Creating the Future with Adhesive Technologies

Linkage + Technology
LINTEC
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)
  30 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
Company history

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

2015: LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED was established
Performance trends / Net sales, Operating income

Unit: Billion yen
- Net sales
- Operating income

Highest results on record
- Net sales: 212.7 Billion yen
- Operating income: 20.9 Billion yen

The impact of financial crisis in Europe and the Great East Japan Earthquake, etc.

Global recession
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%)

Overseas sales have increased from 22.0 billion yen in FY2004 to 73.1 billion yen in FY2014, an increase of 51.1 billion yen.

Ratio of overseas sales to net sales: Approximately 3.3 times

Average annual growth rate: 12.8%

Sales in Asia: Average annual growth rate of 16.7%
Basic composition of adhesive products

- Surface improvement
  - Printability, 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

Paper and Converted Products

- Fine and Specialty Paper Products Operations
- Converted Products Operations

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

Adhesive materials + Equipment

Linking your dreams 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 commodity items**
  - 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**
  - Printability
  - Adequacy for affixing seals
  - Cold resistance

- **For medical and pharmaceutical items**
  - Printability
  - 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%

Printing and Industrial Materials Products
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](image1.jpg)
  ![With no air bubbles](image2.jpg)

- 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**
  - This tape is specially designed to prevent thin wafers from bowing after back grinding.
  - It protects the surface of wafers from contamination by attaching to bumps formed on the circuit surface.
  - It prevents wafer damage by dispersing the stress placed upon wafers during back grinding.

- **Backside coating tape for Flip Chip**
  - This tape protects and reinforces the die backside in applications such as Flip Chip, in which some bumps (electrodes) is formed on the circuit surface and mounted onto a substrate.
  - It blocks light to minimize effects on the circuit surface.
  - Unlike a coating of liquid mold material, this product is available as a tape, ensuring outstanding uniformity in thickness, and allowing the simplification of conventional processes.
  - We have broad lineups of the tapes including Infrared Transmission Type and Thermal Conductive Type.
Coated films for multilayer ceramic capacitor (MLCC) production

Manufacturing process for MLCC

- LINTEC’s coated film
- Dielectric paste (Slurry)
- Ceramic sheet
- Coating
- Heat drying
- Internal electrode printing
- Die cutting and releasing
- Stacking, compression bonding and cutting
- Firing and external electrode forming
- 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.

16.1 billion yen
7.9%

FY2014
Net sales
203.2 billion yen
- 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.

21.7 billion yen
10.7%

FY2014
Net sales
203.2 billion yen

*FPC = Flexible Printed Circuit
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

- 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.

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

<table>
<thead>
<tr>
<th></th>
<th>FY2015 3Q results</th>
<th>FY2014 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>153.4</td>
<td>150.5</td>
<td>3.0 (2.0%)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>13.2</td>
<td>10.9</td>
<td>2.3 (21.0%)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>14.1</td>
<td>10.8</td>
<td>3.3 (31.0%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>9.7</td>
<td>7.7</td>
<td>2.0 (26.6%)</td>
</tr>
</tbody>
</table>

#### Graphs

**Net sales**
- FY2014: 46.9, 51.9, 52.8, 51.2, 52.9
- FY2015: 3.0, 3.8, 4.2, 4.0, 4.8, 4.5 (Billion yen)

**Operating income**
- FY2014: 3.0, 3.8, 4.2
- FY2015: 2.8, 4.0, 4.8, 4.5 (Billion yen)

**Income before income taxes**
- FY2014: 3.4, 3.2, 4.1, 2.1, 4.0, 4.7, 5.4
- FY2015: 2.4, 2.4, 2.9, 2.8, 3.3, 3.7 (Billion yen)

**Net income**
- FY2014: 2.4, 2.4, 2.9
- FY2015: 0.8, 2.8, 3.3, 3.7 (Billion yen)
## Printing and Industrial Materials Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2014 3Q results</th>
<th>FY2015 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials Products</td>
<td>40.0</td>
<td>39.4</td>
<td>0.6 (1.5%)</td>
</tr>
<tr>
<td>Industrial and Material Operations</td>
<td>24.8</td>
<td>24.1</td>
<td>0.7 (2.8%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>64.8</td>
<td>63.5</td>
<td>1.3 (2.0%)</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>2.5</td>
<td>1.9</td>
<td>0.6 (32.0%)</td>
</tr>
</tbody>
</table>

