

## Summary of Consolidated Financial Statements of Fiscal 2017 (12 Months Ended March 31, 2018 (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/>  
 Company Representative: Hideo Takasaki, President  
 Contact Person: Jun Yamashita, Senior Vice President, Global Corporate Strategy Management Div.  
 Phone: +81-6-7632-2101

Date of the General shareholders' meeting: June 22, 2018  
 Estimated starting date of dividend paying: June 25, 2018  
 Filing date of financial statements: June 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 Fiscal 2017 (April 1, 2017 through March 31, 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	%
Fiscal 2017	856,262	11.5	125,722	35.8	126,168	37.5	87,463	37.3	87,377	37.7	83,907	32.5
Fiscal 2016	767,710	-3.2	92,589	-9.6	91,791	-10.0	63,690	-22.3	63,453	-22.3	63,344	42.2

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent company	Net income to total assets	Operating income to revenue
	Yen	Yen	%	%	%
Fiscal 2017	538.99	538.41	13.0	13.9	14.7
Fiscal 2016	390.94	390.45	10.0	10.8	12.1

(Reference) Equity in earnings of affiliates: (Fiscal 2017) 12 million yen (Fiscal 2016) -13 million yen

#### (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	Equity attributable to owners of the parent company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2018	937,796	693,995	693,278	73.9	4,328.50
March 31, 2017	879,899	654,421	653,772	74.3	4,027.57

#### (3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2018	122,551	-50,215	-44,919	304,709
March 31, 2017	119,939	-49,739	-28,884	280,343

## 2. Dividends

Record Date	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to equity attributable to owners of the parent company (Consolidated)
	1Q	2Q	3Q	Year-end	Annual			
March, 2017	yen	yen	yen	yen	yen	Millions of yen	%	%
March, 2018	-	75.00	-	75.00	150.00	24,347	38.4	3.8
March, 2019	-	80.00	-	80.00	160.00	25,805	29.7	3.8
(Forecast) March, 2019	-	90.00	-	90.00	180.00		28.3	

## 3. Forecast of Fiscal 2018 (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	%	
Annual	860,000	0.4	135,000	7.4	135,000	7.0	100,000	14.3	100,000	14.4	yen 636.37

### - Others

(1) Changes in significant subsidiaries during this fiscal year: No

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

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies other than the above: No
3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)  
 March, 2018: 173,758,428                      March, 2017: 173,758,428
2. Number of treasury stock at the end of the period  
 March, 2018: 13,592,423                      March, 2017: 11,434,124

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)  
 Fiscal 2017: 162,112,066                      Fiscal 2016: 162,311,277

Please refer to “Per share information” on page 15 for the numbers of shares based on which Basic earnings per share (consolidated) are calculated.

(Reference) Non-consolidated financial results of Fiscal 2017 (April 1, 2017 through March 31, 2018)

(1) Operating results

(% of change from previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2017	519,000	9.0	66,893	52.7	95,679	36.0	75,434	39.8
Fiscal 2016	476,325	-1.8	43,818	-4.7	70,332	12.4	53,974	0.8

	Net income per share - Basic	Net income per share - Diluted
	yen	yen
Fiscal 2017	465.32	464.82
Fiscal 2016	332.54	332.12

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2018	662,416	449,998	67.8	2,805.35
March 31, 2017	614,825	418,558	67.9	2,573.28

(Reference) Shareholders' equity: (March 31, 2018) 449,320 million yen (March 31, 2017) 417,706 million yen

- This summary is not subject to audit 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. Summary of Operating Results, Etc. (2) Outlook for the fiscal year ending March 31, 2019” on page 4 of the Attachment to this summary of consolidated financial results.

(Attached Documents)

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## 1. Summary of Operating Results

### (1) Summary of consolidated operating results and financial position during the fiscal year ended March 31, 2018

#### ① Summary of operating results during the fiscal year ended March 31, 2018

#### Summary of overall business

During the fiscal year ended March 31, 2018, supported by worldwide growth with favorable fundamentals, the economic expansion has continued since the previous year. As the favorable employment environment and the efficient investment against the background of manpower shortage are continuing, the real Japanese economy is expanding steadily though modestly. However, starting in 2018, from the concern that the good employment environment in the U.S. accelerates the rise in the U.S. dollar interest rate, the stock markets in developed countries that were in good condition, entered into an adjustment phase from the high price sphere, and a sense of caution is increasing facing the protectionist movements such as the United States and China.

