

Preliminary

Summary of Consolidated Financial Statements for the third quarter ended December 31, 2014 (IFRS basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: First Section of Tokyo Stock Exchange
 Code Number: 6988 URL <http://www.nitto.com/>
 Company Representative: Hideo Takasaki, President
 Contact Person: Jun Yamashita, General Manager, Corporate Planning Dept.
 Phone: +81-6-7632-2101

Filing date of quarterly financial statements: February 13, 2015
 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 of the third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)

(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	%
Third quarter ended December 31, 2014	623,614	10.5	82,365	46.7	81,693	49.4	56,922	48.6	56,891	49.2	91,517	40.9
Third quarter ended December 31, 2013	564,345	—	56,137	—	54,664	—	38,298	—	38,121	—	64,955	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter ended December 31, 2014	344.68	344.07
Third quarter ended December 31, 2013	231.13	230.62

(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	%
December 31, 2014	855,011	599,129	595,484	69.6
March 31, 2014	783,583	524,552	521,385	66.5

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2014	—	50.00	—	50.00	100.00
March, 2015	—	55.00	—	—	—
March, 2015 (Forecast)	—	—	—	55.00	110.00

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

3. Forecast for fiscal year ending March 31, 2015 (April 1, 2014 through March 31, 2015)

(% 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
Annual	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	yen
	825,000	10.1	100,000	37.9	99,000	40.1	72,000	38.0	72,000	436.15

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

4. Others

(1) Changes in significant subsidiaries during the third quarter ended December 31, 2014: 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)
December 31, 2014: 173,758,428 March 31, 2014: 173,758,428
2. Number of treasury stock at the end of the period
December 31, 2014: 8,614,812 March 31, 2014: 8,756,529
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
April-December 2014: 165,058,191 April-December 2013: 164,936,062

- Information regarding implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act. Thus, at the time of disclosure of these financial results, the quarterly financial statement review procedures based on the Financial Instruments and Exchange Law have not been completed.

- 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.

From the fiscal year ending March 31, 2015, the Company introduced the International Financial Reporting Standards (IFRS) to prepare its consolidated financial statements accordingly. The consolidated financial data for the year ended March 31, 2014 is also presented based on the IFRS.

(Reference) Segment Information (nine months)		(Yen in Millions)		
		Third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013) Revenue	Third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014) Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	146,366	152,198	104.0
	Automotive products	74,544	82,846	111.1
	Total	220,911	235,044	106.4
	Operating income	14,307	14,594	102.0
Optronics	Information fine materials	287,123	317,119	110.4
	Flexible printed circuits	41,151	55,031	133.7
	Processing materials	15,123	17,518	115.8
	Total	343,398	389,669	113.5
	Operating income	42,894	65,127	151.8
Medical & Membrane	Medical products	11,883	11,601	97.6
	Membrane products	15,089	17,753	117.7
	Total	26,973	29,355	108.8
	Operating income	1,363	804	59.0
Corporate/Elimination	Revenue	△26,937	△30,455	-
	Operating income	△2,427	1,838	-
Total	Revenue	564,345	623,614	110.5
	Operating income	56,137	82,365	146.7

* The Company has presented its consolidated financial data in accordance with the International Financial Reporting Standards (IFRS) effective from the first quarter ended June 30, 2014. Figures for the third quarter ended December 31, 2013 prepared in accordance with the Japanese accounting standards and disclosed in the previous fiscal year have been converted into IFRS-based figures here. With the changes in the management structure that have been made during the fiscal year under review, partial changes have been made to reporting segments. Such changes have also been reflected in the figures for the third quarter ended December 31, 2013.

(Reference) Segment Information (three months)		(Yen in Millions)		
		Third quarter ended December 31, 2013 (October 1, 2013 through December 31, 2013) Revenue	Third quarter ended December 31, 2014 (October 1, 2014 through December 31, 2014) Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	51,571	55,437	107.5
	Automotive products	26,072	29,336	112.5
	Total	77,643	84,774	109.2
	Operating income	6,111	5,975	97.8
Optronics	Information fine materials	103,177	119,864	116.2
	Flexible printed circuits	13,693	20,605	150.5
	Processing materials	5,059	5,790	114.4
	Total	121,930	146,259	120.0
	Operating income	13,957	31,083	222.7
Medical & Membrane	Medical products	4,194	3,874	92.4
	Membrane products	4,928	6,731	136.6
	Total	9,122	10,606	116.3
	Operating income	890	548	61.6
Corporate/Elimination	Revenue	△9,471	△11,542	-
	Operating income	749	1,667	222.6
Total	Revenue	199,226	230,097	115.5
	Operating income	21,709	39,276	180.9

* The Company has presented its consolidated financial data in accordance with the International Financial Reporting Standards (IFRS) effective from the first quarter ended June 30, 2014. Figures for the third quarter ended December 31, 2013 prepared in accordance with the Japanese accounting standards and disclosed in the previous fiscal year have been converted into IFRS-based figures here. With the changes in the management structure that have been made during the fiscal year under review, partial changes have been made to reporting segments. Such changes have also been reflected in the figures for the third quarter ended December 31, 2013.

