

Summary of Consolidated Financial Statements for the second quarter ended September 30, 2008

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: Hideki Komai, General Manager,
 Investor Relations Group, Corporate Communications Dept.
 Phone: +81-6-6452-2101

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 Estimated starting date of dividend paying November 28, 2008

(All monetary values noted herein are rounded down to the nearest million yen.)

1. Consolidated financial results of the first half ended September 30, 2008 (April 1, 2008 through September 30, 2008) (1) Operating results (% of change from previous year)

	Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half ended September 30, 2008	342,692	-	25,856	-	27,082	-	18,018	-
First half ended September 30, 2007	365,932	10.1	34,904	-3.1	33,360	-5.0	21,891	3.4

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
First half ended September 30, 2008	108.	17	108.	06
First half ended September 30, 2007	131.	50	131.	39

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First half ended September 30, 2008	597,441	397,886	66.1	2,370. 69
March 31, 2008	595,972	385,593	64.2	2,297. 12

(Reference): Shareholders' equity: (First half ended September 30, 2008) 394,906 million yen
 (March 31, 2008) 382,627 million yen

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2008	-	40. 00	-	40. 00	80. 00
March, 2009	-	40. 00	-	-	-
(Forecast) March, 2009	-	-	-	40. 00	80. 00

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

3.Forecast for fiscal year ending March 31, 2009 (April 1, 2008 through March 31, 2009)

(% of change from same period last year)

	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	660,000	-11.4	36,000	-53.8	36,000	-51.7	24,000	-48.5	144. 08

4. Others

- (1) Changes in significant subsidiaries during this fiscal year: No
- (2) Adoption of simplified financial accounting methods and special accounting methods for presenting quarterly consolidated financial statements: Yes
- (3) Changes of accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements
 1. Changes following to accounting standard changes: Yes
 2. Other changes: Yes
- (4) Number of shares outstanding (Common stock)
 1. Number of shares outstanding at the term end (including treasury stock):
(September, 2008) 173,758,428 (March, 2008) 173,758,428
 2. Number of treasury stocks at the term end
(September, 2008) 7,179,870 (March, 2008) 7,189,976
 3. Weighted-average number of shares outstanding over the period
(July-September, 2008) 166,575,370 (July-September, 2007) 166,477,505

*Explanations for adequate utilization of the forecast, and other note

- (1) Forecast announced on July 31, 2008 has been revised.
- (2) 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.
- (3) Effective from the fiscal year ending March 31, 2009, the “Accounting Standard for Quarterly Financial Reporting”(ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting”(ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting”.

(Reference) Consolidated financial results of the second quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008)

	Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second quarter ended September 30, 2008	173,632	-	12,339	-	11,515	-	7,572	-
Second quarter ended September 30, 2007	-	-	-	-	-	-	-	-

	Net income per share-Basic		Net income per share-Diluted	
	Yen		Yen	
Second quarter ended September 30, 2008	45.	46	45.	41
Second quarter ended September 30, 2007	-	-	-	-

[Qualitative Information/Financial Statements and Others]

1. Qualitative Information Regarding Consolidated Operating Results

Note: The percentages of changes contained in this document are reference only.

The Japanese economy maintained a weak tone overall during the second quarter of fiscal 2008. Company exports were down, capital investment was restrained, and private consumption remained lackluster as a result of deteriorating consumer sentiment. Also, worsening financial instability in the U.S. has made a big impact on stock markets and foreign currency markets and the risk that the economic environment will slump even further has become higher.

Under these economic conditions, nearly all the markets of Nitto Denko Corporation and its consolidated subsidiaries (the Group), such as the electric/ electronics industry, automotive industry and the housing and construction industry, experienced a decline in demand. In the flat panel display (FPD) industry, the major market of the Group, the slowdown in the economy led to production declines for all the primary products that use FPDs such as LCD TVs, PCs, and cellular phones, and the production adjustments by LCD panel manufacturers, who are customers, continued in the second quarter. In the semiconductor industry, capital investment was postponed or cancelled and there was an impact from increasing pressures to lower the prices of materials because of the dropping prices of semiconductors. In the automotive industry, there was weak demand for industrial products as automobile manufacturers in North America reduced production volumes and there was a shift of automobile models being produced from large to small. On the other hand, the shortage of water and a growing environmental awareness has helped sales of high-polymer separation membranes for water-related environment to follow a steady course in Japan and overseas.

