

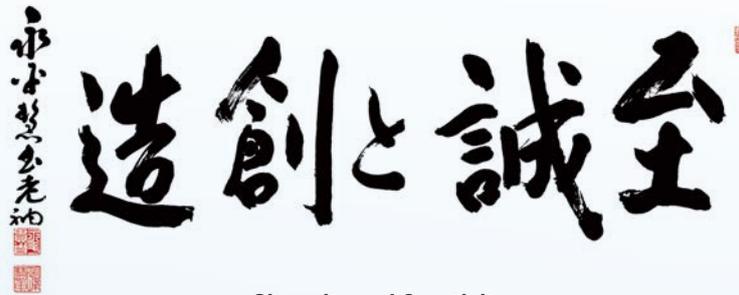


The sustainable growth path

LINTEC
Integrated Report 2021
For the fiscal year ended March 31, 2021



Company Motto



Sincerity and Creativity

Mission Statement

The company name LINTEC derives from “linkage” and “technology,” two key components of our business philosophy, which emphasizes the importance of close relations, inside and outside the company, and leading-edge R&D programs. By bringing these together to develop innovative solutions, we have established a reputation in Japan and overseas as a dynamic and reliable company that contributes to the prosperity of our stakeholders, to the growth of our industry, and to a brighter future for society as a whole. And underpinning all of our business activities is an unwavering emphasis on “Sincerity and Creativity,” the twin values enshrined in our company motto.

For tomorrow we build today

Editorial Policy

This report is meant to help shareholders and investors understand the LINTEC Group and its quest to achieve sustainable growth and contribute to the further development of society as a whole. With reference to the following guidelines, this report introduces not only business results and financial information but also intangible assets that are not included in the financial statements, such as the Group’s R&D capabilities and human resource strengths. Please refer to the Company’s website and CSR report, which provide additional information that is not included in this report.

Guidelines Used as References

Value Reporting Foundation (VRF)	“International Integrated Reporting Framework”
Ministry of Economy, Trade and Industry	“Guidance for Collaborative Value Creation”

Positioning of Integrated Report



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Reporting Period

This report covers the period from April 1, 2020, to March 31, 2021. However, some of the information includes content from April 1, 2021, onward.

Forward-Looking Statements

This report includes forward-looking statements, such as forecasts of business results, based on information currently held and assumptions that have been judged as reasonable by the Company. The Company cannot guarantee the accuracy of these statements or definitively assure the realization of future numerical targets and policies. Actual business results, etc., may vary due to various factors.

Overview

Looking Ahead to 2030



Global Environmental Problems

Every year, the average temperature of the planet has increased due to higher amounts of CO₂ and other greenhouse gases in the atmosphere. Warmer temperatures in recent years have appeared to lead to more frequent abnormal weather events, such as heat waves, cold snaps, heavy rain, drought, and stronger hurricanes. Climate change has become a serious issue for society. The pollution of oceans with plastic waste has also raised major concerns from a biodiversity preservation standpoint.





Initiatives at LINTEC

Amid calls for decarbonization as a means to combat climate change, LINTEC aims to reduce emissions of substances that harm the environment, such as CO₂, by installing new equipment and changing product formulas across the Group. We are developing environmentally friendly products by reducing plastic in products and creating plastic-free products.

Capital Investment for Environmental Issues



LINTEC is converting its plants from heavy oil to gas fuel for its energy needs, and actively investing in measures to reduce environmental load, such as installing exhaust gas processing equipment and solar panels.

Reduced-Plastic and Plastic-Free Products



To reduce the amount of plastic used in products, LINTEC is developing paper products instead of plastic while working to expand its lineup of products that use recycled PET film and plant-derived biomass materials.

Energy-Saving Products



By developing and increasing sales of window film that effectively insulates against heat simply by applying the film to building and car windows, LINTEC is helping to conserve energy and reduce electricity usage by keeping temperatures from rising inside buildings and cars.



Progress of Digitalization

5G high-speed communications, the Internet of Things (IoT), and artificial intelligence (AI) have proliferated, accelerating the digitalization movement in society. Even more digitalization is expected, with faster and higher-capacity communications technology and self-driving car technology. This trend will increase demand for highly functional and high-quality electronic components including semiconductors, as well as the parts and materials to produce them.





Initiatives at LINTEC

The LINTEC Group supplies the market with tapes that are essential in the manufacturing of semiconductor chips and multilayer ceramic capacitors, many of which are used in digital devices and automobiles, in addition to adhesive processing of display materials. We support a digital society with a product development system that satisfies cutting-edge needs.

Semiconductor-Related Adhesive Tapes / Semiconductor-Related Equipment



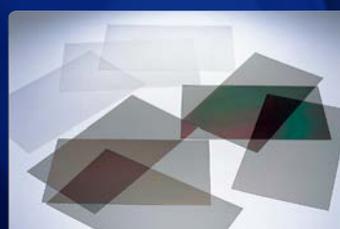
LINTEC contributes to the reduction of processing and improvement of yields by providing various kinds of adhesive tapes used to produce semiconductor chips, and original equipment for applying and releasing these adhesive tapes.

Multilayer Ceramic Capacitor-Related Tapes



LINTEC supplies release film used in the production process for multilayer ceramic capacitors, and its products are widely used in high-end capacitors that require high quality.

Optical Display-Related Adhesive Products



LINTEC is developing optical clear adhesive sheets for applying parts and materials to touch screens, in addition to adhesive processing of polarizing film used in displays.



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 paper-making technologies for specialty paper, and a manufacturer with production technologies for release paper and film. This significant initiative resulted in the foundation of LINTEC Corporation. Since the merger of these three companies, we have accelerated global development with the aim of expanding business.

1960s

Started production and sales of adhesive paper and film for labels

1970s

Expanded adhesive operations to industrial fields, such as automobile-related products

1986

Made full-scale entry into the semiconductor-related field

April 1990

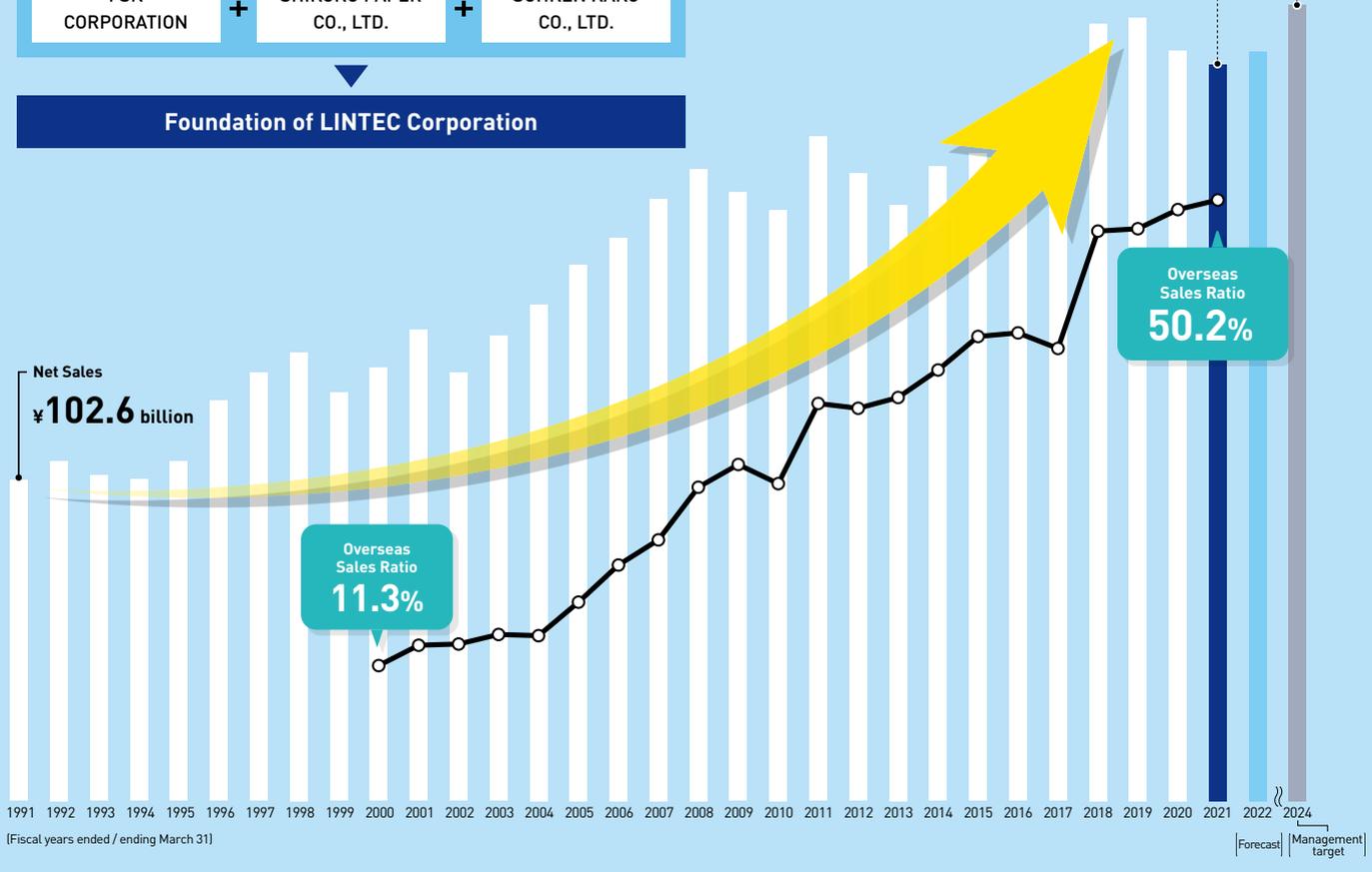


Medium-term Business Plan
 LSV 2030-Stage 1
 (April 2021 to March 2024)

Management target
 Consolidated net sales

¥255.0 billion

Net Sales
¥235.9 billion





Gummed tape

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 paper and film, 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 paper, release paper and film, and other products.

1990s

In 1991, we made a full-scale entry into the optical display-related products field, and in 1994 we established a production subsidiary in Indonesia for adhesive paper and film 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.



Optically functional film for liquid crystal displays (LCDs)



LINTEC KOREA, INC.

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, optical display-related, and other fields. In addition, we established semiconductor-related product sales subsidiaries in Asia, Europe, and the United States, and, as a result, the electronics and optical-related businesses became a major driver of the Group's growth. Moreover, we took steps to further accelerate our global business development, such as establishing a production subsidiary for label-related business in China in 2002.

Since 2010

In 2010, we completed the rebuilding of the Tatsuno Plant (Hyogo Prefecture), which is our main plant for adhesive paper and film for labels. Furthermore, in 2015, we established the Advanced Technology Building at the Research Center (Saitama Prefecture). Through these types of initiatives, we strengthened our production and R&D system in Japan. Overseas, in 2011, we established a production subsidiary in Thailand. After 2016, we acquired four companies in Europe and the U.S. in a bid to expand operations in the fields of Printing and Industrial Materials Products. In April 2021, LINTEC started its new medium-term business plan LSV 2030-Stage 1 in line with its long-term vision for 2030.



MACTAC AMERICAS, LLC

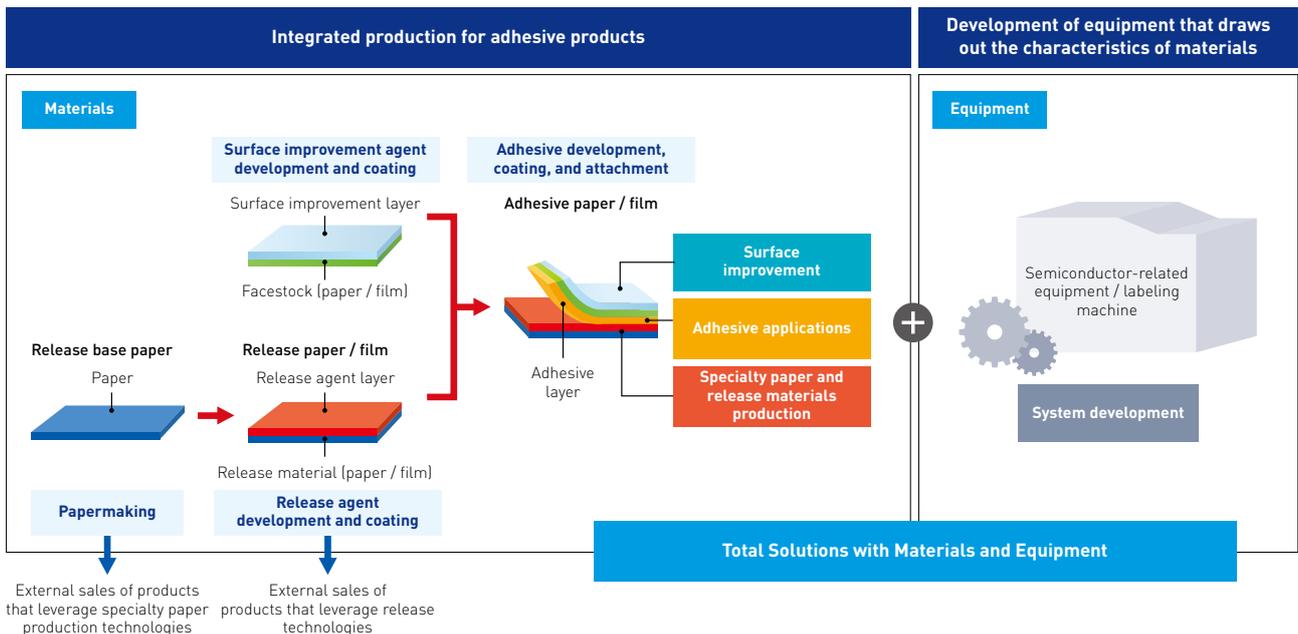
Three Major Strengths That Support Growth

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.

1

Achieving Integrated Production of Adhesive Products

In addition to the development and coating of adhesives, LINTEC also conducts business activities extending from the production of release base paper to release agent coating on paper and film and the improvement of the processing of facestock, which is 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.



2

Establishing a Unique Position in a Broad Range of Fields

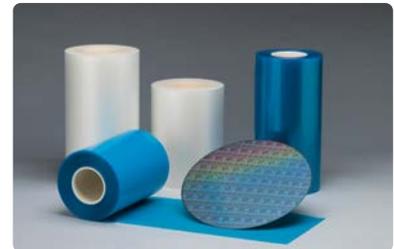
Many of the products that we manufacture and sell are intermediate materials that are difficult for consumers to see. However, we are providing these products as components that are indispensable for end products, and we have many products with leading shares in niche markets. In addition, another distinctive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



Color paper for envelopes



Adhesive products for labels



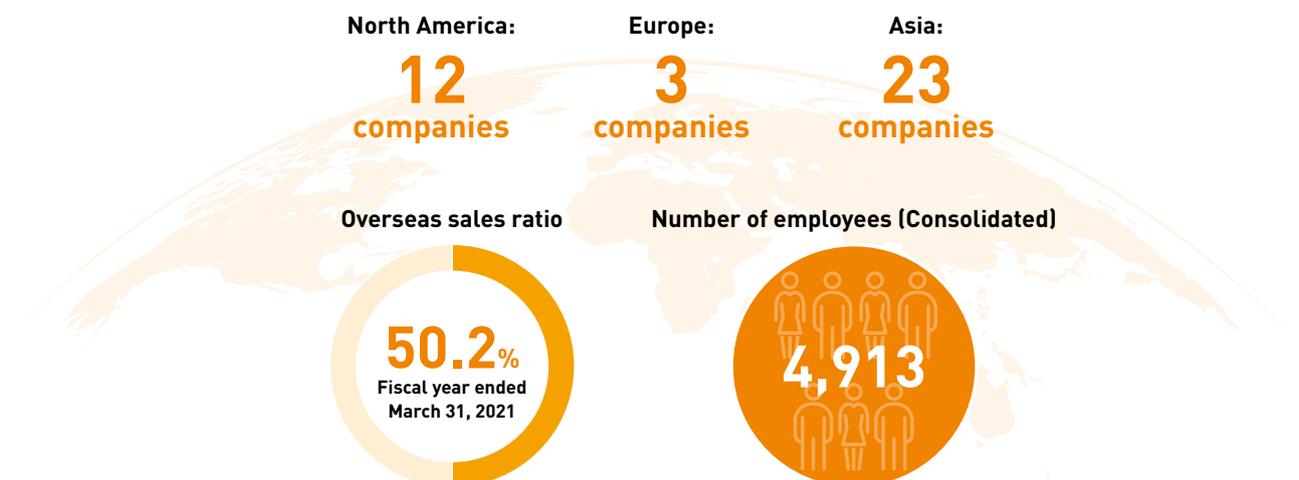
Semiconductor-related tape

3

Aggressively Advancing Business Globalization

With domestic markets maturing 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 approximately 40 consolidated subsidiaries with about 5,000 employees in 19 countries and regions, and our overseas sales ratio has increased to more than 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, 2021)



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 proactively invested in the future to create new value. Through this value creation process, the LINTEC Group aims to contribute to the realization of a sustainable society by striking a balance between sustainable growth and the development of society.

Asset Accumulation

Four Core Technologies



Comprehensive Product Supply System in Japan and Overseas



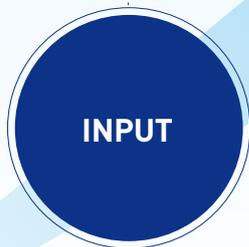
Diverse Human Resources and Corporate Culture



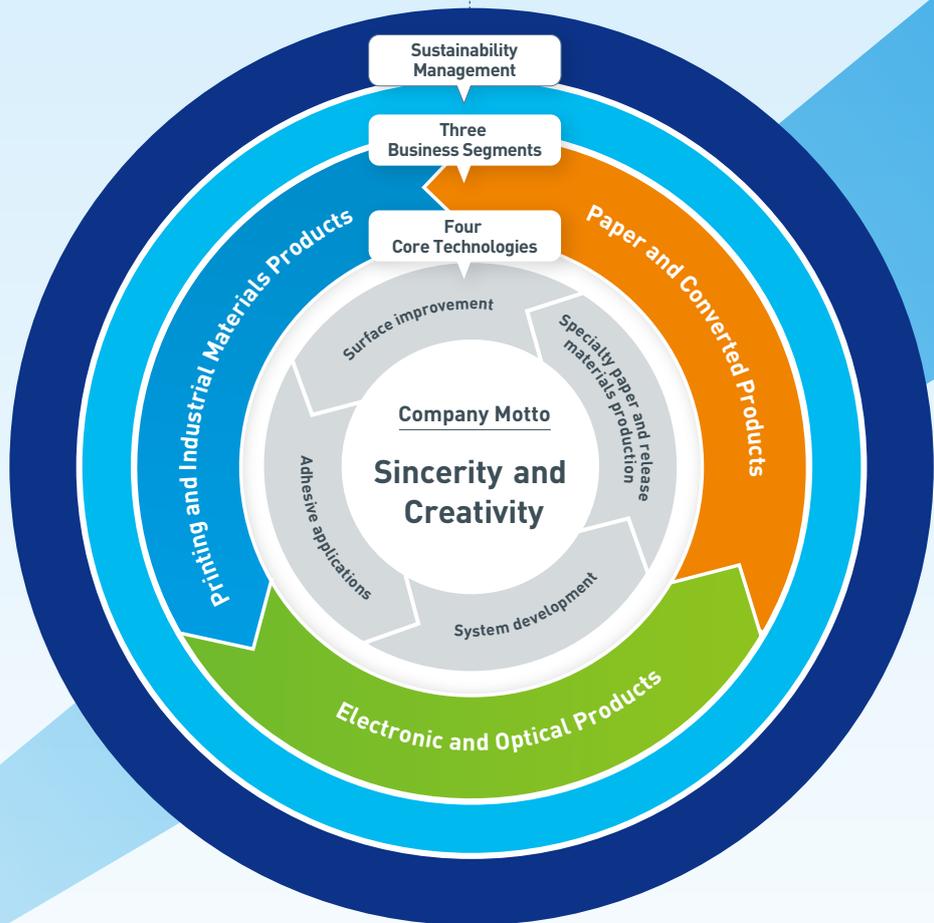
Solid Financial Base



Relationship of Trust with Stakeholders



LINTEC's Unique Strengths



Long-term vision



- Key Initiatives**
- 1 Solve social issues
 - 2 Foster innovation to build a robust corporate structure
 - 3 Create new products and businesses to deliver sustainable growth

OUTPUT

Contribute to the realization of a sustainable society

Help achieve the SDGs

Creation of economic value

Supply products to a broad range of markets



- P 32 Printing & Variable Information Products Operations
- P 33 Industrial & Material Operations
- P 35 Advanced Materials Operations
- P 36 Optical Products Operations
- P 38 Fine & Specialty Paper Products Operations
- P 39 Converted Products Operations

Creation of social value

Materiality initiatives



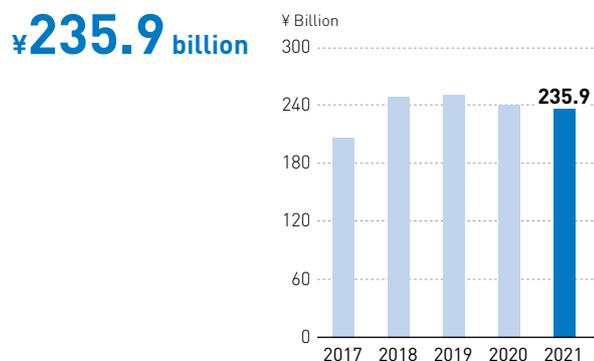
- P 48 Material Issues (Important Issues)
- P 50 Environment
- P 54 Society
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Performance Highlights

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.

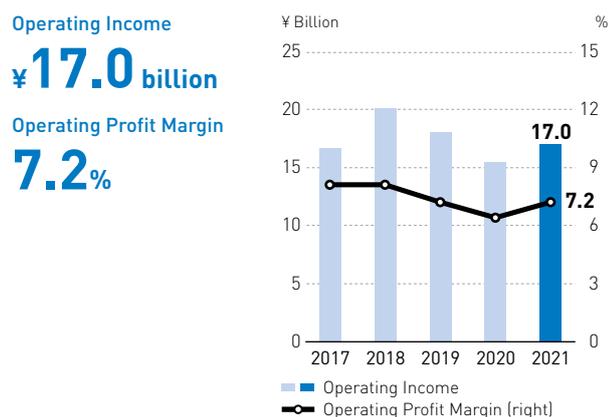
Financial Information

Net Sales



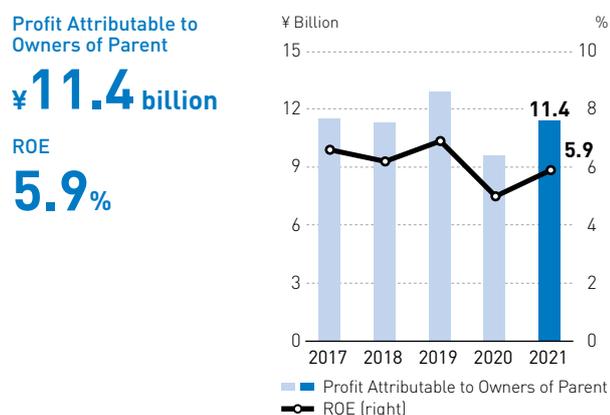
Sales increased in Advanced Materials Operations but declined in other operations amid weak demand due to the COVID-19 pandemic. As a result, net sales were down.

Operating Income / Operating Profit Margin



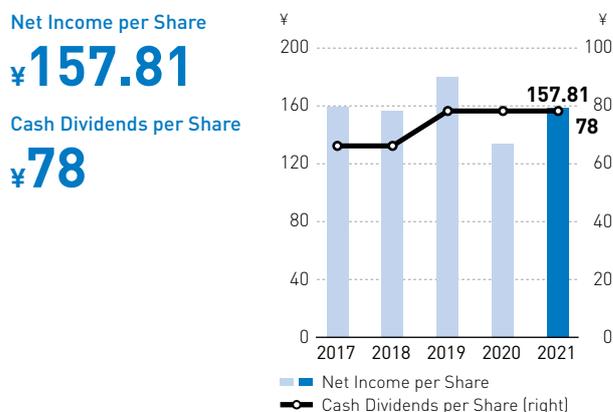
Operating income expanded, owing to higher sales in Advanced Materials Operations and lower prices for key raw materials, such as pulp and petrochemical products. The operating profit margin also improved.

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



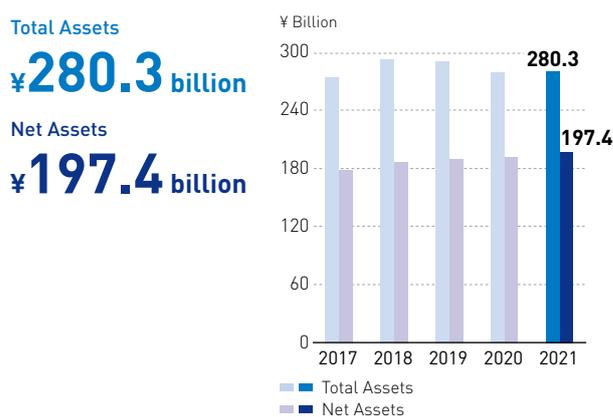
In addition to growth in operating income, loss on retirement of non-current assets and impairment loss on goodwill associated with a U.S. subsidiary both decreased, resulting in higher profit attributable to owners of parent and an improvement in ROE.

Net Income per Share / Cash Dividends per Share



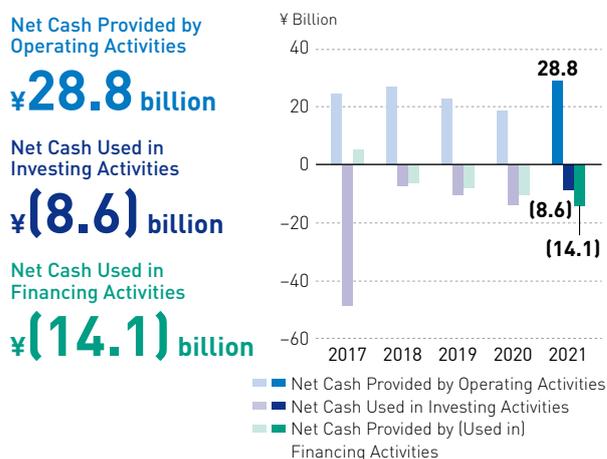
Net income per share was ¥157.81. Based on its basic policy of providing a stable and continued dividend, the Company paid a dividend of ¥78 per share, the same as in the previous fiscal year, with a dividend payout ratio of 49.4%.

Total Assets / Net Assets



Total assets increased due to growth in cash and deposits as well as other factors. Net assets also expanded, reflecting an increase in retained earnings. The equity ratio was 70.2%.

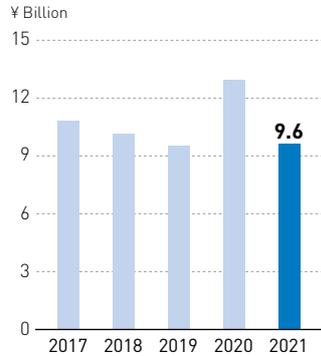
Cash Flows



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 repayments of long-term loans payable.

Capital Expenditures

¥9.6 billion



Capital expenditures totaled ¥9.6 billion due to the expansion of the release film coating facility at the Agatsuma Plant (Gunma Prefecture); the introduction of facilities to reduce CO₂ emissions; production base restructuring accompanying the management rationalization at MADICO, INC., in the U.S., etc.

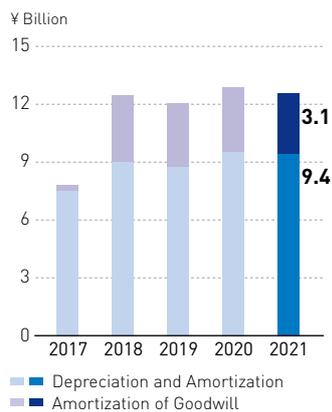
Depreciation and Amortization / Amortization of Goodwill

Depreciation and Amortization

¥9.4 billion

Amortization of Goodwill

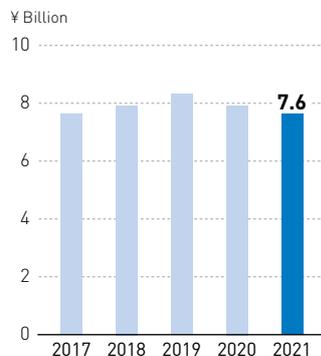
¥3.1 billion



Depreciation and amortization were ¥9.4 billion. Also, amortization of goodwill was ¥3.1 billion, due principally to the amortization of goodwill resulting from the acquisition of MACTAC AMERICAS, LLC, at the end of 2016.

R&D Expenses

¥7.6 billion

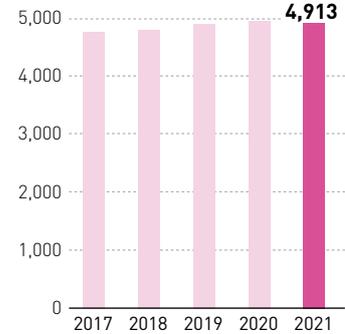


R&D expenses were ¥7.6 billion, with Printing and Industrial Materials Products accounting for ¥2.7 billion; Electronic and Optical Products for ¥3.7 billion; and Paper and Converted Products for ¥1.2 billion.

Non-financial Information

Number of Employees

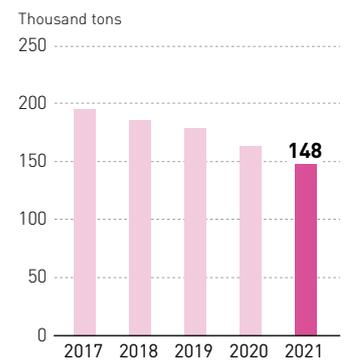
4,913



On a consolidated basis, the number of employees was 4,913, a decrease of 35 employees year on year. On a non-consolidated basis, LINTEC had 2,618 employees, up 34 from the previous year.

CO₂ Emissions

148 thousand tons



CO₂ emissions volume was down 15,000 tons year on year, to 148,000 tons. This was attributable to the installation of new facilities at production bases to reduce environmental impacts, and lower production volumes, etc.

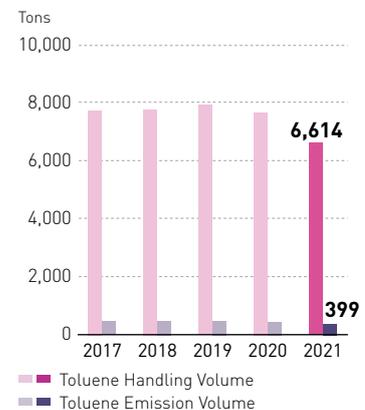
Toluene Handling Volume / Toluene Emission Volume

Toluene Handling Volume

6,614 tons

Toluene Emission Volume

399 tons



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-less products, etc.

A Message from the President



Makoto Hattori

Representative Director
President, CEO and COO

We are making steady progress on the new medium-term business plan with the aim of achieving our long-term vision LSV 2030.

Review of Fiscal Year Ended March 31, 2021

The fiscal year ended March 31, 2021, my first year as president of LINTEC, was intended to mark the commencement of a new medium-term business plan after the end of the previous plan, LINTEC INNOVATION PLAN 2019 (LIP-2019), which concluded in the fiscal year ended March 31, 2020. However, in preparation for applying the Accounting Standard for Revenue Recognition from the fiscal year ending March 31, 2022, the Company instead took steps toward achieving its single-year targets. To sum up the fiscal year under review, I would define it as a period when the Company was seriously affected by the COVID-19 pandemic, which emerged at the tail end of the previous fiscal year. As global economic activity slumped, demand weakened in most of our product and business fields. However, in Advanced Materials Operations, which focuses on products

related to semiconductors and electronic components, demand was robust thanks to the proliferation of teleworking and stay-at-home demand. When we announced the financial results of the second quarter in November 2020, we lowered our full-year forecasts of business results in light of weak performance in the first half. However, in February 2021 the Company raised its forecasts due to signs of a gradual recovery in economic activity, as well as the recovery of earnings in each business operation in the second half. In other words, it was a challenging year to formulate accurate forecasts. Ultimately, net sales finished higher than our upwardly revised forecast. Profit reached a new record high in Electronic and Optical Products and, overall, performance was stronger than we initially anticipated, which was a satisfactory result in a challenging year.

Consolidated Business Results in Fiscal Year Ended March 31, 2021

	Initial full-year forecasts (as of May 2020)	Downward revision to full-year forecasts (November 2020)	Upward revision to full-year forecasts (February 2021)	Results	Previous year's results
Net Sales	¥240.0 billion ▶	¥226.0 billion ▶	¥233.0 billion ▶	¥235.9 billion	¥240.7 billion
Operating Income	¥15.0 billion ▶	¥13.0 billion ▶	¥16.0 billion ▶	¥17.0 billion	¥15.4 billion
Profit Attributable to Owners of Parent	¥11.0 billion ▶	¥8.5 billion ▶	¥10.5 billion ▶	¥11.4 billion	¥9.6 billion

Background to Formulation of the Long-term Vision

Under the previous medium-term business plan, LIP-2019, the Company implemented measures to attain its targets for consolidated net sales of ¥270.0 billion, operating income of ¥25.0 billion, and both an operating income margin and ROE of more than 9% by the fiscal year ended March 31, 2020—the concluding year of the plan. In the previous plan's first year, we got off to a good start with consolidated net sales of ¥249.0 billion and operating income of ¥20.1 billion. In the second and third years of the plan, however, LINTEC was adversely affected by

U.S.–China trade friction and inventory adjustments in electronics-related markets. In the last year of the plan, we fell well short of our targets with consolidated net sales of ¥240.7 billion, operating income of ¥15.4 billion, an operating income margin of 6.4%, and ROE of 5.0%.

In light of these results, we realized that formulating and executing three-year business plans based on existing business trajectories is inadequate for plotting a future direction for the Company, and we therefore decided to create a long-term

A Message from the President

vision to map out the route the LINTEC Group should take up to 2030. Accordingly, we will formulate and execute medium-term business plans every three years as milestones toward realizing this vision. After much internal discussion, we believe the LINTEC Group, through its business activities, should help resolve social issues including global warming, global

population growth, the declining birth rate, the aging population and population decline in Japan, and the ongoing COVID-19 pandemic. With sustainability as a key word, we drew up our long-term vision, LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), and a new medium-term business plan, LSV 2030-Stage 1, through the fiscal year ending March 31, 2024.

Previous Medium-term Business Plan

LINTEC INNOVATION PLAN 2019 (LIP-2019)

Period: From April 2017 to March 2020

Basic Policy: Deepening innovation aimed at driving new growth

Key Initiatives

① Strengthening of regional strategy

- (1) Increase in the domestic share and development of new markets and new demands
- (2) Strategic investment and business expansion in the Asian region
- (3) Expansion of the existing fields in Europe and America and the pursuit of synergies with the acquired subsidiaries

② Creation of new value

- (1) Creation of differentiated products that exceed customer needs
- (2) Development of next-generation products anticipating market changes

③ Bolstering the corporate structure

- (1) Ensuring soundness of the Group companies and continual increase in earnings
- (2) Promotion of cross-sectional operational reforms
- (3) Further promotion of cost structure reforms

④ Activities for realizing a sustainable society

- (1) Promotion of business activities conducive to solving social concerns
- (2) Promotion of work-style reforms, fostering of diverse human resources, and encouragement of their active participation in the workplace

	Numerical Targets for Final Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2020
Net Sales	¥270.0 billion	¥240.7 billion
Operating Income	¥25.0 billion	¥15.4 billion
Operating Profit Margin	More than 9%	6.4%
ROE	More than 9%	5.0%

Basis of the Long-term Vision

We formulate and execute medium-term business plans a every three years as milestones toward achieving our vision for 2030.



Outline of the Long-term Vision LSV 2030

The basic policy of LSV 2030 is to contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth, with the following three key initiatives and financial indicators.

Solve Social Issues

The first initiative is to help solve social issues by stepping up our efforts in ESG*1 and the SDGs.*2 In its environmental initiatives, which are our contribution to achieving a carbon-free world, the LINTEC Group aims to reduce CO₂ emissions by 50% or more by 2030, compared with the fiscal 2013 level, and achieve net zero emissions by 2050 through the installation of solar power and cogeneration systems at its production bases, as well as through the utilization of green electricity from renewable energy sources. Furthermore, the Company is building a recycling system for release paper and release film and expanding the range of recyclable products, biomass products, and biodegradable products with the intention of moving closer to a recycling-oriented world. In addition, the Company aims for zero atmospheric emissions of volatile organic compounds (VOCs) by 2030 through the use of high-performance exhaust gas processing equipment, while also moving toward solvent-less products in the coating process for adhesives and release agents.

