

Making Steady Progress

**LINTEC
Integrated Report 2022**

For the fiscal year ended March 31, 2022

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



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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 various 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 sustainability report, which provide additional information that is not included in this report.

Reporting Period

This report covers the period from April 1, 2021, to March 31, 2022. However, some of the information includes content from April 1, 2022, onward.

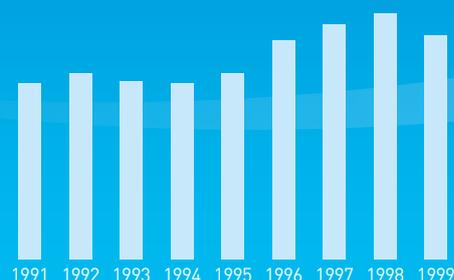
Value Creation

LINTEC is working to raise corporate value by maximizing the use of 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 history, strengths, and long-term vision; contains messages from the president and CFO; and describes the Company's mainstay businesses.



Achieving Steady Growth by Meeting the Needs of the Times

In 1990, a vertical integration was implemented by three companies—a manufacturer with advanced adhesive technologies, a manufacturer with papermaking technologies for specialty 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.



LINTEC's Advances

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 developed a business related to optical displays, setting the stage for our current business spanning six operations. 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.

Changes in Society and LINTEC's Products

1927



1960

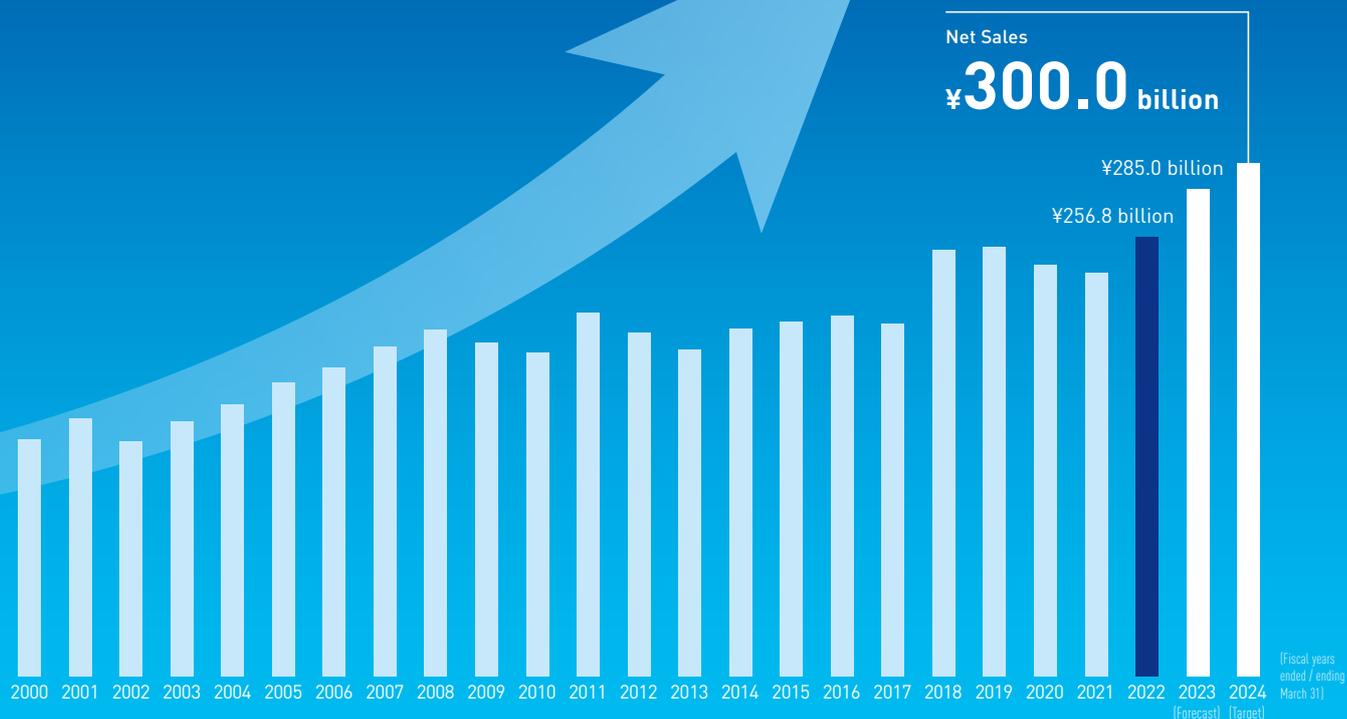


The Company was established in 1927 to manufacture and sell gummed tape, which was applied like postage stamps by adding water. This was at a time when demand was rapidly expanding for cardboard boxes, which were replacing wooden boxes. We began manufacturing and selling adhesive products for labels in 1960.

1970s



During Japan's high-growth period during the 1970s, the Company began manufacturing decorative film for automobiles and motorcycles, in response to their increased production. The Company also entered the field of window film for buildings and automobiles. This film has insulative and energy-saving properties, and prevents shards from scattering when glass is broken.



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 U.S., 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. LINTEC is currently operating under its first medium-term business plan, LSV 2030-Stage 1, which targets consolidated net sales of ¥300.0 billion, in line with its long-term vision for 2030.

1986



In a bid to develop business related to the expanding semiconductor market, the Company developed UV-curable dicing tape, whose adhesive strength can be controlled by ultraviolet (UV) irradiation.

1990



Though a three-way merger with SHIKOKU PAPER and SOHKEN KAKO, we expanded our business fields to include specialty paper, as well as converted products such as release paper and release film.

1991



As LCD products grew in popularity, the Company launched an adhesive processing business for the optically functional film that makes up these displays.

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.

Strength

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.



Strength

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.



