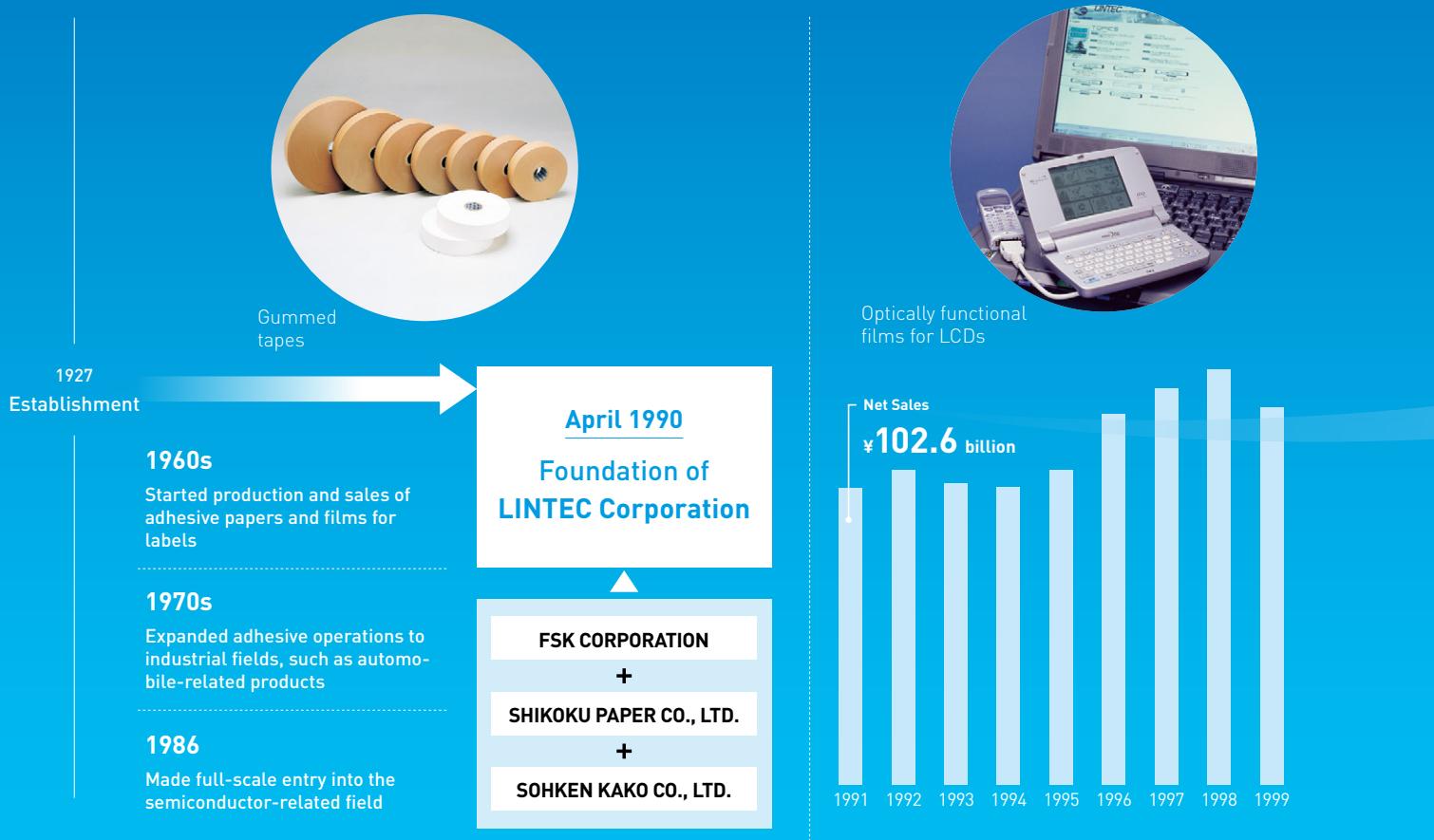


# Achieving Steady Growth by Meeting the Needs of the Times

In 1990, a vertical integration was implemented by three companies—a manufacturer with advanced adhesive technologies, a manufacturer with papermaking technologies for specialty papers, and a manufacturer with production technologies for release papers and films. This significant initiative resulted in the foundation of LINTEC Corporation. At the same time, the merger of those three companies was also the start of LINTEC's subsequent global business initiatives.