On the social front, while respecting human rights, the LINTEC Group seeks to be highly regarded for its business activities by disclosing information in a timely manner to build good relationships with stakeholders. For work-style reforms, the Company promotes diversity, including in its systems, while encouraging employees to balance work with life, such as by teleworking. In addition to putting quality and customers first, we aim to provide products and services that exceed the expectations of our customers, ultimately improving corporate value.

In terms of governance, the Company aims to improve the effectiveness of its Board of Directors by proactively appointing outside directors who have objective viewpoints, a wealth of knowledge, and extensive experience. We intend to strengthen governance by ensuring appropriate information disclosure and transparency, as well as by enhancing and advancing constructive dialogues with shareholders and investors.

As for the SDGs, we are accelerating efforts centered on the SDGs Committee, a Companywide organization that was created in 2018. We aim to be a group of companies that can contribute to the achievement of the SDGs through our business activities.

Target for Reducing CO₂ Emissions

At least 50%
by 2030 compared with fiscal 2013 level

*1 ESG: Environmental, social, and governance—three fields that companies should focus on to sustain growth

*2 SDGs: Sustainable Development Goals. Adopted at the U.N. Summit in 2015, the SDGs consist of 17 goals and 169 targets for achieving a sustainable society.

A Message from the President

Foster Innovation to Build a Robust Corporate Structure

Our second initiative is to foster innovation to build a robust corporate structure, because we believe it is necessary to have such a corporate structure to contribute to the realization of a sustainable society. As the business environment surrounding the LINTEC Group rapidly changes, it will retain its competitive advantages by strongly pushing for change in design, development, manufacturing, logistics, and business processes through digital transformation (DX) projects. With regard to the production equipment at all of our plants, we are reviewing coating methods and drying processes. We will also scrap and build equipment with the aim of saving energy, increasing quality and efficiency, and reducing labor. By updating production processes, we intend to sharpen our cost competitiveness. Moreover, by reviewing businesses and products with few growth prospects and low margins, LINTEC is advancing a sweeping restructuring to improve the health of management at Group companies with sluggish earnings. The Company aims to maximize profits by executing these measures and keenly engaging in R&D, with the purpose of increasing capital efficiency while maintaining a solid financial foundation.

Create New Products and Businesses to Deliver Sustainable Growth

The third and final initiative is to create new products and businesses, which is essential to sustaining growth. Using our accumulated unique technologies and development capabilities, we aim to create new products and businesses with technological innovations and novel ideas that break stereotypes. LINTEC is developing products that help solve social issues, mainly focusing on the fields of electronics, energy, thermal, resources and emissions, and the 3Rs (reduce, reuse, and

recycle). We are also taking a flexible approach to both M&A in cases when synergies seem possible and strategic investments to expand growth businesses. Moreover, we must establish localization so that overseas Group companies can expand earnings autonomously and at their own pace. The Company intends to sharpen its competitiveness further by creating products that align with market needs and procuring raw materials locally, based on the concept of local production.

Financial Indicators for Fiscal Year Ending March 31, 2030

Financial indicators for the fiscal year ending March 31, 2030, the final year of our vision, include an operating income margin of at least 12% and ROE of a minimum of 10%. LINTEC is keen to improve profitability and realize returns far in excess of the cost of capital. We did not set numerical targets for net sales and operating income because of uncertainties related to future laws, regulations, and accounting standards, thinking that it would not be prudent to use these metrics as 10-year targets. We also believe it would not be appropriate to commit to a major sales target while being unable to ascertain whether new, growing businesses will succeed or not. For this reason, our long-term vision includes only profitability metrics as numerical targets. In past medium-term business plans, the Company tended to emphasize net sales and operating income. In contrast, our new long-term vision is a break from this past, as it focuses more on profitability and capital efficiency. In aiming for sustained growth as a company, it is naturally important for LINTEC to pursue higher levels of net sales and operating income. Accordingly, these targets will be included in the new and subsequent three-year medium-term business plans.



Long-term Vision

LINTEC SUSTAINABILITY VISION 2030 (LSV 2030)



Basic Policy: Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth

Key Initiatives

① Solve social issues

(1) Environment

- Help to shape a carbon-free world
- Help to shape a recycling-oriented world
- Comply with the PRTR Act
- Contribute to biodiversity preservation initiatives

(2) Society

- Respect human rights
- Provide proper information disclosure to stakeholders
- Promote work-style reform initiatives
- Promote the quality-first and customer-first approaches

(3) Governance

- Strengthen corporate governance
- Further increase effectiveness of the Board of Directors
- Ensure the timely disclosure of corporate information and the transparency of management
- Engage in constructive dialogue with stakeholders and investors

(4) Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)

② Foster innovation to build a robust corporate structure

- (1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)
- (2) Install new production equipment through scrap and build, with the aim to conserve energy, raise quality, increase efficiency, and reduce labor
- (3) Strengthen cost competitiveness with innovation in production processes
- (4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies
- (5) Maintain a solid financial base and improve capital efficiency

③ Create new products and businesses to deliver sustainable growth

- (1) Create new products and businesses driven by technological innovation
- (2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)
- (3) Move aggressively to win a greater presence in the global market
- (4) Establish localization

Financial indicators for the fiscal year ending March 31, 2030

Operating Profit Margin **12% or more**

ROE (Return on Equity) **10% or more**

A Message from the President

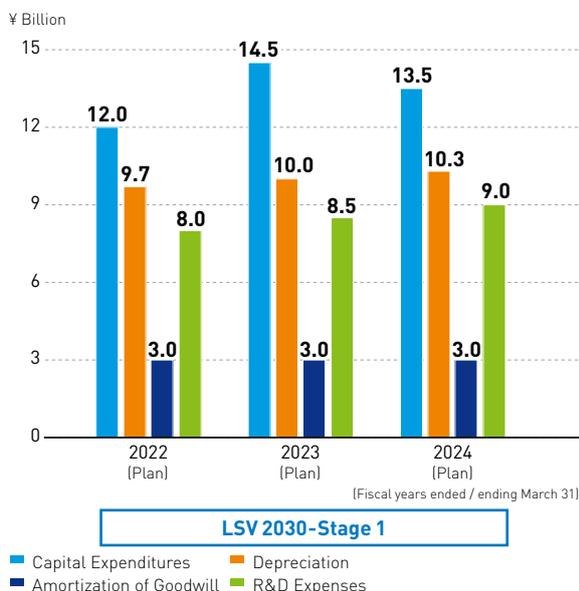
New Medium-term Business Plan LSV 2030-Stage 1

Launched with the realization of our long-term vision in mind, LSV 2030-Stage 1 is our new medium-term business plan that finishes in the fiscal year ending March 31, 2024. Under this new plan, the Company targets net sales of ¥255.0 billion, operating income of ¥21.0 billion, profit attributable to owners of parent of ¥14.0 billion, an operating income margin of 8% or higher, and ROE of 7% or higher by the plan's concluding year. I would like to ensure that we achieve this plan as the first milestone for our 2030 vision.

Immediately following the launch of LSV 2030-Stage 1, LINTEC began implementing a variety of measures. In April 2021, the Company updated its promotion system by replacing the previous CSR promotion framework with the Sustainability Committee, which is headed by myself, in order to strengthen LINTEC's sustainability efforts through development of the CSR activities we have been promoting. With the approval of a resolution by the General Meeting of Shareholders held in June, the Company reinforced its governance structure by having a one-third ratio of independent outside directors on its Board of Directors. On the business side, LINTEC acquired DURAMARK PRODUCTS, INC., a manufacturer of adhesive products in the U.S., in April, with the intention of expanding its production capacity.

We have budgeted ¥40.0 billion for capital investments over the next three years, including for installing both equipment to help reduce CO₂ emissions and equipment for producing semiconductor-related adhesive tape and multilayer ceramic capacitor-related tape, demand for which is likely to remain brisk, as well as for upgrading the Company's factories to improve quality and cut production costs.

Capital Expenditures / Depreciation / Amortization of Goodwill / R&D Expenses



Total amount for three-year period of LSV 2030-Stage 1

Capital expenditures ¥40.0 billion	Depreciation ¥30.0 billion
Amortization of goodwill ¥9.0 billion	R&D expenses ¥25.5 billion

Main Initiatives in Each Business Segment

As for main initiatives in the Printing and Industrial Materials Products segment, in Printing & Variable Information Products, LINTEC is expanding production bases and strengthening marketing capabilities in North America and Asia, while aiming to improve earnings by reinforcing QCD (quality, cost, and delivery) efforts. To further generate synergies with the MACTAC Group, LINTEC is concentrating on expanding sales in Japan and Asia for hot melt products, such as labelstock suitable for use in chilled environments, in addition to furthering the development of the North American market for high-value-added LINTEC products. In Industrial & Material Operations, our priority is to increase sales worldwide while developing high-performance window film products. Additionally, we aim to develop and bring to market new automotive adhesive products

that contribute to the reuse and recycling of parts through materials where high frequencies are used for joining and releasing functions.



Labelstock suitable for use in chilled environments

With regard to Advanced Materials Operations of the Electronic and Optical Products segment, LINTEC is strengthening its product supply structure to meet robust demand in semiconductor- and electronic component-related markets and working tirelessly to develop new products for next-generation device production processes. Concerning products that use carbon nanotubes, LINTEC aims to commercialize pellicles used as anti-dust covers on extreme ultraviolet (EUV) lithography systems on the leading-edge of semiconductor production process technologies. In Optical Products Operations, meanwhile, the Company seeks to develop and increase sales of new products, including optical clear adhesive (OCA) sheets for automobiles, and develop adhesives for next-generation displays, such as those used in foldable smartphones, and thinning adhesives.

In Fine & Specialty Paper Products Operations of the Paper and Converted Products segment, to address demand related to the move away from plastic in recent years, LINTEC is keen to grow sales of food containers that use oil- and water-resistant paper such as food wrappers for fast-food chains, as well as high-performance specialty paper that helps reduce food loss. Turning to Converted Products Operations, as part of strengthening its initiatives for the environment, LINTEC will promote the use of solvent-less release paper to lower the use of organic solvents and atmospheric emissions of VOCs, and endeavor to expand its range of products that do not use polyethylene resins. We are also trying to increase sales of casting paper for synthetic leather used in automobile seats and interiors.

Acquisition of U.S.-Based DURAMARK PRODUCTS, INC.

On April 1, the LINTEC Group acquired DURAMARK PRODUCTS, INC., a manufacturer of adhesive products in the U.S. The company has not only production facilities for formulation of various adhesives and high-speed coating of adhesive products for labels but also an integrated production structure for graphic film, such as decorative wall coverings. With this acquisition, DURAMARK PRODUCTS was added to the group for MACTAC AMERICAS, LLC, LINTEC's subsidiary and industry peer in the U.S. We expect the acquisition of DURAMARK PRODUCTS to provide a synergistic boost from higher sales thanks to expanded production capacity for label adhesive products and lower costs from the in-house production of graphic film. We aim to expand earnings in the North American market as it continues to steadily grow.

Outline of DURAMARK PRODUCTS, INC.

Company name	DURAMARK PRODUCTS, INC. (company name changed to MACTAC, INC., on April 8)
Founded	1983
Location	South Carolina, U.S.
Business	Production and sale of adhesive products for labels and graphic film
Net sales	\$76 million (fiscal year ended December 31, 2020)
Acquisition price	Approx. \$60 million (100% ownership)



New Medium-term Business Plan

LSV 2030-Stage 1



Management targets for the fiscal year ending March 31, 2024 (final year)



* LINTEC unveiled LSV 2030-Stage 1 on March 18, 2021. To reflect the acquisition of U.S.-based DURAMARK PRODUCTS on April 1 of the same year, the Group carried out an investigation and review, then changed its net sales forecast from the original ¥240.0 billion to ¥255.0 billion. However, it did not modify its profit forecasts because the anticipated impact of said acquisition is minor.

* Accounting Standard for Revenue Recognition has been adopted since the fiscal year ending March 31, 2022.

Main Initiatives for Each Business Segment

Printing and Industrial Materials Products

Printing & Variable Information Products Operations

- Expand production bases and strengthen sales capabilities overseas, including the United States and Asia

Industrial & Material Operations

- Expand sales of window film and develop high-performance products in Japan and overseas

Electronic and Optical Products

Advanced Materials Operations

- Expand market share of semiconductor- and electronic component-related products through active investment

Optical Products Operations

- Develop adhesives for next-generation displays

Paper and Converted Products

Fine & Specialty Paper Products Operations

- Develop and expand sales of new products that promote deplasticization and reduce food loss

Converted Products Operations

- Promote solvent-less and polyethylene-free release paper

* Please see pages 31–39 for details about initiatives in each business operation.

In Closing

The keys to achieving the financial indicators in our long-term vision are creating new products and businesses and improving earnings through rationalization and optimization of existing businesses. The fact that the Electronic and Optical Products segment currently accounts for approximately 80% of operating income is not ideal, and we urgently need to address unprofitable businesses and rebuild overseas Group companies. There have been some comments from shareholders and investors that we should consider withdrawing from low-margin businesses; even the semiconductor industry, which has been on a growth trajectory, periodically goes through a corrective phase. Protecting employment is important from an ESG perspective, especially amid the aforementioned circumstances, and LINTEC intends to build an optimal business portfolio while reassessing how best to balance its resources and analyzing and addressing issues in each business.

LINTEC has set up a variety of development-focused entities—such as the New Project Planning Office, the Technical Planning Office, and the Next Generation Innovation Group—for creating new products and businesses. While keeping abreast of needs in each domain, which vary in terms of target markets

and development time frames, LINTEC will build a structure able to supply new products as early as possible. At every opportunity, I convey to all employees of the LINTEC Group that I would like them to think about what kinds of products there should be from a customer perspective, namely their own perspective, when considering market needs. This line of thinking leads to the development of products that customers truly desire and products that exceed those expectations. Although it is important to create products at the request of customers, I believe the market will come to value LINTEC more if we can create new products by tapping into emerging needs.

The LINTEC Group's long-term vision, LSV 2030, is not perfect. We plan on refining it, incorporating the opinions of outside directors on the Sustainability Committee, and having each division and department hold regular discussions, with consideration paid to changes in business conditions and the state of new product development. With our sights set on realizing LSV 2030, we are working in unison as a company to achieve the objectives outlined in LSV 2030-Stage 1. I am grateful to and ask for the unwavering support of our shareholders and investors in this regard going forward.



Makoto Hattori
Representative Director
President, CEO and COO



Strategy

LINTEC is working to raise corporate value by efficiently utilizing the assets built up to date, developing products that meet market needs, and delivering them to a large number of customers in Japan and overseas. This section introduces LINTEC's financial, marketing, and research strategies, centered on messages from the executive general manager of the Administration Div., who is the Company's CFO; the executive general manager of the Business Administration Div., who is the head of the Marketing Division; the executive general manager of each business operation, and the executive general manager of the Research & Development Div.

A Message from the CFO

Focus on Increasing Profitability and Capital Efficiency

Yoichi Shibano

Director, Senior Executive Officer, and CFO, Executive General Manager, Administration Div. and General Manager, Finance & Accounting Dept.



Review of Fiscal Year Ended March 31, 2021, and Outlook for Fiscal Year Ending March 31, 2022

Backed by strong demand related to semiconductors and electronic components as teleworking took off, sales expanded in Advanced Materials Operations during the fiscal year ended March 31, 2021. Although signs of recovery appeared in other operations from the third quarter, weak demand during the COVID-19 pandemic had an outsized impact, resulting in a second straight year of decline in consolidated net sales. Operating income expanded 10%, with record-setting profit in the Electronic and Optical Products segment thanks to robust performance in Advanced Materials Operations.

For the fiscal year ending March 31, 2022, although the pandemic makes it hard to draw accurate projections, LINTEC

targets growth in both sales and profits on the assumption that business conditions will gradually recover, with governments enacting economic stimulus and more people getting vaccinated around the world. Looking at recent conditions, demand continues to show an overall recovery, but with the pandemic still an unpredictable factor, we are closely watching trends in prices for pulp, which remain high, and petrochemical raw materials prices. The Company has adopted the Accounting Standard for Revenue Recognition from the fiscal year ending March 31, 2022, and estimates this change will reduce net sales ¥13.6 billion.

FY2021 Consolidated Results and FY2022 Forecasts

	Fiscal year ended March 31, 2021 (year on year)	Fiscal year ending March 31, 2022 (year on year)
Net Sales	¥235.9 billion (down 2.0%)	¥240.0 billion (up 1.7%)
Operating Income	¥17.0 billion (up 10.3%)	¥17.5 billion (up 2.8%)
Profit Attributable to Owners of Parent	¥11.4 billion (up 18.6%)	¥12.5 billion (up 9.6%)

* Forecasts for the fiscal year ending March 31, 2022, reflect the application of the Accounting Standard for Revenue Recognition. The year-on-year figures are shown for reference.

A Message from the CFO

Financial Condition and Investment Strategy

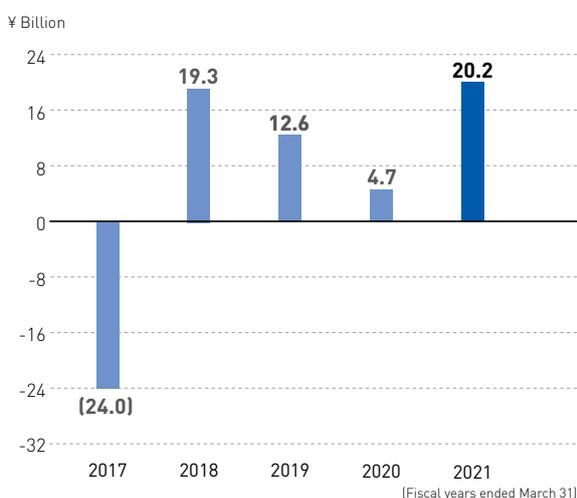
The LINTEC Group is financially sound, with a high equity ratio of 70.2% as of March 31, 2021. The Company has approximately ¥62.0 billion in cash, and only ¥5.0 billion in borrowings. Shareholders and investors often ask how we plan to use this cash going forward. Approximately 60% of this cash is held by overseas consolidated subsidiaries as working capital and funds for equipment, and the remaining 40% is kept at the parent as reserve funds for market fluctuations. At less than two months of non-consolidated net sales, this amount of cash is not unmanageable, in our opinion.

We are keen to make the necessary investments from a stable financial foundation. Under the medium-term business plan, LSV 2030-Stage 1, which started in the fiscal year ending March 31, 2022, ¥40.0 billion has been budgeted over the three years of the plan for investments to expand production of electronics-related products likely to see high demand, and environment-related investments that are increasingly expected of a manufacturer. At the same time, LINTEC will consolidate its production facilities and make its plants smarter. In the initial fiscal year of the plan, the Company will target investments of approximately ¥12.0 billion for expanding capacity for release film coating equipment at its Agatsuma Plant (Gunma Prefecture) and release paper coating equipment at its Kumagaya Plant (Saitama Prefecture), as well as install equipment to reduce CO₂ emissions at all of its plants.

Regarding M&A, the LINTEC Group will consider promising deals with an open mind and, if one is found, Administration Division will carefully evaluate profitability and risks. In April

2021, LINTEC acquired DURAMARK PRODUCTS, INC., a maker of adhesive products in the U.S. We believe this acquisition will spur growth in earnings on the stably expanding North American market, anticipating synergies such as cost reductions from the in-house production of graphic film, and the expansion of production capacity in the same business at MACTAC AMERICAS, LLC, which was turned into a subsidiary in 2016. The acquisition of DURAMARK PRODUCTS, INC., generated negative goodwill of approximately ¥0.3 billion, which was booked as an extraordinary profit in the first quarter of the fiscal year ending March 31, 2022.

Free Cash Flows



Initiatives to Increase Profitability and Capital Efficiency

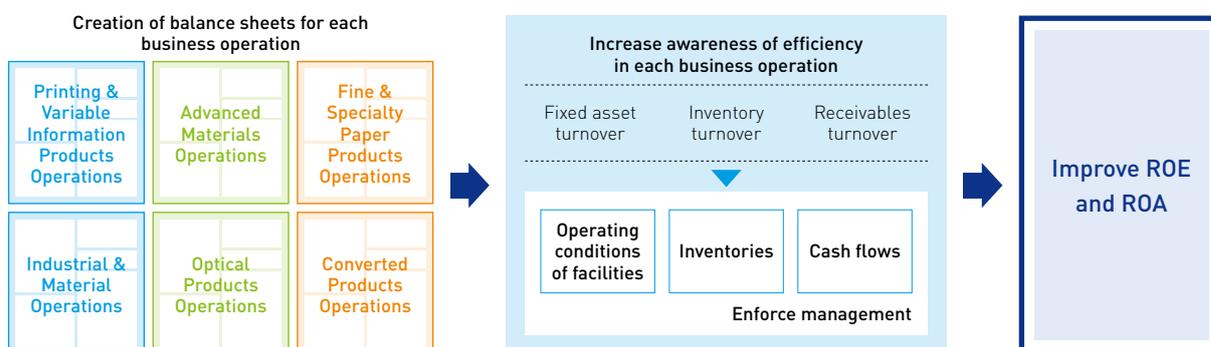
One of the Group’s advantages is its stable financial foundation, but low levels of profitability and capital efficiency in some businesses have become a serious issue. The Printing and Industrial Materials Products segment, which accounted for about 50% of consolidated net sales, recorded an operating loss of ¥0.2 billion in the fiscal year ended March 31, 2021, as earnings deteriorated during the pandemic. The Company’s countermeasure teams are rebuilding the business with the aim of improving profitability by reviewing raw materials, increasing yields, and reducing fixed costs while collaborating with the Business Administration Div., Production Div., Procurement Div., and Research & Development Div.

To better understand and manage capital efficiency in each business operation, we plan to create balance sheets for each of them starting in the fiscal year ending March 31, 2022.

This will facilitate the proper management of assets and analysis of reasons for unprofitability. Setting turnover ratios for inventories and fixed assets as KPIs, we intend to create a work environment where all employees are more aware of margins and profitability.

In addition, it is important to advance DX projects with the objective of improving operations Companywide. In the Administrative Div. that oversees information system-related matters, we are already implementing projects for data visualization with business intelligence tools and are digitalizing internal approval processes. However, we must further accelerate our DX projects going forward. With the cooperation of the Business Process Re-engineering Office, we will evaluate the rollout of new systems to enhance productivity.

Flow of balance sheets for each business operation

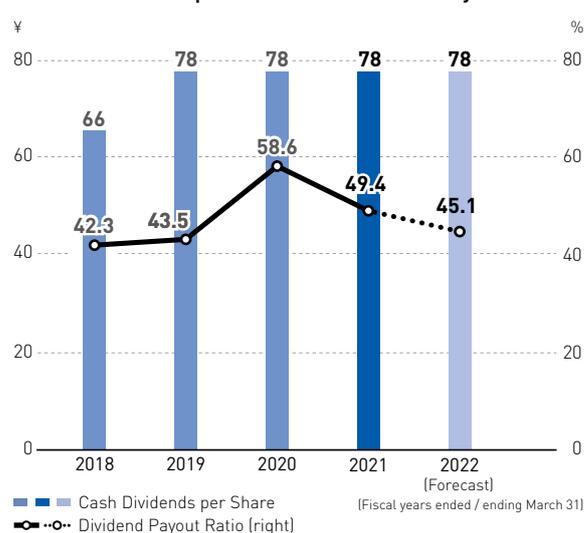


Enhancement of Shareholder Returns

LINTEC's basic policy for shareholder returns is to provide stable and continued dividends with consideration for each fiscal year's consolidated performance, while also working to strengthen our management foundation. Under this policy, the Company distributed an annual dividend of ¥78 per share in the fiscal year ended March 31, 2021. Based on its estimate for net income of ¥172.91 per share, we plan to pay the same dividend of ¥78 per share for the fiscal year ending March 31, 2022, for a dividend payout ratio of 45.1%.

The Company is considering putting more emphasis on DOE as an indicator in its dividend policy, even though it was not incorporated when drawing up the long-term vision and medium-term business plan. By setting a minimum level for DOE, it would be possible to consistently distribute the stable dividend linked to performance that LINTEC has been aiming for. Improving returns for shareholders is one of the most important issues for management, and we are internally discussing the best way to allocate profits.

Cash Dividends per Share / Dividend Payout Ratio



My Mission as CFO

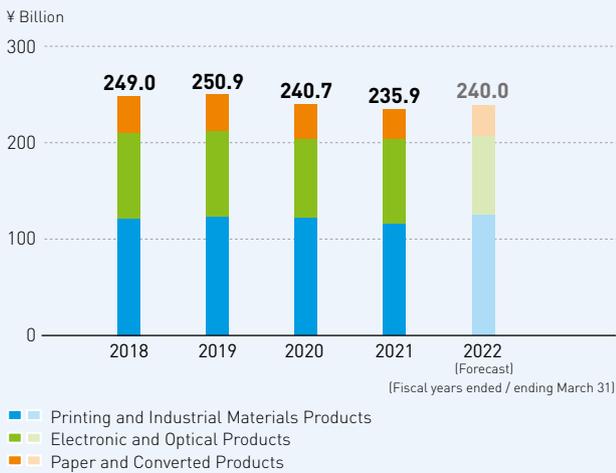
With an eye on 2030, our first move during the fiscal year ending March 31, 2022, will be to create balance sheets for each business operation, setting various themes for each one, such as maintaining a strong financial position, addressing changes in accounting standards, and accelerating announcement of consolidated results. Setting targets for ROE and ROA does not give a majority of employees a concrete idea of what to do, so we have made an effort to explain the meaning and

importance of these financial indicators. We will clarify the specific measures that need to be taken to increase capital efficiency, while identifying the assets that belong in each business operation, and how efficiently these assets generate profits. We also aim to support the realization of our long-term vision by increasing operational efficiency with DX and strengthening global financial management.

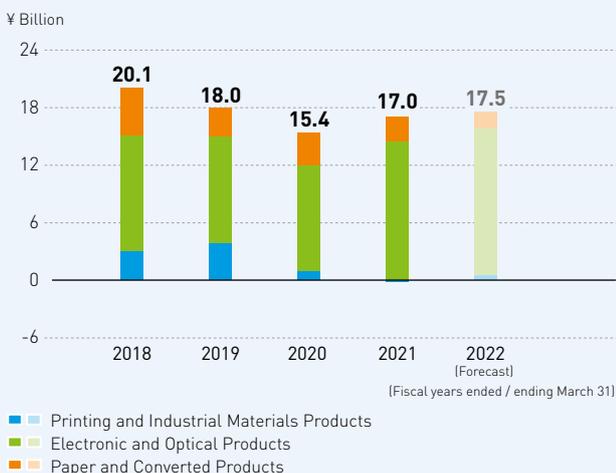
Showcasing Our Value through Our Products

LINTEC has cultivated four core technologies over many years, and by combining these technologies in a sophisticated manner, the Company has developed numerous groundbreaking products. Under the Business Administration Div., six operations bring these products to market and help address issues in a variety of industries.

Consolidated Net Sales



Consolidated Operating Income



* Forecasts for the fiscal year ending March 31, 2022, reflect the application of the Accounting Standard for Revenue Recognition.



Based on the similarities of their products, technologies, and markets, the Group's six operations are classified into three segments—Printing and Industrial Materials Products, Electronic and Optical Products, and Paper and Converted Products.

See page 31 for details.

Printing and Industrial Materials Products

Main Products

Printing & Variable Information Products Operations

- Adhesive papers and films for labels
- Adhesive papers and films for barcode labels

Industrial & Material Operations

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

Percentage of total sales:

49%

(Fiscal year ended March 31, 2021)

See page 34 for details.

Electronic and Optical Products

Main Products

Advanced Materials Operations

- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Multilayer ceramic capacitor-related tapes

Optical Products Operations

- Polarizing films / adhesive processing
- Touch screen-related products

Percentage of total sales:

38%

(Fiscal year ended March 31, 2021)

See page 37 for details.

Paper and Converted Products

Main Products

Fine & Specialty Paper Products Operations

- Color papers for envelopes
- Colored construction papers
- Special function papers
- High-grade printing papers
- Construction material papers

Converted Products Operations

- Release papers for general-use adhesive products
- Release papers for electronic materials
- Release films for optical-related products
- Casting papers for synthetic leather
- Casting papers for carbon fiber composite materials

Percentage of total sales:

13%

(Fiscal year ended March 31, 2021)

A Message from the Executive General Manager, Business Administration Div.

We rapidly address changing market needs on the way to realizing our vision.

I believe LINTEC's mission is to remain a corporate group that is meaningful to society by supplying many products that are needed around the world. A major theme in our long-term vision through 2030 is ensuring that our business activities help to achieve the Sustainable Development Goals (SDGs). To do so, we must sustain growth as a company and reinforce the resilience of our corporate structure. Printing and Industrial Materials Products, which should normally support the Group's earnings as a core business, posted an operating loss due to a slump in the market during the COVID-19 pandemic in the fiscal year ended March 31, 2021. However, we intend to quickly restore profitability by reviewing the business structure and restructuring overseas subsidiaries.

Amid rapid changes in the market environment, with advances in digital technology and growing needs to be environmentally conscious, the LINTEC Group must quickly respond to these changes by fully leveraging its proprietary technological capabilities and strengths that have been built up over the years. Paper has drawn attention as an environmentally responsible material.

One of LINTEC's biggest strengths is its broad product lineup, from specialty paper to adhesive products, and if we can develop paper with new functionality, this would lead to the creation of adhesive products that take advantage of this functionality. From a Companywide perspective, we aim to develop products that are innovative in this way. Furthermore, we will aggressively implement capital expenditure in creating groundbreaking new products and businesses. The SDGs Committee, where I serve as an officer in charge of their promotion, has come up with various ideas to help solve social issues, and we aim to put them into action soon.

In the fiscal year ended March 31, 2021, the LINTEC Group's overseas sales ratio rose above 50% for the first time ever, and the Company must increase this ratio further to sustain growth. In addition to strengthening relationships with Japanese companies operating overseas, we will work closely with local client companies and raw materials makers with the objective of establishing localization.



Takeshi Kaiya

Director
Managing Executive Officer
Executive General Manager,
Business Administration Div.

Printing and Industrial Materials Products

Printing & Variable Information Products Operations / Industrial & Material Operations

Main Markets

-  Food related
-  Consumer electronics related
-  Building related
-  Daily necessities related
-  Distribution and logistics related
-  Automobile related

Strengths

- Long record of supplying numerous customers and a large market share in the domestic market
- Ability to provide comprehensive solutions that combine adhesive products for labels and labeling machines

Opportunities

- Increase in environmental awareness around the world
- Growth in online sales market

Weaknesses

- Brand power and price competitiveness in overseas markets
- Profitability of manufacturing subsidiaries in the U.S. and Southeast Asia

Threats

- Sluggish growth for the domestic market as a whole, full-scale entry into the domestic market by large overseas manufacturers
- Emergence of local makers in Southeast Asia, and tougher competition with them
- Slump in domestic and overseas markets due to COVID-19

Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

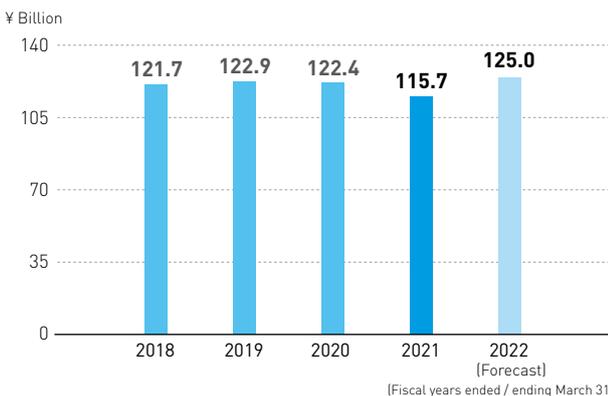
Printing & Variable Information Products Operations

- Expand production bases and strengthen sales capabilities overseas, including the U.S. and Asia
- Generate synergies with the MACTAC Group
- Pursue initiatives to coexist harmoniously with the environment and help build a recycling-oriented world
- Strengthen QCD and increase profits

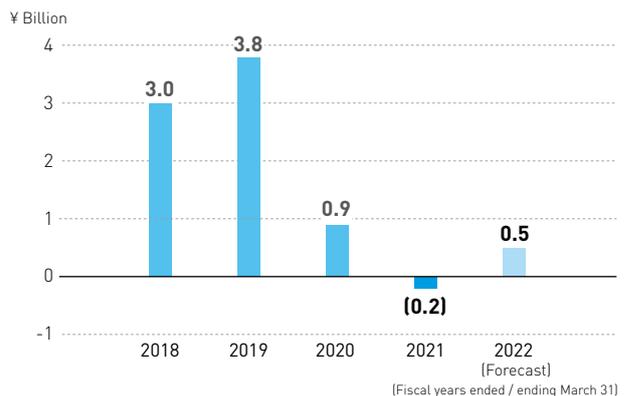
Industrial & Material Operations

- Expand sales of window film and develop high-performance products in Japan and overseas
- Expand sales of automated systems centered on labeling technology
- Launch new automotive products
- Develop wall covering materials by applying digital printing

Net Sales by Segment



Operating Income (Loss) by Segment



* Forecasts for the fiscal year ending March 31, 2022, reflect the application of the Accounting Standard for Revenue Recognition. These forecasts include business results at DURAMARK PRODUCTS, INC. (now MACTAC, INC.), which was acquired on April 1, 2021.

Printing & Variable Information Products Operations

Main Products

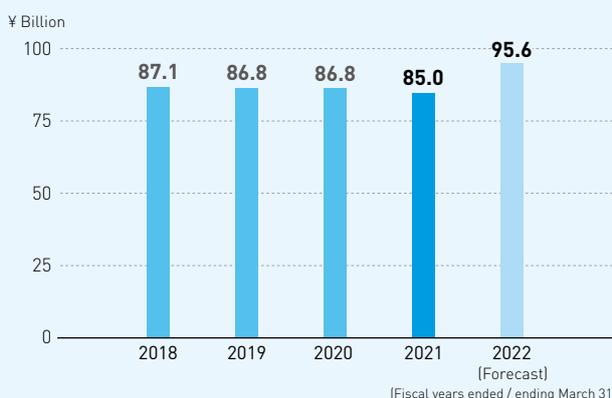
- Adhesive papers and films for labels
- Adhesive papers and films for barcode labels



Business Operations Introduction

Accounting for approximately 36% of the sales of the LINTEC Group, these are its largest operations. They manufacture and sell adhesive paper and film for labels, which are used in a wide range of fields. We have a leading share of Japan's market for adhesive film, which has particularly high added value. Overseas, we are working to expand our manufacturing and sales network, mainly in Asia, and we are focusing on increasing sales in the North American market, centered on U.S. subsidiary MACTAC AMERICAS, LLC.

Net Sales: Printing & Variable Information Products Operations



* From the fiscal year ending March 31, 2022, all products belonging to Industrial & Material Operations at MACTAC AMERICAS have been transferred to Printing & Variable Information Products Operations.

A Message from the Executive General Manager, Printing & Variable Information Products Operations

In the fiscal year ended March 31, 2021, demand for food-related labels was solid in Japan as more people ate store-bought ready-made meals at home. However, demand for labels used on cosmetics and toiletries declined, owing to a fall in demand as people refrained from leaving their homes and a reduction of inbound demand due to a lack of foreign tourists visiting Japan. Overseas,

demand was firm in the U.S., but continued to decline through the third quarter in China and Southeast Asia as the pandemic put a damper on the movement of people and cargo around the world. It was a very challenging year.

Masaaki Yoshitake

Senior Executive Officer
Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Printing & Variable Information Products Operations



The medium- to long-term strategy for this operation centers on overseas development and environmental considerations. We are moving to strengthen the production and sales structure in Asia, where major growth is likely, and the adhesive products market in North America, which continues to grow at a stable pace. In April 2021, LINTEC acquired a maker of adhesive products in the U.S. in a bid to expand its production capacity and eliminate supply shortages in North America. There is a growing need to move away from plastic and this trend will likely accelerate in the future. This will make it harder to prosper in this market unless products are environmentally friendly. LINTEC is strengthening its efforts to promote solvent-less products by using hot-melt processing technology and to utilize more recycled PET materials, as well as biodegradable and biomass materials. At the same time, we are eyeing new business opportunities by expanding our product lineup and proactively marketing products where labels can be cleanly removed after the product has been used and products with special functions. While addressing environmental concerns, LINTEC is also focusing efforts on reviewing product designs and reducing costs by streamlining products.

