

## Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2024 (IFRS Basis)

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

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, 2024

#### (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, 2024	778,285	12.2	152,935	36.1	152,845	36.4	108,741	33.2	108,689	33.2	129,622	17.3
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)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the nine months ended December 31, 2024	154.84	154.78
For the nine months ended December 31, 2023	114.17	114.12

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic and diluted earnings per share for the nine months ended December 31, 2023 and for the nine months ended December 31, 2024 are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

#### (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, 2024	1,343,538	1,061,711	1,060,711	78.9
As of March 31, 2024	1,251,087	985,048	984,020	78.7

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March, 2024	-	130.00	-	130.00	260.00
March, 2025	-	140.00	-		
(Forecast) March, 2025				28.00	-

(Note) 1. Revision of dividend forecast in the current quarter: No

2. The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above annual dividend per share forecast for the fiscal year ending March 31, 2025 is based on a number of shares taking into account the stock split. The total annual dividend per share forecast for the fiscal year ending March 31, 2025 is not presented because the total of the interim dividend and the year-end dividend cannot be calculated due to effect of the stock split. Without taking the stock split into account, the year-end dividend per share forecast for the fiscal year ending March 31, 2025 would be 140 yen and the total annual dividend per share forecast for the fiscal year ending March 31, 2025 would be 280 yen.

## 3. Forecast for fiscal year ending March 31, 2025

(% 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	1,005,000	9.8	185,000	33.0	185,000	33.2	135,000	31.4	135,000	31.5	192.32

(Note) 1. Revision of consolidated forecast in the current quarter: Yes

2. The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic earnings per share forecast for the fiscal year ending March 31, 2025 is based on the assumption that the stock split is conducted at the beginning of the fiscal year ending March 31, 2025. Without taking the stock split into account, the annual basic earnings per share forecast for the fiscal year ending March 31, 2025 would be 961.6 yen.

## - Others

(1) Significant changes in the scope of consolidation during the period: 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 issued shares (Common stock)

1. Number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024: 706,760,750 As of March 31, 2024: 717,758,675

2. Number of treasury shares at the end of the period

As of December 31, 2024: 4,908,550 As of March 31, 2024: 10,521,360

3. Average number of issued shares during the period (cumulative from the beginning of the period)

April-December 2024: 701,955,285 April-December 2023: 714,752,363

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above “Number of issued shares at the end of the period”, “Number of treasury shares at the end of the period” and “Average number of issued shares during the period” are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

- Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

- 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. Overview of operating results, etc. (3) Explanation of forecasts and other projections” on page 6 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

Index

1. Overview of operating results, etc.....	2
(1) Overview of operating results during the period.....	2
(2) Overview of financial position during the period.....	6
(3) Explanation of forecasts and other projections.....	6
2. Quarterly Consolidated Financial Statements and Key Notes.....	7
(1) Quarterly consolidated statement of financial position.....	7
(2) Quarterly consolidated statement of profit or loss and quarterly consolidated statement of comprehensive income.....	9
(3) Quarterly consolidated statement of changes in equity.....	11
(4) Quarterly consolidated statement of cash flows.....	13
(5) Notes on quarterly consolidated financial statements.....	14
(Notes on going concern assumption).....	14
(Notes on quarterly consolidated financial statements).....	14
(Segment information).....	15
(Notes on dividends).....	17
(Equity and other equity items).....	17
(Revenue).....	18
(Impairment losses).....	19
(Per share information).....	20
(Significant subsequent events).....	20

## 1. Overview of operating results, etc

### (1) Overview of operating results during the period

During the third quarter of the fiscal year ending March 31, 2025 (April 1, 2024 through December 31, 2024), the economic environment saw changes in the monetary policies, as the Central Bank of Europe and the United States began to lower interest rates in light of the easing of global inflationary pressures. In the United States, while consumer spending remained strong, the Federal Reserve Board (FRB) lowered interest rates for three consecutive meetings due to a gradual slowdown in the labor market. In Europe, the economy showed improvement due to a recovery in consumer spending as a result of an increase in real income. In China, on the other hand, the government announced economic stimulus measures successively in both the financial and fiscal spheres in response to a slowdown of the economy due to the prolonged real estate recession and the harsh employment environment. In Japan, the economy experienced moderate recovery as a result of wage increases that outpaced inflation, growth in inbound consumption due to the record number of foreign tourists visiting Japan, and robust capital investments made by corporations. In the foreign exchange market, although interest rate hike by the bank of Japan led to a temporary appreciation of the yen against the U.S. dollar, the announcement of intention to impose additional tariffs, etc. by the U.S. President Trump prior to his inauguration fanned fears of a resurgence of inflation, which has again given to a depreciation of the yen against U.S. dollar.

