

*Notes

(1) Changes in status of significant subsidiaries during the quarter (changes in status of specified subsidiaries accompanying changes in consolidated range): None

Newly consolidated subsidiaries: -

Subsidiaries excluded: -

(2) Application of accounting treatment specific to preparing quarterly consolidated financial statements: None

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting principles due to revisions to accounting standards: None

(b) Changes other than (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(4) Number of outstanding shares (common stock):

(a) Number of outstanding shares at period-end (including treasury stock)

(b) Number of treasury stocks at period-end

(c) Average number of shares during the period (cumulative total for quarterly period)

(a)	Nine Months Ended December 31, 2023	76,688,740	FY Ended March 31, 2023	76,688,740
(b)	Nine Months Ended December 31, 2023	8,284,971	FY Ended March 31, 2023	8,329,891
(c)	Nine Months Ended December 31, 2023	68,392,985	Nine Months Ended December 31, 2022	68,667,457

* The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm

* Explanation relating to the appropriate use of forecasts of business results and other items of note

- The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Actual results, etc. may differ from projections due to a variety of reasons.
- Supplemental materials will be posted on our website (<https://www.lintec-global.com>) in a timely manner.

【Attachment】

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1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2023

(1) Explanation Regarding Results of Operations

Results during the first nine months of the fiscal year under review were decidedly unfavorable, with orders received since the third quarter, which were recovering, as well as price revisions and yen depreciation effects failing to make up for the poor performance in the first half, centered on Electronic and Optical Products.

As a result, net sales fell 6.0% year on year to 203,529 million yen. Operating income declined 50.8% year on year to 6,516 million yen, while ordinary income fell 51.4% year on year to 7,398 million yen. Profit attributable to owners of parent was 3,994 million yen, down 63.9% year on year.

The outline by segment was as follows:

[Printing and Industrial Materials Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	129,779	125,389	(4,389)	(3.4)
Printing & Variable Information Products Operations	105,165	98,908	(6,257)	(6.0)
Industrial & Material Operations	24,614	26,481	1,867	7.6
Operating income (loss)	2,713	(979)	(3,693)	—

Net sales in this segment were 125,389 million yen (down 3.4% year on year), due mainly to a marked decline in sales of adhesive products for seals and labels in the United States, despite favorable performance of window film in the US and automobile-use adhesive products in India amid price revisions and yen depreciation. We recorded an operating loss of 979 million yen, due in part to lower sales volumes in the US and the continuing high cost of key raw materials and the rising cost of logistics in Japan.

Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

Demand was strong in Japan for adhesive products for seals and labels in the logistics and mail-order businesses. Demand related to foods and beverages trended toward recovery. Sales volumes were down due to lower demand for certain applications, including eye-catching labels and products used in beverage promotional campaigns. Overseas, sales volumes fell sharply in the US and China. As a result, sales in this segment were 98,908 million yen (down 6.0% year on year).

(Industrial & Material Operations)

Demand for automobile-use adhesive products remained solid in Japan. Sales of window film for construction and automobile use and sales of automobile-use adhesive products remained firm overseas in the US, India, and the ASEAN region. Sales in this segment were 26,481 million yen (up 7.6% year on year).

[Electronic and Optical Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	61,782	53,326	(8,455)	(13.7)
Advanced Materials Operations	47,897	42,587	(5,309)	(11.1)
Optical Products Operations	13,885	10,738	(3,146)	(22.7)
Operating income	11,494	7,634	(3,860)	(33.6)

Net sales in this segment were 53,326 million yen (down 13.7% year on year), due mainly to lower demand for products used for large-screen TV units, smartphones, and personal computers. Operating income was 7,634 million yen (down 33.6% year on year), in part due to fewer orders received and losses accompanying lower utilization rates at production facilities.

Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Orders received for semiconductor-related adhesive tape and semiconductor-related equipment and for multilayer ceramic capacitor-related tape, which had recovered since the third quarter, failed to offset sluggish first half sales. Sales in this segment were 42,587 million yen (down 11.1% year on year).

(Optical Products Operations)

Sales of optical display-related adhesive products remained weak due to intensifying competition and declining demand for products used in large-screen TV units and smartphones. Sales in this segment were 10,738 million yen (down 22.7% year on year).

[Paper and Converted Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	24,989	24,813	(176)	(0.7)
Fine & Specialty Paper Products Operations	11,961	11,559	(402)	(3.4)
Converted Products Operations	13,028	13,253	225	1.7
Operating losses	(1,009)	(189)	820	–

Due in part to price revisions, despite lower sales volumes, net sales in this segment remained largely unchanged from last year at 24,813 million yen (down 0.7% year on year). Operating losses were 189 million yen, due mainly to the rising cost of fuel and raw materials, chiefly pulp, and logistics.

Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Despite solid sales of oil- and water-resistant paper, sales in the main product lines of color paper for envelopes and specialty paper for industrial use were sluggish. Sales in this segment were 11,559 million yen (down 3.4% year on year).

(Converted Products Operations)

Despite steady sales of release paper for electronic materials, overall sales in this segment were sluggish due to declining demand for release paper for general-use adhesive products and for release film for optical-related products. Sales in this segment were 13,253 million yen (up 1.7% year on year).

