

## Summary of Consolidated Financial Statements for the second quarter ended September 30, 2011

Listed company name: **Nitto Denko Corporation**  
 Stock exchange listings: First Section of Tokyo Stock Exchange and Osaka Stock Exchange  
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Filing date of quarterly financial statements November 11, 2011  
 Estimated starting date of dividend paying November 25, 2011  
 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, 2011 (April 1, 2011 through September 30, 2011)

#### (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, 2011	314,666	-2.8	36,257	-23.3	36,657	-21.6	22,296	-28.5
First half ended September 30, 2010	323,840	9.7	47,276	85.0	46,774	82.8	31,182	72.9

(Note) Comprehensive income: (First half ended September 30, 2011) 9,771 million yen (- 51.3%)  
 (First half ended September 30, 2010) 20,076 million yen (- %)

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
First half ended September 30, 2011	135.	58	135.	34
First half ended September 30, 2010	187.	59	187.	35

#### (2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
September 30, 2011	643,376	421,447	65.2
March 31, 2011	653,961	419,673	63.9

(Reference): Shareholders' equity: (September 30, 2011) 419,405 million yen (March 31, 2011) 417,606 million yen

## 2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2011	-	40.00	-	50.00	90.00
March, 2012	-	50.00	-	-	-
(Forecast) March, 2012	-	-	-	50.00	100.00

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

## 3. Forecast for fiscal year ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(% 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	0.2	65,000	-23.7	65,700	-22.8	40,500	-27.3	246.26

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

## 4. Others

(1) Changes in significant subsidiaries during the first half ended September 30, 2011: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during the first half ended September 30, 2011.

(2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: No

(3) Changes of accounting policies applied, changes in accounting estimates and retrospective restatement

1. Changes of accounting policies applied due to revisions of accounting standards: No
2. Changes of accounting policies other than the above: No
3. Changes in accounting estimates: No
4. Retrospective restatement: No

(4) Number of shares outstanding (Common stock)

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

(September 30, 2011) 173,758,428	(March 31, 2011) 173,758,428
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2. Number of treasury stocks at period end
 

(September 30, 2011) 9,284,141	(March 31, 2011) 9,365,688
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3. Weighted-average number of shares outstanding over the period
 

(April- September, 2011) 164,447,252	(April- September, 2010) 166,226,995
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-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, 2011 (July 1, 2011 through September 30, 2011)  
 (% 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, 2011	158,179	-2.3	15,380	-31.6	15,966	-26.5	9,031	-35.5
Second quarter ended September 30, 2010	161,884	3.3	22,477	31.3	21,712	30.2	14,002	17.5

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
Second quarter ended September 30, 2011	54.	92	54.	84
Second quarter ended September 30, 2010	84.	44	84.	35

(Attached Documents)

Index

1.	Qualitative Information Regarding Quarterly Settlement of Accounts.....	2
	(1) Qualitative information regarding consolidated operating results.....	2
	(2) Qualitative information regarding consolidated financial position.....	6
	(1) Qualitative information on consolidated forecast.....	6
2.	Other Information.....	6
	(1) Changes in significant subsidiaries during the first quarter ended June 30, 2011.....	6
3.	Consolidated Financial Statements.....	7
	(1) Consolidated quarterly balance sheets.....	7
	(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income.....	9
	(Consolidated quarterly statements of income).....	9
	(Consolidated quarterly statements of comprehensive income).....	10
	(3) Consolidated quarterly statements of cash flows.....	11
	(4) Notes on premise of going concern.....	12
	(5) Segment information.....	12
	(6) Notes on significant changes in shareholders' equity.....	12
	(7) Significant subsequent events.....	12
	(8) Other notes.....	13

## 1. Qualitative Information Regarding Quarterly Settlement of Accounts

### (1) Qualitative information regarding consolidated operating results

In the economic environment during the second quarter ended September 30, 2011, the deceleration of the U.S. economy and the fiscal crises in Europe worsened, which impacted the economies of emerging countries such as China and India, resulting in growing uncertainty towards the outlook for the future. In Japan, there was a pickup in domestic production due to the recovery of the supply chain after the Great East Japan Earthquake. However, the environment remained severe owing to factors such as deterioration in the environment for exports as a result of rapid appreciation of the yen and stagnation of individual consumption.

