

Summary of Consolidated Financial Statements for the first quarter ended June 30, 2010

Listed company name: **Nitto Denko Corporation**
 Stock exchange listings: First Section of Tokyo Stock Exchange and Osaka Stock Exchange
 Code Number : 6988 URL <http://www.nitto.com/>
 Company Representative: Yukio Nagira, President
 Contact Person: Goro Ojima, General Manager, Corporate Communications Dept.
 Phone: +81-6-6452-2101

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 Estimated starting date of dividend paying -
 Preparation of supplementary explanatory materials: Yes
 Holding of quarterly earning 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, 2010 (April 1, 2010 through June 30, 2010)

(1) Operating results (% of change from same period last year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter ended June 30, 2010	161,955	17.0	24,799	193.6	25,062	181.3	17,180	180.9
First quarter ended June 30, 2009	138,432	-18.1	8,445	-37.5	8,910	-42.8	6,116	-41.4

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
First quarter ended June 30, 2010	103.	11	102.	95
First quarter ended June 30, 2009	36.	72	36.	68

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2010	619,163	393,883	63.3	2,352. 23
March 31, 2010	624,992	388,724	61.9	2,320. 86

(Reference): Shareholders' equity: (June 30, 2010) 392,017 million yen (March 31, 2010) 386,664 million yen

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2010	-	20. 00	-	20. 00	40. 00
March, 2011	-	-	-	-	-
(Forecast) March, 2011	-	30. 00	-	30. 00	60. 00

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

3. Forecast for fiscal year ending March 31, 2011 (April 1, 2010 through March 31, 2011)

(% of change from same period last year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
First half	324,000	9.8	45,000	76.0	45,000	75.9	31,000	71.9	186.03
Annual	630,000	4.7	63,000	12.3	63,000	7.1	44,000	17.1	264.03

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

4. Others (For details, please refer to “2. Other information” on page 5 of attached documents)

(1) Changes in significant subsidiaries during this period: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this period.

(2) Adoption of simplified financial accounting methods and special accounting methods: Yes

(Note) This item indicates whether there was adoption of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements.

(3) Changes of accounting policies applied, procedures and disclosures

1. Changes following to accounting standard changes: Yes

2. Others: No

(Note) This item indicates whether there were changes of accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements, described in “Changes in Bases of Presenting Quarterly Consolidated Financial Statements”.

(4) Number of shares outstanding (Common stock)

1. Number of shares outstanding at period end (including treasury stock)

(June 30, 2010) 173,758,428 (March 31, 2010) 173,758,428

2. Number of treasury stocks at period end

(June 30, 2010) 7,101,112 (March 31, 2010) 7,154,335

3. Weighted-average number of shares outstanding over the period

(April- June, 2010) 166,624,853 (April- June, 2009) 166,585,507

-Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures. 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 note

Forecast shown above is prepared based on information available as of the issuing date of this report, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

(Attached Documents)

Index

1. Qualitative Information Regarding Quarterly Consolidated Operating Results.....	2
(1) Qualitative information regarding consolidated operating results.....	2
(2) Qualitative information on consolidated financial position.....	4
(3) Qualitative information on consolidated forecast.....	4
2. Other Information.....	5
(1) Overview of changes in significant subsidiaries	5
(2) Overview of adoption of simplified accounting methods as well as special accounting methods.....	5
(3) Overview of changes in accounting policies, procedures, and methods of presentation.....	5
(4) Overview of key events regarding the premise of going concern.....	5
3. Consolidated Financial Statements.....	6
(1) Consolidated quarterly balance sheets.....	6
(2) Consolidated quarterly statements of income.....	7
(3) Consolidated quarterly statements of cash flows.....	8
(4) Notes on premise of going concern.....	9
(5) Segment information.....	9
(6) Notes on significant changes in shareholders' equity.....	10

1. Qualitative Information Regarding Quarterly Consolidated Operating Results

(1) Qualitative Information Regarding Consolidated Operating Results

During the first quarter ended June 30, 2010, the economic environment in Japan and overseas benefited from the economic stimulus measures implemented by countries around the world and although the economy has been picking up, it remains in a difficult situation owing to factors such as a high unemployment rate.

