

Summary of Consolidated Financial Statements for the third quarter ended December 31, 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 February 14, 2012
 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 nine months ended December 31, 2011 (April 1, 2011 through December 31, 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	%
Nine months ended December 31, 2011	462,917	-4.4	48,480	-29.2	49,591	-27.5	30,115	-33.3
Nine months ended December 31, 2010	484,362	7.2	68,503	59.9	68,379	49.0	45,168	44.0

(Note) Comprehensive income: (Nine months ended December 31, 2011) 19,336 million yen (- 39.6%)
 (Nine months ended December 31, 2010) 31,988 million yen (-- %)

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
Nine months ended December 31, 2011	183.	12	182.	83
Nine months ended December 31, 2010	272.	85	272.	46

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
December 31, 2011	636,582	422,880	66.1
March 31, 2011	653,961	419,673	63.9

(Reference): Shareholders' equity: (December 31, 2011) 420,658 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	610,000	-4.5	57,000	-33.1	58,200	-31.6	31,000	-44.4	188.49

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

4. Others

(1) Changes in significant subsidiaries during nine months ended December 31, 2011: Yes

Newly consolidated: -

Excluded: 1 company (Nitto Denko (Shanghai) Electro-Energy Co., Ltd.)

(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)

(December 31, 2011) 173,758,428 (March 31, 2011) 173,758,428

2. Number of treasury stocks at period end

(December 31, 2011) 9,284,209 (March 31, 2011) 9,365,688

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

(April- December, 2011) 164,456,248 (April- December, 2010) 165,541,129

-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 third quarter ended December 31, 2011 (October 1, 2011 through December 31, 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	%
Third quarter ended December 31, 2011	148,250	-7.6	12,223	-42.4	12,933	-40.1	7,819	-44.1
Third quarter ended December 31, 2010	160,522	2.3	21,227	22.8	21,604	6.5	13,985	4.8

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
Third quarter ended December 31, 2011	47.	54	47.	48
Third quarter ended December 31, 2010	85.	19	85.	07

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Settlement of Accounts

(1) Qualitative information regarding consolidated operating results

In the economic environment during the third quarter ended December 31, 2011, the sovereign debt crises in Europe had an adverse effect on the financial and capital markets, and the economies of Europe and North America weakened. There was also an impact on emerging countries such as China and India. In Japan, although there was a pickup in domestic production due to the recovery in demand after the Great East Japan Earthquake, this lacked strength because of the impact the flood in Thailand had on some sectors. In addition to this, the environment for exports remained severe because of the persistent strength of the yen.

Under such an economic environment, in the electronics industry production of HDDs (hard disk drives) decreased because of the flood in Thailand, while demand for LCD TVs was weak particularly in Europe and North America. Although the Nitto Denko Group focused its efforts on LCD related materials and tape products for use in smartphones (multi-function cellular phones) and tablet PCs, there were impacts from the persistent strength of the yen and production adjustments. Furthermore, production recovery following the production slump caused by the Great East Japan Earthquake in sectors including the automobile industry did not gain much strength due to the impact of the flood in Thailand. Although the Company suffered damage to a production base in Thailand, this was handled through action including carrying out substitute production at other production bases.

As a result, consolidated net sales for the nine months ended December 31, 2011 decreased 4.4% from the nine months ended December 31, 2010 (changes hereafter are in comparison with the same period in the previous year) to 462,917 million yen. Operating income decreased 29.2% to 48,480 million yen, ordinary income decreased 27.5% to 49,591 million yen, and net income decreased 33.3% to 30,115 million yen.

Summary of results by segments

a. Industrial Tape

Sales to the automobile industry are on the road to recovery, despite suffering the effects of the flood in Thailand, as automobile production has increased following the Great East Japan Earthquake. Concerning sales to the electronics industry, double sided adhesive tape for use in smartphones and tablet PCs fared well. On the other hand, protection film for optical applications was affected by weak demand for LCD TVs, transparent adhesive tape for touch panels was affected by intensified competition, and adhesive tape for electronic components was affected by production adjustments. Conventional double sided adhesive tape, protection products and fluoroplastics products used for a broad range of industry applications were among the products for which a recovery failed to gain much strength.

As a result of the above, net sales for the nine months ended December 31, 2011 were 198,905 million yen and operating income was 11,751 million yen.

b. Optronics

In sales of LCD related materials, optical film sold weakly. This was the result of a slowdown in demand for smartphones and tablet PCs due to production adjustments in the latter half of the period, in addition to continuing weakness in demand for LCD TVs particularly in Europe and North America. Although there was penetration in the application of transparent electro-conductive films in touch panels for smartphones and tablet PCs, sales of the films were affected by production adjustments and changes in models. Sales of semiconductor related materials and processing materials were weak due to the condition of the semiconductor market. Regarding flexible printed circuits, demand for use in HDDs was weak because customers' production was reduced due to the effects of the flood in Thailand.