In such economic environment, Nitto Group improved the performance of its mainstay Optronics by responding to major changes in displays in the rapidly changing smartphone market and introducing new high value-added products. For Industrial Tape, earnings increased in a wide range of industrial applications including the electronics industry. As for Life Science, the performance of oligonucleotide contract manufacturing business which had been driving the earnings till the first half of the year, slowed down, due to the discontinuation of new drug development by our customer, while the development of nucleic acid drug discovery is in a steady progress.

As a result of the above, revenue increased by 11.5% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 856,262 million yen. Operating income increased by 35.8% to 125,722 million yen, income before income taxes increased by 37.5% to 126,168 million yen, net income increased by 37.3% to 87,463 million yen, and net income attributable to owners of the parent company increased by 37.7% to 87,377 million yen.

#### Summary of results by segment

##### (Industrial Tape)

For automotive products in Transportation business, affected by decrease of automotive production in major markets, sales did not reach our original forecast. For Functional Base Products, sales were driven by electronics-related products such as double-sided adhesive tape for smartphones and processing materials for precision electronic component production processes. In addition, fluoroplastic porous films for air filter use and protective materials have also achieved increases in earnings. All these above consequently contributed to the improvement in profitability of the whole segment.

As a result of the above, revenue increased by 9.3% to 339,195 million yen and operating income increased by 25.2% to 34,357 million yen.

##### (Optronics)

Information Fine Materials was driven by new products, such as transparent conductive film for touch panels and optical clear adhesive sheet, for organic light-emitting diode (OLED) display, by corresponding to changes in the material composition and manufacturing process. For Flexile Printed Circuits and Processing Materials, profitability was highly improved through the supply of high value-added products and the structural reform. Despite of decrease in the demand for smartphones during the fourth quarter other than ordinary seasonal adjustment, our earnings in this segment was expanded significantly from the previous year.

As a result of the above, revenue increased by 17.0% to 490,632 million yen and operating income increased by 91.0% to 92,548 million yen.

##### (Life Science)

For Life Science, earnings from the oligonucleotide contract manufacturing business was affected by discontinuation of new drug development by our customer. Although a part of payment based on contract was recognized as earnings, the profit of the whole segment decreased significantly from the previous year. On the other hand, nucleic acid drug discovery, liver cirrhosis drug which was licensed out to the pharmaceutical company and pulmonary fibrosis drug which is being developed by ourselves were going to the next phase of clinical trial.

As a result of the above, revenue decreased by 18.6% to 36,171 million yen and operating income decreased by 71.8% to 5,985 million yen.

(Others)

Throughout the fiscal year 2017, Membrane has been promoting the structural reform to focus on growth segments and improvement in profitability. New products with high efficiency will be developed to expand environment-related businesses for purpose of recycling water resources in regions where environmental regulations are being tightened. Please note that this segment includes new businesses that have yet to generate sufficient levels of revenue.

As a result of the above, revenue decreased by 2.9% to 25,279 million yen and operating loss amounted to 140 million yen. (operating income of 61 million yen was reported in the same period of the previous year)

(Reference) Segment Information

(Yen in Millions)

		Fiscal 2016 (April 1, 2016 through March 31, 2017)	Fiscal 2017 (April 1, 2017 through March 31, 2018)	Y-o-Y (%)
		Revenue	Revenue	
Industrial Tape	Functional Base Products	186,187	209,594	112.6
	Transportation	124,229	129,600	104.3
	Total	310,416	339,195	109.3
	Operating income	27,433	34,357	125.2
Optronics	Information Fine Materials	352,905	424,153	120.2
	Flexible Printed Circuits	42,871	42,038	98.1
	Processing Materials	23,410	24,439	104.4
	Total	419,187	490,632	117.0
	Operating income	48,466	92,548	191.0
Life Science	Revenue	44,459	36,171	81.4
	Operating income	21,200	5,985	28.2
Others	Revenue	26,039	25,279	97.1
	Operating income	61	-140	-
Corporate/Elimination	Revenue	-32,392	-35,016	-
	Operating income	-4,572	-7,028	-
Total	Revenue	767,710	856,262	111.5
	Operating income	92,589	125,722	135.8

\* With the changes in the management structure that have been made during the fiscal year under review, partial changes have been made to reporting segments.

