrease) in defined benefit liabilities of 1,878 million yen and increase (decrease) in trade and other payables of 9,234 million yen, while the main offsetting factor was decrease (increase) in trade and other receivables of 21,058 million yen and decrease (increase) in inventories of 7,607 million yen and income taxes (paid) refunded of 24,560 million yen.

(Cash flow from investing activities)

Cash decreased by 57,538 million yen as a result of investing activities (a decrease of 59,991 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were the purchase of property, plant and equipment and intangible assets of 57,724 million yen.

(Cash flow from financing activities)

Cash decreased by 68,297 million yen as a result of financing activities (a decrease of 51,637 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were repayment of finance lease obligations of 5,199 million yen, decrease (increase) in treasury stock of 33,312 million yen, cash dividends paid of 30,188 million yen.

Shown below are the changes in the Group’s cash flow indices.

	March 2018	March 2019	March 2020	March 2021
Ratio of equity attributable to owners of the parent company to total assets (%)	73.9	76.7	74.8	74.1
Ratio of equity attributable to owners of the parent company on a market value basis (%)	136.3	99.9	80.6	144.9
Ratio of liabilities with interest to cash flow (year)	0.0	0.0	0.2	0.2
Interest coverage ratio (times)	292.1	275.8	190.1	188.3

(Notes) 1 Each index is calculated using the following formulae based on consolidated financial results.

Ratio of equity attributable to owners of the parent company to total assets (%):  $\text{Equity attributable to owners of the parent company} / \text{Total assets}$

Ratio of equity attributable to owners of the parent company on a market value basis (%):  $\text{Market capitalization} / \text{Total assets}$

Ratio of liabilities with interest to cash flow (year):  $\text{Liabilities with interest} / \text{Cash flow from operating activities}$

Interest coverage ratio (times):  $\text{Cash flow from operating activities} / \text{Interest payment}$

- 2 Market capitalization is calculated by the closing price of the share at the end of the year multiplied by the number of shares issued at the end of the year, after deduction of treasury stock.
- 3 Cash flow from operating activities is used to calculate the Group’s cash flow indices shown above.
- 4 Liabilities with interest represent all liabilities included in the consolidated statements of financial position for which interest is paid.
- 5 Effective the fiscal year ended March 31, 2020, the Company has adopted IFRS 16 "Leases". As a result, a new lease liability has been recorded. In addition, a portion of the lease payments is recorded as interest expense.



## (2) Outlook for the fiscal year ending March 31, 2022

The global economic forecast for the fiscal year ending March 31, 2022 (April 1, 2021 through March 31, 2022) predicts growth with expectation of COVID-19 vaccine distributed to developed countries and some emerging countries as well as the economic support measures in each country. On the other hand, the economy has great uncertainties over the future, because of the spread of new variants of COVID-19 that are more virulent and transmissible, delay in the distribution of the vaccine, and the risk of additional contraction of economic activity for epidemic prevention.

In such economic environment, the Group intends to build a strong corporate structure, without being affected by environmental variations. Business growth of the Group proceeds through refining the backbone of our original strategy, “Sanshin-Activities (three ‘new’ activities)” and “Niche Top strategy”, and through focusing on “Things that will grow” in fields of more demand and growth. The Group intends to maximize profit through increasing productivity for “Things that will recover”, while for “Things that will not recover”, the Group intends to improve profitability by reorganizing unprofitable businesses and products through structural reform.

The Group aims to eliminate all accidents and injuries under the policy of “placing safety before everything else”. Furthermore, for a better future, the Group will further promote efforts not only for our business growth but also for the realization of sustainable society.

For Industrial Tape, Transportation will be integrated into Functional Base Products from the fiscal year ending March 31, 2022. In view of expected expansion of the next-generation mobility market and changes in supply chain the Group intends to maximize synergies by this integration and create innovation in fields such as CASE (Connected, Autonomous, Shared and Electric). As for outlook for demand, the Group anticipates a recovery in automobile production despite of the uncertainties such as concerns about supply of semiconductor.

From the background of popularization of 5G and the spread of new lifestyle, stable demands for electronic material and semiconductor process material are expected. The Group intends to respond to the changes flexibly and further differentiate ourselves by deepening the technology.

Moreover, the Group intends to implement structural reform such as production system optimization and establish business foundation that can stably generate a high percentage of profit in terms of Industrial Tape as a whole.

For Optronics, in Information Fine Materials, the Group continues its alliances with business partners in China in TV market. In view of various technology improvements in smartphone display, the Group intends to expand the adoption of optical films for OLED display. Since high demand is continuously expected for optical films for laptop and tablet device from the background of expanding telework, the Group will work to steadily capture the demand and further improve the productivity. The Group intends to create new products utilizing the technology of ITO films, since the demand for ITO films for smartphone is expected to decline, while the demand for ITO films for laptop and tablet device continues.