In the key markets of Nitto Group (the “Group”) under these circumstances, demand for our products increased due to higher than-expected production of high capacity Hard Disk Drives (HDDs) used in data centers, and IT devices.

The yen’s exchange rate against the U.S. dollar for the third quarter ended December 31, 2024, was 152.5 yen to the dollar, a 6.6% depreciation of the yen compared with the same period of the previous year, and the effect of the weaker yen increased operating profit by 19.8 billion yen.

As a result of the above, revenue increased by 12.2% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 778,285 million yen. Operating profit increased by 36.1% to 152,935 million yen, profit before income taxes increased by 36.4% to 152,845 million yen, net profit increased by 33.2% to 108,741 million yen, and net profit attributable to owners of the parent company increased by 33.2% to 108,689 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 used in high-end smartphones increased due to expansion of models adopting existing materials as well as from the launch of new electrical release tapes used for fixing batteries in place. In addition, demand for process materials used in the production of semiconductor memories and ceramic capacitors continued its gradual recovery. Demand for automotive materials were sluggish due to a decrease in the number of automotive unit productions.

As a result of the above, revenue increased by 5.7% to 270,011 million yen and operating profit increased by 26.5% to 37,855 million yen.

#### ② Optronics

In Information Fine Materials, revenue increased from the same period of the previous year. Demand for optical films and transparent conductive films (ITO) increased significantly as the production of high-end laptop PCs and tablets remained strong. Additionally, while the number of global automotive unit production remained sluggish, demand for high durability optical films also increased due to expansion in automotive display size and increase in the number of displays installed.

In Circuit Materials, revenue increased from the same period of the previous year. The spread of generative AI has pushed up demand for storage used in data centers as well as for HDDs with higher capacity, and thus the demand for Circuit Integrated Suspension (CIS) increased significantly. Demand for high-precision circuits increased, as the production of high-end smartphones remained strong.

In addition, the Group decided to discontinue commercialization of plastic optical fiber cables and recorded an impairment loss, etc. of 2,690 million yen.

As a result of the above, revenue increased by 18.0% to 422,973 million yen and operating profit increased by 37.9% to 137,892 million yen.

③ Human Life

In Life Science, revenue increased from the same period of the previous year. In the oligonucleotide contract manufacturing business, the production of projects that are expected to be commercialized at a future date started at our new plant established in Massachusetts, United States. In addition, demand for nucleic acid synthesis materials (NittoPhase™) used in commercial drugs increased among some customers. In nucleic acid drug discovery, Phase 1 clinical trial of intractable cancer drug was completed in the first quarter and the Group continues to work toward out-licensing its pipeline.

In Membrane (high-polymer separation membrane), revenue increased from the same period of the previous year. While demand for various industrial applications decreased particularly in China, demand for ZLD (Zero Liquid Discharge) contributing to the complete reduction of industrial wastewater and effluent increased due to the tightening of environmental regulations relating to wastewater in India.

In Personal Care Materials, revenue increased from the same period of the previous year. Profitability improved as revenue of new products in hygiene materials for diapers and environmentally friendly products using biodegradable technologies expanded.

As a result of the above, revenue increased by 5.9% to 98,684 million yen and operating loss amounted to 5,863 million yen. (operating loss of 6,388 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. In addition, after reviewing the business plan for flexible sensors at Nitto Bend Technologies, Inc., a consolidated subsidiary of the Group, the Group recorded a goodwill impairment loss of 5,199 million yen.