As a result of the above, net sales for the nine months ended December 31, 2011 were 267,800 million yen and operating income was 35,545 million yen.

c. Medical & Membrane

In medical products, there was a correction in demand for transdermal therapeutic patches for the domestic medical market in reaction to a surge in demand in the first half of the fiscal year due to the impact of the earthquake. Furthermore, conditions remained difficult for a Group company in the U.S., despite its partial resumption of therapeutic patch production. On the other hand, products for the therapeutic nucleic acid drug field performed robustly. In membrane products (reverse osmosis membrane), there was a slump in demand for these products in general industrial applications in China, India and other emerging countries, where demand had hitherto been favorable. As domestic demand was also weak, the overall environment for membrane products was difficult.

As a result of the above, net sales for the nine months ended December 31, 2011 were 25,489 million yen and operating loss was 1,527 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) and the Group's Summary of Consolidated Financial Statements for the second quarter ended September 30, 2011 (disclosed on October 31, 2011) for qualitative information regarding consolidated operating results for the first and second quarters.

(Reference) Segment Information

(Yen in Millions)

		Nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)	Nine months ended December 31, 2011 (April 1, 2011 through December 31, 2011)	
		Net sales	Net sales	Y-o-Y(%)
Industrial Tape	Tape materials/ Custom processing materials	215,018	198,905	92.5
	Operating income	22,380	11,751	52.5
Optronics	LCD related materials	214,697	216,299	100.7
	Semiconductor related materials	11,639	9,056	77.8
	Flexible printed circuits	38,092	33,164	87.1
	Processing materials	10,345	9,280	89.7
	Total	274,775	267,800	97.5
	Operating income	46,129	35,545	77.1
Medical & Membrane	Medical products	12,950	13,127	101.4
	Membrane products	13,654	12,362	90.5
	Total	26,605	25,489	95.8
	Operating income	-615	-1,527	-
Eliminatiton /Corporate	Total	-32,037	-29,279	-
	Operating income	609	2,710	444.6
Total	Net sales	484,362	462,917	95.6
	Operating income	68,503	48,480	70.8

(Reference) Segment Information

(Yen in Millions)

		Third quarter ended December 31, 2010 (October 1, 2010 through December 31, 2010)	Third quarter ended December 31, 2011 (October 1, 2011 through December 31, 2011)	
		Net sales	Net sales	Y-o-Y(%)
Industrial Tape	Tape materials/ Custom processing materials	70,409	65,862	93.5
	Operating income	6,974	3,502	50.2
Optronics	LCD related materials	72,391	68,259	94.3
	Semiconductor related materials	3,567	2,547	71.4
	Flexible printed circuits	12,555	9,975	79.4
	Processing materials	2,945	2,909	98.8
	Total	91,460	83,692	91.5
	Operating income	14,809	8,709	58.8
Medical & Membrane	Medical products	4,156	4,248	102.2
	Membrane products	4,507	3,709	82.3
	Total	8,664	7,958	91.9
	Operating income	-428	-648	-
Eliminatiton /Corporate	Total	-10,011	-9,263	-
	Operating income	-128	660	-
Total	Net sales	160,522	148,250	92.4
	Operating income	21,227	12,223	57.6

(Reference) Segment Information

(Yen in Millions)

		Forecasts of fiscal year ending March 31, 2012 (As of October 31, 2011)		Forecasts of fiscal year ending March 31, 2012 (As of January 31, 2012)	
		Net sales	Y-o-Y (%)	Net sales	Y-o-Y (%)
Industrial Tape	Tape materials/ Custom processing materials	279,800	99.2	265,200	94.0
	Operating income	19,600	70.8	14,600	52.8
Optronics	LCD related materials	294,500	103.4	282,200	99.1
	Semiconductor related materials	12,400	83.2	11,700	78.5
	Flexible printed circuits	43,500	86.9	43,500	86.9
	Processing materials	11,600	86.0	11,900	88.2
	Total	362,000	99.6	349,300	96.1
	Operating income	45,000	76.6	42,100	71.7
Medical & Membrane	Medical products	18,000	111.4	16,800	104.0
	Membrane products	16,800	91.9	16,300	89.1
	Total	34,800	101.0	33,100	96.1
	Operating income	-2,000	-	-2,500	-
Eliminatiton /Corporate	Total	-36,600	-	-37,600	-
	Operating income	2,400	497.8	2,800	580.8
Total	Net sales	640,000	100.2	610,000	95.5
	Operating income	65,000	76.3	57,000	66.9

(2) Qualitative information on consolidated financial position

Financial position at the end of the third quarter ended December 31, 2011 was as follows.

