

Business Results: 10-Year Summary

		Japanese GAAP				
		Yen in Millions				
		2009	2010	2011	2012	2013
Statement of income						
Revenue		601,859	638,556	607,639	671,253	749,835
Operating income		56,086	85,245	56,491	68,482	72,254
ratio to revenue		9.3%	13.3%	9.3%	10.2%	9.6%
Ordinary income		58,833	85,143	58,436	67,182	71,658
ratio to revenue		9.8%	13.3%	9.6%	10.0%	9.6%
Net income attributable to owners of the parent company		37,570	55,743	31,066	43,696	51,018
ratio to revenue		6.2%	8.7%	5.1%	6.5%	6.8%
Segment information by geographic area						
Japan	Revenue	203,982	218,528	194,636	192,600	186,320
	Operating income	34,897	64,376	39,571	44,338	43,263
Americas	Revenue	37,766	36,116	35,739	40,014	52,085
	Operating income	2,012	-289	-1,363	1,768	1,198
Europe	Revenue	26,933	23,245	21,189	31,057	38,834
	Operating income	1,147	1,471	480	898	3,104
Asia & Oceania	Revenue	333,177	360,665	356,074	411,942	472,594
	Operating income	17,952	19,032	15,514	20,258	22,158
Per share information						
Equity attributable to owners of the parent company per share		2,320.9	2,540.3	2,635.9	2,961.9	3,172.0
Basic earnings per share		225.5	337.4	188.9	265.5	309.3
Dividends per share		40	90	100	100	100
Shares outstanding (thousands of shares)		173,758	173,758	173,758	173,758	173,758
Number of shareholders (people)		66,032	59,059	65,321	49,234	55,009
Balance sheet						
		Yen in Millions				
Total assets		624,992	653,961	651,908	740,949	781,352
Equity attributable to owners of the parent company		386,664	417,606	433,541	488,179	523,391
Ratio of profit attributable to owners of the parent company to total assets (ROA)		6.4%	8.7%	4.8%	6.3%	6.7%
Return on equity attributable to owners of the parent company (ROE)		10.1%	13.9%	7.3%	9.5%	10.1%
Ratio of equity attributable to owners of the parent company to total assets		61.9%	63.9%	66.5%	65.9%	67.0%
Capital investment (completed contract method)		37,147	26,883	33,758	49,807	75,814
Depreciation expense		44,810	39,940	36,806	36,467	43,188
R&D expenses		20,876	21,949	25,003	27,573	28,573
Number of employees (Note 1) (people)		31,288	33,192	32,198	30,382	31,504

<Note>

1. Part-time employees are included.

2. The exchange rate used was JPY110.57 to USD1.00, which was the rate as at March 31, 2019.

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.