As a result of above, consolidated sales for the second quarter decreased 8.3% from the same period in the previous year (changes in percentage hereafter are in comparison to the same period in the previous year) to 173,632 million yen. Operating income, impacted by the soaring prices of raw materials due to the high oil prices, decreased 40.7% to 12,339 million yen, and ordinary income decreased 37.3% to 11,515 million yen. Net income also decreased 36.9% to 7,572 million yen.

Summary of Operations by Segment

[Industrial Products]

Regarding bonding and joining products, sales for the personal computer industry were impacted by inventory adjustments but sales for portable music players, portable game machines and hard disk drives (HDD) were firm. Sales of surface protection products were sluggish for the domestic construction materials and metal sheet industry because of an industry slump, but, because they remained on track for the FPD industry due to production facility upgrades, they were firm overall. Sales of sealing products were sluggish, impacted by a decline in the production of portable devices and for those for in the automotive industry, changes to the automobile model structure as a result of a production shift from large automobiles to small automobiles. Sales of construction materials, despite a weakening of the impact of the enforcement of the revised Building Standard Law, were flat due to the economic downturn causing stagnation in the domestic housing market. Overall, performance of industrial products was down primarily due to the soaring prices of raw materials.

As a result, sales from the industrial products segment were 63,191 million yen (down 2.4%), and operating income was 4,593 million yen (down 35.7%).

[Electronic Products]

In the FPD market, LCD panel manufacturers, aiming to make inventory adjustments to reflect the economic slowdown, executed production adjustments and demand associated with Christmas and end-of-year sales was weak. Under these market conditions, despite efforts to increase production and secure orders of LCD related products, demand was stagnant for large-sized panels, a strategic focus of the Group. Moreover, sales were sluggish for panels for portable devices and overall, the result for LCD related products was severe. Sales of semiconductor related products were on track for environmentally-friendly resin, but this did not cover a slump in the market for general-purpose resin. Concerning environmentally-friendly resin, operation was started at the new plant in Kyushu, which has a strengthened production system. Sales for flexible printed circuit products recovered sharply in the second quarter following the impact in the first quarter of sluggish parts procurement in the storage industry but stayed below the level of the same period in the previous year. With regard to electronic processing products, there was a large drop in demand for protection sheet laminating machines for semiconductor manufacturing processes due to restraint on capital investment in the semiconductor industry. Sales of process materials for compact electronic parts were impacted by production adjustments.

As a result, sales for the electronic products segment were 95,872 million yen (down 13.7%), and operating income was 5,873 million yen (down 48.7%).

[Functional Products]

In relation to medical related products, sales volume of transdermal therapeutic patches for medical use (in treatment for asthma and angina) increased, but, due to the impact of the revision of the drug price for patches and the soaring raw material cost per-unit of sanitary materials, sales for medical related products overall weakened. Sales of high-polymer separation membranes stayed on track as a result of to the contributions of large projects in Japan and overseas, particularly an order for a seawater desalination project in Algeria. As for engineering plastics, despite a deteriorating market for functional materials for information devices, the steady performance of porous film materials such as those for automotive parts, and home appliances resulted in a slight increase in sales overall.

As a result, sales in the functional products segment were 14,567 million yen (up 7.5%), and operating income was 1,873 million yen (down 15.2%).

Breakdown by Geographical Segments

In Japan, the soaring prices of oil and raw materials coupled with a slowdown in the economy constrained earnings. With regard to the Asia and Oceania region, earnings maintained a weak tone due to the impact of the Group's main product, LCD related products, which was caused by production adjustments in Korea and Taiwan, the world's production bases for LCD panel production. Also demand for industrial products and electronic products used in electronics components contained in cellular phones was sluggish. As a result, sales in Japan were recorded at 59,590 million yen (down 7.1%) and operating income at 7,628 million yen (down 35.3%). Sales in the Asia and Oceania region were recorded at 95,230 million yen (down 11.3%) and operating income at 4,553 million yen (down 40.5%).

