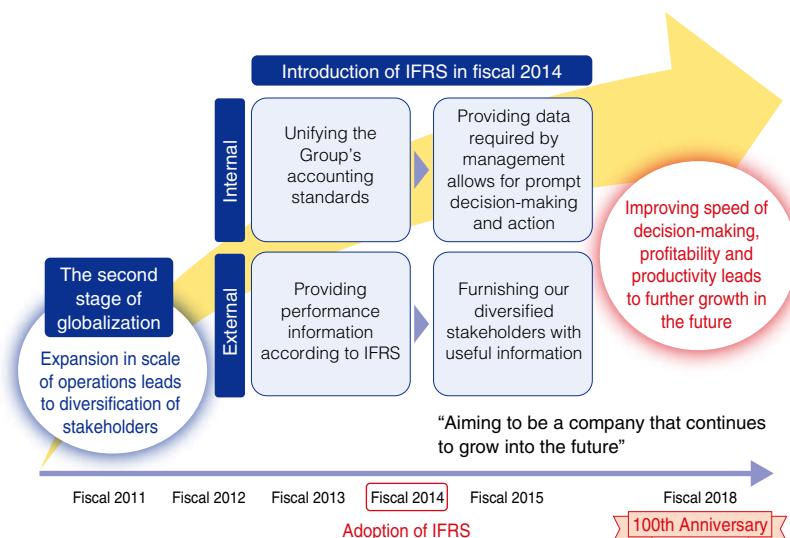


## Applying IFRS (International Financial Reporting Standards) since Fiscal 2014

The Nitto Group has actively developed our business overseas as the second stage of our globalization. As a result, our operations have expanded in scale, leading to increasing diversification of nationalities and cultural backgrounds among our stakeholders.

Under such circumstances, in order to provide more useful information for our diversified stakeholders, as well as to improve efficiency and speed of decision-making through integrating the operations of the Group, we decided to align our accounting standards with the IFRS global standard.



## Consolidated Financial Statements Consolidated Balance Sheet

(Yen in Millions)

Assets	Amount	
	As of March 31, 2015	As of March 31, 2014
<b>Current assets:</b>	<b>519,246</b>	<b>474,669</b>
Cash and cash equivalents	214,559	203,446
Trade and other receivables	191,074	171,310
Inventories	93,448	86,264
Other financial assets	7,726	5,818
Other current assets	12,437	7,829
<b>Noncurrent assets:</b>	<b>336,186</b>	<b>308,914</b>
Property, plant and equipment	268,601	247,835
Goodwill	2,966	4,560
Intangible assets	12,837	14,984
Investments accounted for using equity method	284	441
Financial assets	12,737	10,978
Deferred tax assets	30,231	29,324
Other non-current assets	8,527	790
<b>Total assets</b>	<b>855,433</b>	<b>783,583</b>

(Yen in Millions)

Liabilities	Amount	
	As of March 31, 2015	As of March 31, 2014
<b>Current liabilities</b>	<b>197,420</b>	<b>215,594</b>
Trade and other payables	108,110	104,919
Bonds and borrowings	6,185	56,694
Income tax payables	20,337	7,513
Other financial liabilities	20,445	14,648
Other current liabilities	42,340	31,818
<b>Non-current liabilities</b>	<b>42,236</b>	<b>43,436</b>
Bonds and borrowings	3,000	3,510
Other financial liabilities	1,364	307
Defined benefit liabilities	34,042	33,723
Deferred tax liabilities	566	2,082
Other non-current liabilities	3,262	3,813
<b>Total liabilities</b>	<b>239,656</b>	<b>259,030</b>
<b>Equity attributable to owners of the parent company</b>	<b>612,016</b>	<b>521,385</b>
Share capital	26,783	26,783
Capital surplus	56,761	56,958
Retained earnings	508,564	450,741
Treasury stock	-31,232	-31,746
Other components of equity	51,139	18,647
<b>Non-controlling interests</b>	<b>3,760</b>	<b>3,167</b>
<b>Total equity</b>	<b>615,776</b>	<b>524,552</b>
<b>Total liabilities and equity</b>	<b>855,433</b>	<b>783,583</b>

Consolidated Financial Statements  
Consolidated Statement of Income

(Yen in Millions)

	April 1, 2014 - March 31, 2015	April 1, 2013 - March 31, 2014
<b>Revenue</b>	<b>825,243</b>	<b>749,504</b>
Cost of sales	579,009	538,213
<b>Gross profit</b>	<b>246,234</b>	<b>211,291</b>
Selling, general and administrative expenses	114,939	108,027
Research and development expenses	28,240	28,444
Other income	12,684	4,807
Other expenses	9,004	7,123
<b>Operating income</b>	<b>106,734</b>	<b>72,503</b>
Financial income	700	593
Financial expenses	1,021	2,152
Equity in losses of affiliates	465	302
<b>Income before income taxes</b>	<b>105,947</b>	<b>70,642</b>
Income tax expenses	27,918	18,454
<b>Net income</b>	<b>78,028</b>	<b>52,188</b>
<b>Net income attributable to:</b>		
Owners of the parent company	77,876	51,892
Non-controlling interests	152	296