## Up to 1990

In 1927, we were established as a company engaged in the manufacturing and sales of gummed tape for packaging. In the 1960s, we started to manufacture and sell adhesive papers and films, which are currently mainstay businesses for the Company. We subsequently expanded the scope of our adhesive operations to industrial fields, such as automobile-related areas. In 1986, we made a full-scale entry into the field of semiconductor-related products. The merger of three companies in 1990 established the foundation for our current position as a leading company in various adhesive products, specialty papers, release papers and films, and other products.

## 1990s

In 1991, we made a full-scale entry into the liquid crystal display (LCD) related products field, and in 1994 we established a production subsidiary in Indonesia for adhesive papers and films for labels. In 1995, we made our sales office in Singapore, which had been established in the previous year, into a locally incorporated sales subsidiary, and in Europe we established a sales subsidiary in the Netherlands. In these ways, we advanced the globalization of our business. At the same time, we worked to further strengthen our business foundation in Japan, acquiring a manufacturer of adhesive products and constructing a new building at our Research Center in 1995.



## 2000s

Starting with the establishment of an electronic components-related production subsidiary in Malaysia in 2000, from 2002 to 2004 we established production subsidiaries in South Korea and Taiwan in the semiconductor-related, LCD-related, and other fields. In addition, we established semiconductor-related product sales subsidiaries in Asia, Europe, and other markets, and as a result the electronics-related business became a major driver of the Group's growth. Furthermore, we took steps to accelerate our global business development, such as establishing a label-related products production subsidiary in China in 2002.

## 2010s

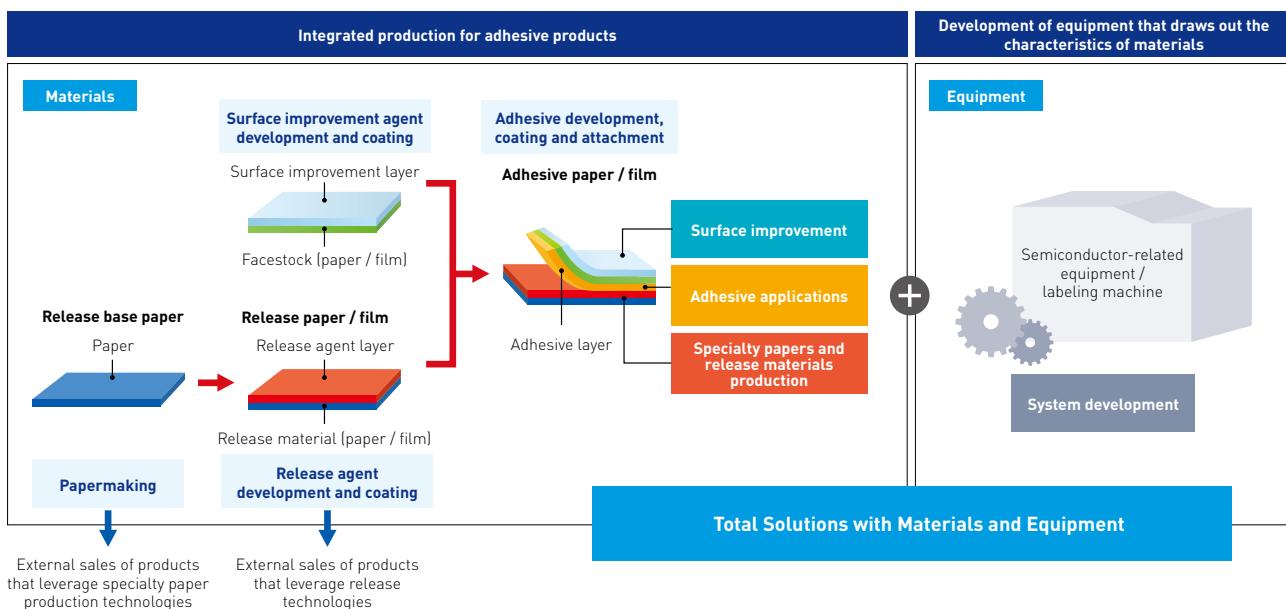
In 2010, we completed the rebuilding of the Tatsuno Plant (Hyogo Prefecture), which is our main plant for adhesive papers and films for labels. Furthermore, in 2015, we established the Advanced Technology Building at the Research Center (Saitama Prefecture). Through these types of initiatives, we took steps to strengthen our production and R&D system in Japan. Overseas, in 2011 we established a production subsidiary in Thailand. Subsequently, in 2016, we acquired three companies in Europe and the U.S., including MACTAC AMERICAS, LLC that has a high share of the North American market for label-related products. In this way, we entered a new growth stage.

