Date: July 29, 2016

Preliminary

Summary of Consolidated Financial Statements for the first quarter ended June 30, 2016 (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 Planning Div.
Phone: +81-6-7632-2101

Filing date of quarterly financial statements: August 5, 2016
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, 2016 (April 1, 2016 through June 30, 2016)

(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, 2016	168,411	-17.1	11,741	-55.8	11,245	-58.0	6,867	-63.2	6,801	-63.4	-21,351	-
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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2016	41.91	41.86
First quarter ended June 30, 2015	112.57	112.42

(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, 2016	791,904	585,082	581,956	73.5
March 31, 2016	825,905	617,891	614,425	74.4

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2016	-	70.00	-	70.00	140.00
March, 2017	-				
March, 2017 (Forecast)		70.00	-	70.00	140.00

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

3. Forecast for fiscal year ending March 31, 2017 (April 1, 2016 through March 31, 2017)

(% 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	370,000	-11.0	40,000	-33.5	40,000	-33.0	30,000	-35.4	30,000	-35.1	184.85
Annual	770,000	-2.9	90,000	-12.1	90,000	-11.8	70,000	-14.6	70,000	-14.3	431.32

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

4. Others

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2016: 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, 2016: 173,758,428 March 31, 2016: 173,758,428
2. Number of treasury stock at the end of the period
   June 30, 2016: 11,452,244 March 31, 2016: 11,465,543
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
   April-June 2016: 162,297,618 April-June 2015: 165,157,763

- 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, 2015 (April 1, 2015 through June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	47,353	41,845	88.4
	Transportation	31,438	30,381	96.6
	Total	78,791	72,227	91.7
	Operating income	6,329	5,272	83.3
Optronics	Information fine materials	99,413	73,920	74.4
	Flexible printed circuits	14,183	9,719	68.5
	Processing materials	5,742	5,688	99.1
	Total	119,339	89,328	74.9
	Operating income	18,620	4,692	25.2
Medical & Membrane	Medical products	5,725	6,847	119.6
	Membrane products	7,305	6,952	95.2
	Total	13,030	13,800	105.9
	Operating income	2,304	4,268	185.2
Corporate/Elimination	Revenue	-7,951	-6,945	-
	Operating income	-678	-2,492	-
Total	Revenue	203,209	168,411	82.9
	Operating income	26,576	11,741	44.2

(Note) From fiscal year 2016, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.
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 quarter ended June 30, 2015.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2016	June 30, 2016
(Assets)		
Current assets		
Cash and cash equivalents	240,891	229,508
Trade and other receivables	149,305	139,455
Inventories	88,499	86,517
Other financial assets	8,662	8,505
Other current assets	14,894	15,820
Total current assets	502,253	479,808
Non-current assets		
Property, plant and equipment	263,645	252,708
Goodwill	2,663	2,428
Intangible assets	10,634	10,170
Investments accounted for using equity method	319	316
Financial assets	7,869	7,236
Deferred tax assets	29,146	30,262
Other non-current assets	9,372	8,973
Total non-current assets	323,651	312,096
Total assets	825,905	791,904

(Yen in Millions)

	March 31, 2016	June 30, 2016
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	96,145	97,289
Bonds and borrowings	3,395	1,952
Income tax payables	3,753	4,326
Other financial liabilities	12,477	13,208
Other current liabilities	38,044	36,250
Total current liabilities	153,817	153,026
Non-current liabilities		
Bonds and borrowings	3,000	3,000
Other financial liabilities	722	690
Defined benefit liabilities	47,594	47,680
Deferred tax liabilities	349	264
Other non-current liabilities	2,530	2,160
Total non-current liabilities	54,196	53,795
Total liabilities	208,014	206,822
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,681	56,680
Retained earnings	559,351	554,793
Treasury stock	-51,016	-50,956
Other components of equity	22,624	-5,344
Total equity attributable to owners of the parent company	614,425	581,956
Non-controlling interests	3,465	3,125
Total equity	617,891	585,082
Total liabilities and equity	825,905	791,904

