Date: October 30, 2015

Preliminary

Summary of Consolidated Financial Statements for the second quarter ended September 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
Contact Person: Jun Yamashita, Vice President, Corporate Strategy Management Div.
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Filing date of quarterly financial statements: November 6, 2015
Estimated starting date of dividend paying: November 27, 2015
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, 2015 (April 1, 2015 through September 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 half ended September 30, 2015	415,736	5.6	60,160	39.6	59,701	40.2	46,435	52.6	46,229	51.3	34,587	-20.5
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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half ended September 30, 2015	279.89	279.50
First half ended September 30, 2014	185.16	184.84

(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, 2015	866,665	639,459	635,978	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	–	70.00			
March, 2016 (Forecast)			–	70.00	140.00

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

For detail, see “Notice Regarding Dividends From Surplus and Revision of Dividend Forecast”, released today (October 30, 2015).

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
Annual	870,000	5.4	120,000	12.4	120,000	13.3	88,700	13.7	88,700	13.9	537.11

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

- Others

(1) Changes in significant subsidiaries during the second quarter ended September 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)
   September 30, 2015: 173,758,428 March 31, 2015: 173,758,428
2. Number of treasury stock at the end of the period
   September 30, 2015: 8,571,111 March 31, 2015: 8,614,484
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
   April-September 2015: 165,172,065 April-September 2014: 165,036,690

- 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 (six months) (Yen in Millions)

		First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)	First half ended September 30, 2015 (April 1, 2015 through September 30, 2015)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	96,760	103,984	107.5
	Automotive products	53,509	60,927	113.9
	Total	150,270	164,911	109.7
	Operating income	9,031	15,345	169.9
Optronics	Information fine materials	197,255	206,913	104.9
	Flexible printed circuits	34,426	27,629	80.3
	Processing materials	11,727	11,883	101.3
	Total	243,409	246,426	101.2
	Operating income	35,602	42,104	118.3
Medical & Membrane	Medical products	7,727	10,030	129.8
	Membrane products	11,022	14,732	133.7
	Total	18,749	24,762	132.1
	Operating income	364	4,073	1,117.4
Corporate/Elimination	Revenue	-18,912	-20,364	-
	Operating income	-1,909	-1,362	-
Total	Revenue	393,516	415,736	105.6
	Operating income	43,089	60,160	139.6

(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 half ended September 30, 2014.

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

		Second quarter ended September 30, 2014 (July 1, 2014 through September 30, 2014)	Second quarter ended September 30, 2015 (July 1, 2015 through September 30, 2015)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	50,413	53,920	107.0
	Automotive products	26,650	30,658	115.0
	Total	77,063	84,578	109.8
	Operating income	4,223	8,146	192.9
Optronics	Information fine materials	106,708	107,499	100.7
	Flexible printed circuits	17,816	13,445	75.5
	Processing materials	5,925	6,189	104.4
	Total	130,450	127,134	97.5
	Operating income	19,029	24,323	127.8
Medical & Membrane	Medical products	4,340	4,305	99.2
	Membrane products	5,529	7,427	134.3
	Total	9,869	11,732	118.9
	Operating income	50	1,797	3,525.2
Corporate/Elimination	Revenue	-9,778	-10,917	-
	Operating income	472	-682	-
Total	Revenue	207,606	212,526	102.4
	Operating income	23,775	33,584	141.3

(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 second quarter ended September 30, 2014.

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2015	September 30, 2015
(Assets)		
Current assets		
Cash and cash equivalents	214,559	229,414
Trade and other receivables	191,074	182,108
Inventories	93,448	97,274
Other financial assets	7,726	10,841
Other current assets	12,437	13,390
Total current assets	519,246	533,029
Non-current assets		
Property, plant and equipment	268,601	267,849
Goodwill	2,966	2,710
Intangible assets	12,837	11,865
Investments accounted for using equity method	284	278
Financial assets	12,737	11,759
Deferred tax assets	30,231	30,777
Other non-current assets	8,527	8,394
Total non-current assets	336,186	333,636
Total assets	855,433	866,665

(Yen in Millions)

	March 31, 2015	September 30, 2015
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	108,110	110,560
Bonds and borrowings	6,185	5,601
Income tax payables	20,337	14,086
Other financial liabilities	20,445	18,107
Other current liabilities	42,340	37,688
Total current liabilities	197,420	186,043
Non-current liabilities		
Bonds and borrowings	3,000	3,000
Other financial liabilities	1,364	774
Defined benefit liabilities	34,042	34,018
Deferred tax liabilities	566	465
Other non-current liabilities	3,262	2,904
Total non-current liabilities	42,236	41,162
Total liabilities	239,656	227,206
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,761	56,692
Retained earnings	508,564	544,060
Treasury stock	-31,232	-31,079
Other components of equity	51,139	39,521
Total equity attributable to owners of the parent company	612,016	635,978
Non-controlling interests	3,760	3,481
Total equity	615,776	639,459
Total liabilities and equity	855,433	866,665

