

## Summary of Consolidated Financial Statements for the Third Quarter Ended December 31, 2019 (IFRS Basis)

Listed company name: **Nitto Denko Corporation**  
 Stock exchange listing: First Section of Tokyo Stock Exchange  
 Code Number: 6988 URL <https://www.nitto.com/>  
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Filing date of quarterly financial statements: February 14, 2020  
 Estimated starting date of dividend paying: -  
 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 third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)

(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	%
Third quarter ended December 31, 2019	570,735	-9.4	60,196	-28.4	59,870	-28.0	42,704	-29.7	42,657	-29.7	35,762	-38.3
Third quarter ended December 31, 2018	630,172	-4.6	84,123	-23.0	83,105	-24.2	60,745	-24.5	60,683	-24.5	57,937	-37.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter ended December 31, 2019	271.91	271.70
Third quarter ended December 31, 2018	385.85	385.50

### (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	%
December 31, 2019	937,125	707,250	706,516	75.4
March 31, 2019	913,418	701,187	700,443	76.7

### 2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
March, 2019	-	90.00	-	90.00	180.00
March, 2020	-	100.00	-		
March, 2020 (Forecast)				100.00	200.00

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

3. Forecast for fiscal year ending March 31, 2020 (April 1, 2019 through March 31, 2020)

(% 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	%	
Annual	750,000	-7.0	71,000	-23.5	71,000	-22.8	52,000	-21.9	52,000	-21.9	yen 331.43

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

- Others

(1) Changes in significant subsidiaries during the third quarter ended December 31, 2019: No

(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 12.

(3) Number of shares outstanding (Common stock)

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

December 31, 2019: 158,758,428	March 31, 2019: 158,758,428
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2. Number of treasury stock at the end of the period
 

December 31, 2019: 1,861,322	March 31, 2019: 1,908,766
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)
 

April-December 2019: 156,881,817	April-December 2018: 157,270,428
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- 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 “1. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections” on page 5 of the Attachment to this summary of consolidated financial results.

(Reference) Consolidated financial results of the third quarter (three months) of the fiscal year ending March 31, 2020  
(October 1, 2019 through December 31, 2019)

(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	%
Third quarter ended Dec. 31, 2019	192,450	-15.0	19,093	-41.7	18,853	-42.7	13,542	-47.0	13,524	-47.0	22,302	26.1
Third quarter ended Dec. 31, 2018	226,494	-2.9	32,758	-20.1	32,926	-20.1	25,553	-22.2	25,532	-22.2	17,682	-55.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter ended Dec. 31, 2019	86.20	86.13
Third quarter ended Dec. 31, 2018	162.80	162.65

(Attached Documents)

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## 1. Qualitative Information Regarding Quarterly Settlement of Accounts

### (1) Explanation of operating results

During the first nine months of the fiscal year ending March 31, 2020 (April 1, 2019 through December 31, 2019), China's GDP growth decelerated, affected by US-China trade conflict. Economic impacts of the Brexit and the US-Iran conflict are concerned. In domestic economy, industrial production was weak and exports were sluggish. In such economic environment, the yen continues to be slightly strong compared with the same period of the previous fiscal year. In the key markets of the Nitto group (the "Group"), automobile production decreased, and smartphone production did not show strong growth. The Group had been working to expand into new growth areas and improve productivity. However, the operating results did not reach the level of the same period of the previous fiscal year.

As a result of the above, revenue decreased by 9.4% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 570,735 million yen. Operating income decreased by 28.4% to 60,196 million yen, income before income taxes decreased by 28.0% to 59,870 million yen, net income decreased by 29.7% to 42,704 million yen, and net income attributable to owners of the parent company decreased by 29.7% to 42,657 million yen.

### Summary of results by segment

#### ① Industrial Tape

For Functional Base Products, the electronics market was sluggish, there has not been a growth in demands for smartphones and electronic component manufacturing. The demand for "Organic Solvent-free Double-Coated Adhesive Tape" expanded steadily. We continue our efforts for environmental conservation in manufacturing. Transportation Business faced sluggish demand because of weak production of automobile in world's major market such as China. We intend to improve productivity, respond to new automobile technologies, and expand into other mobility such as aircrafts.

As a result of the above, revenue decreased by 11.4% to 243,390 million yen and operating income decreased by 27.7% to 19,856 million yen.

