

Business Results: 10-Year Summary

	Japanese GAAP			Japanese GAAP		IFRS						IFRS
	2011	2012	2013	2013	2014	2015	2016	2017	2018	2019	2020	2020
Statement of income (Yen in Millions)												
Revenue	607,639	671,253	749,835	749,504	825,243	793,054	767,710	857,376	806,495	741,018	761,321	7,200,615
Operating income (ratio to revenue)	56,491 (9.3%)	68,482 (10.2%)	72,254 (9.6%)	72,503 (9.7%)	106,734 (12.9%)	102,397 (12.9%)	92,589 (12.1%)	125,722 (14.7%)	92,777 (11.5%)	69,733 (9.4%)	93,809 (12.3%)	887,251 (12.3%)
Income before income taxes	49,848	63,265	69,641	70,642	105,947	101,996	91,791	126,168	91,910	69,013	93,320	882,626
Net income	31,346	44,198	51,306	52,188	78,028	81,989	63,690	87,463	66,616	47,224	70,308	664,977
Net income attributable to owners of the parent company (ratio to revenue)	31,066 (5.1%)	43,696 (6.5%)	51,018 (6.8%)	51,892 (6.9%)	77,876 (9.4%)	81,683 (10.3%)	63,453 (8.3%)	87,377 (10.2%)	66,560 (8.3%)	47,156 (6.4%)	70,235 (9.2%)	664,286 (9.2%)
Total comprehensive income	32,345	70,945	72,415	72,518	108,098	44,552	63,344	83,907	62,060	35,359	89,796	849,295
Net cash provided by (used in) operating activities	58,492	68,152	78,286	78,444	119,481	140,658	119,939	122,551	98,569	123,641	116,309	1,100,057
Net cash provided by (used in) investing activities	-37,064	-56,269	-15,735	-15,893	-53,857	-57,085	-49,739	-50,215	-49,955	-59,991	-57,538	-544,197
Net cash provided by (used in) financing activities	-23,978	-14,822	-18,131	-18,131	-68,966	-44,902	-28,884	-44,919	-58,419	-51,637	-68,297	-645,957
Cash and cash equivalents at the end of the period	145,712	152,275	203,446	203,446	214,559	240,891	280,343	304,709	297,682	304,922	300,888	2,845,815
Segment information by geographic area (Yen in Millions)												
Japan	Revenue	194,636	192,600	186,320	185,990	189,779	180,987	186,979	200,556	194,087	166,419	1,644,926
	Operating income	39,571	44,338	43,263	44,112	70,322	60,793	51,979	75,982	53,545	51,149	515,710
Americas	Revenue	35,739	40,014	52,085	52,085	59,451	75,344	80,123	82,568	75,967	66,659	552,587
	Operating income	-1,363	1,768	1,198	1,373	-1,725	12,241	16,570	12,225	7,928	2,429	20,448
Europe	Revenue	21,189	31,057	38,834	38,834	43,041	42,750	40,521	45,578	45,683	40,402	367,029
	Operating income	480	898	3,104	3,025	2,729	3,081	3,727	4,218	3,071	-1,460	33,860
Asia & Oceania	Revenue	356,074	411,942	472,594	472,594	532,971	493,972	460,085	528,672	490,757	467,536	4,636,073
	Operating income	15,514	20,258	22,158	23,874	36,573	24,410	22,905	32,793	26,065	21,419	327,807
Per share information (Yen)												
Equity attributable to owners of the parent company per share	2,635.9	2,961.9	3,172.0	3,159.9	3,706.0	3,785.9	4,027.6	4,328.5	4,465.7	4,479.3	4,838.1	45.76
Basic earnings per share	188.9	265.5	309.3	314.6	471.8	495.2	390.9	539.0	423.5	301.3	472.7	4.47
Diluted earnings per share	188.6	264.9	308.6	313.9	470.9	494.6	390.5	538.4	423.1	301.1	472.4	4.47
Price earnings ratio	17.7	20.9	16.0	15.7	17.0	12.6	22.0	14.8	13.7	16.0	20.0	-
Dividends per share	100 (52.9)	100 (37.7)	100 (32.3)	100 (31.8)	120 (25.4)	140 (28.3)	150 (38.4)	160 (29.7)	180 (42.5)	200 (66.4)	200 (42.3)	1.89 (-)
Shares outstanding (thousands)	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	158,758	158,758	149,758	-
Number of treasury shares (thousands)	9,283	8,938	8,756	8,756	8,614	11,465	11,434	13,592	1,908	4,839	1,792	-
Average number of common shares (thousands)	164,460	164,595	164,950	164,950	165,079	164,940	162,311	162,112	157,165	156,501	148,580	-
Number of shareholders	65,321	49,234	55,009	55,009	35,014	37,694	29,742	35,847	37,684	36,871	28,456	-
(Yen in Millions)												
Total assets	651,908	740,949	781,352	783,583	855,433	825,905	879,899	937,796	913,418	921,900	965,901	9,135,543
Equity attributable to owners of the parent company	433,541	488,179	523,391	521,385	612,016	614,425	653,772	693,278	700,443	689,446	715,868	6,770,718
Ratio of profit attributable to owners of the parent company to total assets (ROA)	4.8%	6.3%	6.7%	6.8%	9.5%	9.7%	7.4%	9.6%	7.2%	5.1%	7.4%	-
Return on equity attributable to owners of the parent company (ROE)	7.3%	9.5%	10.1%	10.5%	13.7%	13.3%	10.0%	13.0%	9.6%	6.8%	10.0%	-
Ratio of equity attributable to owners of the parent company to total assets	66.5%	65.9%	67.0%	66.5%	71.5%	74.4%	74.3%	73.9%	76.7%	74.8%	74.1%	-
Capital investment	33,758	49,807	75,814	75,814	56,721	60,420	36,538	47,193	64,353	58,930	50,597	478,549
Depreciation expenses	36,806	36,467	43,188	43,223	45,662	48,537	48,556	49,283	45,904	49,390	47,950	453,514
R&D expenses	25,003	27,573	28,573	28,444	28,240	32,120	30,366	31,243	31,990	33,765	35,261	333,500
Number of employees (Note 1)	32,198	30,382	31,504	31,504	31,997	30,007	29,617	29,704	29,019	28,751	28,289	-