In Europe, sales in the engineering plastics of functional products remained firm but sales for industrial products and electronic products were impacted by the downturn in the economy. Overall, sales in Europe were 7,767 million yen (up 16.5%) and operating income was 380 million yen (down 7.8%).

In North America, sales of industrial products declined as a result of a weakened demand for automobiles but the high-polymer separation membranes business remained on track in the area of reverse osmosis membranes for seawater desalination destined for Europe and Middle East. Overall, earnings were flat. As a result, sales in North America were recorded at 11,043 million yen (down 0.9%) and operating loss was 412 million yen due to, among other reasons, the decline in sales of industrial products.

For qualitative information regarding consolidated operating results of the first quarter of fiscal 2008, please refer to the Summary of Consolidated Financial Statements for the first quarter ended June 30, 2008, which was disclosed on July 31, 2008.

(Reference) Operating Segment Information

(Yen in Millions)

		First Half ended September 30, 2007		First Half ended September 30, 2008	
		(April 1, 2007 through September 30, 2007)		(April 1, 2008 through September 30, 2008)	
		Sales	Y-o-Y(%)	Sales	Y-o-Y(%)
Industrial Products	Tape materials/ Custom processing materials/ Purchased goods	127,893	95.2	123,670	96.7
	Operating income	13,057	98.9	9,512	72.8
Electronic Products	LCD related products	151,774	124.0	133,834	88.2
	Semiconductor related products	11,087	103.7	10,285	92.8
	Printed circuits	29,762	129.8	27,639	92.9
	Electronic processing materials	18,071	112.0	18,788	104.0
	Total	210,697	122.4	190,547	90.4
	Operating income	17,489	95.3	12,460	71.2
Functional Products	Medical related products	8,616	97.0	8,556	99.3
	Membrane products	9,804	117.1	10,925	111.4
	Engineering plastics	8,921	102.3	8,992	100.8
	Total	27,341	105.3	28,474	104.1
	Operating income	4,357	97.5	3,883	89.1
Total	Sales	365,932	110.1	342,692	93.6
	Operating income	34,904	96.9	25,856	74.1

(Reference) Operating Segment Information

(Yen in Millions)

		Second Quarter ended September 30, 2007 (July 1, 2007 through September 30, 2007)	Second Quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008)	Y-o-Y(%)
		Sales	Sales	
Industrial Products	Tape materials/ Custom processing materials/ Purchased goods	64,716	63,191	97.6
	Operating income	7,146	4,593	64.3
Electronic Products	LCD related products	79,510	65,749	82.7
	Semiconductor related products	5,766	5,261	91.2
	Printed circuits	16,447	15,838	96.3
	Electronic processing materials	9,335	9,024	96.7
	Total	111,060	95,872	86.3
	Operating income	11,446	5,873	51.3
Functional Products	Medical related products	4,227	4,166	98.6
	Membrane products	4,862	5,844	120.2
	Engineering plastics	4,465	4,556	102.0
	Total	13,556	14,567	107.5
	Operating income	2,207	1,873	84.8
Total	Sales	189,332	173,632	91.7
	Operating income	20,800	12,339	59.3

(Reference) Operating Segment Information

(Yen in Millions)

		Forecasts of fiscal year ending March 31, 2009			
		Initial (Announced on July 31, 2008)		Revised	
		Sales	Y-o-Y(%)	Sales	Y-o-Y(%)
Industrial Products	Tape materials/ Custom processing materials/ Purchased goods	252,900	98.4	247,100	96.2
	Operating income	24,900	89.2	17,300	62.0
Electronic Products	LCD related products	282,600	91.4	249,100	80.5
	Semiconductor related products	21,800	102.1	19,100	89.5
	Printed circuits	56,800	87.5	53,100	81.9
	Electronic processing materials	38,600	104.9	34,600	94.0
	Total	399,800	92.5	355,900	82.3
	Operating income	29,700	72.7	10,700	26.2
Functional Products	Medical related products	17,000	96.7	18,700	106.4
	Membrane products	21,900	109.1	21,500	107.1
	Engineering plastics	18,400	100.2	16,800	91.5
	Total	57,300	102.3	57,000	101.8
	Operating income	8,400	91.5	8,000	87.1
Total	Sales	710,000	95.3	660,000	88.6
	Operating income	63,000	80.8	36,000	46.2