Despite this economic environment, the Nitto Denko Group (“the Group”) was able to achieve solid expansion in Industrial Tape and Optronics product sales to industry where automobile production recovered and there was expanded demand in the electronics industry for flat TVs, smart phones (multi-functional cellular phones), HDDs (hard disk drives) and other products. Moreover, the Group continued its reform of the cost structure called the “*Mu* (eliminate), *Gen* (reduce), *Dai* (substitute)” plan.

As a result, consolidated net sales increased 17.0% from the first quarter ended June 30, 2009 (changes in percentage hereafter are in comparison to same period in the previous year) to 161,955 million yen. Operating income increased 193.6% to 24,799 million yen. Ordinary income increased 181.3% to 25,062 million yen and net income increased 180.9% to 17,180 million yen.

Summary of Results by Segments

a. Industrial Tape

Concerning sales to the electronic industry, protection film for optical application, sealing products and other materials fared well because of a substantial recovery in the demand, particularly in emerging countries, for flat TVs, PCs, and portable devices and other products. With regard to products for cellular phones, there was an expansion of transparent double-side adhesive sheet for optical application as a result of an increase in the production of smart phones with touch panels. Adhesive tape for electronic components also fared well because of the increase in production of electronic components accompanying the expanded demand for these electronic equipments. Of the sales to the automobile industry, electric insulation material and other products fared well because of the increased production of hybrid vehicles that accompanied the increase in automobile production output due to the measures by various countries to stimulate demand. With respect to housing construction materials and products related to infrastructure and capital investment, domestic demand bottomed out and demand for construction materials such as waterproof tape and protection tape began to pick up. Also demand for conventional double-coated adhesive tape and fluoroplastic products, which are used for a broad range of industry applications, fared well as the economy improved.

As a result, net sales were 60,356 million yen and operating income was 7,919 million yen.

b. Optronics

Sales of LCD related products were strong not only because of expanding demand, particularly for LCD TVs for the emerging countries, but also as a result of the Group’s continuing efforts towards reforming the cost structure, productivity improvement activities, and improved product composition. Transparent electro-conductive films also fared well accompanied by the expansion of application to touch panels of cellular phones. Sales for semiconductor related products were also strong due to the recovering market. Flexible printed circuits were strong on the back of expanding demand for use in HDDs. Processing materials also fared well, as sales of protection tape for semiconductor manufacturing processes and protection tape lamination machines for semiconductor manufacturing processes were expanded.

As a result, net sales were 91,962 million yen and operating income was 16,324 million yen.

c. Medical & Membrane

In medical related products, sales of transdermal therapeutic patches, a pharmaceutical product, sold strongly overseas, particularly in North America. Sales to the domestic market, however, were weak overall due to sluggish sales of transdermal therapeutic patches for asthma. In membrane products, sales to overseas markets were strong with firm sales to the Chinese market and large seawater desalination projects also contributing.

As a result, net sales were 9,635 million yen and operating income was 555 million yen.

(Reference) Operating Segment Information

(Yen in Millions)

		1Q ended June 30, 2009 (April 1, 2009 through June 30, 2009)	1Q ended June 30, 2010 (April 1, 2010 through June 30, 2010)		Forecast for 2Q ending September 30, 2010 (April 1, 2010 through September 30, 2010)	
		Net sales	Net sales	Y-o-Y (%)	Net sales	Y-o-Y (%)
Industrial Tape	Tape materials/ Custom processing materials	48,911	60,356	123.4	121,000	113.9
	Operating income	1,498	7,919	528.4	14,000	224.2
Optronics	LCD related materials	62,468	70,118	112.2	142,000	108.4
	Semiconductor related materials	3,623	4,383	121.0	9,000	116.4
	Flexible printed circuits	11,598	13,371	115.3	26,500	107.7
	Processing materials	2,901	4,088	140.9	7,500	121.0
	Total	80,592	91,962	114.1	185,000	109.1
	Operating income	6,383	16,324	255.7	31,000	185.8
Medical & Membrane	Medical products	4,820	4,631	96.1	8,500	77.7
	Membrane products	4,108	5,004	121.8	9,500	113.8
	Total	8,929	9,635	107.9	18,000	93.3
	Operating income	563	555	98.7	0	-
Total	Net sales	138,432	161,955	117.0	324,000	109.8
	Operating income	8,445	24,799	293.6	45,000	176.0

