

Consolidated Financial Statements

Consolidated Balance Sheet

(Yen in Millions)

Assets	Amount	
	As of March 31, 2011	As of March 31, 2010 (Reference)
Current assets:	423,340	381,554
Cash and deposits	211,044	171,921
Notes and accounts receivable-trade	132,725	135,727
Merchandise and finished goods	20,795	19,776
Work in process	28,911	27,031
Raw materials and supplies	12,693	11,120
Deferred tax assets	9,128	8,444
Other	8,750	8,364
Allowance for doubtful accounts	-708	-831
Noncurrent assets:	230,620	243,438
Property, plant and equipment	195,152	208,405
Buildings and structures	91,597	99,069
Machinery, equipment and vehicles	65,382	73,921
Tools, furniture and fixtures	6,707	7,972
Land	19,077	19,119
Construction in progress	12,388	8,323
Intangible assets:	8,100	7,273
Goodwill	1,610	56
Software	4,195	4,030
Other	2,293	3,186
Investments and other assets:	27,367	27,758
Investment securities	8,583	8,890
Deferred tax assets	9,546	9,703
Prepaid pension cost	6,286	5,642
Other	3,197	3,771
Allowance for doubtful accounts	-245	-248
Total assets	653,961	624,992

(Yen in Millions)

Liabilities	Amount	
	As of March 31, 2011	As of March 31, 2010 (Reference)
Current liabilities:	157,046	149,688
Notes and accounts payable-trade	80,876	79,531
Short-term loans payable	10,654	10,667
Accrued expenses	19,107	18,590
Income taxes payable	18,709	15,746
Other	27,699	25,153
Noncurrent liabilities:	77,242	86,579
Bonds payable	50,000	50,000
Long-term loans payable	6,000	14,316
Provision for retirement benefits	18,688	19,219
Provision for directors' retirement benefits	393	514
Deferred tax liabilities	365	181
Negative goodwill	—	0
Other	1,795	2,347
Total liabilities	234,288	236,268
(Net assets)		
Shareholders' equity	447,163	406,969
Capital stock	26,783	26,783
Capital surplus	56,171	56,153
Retained earnings	398,161	352,316
Treasury stock	-33,953	-28,284
Accumulated other comprehensive income	-29,557	-20,304
Valuation difference on available-for-sale securities	1,250	1,755
Deferred gains or losses on hedges	123	-284
Foreign currency translation adjustment	-30,931	-21,775
Subscription rights to shares	847	1,067
Minority interests	1,219	992
Total net assets	419,673	388,724
Total liabilities and net assets	653,961	624,992

Consolidated Financial Statements Consolidated Statement of Income

(Yen in Millions)

	April 1, 2010 - March 31, 2011	April 1, 2009 - March 31, 2010 (Reference)
Net sales	638,556	601,859
Cost of sales	444,037	440,714
Gross profit	194,518	161,144
Selling, general and administrative expenses	109,273	105,058
Operating income	85,245	56,086
Non-operating income:	3,727	6,297
Interest and dividends income	458	394
Foreign exchange gains	—	304
Miscellaneous income	3,269	5,597
Non-operating expenses:	3,828	3,550
Interest expenses	1,031	1,348
Equity in losses of affiliates	18	84
Foreign exchange loss	1,281	—
Miscellaneous loss	1,497	2,116
Ordinary income	85,143	58,833
Extraordinary income:	574	967
Gain on sales of noncurrent assets	219	227
Other	355	739
Extraordinary loss:	2,768	6,103
Loss on sales and retirement of noncurrent assets	1,587	3,299
Impairment loss	172	256
Special retirement expenses	66	226
Loss on disaster	654	—
Other	288	2,320
Income before income taxes	82,950	53,698
Income taxes-current	27,478	18,669
Income taxes-deferred	-585	-2,695
Income before minority interests	56,056	37,723
Minority interests in income	313	153
Net income	55,743	37,570

Consolidated Financial Statements Consolidated Statement of Cash Flows (for reference)

(Yen in Millions)

