

Summary of Consolidated Financial Statements for the second quarter ended September 30, 2010

Listed company name: **Nitto Denko Corporation**
 Stock exchange listings: First Section of Tokyo Stock Exchange and Osaka Stock Exchange
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 Estimated starting date of dividend paying November 26, 2010
 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 half ended September 30, 2010 (April 1, 2010 through September 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 half ended September 30, 2010 | 323,840 | 9.7 | 47,276 | 85.0 | 46,774 | 82.8 | 31,182 | 72.9 |
| First half ended September 30, 2009 | 295,101 | -13.9 | 25,561 | -1.1 | 25,585 | -5.5 | 18,034 | 0.1 |

| | Net income per share-Basic | | Net income per share-Diluted | |
|--|-------------------------------|----|---------------------------------|----|
| | Yen | | Yen | |
| First half ended September 30, 2010 | 187. | 59 | 187. | 30 |
| First half ended September 30, 2009 | 108. | 26 | 108. | 11 |

(2) Financial position

| | Total assets | Net assets | Shareholders' equity to total assets | Net assets per share |
|--------------------|-----------------|-----------------|---|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| September 30, 2010 | 629,819 | 398,828 | 63.0 | 2,417. 17 |
| March 31, 2010 | 624,992 | 388,724 | 61.9 | 2,320. 86 |

(Reference): Shareholders' equity: (September 30, 2010) 396,809 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 | - | 40. 00 | - | - | - |
| (Forecast) March, 2011 | - | - | - | 40. 00 | 80. 00 |

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

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 |
| Annual | 640,000 | 6.3 | 75,000 | 33.7 | 75,000 | 27.5 | 50,000 | 33.1 | 302.67 |

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

4. Others (For details, please refer to page 7, "Other information")

(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)

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

2. Number of treasury stocks at period end

(September 30, 2010) 9,596,020 (March 31, 2010) 7,154,335

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

(April- September, 2010) 166,226,995 (April- September, 2009) 166,589,992

-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.

(Reference) Consolidated financial results of the second quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010) (% 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 | % |
| Second quarter ended September 30, 2010 | 161,884 | 3.3 | 22,477 | 31.3 | 21,712 | 30.2 | 14,002 | 17.5 |
| Second quarter ended September 30, 2009 | 156,668 | -9.8 | 17,115 | 38.7 | 16,674 | 44.8 | 11,917 | 57.4 |

| | Net income per share-Basic | | Net income per share-Diluted | |
|---|----------------------------|----|------------------------------|----|
| | Yen | | Yen | |
| Second quarter ended September 30, 2010 | 84. | 44 | 84. | 33 |
| Second quarter ended September 30, 2009 | 71. | 54 | 71. | 44 |

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Consolidated Operating Results

(1) Qualitative Information Regarding Consolidated Operating Results

During the second quarter ended September 30, 2010, overseas economies saw a moderate recovery, partly on the back of economic stimulus measures implemented by countries around the world. However, real signs of recovery in Japan were hard to see, owing to continued deflationary conditions, weak employment conditions, and rapid appreciation of the yen.

In this economic environment, production of some electronics products underwent an adjustment in the second half of the quarter, but the Nitto Denko Group (“the Group”) was able to achieve expansion in Industrial Tape and Optronics product sales on the back of rising demand for flat TVs and smart phones (multi-functional cellular phones) and an increase in automobile production. 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 3.3% from the second quarter ended September 30, 2009 (changes in percentage hereafter are in comparison with the same period in the previous year) to 161,884 million yen. Operating income increased 31.3% to 22,477 million yen, ordinary income increased 30.2% to 21,712 million yen, and net income increased 17.5% to 14,002 million yen.

Summary of Results by Segments

a. Industrial Tape

Concerning sales to the electronic industry, protection film for optical applications, sealing products and other materials fared well owing to continued growth in demand for flat TVs, portable devices and other products. Also, amid an increase trend in the number of electronics components used per portable device, sales of adhesive tape for electronic components were strong. Sales to the automobile industry were robust owing to a rush in demand for automobiles ahead of the end of the Japanese government’s subsidy scheme for eco-friendly vehicles and due to an increase in automobile production overseas. With respect to housing construction materials and products related to infrastructure and capital investment, domestic demand recovered and overseas demand also turned up, supporting steady sales of construction-use protection products and of construction materials such as waterproof tape and protection tape. Also, sales were robust for conventional double-coated adhesive tape and fluoroplastic products, which are used for a broad range of industry applications.