		IFRS					IFRS
		Yen in Millions					U.S. dollars in Thousands (Note 2)
		2013	2014	2015	2016	2017	2018
Statement of income							
Revenue		749,504	825,243	793,054	767,710	857,376	806,495
Operating income		72,503	106,734	102,397	92,589	125,722	92,777
ratio to revenue		9.7%	12.9%	12.9%	12.1%	14.7%	11.5%
Ordinary income		-	-	-	-	-	-
ratio to revenue		-	-	-	-	-	-
Net income attributable to owners of the parent company		51,892	77,876	81,683	63,453	87,377	66,560
ratio to revenue		6.9%	9.4%	10.3%	8.3%	10.2%	8.3%
Segment information by geographic area							
Japan	Revenue	185,990	189,779	180,987	186,979	200,556	194,087
	Operating income	44,112	70,322	60,793	51,979	75,982	53,545
Americas	Revenue	52,085	59,451	75,344	80,123	82,568	75,967
	Operating income	1,373	-1,725	12,241	16,570	12,225	7,928
Europe	Revenue	38,834	43,041	42,750	40,521	45,578	45,683
	Operating income	3,025	2,729	3,081	3,727	4,218	3,071
Asia & Oceania	Revenue	472,594	532,971	493,972	460,085	528,672	490,757
	Operating income	23,874	36,573	24,410	22,905	32,793	26,065
Per share information							
Equity attributable to owners of the parent company per share		3,159.9	3,706.0	3,785.9	4,027.6	4,328.5	4,465.7
Basic earnings per share		314.6	471.8	495.2	390.9	539.0	423.5
Dividends per share		100	120	140	150	160	180
Shares outstanding (thousands of shares)		173,758	173,758	173,758	173,758	173,758	158,758
Number of shareholders (people)		55,009	35,014	37,694	29,742	35,847	37,684
Balance sheet							
		Yen in Millions					U.S. dollars in Thousands
Total assets		783,583	855,433	825,905	879,899	937,796	913,418
Equity attributable to owners of the parent company		521,385	612,016	614,425	653,772	693,278	700,443
Ratio of profit attributable to owners of the parent company to total assets (ROA)		6.8%	9.5%	9.7%	7.4%	9.6%	7.2%
Return on equity attributable to owners of the parent company (ROE)		10.5%	13.7%	13.3%	10.0%	13.0%	9.6%
Ratio of equity attributable to owners of the parent company to total assets		66.5%	71.5%	74.4%	74.3%	73.9%	76.7%
Capital investment (completed contract method)		75,814	56,721	60,420	36,538	47,193	64,353
Depreciation expense		43,223	45,662	48,537	48,556	49,283	45,904
R&D expenses		28,444	28,240	32,120	30,366	31,243	31,990
Number of employees (Note 1) (people)		31,504	31,997	30,007	29,617	29,704	29,019

5. From fiscal 2018, "royalty income," which was previously included in "other income" on the consolidated statements of income, is included in "revenue." Accordingly, the above numbers for fiscal 2017 have been reclassified to reflect the change.

6. 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," "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."

Financial News

Consolidated Statements of Financial Position

Yen in Millions		Yen in Millions	
Amount		Amount	
	As of March 31, 2019	As of March 31, 2018 (Reference)	
(Assets)			(Liabilities)
Current assets	581,536	622,027	Current liabilities
Cash and cash equivalents	297,682	304,709	Trade and other payables
Trade and other receivables	169,768	192,120	Bonds and borrowings
Inventories	93,985	95,068	Income tax payables
Other financial assets	412	8,815	Other financial liabilities
Other current assets	19,687	15,398	Other current liabilities
Subtotal	581,536	616,112	Subtotal
Assets held for sale	–	5,914	Liabilities directly associated with assets classified as held for sale
Non-current assets	331,882	315,768	
Property, plant and equipment	267,133	248,417	Non-current liabilities
Goodwill	6,834	6,927	Other financial liabilities
Intangible assets	12,393	12,355	Defined benefit liabilities
Investments accounted for using equity method	194	338	Deferred tax liabilities
Financial assets	8,428	9,361	Other non-current liabilities
Deferred tax assets	26,548	28,295	
Other non-current assets	10,349	10,073	Total liabilities
Total assets	913,418	937,796	
			(Equity)
			Equity attributable to owners of the parent company
			Share capital
			Capital surplus
			Retained earnings
			Treasury stock
			Other components of equity
			Non-controlling interests
			Total equity
			Total liabilities and equity

Consolidated Statements of Changes in Equity

Yen in Millions		Yen in Millions	
April 1, 2018 – March 31, 2019		April 1, 2017 – March 31, 2018	
	Share capital	Capital surplus	Retained earnings
Balance at the beginning of current year	26,783	55,981	665,561
Cumulative effects of changes in accounting policies	–	–	430
Adjusted balance as of April 1, 2018	26,783	55,981	665,992
Net income	–	–	66,560
Other comprehensive income	–	–	–4,550
Total comprehensive income	–	–	66,560
Share-based payment transactions	–	54	–48
Dividends	–	–	–26,928
Changes in treasury stock	–	–5,716	–81,423
Transfers from other components of equity to retained earnings	–	–	–2,176
Total transactions with owners	–	–5,661	–110,527
Balance at the end of current year	26,783	50,319	622,025
			Treasury stock
			Other components of equity
			Total equity attributable to owners of the parent company
			Non-controlling interests
			Total equity

