

## Summary of Consolidated Financial Statements of Fiscal 2021 (12 Months Ended March 31, 2022 (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, Executive Vice President, Director of Corporate Accounting & Finance Division  
 Phone: +81-6-7632-2101

Date of the general shareholders' meeting: June 17, 2022  
 Estimated starting date of dividend paying: June 20, 2022  
 Filing date of financial statements: June 17, 2022  
 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 2021 (April 1, 2021 through March 31, 2022)

#### (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 2021	853,448	12.1	132,260	41.0	132,378	41.9	97,234	38.3	97,132	38.3	136,323	51.8
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

	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 2021	656.31	656.00	12.6	12.8	15.5
Fiscal 2020	472.71	472.39	10.0	9.9	12.3

(Reference) Equity in earnings of affiliates: (Fiscal 2021) 42 million yen (Fiscal 2020) 25 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, 2022	1,094,469	822,105	821,192	75.0	5,548.09
March 31, 2021	965,901	716,686	715,868	74.1	4,838.07

#### (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 2021	144,489	-57,594	-36,639	362,046
Fiscal 2020	116,309	-57,538	-68,297	300,888

## 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, 2021	-	100.00	-	100.00	200.00	29,593	42.3	4.3
March, 2022	-	110.00	-	110.00	220.00	32,561	33.5	4.2
(Forecast) March, 2023	-	120.00	-	120.00	240.00		35.5	

## 3. Forecast of Fiscal 2022 (April 1, 2022 through March 31, 2023)

(% 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	%	
First half	440,000	3.3	75,000	3.0	75,000	3.2	53,000	1.6	53,000	1.7	Yen 358.08
Annual	880,000	3.1	140,000	5.9	140,000	5.8	100,000	2.8	100,000	3.0	675.61

### - 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, 2022: 149,758,428	March, 2021: 149,758,428
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2. Number of treasury stock at the end of the period
 

March, 2022: 1,744,778	March, 2021: 1,792,681
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
 

Fiscal 2021: 147,996,116	Fiscal 2020: 148,580,010
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(Reference) Non-consolidated financial results of Fiscal 2021 (April 1, 2021 through March 31, 2022)

(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 2021	517,458	7.5	67,868	30.7	85,963	23.6	65,815	26.9
Fiscal 2020	481,473	2.3	51,919	22.4	69,522	17.1	51,855	12.5

	Net income per share - Basic	Net income per share -Diluted
	Yen	Yen
Fiscal 2021	444.71	444.50
Fiscal 2020	349.01	348.77

(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, 2022	729,581	487,646	66.8	3,292.16
March 31, 2021	681,499	454,160	66.6	3,066.03

(Reference) Shareholders' equity: (March 31, 2022) 487,285 million yen (March 31, 2021) 453,667 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, 2023" on page 5 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, 2022

① Summary of operating results during the fiscal year ended March 31, 2022

### Summary of overall business

The economic environment in FY2021 saw recovery reflecting progress in both epidemic prevention and economic activities due to the spread of vaccines and economic support measures in various countries in response to the emergence of new COVID-19 variant. In addition, digitization has accelerated in all fields, and new work styles such as teleworking has become firmly established. On the other hand, the global economy has become increasingly uncertain as evidenced by further rises in raw material prices, disruptions in the supply chain, and the rapid depreciation of the yen, caused by Russia's invasion of Ukraine.

In the key markets of Nitto Group (the "Group") under this environment, high-precision circuits for smartphones, optical films for OLEDs and assembly materials grew. In addition, sales of semiconductor-related materials and optical films for laptops and tablet devices remained firm. Automotive materials and general industrial materials recovered from the impact of COVID-19. In the nucleic acid drug market, the development of COVID-19 vaccine is progressing at a rapid pace, the demand for the Group's oligonucleotide contract manufacturing and its related materials is increasing.