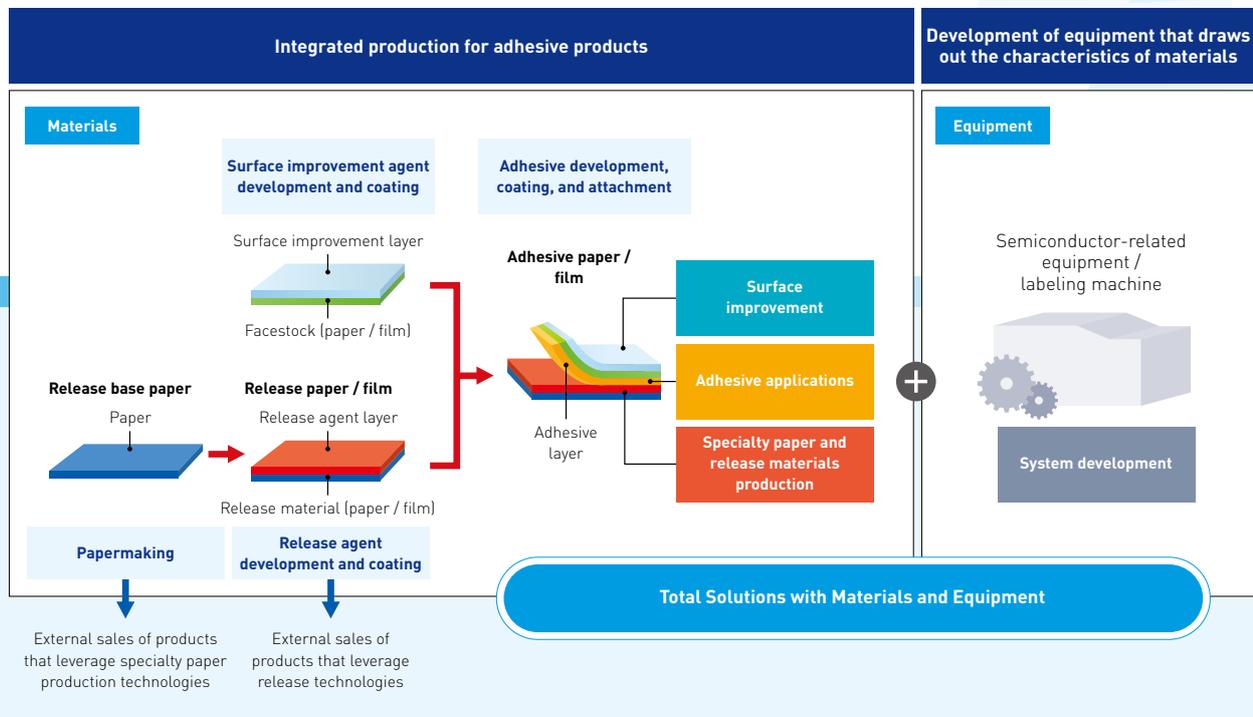
Strength

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 more than 5,000 employees in 18 countries and regions, and our overseas sales ratio has increased to more than 55%. 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.





Color paper for envelopes



Adhesive products for labels



Semiconductor-related tapes

Global Network
(As of March 31, 2022)

North America: **13** companies
 Europe: **3** companies
 Asia: **23** companies

Overseas sales ratio



Number of employees
(Consolidated)



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

Unique Technical Capabilities



Comprehensive Product Supply System in Japan and Overseas



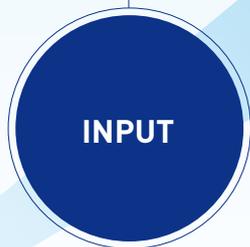
Diverse Human Resources and Corporate Culture