As a result of the above, net sales were 60,867 million yen and operating income was 6,987 million yen.

b. Optronics

Demand for LCD related materials expanded, particularly for LCD TVs. Although there were production adjustments at LCD panel manufacturers during this second quarter, the Group performed well in the LCD related materials field owing to factors such as flexible marketing activities and ongoing productivity improvement activities. Also, the increasing application of touch panels in cellular phones supported steady demand for transparent electro-conductive films. Sales of semiconductor related materials were also solid owing to the continued recovery in the market. Sales of flexible printed circuits were slightly weak due to the impact of an inventory adjustment in the market for PCs, the main application for HDDs (hard disk drives). Processing materials fared well, as sales of protection tape and protection tape laminating machines for semiconductor manufacturing processes grew on the back of a recovery in the semiconductor market.

As a result of the above, net sales were 92,765 million yen and operating income was 16,247 million yen.

c. Medical & Membrane

In medical related products, sales of transdermal therapeutic patches, a pharmaceutical product, were affected by an inventory adjustment for transdermal therapeutic patches for asthma in Japan. Overseas, the Group temporarily cut back production in the US as part of efforts to strengthen manufacturing capabilities. These resulted in weak sales of overall medical related products. In membrane products, sales of products for general industrial applications in China, India and other emerging markets recovered, as did sales in North America. However, sales overall were flat owing to delivery adjustments by European clients.

As a result of the above, net sales were 8,251 million yen and operating loss was 757 million yen.

Please refer to the Group’s Summary of Consolidated Financial Statements for the first quarter ended June 30, 2010 (disclosed on July 30, 2010) for qualitative information regarding consolidated operating results for the first quarter.

(Reference) Operating Segment Information

(Yen in Millions)

| | | First half ended September 30, 2009 (April 1, 2009 through September 30, 2009) | First half ended September 30, 2010 (April 1, 2010 through September 30, 2010) | |
|-----------------------|---|--|--|--------------|
| | | Net sales | Net sales | Y-o-Y (%) |
| Industrial Tape | Tape materials/ Custom processing materials | 106,259 | 121,223 | 114.1 |
| | Operating income | 6,383 | 14,906 | 233.5 |
| Optronics | LCD related materials | 131,020 | 142,387 | 108.7 |
| | Semiconductor related materials | 7,733 | 8,765 | 113.3 |
| | Flexible printed circuits | 24,604 | 25,665 | 104.3 |
| | Processing materials | 6,196 | 7,910 | 127.7 |
| | Total | 169,556 | 184,728 | 108.9 |
| | Operating income | 16,545 | 32,572 | 196.9 |
| Medical & Membrane | Medical products | 10,938 | 8,724 | 79.8 |
| | Membrane products | 8,346 | 9,163 | 109.8 |
| | Total | 19,284 | 17,887 | 92.8 |
| | Operating income | 2,631 | -201 | - |
| Total | Net sales | 295,101 | 323,840 | 109.7 |
| | Operating income | 25,561 | 47,276 | 185.0 |

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.

(Reference) Operating Segment Information

(Yen in Millions)

| | | 2Q ended September 30, 2009 (July 1, 2009 through September 30, 2009) | 2Q ended September 30, 2010 (July 1, 2010 through September 30, 2010) | |
|-----------------------|---|---|---|--------------|
| | | Net sales | Net sales | Y-o-Y (%) |
| Industrial Tape | Tape materials/ Custom processing materials | 57,348 | 60,867 | 106.1 |
| | Operating income | 4,885 | 6,987 | 143.0 |
| Optronics | LCD related materials | 68,552 | 72,268 | 105.4 |
| | Semiconductor related materials | 4,110 | 4,381 | 106.6 |
| | Flexible printed circuits | 13,006 | 12,294 | 94.5 |
| | Processing materials | 3,295 | 3,821 | 116.0 |
| | Total | 88,964 | 92,765 | 104.3 |
| | Operating income | 10,161 | 16,247 | 159.9 |
| Medical & Membrane | Medical products | 6,117 | 4,092 | 66.9 |
| | Membrane products | 4,238 | 4,158 | 98.1 |
| | Total | 10,355 | 8,251 | 79.7 |
| | Operating income | 2,068 | -757 | - |
| Total | Net sales | 156,668 | 161,884 | 103.3 |
| | Operating income | 17,115 | 22,477 | 131.3 |

