

Summary of Consolidated Financial Statements for the Second Quarter Ended September 30, 2018 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**
 Stock exchange listing: First Section of Tokyo Stock Exchange
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Filing date of quarterly financial statements: November 2, 2018
 Estimated starting date of dividend paying: November 22, 2018
 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 the first half ended September 30, 2018 (April 1, 2018 through September 30, 2018)

(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	%
First half ended September 30, 2018	402,532	-5.7	51,365	-24.7	50,178	-26.6	35,191	-26.1	35,150	-26.1	40,254	-24.4
First half ended September 30, 2017	427,052	20.3	68,242	133.0	68,352	136.9	47,598	129.6	47,554	131.1	53,217	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half ended September 30, 2018	223.19	222.99
First half ended September 30, 2017	292.87	292.55

(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
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2018	934,504	693,399	692,666	74.1
March 31, 2018	937,796	693,995	693,278	73.9

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2018	-	80.00	-	80.00	160.00
March, 2019	-	90.00	-	-	-
March, 2019 (Forecast)	-	-	-	90.00	180.00

(Note) Revision of dividend forecast in the current quarter: No

3. Forecast for fiscal year ending March 31, 2019 (April 1, 2018 through March 31, 2019)

(% 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	%	yen
Annual	830,000	-3.1	115,000	-8.5	114,000	-9.6	84,000	-4.0	84,000	-3.9	533.37

(Note) Revision of consolidated forecast in the current quarter: Yes

- Others

(1) Changes in significant subsidiaries during the second quarter ended September 30, 2018: Yes

Excluded : 1 company (Company Name) Nitto Denko (Suzhou) Co., Ltd.

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

1. Changes in accounting policies required by IFRS: Yes

2. Changes in accounting policies other than the above: No

3. Changes in accounting estimates: No

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (5) Notes on quarterly consolidated financial statements, (Changes in accounting policies)” on page 13.

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)

September 30, 2018: 173,758,428 March 31, 2018: 173,758,428

2. Number of treasury stock at the end of the period

September 30, 2018: 16,927,935 March 31, 2018: 13,592,423

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

April-September 2018: 157,490,249 April-September 2017: 162,378,087

- These quarterly financial results are not subject to quarterly review procedures by Certified Public Accountants or audit firm.

- 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 conditions regarding this forecast and precaution for use, please refer to “Explanation of forecasts and other projections” on page 6 of the Attachment to this summary of consolidated financial results.

(Reference) Consolidated financial results of the second quarter (three months) of the fiscal year ending March 31, 2019
(July 1, 2018 through September 30, 2018)

(All monetary values noted herein are rounded down to the nearest million yen)
(% 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	%
Second quarter ended Sept. 30, 2018	210,416	-6.8	24,824	-34.5	24,190	-36.1	18,002	-33.9	17,981	-33.9	22,324	-29.7
Second quarter ended Sept. 30, 2017	225,865	21.1	37,902	115.9	37,875	115.1	27,229	96.4	27,206	97.5	31,734	193.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter ended Sept. 30, 2018	114.66	114.55
Second quarter ended Sept. 30, 2017	167.52	167.38

(Attached Documents)

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1. Qualitative Information Regarding Quarterly Settlement of Accounts

(1) Explanation of operating results

During the first six months of the fiscal year ending March 31, 2019 (April 1, 2018 through September 30, 2018), economies in Japan and overseas maintained a moderate recovery trend. However, there was a concern of economic slowdown due to the U.S Trade Policy and Monetary Policy. Also, there were fluctuations because of a surge in oil price, environmental regulations, rising raw material prices and wages increases. Economic activities in Japan were influenced by natural disasters such as torrential rains, typhoons and earthquakes.

In such economic environment, Nitto Group (the “Group”) expanded steadily as Functional Base Products and Transportation in Industrial Tape. For Optronics, the Group also expanded steadily in Flexible Printed Circuits and Processing Materials, however Information Fine Materials weakened compared with the same period of the previous year. For Life Science, as a result of change in our customer's new drug discovery, the final profit had been recorded in the first quarter of the fiscal year, accordingly the results of the first half in the fiscal year was positively affected.

As a result of the above, revenue decreased by 5.7% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 402,532 million yen. Operating income decreased by 24.7% to 51,365 million yen, income before income taxes decreased by 26.6% to 50,178 million yen, net income decreased by 26.1% to 35,191 million yen, and net income attributable to owners of the parent company decreased by 26.1% to 35,150 million yen.

