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)
  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 marketing of adhesive papers and films for labels
Subsequently expanded adhesive operations to such areas as decorative materials for interior and exterior, motorcycle, automobile and others.

1984: Developed UV curable dicing tape and made full-scale entry into field of semiconductor-related products

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 paper, specialty papers to the fields of adhesive paper and films, related equipment
1991: Made full-scale entry into LCD-related operations

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
- Blue: Net sales
- Orange: Operating income

Highest Results on Record
- 212.7 in 2011
- 20.9 in 2012
- 203.2

Global recession

IT recession

The impact of financial crisis in Europe and the Great East Japan Earthquake, etc.
Overseas 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: 22.0 billion yen (FY2004)
Overseas sales: 73.1 billion yen (FY2014)
Net sales: 158.9 billion yen (FY2004)
Net sales: 203.2 billion yen (FY2014)
Ratio of overseas sales to net sales: 13.8% → 36.0%
Basic composition of adhesive products

- Adhesive
- Release paper / film
- Surface improvement
  - Printability / imprintability,
  - Durability, etc.
- Substrate
  - (Base paper / film)

Meeting needs with in-house technologies

Linking your dreams  LINTEC Corporation
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
Adhesive papers and films for labels

- Main types: Permanent, Removable, Restickable

Label printing machines, etc.

53.5 billion yen
26.4%
Usage of adhesive papers and films for labels / Required properties

- **For commodity items**
  - Water resistance
  - Curved-surface adhesion
  - Design

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

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

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

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

- **For industrial**
  - 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%
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.

36.8 billion yen
18.1%
Manufacturing process for semiconductor chip

【Fabrication】
1. Single crystal silicon ingot
2. Wafer
3. Wafer following circuit formation

【Back-end process】
*Uses of our tapes and equipment
1. Lamination of surface protective tape*
2. Back grinding (wafer thinning)
3. Lamination of dicing tape*
4. Removal of surface protective tape*
5. Dicing (wafer cutting)
6. UV irradiation of tape*
7. Picking up
8. Mounting
9. Molding

*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
  - Chips are firmly fixed
  - Adhesive is transcribed to the reverse side of chips
  - No need for paste application during the mounting process

Back grinding process
Stress
Dispersing the stress
Surface protective tape
Wafer
Bump
Substrate
Die bonding process
Picking up process
Adhesive is transcribed to the reverse side of chips
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
11. 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)**

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

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**Structure of ASF**
- Hard coat
- Polyester film
- Adhesive
- Cover glass / Touch screen

**Structure of OCA**
- Secondary release film
- Adhesive
- Primary release film

**Structure of ITO film**
- ITO
- Hard coat
- Polyester film
- Hard coat
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

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## Consolidated financial results for FY2014

<table>
<thead>
<tr>
<th></th>
<th>(Billion yen)</th>
<th></th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2014 results</td>
<td>FY2013 results</td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>203.2</td>
<td>190.8</td>
<td>12.4 (12.4%)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>13.8</td>
<td>10.6</td>
<td>3.2 (30.3%)</td>
</tr>
<tr>
<td><strong>Income before income</strong></td>
<td>12.9</td>
<td>10.8</td>
<td>2.0 (18.9%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>8.5</td>
<td>7.7</td>
<td>0.8 (10.7%)</td>
</tr>
</tbody>
</table>

### Net sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>46.0</td>
<td>50.1</td>
</tr>
<tr>
<td>2Q</td>
<td>48.3</td>
<td>51.9</td>
</tr>
<tr>
<td>3Q</td>
<td>46.5</td>
<td>52.8</td>
</tr>
<tr>
<td>4Q</td>
<td>46.9</td>
<td>51.6</td>
</tr>
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</table>

### Operating income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>2.5</td>
<td>3.2</td>
</tr>
<tr>
<td>2Q</td>
<td>3.2</td>
<td>2.8</td>
</tr>
<tr>
<td>3Q</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td>4Q</td>
<td>3.0</td>
<td>3.8</td>
</tr>
</tbody>
</table>

### Income before income taxes

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>3.1</td>
<td>4.1</td>
</tr>
<tr>
<td>2Q</td>
<td>2.1</td>
<td>3.4</td>
</tr>
<tr>
<td>3Q</td>
<td>3.1</td>
<td>4.1</td>
</tr>
<tr>
<td>4Q</td>
<td>3.2</td>
<td>2.1</td>
</tr>
</tbody>
</table>

### Net income

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<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
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<tbody>
<tr>
<td>1Q</td>
<td>1.7</td>
<td>2.4</td>
</tr>
<tr>
<td>2Q</td>
<td>2.4</td>
<td>2.2</td>
</tr>
<tr>
<td>3Q</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>4Q</td>
<td>2.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>
## Net sales / Operating income by Operational segment