#### ② Optronics

While the smartphone market is maturing, large-sized display and non-rectangular optical film helped Information Fine Materials to remain strong compared to the same period of the previous fiscal year. However, due to the royalty revenue from general purpose polarizing films reported during the first nine months of the previous fiscal year, the operating results did not reach the level of the same period of the previous fiscal year. Performance of Flexible Printed Circuits was affected by the decreased demand for personal computers, while the demand for high-capacity hard disk drive (HDD) models for data centers showed a trend toward recovery. For applications other than hard disk drives, production of wireless charging system for hearing instruments has begun. We intend to explore new application of high-precision circuits.

As a result of the above, revenue decreased by 8.6% to 310,199 million yen and operating income decreased by 18.2% to 46,957 million yen.

#### ③ Life Sciences

During the first quarter ended June 30, 2018, in oligonucleotide contract manufacturing business, the Group recorded a final profit, as a result of our customer's discontinuation of new drug development. Although the sales did not reach the same level of the same period in the previous fiscal year, revenue has been in a trend toward recovery, responding to steadily growing nucleic acid drug market needs. Atypical Antipsychotic "LONASEN® Tape", transdermal therapeutic patches developed jointly with Sumitomo Dainippon Pharma Co., Ltd., remained in good shape. In nucleic acid new drug development, the group continues working on the clinical trials of Idiopathic Pulmonary Fibrosis and intractable cancer drugs.

As a result of the above, revenue decreased by 14.2% to 20,058 million yen and operating loss amounted to 1,914 million yen. (operating income of 2,595 million yen was reported in the same period of the previous year)

#### ④ Others

For Membrane, the demand remained in good shape in water treatment plants for energy field, as well as for seawater desalination and various industrial applications. Please note that this segment includes new business that has not generated sufficient revenue yet.

As a result of the above, revenue increased by 3.8% to 19,986 million yen and operating loss amounted to 1,761 million yen. (operating loss of 1,356 million yen was reported in the same period of the previous year)

(Reference) Segment Information (nine months)

(Yen in Millions)

		Third quarter ended December 31, 2018 (April 1, 2018 through December 31, 2018)	Third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	150,971	136,728	90.6
	Transportation	123,711	106,662	86.2
	Total	274,682	243,390	88.6
	Operating income	27,467	19,856	72.3
Optronics	Information Fine Materials	306,537	277,744	90.6
	Flexible Printed Circuits	32,857	32,454	98.8
	Total	339,395	310,199	91.4
	Operating income	57,371	46,957	81.8
Life Science	Revenue	23,376	20,058	85.8
	Operating income	2,595	-1,914	-
Others	Revenue	19,255	19,986	103.8
	Operating income	-1,356	-1,761	-
Corporate/Elimination	Revenue	-26,537	-22,898	-
	Operating income	-1,954	-2,941	-
Total	Revenue	630,172	570,735	90.6
	Operating income	84,123	60,196	71.6

(Note) From fiscal year 2019, Processing Materials has been transferred from Optronics to Functional Base Products of Industrial Tape. This change has been reflected in the figures for the third quarter ended December 31, 2018.

## (Reference) Segment Information (three months)

(Yen in Millions)

		Third quarter ended December 31, 2018 (October 1, 2018 through December 31, 2018)	Third quarter ended December 31, 2019 (October 1, 2019 through December 31, 2019)	
		Revenue	Revenue	Y-o-Y (%)
Industrial Tape	Functional Base Products	51,943	46,077	88.7
	Transportation	42,364	34,387	81.2
	Total	94,307	80,465	85.3
	Operating income	10,013	6,358	63.5
Optronics	Information Fine Materials	117,514	94,889	80.7
	Flexible Printed Circuits	10,630	11,825	111.2
	Total	128,144	106,715	83.3
	Operating income	28,418	15,966	56.2
Life Science	Revenue	6,638	7,305	110.0
	Operating income	-459	56	-
Others	Revenue	6,876	5,725	83.3
	Operating income	-578	-864	-
Corporate/Elimination	Revenue	-9,473	-7,762	-
	Operating income	-4,634	-2,423	-
Total	Revenue	226,494	192,450	85.0
	Operating income	32,758	19,093	58.3

(Note) From fiscal year 2019, Processing Materials has been transferred from Optronics to Functional Base Products of Industrial Tape. This change has been reflected in the figures for the third quarter ended December 31, 2018.

(2) Explanation of financial position

The Group's financial position at the end of the third quarter of the fiscal year ending March 31, 2020 was as follows.

Compared with the end of the fiscal year ended March 31, 2019, total assets increased by 23,706 million yen to 937,125 million yen and total liabilities increased by 17,644 million yen to 229,875 million yen. Total equity increased by 6,062 million yen to 707,250 million yen. As a result, the ratio of equity attributable to owners of the parent company to total assets changed from 76.7% at the end of the fiscal year ended March 31, 2019 to 75.4% at the end of the third quarter of the fiscal year ending March 31, 2020.