Industrial & Material Operations

Main Products

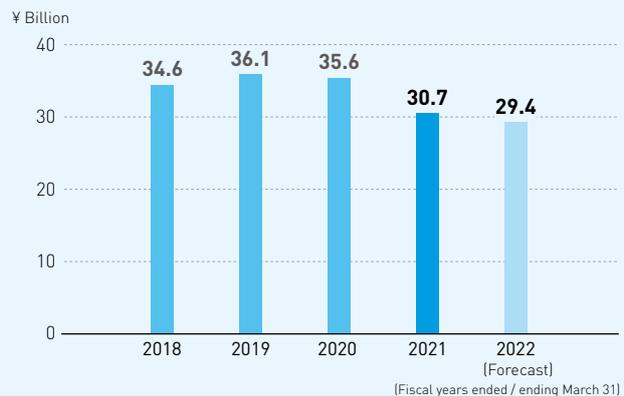
- Window films
- Films for outdoor signs and advertising
- Interior finishing mounting films
- Automobile-use adhesive products
- Industrial-use adhesive tapes
- Labeling machines



Business Operations Introduction

These operations manufacture and sell a wide range of products. Our window film offers various functions, such as cutting out solar radiation heat and ultraviolet light when it is attached to building and automobile windows, and preventing shattering when glass is broken. Other products include decorative film for interiors, film for outdoor signs and advertising, motorcycle- and automobile-use adhesive products for such applications as vehicle body decoration and protection, industrial-use adhesive tape for bonding components in mobile and other devices, and labeling machines for efficient automated labeling.

Net Sales: Industrial & Material Operations



* From the fiscal year ending March 31, 2022, all products belonging to Industrial & Material Operations at MACTAC AMERICAS have been transferred to Printing & Variable Information Products Operations.

A Message from the Executive General Manager, Industrial & Material Operations

This operation is involved in a diverse range of product domains, a majority of which were adversely affected by the pandemic during the fiscal year ended March 31, 2021. Industrial systems-related demand was solid for delivery lines, mainly labeling machines, as growth in online sales accelerated due to stay-at-home demand. However, construction-related products, which handle decorative materials for buildings, saw sales decline sharply as events were postponed or canceled. Sales of automotive-related products and window film decreased as the drop in the first half was too steep to be overcome by a recovery on the Chinese market from the second half.

I was appointed the executive general manager of this operation in April 2021, and I believe the most important issue for the operation is transforming into one able to generate profits. While aiming to expand sales, we will proactively reassess unprofitable products. On the sales side, instead of trying to catch up with other companies, we must develop innovative products and drive growth on markets. In window film, a mainstay product, while working on the development of new products with novel functionality, the Company will utilize the production facilities of LINTEC (THAILAND) CO., LTD., and strengthen the product supply and sales structures in Southeast Asian markets. In the industrial systems-related business, which has been doing well lately, LINTEC aims to develop new markets outside online sales while reinforcing development and sales of new equipment that are one step ahead of market needs. In automotive-related products, the market is currently in a

transition period toward electric vehicles, and LINTEC is keen to develop and propose new products with an eye on the rapidly emerging needs of automakers.

Hideki Miyake

Executive Officer
Executive General Manager,
Industrial & Material
Operations, Business
Administration Div.



Electronic and Optical Products

Advanced Materials Operations / Optical Products Operations

Main Markets



Communications device related



Consumer electronics related



Automobile related



Industrial equipment related

Strengths

- Ability to provide comprehensive solutions that combine tape and equipment used in semiconductor manufacturing and mounting processes
- Long record of supplying numerous semiconductor and electronic component manufacturers worldwide and unique technological capabilities

Opportunities

- Expansion of electronics-related markets due to such factors as the spread of 5G, the IoT, and telework and increasing use of electronics in automobiles
- Technological innovation in relation to semiconductor packages, electronic components, and optical displays

Weaknesses

- Development of a new field of business to follow our semiconductor-related and electronic component-related businesses
- Profitability in optical display-related businesses

Threats

- Tougher price competition on the LCD panel market
- Supply chain disruptions caused by natural disasters

Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

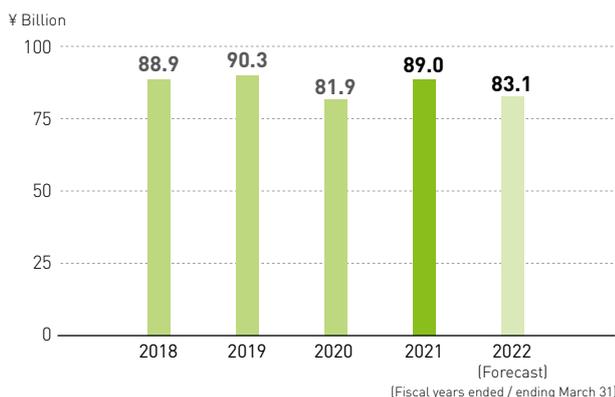
Advanced Materials Operations

- Expand market share of semiconductor- and electronic component-related products through active investment
- Develop thin-film, high-density, multilayer products for next-generation device manufacturing processes
- Develop adhesive tape for semiconductor processes used in power devices for automobiles and MEMS (Micro Electronic Mechanical Systems)
- Launch carbon nanotube products

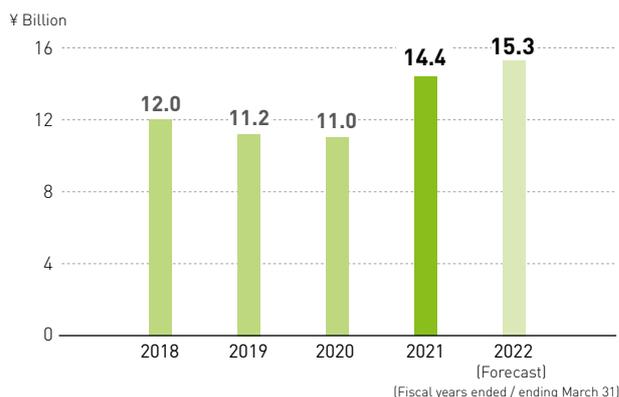
Optical Products Operations

- Develop adhesives for next-generation displays
- Develop and expand sales of new optical clear adhesive (OCA) products
- Enter new markets for light diffusion film

Net Sales by Segment



Operating Income by Segment



* Forecasts for the fiscal year ending March 31, 2022, reflect the application of the Accounting Standard for Revenue Recognition. In addition, some products in Paper and Converted Products were transferred to Electronic and Optical Products from the fiscal year ending March 31, 2022.

Advanced Materials Operations

Main Products

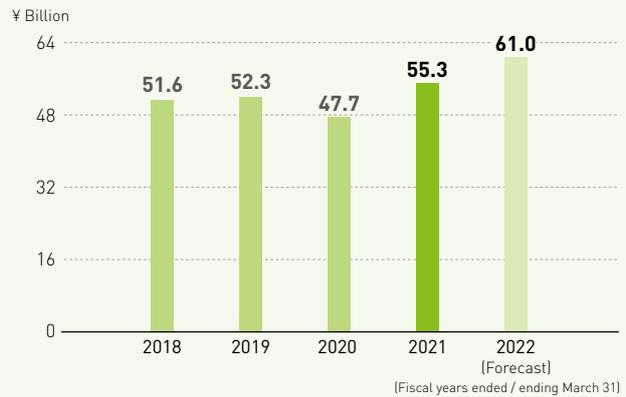
- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Multilayer ceramic capacitor-related tapes



Business Operations Introduction

We are building a unique position in the electronics industry, which is expected to continue to record substantial growth. Our products include specialized adhesive tape that plays an important role in semiconductor manufacturing and mounting processes, and we also make equipment that fully leverages this tapes' special features. In addition, we produce and sell release film that is crucial in the production of multilayer ceramic capacitors.

Net Sales: Advanced Materials Operations



A Message from the Executive General Manager, Advanced Materials Operations

In the fiscal year ended March 31, 2021, concerns mounted amid the two global problems of prolonged U.S.–China trade friction and the COVID-19 pandemic. For Advanced Materials Operations, it was a fantastic year with record-high sales driven by changes on the smartphone market and the rapid advance of digitalization. While demand remained at strong levels, the cold snap in the U.S. in February 2021 disrupted operations at suppliers and made it harder to procure some product materials. While doing our utmost to steadily supply products, we will use this opportunity to review and strengthen our supply chains.

The three years of LSV 2030-Stage 1 are framed as a period for reinforcing the business foundation with an eye on future growth. LINTEC will smarten and digitalize business operations with DX projects and strengthen sales management systems at overseas subsidiaries, while expanding its production structure to meet strong demand on the market. At the same time, LINTEC will improve existing products, rebuild facilities, and become more environmentally friendly. Creating new products is also an essential element of future growth. The Company is keen to develop pellicles for EUV lithography systems as cutting-edge anti-dust covers used in the process of forming electronic circuits on semiconductor wafers, tape used in the micro LED production process, and

modules that take advantage of the Seebeck effect to generate electricity through temperature differences. In the future, we aim to develop business for developing and proposing innovative semiconductor production processes.

Kinya Mochida

Senior Executive Officer
Deputy Executive General Manager,
Business Administration Div. and
Executive General Manager,
Advanced Materials Operations



Optical Products Operations

Main Products

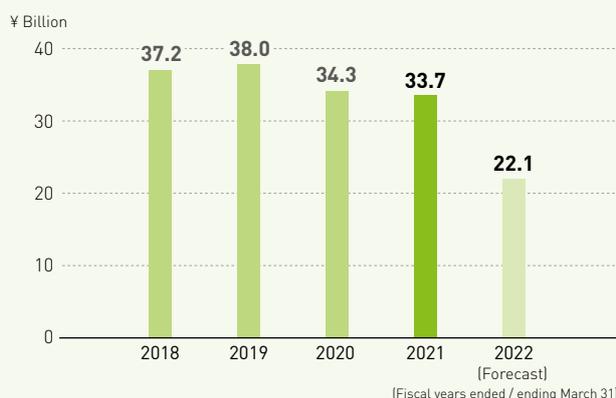
- Polarizing films / adhesive processing
- Touch screen-related products



Business Operations Introduction

In Optical Products Operations, LINTEC produces and sells adhesive products for a variety of optical displays using its development technology for special adhesives and surface coating agents, its precision coating technology, and its high-performance production facilities. In addition to mainly carrying out adhesive processing of polarizing film used in LCD and OLED displays, the Company is working to launch and increase sales of new products, such as OCA sheets used in automotive touch screens.

Net Sales: Optical Products Operations



* We forecast a steep decline in sales due to the application of the Accounting Standard for Revenue Recognition in the fiscal year ending March 31, 2022.

A Message from the Executive General Manager, Optical Products Operations

In the fiscal year ended March 31, 2021, earnings fell sharply in the first half in the adhesive processing business for polarizing film used in TVs and smartphones in Japan, but in the second half, demand rebounded quickly. At our production subsidiaries in Korea and Taiwan, the trend for TV-related products was the same as in Japan, but teleworking needs led to strong demand for products

used in laptops and desktop monitors throughout the entire year. In businesses other than polarizing film, sales grew for OCA sheets for automotive applications in the second half, resulting in solid performance overall.

The medium- to long-term outlook for the display market entails tougher competition from the emergence of Chinese rivals in recent years. The LINTEC Group is plotting a growth path for high-end applications that require high quality, and has been strengthening ties with the partner polarizing film manufacturer. We intend to sharpen our competitiveness by developing next-generation display adhesives. Furthermore, we must nurture new businesses outside operations related to adhesive processing for polarizing film. One priority product is automotive OCA, and we are developing solvent-less types for environmental considerations and new types with enhanced followability on curved surfaces, both of which maintain their superior durability. We are also keen to expand sales and discover new applications for light diffusion film, which efficiently scatters incoming light in optimal directions, and high-barrier film that keeps moisture out.



Satoru Shoshi

Executive Officer
Executive General Manager,
Optical Products Operations,
Business Administration Div.

Paper and Converted Products

Fine & Specialty Paper Products Operations / Converted Products Operations

Main Markets



Stationery related



Industry related



Aircraft related



Food related



Automobile related

Strengths

- Large shares of domestic markets for color paper for envelopes and special function paper as well as original papermaking technologies
- Outstanding release agent formulation technologies and coating technologies

Opportunities

- Increasing demand for high-value-added products overseas
- Growing environmental awareness in Japan and overseas

Weaknesses

- Sales networks, delivery capabilities, brand power, and price competitiveness in overseas markets for specialty paper and converted products

Threats

- Progression toward becoming paperless due to factors such as the spread of teleworking
- Soaring prices for key raw materials, including imported pulp
- Slump in domestic and international markets due to the spread of COVID-19 infection

Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

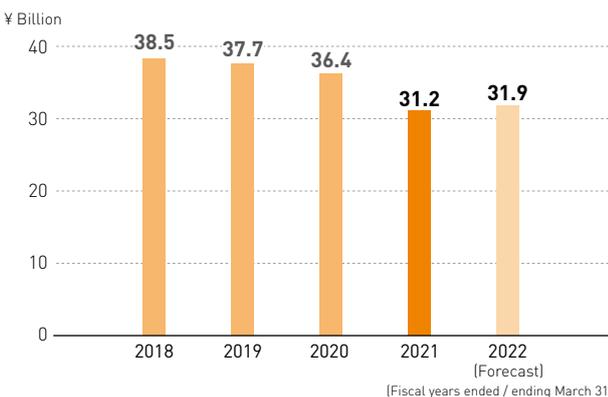
Fine & Specialty Paper Products Operations

- Develop and expand sales of new products that promote deplasticization and reduce food loss
- Develop and market new products
- Roll out new applications by strengthening competitiveness of existing products
- Expand sales of special function paper to overseas markets

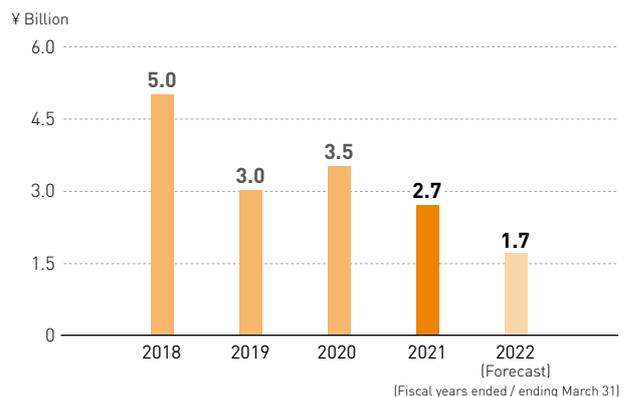
Converted Products Operations

- Promote solvent-less and polyethylene-free release paper
- Develop and expand sales of casting papers for enamel finish and automotive synthetic leather
- Develop new products and expand market

Net Sales by Segment



Operating Income by Segment



* Forecasts for the fiscal year ending March 31, 2022, reflect the application of the Accounting Standard for Revenue Recognition. In addition, some products in Paper and Converted Products were transferred to Electronic and Optical Products from the fiscal year ending March 31, 2022.

Fine & Specialty Paper Products Operations

Main Products

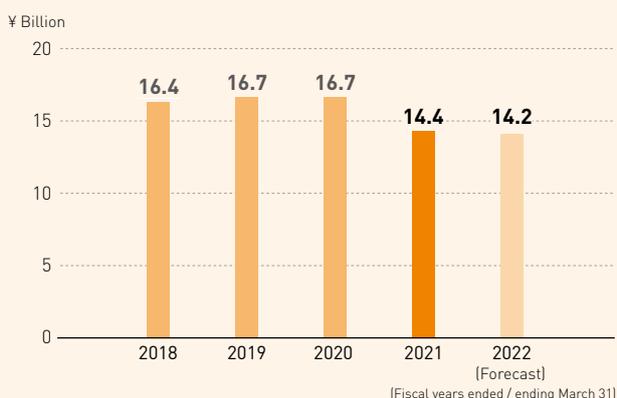
- Color papers for envelopes
- Colored construction papers
- Special function papers
- High-grade printing papers
- Construction material papers



Business Operations Introduction

We have the leading share in the domestic market for color paper for envelopes and colored construction paper. We also manufacture and sell special function paper such as dust-free paper for use in places such as clean rooms, and oil- and water-resistant paper used in food packaging, as well as high-grade printing paper with special textures and construction material paper used as lining for wallpaper. The Company is also stepping up the development and proposal of products that meet growing needs in recent years for plastic alternatives.

Net Sales: Fine & Specialty Paper Products Operations



A Message from the Executive General Manager, Fine & Specialty Paper Products Operations

During the fiscal year ended March 31, 2021, sales fell steeply as the COVID-19 pandemic negatively affected demand for a wide range of products, as people stayed home and events were canceled. Despite the positive effect of cheaper prices for pulp, a key raw material, production facility operating rates declined alongside a lower sales volume, leading to lower profits for the year.



Toshimi Sugaya

Senior Executive Officer
Deputy Executive General
Manager, Business
Administration Div. and
Executive General Manager,
Fine & Specialty Paper
Products Operations

The business environment is likely to remain challenging, given the weak demand for mainstay envelope paper amid movements to go paperless and greater teleworking. Our medium- to long-term strategy is to once again promote the benefits of paper as a material that can take us one step closer to a sustainable society. Under LSV 2030-Stage 1, the Company is prioritizing the development and growth in sales of products that prevent food loss and serve as alternatives to plastics. We are strengthening sales of thick oil- and water-resistant paper used as boxed lunch containers at major convenience store chains as an alternative material for plastic. Moreover, we aim to bring to market highly transparent paper as an alternative to plastic film, heat-seal paper for food packaging, and freshness-keeping paper that preserves the freshness of fruit and vegetables by absorbing ethylene gas the food emits, thereby reducing food loss. For existing products, we are increasing their competitiveness by working to lower costs further through reviews of design and production processes, developing untapped fields for paper, and adding new functions, such as antibacterial and antivirus properties. Overseas, we aim to expand sales on the Southeast Asian market, in particular, and will focus our efforts on growing sales of high-value-added products, such as industrial special function paper and food packaging paper.

Converted Products Operations

Main Products

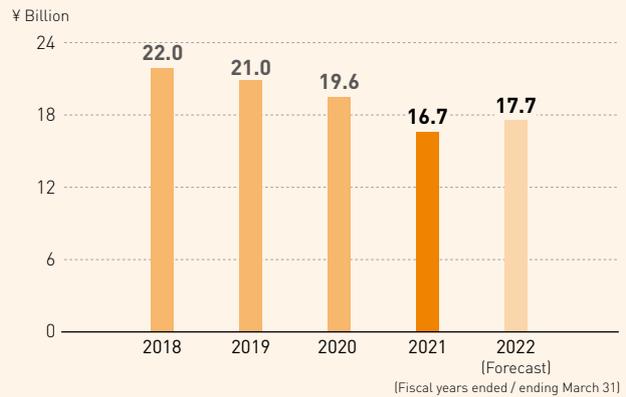
- Release papers for general-use adhesive products
- Release papers for electronic materials
- Release films for optical-related products
- Casting papers for synthetic leather
- Casting papers for carbon fiber composite materials



Business Operations Introduction

We manufacture and sell release paper and film that protect the adhesive surfaces of various adhesive products, casting paper that is used as patterning paper for placing designs on synthetic leather, casting paper used in the manufacture of carbon fiber composite material sheets from fibers, and other products. These are endowed with a variety of special functions, including not only releasability but also resistance to water, heat, and abrasion.

Net Sales: Converted Products Operations



A Message from the Executive General Manager, Converted Products Operations

Adversely affected by the pandemic, sales dropped in Converted Products Operations during the fiscal year ended March 31, 2021. Demand weakened for adhesive products as the movement of people and things ground to a halt, and this led to weak sales of mainstay release paper. Sales also decreased steeply for casting paper for synthetic leather, which is offered globally, and casting paper for carbon fiber composite materials, which is used to produce leisure items and intermediate materials for aircraft bodies, owing to lockdowns in countries and a slump in aircraft demand. On the other hand, sales were firm for release film for optical displays, thanks to a surge in teleworking and stay-at-home demand in the second half.

As a medium- to long-term initiative, this business operation is committed to addressing environmental issues. We are working to reduce the usage of chemical substances that burden the environment by establishing and expanding the adoption of formulas that do not use organic solvents in the production of release paper. At the same time, noting the move away from plastic, we are developing and proposing release paper that does not use polyolefin resins derived from petrochemical raw materials. One such product that is the focus of our attention is casting paper for synthetic leather. Sales for items used to produce synthetic leather for products, such as automobile seats and interiors, have been particularly strong. We therefore aim to expand sales in a broad range of applications,

such as shoes, home furniture, and brand handbags, while developing markets further. Additionally, we are keen to develop new products, such as casting paper with added functions, such as water-repellence and dust-proofing, as well as casting paper and casting film for various film formation.

Yutaka Iwasaki

Senior Executive Officer
Executive General Manager,
Converted
Products Operations,
Business Administration Div.



Research and Development

As a technology-centered company, we realize that strengthening R&D capabilities is one of our most important management strategies for achieving sustainable growth. At the LINTEC Group, two approaches help us to create products that resolve our customers' diverse technological issues and that are unprecedented, innovative, and lead the market: the developing of functional materials and related processing technologies that leverage our proprietary technological capabilities and a market-dialogue style of research that emphasizes customer needs. Going forward, we will further strengthen our R&D system in a bid to accelerate the speed of product development, and create new technologies that lead to new products and businesses.

**LINTEC's
R&D Capabilities**
(Fiscal year ended
March 31, 2021)

R&D expenses
¥7.6 billion
(Consolidated)

Ratio of R&D
expenses to
net sales
3.2%
(Consolidated)

Number of
researchers
About 200

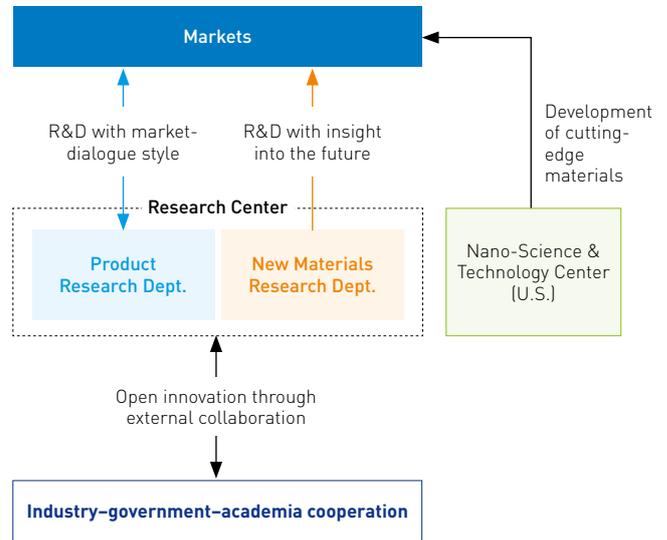
Overseas dispatch
of researchers
**U.S., Taiwan,
Germany,
Thailand, etc.**

Number of patents
held in Japan
and overseas
4,890
(Consolidated)



R&D System

The Research Center of the Research & Development Division (Saitama Prefecture) is the core base for the Group's R&D activities. The center has state-of-the-art testing and analysis equipment, test coating facilities, and a clean room, as well as the same equipment that is actually used by customers in semiconductor-related fields. Moreover, we have installed large-scale pilot coatiers that closely resemble plant mass production facilities, strengthening systems for a smooth flow from R&D to mass production. The center mainly comprises the Product Research Department, which develops products directly connected to our current business, and the New Materials Research Department, which conducts R&D with a focus on the future. About 200 researchers are engaged in day-to-day research on these themes. In addition, the Nano-Science & Technology Center, our R&D base in the U.S., focuses on the development of leading-edge materials, such as carbon nanotubes and artificial muscles, with the objective of establishing technologies and products that will drive new businesses for the Group.



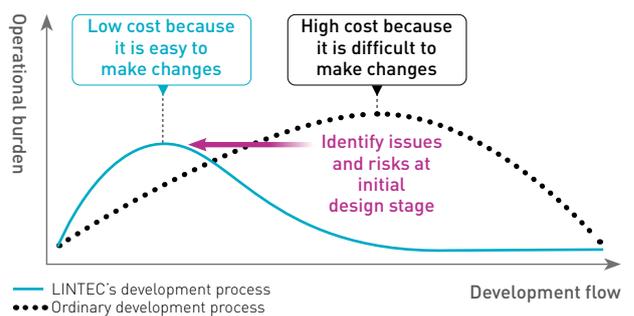
R&D Policy

We are pursuing R&D with a strong determination to ensure that our focus themes make a real contribution to strengthening the competitiveness of existing businesses and creating new products and businesses. LINTEC is working to improve development efficiency and speed based on two key phrases: "Front-Loading

Design" and "One-Stop Development." In addition, through coordination among the Research Center and respective business operations, etc., we have established an R&D scheme called the "Stage Gate System." Under this scheme, we are taking steps to achieve new value creation, centered on medium- to long-term themes.

1 Front-Loading Design

With a focus on carefully surveying customer needs and development processes, this method identifies development issues and risks, to the greatest extent possible, at the initial stage of product development. By implementing countermeasures in advance, we do our utmost to reduce the need to redo work at intermediate stages. This contributes to increased development efficiency and reduced costs.



2 One-Stop Development

This approach involves simultaneously advancing the development of new materials and the development of processes for mass production. Through the introduction of large-scale pilot coatiers and release agent coating equipment that closely resemble the mass production facilities in plants, LINTEC's Research Center is able to acquire data, such as that regarding mixtures of adhesives and release agents needed for mass production and environmental conditions for coating. We have had significant success in increasing the speed of development up to mass production.



Large-scale pilot coater

Strategy

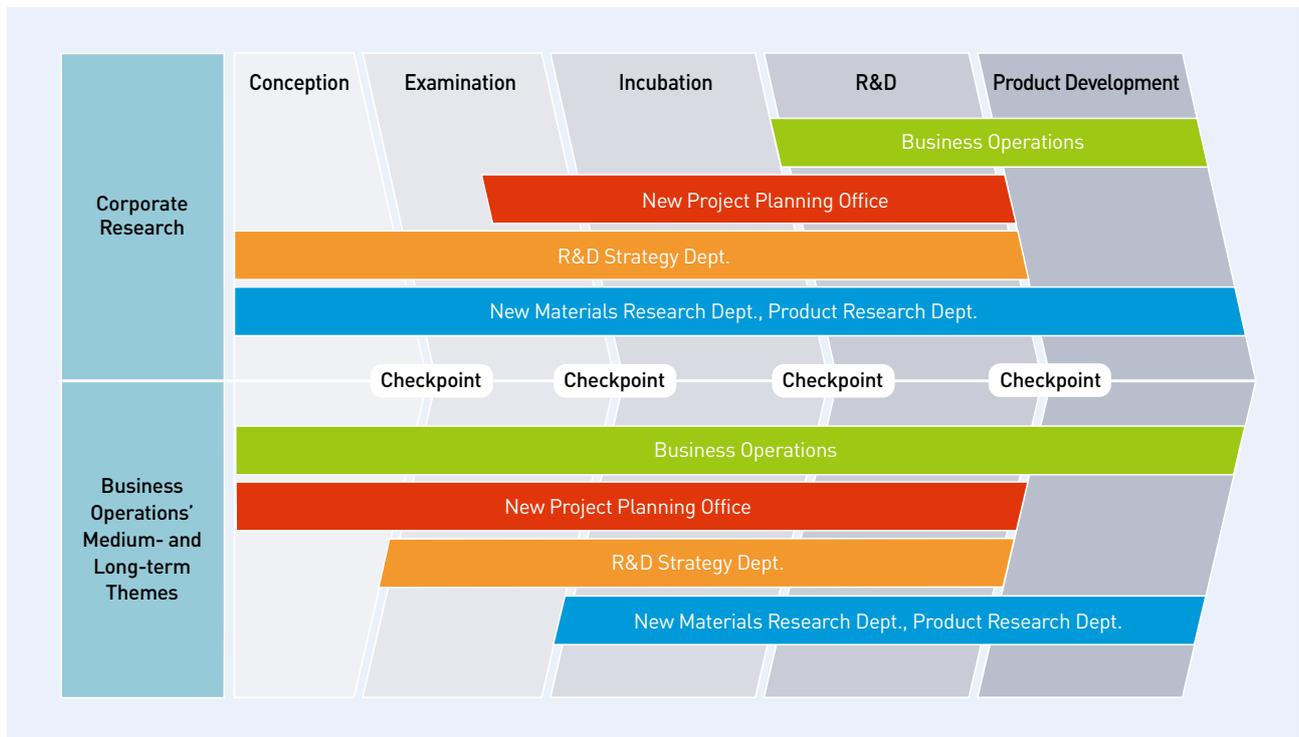
Research and Development

3 The Stage Gate System

Under this system, R&D themes are divided into the five stages of conception, examination, incubation, R&D, and product development. Rigorous screening is performed at each stage to determine whether to advance the theme to the next stage or to cancel it. The aim is to steadily and quickly give shape to each development theme, preventing setbacks in development through full verification at key points. A central role is played by the R&D Strategy Department in the Research Center, which works from a long-term

perspective to analyze technology trends in each industry and to search for development directions. In addition close coordination is implemented by the respective business operations and the New Project Planning Office in the Business Administration Division, an in-house, cross-sectional marketing unit. In these ways, we are working to create new value in response to the change in customer needs and markets.

Stage Gate System



Carbon Neutral Challenge

Part of the LINTEC Group's mission as a manufacturer is to consider the environment in the product development and production processes. The Group aims to become carbon neutral with net zero CO₂ emissions by 2050. As a part of this effort, "Carbon Neutral Challenge" was adopted as a new slogan for the Research & Development Division, which will focus more on product development that is considerate of environmental impact from the production stage through to product disposal, for the purpose of cutting emissions of CO₂.

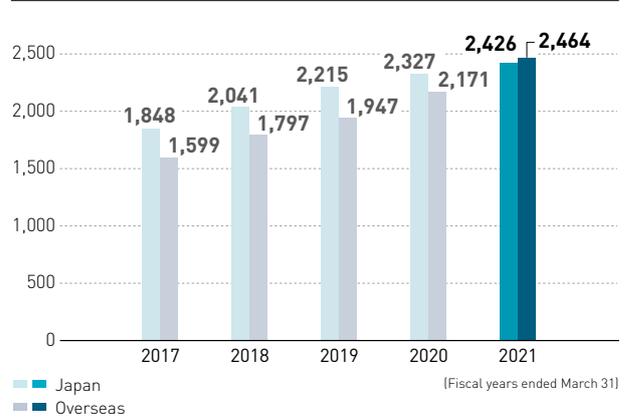


Solvent-less processing technology for making label-stock that contributes to reducing CO₂ emissions

Intellectual Property Activities

LINTEC aims to increase corporate value by developing original products that fully satisfy customer needs. We therefore position intellectual property, including patents, trademarks, and design rights acquired through these development activities as important management resources. While placing the utmost emphasis on respecting the rights of other companies, the Intellectual Property Department coordinates with respective business operations and R&D departments in promoting strategic intellectual property activities. These activities aim to increase and improve intellectual property rights, which are the lifeblood of LINTEC given that it is a technology-centered company. By such means as building a patent portfolio for our foundation and growth business domains and securing intellectual property in step with the globalization of our business, we aim to increase profitability based on intellectual property that has high business value.

Number of Patents



A Message from the Executive General Manager, Research & Development Div.

Accelerating Development of “Number One, Only One” Products on the Basis of Environmental Friendliness

In line with the basic policies of LSV 2030, LINTEC must create new products and business in order to attain its long-term vision. Under the slogan “Carbon Neutral Challenge,” and paying due attention to environmental concerns in new product development, LINTEC is focusing development on the reduction of CO₂ emissions by proactively adopting solvent-less products and plant-derived biomass materials. Moving away from plastic is also a major theme in R&D. LINTEC has many types of film products, and the aforementioned recent shift in trends has presented business opportunities for LINTEC’s special paper products. The development of special paper products has traditionally taken place at plants that have papermaking machines. Going forward, we will strengthen the development structure by bringing over personnel from the Research & Development Division.

To create new businesses, the Company is examining mass production processes and creating new applications with an eye on early commercialization, while advancing development in domains that differ from its existing technologies, such as ultra-thin thermoelectric modules, high-frequency dielectric heating adhesive film, and pellicles for EUV lithography systems. We must also advance DX projects to further strengthen our R&D capabilities. The Company is already using AI to help screen materials and search for patents, and by expanding the scope of these endeavors, we aim to improve development efficiency. LINTEC takes pride

in developing innovative products with our key materials and processes, while working on open innovation through cooperation with external entities, with the objective of accelerating the development of high-value-added “number one, only one” products.

Yoshihisa Mineura

Executive Officer
Executive General Manager,
Research & Development Div.

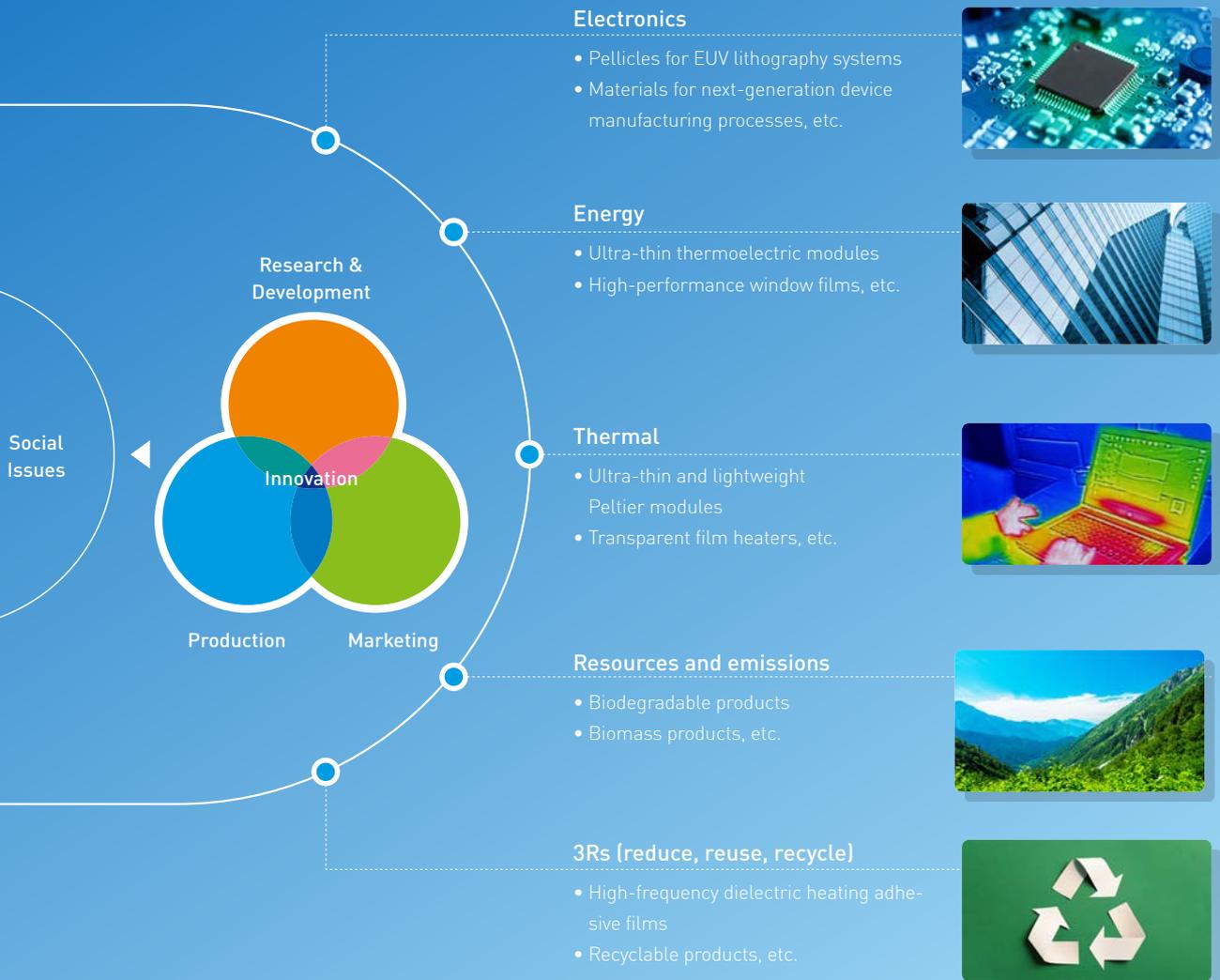


Special Feature

Development of New Products That Help Solve Social Issues

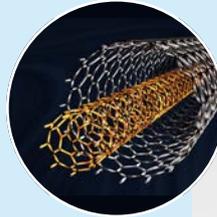
To sustain growth, in addition to expanding existing operations, the LINTEC Group must create new products and businesses that go beyond the boundaries of conventional technologies. Under its long-term vision, LSV 2030, the Company is focusing efforts on the fields of electronics, energy, thermal, resources and emissions, and the 3Rs (reduce, reuse, and recycle). We aim to develop products that will drive new businesses and help solve social issues, and to rapidly commercialize these products.