(Reference) Segment Information (annual forecast)		(Yen in Millions)	
		Forecasts of fiscal year ending March 31, 2015 (As of January 30, 2015)	
		Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	200,000	103.8
	Automotive products	112,900	111.5
	Total	312,900	106.5
	Operating income	18,800	105.3
Optronics	Information fine materials	412,800	109.2
	Flexible printed circuits	74,700	134.5
	Processing materials	23,300	116.0
	Total	510,800	112.6
	Operating income	79,800	145.8
Medical & Membrane	Medical products	16,700	96.1
	Membrane products	24,500	120.3
	Total	41,200	109.2
	Operating income	1,600	61.1
Corporate/Elimination	Revenue	△39,900	-
	Operating income	△200	-
Total	Revenue	825,000	110.1
	Operating income	100,000	137.9

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	April 1, 2013 (Date of transition to IFRS)	March 31, 2014	December 31, 2014
(Assets)			
Current assets			
Cash and cash equivalents	152,275	203,446	195,200
Trade and other receivables	163,595	171,310	214,914
Inventories	83,575	86,264	96,651
Other financial assets	65,257	5,818	5,738
Other current assets	7,600	7,829	11,686
Total current assets	472,304	474,669	524,191
Non-current assets			
Property, plant and equipment	213,391	247,835	263,352
Goodwill	3,052	4,560	3,191
Intangible assets	10,966	14,984	13,513
Investments accounted for using equity method	1,724	441	512
Financial assets	9,313	10,978	12,262
Deferred tax assets	31,375	29,324	29,541
Other non-current assets	525	790	8,445
Total non-current assets	270,350	308,914	330,819
Total assets	742,654	783,583	855,011

(Yen in Millions)

	April 1, 2013 (Date of transition to IFRS)	March 31, 2014	December 31, 2014
Liabilities and equity			
(Liabilities)			
Current liabilities			
Trade and other payables	105,830	104,919	124,625
Bonds and borrowings	11,137	56,694	10,114
Income tax payables	13,915	7,513	19,222
Other financial liabilities	19,111	14,648	21,202
Other current liabilities	28,495	31,818	38,700
Total current liabilities	178,490	215,594	213,864
Non-current liabilities			
Bonds and borrowings	50,987	3,510	3,000
Other financial liabilities	192	307	1,368
Defined benefit liabilities	41,493	33,723	33,542
Deferred tax liabilities	1,258	2,082	627
Other non-current liabilities	2,821	3,813	3,479
Total non-current liabilities	96,753	43,436	42,018
Total liabilities	275,243	259,030	255,882
(Equity)			
Equity attributable to owners of the parent company			
Share capital	26,783	26,783	26,783
Capital surplus	56,944	56,958	56,712
Retained earnings	413,674	450,741	489,311
Treasury stock	△32,405	△31,746	△31,233
Other components of equity	263	18,647	53,909
Total equity attributable to owners of the parent company	465,259	521,385	595,484
Non-controlling interests	2,151	3,167	3,644
Total equity	467,411	524,552	599,129
Total liabilities and equity	742,654	783,583	855,011

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)
 (For the third quarter ended December 31, 2014)

(Yen in Millions)

	Third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013)	Third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)
Revenue	564,345	623,614
Cost of sales	405,042	435,909
Gross profit	159,303	187,704
Selling, general and administrative expenses	80,252	88,933
Research and development expenses	21,277	21,004
Other income	3,776	12,102
Other expenses	5,411	7,503
Operating income	56,137	82,365
Financial income	380	551
Financial expenses	1,787	790
Equity in losses of affiliates	66	432
Income before income taxes	54,664	81,693
Income tax expenses	16,365	24,771
Net income	38,298	56,922
Net income attributable to:		
Owners of the parent company	38,121	56,891
Non-controlling interests	177	31
Total	38,298	56,922
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	231.13	344.68
Diluted earnings per share (yen)	230.62	344.07

(Quarterly consolidated statements of comprehensive income)
(For the third quarter ended December 31, 2014)

(Yen in Millions)

	Third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013)	Third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)
Net income	38,298	56,922
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	1,155	713
Items that will be reclassified to profit or loss		
Reevaluation of defined benefit liability	-	△992
Exchange differences on translating foreign operations	24,164	35,179
Net gain (loss) in fair value of cash flow hedges	1,305	△323
Share of other comprehensive income of associates accounted for using equity method	30	18
Total other comprehensive income	26,656	34,594
Total comprehensive income	64,955	91,517
Total comprehensive income attributable to:		
Owners of the parent company	64,429	91,160
Non-controlling interests	525	356
Total	64,955	91,517