<Note>

- Part-time employees are included.
- The exchange rate used was JPY105.73 to USD1.00, which was the rate as of fiscal year ended March 31, 2021.
- Effective from the fiscal year ended March 31, 2014, the Company and some of its consolidated subsidiaries changed the method of recognition of revenue to one based on the time of delivery to customers from the prior one which was based mainly on the time of shipment. The figures for the fiscal year ended March 31, 2013, are those after the retrospective application of the change except for the figures in "Segment information by geographic area".
- From the fiscal year ended March 31, 2015, the Nitto Denko Group has implemented the International Financial Reporting Standards (IFRS) to prepare its consolidated financial statements (date of transition to IFRS: April 1, 2013). Accordingly, the financial data for the fiscal year ended March 31, 2014 is also presented based on the IFRS.

- From fiscal year ended March 31, 2019, "royalty income," which was previously included in "other income" on the consolidated statements of income, is included in "revenue." Accordingly, the above numbers from fiscal year ended March 31, 2018 have been reclassified to reflect the change.
- The above 10-year Summary is presented based on the International Financial Reporting Standards (IFRS). The term based on the Japanese standard for "Revenue" is "Net sales," "Net income attributable to owners of the parent company" is "Net income," "Equity attributable to owners of the parent company per share" is "Net assets per share," "Basic earnings per share" is "Net income per share," "Total assets" is "Total assets," "Equity attributable to owners of the parent company" is "Equity," "Ratio of profit attributable to owners of the parent company to total assets" is "Return on assets," "Return on equity attributable to owners of the parent company" is "Return on equity" and "Ratio of equity attributable to owners of the parent company to total assets" is "Equity to total assets."

Consolidated Financial Statements

Consolidated Statements of Financial Position (Yen in Millions)

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

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

Consolidated Statements of Changes in Equity April 1, 2020 – March 31, 2021 (Yen in Millions)

	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance at the beginning of current year	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
Transfers 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 at the end of current year	26,783	50,070	635,916	-10,039	13,136	715,868	817	716,686

Consolidated Statements of Income (Yen in Millions)

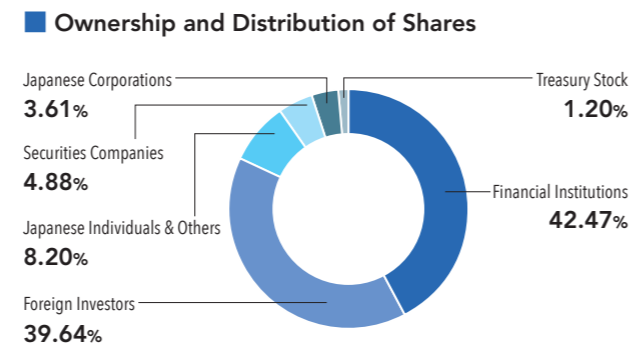
	Amount	
	April 1, 2020 – March 31, 2021	April 1, 2019 – March 31, 2020 (Reference)
Revenue	761,321	741,018
Cost of sales	517,872	519,090
Gross profit	243,449	221,927
Selling, general and administrative expenses	107,722	111,368
Research and development expenses	35,261	33,765
Other income	4,466	5,423
Other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