Regarding Flexible Printed Circuits, while demand for hard disk drive (HDD) for personal computers is expected to decrease, demand for high-capacity HDD used in data center is anticipated to continue steady expansion, for which the Group intends to make a progress on establishing stable supply system. In addition, the Group intends to expand the supply of high-precision circuits for smartphone materials through further increase of production capacity.

For Life Science, in the market of nucleic acid medicine, in addition to the already existing clinical development centered around rare diseases, development of oligonucleotide therapeutics for common diseases and cancer is progressing. The market is entering commercialization phase and rapid expansion is expected. Under these circumstances, the Group intends to increase the manufacturing capacity of contract manufacturing business, and enhance the oligonucleotide therapeutic manufacturing process design services, based on the experience gained so far, aiming to further increase its profit. In drug discovery, the Group will expedite research, development, and clinical trial of idiopathic pulmonary fibrosis and intractable cancer drugs as next growth driver. In addition, royalty income is to be recorded in the fiscal year ending March 31, 2022. Demands for transdermal therapeutic patches and medical sanitary materials are expected to recover gradually.

For Others, the Group expects that Membrane recovers from decrease of demand due to the impact of COVID-19, however, at a slow pace, given that delay in the recovery is supposable in Americas. Under this economic environment, the Group intends to reduce costs with production process automation, create, and develop new products in energy and environmental field. The group also intends immediate realization of mass-producing the products that are still under development such as optical plastic cable.

The forecasts for the consolidated fiscal year ending March 31, 2022, with the rate of increase or decrease from the same period of the fiscal year ended March 31, 2021, are as follows:

Revenue	785,000 million yen (up by 3.1%)
Operating income	105,000 million yen (up by 11.9%)
Income before income taxes	105,000 million yen (up by 12.5%)
Net income	75,000 million yen (up by 6.7%)

The earnings forecasts and other data above are based on information currently available to the Company, and they involve potential risks and uncertainties. Please be aware that actual results may vary significantly due to various factors.

### (3) Dividend policy and dividends for the current and next fiscal years

The Company's dividend policy is to ensure stable and fair returns to its shareholders. At the same time, it is essential to make proactive prior investments in research and development and production from internal reserves in order to catch up with rapid technological innovation and meet customer demands in a timely manner.

Dividends to shareholders are determined by taking into account various factors, including the investment opportunities in the future, financial position, capital efficiency, profit levels and payout ratio. And uses of internal reserves are also determined by taking into account various factors with regularly level check.

In accordance with the basic policy outlined above, The Company has planned to pay 100 yen per share for the year-end dividend of Fiscal 2020, which is unchanged from the interim dividend, therefore the full-year total 200 yen per share.

The Company has planned to pay the full-year total 220 yen per share as the dividend amount for the next fiscal year, taking into account various factors, including profit and capital investment.

## 2. Basic Approach to Selection of Accounting Standards

For the purposes of improving international comparability of financial information and unifying accounting within the Group, the International Financial Reporting Standards (IFRS) has been introduced from the first quarter of the year ended March 31, 2015 in order to prepare consolidated financial statements accordingly.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated statements of financial position

(Yen in Millions)

	March 31, 2020	March 31, 2021
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	304,922	300,888
Trade and other receivables	154,473	182,939
Inventories	96,124	107,668
Other financial assets	2,642	1,399
Other current assets	17,893	17,121
Total current assets	576,056	610,017
Non-current assets		
Property, plant and equipment	266,948	270,813
Right-of-use assets	16,266	14,979
Goodwill	4,852	4,593
Intangible assets	10,198	13,620
Investments accounted for using equity method	206	392
Financial assets	7,242	10,856
Deferred tax assets	25,694	25,951
Other non-current assets	14,434	14,676
Total non-current assets	345,843	355,884
Total assets	921,900	965,901

	March 31, 2020	March 31, 2021
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	90,811	100,790
Bonds and borrowings	90	545
Income tax payables	10,036	11,225
Other financial liabilities	24,050	22,834
Other current liabilities	36,907	47,387
Total current liabilities	161,895	182,783
Non-current liabilities		
Other financial liabilities	18,976	17,161
Defined benefit liabilities	48,272	46,754
Deferred tax liabilities	284	347
Other non-current liabilities	2,266	2,167
Total non-current liabilities	69,800	66,431
Total liabilities	231,696	249,214
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,271	50,070
Retained earnings	643,521	635,916
Treasury stock	-27,505	-10,039
Other components of equity	-3,624	13,136
Total equity attributable to owners of the parent company	689,446	715,868
Non-controlling interests	757	817
Total equity	690,204	716,686
Total liabilities and equity	921,900	965,901

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

(Yen in Millions)