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. The Group will continue to make our utmost efforts to prevent any disruption in the provision of products and services to our customers

As a result of the above, revenue increased by 12.1% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 853,448 million yen. Operating income increased by 41.0% to 132,260 million yen, income before income taxes increased by 41.9% to 132,378 million yen, net income increased by 38.3% to 97,234 million yen, and net income attributable to owners of the parent company increased by 38.3% to 97,132 million yen.

### Summary of results by segment

(Industrial Tape)

For Functional Base Products, sales increased from the previous fiscal year. As new work styles such as teleworking became firmly established, demands for ceramic condenser and semiconductor used for electronic devices such as tablet devices and servers increased, and thus demands for related materials used in their manufacturing process also increased. In addition, demand for assembly materials grew with the growth in production of high-end smartphones. Automobile materials, general industry materials, and protective materials for metal plates recovered from the impact of COVID-19 in the previous fiscal year. On the other hands, the Group was affected by rising raw material and transportation costs due to factors such as rising crude oil prices.

As a result of the above, revenue increased by 11.2% to 330,427 million yen and operating income increased by 43.8% to 39,283 million yen.

(Optronics)

In Information Fine Materials, revenue did not reach the level of the previous fiscal year. The demands of products used for TV, optical films for LCD and ITO films decreased. On the other hands, the demands of optical films for laptops and tablet devices and optical films for OLED smartphones increased. In addition, for products used for TVs, the Group received royalty payment under the licensing agreements with our business partners in the 1st quarter of the fiscal year.

Sales of Flexible Printed Circuits increased from the previous fiscal year. Demand for circuit materials of CIS (Circuit Integrated Suspension) increased with an increase in manufacturing of hard disk drives (HDDs) used in data centers with high capacities, and we have increased our production capacity to meet the growing demand and carry out the supply responsibilities. The number of models adopting the high-precision circuits for high-end smartphones has expanded from the previous fiscal year, that contributed significantly to the business performance.

As a result of the above, revenue increased by 7.2% to 459,552 million yen and operating income increased by 19.7% to 96,599 million yen.

(Life Science)

Sale of Medical Products increased from the previous fiscal year. Amid a global shortage of COVID-19 vaccines, the development of new vaccines is accelerating, and the Group has begun supplying immunologic adjuvants for COVID-19 vaccines in oligonucleotide contract manufacturing business and added new manufacturing lines. Demand of polymer beads for nucleic acid synthesis (NittoPhase™) also increased in the growing market of nucleic acid drugs. Demand for surgical tapes was recovering at a slow pace from the impact of COVID-19.

In development of nucleic acid drugs, the Group achieved predefined milestone based on the exclusive license agreement of ND-L02-s0201 (BMS-986263) for advanced liver fibrosis in the 1st quarter of the fiscal year. The Group continues to engage in clinical trials of idiopathic pulmonary fibrosis and intractable cancer drugs.

As a result of the above, revenue increased by 74.0% to 51,958 million yen and operating income amounted to 9,790 million yen. (operating loss of 3,011 million yen was reported in the same period of the previous year)

(Others)

Sales of Membrane (high-polymer separation membrane) grew compared to the previous fiscal year. Demand recovered in various industrial applications. On the other hands, impairment losses were recorded as a result of aggressive restructuring, including revision of our product portfolio, in order to focus on the decarbonization market, which is expected to grow.

In New Business in FY2021, We discontinued the development of neodymium magnets.

As a result of the above, revenue increased by 19.0% to 27,698 million yen and operating loss amounted to 9,964 million yen. (operating loss of 7,496 million yen was reported in the same period of the previous year)

(Reference) Segment Information

(Yen in Millions)

		Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Revenue	297,080	330,427	111.2
	Operating income	27,311	39,283	143.8
Optronics	Information Fine Materials	372,822	363,699	97.6
	Flexible Printed Circuits	56,063	95,852	171.0
	Total	428,886	459,552	107.2
	Operating income	80,727	96,599	119.7
Life Science	Revenue	29,855	51,958	174.0
	Operating income	-3,011	9,790	-
Others	Revenue	23,266	27,698	119.0
	Operating income	-7,496	-9,964	-
Corporate/Elimination	Revenue	-17,767	-16,188	-
	Operating income	-3,722	-3,449	-
Total	Revenue	761,321	853,448	112.1
	Operating income	93,809	132,260	141.0

