

Summary of Consolidated Financial Statements of Fiscal 2015 (12 months ended March 31, 2016 (IFRS basis))

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: First Section of Tokyo Stock Exchange
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Date of the General shareholders' meeting: June 24, 2016
 Estimated starting date of dividend paying: June 27, 2016
 Filing date of financial statements: June 24, 2016
 Preparation of supplementary explanatory materials: Yes
 Holding of quarterly earnings 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 Fiscal 2015 (April 1, 2015 through March 31, 2016)

(1) Operating results (% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2015	793,054	-3.9	102,397	-4.1	101,996	-3.7	81,989	5.1	81,683	4.9	44,552	-58.8
Fiscal 2014	825,243	10.1	106,734	47.2	105,947	50.0	78,028	49.5	77,876	50.1	108,098	49.1

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent company	Net income to total Assets	Operating income to Revenue
	Yen	Yen	%	%	%
Fiscal 2015	495.23	494.56	13.3	12.1	12.9
Fiscal 2014	471.75	470.85	13.7	12.9	12.9

(Reference) Equity in earnings of affiliates: (Fiscal 2015) -13 million yen (Fiscal 2014) -465 million yen

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets	Equity attributable to owners of the parent company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2016	825,905	617,891	614,425	74.4	3,785.91
March 31, 2015	855,433	615,776	612,016	71.5	3,705.96

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2016	140,658	-57,085	-44,902	240,891
March 31, 2015	119,481	-53,857	-68,966	214,559

2. Dividends

Record Date	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to equity attributable to owners of the parent company (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
	yen	yen	yen	yen	yen	Millions of yen	%	%
March, 2015	—	55.00	—	65.00	120.00	19,812	25.4	3.5
March, 2016	—	70.00	—	70.00	140.00	22,923	28.3	3.7
(Forecast) March, 2017	—	70.00	—	70.00	140.00		32.5	

3. Forecast of Fiscal 2016 (April 1, 2016 through March 31, 2017)

(% of change from same period in the previous year)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Annual	770,000	-2.9	90,000	-12.1	90,000	-11.8	70,000	-14.6	70,000	-14.3	431.32

4. Others

(1) Changes in significant subsidiaries during this fiscal year: No

(2) Changes in accounting policies applied and changes in accounting estimates

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies other than the above: No
3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)
March, 2016: 173,758,428 March, 2015: 173,758,428

2. Number of treasury stock at the end of the period
March, 2016: 11,465,543 March, 2015: 8,614,484

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
Fiscal 2015: 164,940,273 Fiscal 2014: 165,079,644

Please refer to "Per share information" on page 17 for the numbers of shares based on which basic earnings per share (consolidated) are calculated.

(Reference) Non-consolidated financial results of Fiscal 2015 (April 1, 2015 through March 31, 2016)

(1) Operating results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2015	485,044	-5.7	45,956	-11.4	62,568	-8.2	53,549	21.8
Fiscal 2014	514,460	4.1	51,873	33.7	68,184	57.8	43,977	40.7

	Net income per share - Basic	Net income per share -Diluted
	yen	yen
Fiscal 2015	324.66	324.22
Fiscal 2014	266.40	265.89

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2016	544,147	387,227	71.0	2,381.43
March 31, 2015	565,874	377,460	66.6	2,281.05

(Reference) Shareholders' equity: (March 31, 2016) 386,489 million yen (March 31, 2015) 376,700 million yen

- Information regarding the implementation of audit procedures

These financial results are not subject to audit procedures. Thus, at the time of disclosure of these financial results, the financial statement audit procedures based on the Financial Instruments and Exchange Law, have not been completed.