(Reference) Operating Segment Information

(Yen in Millions)

| | | Forecasts of fiscal year ending March 31, 2011 | |
|-----------------------|---|---|--------------|
| | | Net sales | Y-o-Y (%) |
| Industrial Tape | Tape materials/ Custom processing materials | 242,000 | 108.8 |
| | Operating income | 25,000 | 142.9 |
| Optronics | LCD related materials | 279,000 | 106.3 |
| | Semiconductor related materials | 17,000 | 107.3 |
| | Flexible printed circuits | 50,000 | 98.7 |
| | Processing materials | 14,500 | 109.3 |
| | Total | 360,500 | 105.3 |
| | Operating income | 50,500 | 139.9 |
| Medical & Membrane | Medical products | 17,500 | 87.0 |
| | Membrane products | 20,000 | 117.8 |
| | Total | 37,500 | 101.1 |
| | Operating income | -500 | - |
| Total | Net sales | 640,000 | 106.3 |
| | Operating income | 75,000 | 133.7 |

(2) Qualitative Information on Consolidated Financial Position

Financial position at the end of the second quarter ended September 30, 2010 was as follows.

Compared with the end of the fiscal year ended March 31, 2010, total assets increased by 4,827 million yen to 629,819 million yen. Net assets also increased by 10,103 million yen to 398,828 million yen. As a result, the ratio of shareholders' equity to total assets changed from 61.9% at the end of the fiscal year ended March 31, 2010, to 63.0% at the end of the second quarter ended September 30, 2010.

Main changes in assets were increases in cash and deposits by 14,745 million yen and in other current assets by 2,578 million yen, due to an increase in forward exchange contracts, and decreases in property, plant and equipment by 12,036 million yen and in total investments and other assets by 1,334 million yen. In liabilities, there was an increase in notes and accounts payable-trade by 3,918 million yen, and decreases in short-term loans payable by 4,503 million yen, income taxes payable by 1,446 million yen, and in other current liabilities by 1,953 million yen, due to a decline in forward exchange contracts. Under net assets, treasury stock increased by 6,504 million yen.

(3) Qualitative Information on Consolidated Forecast

During the first half ended September 30, 2010, film for optical application for LCD TVs, printed circuits for HDDs, and components for touch panels remained strong. Moreover, as a result of ongoing fixed cost reductions, improvement in operation capacity, and an increase in productivity due to an improved product mix, profits for the first half ended September 30, 2010 were slightly higher than forecast.

As shown in the table below, revisions have been made to the consolidated forecasts for the fiscal year ending March 31, 2011 to reflect changes to assumptions for the third quarter onwards. Specifically, the Group expects demand to weaken for LCD related materials and automobile related materials, which have been strong due to emergency economic stimulus measures in countries worldwide, and it now applies a new currency exchange rate assumption of 1 USD = 80 JPY considering fluctuations of the current exchange rate.

Revision of consolidated forecasts for fiscal year ending March 31, 2011 (April 1, 2010 through March 31, 2011)

| | 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) | 630,000 | 63,000 | 63,000 | 44,000 | 264.03 |
| Revised forecasts (B) | 640,000 | 75,000 | 75,000 | 50,000 | 302.67 |
| Difference (B) – (A) | 10,000 | 12,000 | 12,000 | 6,000 | - |
| Rate of change (%) | 1.6 | 19.0 | 19.0 | 13.6 | - |
| (Reference) Consolidated business results of the year ended March 31, 2010 | 601,859 | 56,086 | 58,833 | 37,570 | 225.52 |

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)

| | September 30, 2010 | March 31, 2010 |
|-------------------------------------|--------------------|----------------|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 186,666 | 171,921 |
| Notes and accounts receivable-trade | 136,182 | 135,727 |
| Merchandise and finished goods | 19,991 | 19,776 |
| Work in process | 27,396 | 27,031 |
| Raw materials and supplies | 11,787 | 11,120 |
| Other | 19,387 | 16,808 |
| Allowance for doubtful accounts | -746 | -831 |
| Total current assets | 400,666 | 381,554 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 193,086 | 196,254 |
| Machinery, equipment and vehicles | 321,893 | 322,588 |
| Tools, furniture and fixtures | 36,467 | 36,714 |
| Land | 18,950 | 19,119 |
| Construction in progress | 8,524 | 8,323 |
| Accumulated depreciation | -382,553 | -374,595 |
| Total property, plant and equipment | 196,369 | 208,405 |
| Intangible assets | | |
| | 6,359 | 7,273 |
| Investments and other assets | | |
| Other | 26,669 | 28,007 |
| Allowance for doubtful accounts | -245 | -248 |
| Total investments and other assets | 26,423 | 27,758 |
| Total noncurrent assets | 229,152 | 243,438 |
| Total assets | 629,819 | 624,992 |