The main changes in assets were a decrease in cash and cash equivalents of 10,040 million yen, an increase in trade and other receivables of 9,325 million yen, an increase in other financial assets of 2,295 million yen, a decrease in other current assets of 1,681 million yen, an increase in right-of-use assets of 17,303 million yen, an increase in other non-current assets of 3,912 million yen. In terms of liabilities, trade and other payables decreased by 1,373 million yen, income tax payables increased by 2,669 million yen, other current financial liabilities decreased by 1,869 million yen, other current liabilities decreased by 3,116 million yen, other non-current financial liabilities increased by 18,959 million yen, defined benefit liabilities increased by 2,789 million yen.

(3) Explanation of forecasts and other projections

The consolidated full-year forecasts for the year ending March 31, 2020 remain unchanged from those announced in the consolidated financial statements dated October 23, 2019. We will disclose the revisions immediately, if any are required due to changes in the business results.



2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	March 31, 2019	December 31, 2019
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	297,682	287,642
Trade and other receivables	169,768	179,093
Inventories	93,985	94,357
Other financial assets	412	2,708
Other current assets	19,687	18,005
Total current assets	<u>581,536</u>	<u>581,808</u>
Non-current assets		
Property, plant and equipment	267,133	268,060
Right-of-use assets	-	17,303
Goodwill	6,834	6,739
Intangible assets	12,393	12,958
Investments accounted for using equity method	194	213
Financial assets	8,428	8,218
Deferred tax assets	26,548	27,560
Other non-current assets	10,349	14,262
Total non-current assets	<u>331,882</u>	<u>355,317</u>
Total assets	<u><u>913,418</u></u>	<u><u>937,125</u></u>

(Yen in Millions)

	March 31, 2019	December 31, 2019
Liabilities and equity		
(Liabilities)		
Current liabilities		
Trade and other payables	96,887	95,514
Bonds and borrowings	448	349
Income tax payables	5,073	7,743
Other financial liabilities	21,609	19,740
Other current liabilities	34,458	31,342
Total current liabilities	<u>158,478</u>	<u>154,690</u>
Non-current liabilities		
Other financial liabilities	503	19,462
Defined benefit liabilities	50,320	53,110
Deferred tax liabilities	619	544
Other non-current liabilities	2,309	2,068
Total non-current liabilities	<u>53,752</u>	<u>75,185</u>
Total liabilities	<u>212,231</u>	<u>229,875</u>
(Equity)		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	50,319	50,271
Retained earnings	622,025	635,511
Treasury stock	-11,081	-10,805
Other components of equity	12,395	4,755
Total equity attributable to owners of the parent company	<u>700,443</u>	<u>706,516</u>
Non-controlling interests	<u>744</u>	<u>733</u>
Total equity	<u>701,187</u>	<u>707,250</u>
Total liabilities and equity	<u><u>913,418</u></u>	<u><u>937,125</u></u>

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

(Yen in Millions)

	Third quarter ended December 31, 2018 (April 1, 2018 through December 31, 2018)	Third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Revenue	630,172	570,735
Cost of sales	433,297	400,772
Gross profit	196,874	169,963
Selling, general and administrative expenses	93,648	84,150
Research and development expenses	23,354	25,097
Other income	7,637	3,702
Other expenses	3,385	4,221
Operating income	84,123	60,196
Financial income	820	692
Financial expenses	1,873	1,039
Equity in profits (losses) of affiliates	34	21
Income before income taxes	83,105	59,870
Income tax expenses	22,359	17,165
Net income	60,745	42,704
Net income attributable to:		
Owners of the parent company	60,683	42,657
Non-controlling interests	62	47
Total	60,745	42,704
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	385.85	271.91
Diluted earnings per share (yen)	385.50	271.70

(Quarterly consolidated statements of comprehensive income)

(Yen in Millions)

	Third quarter ended December 31, 2018 (April 1, 2018 through December 31, 2018)	Third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Net income	60,745	42,704
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	-835	170
Reevaluation of defined benefit liability	23	-
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-2,026	-7,106
Net gain (loss) in fair value of cash flow hedges	32	-0
Share of other comprehensive income of associates accounted for using equity method	-1	-6
Total other comprehensive income	<u>-2,808</u>	<u>-6,942</u>
Total comprehensive income	<u>57,937</u>	<u>35,762</u>
Total comprehensive income attributable to:		
Owners of the parent company	57,876	35,716
Non-controlling interests	60	45
Total	<u>57,937</u>	<u>35,762</u>