- Explanations for adequate utilization of the forecast and other special matters

The forward-looking statements shown in this report, including the forecast, are prepared based on information available to the Company and on certain assumptions deemed reasonable as of the issuing date of the report. Consequently, the statements herein do not constitute promises regarding actual results by the Company. Actual results may differ materially from forecasted figures due to various unknown factors. For information regarding the assumptions behind these forecasts and cautions concerning the use thereof, please refer to "1. Analysis of Business Results and Financial Position, (1) Analysis of business results" on page 2 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

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1. Analysis of Business Results and Financial Position

(1) Analysis of business results

1. Summary of the fiscal year

Summary of overall business

During the fiscal year ended March 31, 2016, the U.S. and European economies remained firm, chiefly underpinned by a solid recovery of consumer demand. Toward the end of the period, however, a strong sense of stagnation loomed as U.S. monetary authorities raised interest rates, the Chinese economy slowed down, and resource prices dropped. The Japanese economy, on the other hand, experienced a steady increase in corporate capital expenditure and improvement in its employment situation, yet the rapid appreciation of the yen since the beginning of calendar year 2016 affected corporate earnings, leaving consumer spending at a standstill.

Under these economic circumstances, the Nitto Group (the “Group”) sought to maximize its sales and income, maintaining the competitive position in the mainstay optronics. In existing fields, the Group continued to focus on the creation of Area Niche Top™ (ANT) and Global Niche Top™ (GNT) products. In addition, the Group created ample business in the emerging domains of Green (environmental concerns), Clean (new energy), and Fine (life sciences) in a bid to redesign its business portfolio. In the optronics sector, sales of optical films for LCDs and printed circuit boards (PCBs) were affected by the output decline of smartphones and hard disk drives (HDDs). Meanwhile, the industrial tape business fared well, owing primarily to steady demand for automobile materials. In preparation for the next stage of growth, the Group made a series of proactive moves, including capacity ramp-up of PVC tapes for holding automotive wire harnesses in Taiwan and establishment of a new car electronics site in Munich, Germany. As part of the efforts to create demand in new domains, a drug for liver cirrhosis using a molecular targeting drug delivery system (DDS) technology made steady progress, as clinical studies began in Japan and Europe (Bulgaria), and a Food and Drug Administration (FDA) Fast Track designation was granted in the U.S., which is leading others in clinical studies, based on the interim results of such studies. January 2016 saw the establishment of a new company in the U.S. that focuses on drug discovery (Nitto BioPharma, Inc.). While seeking support from the competent authorities, the Group is now working toward a commercial launch in a bid to deliver the drug to patients as soon as possible.

As a result, revenue decreased by 3.9% from the previous year (changes hereafter are given in comparison with the same period of the previous year) to 793,054 million yen. Operating income decreased by 4.1% to 102,397 million yen, income before income taxes decreased by 3.7% to 101,996 million yen, net income increased by 5.1% to 81,989 million yen, and net income attributable to owners of the parent company increased by 4.9% to 81,683 million yen.

Summary of results by segment

(Industrial Tape)

The electronics sector experienced a major inventory adjustment in the second half of the period under review in response to a surge in customers’ inventory of double-sided adhesive tapes for smartphones in the first half of the period. Dust-proof, impact-absorption thin foams were also affected by this trend. Some products, such as waterproof/sound-passing functional products, continued to enjoy brisk demand, but they were unable to compensate for the drop in double-sided adhesive tapes for smartphones overall. In the automotive sector, despite global unit production remained almost flat from the previous year, the industrial tape business did well in the growing North American market thanks to the successful implementation of *San-shin* activities (three “new” activities, which constitute the Group’s proprietary marketing strategy for discovering new applications, developing new products, and creating new demands) and an increase in operational efficiency in that market. Meanwhile, general-purpose, double-sided adhesive tapes, which are used in a broad range of industrial applications, performed strongly among home electronics and office automation equipment, and protection/masking materials sold well in the construction materials market.

As a result of the above, revenue grew by 1.8% to 322,155 million yen and operating income grew by 34.9% to 28,614 million yen.

(Optronics)

For information fine materials, optical films for smartphones and televisions started off the year on a good note, but the onset of LCD panel production adjustments from the fourth quarter affected them both in terms of quantity and price. In response, an attempt was made to increase quantities by launching new polarizing films for televisions, in addition to smartphones. Demand for transparent electro-conductive films for tablet PC touch panels remained sluggish. Overall, the

optronics business fared well in the first half of the period under review, but began to decelerate toward the end of the fiscal year. PCBs sales were affected by the drop in HDD unit production on the back of the weak PC market, and remained low overall as the demand for smartphones made by Chinese manufacturers continued to flag. Meanwhile, process materials, which are tapes used mainly for downstream processing in semiconductor fabrication, performed strongly as the demand for tapes increased in tandem with higher-speed communications using smartphones and sales of laminating equipment expanded.

