Date: October 31, 2014

Preliminary

Summary of Consolidated Financial Statements for the second quarter ended September 30, 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: November 14, 2014
Estimated starting date of dividend paying: November 28, 2014
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 half ended September 30, 2014 (April 1, 2014 through September 30, 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	%
First half ended September 30, 2014	393,516	7.8	43,089	25.2	42,576	26.3	30,438	30.2	30,557	31.2	43,489	32.2
First half ended September 30, 2013	365,119	–	34,428	–	33,718	–	23,380	–	23,286	–	32,887	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half ended September 30, 2014	185.16	184.84
First half ended September 30, 2013	141.20	140.88

(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	%
September 30, 2014	796,289	559,917	556,773	69.9
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: Yes

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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Annual	805,000	7.4	88,000	21.4	87,000	23.2	64,000	22.6	64,000	23.3	387.76

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

4. Others

(1) Changes in significant subsidiaries during the first half ended September 30, 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)
   September 30, 2014: 173,758,428 March 31, 2014: 173,758,428
2. Number of treasury stock at the end of the period
   September 30, 2014: 8,696,249 March 31, 2014: 8,756,529
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
   April-September 2014: 165,036,690 April-September 2013: 164,919,456

- 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 (six months) (Yen in Millions)

		First half ended September 30, 2013 (April 1, 2013 through September 30, 2013)	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	94,794	96,760	102.1
	Automotive products	48,472	53,509	110.4
	Total	143,267	150,270	104.9
	Operating income	8,195	8,618	105.2
Optronics	Information fine materials	183,945	197,255	107.2
	Flexible printed circuits	27,458	34,426	125.4
	Processing materials	10,063	11,727	116.5
	Total	221,467	243,409	109.9
	Operating income	28,936	34,044	117.7
Medical & Membrane	Medical products	7,688	7,727	100.5
	Membrane products	10,161	11,022	108.5
	Total	17,850	18,749	105.0
	Operating income	472	256	54.2
Corporate/Elimination	Revenue	△17,465	△18,912	-
	Operating income	△3,176	170	-
Total	Revenue	365,119	393,516	107.8
	Operating income	34,428	43,089	125.2

* 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 first half ended September 30, 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 first half ended September 30, 2013.

(Reference) Segment Information (three months) (Yen in Millions)

		Second quarter ended September 30, 2013 (July 1, 2013 through September 30, 2013)	Second quarter ended September 30, 2014 (July 1, 2014 through September 30, 2014)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	49,158	50,413	102.6
	Automotive products	24,276	26,650	109.8
	Total	73,434	77,063	104.9
	Operating income	4,582	4,016	87.7
Optronics	Information fine materials	93,282	106,708	114.4
	Flexible printed circuits	13,812	17,816	129
	Processing materials	4,983	5,925	118.9
	Total	112,079	130,450	116.4
	Operating income	11,613	18,250	157.2
Medical & Membrane	Medical products	4,210	4,340	103.1
	Membrane products	5,104	5,529	108.3
	Total	9,314	9,869	106
	Operating income	400	△3	-
Corporate/Elimination	Revenue	△8,964	△9,778	-
	Operating income	429	1,511	352.2
Total	Revenue	185,864	207,606	111.7
	Operating income	17,025	23,775	139.6

(Reference) Segment Information (annual forecast) (Yen in Millions)

		Forecasts of fiscal year ending March 31, 2015 (As of October 31, 2014)	
		Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	195,900	101.7
	Automotive products	110,900	109.5
	Total	306,800	104.4
	Operating income	19,600	109.7
Optronics	Information fine materials	403,200	106.6
	Flexible printed circuits	69,015	124.3
	Processing materials	22,984	114.4
	Total	495,200	109.1
	Operating income	69,000	126.1
Medical & Membrane	Medical products	17,000	97.8
	Membrane products	22,900	112.4
	Total	39,900	105.7
	Operating income	1,400	53.4
Corporate/Elimination	Revenue	△36,900	-
	Operating income	△2,000	-
Total	Revenue	805,000	107.4
	Operating income	88,000	121.4