Consolidated Statements of Income

Yen in Millions		Yen in Millions	
Amount		Amount	
	April 1, 2018 – March 31, 2019	April 1, 2017 – March 31, 2018 (Reference)	
Revenue	806,495	857,376	
Cost of sales	564,608	574,879	
Gross profit	241,886	282,497	
Selling, general and administrative expenses	120,576	118,421	
Research and development expenses	31,990	31,243	
Other income	8,594	4,594	
Other expenses	5,137	11,703	
Operating income	92,777	125,722	
Financial income	1,195	1,185	
Financial expenses	1,917	752	
Equity in profits (losses) of affiliates	–144	12	
Income before income taxes	91,910	126,168	
Income tax expenses	25,293	38,704	
Net income	66,616	87,463	
Net income attributable to:			
Owners of the parent company	66,560	87,377	
Non-controlling interests	56	85	

Consolidated Statements of Cash Flows

Yen in Millions		Yen in Millions	
Amount		Amount	
	April 1, 2018 – March 31, 2019	April 1, 2017 – March 31, 2018	
I Cash flows from operating activities			
Income before income taxes	91,910	126,168	
Depreciation and amortization	45,904	49,283	
Impairment losses	41	52	
Increase (decrease) in defined benefit liabilities	725	2,338	
Decrease (increase) in trade and other receivables	23,148	–18,493	
Decrease (increase) in inventories	362	–6,860	
Increase (decrease) in trade and other payables	–14,227	–4,471	
Interest and dividend income	1,089	1,047	
Interest expenses paid	–357	–419	
Income taxes (paid) refunded	–41,835	–35,153	
Others	–8,192	9,059	
Net cash provided by (used in) operating activities	98,569	122,551	
II Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	–59,628	–48,466	
Proceeds from sale of property, plant and equipment and intangible assets	331	99	
Decrease (increase) in time deposits	6,689	–2,811	
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,634	–	
Others	17	963	
Net cash provided by (used in) investing activities	–49,955	–50,215	
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	–374	74	
Repayment of long-term loans payable	–3,000	–	
Decrease (increase) in treasury stock	–28,547	–19,354	
Cash dividends paid	–26,928	–25,166	
Others	430	–472	
Net cash provided by (used in) financing activities	–58,419	–44,919	
IV Effect of exchange rate changes on cash and cash equivalents	–1	–270	
V Cash and cash equivalents included in assets held for sale	–	–2,780	
VI Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	2,780	–	
VII Net increase (decrease) in cash and cash equivalents	–7,027	24,365	
VIII Cash and cash equivalents at the beginning of the period	304,709	280,343	
IX Cash and cash equivalents at the end of the period	297,682	304,709	

Shareholder/Stock Information (as of March 31, 2019)

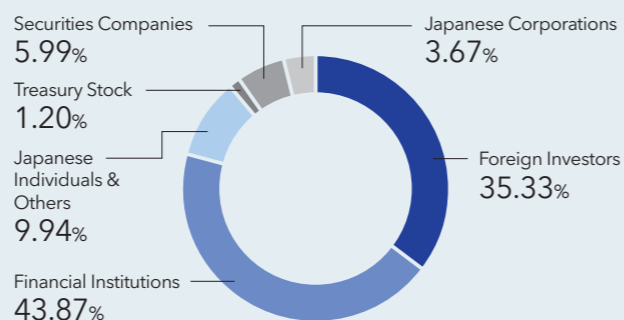
Number of shares authorized to be issued
400,000,000 shares