From fiscal year 2017, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.

Such changes have also been reflected in the figures for the fiscal year ended March 31, 2017.

## ② Summary of consolidated financial position and cash flows for the fiscal year ended March 31, 2018

Cash and cash equivalents (hereinafter referred to as “Cash”) was 304,709 million yen at the end of the fiscal year ended March 31, 2018, an increase of 24,365 million yen from the end of the previous fiscal year. The following are changes in the financial position by each cash flow activity and their factors.

(Cash flow from operating activities)

Cash increased by 122,551 million yen as a result of operating activities (an increase of 119,939 million yen at the end of the previous fiscal year). The main factors responsible for the increase were income before income taxes of 126,168 million yen and depreciation and amortization of 49,283 million yen, while the main offsetting factors were an increase in trade and other receivables of 18,493 million yen, income taxes (paid) refunded of 35,153 million yen..

(Cash flow from investing activities)

Cash decreased by 50,215 million yen as a result of investing activities (a decrease of 49,739 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were the purchase of property, plant and equipment and intangible assets of 48,466 million yen, decrease (increase) in time deposits of 2,811 million yen.

(Cash flow from financing activities)

Cash decreased by 44,919 million yen as a result of financing activities (a decrease of 28,884 million yen at the end of the previous fiscal year). The main factors responsible for the decrease were decrease (increase) in treasury stock of 19,354 million yen, cash dividends paid of 25,166 million yen.

Shown below are the changes in the Group’s cash flow indices.

	March 2015	March 2016	March 2017	March 2018
Ratio of equity attributable to owners of the parent company to total assets (%)	71.5	74.4	74.3	73.9
Ratio of equity attributable to owners of the parent company on a market value basis (%)	155.0	123.0	158.7	136.3
Ratio of liabilities with interest to cash flow (year)	0.1	0.0	0.0	0.0
Interest coverage ratio	148.5	263.0	311.2	292.1

(Notes) 1 Each index is calculated using the following formulae based on consolidated financial results.

Ratio of equity attributable to owners of the parent company to total assets (%):  $\text{Equity attributable to owners of the parent company} / \text{Total assets}$

Ratio of equity attributable to owners of the parent company on a market value basis (%):  $\text{Market capitalization} / \text{Total assets}$

Ratio of liabilities with interest to cash flow (year):  $\text{Liabilities with interest} / \text{Cash flow from operating activities}$

Interest coverage ratio:  $\text{Cash flow from operating activities} / \text{Interest payment}$

- 2 Market capitalization is calculated by the closing price of the share at the end of the year multiplied by the number of shares issued at the end of the year, after deduction of treasury stock.
- 3 Cash flow from operating activities is used to calculate the Group’s cash flow indices shown above.
- 4 Liabilities with interest represent all liabilities included in the consolidated statements of financial position for which interest is paid.

## (2) Outlook for the fiscal year ending March 31, 2019

During the fiscal year ending March 31, 2019 (April 1, 2018 through March 31, 2019) the global fundamentals are expected to remain in favorable condition and the economy is expected to continue expanding. However, it is necessary to note that rapid changes caused by spread of protectionist trade policies, decline in corporate performance and consumption related to unstable condition of financial markets. Based on this outlook, the Group will take the following measures.

Concerning Transportation in Industrial Tape, the Group will improve profit by facilitating optimization of our supply system in each operation base overseas, develop new products in the field of next-generation automobiles and mobility other than automobiles to respond to changes and needs of the market. For Functional Base Product, the Group will fulfill the structural reform of existing business to respond to changes of the market and the customer’s needs quickly, meanwhile new business will be developed by correlating with other businesses to produce new products and so on.

For Optronics, in Information Fine Materials, the Group will brush up its technical capability which is leading the industry, and will make effort to sustain and expand high profit business through enhancement of rationalization. Regarding to Flexile Printed Circuits and Processing Materials, the Group will expand market share of the existing business for HDDs/Semiconductor memories and pursue the portfolio reform by developing new application.

For Life Science, backed by increasing late-stage clinical trials and new drugs approval in the field of nucleic acid medicine, the Group will strengthen to explore new customers to expand the market share of contract manufacturing service. Meanwhile, the Group will expediting projects to develop the treatment in the field of fibrosis and intractable cancer, then make this a future mainstay of the Group's business.