# Three Major Strengths that Support Growth

LINTEC has continued to record stable growth since the merger of its three predecessor companies in 1990. The strengths that have supported the growth of the LINTEC Group are an integrated production system for adhesive products that leverage core technologies in such areas as adhesive applications; distinctive positions that have been built in a wide range of fields; and aggressive business development in overseas markets.

## Achieving Integrated Production of Adhesive Products

In addition to the development and coating of adhesives, LINTEC also conducts business activities extending from production of release base paper to release agent coating on papers and films and improvement processing of facestocks which are the base for adhesive products. In this way, we have built an integrated production system for adhesive products, and in our mainstay adhesive operations, we have established a competitive advantage in terms of quality, cost, and delivery. In addition, by developing and manufacturing related equipment that fully draws out the special characteristics of our adhesive products, we are providing total solutions that include materials and equipment.



### Four Core Technologies

<b>Surface improvement</b>	Through the chemical and physical processing of the surfaces of paper and film, we are enhancing their characteristics and adding new functionality.	<b>Specialty papers and release materials production</b>	We use original papermaking technologies and coating, impregnation, and laminating technologies to develop special function papers and high-value-added materials that transcend traditional concepts of paper.
<b>Adhesive applications</b>	Through the development of adhesives and substrates and the combination of related technologies, we are expanding the range of fields in which the basic functions of adhesive products, primarily adhesion and release, are utilized.	<b>System development</b>	Through the systemization of machinery and equipment and building high-level systems that draw on the distinctive characteristics of materials, we are providing advanced solutions.

# 2

## Building Distinctive Positions in a Wide Range of Fields

Many of the products that we manufacture and sell are intermediate materials that are difficult for consumers to see. However, we are providing these products as components that are indispensable for end products, and we have many products with leading shares in niche markets. In addition, another distinctive feature of our operations is our ability to accommodate small lot production of a wide variety of products for quick delivery. We have built unrivaled, distinctive positions in a wide range of fields, from color papers for envelopes and other specialty papers to adhesive papers and films for labels, as well as tapes and equipment used in the production of semiconductors.

