

Consolidated Financial Statements Consolidated Statements of Financial Position

	(Yen in Millions)	
	Amount	
	As of March 31, 2017	As of March 31, 2016
Current assets	563,798	502,253
Cash and cash equivalents	280,343	240,891
Trade and other receivables	173,362	149,305
Inventories	88,701	88,499
Other financial assets	5,455	8,662
Other current assets	15,936	14,894
Non-current assets	316,100	323,651
Property, plant and equipment	249,541	263,645
Goodwill	7,300	2,663
Intangible assets	13,829	10,634
Investments accounted for using equity method	326	319
Financial assets	8,799	7,869
Deferred tax assets	27,087	29,146
Other non-current assets	9,215	9,372
Total assets	879,899	825,905

	(Yen in Millions)	
	Amount	
	As of March 31, 2017	As of March 31, 2016
Current liabilities	174,557	153,817
Trade and other payables	110,840	96,145
Bonds and borrowings	1,097	3,395
Income tax payables	15,978	3,753
Other financial liabilities	9,660	12,477
Other current liabilities	36,980	38,044
Non-current liabilities	50,920	54,196
Bonds and borrowings	3,000	3,000
Other financial liabilities	1,449	722
Defined benefit liabilities	42,838	47,594
Deferred tax liabilities	847	349
Other non-current liabilities	2,784	2,530
Total liabilities	225,477	208,014
Equity attributable to owners of the parent company	653,772	614,425
Share capital	26,783	26,783
Capital surplus	56,139	56,681
Retained earnings	603,886	559,351
Treasury stock	-50,876	-51,016
Other components of equity	17,839	22,624
Non-controlling interests	648	3,465
Total equity	654,421	617,891
Total liabilities and equity	879,899	825,905

Consolidated Financial Statements Consolidated Statements of Income

	(Yen in Millions)	
	April 1, 2016 - March 31, 2017	April 1, 2015 - March 31, 2016
Revenue	767,710	793,054
Cost of sales	528,592	548,354
Gross profit	239,118	244,700
Selling, general and administrative expenses	109,317	115,040
Research and development expenses	30,366	32,120
Other income	6,773	8,714
Other expenses	13,618	3,855
Operating income	92,589	102,397
Financial income	1,065	1,140
Financial expenses	1,848	1,527
Equity in profits (losses) of affiliates	-13	-13
Income before income taxes	91,791	101,996
Income tax expenses	28,101	20,006
Net income	63,690	81,989
Net income attributable to:		
Owners of the parent company	63,453	81,683
Non-controlling interests	236	306

Consolidated Financial Statements Consolidated Statements of Cash Flows

	(Yen in Millions)	
	April 1, 2016 - March 31, 2017	April 1, 2015 - March 31, 2016
I. Cash flows from operating activities		
Income before income taxes	91,791	101,996
Depreciation and amortization	48,556	48,537
Impairment losses	2,341	51
Increase (decrease) in defined benefit liabilities	944	-742
Decrease (increase) in trade and other receivables	-25,161	32,082
Decrease (increase) in inventories	-1,328	542
Increase (decrease) in trade and other payables	15,382	-9,181
Interest and dividend income	829	985
Interest expenses paid	-385	-534
Income taxes (paid) refunded	-13,742	-34,146
Others	710	1,067
Net cash provided by (used in) operating activities	119,939	140,658
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-43,178	-63,047
Proceeds from sales of property, plant and equipment and intangible assets	537	2,823
Decrease (increase) in time deposits	2,550	395
Proceeds from sales of investment securities	77	3,009
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-4,796	—
Payments for transfer of business	-4,752	—
Others	-176	-266
Net cash provided by (used in) investing activities	-49,739	-57,085
III. Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,973	-1,767
Repayment of long-term loans payable	—	-581
Decrease (increase) in treasury stock	-0	-20,007
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-3,224	—
Cash dividends paid	-23,533	-22,297
Others	-151	-247
Net cash provided by (used in) financing activities	-28,884	-44,902
IV. Effect of exchange rate changes on cash and cash equivalents	-1,864	-12,339
V. Net increase (decrease) in cash and cash equivalents	39,451	26,332
VI. Cash and cash equivalents at the beginning of period	240,891	214,559
VII. Cash and cash equivalents at the end of period	280,343	240,891

Consolidated Financial Statements
Consolidated Statements of Changes in Equity

April 1, 2016 through March 31, 2017

(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	56,681	559,351	-51,016	22,624	614,425	3,465	617,891
Net income			63,453			63,453	236	63,690
Other comprehensive income					-170	-170	-175	-345
Total comprehensive income	—	—	63,453	—	-170	63,283	60	63,344
Share-based payment transactions		114				114		114
Dividends			-23,533			-23,533	-151	-23,685
Changes in treasury stock		-34		139		105		105
Transfers from other components of equity to retained earnings			4,614		-4,614	—		—
Additional purchase of shares of consolidated subsidiaries		-622				-622	-2,726	-3,349
Total transactions with owners	—	-542	-18,918	139	-4,614	-23,936	-2,878	-26,814
Balance at the end of current year	26,783	56,139	603,886	-50,876	17,839	653,772	648	654,421