Under such an economic environment, the electronics industry was impacted by the production adjustments due to deteriorating demand in the LCD TV market. LCD related materials and tape products for use in smartphones (multi-function cellular phones) and tablet PCs, for which market demand was strong, steadily achieved expanded sales. However, the competition continued to intensify. Although there was a production recovery in the automobile industry following the production slump caused by the Great East Japan Earthquake, the recovery of demand in other industries remained modest in general. Also affected by the further appreciation of the yen, the environment was difficult overall.

As a result, consolidated net sales for the first half ended September 30, 2011 decreased 2.8% from the first half ended September 30, 2010 (changes hereafter are in comparison with the same period in the previous year) to 314,666 million yen. Operating income decreased 23.3% to 36,257 million yen. Ordinary income decreased 21.6% to 36,657 million yen and net income decreased 28.5% to 22,296 million yen.

### Summary of results by segments

#### a. Industrial Tape

Sales to the automobile industry grew steadily owing to a recovery in levels of production accompanying the restoration of the supply chain after the Great East Japan Earthquake. Concerning sales to the electronics industry, double sided adhesive tape for use in smartphones and tablet PCs, for which demand grew considerably, fared well. On the other hand, protection film for optical applications was affected by adjustments in the LCD TV market, transparent adhesive tape for touch panels was affected by fierce competition, and adhesive tape for electronic components was affected by inventory adjustments. In addition, partly owing to a recovery of domestic demand after the earthquake, sales were robust for protection products used for a broad range of industry applications and also for fluoroplastic products.

As a result of the above, net sales for the first half ended September 30, 2011 were 133,042 million yen and operating income was 8,249 million yen.

#### b. Optronics

For sales of LCD related materials, although demand for smartphones and tablet PCs expanded, sales of optical film were weak, owing to the influence of intermittent production adjustments performed by LCD panel manufacturers in response to the stagnation of demand for LCD TVs in the European and North American markets. Meanwhile, sales of transparent electro-conductive films grew steadily as the application of touch panels in cellular phones expanded. Sales of semiconductor related materials and processing materials were weak, affected by the condition of the semiconductor market. As for flexible printed circuits, although there was a modest recovery in the HDD (hard disk drive) market, sales were weak due to the effect of the strong yen.

As a result of the above, net sales for the first half ended September 30, 2011 were 184,108 million yen and operating income was 26,836 million yen.

#### c. Medical & Membrane

Transdermal therapeutic patches for the domestic medical market (for medical related products) performed favorably thanks to a recovery of demand after the earthquake. Products for the therapeutic nucleic acid drug field also contributed to operating results. On the other hand, sales in the U.S. market were stagnant due to the continuing effects of a Group company in the U.S. voluntarily halting production in the previous fiscal year in order to focus on improving product quality control. In membrane products (reverse osmosis membrane), demand for use of these products in general industrial applications in China, India and other emerging countries was favorable. However, the environment for membrane products has been difficult overall owing to the delays and scale-backs in seawater desalination projects overseas in addition to weakened demand domestically.

As a result of the above, net sales for the first half ended September 30, 2011 were 17,531 million yen and operating loss was 879 million yen.

Please refer to the Nitto Denko Group's Summary of Consolidated Financial Statements for the first quarter ended June 30, 2011 (disclosed on July 29, 2011) for qualitative information regarding consolidated operating results for the first quarter.

## (Reference) Segment Information

(Yen in Millions)

		First half ended September 30, 2010 (April 1, 2010 through September 30, 2010)	First half ended September 30, 2011 (April 1, 2011 through September 30, 2011)	
		Net sales	Net sales	Y-o-Y(%)
Industrial Tape	Tape materials/ Custom processing materials	144,609	133,042	92.0
	Operating income	15,405	8,249	53.5
Optronics	LCD related materials	142,305	148,040	104.0
	Semiconductor related materials	8,072	6,508	80.6
	Flexible printed circuits	25,536	23,188	90.8
	Processing materials	7,400	6,370	86.1
	Total	183,315	184,108	100.4
	Operating income	31,319	26,836	85.7
Medical & Membrane	Medical products	8,793	8,878	101.0
	Membrane products	9,147	8,652	94.6
	Total	17,941	17,531	97.7
	Operating income	-187	-879	-
Eliminatiton /Corporate	Total	-22,025	-20,016	-
	Operating income	738	2,050	277.7
Total	Net sales	323,840	314,666	97.2
	Operating income	47,276	36,257	76.7

## (Reference) Segment Information

(Yen in Millions)