(Note) Previously, Industrial Tape was divided into Functional Base Products and Transportation. However, as a result of changes in the management structure that have been made during the fiscal year 2021, Functional Base Products and Transportation have been integrated and described as Industrial Tape. Such changes have also been reflected in the figures for the fiscal year ended March 31, 2021.

② Summary of consolidated financial position and cash flows for the fiscal year ended March 31, 2022

Cash and cash equivalents (hereinafter referred to as “Cash”) was 362,046 million yen at the end of the fiscal year ended March 31, 2022, an increase of 61,157 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 144,489 million yen as a result of operating activities (an increase of 116,309 million yen at the end of the previous fiscal year). The main factors responsible for the increase were income before income taxes of 132,378 million yen and depreciation and amortization of 50,211 million yen and impairment losses of 5,986 million yen and increase (decrease) in advances received of 13,897 million yen, while the main offsetting factor was decrease (increase) in trade and other receivables of 10,118 million yen and decrease (increase) in inventories of 14,000 million yen and income taxes (paid) refunded of 30,445 million yen.

(Cash flow from investing activities)

Cash decreased by 57,594 million yen as a result of investing activities (a decrease of 57,538 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 58,958 million yen.

(Cash flow from financing activities)

Cash decreased by 36,639 million yen as a result of financing activities (a decrease of 68,297 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were repayment of finance lease obligations of 5,228 million yen, cash dividends paid of 31,076 million yen.

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

	March 2019	March 2020	March 2021	March 2022
Ratio of equity attributable to owners of the parent company to total assets (%)	76.7	74.8	74.1	75.0
Ratio of equity attributable to owners of the parent company on a market value basis (%)	99.9	80.6	144.9	119.3
Ratio of liabilities with interest to cash flow (year)	0.0	0.2	0.2	0.2
Interest coverage ratio (times)	275.8	190.1	188.3	269.8

(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, 2023

In the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023), the global economy will continue to recover autonomously toward the New Normal. On the other hand, Russia's military invasion of Ukraine will cause the prices of energy and primary products to continue rising, and countries are now faced with the difficult task of balancing inflation control with economic growth through monetary policies. In addition, the global situation is expected to come to another layer of confusion, as there are concerns about the blocking of the economy due to the divided supply chain.

In such economic environment, the Group formulated "Nitto Beyond 2023", the mid-term management plan, with our vision for 2030. Under this plan, the Group will accelerate ESG management aiming to solve social issues, and simultaneously create economic value through our business activities.

In ESG management, the Group have set KPIs of maintaining a high ratio of new products, reducing CO<sub>2</sub> emissions in anticipation of decarbonizing society, and increasing the ratio of female managers, and work to achieve these targets. In addition, the Group will establish Human Life Solutions business segment to accelerate the development of products that contribute broadly to coexistence with the global environment, people's lives, and livelihoods.

Amid a rapidly changing environment, the Group will implement both growth strategies and structural reforms in order to achieve our "Nitto Beyond 2023" mid-term management plan. In this way, the Group will build immune to external environment.

For Industrial Tape, from the background of popularization of 5G and the spread of new lifestyle, we expect stable demands for electronic materials and semiconductor process materials. We will strive to differentiate ourselves with our technologies in response to changes in the market, such as heightened environmental awareness, and lead to sustainable business growth. In the automotive materials business, we will respond to growing demand in fields of CASE (Connected, Autonomous, Shared and Electric), and create new products. The demand will increase as automobile production recovers from a decline due to a shortage of semiconductors. Moreover, it is expected that raw material prices and transportation costs continue to rise. Along with our growth strategy, the Group will work to further improve productivity and create a business foundation that will stably achieve a high level of profitability in terms of Industrial Tape as a whole.