<Note>

- Part-time employees are included.
- The exchange rate used was JPY112.19 to USD1.00, which was the rate as at March 31, 2017.
- 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 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
	2007	2008	2009	2010	2011	2012	2013	2013	2014	2015	2016	2016
Statement of income												
Revenue	745,259	577,922	601,859	638,556	607,639	671,253	749,835	749,504	825,243	793,054	767,710	6,842,945
Operating income	77,954	13,838	56,086	85,245	56,491	68,482	72,254	72,503	106,734	102,397	92,589	825,287
ratio to revenue	10.5%	2.4%	9.3%	13.3%	9.3%	10.2%	9.6%	9.7%	12.9%	12.9%	12.1%	12.1%
Ordinary income	74,468	14,807	58,833	85,143	58,436	67,182	71,658	—	—	—	—	—
ratio to revenue	10.0%	2.6%	9.8%	13.3%	9.6%	10.0%	9.6%	—	—	—	—	—
Net income attributable to owners of the parent company	46,634	267	37,570	55,743	31,066	43,696	51,018	51,892	77,876	81,683	63,453	565,585
ratio to revenue	6.3%	0.0%	6.2%	8.7%	5.1%	6.5%	6.8%	6.9%	9.4%	10.3%	8.3%	8.3%
Segment information by geographic area												
Japan Revenue	256,288	207,263	203,982	218,528	194,636	192,600	186,320	185,990	189,779	180,987	186,979	1,666,628
Japan Operating income	44,969	3,305	34,897	64,376	39,571	44,338	43,263	44,112	70,322	60,793	51,979	463,312
Americas Revenue	45,054	39,002	37,766	36,116	35,739	40,014	52,085	52,085	59,451	75,344	80,123	714,172
Americas Operating income	338	-1,298	2,012	-289	-1,363	1,768	1,198	1,373	-1,725	12,241	16,570	147,696
Europe Revenue	29,172	25,519	26,933	23,245	21,189	31,057	38,834	38,834	43,041	42,750	40,521	361,182
Europe Operating income	2,178	-20	1,147	1,471	480	898	3,104	3,025	2,729	3,081	3,727	33,220
Asia & Oceania Revenue	414,743	306,136	333,177	360,665	356,074	411,942	472,594	472,594	532,971	493,972	460,085	4,100,945
Asia & Oceania Operating income	27,614	8,368	17,952	19,032	15,514	20,258	22,158	23,874	36,573	24,410	22,905	204,163
Per share information							Yen				Yen	U.S. dollars
Equity attributable to owners of the parent company per share	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	4,027.6	35.90
Basic earnings per share	280.1	1.6	225.5	337.4	188.9	265.5	309.3	314.6	471.8	495.2	390.9	3.48
Dividends per share	80.0	80.0	40.0	90.0	100.0	100.0	100.0	100.0	120.0	140.0	150.0	1.34
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	41,309	63,479	66,032	59,059	65,321	49,234	55,009	55,009	35,014	37,694	29,742	—
Total assets	595,972	558,258	624,992	653,961	651,908	740,949	781,352	783,583	855,433	825,905	879,899	7,842,936
Equity attributable to owners of the parent company	382,627	357,839	386,664	417,606	433,541	488,179	523,391	521,385	612,016	614,425	653,772	5,827,364
Ratio of profit attributable to owners of the parent company to total assets (ROA)	7.8%	0.0%	6.4%	8.7%	4.8%	6.3%	6.7%	6.8%	9.5%	9.7%	7.4%	—
Return on equity attributable to owners of the parent company (ROE)	12.5%	0.1%	10.1%	13.9%	7.3%	9.5%	10.1%	10.5%	13.7%	13.3%	10.0%	—
Ratio of equity attributable to owners of the parent company to total assets	64.2%	64.1%	61.9%	63.9%	66.5%	65.9%	67.0%	66.5%	71.5%	74.4%	74.3%	—
Capital investment	59,406	55,926	37,147	26,882	33,758	49,807	75,814	75,814	56,721	60,420	36,538	325,680
Depreciation cost	49,617	50,556	44,810	39,940	36,806	36,467	43,188	43,223	45,662	48,537	48,556	432,801
R&D expenses	22,096	21,716	20,876	21,949	25,003	27,573	28,573	28,444	28,240	32,120	30,366	270,666
Number of employees (Note 1)	33,663	28,640	31,288	33,192	32,198	30,382	31,504	31,504	31,997	30,007	29,617	—