As a result of the above, revenue decreased by 10.5% to 455,831 million yen and operating income decreased by 25.2% to 65,444 million yen.

(Medical & Membrane)

For the medical products business, the demand for contract synthesis services maintained momentum throughout the year, as the development of oligonucleotides is becoming increasingly active globally. In addition to the U.S., the business has been launched and started showing results in Japan, and favorable business has been experienced overall. Membrane products (polymer separation membranes) fared well, as focus was placed on taking new and replacement orders for industrial waste recycling projects and receiving profitable orders for offshore oil fields and other applications.

As a result of the above, revenue increased by 30.7% to 53,367 million yen and operating income increased by 364.5% to 11,179 million yen.

(Reference) Segment Information

(Yen in Millions)

		Fiscal 2014 (April 1, 2014 through March 31, 2015)	Fiscal 2015 (April 1, 2015 through March 31, 2016)	Y-o-Y (%)
		Revenue	Revenue	
Industrial Tape	Functional base products	202,900	201,107	99.1
	Automotive products	113,707	121,047	106.5
	Total	316,608	322,155	101.8
	Operating income	21,205	28,614	134.9
Optronics	Information fine materials	413,279	380,805	92.1
	Flexible printed circuits	73,217	51,533	70.4
	Processing materials	22,788	23,493	103.1
	Total	509,285	455,831	89.5
	Operating income	87,504	65,444	74.8
Medical & Membrane	Medical products	16,379	23,975	146.4
	Membrane products	24,449	29,391	120.2
	Total	40,829	53,367	130.7
	Operating income	2,406	11,179	464.5
Corporate/Elimin ation	Revenue	-41,479	-38,299	—
	Operating income	-4,383	-2,839	—
Total	Revenue	825,243	793,054	96.1
	Operating income	106,734	102,397	95.9

* From fiscal year 2015, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.

Such changes have also been reflected in the figures for the fiscal year ended March 31, 2015.

2. Outlook for the next term

The global economy for the fiscal year ending March 31, 2017 (April 1, 2016 through March 31, 2017) appears set to slow down overall. There is a possibility to reduce momentum of economies in North America and Europe as a result of emerging economies further declining due partly to currency depreciation, which can spread to advanced countries. The Japanese economy is expected to see its growth pick up toward the end of the fiscal year, but its recovery should be limited as emerging economies slow down. Based on this outlook, the Group will take the following measures in markets.

In the industrial tape market, the Group will work on new business development in a broad range of sectors, such as consumer goods, agriculture, healthcare, and housing/construction, in addition to the electronics sector, where the Group has enjoyed a competitive edge. In the automotive market, the Group will focus on sales expansion in North America and elsewhere, while at the same time accelerating initiatives in the transportation equipment market (aircraft, trains, seagoing vessels) through synergy among different businesses.

In the optronics market, the business environment is expected to remain severe, as growth in the smartphone market (a mainstay) and HDD market is losing steam. Meanwhile, the Group is planning to maintain the current high market penetration by expanding sales of polarizing films in China and catering to the needs of organic light-emitting diode (OLED) displays in the smartphone market.

In the medical market, the Group will aggressively invest in equipment reinforcement in a bid to further develop the already favorable oligonucleotides business. In the membrane market, it will remain selective about orders to strengthen its business foundation, while also seeking to develop specific applications for membranes. Both of these businesses are expected to grow further as the Group quickly responds to any changes in the markets.

During the next fiscal year, the yen is expected to be stronger than in the previous fiscal year. Such being the case, consolidated net sales and income for the year ending March 31, 2017, are expected to exhibit a year-on-year decrease as shown below. Nevertheless, the Group will take advantage of changes in the lingering stringent business environment to reinforce its earnings by way of structural reform. Meanwhile, it will focus its management resources in strategic fields, including environmental concerns, new energy, and life sciences, in an earnest effort to create future mainstay businesses. The following earnings forecasts are based on an assumption of 110.0 Japanese yen per 1 U.S. dollar.