In Information Fine Materials of Optronics, the Group will turn to a royalty business utilizing intellectual property in TV market. Certain demand is expected for optical films for laptop and tablet device from the background of the establishment of telework. In addition, in the maturing smartphone market, the Group will work to expand adoption of in OLED models, and to respond to new displays, such as foldable displays. The Group will focus on the optical films market for in-vehicle and metaverse applications as the next growth point, and invest management resources to expand our business in the future.

In Flexible Printed Circuits, demand for high-capacity HDD used in data center is expected to remain strong. The Group will strengthen its production capacity to build a stable supply system. We will work to increase production capacity and improve productivity to expand the supply for high-end smartphones.

Human Life was newly established in FY2022. This segment consists of Medical Products of Life Science and Membrane Products of Others. In addition to contributing through conventional pharmaceutical and medical products, the Group will accelerate the development of products that contribute broadly to coexistence with the global environment, people's lives, and livelihoods.

In Life Science (Medical Products), we expect continued demand for immunologic adjuvants for COVID-19 vaccines in oligonucleotide contract manufacturing business. We also expect the commercialization of oligonucleotide therapeutics for common diseases and cancers. The Group will utilize its design-service capabilities in oligonucleotide manufacturing process, and further enhance production capacity. In new nucleic acid drug discovery, the Group will expedite research, development, and clinical trial of idiopathic pulmonary fibrosis and intractable cancer drugs into next growth driver.

Demand for Membrane is expected to rise in the medium to long term against the backdrop of water shortages and stricter environmental regulations in each country. We will review our product portfolio, develop products for the decarbonization market, and work to create products that contribute to the environment and human beings.

In New Businesses in Others, we will classify development themes into the following stages of "0 (idea) →1 (project launch) →10 (productization) →100 (commercialization)," and actively allocate management resources to those themes that the Group decides to grow and accelerate commercialization. We will continue to work on new business themes such as optical plastic fiber and disposable holter, aiming for early mass production.



The forecasts for the consolidated fiscal year ending March 31, 2023, are as follows: The exchange rate is assumed to be 1\$ = 112yen.

(The forecasts for the consolidated fiscal year ending March 31, 2023)

Revenue	880,000 million yen (up by 3.1% from the previous fiscal year)
Operating income	140,000 million yen (up by 5.9% from the previous fiscal year)
Income before income taxes	140,000 million yen (up by 5.8% from the previous fiscal year)
Net income	100,000 million yen (up by 2.8% from the previous fiscal year)

(The forecasts for the first six months of the fiscal year ending March 31, 2023 (April 1, 2022 through September 30, 2022))

Revenue	440,000 million yen (up by 3.3% from the previous fiscal year)
Operating income	75,000 million yen (up by 3.0% from the previous fiscal year)
Income before income taxes	75,000 million yen (up by 3.2% from the previous fiscal year)
Net income	53,000 million yen (up by 1.6% from the previous fiscal year)

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.

Although the Group agreed and signed on February 17, 2022 to acquire outstanding shares for the personal care component business of Mondi (to make it a subsidiary), the acquisition had not been completed as of April 26, 2022, it is not included in the forecast.

### (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 110 yen per share for the year-end dividend of Fiscal 2021, which is unchanged from the interim dividend, therefore the full-year total 220 yen per share.