	Fiscal 2019 (April 1, 2019 through March 31, 2020)	Fiscal 2020 (April 1, 2020 through March 31, 2021)
Revenue	741,018	761,321
Cost of sales	519,090	517,872
Gross profit	221,927	243,449
Selling, general and administrative expenses	111,368	107,722
Research and development expenses	33,765	35,261
Other income	5,423	4,466
Other expenses	12,483	11,122
Operating income	69,733	93,809
Financial income	886	559
Financial expenses	1,620	1,073
Equity in profits (losses) of affiliates	13	25
Income before income taxes	69,013	93,320
Income tax expenses	21,788	23,012
Net income	47,224	70,308
Net income attributable to:		
Owners of the parent company	47,156	70,235
Non-controlling interests	68	72
Total	47,224	70,308
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	301.32	472.71
Diluted earnings per share (yen)	301.08	472.39

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2019 (April 1, 2019 through March 31, 2020)	Fiscal 2020 (April 1, 2020 through March 31, 2021)
Net income	47,224	70,308
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	-489	1,457
Reevaluation of defined benefit liability	3,515	2,626
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-14,884	15,402
Net gain (loss) in fair value of cash flow hedges	0	-4
Share of other comprehensive income of associates accounted for using equity method	-7	6
Total other comprehensive income	-11,864	19,488
Total comprehensive income	35,359	89,796
Total comprehensive income attributable to:		
Owners of the parent company	35,290	89,714
Non-controlling interests	69	82
Total	35,359	89,796

(3) Consolidated statements of changes in equity  
 Fiscal 2019 (April 1, 2019 through March 31, 2020)

(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, 2019	26,783	50,319	622,025	-11,081	12,395	700,443	744	701,187
Net income	-	-	47,156	-	-	47,156	68	47,224
Other comprehensive income	-	-	-	-	-11,866	-11,866	1	-11,864
Total comprehensive income	-	-	47,156	-	-11,866	35,290	69	35,359
Share-based payment transactions	-	-37	-	-	-8	-45	-	-45
Dividends	-	-	-29,806	-	-	-29,806	-23	-29,829
Changes in treasury stock	-	-12	-	-16,424	-	-16,437	-	-16,437
Transfer from other components of equity to retained earnings	-	-	4,146	-	-4,146	-	-	-
Additional purchase of shares of consolidated subsidiaries	-	1	-	-	-	1	-32	-30
Total transactions with owners	-	-48	-25,660	-16,424	-4,154	-46,287	-55	-46,343
Balance as of March 31, 2020	26,783	50,271	643,521	-27,505	-3,624	689,446	757	690,204

	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, 2020	26,783	50,271	643,521	-27,505	-3,624	689,446	757	690,204
Net income	-	-	70,235	-	-	70,235	72	70,308
Other comprehensive income	-	-	-	-	19,478	19,478	10	19,488
Total comprehensive income	-	-	70,235	-	19,478	89,714	82	89,796
Share-based payment transactions	-	-200	-	-	5	-195	-	-195
Dividends	-	-	-30,188	-	-	-30,188	-22	-30,211
Changes in treasury stock	-	-50,374	-	17,466	-	-32,908	-	-32,908
Transfer from other components of equity to retained earnings	-	-	2,723	-	-2,723	-	-	-
Transfer from retained earnings to capital surplus	-	50,374	-50,374	-	-	-	-	-
Total transactions with owners	-	-200	-77,840	17,466	-2,717	-63,291	-22	-63,314
Balance as of March 31, 2021	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686



## (4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2019 (April 1, 2019 through March 31, 2020)	Fiscal 2020 (April 1, 2020 through March 31, 2021)
Cash flows from operating activities		
Income before income taxes	69,013	93,320
Depreciation and amortization	49,390	47,950
Impairment losses	7,327	6,011
Increase (decrease) in defined benefit liabilities	2,677	1,878
Decrease (increase) in trade and other receivables	12,805	-21,058
Decrease (increase) in inventories	-5,132	-7,607
Increase (decrease) in trade and other payables	-4,899	9,234
Interest and dividend income	822	587
Interest expenses paid	-650	-617
Income taxes (paid) refunded	-13,332	-24,560
Others	5,619	11,171
Net cash provided by (used in) operating activities	123,641	116,309
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-59,797	-57,724
Proceeds from sale of property, plant and equipment and intangible assets	1,444	341
Decrease (increase) in time deposits	-1,941	769
Purchase of investment securities	-1,236	-507
Proceeds from sale of investment securities	1,531	292
Purchase of shares of subsidiaries and associates	-	-880
Others	7	170
Net cash provided by (used in) investing activities	-59,991	-57,538
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-336	428
Repayment of finance lease obligations	-4,735	-5,199
Decrease (increase) in treasury stock	-16,701	-33,312
Cash dividends paid	-29,820	-30,188
Others	-44	-25
Net cash provided by (used in) financing activities	-51,637	-68,297
Effect of exchange rate changes on cash and cash equivalents	-4,771	5,492
Net increase (decrease) in cash and cash equivalents	7,240	-4,034
Cash and cash equivalents at the beginning of the period	297,682	304,922
Cash and cash equivalents at the end of the period	304,922	300,888

