

Consolidated Financial Statements Consolidated Balance Sheet

(Yen in Millions)

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

(Yen in Millions)

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

Consolidated Financial Statements Consolidated Statement of Income

(Yen in Millions)

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

Consolidated Financial Statements Consolidated Statement of Cash Flows

(Yen in Millions)

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

Consolidated Financial Statements
Consolidated Statement of Changes in Equity

April 1, 2015 through March 31, 2016

(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
Balance at the beginning of current year	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 at the end of current year	26,783	56,681	559,351	-51,016	22,624	614,425	3,465	617,891

<Note>

- Part-time employees are included.
- The exchange rate used was JPY112.68 to USD1.00, which was the rate as at March 31, 2016.
- 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".
- 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.
- 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," "Equity attributable to owners of the parent company per share" is "Net assets per share," "Basic earnings per share" is "Net income per share," "Total assets" is "Total assets," "Equity attributable to owners of the parent company" is "Equity," "Ratio of profit attributable to owners of the parent company to total assets" is "Return on assets," "Return on equity attributable to owners of the parent company" is "Return on equity" and "Ratio of equity attributable to owners of the parent company to total assets" is "Equity to total assets."

Business Results
10-Year Summary

Consolidated financial results of the fiscal years (April 1- March 31)

	Japanese GAAP								IFRS			IFRS
	2006	2007	2008	2009	2010	2011	2012	2013	2013	2014	2015	2015
Statement of income												
Revenue	679,822	745,259	577,922	601,859	638,556	607,639	671,253	749,835	749,504	825,243	793,054	7,038,108
Operating income	69,037	77,954	13,838	56,086	85,245	56,491	68,482	72,254	72,503	106,734	102,397	908,742
ratio to revenue	10.2%	10.5%	2.4%	9.3%	13.3%	9.3%	10.2%	9.6%	9.7%	12.9%	12.9%	12.9%
Ordinary income	67,319	74,468	14,807	58,833	85,143	58,436	67,182	71,658	—	—	—	—
ratio to revenue	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	41,201	46,634	267	37,570	55,743	31,066	43,696	51,018	51,892	77,876	81,683	724,911
ratio to revenue	6.1%	6.3%	0.0%	6.2%	8.7%	5.1%	6.5%	6.8%	6.9%	9.4%	10.3%	10.3%
Segment information by geographic area												
Japan Revenue	268,364	256,288	207,263	203,982	218,528	194,636	192,600	186,320	185,990	189,779	180,987	1,606,203
Japan Operating income	52,535	44,969	3,305	34,897	64,376	39,571	44,338	43,263	44,112	70,322	60,793	539,519
Americas Revenue	42,349	45,054	39,002	37,766	36,116	35,739	40,014	52,085	52,085	59,451	75,344	668,655
Americas Operating income	-663	338	-1,298	2,012	-289	-1,363	1,768	1,198	1,373	-1,725	12,241	108,635
Europe Revenue	23,787	29,172	25,519	26,933	23,245	21,189	31,057	38,834	38,834	43,041	42,750	379,393
Europe Operating income	1,587	2,178	-20	1,147	1,471	480	898	3,104	3,025	2,729	3,081	27,343
Asia & Oceania Revenue	345,321	414,743	306,136	333,177	360,665	356,074	411,942	472,594	472,594	532,971	493,972	4,383,848
Asia & Oceania Operating income	12,382	27,614	8,368	17,952	19,032	15,514	20,258	22,158	23,874	36,573	24,410	216,631
Per share information									Yen		Yen	U.S. dollars
Equity attributable to owners of the parent company per share	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	3,785.9	33.60
Basic earnings per share	248.3	280.1	1.6	225.5	337.4	188.9	265.5	309.3	314.6	471.8	495.2	4.40
Dividends per share	70.0	80.0	80.0	40.0	90.0	100.0	100.0	100.0	100.0	120.0	140.0	1.24
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	35,224	41,309	63,479	66,032	59,059	65,321	49,234	55,009	55,009	35,014	37,694	—
Total assets	604,208	595,972	558,258	624,992	653,961	651,908	740,949	781,352	783,583	855,433	825,905	7,329,650
Equity attributable to owners of the parent company	364,942	382,627	357,839	386,664	417,606	433,541	488,179	523,391	521,385	612,016	614,425	5,452,831
Ratio of profit attributable to owners of the parent company to total assets (ROA)	7.1%	7.8%	0.0%	6.4%	8.7%	4.8%	6.3%	6.7%	6.8%	9.5%	9.7%	—
Return on equity attributable to owners of the parent company (ROE)	12.0%	12.5%	0.1%	10.1%	13.9%	7.3%	9.5%	10.1%	10.5%	13.7%	13.3%	—
Ratio of equity attributable to owners of the parent company to total assets	60.4%	64.2%	64.1%	61.9%	63.9%	66.5%	65.9%	67.0%	66.5%	71.5%	74.4%	—
Capital investment	75,324	59,406	55,926	37,147	26,882	33,758	49,807	75,814	75,814	56,721	60,420	536,209
Depreciation cost	40,169	49,617	50,556	44,810	39,940	36,806	36,467	43,188	43,223	45,662	48,537	430,751
R&D expenses	21,733	22,096	21,716	20,876	21,949	25,003	27,573	28,573	28,444	28,240	32,120	285,055
Number of employees (Note 1)	32,101	33,663	28,640	31,288	33,192	32,198	30,382	31,504	31,504	31,997	30,007	—