(Yen in Millions)

| | September 30, 2010 | March 31, 2010 |
|---|--------------------|----------------|
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 83,449 | 79,531 |
| Short-term loans payable | 6,164 | 10,667 |
| Income taxes payable | 14,299 | 15,746 |
| Provision for directors' bonuses | 217 | 327 |
| Other | 41,462 | 43,416 |
| Total current liabilities | 145,593 | 149,688 |
| Noncurrent liabilities | | |
| Bonds payable | 50,000 | 50,000 |
| Long-term loans payable | 13,911 | 14,316 |
| Provision for retirement benefits | 18,782 | 19,219 |
| Provision for directors' retirement benefits | 334 | 514 |
| Other | 2,370 | 2,528 |
| Total noncurrent liabilities | 85,398 | 86,579 |
| Total liabilities | 230,991 | 236,268 |
| (Net assets) | | |
| Shareholders' equity | | |
| Capital stock | 26,783 | 26,783 |
| Capital surplus | 56,164 | 56,153 |
| Retained earnings | 380,167 | 352,316 |
| Treasury stock | -34,788 | -28,284 |
| Total shareholders' equity | 428,327 | 406,969 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 1,003 | 1,755 |
| Deferred gains or losses on hedges | 679 | -284 |
| Foreign currency translation adjustment | -33,200 | -21,775 |
| Total valuation and translation adjustments | -31,518 | -20,304 |
| Subscription rights to shares | 960 | 1,067 |
| Minority interests | 1,058 | 992 |
| Total net assets | 398,828 | 388,724 |
| Total liabilities and net assets | 629,819 | 624,992 |

(2) Consolidated Quarterly Statements of Income
(First half ended September 30, 2010)

(Yen in Millions)

| | First half ended September 30, 2009 (April 1, 2009 through September 30, 2009) | First half ended September 30, 2010 (April 1, 2010 through September 30, 2010) |
|---|--|--|
| Net sales | 295,101 | 323,840 |
| Cost of sales | 218,854 | 222,336 |
| Gross profit | 76,246 | 101,504 |
| Selling, general and administrative expenses | 50,684 | 54,227 |
| Operating income | 25,561 | 47,276 |
| Non-operating income | | |
| Interest income | 113 | 186 |
| Dividends income | 88 | 74 |
| Gain on sales of scraps | 861 | 556 |
| Miscellaneous income | 1,261 | 1,176 |
| Total non-operating income | 2,323 | 1,994 |
| Non-operating expenses | | |
| Interest expenses | 729 | 538 |
| Foreign exchange losses | 451 | 1,167 |
| Miscellaneous loss | 1,118 | 789 |
| Total non-operating expenses | 2,299 | 2,496 |
| Ordinary income | 25,585 | 46,774 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 195 | 39 |
| Compensation income | - | 59 |
| Other | 299 | 0 |
| Total extraordinary income | 494 | 99 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 28 | 17 |
| Loss on disposal of noncurrent assets | 550 | 732 |
| Special retirement expenses | 173 | 32 |
| Environmental expenses | 274 | - |
| Other | 168 | 354 |
| Total extraordinary loss | 1,196 | 1,138 |
| Income before income taxes | 24,884 | 45,736 |
| Income taxes | 6,802 | 14,387 |
| Income before minority interests | - | 31,348 |
| Minority interests in income | 46 | 165 |
| Net income | 18,034 | 31,182 |

(Second quarter ended September 30, 2010)

(Yen in Millions)

| | Second quarter ended September 30, 2009 (July 1, 2009 through September 30, 2009) | Second quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010) |
|---|--|--|
| Net sales | 156,668 | 161,884 |
| Cost of sales | 113,908 | 112,283 |
| Gross profit | 42,760 | 49,601 |
| Selling, general and administrative expenses | 25,644 | 27,123 |
| Operating income | 17,115 | 22,477 |
| Non-operating income | | |
| Interest income | 36 | 94 |
| Dividends income | 3 | 3 |
| Gain on sales of scraps | 422 | 291 |
| Miscellaneous income | 600 | 280 |
| Total non-operating income | 1,063 | 669 |
| Non-operating expenses | | |
| Interest expenses | 375 | 258 |
| Foreign exchange losses | 621 | 794 |
| Miscellaneous loss | 507 | 381 |
| Total non-operating expenses | 1,504 | 1,434 |
| Ordinary income | 16,674 | 21,712 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 181 | 29 |
| Compensation income | 90 | 59 |
| Gain on revision of retirement benefit plan | 88 | - |
| Other | 3 | 0 |
| Total extraordinary income | 364 | 89 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 5 | 15 |
| Loss on disposal of noncurrent assets | 379 | 544 |
| Special retirement expenses | 63 | 0 |
| Environmental expenses | 274 | - |
| Other | 119 | 12 |
| Total extraordinary loss | 841 | 573 |
| Income before income taxes | 16,197 | 21,227 |
| Income taxes | 4,258 | 7,143 |
| Income before minority interests | - | 14,084 |
| Minority interests in income | 21 | 81 |
| Net income | 11,917 | 14,002 |