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

(Quarterly consolidated statements of income)

(Yen in Millions)

	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)	First half ended September 30, 2015 (April 1, 2015 through September 30, 2015)
Revenue	393,516	415,736
Cost of sales	283,020	284,029
Gross profit	110,496	131,707
Selling, general and administrative expenses	54,900	57,989
Research and development expenses	13,844	16,160
Other income	8,020	4,458
Other expenses	6,682	1,855
Operating income	43,089	60,160
Financial income	501	591
Financial expenses	580	1,047
Equity in profits (losses) of affiliates	-433	-3
Income before income taxes	42,576	59,701
Income tax expenses	12,138	13,266
Net income	30,438	46,435
Net income attributable to:		
Owners of the parent company	30,557	46,229
Non-controlling interests	-119	205
Total	30,438	46,435
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	185.16	279.89
Diluted earnings per share (yen)	184.84	279.50

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)	First half ended September 30, 2015 (April 1, 2015 through September 30, 2015)
Net income	30,438	46,435
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	435	-363
Revaluation of defined benefit liability	-992	-
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	14,121	-11,683
Net gain (loss) in fair value of cash flow hedges	-519	202
Share of other comprehensive income of associates accounted for using equity method	7	-2
Total other comprehensive income	13,051	-11,847
Total comprehensive income	43,489	34,587
Total comprehensive income attributable to:		
Owners of the parent company	43,456	34,611
Non-controlling interests	32	-23
Total	43,489	34,587

(3) Quarterly consolidated statements of changes in equity

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

For the first half ended September 30, 2015 (April 1, 2015 through September 30, 2015)

(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, 2015	26,783	56,761	508,564	-31,232	51,139	612,016	3,760	615,776
Net income	-	-	46,229	-	-	46,229	205	46,435
Other comprehensive income	-	-	-	-	-11,617	-11,617	-229	-11,847
Total comprehensive income	-	-	46,229	-	-11,617	34,611	-23	34,587
Share-based payment transactions	-	-72	-	-	-	-72	-	-72
Dividends	-	-	-10,734	-	-	-10,734	-255	-10,989
Changes in treasury stock	-	3	-	153	-	157	-	157
Total transactions with owners	-	-69	-10,734	153	-	-10,650	-255	-10,905
Balance as of September 30, 2015	26,783	56,692	544,060	-31,079	39,521	635,978	3,481	639,459

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First half ended September 30, 2014 (April 1, 2014 through September 30, 2014)	First half ended September 30, 2015 (April 1, 2015 through September 30, 2015)
Cash flows from operating activities		
Income before income taxes	42,576	59,701
Depreciation and amortization	22,480	24,249
Increase (decrease) in defined benefit liabilities	-5,248	270
Decrease (increase) in trade and other receivables	-14,828	4,131
Decrease (increase) in inventories	-4,434	-5,992
Increase (decrease) in trade and other payables	12,954	4,327
Interest and dividend income	259	495
Interest expenses paid	-527	-244
Income taxes (paid) refunded	-7,703	-20,491
Others	-1,991	-1,472
Net cash provided by operating activities	43,535	64,975
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-23,641	-31,475
Decrease (increase) in time deposits	741	-2,284
Others	249	58
Net cash provided by (used in) investing activities	-22,650	-33,701
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,083	-467
Redemption of bonds	-50,000	-
Decrease (increase) in treasury stock	97	-5
Cash dividends paid	-8,250	-10,734
Others	-63	-233
Net cash provided by (used in) financing activities	-59,299	-11,441
Effect of exchange rate changes on cash and cash equivalents	5,780	-4,976
Net increase (decrease) in cash and cash equivalents	-32,634	14,855
Cash and cash equivalents at the beginning of the period	203,446	214,559
Cash and cash equivalents at the end of the period	170,811	229,414

(5) Segment information

Information regarding revenue, income, or loss by segments

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

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Quarterly 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 income (loss)	9,031	35,602	364	44,998	-1,909	43,089
Financial income						501
Financial expenses						-580
Equity in profits (losses) of affiliates						-433
Income before income taxes						42,576

(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 half ended September 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 half ended September 30, 2015 (April 1, 2015 through September 30, 2015) (Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	155,232	236,788	23,013	415,035	701	415,736
Inter-segment revenue	9,678	9,638	1,748	21,066	-21,066	—
Total segment revenue	164,911	246,426	24,762	436,101	-20,364	415,736
Total operating income (loss)	15,345	42,104	4,073	61,522	-1,362	60,160
Financial income						591
Financial expenses						-1,047
Equity in profits (losses) of affiliates						-3
Income before income taxes						59,701

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