Creating the Future
with Adhesive Technologies

Linkage + Technology
LINTEC

Sep. 8, 2014
Company information

Head Office: Itabashi-ku, Tokyo, Japan

Security Code: 7966 (Tokyo Stock Exchange, 1st Section)

Established: October 15, 1934

Common Stock: 23.2 billion yen (as of March 31, 2014)

Number of Employees: 4,223 (as of March 31, 2014)

Net Sales: 203.2 billion yen (as of March 31, 2014)

Fiscal Year-End: March 31

Business Activities: Development, manufacture, and marketing of adhesive products and related equipment, specialty papers, release papers and films, etc.

Consolidated Subsidiary: 3 companies (Japan)

28 companies (Overseas)
Company history

1934: Establishment of FUJI SHIKO CORPORATION, manufacturer of gummed tape (Itabashi, Tokyo)
*The name was changed to FSK CORPORATION in 1984

1960: Started production and sales of adhesive papers and films for labels

Subsequently expanded adhesive operations in industrial fields such as decorative materials for interiors and exteriors, motorcycle, automobile and others

1986: Developed UV curable dicing tape and made full-scale entry into the semiconductor-related product field

1987: MADICO, INC., became a subsidiary

1990: Merged with SHIKOKU PAPER CO., LTD., and SOHKEN KAKO CO., LTD.
Name was changed to LINTEC Corporation

Expanded business activities from release papers and films, specialty papers to the fields of adhesive paper and films, related equipment
1991: Made full-scale entry into LCD-related product field

1993: LINTEC (TIANJIN) INDUSTRY CO., LTD.
   was established

1994: PT. LINTEC INDONESIA was established

2000: LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.
   was established

2002: LINTEC (SUZHOU) TECH CORPORATION
   was established

   LINTEC SPECIALITY FILMS (KOREA), INC., was established

2003: LINTEC SPECIALITY FILMS (TAIWAN), INC., was established

2004: LINTEC KOREA, INC., was established

2011: LINTEC (THAILAND) CO., LTD., was established
Performance trends / Net sales, Operating income

Unit: Billion yen
- Net sales
- Operating income

Highest Results on Record

Global recession

The impact of financial crisis in Europe and the Great East Japan Earthquake, etc.
Oversea sales have increased 51.1 billion over the last 10 years with average annual growth of 12.8%. (Sales in Asia have shown average annual growth of 16.7%)
Basic composition of adhesive products

- **Surface improvement**
  - Printability / imprintability, durability, etc.

- **Substrate**
  - (Base paper / film)

- **Adhesive**

- **Release paper / film**

Meeting needs with in-house technologies
Four core technologies and operational segments

Core technologies

1. Adhesive applications
2. Surface improvement
3. System development
4. Specialty papers and Release materials production

Printing and Industrial Materials Products

- Printing and Variable Information Products Operations
- Industrial and Material Operations

Electronic and Optical Products

- Advanced Materials Operations
- Optical Products Operations

Paper and Converted Products

- Fine and Specialty Paper Products Operations
- Converted Products Operations

Adhesive materials + Equipment

LinTec Corporation
Adhesive papers and films for labels

- Main types: Permanent, Removable, Restickable

Label printing machines, etc.
**Usage of adhesive papers and films for labels / Required properties**

- **For Sundries**
  - Water resistance
  - Curved-surface adhesion
  - Design

- **For food products**
  - Water resistance
  - Curved-surface adhesion
  - Cold resistance

- **For stationery**
  - Durability
  - Dimensional stability
  - Design etc.

- **For distribution applications**
  - Imprintability
  - Adequacy for affixing seals
  - Cold resistance

- **For medical and pharmaceutical items**
  - Printability / imprintability
  - Chemical resistance
  - Tamper-evident

- **For industrial applications**
  - Oil- and water-resistance
  - Durability
  - Heat resistance
Industrial and Material Operations

- Window films
- Films for outdoor signs and advertising
- Interior finishing mounting sheets
- Automobile-use adhesive products
- Industrial-use adhesive tapes
- Labeling machines, etc.