Priority Development Fields for Solving Social Issues



Carbon Nanotube Products Made with Distinctive Technologies

At the Nano-Science & Technology Center, our R&D base in the U.S., we are concentrating efforts on the establishment of technologies for creating carbon nanotube sheets. Carbon nanotubes are cylindrical materials made from carbon with diameters of one-billionth of a meter (a nanometer). They excel in strength despite being lightweight, and feature high conductive properties for electricity and heat. The Center is developing technologies for processing carbon nanotubes into sheets and yarn. We aim to develop markets for these forms of nanotubes in various sensor applications. Moreover, we are developing and commercializing anti-dust covers for photo-masks (original plates of circuits), which are called pellicles, for EUV lithography systems that are able to form fine circuits on semiconductor wafers.



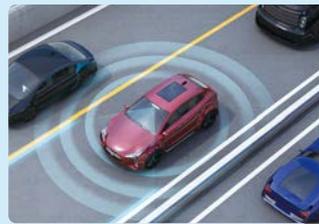
Carbon nanotube



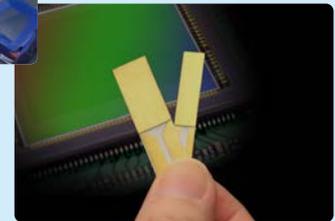
Carbon nanotubes in yarn form are woven into a globe and used as a sensor

Sheet Materials That Use Thermal Properties

LINTEC has been developing special sheet materials that use heat. For film heaters that generate heat with electricity, we propose materials that prevent the accretion of snow and ice on signal equipment and signs, for example, as well as on the sensors of automobiles and communications equipment, by applying its proprietary wiring and sheet technologies to make highly transparent and curve-following properties a reality. The amount of heat generated by electronic devices has increased with the higher speed and capacity of data transmission in 5G technology. We are therefore developing ultra-thin and lightweight cooling sheets that take advantage of the Peltier effect to absorb and release heat through electrical currents. We are also developing ultra-thin thermoelectric sheets that can convert waste heat from plants into electrical energy.



Film heaters with possible applications in automotive sensors

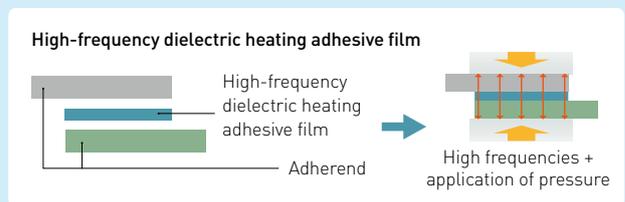


Ultra-thin and lightweight cooling sheets for effective heat control of 5G-compatible electronic devices

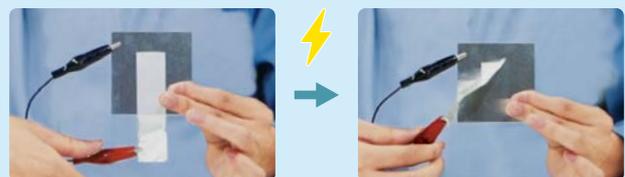
Special Adhesive Sheets for Recycling and Reuse

As a part of its initiative to develop recycling-oriented products, LINTEC has developed high-frequency dielectric heating adhesive film that is able to adhere different types of materials together, such as stainless steel and plastic, by melting when exposed to high-frequency waves. It has the same adhesive strength as traditional liquid adhesives, but can be applied in a shorter amount of time, and when exposed again to high-frequency waves, the joined materials can be separated for easier recycling. VOC emissions are also reduced. We aim to develop this adhesive for a wide range of applications, including automobiles, construction materials, and apparel.

In addition, our electrical release adhesive sheets, where the adhesiveness is sharply reduced when electricity is run through the sheets, are well suited for applications that entail joining together parts and materials used in electrical devices and automobiles. We believe these sheets will make it easier to recycle and reuse metallic and plastic parts.



Using high frequencies to melt adhesive film for adhering different materials



Adhesive sheet that can be easily removed by passing electricity through it

Sustainability

The LINTEC Group promotes sustainability management while aiming for growth as a company and the sustainable development of society. We aim to increase corporate value and help solve social issues through our business activities. To this end, we introduce our initiatives in corporate social responsibility (CSR) from an environmental, social, and governance (ESG) perspective.



E



S



G

Promotion System for Sustainability

LINTEC updated its activity promotion system in April 2021 in order to reinforce sustainability initiatives by further advancing CSR activities. The Sustainability Committee was established with the president as its leader, and outside directors participating as members. Under this committee, we organized committees and

subcommittees for ESG, the SDGs, risk management, and other matters. These committees are staffed by employees drawn from across the organization, and aim to grow together with society by carrying out activities from a Companywide perspective.



A Message from the General Manager, Sustainability Management Office

In recent years, companies have been increasingly expected to take a more proactive approach to ESG and the SDGs, and a company must act in unison to address them. In this round of organizational reforms, LINTEC created the Sustainability Committee, which decides basic policy for sustainability management from the management perspective of corporate officers and the objective standpoint of outside directors. We have also put into place systems for advancing Companywide activities from diverse perspectives by augmenting committees and subcommittees made up of members from various departments.

To become a company highly regarded by all stakeholders, including shareholders and investors, it is important to associate these activities not with higher costs, but tie them into growth in earnings and the Company. We firmly support the activities of these committees and subcommittees as LINTEC addresses newly identified material issues and seeks to increase the speed, effectiveness, and profitability of various measures.



Masaru Hoshi
General Manager,
Sustainability
Management Office

Material Issues (Important Issues)

“Materiality” means issues that a company should particularly focus on, identified from among a wide range of CSR activities. While the LINTEC Group identified its materiality in 2014, it has been reviewing its materiality themes in light of ever-changing social issues and through a series of dialogues with stakeholders.

New material issues take into account the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), its long-term vision that

was started in April 2021, and the SDGs. We will also formulate key performance indicators (KPIs) for measuring progress.

In its activities, the LINTEC Group will focus in particular on the material issue themes that have been re-identified.

Process for Reviewing Material Issues

STEP 1 Analyze Value Chain

We evaluated our value chain and summarized the business activities and ESG themes for each department. We also analyzed risks and opportunities for each ESG theme in the value chain.

STEP 2 Understand the Demands of Society

In narrowing down ESG initiatives, we gave consideration not only to changes in various international guidelines and frameworks, such as the SDGs, the GRI Standards, the U.N. Global Compact, and ISO 26000, but we also screened important ESG themes recommended by ESG evaluation organizations.

STEP 3 Define the Importance of Issues for LINTEC

We identified the ESG themes that have a large impact on our businesses, based on internal information that includes the medium- to long-term strategies and business plans of each department, while referring to LSV 2030.

STEP 4 Identify Material Issues

We identified material issues after evaluating areas judged to be of importance, using map distribution to shed light on social demands and internal importance to LINTEC.

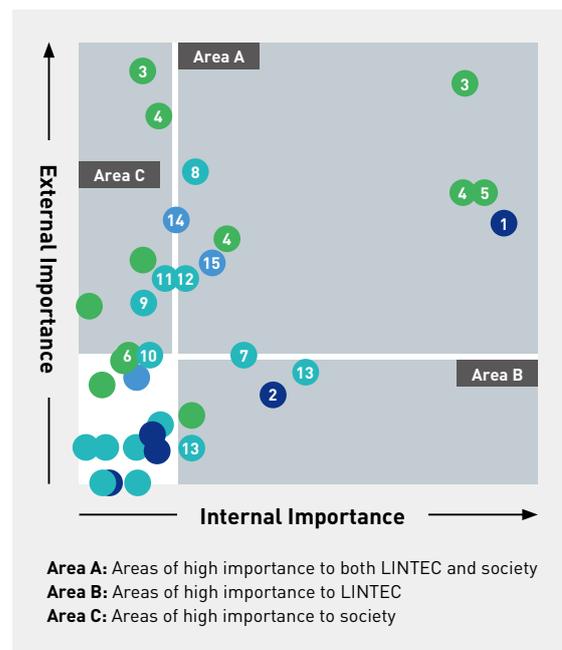
STEP 5 Set KPIs

With consideration for the material issues that have been specified, we will establish KPIs for activities and advance toward application.

Map of Material Issues

In this review of material issues, multiple departments were involved in summarizing changing social trends and the LINTEC Group’s global business activities, and adjusting business strategies on our value chain. When defining the importance of issues for LINTEC (STEP 3), management, including the chairman and president, applied a weighting to issues in the context of our vision and the strategies of each department, and then mapped these issues to those of external importance (STEP 4). The Company set its identified material issues with the approval of the Board of Directors.

Going forward, we will create KPIs for each material issue to measure progress. LINTEC will periodically evaluate the fairness of this system and review each material issue.



List of Material Issues

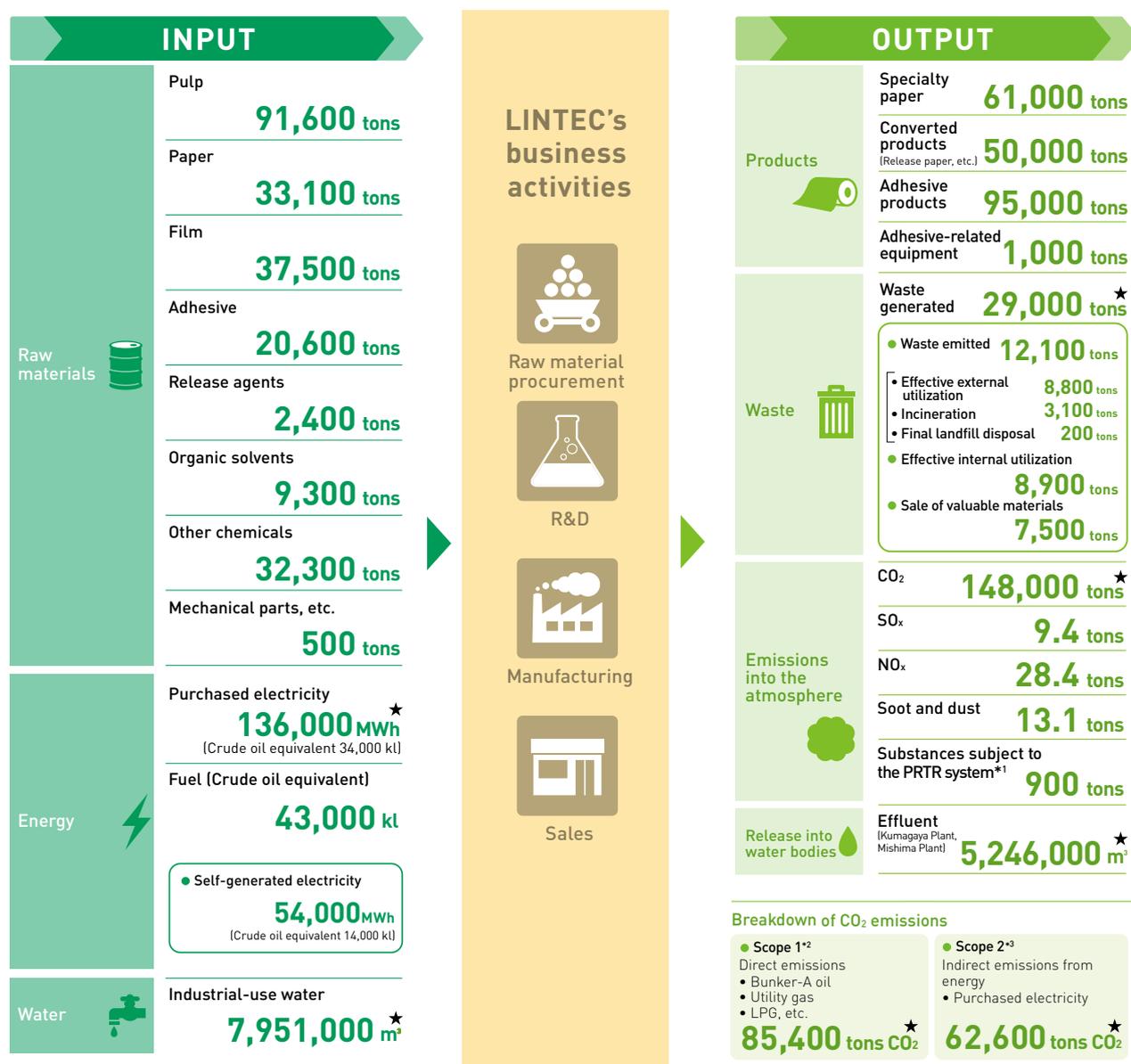
Overall business 	Contributions to the business side	Map 1 Strengthen the corporate structure through innovation	   
		Map 2 Create new products and businesses for sustainable growth	 
Environment 	Contributions to a sustainable global environment	Map 3 Address climate change	  
		Map 4 Realize a recycling-oriented world	  
		Map 5 Procure sustainable raw materials	 
		Map 6 Preserve biodiversity	 
Society 	Respect for human rights	Map 7 Give human rights due diligence	  
		Map 8 Address occupational health and safety	 
		Map 9 Promote diversity	  
		Map 10 Reform work-style	 
	Improvement in value chain management	Map 11 Embrace customer-first principle	 
		Map 12 Improve quality, costs, and customer satisfaction	 
	Strengthening of communication with stakeholders	Map 13 Co-exist with local communities	 
Governance 	Promotion of Groupwide governance	Map 14 Strengthen organizational governance	 
		Map 15 Operate fair business activities	 



Environment

The LINTEC Group uses large amounts of raw materials, fossil fuels, water, and other materials to manufacture products. We are working to fulfill our responsibilities as a manufacturer by reducing the environmental impact of our operations and developing environmentally friendly products.

Material Flow (Fiscal year ended March 31, 2021)



*1 PRTR system: The Pollutant Release and Transfer Register system that requires companies to estimate the volume of chemical substances they have released and transferred in waste and report the data to the government

*2 Scope 1: Direct CO₂ or other greenhouse gas emissions from the consumption of purchased gas and liquid fuels, such as liquid natural gas (LNG), liquid petroleum gas (LPG), utility gas, kerosene, light oil, and gasoline

*3 Scope 2: CO₂ or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the Company

Note 1: The numerical data in the environmental report has been compiled from the following organizations: LINTEC Corporation's head office, 10 production sites, and Research Center, and TOKYO LINTEC KAKO, INC.

Note 2: For industrial-use water, although tons were used for initial calculations, figures have been converted into cubic meters in this report.

Note 3: Figures denoted with a star mark have received third-party evaluation by SGS Japan.

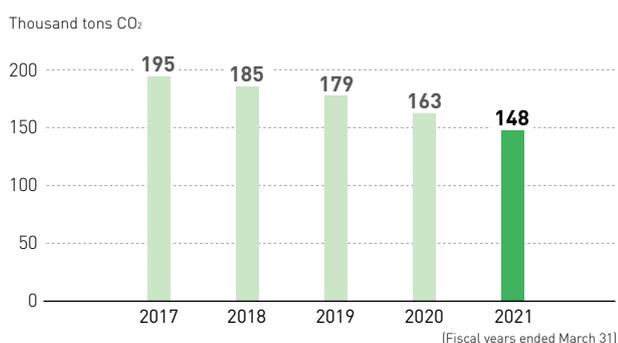
Environmental Management

We have acquired global integrated certification for 22 bases inside and outside Japan under international standard ISO 14001, including the LINTEC head office and plants, the Research Center, Group company TOKYO LINTEC KAKO, INC., and overseas Group companies. We will continue to promote the acquisition of global integrated certification by overseas Group companies as we strengthen Companywide initiatives in environmental preservation.

Climate Change Initiatives

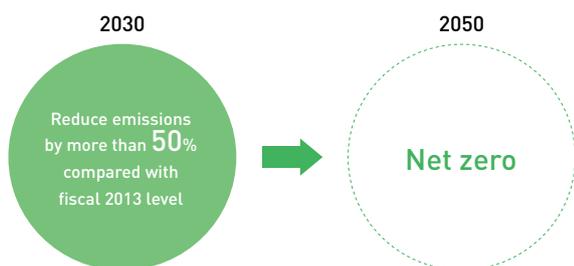
To address climate change, the Group is working to reduce energy usage and CO₂ emissions. In the fiscal year ended March 31, 2021, LINTEC's total energy consumption decreased year-on-year to 14,000 kiloliters of crude oil equivalent, reflecting lower production volumes and the efficient operation of production facilities and boilers. Its CO₂ emissions totaled 148,000 tons, lower than the 163,000 tons emitted in the previous fiscal year. LINTEC has set Group targets for reducing CO₂ emissions by more than 50% by 2030 compared with the fiscal 2013 level, and for achieving net zero emissions by 2050.

CO₂ Emissions



* Scope: LINTEC's head office, 10 production bases, the Research Center, and TOKYO LINTEC KAKO, INC.

LINTEC Group's Target for Reducing CO₂ Emissions



* Targets for Scope 1 and Scope 2 emissions

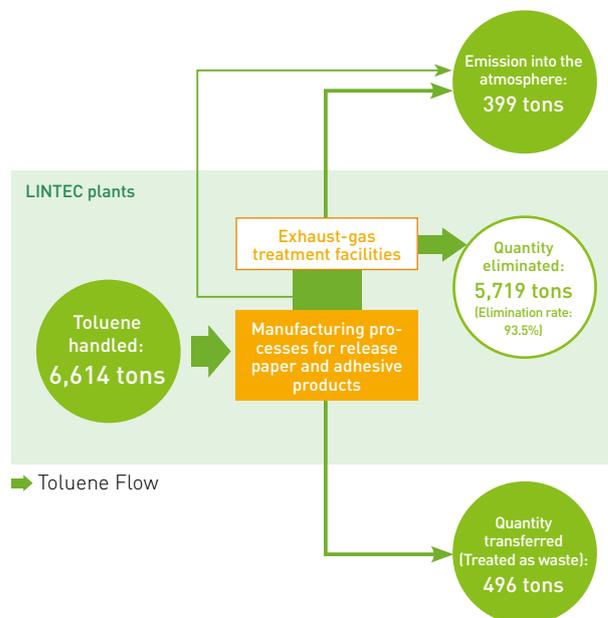
Compliance with Environmental Laws, Directives, and Regulations

The LINTEC Group seeks to be compliant with environmental laws, directives, and regulations in Japan and overseas and reduce chemical substances that are harmful to the environment. In addition to responding to restricted substances stipulated by REACH*¹ and RoHS,*² we check for substances with environmental impact in the raw materials that we purchase and disclose necessary information to our customers. In the fiscal year ended March 31, 2021, on a non-consolidated basis the total handling volume of substances under the PRTR system was 6,692 tons, of which 6,614 tons were toluene, an organic solvent. Toluene emitted into the atmosphere amounted to 399 tons, a decrease of 65 tons compared with that of the previous fiscal year, while the quantity transferred (treated as waste) was 133 tons more than in the previous fiscal year, at 496 tons.

*1 REACH: EU regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals

*2 RoHS: EU Restriction of Hazardous Substances in Electrical and Electronic Equipment

Fiscal Year 2020 Emission and Transfer of Toluene

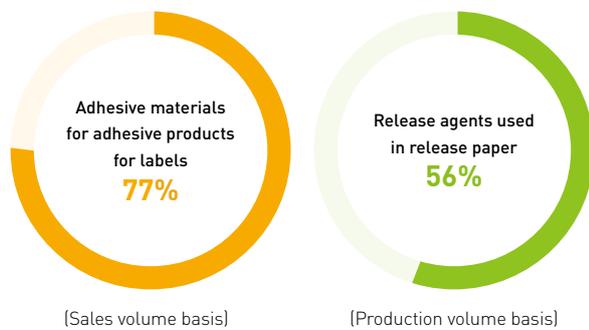


Note: Elimination rate = eliminated amount / (handled amount - transferred amount) × 100

► **Advancing Reductions in the Use of Organic Solvents**

To reduce the use of organic solvents, which have a high environmental burden, we are advancing the use of solvent-less methods that do not use organic solvents for the coating process of adhesives and release agents. In the fiscal year ended March 31, 2021, the solvent-less percentage was 77% for adhesives used in adhesive products for labels and 56% for release agents used in release paper. Going forward, we will continue striving to further reduce our environmental burden by expanding the product lineup and sales of solvent-less products.

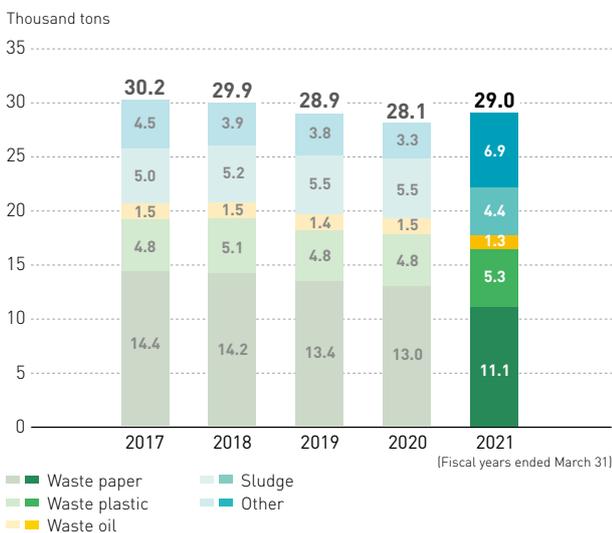
Solvent-Less Percentage (fiscal year ended March 31, 2021)



▮ **Achieving Zero Emissions**

In the fiscal year ended March 31, 2021, waste generated was 29,000 tons, and waste emitted was 12,100 tons. Of the waste emitted, 8,800 tons were recycled externally, and 3,100 tons were properly disposed of by waste disposal companies. In addition, the final landfill disposal was 160 tons, or 0.54% of waste generated. With a final landfill disposal rate of less than 1.0%, we achieved zero emissions.

Waste Generated



▮ **Accelerating of Capital Investment to Reduce Environmental Load**

The LINTEC Group is accelerating capital investment to reduce environmental load, including reducing CO₂ emissions. Our plants have been installed with cogeneration systems that generate both electricity and heat from gas energy, and waste heat boilers that reuse the heat emitted when processing organic solvents. We are also installing solar panels to generate electricity for our own usage. Moreover, at our production bases around the world, we plan to aggressively move ahead with retooling production facilities to improve quality, reduce costs, and conserve energy while reducing environmental load.



Waste heat boiler

Cogeneration system

Focus

LINTEC's Initiatives to Reduce Plastic

The LINTEC Group is focusing on reducing plastic as a part of its efforts to realize a recycling-oriented world in its long-term vision. Here, we introduce our products and efforts to reduce waste plastic and discuss the amount of plastic used.

Expanding Plastic-Free and Reduced-Plastic Products

Using its accumulated technologies in specialty paper production, LINTEC has been aggressively developing plastic-free products. For example, on products that require water resistance, instead of using adhesive film for display labels, we offer adhesive paper for labels that employs paper as a surface material that does not tear easily when wet. As an alternative to plastic shopping bags, we are developing printing paper with excellent water-resistance properties that can be processed into paper bags with handles. Furthermore, we are working to expand sales of thick water- and oil-resistant paper that can be used as an alternative material to plastic containers for boxed lunches sold at convenience stores. In applications that require features provided by film, such as water-resistance and transparency, we are examining the potential of paper as an alternative to plastic.

In addition, LINTEC is expanding its lineup of labelstock that uses recycled PET resin from used PET bottles as facestock. While using 100% recycled PET resin in the facestock, we are developing labelstock that has the same properties as those made from non-recycled PET film base materials. We are also trying to

reduce the use of oil-derived materials by thinning film and employing biomass materials in adhesives and facestock.



Plastic-alternative adhesive paper for labels with high water-resistance, made with our specialty paper production technology



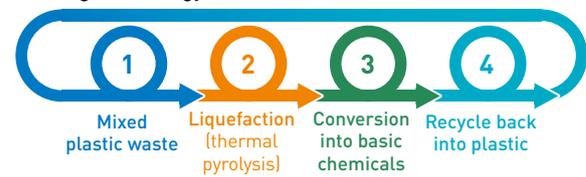
Adhesive film for labels that uses 100% recycled PET resin in facestock

Strengthening Collaboration among Companies to Solve Plastic Issues

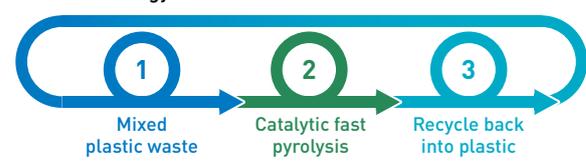
In April 2019, the LINTEC Group joined CLOMA,* a group that aims to solve the problem of plastic waste floating in the ocean. We examine measures to promote the use of materials other than plastic, and disseminate and share technological information. Moreover, in November 2020, LINTEC announced capital participation in R Plus Japan, Ltd., a joint investment firm that is advancing the development of recycling technologies for used plastic. This company is working with a biochemical venture firm in the U.S. to research new technologies for directly returning PET bottles and other plastics to their raw material state. We aim to commercialize this technology by 2027 as a way of efficiently recycling a higher volume of used plastic.

* CLOMA: Japan Clean Ocean Material Alliance

Existing Technology



New Technology



It is possible to efficiently recycle a higher volume of used plastic while reducing environmental load because of the fewer number of steps needed to recycle plastic compared with conventional technology.



Society

In continuing and expanding business activities, creating favorable relationships with all stakeholders is indispensable. The LINTEC Group continues efforts at establishing employee-friendly workplaces, maintaining stable supplies of high-quality products, and strengthening partnerships with customers and suppliers.

Respect for Diversity and Human Rights

The LINTEC Group avoids discriminatory treatment of employees based on race, creed, gender, education, nationality, religion, age, or disability status, thereby respecting diversity. In the areas of recruitment and employment, the Group complies strictly with labor laws and regulations, including the prohibition of unfair discrimination, child labor, and harassment, and endeavors to promote an environment where all employees can go about their work in a positive and energized frame of mind. Every year, we conduct a Groupwide survey of human rights and working conditions. As well as checking compliance in Japan and overseas, the surveys confirm that companies are respecting basic human rights and providing safe, healthy workplaces. Furthermore, we have a helpline through which employees can consult with the General Affairs & Human Resources Division or a lawyer if they have any concerns or have witnessed illegal behavior in the workplace. Access has been extended to overseas Group companies and English-language and Chinese-language helplines are also available.

Work-Style Reforms

In Japan, the working age population is currently decreasing due to a declining birthrate and an aging population. This has become a major social issue, and the government is advancing work-style reforms to support sustained growth. We are creating workplaces that are more amenable to all employees' needs and enhancing labor productivity.

Realizing Work-Life Balance

LINTEC is taking steps to reduce long working hours and late-night work, including for managers. To encourage employees to take paid leave, in April 2015, we introduced a planned vacation system under which employees designate in advance five days on which they will take paid leave. Since the introduction of this system, the percentage of paid leave taken has been on an uptrend. In the fiscal year ended March 31, 2015, the year before the introduction of this system, the percentage of paid leave taken was approximately 51%, while in the fiscal year ended March 31, 2021, this percentage increased to approximately 62%. Also, in April 2016, we increased the number of days that could be taken for family care leave and the period during which the shorter-hours program could be used for family care. We also increased the children's age limit in regard to the use of the shorter-hours program for childcare. Moreover, from April 2018, we increased the

amounts of retirement allowances and young employees' wages. Also, through a revision of working rules, we expanded the number of days that can be taken for certain types of leave and eased the requirements for taking certain types of leave. From April 2019, we introduced an interval system that stipulates a certain minimum number of hours that must be taken off between periods of work. As coronavirus countermeasures, we are also strongly encouraging teleworking and flex-time systems. Going forward, we will continue striving to establish environments and systems that enable everyone to work with enthusiasm.

Percentage of Paid Leave Taken



Diversity-Related Initiatives

As one facet of our measures to promote the active participation of female employees, LINTEC has been advancing the awareness of female employees as well as the entire workforce through various types of training for female employees and for managers. We are also working to increase the percentage of women among our managers and supervisors as well as our new hires. In addition, former employees can start to contribute immediately, and accordingly we have introduced the Job Return System, under which we rehire employees who have resigned due to such circumstances as childbirth, family care, or the job transfer of a spouse. In these ways, we are expanding the opportunities for active participation of women in the workplace.

We have also established a retiree rehiring program under which we rehire employees who have reached the retirement age of 60, utilizing one-year employment agreements up to the age of 65. We are also considering raising the retirement age to 65 and re-employing retirees until the age of 70. For the fiscal year ended March 31, 2021, our employment rate for people with disabilities was 1.90%, slightly lower than the legally mandated rate of 2.30%. Moving forward, we will continue taking steps to expand the employment of people with disabilities, such as improving internal facilities as needed.

Female Manager Ratio

(As of the end of March 2021)



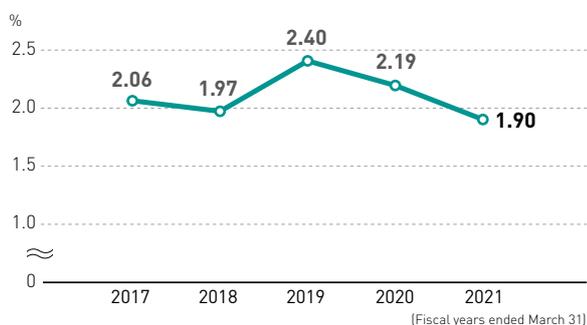
(LINTEC Group, including non-consolidated companies)

Rate of Return After Childcare Leave

(As of the end of March 2021)



Employment Rate for People with Disabilities



Harassment Countermeasures

The LINTEC Compliance Guidelines, which are distributed to all employees, expressly prohibit harassment. At management training and CSR study sessions for all employees, we take a thorough approach to fostering a correct understanding about harassment. In Japan, we are instituting harassment training for the improvement of workplace environments, which is provided for all employees at LINTEC and Group companies. In addition, we have established the Harassment Consultation Hotline. Moving forward, we will continue working to prevent harassment on a Groupwide basis, including overseas.



Compliance Guidelines

Mental Health Support

To manage the mental health of Group employees, every year we implement a stress check using a web service. In the fiscal year ended March 31, 2021, the consultation rate was 91%. The results of the consultations are used for understanding and managing stress levels, and feedback is provided to managers to improve the workplace environment. In addition, we have introduced a program that offers counseling on the telephone or in person, as well as a hotline that enables consultations with professionals about such concerns as health, child-rearing, and care-giving. In these ways, we are focusing on providing support for the mental health of employees.

Employee Education

LINTEC has a Companywide training system based on rank with human resource education programs tailored to years of continuous service and career. In addition, we are taking steps to promote the career advancement of employees, including theme-based training, such as legal training and Companywide information security training, as well as language training for the development of global human resources. We spend approximately ¥26 million per year on increasing the capabilities of employees and human resource development. In other initiatives, the Company's intranet offers e-learning programs to increase all our employees' understanding of topics such as the environment, product quality, the business continuity management system, compliance, and CSR.

Zero Accident Culture

Safety is the top priority in LINTEC Group plants, which are operated with the aim of preempting injuries to personnel. We have formulated safety and hygiene policies in compliance with the ISO 45001 standard for occupational health and safety management systems, and our practices include risk assessment, which enables us to put safety standards in place; hazard prediction exercises; and the rigorous pursuit of our 5S* activities through various types of safety patrols. Safety and hygiene committees hold monthly meetings at all our sites to enable us to ascertain progress in our safety activities and share information. In addition, we have held a safety conference for domestic plant safety officers for the exchange of information about each plant's initiatives. We will continue activities on multiple fronts in accordance with our zero accident culture.

* 5S: *Seiri* (organizing), *Seiton* (clearing up), *Seiso* (cleaning), *Seiketsu* (cleanliness), and *Shitsuke* (discipline) in Japanese

Efforts toward Business Continuity

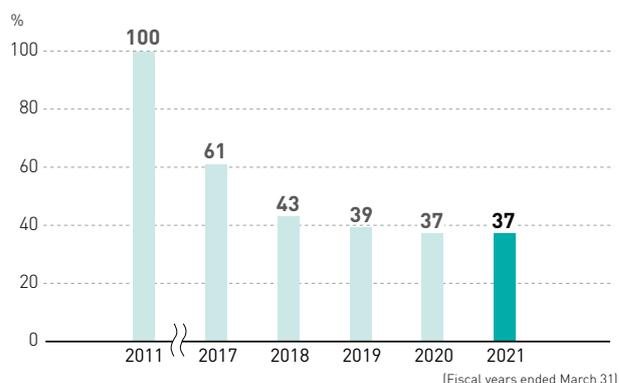
The Group is working to strengthen its systems that enable business operations to continue or restart quickly if struck by a disaster. All the Company's locations in Japan, subsidiaries TOKYO LINTEC KAKO, INC., and LINTEC SPECIALITY FILMS (TAIWAN), INC., have obtained certification under ISO 22301:2012, the international standard for a business continuity management system (BCMS). In relation to these systems, study meetings and drills are held at all sites so that in the event of a natural disaster or accident that disrupts business operations we can ensure the safety of our employees and then recommence the supply of products promptly, minimizing impact on our customers and other stakeholders. We also evaluate the business continuity capabilities of suppliers of raw materials that are critical in securing stable supplies of our products. Additionally, we request that these suppliers introduce a business continuity plan (BCP) and establish a system for implementing it on an organization-wide basis.



Thorough Quality Management

The LINTEC Group is advancing the acquisition of certification under ISO 9001:2015, an international standard for a quality management system (QMS). We are taking steps to further bolster our systems, such as unifying the previous quality assurance systems, which had been implemented by each business operation, into a single Group QMS. Furthermore, we are realizing rigorous quality management with daily inspections on the production front lines and, in addition, we continually carry out employee education targeting the maintenance and enhancement of quality and the prevention of quality-related issues. This education is provided for people working in production or sales. Also, with the cooperation of suppliers, we are making sure to control quality issues resulting from materials by stabilizing the quality of procured materials. When comparing major quality incidents by year, the fiscal year ended March 31, 2011, is set as 100 in an index of major quality incidents, and we reduced the level of the index to 37 in the fiscal year ended March 31, 2021. We construct and actualize management systems that enable us to take swift action if a quality incident should occur, collecting information, analyzing causes, and working toward preventing a recurrence. This framework is in place in Japan and overseas.

Percentage of Quality Incidents versus FY2011



Fair Transactions

The basic policy of the LINTEC Group is to conduct fair and transparent transactions with suppliers based on the principle of free competition. We conduct procurement activities in compliance with laws and social norms. In addition, we ask suppliers to consistently implement CSR activities from multiple perspectives, including respect for human rights, occupational health and safety, information security, and corporate ethics. In the fiscal year ended March 31, 2021, we continued working to maintain and strengthen partnerships and to promote CSR procurement. Through the distribution of a questionnaire, we evaluated major suppliers in such areas as management, labor, service, quality, and the environment.

Focus

LINTEC's New Work-Style Initiatives

At LINTEC, we aim to be a company where diverse employees can play an active role, and have been advancing work-style reforms, including augmenting the personnel system. Due to the global pandemic, companies have become required to deploy digital technologies to increase labor productivity while also aiming to prevent infections among their employees. Here, we introduce LINTEC's work-style reforms in response to the pandemic, and initiatives at the sales integration base relocated in November 2020.

Promotion of New Work-Styles in Response to COVID-19

LINTEC has encouraged its employees in the sales and management divisions to work remotely from home due to the COVID-19 pandemic. We reduced the percentage of employees reporting for work by switching to mobile devices for work PCs, upgrading network environments, and introducing and using online conferencing systems. This has resulted in significant reduction in time spent commuting to work and other movement, improving productivity and work-life balance for our employees. Accordingly, in October 2020, we officially included teleworking as a part of our work system, and created a work-at-home benefit for employees that covers a portion of their utility bills and other costs associated with working from home.

When employees report to work locations, we have diligently striven to avoid closed spaces, dense gatherings of people, and close contact by utilizing open spaces, such as conference rooms, while periodically ventilating out the air, in addition to mandating the wearing of masks and strongly encouraging hand washing and alcohol disinfectant. Moreover, in addition to encouraging people to

commute to work outside of rush hours by expanding the scope of employees eligible for the flex-time system, we have set up satellite offices in business locations and dormitories for single employees in suburban areas of Tokyo, allowing employees to work in offices closer to home. We have put into place work-styles in this COVID-19 era to prevent new cases of infection among employees while maintaining operations and continuing to provide stable and timely products and services of high quality.