## (3) Quarterly consolidated statements of changes in equity

For the third quarter ended December 31, 2018 (April 1, 2018 through December 31, 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	-	-	60,683	-	-	60,683	62	60,745
Other comprehensive income	-	-	-	-	-2,806	-2,806	-1	-2,808
Total comprehensive income	-	-	60,683	-	-2,806	57,876	60	57,937
Share-based payment transactions	-	54	-	-	-97	-42	-	-42
Dividends	-	-	-26,928	-	-	-26,928	-23	-26,951
Changes in treasury stock	-	50	-	-28,403	-	-28,352	-	-28,352
Transfers from other components of equity to retained earnings	-	-	23	-	-23	-	-	-
Total transactions with owners	-	104	-26,904	-28,403	-121	-55,323	-23	-55,347
Balance as of December 31, 2018	26,783	56,086	699,771	-98,270	11,891	696,262	753	697,016

For the third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)

(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, 2019	26,783	50,319	622,025	-11,081	12,395	700,443	744	701,187
Net income	-	-	42,657	-	-	42,657	47	42,704
Other comprehensive income	-	-	-	-	-6,941	-6,941	-1	-6,942
Total comprehensive income	-	-	42,657	-	-6,941	35,716	45	35,762
Share-based payment transactions	-	-37	-	-	-64	-102	-	-102
Dividends	-	-	-29,806	-	-	-29,806	-23	-29,829
Changes in treasury stock	-	-12	-	275	-	263	-	263
Transfers from other components of equity to retained earnings	-	-	634	-	-634	-	-	-
Additional purchase of shares of consolidated subsidiaries	-	1	-	-	-	1	-32	-30
Total transactions with owners	-	-48	-29,172	275	-698	-29,643	-55	-29,699
Balance as of December 31, 2019	26,783	50,271	635,511	-10,805	4,755	706,516	733	707,250

## (4) Quarterly consolidated statements of cash flows

(Yen in Millions)

	Third quarter ended December 31, 2018 (April 1, 2018 through December 31, 2018)	Third quarter ended December 31, 2019 (April 1, 2019 through December 31, 2019)
Cash flows from operating activities		
Income before income taxes	83,105	59,870
Depreciation and amortization	34,644	36,993
Increase (decrease) in defined benefit liabilities	1,920	2,369
Decrease (increase) in trade and other receivables	-8,164	-8,822
Decrease (increase) in inventories	-4,692	-1,574
Increase (decrease) in trade and other payables	3,675	-796
Interest and dividend income	839	696
Interest expenses paid	-195	-439
Income taxes (paid) refunded	-39,576	-11,310
Others	-10,681	-1,010
Net cash provided by (used in) operating activities	60,874	75,975
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-45,688	-48,245
Proceeds from sale of property, plant and equipment and intangible assets	240	256
Decrease (increase) in time deposits	6,350	-2,418
Purchase of investment securities	-0	-1,236
Proceeds from sale of investment securities	0	1,531
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,634	-
Others	26	-8
Net cash provided by (used in) investing activities	-36,435	-50,119
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-582	-73
Repayment of finance lease obligations	-	-3,601
Decrease (increase) in treasury stock	-28,547	-0
Cash dividends paid	-26,928	-29,820
Others	430	-50
Net cash provided by (used in) financing activities	-55,627	-33,546
Effect of exchange rate changes on cash and cash equivalents	-398	-2,349
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	-28,806	-10,040
Cash and cash equivalents at the beginning of the period	304,709	297,682
Cash and cash equivalents at the end of the period	275,903	287,642

(5) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(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, 2019, with the exception of the items described below.

The Group applied IFRS 16 "Lease" (hereinafter called "IFRS 16") from April 1, 2019 (hereinafter called "The date of initial application").

IFRS 16 is a revision of existing IAS 17 "Lease" (hereinafter called "IAS 17") in a lessee of lease transaction, which eliminates the classification between finance leases and operating leases, and stipulates a recognition of a right-of-use asset and a lease liability from the beginning of the lease except the lease in short period (the term is 12 months or less) and a low-value asset.

In adopting IFRS 16, the Group has applied the modified retrospective approach of recognizing the cumulative effect of applying the standard at the date of initial application, which is approved as transitional measures.

And, regarding contracts contain a lease or not, the Group has chosen the practical expedient detailed in IFRS 16 and taken over its assessments on IAS 17 and IFRIC 4 "Determining whether an Arrangement contains a Lease". Therefore, a recognition of the lease based on IFRS 16 can be applied by concluded or changed contracts after the date of initial application.

(As a lessee)

For leases that the Group previously classified it as operating leases applying IAS 17, the lease liabilities have been measured by the price of remaining lease payments as of a date of initial application discounted using the lessee's incremental borrowing rate at the date of initial application. The weight average of the lessee's incremental borrowing rate is 2.4%.