The Company's segments are three, "Industrial Tape", "Optronics" and "Medical & Membrane". And the details of each new segment are as the followings.

"Industrial Tape" consists of "Tape materials/Custom processing materials", which include "Industrial Products", part of "Electronic processing materials", "Engineering plastics" in previous financial summary.

"Optronics" consists of "LCD related material", "Semiconductor related materials", "Flexible printed circuits" and "Processing materials", which include "LCD related products", "Semiconductor related products", "Printed circuits" and part of "Electronic processing materials" in previous financial summary.

"Medical & Membrane" consists of "Medical related products" and "Membrane products" in previous financial summary.

(2) Qualitative Information on Consolidated Financial Position

Financial position at the end of the first quarter ended June 30, 2010 was as follows.

Compared with the end of fiscal year ended March 31, 2010, total assets decreased by 5,829 million yen to 619,163 million yen. Net assets also increased by 5,159 million yen to 393,883 million yen. As a result, the ratio of shareholders' equity to total assets changed from 61.9%, at the end of fiscal year ended March 31, 2010, to 63.3%.

Main changes in assets were increases in raw materials and supplies by 970 million yen and in works in process by 999 million yen, and decreases in buildings and structures by 3,055 million yen, and in machinery, equipment and vehicles by 4,770 million yen. In liabilities, there were increases in notes and accounts payable-trade by 6,314 million yen, and decreases in short-term loans payable by 3,420 million yen, in income taxes payable by 7,780 million yen and in other liabilities by 4,861 million yen due to a decrease in accrued expenses.

(3) Qualitative Information on Consolidated Forecast

The Group continued to enjoy strong sales for film for optical application for LCD TVs and PCs, printed circuits for HDDs and components for touch panels. Moreover, as a result of cost reductions realized through the Group's ongoing commitment to cost structure reform and to boosted productivity obtained by improving product composition, the operating results for the first three months ended June 30, 2010 were higher than forecasted.

In light of these circumstances, the following revisions have been made to the consolidated forecasts for the first half ending September 30, 2010. The consolidated full-year forecasts will be revised at the time of the announcement of results for the first half ending September 30, 2010. No revision shall be made to the forecasts announced on April 30, 2010.

The currency exchange rate for the months from August 2010 as the premise for the forecasts provided below has been set at 1 USD = 85 JPY.

Revision of consolidated forecasts for the first half of the year (April 1, 2010 through September 30, 2010)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	321,000	35,000	35,000	24,000	144.06
Revised forecasts (B)	324,000	45,000	45,000	31,000	186.03
Difference (B) – (A)	3,000	10,000	10,000	7,000	-
Rate of change (%)	0.9	28.6	28.6	29.2	-
(Reference) Consolidated business results of first half ended September 30, 2009	295,101	25,561	25,585	18,034	108.26

The above results forecasts are forward-looking statements determined by the Company based on currently available information that include risks and uncertainties. Please acknowledge that actual results may vary significantly due to a number of important factors.

2. Other Information

(1) Overview of changes in significant subsidiaries

No items to report

(2) Overview of adoption of simplified accounting as well as specific accounting

1. Simplified accounting

Calculation of depreciation of noncurrent assets

Depreciation expense for assets that are depreciated using the declining-balance method is calculated by dividing on a pro-rata basis the annual depreciation expense.

2. Specific accounting for preparing the quarterly consolidated financial statements

No items to report

(3) Overview of changes in accounting policies, procedures, and methods of presentation

1. Application of accounting standard for asset retirement obligations

Effective of the first quarter ended June 30, 2010, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations"(ASBJ Guidance No. 21 issued on March 31, 2008) have been applied.