### Printing and Industrial Materials Products

<table>
<thead>
<tr>
<th></th>
<th>FY2014 results</th>
<th>FY2013 results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials Products</td>
<td>53.5</td>
<td>49.6</td>
<td>3.9 8.0%</td>
</tr>
<tr>
<td>Printing and Variable Information Products Operations</td>
<td>32.7</td>
<td>33.2</td>
<td>(0.4) (1.3%)</td>
</tr>
<tr>
<td>Net sales</td>
<td>86.3</td>
<td>82.8</td>
<td>3.5 4.2%</td>
</tr>
<tr>
<td>Operating income</td>
<td>2.3</td>
<td>2.4</td>
<td>(0.1) (3.8%)</td>
</tr>
<tr>
<td></td>
<td>FY2014 results</td>
<td>FY2013 results</td>
<td>Increase (decrease)</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Advanced Materials Operations</td>
<td>36.8</td>
<td>34.0</td>
<td>2.8 8.2%</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>42.4</td>
<td>38.4</td>
<td>4.0 10.4%</td>
</tr>
<tr>
<td>Net sales</td>
<td>79.1</td>
<td>72.4</td>
<td>6.8 9.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>6.8</td>
<td>3.2</td>
<td>3.7 114.2%</td>
</tr>
</tbody>
</table>
### Net sales / Operating income by Operational segment

#### Paper and Converted Products

<table>
<thead>
<tr>
<th></th>
<th>FY2014 results</th>
<th>FY2013 results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paper and Converted Products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>16.1</td>
<td>15.9</td>
<td>0.2 (0.2) 1.5%</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>21.7</td>
<td>19.8</td>
<td>1.9 (1.9) 9.4%</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>37.8</td>
<td>35.7</td>
<td>2.1 (2.1) 5.9%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>4.6</td>
<td>5.0</td>
<td>(0.3) (0.3) 6.7%</td>
</tr>
</tbody>
</table>

#### Graphs

- **Fine and Specialty Paper Products Operations sales**
  - FY2013: 3.7, 4.0, 3.8, 4.4, 4.0
  - FY2014: 3.9, 3.9, 4.4

- **Converted Products Operations sales**
  - FY2013: 4.9, 4.9, 5.1, 5.0, 5.3
  - FY2014: 5.8, 5.2, 5.3

- **Segment net sales**
  - FY2013: 8.6, 8.9, 8.9, 9.4, 9.3

- **Segment operating income**
  - FY2013: 1.2, 1.3, 1.2, 1.3
  - FY2014: 1.3, 1.4, 1.1
Forecasts of consolidated financial results for FY2015

<table>
<thead>
<tr>
<th></th>
<th>FY2015 forecasts</th>
<th>FY2014 results</th>
<th>Increase/decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>210.0</td>
<td>203.2</td>
<td>6.8 3.3%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>16.0</td>
<td>13.8</td>
<td>2.2 16.2%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>15.5</td>
<td>12.9</td>
<td>2.6 20.3%</td>
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<tr>
<td><strong>Net income</strong></td>
<td>10.5</td>
<td>8.5</td>
<td>2.0 23.5%</td>
</tr>
</tbody>
</table>

Unit: Billion yen

**Net sales**
- FY 2014: 203.2
- FY 2015: 210.0

**Operating income**
- FY 2014: 13.8
- FY 2015: 16.0

**Income before income taxes**
- FY 2014: 12.9
- FY 2015: 15.5

**Net income**
- FY 2014: 8.5
- FY 2015: 10.5
Capital expenditure, Depreciation & Amortization, R&D expenses

Unit: Billion yen

**Capital expenditure**
- FY 2013: 12.3
- FY 2014: 4.9
- FY 2015: 8.3

**Depreciation & Amortization**
- FY 2013: 10.1
- FY 2014: 10.1
- FY 2015: 8.7

**R&D expenses**
- FY 2013: 7.3
- FY 2014: 6.8
- FY 2015: 7.0
Trend in dividends per share (yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Result (yen)</th>
<th>Forecast (yen)</th>
<th>Payout ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18</td>
<td>13.3</td>
<td>24.9</td>
</tr>
<tr>
<td>2008</td>
<td>24</td>
<td>19.5</td>
<td>22.2</td>
</tr>
<tr>
<td>2009</td>
<td>20</td>
<td>24</td>
<td></td>
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<tr>
<td>2010</td>
<td>24</td>
<td>24</td>
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</tr>
<tr>
<td>2011</td>
<td>40</td>
<td>40</td>
<td>44.6</td>
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<td>2012</td>
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<td>36.8</td>
</tr>
<tr>
<td>2014</td>
<td>42</td>
<td>36.8</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>44</td>
<td>30.2</td>
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</table>
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.