Compared with the end of the fiscal year ended March 31, 2011, total assets decreased by 17,378 million yen to 636,582 million yen. Net assets increased by 3,207 million yen to 422,880 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 66.1% at the end of the third quarter ended December 31, 2011.

Main changes in assets were decreases in cash and deposits of 7,358 million yen and in property, plant and equipment of 7,874 million yen. In liabilities, there were decreases in notes and accounts payable-trade of 1,083 million yen, in income taxes payable of 15,584 million yen, and in other current liabilities of 4,449 million yen due to a decline in accrued expenses.

(Reference) Summary of consolidated quarterly statements of cash flows

(Yen in Millions)

	Nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)	Nine months ended December 31, 2011 (April 1, 2011 through December 31, 2011)
Net cash provided by (used in) operating activities	65,917	39,086
Net cash provided by (used in) investing activities	-17,564	-26,972
Net cash provided by (used in) financing activities	-22,560	-15,323
Effect of exchange rate change on cash and cash equivalents	-6,109	-3,936
Net increase (decrease) in cash and cash equivalents	19,683	-7,146
Cash and cash equivalents at the beginning of period	110,627	148,289
Cash and cash equivalents at the end of period	130,310	141,142

(3) Qualitative information on consolidated forecast

During the third quarter ended December 31, 2011, sales of optical film and tape for the electronics industry performed weakly because of sluggishness in the global TV and PC markets. Furthermore, printed circuits and materials related to automobiles were affected by turmoil in supply chains for the HDD and automobile industries caused by the flood in Thailand. Meanwhile, demand for smartphones and tablet PCs, which had hitherto grown steadily, failed to grow in the third quarter at the rate initially expected because of inventory adjustments accompanying changes in models. With respect to profits, although the Nitto Denko Group made ongoing efforts to reduce costs, profits were lower than forecast because of a reduction in operation capacity.

Looking ahead at the fourth quarter of the year, in addition to uncertainty regarding the direction of business confidence because of continuing financial instability in Europe, there are also yearly seasonal factors such as the Chinese New Year. Despite this expected continuation of difficult conditions, from the end of the fiscal year ending March 31, 2012, demand from the electronics industry is expected to recover gradually.

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 October 31, 2011.

For the currency exchange rate used as the premise for the forecast revision, the rate of 1 USD = 77 JPY has been maintained from the third quarter.

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)	640,000	65,000	65,700	40,500	246.26
Revised forecasts (B)	610,000	57,000	58,200	31,000	188.49
Difference (B) – (A)	-30,000	-8,000	-7,500	-9,500	-
Rate of change (%)	-4.7	-12.3	-11.4	-23.5	-
(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 nine months ended December 31, 2011

During the third quarter ended December 31, 2011, the Company excluded Nitto Denko (Shanghai) Electro-Energy Co., Ltd. under the category of specified subsidiary of the Company from the scope of consolidation as a result of the transfer of some of its shares and changed its status to an affiliate subject to the equity method.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Yen in Millions)

	March 31, 2011	December 31, 2011
(Assets)		
Current assets		
Cash and deposits	211,044	203,685
Notes and accounts receivable-trade	132,725	128,208
Merchandise and finished goods	20,795	19,252
Work in process	28,911	31,002
Raw materials and supplies	12,693	14,555
Other	17,879	17,767
Allowance for doubtful accounts	-708	-509
Total current assets	423,340	413,961
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	196,974	195,843
Machinery, equipment and vehicles	328,438	332,332
Tools, furniture and fixtures	36,683	37,377
Land	19,077	18,880
Construction in progress	12,388	14,060
Accumulated depreciation	-398,409	-411,217
Total property, plant and equipment	195,152	187,278
Intangible assets	8,100	7,815
Investments and other assets		
Other	27,613	27,725
Allowance for doubtful accounts	-245	-198
Total investments and other assets	27,367	27,527
Total noncurrent assets	230,620	222,621
Total assets	653,961	636,582

(Yen in Millions)