2. Qualitative Information on Consolidated Financial Position

Financial position at the end of the second quarter of fiscal 2008 was as follows. Compared with the end of fiscal 2007, total assets increased by 1,469 million yen to 597,441 million yen. Net assets also increased by 12,292 million yen to 397,886 million yen. As a result, the ratio of shareholders' equity to total assets changed from 64.2 %, at the end of fiscal 2007, to 66.1 %.

Main changes in assets were decreases of cash on hand and in banks by 10,752 million yen, increases in trade notes and accounts receivable by 3,314 million yen and in tangible fixed assets by 5,734 million yen. In liabilities, there were decreases in trade notes and accounts payable by 8,608 million yen and increases in short-term loan payable by 6,836 million yen.

3. Qualitative Information on Consolidated Forecast

As for the future economic outlook, the Group anticipates the current trend of slowdown in the economy will continue. The factors influencing this slowdown are expected to be an outcome of the growing financial insecurity in Europe and North America, and include declining company exports and restraint on capital investment, changes to the economic environment such as the sudden appreciation of the yen, and lackluster private consumption caused by deteriorating consumer sentiment.

With regard to specific matters affecting the Group, in the LCD panel industry, the major market for the Group, the slump in sales of large-size TVs in Europe and North America, and the inventory adjustments in Asia, particularly for compact portable devices, are all factors behind the greater-than-expected deterioration in the market environment. This has raised concerns that demand will further weaken. Taking also into consideration the sudden and substantial appreciation of the yen, which is expected to cause diminished profitability, the Group has studied these second quarter results and has revised, as follows, its annual forecast for the fiscal year ending March 31, 2009.

The currency exchange rate that the annual forecast is based on, has been revised from 1 USD = 105 JPY (used for the forecast announced on July 31 in the summary of financial statements for the first quarter) to 1 USD = 95 JPY.

Note) Forecast shown below 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.

Revision of Consolidated sales and earnings forecasts of fiscal year ending March 31, 2009

	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
Initial forecasts (A)	710,000	63,000	63,000	42,000	252. 14
Revised forecasts (B)	660,000	36,000	36,000	24,000	144. 08
Difference (B) – (A)	-50,000	-27,000	-27,000	-18,000	-108. 06
Rate of change (%)	-7.0	-42.9	-42.9	-42.9	-42.9
(Reference) Consolidated business results of the fiscal year ended March 2008	745,259	77,954	74,468	46,634	280. 07

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation)

No items to report

(2) Application of simplified accounting as well as specific accounting for preparing the quarterly consolidated financial statements

a. Simplified accounting

Calculation of depreciation of fixed 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.

b. Specific accounting for preparing the quarterly consolidated financial statements

No items to report

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

a. Application of the accounting standard for quarterly financial reporting

Commencing with the current fiscal year, the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied. Also, quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

b. Inventories

Before the change, inventories held for normal sales have been stated mainly using the cost-or-market method per gross average method. As the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) are applied from the first quarter under review, we employ mainly the gross average cost method (for the value stated on the balance sheet, book value is written down based on the decreased profitability).

This change has no impact on income and loss.

c. Application of the practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

From the first quarter under review, we apply the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF Practical Solution No. 18, ASBJ, May 17, 2006) and made necessary amendments for consolidated financial statements.

The impacts of this change on income and loss are immaterial.

d. Application of accounting standard for lease transactions

Before the change, the accounting treatment for finance and lease transactions not involving the transfer of ownership rights followed mutatis mutandis the method for operating lease transactions, but now after the application of the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007) became possible from the fiscal year beginning April 1, 2008 or later, we apply these standard and guidance from the first quarter under review, and the accounting treatment for such transactions follow the method for ordinary purchase and sales transactions. Depreciation of leased properties related to finance and lease transactions not involving the transfer of ownership rights is computed on a straight-line method over the lease period as useful life without residual value.