As a result of the above, revenue decreased by 65.0% to 3 million yen and operating loss amounted to 10,484 million yen. (operating loss of 4,286 million yen was reported in the same period of the previous year)

		For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	255,347	270,011	105.7
	Operating profit	29,914	37,855	126.5
Optronics	Information Fine Materials	278,037	316,767	113.9
	Circuit Materials	80,379	106,205	132.1
	Total	358,416	422,973	118.0
	Operating profit	100,002	137,892	137.9
Human Life	Life Science	30,949	32,950	106.5
	Membrane	24,559	26,291	107.1
	Personal Care Materials	37,695	39,442	104.6
	Total	93,204	98,684	105.9
	Operating profit	(6,388)	(5,863)	-
Others	Revenue	10	3	35.0
	Operating profit	(4,286)	(10,484)	-
Adjustment	Revenue	(13,078)	(13,386)	-
	Operating profit	(6,912)	(6,464)	-
Total	Revenue	693,900	778,285	112.2
	Operating profit	112,329	152,935	136.1

(Note) As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the nine months ended December 31, 2023.

## Forecasts of fiscal year ending March 31, 2025

		Revenue	Y-o-Y (%)
Industrial Tape	Revenue	354,000	104.8
	Operating profit	44,500	115.0
Optronics	Information Fine Materials	404,000	110.4
	Circuit Materials	133,000	127.2
	Total	537,000	114.1
	Operating profit	167,000	134.1
Human Life	Life Science	47,000	113.3
	Membrane	34,000	103.7
	Personal Care Materials	51,500	102.6
	Total	132,500	106.4
	Operating profit	(5,000)	-
Others	Revenue	-	-
	Operating profit	(12,500)	-
Adjustment	Revenue	(18,500)	-
	Operating profit	(9,000)	-
Total	Revenue	1,005,000	109.8
	Operating profit	185,000	133.0



(2) Overview of financial position during the period

The Group's financial position at the end of the third quarter of the fiscal year ending March 31, 2025 was as follows.

Compared with the end of the fiscal year ended March 31, 2024, total assets increased by 92,451 million yen to 1,343,538 million yen and total liabilities increased by 15,788 million yen to 281,827 million yen. Total equity increased by 76,662 million yen to 1,061,711 million yen. This was mainly due to a 44,379 million yen increase in retained earnings, a 11,542 million yen decrease in treasury shares and a 20,762 million yen increase in other components of equity from the end of the fiscal year ended March 31, 2024. As a result, the ratio of equity attributable to owners of the parent company to total assets changed from 78.7% at the end of the fiscal year ended March 31, 2024 to 78.9% at the end of the third quarter of the fiscal year ending March 31, 2025.

The main changes in assets were an increase in cash and cash equivalents of 17,386 million yen, an increase in trade and other receivables of 20,990 million yen, an increase in inventories of 10,385 million yen, an increase in other financial assets of 2,450 million yen, an increase in other current assets of 5,939 million yen, an increase in property, plant and equipment of 36,403 million yen, a decrease in goodwill of 4,234 million yen, a decrease in intangible assets of 2,613 million yen, an increase in investments accounted for using equity method of 6,284 million yen, an increase in financial assets of 1,177 million yen, a decrease in deferred tax assets of 2,418 million yen. In terms of liabilities, trade and other payables increased by 9,526 million yen, income tax payables increased by 11,404 million yen, other current financial liabilities decreased by 3,760 million yen, other current liabilities decreased by 2,079 million yen.

(3) Explanation of forecasts and other projections

After comprehensively reviewing the business performance for the third quarter ended December 31, 2024, and changes in market conditions as well as trends in foreign exchange rates, the Group has decided to revise its consolidated forecast for the fiscal year ending March 31, 2025. The Group assumes yen's exchange rate against the U.S. dollar to be 1\$=154.2 yen for the fourth quarter.

Revision of consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 through March 31, 2025)

	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
Previous forecast (A)	982,000	180,000	180,000	130,000	130,000	185.14
Revised forecast (B)	1,005,000	185,000	185,000	135,000	135,000	192.32
Difference (B) – (A)	23,000	5,000	5,000	5,000	5,000	-
Rate of change (%)	2.3	2.8	2.8	3.9	3.9	-
(Reference) Consolidated financial results for the fiscal year ended March 31, 2024	915,139	139,132	138,901	102,755	102,679	143.91

(Note) 1. The above results and forecasts are forward-looking statements determined by the Company based on currently available information that may include risks and uncertainties. Please be aware that actual results may vary significantly due to various factors.

