

Contributing to society with “Green, Clean and Fine” products produced according to our creed of creating new value

Industrial Tape Business (Functional Base Products)

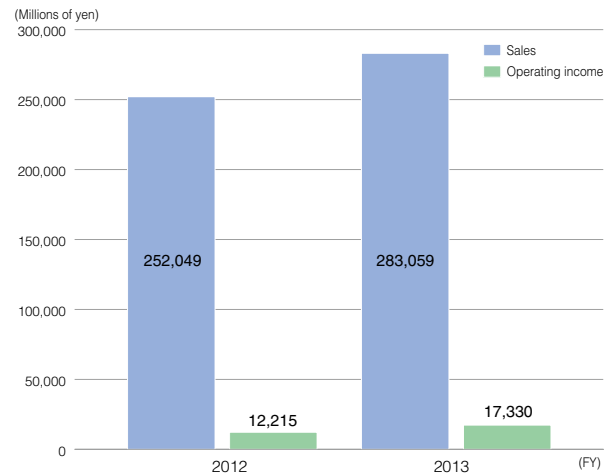
In our tapes for the automobile industry, sales remained strong, in line with a reversal of the appreciation of the yen, a global increase in production volume of automobiles, and an improvement in productivity at overseas production bases.

With regard to tapes for the electronics industry, sales of double-coated adhesive tapes and sealing materials remained strong because of the growing market for smartphones and tablet PCs and adoption by new customers.

Sales of double-coated adhesive tapes with high general versatility and fluoroplastic products with high temperature resistance used in general industrial applications remained strong as a whole. With regard to tapes for the housing industry, protective films were strong because of a surge in demand prior to the consumption tax hike in Japan.

	Fiscal 2012	Fiscal 2013	Year-on-year comparison
Sales	252,049	283,059	112.3%
Operating income	12,215	17,330	141.9%

Millions of Yen



Establishment of New Company Dealing with Materials for the Treatment of Corrosion in Qingdao City, China

Forming an alliance with Qingdao Hailan Material Technology, where Professor Hou Baoying, a doyen of the study of corrosion in China and belonging to the Institute of Oceanology, Chinese Academy of Science serves as a head, Nitto established a new company for the production and sale of materials for the treatment of corrosion of social infrastructure in Qingdao City, Shandong, China. At the new company, Nitto’s technology, actual performance and know-how cultivated over a long time are used to advantage.

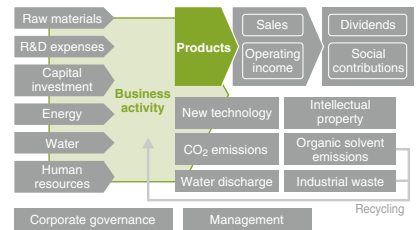
In China, the corrosion of infrastructure installations has come to the fore. The economic loss caused by the problem is said to amount to 4.5% of GDP (Chinese Academy of Sciences) and repairs are an urgent necessity. Nitto tackles corrosion with the tape construction method, which is excellent in terms of its corrosion protection performance, repair time in man-hours, economic efficiency and environment safety. This method is expected to decrease the economic loss caused by corrosion in complexes and thermal power stations.

We will investigate the actual state of corrosion in China, and aim to be a company offering solutions, able to suggest optimum corrosion-resistant construction methods for every scenario.

General Overview of New Company

- Name: Qingdao Hailan Nitto Technology Co., Ltd.
- Location: Qingdao National High-Tech Industrial Development Zone
- Capital: 20,500,000 yuan (approximately 350,000,000 yen)
- Employees: 30 (at launch)
- Production items: Corrosion treatments, waterproofing, dust capturing materials





Release of Shimon COLOCOLO[®], Sebum Remover for Tablet PCs

In September 2013, Nitoms released “Shimon COLOCOLO[®],” a touch panel cleaner for tablet PCs. Since 1983, the “COLOCOLO[®]” series has become an essential cleaning item in conformity with an expansion in its applications, such as the removal of hair and dust from carpets, wooden floors, tatami mats, clothes and car seats. We have developed a new “COLOCOLO[®]” product exclusively for touch panels by evolving adhesive technology cultivated from the original “COLOCOLO[®].” The new technology means that sebum dirt absorbed at the surface of a sheet gradually soaks into the sheet with the aid of an adhesive, restoring the removal effectiveness of the surface, so one sheet is able to be used approximately 40 times. The complaint that sebum dirt is not removed thoroughly with a tissue or cloth is solved with “Shimon COLOCOLO[®].” We will supply not only our own brand, “Shimon COLOCOLO[®],” but also OEM, to stationery manufacturers and manufactures of PC-related goods.