Revenue	770,000 million yen (down by 2.9%)
Operating income	90,000 million yen (down by 12.1%)
Income before income taxes	90,000 million yen (down by 11.8%)
Net income	70,000 million yen (down by 14.6%)

The earnings forecasts and other data above are based on information currently available to the Company, and involve potential risks and uncertainties. Please note that actual results may differ materially from these earnings forecasts.

(2) Analysis of consolidated financial position

Cash and cash equivalents (hereinafter referred to as “Cash”) was 240,891 million yen at the end of the fiscal year ended March 31, 2016, an increase of 26,332 million yen from the end of the previous fiscal year. The following are changes in the financial position by each cash flow activity and their factors.

(Cash flow from operating activities)

Cash increased by 140,658 million yen as a result of operating activities (an increase of 119,481 million yen in previous fiscal year). The main factors responsible for the increase were income before income taxes of 101,996 million yen, depreciation and amortization of 48,537 million yen, and a decrease in trade and other receivables of 32,082 million yen, while the main offsetting decrease was income taxes paid of 34,146 million yen.

(Cash flow from investing activities)

Cash decreased by 57,085 million yen as a result of investing activities (a decrease of 53,857 million yen in previous fiscal year). The main factor responsible for the decrease was the purchase of property, plant and equipment and intangible assets of 63,047 million yen, while the main offsetting increases were proceeds from sale of property, plant and equipment and intangible assets of 2,823 million yen and proceeds from sale of investment securities of 3,009 million yen.

(Cash flow from financing activities)

Cash decreased by 44,902 million yen as a result of financing activities (a decrease of 68,966 million yen at previous fiscal year). The main factors responsible for the decrease were a decrease in treasury stock of 20,007 million yen and cash dividends paid of 22,297 million yen.

Shown below are the changes in the Group’s cash flow indices.

	March 2014	March 2015	March 2016
Ratio of equity attributable to owners of the parent company to total assets (%)	66.5	71.5	74.4
Ratio of equity attributable to owners of the parent company on a market value basis (%)	104.1	155.0	123.0
Ratio of liabilities with interest to cash flow (year)	0.8	0.1	0.0
Interest coverage ratio	82.8	148.5	263.0

(Notes) 1 Each index is calculated using the following formulae based on consolidated financial results.

Ratio of equity attributable to owners of the parent company to total assets (%): $\text{Equity attributable to owners of the parent company} / \text{Total assets}$

Ratio of equity attributable to owners of the parent company on a market value basis (%): $\text{Market capitalization} / \text{Total assets}$

Ratio of liabilities with interest to cash flow (year): $\text{Liabilities with interest} / \text{Cash flow from operating activities}$

Interest coverage ratio: $\text{Cash flow from operating activities} / \text{Interest payment}$

- 2 Market capitalization is calculated by the closing price of the share at the end of the year multiplied by the number of shares issued at the end of the year, after deduction of treasury stock.
- 3 Cash flow from operating activities is used to calculate the Group’s cash flow indices shown above.
- 4 Liabilities with interest represent all liabilities included in the consolidated statements of financial position for which interest is paid.

(3) Dividend policy and dividends for the current and next fiscal years

The Company’s dividend policy is to ensure stable and fair returns to its shareholders. At the same time, it is essential to make proactive upfront investments in research and development and production in order to catch up with rapid technological innovation and meet customer demands in a timely manner. Accordingly, dividends to shareholders are determined by taking into account various factors, including the Company’s financial position, profit level, and payout ratio.

In accordance with the basic policy outlined above, the Company has decided to pay 70 yen per share for the year-end dividend, which is unchanged from the interim dividend, to make the full-year total 140 yen per share, an increase of 20 yen from the previous year. The Company plans to pay a full-year dividend of 140 yen per share for the next fiscal year after taking into account earnings forecasts, capital expenditure plans, and other factors.

2. Nitto Denko Group Operations

Disclosure is omitted because there are no significant changes to the “Group Business Network (Contents of Business)” and “Status of Affiliated Companies” in the latest securities report (submitted on June 19, 2015).