2. The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic earnings per share forecast for the fiscal year ending March 31, 2025 is based on the assumption that the stock split is conducted at the beginning of the fiscal year ending March 31, 2025. Without taking the stock split into account, the annual basic earnings per share forecast for the fiscal year ending March 31, 2025 would be 961.6 yen.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	342,269	359,655
Trade and other receivables	209,341	230,331
Inventories	136,804	147,190
Other financial assets	5,220	7,671
Other current assets	24,321	30,260
Total current assets	<u>717,957</u>	<u>775,110</u>
Noncurrent assets		
Property, plant and equipment	378,535	414,939
Right-of-use assets	19,321	20,288
Goodwill	66,056	61,822
Intangible assets	20,674	18,061
Investments accounted for using equity method	2,115	8,399
Financial assets	9,192	10,369
Deferred tax assets	20,985	18,566
Other noncurrent assets	16,248	15,981
Total noncurrent assets	<u>533,130</u>	<u>568,428</u>
Total assets	<u><u>1,251,087</u></u>	<u><u>1,343,538</u></u>

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	98,965	108,492
Borrowings	345	443
Income tax payables	13,402	24,806
Other financial liabilities	38,396	34,636
Other current liabilities	55,746	53,666
<b>Total current liabilities</b>	<b>206,856</b>	<b>222,045</b>
<b>Noncurrent liabilities</b>		
Other financial liabilities	20,843	20,697
Defined benefit liabilities	33,130	34,051
Deferred tax liabilities	3,427	3,223
Other noncurrent liabilities	1,779	1,809
<b>Total noncurrent liabilities</b>	<b>59,182</b>	<b>59,782</b>
<b>Total liabilities</b>	<b>266,038</b>	<b>281,827</b>
<b>Equity</b>		
<b>Equity attributable to owners of the parent company</b>		
Share capital	26,783	26,783
Capital surplus	49,928	49,934
Retained earnings	808,062	852,442
Treasury shares	(23,298)	(11,755)
Other components of equity	122,544	143,306
<b>Total equity attributable to owners of the parent company</b>	<b>984,020</b>	<b>1,060,711</b>
Noncontrolling interests	1,028	999
<b>Total equity</b>	<b>985,048</b>	<b>1,061,711</b>
<b>Total liabilities and equity</b>	<b>1,251,087</b>	<b>1,343,538</b>

(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, 2023	For the nine months ended December 31, 2024
Revenue	693,900	778,285
Cost of sales	438,037	470,329
Gross profit	255,863	307,956
Selling, general and administrative expenses	110,497	115,119
Research and development expenses	32,708	35,039
Other income	8,046	9,184
Other expenses	8,374	14,046
Operating profit	112,329	152,935
Finance income	1,587	2,140
Finance expenses	1,926	2,140
Share of profit of investments accounted for using the equity method	35	(89)
Profit before income taxes	112,025	152,845
Income tax expenses	30,360	44,103
Net profit	81,665	108,741
Net profit attributable to:		
Owners of the parent company	81,600	108,689
Noncontrolling interests	64	52
Total	81,665	108,741
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	114.17	154.84
Diluted earnings per share (Yen)	114.12	154.78

## (Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net profit	81,665	108,741
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	129	(11)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	28,636	20,674
Net changes in fair value of cash flow hedges	1	(0)
Share of other comprehensive income of investments accounted for using equity method	37	218
Total other comprehensive income	28,805	20,880
Total comprehensive income	110,470	129,622
Total comprehensive income attributable to:		
Owners of the parent company	110,404	129,567
Noncontrolling interests	66	55
Total	110,470	129,622

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

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

For the nine months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance as of April 1, 2024	26,783	49,928	808,062	(23,298)	122,544	984,020	1,028	985,048
Net profit	-	-	108,689	-	-	108,689	52	108,741
Other comprehensive income	-	-	-	-	20,877	20,877	2	20,880
Total comprehensive income	-	-	108,689	-	20,877	129,567	55	129,622
Share based remuneration transactions	-	-	-	-	(76)	(76)	-	(76)
Dividends	-	-	(38,040)	-	-	(38,040)	(20)	(38,060)
Changes in treasury shares	-	(26,308)	-	11,542	-	(14,765)	-	(14,765)
Transfer from other components of equity to retained earnings	-	-	39	-	(39)	-	-	-
Acquisition of NCI without change in control	-	6	-	-	-	6	(63)	(56)
Transfer from retained earnings to capital surplus	-	26,308	(26,308)	-	-	-	-	-
Total transactions with owners	-	6	(64,309)	11,542	(115)	(52,875)	(83)	(52,959)
Balance as of December 31, 2024	26,783	49,934	852,442	(11,755)	143,306	1,060,711	999	1,061,711