Shimon COLOCOLO[®]



Shimon COLOCOLO[®] in use

New Development of Surface Protective Film for Fiber Laser Processing

Nitto newly developed FIBERGUARD SPV-310GH5, which absorbs fiber laser waves from a new type of laser cutting machine, enabling processing with a surface protective film attached. We also newly developed LASERGUARD LIGHT GREY SPV-3100H3 for traditional CO₂ laser cutting machines. This is a moderate adhesive type and is in addition to the traditional strong adhesive type, enhancing our lineup of surface protection film for metal plate.

In the processing of stainless-steel or aluminum plate, punch

processing used to be the norm. Recently, however, laser processing has become mainstream. Laser processing enables cutting of complex shapes and changes in geometry by programming. Fiber laser means faster processing and lower electricity consumption, compared to CO₂ laser processing and promises to become more popular in the future.

With a wide-ranging lineup of surface protective films for laser processing, we will offer a total solution.

Release of New PENJEREX[®], Energy-saving Window Film with Solar Control and Thermal Insulating Properties

In March 2014, Nitto began sales of PENJEREX[®] PX-7060S and PX-8080S, improved versions of PENJEREX[®], offering improved thermal insulation, transparency and scratch resistance compared to the previous product, PX-7000A.

Since its release in 2013, PENJEREX[®] has gained recognition for its high thermal insulation, transparency and solar energy

rejection. It has been used in government offices, schools, hospitals, and office buildings. Furthermore, we received a Monozukuri (Manufacturing) Award from Toyohashi Chamber of Commerce & Industry and an Industrial Technology Award from Osaka Industrial Research Association.

Features of PENJEREX[®]

<p>Summer (Shielding and Insulation)</p> <p>Cuts solar radiation by 51%*, keeping rooms cool</p> <p>*PX-7000A, PX-7060S</p>	<p>Winter (Insulation)</p> <p>Reduction in heat loss of up to 40%*</p> <p>*PX-7060S</p>	<p>Transparency</p> <p>Admits more than 70% of visible light to maintain brightness</p>	<p>Durability</p> <p>Scratch-resistant hard coating</p>	<p>UV rejection</p> <p>Minimizes sunburn and skin cancer Prevents fading of furniture and carpets</p>
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Optronics Business

In our information fine materials, sales of panels for LCD televisions were affected by the conclusion of a subsidy scheme for energy-efficient home appliances in China. From the end of the year, however, demand recovered and there was no easily discernible departure from normal seasonal fluctuations evident. In addition, sales were affected by an unexpected fall in the value of panels for televisions. On the other hand, sales of panel materials for smartphones and PC tablets remained strong, in correlation with an increase of production volumes. As for our transparent conductive film for touch panels, recognition of their “thinner, lighter and durable” properties led to an increase in their adoption. At the same time, differentiation from competing transparent conductive manufacturers was achieved by an aggressive increase in production capacity.

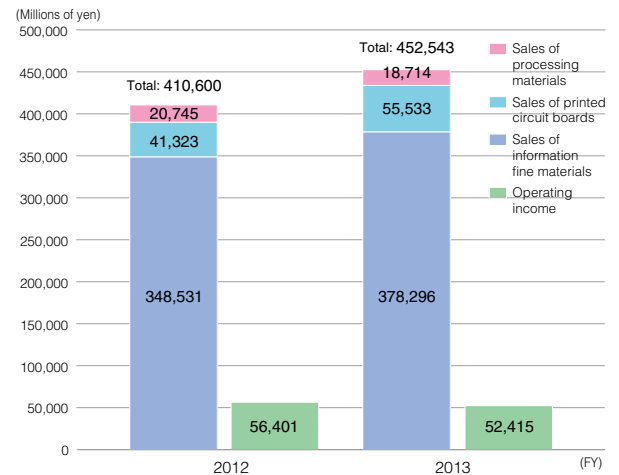
In our printed circuit boards, because of an increase in demand for smartphones, in line with an expansion in customer numbers throughout the fiscal year and of recovery in demand for HDD because of replacement need owing to the end of support for Windows XP in the second half of the fiscal year, sales remained strong.

In processing materials, as the market for semiconductors used in smartphones and tablet PC terminals was strong, sales of tapes for process materials and integrated construction materials remained strong. In addition, we assigned our semiconductor encapsulating materials business, excluding that part for optical semiconductors, to

Hitachi Chemical Co., Ltd, for the full year ending March 2013, resulting in a fall in income compared to the previous fiscal year.