Right-of-use assets are measured by a measured value of lease liabilities at the date of initial application.

And, the following practical expedients are used when the Group applies IFRS 16 to leases previously classified into operating leases under IAS 17.

- A single discount rate is applied to a portfolio of leases with similar characteristics.
- As an alternative of performing an impairment review, right-of-use assets are adjusted by the price of provisions in onerous contracts based on IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" immediately before a date of initial application.
- The exemption not to recognize right-of-use assets and lease liabilities applies to leases that the remaining lease term is 12 months or less.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- A hindsight is used when determining the lease period on contracts including an option of extension or termination.

For leases that the Group previously classified it as finance leases applying IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application are determined at the carrying amount of the lease asset and lease liability based on IAS 17 immediately before that date.

And, on condensed interim consolidated financial statement, the Group includes lease liabilities on a lessee into "Other current financial liabilities" and "Other non-current financial liabilities".

(As a lessor)

The Group is not required to make any adjustments on the date of initial application for leases in which it acts as a lessor, except for a sub-lease. For sub-lease, the Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

Under IFRS 16, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On the date of initial application, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under IAS 17. The Group concluded that the sub-lease is a finance lease under IFRS 16.

And, on condensed interim consolidated financial statement, the Group includes receivables based on finance leases on a lessor in the sub-lease into "Trade and other receivables", "Other current assets" and "Other non-current assets".

(Impacts on financial statements)

By applying IFRS 16, assets in total are increased by 27,448 million yen and liabilities in total are increased by 27,448 million yen in the Group on the date of initial application.

And, the detail of difference between the amount of operating lease commitments applied IAS 17 as of the fiscal year ended March 31, 2019 and the amount of lease liabilities at the date of initial application is as below.

(Yen in Millions)

Operating lease commitment at 31 March 2019 current	30,722
Operating lease commitment at 31 March 2019 current (discounted)	28,346
Finance lease liabilities recognized at 31 March 2019	53
Recognition exemption (short-term leases, leases of low-value assets)	-898
Lease liabilities recognized at 1 April 2019 current	27,501



(Segment information)

Information regarding revenue, income, or loss by segments

Third quarter ended December 31, 2018 (April 1, 2018 through December 31, 2018)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	259,694	332,275	19,747	17,611	629,328	843	630,172
Inter-segment revenue	14,988	7,120	3,629	1,644	27,381	-27,381	-
Total segment revenue	274,682	339,395	23,376	19,255	656,710	-26,537	630,172
Operating income (loss)	27,467	57,371	2,595	-1,356	86,078	-1,954	84,123
Financial income							820
Financial expenses							-1,873
Equity in profits (losses) of affiliates							34
Income before income taxes							83,105

(Note) From fiscal year 2019, Processing Materials has been transferred from Optronics to Functional Base Products of Industrial Tape. This change has been reflected in the figures for the third quarter ended December 31, 2018.

Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials etc.), Automotive Products
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment	Quarterly consolidated statements of income
Revenue from outside customers	231,627	304,110	16,581	17,653	569,973	762	570,735
Inter-segment revenue	11,762	6,088	3,477	2,332	23,661	-23,661	-
Total segment revenue	243,390	310,199	20,058	19,986	593,634	-22,898	570,735
Operating income (loss)	19,856	46,957	-1,914	-1,761	63,137	-2,941	60,196
Financial income							692
Financial expenses							-1,039
Equity in profits (losses) of affiliates							21
Income before income taxes							59,870

## Major products for each segment

Business segment	Major products
Industrial Tape	Functional Base Products (bonding and joining products, protective materials, processing materials etc.), Automotive Products
Optronics	Information Fine Materials, Flexible Printed Circuits
Life Science	Medical Products
Others	Membrane Products, Other Products

(Significant subsequent events)

## - Share Repurchase

The Company resolved at a meeting of its Board of Directors on January 27, 2020 the repurchase of its own shares pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3.

## 1. Purpose of the Share Repurchase

To enable an execution of agile capital management policy following changes in the business environment as a part of the return to shareholders.

## 2. Details of the Share Repurchase

- (1) Class of shares to be repurchased: Common stock
- (2) Total number of repurchasable shares: 9,000,000 shares (maximum)  
(5.74% of the total number of shares issued [excluding treasury stock])
- (3) Total repurchase amount: JPY 50,000,000,000 (maximum)
- (4) Repurchase period: From February 3, 2020 to July 31, 2020
- (5) Method of repurchase: Market purchase at Tokyo Stock Exchange