Consolidated Statements of Cash Flows (Reference) (Yen in Millions)

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

Shareholder/Stock Information (as of March 31, 2021)

Number of shares authorized to be issued	400,000,000 shares
Number of shares issued	149,758,428 shares <small>(Amount of treasury stock held 1,792,681 shares)</small>
Number of shareholders	28,456
Share unit	100 shares



Major shareholders (top 10)

Name	Number of shares held (Thousands of shares)	Ownership percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,828	19.48
Custody Bank of Japan, Ltd. (Trust Account)	12,040	8.14
Custody Bank of Japan, Ltd. (Trust Account 7)	3,261	2.20
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,849	1.93
State Street Bank and Trust Company 505223	2,636	1.78
State Street Bank West Client - Treaty 505234	2,539	1.72
JP Morgan Securities Japan Co., Ltd.	2,134	1.44
Nippon Life Insurance Company	2,082	1.41
Custody Bank of Japan, Ltd. (Trust Account 5)	1,964	1.33
JP Morgan Chase Bank 385781	1,839	1.24

*The ownership percentage has been calculated based on the number of shares issued, excluding treasury stock.

IR Activities

In following the "Policies Concerning Constructive Dialogue with Shareholders," we reflect the opinions received from our shareholders and investors at shareholders' meeting, company information meetings, and IR activities in management.

	The 153rd meeting <small>(held on June 22, 2018)</small>	The 154th meeting <small>(held on June 21, 2019)</small>	The 155th meeting <small>(held on June 19, 2020)</small>	The 156th meeting <small>(held on June 18, 2021)</small>
Number of attendees at the Ordinary General Meeting of Shareholders	481	467	40	27



The 156th Ordinary General Meeting of Shareholders

The 156th Ordinary General Meeting of Shareholders was held with due cautions given to COVID-19.

Events	Target Audiences	Frequency (per year)
Company information meetings	Japanese/overseas institutional investors	2
Financial results information meetings	Japanese institutional investors / analysts	4
Overseas roadshows	Institutional investors in North America, Europe, and Asia	3
Conferences, etc. sponsored by securities houses	Japanese/overseas institutional investors	6
Information meetings for private investors	Private investors	1

The above events include IR meetings held by the CEO and CFO.

Nitto Denko Himawari Corporation 20th Anniversary

Last year, Nitto Denko Himawari Co., Ltd. celebrated the 20th anniversary of its foundation. This special subsidiary company was established with 25 employees in the year 2000 on the premises of the Toyohashi Plant as part of our commitment to the employment of individuals with disabilities.

It is said that the general one-year retention rate of employees with disabilities is around 60%, but it is over 90% at the Himawari Group. With six locations in Japan, the Himawari Group had over 290 employees on its payroll as of the end of February 2021, making the Nitto Group's percentage of employees with disabilities in Japan 3.5%, exceeding the mandatory ratio of 2.3% as of March 2021. We are determined to cherish the founding desire of the company, that is, "giving individuals with disabilities opportunities to enjoy a sense of accomplishment through manufacturing and feel the joy of labor," in support of their pursuit of independence.



Founding Anniversary Ceremony

Disclaimer

This report contains future projections as well as past and present facts related to Nitto Denko Corporation (non-consolidated) and the Nitto Group (consolidated). These statements are based on information at the time of creation and may not be completely accurate at the time of reading. Please be advised that actual business activity results may differ materially from those described in the projections. All chapters of this report are also available in Japanese. In the event of any discrepancies between the two versions, the Japanese version will prevail.

Business Performance and Financial Information

As we have applied International Financial Reporting Standards (IFRS) from fiscal 2014, business performance and financial information from fiscal 2014 described in this report are based on IFRS.

Trademarks

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Environmental Data

Some of the numbers from previous years have been updated as the scope of Group companies was extended or calculation methods were changed.

ESG Indexes

On May 8, 2020, Nitto was included in the Ethibel EXCELLENCE Investment Register, an investment universe selected by Forum Ethibel.



"Nitto Denko Corp. has been reconfirmed for inclusion in the Ethibel EXCELLENCE Investment Register since 08/05/2020. This selection by Forum Ethibel (www.forumethibel.org) indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR)."

In 2021, Nitto was selected as a constituent of the MSCI ESG Leaders Indexes, the MSCI Japan ESG Select Leaders Index and the MSCI Japan Empowering Women Index (WIN).



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