

# Preliminary

## Summary of Consolidated Financial Statements for the first quarter ended June 30, 2015 (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  
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Filing date of quarterly financial statements: August 7, 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 first quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)

#### (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	%
First quarter ended June 30, 2015	203,209	9.3	26,576	37.6	26,747	39.3	18,680	54.3	18,591	54.1	24,041	104.9
First quarter ended June 30, 2014	185,910	3.7	19,313	11.0	19,207	11.3	12,106	6.3	12,064	6.8	11,733	-42.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2015	112.57	112.42
First quarter ended June 30, 2014	73.11	72.98

#### (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	%
June 30, 2015	851,609	628,874	625,261	73.4
March 31, 2015	855,433	615,776	612,016	71.5

### 2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2015	—	55.00	—	65.00	120.00
March, 2016	—				
March, 2016 (Forecast)		65.00	—	65.00	130.00

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

3. Forecast for fiscal year ending March 31, 2016 (April 1, 2015 through March 31, 2016)

(% 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	yen
First half	420,000	6.7	52,000	20.7	52,000	22.1	36,400	19.6	36,400	220.41
Annual	870,000	5.4	120,000	12.4	120,000	13.3	88,700	13.7	88,700	537.11

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

4. Others

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2015: 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)  
June 30, 2015: 173,758,428      March 31, 2015: 173,758,428
2. Number of treasury stock at the end of the period  
June 30, 2015: 8,573,753      March 31, 2015: 8,614,484
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)  
April-June 2015: 165,157,763      April-June 2014: 165,017,291

- 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.

## (Reference) Segment Information

(Yen in Millions)

		First quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	46,347	50,064	108.0
	Automotive products	26,859	30,269	112.7
	Total	73,206	80,333	109.7
	Operating income	4,808	7,199	149.7
Optronics	Information fine materials	90,547	99,413	109.8
	Flexible printed circuits	16,609	14,183	85.4
	Processing materials	5,801	5,694	98.2
	Total	112,958	119,292	105.6
	Operating income	16,572	17,780	107.3
Medical & Membrane	Medical products	3,386	5,725	169.0
	Membrane products	5,492	7,305	133.0
	Total	8,879	13,030	146.8
	Operating income	313	2,275	725.8
Corporate/Elimination	Revenue	-9,134	-9,446	-
	Operating income	-2,381	-679	-
Total	Revenue	185,910	203,209	109.3
	Operating income	19,313	26,576	137.6

(Note) From fiscal year 2015, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.

Such changes have also been reflected in the figures for the first quarter ended June 30, 2014.

### 3. Quarterly Consolidated Financial Statements

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

(Yen in Millions)

	March 31, 2015	June 30, 2015
<hr/>		
(Assets)		
Current assets		
Cash and cash equivalents	214,559	217,525
Trade and other receivables	191,074	176,060
Inventories	93,448	95,714
Other financial assets	7,726	9,561
Other current assets	12,437	14,628
Total current assets	<u>519,246</u>	<u>513,490</u>
Non-current assets		
Property, plant and equipment	268,601	269,238
Goodwill	2,966	2,950
Intangible assets	12,837	12,514
Investments accounted for using equity method	284	269
Financial assets	12,737	13,982
Deferred tax assets	30,231	30,596
Other non-current assets	8,527	8,567
Total non-current assets	<u>336,186</u>	<u>338,119</u>
Total assets	<u><u>855,433</u></u>	<u><u>851,609</u></u>

(Yen in Millions)

	March 31, 2015	June 30, 2015
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	108,110	107,827
Bonds and borrowings	6,185	5,834
Income tax payables	20,337	11,352
Other financial liabilities	20,445	17,352
Other current liabilities	42,340	38,234
Total current liabilities	197,420	180,601
Non-current liabilities		
Bonds and borrowings	3,000	3,000
Other financial liabilities	1,364	1,358
Defined benefit liabilities	34,042	34,145
Deferred tax liabilities	566	549
Other non-current liabilities	3,262	3,079
Total non-current liabilities	42,236	42,133
Total liabilities	239,656	222,735
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,761	56,664
Retained earnings	508,564	516,421
Treasury stock	-31,232	-31,085
Other components of equity	51,139	56,477
Total equity attributable to owners of the parent company	612,016	625,261
Non-controlling interests	3,760	3,612
Total equity	615,776	628,874
Total liabilities and equity	855,433	851,609

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
(Quarterly consolidated statements of income)

(Yen in Millions)

	First quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)
Revenue	185,910	203,209
Cost of sales	131,893	141,634
Gross profit	54,017	61,575
Selling, general and administrative expenses	27,656	28,760
Research and development expenses	7,060	7,808
Other income	1,667	2,162
Other expenses	1,653	593
Operating income	19,313	26,576
Financial income	273	413
Financial expenses	366	224
Equity in losses of affiliates	13	17
Income before income taxes	19,207	26,747
Income tax expenses	7,101	8,066
Net income	12,106	18,680
Net income attributable to:		
Owners of the parent company	12,064	18,591
Non-controlling interests	42	89
Total	12,106	18,680

