

Consolidated Financial Statements

Consolidated Balance Sheet

(Yen in Millions)

| Assets | Amount | |
|--------------------------------------|-------------------------|-------------------------|
| | As of March 31, 2012 | As of March 31, 2011 |
| Current assets: | 422,989 | 423,340 |
| Cash and deposits | 209,855 | 211,044 |
| Notes and accounts receivable-trade | 126,840 | 132,725 |
| Merchandise and finished goods | 20,152 | 20,795 |
| Work in process | 33,355 | 28,911 |
| Raw materials and supplies | 14,037 | 12,693 |
| Deferred tax assets | 6,480 | 9,128 |
| Other | 12,807 | 8,750 |
| Allowance for doubtful accounts | -541 | -708 |
| Noncurrent assets: | 228,919 | 230,620 |
| Property, plant and equipment | 190,074 | 195,152 |
| Buildings and structures | 86,335 | 91,597 |
| Machinery, equipment and vehicles | 62,234 | 65,382 |
| Tools, furniture and fixtures | 6,609 | 6,707 |
| Land | 19,053 | 19,077 |
| Construction in progress | 15,842 | 12,388 |
| Intangible assets: | 8,955 | 8,100 |
| Goodwill | 1,246 | 1,610 |
| Software | 3,986 | 4,195 |
| Other | 3,722 | 2,293 |
| Investments and other assets: | 29,889 | 27,367 |
| Investment securities | 9,000 | 8,583 |
| Deferred tax assets | 9,986 | 9,546 |
| Prepaid pension cost | 7,238 | 6,286 |
| Other | 3,870 | 3,197 |
| Allowance for doubtful accounts | -207 | -245 |
| Total assets | 651,908 | 653,961 |

(Yen in Millions)

| Liabilities | Amount | |
|---|-------------------------|-------------------------|
| | As of March 31, 2012 | As of March 31, 2011 |
| Current liabilities: | 138,487 | 157,046 |
| Notes and accounts payable-trade | 78,730 | 80,876 |
| Short-term loans payable | 2,978 | 10,654 |
| Accrued expenses | 16,136 | 19,107 |
| Income taxes payable | 3,507 | 18,709 |
| Other | 37,135 | 27,699 |
| Noncurrent liabilities: | 77,486 | 77,242 |
| Bonds payable | 50,000 | 50,000 |
| Long-term loans payable | 6,000 | 6,000 |
| Provision for retirement benefits | 18,994 | 18,688 |
| Provision for directors' retirement benefits | 394 | 393 |
| Deferred tax liabilities | 353 | 365 |
| Other | 1,743 | 1,795 |
| Total liabilities | 215,973 | 234,288 |
| (Net assets) | | |
| Shareholders' equity | 462,073 | 447,163 |
| Capital stock | 26,783 | 26,783 |
| Capital surplus | 56,160 | 56,171 |
| Retained earnings | 412,784 | 398,161 |
| Treasury stock | -33,655 | -33,953 |
| Accumulated other comprehensive income | -28,532 | -29,557 |
| Valuation difference on available-for-sale securities | 1,178 | 1,250 |
| Deferred gains or losses on hedges | -661 | 123 |
| Foreign currency translation adjustment | -29,049 | -30,931 |
| Subscription rights to shares | 963 | 847 |
| Minority interests | 1,430 | 1,219 |
| Total net assets | 435,935 | 419,673 |
| Total liabilities and net assets | 651,908 | 653,961 |

Consolidated Financial Statements Consolidated Statement of Income

(Yen in Millions)