### Printing and Variable Information Products Operations sales

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
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</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>12.6</td>
<td>13.2</td>
<td>14.1</td>
<td>13.3</td>
<td>13.5</td>
<td></td>
</tr>
<tr>
<td>FY2015</td>
<td>7.5</td>
<td>8.1</td>
<td>8.5</td>
<td>8.6</td>
<td>7.6</td>
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</table>

### Industrial and Material Operations sales

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>20.1</td>
<td>21.3</td>
<td>22.8</td>
<td>20.9</td>
<td>22.0</td>
<td></td>
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<tr>
<td>FY2015</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.4</td>
<td>0.8</td>
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### Segment net sales

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>20.1</td>
<td>22.0</td>
<td>20.9</td>
<td>22.0</td>
<td></td>
<td></td>
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<tr>
<td>FY2015</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.4</td>
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</table>

### Segment operating income

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
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</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.4</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>FY2015</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.4</td>
<td>0.8</td>
<td>0.9</td>
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</table>
Electronic and Optical Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2015 3Q results</th>
<th>FY2014 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Materials Operations</td>
<td>30.8</td>
<td>27.9</td>
<td>2.8 10.2%</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>30.4</td>
<td>30.8</td>
<td>(0.5) (1.5%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>61.2</td>
<td>58.8</td>
<td>2.4 4.1%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>7.7</td>
<td>5.3</td>
<td>2.4 45.8%</td>
</tr>
</tbody>
</table>

Advanced Materials Operations sales

![Graph showing Advanced Materials Operations sales](image)

Optical Products Operations sales

![Graph showing Optical Products Operations sales](image)

Segment net sales

![Graph showing Segment net sales](image)

Segment operating income

![Graph showing Segment operating income](image)
### Paper and Converted Products

<table>
<thead>
<tr>
<th></th>
<th>FY2015 3Q results</th>
<th>FY2014 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>11.9</td>
<td>11.8</td>
<td>0.1 (1.0%)</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>15.6</td>
<td>16.4</td>
<td>(0.8) (4.7%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>27.5</td>
<td>28.1</td>
<td>(0.7) (2.3%)</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>3.0</td>
<td>3.8</td>
<td>(0.8) (21.4%)</td>
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</table>

### Fine and Specialty Paper Products Operations sales

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>2Q</td>
<td>3.9</td>
<td>4.4</td>
</tr>
<tr>
<td>3Q</td>
<td>4.2</td>
<td>3.9</td>
</tr>
<tr>
<td>4Q</td>
<td>3.8</td>
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### Converted Products Operations sales

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
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<tbody>
<tr>
<td>1Q</td>
<td>5.3</td>
<td>5.8</td>
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<td>2Q</td>
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<td>5.3</td>
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<td>3Q</td>
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<td>5.1</td>
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<tr>
<td>4Q</td>
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<td>5.3</td>
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### Segment net sales

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>9.3</td>
<td>9.7</td>
</tr>
<tr>
<td>2Q</td>
<td>9.7</td>
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<td>9.4</td>
</tr>
<tr>
<td>4Q</td>
<td>9.0</td>
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### Segment operating income

<table>
<thead>
<tr>
<th></th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
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<tr>
<td>1Q</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2Q</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>3Q</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>4Q</td>
<td>0.9</td>
<td>1.2</td>
</tr>
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</table>
## Forecasts of consolidated financial results for FY2015

<table>
<thead>
<tr>
<th></th>
<th>FY2015 full year revised forecasts</th>
<th>FY2015 full year initial forecasts</th>
<th>FY2014 full year results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>206.0</td>
<td>210.0</td>
<td>203.2</td>
<td>2.8 1.4%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>17.0</td>
<td>16.0</td>
<td>13.8</td>
<td>3.2 23.5%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>17.5</td>
<td>15.5</td>
<td>12.9</td>
<td>4.6 35.8%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>11.5</td>
<td>10.5</td>
<td>8.5</td>
<td>3.0 35.3%</td>
</tr>
</tbody>
</table>
Forecasts of net sales and operating income for FY2015 by operational segment