	March 31, 2011	December 31, 2011
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	80,876	79,793
Short-term loans payable	10,654	11,433
Income taxes payable	18,709	3,124
Provision for directors' bonuses	407	324
Other	46,398	41,949
Total current liabilities	157,046	136,625
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	6,000	6,000
Provision for retirement benefits	18,688	18,624
Provision for directors' retirement benefits	393	379
Other	2,160	2,072
Total noncurrent liabilities	77,242	77,076
Total liabilities	234,288	213,701
(Net assets)		
Shareholders' equity		
Capital stock	26,783	26,783
Capital surplus	56,171	56,163
Retained earnings	398,161	411,833
Treasury stock	-33,953	-33,658
Total shareholders' equity	447,163	461,122
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,250	682
Deferred gains or losses on hedges	123	7
Foreign currency translation adjustment	-30,931	-41,154
Total accumulated other comprehensive income	-29,557	-40,464
Subscription rights to shares	847	917
Minority interests	1,219	1,304
Total net assets	419,673	422,880
Total liabilities and net assets	653,961	636,582

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

(Consolidated quarterly statements of income)

(Nine months ended December 31, 2011)

(Yen in Millions)

	Nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)	Nine months ended December 31, 2011 (April 1, 2011 through December 31, 2011)
Net sales	484,362	462,917
Cost of sales	333,674	331,450
Gross profit	150,688	131,466
Selling, general and administrative expenses	82,184	82,985
Operating income	68,503	48,480
Non-operating income		
Interest income	240	220
Dividends income	137	130
Gain on sales of scraps	844	979
Foreign exchange gains	-	222
Subsidy income	482	330
Miscellaneous income	1,111	1,005
Total non-operating income	2,815	2,888
Non-operating expenses		
Interest expenses	775	685
Foreign exchange losses	1,071	-
Miscellaneous loss	1,093	1,092
Total non-operating expenses	2,940	1,777
Ordinary income	68,379	49,591
Extraordinary income		
Gain on sales of noncurrent assets	216	24
Gain on sales of subsidiaries and affiliates' stocks	-	745
Gain on reversal of subscription rights to shares	235	46
Other	59	0
Total extraordinary income	510	816
Extraordinary loss		
Loss on sales of noncurrent assets	185	22
Loss on disposal of noncurrent assets	1,100	621
Impairment loss	173	2,210
Special retirement expenses	44	22
Other	158	394
Total extraordinary loss	1,662	3,272
Income before income taxes	67,227	47,135
Income taxes	21,814	16,806
Income before minority interests	45,413	30,329
Minority interests in income	244	213
Net income	45,168	30,115

(Consolidated quarterly statements of comprehensive income)
(Nine months ended December 31, 2011)

(Yen in Millions)

	Nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)	Nine months ended December 31, 2011 (April 1, 2011 through December 31, 2011)
Income before minority interests	45,413	30,329
Other comprehensive income		
Valuation difference on available-for-sale securities	-388	-567
Deferred gains or losses on hedges	816	-116
Foreign currency translation adjustment	-13,624	-10,265
Share of other comprehensive income of associates accounted for using equity method	-228	-42
Total other comprehensive income	-13,425	-10,992
Comprehensive income	31,988	19,336
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	31,819	19,208
Comprehensive income attributable to minority interests	169	128

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

(4) Segment information

Information regarding sales, income or loss by segments

Nine months ended December 31, 2010 (April 1, 2010 through December 31, 2010)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Figures in consolidated statement of income
Net sales						
Net sales to outside customers	199,051	258,172	25,815	483,039	1,323	484,362
Inter-segment sales or transfers	15,967	16,603	789	33,360	-33,360	-
Total	215,018	274,775	26,605	516,399	-32,037	484,362
Segment income (Operating income)	22,380	46,129	-615	67,894	609	68,503

Note) 609 million yen in adjustment of segment income includes 244 million yen for intersegment elimination and 365 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

Nine months ended December 31, 2011 (April 1, 2011 through December 31, 2011)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment	Figures in consolidated statement of income
Net sales						
Net sales to outside customers	184,143	252,979	24,707	461,830	1,086	462,917
Inter-segment sales or transfers	14,761	14,821	781	30,365	-30,365	-
Total	198,905	267,800	25,489	492,196	-29,279	462,917
Segment income (Operating income)	11,751	35,545	-1,527	45,769	2,710	48,480

Note) 2,710 million yen in adjustment of segment income includes 211 million yen for intersegment elimination and 2,499 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

(5) Notes on significant changes in shareholders' equity
Not applicable.

(6) Significant subsequent events
Not applicable.

(7) Other notes

(Consolidated quarterly statements of income)

Impairment losses for the following assets were recognized for nine months ended December 31, 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.	54

(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.