## (5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, income or loss, assets, liabilities, and other items by segments

Fiscal 2019 (April 1, 2019 through March 31, 2020)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Figures in consolidated statements of income
Revenue from outside customers	303,321	390,262	22,638	23,744	739,967	1,050	741,018
Inter-segment revenue	15,242	8,037	4,490	3,198	30,969	-30,969	-
Total segment revenue	318,564	398,299	27,129	26,943	770,936	-29,918	741,018
Operating income (loss)	20,525	57,294	-2,546	-2,622	72,650	-2,916	69,733
Financial income							886
Financial expenses							-1,620
Equity in profits (losses) of affiliates							13
Income before income taxes							69,013
Segment assets	245,836	437,729	33,931	29,361	746,859	175,041	921,900
Other items:							
Depreciation and amortization	15,915	23,274	2,354	1,876	43,420	5,969	49,390
Impairment losses	4,241	2,398	99	-	6,739	587	7,327
Increase in property, plant and equipment and intangible assets	15,261	30,257	1,937	2,227	49,683	9,247	58,930

- (Note) 1. -2,916 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.
2. 175,041 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.
3. With the changes in the management structure that have been made during the fiscal year 2020 under review, partial changes have been made to reporting segments.
- Such change has also been reflected in the figures for the fiscal year ended March 31, 2020.

## Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, etc.), Automotive Products
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Figures in consolidated statements of income
Revenue from outside customers	293,529	420,073	25,901	20,784	760,289	1,032	761,321
Inter-segment revenue	15,533	8,813	3,953	2,482	30,782	-30,782	-
Total segment revenue	309,063	428,886	29,855	23,266	791,071	-29,750	761,321
Operating income (loss)	27,311	80,727	-3,011	-7,496	97,531	-3,722	93,809
Financial income							559
Financial expenses							-1,073
Equity in profits (losses) of affiliates							25
Income before income taxes							93,320
Segment assets	256,913	486,969	39,269	29,368	812,520	153,380	965,901
Other items:							
Depreciation and amortization	16,108	20,884	2,405	2,129	41,527	6,422	47,950
Impairment losses	3,809	836	1,258	0	5,904	106	6,011
Increase in property, plant and equipment and intangible assets	12,660	29,697	1,358	2,272	45,989	4,608	50,597

(Note) 1. -3,722 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.

2. 153,380 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
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, etc.), Automotive Products
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products

(Per share information)

Basic earnings per share and diluted earnings per share were calculated on the following basis.

	Fiscal 2019 (April 1, 2019 through March 31, 2020)	Fiscal 2020 (April 1, 2020 through March 31, 2021)
(1) Basic earnings per share	301.32 yen	472.71 yen
(Basis for calculation)		
Net income attributable to owners of the parent company	47,156 million yen	70,235 million yen
Average number of common shares	156,501 thousands of shares	148,580 thousands of shares
(2) Diluted earnings per share	301.08 yen	472.39 yen
(Basis for calculation)		
Increase in number of common stock upon exercise of the stock option	123 thousands of shares	102 thousands of shares

(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 of January 27, 2020, the Company has acquired its treasury shares of 33,308 million yen. Pursuant to the resolution at the Board of Directors meeting of June 19, 2020, the Company has disposed of its treasury shares of 189 million yen as remuneration for restricted shares. Pursuant to the resolution at the Board of Directors meeting of February 24, 2021, the Company has also canceled of its treasury shares of 50,399 million yen, making the number of treasury shares at the fiscal year ended March 31, 2021 1,792 thousand, or the book balance of 10,039 million yen.

(Impairment losses)

During the fiscal year, Impairment losses were 6,011 million yen, which are included in "Other expenses".

The major factors are as follows.

The book balances of property, plant and equipment and intangible assets related to the certain cash-generating units of Transportation business in Industrial Tape business segment were expected to become unrecoverable due to the lack of domestic profitability. The recoverable amounts are measured by the value in use based on the discounted cash flow method and the discount rate is 7.9%.

In addition, the book balances of property, plant and equipment, goodwill and intangible assets related to the certain cash-generating units of Medical Products business in Life Science business segment were expected to become unrecoverable due to the decline of profitability of certain businesses in Americas. The recoverable amounts are measured by the value in use based on the discounted cash flow method and the discount rate is 14.4%.

(Significant subsequent events)

Not applicable.