## (4) Quarterly consolidated statement of cash flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	112,025	152,845
Depreciation and amortization	45,272	48,854
Impairment losses	343	7,352
Increase (decrease) in defined benefit liabilities	1,114	1,124
Decrease (increase) in trade and other receivables	(27,244)	(14,576)
Decrease (increase) in inventories	4,878	(7,796)
Increase (decrease) in trade and other payables	5,685	8,850
Increase (decrease) in advances received	(631)	(947)
Interest and dividend income	1,366	1,937
Interest expenses paid	(445)	(494)
Income taxes (paid) refunded	(37,117)	(31,085)
Others	(7,398)	(8,012)
Net cash provided by (used in) operating activities	97,849	158,052
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(51,114)	(79,596)
Proceeds from sale of property, plant and equipment and intangible assets	545	112
Decrease (increase) in time deposits	(2,078)	(2,516)
Purchase of investment securities	(612)	(647)
Proceeds from sale of investment securities	551	55
Purchase of shares of subsidiaries and affiliates	-	(6,256)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,871	-
Others	5	25
Net cash provided by (used in) investing activities	(50,831)	(88,824)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	28	97
Repayment of lease liabilities	(4,698)	(4,756)
Decrease (increase) in treasury shares	(32,134)	(15,018)
Cash dividends paid	(36,041)	(38,040)
Others	(7)	(83)
Net cash provided by (used in) financing activities	(72,852)	(57,800)
Effect of exchange rate changes on cash and cash equivalents	5,608	5,958
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	(18,306)	17,386
Cash and cash equivalents at the beginning of the period	329,966	342,269
Cash and cash equivalents at the end of the period	311,660	359,655



(5) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on quarterly consolidated financial statements)

1. Reporting entity

Nitto Denko Corporation (the “Company”) is a corporation domiciled in Japan. The quarterly consolidated financial statements above comprise the Company and its subsidiaries (the “Group”) and the Group’s affiliates. The Group is engaged mainly in the “Industrial Tape business,” the “Optronics business,” the “Human Life business,” and “Others” (related businesses with a broad range of products). See “Segment information,” for details.

2. Basis of preparation

(1) Accounting standards compliance

The Group’s quarterly consolidated financial statements, which meet the requirements of a “specified company complying with any designated international accounting standards” defined in Article 1-2 of the Regulation on Consolidated Financial Statements, have been prepared in accordance with IAS 34 as prescribed in Article 312 of the Regulation on Consolidated Financial Statements. The quarterly consolidated financial statements should be read in conjunction with the Group’s consolidated financial statements for the fiscal year ended March 31, 2024, since the quarterly consolidated financial statements do not include all the information required in the annual consolidated financial statements.

(2) Presentation currency and units

The quarterly consolidated financial statements are presented in Japanese yen and figures less than a million yen are rounded down to the nearest million yen.

(3) Significant accounting estimates and judgments

When preparing the quarterly consolidated financial statements, management makes judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and the effect of revised accounting estimates is recognized in the current and future accounting periods.

The quarterly consolidated financial statements are prepared based on the same judgments, estimations and assumptions as those applied and described in the Group’s consolidated financial statements for the fiscal year ended March 31, 2024.

(4) Approval of the quarterly consolidated financial statements

The quarterly consolidated financial statements were approved by Hideo Takasaki, President, and Yasuhiro Iseyama, CFO on January 27, 2025.

3. Material accounting policies

Material accounting policies implemented in the quarterly consolidated financial statements are the same as the accounting policies implemented in the Group’s consolidated financial statements for the fiscal year ended March 31, 2024.

(Segment information)

(1) Outline of reportable segments

Reportable segments of the Group are determined as segments whose separate financial information is available among the constituent units of the Group and which are regularly used by the Board of Directors, the chief operating decision maker, to determine the allocation of management resources and to evaluate their business results.

The Group has divisions by product, and each division develops comprehensive domestic and overseas strategies for its products and conducts business activities.