3. Management Policy

(1) Basic management policy

With its first centennial anniversary in 2018 fast approaching, the Group is seeing all of its employees across the globe uniting as one under the brand slogan of “Innovation for Customers” in order to dedicate themselves more than ever before to maximizing corporate value under the guidance of the Group’s Mission to “Contribute to customers’ value creation with innovative ideas,” which forms a core of the Corporate Philosophy.

The Group has two basic management strategies: the GNP^{TM*} strategy, whereby it aims to gain a leading share in the global market by identifying growth markets and targeting niche areas of those markets in which it can apply proprietary technologies, and the ANT^{TM*} strategy, whereby it aims to gain the leading market share in geographic regions through products that are geared to each region’s distinctive needs. The Group will balance these two strategies in order to expand its business.

Under these policies, the Group will strive to contribute to customers’ value creation through innovative ideas, and endeavor to become a centennial company that continues to grow into the future.

(2) Mid- and long-term management strategies

The global market is changing rapidly at a pace surpassing any expectations, which in turn is bringing about opportunities for the Group to pursue its proprietary “Niche Top Strategies” that aim at the top share of niche businesses as the market continues to grow and change. In more concrete terms, the Group is concentrating its management resources in emerging businesses, such as the automotive-related business and oligonucleotides, and in the development of cutting edge technologies, such as neodymium magnets, in an effort to generate renewed growth. It was against this background that the Group kicked off the new Mid-Term Management Plan “Nitto-2018,” which covers the three years from FY2016, with the following three prime imperatives in mind.

1) Business growth

While reinforcing and further developing its existing business foundations, the Group will continue to develop businesses in growing regional markets all over the world by promoting the ANTTM strategy together with the GNTTM strategy. The Group will also focus on creating and nurturing new businesses that will underpin future growth in the domains of Green (environmental concerns), Clean (new energy), and Fine (life sciences). A prime example of this is the development of a unique type of neodymium magnet, the first of its kind in the world, which increases the performance of conventional motors by 20 to 30% and contributes to the development of miniaturized and lightweight motors. Efforts are underway toward its commercial release. In November 2015, a new Innovation Center was opened within the Global Marketing Center in Tokyo’s Shinagawa Ward, and in March 2016 an entirely new type of facility was established at the Ibaraki Plant called “inovas,” which combines the functions of R&D, human resources development, and creation of innovation. Now that these facilities have become fully operational, the Group is better prepared to contribute to customers’ value creation with innovative ideas.

2) Qualitative improvement

While pursuing further growth of its business, the Group will work to increase the value that it delivers to its stakeholders through active engagement in such initiatives as “creating a safe workplace,” “reducing the environmental impact of business activities,” “delivering environment-friendly products,” “pursuing higher quality that exceeds customers’ expectations,” and “contributing services to society.” Guided by its Corporate Philosophy, The Group will also foster a resilient corporate culture to build a business that wins social trust and continues to grow into the future.

3) Human resources development

The Group is committed to developing global leader candidates across the globe to sustain future business growth. A pioneering example in this regard is “Action Learning,” a workshop in which a multinational team is formed to work on solutions to challenges facing Nitto Group companies, thus ensuring that executive candidates for the next generation are properly trained. While handing down its unique culture and traditions, the Group will continue to build a framework that enables a diverse range of individuals to play an active role in the global arena while giving full play to their unique skills.

(3) Key issues to be addressed by the Company

The Group will celebrate its first centennial in October 2018. In order to sustain business growth beyond this auspicious occasion and into the next 100 years, the Group recognizes that it is crucial to take advantage of rapid changes by staying one step ahead to cater to market demands.

It is with this recognition that the Group will continue to create value that goes beyond customer's expectations by placing itself in the middle of the market to be the first in capturing any changes and by integrating a diverse range of technologies and information both within and outside of the Group. It will also stay close to each geographic region to create business models (business arrangements including development, procurement, production, sales, physical distribution, administration, etc.) customized to their specific needs.

Accordingly, the Group will implement the following key initiatives in each business segment.

- Industrial Tape

In the functional base products business, the Group will put its key technologies to diverse applications and thereby create new businesses in broad growth areas. With the establishment of the Transportation business sector in April 2016, the Group will tap into its collective strength to expand coverage of the automotive-related business to include advanced demands for transportation equipment in general, such as aircraft, trains, and seagoing vessels, as well as automobiles.