This change has no impact on operating income, ordinary income, and income before income taxes.

2. Application of accounting standard for business combination

Effective of the first quarter ended June 30, 2010, "Accounting Standard for Business Combinations" (ASBJ Statement No.21 issued on December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 issued on December 26, 2008),

"Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23 issued on December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7 issued on December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16 issued on December 26, 2008), "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10 issued on December 26, 2008) have been applied.

Regarding the valuation of assets and liabilities if the Company's consolidated subsidiaries, the Company changed the valuation method of minority interests from Partial-fair value method to Full fair value method with this adoption. These changes have no impact on consolidated financial statements.

(4) Overview of key events regarding the premise of going concern

No items to report

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Yen in Millions)

	June 30, 2010	March 31, 2010
(Assets)		
Current assets		
Cash and deposits	172,018	171,921
Notes and accounts receivable-trade	136,197	135,727
Merchandise and finished goods	20,254	19,776
Work in process	28,030	27,031
Raw materials and supplies	12,091	11,120
Other	17,535	16,808
Allowance for doubtful accounts	-782	-831
Total current assets	385,346	381,554
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	193,198	196,254
Machinery, equipment and vehicles	317,818	322,588
Tools, furniture and fixtures	36,356	36,714
Land	18,924	19,119
Construction in progress	8,424	8,323
Accumulated depreciation	-375,487	-374,595
Total property, plant and equipment	199,235	208,405
Intangible assets	6,930	7,273
Investments and other assets		
Other	27,899	28,007
Allowance for doubtful accounts	-248	-248
Total investments and other assets	27,651	27,758
Total noncurrent assets	233,817	243,438
Total assets	619,163	624,992

(Yen in Millions)

	June 30, 2010	March 31, 2010
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	85,845	79,531
Short-term loans payable	7,246	10,667
Income taxes payable	7,966	15,746
Provision for directors' bonuses	108	327
Other	38,554	43,416
Total current liabilities	139,721	149,688
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	14,017	14,316
Provision for retirement benefits	18,870	19,219
Provision for directors' retirement benefits	355	514
Other	2,315	2,528
Total noncurrent liabilities	85,558	86,579
Total liabilities	225,279	236,268
(Net assets)		
Shareholders' equity		
Capital stock	26,783	26,783
Capital surplus	56,164	56,153
Retained earnings	366,164	352,316
Treasury stock	-28,052	-28,284
Total shareholders' equity	421,060	406,969
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,175	1,755
Deferred gains or losses on hedges	483	-284
Foreign currency translation adjustment	-30,702	-21,775
Total valuation and translation adjustments	-29,042	-20,304
Subscription rights to shares	886	1,067
Minority interests	979	992
Total net assets	393,883	388,724
Total liabilities and net assets	619,163	624,992

(2) Consolidated Quarterly Statements of Income

(Yen in Millions)

	First quarter ended June 30, 2009 (April 1, 2009 through June 30, 2009)	First quarter ended June 30, 2010 (April 1, 2009 through June 30, 2010)
Net sales	138,432	161,955
Cost of sales	104,946	110,052
Gross profit	33,485	51,902
Selling, general and administrative expenses	25,040	27,103
Operating income	8,445	24,799
Non-operating income		
Interest income	76	92
Dividends income	84	71
Gain on sales of scraps	438	264
Foreign exchange gains	169	-
Miscellaneous income	660	896
Total non-operating income	1,430	1,325
Non-operating expenses		
Interest expenses	353	279
Foreign exchange losses	-	373
Miscellaneous loss	611	408
Total non-operating expenses	965	1,061
Ordinary income	8,910	25,062
Extraordinary income		
Gain on sales of noncurrent assets	13	10
Gain on reversal of impairment loss	43	-
Gain on prior periods adjustment	70	-
Other	3	-
Total extraordinary income	130	10
Extraordinary loss		
Loss on sales of noncurrent assets	23	1
Loss on disposal of noncurrent assets	170	188
Impairment loss	-	180
Special retirement expenses	110	32
Other	49	161
Total extraordinary loss	354	564
Income before income taxes	8,686	24,508
Income taxes	2,544	7,244
Income before minority interests	-	17,264
Minority interests in income	25	83
Net income	6,116	17,180