| | April 1, 2011 - March 31, 2012 | April 1, 2010 - March 31, 2011 |
|--|-----------------------------------|-----------------------------------|
| Net sales | 607,639 | 638,556 |
| Cost of sales | 439,938 | 444,037 |
| Gross profit | 167,701 | 194,518 |
| Selling, general and administrative expenses | 111,210 | 109,273 |
| Operating income | 56,491 | 85,245 |
| Non-operating income: | 4,529 | 3,727 |
| Interest and dividends income | 432 | 458 |
| Foreign exchange gains | 391 | — |
| Miscellaneous income | 3,705 | 3,269 |
| Non-operating expenses: | 2,583 | 3,828 |
| Interest expenses | 907 | 1,031 |
| Equity in losses of affiliates | 369 | 18 |
| Foreign exchange loss | — | 1,281 |
| Miscellaneous loss | 1,306 | 1,497 |
| Ordinary income | 58,436 | 85,143 |
| Extraordinary income: | 1,138 | 574 |
| Gain on sales of noncurrent assets | 31 | 219 |
| Gain on sales of subsidiaries and affiliates' stocks | 745 | — |
| Other | 361 | 355 |
| Extraordinary loss: | 9,726 | 2,768 |
| Loss on sales and retirement of noncurrent assets | 1,023 | 1,587 |
| Impairment loss | 3,238 | 172 |
| Special retirement expenses | 70 | 66 |
| Loss on disaster | 1,335 | 654 |
| Loss on sales of stocks of subsidiaries and affiliates | 2,213 | — |
| Loss on liquidation of subsidiaries and affiliates | 1,584 | — |
| Other | 260 | 288 |
| Income before income taxes | 49,848 | 82,950 |
| Income taxes-current | 14,984 | 27,478 |
| Income taxes-deferred | 3,517 | -585 |
| Income before minority interests | 31,346 | 56,056 |
| Minority interests in income | 279 | 313 |
| Net income | 31,066 | 55,743 |

Consolidated Financial Statements Consolidated Statement of Cash Flows

(Yen in Millions)

| | April 1, 2011 - March 31, 2012 | April 1, 2010 - March 31, 2011 |
|--|-----------------------------------|-----------------------------------|
| I. Net cash provided by (used in) operating activities | | |
| Income before income taxes | 49,848 | 82,950 |
| Depreciation and amortization | 36,806 | 39,940 |
| Impairment loss | 3,238 | 172 |
| Loss on sales of stocks of subsidiaries and affiliates | 2,213 | — |
| Loss (gain) on liquidation of subsidiaries and affiliates | 1,584 | — |
| Decrease (increase) in notes and accounts receivable-trade | 5,498 | -1,629 |
| Decrease (increase) in inventories | -5,626 | -6,273 |
| Increase (decrease) in notes and accounts payable-trade | -1,482 | 6,189 |
| Interest expenses paid | -955 | -1,073 |
| Income taxes (paid) refund | -33,106 | -24,392 |
| Other, net | 472 | 1,177 |
| Net cash provided by (used in) operating activities | 58,492 | 97,060 |
| II. Net cash provided by (used in) investing activities | | |
| Decrease (increase) in time deposits | -1,390 | -1,486 |
| Purchase of noncurrent assets | -35,249 | -28,033 |
| Proceeds from sales of noncurrent assets | 129 | 984 |
| Other, net | -553 | -3,506 |
| Net cash provided by (used in) investing activities | -37,064 | -32,041 |
| III. Net cash provided by (used in) financing activities | | |
| Increase (decrease) in short-term loans payable | 291 | -1,096 |
| Repayment of long-term loans payable | -7,954 | -6,358 |
| Decrease (increase) in treasury stock | 160 | -5,982 |
| Cash dividends paid | -16,443 | -9,898 |
| Other, net | -32 | -23 |
| Net cash provided by (used in) financing activities | -23,978 | -23,359 |
| IV. Effect of exchange rate change on cash and cash equivalents | -26 | -3,998 |
| V. Net increase (decrease) in cash and cash equivalents | -2,576 | 37,661 |
| VI. Cash and cash equivalents at the beginning of period | 148,289 | 110,627 |
| VII. Cash and cash equivalents at the end of period | 145,712 | 148,289 |

Consolidated Financial Statements

Consolidated Statement of Changes in Net Assets

April 1, 2011 through March 31, 2012

(Yen in Millions)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Paid-in capital | Capital surplus | Retained earnings | Treasury stock | Total Shareholders' equity |
| Balance as of April 1, 2011 | 26,783 | 56,171 | 398,161 | -33,953 | 447,163 |
| Changes of items during the period | | | | | |
| Dividends from surplus | | | -16,443 | | -16,443 |
| Net income | | | 31,066 | | 31,066 |
| Purchase of treasury stock | | | | -1 | -1 |
| Disposal of treasury stock | | -11 | | 299 | 288 |
| Net changes of items other than shareholders' equity during the period | | | | | |
| Total changes of items during the period | — | -11 | 14,622 | 298 | 14,909 |
| Balance as of March 31, 2012 | 26,783 | 56,160 | 412,784 | -33,655 | 462,073 |