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 326,146 million yen, a year-on-year increase of 21,265 million yen. Main factors of the change were as follows:

- Increase in “Cash and deposits”	7,779 million yen
- Increase in “Notes and accounts receivable - trade and contract assets”	8,101 million yen
- Decrease in “Inventories”	-5,357 million yen
- Increase in “Property, plant and equipment”	9,968 million yen
- Increase in “Goodwill”	1,566 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 90,026 million yen, a year-on-year increase of 12,296 million yen. Main factors of the change were as follows:

- Increase in “Trade notes and accounts payable”	6,049 million yen
- Decrease in “Provision for bonuses”	-1,282 million yen
- Increase in “Current liabilities-other”	2,172 million yen
- Increase in “Long-term loans payable”	5,593 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 236,120 million yen, a year-on-year increase of 8,969 million yen. Main factors of the change were as follows:

- Decrease in “Retained earnings”	-1,778 million yen
- Increase in “Foreign currency translation adjustments”	10,526 million yen

(3) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results

Forecasts of consolidated business results for the full year are unchanged from those announced November 8, 2023.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	38,032	45,811
Notes and accounts receivable - trade and contract assets	58,803	66,905
Inventories	67,250	61,893
Other	8,004	6,958
Allowance for doubtful accounts	(155)	(189)
Total current assets	171,936	181,380
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	41,907	48,141
Machinery, equipment and vehicles (net)	33,960	34,055
Land	12,226	13,335
Construction in progress	6,515	9,367
Other (net)	6,982	6,661
Property, plant and equipment	101,593	111,561
Intangible assets		
Goodwill	15,013	16,579
Other	2,694	3,340
Intangible assets	17,708	19,920
Investments and other assets		
Other	13,735	13,377
Allowance for doubtful accounts	(91)	(92)
Total investments and other assets	13,643	13,285
Total non-current assets	132,945	144,766
Total assets	304,881	326,146

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trade notes and accounts payable	36,980	43,030
Short-term loans payable	960	400
Current portion of long-term loans payable	1,602	1,708
Accrued income taxes	1,289	1,103
Provision for bonuses	2,523	1,240
Provision for directors' bonuses	54	34
Other	16,413	18,586
Total current liabilities	59,823	66,103
Non-current liabilities		
Long-term loans payable	–	5,593
Provision for environmental measures	111	111
Net defined benefit liability	12,931	13,561
Other	4,863	4,657
Total non-current liabilities	17,906	23,922
Total liabilities	77,730	90,026
Net Assets		
Shareholders' equity		
Common stock	23,355	23,355
Capital surplus	26,709	26,710
Retained earnings	171,325	169,547
Treasury stock	(17,663)	(17,567)
Total shareholders' equity	203,728	202,046
Accumulated other comprehensive income		
Net unrealized holding gain on securities	463	514
Foreign currency translation adjustments	19,381	29,908
Remeasurements of defined benefit plans	2,779	2,822
Total accumulated other comprehensive income	22,624	33,245
Share subscription rights	83	56
Non-controlling interests	715	772
Total net assets	227,150	236,120
Total liabilities and net assets	304,881	326,146

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Nine Months Ended December 31, 2023

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2022)	Current consolidated fiscal year (Nine months ended December 31, 2023)
Net sales	216,552	203,529
Cost of sales	166,507	159,495
Gross profit	50,044	44,034
Selling, general and administrative expenses	36,797	37,517
Operating income	13,246	6,516
Non-operating income		
Interest income	174	312
Dividend income	109	177
Gain on sales of non-current assets	59	23
Foreign exchange gains	1,727	680
Insurance income	94	33
Other income	302	291
Total non-operating income	2,468	1,518
Non-operating expenses		
Interest expenses	70	287
Loss on sales of non-current assets	17	0
Loss on retirement of non-current assets	169	230
Compensation expenses	22	6
Other expenses	198	113
Total non-operating expenses	477	637
Ordinary income	15,237	7,398
Extraordinary gain		
Gain on sales of non-current assets	–	29
Total extraordinary gain	–	29
Extraordinary loss		
Loss on sales of non-current assets	12	–
Total extraordinary losses	12	–
Profit before income taxes	15,224	7,427
Income taxes	3,813	3,013
Deferred income taxes	343	404
Total income taxes	4,156	3,418
Profit	11,068	4,009
Profit (loss) attributable to non-controlling interests	(6)	14
Profit attributable to owners of parent	11,075	3,994

Consolidated Quarterly Statements of Comprehensive Income
 Nine Months Ended December 31, 2023

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2022)	Current consolidated fiscal year (Nine months ended December 31, 2023)
Net income	11,068	4,009
Other comprehensive income		
Net unrealized holding gain on securities	131	51
Foreign currency translation adjustments	17,084	10,570
Remeasurements of defined benefit plans	387	42
Total other comprehensive income	17,603	10,663
Comprehensive income	28,672	14,672
(Comprehensive income attributable to)		
Owners of parent	28,642	14,615
Non-controlling interests	30	57

(3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Total Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

I. Previous third quarter (from April 1, 2022 to December 31, 2022)

Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	129,779	61,782	24,989	216,552	–	216,552
Intersegment sales and transfers	53	20	10,578	10,653	(10,653)	–
Total	129,833	61,802	35,568	227,205	(10,653)	216,552
Segment income (loss)	2,713	11,494	(1,009)	13,199	47	13,246

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.

II. Current third quarter (from April 1, 2023 to December 31, 2023)

Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	125,389	53,326	24,813	203,529	–	203,529
Intersegment sales and transfers	67	9	11,033	11,110	(11,110)	–
Total	125,457	53,336	35,846	214,640	(11,110)	203,529
Segment income (loss)	(979)	7,634	(189)	6,465	51	6,516

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.