

Consolidated Financial Statements

Consolidated Statements of Financial Position

Yen in Millions

	Amount	
	As of March 31, 2020	As of March 31, 2019 (Reference)
(Assets)		
Current assets	576,056	581,536
Cash and cash equivalents	304,922	297,682
Trade and other receivables	154,473	169,768
Inventories	96,124	93,985
Other financial assets	2,642	412
Other current assets	17,893	19,687
Non-current assets	345,843	331,882
Property, plant and equipment	266,948	267,133
Right-of-use asset	16,266	-
Goodwill	4,852	6,834
Intangible assets	10,198	12,393
Investments accounted for using equity method	206	194
Financial assets	7,242	8,428
Deferred tax assets	25,694	26,548
Other non-current assets	14,434	10,349
Total assets	921,900	913,418

Consolidated Statements of Changes in Equity

April 1, 2019 - March 31, 2020

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	50,319	622,025	-11,081	12,395	700,443	744	701,187
Net income			47,156			47,156	68	47,224
Other comprehensive income					-11,866	-11,866	1	-11,864
Total comprehensive income	-	-	47,156	-	-11,866	35,290	69	35,359
Share-based payment transactions		-37			-8	-45		-45
Dividends			-29,806			-29,806	-23	-29,829
Changes in treasury stock		-12		-16,424		-16,437		-16,437
Transfers from other components of equity to retained earnings			4,146		-4,146	-		-
Increase/decrease due to additional acquisition of interests in subsidiaries		1				1	-32	-30
Total transactions with owners	-	-48	-25,660	-16,424	-4,154	-46,287	-55	-46,343
Balance at the end of current year	26,783	50,271	643,521	-27,505	-3,624	689,446	757	690,204

Consolidated Statements of Income

Yen in Millions

	Amount	
	April 1, 2019 - March 31, 2020	April 1, 2018 - March 31, 2019 (Reference)
Revenue	741,018	806,495
Cost of sales	519,090	564,608
Gross profit	221,927	241,886
Selling, general and administrative expenses	111,368	120,576
Research and development expenses	33,765	31,990
Other income	5,423	8,594
Other expenses	12,483	5,137
Operating income	69,733	92,777
Financial income	886	1,195
Financial expenses	1,620	1,917
Equity in profits (losses) of affiliates	13	-144
Income before income taxes	69,013	91,910
Income tax expenses	21,788	25,293
Net income	47,224	66,616
Net income attributable to:		
Owners of the parent company	47,156	66,560
Non-controlling interests	68	56

Consolidated Statements of Cash Flows (Reference)

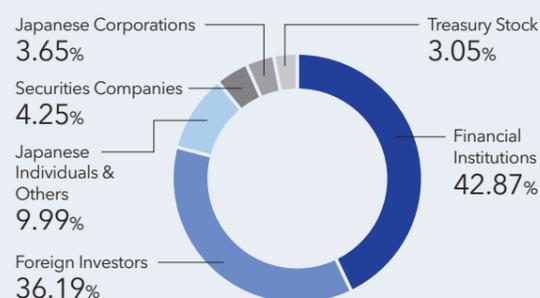
Yen in Millions

	Amount	
	April 1, 2019 - March 31, 2020	April 1, 2018 - March 31, 2019
I Cash flows from operating activities		
Income before income taxes	69,013	91,910
Depreciation and amortization	49,390	45,904
Impairment losses	7,327	41
Increase (decrease) in defined benefit liabilities	2,677	725
Decrease (increase) in trade and other receivables	12,805	23,148
Decrease (increase) in inventories	-5,132	362
Increase (decrease) in trade and other payables	-4,899	-14,227
Interest and dividend income	822	1,089
Interest expenses paid	-650	-357
Income taxes (paid) refunded	-13,332	-41,835
Others	5,619	-8,192
Net cash provided by (used in) operating activities	123,641	98,569
II Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-59,797	-59,628
Proceeds from sale of property, plant and equipment and intangible assets	1,444	331
Decrease (increase) in time deposits	-1,941	6,689
Purchase of investment securities	-1,236	-9
Proceeds from sale of investment securities	1,531	0
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	2,634
Others	7	26
Net cash provided by (used in) investing activities	-59,991	-49,955
III Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-336	-374
Repayment of long-term loans payable	-	-3,000
Repayment of lease liabilities	-4,735	-
Decrease (increase) in treasury stock	-16,701	-28,547
Cash dividends paid	-29,820	-26,928
Others	-44	430
Net cash provided by (used in) financing activities	-51,637	-58,419
IV Effect of exchange rate changes on cash and cash equivalents	-4,771	-1
V Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	-	2,780
VI Net increase (decrease) in cash and cash equivalents	7,240	-7,027
VII Cash and cash equivalents at the beginning of the period	297,682	304,709
VIII Cash and cash equivalents at the end of the period	304,922	297,682

Shareholder/Stock Information (current as of March 31, 2020)

Number of shares authorized to be issued	400,000,000 shares
Number of shares issued	158,758,428 shares <small>(Amount of treasury stock held 4,839,755 shares)</small>
Number of shareholders	36,871
Share unit	100 shares

Ownership and Distribution of Shares



Major shareholders (top 10)

Name	Number of shares held (Thousands of shares)	Ownership percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,737	18.67
Japan Trustee Services Bank, Ltd. (Trust Account)	14,279	9.28
Japan Trustee Services Bank, Ltd. (Trust Account 7)	3,377	2.19
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2,866	1.86
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,810	1.83
JPMorgan Chase Bank 385151	2,722	1.77
State Street Bank and Trust Company 505223	2,600	1.69
State Street Bank West Client - Treaty 505234	2,429	1.58
Nippon Life Insurance Company	2,082	1.35
SSBTC Client Omnibus Account	2,037	1.32

*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 shared by our shareholders and investors at shareholders' meetings, company information meetings, and IR activities on management.

	The 153rd meeting (held on June 22, 2018)	The 154th meeting (held on June 21, 2019)	The 155th meeting (held on June 19, 2020)
Number of attendees at the Ordinary General Meeting of Shareholders	481	467	40

The 155th Ordinary General Meeting of Shareholders was held with due cautions given to the novel coronavirus disease (COVID-19).



The 155th Ordinary General Meeting of Shareholders

Events	Target Audiences	Frequency
Company information meetings	Japanese/overseas institutional investors	Twice/year
Financial results information meetings	Japanese institutional investors / analysts	Four times/year
Overseas roadshows	Institutional investors in North America, Europe, and Asia	Six* times/year
Conferences, etc. sponsored by securities houses	Japanese/overseas institutional investors	Six* times/year
Information meetings for private investors	Private investors	Zero* times

The above events include IR meetings held by the CEO and CFO.
*Some IR events were cancelled due to the spread of COVID-19.

The Nitto ATP Finals charitable activities in support of UNICEF

Nitto engaged in various charitable activities at the 2019 Nitto ATP Finals, which took place from November 10 to 17, 2019. Nitto supported the United Nations Children's Fund (hereinafter "UNICEF"), through UNICEF UK under the concept of cheering on all children who strive for the future.

Nitto donated GBP£33,574 to UNICEF, which was divided across two vital UNICEF programs: "Water, Sanitation and Hygiene (WASH)" and "Health."

Throughout the tournament, Nitto had two different exhibition spaces which were photo booths with replicas of the tournament singles and doubles trophies. A total of 19,000 people visited and experienced these interactive activities, with Nitto receiving donations in these two exhibition spots. We were able to raise GBP£3,616 for UNICEF through this activity.



Received donations from booth visitors for UNICEF

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 2020, 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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