Summary of results by segment

① Industrial Tape

For Functional Base Products, sales weakened for smartphone. On the other hand, processing materials for semiconductors and electronic components and filter materials for industrial applications remained strong. As for Transportation Business, the sales of electrical insulating materials and vent filters for car electronics application were in good shape.

As a result of the above, revenue increased by 1.8% to 169,387 million yen and operating income decreased by 14.1% to 14,846 million yen.

② Optronics

Compared with the same period of the previous year, the demand of optical films used in smartphones was not so high, so the sales of Information Fine Materials weakened. For Flexible Printed Circuits, the sales for high-capacity hard disk drive (HDD) models for data centers remained steady. The sales of Processing Materials also remained steady for semiconductor manufacturing use.

As a result of the above, revenue decreased by 11.5% to 221,098 million yen and operating income decreased by 37.1% to 31,561 million yen.

③ Life Sciences

A transdermal patch formulation of atypical antipsychotic agent for the indication of schizophrenia, has been steadily proceeded as a joint development with our customer. In the nucleic acid drug discovery, clinical trials for pulmonary fibrosis have been worked on. As for oligonucleotide contract manufacturing business, as a result of change in our customer's new drug discovery, the final profit had been recorded on the contract basis in the first quarter of the fiscal year.

As a result of the above, revenue increased by 8.9% to 16,731 million yen and operating income increased by 77.0% to 3,055 million yen.

④ Others

For Membrane, the sales remained steady responding to industrial demands for water treatment plants, including seawater desalination. Please note that this segment includes new businesses that have not generated sufficient levels of revenue yet.

As a result of the above, revenue decreased by 3.5% to 12,378 million yen and operating loss amounted to 777 million yen. (operating income of 173 million yen was reported in the same period of the previous year)

		First half ended September 30, 2017 (April 1, 2017 through September 30, 2017)	First half ended September 30, 2018 (April 1, 2018 through September 30, 2018)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional base products	85,776	88,043	102.6
	Transportation	80,604	81,343	100.9
	Total	166,380	169,387	101.8
	Operating income	17,275	14,846	85.9
Optronics	Information fine materials	216,905	187,888	86.6
	Flexible printed circuits	20,759	21,762	104.8
	Processing materials	12,108	11,448	94.5
	Total	249,773	221,098	88.5
	Operating income	50,175	31,561	62.9
Life Science	Revenue	15,364	16,731	108.9
	Operating income	1,726	3,055	177.0
Others	Revenue	12,825	12,378	96.5
	Operating income	173	-777	-
Corporate/Elimination	Revenue	-17,291	-17,064	-
	Operating income	-1,109	2,680	-
Total	Revenue	427,052	402,532	94.3
	Operating income	68,242	51,365	75.3

(Note) With the changes in the management structure that have been made during the fiscal year 2018 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the first half ended September 30, 2017.

(Reference) Segment Information (three months)

(Yen in Millions)

		Second quarter ended September 30, 2017 (July 1, 2017 through September 30, 2017)	Second quarter ended September 30, 2018 (July 1, 2018 through September 30, 2018)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	46,091	46,247	100.3
	Transportation	41,478	41,105	99.1
	Total	87,570	87,352	99.8
	Operating income	9,702	8,143	83.9
Optronics	Information Fine Materials	117,072	103,677	88.6
	Flexible Printed Circuits	10,380	11,128	107.2
	Processing Materials	6,416	5,817	90.7
	Total	133,869	120,623	90.1
	Operating income	28,811	18,519	64.3
Life Science	Revenue	7,101	5,536	78.0
	Operating income	222	-1,811	-
Others	Revenue	6,527	6,090	93.3
	Operating income	19	-431	-
Corporate/Elimination	Revenue	-9,203	-9,186	-
	Operating income	-853	403	-
Total	Revenue	225,865	210,416	93.2
	Operating income	37,902	24,824	65.5

(Note) With the changes in the management structure that have been made during the fiscal year 2018 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the second quarter ended September 30, 2017.

Forecasts of fiscal year ending March 31, 2019
(As of October 31, 2018)

		Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	184,000	105.9
	Transportation	165,000	100.0
	Total	349,000	103.0
	Operating income	36,000	102.9
Optronics	Information Fine Materials	393,000	92.7
	Flexible Printed Circuits	44,200	105.1
	Processing Materials	24,800	101.5
	Total	462,000	94.2
	Operating income	80,000	87.0
Life Science	Revenue	28,000	77.4
	Operating income	500	8.4
Others	Revenue	25,000	98.9
	Operating income	-1,000	-
Corporate/Elimination	Revenue	-34,000	-
	Operating income	-500	-
Total	Revenue	830,000	96.9
	Operating income	115,000	91.5

(2) Explanation of financial position

The Group's financial position at the end of the second quarter of the fiscal year ending March 31, 2019 was as follows.