(Yen in Millions)

| | Accumulated other comprehensive income | | | | 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 adjustment | Total accumulated other comprehensive income | | | |
| Balance as of April 1, 2011 | 1,250 | 123 | -30,931 | -29,557 | 847 | 1,219 | 419,673 |
| Changes of items during the period | | | | | | | |
| Dividends from surplus | | | | | | | -16,443 |
| Net income | | | | | | | 31,066 |
| Purchase of treasury stock | | | | | | | -1 |
| Disposal of treasury stock | | | | | | | 288 |
| Net changes of items other than shareholders' equity | -72 | -784 | 1,882 | 1,025 | 115 | 211 | 1,352 |
| Total changes of items during the period | -72 | -784 | 1,882 | 1,025 | 115 | 211 | 16,262 |
| Balance as of March 31, 2012 | 1,178 | -661 | -29,049 | -28,532 | 963 | 1,430 | 435,935 |

Business Results

10-Year Summary (consolidated)

April 1 - March 31

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Yen in Millions (Note 3) | U.S. dollars in Thousands |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------------------------|---------------------------------|
| Statement of income | | | | | | | | | | | |
| Sales | 378,705 | 452,726 | 514,867 | 626,316 | 679,822 | 745,259 | 577,922 | 601,859 | 638,556 | 607,639 | 7,393,101 |
| Operating income | 33,901 | 55,912 | 70,018 | 89,224 | 69,037 | 77,954 | 13,838 | 56,086 | 85,245 | 56,491 | 687,322 |
| ratio to sales | 9.0% | 12.4% | 13.6% | 14.2% | 10.2% | 10.5% | 2.4% | 9.3% | 13.3% | 9.3% | 9.3% |
| Ordinary income | 35,832 | 58,045 | 71,828 | 90,196 | 67,319 | 74,468 | 14,807 | 58,833 | 85,143 | 58,436 | 710,987 |
| ratio to sales | 9.5% | 12.8% | 14.0% | 14.4% | 9.9% | 10.0% | 2.6% | 9.8% | 13.3% | 9.6% | 9.6% |
| Net income | 19,237 | 33,386 | 41,842 | 55,306 | 41,201 | 46,634 | 267 | 37,570 | 55,743 | 31,066 | 377,978 |
| ratio to sales | 5.1% | 7.4% | 8.1% | 8.8% | 6.1% | 6.3% | 0.0% | 6.2% | 8.7% | 5.1% | 5.1% |
| Segment information | | | | | | | | | | | |
| Operating segment information | | | | | | | | | | | |
| Industrial Tape (Note 1)..... Sales | 192,179 | 191,682 | 207,366 | 251,384 | 268,888 | 256,910 | 209,491 | 222,486 | 261,104 | 243,768 | 2,965,908 |
| Operating income | 11,502 | 13,437 | 16,539 | 22,938 | 28,019 | 27,921 | 8,300 | 17,515 | 27,668 | 14,133 | 171,955 |
| Optronics (Note 1)..... Sales | 146,780 | 219,709 | 261,541 | 327,398 | 356,941 | 432,332 | 314,315 | 342,282 | 342,278 | 330,088 | 4,016,158 |
| Operating income | 16,848 | 38,881 | 47,152 | 58,713 | 31,449 | 40,852 | -933 | 36,078 | 58,718 | 41,904 | 509,843 |
| Medical & Membrane (Note 1)..... Sales | 39,745 | 41,333 | 45,959 | 47,533 | 53,991 | 56,016 | 54,114 | 37,090 | 33,377 | 32,376 | 393,917 |
| Operating income | 5,550 | 3,592 | 6,326 | 7,573 | 9,568 | 9,180 | 6,470 | 2,492 | -1,624 | -2,476 | -30,125 |
| Segment information by geographic area | | | | | | | | | | | |
| Japan..... Sales | 252,881 | 286,322 | 295,115 | 271,186 | 268,364 | 256,288 | 207,263 | 203,982 | 218,528 | 194,636 | 2,368,123 |
| Operating income | 29,803 | 51,158 | 65,918 | 76,888 | 52,535 | 44,969 | 3,305 | 34,897 | 64,376 | 39,571 | 481,458 |
| North America..... Sales | 33,386 | 37,216 | 35,836 | 38,580 | 42,349 | 45,054 | 39,002 | 37,766 | 36,116 | 35,739 | 434,834 |
| Operating income | 1,027 | -2,399 | -2,479 | -1,078 | -663 | 338 | -1,298 | 2,012 | -289 | -1,363 | -16,584 |
| Europe..... Sales | 14,496 | 16,422 | 17,392 | 19,395 | 23,787 | 29,172 | 25,519 | 26,933 | 23,245 | 21,189 | 257,805 |
| Operating income | 447 | 509 | 246 | 693 | 1,587 | 2,178 | -20 | 1,147 | 1,471 | 480 | 5,840 |
| Asia & Oceania..... Sales | 77,940 | 112,764 | 166,522 | 297,153 | 345,321 | 414,743 | 306,136 | 333,177 | 360,665 | 356,074 | 4,332,328 |
| Operating income | 2,396 | 6,547 | 5,936 | 12,575 | 12,382 | 27,614 | 8,368 | 17,952 | 19,032 | 15,514 | 188,758 |
| Per share information | | | | | | | | | | Yen | U.S. dollars |
| Net assets per share | 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 | 2,635.9 | 32.07 |
| Net income per share | 108.5 | 198.0 | 252.7 | 332.3 | 248.3 | 280.1 | 1.6 | 225.5 | 337.4 | 188.9 | 2.30 |
| Dividends per share | 24.0 | 40.0 | 50.0 | 60.0 | 70.0 | 80.0 | 80.0 | 40.0 | 90.0 | 100.0 | 1.22 |
| Shares outstanding (thousands) | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | 173,758 | — |
| Shareholders | 17,144 | 20,999 | 16,725 | 16,057 | 35,224 | 41,309 | 63,479 | 66,032 | 59,059 | 65,321 | — |
| Balance sheet | | | | | | | | | | | |
| Total assets | 379,811 | 389,525 | 443,264 | 556,934 | 604,208 | 595,972 | 558,258 | 624,992 | 653,961 | 651,908 | 7,931,719 |
| Equity | 237,560 | 223,114 | 261,090 | 321,464 | 364,942 | 382,627 | 357,839 | 386,664 | 417,606 | 433,541 | 5,274,863 |
| ROA | 5.3% | 8.7% | 10.0% | 11.1% | 7.1% | 7.8% | 0.0% | 6.4% | 8.7% | 4.8% | — |
| ROE | 8.3% | 14.5% | 17.3% | 19.0% | 12.0% | 12.5% | 0.1% | 10.1% | 13.9% | 7.3% | — |
| Equity to total assets | 62.5% | 57.3% | 58.9% | 57.7% | 60.4% | 64.2% | 64.1% | 61.9% | 63.9% | 66.5% | — |
| Capital investment | 28,306 | 31,731 | 40,101 | 60,889 | 75,324 | 59,406 | 55,926 | 37,147 | 26,882 | 33,758 | 410,731 |
| Depreciation cost | 21,143 | 21,386 | 24,681 | 31,470 | 40,169 | 49,617 | 50,556 | 44,810 | 39,940 | 36,806 | 447,816 |
| R&D expenses | 13,851 | 15,822 | 16,739 | 20,489 | 21,733 | 22,096 | 21,716 | 20,876 | 21,949 | 25,003 | 304,210 |
| Number of employees (Note 2) | 15,389 | 18,926 | 22,454 | 27,865 | 32,101 | 33,663 | 28,640 | 31,288 | 33,192 | 32,198 | — |