The Company has planned to pay the full-year total 240 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, 2021	March 31, 2022
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	300,888	362,046
Trade and other receivables	182,939	206,084
Inventories	107,668	128,318
Other financial assets	1,399	4,939
Other current assets	17,121	21,349
Total current assets	<u>610,017</u>	<u>722,738</u>
Non-current assets		
Property, plant and equipment	270,813	286,949
Right-of-use assets	14,979	13,681
Goodwill	4,593	4,809
Intangible assets	13,620	13,707
Investments accounted for using equity method	392	547
Financial assets	10,856	12,131
Deferred tax assets	25,951	24,131
Other non-current assets	14,676	15,772
Total non-current assets	<u>355,884</u>	<u>371,730</u>
Total assets	<u><u>965,901</u></u>	<u><u>1,094,469</u></u>

(Yen in Millions)

	March 31, 2021	March 31, 2022
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	100,790	102,798
Bonds and borrowings	545	241
Income tax payables	11,225	18,138
Other financial liabilities	22,834	19,979
Other current liabilities	47,387	67,330
Total current liabilities	182,783	208,489
Non-current liabilities		
Other financial liabilities	17,161	16,941
Defined benefit liabilities	46,754	44,125
Deferred tax liabilities	347	326
Other non-current liabilities	2,167	2,480
Total non-current liabilities	66,431	63,873
Total liabilities	249,214	272,363
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,070	49,992
Retained earnings	635,916	705,910
Treasury stock	-10,039	-9,771
Other components of equity	13,136	48,276
Total equity attributable to owners of the parent company	715,868	821,192
Non-controlling interests	817	913
Total equity	716,686	822,105
Total liabilities and equity	965,901	1,094,469

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

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Revenue	761,321	853,448
Cost of sales	517,872	551,059
Gross profit	243,449	302,388
Selling, general and administrative expenses	107,722	129,625
Research and development expenses	35,261	37,271
Other income	4,466	6,707
Other expenses	11,122	9,938
Operating income	93,809	132,260
Financial income	559	1,459
Financial expenses	1,073	1,384
Equity in profits (losses) of affiliates	25	42
Income before income taxes	93,320	132,378
Income tax expenses	23,012	35,143
Net income	70,308	97,234
Net income attributable to:		
Owners of the parent company	70,235	97,132
Non-controlling interests	72	102
Total	70,308	97,234
Earnings per share attributable to owners of the parent company		
Basic earnings per share (Yen)	472.71	656.31
Diluted earnings per share (Yen)	472.39	656.00

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Net income	70,308	97,234
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	1,457	339
Reevaluation of defined benefit liability	2,626	3,131
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	15,402	33,613
Net gain (loss) in fair value of cash flow hedges	-4	1,998
Share of other comprehensive income of associates accounted for using equity method	6	5
Total other comprehensive income	19,488	39,088
Total comprehensive income	89,796	136,323
Total comprehensive income attributable to:		
Owners of the parent company	89,714	136,207
Non-controlling interests	82	115
Total	89,796	136,323

(3) Consolidated statements of changes in equity  
 Fiscal 2020 (April 1, 2020 through March 31, 2021)

(Yen in Millions)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
Balance as of April 1, 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

Fiscal 2021 (April 1, 2021 through March 31, 2022)

(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, 2021	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686
Net income	-	-	97,132	-	-	97,132	102	97,234
Other comprehensive income	-	-	-	-	39,075	39,075	12	39,088
Total comprehensive income	-	-	97,132	-	39,075	136,207	115	136,323
Share-based payment transactions	-	-132	-	-	3	-128	-	-128
Dividends	-	-	-31,076	-	-	-31,076	-20	-31,097
Changes in treasury stock	-	54	-	267	-	322	-	322
Transfer from other components of equity to retained earnings	-	-	3,937	-	-3,937	-	-	-
Total transactions with owners	-	-77	-27,138	267	-3,934	-30,883	-20	-30,903
Balance as of March 31, 2022	26,783	49,992	705,910	-9,771	48,276	821,192	913	822,105