(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, 2015 (April 1, 2015 through June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)
Revenue	203,209	168,411
Cost of sales	141,634	122,276
Gross profit	61,575	46,135
Selling, general and administrative expenses	28,760	27,349
Research and development expenses	7,808	7,422
Other income	2,162	1,788
Other expenses	593	1,411
Operating income	26,576	11,741
Financial income	413	304
Financial expenses	224	808
Equity in profits (losses) of affiliates	-17	8
Income before income taxes	26,747	11,245
Income tax expenses	8,066	4,377
Net income	18,680	6,867
Net income attributable to:		
Owners of the parent company	18,591	6,801
Non-controlling interests	89	66
Total	18,680	6,867
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	112.57	41.91
Diluted earnings per share (yen)	112.42	41.86

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)
Net income	18,680	6,867
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	800	-351
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	4,199	-27,883
Net gain (loss) in fair value of cash flow hedges	359	27
Share of other comprehensive income of associates accounted for using equity method	2	-10
Total other comprehensive income	5,361	-28,219
Total comprehensive income	24,041	-21,351
Total comprehensive income attributable to:		
Owners of the parent company	23,929	-21,167
Non-controlling interests	112	-184
Total	24,041	-21,351

(3) Quarterly consolidated statements of changes in equity

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							
	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	-	-	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

For the first quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)

(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, 2016	26,783	56,681	559,351	-51,016	22,624	614,425	3,465	617,891
Net income	-	-	6,801	-	-	6,801	66	6,867
Other comprehensive income	-	-	-	-	-27,968	-27,968	-250	-28,219
Total comprehensive income	-	-	6,801	-	-27,968	-21,167	-184	-21,351
Share-based payment transactions	-	-0	-	-	-	-0	-	-0
Dividends	-	-	-11,360	-	-	-11,360	-155	-11,516
Changes in treasury stock	-	-0	-	59	-	58	-	58
Transfers from other components of equity to retained earnings	-	-	0	-	-0	-	-	-
Total transactions with owners	-	-0	-11,359	59	-0	-11,301	-155	-11,457
Balance as of June 30, 2016	26,783	56,680	554,793	-50,956	-5,344	581,956	3,125	585,082

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First quarter ended June 30, 2015 (April 1, 2015 through June 30, 2015)	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)
Cash flows from operating activities		
Income before income taxes	26,747	11,245
Depreciation and amortization	12,091	12,349
Increase (decrease) in defined benefit liabilities	12	621
Decrease (increase) in trade and other receivables	16,707	942
Decrease (increase) in inventories	-1,379	-2,766
Increase (decrease) in trade and other payables	539	2,878
Interest and dividend income	377	265
Interest expenses paid	-199	-126
Income taxes (paid) refunded	-18,303	-3,743
Others	-7,048	2,644
Net cash provided by operating activities	29,544	24,309
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-15,634	-11,063
Proceeds from sale of property, plant and equipment and intangible assets	56	55
Decrease (increase) in time deposits	-1,541	1,388
Others	11	-9
Net cash provided by (used in) investing activities	-17,108	-9,629
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-455	-1,175
Decrease (increase) in treasury stock	-1	0
Cash dividends paid	-10,734	-11,360
Others	-262	-155
Net cash provided by (used in) financing activities	-11,453	-12,691
Effect of exchange rate changes on cash and cash equivalents	1,984	-13,371
Net increase (decrease) in cash and cash equivalents	2,965	-11,382
Cash and cash equivalents at the beginning of the period	214,559	240,891
Cash and cash equivalents at the end of the period	217,525	229,508

(Segment information)

Information regarding revenue, income, or loss by segments

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	75,217	115,301	12,356	202,875	333	203,209
Inter-segment revenue	3,573	4,038	673	8,285	-8,285	-
Total segment revenue	78,791	119,339	13,030	211,161	-7,951	203,209
Total operating income (loss)	6,329	18,620	2,304	27,254	-678	26,576
Financial income						413
Financial expenses						-224
Equity in profits (losses) of affiliates						-17
Income before income taxes						26,747

(Note) From fiscal year 2016, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.
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 quarter ended June 30, 2015.

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, 2016 (April 1, 2016 through June 30, 2016)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	68,802	86,295	13,016	168,115	296	168,411
Inter-segment revenue	3,424	3,032	784	7,241	-7,241	-
Total segment revenue	72,227	89,328	13,800	175,356	-6,945	168,411
Total operating income (loss)	5,272	4,692	4,268	14,233	-2,492	11,741
Financial income						304
Financial expenses						-808
Equity in profits (losses) of affiliates						8
Income before income taxes						11,245

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