Compared with the end of the fiscal year ended March 31, 2018, total assets decreased by 3,291 million yen to 934,504 million yen and total liabilities decreased by 2,696 million yen to 241,104 million yen. Total equity decreased by 595 million yen to 693,399 million yen. As a result, the ratio of equity attributable to owners of the parent company to total assets changed from 73.9% at the end of the fiscal year ended March 31, 2018 to 74.1% at the end of the second quarter of the fiscal year ending March 31, 2019.

The main changes in assets were a decrease in cash and cash equivalents of 11,580 million yen, an increase in inventories of 2,032 million yen, a decrease in other financial assets of 4,992 million yen, an increase of 1,274 million yen in other current assets, a decrease in assets held for sale of 5,914 million yen, an increase in property, plant and equipment of 12,616 million yen, an increase in deferred tax assets 2,573 million yen, an increase in other non-current assets 368 million yen. In terms of liabilities, income tax payables decreased by 5,914 million yen, other current financial liabilities increased by 7,018 million yen, other current liabilities decreased by 4,976 million yen, defined benefit liabilities increased by 1,181 million yen.

(3) Explanation of forecasts and other projections

Given the financial results of the period under review, the full-year forecasts of the year ending March 31, 2019 were modified with a review of market trends in the future.

Revision of consolidated forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 through March 31, 2019)

	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	Yen
Previous forecast (A)	860,000	135,000	135,000	100,000	100,000	636.37
Revised forecast (B)	830,000	115,000	114,000	84,000	84,000	533.37
Difference (B) – (A)	-30,000	-20,000	-21,000	-16,000	-16,000	-
Rate of change (%)	-3.5	-14.8	-15.6	-16.0	-16.0	-
(Reference) Consolidated financial results for the fiscal year ended March 31, 2018	856,262	125,722	126,168	87,463	87,377	538.99

The above results and forecasts are forward-looking statements determined by the Company based on currently available information that may include risks and uncertainties. Please be aware that actual results may vary significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2018	September 30, 2018
(Assets)		
Current assets		
Cash and cash equivalents	304,709	293,128
Trade and other receivables	192,120	192,372
Inventories	95,068	97,101
Other financial assets	8,815	3,823
Other current assets	15,398	16,672
Subtotal	616,112	603,098
Assets held for sale	5,914	-
Total current assets	622,027	603,098
Non-current assets		
Property, plant and equipment	248,417	261,033
Goodwill	6,927	6,967
Intangible assets	12,355	12,300
Investments accounted for using equity method	338	356
Financial assets	9,361	9,436
Deferred tax assets	28,295	30,868
Other non-current assets	10,073	10,441
Total non-current assets	315,768	331,405
Total assets	937,796	934,504

	March 31, 2018	September 30, 2018
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	110,114	110,742
Bonds and borrowings	4,049	3,448
Income tax payables	19,270	13,355
Other financial liabilities	13,362	20,380
Other current liabilities	40,379	35,402
Subtotal	187,175	183,330
Liabilities directly associated with assets classified as held for sale	260	-
Total current liabilities	187,436	183,330
Non-current liabilities		
Other financial liabilities	1,183	1,303
Defined benefit liabilities	46,227	47,409
Deferred tax liabilities	612	712
Other non-current liabilities	8,339	8,348
Total non-current liabilities	56,364	57,774
Total liabilities	243,800	241,104
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	55,981	56,089
Retained earnings	665,561	688,353
Treasury stock	-69,867	-98,272
Other components of equity	14,819	19,712
Total equity attributable to owners of the parent company	693,278	692,666
Non-controlling interests	716	733
Total equity	693,995	693,399
Total liabilities and equity	937,796	934,504

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

(Quarterly consolidated statements of income)

(Yen in Millions)

	First half ended September 30, 2017 (April 1, 2017 through September 30, 2017)	First half ended September 30, 2018 (April 1, 2018 through September 30, 2018)
Revenue	427,052	402,532
Cost of sales	285,398	281,904
Gross profit	141,653	120,628
Selling, general and administrative expenses	57,220	59,369
Research and development expenses	15,814	15,594
Other income	2,766	7,827
Other expenses	3,142	2,126
Operating income	68,242	51,365
Financial income	623	529
Financial expenses	524	1,734
Equity in profits (losses) of affiliates	10	18
Income before income taxes	68,352	50,178
Income tax expenses	20,754	14,986
Net income	47,598	35,191
Net income attributable to:		
Owners of the parent company	47,554	35,150
Non-controlling interests	43	41
Total	47,598	35,191
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	292.87	223.19
Diluted earnings per share (yen)	292.55	222.99