(3) Quarterly consolidated statements of changes in equity

For the third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013)

(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, 2013	26,783	56,944	413,674	△32,405	263	465,259	2,151	467,411
Net income	-	-	38,121	-	-	38,121	177	38,298
Other comprehensive income	-	-	-	-	26,308	26,308	348	26,656
Total comprehensive income	-	-	38,121	-	26,308	64,429	525	64,955
Share-based payment transactions	-	△25	-	-	-	△25	-	△25
Dividends	-	-	△16,488	-	-	△16,488	△43	△16,531
Changes in treasury stock	-	10	-	604	-	614	-	614
Other increase or decrease	-	-	-	-	-	-	353	353
Total transactions with owners	-	△15	△16,488	604	-	△15,899	310	△15,589
Balance as of December 31, 2013	26,783	56,928	435,307	△31,801	26,571	513,790	2,987	516,777

For the third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)

(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, 2014	26,783	56,958	450,741	△31,746	18,647	521,385	3,167	524,552
Net income	-	-	56,891	-	-	56,891	31	56,922
Other comprehensive income	-	-	-	-	34,269	34,269	325	34,594
Total comprehensive income	-	-	56,891	-	34,269	91,160	356	91,517
Share-based payment transactions	-	△21	-	-	-	△21	-	△21
Dividends	-	-	△17,328	-	-	△17,328	△66	△17,395
Changes in treasury stock	-	△9	-	512	-	503	-	503
Transfers from other components of equity to retained earnings	-	-	△992	-	992	-	-	-
Other increase or decrease	-	△214	-	-	-	△214	187	△27
Total transactions with owners	-	△245	△18,321	512	992	△17,061	120	△16,940
Balance as of December 31, 2014	26,783	56,712	489,311	△31,233	53,909	595,484	3,644	599,129

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	Third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013)	Third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)
Cash flows from operating activities		
Income before income taxes	54,664	81,693
Depreciation and amortization	31,760	34,078
Increase (decrease) in defined benefit liabilities	△303	△6,300
Decrease (increase) in trade and other receivables	△4,039	△25,792
Decrease (increase) in inventories	△3,429	△3,838
Increase (decrease) in trade and other payables	7,209	17,353
Interest and dividend income	369	470
Interest expenses paid	△786	△684
Income taxes (paid) refunded	△23,930	△14,644
Others	△10,785	△3,339
Net cash provided by operating activities	50,728	78,996
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△59,478	△38,118
Proceeds from sale of property, plant and equipment and intangible assets	590	528
Decrease (increase) in time deposits	10,736	545
Others	△2,339	△187
Net cash provided by (used in) investing activities	△50,491	△37,232
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,588	1,533
Redemption of bonds	-	△50,000
Decrease (increase) in treasury stock	462	392
Cash dividends paid	△16,488	△17,328
Others	△43	△69
Net cash provided by (used in) financing activities	△12,480	△65,472
Effect of exchange rate changes on cash and cash equivalents	9,772	15,462
Net increase (decrease) in cash and cash equivalents	△2,469	△8,246
Cash and cash equivalents at the beginning of the period	152,275	203,446
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	608	-
Cash and cash equivalents at the end of the period	150,413	195,200

(Segment information)

Information regarding revenue, income, or loss by segments

Third quarter ended December 31, 2013 (April 1, 2013 through December 31, 2013)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	204,341	333,240	25,654	563,236	1,109	564,345
Inter-segment revenue	16,569	10,157	1,319	28,046	△28,046	—
Total segment revenue	220,911	343,398	26,973	591,283	△26,937	564,345
Total operating profit (loss)	14,307	42,894	1,363	58,565	△2,427	56,137
Financial income						380
Financial expenses						△1,787
Equity in losses of affiliates						△66
Income before income taxes						54,664

(Note) With the changes in the management structure that have been made during the fiscal year under review, partial changes have been made to reporting segments.

Such changes have also been reflected in the figures for the year ended March 31, 2014.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional base products (bonding and joining products, protective materials, etc.), automotive products
Optronics	Information fine materials, semiconductor-related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

Third quarter ended December 31, 2014 (April 1, 2014 through December 31, 2014)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	218,123	376,847	27,547	622,518	1,095	623,614
Inter-segment revenue	16,921	12,822	1,807	31,551	△31,551	—
Total segment revenue	235,044	389,669	29,355	654,069	△30,455	623,614
Total operating profit (loss)	14,594	65,127	804	80,527	1,838	82,365
Financial income						551
Financial expenses						△790
Equity in losses of affiliates						△432
Income before income taxes						81,693

Major products for each segment

Business segment	Major products
Industrial Tape	Functional base products (bonding and joining products, protective materials, etc.), automotive products
Optronics	Information fine materials, semiconductor-related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products