### Products with high shares in niche markets



Color papers for envelopes



Adhesive products for labels



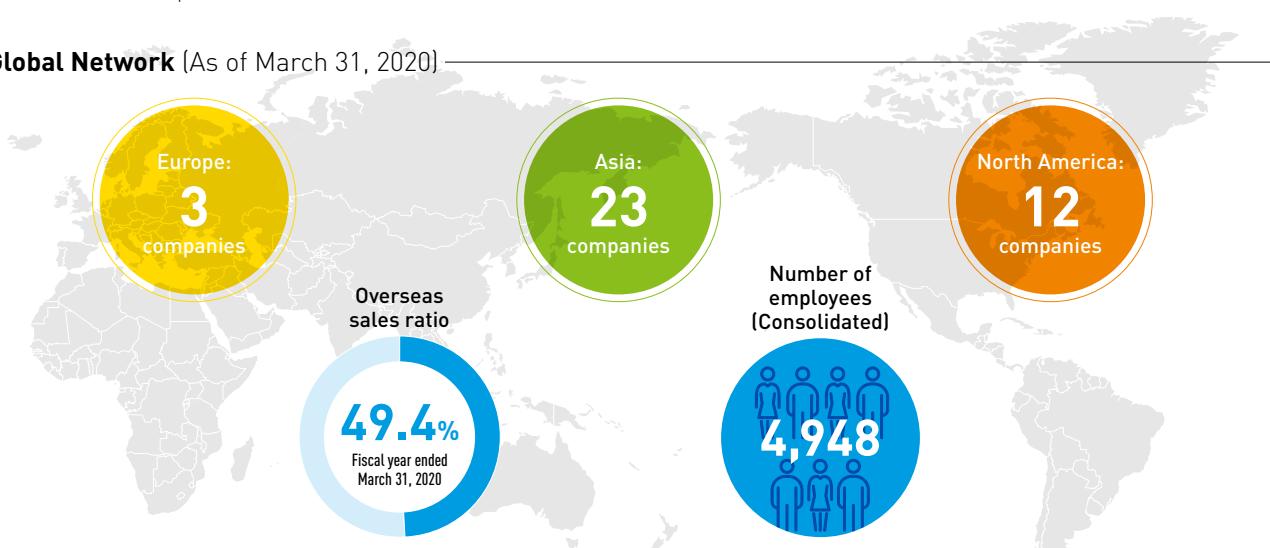
Semiconductor-related tapes and equipment

