Date: July 31, 2017

Preliminary

Summary of Consolidated Financial Statements for the first quarter ended June 30, 2017 (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, Senior Vice President, Global Corporate Strategy Management Div.
Phone: +81-6-7632-2101

Filing date of quarterly financial statements: August 2, 2017
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, 2017 (April 1, 2017 through June 30, 2017)

(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, 2017	201,187	19.5	30,339	158.4	30,477	171.0	20,369	196.6	20,348	199.2	21,483	-
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	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2017	125.34	125.21
First quarter ended June 30, 2016	41.91	41.86

(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, 2017	891,157	663,772	663,120	74.4
March 31, 2017	879,899	654,421	653,772	74.3

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2017	-	75.00	-	75.00	150.00
March, 2018	-				
March, 2018 (Forecast)		80.00	-	80.00	160.00

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

3. Forecast for fiscal year ending March 31, 2018 (April 1, 2017 through March 31, 2018)

(% 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	18.3	65,000	121.9	65,000	125.3	40,000	92.9	40,000	94.4	246.38
Annual	800,000	4.2	100,000	8.0	100,000	8.9	70,000	9.9	70,000	10.3	431.24

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

The consolidated forecasts for the cumulative second quarter ending September 30, 2017, which were announced on Supplementary Data of Consolidated Financial Statement dated April 28, 2017, have been revised.

- Others

(1) Changes in significant subsidiaries during the first quarter ended June 30, 2017: 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, 2017: 173,758,428 March 31, 2017: 173,758,428
2. Number of treasury stock at the end of the period
   June 30, 2017: 11,356,658 March 31, 2017: 11,434,124
3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
   April-June 2017: 162,350,103 April-June 2016: 162,297,618

- These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act.

- 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, 2016 (April 1, 2016 through June 30, 2016)	First quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	41,845	47,503	113.5
	Transportation	30,381	31,402	103.4
	Total	72,227	78,905	109.2
	Operating income	5,594	7,406	132.4
Optronics	Information fine materials	73,920	99,832	135.1
	Flexible printed circuits	9,719	10,378	106.8
	Processing materials	5,688	5,692	100.1
	Total	89,328	115,903	129.7
	Operating income	4,156	21,521	517.8
Life Science	Revenue	6,847	8,262	120.7
	Operating income	2,378	1,516	63.8
Others	Revenue	7,011	6,298	89.8
	Operating income	398	168	42.1
Corporate/Elimination	Revenue	-7,004	-8,183	-
	Operating income	-787	-273	-
Total	Revenue	168,411	201,187	119.5
	Operating income	11,741	30,339	258.4

(Note) From fiscal year 2017, 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.

Because of increased quantitative materiality of the medical business, partial changes have been made to reporting segments with change of management system.

Such changes have also been reflected in the figures for the first quarter ended June 30, 2016.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2017	June 30, 2017
(Assets)		
Current assets		
Cash and cash equivalents	280,343	279,048
Trade and other receivables	173,362	180,433
Inventories	88,701	92,213
Other financial assets	5,455	4,180
Other current assets	15,936	17,640
Total current assets	563,798	573,515
Non-current assets		
Property, plant and equipment	249,541	248,362
Goodwill	7,300	7,413
Intangible assets	13,829	13,634
Investments accounted for using equity method	326	333
Financial assets	8,799	9,185
Deferred tax assets	27,087	28,540
Other non-current assets	9,215	10,171
Total non-current assets	316,100	317,641
Total assets	879,899	891,157

(Yen in Millions)

	March 31, 2017	June 30, 2017
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	110,840	114,080
Bonds and borrowings	1,097	1,311
Income tax payables	15,978	11,350
Other financial liabilities	9,660	11,048
Other current liabilities	36,980	37,925
Total current liabilities	174,557	175,716
Non-current liabilities		
Bonds and borrowings	3,000	3,000
Other financial liabilities	1,449	1,631
Defined benefit liabilities	42,838	43,575
Deferred tax liabilities	847	814
Other non-current liabilities	2,784	2,647
Total non-current liabilities	50,920	51,668
Total liabilities	225,477	227,385
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,139	55,855
Retained earnings	603,886	612,061
Treasury stock	-50,876	-50,531
Other components of equity	17,839	18,952
Total equity attributable to owners of the parent company	653,772	663,120
Non-controlling interests	648	651
Total equity	654,421	663,772
Total liabilities and equity	879,899	891,157