Consolidated Financial Statements  
Consolidated Statements of Cash Flows

(Yen in Millions)

	April 1, 2014 - March 31, 2015	April 1, 2013 - March 31, 2014
<b>I. Cash flows from operating activities</b>		
Income before income taxes	105,947	70,642
Depreciation and amortization	45,662	43,223
Increase (decrease) in defined benefit liabilities	-5,713	-1,415
Decrease (increase) in trade and other receivables	-4,911	1,482
Decrease (increase) in inventories	-2,068	716
Increase (decrease) in trade and other payables	-418	-2,930
Interest and dividend income	537	378
Interest expenses paid	-804	-942
Income taxes (paid) refunded	-17,495	-25,664
Others	-1,254	-7,046
<b>Net cash provided by (used in) operating activities</b>	<b>119,481</b>	<b>78,444</b>
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	-53,329	-74,407
Proceeds from sale of property, plant and equipment and intangible assets	562	728
Decrease (increase) in time deposits	-1,301	60,277
Others	211	-2,490
<b>Net cash provided by (used in) investing activities</b>	<b>-53,857</b>	<b>-15,893</b>
<b>III. Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	-1,423	701
Redemption of bonds	-50,000	—
Decrease (increase) in treasury stock	392	497
Cash dividends paid	-17,328	-16,488
Proceeds from long-term loans payable	—	3,000
Repayment of long-term loans payable	-540	-6,000
Others	-67	158
<b>Net cash provided by (used in) financing activities</b>	<b>-68,966</b>	<b>-18,131</b>
<b>IV. Effect of exchange rate change on cash and cash equivalents</b>	<b>14,456</b>	<b>6,143</b>
<b>V. Net increase (decrease) in cash and cash equivalents</b>	<b>11,113</b>	<b>50,562</b>
<b>VI. Cash and cash equivalents at the beginning of period</b>	<b>203,446</b>	<b>152,275</b>
<b>VII. Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>—</b>	<b>608</b>
<b>VIII. Cash and cash equivalents at the end of period</b>	<b>214,559</b>	<b>203,446</b>

Consolidated Financial Statements  
Consolidated Statement of Changes in Equity

April 1, 2014 through March 31, 2015

(Yen in Millions)

	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
<b>Balance at the beginning of current year</b>	<b>26,783</b>	<b>56,958</b>	<b>450,741</b>	<b>-31,746</b>	<b>18,647</b>	<b>521,385</b>	<b>3,167</b>	<b>524,552</b>
Net income			77,876			77,876	152	78,028
Other comprehensive income					29,767	29,767	302	30,070
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>77,876</b>	<b>—</b>	<b>29,767</b>	<b>107,643</b>	<b>454</b>	<b>108,098</b>
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
<b>Total transactions with owners</b>	<b>—</b>	<b>-196</b>	<b>-20,053</b>	<b>513</b>	<b>2,724</b>	<b>-17,011</b>	<b>138</b>	<b>-16,873</b>
<b>Balance at the end of current year</b>	<b>26,783</b>	<b>56,761</b>	<b>508,564</b>	<b>-31,232</b>	<b>51,139</b>	<b>612,016</b>	<b>3,760</b>	<b>615,776</b>

## Business Results 10-Year Summary

Consolidated financial results, fiscal years 2005 - 2014 (April 1- March 31)