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	First half ended September 30, 2017 (April 1, 2017 through September 30, 2017)	First half ended September 30, 2018 (April 1, 2018 through September 30, 2018)
Net income	47,598	35,191
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	402	-6
Reevaluation of defined benefit liability	-	23
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	5,196	5,033
Net gain (loss) in fair value of cash flow hedges	16	12
Share of other comprehensive income of associates accounted for using equity method	2	-0
Total other comprehensive income	<u>5,619</u>	<u>5,062</u>
Total comprehensive income	<u><u>53,217</u></u>	<u><u>40,254</u></u>
Total comprehensive income attributable to:		
Owners of the parent company	53,172	40,214
Non-controlling interests	45	40
Total	<u><u>53,217</u></u>	<u><u>40,254</u></u>

(3) Quarterly consolidated statements of changes in equity

For the first half ended September 30, 2017 (April 1, 2017 through September 30, 2017)

(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, 2017	26,783	56,139	603,886	-50,876	17,839	653,772	648	654,421
Net income	-	-	47,554	-	-	47,554	43	47,598
Other comprehensive income	-	-	-	-	5,617	5,617	1	5,619
Total comprehensive income	-	-	47,554	-	5,617	53,172	45	53,217
Share-based payment transactions	-	-284	-	-	-	-284	-	-284
Dividends	-	-	-12,174	-	-	-12,174	-18	-12,192
Changes in treasury stock	-	17	-	363	-	380	-	380
Transfers from other components of equity to retained earnings	-	-	0	-	-0	-	-	-
Total transactions with owners	-	-266	-12,174	363	-0	-12,077	-18	-12,095
Balance as of September 30, 2017	26,783	55,872	639,267	-50,512	23,457	694,868	675	695,543

For the first half ended September 30, 2018 (April 1, 2018 through September 30, 2018)

(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, 2018	26,783	55,981	665,561	-69,867	14,819	693,278	716	693,995
Cumulative effects of changes in accounting policies	-	-	430	-	-	430	-	430
Adjusted balance	26,783	55,981	665,992	-69,867	14,819	693,709	716	694,426
Net income	-	-	35,150	-	-	35,150	41	35,191
Other comprehensive income	-	-	-	-	5,063	5,063	-0	5,062
Total comprehensive income	-	-	35,150	-	5,063	40,214	40	40,254
Share-based payment transactions	-	54	-	-	-145	-91	-	-91
Dividends	-	-	-12,813	-	-	-12,813	-23	-12,836
Changes in treasury stock	-	53	-	-28,405	-	-28,352	-	-28,352
Transfers from other components of equity to retained earnings	-	-	23	-	-23	-	-	-
Total transactions with owners	-	107	-12,789	-28,405	-169	-41,257	-23	-41,280
Balance as of September 30, 2018	26,783	56,089	688,353	-98,272	19,712	692,666	733	693,399

(4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	First half ended September 30, 2017 (April 1, 2017 through September 30, 2017)	First half ended September 30, 2018 (April 1, 2018 through September 30, 2018)
Cash flows from operating activities		
Income before income taxes	68,352	50,178
Depreciation and amortization	24,598	23,104
Increase (decrease) in defined benefit liabilities	1,417	1,155
Decrease (increase) in trade and other receivables	-31,210	2,989
Decrease (increase) in inventories	-5,073	-1,823
Increase (decrease) in trade and other payables	11,347	-1,563
Interest and dividend income	590	512
Interest expenses paid	-186	-130
Income taxes (paid) refunded	-19,208	-23,995
Others	2,572	-1,490
Net cash provided by (used in) operating activities	53,199	48,937
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-22,815	-30,887
Proceeds from sale of property, plant and equipment and intangible assets	99	210
Decrease (increase) in time deposits	-3,375	3,345
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	2,634
Others	-17	27
Net cash provided by (used in) investing activities	-26,109	-24,669
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	311	-364
Decrease (increase) in treasury stock	-0	-28,547
Cash dividends paid	-12,174	-12,813
Others	-18	430
Net cash provided by (used in) financing activities	-11,881	-41,294
Effect of exchange rate changes on cash and cash equivalents	1,808	2,664
Reclassification of cash and cash equivalents included in assets held for sale in the opening balance	-	2,780
Net increase (decrease) in cash and cash equivalents	17,016	-11,580
Cash and cash equivalents at the beginning of the period	280,343	304,709
Cash and cash equivalents at the end of the period	297,360	293,128

(5) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in significant subsidiaries during the second quarter ended September 30, 2018)

During the second quarter of the fiscal year ending March 31, 2019, the Company's consolidated subsidiary Nitto Denko (Suzhou) Co., Ltd. was excluded from scope of consolidation due to transferring of all shares.