- Optronics

In the information fine materials business, the Group will aggressively pursue opportunities in emerging areas such as in-vehicle products and healthcare, while at the same time maintaining a high penetration into the existing markets for mobile equipment, televisions, and so forth. With regard to semiconductor related products, PCBs, and process materials, the Group will capture new demands promptly by forecasting progress in the Internet of Things (IoT) field.

- Medical & Membrane

In the medical business, the Group will further expand the already strong oligonucleotide business and pour more resources in the pharmaceutical products and medical and sanitary materials businesses outside of Japan. In the membrane (polymer separation membrane) business, the Group will continue to build a strong business foundation while also developing new applications, such as gas separation, to roll out the business globally.

* Global Niche Top™ and Area Niche Top™ are registered trademarks of the Company.

4. Basic Approach to Selection of Accounting Standards

For the purposes of improving international comparability of financial information and unifying accounting within the Group, the International Financial Reporting Standards (IFRS) has been introduced from the first quarter of the year ended March 2015 in order to prepare consolidated financial statements accordingly.

5. Consolidated Financial Statements

(1) Consolidated statements of financial position

(Yen in Millions)

	March 31, 2015	March 31, 2016
(Assets)		
Current assets		
Cash and cash equivalents	214,559	240,891
Trade and other receivables	191,074	149,305
Inventories	93,448	88,499
Other financial assets	7,726	8,662
Other current assets	12,437	14,894
Total current assets	<u>519,246</u>	<u>502,253</u>
Non-current assets		
Property, plant and equipment	268,601	263,645
Goodwill	2,966	2,663
Intangible assets	12,837	10,634
Investments accounted for using equity method	284	319
Financial assets	12,737	7,869
Deferred tax assets	30,231	29,146
Other non-current assets	8,527	9,372
Total non-current assets	<u>336,186</u>	<u>323,651</u>
Total assets	<u><u>855,433</u></u>	<u><u>825,905</u></u>

(Yen in Millions)

	March 31, 2015	March 31, 2016
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	108,110	96,145
Bonds and borrowings	6,185	3,395
Income tax payables	20,337	3,753
Other financial liabilities	20,445	12,477
Other current liabilities	42,340	38,044
Total current liabilities	197,420	153,817
Non-current liabilities		
Bonds and borrowings	3,000	3,000
Other financial liabilities	1,364	722
Defined benefit liabilities	34,042	47,594
Deferred tax liabilities	566	349
Other non-current liabilities	3,262	2,530
Total non-current liabilities	42,236	54,196
Total liabilities	239,656	208,014
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,761	56,681
Retained earnings	508,564	559,351
Treasury stock	-31,232	-51,016
Other components of equity	51,139	22,624
Total equity attributable to owners of the parent company	612,016	614,425
Non-controlling interests	3,760	3,465
Total equity	615,776	617,891
Total liabilities and equity	855,433	825,905

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

(Yen in Millions)

	Fiscal 2014 (April 1, 2014 through March 31, 2015)	Fiscal 2015 (April 1, 2015 through March 31, 2016)
Revenue	825,243	793,054
Cost of sales	579,009	548,354
Gross profit	246,234	244,700
Selling, general and administrative expenses	114,939	115,040
Research and development expenses	28,240	32,120
Other income	12,684	8,714
Other expenses	9,004	3,855
Operating income	106,734	102,397
Financial income	700	1,140
Financial expenses	1,021	1,527
Equity in profits (losses) of affiliates	-465	-13
Income before income taxes	105,947	101,996
Income tax expenses	27,918	20,006
Net income	78,028	81,989
Net income attributable to:		
Owners of the parent company	77,876	81,683
Non-controlling interests	152	306
Total	78,028	81,989
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	471.75	495.23
Diluted earnings per share (yen)	470.85	494.56