FY2014 Net sales 203.2 billion yen

32.7 billion yen
16.1%
Industrial and Material Operations

● Automobile-use adhesive products

● Paint replacement films for door sashes

Original material design increases the passage of air and makes it simple to apply

With air bubbles
With no air bubbles

● Protective films for aluminum wheels

● Marking films

● Window films
Advanced Materials Operations

- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Coated films for multilayer ceramic capacitor production
- Touch screen-related products, etc.

FY2014 Net sales 203.2 billion yen

36.8 billion yen 18.1%
Manufacturing process for semiconductor chip

**Fabrication**
- Single crystal silicon ingot
- Wafer following circuit formation
- Back grinding (wafer thinning)
- Lamination of dicing tape*
- Removal of surface protective tape*
- Dicing (wafer cutting)
- UV irradiation of tape*
- Picking up
- Mounting
- Molding

**Back-end process**
*Uses of our tapes and equipment
Key tape products related to semiconductors

Surface protective tape for thin & high-bump wafers
- Specially designed to prevent thin wafers from bowing after back grinding.
- Protects the surface of wafers from contamination by attaching to bumps formed on the surface of the circuitry.
- Prevents wafer damage by dispersing the stress placed upon wafers during back grinding.

Dicing die bonding tape

Dicing process

Adhesive
Base film

Chips are firmly fixed

Picking up process

Adhesive is transcribed to the reverse side of chips

Die bonding process

No need for paste application during the mounting process
Coated films for multilayer ceramic capacitor (MLCC) production

Manufacturing process for MLCC

1. LINTEC’s coated film
2. Dielectric paste (Slurry)
3. Ceramic sheet
4. Coating
5. Heat drying
6. Internal electrode printing
7. Die cutting and releasing
8. Stacking, compression bonding and cutting
9. Firing and external electrode forming
10. Plating

Forming several hundred layers in a 1mm square or less
Touch screen-related products

Anti-shatter film (ASF)
This is a hard coated adhesive film designed to prevent the shattering of glass type touch screen.

Optically clear adhesive sheet (OCA)
This is a double-sided adhesive sheet has excellent gap filling ability, and prevents the recurrence of air voids caused by outgas.

Hard coat film for ITO
This is a hard coated film ideal for the base material of ITO film.
Optical Products Operations

- Polarizing films and retardation films for LCDs
  / Adhesive processing

- Polarizing films for LCDs
  / Surface improvement processing

- Protective films for polarizing films, etc.

FY2014 Net sales
203.2 billion yen

42.4 billion yen
20.8%
Structure of LCD

- Surface improvement
  - Anti-reflection / Anti-glare / Abrasion-resistance properties

- Polarizing film

- Adhesive

- Retardation film

- Adhesive

- Liquid crystal cell

- Adhesive

- Polarizing film

- Light source

- Protective films for polarizing films
  - Surface improvement
    - Dirt-resistance / Water-resistance / Anti-static

- Adhesive

- Substrate (film)
Fine and Specialty Paper Products Operations

- Color papers for envelopes
- Colored construction papers
- Special function papers
  (Lint-free papers and Oil resistant papers, etc.)
- High-grade printing papers
- High-grade papers for paper products, etc.

FY2014
Net sales
203.2 billion yen

16.1 billion yen
7.9%
Converted Products Operations

- Release papers for adhesive products
- Release films for optical-related products
- Release papers for FPC* cover lay films
- Casting papers for synthetic leather (release paper)
- Casting papers for carbon fiber composite materials (release paper), etc.

*FPC = Flexible Printed Circuit

21.7 billion yen 10.7%

FY2014 Net sales 203.2 billion yen
Casting papers for carbon fiber composite materials
- The casting paper is used as a base sheet for manufacturing "carbon fiber prepreg", which is a composite material composed of a sheeted form of carbon fiber fixed with resin.
- Carbon fiber prepreg has been used for goods for sports and leisure, such as tennis racket, golf shaft, and fishing rod, as well as for aircraft, and the demand has been expanding.