The Group's segments are based on three product divisions, and its three reportable segments are the Industrial Tape segment the Optronics segment and the Human Life segment. Each reportable segment is grouped into one operating segment based on similarities in products, markets, and other aspects.

Intersegment revenue is based on prevailing market prices.

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

(2) Information regarding revenue, profit or loss by segments

Segment information regarding the Group's reportable segments is as follows.

For the nine months ended December 31, 2023

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of profit or loss
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	252,036	353,457	87,475	692,969	10	692,980	920	693,900
Intersegment revenue	3,311	4,959	5,728	13,999	-	13,999	(13,999)	-
Total segment revenue	255,347	358,416	93,204	706,969	10	706,979	(13,078)	693,900
Operating profit (loss)	29,914	100,002	(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.

3. As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the nine months ended December 31, 2023.

For the nine months ended December 31, 2024

(Millions of yen)

	Reportable segments				Others	Total	Adjustment	Figures in consolidated statement of profit or loss
	Industrial Tape	Optronics	Human Life	Total				
Revenue from external customers	266,731	418,562	91,956	777,250	3	777,254	1,031	778,285
Intersegment revenue	3,279	4,410	6,727	14,417	-	14,417	(14,417)	-
Total segment revenue	270,011	422,973	98,684	791,668	3	791,672	(13,386)	778,285
Operating profit (loss)	37,855	137,892	(5,863)	169,884	(10,484)	159,399	(6,464)	152,935
Finance income								2,140
Finance expenses								(2,140)
Share of profit of investments accounted for using the equity method								(89)
Profit before income taxes								152,845

(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 (6,464) million yen includes other incomes (losses) not allocated to each segment.

(Notes on dividends)

For the nine months ended December 31, 2023

(1) Dividend payments

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
June 23, 2023 Ordinary General Meeting of Shareholders	Common stock	17,510	120	March 31, 2023	June 26, 2023	Retained earnings
October 26, 2023 Board of Directors Meeting	Common stock	18,531	130	September 30, 2023	November 24, 2023	Retained earnings

(2) Of the dividends for which the record date falls during the third quarter of the current fiscal year, items for which the effective date is after the end of the third quarter of the current fiscal year

Not applicable.

For the nine months ended December 31, 2024

(1) Dividend payments

Resolution	Type of shares	Cash dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
June 21, 2024 Ordinary General Meeting of Shareholders	Common stock	18,388	130	March 31, 2024	June 24, 2024	Retained earnings
October 28, 2024 Board of Directors Meeting	Common stock	19,651	140	September 30, 2024	November 29, 2024	Retained earnings

(2) Of the dividends for which the record date falls during the third quarter of the current fiscal year, items for which the effective date is after the end of the third quarter of the current fiscal year

Not applicable.

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above dividends per share is based on the actual amount of dividends before the stock split.

(Equity and other equity items)

(Repurchase of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on January 26, 2024, the Company has acquired its treasury shares. According to this repurchase, treasury shares increased by 1,095 thousand and 15,014 million yen in the third quarter of the fiscal year ending March 31, 2025.

(Cancellation of treasury shares)

Pursuant to the resolution at the Board of Directors meeting on June 21, 2024, the Company has canceled its treasury shares on July 16, 2024. According to this cancellation, treasury shares decreased by 2,199 thousand and 26,338 million yen in the first half of the fiscal year ending March 31, 2025.

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above figures show the number of treasury shares before the stock split.

(Revenue)

As described in (Segment information), the Group has three reportable segments which are the Industrial Tape segment the Optronics segment and the Human Life segment. The relationship between the disaggregated revenues and the revenues from external customers in each reportable segment is as follows.

For the nine months ended December 31, 2023

(Millions of yen)

Segment name	Major products or business	Japan	Americas	Europe	Asia/ Oceania	Total
Industrial Tape	Functional Base Products	83,000	27,462	25,704	115,868	252,036
	Information Fine Materials	11,795	-	-	262,278	274,074
Optronics	Circuits Materials	40,463	-	-	38,919	79,383
	Total	52,259	-	-	301,198	353,457
	Life Science	2,967	24,386	4	-	27,358
Human Life	Membrane	2,034	10,341	3,703	6,585	22,664
	Personal Care Materials	-	3,323	33,699	429	37,452
	Total	5,002	38,051	37,407	7,014	87,475
Others	New Business, Other Products	1	8	-	-	10
Adjustment		920	-	-	-	920
	Total	141,185	65,522	63,112	424,081	693,900

As a result of changes in the management structure made for the six months ended September 30, 2024, certain related businesses have been transferred from Industrial Tape to Optronics.