Earnings per share attributable to owners of the parent company

Basic earnings per share (yen)	73.11	112.57
Diluted earnings per share (yen)	72.98	112.42

## (Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)
Net income	12,106	18,680
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	249	800
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-723	4,199
Net gain (loss) in fair value of cash flow hedges	103	359
Share of other comprehensive income of associates accounted for using equity method	-1	2
Total other comprehensive income	-372	5,361
Total comprehensive income	11,733	24,041
Total comprehensive income attributable to:		
Owners of the parent company	11,617	23,929
Non-controlling interests	116	112
Total	11,733	24,041

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

For the first quarter ended June 30, 2014 (April 1, 2014 through June 30, 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	-	-	12,064	-	-	12,064	42	12,106
Other comprehensive income	-	-	-	-	-446	-446	73	-372
Total comprehensive income	-	-	12,064	-	-446	11,617	116	11,733
Share-based payment transactions	-	-71	-	-	-	-71	-	-71
Dividends	-	-	-8,250	-	-	-8,250	-64	-8,314
Changes in treasury stock	-	8	-	162	-	170	-	170
Other increase or decrease	-	-	-	-	-	-	-3	-3
Total transactions with owners	-	-63	-8,250	162	-	-8,151	-68	-8,219
Balance as of June 30, 2014	26,783	56,895	454,555	-31,584	18,200	524,851	3,215	528,066

For the first quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)

(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, 2015	26,783	56,761	508,564	-31,232	51,139	612,016	3,760	615,776
Net income	-	-	18,591	-	-	18,591	89	18,680
Other comprehensive income	-	-	-	-	5,338	5,338	22	5,361
Total comprehensive income	-	-	18,591	-	5,338	23,929	112	24,041
Share-based payment transactions	-	-111	-	-	-	-111	-	-111
Dividends	-	-	-10,734	-	-	-10,734	-259	-10,993
Changes in treasury stock	-	14	-	146	-	161	-	161
Total transactions with owners	-	-97	-10,734	146	-	-10,684	-259	-10,944
Balance as of June 30, 2015	26,783	56,664	516,421	-31,085	56,477	625,261	3,612	628,874

## (4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)
Cash flows from operating activities		
Income before income taxes	19,207	26,747
Depreciation and amortization	11,196	12,091
Increase (decrease) in defined benefit liabilities	-709	12
Decrease (increase) in trade and other receivables	7,111	16,707
Decrease (increase) in inventories	-6,213	-1,379
Increase (decrease) in trade and other payables	3,944	539
Interest and dividend income	196	377
Interest expenses paid	-474	-199
Income taxes (paid) refunded	-5,108	-18,303
Others	-938	-7,048
Net cash provided by operating activities	28,212	29,544
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-11,153	-15,634
Proceeds from sale of property, plant and equipment and intangible assets	11	56
Decrease (increase) in time deposits	602	-1,541
Others	-33	11
Net cash provided by (used in) investing activities	-10,572	-17,108
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-399	-455
Redemption of bonds	-50,000	-
Decrease (increase) in treasury stock	48	-1
Cash dividends paid	-8,250	-10,734
Others	-129	-262
Net cash provided by (used in) financing activities	-58,731	-11,453
Effect of exchange rate changes on cash and cash equivalents	-396	1,984
Net increase (decrease) in cash and cash equivalents	-41,488	2,965
Cash and cash equivalents at the beginning of the period	203,446	214,559
Cash and cash equivalents at the end of the period	161,958	217,525

(Segment information)

Information regarding revenue, income, or loss by segments

First quarter ended June 30, 2014 (April 1, 2014 through June 30, 2014)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	67,717	109,472	8,364	185,554	355	185,910
Inter-segment revenue	5,489	3,486	515	9,490	-9,490	-
Total segment revenue	73,206	112,958	8,879	195,045	-9,134	185,910
Total operating income (loss)	4,808	16,572	313	21,694	-2,381	19,313
Financial income						273
Financial expenses						-366
Equity in losses of affiliates						-13
Income before income taxes						19,207

(Note) From fiscal year 2015, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.

Such changes have also been reflected in the figures for the first quarter ended June 30, 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

First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	75,475	115,045	12,356	202,877	332	203,209
Inter-segment revenue	4,858	4,247	673	9,778	-9,778	—
Total segment revenue	80,333	119,292	13,030	212,656	-9,446	203,209
Total operating income (loss)	7,199	17,780	2,275	27,255	-679	26,576
Financial income						413
Financial expenses						-224
Equity in losses of affiliates						-17
Income before income taxes						26,747

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