(Changes in accounting policies)

The significant accounting policies adopted for the Group's condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2018, with the exception of the items described below.

Beginning from the fiscal year ending March 31, 2019, the Group has adopted IFRS 15 "Revenue from Contracts with Customers". When applying IFRS 15, as a transition measure the Group applies this standard retrospectively with the cumulative effects of initially applying this standard recognized at the date of initial application.

In accordance with the adoption of IFRS 15, revenue is recognized based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

Main business lines of the Group are Industrial Tape, Optronics and Life Science, and in the business lines the Group sells a range of products and licenses its patents, technologies and etc.

Because customers obtain control over the products at the time of delivery, for sales of these products the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products. For manufacture and sales associated with part of medical products in Life Science, revenue is recognized according to the progress toward completion of the performance obligation.

As for the license business, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon provision or completion of the service to a customer based on the substantial content of the contract.

Furthermore, revenue is measured at the consideration promised in contracts with customers, less discounts, rebates, returned products, and other items.

The effect of the application of IFRS 15 on the Group's condensed interim consolidated financial statements is immaterial.

With the exception of the standards described above, the following is the accounting standard applied by the Group from fiscal year ending March 31, 2019, in compliance with its transitional provision. The effect of the application of the following standard on the Group's condensed interim consolidated financial statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 9 (Amended in 2014)	Financial Instruments	Amendments of financial instrument classification and measurement, impairment and hedge accounting

(Segment information)

Information regarding revenue, income, or loss by segments

First half ended September 30, 2017 (April 1, 2017 through September 30, 2017)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	159,986	242,527	12,677	11,207	426,398	653	427,052
Inter-segment revenue	6,394	7,245	2,686	1,618	17,945	-17,945	-
Total segment revenue	166,380	249,773	15,364	12,825	444,344	-17,291	427,052
Total operating income (loss)	17,275	50,175	1,726	173	69,351	-1,109	68,242
Financial income							623
Financial expenses							-524
Equity in profits (losses) of affiliates							10
Income before income taxes							68,352

(Note) With the changes in the management structure that have been made during the fiscal year 2018 under review, partial changes have been made to reporting segments.

Such change has also been reflected in the figures for the first half ended September 30, 2017.

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, Flexible Printed Circuits, Processing Materials
Life Science	Medical Products
Others	Membrane Products, Other Products

First half ended September 30, 2018 (April 1, 2018 through September 30, 2018)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	161,804	214,448	14,318	11,371	401,943	588	402,532
Inter-segment revenue	7,582	6,650	2,413	1,006	17,652	-17,652	-
Total segment revenue	169,387	221,098	16,731	12,378	419,596	-17,064	402,532
Total operating income (loss)	14,846	31,561	3,055	-777	48,685	2,680	51,365
Financial income							529
Financial expenses							-1,734
Equity in profits (losses) of affiliates							18
Income before income taxes							50,178

(Adoption of IFRS 15 “Revenue from Contracts with Customers”)

The Group applied IFRS 15 “Revenue from Contracts with Customers” starting from the first quarter ended June 30, 2018 as stated in the Changes in accounting policies. In accordance with the transitional measures under IFRS 15, the cumulative effects are recognized as an adjustment to the opening balance of retained earnings for the first quarter ended June 30, 2018. Therefore, the Group does not restate the first half ended September 30, 2017 financial statements.

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, Flexible Printed Circuits, Processing Materials
Life Science	Medical Products
Others	Membrane Products, Other Products

(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 January 31, 2018, the Company has acquired its treasury shares of 28,546 million yen. Pursuant to the resolution at the Board of Directors meeting of June 22, 2018, the Company has also disposed of its treasury shares of 141 million yen as remuneration for restricted shares, making the number of treasury shares at the second quarter of the fiscal year ending March 31, 2019 16,927 thousand, or the book balance of 98,272 million yen.

(Significant subsequent events)

Not applicable.