Advanced Office Concept for New Work-Styles

In November 2020, LINTEC moved its Iidabashi Office, a sales integration base, into a neighboring building, and started operations as the Bunkyo Kasuga Office. The offices, conference rooms, and show room that were spread across six floors in the previous office building were consolidated onto two floors in the new location. We rolled out unassigned seating where employees can sit anywhere they want, depending on their work that day, and use a highly secure wireless network on each floor. We also transitioned to paperless workflows that use electronic means instead of using paper slips and keeping paper documents. We aim to enhance work efficiency, while further invigorating internal communications.



Bunkyo Kasuga Office is implementing clear desk and clean office concepts for having nothing on desks and floors by moving toward a paperless system and enforcing strict document management rules.



Governance

Basic Philosophy

The Group believes that the fundamentals of corporate governance are to achieve thorough legal compliance, to increase management transparency and promote corporate ethics, and to make prompt decisions and effectively execute operations. By enhancing and reinforcing corporate governance, we aim to further increase our corporate value and joint profits with shareholders.

Corporate Governance System

1 Corporate Governance System

The Company has selected the Company with Audit & Supervisory Committee system described in the Companies Act of Japan for its organizational structure. The Company has placed directors that are also Audit & Supervisory Committee members with voting rights on its Board of Directors in order to strengthen the Board's supervisory function, with a view to stepping up corporate governance and streamlining management even further. The Company has appointed 12 directors, of whom three are Audit & Supervisory Committee members and five are outside directors.

Held once a month to make important decisions with regard to management, Board of Directors' meetings are also held on an ad hoc basis as necessary to strive for rapid decision-making. Primarily comprising executive officers (including directors serving concurrently) responsible for the execution of business, management meetings are also held once a month and endeavor to streamline business operations through the sharing of information among all business divisions.

The Audit & Supervisory Committee meets once a month and conducts monitoring audits that focus on matters reported from the Audit Office, which is the Company's internal audit division. In addition to performing audits covering the appropriateness and legality of the execution of directors' duties, each and every Audit & Supervisory Committee member also plays a role in supervising the execution of the directors' duties through the exercise of voting rights on the Board of Directors.

Corporate Governance System

Organizational Structure	Company with Audit & Supervisory Committee
Number of Directors (Number of Outside Directors)	12 (5)
Number of Audit & Supervisory Committee Members (Number of Outside Directors)	3 (2)
Number of Independent Outside Directors	4
Directors' Term of Office	One year
Board of Directors' Meetings in FY2021	Number of meetings: 14
Adoption of an Executive Officer System	Yes
Takeover Defense Measures	None
Accounting Auditors	Ernst & Young ShinNihon LLC

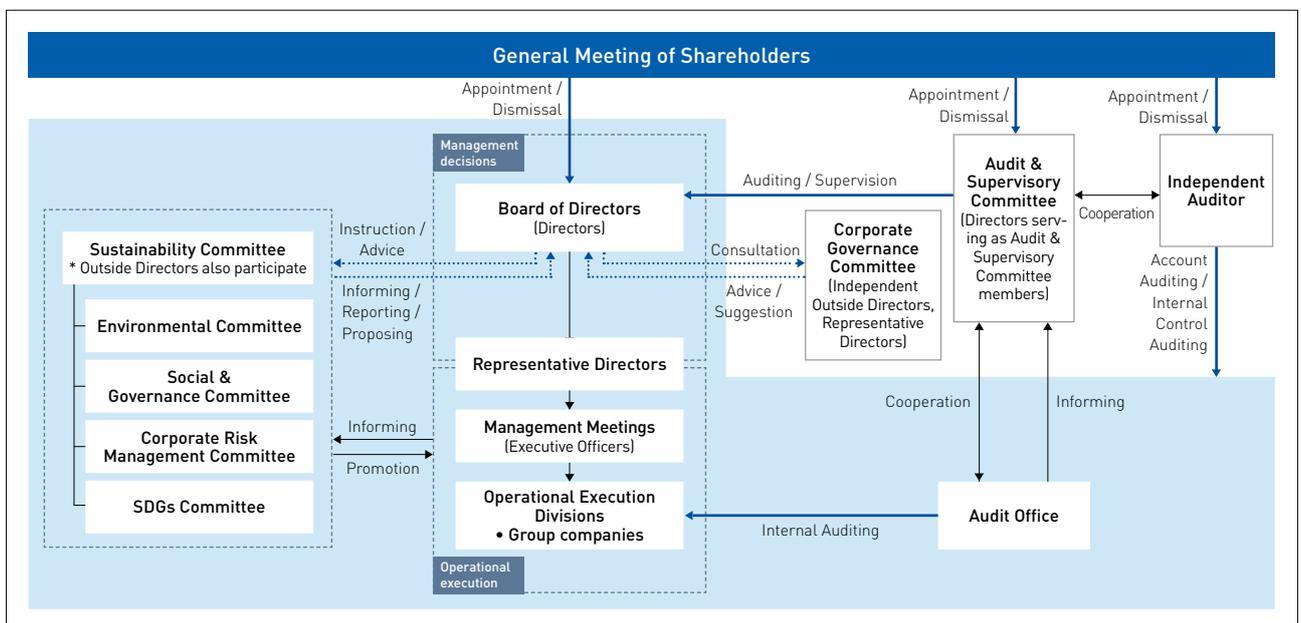
Independent Outside Director Ratio



Female Director Ratio



Corporate Governance Organization Chart



2 Evaluation of the Effectiveness of the Board of Directors

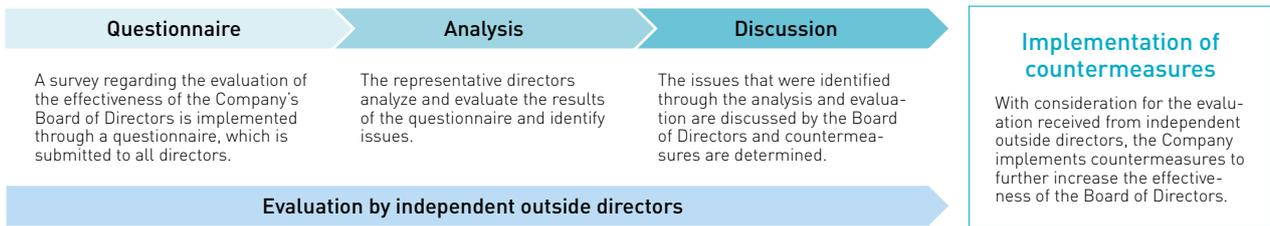
In April 2021, the Company conducted an evaluation of the effectiveness of the Board of Directors. Details are as follows.

<<Overview>>

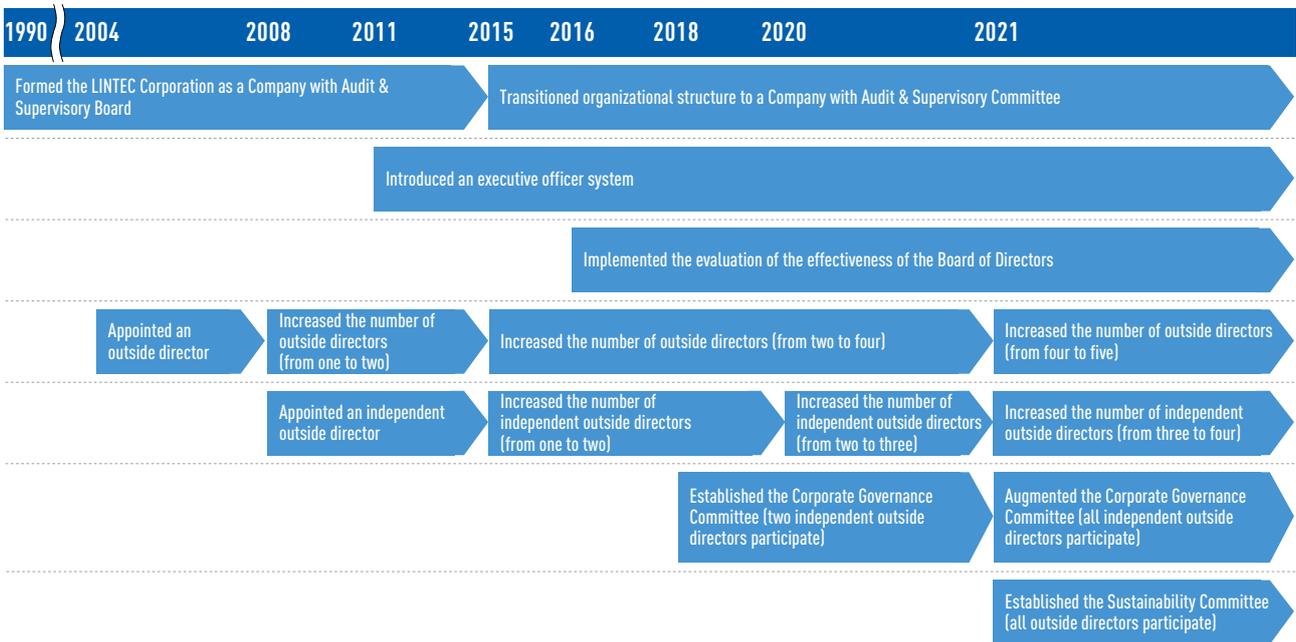
All directors filled out a questionnaire and answered open-ended questions, in order to evaluate the effectiveness of the Board of Directors at LINTEC. This time, based on discussions, the questionnaire asked for the opinions of directors on subjects related to the Company's corporate governance that have not been taken up for evaluation by external entities. The representative directors analyzed, evaluated, and identified issues in the responses, selecting the items that management should prioritize this fiscal year. One such issue entailed increasing the involvement of outside

directors in corporate governance and management policy (sustainability management). Through this process, the Company's independent outside directors arrived at a final evaluation on the effectiveness of the Board of Directors. They found that the questions and methods followed a logical process, and by examining measures for the next fiscal year based on the responses, stated that it is possible to improve the functionality of the Board of Directors further, and that the selection of issues to tackle this year followed a logical and appropriate process. By continuing these efforts, they were of the opinion that it is possible to further enhance the functions of the Board of Directors. Based on this evaluation, we will take steps to maintain an environment that facilitates continued improvement in the effectiveness of the Board of Directors.

Implementation Process for the Evaluation of the Effectiveness of the Board of Directors



Changes in Corporate Governance



Status of Outside Directors

1 Outside Directors

The Company has appointed five outside directors—Akira Sebe, Akiko Okushima, Shigeru Sugimoto, Satoshi Ohoka, and Kanako Osawa. Two of these outside directors—Satoshi Ohoka and Kanako Osawa—are Audit & Supervisory Committee members.

Name	Human, Financial, and Business Relationships and Other Shared Interests between the Outside Directors and the Company	Reason for Appointment
Akira Sebe	There are no particular shared interests between the Company and Akira Sebe but Nippon Paper Industries Co., Ltd., where he serves as an executive officer, is a major trading partner of the Company, which purchased ¥1,733 million worth of raw materials from and sold ¥114 million worth of products to Nippon Paper (both results from the fiscal year ended March 31, 2021). In addition, Nippon Paper is a major shareholder in the Company; its holding amounted to 21,737,792 shares (30.06% of the total number of Company shares outstanding, excluding treasury stock) on March 31, 2021.	By utilizing knowledge and experience from his directorship experience at Nippon Paper Industries Co., Ltd., and his many years of business experience in this company's materials department, Akira Sebe is able to strengthen the Company's Board of Directors' supervisory function. Therefore, he has been appointed as an outside director.
Akiko Okushima	There are no particular shared interests between the Company and Akiko Okushima.	By utilizing her extensive knowledge in the field of marketing, and her know-how and experience gained through many years of work in a different industry from that of the Company as representative director and president, Akiko Okushima is able to strengthen the Company's Board of Directors' supervisory function. Therefore, she has been appointed as an outside director. She is a member of the Corporate Governance Committee, an advisory body to the Board of Directors. The Company has designated her as an independent officer based on the criteria stipulated by the Tokyo Stock Exchange, Inc. [TSE].
Shigeru Sugimoto	There are no particular shared interests between the Company and Shigeru Sugimoto.	By utilizing his abundant business experience as an outside director and auditor in a sector different from the Company, even managing his own company, as well as his practical experience, broad knowledge, and advanced expert insight as a certified public accountant, registered real estate appraiser, and certified tax accountant, Shigeru Sugimoto is able to strengthen the audit and supervisory functions of the Company's Board of Directors. Therefore, he has been appointed as an outside director. He is a member of the Corporate Governance Committee, an advisory body to the Board of Directors. The Company has designated him as an independent officer based on the criteria stipulated by the TSE.
Satoshi Ohoka	There are no particular shared interests between the Company and Satoshi Ohoka.	By utilizing his long years of policy-based finance experience, his rich international experience, his specialist academic experience, and his knowledge and experience gained as an outside director in industries different to that of the Company, Satoshi Ohoka is able to strengthen the audit and supervisory functions of the Company's Board of Directors. Therefore, he has been appointed as a director serving as an Audit & Supervisory Committee member. He is a member of the Corporate Governance Committee, an advisory body to the Board of Directors. The Company has designated him as an independent officer based on the criteria stipulated by the TSE.
Kanako Osawa	There are no particular shared interests between the Company and Kanako Osawa.	By utilizing her specialist expertise and extensive knowledge gained as an attorney, along with the knowledge and experience gained through her career in corporate legal affairs both at home and abroad, Kanako Osawa is able to strengthen the audit and supervisory functions of the Company's Board of Directors. Therefore, she has been appointed as a director serving as an Audit & Supervisory Committee member. She is a member of the Corporate Governance Committee, an advisory body to the Board of Directors. The Company has designated her as an independent officer based on the criteria stipulated by the TSE.

2 The Company's Basic Way of Thinking with Regard to the Independence of Outside Directors

The Company does not have its own set standards or policies with regard to the independence of outside directors and refers instead to the standards stipulated by the TSE. Since appointment is based on a request from the Company, we recognize that independence from management is to be ensured.

3 Outside Directors' Supervision, Audits, and Internal Audits; Mutual Cooperation with Audit & Supervisory Committee Audits and Accounting Audits; and the Relationship with the Internal Control Division

In addition to attending Board of Directors' meetings and making necessary and effective remarks as appropriate during agenda deliberations, outside directors attend meetings of the Internal Control Committee and oversee directors in the execution of their duties.

Status of Audits

1 Status of Audit & Supervisory Committee Audits

The Company's Audit & Supervisory Committee comprises three directors serving as Audit & Supervisory Committee members, of whom two are outside directors. While utilizing the internal control system, the Audit & Supervisory Committee cooperates with the Audit Office and the independent auditor, receives the necessary reports, and conducts audits of the directors' business execution through such methods as exchanges of opinions. Each Audit & Supervisory Committee member attends management and other meetings, obtains the information needed for the audits, attends Board of Directors' meetings as a director, and supervises the directors in the execution of their duties by stating opinions and participating in resolutions through their voting rights. Audit & Supervisory Committee member Hiroshi Okada has considerable knowledge of finance and accounting, having gained many years of experience in his roles at the Company's administrative and audit divisions. In the fiscal year under review, the Audit & Supervisory Committee met, in principle, one time per month. The attendance of each Audit & Supervisory Committee member is as follows.

Name	Total number of meetings	Number of meetings attended
Hiroshi Okada	13	13
Satoshi Ohoka	13	13
Kanako Osawa	13	13

The principal matters audited by the Audit & Supervisory Committee include the following: (1) in regard to the performance of directors, whether or not there are important cases of wrongdoing or violations of laws, regulations, or the Articles of Incorporation; (2) whether or not the details of the Board of Directors' discussions regarding the internal control system, and the status of the establishment/operation of the internal control system, are reasonable; (3) whether or not the business reports, settlement-related documents, etc., are in accordance with laws, regulations, and the Articles of Incorporation and accurately show the Company's circumstances; (4) whether or not the independent auditor's audit methods and results are reasonable; and (5) whether or not a system to secure the proper execution of the duties of the independent auditor has been established. At the end of the period, the committee prepares an audit report that describes the audit methods and details as well as the audit results. In addition, the activities of the full-time Audit & Supervisory Committee member include conducting Audit & Supervisory Committee audits of the head office, work sites, subsidiaries, etc., which are implemented in combination with the Audit Office's internal audits; holding liaison meetings with the auditors of domestic and overseas subsidiaries; and sharing this information at meetings of the Audit & Supervisory Committee.

2 Status of Internal Audits

The Company has established the Audit Office as an internal auditing unit. The Audit Office regularly implements internal audits of

Director Diversity

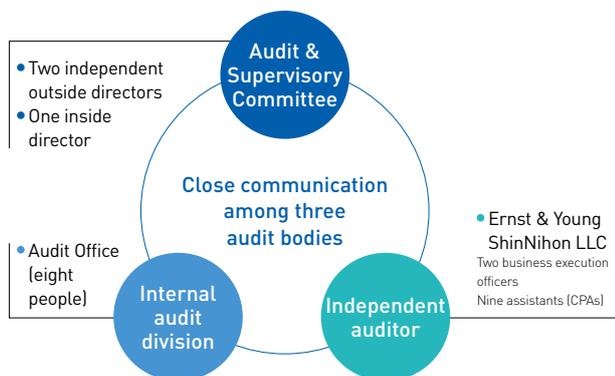
The following table shows the fields in which each director is expected to make an especially strong contribution.

Name	Attribute	Corporate management, management strategy, SDGs	Production, technology, research, IT	Sales, marketing	Finance, accounting, capital policy, M&A	Audit	Human resources, labor, human resource development	Legal affairs, risk management	Global experience	Knowledge of other business
Akihiko Ouchi		●	●	●	●				●	
Makoto Hattori		●	●	●	●				●	
Gohei Kawamura		●	●	●					●	
Tsunetoshi Mochizuki		●					●	●		
Takeshi Kaiya		●		●					●	
Yoichi Shibano		●			●				●	
Akira Sebe	Outside Director	●	●						●	●
Akiko Okushima	Independent Director Outside Director	●	●	●					●	●
Shigeru Sugimoto	Independent Director Outside Director	●			●	●			●	●
Masaaki Kimura					●	●		●		
Satoshi Ohoka	Independent Director Outside Director	●			●	●			●	●
Kanako Osawa	Independent Director Outside Director				●	●		●	●	●

* The above table does not indicate all of the knowledge of each director.

divisions, work sites, plants, and affiliated subsidiaries in addition to verifying that operational execution processes and results comply with the law and internal regulations. The Audit Office has the central role in audits in such areas as quality and the environment, which are implemented in collaboration with the supervising division. The Audit Office provides advance notice to the Audit & Supervisory Committee of a summary of internal auditing plans and audit items, and after internal audits are completed, reports all of the audit results and assessments to the Audit & Supervisory Committee. In addition, the full-time Audit & Supervisory Committee member and the general manager of the Audit Office hold monthly liaison meetings to exchange opinions and information, and to periodically share information with the independent auditor. In this way, the Group works to enhance the effectiveness of three-way audits by coordinating closely with the Audit & Supervisory Committee, independent auditors, and internal audit division.

Three-Way Audits



3 Status of Accounting Audits

■ Name of audit firm

Ernst & Young ShinNihon LLC

■ Continuous period for which the independent auditor has performed audits

Since 1981

4 Details of Audit Remuneration, Etc.

■ Remuneration of the independent auditor, etc.

(Millions of yen)

Category	Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021	
	Remuneration for audit services	Remuneration for non-audit services	Remuneration for audit services	Remuneration for non-audit services
LINTEC	88	0	90	0
Consolidated subsidiaries	-	-	-	-
Total	88	0	90	0

Note: The non-audit services provided to the Company in the previous fiscal year and the fiscal year under review were officer training.

■ Remuneration to the same network (Ernst & Young) as the independent auditor, etc. (excluding remuneration of the independent auditor, etc.)

(Millions of yen)

Category	Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021	
	Remuneration for audit services	Remuneration for non-audit services	Remuneration for audit services	Remuneration for non-audit services
LINTEC	-	-	-	1
Consolidated subsidiaries	34	16	36	19
Total	34	16	36	21

Note: The non-audit services provided to consolidated subsidiaries in the previous fiscal year and the fiscal year under review were tax-related advisory services, etc.

Remuneration of Corporate Officers

1 Policy Regarding Decisions on Amounts of Director Remuneration

■ Remuneration of directors (excluding outside directors and Audit & Supervisory Committee members)

(1) Basic remuneration

- Fixed amounts paid based on rank
- The total amount paid does not exceed ¥420 million (includes up to ¥30 million for outside directors who are not members of the Audit & Supervisory Committee)

(2) Bonuses

- Short-term incentives (remuneration linked to business performance) paid in amounts adjusted based on consolidated business results, the total amount paid not exceeding ¥150 million
 - (a) The representative directors and directors who are also business execution officers are eligible for bonuses
 - (b) The bonus amount is calculated as follows:
Rank-based standard amount x multiplier (%) based on consolidated performance evaluation
 - (c) The multiplier (%) based on consolidated performance evaluation is calculated as follows:
 1. Consolidated performance evaluation indicators are consolidated net sales and consolidated operating income
 2. Regarding the above indicators:
 - (i) Ratio of results for the fiscal year in review versus externally disclosed targets at the outset of the fiscal year (forecasts of consolidated business results denoted in the Consolidated Financial Results)
 - (ii) Ratio of average performance during period applicable to time of service within the past three years until the fiscal year in review, to average performance over the three years preceding the previous fiscal year
 The multiplier is decided based on the result of combining the aforementioned (i) and (ii) at a 60:40 ratio.

(3) Restricted stocks

- Long-term incentives to contribute to increasing the Company's corporate value and share price provided by the allotment of restricted stocks
- The total amount paid does not exceed ¥60 million

The total amount of basic remuneration has been approved by the 127th Annual General Meeting of Shareholders held on June 21, 2021, and totals for bonuses and restricted stock were approved

at the 124th Annual General Meeting of Shareholders held on June 21, 2018.

The Corporate Governance Committee, with a majority of independent outside directors as members, is an advisory body that provides advice and makes suggestions to the Board of Directors on matters regarding evaluations and decisions on remuneration for directors (excluding outside directors and Audit & Supervisory Committee members), with the aim of improving objectivity and transparency.

■ Remuneration of outside directors (excluding Audit & Supervisory Committee members)

This is decided by the Board of Directors in accordance with the Company's internal rules on director remuneration and within totals approved at the General Meeting of Shareholders.

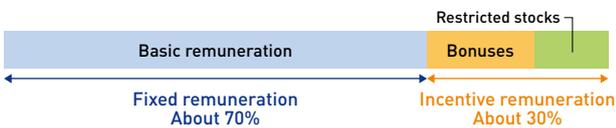
- Payment of fixed remuneration each month
- Total amount does not exceed ¥30 million

■ Remuneration of directors (Audit & Supervisory Committee members)

This is decided through deliberations by the Audit & Supervisory Committee members in accordance with the Company's internal rules on director remuneration and within totals approved at the General Meeting of Shareholders.

- Payment of fixed remuneration each month
- Total amount does not exceed ¥60 million

Remuneration System for Directors (Excluding Outside Directors and Audit & Supervisory Committee Members)



Remuneration System for Outside Directors (Excluding Audit & Supervisory Committee Members)

Basic remuneration

Remuneration System for Directors (Audit & Supervisory Committee Members)

Basic remuneration

2 Total Remuneration by Corporate Officer Type

Corporate officer type	Total remuneration	Total remuneration by type			Number of people receiving remuneration
		Basic remuneration	Restricted stocks	Bonuses	
Directors (excluding Audit & Supervisory Committee members and outside directors)	295	215	53	25	10
Directors (Audit & Supervisory Committee members, excluding outside directors)	21	21	-	-	1
Outside officers	31	31	-	-	6

Policy on Holdings of Capital Tie-Up Shares

The Company views the establishment and maintenance of stable, long-term relationships with business partners as a matter of importance. For this reason, shares of business partners are held strategically based on a comprehensive evaluation of factors such as the Company's business relationship with the partner in question. The Company only acquires such shares when increasing trust and coordination with the business partner is judged as an effective means of mutually raising corporate value. These holdings are reviewed based on this perspective when necessary, and consideration is given to reducing them. In exercising voting rights, in regard to proposals made by business partners, the Company comprehensively considers whether or not a proposal will contribute to improved shareholder value.

Stockholdings

1 Criteria for and Approach to the Classification of Investment Shares

The Company classifies investment stocks held with the objective of receiving profits through stock price fluctuations or stock-related dividends as stocks held for pure investment purposes, and other stocks as investment stocks held for purposes other than pure investment (capital tie-up shares).

2 Stocks Held for Purposes other than Pure Investment

■ Number of issues and amount recorded on balance sheet

	Number of issues (issues)	Total amount recorded on balance sheet
Unlisted shares	16	110
Shares other than unlisted shares	23	1,790

■ Information related to number of shares, amount recorded on balance sheet, etc., for specified investment shares and deemed shareholdings, by issue

Specified investment shares (top 10 issues)

Issue	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Purpose of holding, quantitative effects of holding, and reasons for increase in the number of shares	Whether or not investee holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
Toray Industries, Inc.	1,160,000	1,160,000	To maintain and strengthen business relationships	Yes
	826	544		
Fujipream Corporation	936,000	936,000	Same as above	No
	376	184		
IMURA ENVELOPE CO., INC.	200,000	200,000	Same as above	Yes
	197	111		
Mitsubishi UFJ Financial Group, Inc.	159,710	159,710	Same as above	Yes
	94	64		
KING JIM CO., LTD.	76,630	76,630	Same as above	Yes
	72	63		

(Millions of yen)

Issue	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Purpose of holding, quantitative effects of holding, and reasons for increase in the number of shares	Whether or not investee holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Amount recorded on balance sheet	Amount recorded on balance sheet		
ASAHI PRINTING CO., LTD.	38,054	34,009	To maintain and strengthen business relationships*1	No
	35	31		
Arisawa Mfg. Co., Ltd.	35,431	35,431	Same as above	No
	35	28		
OZU CORPORATION	16,978	16,553	Same as above*1	No
	34	28		
Mizuho Financial Group, Inc.*2	20,695	206,950	Same as above	Yes
	33	25		
Canon Marketing Japan Inc.	6,938	6,938	Same as above	No
	17	14		

*1 The reason for the increase in the number of shares was the acquisition of shares through the company's stock ownership association.

*2 Mizuho Financial Group, Inc., conducted a 10-for-1 stock merger on October 1, 2020.

Takeover Defense Measures

The Company has not introduced takeover defense measures. However, in regard to persons who are engaging in or aim to engage in a large-scale purchase of the Company's stock, the Company will act from the perspective of securing its corporate value and the common interests of its shareholders. From that perspective, the Company will request that persons who are engaging in or aim to engage in a large-scale purchase provide necessary and sufficient information to allow the shareholders to appropriately determine the pros and cons of the large-scale purchase in accordance with relevant laws and regulations. At the same time, the Company will disclose the opinions of the Board of Directors and endeavor to secure necessary time and information for the shareholders to consider such large-scale purchase. Further, if it is rationally judged that there is a risk of damage to the Company's corporate value and the common interests of shareholders unless timely defensive measures are implemented to address a large-scale purchase, the Company will endeavor to secure its corporate value and the common interests of its shareholders, as an obvious obligation of the Board of Directors entrusted with management of the Company by its shareholders, by promptly deciding the content of the concrete measures deemed most appropriate at the time in accordance with the relevant laws and regulations and executing such measures.

Shareholder Interactions

The Company seeks to engage in constructive interactions with shareholders and other investors that contribute to sustainable growth and medium- to long-term improvements in corporate value. The Company has established an investor relations (IR) activity system and advances proactive initiatives based on the following policies to facilitate this endeavor.

- (1) The officer responsible for IR implements and oversees the Company's various IR activities, including individual meetings with shareholders and investors. In regard to responses to requests for individual meetings, members of senior management or directors will meet with shareholders or investors requesting meetings based, whenever appropriate, on the desires and interests of the requester.
- (2) The Public Relations Office, Finance & Accounting Dept., General Affairs & Legal Dept., and Corporate Strategic Office play a central role in advancing the Company's various IR activities. Relevant divisions pursue close coordination with these offices and departments, exchanging information on a daily basis and meeting with members of senior management as appropriate to share necessary information.
- (3) In addition to individual meetings, the Company's IR activities include regular briefings on financial results and medium-term business plans, visits to overseas investors, participation in IR conferences at which overseas investors gather, facility tours, business explanatory forums, and Company briefings for individual investors. We seek to expand the range of information provided to domestic and overseas shareholders and other investors by publishing shareholder newsletters and integrated reports and posting information in the IR section of our corporate website. At the same time, we collect feedback from a wide range of shareholders and other investors through surveys that are attached to shareholder newsletters and made available on the IR website.
- (4) Opinions and concerns of shareholders and other investors solicited through IR activities are relayed to management by the relevant divisions via quarterly business reports at the Board of Directors' meetings or reported appropriately to management on an as-required basis.
- (5) In interactions with shareholders and other investors, we practice stringent management of information in accordance with the internal Insider Trading Prevention Regulations to ensure that insider information is not disclosed. In addition, the Company's disclosure policy stipulates that we will observe a quiet period that begins approximately one month prior to the announcement of quarterly financial results to avoid leaks of financial results and to maintain fairness. During this period, we will not answer questions or make comments on our financial results and forecasts.

Operating Risks

The Group is working to identify and prevent the occurrence of Groupwide risks and to establish an action-based approach to seizing and leveraging opportunities. To that end, the Group has set up the Corporate Risk Management Committee, which is advancing

the construction of a Groupwide risk management system. With the aim of establishing a risk management system for the entire Group, this committee has responsibility for system construction, management, and operation, and the committee is continually implementing

improvement activities. Major risks that could affect the Group's operating results, etc., include the following. This summary provides examples of major risks that are anticipated, but it does not include all risks. Forward-looking items in the text are judgments as of March 31, 2021.

1 Risks of Changes in Economic Conditions and Market Environments

The Group's operations include development in a wide range of industries, and accordingly domestic and overseas economic conditions and market environments affect the Group's operations directly and indirectly. In Japan, markets are contracting due to a declining birthrate and an aging population, as well as a decreasing population, and the Group's business results could be affected. However, going forward the Group will work to discover new demand, increase its market share in existing businesses, and create new markets. Furthermore, global trends in the electronics industry affect the Electronic and Optical Products businesses, and accordingly future trends in this industry could affect the Group's business results.

The Group expects a moderate recovery from the COVID-19 pandemic in the fiscal year ending March 31, 2022, as more people get vaccinated and economic stimulus measures take effect around the world. If the pandemic lasts longer than anticipated, it could affect the Group's business environment and operating results.

2 Risks of Changes in Selling Prices

Due to intense competition in both the domestic and overseas markets in which the Group operates, the Group may be unable to maintain selling prices to preserve sufficient earnings or sales share. The Group will work to maintain its market share by achieving differentiation from its competition and refining customer services, and to secure profits by reducing costs. However, if these initiatives are difficult, the Group's business results could be affected.

3 Risks of Changes in Raw Material Prices

The Group uses a large quantity of pulp for paper and petrochemical products as raw materials and fuel. The prices of these materials and fuels fluctuate in accordance with market conditions, such as inventories and the supply-demand balance. The Group purchases raw materials in light of careful monitoring of market trends. However, a dramatic change in raw material prices could affect the Group's business results.

4 Risks Related to Overseas Operations

The Group conducts manufacturing and business operations in markets worldwide. In the fiscal year ended March 31, 2021, the overseas sales ratio was 50.2%. In the countries where the Group conducts manufacturing or business operations, the following events could hinder the Group's overseas business activities and affect the Group's business results: political instability or a deterioration in security due to such factors as terrorism, a political change, or a coup d'état; labor disputes involving employees; infectious diseases; and unpredictable changes in laws and regulations, such as those involving tax systems, foreign exchange, or customs clearance; etc. In addition, the risk of foreign exchange rate

fluctuations has increased. The Group is focusing on trends in the U.S. dollar and in major Asian currencies, such as the Korean won, Chinese yuan, and Taiwanese dollar. The Group is also working to reduce risk through the use of forward exchange contracts, etc. However, the Group's business results could be affected by fluctuations in foreign exchange rates that exceed expectations.

5 New Product Development

The Group pursues R&D activities with a view to realizing comprehensive technological capabilities that cater to market demand and bringing to market competitive, high-value-added products. Accordingly, the Group is stepping up allocations of management resources to increase its number of researchers and to pursue such initiatives as joint research with other companies and academic institutions. However, there is no guarantee that such investment of management resources in R&D will result in the development of new products or increase operating income. Due to such factors as extended development periods, it could become necessary to discontinue development, and if product development costs cannot be recovered, it could affect the Group's business results.

6 Intellectual Property Rights

The Group takes necessary measures to protect intellectual property rights in Japan and overseas for various original production technologies that it has developed. However, legal measures alone do not provide complete protection, possibly preventing the Group from effectively protecting the rights it has obtained. Furthermore, in the event that a lawsuit is filed by a third party regarding intellectual property rights infringement associated with the Group's products, the Group's business results could be affected.

7 Significant Lawsuits

In conducting business in Japan and overseas, the Group may be subject to lawsuits or other claims related to product liability, environmental, or intellectual property rights issues. Lawsuits or claims, depending on their content, could affect the Group's business results.

8 Legal and Regulatory Systems

In the countries in which it conducts business operations, the Group is subject to various legal and regulatory systems, and as such is working to ensure rigorous compliance with these systems. In the event that the systems are strengthened or changed, the Group's business activities could be restricted or the Group's business results could be affected.

9 Natural Disasters and Major Accidents

The Group has BCP and a BCMS in place to respond to natural disasters and major accidents. However, in the event of a large-scale natural disaster caused by a factor such as climate change, the Group's performance could be affected if its stable supply of products is interrupted by greater-than-expected damage to the business locations of the Company or its suppliers.

Corporate Officers As of June 21, 2021

Representative Director, Chairman and CEO

Akihiko Ouchi (Date of Birth: Jan. 2, 1945)



Mar. 1967 Joined the Company
Apr. 1994 Manager, Nagoya Branch Office
Jun. 2000 Director, Plant Manager, Tatsuno Plant, Production Div.
Jun. 2004 Representative Director, President
Apr. 2014 Representative Director, Chairman and CEO (current position)

Attendance at the meetings of the Board of Directors:
14/14 meetings (FY2021)

Representative Director, President, CEO and COO

Makoto Hattori (Date of Birth: Oct. 12, 1957)



Apr. 1980 Joined the Company
Apr. 2014 Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.
Jun. 2015 Director, Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.
Apr. 2017 Director, Managing Executive Officer, Executive General Manager, Business Administration Div.
Apr. 2020 Representative Director, President, CEO and COO (current position)

Attendance at the meetings of the Board of Directors:
14/14 meetings (FY2021)

Director, Senior Managing Executive Officer

Gohei Kawamura (Date of Birth: Jan. 12, 1956)



Apr. 1979 Joined the Company
Jun. 2011 Executive Officer, Chairman and President, LINTEC (SUZHOU) TECH CORPORATION (seconded)
Jun. 2015 Director, Managing Executive Officer, Chairman and President, LINTEC (SUZHOU) TECH CORPORATION (seconded)
Apr. 2017 Director, Managing Executive Officer, Executive General Manager, Production Div., and in charge of Quality Assurance & Environmental Protection Div.
Apr. 2020 Director, Senior Managing Executive Officer, Executive General Manager, Production Div., and in charge of Quality Assurance & Environmental Protection Div. (current position)

Attendance at the meetings of the Board of Directors:
14/14 meetings (FY2021)

Director, Senior Managing Executive Officer

Tsunetoshi Mochizuki (Date of Birth: May 12, 1958)



Jan. 1983 Joined the Company
Jun. 2011 Executive Officer, Executive General Manager, General Affairs & Human Resources Div., General Manager, General Affairs & Legal Dept. and Human Resources Dept.
Jun. 2015 Director, Managing Executive Officer, Executive General Manager, General Affairs & Human Resources Div.
Apr. 2020 Director, Senior Managing Executive Officer, Executive General Manager, General Affairs & Human Resources Div. (current position)

Attendance at the meetings of the Board of Directors:
14/14 meetings (FY2021)

Director, Managing Executive Officer

Takeshi Kaiya (Date of Birth: Nov. 19, 1961)



Apr. 1984 Joined the Company
Apr. 2017 Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.
Apr. 2020 Managing Executive Officer, Executive General Manager, Business Administration Div.
Jun. 2020 Director, Managing Executive Officer, Executive General Manager, Business Administration Div. (current position)

Attendance at the meetings of the Board of Directors:
10/10 meetings (FY2021)

Director, Senior Executive Officer, and CFO

Yoichi Shibano (Date of Birth: Nov. 14, 1963)

New appointment



Apr. 1987 Joined the Company
Mar. 2015 Director, LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED (seconded)
Apr. 2018 Executive Officer, Executive General Manager, Administration Div. and General Manager, Finance & Accounting Dept.
Apr. 2021 Senior Executive Officer, Executive General Manager, Administration Div. and General Manager, Finance & Accounting Dept.
Jun. 2021 Director, Senior Executive Officer, Executive General Manager, Administration Div. and General Manager, Finance & Accounting Dept. (current position)

Attendance at the meetings of the Board of Directors:
—

Outside Director

Akira Sebe (Date of Birth: Dec. 12, 1965)

New appointment



Apr. 1988 Joined Jujo Paper Co., Ltd.
Jun. 2020 Executive Officer, Raw Material & Purchasing Div., Nippon Paper Industries Co., Ltd. (current position)
Jun. 2021 Outside Director of the Company (current position)

Attendance at the meetings of the Board of Directors:
—

Outside Director

Akiko Okushima (Date of Birth: Feb. 1, 1958)

Independent Director



Apr. 1981 Joined IBM Japan, Ltd.
Mar. 2001 Representative Director and President, JBtoB CO., LTD. (current position)
Jun. 2020 Outside Director of the Company (current position)

Attendance at the meetings of the Board of Directors:
10/10 meetings (FY2021)

Outside Director**Shigeru Sugimoto** (Date of Birth: Oct. 12, 1958) New appointment Independent Director

Apr. 1982 Joined Housing and Urban Development Corporation (currently Urban Renaissance Agency)

Oct. 1985 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)

Jul. 1988 Representative, Sakura & Co. (currently Crowe Sakura & Co.) (current position)

Feb. 1989 Registered as a Certified Public Accountant

Dec. 1995 Representative Member, Sakura Audit Corporation (currently Sakura LLC) (current position)

Jun. 2021 Outside Director of the Company (current position)

Attendance at the meetings of the Board of Directors:

—

Director / Audit & Supervisory Committee member**Masaaki Kimura** (Date of Birth: Oct. 9, 1961) New appointment

Mar. 1988 Joined the Company

Apr. 2006 General Manager, Audit Office

Oct. 2012 General Manager, General Affairs & Legal Dept., General Affairs & Human Resources Div.