		Second quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010)	Second quarter ended September 30, 2011 (July 1, 2011 through September 30, 2011)	
		Net sales	Net sales	Y-o-Y(%)
Industrial Tape	Tape materials/ Custom processing materials	72,042	68,004	94.4
	Operating income	7,248	4,164	57.4
Optronics	LCD related materials	72,243	73,522	101.8
	Semiconductor related materials	3,982	3,062	76.9
	Flexible printed circuits	12,205	11,263	92.3
	Processing materials	3,487	2,949	84.6
	Total	91,918	90,797	98.8
	Operating income	15,761	10,781	68.4
Medical & Membrane	Medical products	4,132	4,378	106.0
	Membrane products	4,177	4,268	102.2
	Total	8,309	8,646	104.1
	Operating income	-791	-494	-
Eliminatiton /Corporate	Total	-10,385	-9,269	-
	Operating income	259	929	358.4
Total	Net sales	161,884	158,179	97.7
	Operating income	22,477	15,380	68.4

## (Reference) Segment Information

(Yen in Millions)

		Forecasts of fiscal year ending March 31, 2012 (As of July 29, 2011)		Forecasts of fiscal year ending March 31, 2012 (As of October 31, 2011)	
		Net sales	Y-o-Y (%)	Net sales	Y-o-Y (%)
Industrial Tape	Tape materials/ Custom processing materials	282,000	100.0	279,800	99.2
	Operating income	23,500	84.9	19,600	70.8
Optronics	LCD related materials	297,000	104.2	294,500	103.4
	Semiconductor related materials	14,300	95.9	12,400	83.2
	Flexible printed circuits	49,400	98.7	43,500	86.9
	Processing materials	11,300	83.8	11,600	86.0
	Total	372,000	102.4	362,000	99.6
	Operating income	58,500	99.6	45,000	76.6
Medical & Membrane	Medical products	18,000	111.4	18,000	111.4
	Membrane products	18,000	98.4	16,800	91.9
	Total	36,000	104.5	34,800	101.0
	Operating income	-2,500	-	-2,000	-
Eliminatiton /Corporate	Total	-40,000	-	-36,600	-
	Operating income	500	103.7	2,400	497.8
Total	Net sales	650,000	101.8	640,000	100.2
	Operating income	80,000	93.8	65,000	76.3

## (2) Qualitative information on consolidated financial position

Financial position at the end of the second quarter ended September 30, 2011 was as follows.

Compared with the end of the fiscal year ended March 31, 2011, total assets decreased by 10,585 million yen to 643,376 million yen. Net assets increased by 1,774 million yen to 421,447 million yen. As a result, the ratio of shareholders' equity to total assets changed from 63.9% at the end of the fiscal year ended March 31, 2011, to 65.2% at the end of the second quarter ended September 30, 2011.

Main changes in assets were decreases in cash and deposits of 2,869 million yen and in property, plant and equipment of 7,701 million yen. In liabilities, there were decreases in notes and accounts payable-trade of 1,242 million yen, in income taxes payable of 8,606 million yen, and in other current liabilities of 1,949 million yen due to a decline in accrued expenses.

## (3) Qualitative information on consolidated forecast

During the second quarter ended September 30, 2011, sales of products such as components for touch panels were firm owing to growth in demand for their use in smartphones and tablet PCs. Meanwhile, sales of optical film for LCD TVs did not meet expectations, affected by production adjustments by LCD panel manufacturers in response to the sluggishness of the global TV market. Products such as industrial tape and electronic products for the electronics industry faced difficult circumstances as a result of a decrease in demand due to worsening market conditions and falling prices due to increased competition. With respect to profits, although the Nitto Denko Group made ongoing efforts to reduce costs and boost productivity, profits were lower than forecast, owing to decreased orders and an exchange rate that was dominated by a much stronger-than-expected yen.

Looking ahead at the third quarter of the year onwards, there are concerns that business confidence could worsen by events such as the financial instability in Europe, deceleration of the U.S. economy, slowed growth of the heretofore favorable Chinese economy, and flooding in Thailand. It is expected that the strong yen will continue to prevail in currency exchange. Because of the expectations of such a severe environment, there are concerns of decelerating demand and inventory adjustments in digital home electronics such as PCs and LCD TVs, despite the expectation of a recovery in demand from the automobile industry and recovery demand related to the Great East Japan Earthquake. The outlook, therefore, remains uncertain.

In light of the above, the following revisions have been made to the consolidated forecasts for the full year ending March 31, 2012 announced on July 29, 2011.

From the third quarter onwards, the currency exchange rate used as the premise for the forecast revision has been revised from 1 USD = 80 JPY to 1 USD = 77 JPY.