For Others, the Group will advance business infrastructure reform such as strengthening of quality management, and provide high quality products for the conventional applications in Membrane. Also, the Group will make effort to improve profitability by expanding business in high growth segment such as the energy field. The Group will also expedite the development of new business including optical plastic cable as early as possible.

By working through the abovementioned agendas in each business, the Group expects its consolidated net sales and income for the year ending March 31, 2019 to exhibit year-on-year growth as shown below. The Group will celebrate its first centennial in October, 2018. In order to sustain business growth beyond this auspicious occasion and further accelerate it into the next 100 years, we will stay one step ahead of the game to take advantage of the ongoing rapid changes, then contribute to our customer's value creation by our strength of technology.

Revenue	860,000 million yen (up by 0.4%)
Operating income	135,000 million yen (up by 7.4%)
Income before income taxes	135,000 million yen (up by 7.0%)
Net income	100,000 million yen (up by 14.3%)

The earnings forecasts and other data above are based on information currently available to the Company, and the involve potential risks and uncertainties. Please note that actual performance may differ materially from these earnings forecasts.

### (3) Dividend policy and dividends for the current and next fiscal years

The Company's dividend policy is to ensure stable and fair returns to its shareholders. At the same time, it is essential to make proactive prior investments in research and development and production in order to catch up with rapid technological innovation and meet customer demands in a timely manner. Accordingly, dividends to shareholders are determined by taking into account various factors, including the Company's financial position, profit levels and payout ratio.

In accordance with the basic policy outlined above, the Company has decided to pay 80 yen per share for the year-end dividend, which is unchanged from the interim dividend, to make the full-year total 160 yen per share, an increase of 10 yen from the previous year. The Company plans to pay a full-year dividend of 180 yen per share for the next fiscal year after taking into account earnings forecasts, capital expenditure plans, and other factors.

### (4) Share Repurchase

The Company resolved at a meeting of its Board of Directors on January 31, 2018 the repurchase of its own shares to enable an execution of agile capital management policy following changes in the business environment as a part of the return to shareholders.

Class of shares to be repurchased: Common stock

Total number of repurchasable shares: 5,600,000 shares (maximum)

(3.45% of the total number of shares issued [excluding treasury stock])

Total repurchase amount: JPY 50,000,000,000 (maximum)

Repurchase period: From February 5, 2018 to July 31, 2018

Total number of shares repurchased pursuant to the above resolution as of March 31, 2018, is 240,000, amount of 19,275 million yen.



## 2. Basic Approach to Selection of Accounting Standards

For the purposes of improving international comparability of financial information and unifying accounting within the Group, the International Financial Reporting Standards (IFRS) has been introduced from the first quarter of the year ended March 2015 in order to prepare consolidated financial statements accordingly.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated statements of financial position

(Yen in Millions)

	March 31, 2017	March 31, 2018
<b>(Assets)</b>		
Current assets		
Cash and cash equivalents	280,343	304,709
Trade and other receivables	173,362	192,120
Inventories	88,701	95,068
Other financial assets	5,455	8,815
Other current assets	15,936	15,398
Subtotal	563,798	616,112
Assets held for sale	-	5,914
Total current assets	563,798	622,027
Non-current assets		
Property, plant and equipment	249,541	248,417
Goodwill	7,300	6,927
Intangible assets	13,829	12,355
Investments accounted for using equity method	326	338
Financial assets	8,799	9,361
Deferred tax assets	27,087	28,295
Other non-current assets	9,215	10,073
Total non-current assets	316,100	315,768
Total assets	879,899	937,796

	March 31, 2017	March 31, 2018
<b>Liabilities and equity</b>		
<b>(Liabilities)</b>		
Current liabilities		
Trade and other payables	110,840	110,114
Bonds and borrowings	1,097	4,049
Income tax payables	15,978	19,270
Other financial liabilities	9,660	13,362
Other current liabilities	36,980	40,379
Subtotal	174,557	187,175
Liabilities directly associated with assets classified as held for sale	-	260
Total current liabilities	174,557	187,436
Non-current liabilities		
Bonds and borrowings	3,000	-
Other financial liabilities	1,449	1,183
Defined benefit liabilities	42,838	46,227
Deferred tax liabilities	847	612
Other non-current liabilities	2,784	8,339
Total non-current liabilities	50,920	56,364
Total liabilities	225,477	243,800
<b>(Equity)</b>		
Equity attributable to owners of the parent company		
Share capital	26,783	26,783
Capital surplus	56,139	55,981
Retained earnings	603,886	665,561
Treasury stock	-50,876	-69,867
Other components of equity	17,839	14,819
Total equity attributable to owners of the parent company	653,772	693,278
Non-controlling interests	648	716
Total equity	654,421	693,995
Total liabilities and equity	879,899	937,796