Number of shares issued
158,758,428 shares
(Amount of treasury stock held 1,908,766 shares)

Number of shareholders
37,684

Share unit 100 shares

Ownership and Distribution of Shares



Major shareholders (top 10)

Name	Number of shares held (Thousands of shares)	Ownership percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,250	18.01
Japan Trustee Services Bank, Ltd. (Trust Account)	15,159	9.67
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,485	2.22
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,963	1.89
Japan Trustee Services Bank, Ltd. (Trust Account 7)	2,908	1.85
State Street Bank West Client - Treaty 505234	2,617	1.67
JPMorgan Chase Bank 380634	2,473	1.58
JPMorgan Chase Bank 385151	2,411	1.54
The Bank of New York Mellon 140044	2,307	1.47
State Street Bank and Trust Company 505223	2,114	1.35

* The ownership percentage has been calculated based on the number of shares issued, excluding treasury stock.

IR Activities

In following the "Policies Concerning Constructive Dialogue with Shareholders," we reflect the opinions shared by our shareholders and investors at shareholders' meetings, company information meetings, and IR activities on management.

	The 152nd meeting (held on June 16, 2017)	The 153rd meeting (held on June 22, 2018)	The 154th meeting (held on June 21, 2019)
Number of attendees at the Ordinary General Meeting of Shareholders	482	481	467



The 154th Ordinary General Meeting of Shareholders

Events	Target Audiences	Frequency
Company information meetings	Japanese/overseas institutional investors	Twice/year
Financial results information meetings	Japanese institutional investors / analysts	Four times/year
Overseas roadshows	Institutional investors in North America, Europe, and Asia	Five times/year
Conferences, etc. sponsored by securities houses	Japanese/overseas institutional investors	Ten times/year
Information meetings for private investors	Private investors	Twice/year

In addition to the above, the CEO and CFO join IR meetings with shareholders.

The Nitto ATP Finals charitable activities in support of UNICEF

Nitto engaged in various charitable activities at the 2018 Nitto ATP Finals, which took place from November 11 to 18, 2018. Nitto supported the United Nations Children's Fund (hereinafter "UNICEF"), through UNICEF UK under the concept of cheering on all children who strive for the future.

Nitto donated and Nitto group employees who supported the charity concept donated GBP£33,171* to UNICEF, which was divided across two of their important programs; "Water, Sanitation and Hygiene" and "Health".

Nitto also did the fund-raising activities in the exhibition booths in the O2 Arena, throughout the tournament.

We donated 14 mascot spaces for children to escort the players to the court before the start of each match. UNICEF UK asked children from their "Right's Respecting Schools" to fill these places, providing a memorable experience for children who would not normally get this opportunity.

For more information please visit the website below;
<https://www.nitto.com/jp/ja/press/2019/0225.jsp>

* The amounts indicated are calculated based on the exchange rate as of February 2019.



Fundraising activities at the Nitto booths.



Mascot kids escorting the players

Disclaimer

This report contains future projections as well as past and present facts related to Nitto Denko Corporation (non-consolidated) and the Nitto Group (consolidated). These statements are based on information at the time of creation and may not be completely accurate at the time of reading. Please be advised that actual business activity results may differ materially from those described in the projections. All chapters of this report are also available in Japanese. In the event of any discrepancies between the two versions, the Japanese version will prevail.

Business Performance and Financial Information

As we have applied International Financial Reporting Standards (IFRS) from fiscal 2014, business performance and financial information from fiscal 2014 described in this report are based on IFRS.

Trademarks

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Environmental Data

Some of the numbers from previous years have been updated as the scope of Group companies was extended or calculation methods were changed.

ESG Indexes

In 2018, Nitto was selected as a constituent of the MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women Index (WIN), the MSCI ESG Leaders Indexes, and the MSCI SRI Indexes.



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