Also, the accounting treatment for finance and lease transactions not involving the transfer of ownership rights whose transaction commenced before the first fiscal year in which the Accounting Standard for Lease Transactions is applied continuously follows mutatis mutandis the method for operating lease transactions. This change has no impact on income and loss.

Consolidated Balance Sheets

(Yen in Millions)

	September 30, 2008	March 31, 2008
(Assets)		
Current assets		
Cash on hand and in banks	69,429	80,182
Trade notes and accounts receivable	145,384	142,070
Finished goods	24,432	23,877
Raw materials and supplies	13,728	13,120
Work in process	35,580	35,405
Other current assets	22,309	21,940
Allowance for doubtful accounts	-745	-772
Total of current assets	310,120	315,824
Fixed assets		
Tangible fixed assets		
Buildings and other structures	191,993	177,519
Machinery and delivery equipment	321,864	306,457
Tools, furniture and fixtures	35,640	33,741
Land	19,834	19,530
Construction in progress	18,357	25,438
Accumulated depreciation	-338,151	-318,883
	249,538	243,803
Intangible fixed assets	7,524	6,610
Investments and other assets		
Other fixed assets	30,418	29,899
Allowance for doubtful accounts	-160	-166
	30,258	29,733
Total of fixed assets	287,321	280,148
Total assets	597,441	595,972
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	91,980	100,588
Short-term loan payable	15,253	8,416
Income tax payable	8,880	12,329
Reserve for directors' bonuses	291	529
Other current liabilities	53,337	58,673
Total of current liabilities	169,742	180,536
Long-term liabilities		
Long-term loans payable	7,090	6,933
Provision for retirement benefits	18,580	18,267
Reserve for retirement bonuses to directors and corporate auditors	465	574
Negative goodwill	818	1,063
Other long-term liabilities	2,857	3,003
Total of long-term liabilities	29,813	29,842
Total liabilities	199,555	210,379

(Yen in Millions)

	September 30, 2008	March 31, 2008
(Net assets)		
Shareholders' equity		
Paid-in capital	26,783	26,783
Capital surplus	56,172	56,163
Earned surplus	349,058	338,701
Treasury stock	-28,386	-28,427
Total of shareholders' equity	403,628	393,221
Variance and translation adjustments		
Valuation difference on available-for-sale securities	2,857	3,171
Deferred gains or losses on hedges	245	169
Translation adjustments	-11,826	-13,935
Total of variance and translation adjustments	-8,722	-10,594
Subscription rights to shares	945	897
Minority interests	2,034	2,068
Total net assets	397,886	385,593
Total liabilities and net assets	597,441	595,972

Consolidated Statements of Income

(Yen in Millions)

	First half ended September 30, 2008 (April 1, 2008 through September 30, 2008)
Sales	342,692
Cost of sales	258,302
Gross profits	84,390
Selling, general and administrative expenses	58,533
Operating income	25,856
Non-operating revenue	
Interest income	290
Dividend income	100
Foreign exchange gain	1,232
Miscellaneous income	1,645
	3,269
Non-operating expenses	
Interest expenses	565
Miscellaneous expenses	1,477
	2,043
Ordinary income	27,082
Extraordinary gains	
Gains on sales of fixed assets	75
Gains on patent assignment	285
Other extraordinary gains	212
	573
Extraordinary losses	
Losses on sales of fixed assets	24
Losses on disposal of fixed assets	219
Special retirement payment	105
Other extraordinary losses	278
	627
Income before provision for income taxes	27,028
Provision for income taxes	8,509
Minority shareholders' interest	501
Net income	18,018

(Yen in Millions)