Apr. 2021 Chief Project Manager, General Affairs & Human Resources Div.

Jun. 2021 Director / Audit & Supervisory Committee Member (current position)

Attendance at the meetings of the Board of Directors:

—

Attendance at the meetings of the Audit and Supervisory Committee:

—

Outside Director / Audit & Supervisory Committee Member**Satoshi Ohoka** (Date of Birth: Apr. 24, 1951) Independent Director

Apr. 1975 Joined Japan Development Bank (Currently Development Bank of Japan)

Apr. 2003 Professor, Nihon University, Advanced Research Institute for the Sciences and Humanities; Lecturer, Chuo University, Graduate School of Commerce (current position)

Jun. 2006 Outside Director, Ryobi Limited (current position)

Jun. 2012 Outside Director of the Company

Jun. 2015 Outside Director / Audit & Supervisory Committee Member of the Company (current position)

Attendance at the meetings of the Board of Directors:

14/14 meetings (FY2021)

Attendance at the meetings of the Audit and Supervisory Committee:

13/13 meetings (FY2021)

Outside Director / Audit & Supervisory Committee Member**Kanako Osawa** (Date of Birth: Dec. 22, 1970) Independent Director

Apr. 1998 Certified as an Attorney, joined Kajitani Law Offices (to present)

Oct. 2005 Admitted to practice law in the State of New York, U.S.

Jun. 2015 Outside Director / Audit & Supervisory Committee Member of the Company (current position)

Attendance at the meetings of the Board of Directors:

14/14 meetings (FY2021)

Attendance at the meetings of the Audit and Supervisory Committee:

13/13 meetings (FY2021)

Managing Executive Officers**Junichi Nishikawa**

Deputy Executive General Manager, Production Div. and Plant Manager, Kumagaya Plant

Takehiko Wakasa

Deputy Executive General Manager, Production Div. and Plant Manager, Tatsuno Plant

Senior Executive Officers**Toru Onishi**

Plant Manager, Mishima Plant, Production Div.

Norio Murata

Executive General Manager, Osaka Branch Office, Business Administration Div., and in charge of Western Japan

Shigeru Uematsu

General Manager, Public Relations Office

Yutaka Iwasaki

Executive General Manager, Converted Products Operations, Business Administration Div.

Sumio Morimoto

President, LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED

Tatsuya Tsukida

Executive General Manager, Procurement Div. and General Manager, Strategic Procurement Dept.

Toshimi Sugaya

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Fine & Specialty Paper Products Operations

Masaaki Yoshitake

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Printing & Variable Information Products Operations

Kinya Mochida

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Advanced Materials Operations, and General Manager, Business Planning Dept.

Executive Officers**Masahiro Oshima**

President, LINTEC USA HOLDING, INC.

Hiroyuki Matsuo

Plant Manager, Agatsuma Plant, Production Div.

Naoshi Nishikado

General Manager, Corporate Strategic Office

Satoru Shoshi

Executive General Manager, Optical Products Operations, Business Administration Div.

Yoshihisa Mineura

Executive General Manager, Research & Development Div.

Hideo Senoo

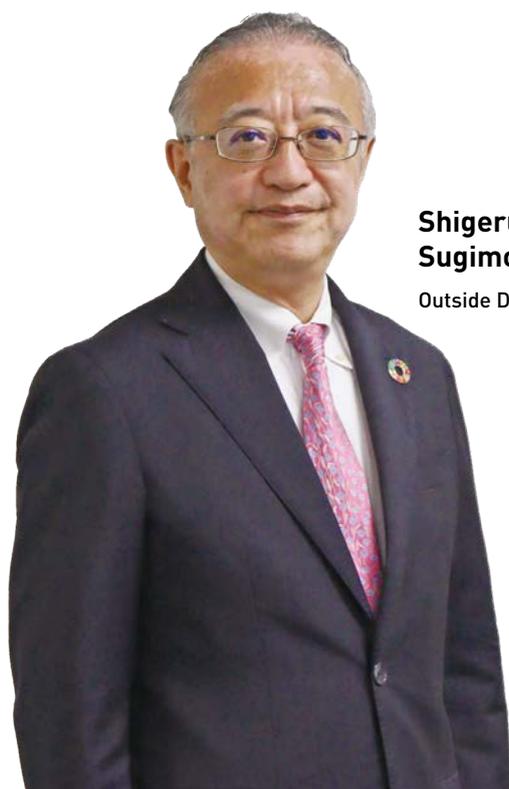
Deputy Executive General Manager, Research & Development Div. and General Manager, Research Center

Hideki Miyake

Executive General Manager, Industrial & Material Operations, Business Administration Div.

Messages from Independent Outside Directors

At the General Meeting of Shareholders held in June 2021, Shigeru Sugimoto was appointed as an outside director. Together with Akiko Okushima, who was appointed as an outside director last year and reappointed at this year's General Meeting of Shareholders, and Audit & Supervisory Committee members Satoshi Ohoka and Kanako Osawa, who were also reappointed, the Company now has four independent outside directors. The ratio of independent outside directors on the Board of Directors has increased to one in three. These four directors were asked about such topics as their views on LINTEC's governance and how, as independent outside directors, they can contribute to the realization of the Company's long-term vision.



Shigeru Sugimoto
Outside Director

Working to Create New Value by Leveraging My Experience in Many Business Projects

LINTEC is a leading company in the important field of adhesive products that support society, and it is a great honor to be of assistance to such a company. LINTEC proactively discloses both financial and non-financial information, and takes a forward-looking approach to responding to the requests of society, such as addressing environmental concerns. Currently, based on new values prompted by the pandemic, companies are searching for the approach they should take in a sustainable society. I believe the LINTEC Group is keen to contribute to a stable and sustainable society by flexibly responding to changes in society with sound corporate governance and correct decision-making.

As a certified public accountant (CPA), I have spent most of my career building and evaluating business investment schemes, such as M&A, and providing consulting services for business restructuring and reorganization. As a result of my involvement in various projects, I have discovered solutions in unexpected places by pushing through on what looks like thorny problems at first glance, and have seen major risks unexpectedly materialize in what seem like simple projects. I intend to provide more helpful advice and ideas even more quickly because management is expected to make decisions rapidly around the world. Leveraging my experience and expertise gained making business plans for numerous companies, I will do my best to help the LINTEC Group create new value.

Shigeru Sugimoto

Joined Housing and Urban Development Corporation (currently Urban Renaissance Agency) in 1982. Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) in 1985. Established Sakura & Co. (currently Crowe Sakura & Co.) in 1988. Provides consulting services as a CPA for M&A and business restructuring and reorganization. Appointed outside director of the Company in June 2021.

Akiko Okushima

Joined IBM Japan Ltd. in 1981. Subsequently worked in data-driven marketing and consulting operations, including positions at foreign IT companies. In 2001, established JBtoB CO., LTD., becoming representative director and president (current position). In 2020, became an outside director at LINTEC.

Contributing to the Advancement of DX Projects to Reinforce Business Competitiveness

One year has passed since I was appointed an outside director. I believe LINTEC's Board of Directors manages meetings in ways that facilitate the understanding of outside directors, with careful consideration given to sharing information before meetings and the running of that day's meeting. When deliberating on the acquisition of DURAMARK PRODUCTS, INC., in the U.S., management gave a thorough explanation that was effective and appropriate, facilitating an approving vote on the deal.

I have specialized in the creation of market strategies based on consumer purchasing data and used this to propose DX projects. DX is also an important theme of our long-term vision. I will help improve the corporate value of LINTEC by offering advice based on my own expertise and helping to create new competitive businesses, improve business productivity, and develop new technologies.

Akiko Okushima

Outside Director



Helping to Realize LSV 2030 from the Standpoint of Decision-Making and Supervision of Operational Execution

My career has involved corporate management and finance from the standpoint of government financial policy, and I have also engaged in research and training on topics that include international competitiveness, business development, and corporate governance. In recent years, LINTEC has decreased the number of directors while increasing the number of outside directors, and separated the decision-making side from operational execution. I also commend the Company's efforts to encourage a lively exchange of opinions among directors, including outside directors.

The newly created Sustainability Committee includes outside directors, raising expectations for meaningful discussions from a variety of viewpoints. Using my nearly 20 years of experience as an outside director, including at other companies, I intend to help LINTEC realize LSV 2030 by contributing to improving the effectiveness of the Board of Directors and by strengthening governance from a supervisory standpoint and decision-making for operational execution.

Satoshi Ohoka

Outside Director /
Audit &
Supervisory
Committee
Member



Supporting Management from Diverse Perspectives with Each Outside Director

The Board of Directors and each committee always take care to make decisions while considering an outsider's perspective. For example, when discussing investment proposals at Board of Directors' meetings, I make judgments on the logic of reasons for business execution from the standpoint of balancing benefits and risks. At the Audit & Supervisory Committee, I make judgments about whether governance is functioning effectively at Group companies in Japan and around the world. I also pose questions when necessary.

The importance of outside directors is increasing as companies are now being asked how they can fulfill their social responsibilities while pursuing profits. At LINTEC, outside directors are involved in a broadening range of meetings, including the Sustainability Committee. I aim to support management by incorporating diverse perspectives with each outside director, who have wide-ranging backgrounds.

Kanako Osawa

Outside Director /
Audit &
Supervisory
Committee
Member



Satoshi Ohoka

In 1975, joined the former Japan Development Bank. Worked in guidance policy finance, including as deputy director general of the now Development Bank of Japan. In addition, has worked in such positions as professor at Nihon University, and has engaged in educational research at a number of universities. Became an outside director of the Company in 2012, and outside director (Audit & Supervisory Committee member) in 2015. Since 2018, has worked concurrently as chair of the Company's Corporate Governance Committee.

Kanako Osawa

Certified as an attorney and joined Kajitani Law Offices in 1998. Admitted to practice law in the State of New York, U.S., in 2005. Involved in corporate law in Japan and overseas. Became an outside director of the Company (Audit & Supervisory Committee member) in 2015. Since 2018, has worked concurrently as a member of the Company's Corporate Governance Committee.

IR Activities

LINTEC aims to support the formation of an appropriate stock price through timely, suitable information disclosure. To that end, the Company conducts a variety of IR activities for institutional investors, securities analysts, and individual investors.

Dialogue with Institutional Investors and Securities Analysts

For institutional investors and securities analysts in Japan, we conduct financial results briefings twice per year. We also conduct quarterly IR meetings and respond to requests for information. For overseas institutional investors, we work to promote an understanding of the Group through web conferences, IR events that are held by securities companies, and other means. A variety of events have been canceled due to the influence of COVID-19. However, the Company is taking steps to provide all of our shareholders and investors with ongoing information provision and dialogue initiatives, such as online video distribution and web conferences.

Details of Activities in the Fiscal Year Ended March 31, 2021

Number of institutional investors and securities analysts with whom individual meetings were held	Approximately 150
Financial results briefings for institutional investors and securities analysts	2



Online results presentation by the president (Japanese only)

Issuing Shareholder Newsletter

Four times per year, we issue the LINTEC WAVE shareholder newsletter and deliver it to shareholders. We periodically implement a reader questionnaire in the newsletter, and we reflect the feedback received in newsletter production and IR activities.



LINTEC WAVE shareholder newsletter

Enhancing Information Provision Through IR Websites

From the viewpoint of fair disclosure, the Company provides information through Japanese-language and English-language IR websites, and we are working on a daily basis to update the information and enhance the content.



External Evaluations

- Morningstar Japan K.K.**
 Gomez IR Site Ranking 2020
Gold Prize (12th)
 Gomez ESG Site Ranking 2020
Excellent Company (12th)
- Daiwa Investor Relations Co., Ltd.**
 2020 Internet IR Awards
Commendation Award
- Nikko Investor Relations Co., Ltd.**
 Fiscal 2020 All Japanese Listed Companies' Website Ranking
AAA Website (Overall Ranking)



Ratings (As of August 2021)

Long-term bonds

- Rating and Investment Information, Inc. (R&I): A
- Japan Credit Rating Agency, Ltd. (JCR): A+

Short-term bonds

- Rating and Investment Information, Inc. (R&I): a-1
- Japan Credit Rating Agency, Ltd. (JCR): J-1

Status of inclusion in indexes (As of August 2021)

- TOPIX Mid 400 / TOPIX 500 / TOPIX 1000
- Nikkei Stock Index 300
- S&P/JPX Carbon Efficient Index
- MSCI Japan ESG Select Leaders Index
- Japan Empowering Women Index (WIN)

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Management's Discussion and Analysis

Operating Results

In the fiscal year ended March 31, 2021, the world economy was severely affected by the COVID-19 pandemic and U.S.–China trade friction, but showed signs of recovering in the second half. In Japan, the economy began to recover from autumn with support by exports to China and the U.S. and consumer spending, but overall conditions remained challenging inside and outside Japan.

Against this backdrop, consolidated net sales declined 2.0% year on year to ¥235.9 billion, as the pandemic led to weaker sales of products, despite strong demand for semiconductor- and electronic component-related products. Operating income increased 10.3% to ¥17.0 billion, thanks to higher sales in Advanced Materials Operations and lower prices for pulp and petrochemical raw materials. Profit before income taxes expanded 19.3% to ¥16.6 billion, reflecting the growth in operating income and reductions in loss on retirement of non-current assets and impairment loss. Income taxes following the application of tax effect accounting were ¥5.3 billion, and profit attributable to owners of parent amounted to ¥11.4 billion, an increase of 18.6%. Net income per share was ¥157.81, up from ¥133.20 in the previous fiscal year, and ROE increased from 5.0% to 5.9%.

Performance by Business Segment

Printing and Industrial Materials Products

In Printing & Variable Information Products Operations, sales of adhesive products for labels were firm in Japan for food and online sales businesses, but declined for pharmaceuticals, cosmetics, and toiletries due to lower demand, leading to an overall slump in sales. Overseas, sales were solid in the U.S., but lackluster in China and ASEAN countries.

In Industrial & Material Operations, demand rebounded from the third quarter for window film motorcycle- and automobile-use adhesive products but failed to offset the drop in sales in the first half, resulting in a sharp decline for the year. Due to the

postponement and cancellation of various events, demand was sluggish for decorative film.

As a result, segment sales totaled ¥115.7 billion (down 5.5% year on year) and operating losses were ¥0.2 billion.

Electronic and Optical Products

In Advanced Materials Operations, stronger demand related to 5G, PCs, and smartphones led to brisk sales of semiconductor-related adhesive tape and equipment, as well as multilayer ceramic capacitor-related tape.

In Optical Products Operations, optical display-related adhesive products were severely impacted by weak demand in the first half, but from the third quarter, demand rebounded in large-size TV and smartphone applications, finishing the year on a par with the previous fiscal year.

Accordingly, segment sales were ¥89.0 billion (up 8.6% year on year) and operating income was ¥14.4 billion (up 31.5% year on year).

Paper and Converted Products

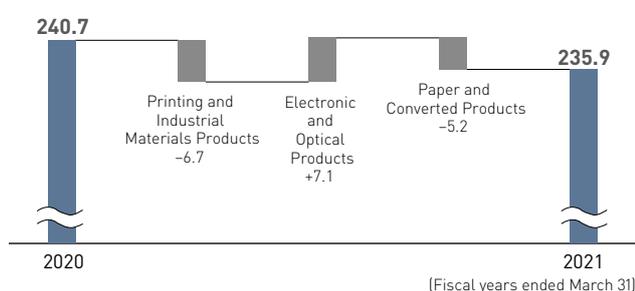
In Fine & Specialty Paper Products Operations, sales trended weakly due to lackluster overall demand for mainstay color paper for envelopes, colored construction paper, and oil- and water-resistant paper.

In Converted Products Operations, demand began to recover in the third quarter for casting paper for synthetic leather used by auto manufacturers, but the business was heavily impacted by weak demand for casting paper for carbon fiber composite materials used in aircraft and release paper for general-use adhesive products.

As a result, segment sales amounted to ¥31.2 billion (down 14.2% year on year) and operating income was ¥2.7 billion (down 21.8% year on year).

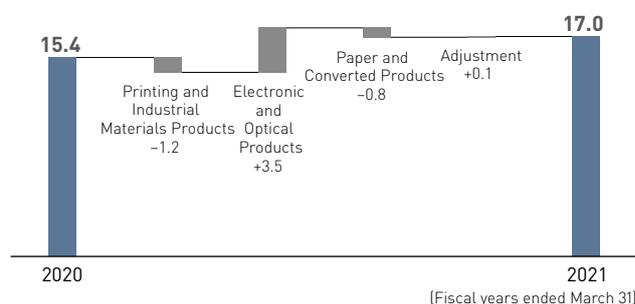
Net Sales

¥ Billion



Operating Income

¥ Billion



Financial Position

Assets

Total assets as of March 31, 2021, were ¥280.3 billion, an increase of ¥1.3 billion from the end of the previous fiscal year. The main changes were as follows:

· Cash and deposits	+¥4.6 billion
· Trade notes and accounts receivable	+¥1.7 billion
· Inventories	-¥2.0 billion
· Goodwill	-¥4.4 billion

Liabilities

Total liabilities as of March 31, 2021, were ¥82.9 billion, a decrease of ¥3.8 billion from the end of the previous fiscal year. The main changes were as follows:

· Trade notes and accounts payable	+¥3.4 billion
· Current portion of long-term loans payable	-¥8.0 billion

Net Assets

Net assets as of March 31, 2021, were ¥197.4 billion, an increase of ¥5.1 billion from the end of the previous fiscal year. The main changes were as follows:

· Retained earnings	+¥5.8 billion
· Foreign currency translation adjustments	-¥2.6 billion
· Remeasurements of defined benefit plans	+¥1.5 billion

Cash Flows

Cash and cash equivalents as of March 31, 2021, amounted to ¥57.6 billion, an increase of ¥5.4 billion year on year.

Cash Flows from Operating Activities

Cash flows from operating activities increased ¥10.3 billion year on year, to a cash inflow of ¥28.8 billion. The main changes were as follows:

· Profit before income taxes	+¥2.7 billion
· Trade notes and accounts receivable	-¥8.4 billion
· Inventories	+¥1.2 billion
· Trade notes and accounts payable	+¥15.4 billion

Cash Flows from Investing Activities

Cash flows from investing activities increased ¥5.2 billion year on year, to a cash outflow of ¥8.6 billion. The main changes were as follows:

· Proceeds from withdrawal of time deposits	+¥1.8 billion
· Purchase of property, plant and equipment	+¥3.4 billion

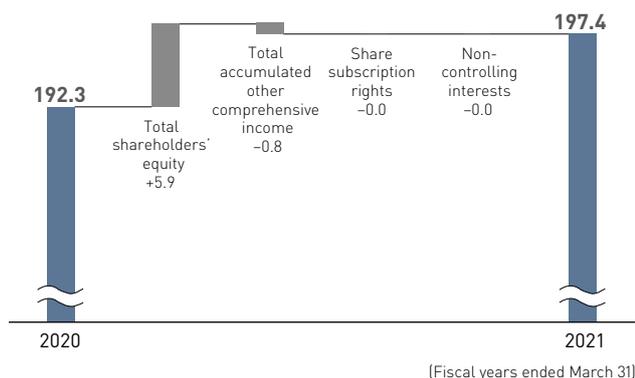
Cash Flows from Financing Activities

Cash flows from financing activities decreased ¥3.8 billion year on year, to a cash outflow of ¥14.1 billion. The main changes were as follows:

· Income from long-term borrowings	+¥1.4 billion
· Repayments of long-term loans payable	-¥6.1 billion

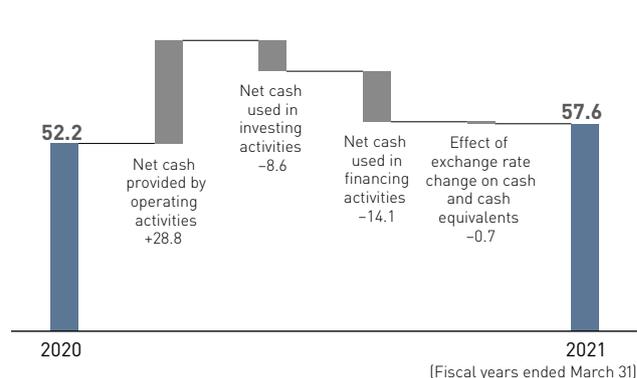
Net Assets

¥ Billion



Cash Flows

¥ Billion



Financial Summary

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31

	2021	2020	2019	2018
For the year:				
Net sales	¥235,902	¥240,727	¥250,942	¥249,030
Operating income	17,030	15,440	17,977	20,095
% of net sales	7.2%	6.4%	7.2%	8.1%
Profit before income taxes	16,635	13,939	18,338	16,666
Profit attributable to owners of parent	11,407	9,620	12,937	11,257
Return on equity	5.9%	5.0%	6.9%	6.2%
Return on assets	6.0%	5.1%	6.2%	6.5%
Per share data (yen):				
Net income	¥ 157.81	¥ 133.20	¥ 179.24	¥ 156.02
Net assets	2,722.89	2,653.80	2,625.54	2,573.69
Cash dividends	78.00	78.00	78.00	66.00
Depreciation and amortization	¥ 9,361	¥ 9,491	¥ 8,700	¥ 9,031
Purchase of property, plant and equipment	(8,997)	(12,443)	(10,768)	(8,084)
Net cash provided by operating activities	28,824	18,501	22,858	26,819
Net cash used in investing activities	(8,612)	(13,818)	(10,299)	(7,532)
Net cash provided by (used in) financing activities	(14,129)	(10,284)	(8,246)	(6,363)
At year-end:				
Current assets	¥170,098	¥163,660	¥175,597	¥173,593
Current liabilities	63,506	66,119	72,994	77,849
Working capital	106,592	97,541	102,603	95,744
Cash and cash equivalents	57,636	52,260	58,303	55,042
Property, plant and equipment, net	79,807	80,481	75,131	75,336
Long-term debt, less current portion	2,546	2,285	11,622	14,395
% of shareholders' equity	1.3%	1.2%	6.2%	8.0%
Total assets	280,262	278,972	290,320	292,733
Net assets	197,350	192,298	190,226	186,420
% of total assets	70.2%	68.7%	65.3%	63.4%
Number of shares outstanding	76,630,740	76,600,940	76,576,340	76,564,240
Number of employees	4,913	4,948	4,888	4,794
Segment information:				
Net sales:				
Printing and Industrial Materials Products	¥115,745	¥122,436	¥122,935	¥121,691
Electronic and Optical Products	88,976	81,929	90,316	88,882
Paper and Converted Products	31,181	36,361	37,689	38,456
Segment income (loss):				
Printing and Industrial Materials Products	(239)	928	3,761	3,040
Electronic and Optical Products	14,435	10,981	11,150	11,972
Paper and Converted Products	2,740	3,502	2,970	4,996

Millions of yen, except per share data, number of shares, and number of employees

	2017	2016	2015	2014	2013	2012
	¥205,975	¥210,501	¥207,255	¥203,242	¥190,844	¥200,905
	16,595	17,692	16,881	13,766	10,564	13,975
	8.1%	8.4%	8.1%	6.8%	5.5%	7.0%
	15,398	16,799	17,555	12,883	10,836	13,382
	11,450	10,899	11,659	8,501	7,681	8,648
	6.6%	6.4%	7.2%	5.8%	5.6%	6.6%
	6.1%	7.4%	7.8%	6.0%	5.2%	6.5%
	¥ 158.69	¥ 151.07	¥ 161.63	¥ 114.22	¥ 102.83	¥ 115.26
	2,465.43	2,370.49	2,363.81	2,100.87	1,909.57	1,766.60
	66.00	54.00	48.00	42.00	34.00	40.00
	¥ 7,466	¥ 8,800	¥ 8,713	¥10,055	¥ 10,141	¥ 10,079
	(13,049)	(9,810)	(6,299)	(5,508)	(13,823)	(8,760)
	24,361	19,928	15,485	16,309	19,619	18,910
	(48,378)	(9,898)	(5,104)	(6,952)	(13,966)	(12,262)
	5,257	(4,044)	(3,135)	(8,020)	(2,877)	(5,099)
	¥151,449	¥163,647	¥163,017	¥149,396	¥138,505	¥137,229
	64,401	56,389	57,058	54,820	56,911	62,075
	87,048	107,258	105,958	94,575	81,593	75,153
	41,284	60,323	56,050	44,992	40,739	36,036
	73,871	64,859	61,503	61,456	64,915	62,273
	17,795	—	—	—	—	—
	10.3%	—	—	—	—	—
	274,199	240,720	237,444	225,073	216,048	210,203
	178,690	172,101	171,674	152,610	143,569	132,847
	64.9%	71.1%	71.8%	67.3%	66.0%	62.8%
	76,564,240	76,564,240	76,564,240	76,564,240	76,564,240	76,564,240
	4,760	4,246	4,413	4,223	4,270	4,286
	¥85,661	¥87,638	¥86,764	¥86,271	¥82,761	¥90,093
	83,205	85,422	83,207	79,139	72,352	73,874
	37,108	37,440	37,283	37,831	35,730	36,937
	1,672	2,785	2,878	2,290	2,380	5,213
	9,155	10,562	10,071	6,846	3,196	3,942
	5,767	4,303	3,996	4,645	4,980	4,846

Overview

Strategy

Sustainability

Financial Information

Financial Information

Consolidated Balance Sheet

LINTEC Corporation and its consolidated subsidiaries
March 31, 2021 and 2020

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2021	2020	2021
Current assets:			
Cash and deposits (Notes 8, 10)	¥ 61,823	¥ 57,190	\$ 558,430
Trade notes and accounts receivable (Note 10)	64,636	62,896	583,840
Inventories (Note 3)	38,432	40,434	347,149
Other (Notes 10, 12)	5,249	3,222	47,418
Allowance for doubtful accounts	(45)	(82)	(407)
Total current assets	170,098	163,660	1,536,432
Non-current assets:			
Property, plant and equipment (Note 9):			
Buildings and structures	80,827	79,534	730,078
Machinery, equipment and vehicles	135,385	131,351	1,222,882
Land	11,327	11,238	102,314
Construction in progress	1,398	2,708	12,629
Other	14,447	14,245	130,500
	243,385	239,079	2,198,406
Accumulated depreciation	(163,578)	(158,597)	(1,477,540)
Property, plant and equipment, net	79,807	80,481	720,866
Intangible assets:			
Goodwill	16,981	21,350	153,391
Other (Note 9)	2,004	2,177	18,101
Total intangible assets	18,986	23,527	171,493
Investments and other assets:			
Investment securities (Notes 10, 11)	2,447	1,805	22,105
Deferred tax assets (Note 15)	6,876	7,562	62,112
Net defined benefit asset (Note 13)	1	4	10
Other	2,162	2,037	19,534
Allowance for doubtful accounts	(116)	(108)	(1,049)
Total investments and other assets	11,371	11,302	102,712
Total non-current assets	110,164	115,311	995,072
Total assets	¥ 280,262	¥ 278,972	\$ 2,531,504

The accompanying notes are an integral part of the consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2021	2020	2021
Current liabilities:			
Trade notes and accounts payable (Note 10)	¥ 44,835	¥ 41,465	\$ 404,978
Short-term loans payable (Notes 10, 22)	1,516	1,580	13,700
Current portion of long-term loans payable (Notes 10, 12, 22)	1,217	9,240	11,000
Accrued income taxes (Notes 10, 15)	3,414	2,638	30,842
Provision for directors' bonuses	53	59	487
Other (Notes 10, 12, 22)	12,467	11,135	112,616
Total current liabilities	63,506	66,119	573,625
Non-current liabilities:			
Long-term loans payable (Notes 10, 12, 22)	2,546	2,285	23,000
Provision for environmental measures	111	111	1,003
Net defined benefit liability (Note 13)	15,431	16,378	139,388
Other (Note 22)	1,317	1,779	11,896
Total non-current liabilities	19,406	20,554	175,287
Total liabilities	82,912	86,674	748,913
Commitments and contingent liabilities (Note 2)			
Net assets:			
Shareholders' equity (Note 21):			
Common stock:			
Authorized: 300,000,000 shares in 2021 and 2020			
Issued: 76,630,740 shares in 2021 and 76,600,940 shares in 2020	23,285	23,249	210,327
Capital surplus	26,907	26,870	243,043
Retained earnings	155,241	149,471	1,402,235
Less: treasury stock, at cost:			
4,336,994 shares in 2021 and 4,352,574 shares in 2020	(7,583)	(7,610)	(68,502)
Total shareholders' equity	197,850	191,981	1,787,103
Accumulated other comprehensive income			
Net unrealized holding gain on securities	382	(36)	3,457
Foreign currency translation adjustments	1,547	4,193	13,977
Remeasurements of defined benefit plans (Note 13)	(2,932)	(4,405)	(26,488)
Total accumulated other comprehensive income	(1,002)	(248)	(9,054)
Share subscription rights (Note 14)	99	128	896
Non-controlling interests	403	437	3,644
Total net assets	197,350	192,298	1,782,590
Total liabilities and net assets	¥280,262	¥278,972	\$2,531,504

Financial Information

Consolidated Statement of Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2021	2020	2021
Net sales	¥235,902	¥240,727	\$2,130,813
Cost of sales	177,673	182,287	1,604,858
Gross profit	58,228	58,440	525,955
Selling, general and administrative expenses (Notes 4, 5)	41,198	42,999	372,127
Operating income	17,030	15,440	153,828
Non-operating income:			
Interest income	167	300	1,512
Dividend income	49	52	447
Rent income	21	19	195
Gain on sales of non-current assets	17	14	154
Insurance income	49	22	451
Subsidy income	115	—	1,040
Other income	300	292	2,717
Total non-operating income	721	701	6,519
Non-operating expenses:			
Interest expenses	149	178	1,353
Loss on sales of non-current assets	16	0	145
Loss on retirement of non-current assets	367	937	3,316
Compensation expenses	36	144	332
Foreign exchange losses	249	200	2,254
Other expenses	161	194	1,459
Total non-operating expenses	981	1,656	8,861
Ordinary income	16,770	14,484	151,485
Extraordinary gain:			
Gain on sales of investment securities	35	—	324
Total extraordinary gain	35	—	324
Extraordinary loss:			
Impairment loss (Note 6)	171	545	1,547
Total extraordinary loss	171	545	1,547
Profit before income taxes	16,635	13,939	150,262
Income taxes (Note 15):			
Current	5,430	4,528	49,054
Deferred	(173)	(162)	(1,565)
Total income taxes	5,257	4,366	47,488
Profit	11,378	9,573	102,774
Profit (loss) attributable to non-controlling interests	(29)	(47)	(262)
Profit attributable to owners of parent (Note 21)	¥ 11,407	¥ 9,620	\$ 103,037

Consolidated Statement of Comprehensive Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2021	2020	2021
Profit	¥11,378	¥ 9,573	\$102,774
Other comprehensive income (Note 7)			
Net unrealized holding gain on securities	418	(327)	3,784
Foreign currency translation adjustments	(2,647)	(986)	(23,916)
Remeasurements of defined benefit plans (Note 13)	1,469	(609)	13,276
Total other comprehensive income	(758)	(1,923)	(6,855)
Comprehensive income	¥10,619	¥ 7,649	\$ 95,919
(Comprehensive income attributable to:)			
Owners of parent	10,653	7,699	96,228
Non-controlling interests	(34)	(50)	(309)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Net Assets

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2021 and 2020

	Thousands												Millions of yen		
	Shareholders' equity						Accumulated other comprehensive income						Share subscription rights	Non-controlling interests	Total net assets
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income					
Balance as at April 1, 2019	76,576	¥23,220	¥26,842	¥145,484	¥(7,642)	¥187,904	¥ 291	¥ 5,178	¥(3,796)	¥ 1,672	¥160	¥488	¥190,226		
Changes during the year:															
Issuance of new shares	24	28	28			57							57		
Cash dividends				(5,633)		(5,633)							(5,633)		
Profit attributable to owners of parent				9,620		9,620							9,620		
Purchase of treasury stock					(1)	(1)							(1)		
Disposal of treasury stock			(0)		33	32							32		
Change of scope of consolidation				(0)		(0)							(0)		
Net changes in items other than shareholders' equity							(327)	(985)	(608)	(1,921)	(32)	(50)	(2,004)		
Total changes during the year	24	28	28	3,987	32	4,076	(327)	(985)	(608)	(1,921)	(32)	(50)	2,071		
Balance as at March 31, 2020	76,600	¥23,249	¥26,870	¥149,471	¥(7,610)	¥191,981	¥ (36)	¥4,193	¥(4,405)	¥ (248)	¥128	¥437	¥192,298		
Changes during the year:															
Issuance of new shares	29	35	35			71							71		
Cash dividends				(5,637)		(5,637)							(5,637)		
Profit attributable to owners of parent				11,407		11,407							11,407		
Purchase of treasury stock					(1)	(1)							(1)		
Disposal of treasury stock			0		28	28							28		
Change of scope of consolidation															
Net changes in items other than shareholders' equity							418	(2,645)	1,472	(753)	(28)	(34)	(816)		
Total changes during the year	29	35	36	5,770	26	5,869	418	(2,645)	1,472	(753)	(28)	(34)	5,052		
Balance as at March 31, 2021	76,630	¥23,285	¥26,907	¥155,241	¥(7,583)	¥197,850	¥ 382	¥ 1,547	¥(2,932)	¥(1,002)	¥ 99	¥403	¥197,350		

	Thousands												Thousands of U.S. dollars (Note 1)		
	Shareholders' equity						Accumulated other comprehensive income						Share subscription rights	Non-controlling interests	Total net assets
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income					
Balance as at April 1, 2020	76,600	\$210,004	\$242,715	\$1,350,115	\$(68,745)	\$1,734,090	\$ (326)	\$ 37,874	\$(39,793)	\$(2,245)	\$1,156	\$3,954	\$1,736,954		
Changes during the year:															
Issuance of new shares	29	322	322			645							645		
Cash dividends				(50,917)		(50,917)							(50,917)		
Profit attributable to owners of parent				103,037		103,037							103,037		
Purchase of treasury stock					(11)	(11)							(11)		
Disposal of treasury stock			5		254	259							259		
Change of scope of consolidation															
Net changes in items other than shareholders' equity							3,784	(23,897)	13,304	(6,808)	(259)	(309)	(7,377)		
Total changes during the year	29	322	328	52,119	242	53,013	3,784	(23,897)	13,304	(6,808)	(259)	(309)	45,635		
Balance as at March 31, 2021	76,630	\$210,327	\$243,043	\$1,402,235	\$(68,502)	\$1,787,103	\$3,457	\$ 13,977	\$(26,488)	\$(9,054)	\$ 896	\$3,644	\$1,782,590		

The accompanying notes are an integral part of the consolidated financial statements.