(3) Consolidated Quarterly Statements of Cash Flows

(Yen in Millions)

| | First half ended September 30, 2009 (April 1, 2009 through September 30, 2009) | First half ended September 30, 2010 (April 1, 2010 through September 30, 2010) |
|--|---|---|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes | 24,884 | 45,736 |
| Depreciation and amortization | 21,619 | 19,441 |
| Decrease (increase) in notes and accounts receivable-trade | -41,744 | -7,056 |
| Increase (decrease) in inventories | 2,307 | -3,866 |
| Decrease (increase) in accounts receivable-other | -30 | 215 |
| Increase (decrease) in notes and accounts payable-trade | 28,348 | 4,371 |
| Increase (decrease) in accrued expenses | 5,132 | 261 |
| Income taxes (paid) refund | 3,831 | -15,574 |
| Other, net | 2,867 | 2,672 |
| Net cash provided by (used in) operating activities | 47,215 | 46,201 |
| Net cash provided by (used in) investing activities | | |
| Purchase of noncurrent assets | -21,672 | -12,195 |
| Proceeds from sales of noncurrent assets | 579 | 59 |
| Decrease (increase) in time deposits | -40,444 | -1,155 |
| Other, net | -1,918 | 110 |
| Net cash provided by (used in) investing activities | -63,454 | -13,180 |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | -7,531 | -1,334 |
| Increase (decrease) in commercial papers | -25,000 | - |
| Proceeds from long-term loans payable | 166 | - |
| Repayment of long-term loans payable | -305 | -2,961 |
| Decrease (increase) in treasury stock | - | -6,724 |
| Proceeds from issuance of bonds | 50,000 | - |
| Cash dividends paid | -6,663 | -3,332 |
| Other, net | -62 | -23 |
| Net cash provided by (used in) financing activities | 10,603 | -14,376 |
| Effect of exchange rate change on cash and cash equivalents | -1,651 | -4,894 |
| Net increase (decrease) in cash and cash equivalents | -7,287 | 13,749 |
| Cash and cash equivalents at the beginning of period | 113,722 | 110,627 |
| Cash and cash equivalents at the end of period | 106,435 | 124,377 |

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

(5) Segment Information
(Operating segment information)

First half ended September 30, 2009 (April 1, 2009 through September 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 | 93,169 | 175,827 | 26,103 | 295,101 | - | 295,101 |
| (2) Inter-segment sales or transfers | 665 | 36 | 197 | 900 | -900 | - |
| Total | 93,835 | 175,864 | 26,301 | 296,001 | -900 | 295,101 |
| Operating income | 5,220 | 17,223 | 3,117 | 25,561 | - | 25,561 |

Second quarter ended September 30, 2009 (July 1, 2009 through September 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 | 50,364 | 92,297 | 14,006 | 156,668 | - | 156,668 |
| (2) Inter-segment sales or transfers | 342 | 14 | 112 | 469 | -469 | - |
| Total | 50,706 | 92,312 | 14,119 | 157,138 | -469 | 156,668 |
| Operating income | 3,900 | 10,734 | 2,480 | 17,115 | - | 17,115 |

(Notes) 1 Methods of business segmentation

The Corporation 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 half ended September 30, 2010 (April 1, 2010 through September 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 | 121,223 | 184,728 | 17,887 | 323,840 | - | 323,840 |
| Inter-segment sales or transfers | 9,939 | - | - | 9,939 | -9,939 | - |
| Total | 131,162 | 184,728 | 17,887 | 333,779 | -9,939 | 323,840 |
| Segment income (Operating income) | 14,906 | 32,572 | -201 | 47,276 | - | 47,276 |

Second quarter ended September 30, 2010 (July 1, 2010 through September 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 | 60,867 | 92,765 | 8,251 | 161,884 | - | 161,884 |
| Inter-segment sales or transfers | 4,981 | - | - | 4,981 | -4,981 | - |
| Total | 65,849 | 92,765 | 8,251 | 166,866 | -4,981 | 161,884 |
| Segment income (Operating income) | 6,987 | 16,247 | -757 | 22,477 | - | 22,477 |

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

In accordance with a resolution passed by the Board of Directors at a meeting on August 31, 2010, the Company acquired treasury stock with a value of 6,735 million yen. As a result, as of the end of the second quarter ended September 30, 2010, treasury stock totaled 9,596 thousand shares and had a book value of 34,788 million yen.