Manufacturing process for Casting papers for carbon fiber composite materials
- Carbon fiber prepreg is a composite material composed of a sheeted form of carbon fiber fixed with resin.
- Carbon fiber prepreg has been used for goods for sports and leisure, such as tennis racket, golf shaft, and fishing rod, as well as for aircraft, and the demand has been expanding.

Features
- Suitability for resin coating
- Heat resistance
- Strength
- Most appropriate difference in release strength between the front and the back etc.
## Forecasts of consolidated financial results for FY2015

<table>
<thead>
<tr>
<th></th>
<th>(Billion yen)</th>
<th>FY2015 full year forecasts</th>
<th>FY2014 full year results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>210.0</td>
<td></td>
<td>203.2</td>
<td>6.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>16.0</td>
<td></td>
<td>13.8</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>15.5</td>
<td></td>
<td>12.9</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>20.3%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
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<td>8.5</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>2014</th>
<th>FY 2015</th>
<th>2015</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
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<td></td>
<td>23.5%</td>
</tr>
</tbody>
</table>
**Forecasts of net sales and operating income for FY2015 by operational segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2015 full year forecasts (Billion yen)</th>
<th>FY2014 full year results (Billion yen)</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials Products</td>
<td>56.5</td>
<td>53.5</td>
<td>3.0 5.6%</td>
</tr>
<tr>
<td>Printing and Variable Information Products Operations</td>
<td>34.6</td>
<td>32.7</td>
<td>1.9 5.7%</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>91.1</td>
<td>86.3</td>
<td>4.8 5.6%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>3.9</td>
<td>2.3</td>
<td>1.6 70.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment Operations</th>
<th>FY2015 full year forecasts (Billion yen)</th>
<th>FY2014 full year results (Billion yen)</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic and Optical Products</td>
<td>37.9</td>
<td>36.8</td>
<td>1.1 3.0%</td>
</tr>
<tr>
<td>Advanced Materials Operations</td>
<td>41.6</td>
<td>42.4</td>
<td>(0.8) (1.8%)</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>79.5</td>
<td>79.1</td>
<td>0.4 0.5%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>7.2</td>
<td>6.8</td>
<td>0.4 5.2%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Segment Operations</th>
<th>FY2015 full year forecasts (Billion yen)</th>
<th>FY2014 full year results (Billion yen)</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper and Converted Products</td>
<td>16.6</td>
<td>16.1</td>
<td>0.5 2.9%</td>
</tr>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>22.8</td>
<td>21.7</td>
<td>1.1 5.1%</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>39.4</td>
<td>37.8</td>
<td>1.6 4.1%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>4.9</td>
<td>4.6</td>
<td>0.3 5.5%</td>
</tr>
</tbody>
</table>
## Consolidated financial results for the first quarter FY2015

<table>
<thead>
<tr>
<th></th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>49.3</td>
<td>46.9</td>
<td>2.4 5.2%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>4.0</td>
<td>3.0</td>
<td>1.0 32.4%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>4.0</td>
<td>3.4</td>
<td>0.6 16.6%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>2.8</td>
<td>2.4</td>
<td>0.4 17.7%</td>
</tr>
</tbody>
</table>

### Graphs

**Net sales**
- FY2014: 46.9, 51.9, 51.6, 52.8, 49.3
- FY2015: 3.0, 3.8, 4.2, 2.8, 4.0

**Operational income**
- FY2014: 4.0, 3.8, 4.2, 2.8, 4.0
- FY2015: 3.0, 3.8, 4.2, 2.8, 4.0

**Income before income taxes**
- FY2014: 3.4, 3.2, 4.1, 2.1, 4.0
- FY2015: 2.4, 2.4, 2.9, 0.8, 2.8

**Net income**
- FY2014: 2.4, 2.4, 2.9, 0.8, 2.8
- FY2015: 2.4, 2.4, 2.9, 0.8, 2.8
### Net sales / Operating income by operational segment

#### Printing and Industrial Materials Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Variable Information Products Operations</td>
<td>13.3</td>
<td>12.6</td>
<td>0.7 5.2%</td>
</tr>
<tr>
<td>Industrial and Material Operations</td>
<td>7.6</td>
<td>7.5</td>
<td>0.1 1.4%</td>
</tr>
</tbody>
</table>