	Second quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008)
Sales	173,632
Cost of sales	131,388
Gross profits	42,244
Selling, general and administrative expenses	29,904
Operating income	12,339
Non-operating revenue	
Interest income	154
Dividend income	5
Scrap income	261
Miscellaneous income	495
	917
Non-operating expenses	
Interest expenses	292
Foreign exchange loss	558
Miscellaneous expenses	890
	1,741
Ordinary income	11,515
Extraordinary gains	
Gains on sales of fixed assets	29
Compensation income	67
Other extraordinary gains	64
	161
Extraordinary losses	
Losses on sales of fixed assets	12
Losses on disposal of fixed assets	158
Special retirement payment	30
Other extraordinary losses	268
	471
Income before provision for income taxes	11,205
Provision for income taxes	3,366
Minority shareholders' interest	266
Net income	7,572

Consolidated Statements of Cash Flows

(Yen in Millions)

	First half ended September 30, 2008 (April 1, 2008 through September 30, 2008)
Cash flows from operating activities	
Income before provision for income taxes	27,028
Depreciation and amortization	24,339
Increase (decrease) in trade notes and accounts receivable	-2,564
Increase (decrease) in inventories	-1,191
Increase (decrease) in other accounts receivable	1,519
Increase (decrease) in trade notes and accounts payable	-10,300
Increase (decrease) in accrued expenses	-2,796
Income taxes paid and refunded	-11,856
Changes in others	-2,000
Net cash provided by operating activities	22,178
Cash flows from investing activities	
Acquisition of fixed assets	-34,608
Proceeds from sales of fixed assets	473
Changes in others	-9
Net cash used in investing activities	-34,144
Cash flows from financing activities	
Increase (decrease) in short-term debt	-6,080
Proceeds from long term loans	607
Repayment of long-term loans	-440
Dividends paid	-6,662
Changes in others	-98
Net cash used in financing activities	-514
Effect of exchange-rate changes on cash and cash equivalents	2,169
Net increase (decrease) in cash and cash equivalents	-10,310
Cash and cash equivalents at beginning of the period	79,238
Cash and cash equivalents at end of the period	68,927

Segment information

a. Operating segment information

Second quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008) (Yen in Millions)

	Industrial products	Electronic products	Functional products	Total	Eliminations and corporate	Consolidated total
Net sales						
(1) Net sales to outside customers	63,191	95,872	14,567	173,632	-	173,632
(2) Inter-segment sales or transfers	550	17	177	745	(745)	
Total	63,742	95,890	14,745	174,378	(745)	173,632
Operating income	4,593	5,873	1,873	12,339	-	12,339

First half ended September 30, 2008 (April 1, 2008 through September 30, 2008) (Yen in Millions)

	Industrial products	Electronic products	Functional products	Total	Eliminations and corporate	Consolidated total
Net sales						
(1) Net sales to outside customers	123,670	190,547	28,474	342,692	-	342,692
(2) Inter-segment sales or transfers	998	45	344	1,388	(1,388)	-
Total	124,668	190,592	28,819	344,080	(1,388)	342,692
Operating income	9,512	12,460	3,883	25,856	-	25,856

(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 equipment
Electronic products	LCD-related products, flexible printed circuit products, electronic processing products, semiconductor related products
Functional products	Medical-related products, polymer separation membranes, engineering plastics products

b. Segment information by geographic area

Second quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008) (Yen in Millions)

	Japan	North America	Europe	Asia & Oceania	Total	Eliminations and corporate	Consolidated total
Sales							
(1) Sales to outside customers	59,590	11,043	7,767	95,230	173,632	-	173,632
(2) Inter-segment sales or transfers	75,229	356	1,428	8,969	85,983	(85,983)	-
Total	134,819	11,399	9,196	104,200	259,615	(85,983)	173,632
Operating income	7,628	-412	380	4,553	12,149	189	12,339

First half ended September 30, 2008 (April 1, 2008 through September 30, 2008) (Yen in Millions)

	Japan	North America	Europe	Asia & Oceania	Total	Eliminations and corporate	Consolidated total
Sales							
(1) Sales to outside customers	118,533	21,592	15,679	186,887	342,692	-	342,692
(2) Inter-segment sales or transfers	147,044	741	2,621	15,272	165,681	(165,681)	-
Total	265,577	22,334	18,301	202,160	508,374	(165,681)	342,692
Operating income	16,153	-627	1,082	8,376	24,986	870	25,856

(Notes) 1 Countries or regions are segmented by geographical proximity.