	Japanese GAAP										IFRS		U.S. dollars in Thousands (Note 2)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013	2014	IFRS	IFRS
<b>Statement of income</b>													
Revenue	626,316	679,822	745,259	577,922	601,859	638,556	607,639	671,253	749,835	749,504	825,243	6,867,296	
Operating income	89,224	69,037	77,954	13,838	56,086	85,245	56,491	68,482	72,254	72,503	106,734	888,192	
ratio to revenue	14.2%	10.2%	10.5%	2.4%	9.3%	13.3%	9.3%	10.2%	9.6%	9.7%	12.9%	12.9%	
Ordinary income	90,196	67,319	74,468	14,807	58,833	85,143	58,436	67,182	71,658	-	-	-	
ratio to revenue	14.4%	9.9%	10.0%	2.6%	9.8%	13.3%	9.6%	10.0%	9.6%	-	-	-	
Net income attributable to owners of the parent company	55,306	41,201	46,634	267	37,570	55,743	31,066	43,696	51,018	51,892	77,876	648,049	
ratio to revenue	8.8%	6.1%	6.3%	0.0%	6.2%	8.7%	5.1%	6.5%	6.8%	6.9%	9.4%	9.4%	
<b>Segment information by geographic area</b>													
Japan Revenue	271,186	268,364	256,288	207,263	203,982	218,528	194,636	192,600	186,320	185,990	189,779	1,579,254	
Operating income	76,888	52,535	44,969	3,305	34,897	64,376	39,571	44,338	43,263	44,112	70,322	585,188	
Americas Revenue	38,580	42,349	45,054	39,002	37,766	36,116	35,739	40,014	52,085	52,085	59,451	494,724	
Operating income	-1,078	-663	338	-1,298	2,012	-289	-1,363	1,768	1,198	1,373	-1,725	-14,355	
Europe Revenue	19,395	23,787	29,172	25,519	26,933	23,245	21,189	31,057	38,834	38,834	43,041	358,168	
Operating income	693	1,587	2,178	-20	1,147	1,471	480	898	3,104	3,025	2,729	22,709	
Asia & Oceania Revenue	297,153	345,321	414,743	306,136	333,177	360,665	356,074	411,942	472,594	472,594	532,971	4,435,142	
Operating income	12,575	12,382	27,614	8,368	17,952	19,032	15,514	20,258	22,158	23,874	36,573	304,344	
<b>Per share information</b>													
Equity attributable to owners of the parent company per share	1,943.7	2,192.3	2,297.1	2,148.2	2,320.9	2,540.3	2,635.9	2,961.9	3,172.0	3,159.9	3,706.0	30.84	
Basic earnings per share	332.3	248.3	280.1	1.6	225.5	337.4	188.9	265.5	309.3	314.6	471.8	3.93	
Dividends per share	60.0	70.0	80.0	80.0	40.0	90.0	100.0	100.0	100.0	100.0	120.0	1.00	
Shares outstanding(thousands)	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	-	
Number of shareholders	16,057	35,224	41,309	63,479	66,032	59,059	65,321	49,234	55,009	55,009	35,014	-	
<b>Total assets</b>													
Equity attributable to owners of the parent company	321,464	364,942	382,627	357,839	386,664	417,606	433,541	488,179	523,391	521,385	612,016	5,092,918	
Ratio of profit attributable to owners of the parent company to total assets(ROA)	11.1%	7.1%	7.8%	0.0%	6.4%	8.7%	4.8%	6.3%	6.7%	6.8%	9.5%	-	
Return on equity attributable to owners of the parent company (ROE)	19.0%	12.0%	12.5%	0.1%	10.1%	13.9%	7.3%	9.5%	10.1%	10.5%	13.7%	-	
Ratio of equity attributable to owners of the parent company to total assets	57.7%	60.4%	64.2%	64.1%	61.9%	63.9%	66.5%	65.9%	67.0%	66.5%	71.5%	-	
Capital investment	60,889	75,324	59,406	55,926	37,147	26,882	33,758	49,807	75,814	75,814	56,721	472,006	
Depreciation cost	31,470	40,169	49,617	50,556	44,810	39,940	36,806	36,467	43,188	43,223	45,662	379,978	
R&D expenses	20,489	21,733	22,096	21,716	20,876	21,949	25,003	27,573	28,573	28,444	28,240	235,000	
Number of employees (Note 1)	27,865	32,101	33,663	28,640	31,288	33,192	32,198	30,382	31,504	31,504	31,997	-	

Note 1. Part-time employees are included.

2. The exchange rate used was JPY120.17 to USD1.00, which was the rate as at March 31, 2015.

3. Effective from the fiscal year ended March 31, 2014, the Company and some of its consolidated subsidiaries changed the method of recognition of revenue to one based on the time of delivery to customers from the prior one which was based mainly on the time of shipment. The figures for the fiscal year ended March 31, 2013, are those after the retrospective application of the change except for the figures in "Segment information by geographic area".

4. From the fiscal year ended March 31, 2015, the Nitto Denko Group has implemented the International Financial Reporting Standards (IFRS) to prepare its consolidated financial statements (date of transition to IFRS: April 1, 2013). Accordingly, the financial data for the fiscal year ended March 31, 2014 is also presented based on the IFRS.

5. The above 10-year Summary is presented based on the International Financial Reporting Standards (IFRS). The term based on the Japanese standard for "Revenue" is "Net sales," "Net income attributable to owners of the parent company" is "Net income," "Basic earnings per share" is "Net income per share," "Total assets" is "Total assets," "Total equity" is "Net assets," "Equity attributable to owners of the parent company per share" is "Net assets per share," "Ratio of equity attributable to owners of the parent company to total assets" is "Shareholders' equity to total assets," "Return on equity attributable to owners of the parent company" is "Return on equity" and "Ratio of profit attributable to owners of the parent company to total assets" is "Return on total assets."