#### Segment net sales

<table>
<thead>
<tr>
<th></th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>20.9</td>
<td>20.1</td>
<td>0.8 3.7%</td>
</tr>
</tbody>
</table>

#### Segment operating income

<table>
<thead>
<tr>
<th></th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>0.8</td>
<td>0.5</td>
<td>0.4 84.8%</td>
</tr>
</tbody>
</table>
### Electronic and Optical Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Materials Operations</td>
<td>8.8</td>
<td>8.6</td>
<td>0.2 2.1%</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>10.2</td>
<td>8.8</td>
<td>1.4 15.5%</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>19.0</td>
<td>17.5</td>
<td>1.6 8.9%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>2.2</td>
<td>1.3</td>
<td>0.9 70.1%</td>
</tr>
</tbody>
</table>

#### Charts
- **Advanced Materials Operations sales**
- **Optical Products Operations sales**
- **Segment net sales**
- **Segment operating income**
## Paper and Converted Products

### Net sales / Operating income by operational segment

<table>
<thead>
<tr>
<th></th>
<th>FY2015 1Q results</th>
<th>FY2014 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>4.2</td>
<td>4.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>5.2</td>
<td>5.3</td>
<td>(0.1) (1.3%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>9.4</td>
<td>9.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>0.9</td>
<td>1.3</td>
<td>(0.4) (31.2%)</td>
</tr>
</tbody>
</table>

---

**Fine and Specialty Paper Products Operations sales**

- **FY2014**:
  - 1Q: 4.0
  - 2Q: 3.9
  - 3Q: 3.9
  - 4Q: 4.4
  - 1Q: 4.2

- **FY2015**:
  - 1Q: 5.3
  - 2Q: 5.8
  - 3Q: 5.2
  - 4Q: 5.3
  - 1Q: 5.2

**Segment net sales**

- **FY2014**:
  - 1Q: 9.3
  - 2Q: 9.7
  - 3Q: 9.1
  - 4Q: 9.7
  - 1Q: 9.4

- **FY2015**:
  - 1Q: 1.3
  - 2Q: 1.4
  - 3Q: 1.1
  - 4Q: 0.9
  - 1Q: 0.9

**Segment operating income**

- **FY2014**:
  - 1Q: 1.3
  - 2Q: 1.4
  - 3Q: 1.1
  - 4Q: 0.9
  - 1Q: 0.9

- **FY2015**:
  - 1Q: 1.3
  - 2Q: 1.4
  - 3Q: 1.1
  - 4Q: 0.9
  - 1Q: 0.9
Capital expenditure, Depreciation & Amortization, R&D expenses

**Unit**: Billion yen

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>12.3</td>
<td>4.9</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td>10.1</td>
<td>10.1</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>R&amp;D expenses</strong></td>
<td>7.3</td>
<td>6.8</td>
<td>7.0</td>
</tr>
</tbody>
</table>

*Result*

*Forecast*
Dividend

Trend in dividends per share (yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18</td>
<td>13.3</td>
</tr>
<tr>
<td>2008</td>
<td>24</td>
<td>19.5</td>
</tr>
<tr>
<td>2009</td>
<td>20</td>
<td>44.6</td>
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<tr>
<td>2010</td>
<td>24</td>
<td>24.9</td>
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<tr>
<td>2011</td>
<td>40</td>
<td>22.2</td>
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<td>2012</td>
<td>40</td>
<td>34.7</td>
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<td>2013</td>
<td>33.1</td>
<td>34</td>
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<tr>
<td>2014</td>
<td>42</td>
<td>36.8</td>
</tr>
<tr>
<td>2015</td>
<td>44</td>
<td>30.2</td>
</tr>
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</table>

(30.2) (Forecast)
All statements contained in this material, such as projected operating results are based on assumptions regarding economic conditions, market trends and plans as of the date of this material.

For various reasons, it is possible that the Company’s future results, performance, or achievements will differ from the contents of these forward-looking statements.