<table>
<thead>
<tr>
<th></th>
<th>(Billion yen)</th>
<th></th>
<th>(Billion yen)</th>
<th></th>
<th>(Billion yen)</th>
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<tr>
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<td>FY2015 full year forecasts</td>
<td>FY2014 full year results</td>
<td>Increase (decrease)</td>
<td>FY2015 full year forecasts</td>
<td>FY2014 full year results</td>
</tr>
<tr>
<td>Printing and Industrial</td>
<td>53.8</td>
<td>53.5</td>
<td>0.3 0.5%</td>
<td>41.6</td>
<td>36.8</td>
</tr>
<tr>
<td>Materials Products</td>
<td></td>
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<td>Advanced Materials Operations</td>
<td>41.2</td>
</tr>
<tr>
<td>Printing and Variable</td>
<td>32.8</td>
<td>32.7</td>
<td>0.1 0.2%</td>
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<td></td>
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<tr>
<td>Information Products</td>
<td></td>
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<td></td>
<td>Optical Products Operations</td>
<td>41.2</td>
</tr>
<tr>
<td>Operations</td>
<td></td>
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</tr>
<tr>
<td>Segment net sales</td>
<td>86.6</td>
<td>86.3</td>
<td>0.3 0.4%</td>
<td>Segment net sales</td>
<td>82.8</td>
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<tr>
<td>Segment operating income</td>
<td>2.8</td>
<td>2.3</td>
<td>0.5 22.3%</td>
<td>Segment operating income</td>
<td>10.2</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Paper and Converted</td>
<td>16.1</td>
<td>16.1</td>
<td>(0.0) (0.2%)</td>
<td>Fine and Specialty Paper</td>
<td>16.1</td>
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<tr>
<td>Products</td>
<td></td>
<td></td>
<td></td>
<td>Products Operations</td>
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</tr>
<tr>
<td></td>
<td>20.5</td>
<td>21.7</td>
<td>(1.2) (5.5%)</td>
<td>Converted Products</td>
<td>20.5</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>36.6</td>
<td>37.8</td>
<td>(1.2) (3.3%)</td>
<td>Segment net sales</td>
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<td>Segment operating income</td>
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<tr>
<td></td>
<td>4.0</td>
<td>4.6</td>
<td>(0.6) (13.9%)</td>
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</table>
Capital expenditure, Depreciation & Amortization, R&D expenses

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

Unit: Billion yen  
<table>
<thead>
<tr>
<th></th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY: Financial Year
Dividend

Trend in dividends per share (yen)

<table>
<thead>
<tr>
<th>FY</th>
<th>Result</th>
<th>Forecast</th>
<th>Payout Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18</td>
<td></td>
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</tr>
<tr>
<td>2008</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>20</td>
<td></td>
<td></td>
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<tr>
<td>2010</td>
<td>24</td>
<td></td>
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<tr>
<td>2011</td>
<td>40</td>
<td></td>
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<tr>
<td>2012</td>
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<td>2013</td>
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<td>2014</td>
<td>42</td>
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<tr>
<td>2015</td>
<td>48</td>
<td></td>
<td>30.1 (Forecast)</td>
</tr>
</tbody>
</table>
## Medium-term business plan

### Title
LIP-2016 (LINTEC INNOVATION PLAN 2016)

### Period
From April 2014 to March 2017

### Basic Policy
Return to a growth path through active management and continuous innovation

### Key initiatives
1. Further promote global development
2. Create innovative new products that will support the next generation
3. Transform into a robust corporate structure
4. Promote strategic M&A
5. Foster human resources

### Major numerical targets (on a consolidated basis)
- Net sales: 240.0 billion
- Operating income: 20.0 billion
- Operating profit margin: More than 8%
- ROE (Return on equity): More than 8%
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.