## (4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
Cash flows from operating activities		
Income before income taxes	93,320	132,378
Depreciation and amortization	47,950	50,211
Impairment losses	6,011	5,986
Increase (decrease) in defined benefit liabilities	1,878	691
Decrease (increase) in trade and other receivables	-21,058	-10,118
Decrease (increase) in inventories	-7,607	-14,000
Increase (decrease) in trade and other payables	9,234	440
Increase (decrease) in advances received	3,560	13,897
Interest and dividend income	587	569
Interest expenses paid	-617	-535
Income taxes (paid) refunded	-24,560	-30,445
Others	7,610	-4,587
Net cash provided by (used in) operating activities	116,309	144,489
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-57,724	-58,958
Proceeds from sale of property, plant and equipment and intangible assets	341	881
Decrease (increase) in time deposits	769	-398
Purchase of investment securities	-507	-596
Proceeds from sale of investment securities	292	764
Purchase of shares of subsidiaries and associates	-880	-269
Others	170	982
Net cash provided by (used in) investing activities	-57,538	-57,594
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	428	-315
Repayment of finance lease obligations	-5,199	-5,228
Decrease (increase) in treasury stock	-33,312	-0
Cash dividends paid	-30,188	-31,076
Others	-25	-18
Net cash provided by (used in) financing activities	-68,297	-36,639
Effect of exchange rate changes on cash and cash equivalents	5,492	10,901
Net increase (decrease) in cash and cash equivalents	-4,034	61,157
Cash and cash equivalents at the beginning of the period	304,922	300,888
Cash and cash equivalents at the end of the period	300,888	362,046



## (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 2020 (April 1, 2020 through March 31, 2021)

(Yen in Millions)

	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	3,550	8,813	3,953	2,482	18,799	-18,799	-
Total segment revenue	297,080	428,886	29,855	23,266	779,089	-17,767	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	250,369	486,969	39,269	29,368	805,976	159,925	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. 159,925 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 2021, Functional Base Products and Transportation, both included in the Industrial Tape, have been integrated. Such changes have also been reflected in the figures for the fiscal year ended March 31, 2021.

## Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials, automotive products, etc.)
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	327,617	452,332	47,699	24,594	852,244	1,204	853,448
Inter-segment revenue	2,809	7,220	4,258	3,104	17,392	-17,392	-
Total segment revenue	330,427	459,552	51,958	27,698	869,637	-16,188	853,448
Operating income (loss)	39,283	96,599	9,790	-9,964	135,709	-3,449	132,260
Financial income							1,459
Financial expenses							-1,384
Equity in profits (losses) of affiliates							42
Income before income taxes							132,378
Segment assets	263,176	551,768	62,726	26,684	904,355	190,113	1,094,469
Other items:							
Depreciation and amortization	16,035	22,370	2,267	2,393	43,067	7,143	50,211
Impairment losses	180	523	3	5,194	5,901	84	5,986
Increase in property, plant and equipment and intangible assets	14,278	25,212	4,458	3,550	47,499	8,997	56,496

- (Note) 1. -3,449 million yen in adjustment of operating income (loss) includes other profits (losses) not allocated to each segment.  
2. 190,113 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, automotive products, etc.)
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 2020 (April 1, 2020 through March 31, 2021)	Fiscal 2021 (April 1, 2021 through March 31, 2022)
(1) Basic earnings per share	472.71 yen	656.31 yen
(Basis for calculation)		
Net income attributable to owners of the parent company	70,235 million yen	97,132 million yen
Average number of common shares	148,580 thousands of shares	147,996 thousands of shares
(2) Diluted earnings per share	472.39 yen	656.00 yen
(Basis for calculation)		
Increase in number of common stock upon exercise of the stock option	102 thousands of shares	71 thousands of shares

(Impairment losses)

During the fiscal year, Impairment losses were 5,986 million yen, which are included in “Other expenses”.

The major factors are as follows.

Impairment losses were recorded for the book balances of property, plant and equipment, intangible assets, etc. related to the certain cash-generating units in Japan and the US of Membranes (polymer separation membrane business) in Others segment. This is because that it is expected to become unrecoverable due to aggressive restructuring, including a review of the product portfolio, in order to focus on the decarbonization market, which is expected to grow in Membranes. The recoverable amounts are measured by the value in use based on the discounted cash flow method and the discount rate is 8.8% for Japan and 11.0% for the US by region.

(Significant subsequent events)

Not applicable.