Financial Information

Consolidated Statement of Cash Flows

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2021 and 2020

Thousands of
U.S. dollars
(Note 1)

	Millions of yen		
	2021	2020	2021
Cash flows from operating activities:			
Profit before income taxes	¥ 16,635	¥ 13,939	\$ 150,262
Depreciation and amortization	9,361	9,491	84,557
Amortization of goodwill	3,110	3,264	28,100
Increase (decrease) in net defined benefit liability	507	114	4,588
Increase (decrease) in allowance for doubtful accounts	(26)	9	(243)
Interest and dividend income	(216)	(352)	(1,959)
Interest expenses	149	178	1,353
Loss (gain) on sales of property, plant and equipment	(1)	(13)	(9)
Loss on retirement of property, plant and equipment	103	229	938
Decrease (increase) in trade notes and accounts receivable	(2,025)	6,385	(18,294)
Decrease (increase) in inventories	1,467	224	13,251
Increase (decrease) in trade notes and accounts payable	4,031	(11,325)	36,414
Loss (gain) on sales of investment securities	(35)	(4)	(324)
Increase (decrease) in provision for environmental measures	—	(1)	—
Subsidy income	(115)	—	(1,040)
Impairment loss	171	545	1,547
Other, net	189	7	1,714
Subtotal	33,307	22,691	300,856
Interest and dividend income received	224	371	2,029
Interest expenses paid	(163)	(196)	(1,479)
Subsidies received	115	—	1,040
Income taxes (paid) refund	(4,659)	(4,364)	(42,085)
Net cash provided by operating activities	28,824	18,501	260,361
Cash flows from investing activities:			
Payments into time deposits	(10,016)	(10,139)	(90,477)
Proceeds from withdrawal of time deposits	10,759	8,913	97,184
Purchase of property, plant and equipment	(8,997)	(12,443)	(81,269)
Proceeds from sales of property, plant and equipment	27	86	245
Purchase of intangible assets	(451)	(158)	(4,082)
Purchase of investment securities	(54)	(66)	(493)
Proceeds from sales of investment securities	52	10	478
Payments of loans receivable	(5)	(3)	(45)
Collection of loans receivable	10	20	90
Other, net	63	(37)	573
Net cash used in investing activities	(8,612)	(13,818)	(77,795)
Cash flows from financing activities:			
Increase (decrease) in short-term loans payable	—	(920)	—
Proceeds from long-term borrowings	1,350	—	12,199
Repayments of long-term loans payable	(9,141)	(3,021)	(82,571)
Cash dividends paid	(5,632)	(5,632)	(50,875)
Purchase of treasury stock	(1)	(1)	(11)
Repayments of lease obligations	(704)	(708)	(6,364)
Other, net	0	0	0
Net cash provided by (used in) financing activities	(14,129)	(10,284)	(127,622)
Effect of exchange rate change on cash and cash equivalents	(706)	[441]	(6,386)
Net increase (decrease) in cash and cash equivalents	5,375	(6,043)	48,557
Cash and cash equivalents at beginning of year	52,260	58,303	472,047
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	0	—
Cash and cash equivalents at end of year (Note 8)	¥ 57,636	¥ 52,260	\$ 520,604

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

LINTEC Corporation and its consolidated subsidiaries
March 31, 2021

1. Summary of Significant Accounting Policies

(a) Basis of presenting financial statements

LINTEC Corporation (the "Company") maintains its accounting records and prepares its consolidated financial statements in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

For the convenience of the readers, the accompanying consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts at the rate of ¥110.71=U.S.\$1, the prevailing exchange rate as of March 31, 2021. This translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate of exchange.

As permitted under the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

Certain reclassifications of previously reported amounts have been made to conform to the consolidated financial statements for the year ended March 31, 2021 presentation.

(b) Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 41 significant subsidiaries as of March 31, 2021, but exclude subsidiaries whose total assets, net sales, profit and retained earnings are not material in relation to the comparable amounts in these statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

Goodwill is amortized over periods of the estimated useful lives (mainly 10 years) on a straight-line basis.

Investments in subsidiaries and affiliates, which are not consolidated or accounted for by the equity method, are carried at cost. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

Certain subsidiaries are consolidated on the basis of fiscal period ending December 31, which differ from that of the Company. The necessary adjustments are made to the financial statements of such subsidiaries to reflect any significant transactions from their respective fiscal year ends to March 31.

(c) Foreign currency translation

Receivables, payables and securities denominated in foreign currencies are converted into Japanese yen at the exchange rates at fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates and the resulting translation gains or losses are included in statement of income.

In respect of the financial statement items of overseas subsidiaries, all assets and liabilities accounts are translated into Japanese yen by applying the exchange rates in effect at the fiscal year-end. All income and expense accounts are translated into Japanese yen by applying the average exchange rates during the fiscal year.

Translation differences after allocating to non-controlling interest for portions attributable to non-controlling interest are reported as foreign currency translation adjustments in a separate component of net assets in the accompanying consolidated balance sheet.

(d) Investment securities

Securities with market value are stated at fair value, and changes in fair value are recorded as a separate component of net assets at an amount, net of tax, and the moving-average method is used to calculate the original cost. Securities without market value are stated at cost determined by the moving-average method.

(e) Derivatives

Derivatives are stated at fair value.

(f) Inventories

Inventories mainly apply the cost method based on the weighted-average method, which determines the amount of the inventories shown on the consolidated balance sheet by writing them down based on the decrease in their profitability.

Machinery applies the cost method based on the specific identification method, which determines the amount of the inventories shown on the consolidated balance sheet by writing them down based on the decrease in their profitability.

(g) Property, plant and equipment (Excluding leased assets)

Depreciation is computed by the straight-line method over the estimated useful lives of the respective assets.

The significant estimated useful lives are summarized as follows:

Buildings and structures	3–50 years
Machinery, equipment and vehicles	3–17 years

(h) Intangible assets (Excluding leased assets)

Capitalized costs of software for internal use are amortized using the straight-line method over estimated useful lives (5 years).

(i) Leased assets

Leased assets arising from finance lease transactions which transfer ownership to the lessees are depreciated as the same way as the owned property, plant and equipment.

Leased assets arising from finance lease transactions which do not transfer ownership to the lessees are depreciated to a residual value of zero by the straight-line method over the estimated useful lives determined based on the contract terms.

Right-of-use assets are depreciated to a residual value of zero by the straight-line method over the estimated useful lives determined based on the contract terms.

Regarding overseas consolidated subsidiaries other than those that adopt generally accepted accounting principles in the United States (US-GAAP), financial statements have been prepared based on International Financial Reporting Standards (hereinafter IFRS), IFRS 16 "Leases" was applied accordingly. In accordance with IFRS 16 "Leases", as lessees, in principle, a right-of-use asset and a lease liability were recognized on the consolidated balance sheet.

(j) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at the amount of estimated uncollectible accounts, based on individual collectability with respect to identified doubtful receivables and past experience of doubtful receivables.

(k) Provision for directors' bonuses

Bonus to directors is accrued at the year-end and to be paid in the following year when such bonuses are attributable.

(l) Accounting method for retirement benefits

(1) Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute expected retirement benefits to periods through the end of the fiscal year.

(2) Method of amortizing actuarial gain and loss and prior service cost
Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method principally over 15 years. Prior service cost is being amortized by the straight-line method principally over 15 years.

(m) Provision for environmental measures

The provision for environmental measures is estimated and recorded to provide for future potential costs, such as costs related to removal and disposal of toxic substances based on related legal requirements.

(n) Accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(o) Cash and cash equivalents

Cash and cash equivalents are composed of cash and time deposits having maturities within three months from acquisition, all of which are low-risk, short-term financial instruments readily convertible into cash.

(p) Research and development costs

Research and development costs are charged to income when incurred.

(q) Income taxes

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(r) Shareholders' equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

(s) Hedge accounting

(1) Hedge accounting method

The exceptional accounting treatment (the "Tokurei-shori") is applied with respect to interest rate swaps that meet the requirements to hedge the cash flow volatility of certain foreign currency-denominated loans. The Tokurei-shori and the designated hedge accounting (the "Furiate-shori") are applied with respect to interest rate and currency swaps that meet the requirements to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated loans.

(2) Hedging instruments and hedged items

- ① Hedging instruments Interest rate swaps
Hedging items Foreign currency-denominated loans
- ② Hedging instruments Interest rate and currency swaps
Hedging items Foreign currency-denominated loans

(3) Hedging policy

In accordance with the internal regulation, risk of fluctuations in interest rates and foreign exchange is hedged.

(4) Method of evaluating the effectiveness of hedges

The evaluation of effectiveness is omitted for interest rate swaps accounted for under the Tokurei-shori and for interest rate and currency swaps accounted for under the Tokurei-shori and Furiate-shori.

(t) Accounting standards issued but not yet applied

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised on March 31, 2020)
- Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, revised on March 26, 2021)

(1) Overview

This is a comprehensive accounting standard for revenue recognition. Revenue is recognized using the following five steps.

- Step 1: Identify the contract with a customer.
- Step 2: Identify the separate performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the separate performance obligations in the contract.
- Step 5: Recognize revenue when the entity satisfies a performance obligation.

(2) Application schedule

These accounting standards will be adopted from the beginning of the year ending March 31, 2022.

(3) Effect of application

The amount of the impact was still being assessed when these consolidated financial statements were prepared.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10 revised on July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19 revised on March 31, 2020)

(1) Overview

To improve comparability with International accounting standards, "Accounting Standard for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" (hereinafter referred to as "Accounting Standards for Fair Value Measurement") were developed and provided guidance such as how to calculate the market value. Accounting standards for fair value measurement are applied to the market prices of the following items:

- Financial instruments under "Accounting Standard for Financial Instruments"
- Inventories held for sales and trading purposes under "Accounting Standard for Measurement of Inventories"

In addition, the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" has been revised, and notes such as a breakdown by level of the fair value of financial instruments have been established.

(2) Application schedule

These accounting standards will be adopted from the beginning of the year ending March 31, 2022.

(3) Effect of application

The amount of the impact was still being assessed when these consolidated financial statements were prepared.

• Foreign subsidiaries

Standard/Interpretation	Overview	Application schedule
ASU 2020-05 "Lease"	Revision to accounting treatment for lease	From the fiscal year ending March 31, 2022

Note: The amount of impact was still being assessed when these consolidated financial statements were prepared.

(u) Additional information

Regarding the impact of the New Coronavirus infection (COVID-19) in the future, The LINTEC Group (hereinafter the "Group") makes its accounting estimates of impairment of non-current assets and of the collectability of deferred tax assets based on the assumption that our business activity will recover gradually throughout the year ending March 31, 2022 due to the progress of vaccination and the effects of economic measures in each country.

2. Commitments and Contingent Liabilities

The Company and its consolidated subsidiaries had unused lines of credit for short-term financing aggregating ¥26,832 million (U.S.\$242,365 thousand) and ¥27,099 million at March 31, 2021 and 2020, respectively.

3. Inventories

Merchandise and finished goods, work in process, and raw materials and supplies as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Merchandise and finished goods	¥14,129	¥15,345	\$127,623
Work in process	14,863	14,971	134,258
Raw materials and supplies	9,440	10,117	85,268
Total	¥38,432	¥40,434	\$347,149

4. Selling, General and Administrative Expenses

Major items included in selling, general and administrative expenses for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Transportation and warehousing expenses	¥ 5,385	¥ 5,328	\$ 48,648
Provision for allowance for doubtful accounts	21	27	195
Salaries and allowances	9,661	9,669	87,272
Retirement benefit expenses	739	586	6,679
Provision for directors' bonuses	53	59	487
Depreciation and amortization	1,685	1,779	15,225
Research and development expenses	7,618	7,860	68,814
Other	16,031	17,688	144,804
Total	¥41,198	¥42,999	\$372,127

5. Research and Development Expenses

Research and development expenses, all of which were included in selling, general and administrative expenses, for the years ended March 31, 2021 and 2020 were ¥7,618 million (U.S.\$68,814 thousand) and ¥7,860 million, respectively.

6. Impairment Loss

The Company recognized impairment loss on the following classes of assets for the year ended March 31, 2021:

Major use	Location	Category	Millions of yen	Thousands of U.S. dollars
				2021
—	Florida State, U.S.A.	Goodwill	¥ 62	\$560
—	Vancouver, CANADA	Goodwill	¥109	\$986

The Companies categorize goodwill into groups mainly based on each company in consolidated subsidiaries for the goodwill impairment testing.

MADICO, INC. and MADICO WINDOW FILMS, CANADA, ULC recognized impairment losses of ¥62 million and ¥109 million respectively for the goodwill as future operating results were expected to be lower than the business plan at the time of acquisition of these subsidiaries.

The recoverable amount of the goodwill was measured at the value in use determined by future cash flows discounted at 10.0%.

The Company recognized impairment loss on the following classes of assets for the year ended March 31, 2020:

Major use	Location	Category	Millions of yen
			2020
—	Kentucky State, U.S.A.	Goodwill	¥545

The Companies categorize goodwill into groups mainly based on each company in consolidated subsidiaries for the goodwill impairment testing.

VDI, LLC recognized an impairment loss of ¥545 million for the goodwill as future operating results were expected to be lower than the business plan at the time of acquisition of VDI, LLC.

The recoverable amount of the goodwill was measured at the value in use determined by future cash flows discounted at 19.0%.

Financial Information

7. Comprehensive Income

Reclassification adjustment and tax effect of other comprehensive income for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Net unrealized holding gain on securities:			
Amount incurred during the fiscal year	¥ 639	¥ (467)	\$ 5,778
Reclassification adjustment	(35)	(4)	(324)
Prior to deducting tax effect	603	(471)	5,454
Tax effect	(184)	144	(1,670)
Net unrealized holding gain on securities	418	(327)	3,784
Foreign currency translation adjustments:			
Amount incurred during the fiscal year	(2,647)	(986)	(23,916)
Reclassification adjustment	—	—	—
Prior to deducting tax effect	(2,647)	(986)	(23,916)
Tax effect	—	—	—
Foreign currency translation adjustments	(2,647)	(986)	(23,916)
Remeasurements of defined benefit plans:			
Amount incurred during the fiscal year	1,449	(1,453)	13,094
Reclassification adjustment	672	577	6,078
Prior to deducting tax effect	2,122	(876)	19,173
Tax effect	(652)	266	(5,896)
Remeasurements of defined benefit plans	1,469	(609)	13,276
Total other comprehensive income	¥ (758)	¥(1,923)	\$ (6,855)

8. Cash and Cash Equivalents

1. Reconciliation between cash and cash equivalents in the consolidated statement of cash flows and cash and deposits in the consolidated balance sheet as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Cash and deposits	¥61,823	¥57,190	\$558,430
Time deposits with maturity of more than 3 months	(4,187)	(4,929)	(37,825)
Cash and cash equivalents	¥57,636	¥52,260	\$520,604

2. Assets and liabilities related to lease transactions newly recognized for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Leased assets	¥ 63	¥ 73	\$ 572
Right-of-use assets	309	2,318	2,791
Lease obligations	372	2,391	3,364

9. Leases

(Lessee's accounting)

For finance lease transactions that transfer ownership, leased assets recognized as property, plant and equipment are mainly production facilities for the year ended March 31, 2020, and are depreciated in the same way as the owned property, plant and equipment. Besides, there is no disclosure applicable as of March 31, 2021.

For finance lease transactions that do not transfer ownership, leased assets recognized as property, plant and equipment are mainly vehicles and office equipment such as personal computers, and those recognized as intangible assets are mainly software for the years ended March 31, 2021 and 2020. These leased assets are depreciated to a residual value of zero by the straight-line method over the estimated useful lives determined based on the contract terms.

For Right-of-use assets transactions, leased assets recognized as property, plant and equipment are mainly leased offices and warehouses. These Right-of-use assets are depreciated to a residual value of zero by the straight-line method over the estimated useful lives determined based on the contract terms.

(As Lessee)

The minimum lease payments under noncancellable operating leases as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Due within 1 year	¥ 744	¥217	\$ 6,721
Due after 1 year	1,922	467	17,368
Total	¥2,667	¥684	\$24,090

(As Lessor)

The minimum lease receivables under noncancellable operating leases as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Due within 1 year	¥ 2	¥10	\$ 19
Due after 1 year	14	17	134
Total	¥17	¥27	\$153

10. Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

The Group limits the scope of its cash and fund management activities to short-term deposits and has a policy of relying principally on bank loans.

The Group makes use of derivatives only to reduce risk of foreign currency exchange fluctuations and has a policy of not engaging in derivative transactions for speculative purposes.

(2) Details of financial instruments and associated risk and risk management system

In the course of its business activities, the Group is exposed to credit risk arising from trade notes and accounts receivable that are outstanding from its customers. Regarding the risk pursuant to the internal regulations for managing its credit exposure and trade receivables, due dates and balances are managed appropriately for each customer to mitigate risks of uncollectible accounts.

Investment securities are stocks being exposed to market price risk, and these are mainly the stocks of companies with which the Group has business relationships and they are periodically confirmed the market value.

All of the trade payables—trade notes and accounts payable—are due within 1 year.

The Group has commitment line contracts with financial institutions and the short-term loans payable are raised mainly for business activities and capital investments.

The long-term loans payable is raised for corporate acquisitions. Interest rate swaps and interest rate and currency swaps are used to manage exposure to market risks from changes in interest rates and foreign currency exchange rate of the long-term loans payable.

The Group is exposed to liquidity risk from its business-related obligations and loans but the Company and its consolidated subsidiaries prepare and implement financing plans to manage the liquidity risk.

The Group conducts and manages derivative transactions based on internal rules and regulations. Executive officer administration division is in charge of managing derivative transactions and related reports are submitted to top management for each case.

In addition, the contract amounts of derivative transactions described below in Note 12, "Derivatives," do not represent the market risk associated with derivative transactions.

2. Fair value and other matters related to financial instruments

Carrying value on the consolidated balance sheet as of March 31, 2021 and 2020 along with their fair value and the variance were shown in the following table.

	Millions of yen			Thousands of U.S. dollars		
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
(1) Cash and deposits	¥ 61,823	¥ 61,823	¥—	\$ 558,430	\$ 558,430	\$ —
(2) Trade notes and accounts receivable	64,636	64,636	—	583,840	583,840	—
(3) Investment securities						
Other securities	1,814	1,814	—	16,386	16,386	—
(4) Trade notes and accounts payable	(44,835)	(44,835)	—	(404,978)	(404,978)	—
(5) Short-term loans payable	(1,516)	(1,516)	—	(13,700)	(13,700)	—
(6) Accrued income taxes	(3,414)	(3,414)	—	(30,842)	(30,842)	—
(7) Long-term loans payable	(3,764)	(3,833)	69	(34,000)	(34,629)	629
(8) Derivatives	(18)	(18)	—	(163)	(163)	—

Notes: i. Figures shown in parentheses are liability items.

ii. The current portion of long-term loans payable is included in long-term loans payable.

iii. The value of assets and liabilities arising from derivatives is shown by net value.

	Millions of yen		
	Carrying value	Fair value	Variance
(1) Cash and deposits	¥ 57,190	¥ 57,190	¥—
(2) Trade notes and accounts receivable	62,896	62,896	—
(3) Investment securities			
Other securities	1,222	1,222	—
(4) Trade notes and accounts payable	(41,465)	(41,465)	—
(5) Short-term loans payable	(1,580)	(1,580)	—
(6) Accrued income taxes	(2,638)	(2,638)	—
(7) Long-term loans payable	(11,525)	(11,573)	48
(8) Derivatives	8	8	—

Notes: i. Figures shown in parentheses are liability items.

ii. The current portion of long-term loans payable is included in long-term loans payable.

iii. The value of assets and liabilities arising from derivatives is shown by net value.

Financial Information

Note 1: Method of computing the fair value of financial instruments, securities and derivatives

(1) Cash and deposits; (2) Trade notes and accounts receivable

Since these items are settled in a short period of time and have fair values that are virtually the same as the carrying value on the ledger, the carrying value has been used.

(3) Investment securities

The market value of investment securities is determined by the price of the stock traded on an exchange market.

(4) Trade notes and accounts payable; (5) Short-term loans payable; (6) Accrued income taxes

Since these items are settled in a short period of time and have fair values that are virtually the same as the carrying value on the ledger, the carrying value has been used.

(7) Long-term loans payable

The fair value of long-term loans payable is measured as the net present value of estimated cash flows by discounting the amount of principal and interest value using the assumed interest rate applied to a new similar loan. The fair value of long-term loans payable with variable interest rates hedged by interest rate swaps subject to the special treatment or interest rate and currency swaps subject to the total treatment are calculated based on the net present value of the total amount of principal and interest, accounted for together with the interest rate swap or interest rate and currency swap transactions, discounted by the interest rate rationally estimated for a similar loan.

(8) Derivatives

Please see Note 12, "Derivatives."

Note 2: Financial instruments for which obtaining the fair value is deemed to be extremely difficult:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
	Carrying value	Carrying value	Carrying value
Unlisted stocks	¥633	¥583	\$5,718

The unlisted stocks in the preceding table do not have market values, and as estimating their future cash flows is deemed to be extremely difficult, they are not included in the above table "(3) Investment securities."

Note 3: Planned redemption amounts after the balance sheet date for held-to-maturity securities and receivables were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
	Within 1 year	Within 1 year	Within 1 year
Cash and deposits	¥ 61,802	¥ 57,166	\$ 558,234
Trade notes and accounts receivable	64,636	62,896	583,840
Total	¥126,439	¥120,063	\$1,142,074

Note 4: Planned redemption amounts after the balance sheet date for borrowings were as follows:

	Millions of yen					
	2021					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term loans payable	¥ 1,516	¥ —	¥ —	¥—	¥—	¥—
Current portion of long-term loans payable	1,217	—	—	—	—	—
Long-term loans payable	—	1,217	1,328	—	—	—
Total	¥ 2,734	¥1,217	¥1,328	¥—	¥—	¥—

	Thousands of U.S. dollars					
	2021					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term loans payable	\$13,700	\$ —	\$ —	\$—	\$—	\$—
Current portion of long-term loans payable	11,000	—	—	—	—	—
Long-term loans payable	—	11,000	12,000	—	—	—
Total	\$24,700	\$11,000	\$12,000	\$—	\$—	\$—

	Millions of yen					
	2020					
	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Short-term loans payable	¥ 1,580	¥ —	¥ —	¥ —	¥—	¥—
Current portion of long-term loans payable	9,240	—	—	—	—	—
Long-term loans payable	—	1,197	544	544	—	—
Total	¥10,820	¥1,197	¥544	¥544	¥—	¥—

11. Marketable and Investment Securities

1. The carrying value and acquisition cost of other securities as of March 31, 2021 and 2020 were as follows:

		Millions of yen			Thousands of U.S. dollars		
		2021					
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	¥1,777	¥1,205	¥572	\$16,058	\$10,887	\$5,170
	Bonds	—	—	—	—	—	—
	Other	—	—	—	—	—	—
Subtotal		¥1,777	¥1,205	¥572	\$16,058	\$10,887	\$5,170
Securities whose acquisition cost exceeds their carrying value	Stocks	¥ 36	¥ 57	¥ (20)	\$ 328	\$ 515	\$ (187)
	Bonds	—	—	—	—	—	—
	Other	—	—	—	—	—	—
Subtotal		¥ 36	¥ 57	¥ (20)	\$ 328	\$ 515	\$ (187)
Total		¥1,814	¥1,262	¥551	\$16,386	\$11,403	\$4,982

		Millions of yen		
		2020		
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	¥ 918	¥ 769	¥ 148
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥ 918	¥ 769	¥ 148
Securities whose acquisition cost exceeds their carrying value	Stocks	¥ 304	¥ 505	¥(200)
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥ 304	¥ 505	¥(200)
Total		¥1,222	¥1,274	¥ (52)

2. Other securities sold during the years ended March 31, 2021 and 2020 were as follows:

		Millions of yen			Thousands of U.S. dollars		
		2021					
Description		Sales amount	Aggregate gains	Aggregate losses	Sales amount	Aggregate gains	Aggregate losses
Stocks		¥52	¥35	¥—	\$478	\$324	\$—
Bonds		—	—	—	—	—	—
Other		—	—	—	—	—	—
Total		¥52	¥35	¥—	\$478	\$324	\$—

		Millions of yen		
		2020		
Description		Sales amount	Aggregate gains	Aggregate losses
Stocks		¥10	¥ 4	¥—
Bonds		—	—	—
Other		—	—	—
Total		¥10	¥ 4	¥—

12. Derivatives

1. Derivatives to which the Company did not apply hedge accounting as of March 31, 2021 and 2020 were as follows:
(Currency related)

		Millions of yen		
		2021		
Nature of transaction		Contract amounts		Unrealized gain (loss)
		Total	Over 1 year	
Off-market transactions	Forward exchange contracts to:			
	Sell:			
	U.S. dollars (buy Japanese yen)	¥924	¥—	¥(18)
	U.S. dollars (buy Korean won)	18	—	0
	Japanese yen (buy Korean won)	20	—	(0)
	Indonesian rupiah (buy Japanese yen)	7	—	(0)
Total		¥970	¥—	¥(18)

		Thousands of U.S. dollars		
		2021		
Nature of transaction		Contract amounts		Unrealized gain (loss)
		Total	Over 1 year	
Off-market transactions	Forward exchange contracts to:			
	Sell:			
	U.S. dollars (buy Japanese yen)	\$8,346	\$—	\$(166)
	U.S. dollars (buy Korean won)	165	—	3
	Japanese yen (buy Korean won)	183	—	(0)
	Indonesian rupiah (buy Japanese yen)	66	—	(0)
Total		\$8,762	\$—	\$(163)

Note: Method of computing the fair value is based on information provided by financial institutions at the end of the fiscal year.

		Millions of yen		
		2020		
Nature of transaction		Contract amounts		Unrealized gain (loss)
		Total	Over 1 year	
Off-market transactions	Forward exchange contracts to:			
	Sell:			
	U.S. dollars (buy Japanese yen)	¥638	¥—	¥ 3
	U.S. dollars (buy Korean won)	72	—	1
	Japanese yen (buy Korean won)	8	—	(0)
	U.S. dollars (buy Singapore dollars)	13	—	0
	Indonesian rupiah (buy Japanese yen)	23	—	3
Total		¥757	¥—	¥ 8

Note: Method of computing the fair value is based on information provided by financial institutions at the end of the fiscal year.

2. Derivatives to which the Company applied hedge accounting as of March 31, 2021 and 2020 were as follows:
(Interest rate related)

		Millions of yen			
		2021			
Hedge accounting method	Type of derivatives	Major hedged items	Contract amounts		Fair value
			Total	Over 1 year	
The Tokurei-shori for interest rate swaps	Interest rate swaps Variable rate receipt / Fixed rate payment	Long-term loans payable	¥498	¥498	¥(Note)

		Thousands of U.S. dollars			
		2021			
Hedge accounting method	Type of derivatives	Major hedged items	Contract amounts		Fair value
			Total	Over 1 year	
The Tokurei-shori for interest rate swaps	Interest rate swaps Variable rate receipt / Fixed rate payment	Long-term loans payable	\$4,500	\$4,500	\$(Note)

Note: Interest rate swaps subject to the Tokurei-shori for interest rate swaps are treated together with the hedged long-term loans payable. Accordingly, the fair value of those interest rate swaps is included in the fair value of the long-term loans payable.

			Millions of yen		
			2020		
Hedge accounting method	Type of derivatives	Major hedged items	Contract amounts		Fair value
			Total	Over 1 year	
The Tokurei-shori for interest rate swaps	Interest rate swaps Variable rate receipt / Fixed rate payment	Long-term loans payable	¥1,632	¥—	¥(Note)

Note: Interest rate swaps subject to the Tokurei-shori for interest rate swaps are treated together with the hedged long-term loans payable. Accordingly, the fair value of those interest rate swaps is included in the fair value of the long-term loans payable.

(Interest rate and currency related)

There is no disclosure applicable as of March 31, 2021.

			Millions of yen		
			2020		
Hedge accounting method	Type of derivatives	Major hedged items	Contract amounts		Fair value
			Total	Over 1 year	
The Tokurei-shori and Furiate-shori for interest rate and currency swaps	Interest rate and currency swaps Variable rate receipt / Fixed rate payment U.S.\$ receipt / Japanese ¥ payment	Long-term loans payable	¥4,818	¥—	¥(Note)

Note: Interest rate and currency swaps subject to the Tokurei-shori and Furiate-shori for interest rate and currency swaps are treated together with the hedged long-term loans payable. Accordingly, the fair value of those interest rate and currency swaps is included in the fair value of the long-term loans payable.

13. Retirement Benefits

The Company has defined benefit plans of a corporate pension fund plan under the Japanese Defined Benefit Corporate Pension Law and lump-sum payment plan.

Domestic consolidated subsidiaries have lump-sum payment plans and certain foreign consolidated subsidiaries have defined contribution plans and lump-sum payment plans.

The following summarizes information related to retirement benefits for the years ended March 31, 2021 and 2020.

1. Defined benefit plans

(1) Reconciliation statement for the beginning balance and the ending balance of retirement benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Retirement benefit obligations at beginning of year	¥38,944	¥38,496	\$351,770
Service cost	1,996	1,962	18,037
Interest cost	198	195	1,791
Actuarial gains (losses)	717	(23)	6,484
Retirement benefits paid	(1,556)	(1,729)	(14,060)
Increase (decrease) from foreign currency translation	3	(25)	27
Other	100	68	904
Retirement benefit obligations at end of year	¥40,404	¥38,944	\$364,954

Note: For some of the consolidated subsidiaries, the simplified method is used to calculate retirement benefit obligations.

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(2) Reconciliation statement for the beginning balance and the ending balance of plan assets

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Plan assets at beginning of year	¥22,570	¥23,654	\$203,873
Expected return on plan assets	728	764	6,582
Actuarial gains (losses)	2,166	(1,477)	19,566
Contributions from the employer	655	1,238	5,918
Retirement benefits paid	(1,156)	(1,612)	(10,448)
Increase (decrease) from foreign currency translation	9	3	83
Plan assets at end of year	¥24,973	¥22,570	\$225,576

(3) Reconciliation statement for the ending balance of retirement benefit obligations and plan assets and net defined benefit liability or asset recorded in the consolidated financial statements

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Retirement benefit obligations of a funded pension plan	¥ 40,122	¥ 38,673	\$ 362,414
Plan assets	(24,973)	(22,570)	(225,576)
	15,149	16,103	136,837
Retirement benefit obligations of an unfunded pension plan	281	270	2,540
Net amount of liabilities and assets recorded in the consolidated balance sheet	¥ 15,430	¥ 16,373	\$ 139,378
Net defined benefit liability	¥ 15,431	¥ 16,378	\$ 139,388
Net defined benefit asset	(1)	(4)	(10)
Net amount of liabilities and assets recorded in the consolidated balance sheet	¥ 15,430	¥ 16,373	\$ 139,378

(4) Components of retirement benefit expenses

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Service cost	¥1,996	¥1,962	\$18,037
Interest cost	198	195	1,791
Expected return on plan assets	(728)	(764)	(6,582)
Amortization of actuarial losses (gains)	601	630	5,430
Amortization of prior service cost	71	(52)	648
Other	27	(3)	245
Retirement benefit expenses for the defined benefit plans	¥2,166	¥1,968	\$19,570

Notes: i. Retirement benefit expenses of consolidated subsidiaries using the simplified method are included in service cost.

ii. Employee's contributions to the corporate pension fund are not included in the retirement benefit expenses for the defined benefit plans.

(5) Remeasurements of defined benefit plans recorded in other comprehensive income

Breakdown of items (before tax effect) recorded in other comprehensive income of remeasurements of defined benefit plans are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Prior service cost	¥ (71)	¥ 52	\$ (648)
Actuarial losses (gains)	(2,050)	823	(18,524)
Total	¥(2,122)	¥876	\$(19,173)

(6) Remeasurements of defined benefit plans recorded in accumulated other comprehensive income

Breakdown of items (before tax effect) recorded in accumulated other comprehensive income of remeasurements of defined benefit plans are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Unrecognized prior service cost	¥ 763	¥ 834	\$ 6,893
Unrecognized actuarial losses (gains)	3,462	5,513	31,276
Total	¥4,225	¥6,348	\$38,169

(7) Items related to plan assets

1. Breakdown of major items

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2021 and 2020 was as follows:

	2021	2020
Bonds	59.9%	65.4%
Stocks	21.9%	15.1%
Alternatives	9.7%	8.6%
Cash and deposits	5.6%	7.7%
Other	2.9%	3.2%
Total	100.0%	100.0%

Note: Alternatives are mainly investments on hedge funds.

2. Method for determining the expected long-term rate of return on plan assets

In determining the expected long-term rate of return on plan assets, estimates are considered based on the current and expected allocation of plan assets and the current and expected long-term rate of return from the various assets comprising the plan assets.

(8) Major actuarial assumptions as of March 31, 2021 and 2020 were as follows:

	2021	2020
Discount rate	Mainly 0.5%	Mainly 0.5%
Expected long-term rate of return on plan assets	Mainly 3.5%	Mainly 3.5%
Expected salary increase rate	Mainly 2.2%	Mainly 2.2%

2. Defined contribution plans

Some of the consolidated subsidiaries contributed ¥344 million (U.S.\$3,108 thousand) and ¥323 million, for the years ended March 31, 2021 and 2020 to the defined contribution plans, respectively.

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14. Stock Option Plan

Components of stock-based compensation expense for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Cost of sales	¥—	¥—	\$—
Selling, general and administrative expenses	—	—	—

The following table summarizes contents of stock options as of March 31, 2021:

The 2006 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 10, 2006
Position and number of grantees	Directors, 17
Class and number of stocks	Common stock 10,500 shares
Date of grant	August 25, 2006
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 26, 2006 to August 25, 2026

The 2007 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2007
Position and number of grantees	Directors, 17
Class and number of stocks	Common stock 9,300 shares
Date of grant	August 24, 2007
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2007 to August 24, 2027

The 2008 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 8, 2008
Position and number of grantees	Directors, 14
Class and number of stocks	Common stock 9,800 shares
Date of grant	August 25, 2008
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 26, 2008 to August 25, 2028

The 2009 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 7, 2009
Position and number of grantees	Directors, 14
Class and number of stocks	Common stock 15,000 shares
Date of grant	August 24, 2009
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2009 to August 24, 2029

The 2010 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2010
Position and number of grantees	Directors, 16
Class and number of stocks	Common stock 14,100 shares
Date of grant	August 24, 2010
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2010 to August 24, 2030

The 2011 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2011
Position and number of grantees	Directors, 8
Class and number of stocks	Common stock 7,600 shares
Date of grant	August 24, 2011
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2011 to August 24, 2031

The 2012 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 8, 2012
Position and number of grantees	Directors, 8 and Executive Officers, 12
Class and number of stocks	Common stock 15,900 shares
Date of grant	August 23, 2012
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 24, 2012 to August 23, 2032

The 2013 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 7, 2013
Position and number of grantees	Directors, 10 and Executive Officers, 12
Class and number of stocks	Common stock 22,000 shares
Date of grant	August 22, 2013
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 23, 2013 to August 22, 2033

The 2014 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 6, 2014
Position and number of grantees	Directors, 10 and Executive Officers, 12
Class and number of stocks	Common stock 18,300 shares
Date of grant	August 21, 2014
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 22, 2014 to August 21, 2034

The 2015 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 6, 2015
Position and number of grantees	Directors, 11 and Executive Officers, 12
Class and number of stocks	Common stock 14,600 shares
Date of grant	August 21, 2015
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 22, 2015 to August 21, 2035

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The 2016 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2016
Position and number of grantees	Directors, 11 and Executive Officers, 12
Class and number of stocks	Common stock 12,200 shares
Date of grant	August 24, 2016
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2016 to August 24, 2036

The 2017 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 7, 2017
Position and number of grantees	Directors, 11 and Executive Officers, 12
Class and number of stocks	Common stock 14,400 shares
Date of grant	August 22, 2017
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 23, 2017 to August 22, 2037

The 2018 plan

Name of Company	The Company
Date of approval of the Board of Directors	April 19, 2018
Position and number of grantees	Executive Officers, 13
Class and number of stocks	Common stock 3,900 shares
Date of grant	May 7, 2018
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From May 8, 2018 to May 7, 2038

The following tables summarize the scale and movement of stock options for the year ended March 31, 2021:

(Non-vested stock options)

(Unit: shares)

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan	The 2015 plan	The 2016 plan	The 2017 plan	The 2018 plan
Stock options outstanding at April 1, 2020	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	—	—	—	—	—	—	—	—
Forfeitures	—	—	—	—	—	—	—	—	—	—	—	—	—
Conversion to vested stock options	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock options outstanding at March 31, 2021	—												

(Vested stock options)

(Unit: shares)

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan	The 2015 plan	The 2016 plan	The 2017 plan	The 2018 plan
Stock options outstanding at April 1, 2020	1,400	1,100	1,500	2,100	2,500	2,400	4,200	8,000	9,100	10,500	8,900	12,500	3,900
Conversion from non-vested stock options	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock options exercised	—	—	—	—	700	800	1,400	2,200	2,900	3,100	2,700	2,300	—
Forfeitures	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock options outstanding at March 31, 2021	1,400	1,100	1,500	2,100	1,800	1,600	2,800	5,800	6,200	7,400	6,200	10,200	3,900

The following table summarizes the price information of stock options as of March 31, 2021:

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan	The 2015 plan	The 2016 plan	The 2017 plan	The 2018 plan
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average market price of the stock at the time of exercise	—	—	—	—	2,561	2,561	2,561	2,561	2,475	2,475	2,475	2,561	—
Fair value at the date of grant	2,788	1,947	1,481	1,726	1,474	1,303	1,203	1,595	1,825	2,283	1,445	2,261	2,509

There were no stock options granted during the year ended March 31, 2021.