		Fiscal 2012	Fiscal 2013	Year-on-year comparison
Sales	Information fine materials	348,531	378,296	108.5%
	Printed circuit boards	41,323	55,533	134.4%
	Processing materials	20,745	18,714	90.2%
	Total	410,600	452,543	110.2%
Operating income	Total	56,401	52,415	92.9%

Millions of Yen



Transparent conductive film – ELECRYSTA™



ELEP HOLDER™



Medical and Membrane Businesses

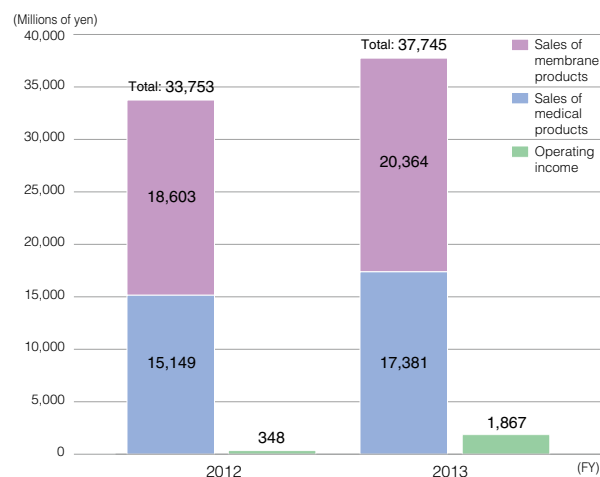
In our medical business, Bisono Tape for the treatment of hypertension, one of our transdermal drug delivery patches, received manufacturing and marketing authorization in Japan before going on sale. In addition, one of our group companies which manufactures oligonucleotide medicine received an order for a small amount of synthesis of oligonucleotide medicine and sales remained strong.

Our membrane business was strong as a whole, in line with

		Fiscal 2012	Fiscal 2013	Year-on-year comparison
Sales	Medical	15,149	17,381	114.7%
	Membrane	18,603	20,364	109.5%
	Total	33,753	37,745	111.8%
Operating income	Total	348	1,867	536.1%

Millions of Yen

both the effects of a correction to the appreciation of the yen and receipt of orders in new markets such as Mexico. However, the business environment was difficult in emerging countries such as China and India, markets which hitherto had continued to grow, witnessing a deceleration in demand.



Release of Bisono Tape 4mg and Bisono Tape 8mg, World's First Transdermal β 1-Blocker* Patch

On September 10, 2013, Bisono Tape 4mg and Bisono Tape 8mg (hereinafter both referred to as Bisono Tape; generic name: bisoprolol) went on sale, marketed by Toa Eiyo, Ltd. and Astellas Pharma, Inc.

Bisono Tape is a transdermal patch jointly-developed by Nitto and Toa Eiyo, containing 4mg or 8mg of bisoprolol, which is the world's first transdermal patch with β 1-blocking activity, and the first transdermal patch for the treatment of hypertension in Japan. It maintains a stable antihypertensive effect for 24 hours with

once-a-day administrations, is able to control blood pressure in a dose-dependent fashion for lengthy periods of time, and can be administered to patients with essential hypertension who have difficulty taking oral drugs.

(Bisono Tape is a registered brand of Toa Eiyo, Ltd.)

* β 1-blocker: β 1-acceptor, one of the switches of the sympathetic nervous system which resides mainly in the heart, has the capacity to elevate the heart rate and the force of cardiac contraction. β 1-blocker inhibits operation of this acceptor and exerts an antihypertensive effect.

Penles[®] Tape 18mg, Local Anesthetic Patch Preparation

Our local anesthetic patch preparation, Penles[®] Tape 18mg (generic name: lidocaine), for which Nitto holds manufacturing and marketing approval, and is sold by Maruho Co., Ltd., obtained approval for "pain relief in laser irradiation treatment of the skin" from the Japanese Ministry of Health, Labour and Welfare. This was in addition to the previous approval it received for "pain relief in insertion of venous indwelling needles" and "relief of pain following removal of molluscum contagiosum."

Since its launch in 1994, Penles[®] Tape 18mg has been marketed as a transdermal local anesthetic containing lidocaine in an easy-to-use patch form.

Laser irradiation is commonly used to treat patients, including many children, with such conditions as pigmented skin lesions

(birthmarks, etc.) and hemangiomas, and often causes pain, which led to a demand for a local anesthetic that can be safely and conveniently used with reliable efficacy in clinical settings.

With the approval of this additional application, we expect that easy-to-use Penles[®] Tape 18 mg will contribute in facilitating pain relief in laser irradiation treatment of the skin.