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2014 (April 1, 2014 through March 31, 2015)	Fiscal 2015 (April 1, 2015 through March 31, 2016)
Net income	78,028	81,989
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	1,340	-779
Reevaluation of defined benefit liability	-2,896	-9,907
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	31,983	-27,023
Net gain (loss) in fair value of cash flow hedges	-375	284
Share of other comprehensive income of associates accounted for using equity method	16	-11
Total other comprehensive income	<u>30,070</u>	<u>-37,437</u>
Total comprehensive income	<u>108,098</u>	<u>44,552</u>
Total comprehensive income attributable to:		
Owners of the parent company	107,643	44,569
Non-controlling interests	<u>454</u>	<u>-17</u>
Total	<u>108,098</u>	<u>44,552</u>

(3) Consolidated statements of changes in equity
 Fiscal 2014 (April 1, 2014 through March 31, 2015)

(Yen in Millions)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
Balance as of April 1, 2014	26,783	56,958	450,741	-31,746	18,647	521,385	3,167	524,552
Net income	—	—	77,876	—	—	77,876	152	78,028
Other comprehensive income	—	—	—	—	29,767	29,767	302	30,070
Total comprehensive income	—	—	77,876	—	29,767	107,643	454	108,098
Share-based payment transactions	—	29	—	—	—	29	—	29
Dividends	—	—	-17,328	—	—	-17,328	-67	-17,395
Changes in treasury stock	—	-11	—	513	—	502	—	502
Transfers from other components of equity to retained earnings	—	—	-2,724	—	2,724	—	—	—
Other increase or decrease	—	-214	—	—	—	-214	205	-9
Total transactions with owners	—	-196	-20,053	513	2,724	-17,011	138	-16,873
Balance as of March 31, 2015	26,783	56,761	508,564	-31,232	51,139	612,016	3,760	615,776

Fiscal 2015 (April 1, 2015 through March 31, 2016)

(Yen in Millions)

	Equity attributable to owners of the parent company					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
Balance as of April 1, 2015	26,783	56,761	508,564	-31,232	51,139	612,016	3,760	615,776
Net income	—	—	81,683	—	—	81,683	306	81,989
Other comprehensive income	—	—	—	—	-37,113	-37,113	-324	-37,437
Total comprehensive income	—	—	81,683	—	-37,113	44,569	-17	44,552
Share-based payment transactions	—	-21	—	—	—	-21	—	-21
Dividends	—	—	-22,297	—	—	-22,297	-247	-22,545
Changes in treasury stock	—	-1	—	-19,783	—	-19,784	—	-19,784
Transfers from other components of equity to retained earnings	—	—	-8,598	—	8,598	—	—	—
Other increase or decrease	—	-57	—	—	—	-57	-28	-86
Total transactions with owners	—	-80	-30,896	-19,783	8,598	-42,160	-276	-42,437
Balance as of March 31, 2016	26,783	56,681	559,351	-51,016	22,624	614,425	3,465	617,891

(4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2014 (April 1, 2014 through March 31, 2015)	Fiscal 2015 (April 1, 2015 through March 31, 2016)
Cash flows from operating activities		
Income before income taxes	105,947	101,996
Depreciation and amortization	45,662	48,537
Increase (decrease) in defined benefit liabilities	-5,713	-742
Decrease (increase) in trade and other receivables	-4,911	32,082
Decrease (increase) in inventories	-2,068	542
Increase (decrease) in trade and other payables	-418	-9,181
Interest and dividend income	537	985
Interest expenses paid	-804	-534
Income taxes (paid) refunded	-17,495	-34,146
Others	-1,254	1,119
Net cash provided by operating activities	<u>119,481</u>	<u>140,658</u>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-53,329	-63,047
Proceeds from sale of property, plant and equipment and intangible assets	562	2,823
Decrease (increase) in time deposits	-1,301	395
Proceeds from sales of investment securities	480	3,009
Others	-268	-266
Net cash provided by (used in) investing activities	<u>-53,857</u>	<u>-57,085</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,423	-1,767
Redemption of bonds	-50,000	—
Decrease (increase) in treasury stock	392	-20,007
Cash dividends paid	-17,328	-22,297
Repayment of long-term loans payable	-540	-581
Others	-67	-247
Net cash provided by (used in) financing activities	<u>-68,966</u>	<u>-44,902</u>
Effect of exchange rate changes on cash and cash equivalents	14,456	-12,339
Net increase (decrease) in cash and cash equivalents	<u>11,113</u>	<u>26,332</u>
Cash and cash equivalents at the beginning of the period	<u>203,446</u>	<u>214,559</u>
Cash and cash equivalents at the end of the period	<u><u>214,559</u></u>	<u><u>240,891</u></u>