2 Major countries or regions excluding Japan represented by categories:

North America : U.S.A.

Europe : Belgium, France, Germany, Sweden

Asia & Oceania : China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand

c. Sales to customers outside Japan

Second quarter ended September 30, 2008 (July 1, 2008 through September 30, 2008) (Yen in Millions)

	North America	Europe	Asia & Oceania	Others	Total
I. Sales to customers outside Japan	7,954	9,857	99,176	1,096	118,085
II. Consolidated sales					173,632
III. Ratio of sales to customers outside Japan to consolidated sales (%)	4.6	5.7	57.1	0.6	68.0

First half ended September 30, 2008 (April 1, 2008 through September 30, 2008) (Yen in Millions)

	North America	Europe	Asia & Oceania	Others	Total
I. Sales to customers outside Japan	16,042	19,185	194,682	1,951	231,860
II. Consolidated sales					342,692
III. Ratio of sales to customers outside Japan to consolidated sales (%)	4.7	5.6	56.8	0.6	67.7

(Notes) 1 Countries or regions are listed in the order of geographical proximity.

2 Major countries or regions excluding Japan represented by categories:

North America : U.S.A.

Europe : Belgium, France, Germany, Sweden

Asia & Oceania : China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand

Others : African and South American countries

3 Sales to customers outside Japan represent the sales by the parent company and its consolidated subsidiaries in the countries or regions outside Japan.

(Reference) Financial Summary of the previous fiscal year

Consolidated Statements of Income

(Yen in Millions)

	First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)	
	Millions of yen	%
I Sales	365,932	100.0
II Cost of sales	271,879	74.3
Gross profit	94,053	25.7
III Selling, general and administrative expenses	59,148	16.2
Operating income	34,904	9.5
IV Non-operating income		
Interest income	365	
Dividend income	121	
Equity in earnings of non-consolidated subsidiaries and affiliates	--	
Rent income	161	
Scrap income	492	
Subsidies	311	
Miscellaneous income	1,311	
	2,765	0.8
V Non-operating expenses		
Interest expenses	954	
Sales discount	255	
Equity in losses of non-consolidated subsidiaries and affiliates	82	
Exchange loss	2,076	
Miscellaneous expenses	940	
	4,309	1.2
Ordinary income	33,360	9.1
VI Extraordinary gains		
Gains on sales of fixed assets	38	
Gains on sales of investments in securities	276	
Gain on insurance cancellation	405	
Reversal of allowance for doubtful accounts	394	
Other extraordinary gains	136	
	1,251	0.3

	First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)	
	Millions of yen	%
VII Extraordinary losses		
Losses on sales of fixed assets	97	
Loss on disposal of fixed assets	986	
Annuity purchase cost for a oversea pension plan	--	
Impairment loss on fixed assets	--	
Special benefits on retirement	356	
Other extraordinary losses	142	
	1,583	0.4
Income before provision for income taxes	33,028	9.0
Corporate income, local and business taxes	11,557	
Adjustments to income taxes	-725	
Net income taxes	10,831	2.9
Minority interest in net income of consolidated subsidiaries	304	0.1
Net income	21,891	6.0

Consolidated Statements of Cash Flows

(Yen in Millions)