### Revision of consolidated forecasts for fiscal year ending March 31, 2012 (April 1, 2011 through March 31, 2012)

	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)	650,000	80,000	80,000	52,000	316.20
Revised forecasts (B)	640,000	65,000	65,700	40,500	246.26
Difference (B) – (A)	-10,000	-15,000	-14,300	-11,500	-
Rate of change (%)	-1.5	-18.8	-17.9	-22.1	-
(Reference) Consolidated business results of fiscal year ended March 31, 2011	638,556	85,245	85,143	55,743	337.36

The above results and 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) Changes in significant subsidiaries during the first half ended September 30, 2011  
Not applicable.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated quarterly balance sheets

(Yen in Millions)

	March 31, 2011	September 30, 2011
(Assets)		
Current assets		
Cash and deposits	211,044	208,174
Notes and accounts receivable-trade	132,725	130,335
Merchandise and finished goods	20,795	19,448
Work in process	28,911	30,386
Raw materials and supplies	12,693	13,168
Other	17,879	18,087
Allowance for doubtful accounts	-708	-492
Total current assets	423,340	419,107
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	196,974	194,118
Machinery, equipment and vehicles	328,438	329,520
Tools, furniture and fixtures	36,683	37,104
Land	19,077	18,891
Construction in progress	12,388	12,060
Accumulated depreciation	-398,409	-404,244
Total property, plant and equipment	195,152	187,450
Intangible assets	8,100	7,907
Investments and other assets		
Other	27,613	29,108
Allowance for doubtful accounts	-245	-198
Total investments and other assets	27,367	28,909
Total noncurrent assets	230,620	224,268
Total assets	653,961	643,376

(Yen in Millions)

	March 31, 2011	September 30, 2011
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	80,876	79,633
Short-term loans payable	10,654	10,518
Income taxes payable	18,709	10,103
Provision for directors' bonuses	407	217
Other	46,398	44,449
Total current liabilities	157,046	144,923
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	6,000	6,000
Provision for retirement benefits	18,688	18,580
Provision for directors' retirement benefits	393	354
Other	2,160	2,070
Total noncurrent liabilities	77,242	77,005
Total liabilities	234,288	221,928
(Net assets)		
Shareholders' equity		
Capital stock	26,783	26,783
Capital surplus	56,171	56,163
Retained earnings	398,161	412,237
Treasury stock	-33,953	-33,657
Total shareholders' equity	447,163	461,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,250	817
Deferred gains or losses on hedges	123	647
Foreign currency translation adjustment	-30,931	-43,587
Total accumulated other comprehensive income	-29,557	-42,121
Subscription rights to shares	847	826
Minority interests	1,219	1,215
Total net assets	419,673	421,447
Total liabilities and net assets	653,961	643,376

## (2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

(Consolidated quarterly statements of income)

(First half ended September 30, 2011)

(Yen in Millions)

	First half ended September 30, 2010 (April 1, 2010 through September 30, 2010)	First half ended September 30, 2011 (April 1, 2011 through September 30, 2011)
Net sales	323,840	314,666
Cost of sales	222,336	223,236
Gross profit	101,504	91,430
Selling, general and administrative expenses	54,227	55,173
Operating income	47,276	36,257
Non-operating income		
Interest income	186	143
Dividends income	74	73
Gain on sales of scraps	556	647
Miscellaneous income	1,176	969
Total non-operating income	1,994	1,834
Non-operating expenses		
Interest expenses	538	458
Foreign exchange losses	1,167	249
Miscellaneous loss	789	726
Total non-operating expenses	2,496	1,434
Ordinary income	46,774	36,657
Extraordinary income		
Gain on sales of noncurrent assets	39	12
Compensation income	59	-
Other	0	0
Total extraordinary income	99	12
Extraordinary loss		
Loss on sales of noncurrent assets	17	17
Loss on disposal of noncurrent assets	732	354
Impairment loss	176	2,207
Special retirement expenses	32	22
Other	178	51
Total extraordinary loss	1,138	2,652
Income before income taxes	45,736	34,016
Income taxes	14,387	11,569
Income before minority interests	31,348	22,447
Minority interests in income	165	151
Net income	31,182	22,296

(Consolidated quarterly statements of comprehensive income)  
(First half ended September 30, 2011)

(Yen in Millions)