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 rule, "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 Until FY2010, segment is based on products of each business unit, however it was changed to organization basis segment, which is consisted of business unit and its subordinated companies. Thus amount in FY2010 was recalculated. The difference between total amount of segment information and consolidated statement of income arises from intersegment elimination.

1-3 In FY2002, electronic processing materials are categorized in 'Industrial products'.

2. Part-time employees are included.

3. The exchange rate Japanese yen and US dollars is the rate at March 31, 2012, which was JPY82.19 to USD1.00.

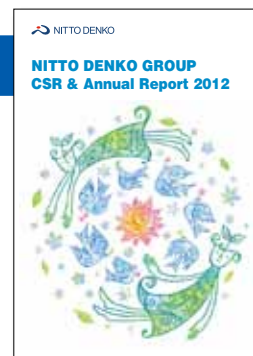
About the Front Cover

The front cover shows a motif of people, birds and flowers dancing in a circle.

The image of their dancing airily in a circle represents universal themes such as the importance of collaborating and an orderly world.

Furthermore, the centered Sun represents a kind heart showing compassion toward others.

Illustrator Tetsuro Okabe

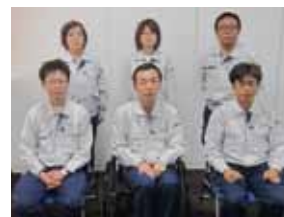


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