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	September 30, 2014
(Assets)			
Current assets			
Cash and cash equivalents	152,275	203,446	170,811
Trade and other receivables	163,595	171,310	193,733
Inventories	83,575	86,264	93,234
Other financial assets	65,257	5,818	5,088
Other current assets	7,600	7,829	12,483
Total current assets	472,304	474,669	475,351
Non-current assets			
Property, plant and equipment	213,391	247,835	254,846
Goodwill	3,052	4,560	2,952
Intangible assets	10,966	14,984	12,826
Investments accounted for using equity method	1,724	441	440
Financial assets	9,313	10,978	11,678
Deferred tax assets	31,375	29,324	30,001
Other non-current assets	525	790	8,191
Total non-current assets	270,350	308,914	320,937
Total assets	742,654	783,583	796,289

(Yen in Millions)

	April 1, 2013 (Date of transition to IFRS)	March 31, 2014	September 30, 2014
Liabilities and equity			
(Liabilities)			
Current liabilities			
Trade and other payables	105,830	104,919	119,435
Bonds and borrowings	11,137	56,694	6,002
Income tax payables	13,915	7,513	13,661
Other financial liabilities	19,111	14,648	19,802
Other current liabilities	28,495	31,818	34,066
Total current liabilities	178,490	215,594	192,969
Non-current liabilities			
Bonds and borrowings	50,987	3,510	3,547
Other financial liabilities	192	307	1,401
Defined benefit liabilities	41,493	33,723	34,319
Deferred tax liabilities	1,258	2,082	605
Other non-current liabilities	2,821	3,813	3,527
Total non-current liabilities	96,753	43,436	43,401
Total liabilities	275,243	259,030	236,371
(Equity)			
Equity attributable to owners of the parent company			
Share capital	26,783	26,783	26,783
Capital surplus	56,944	56,958	56,922
Retained earnings	413,674	450,741	472,056
Treasury stock	△32,405	△31,746	△31,528
Other components of equity	263	18,647	32,539
Total equity attributable to owners of the parent company	465,259	521,385	556,773
Non-controlling interests	2,151	3,167	3,144
Total equity	467,411	524,552	559,917
Total liabilities and equity	742,654	783,583	796,289

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

(Quarterly consolidated statements of income)

(For the first half ended September 30, 2014)

(Yen in Millions)

	First half ended September 30, 2013 (April 1, 2013 through September 30, 2013)	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)
Revenue	365,119	393,516
Cost of sales	260,816	283,020
Gross profit	104,303	110,496
Selling, general and administrative expenses	52,407	54,900
Research and development expenses	14,449	13,844
Other income	2,534	8,020
Other expenses	5,552	6,682
Operating income	34,428	43,089
Financial income	251	501
Financial expenses	935	580
Equity in losses of affiliates	26	433
Income before income taxes	33,718	42,576
Income tax expenses	10,337	12,138
Net income	23,380	30,438
Net income attributable to:		
Owners of the parent company	23,286	30,557
Non-controlling interests	93	△119
Total	23,380	30,438
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	141.20	185.16
Diluted earnings per share (yen)	140.88	184.84

(Quarterly consolidated statements of comprehensive income)

(For the first half ended September 30, 2014)

(Yen in Millions)

	First half ended September 30, 2013 (April 1, 2013 through September 30, 2013)	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)
Net income	23,380	30,438
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	596	435
Items that will be reclassified to profit or loss		
Reevaluation of defined benefit liability	-	△992
Exchange differences on translating foreign operations	7,209	14,121
Net gain (loss) in fair value of cash flow hedges	1,688	△519
Share of other comprehensive income of associates accounted for using equity method	13	7
Total other comprehensive income	9,507	13,051
Total comprehensive income	32,887	43,489
Total comprehensive income attributable to:		
Owners of the parent company	32,675	43,456
Non-controlling interests	211	32
Total	32,887	43,489

(3) Quarterly consolidated statements of changes in equity

For the first half ended September 30, 2013 (April 1, 2013 through September 30, 2013)

(Yen in Millions)