15. Income Taxes

1. The Company and its consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 30.62% for the years ended March 31, 2021 and 2020, respectively. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation. The effective tax rates reflected in the consolidated statement of income for the years ended March 31, 2021 and 2020 differ from the statutory tax rate for the following reasons:

	2021	2020
Statutory tax rate	30.62%	30.62%
Effect of:		
Permanently non-deductible expenses for income tax purposes such as entertainment expenses	0.81	1.28
Permanently non-taxable income for income tax purposes such as dividend income	(17.11)	(9.90)
Municipal tax	0.35	0.41
The difference of tax rates applied to foreign subsidiaries	(5.94)	(3.90)
Tax deduction in accordance with special tax measures	(2.04)	(3.24)
Increase (Decrease) of valuation allowance for such as net operating loss carryforward	2.60	2.12
Consolidated adjustments of dividend income from consolidated subsidiaries	20.91	11.00
The impairment loss on goodwill	0.15	0.82
Foreign withholding tax	2.54	2.76
Other, net	(1.29)	(0.65)
Effective tax rate	31.60%	31.32%

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2. The significant components of deferred tax assets and liabilities as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Deferred tax assets:			
Accrued bonuses	¥ 762	¥ 717	\$ 6,889
Accrued enterprise taxes	179	148	1,624
Operating loss carryforwards (Note 2)	1,184	1,282	10,699
Net defined benefit liability	4,693	5,006	42,393
Retirement benefit trust	340	432	3,077
Research and development cost	582	574	5,262
Net unrealized holding loss on securities	—	15	—
Foreign tax credit carryforwards	557	455	5,036
Loss on valuation of inventories	385	317	3,478
Allowance for doubtful accounts	136	128	1,229
Unrealized gain	377	406	3,407
Excess of depreciation expense	463	351	4,182
Other	637	709	5,755
Gross deferred tax assets	10,300	10,546	93,036
Valuation allowance related to operating loss carryforwards (Note 2)	(1,182)	(1,270)	(10,682)
Valuation allowance related to total deductible temporary differences	(1,537)	(1,236)	(13,886)
Valuation allowance (Note 1)	(2,720)	(2,507)	(24,568)
	7,580	8,039	68,467
Deferred tax liabilities:			
Revaluation of fixed assets in accordance with special tax measures	(165)	(170)	(1,492)
Net unrealized holding gain on securities	(168)	—	(1,525)
Depreciation expense of subsidiaries	(3)	(2)	(28)
Dividend income from consolidated subsidiaries	(360)	(291)	(3,254)
Other	(11)	(35)	(102)
	(708)	(499)	(6,403)
Net deferred tax assets	¥ 6,871	¥ 7,540	\$ 62,064

Note 1: The valuation allowance has increased by ¥212 million (U.S.\$1,923 thousand), due to a decrease of ¥87 million (U.S.\$793 thousand) for operating loss carryforwards in its consolidated subsidiaries and an increase of ¥133 million (U.S.\$1,204 thousand) for excess of depreciation expense in its consolidated subsidiaries.

Note 2: Amounts of operating loss carryforwards and related deferred tax assets by operating loss carryforwards for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen						Total
	2021	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	
Operating loss carryforwards	¥ 96	¥ 32	¥ 18	¥ —	¥ 43	¥ 992	¥ 1,184
Valuation allowance	(96)	(32)	(18)	—	(43)	(991)	(1,182)
Deferred tax assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1	¥ 1

	Thousands of U.S. dollars						Total
	2021	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	
Operating loss carryforwards	\$ 874	\$ 297	\$ 168	\$ —	\$ 390	\$ 8,968	\$ 10,699
Valuation allowance	(874)	(297)	(168)	—	(390)	(8,952)	(10,682)
Deferred tax assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16	\$ 16

Note: Figures for operating loss carryforwards were the amounts multiplied by statutory tax rate.

	Millions of yen						Total
	2020	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	
Operating loss carryforwards	¥ 12	¥ 145	¥ 64	¥ 140	¥ 25	¥ 893	¥ 1,282
Valuation allowance	(12)	(145)	(64)	(140)	(25)	(881)	(1,270)
Deferred tax assets	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 11	¥ 11

Note: Figures for operating loss carryforwards were the amounts multiplied by statutory tax rate.

16. Business Combinations

There is no business combination for the year ended March 31, 2021.

17. Asset Retirement Obligations

No specific disclosure has been made for the years ended March 31, 2021 and 2020 because of its immateriality.

18. Rental Property

No specific disclosure for rental property has been made as of March 31, 2021 and 2020 because of its immateriality.

19. Segment Information

1. Overview of reportable segments

(1) Decision procedures for reportable segments

The business segments of our group are subject to periodic review because each of them provides its own financial information separately from other business units of our group and the board of directors not only makes a decision on allocation of management resources, but also evaluates the performance of them.

Our group consists of 6 business segments, each of which develops comprehensive strategies and conducts business activities in overseas and domestic markets.

Based on product manufacturing methods and similarity of the markets where the products are introduced, we aggregate these business segments into 3 distinguishable units, such as "Printing and Industrial Materials Products," "Electronic and Optical Products," and "Paper and Converted Products," to include in this report.

(2) Products and services handled in each segment

Products and services handled in each segment were as follows:

Reportable segments	Main products and services
Printing and Industrial Materials Products	Adhesive products for seals and labels, Labeling machines, Automobile-use adhesive products, Industrial-use adhesive tapes, Window films, Films for outdoor signs and advertising, Interior finishing mounting films
Electronic and Optical Products	Semiconductor-related adhesive tapes, Semiconductor-related equipment, Multilayer ceramic capacitor-related tapes, Optical display-related adhesive products
Paper and Converted Products	Color papers for envelopes, Colored construction papers, Special function papers, High-grade printing papers, High-grade papers for paper products, Release papers for adhesive products, Release films for optical-related products, Casting papers for synthetic leather, Casting papers for carbon fiber composite materials

2. Method of calculating sales and income (loss), assets, and other items by reportable segment reported

The reported information regarding business segments is processed mostly following the accounting procedures listed in "Significant Accounting Policies" used as basis for preparing consolidated financial statements.

The profits of the segments reported are based on operating income.

The values for internal sales and transfers conducted between segments are given based on the market price for transactions between consolidated companies, and on the first cost for transactions within the same company.

Financial Information

3. Information on sales and income (loss), assets, and other items by reportable segment for the years ended March 31, 2021 and 2020 are outlined as follows:

Millions of yen

	2021					
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	¥115,745	¥88,976	¥31,181	¥235,902	¥ —	¥235,902
Intra-segment sales and transfers	59	41	15,967	16,068	(16,068)	—
Total	¥115,804	¥89,017	¥47,148	¥251,970	¥(16,068)	¥235,902
Segment income (loss)	¥ (239)	¥14,435	¥ 2,740	¥ 16,936	¥ 94	¥ 17,030
Others						
Depreciation and amortization	¥ 3,930	¥ 3,487	¥ 1,942	¥ 9,361	¥ —	¥ 9,361
Amortization of goodwill	¥ 3,110	¥ —	¥ —	¥ 3,110	¥ —	¥ 3,110

Thousands of U.S. dollars

	2021					
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	\$1,045,481	\$803,685	\$281,646	\$2,130,813	\$ —	\$2,130,813
Intra-segment sales and transfers	533	370	144,231	145,136	(145,136)	—
Total	\$1,046,014	\$804,056	\$425,878	\$2,275,949	\$(145,136)	\$2,130,813
Segment income (loss)	\$ (2,163)	\$130,389	\$ 24,752	\$ 152,978	\$ 849	\$ 153,828
Others						
Depreciation and amortization	\$ 35,506	\$ 31,504	\$ 17,546	\$ 84,557	\$ —	\$ 84,557
Amortization of goodwill	\$ 28,100	\$ —	\$ —	\$ 28,100	\$ —	\$ 28,100

- Notes: i. Segment income or loss adjustments show elimination of the amount of intra-segment transactions.
 ii. Segment income or loss is adjusted to be reported as operating income in the consolidated statement of income.
 iii. The amounts to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
 iv. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

Millions of yen

	2020					
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	¥122,436	¥81,929	¥36,361	¥240,727	¥ —	¥240,727
Intra-segment sales and transfers	58	41	16,699	16,799	(16,799)	—
Total	¥122,494	¥81,971	¥53,060	¥257,527	¥(16,799)	¥240,727
Segment income	¥ 928	¥10,981	¥ 3,502	¥ 15,412	¥ 27	¥ 15,440
Others						
Depreciation and amortization	¥ 4,056	¥ 3,445	¥ 1,989	¥ 9,491	¥ —	¥ 9,491
Amortization of goodwill	¥ 3,264	¥ —	¥ —	¥ 3,264	¥ —	¥ 3,264

- Notes: i. Segment income adjustments show elimination of the amount of intra-segment transactions.
 ii. Segment income is adjusted to be reported as operating income in the consolidated statement of income.
 iii. The amounts to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
 iv. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

Related Information

1. Information by product and service

Since the Company and its consolidated subsidiaries disclose the same information in its segment information section, it has been omitted.

2. Information by geographical segment

Millions of yen

					2021
	Japan	Asia	U.S.A.	Others	Total
Sales	¥117,381	¥70,938	¥38,912	¥8,669	¥235,902

Thousands of U.S. dollars

					2021
	Japan	Asia	U.S.A.	Others	Total
Sales	\$1,060,263	\$640,756	\$351,484	\$78,310	\$2,130,813

Note: Sales information is based on location of customers and it is classified by country or region.

Millions of yen

					2020
	Japan	Asia	U.S.A.	Others	Total
Sales	¥121,824	¥69,239	¥40,310	¥9,353	¥240,727

Note: Sales information is based on location of customers and it is classified by country or region.

Millions of yen

					2021
	Japan	Asia	U.S.A.	Others	Total
Property, plant and equipment	¥58,385	¥9,850	¥10,912	¥659	¥79,807

Thousands of U.S. dollars

					2021
	Japan	Asia	U.S.A.	Others	Total
Property, plant and equipment	\$527,373	\$88,974	\$98,565	\$5,953	\$720,866

Millions of yen

					2020
	Japan	Asia	U.S.A.	Others	Total
Property, plant and equipment	¥57,250	¥10,967	¥11,611	¥652	¥80,481

3. Information by principal customers

Since there are no outside customers that make up more than 10% of net sales on the consolidated statement of income for the years ended March 31, 2021 and 2020, the information has been omitted.

Financial Information

Information on impairment losses on non-current assets by reportable segment

Millions of yen

	2021				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	¥—	¥—	¥—	¥—	¥171

Thousands of U.S. dollars

	2021				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	\$—	\$—	\$—	\$—	\$1,547

Note: Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Millions of yen

	2020				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	¥—	¥—	¥—	¥—	¥545

Note: Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reportable segment

Millions of yen

	2021				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	¥—	¥—	¥—	¥—	¥16,981

Thousands of U.S. dollars

	2021				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	\$—	\$—	\$—	\$—	\$153,391

Notes: i. Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in the reportable segment information section, it has been omitted.

ii. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Millions of yen

	2020				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	¥—	¥—	¥—	¥—	¥21,350

Notes: i. Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in the reportable segment information section, it has been omitted.

ii. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Information on profit arising from negative goodwill by reportable segment

There is no profit arising from negative goodwill for the years ended March 31, 2021 and 2020.

20. Related Party Transactions

The Company and its consolidated subsidiaries have transactions with NP Trading Co., Ltd., a subsidiary of Nippon Paper Industries Co., Ltd. The transactions between the companies for the years ended March 31, 2021 and 2020 were as follows:

For the year	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Sales of fine & specialty paper products and converted products	¥8,790	¥10,899	\$79,399
Purchase of stencil, chemicals and equipment	3,732	4,340	33,712

At year-end	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Trade notes and accounts receivable	¥3,369	¥3,601	\$30,439
Trade notes and accounts payable	1,658	1,751	14,983
Other liabilities	10	3	96

Related party transactions are carried out on an arm's length basis similar to third party transactions.

21. Amounts per Share

The amounts per share of net assets and net income as of and for the years ended March 31, 2021 and 2020 were as follows:

	Yen		U.S. dollars
	2021	2020	2021
Net assets	¥2,722.89	¥2,653.80	\$24.59
Net income (basic)	157.81	133.20	1.43
Net income (diluted)	157.69	133.05	1.42

The bases for calculation were as follows:

(1) Basic and diluted net income per share

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Net income (basic) per share:			
Profit attributable to owners of parent	¥11,407	¥ 9,620	\$103,037
Amount not attributable to common shareholders	—	—	—
Profit attributable to owners of parent attributable to common shares	¥11,407	¥ 9,620	\$103,037
Weighted-average number of common shares issued during the year (thousand)	72,283	72,230	72,283
Net income (diluted) per share:			
Adjustment of profit attributable to owners of parent related to dilutive securities	¥ —	¥ —	\$ —
Adjustment of dilutive securities (thousand)	56	79	56
[Share subscription rights (thousand)]	[56]	[79]	[56]

(2) Net assets per share

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Total net assets	¥197,350	¥192,298	\$1,782,590
Amount deducted from total net assets	502	565	4,541
[Share subscription rights]	[99]	[128]	[896]
[Non-controlling interests]	[403]	[437]	[3,644]
Net assets attributable to common shares	¥196,847	¥191,732	\$1,778,049
Number of shares of common stock outstanding used in calculation of net assets per share (thousand)	72,293	72,248	72,293

Financial Information

22. Short-Term loans payable, Long-Term loans payable and Other Interest-Bearing Debts

Short-term and long-term loans payable as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Average interest rate	Thousands of U.S. dollars
	2021	2020		2021
Short-term loans payable	¥1,516	¥ 1,580	0.7%	\$13,700
Current portion of long-term loans payable	1,217	9,240	2.5%	11,000
Long-term loans payable	2,546	2,285	1.9%	23,000
	¥5,280	¥13,105	—	\$47,700

Note: "Average interest rate" indicates the weighted average interest rate for the closing balance of loans payable as of March 31, 2021.

Other interest-bearing debts as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Average interest rate	Thousands of U.S. dollars
	2021	2020		2021
Short-term lease obligation	¥ 597	¥ 606	1.8%	\$ 5,395
Long-term lease obligation	1,142	1,441	2.2%	10,320

Notes: i. "Average interest rate" indicates the weighted average interest rate for the closing balance of lease obligations as of March 31, 2021.

ii. In lease obligations, "Average interest rate" corresponding to finance leases (that transfers no title to lessee) are not provided because the lease obligations in the consolidated balance sheet represent the amounts before deduction of interest equivalents from total lease payments. Besides, "Average interest rate" for lease obligations presented the above indicates the weighted average interest rate for Right-of-use assets' transactions.

Planned repayment amounts after the balance sheet date (March 31, 2021) for long-term loans payable and lease obligation are as follows:

	Millions of yen				Thousands of U.S. dollars			
	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Long-term loans payable	¥1,217	¥1,328	¥ —	¥—	\$11,000	\$12,000	\$ —	\$ —
Lease obligation	462	342	157	63	4,177	3,090	1,424	572

23. Subsequent Event

The following distribution of retained earnings was approved at a meeting of the board of directors held on May 10, 2021.

	Millions of yen	Thousands of U.S. dollars
		2021
Cash dividends (¥39 per share)	¥2,819	\$25,467

Business combination by acquisition

The Company announced the results of talks with investors in DURAMARK PRODUCTS, INC. (headquartered in South Carolina, USA; hereinafter "DURAMARK") regarding the Group acquiring all shares of DURAMARK, a manufacturer and distributor of various adhesive products. At the board of Directors meeting held on April 1, 2021, the board of directors passed a resolution to acquire all shares of DURAMARK and decided to carry out a transfer agreement with DURAMARK's investors on April 1, 2021 (US time). The shares will be acquired through MORGAN ADHESIVES COMPANY, LLC, headquartered in Ohio, USA. MORGAN ADHESIVES COMPANY, LLC is a wholly owned subsidiary of MACTAC AMERICAS, LLC (hereinafter "MACTAC," also headquartered in Ohio, USA), which is a wholly owned subsidiary of LINTEC USA HOLDING, INC.*

*LINTEC USA HOLDING INC. is a wholly owned subsidiary of the Company.

(1) Outline of business combination

① Name and business description of the acquired company

Name	DURAMARK PRODUCTS, INC.
Business description	Manufacture and sale of adhesive papers and films for labels, graphic films, etc.

Note: The company name has been changed to MACTAC, INC. on April 8, 2021.

② Reasons for the business combination

The Group has been moving forward with the globalization of its business based on the concept of local production, manufacturing products in locations that are closer to its customers and providing them with a stable supply. Notably, in North America, in December 2016 the Group acquired MACTAC, a manufacturer and distributor of adhesive papers and films for labels, and graphic films, thereby strengthening and expanding its Printing & Variable Information Products Operations and Industrial & Material Operations, which are the Group's core businesses.

DURAMARK's business operations span adhesive papers and films for labels, and graphic films, mainly provided to customers in North America. The acquisition provides immediate access to production equipment that MACTAC requires to increase the production capacity of adhesive papers and films for labels, its main products. In addition, the introduction of the DURAMARK-owned integrated production system for graphic films, as well as in-house production, will greatly help to acquire new commercial rights and expand sales. The Group plans to strengthen and expand its business not only in North America but also in Japan and other regions.

③ Effective date of the business combination

April 1, 2021 (US time)

④ Legal form of the business combination

Acquisition of shares

⑤ Ratio of acquired voting rights

100%

⑥ Rationale for the determination of acquiring the company

The determination was made because the Company acquired 100% voting rights of DURAMARK through MORGAN ADHESIVES COMPANY, LLC, a wholly owned subsidiary of MACTAC in the United States, by the acquisition of shares in exchange for cash.

(2) Acquisition cost of the acquired company and breakdown of consideration for the acquisition by type

Consideration for the acquisition	Cash	U.S.\$60,000 thousands (¥6,642 million)
Acquisition cost		U.S.\$60,000 thousands (¥6,642 million)

Note: The Group is currently taking into consideration working capital and other variables at the time of acquisition of shares based on the transfer agreement. At present, the acquisition cost has not yet been definitively determined so the amounts listed above are provisional.

(3) Content and amount of major acquisition-related costs

Not yet determined at present.

(4) Amount of goodwill arising from the business combination, cause of the goodwill, and amortization method and period, or Amount of negative goodwill and cause of the negative goodwill

Not yet determined at present.

(5) Amounts of assets received and liabilities assumed on the date of business combination, and their major components

Not yet determined at present.

Management's Report on Internal Control over Financial Reporting

Basic Framework of Internal Control over Financial Reporting

Makoto Hattori, Representative Director, President, CEO and COO of LINTEC Corporation, and Yoichi Shibano, Director, Senior Executive Officer and CFO of LINTEC Corporation, are responsible for designing and operating adequate internal control over financial reporting for the consolidated financial statements of LINTEC Corporation (the "Company") and its consolidated subsidiaries in accordance with the basic framework set forth in the "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting" issued by the Business Accounting Council.

Internal control achieves its objectives to a reasonable extent given that all individual components of internal control are integrated and function as a whole. Internal control over financial reporting for the consolidated financial statements may not completely prevent or detect misstatements in financial reporting.

Scope of Assessment, Assessment Date and Assessment Procedures

We assessed the effectiveness of internal control over financial reporting for the consolidated financial statements as of March 31, 2021 in accordance with the standards for assessment of internal control over financial reporting generally accepted in Japan. For this assessment, we first evaluated the company-level controls which would have a material impact on the reliability of overall financial reporting on a consolidated basis. We then selected the process-level controls to be assessed based on the results of the company-level control assessment. For the process-level control assessment, we evaluated the effectiveness of internal control by analyzing processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

We determined the scope of assessment by selecting consolidated subsidiaries based on their materiality of impact on the reliability of financial reporting. We determined their materiality of impact by considering both quantitative and qualitative aspects. The scope of our process-level control assessment was determined based on the results of our assessment of company-level controls, which included the Company and its 21 consolidated subsidiaries. We excluded 20 consolidated subsidiaries from the scope of the company-level control assessment since their quantitative and qualitative impacts were deemed insignificant.

For the purpose of determining the scope of process-level controls assessment, we selected two business locations as "Significant Business Locations," which contributed approximately two thirds of the Company's net sales on a consolidated basis for the fiscal year ended March 31, 2020. For the Significant Business Locations, we primarily included business processes related to sales, accounts receivable, and inventory in the scope of assessment as the aforementioned accounts were closely associated with the Company's business objectives. In addition, we included certain business processes in the scope of assessment not only from "Significant Business Locations" but also from all subsidiaries and affiliates, which were related to significant accounts involving estimates and management's judgment or include high-risk operations and/or transactions, as "business processes with a material impact on financial reporting."

Assessment Result

Based on the results of our assessment with the above-mentioned scope, date and procedures, we concluded that Company's internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2021 was effective.



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Independent Auditor's Report

The Board of Directors
LINTEC Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of LINTEC Corporation and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill	
Description of Key Audit Matter	Auditor's Response
The Company recorded goodwill amounted to ¥16,981 million on the consolidated financial statements as at March 31, 2021. This was mainly composed of the goodwill recognized in relation to the acquisition of MACTac Americas, LLC in December 2016,	We instructed the component auditor of MACTac Americas, LLC to perform audit on valuation of goodwill, obtained the report of audit results including the following procedures performed, and evaluated the sufficiency and appropriateness of audit

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<p>whose carrying amount was ¥16,826 million, approximately 6.0% of the Company's consolidated total assets.</p> <p>MACTac Americas, LLC has adopted an accounting alternative for the subsequent measurement of goodwill which is allowed for private companies under US GAAP. Under these rules, in evaluating goodwill, MACTac Americas, LLC assesses whether there is any triggering event that goodwill may be impaired. This assessment was made mainly based on the assessment of macroeconomic conditions, industry and market considerations, cost factors, and overall financial performance.</p> <p>Due to significant management judgement and uncertainties in assessing the existence of triggering events for impairment, we determined that the valuation of goodwill is a key audit matter.</p>	<p>evidence obtained:</p> <ul style="list-style-type: none"> • to assess the macroeconomic conditions by discussing with management, analyzing trends using actual results, and comparing the relevant assumptions with publicly available data. • to assess the industry and market considerations by discussing with management, analyzing trends using actual results, and comparing the relevant assumptions with publicly available data. • to assess the cost factors by discussing with management, analyzing trends using actual results, and comparing the relevant assumptions with publicly available data. • to assess the overall financial performance by evaluating the consistency of the underlying business plan with actual results and comparing the current year financial results with prior year.
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Responsibilities of Management, Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit and Supervisory Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1(a) to the consolidated financial statements.

Report on the Audit of the Management’s Report on Internal Control over Financial Reporting

Opinion

We also have audited the accompanying Management’s Report on Internal Control over Financial Reporting for the consolidated financial statements as at March 31, 2021 of LINTEC Corporation and its consolidated subsidiaries (the Group) (the “Management’s Report”).

In our opinion, the Management’s Report referred to above, which represents that internal control over financial reporting for the consolidated financial statements as at March 31, 2021 is effective, presents fairly, in all material respects, management’s assessment on internal control over financial reporting for the consolidated financial statements in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Management’s Report section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit and Supervisory Committee for the Management’s Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management’s Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Audit and Supervisory Committee are responsible for overseeing and verifying the design and operating of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor’s Responsibilities for the Audit of the Management’s Report

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Our objectives are to obtain reasonable assurance about whether the Management's Report is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about conclusions of management's assessment of internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the degree of impact on the reliability of financial reporting.
- Examine the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.
- Obtain sufficient appropriate audit evidence regarding conclusions of management's assessment of internal control over financial reporting in the Management's Report. We are responsible for the direction, supervision and performance of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and any material weakness in internal control that we identify as a result of the audit and its remediation conclusions.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan
June 21, 2021


Designated Engagement Partner
Certified Public Accountant


Designated Engagement Partner
Certified Public Accountant

A member firm of Ernst & Young Global Limited

Glossary

<p>Adhesive products for labels</p>	<p>Plain adhesive paper / adhesive film before printing patterns, text, etc., or variable information such as barcodes. The lineup includes a paper base used for a wide range of applications and a film base with superior durability, water resistance, and design.</p>
<p>Automobile-use adhesive products</p>	<p>These include film for replacing paint in door sashes, film for protecting aluminum wheels on new cars, and decorative film for motorcycles, etc.</p> 
<p>Biomass</p>	<p>Biomass is organic material derived from plants. By using biomass materials in facestock and adhesive for labelstock, environmental load can be reduced in terms of CO₂ emissions and preserving fossil resources.</p>
<p>Carbon nanotubes</p>	<p>Carbon nanotubes are cylindrical carbon materials measuring one nanometer (one billionth of a meter) in diameter. Lightweight, they are highly resistant to bending and stretching, and have high electrical and thermal conductivity.</p>
<p>Casting papers for carbon fiber composite materials</p>	<p>This release paper is used as a base sheet for manufacturing composite materials composed of a sheeted form of fine, hair-like carbon fibers fixed with resin.</p>
<p>Casting papers for synthetic leather</p>	<p>In the manufacturing process for synthetic leather, these release papers are used as patterns for adding designs and gloss to the leather surface.</p>
<p>Films for outdoor signs and advertising</p>	<p>Adhesive film for signs installed outdoors, for body advertisements and decorations for trains and buses, and other applications.</p>
<p>Hot melt</p>	<p>Hot melt is a room temperature solid type of adhesive that is applied while being melted with heat. Environmental load can be reduced because dilution by organic solvents is not needed during application.</p>
<p>Industrial-use adhesive tapes</p>	<p>These industrial-use adhesive products include double-sided tape that is used for attachment and bonding of precision components of mobile devices, such as smartphones, as well as low-adhesive tape that is used for blanking and transportation of LCD components.</p> 
<p>Interior finishing mounting films</p>	<p>This decorative film can achieve creation of diverse interior spaces through attachment to interior walls, etc. In addition to materials with various textures and colors, it also takes on original design decorations by digital output.</p> 

<p>Labeling machines</p>	<p>Equipment used to automatically affix labels to objects, including models that incorporate printers for the printing of logistics addresses, barcodes, etc.</p>	
<p>Multilayer ceramic capacitor-related tapes</p>	<p>This release film is used in forming hundreds of ultra-thin ceramic layers to configure the interior structure of capacitors.</p>	
<p>Optical display-related adhesive products</p>	<p>These include adhesive processed products on optically functional film used in LCD and OLED displays, and adhesive sheets used to adhere parts and materials in touch screens.</p>	
<p>Semiconductor-related adhesive tapes</p>	<p>This specialty adhesive tape is used in the semiconductor manufacturing back-end processes. It is used to protect the circuit surface when thinning semiconductor wafers through grinding, to secure wafers during dicing, etc.</p>	
<p>Semiconductor-related equipment</p>	<p>These products, which are used in semiconductor manufacturing back-end processes, include equipment for laminating/removing semiconductor-related adhesive tape and for UV irradiation of tape to control adhesion of the tape.</p>	
<p>Specialty papers</p>	<p>Paper used in special applications with a variety of colors, textures, and functions, etc. It includes the color paper for envelopes and colored construction paper as well as the paper used in laundry tags, which has tear-resistance even when soaked with water, and oil- and water-resistant paper used in food packaging.</p>	
<p>Window films</p>	<p>This adhesive film is applied to window glass in buildings, automobiles, etc. It has various effects such as improving air-conditioning efficiency in rooms and vehicles, shielding ultraviolet rays, and reducing the scattering of splinters when glass is broken.</p>	

Diagram of Adhesive Products for Labels

Adhesive

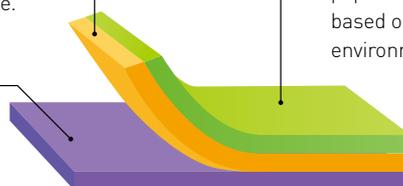
In line with purpose and application, it can be selected from a permanent type, a removable type, or a re-applicable type.

Release paper / film

In addition to the protection of the adhesive surface, the paper or film is used as a base during label manufacturing and processing.

Facestock

Broadly divided, there are two types—paper and film—and can be selected based on the application, usage environment, and required performance.



Other Information

Corporate History

1927	April	Keisuke Shiwaku established FUJI SHOKAI in Sugamo, Tokyo Started production and sales of gummed tape for packaging
1931	August	FUJI SHOKAI was reorganized and FUJI GOMEI KAISHA was established (relocated to Itabashi, Tokyo)
1934	October	FUJI GOMEI KAISHA was reorganized and FUJI SHIKO CORPORATION was established
1960	March	Started production and sales of adhesive paper for labels and later commenced production and sales of adhesive film
1972	March	Started production and sales of labeling machines
1984	October	Company name was changed to FSK CORPORATION
1986	July	Listed on 2nd Section of Tokyo Stock Exchange Developed UV curable dicing tape and made full-scale entry into the semiconductor-related product field
1987	September	MADICO, INC., became a subsidiary in the U.S.
1989	March	Approved for listing on 1st Section of Tokyo Stock Exchange
1990	April	Merged with SHIKOKU PAPER CO., LTD., and SOHKEN KAKO CO., LTD., and company name was changed to LINTEC Corporation Expanded range of business activities from the fields of adhesive paper and film and related equipment to include specialty paper and release paper and film
1991		Made full-scale entry into the optical display-related business field
1994	May	PT. LINTEC INDONESIA was established
1995	January	MODERN PLASTIC INDUSTRIES CO., LTD., became a subsidiary (merged in April 1996)
	April	LINTEC SINGAPORE PRIVATE LIMITED was established LINTEC EUROPE B.V. was established
	December	Construction of new building at the Research Center
1999	March	LINTEC INDUSTRIES (SARAWAK) SDN. BHD. was established
2000	April	LINTEC INDUSTRIES (MALAYSIA) SDN. BHD. was established
	July	LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC., was established
2001	December	LINTEC ADVANCED TECHNOLOGIES (KOREA), INC., was established
2002	June	LINTEC (SUZHOU) TECH CORPORATION was established
	August	LINTEC SPECIALITY FILMS (KOREA), INC., was established
2003	June	LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC., was established
	August	LINTEC SPECIALITY FILMS (TAIWAN), INC., was established
	October	LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH was established
2004	February	LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC., was established
	August	LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD. was established
	September	LINTEC KOREA, INC., was established
2009	June	LINTEC VIETNAM CO., LTD., was established
2010	August	Completed reconstruction work at the Tatsuno Plant
2011	June	LINTEC (THAILAND) CO., LTD., was established
2012	November	LINTEC INDIA PRIVATE LIMITED was established
2013	December	Nano-Science & Technology Center was established
2015	January	LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED was established
	May	Construction of Advanced Technology Building at the Research Center
2016	October	VDI, LLC, became a subsidiary in the U.S.
	November	LINTEC GRAPHIC FILMS LIMITED became a subsidiary in the U.K. (currently LINTEC EUROPE (UK) LIMITED)
	December	MACTAC AMERICAS, LLC, became a subsidiary in the U.S.
2021	April	DURAMARK PRODUCTS, INC., became a subsidiary in the U.S. (currently MACTAC, INC.)

Corporate Information / Investor Information

As of March 31, 2021

Head Office

23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan
 Phone: +81-3-5248-7711 Fax: +81-3-5248-7760
 URL: www.lintec-global.com

Established

October 15, 1934

Fiscal Year-End

March 31

Common Stock

¥23,285 million
 Authorized: 300,000,000 shares
 Issued: 76,630,740 shares

Stock Listing

Tokyo Stock Exchange, 1st Section
 Securities Code: 7966

Shareholder Register Agent for Common Stock

Mitsubishi UFJ Trust and Banking Corporation
 1-4-5, Marunouchi, Chiyoda-ku,
 Tokyo 100-8212, Japan

Number of Employees

4,913 (Consolidated)
 2,618 (Non-consolidated)

Major Shareholders

Nippon Paper Industries Co., Ltd.	30.06%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6.08%
Custody Bank of Japan, Ltd. (Trust Account)	4.87%
National Mutual Insurance Federation of Agricultural Cooperatives	3.63%
Tamie Shoji	2.48%

Major Subsidiaries *Consolidated Subsidiary

Domestic

LINTEC COMMERCE, INC.*
 LINTEC SIGN SYSTEM, INC.*
 SHONAN LINTEC KAKO, INC.*
 LINTEC SERVICES, INC.
 LINTEC CUSTOMER SERVICE, INC.
 PRINTEC, INC.
 TOKYO LINTEC KAKO, INC.

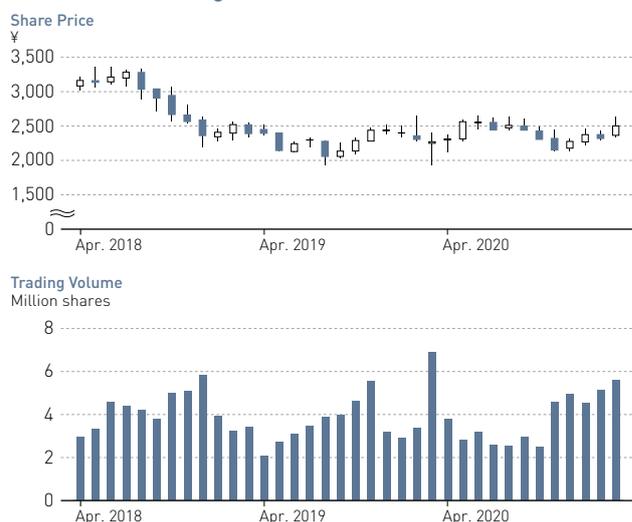
Overseas

LINTEC USA HOLDING, INC.*
 LINTEC OF AMERICA, INC.*
 MACTAC AMERICAS, LLC*
 MADICO, INC.*
 VDI, LLC*
 LINTEC EUROPE B.V.*
 LINTEC EUROPE (UK) LIMITED*
 LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH*
 LINTEC (SUZHOU) TECH CORPORATION*
 LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION*
 LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.*
 LINTEC SPECIALITY FILMS (TAIWAN), INC.*
 LINTEC HI-TECH (TAIWAN), INC.*
 LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.*
 LINTEC KOREA, INC.*
 LINTEC SPECIALITY FILMS (KOREA), INC.*
 LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.*
 LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED*
 LINTEC SINGAPORE PRIVATE LIMITED*
 PT. LINTEC INDONESIA*
 PT. LINTEC JAKARTA*
 LINTEC (THAILAND) CO., LTD.*
 LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.*
 LINTEC INDUSTRIES (SARAWAK) SDN. BHD.*
 LINTEC KUALA LUMPUR SDN. BHD.*
 LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD.*
 LINTEC VIETNAM CO., LTD.*
 LINTEC HANOI VIETNAM CO., LTD.*
 LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC.*
 LINTEC PHILIPPINES (PEZA), INC.*
 LINTEC INDIA PRIVATE LIMITED*

Ownership and Distribution of Shares



Share Price / Trading Volume





LINTEC Corporation

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Tokyo 173-0001, Japan
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