Such changes have been reflected in the figures for the nine months ended December 31, 2023.

Revenue by region is based on the location of each base, and the main countries and regions included in the classification other than Japan are as follows.

Americas: United States, Mexico, Brazil

Europe: Belgium, France, Germany, Sweden, Turkey

Asia/Oceania: China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand, Vietnam

For the nine months ended December 31, 2024

(Millions of yen)

Segment name	Major products or business	Japan	Americas	Europe	Asia/ Oceania	Total
Industrial Tape	Functional Base Products	81,119	25,283	26,190	134,137	266,731
Optronics	Information Fine Materials	18,061	-	-	295,789	313,851
	Circuits Materials	45,057	-	-	59,653	104,710
	Total	63,119	-	-	355,442	418,562
Human Life	Life Science	3,148	26,051	5	-	29,205
	Membrane	2,211	12,824	3,536	4,886	23,460
	Personal Care Materials	-	2,805	36,104	381	39,290
	Total	5,360	41,681	39,646	5,267	91,956
Others	New Business, Other Products	0	3	-	-	3
Adjustment		1,021	9	-	-	1,031
	Total	150,621	66,978	65,837	494,848	778,285

Revenue by region is based on the location of each base, and the main countries and regions included in the classification other than Japan are as follows.

Americas: United States, Mexico, Brazil

Europe: Belgium, France, Germany, Sweden, Turkey

Asia/Oceania: China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand, Vietnam

(Impairment losses)

During the third quarter of the fiscal year ending March 31, 2025, impairment losses were 7,352 million yen, which are included in "Other expenses".

The major factors are as follows.

The Company has made a decision to discontinue commercialization of the plastic optical fiber/cable in Circuit Materials under Optronics segment and recorded impairment losses of 1,846 million yen on production equipment, etc. Accordingly, the carrying amount was reduced to the recoverable amount of zero. The recoverable amount is calculated based on the fair value less costs of disposal (projected sale value, etc.), and is categorized in the fair value hierarchy as Level 3.

In addition, the Company has recorded impairment losses of 5,199 million yen on goodwill related to the flexible sensor business of Nitto Bend Technologies, Inc. belonging to Others segment. This was because the initially envisioned revenue could no longer be expected as a result of reviewing our business plans, and it was expected that the carrying amount could not be recovered. The recoverable amount is calculated based on the fair value less costs of disposal based by the discounted cash flow method, and is categorized in the fair value hierarchy as Level 3. The key assumptions are projected demand and a discount rate in our business plan. The discount rates (before tax) for the previous fiscal year and the third quarter of the fiscal year ending March 31, 2025 are 29.0% and 28.3% respectively.

(Per share information)

Basic earnings per share, diluted earnings per share and basis for calculations are as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
(1) Basic earnings per share	114.17 yen	154.84 yen
Basis for calculation		
Net profit attributable to owners of the parent company (Millions of yen)	81,600	108,689
Average number of common shares (Thousands of shares)	714,752	701,955
(2) Diluted earnings per share	114.12 yen	154.78 yen
Basis for calculation		
Increase in the number of common stock upon exercise of the stock options (Thousands of shares)	266	250

(Note) The Company has implemented the stock split with an effective date of October 1, 2024 and a record date of September 30, 2024. Each share of common stock has been split into five shares. The above basic and diluted earnings per share for the nine months ended December 31, 2023 and for the nine months ended December 31, 2024 are based on the assumption that the stock split is conducted at the beginning of the fiscal year ended March 31, 2024.

(Significant subsequent events)

- Share Repurchase

The Company resolved at a meeting of its Board of Directors on January 27, 2025 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: 34,000,000 shares (maximum)  
(4.84% of the total number of shares issued [excluding treasury shares])
- (3) Total repurchase amount: JPY 80,000,000,000 (maximum)
- (4) Repurchase period: From February 5, 2025 to August 31, 2025
- (5) Method of repurchase: Market purchase at Tokyo Stock Exchange