	April 1, 2010 - March 31, 2011	April 1, 2009 - March 31, 2010
I. Net cash provided by (used in) operating activities		
Income before income taxes	82,950	53,698
Depreciation and amortization	39,940	44,810
Decrease (increase) in notes and accounts receivable- trade	-1,629	-41,992
Decrease (increase) in inventories	-6,273	2,892
Increase (decrease) in notes and accounts payable-trade	6,189	26,358
Interest expenses paid	-1,073	-1,520
Income taxes (paid) refund	-24,392	1,418
Other, net	1,349	16,832
Net cash provided by (used in) operating activities	97,060	102,498
II. Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	-1,486	-61,013
Purchase of noncurrent assets	-28,033	-33,955
Proceeds from sales of noncurrent assets	984	729
Other, net	-3,506	-2,348
Net cash provided by (used in) investing activities	-32,041	-96,588
III. Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	-1,096	-23,838
Proceeds from issuance of bonds	—	50,000
Increase (decrease) in commercial papers	—	-25,000
Repayment of long-term loans payable	-6,358	-420
Decrease (increase) in treasury stock	-5,982	20
Cash dividends paid	-9,898	-9,995
Other, net	-23	103
Net cash provided by (used in) financing activities	-23,359	-9,129
IV. Effect of exchange rate change on cash and cash equivalents	-3,998	124
V. Net increase (decrease) in cash and cash equivalents	37,661	-3,095
VI. Cash and cash equivalents at the beginning of period	110,627	113,722
VII. Cash and cash equivalent at the end of period	148,289	110,627

Consolidated Financial Statements

Consolidated Statement of Changes in Net Assets

April 1, 2010 through March 31, 2011

(Yen in Millions)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of March 31, 2010	26,783	56,153	352,316	-28,284	406,969
Changes of items during the period					
Dividends from surplus			-9,898		-9,898
Net income			55,743		55,743
Purchase of treasury stock				-6,741	-6,741
Disposal of treasury stock		18		1,071	1,090
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	18	45,844	-5,669	40,194
Balance as of March 31, 2011	26,783	56,171	398,161	-33,953	447,163

(Yen in Millions)

	Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2010	1,755	-284	-21,775	-20,304	1,067	992	388,724
Changes of items during the period							
Dividends from surplus							-9,898
Net income							55,743
Purchase of treasury stock							-6,741
Disposal of treasury stock							1,090
Net changes of items other than shareholders' equity	-504	408	-9,156	-9,252	-219	226	-9,245
Total changes of items during the period	-504	408	-9,156	-9,252	-219	226	30,949
Balance as of March 31, 2011	1,250	123	-30,931	-29,557	847	1,219	419,673

Business Results

10-Year Summary (consolidated)