# 3

## Aggressively Advancing Business Globalization

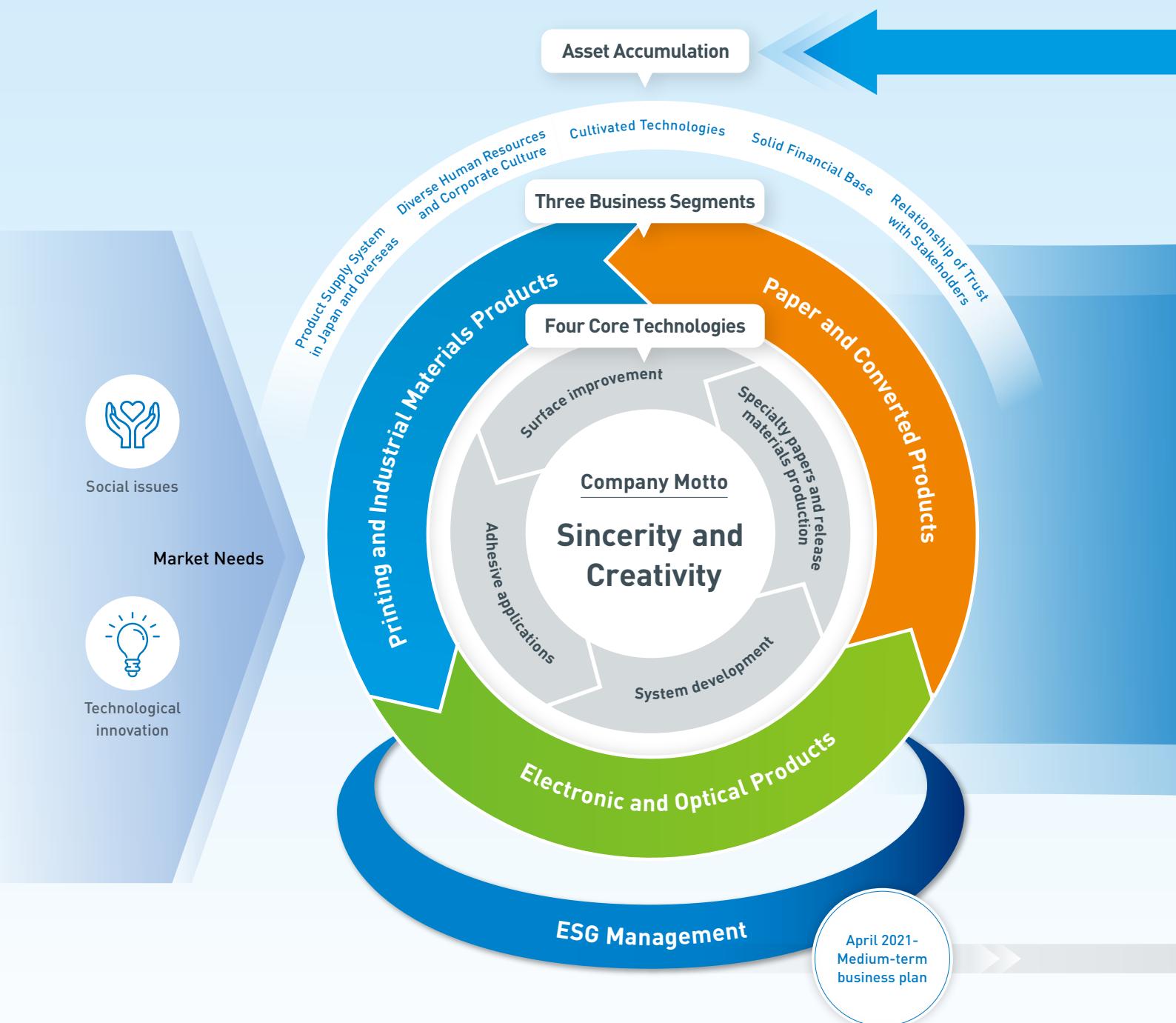
With domestic markets contracting and our customers moving their production bases overseas, we have advanced the globalization of our businesses. The basic concept of these initiatives is local production, under which we produce and provide a stable supply of products in locations that are closer to our customers. Currently, we have 38 consolidated subsidiaries with about 5,000 employees in 19 countries and regions, and our overseas sales ratio has increased to approximately 50%. Moving forward, we will work to further strengthen our global production and sales system, with a view toward expansion into areas where we do not yet have a presence.

### Global Network (As of March 31, 2020)



# LINTEC's Value Creation Process

From its establishment to the present, the LINTEC Group has built up a wide range of assets. In accordance with the Company motto—Sincerity and Creativity—we are utilizing these assets to contribute to the resolution of issues faced by society and customers through the development, production, and sales of a variety of products. The resulting profits are returned to stakeholders and invested in the future to create new value. Through this value creation process, the LINTEC Group aims to achieve sustained growth together with society.



# Creating value

through the resolution of issues facing  
society and customers

April 2024-  
Medium-term  
business plan

April 2027-  
Medium-term  
business plan

2030

Returns / Investment



**Sustained growth**  
for both society and LINTEC



**Contributing to  
the achievement  
of the SDGs**

## Overview

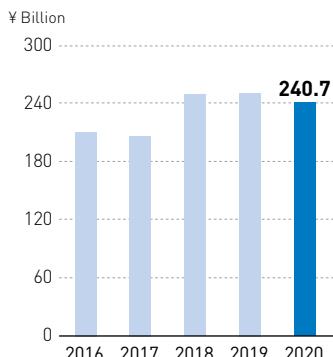
### Performance Highlights

Figures are for LINTEC Corporation and its consolidated subsidiaries (environment-related data is for LINTEC Corporation on a non-consolidated basis). Fiscal years are for periods ended March 31.