## (2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(Yen in Millions)

	Fiscal 2016 (April 1, 2016 through March 31, 2017)	Fiscal 2017 (April 1, 2017 through March 31, 2018)
Revenue	767,710	856,262
Cost of sales	528,592	574,879
Gross profit	239,118	281,382
Selling, general and administrative expenses	109,317	118,421
Research and development expenses	30,366	31,243
Other income	6,773	5,709
Other expenses	13,618	11,703
Operating income	92,589	125,722
Financial income	1,065	1,185
Financial expenses	1,848	752
Equity in profits (losses) of affiliates	-13	12
Income before income taxes	91,791	126,168
Income tax expenses	28,101	38,704
Net income	63,690	87,463
Net income attributable to:		
Owners of the parent company	63,453	87,377
Non-controlling interests	236	85
Total	63,690	87,463
Earnings per share attributable to owners of the parent company		
Basic earnings per share (yen)	390.94	538.99
Diluted earnings per share (yen)	390.45	538.41

(Consolidated statements of comprehensive income)

(Yen in Millions)

	Fiscal 2016 (April 1, 2016 through March 31, 2017)	Fiscal 2017 (April 1, 2017 through March 31, 2018)
Net income	63,690	87,463
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	716	261
Reevaluation of defined benefit liability	4,601	-536
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	-5,682	-3,299
Net gain (loss) in fair value of cash flow hedges	25	16
Share of other comprehensive income of associates accounted for using equity method	-6	2
Total other comprehensive income	-345	-3,555
Total comprehensive income	63,344	83,907
Total comprehensive income attributable to:		
Owners of the parent company	63,283	83,820
Non-controlling interests	60	86
Total	63,344	83,907

(3) Consolidated statements of changes in equity  
Fiscal 2016 (April 1, 2016 through March 31, 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, 2016	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 as of March 31, 2017	26,783	56,139	603,886	-50,876	17,839	653,772	648	654,421

Fiscal 2017 (April 1, 2017 through March 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, 2017	26,783	56,139	603,886	-50,876	17,839	653,772	648	654,421
Net income	-	-	87,377	-	-	87,377	85	87,463
Other comprehensive income	-	-	-	-	-3,556	-3,556	0	-3,555
Total comprehensive income	-	-	87,377	-	-3,556	83,820	86	83,907
Share-based payment transactions	-	-174	-	-	-	-174	-	-174
Dividends	-	-	-25,166	-	-	-25,166	-18	-25,185
Changes in treasury stock	-	17	-	-18,990	-	-18,973	-	-18,973
Transfers from other components of equity to retained earnings	-	-	-536	-	536	-	-	-
Total transactions with owners	-	-157	-25,702	-18,990	536	-44,315	-18	-44,333
Balance as of March 31, 2018	26,783	55,981	665,561	-69,867	14,819	693,278	716	693,995

## (4) Consolidated statements of cash flows

(Yen in Millions)