(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, 2016 (April 1, 2016 through June 30, 2016)	First quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)
Revenue	168,411	201,187
Cost of sales	122,276	135,610
Gross profit	46,135	65,576
Selling, general and administrative expenses	27,349	28,247
Research and development expenses	7,422	7,890
Other income	1,788	1,643
Other expenses	1,411	742
Operating income	11,741	30,339
Financial income	304	401
Financial expenses	808	270
Equity in profits (losses) of affiliates	8	6
Income before income taxes	11,245	30,477
Income tax expenses	4,377	10,108
Net income	6,867	20,369
Net income attributable to:		
Owners of the parent company	6,801	20,348
Non-controlling interests	66	20
Total	6,867	20,369
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	41.91	125.34
Diluted earnings per share (yen)	41.86	125.21

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)	First quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)
Net income	6,867	20,369
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	-351	330
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-27,883	773
Net gain (loss) in fair value of cash flow hedges	27	8
Share of other comprehensive income of associates accounted for using equity method	-10	0
Total other comprehensive income	-28,219	1,113
Total comprehensive income	-21,351	21,483
Total comprehensive income attributable to:		
Owners of the parent company	-21,167	21,461
Non-controlling interests	-184	21
Total	-21,351	21,483

(3) Quarterly consolidated statements of changes in equity

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

For the first quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)

(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, 2017	26,783	56,139	603,886	-50,876	17,839	653,772	648	654,421
Net income	-	-	20,348	-	-	20,348	20	20,369
Other comprehensive income	-	-	-	-	1,113	1,113	0	1,113
Total comprehensive income	-	-	20,348	-	1,113	21,461	21	21,483
Share-based payment transactions	-	-294	-	-	-	-294	-	-294
Dividends	-	-	-12,174	-	-	-12,174	-18	-12,192
Changes in treasury stock	-	10	-	344	-	355	-	355
Transfers from other components of equity to retained earnings	-	-	0	-	-0	-	-	-
Total transactions with owners	-	-284	-12,174	344	-0	-12,113	-18	-12,132
Balance as of June 30, 2017	26,783	55,855	612,061	-50,531	18,952	663,120	651	663,772

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)	First quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)
Cash flows from operating activities		
Income before income taxes	11,245	30,477
Depreciation and amortization	12,349	12,269
Increase (decrease) in defined benefit liabilities	621	615
Decrease (increase) in trade and other receivables	942	-6,395
Decrease (increase) in inventories	-2,766	-3,216
Increase (decrease) in trade and other payables	2,878	2,726
Interest and dividend income	265	367
Interest expenses paid	-126	-105
Income taxes (paid) refunded	-3,743	-15,754
Others	2,644	389
Net cash provided by (used in) operating activities	24,309	21,374
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-11,063	-10,815
Proceeds from sale of property, plant and equipment and intangible assets	55	3
Decrease (increase) in time deposits	1,388	73
Others	-9	-9
Net cash provided by (used in) investing activities	-9,629	-10,747
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,175	182
Decrease (increase) in treasury stock	0	-0
Cash dividends paid	-11,360	-12,174
Others	-155	-18
Net cash provided by (used in) financing activities	-12,691	-12,010
Effect of exchange rate changes on cash and cash equivalents	-13,371	88
Net increase (decrease) in cash and cash equivalents	-11,382	-1,295
Cash and cash equivalents at the beginning of the period	240,891	280,343
Cash and cash equivalents at the end of the period	229,508	279,048

(Segment information)

Information regarding revenue, income, or loss by segments

First quarter ended June 30, 2016 (April 1, 2016 through June 30, 2016)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	68,802	86,295	6,790	6,238	168,128	283	168,411
Inter-segment revenue	3,424	3,032	57	773	7,287	-7,287	-
Total segment revenue	72,227	89,328	6,847	7,011	175,416	-7,004	168,411
Total operating income (loss)	5,594	4,156	2,378	398	12,528	-787	11,741
Financial income							304
Financial expenses							-808
Equity in profits (losses) of affiliates							8
Income before income taxes							11,245

(Note) From fiscal year 2017, 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.
Because of increased quantitative materiality of the medical business, partial changes have been made to reporting segments with change of management system.
Such changes have also been reflected in the figures for the first quarter ended June 30, 2016.

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, flexible printed circuits, processing materials
Life Science	Medical products
Others	Membrane products, other products

First quarter ended June 30, 2017 (April 1, 2017 through June 30, 2017)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	75,672	112,921	6,946	5,359	200,900	286	201,187
Inter-segment revenue	3,233	2,981	1,315	938	8,469	-8,469	-
Total segment revenue	78,905	115,903	8,262	6,298	209,370	-8,183	201,187
Total operating income (loss)	7,406	21,521	1,516	168	30,612	-273	30,339
Financial income							401
Financial expenses							-270
Equity in profits (losses) of affiliates							6
Income before income taxes							30,477

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, flexible printed circuits, processing materials
Life Science	Medical products
Others	Membrane products, other products