#### Financial Information

##### Net Sales

**¥240.7 billion**

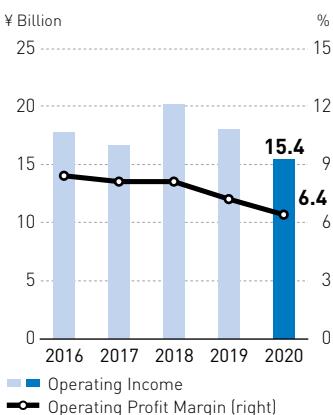


Sales in Advanced Materials Operations and Optical Products Operations declined due to sluggish conditions in electronics-related markets in the first half of the fiscal year. Consequently, net sales decreased.

##### Operating Income / Operating Profit Margin

**¥15.4 billion**

**6.4%**

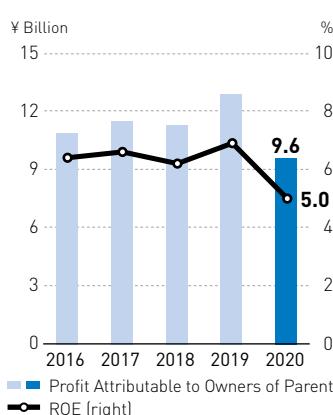


Prices for pulp, a key raw material, declined. Nonetheless, due to lower sales quantity, operating income was down, and the operating profit margin worsened.

##### Profit Attributable to Owners of Parent / Return on Equity (ROE)

**¥9.6 billion**

**5.0%**



In addition to the decline in operating income, impairment loss of goodwill was recorded as an extraordinary loss. As a result, profit attributable to owners of parent decreased, and ROE worsened.

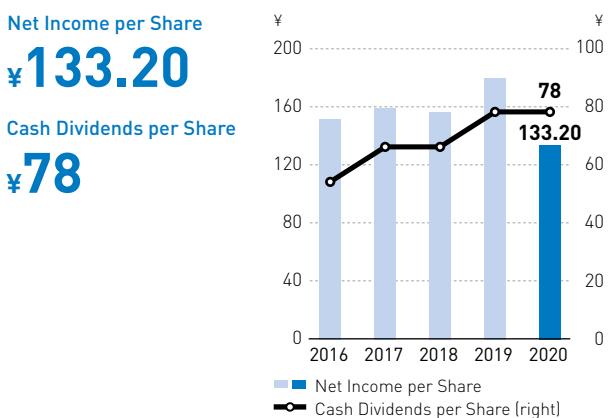
##### Net Income per Share / Cash Dividends per Share

###### Net Income per Share

**¥133.20**

###### Cash Dividends per Share

**¥78**



Net income per share declined, but the per-share dividend was ¥78, the same as in the previous year. The dividend payout ratio was 58.6%.

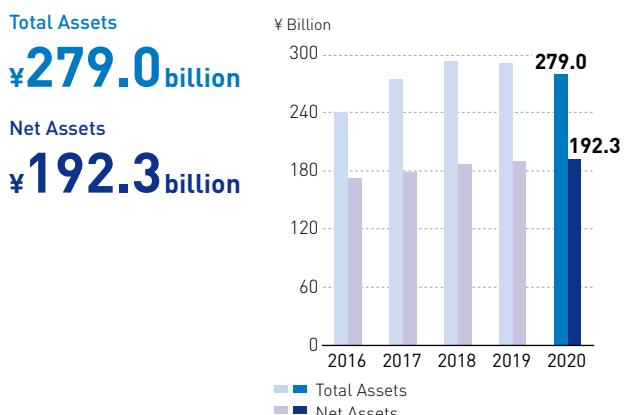
##### Total Assets / Net Assets

###### Total Assets

**¥279.0 billion**

###### Net Assets

**¥192.3 billion**



Total assets decreased due to a decline in cash and deposits resulting from repayments of long-term loans payable, a decline in goodwill, etc., but net assets increased as a result of higher retained earnings and other factors. The equity ratio was 68.7%.