(3) Consolidated Quarterly Statements of Cash Flows

(Yen in Millions)

	First quarter ended June 30, 2009 (April 1, 2009 through June 30, 2009)	First quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	8,686	24,508
Depreciation and amortization	10,454	9,621
Impairment loss	-	180
Decrease (increase) in notes and accounts receivable-trade	-22,576	-5,611
Increase (decrease) in inventories	52	-4,585
Decrease (increase) in accounts receivable-other	158	-79
Increase (decrease) in notes and accounts payable-trade	19,418	6,855
Increase (decrease) in accrued expenses	443	-3,322
Income taxes (paid) refund	-1,206	-13,951
Other, net	2,649	2,236
Net cash provided by (used in) operating activities	18,081	15,853
Net cash provided by (used in) investing activities		
Purchase of noncurrent assets	-11,986	-5,344
Proceeds from sales of noncurrent assets	26	8
Other, net	-1,695	-53
Net cash provided by (used in) investing activities	-13,655	-5,389
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-5,265	-415
Increase (decrease) in commercial papers	-25,000	-
Proceeds from long-term loans payable	165	-
Repayment of long-term loans payable	-64	-2,984
Proceeds from issuance of bonds	50,000	-
Cash dividends paid	-6,663	-3,332
Other, net	-62	-13
Net cash provided by (used in) financing activities	13,109	-6,744
Effect of exchange rate change on cash and cash equivalents	856	-3,659
Net increase (decrease) in cash and cash equivalents	18,391	58
Cash and cash equivalents at the beginning of period	113,722	110,627
Cash and cash equivalents at the end of period	132,114	110,686

(4) Notes on premise of going concern
Not applicable.

(5) Segment information
(Operating segment information)

First quarter ended June 30, 2009 (April 1, 2009 through June 30, 2009)

(Yen in Millions)

	Industrial products	Electronic products	Functional products	Total	Eliminations and corporate	Consolidated total
Net sales						
(1) Net sales to outside customers	42,805	83,529	12,096	138,432	-	138,432
(2) Inter-segment sales or transfers	323	21	85	430	-430	-
Total	43,128	83,551	12,182	138,863	-430	138,432
Operating income	1,320	6,489	636	8,445	-	8,445

(Notes) 1 Methods of business segmentation

The Company classifies its operation principally in three business segments, industrial products, electronic products, and functional products, depending on the use of the products in the market.

2 Major products for each business segment

Business segment	Major products
Industrial products	Bonding and joining products, surface protection products, sealing products, packaging products and equipments
Electronic products	LCD related products, printed circuits, electronic processing materials, semiconductor related products
Functional products	Medical related products, membrane products, engineering plastics

(Segment information)

Effective from the first quarter ended June 30, 2010, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information”(ASBJ Statement No.17 issued on March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information”(ASBJ Guidance No. 20 issued on March 21, 2008) have been applied. The three new segments are “Industrial Tape”, “Optronics” and “Medical & Membrane”.

1. Information regarding sales and income by segments

First quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Figures in consolidated statement of income
Net sales						
Net sales to outside customers	60,356	91,962	9,635	161,955	-	161,955
Inter-segment sales or transfers	4,957	-	-	4,957	-4,957	-
Total	65,313	91,962	9,635	166,912	-4,957	161,955
Segment income (Operating income)	7,919	16,324	555	24,799	-	24,799

Major products for each segment

Business segment	Major products
Industrial Tape	Bonding and joining products, surface protection products, sealing products, packaging products and equipments, engineering plastics
Optronics	LCD related material, semiconductor related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

(6) Notes on significant changes in shareholders' equity

Not applicable.