	First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)
	Millions of yen
I Cash Flows from Operating Activities	
Income before provision for income taxes before adjustments to reconcile income to net cash provided by operating activities	33,028
Depreciation and amortization	23,167
Impairment losses	--
Increase/decrease in provision for retirement benefits	-154
Increase/decrease in provision for retirement allowances for directors and corporate auditors	-343
Interest and dividend income	-487
Interest expenses	954
Exchange gains/losses	--
Equity in earnings of non-consolidated subsidiaries and affiliates	82
Gains/Losses on sales and disposal of fixed assets	1,045
Increase (decrease) in trade notes and accounts receivable	-11,727
Increase (decrease) in inventories	-69
Increase (decrease) in other accounts receivable	-537
Increase (decrease) in trade notes and accounts payable	3,346
Increase (decrease) in accrued expenses	481
Directors' bonuses paid	--
Others	-335
Sub-total	48,451
Interest and dividends received	469
Interest paid	-1,194
Income taxes paid and refunded	-10,514
Net cash provided by operating activities	37,211
II Cash Flows from Investing Activities	
Increase (decrease) in time deposits	313
Acquisition of fixed assets	-37,264
Proceeds from sales of fixed assets	407
Purchase of investments in securities	-160
Proceeds from sales of investments in securities	600
Purchase of securities of subsidiaries	-219
Proceeds from sales of subsidiary securities	153
Payments of loans	-111
Collections of loans	125
Net cash used in investing activities	-36,154
III Cash Flows from Financing Activities	
Increase (decrease) in short-term debt	-2,338
Redemption of bond (current portion)	5,000
Proceeds from long-term debt	3,620
Repayment of long-term debt	-3,358
Proceeds from sales of treasury stock	69
Dividends paid	-5,826
Dividends paid to minority interest	-68
Net cash used in financing activities	-2,902
IV Effect of Exchange-rate changes on cash and cash equivalents	-58
V Net Increase in cash and cash equivalents	-1,903
VI Cash and cash equivalents, beginning of period	74,551
VII Cash and cash equivalents of newly consolidated companies	31
VIII Cash and cash equivalents, at end of period	72,678

Segment Information

I. Operating segment information

First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)

(Unit : Millions of yen)

	Industrial products	Electronic products	Functional products	Total	Eliminations and corporate	Consolidated total
Sales						
(1) Sales to outside customers	127,893	210,697	27,341	365,932	--	365,932
(2) Inter-segment sales or transfers	--	44	320	364	(364)	--
Total	127,893	210,741	27,662	366,296	(364)	365,932
Operating expenses	114,835	193,251	23,304	331,392	(364)	331,027
Operating income	13,057	17,489	4,357	34,904	--	34,904

(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 equipment
Electronic products	LCD-related products, flexible printed circuit products, electronic processing products, Semiconductor related products
Functional products	Medical-related products, polymer separation membranes, engineering plastics products

II. Segment information by geographic area

First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)

(Unit : Millions of yen)

	Japan	North America	Europe	Asia & Oceania	Total	Eliminations and corporate	Consolidated total
Sales							
(1) Sales to outside customers	125,151	22,664	14,247	203,868	365,932	--	365,932
(2) Inter-segment sales or transfers	153,883	1,347	2,199	12,933	170,362	(170,362)	--
Total	279,034	24,012	16,446	216,801	536,295	(170,362)	365,932
Operating expenses	258,250	23,967	15,429	205,220	502,868	(171,840)	331,027
Operating income	20,783	44	1,017	11,581	33,426	1,477	34,904

(Notes) 1 Countries or regions are segmented by geographical proximity.

2 Major countries or regions excluding Japan represented by categories:

North America : U.S.A.

Europe : Belgium, France, Germany, Sweden

Asia & Oceania : China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand

III. Sales to customers outside Japan

First half of Fiscal 2007 (From April 1, 2007 to September 30, 2007)

	North America	Europe	Asia & Oceania	Others	Total
I. Sales to customers outside Japan	Millions of yen 19,772	Millions of yen 16,225	Millions of yen 209,731	Millions of yen 525	Millions of yen 246,256
II. Consolidated sales					Millions of yen 365,932
III. Ratio of sales to customers outside Japan to consolidated sales	% 5.4	% 4.4	% 57.3	% 0.1	% 67.3

(Notes) 1 Countries or regions are listed in the order of geographical proximity.

2 Major countries or regions excluding Japan represented by categories:

North America : U.S.A.

Europe : Belgium, France, Germany, Sweden

Asia & Oceania : China, Korea, Taiwan, Singapore, Malaysia, Hong Kong, Thailand

Others : African and South American countries

3 Sales to customers outside Japan represent the sales by the parent company and its consolidated subsidiaries in the countries or regions outside Japan.