	Fiscal 2016 (April 1, 2016 through March 31, 2017)	Fiscal 2017 (April 1, 2017 through March 31, 2018)
Cash flows from operating activities		
Income before income taxes	91,791	126,168
Depreciation and amortization	48,556	49,283
Impairment losses	2,341	52
Increase (decrease) in defined benefit liabilities	944	2,338
Decrease (increase) in trade and other receivables	-25,161	-18,493
Decrease (increase) in inventories	-1,328	-6,860
Increase (decrease) in trade and other payables	15,382	-4,471
Interest and dividend income	829	1,047
Interest expenses paid	-385	-419
Income taxes (paid) refunded	-13,742	-35,153
Others	710	9,059
Net cash provided by (used in) operating activities	119,939	122,551
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-43,178	-48,466
Proceeds from sale of property, plant and equipment and intangible assets	537	99
Decrease (increase) in time deposits	2,550	-2,811
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-4,796	-
Payments for transfer of business	-4,752	-
Others	-99	963
Net cash provided by (used in) investing activities	-49,739	-50,215
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-1,973	74
Decrease (increase) in treasury stock	-0	-19,354
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	-25,166
Others	-151	-472
Net cash provided by (used in) financing activities	-28,884	-44,919
Effect of exchange rate changes on cash and cash equivalents	-1,864	-270
Cash and cash equivalents included in assets held for sale	-	-2,780
Net increase (decrease) in cash and cash equivalents	39,451	24,365
Cash and cash equivalents at the beginning of the period	240,891	280,343
Cash and cash equivalents at the end of the period	280,343	304,709

## (5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

Information regarding revenue, income, or loss by segments

Fiscal 2016 (April 1, 2016 through March 31, 2017)

(Yen in Millions)

	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	296,528	406,638	40,855	22,595	766,617	1,092	767,710
Inter-segment revenue	13,887	12,549	3,603	3,443	33,484	-33,484	-
Total segment revenue	310,416	419,187	44,459	26,039	800,102	-32,392	767,710
Total operating income (loss)	27,433	48,466	21,200	61	97,161	-4,572	92,589
Financial income							1,065
Financial expenses							-1,848
Equity in profits (losses) of affiliates							-13
Income before income taxes							91,791
Segment assets	216,123	395,579	29,791	25,961	667,456	212,443	879,899
Other items:							
Depreciation and amortization	10,957	29,821	1,386	1,276	43,442	5,114	48,556
Impairment losses	86	2,219	4	31	2,341	-	2,341
Increase in property, plant and equipment and intangible assets	22,000	13,160	7,293	3,295	45,750	3,168	48,918

(Note) 1. -4,572 million yen in adjustment of total operating income (loss) includes other profits (losses) not allocated to each segment and additional expenses for early retirement as part of the structural reforms.

2. 212,443 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.

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

From fiscal year 2017, we have changed the allocation method of the costs of Corporate sector in order to evaluate each segment's figure more properly.

Such changes have also been reflected in the figures for the fiscal year ended March 31, 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



	Industrial Tape	Optronics	Life Science	Others	Total	Adjustment*	Figures in consolidated statements of income
Revenue from outside customers	325,548	476,776	30,919	22,053	855,299	963	856,262
Inter-segment revenue	13,646	13,855	5,251	3,225	35,979	-35,979	-
Total segment revenue	339,195	490,632	36,171	25,279	891,278	-35,016	856,262
Total operating income (loss)	34,357	92,548	5,985	-140	132,751	-7,028	125,722
Financial income							1,185
Financial expenses							-752
Equity in profits (losses) of affiliates							12
Income before income taxes							126,168
Segment assets	230,426	433,998	37,858	23,536	725,820	211,975	937,796
Other items:							
Depreciation and amortization	12,401	29,368	1,749	1,108	44,628	4,654	49,283
Increase in property, plant and equipment and intangible assets	17,567	24,653	3,169	2,113	47,504	5,885	53,390

(Note) 1. -7,028 million yen in adjustment of total operating income (loss) includes other profits (losses) not allocated to each segment.

2. 211,975 million yen in adjustment of segment assets includes Cash and cash equivalents, Property, plant and equipment and others not belonging to each business segment.

#### 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

(Per share information)

Basic earnings per share and diluted earnings per share were calculated on the following basis.

	Fiscal 2016 (April 1, 2016 through March 31, 2017)	Fiscal 2017 (April 1, 2017 through March 31, 2018)
(1) Basic earnings per share	390.94 yen	538.99 yen
(Basis for calculation)		
Net income attributable to owners of the parent company	63,453 million yen	87,377 million yen
Average number of common shares	162,311 thousands of shares	162,112 thousands of shares
(2) Diluted earnings per share	390.45 yen	538.41 yen
(Basis for calculation)		
Increase in number of common stock upon exercise of the stock option	204 thousands of shares	175 thousands of shares

(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 19,275 million yen, making the number of treasury shares at the end of the fiscal year ended March 31, 2018 13,592 thousand, or the book balance of 69,867 million yen.

(Significant subsequent events)

Not applicable.