	First half ended September 30, 2010 (April 1, 2010 through September 30, 2010)	First half ended September 30, 2011 (April 1, 2011 through September 30, 2011)
Income before minority interests	31,348	22,447
Other comprehensive income		
Valuation difference on available-for-sale securities	-752	-433
Deferred gains or losses on hedges	964	524
Foreign currency translation adjustment	-11,302	-12,610
Share of other comprehensive income of associates accounted for using equity method	-181	-157
Total other comprehensive income	-11,271	-12,675
Comprehensive income	20,076	9,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	19,969	9,732
Comprehensive income attributable to minority interests	107	39

## (3) Consolidated quarterly statements of cash flows

(Yen in Millions)

	First half ended September 30, 2010 (April 1, 2010 through September 30, 2010)	First half ended September 30, 2011 (April 1, 2011 through September 30, 2011)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	45,736	34,016
Depreciation and amortization	19,441	17,881
Impairment loss	176	2,207
Decrease (increase) in notes and accounts receivable-trade	-7,056	-4,868
Increase (decrease) in inventories	-3,866	-3,670
Decrease (increase) in accounts receivable-other	215	378
Increase (decrease) in notes and accounts payable-trade	4,371	5,961
Increase (decrease) in accrued expenses	261	-1,289
Income taxes (paid) refund	-15,574	-19,191
Other, net	2,495	-1,263
<b>Net cash provided by (used in) operating activities</b>	<b>46,201</b>	<b>30,160</b>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of noncurrent assets	-12,195	-18,752
Proceeds from sales of noncurrent assets	59	91
Decrease (increase) in time deposits	-1,155	55
Other, net	110	-994
<b>Net cash provided by (used in) investing activities</b>	<b>-13,180</b>	<b>-19,599</b>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	-1,334	318
Repayment of long-term loans payable	-2,961	-159
Decrease (increase) in treasury stock	-6,724	160
Cash dividends paid	-3,332	-8,219
Other, net	-23	-33
<b>Net cash provided by (used in) financing activities</b>	<b>-14,376</b>	<b>-7,933</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>-4,894</b>	<b>-5,149</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>13,749</b>	<b>-2,521</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>110,627</b>	<b>148,289</b>
<b>Cash and cash equivalents at the end of period</b>	<b>124,377</b>	<b>145,767</b>

(4) Notes on premise of going concern

Not applicable.

(5) Segment information

Information regarding sales, income or loss 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	134,044	171,550	17,413	323,009	830	323,840
Inter-segment sales or transfers	10,564	11,764	527	22,856	-22,856	-
Total	144,609	183,315	17,941	345,865	-22,025	323,840
Segment income (Operating income)	15,405	31,319	-187	46,538	738	47,276

Note) 738 million yen in adjustment of segment income includes 172 million yen for intersegment elimination and 566 million yen for others.

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 materials, semiconductor related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

First half ended September 30, 2011 (April 1, 2011 through September 30, 2011)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Figures in consolidated statement of income
Net sales						
Net sales to outside customers	123,018	173,908	16,952	313,879	787	314,666
Inter-segment sales or transfers	10,023	10,200	579	20,803	-20,803	-
Total	133,042	184,108	17,531	334,682	-20,016	314,666
Segment income (Operating income)	8,249	26,836	-879	34,206	2,050	36,257

Note) 2,050 million yen in adjustment of segment income includes 142 million yen for intersegment elimination and 1,908 million yen for others.

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 materials, semiconductor related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

(6) Notes on significant changes in shareholders' equity

Not applicable.

(7) Significant subsequent events

Not applicable.

(8) Other notes

(Consolidated quarterly statements of income)

Impairment losses for the following assets were recognized for the second quarter ended September 30, 2011.

Location	Use	Type	Impairment loss (Millions of yen)
Kusatsu City, Shiga Pref.	Manufacturing facilities	Machinery, equipment and vehicles, etc.	2,155
Others	Manufacturing facilities	Machinery, equipment and vehicles, etc.	51

(Grouping)

The Company and its consolidated subsidiaries primarily group their assets by the management accounting segmentation that is similar to the business segment. Assets whose disposal is decided due to the discontinuation of production or other reasons are individually grouped.

(Details)

As a result of evaluating the profitability of the domestic membrane products business, etc. based on the "Accounting Standard for Impairment of Fixed Assets," the book values of the aforementioned asset group were written down to the recoverable amount, and resulting decrease was recognized as impairment loss under extraordinary loss.

(Measurement of recoverable amount)

Recoverable amount is measured mainly by the value in use, which is calculated by discounting future cash flows at a discount rate of 4.9%. The discount rate is the rate calculated by finding the weighted average of the discount rate reflecting the risk premium of shareholders and the risk-free discount rate based on respectively related future cash flows.