##### Cash Flows

###### Net Cash Provided by Operating Activities

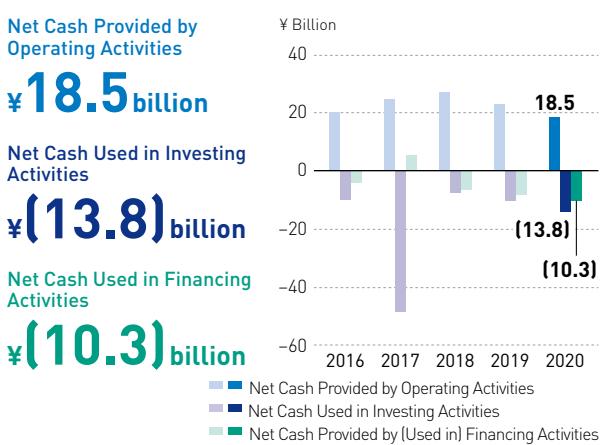
**¥18.5 billion**

###### Net Cash Used in Investing Activities

**¥(13.8) billion**

###### Net Cash Used in Financing Activities

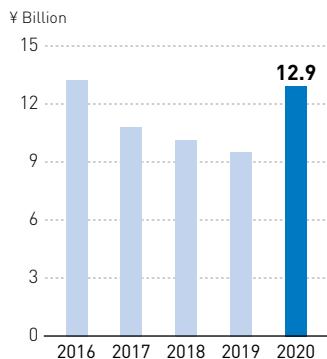
**¥(10.3) billion**



Cash flows from operating activities were positive, while cash flows from investing activities were negative due to purchase of property, plant and equipment, etc. Cash flows from financing activities were negative due to the payment of dividends, etc.

## Capital Expenditures

**¥12.9 billion**



Capital expenditure totaled ¥12.9 billion due to the expansion of the release film coating facility at the Agatsuma Plant (Gunma Prefecture); the introduction of equipment to reduce greenhouse gas emissions; production base restructuring accompanying the management rationalization at MADICO, INC., in the U.S., etc.

## Depreciation and Amortization / Amortization of Goodwill

**Depreciation and Amortization**

**¥9.5 billion**

**Amortization of Goodwill**

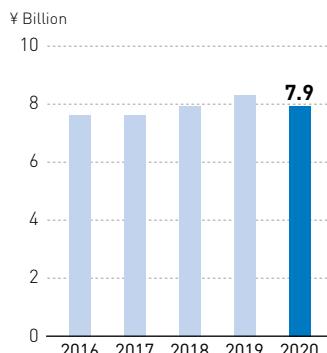
**¥3.3 billion**



Depreciation and amortization was ¥9.5 billion. Also, amortization of goodwill was ¥3.3 billion, due principally to the amortization of goodwill resulting from the acquisition of MACTAC AMERICAS, LLC at the end of 2016.

## R&D Expenses

**¥7.9 billion**

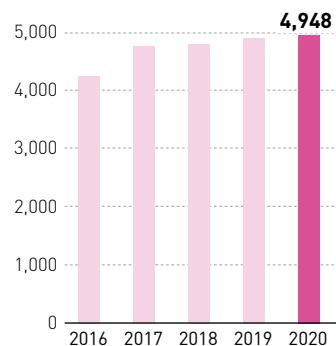


R&D expenses were ¥7.9 billion, with Printing and Industrial Materials Products accounting for ¥2.9 billion; Electronic and Optical Products for ¥3.7 billion; and Paper and Converted Products for ¥1.3 billion.