April 1 - March 31

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
	Yen in Millions (Note 3)										U.S. dollars in Thousands
Statement of income											
Sales	338,930	378,705	452,726	514,867	626,316	679,822	745,259	577,922	601,859	638,556	7,679,567
Operating income	19,314	33,901	55,912	70,018	89,224	69,037	77,954	13,838	56,086	85,245	1,025,195
ratio to sales	5.7%	9.0%	12.4%	13.6%	14.2%	10.2%	10.5%	2.4%	9.3%	13.3%	13.3%
Ordinary income	19,748	35,832	58,045	71,828	90,196	67,319	74,468	14,807	58,833	85,143	1,023,969
ratio to sales	5.8%	9.5%	12.8%	14.0%	14.4%	9.9%	10.0%	2.6%	9.8%	13.3%	13.3%
Net income	1,115	19,237	33,386	41,842	55,306	41,201	46,634	267	37,570	55,743	670,391
ratio to sales	0.3%	5.1%	7.4%	8.1%	8.8%	6.1%	6.3%	0.0%	6.2%	8.7%	8.7%
Segment information											
Operating segment information											
Industrial Tape (Note 1)..... Sales	183,699	192,179	191,682	207,366	251,384	268,888	256,910	209,491	222,486	238,290	2,865,785
Operating income	4,640	11,502	13,437	16,539	22,938	28,019	27,921	8,300	17,515	26,420	317,739
Optronics (Note 1)..... Sales	119,626	146,780	219,709	261,541	327,398	356,941	432,332	314,315	342,282	365,779	4,399,026
Operating income	10,633	16,848	38,881	47,152	58,713	31,449	40,852	-933	36,078	60,415	726,578
Medical & Membrane (Note 1)..... Sales	35,604	39,745	41,333	45,959	47,533	53,991	56,016	54,114	37,090	34,486	414,744
Operating income	4,039	5,550	3,592	6,326	7,573	9,568	9,180	6,470	2,492	-1,590	-19,122
Segment information by geographic area											
Japan..... Sales	237,459	252,881	286,322	295,115	271,186	268,364	256,288	207,263	203,982	218,528	2,628,118
Operating income	16,727	29,803	51,158	65,918	76,888	52,535	44,969	3,305	34,897	64,376	774,215
North America..... Sales	31,337	33,386	37,216	35,836	38,580	42,349	45,054	39,002	37,766	36,116	434,348
Operating income	172	1,027	-2,399	-2,479	-1,078	-663	338	-1,298	2,012	-289	-3,476
Europe..... Sales	13,287	14,496	16,422	17,392	19,395	23,787	29,172	25,519	26,933	23,245	279,555
Operating income	248	447	509	246	693	1,587	2,178	-20	1,147	1,471	17,691
Asia & Oceania..... Sales	56,845	77,940	112,764	166,522	297,153	345,321	414,743	306,136	333,177	360,665	4,337,523
Operating income	1,340	2,396	6,547	5,936	12,575	12,382	27,614	8,368	17,952	19,032	228,888
Per share information											
Net assets per share	1,314.5	1,367.4	1,360.7	1,583.8	1,943.7	2,192.3	2,297.1	2,148.2	2,320.9	2,540.3	30.55
Net income per share	6.4	108.5	198.0	252.7	332.3	248.3	280.1	1.6	225.5	337.4	4.06
Dividends per share	22.0	24.0	40.0	50.0	60.0	70.0	80.0	80.0	40.0	90.0	1.08
Shares outstanding (thousands)	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	—
Shareholders	15,556	17,144	20,999	16,725	16,057	35,224	41,309	63,479	66,032	59,059	—
Balance sheet											
Total assets	350,340	379,811	389,525	443,264	556,934	604,208	595,972	558,258	624,992	653,961	7,864,835
Equity	228,409	237,560	223,114	261,090	321,464	364,942	382,627	357,839	386,664	417,606	5,022,321
ROA	0.3%	5.3%	8.7%	10.0%	11.1%	7.1%	7.8%	0.0%	6.4%	8.7%	—
ROE	0.5%	8.3%	14.5%	17.3%	19.0%	12.0%	12.5%	0.1%	10.1%	13.9%	—
Equity to total assets	65.2%	62.5%	57.3%	58.9%	57.7%	60.4%	64.2%	64.1%	61.9%	63.9%	—
Capital investment	34,684	28,306	31,731	40,101	60,889	75,324	59,406	55,926	37,147	26,882	323,295
Depreciation cost	20,442	21,143	21,386	24,681	31,470	40,169	49,617	50,556	44,810	39,940	480,337
R&D expenses	13,053	13,851	15,822	16,739	20,489	21,733	22,096	21,716	20,876	21,949	263,969
Number of employees (Note 2)	13,685	15,389	18,926	22,454	27,865	32,101	33,663	28,640	31,288	33,192	—

Note 1-1 These comply with "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17 issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20 issued on March 21, 2008). Before FY2008, in compliance with previous accounting rules, "Industrial Tape" shows "Industrial products" in previous financial summary, "Optronics" shows "Electronics products", "Medical & Membrane" shows "Functional products", respectively.

<New segments>

Industrial Tape : Bonding and joining products, surface protection products, sealing products, packaging products and equipment, engineering plastics

Optronics : LCD related materials, semiconductor related materials, flexible printed circuits, processing materials

Medical & Membrane : Medical products, membrane products

<Former segments>

Industrial products : Bonding and joining products, surface protection products, sealing products, packaging products and equipment

Electronic products : LCD related products, printed circuits, electronic processing materials, semiconductor related products

Functional products : Medical related products, membrane products, engineering plastics

1-2 In FY2001 and 2002, electronic processing materials are categorized in "Industrial products".

2. Part-time employees are included.

3. The Japanese yen-US dollar exchange rate is, JPY83.15 to USD1.00, which was the rate on March 31, 2011

About the Front Cover

This year's front cover, which expresses the themes of "Green, Clean and Fine" and "a strategy of relentlessly pursuing new opportunities," features an illustration in which various flowers and leaves are seen overflowing from the hands of a happy-looking person, drifting towards the Earth.

In this illustration, not only the importance of keeping the beauty of nature close to one's heart is expressed but also the importance of manufacturing products appreciated by a great many people.

Illustrator Tetsuro Okabe



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