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, income, or loss by segments

Fiscal 2014 (April 1, 2014 through March 31, 2015)

(Yen in Millions)

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	293,535	491,928	38,345	823,810	1,433	825,243
Inter-segment revenue	23,072	17,357	2,483	42,912	-42,912	—
Total segment revenue	316,608	509,285	40,829	866,722	-41,479	825,243
Total operating profit	21,205	87,504	2,406	111,117	-4,383	106,734
Financial income						700
Financial expenses						-1,021
Equity in profits (losses) of affiliates						-465
Income before income taxes						105,947
Segment assets	206,215	400,593	42,140	648,949	206,483	855,433
Other items:						
Depreciation and amortization	10,687	27,596	2,299	40,583	5,078	45,662
Impairment losses	983	—	78	1,062	4,399	5,461
Increase in property, plant and equipment and intangible assets	13,239	34,848	2,912	51,000	5,721	56,721

(Note) 1. -4,383 million yen in adjustment of total operating profit includes corporate income (loss) and others not allocating to each segment. Moreover, this adjustment includes 4,088 million yen income generated from the partial transition of the defined benefit pension plans to the defined contribution pension plans.

From fiscal year 2015, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly. Such changes have also been reflected in the figures for the year ended March 31, 2015.

2. 206,483 million yen in adjustment of segment assets includes cash and deposits, property, plant, and equipment and others not belonging in business segments.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional base products (bonding and joining products, protective materials, etc.), automotive products
Optronics	Information fine materials, semiconductor-related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

	Industrial Tape	Optronics	Medical & Membrane	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	303,637	439,106	48,986	791,731	1,323	793,054
Inter-segment revenue	18,517	16,724	4,381	39,623	-39,623	—
Total segment revenue	322,155	455,831	53,367	831,354	-38,299	793,054
Total operating profit	28,614	65,444	11,179	105,237	-2,839	102,397
Financial income						1,140
Financial expenses						-1,527
Equity in profits (losses) of affiliates						-13
Income before income taxes						101,996
Segment assets	204,194	353,462	42,761	600,419	225,486	825,905
Other items:						
Depreciation and amortization	10,630	30,557	2,311	43,499	5,038	48,537
Increase in property, plant and equipment and intangible assets	16,633	28,290	1,398	46,323	14,096	60,420

- (Note) 1. -2,839 million yen in adjustment of total operating profit includes corporate income (loss) and others not allocating to each segment. Moreover, this adjustment includes 2,205 million yen income which is mainly generated from the sale of land.
2. 225,486 million yen in adjustment of segment assets includes cash and deposits, property, plant, and equipment and others not belonging in business segments.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional base products (bonding and joining products, protective materials, etc.), automotive products
Optronics	Information fine materials, semiconductor-related materials, flexible printed circuits, processing materials
Medical & Membrane	Medical products, membrane products

(Per share information)

Basic earnings per share and diluted earnings per share were calculated on the following basis.

	Fiscal 2014 (April 1, 2014 through March 31, 2015)	Fiscal 2015 (April 1, 2015 through March 31, 2016)
(1) Basic earnings per share	471.75 yen	495.23 yen
(Basis for calculation)		
Net income attributable to owners of the parent company	77,876 million yen	81,683 million yen
Average number of common shares	165,079 thousands of shares	164,940 thousands of shares
(2) Diluted earnings per share	470.85 yen	494.56 yen
(Basis for calculation)		
Increase in number of common stock upon exercise of the stock option	317 thousands of shares	221 thousands of shares

(Notes in cases where there was a substantial change in the amount of shareholders' equity)

Pursuant to the resolution at the Board of Directors meeting of February 29, 2016, the Company has acquired its treasury shares of 19,999 million yen, making the number of treasury shares at the end of the fiscal year ended March 31, 2016 11,465 thousand, or the book balance of 51,016 million yen.

(Significant subsequent events)

Not applicable.