## Non-financial Information

### Number of Employees

**4,948**

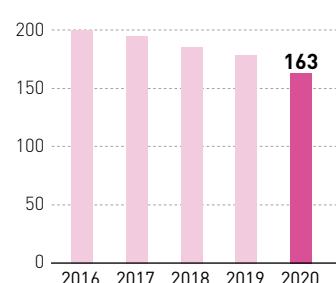


On a consolidated basis, the number of employees was 4,948, an increase of 60 employees year on year. On a non-consolidated basis, LINTEC had 2,584 employees.

### CO<sub>2</sub> Emissions

**163 thousand tons**

Thousands tons



As a result, CO<sub>2</sub> emissions volume was down 16 thousand tons year on year, to 163 thousand tons. This was attributable to the installation of new facilities at production bases to reduce environmental impacts, lower production volumes, etc.

### Toluene Handling Volume / Toluene Emission Volume

**Toluene Handling Volume**

**7,652 tons**

Tons

10,000

**Toluene Emission Volume**

**464 tons**

Year	Toluene Handling Volume (tons)	Toluene Emission Volume (tons)
2016	8,000	500
2017	7,800	500
2018	7,800	500
2019	7,800	500
2020	7,652	464

■ Toluene Handling Volume  
■ Toluene Emission Volume

Toluene is a volatile organic solvent that is mainly used during adhesive and release agent coating processes. Our toluene handling and emission volumes declined year on year due to progress with solvent-free products, etc.

LINTEC Integrated Report 2020

17

# Major Activities in FY2020

This section introduces the Group's principal initiatives, IR activities, and new products in the period from April 1, 2019 to March 31, 2020.

## CORPORATE



**1 June 28**

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC., completed a new building



**2 September 12**

Invited people with disabilities, elementary school students on youth baseball teams, and others living in Itabashi-ku, Tokyo, to a professional baseball game at Tokyo Dome



**3 September 24 to 27**

Exhibited at Labelexpo Europe 2019 in Belgium, the world's largest label-related exhibition



# 2019

Apr.

May

Jun.

1

A B

Jul.

C D

Aug.

Sep.

2

3

## PRODUCTS

**A May 29**

Launched a new solvent-free type of adhesive products for labels that use plant-derived raw materials in the adhesive



**B June 1**

Added medium-grade automotive window films to standard lineup in Japan and overseas



**C July 1**

Launched Livasta, a global brand of adhesive products for labels

# Livasta

**D July 1**

Launched a new strong-adhesion type of adhesive products for labels that use plant-derived raw materials in the adhesive and are suitable for use in low-temperature environments



## Please consider using LINTEC's IR news mailing service.

To deliver a wide range of news to shareholders and investors, including financial results and new product information, LINTEC offers an investor relations mail distribution service. If you would like to receive this service, please register on the investor relations section of the Company's website. The two-dimensional code on the right can be used for easy access.



Overview

Strategy

Foundation

Financial Information

### 4 October 27

Held a jazz concert for people with disabilities and other people who live in Itabashi-ku, Tokyo



### 5 November 30

Our invitations of people with disabilities and others to watch professional baseball games were highly regarded, and we acquired Tokyo Sports Promotion Company certification for the fifth consecutive year



### 6 December 19 to 22

Supported Japan Figure Skating Championships 2019



### 7 February 13

U.S. subsidiary MADICO, INC., completed the move to its new headquarters plant in Florida



# 2020

4

Oct.

5

Nov.

6

Dec.

7

Feb.

E

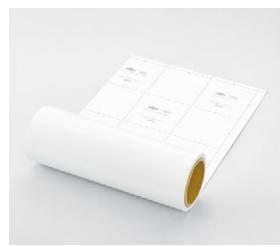
F

G

Mar.

### E November 1

Launched new restickable type adhesive sheets for large-sized digital printing



### F January 29

Launched adhesive products for special vapor deposition labels with a metallic look and a transparent background (left)



### G February 3

Launched adhesive products for labels that use 100% recycled PET resin for the facestock



### H February 3

Launched laminate films that use plant-derived raw materials for the facestock