	Equity attributable to owners of the parent company							
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2013	26,783	56,944	413,674	△32,405	263	465,259	2,151	467,411
Net income	-	-	23,286	-	-	23,286	93	23,380
Other comprehensive income	-	-	-	-	9,388	9,388	118	9,507
Total comprehensive income	-	-	23,286	-	9,388	32,675	211	32,887
Share-based payment transactions	-	△60	-	-	-	△60	-	△60
Dividends	-	-	△8,240	-	-	△8,240	△42	△8,283
Changes in treasury stock	-	9	-	485	-	494	-	494
Other increase or decrease	-	-	-	-	-	-	323	323
Total transactions with owners	-	△50	△8,240	485	-	△7,806	280	△7,525
Balance as of September 30, 2013	26,783	56,893	428,720	△31,920	9,652	490,129	2,643	492,772

For the first half ended September 30, 2014 (April 1, 2014 through September 30, 2014)

(Yen in Millions)

	Equity attributable to owners of the parent company							
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total	Non-controlling interests	Total equity
Balance as of April 1, 2014	26,783	56,958	450,741	△31,746	18,647	521,385	3,167	524,552
Net income	-	-	30,557	-	-	30,557	△119	30,438
Other comprehensive income	-	-	-	-	12,898	12,898	152	13,051
Total comprehensive income	-	-	30,557	-	12,898	43,456	32	43,489
Share-based payment transactions	-	△43	-	-	-	△43	-	△43
Dividends	-	-	△8,250	-	-	△8,250	△65	△8,315
Changes in treasury stock	-	7	-	218	-	225	-	225
Transfers from other components of equity to retained earnings	-	-	△992	-	992	-	-	-
Other increase or decrease	-	-	-	-	-	-	9	9
Total transactions with owners	-	△36	△9,243	218	992	△8,068	△55	△8,124
Balance as of September 30, 2014	26,783	56,922	472,056	△31,528	32,539	556,773	3,144	559,917

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First half ended September 30, 2013 (April 1, 2013 through September 30, 2013)	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)
Cash flows from operating activities		
Income before income taxes	33,718	42,576
Depreciation and amortization	20,684	22,480
Increase (decrease) in defined benefit liabilities	△441	△5,248
Decrease (increase) in trade and other receivables	4,112	△14,828
Decrease (increase) in inventories	△10,316	△4,434
Increase (decrease) in trade and other payables	9,764	12,954
Interest and dividend income	215	259
Interest expenses paid	△411	△527
Income taxes (paid) refunded	△14,983	△7,703
Others	△8,472	△1,991
Net cash provided by operating activities	33,869	43,535
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△33,502	△23,641
Proceeds from sale of property, plant and equipment and intangible assets	421	367
Decrease (increase) in time deposits	579	741
Others	△2,342	△118
Net cash provided by (used in) investing activities	△34,843	△22,650
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△71	△1,083
Redemption of bonds	-	△50,000
Decrease (increase) in treasury stock	358	97
Cash dividends paid	△8,240	△8,250
Others	△42	△63
Net cash provided by (used in) financing activities	△7,996	△59,299
Effect of exchange rate changes on cash and cash equivalents	3,050	5,780
Net increase (decrease) in cash and cash equivalents	△5,920	△32,634
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	146,963	170,811

(Segment information)

Information regarding revenue, income, or loss by segments

First half ended September 30, 2013 (April 1, 2013 through September 30, 2013) (Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	132,515	214,944	16,941	364,402	717	365,119
Inter-segment revenue	10,751	6,523	908	18,183	△18,183	—
Total segment revenue	143,267	221,467	17,850	382,585	△17,465	365,119
Total operating profit (loss)	8,195	28,936	472	37,605	△3,176	34,428
Financial income						251
Financial expenses						△935
Equity in losses of affiliates						△26
Income before income taxes						33,718

(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

First half ended September 30, 2014 (April 1, 2014 through September 30, 2014) (Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	139,446	235,601	17,734	392,782	734	393,516
Inter-segment revenue	10,823	7,808	1,014	19,647	△19,647	—
Total segment revenue	150,270	243,409	18,749	412,429	△18,912	393,516
Total operating profit (loss)	8,618	34,044	256	42,919	170	43,089
Financial income						501
Financial expenses						△580
Equity in losses of affiliates						△433
Income before income taxes						42,576

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