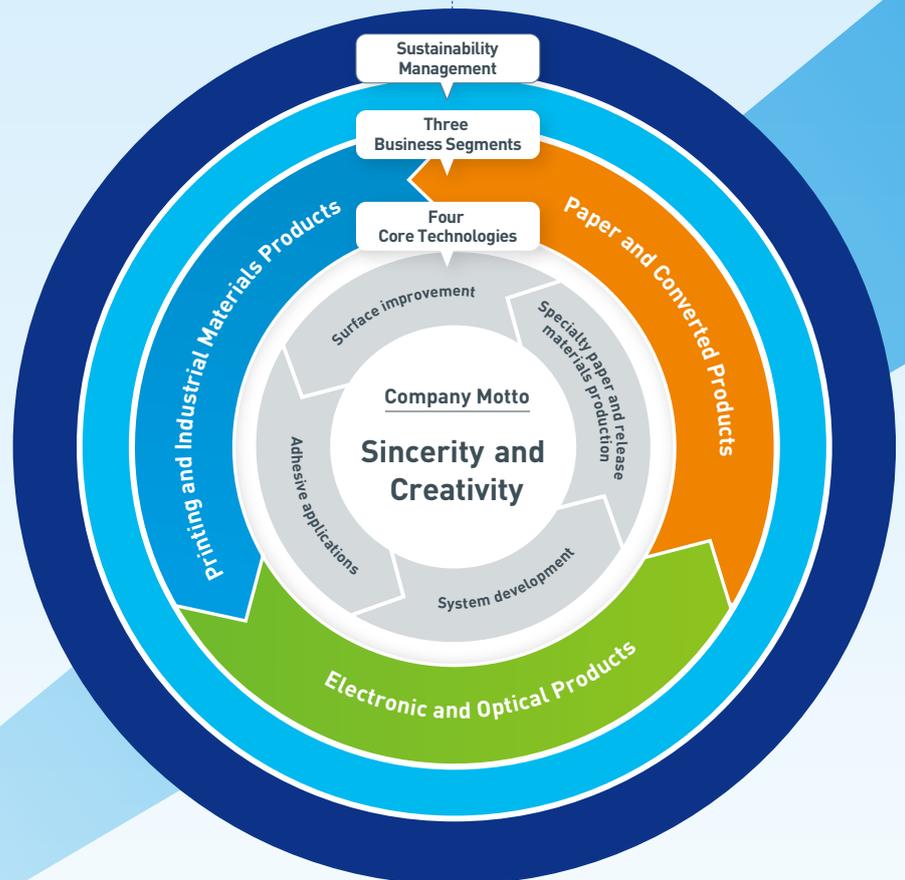
Solid Financial Base



Relationships of Trust with Stakeholders



LINTEC's Unique Strengths



Demands from Society
Market Needs
Mega Trends



External Technologies

Contribute to the realization of a sustainable society

Create economic value

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

Create social value

OUTCOME

OUTPUT

Reduce environmental impact



Promote digitalization within society



Provide a stable supply of products needed in everyday life



Supply products to a broad range of markets



P34 Printing & Variable Information Products Operations

P35 Industrial & Material Operations

P37 Advanced Materials Operations

P38 Optical Products Operations

P40 Fine & Specialty Paper Products Operations

P41 Converted Products Operations

LINTEC SUSTAINABILITY VISION 2030

The LINTEC Group has formulated a long-term vision, which continues through the fiscal year ending March 31, 2030, as well as its first three-year medium-term business plan toward achieving this vision, which launched in the fiscal year ended March 31, 2022. With the basic approach of our long-term vision being to contribute to solving social issues through our business activities, we will actively work on each priority measure from the perspective of sustainability.

<p>Long-term Vision</p>	<p>LINTEC SUSTAINABILITY VISION 2030 (LSV 2030)</p>			
<p>Basic Policy</p>	<p>Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth</p>			
<p>Key Initiatives</p>	<table border="0"> <tr> <td data-bbox="432 1160 919 1899"> <p>1. Solve social issues</p> <p>(1) Environment</p> <ul style="list-style-type: none"> • Help to shape a carbon-free world • Help to shape a recycling-oriented world • Comply with the PRTR Act • Contribute to biodiversity preservation initiatives <p>(2) Society</p> <ul style="list-style-type: none"> • Respect human rights • Provide proper information disclosure to stakeholders • Promote work-style reform initiatives • Promote the quality-first and customer-first approaches <p>(3) Governance</p> <ul style="list-style-type: none"> • 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 <p>(4) Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)</p> </td> <td data-bbox="919 1160 1444 1899"> <p>2. Foster innovation to build a robust corporate structure</p> <p>(1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)</p> <p>(2) Install new production equipment through scrap and build, with the aim to conserve energy, raise quality, increase efficiency, and reduce labor</p> <p>(3) Strengthen cost competitiveness with innovation in production processes</p> <p>(4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies</p> <p>(5) Maintain a solid financial base and improve capital efficiency</p> <p>3. Create new products and businesses to deliver sustainable growth</p> <p>(1) Create new products and businesses driven by technological innovation</p> <p>(2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)</p> <p>(3) Move aggressively to win a greater presence in the global market</p> <p>(4) Establish localization</p> </td> </tr> </table>		<p>1. Solve social issues</p> <p>(1) Environment</p> <ul style="list-style-type: none"> • Help to shape a carbon-free world • Help to shape a recycling-oriented world • Comply with the PRTR Act • Contribute to biodiversity preservation initiatives <p>(2) Society</p> <ul style="list-style-type: none"> • Respect human rights • Provide proper information disclosure to stakeholders • Promote work-style reform initiatives • Promote the quality-first and customer-first approaches <p>(3) Governance</p> <ul style="list-style-type: none"> • 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 <p>(4) Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)</p>	<p>2. Foster innovation to build a robust corporate structure</p> <p>(1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)</p> <p>(2) Install new production equipment through scrap and build, with the aim to conserve energy, raise quality, increase efficiency, and reduce labor</p> <p>(3) Strengthen cost competitiveness with innovation in production processes</p> <p>(4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies</p> <p>(5) Maintain a solid financial base and improve capital efficiency</p> <p>3. Create new products and businesses to deliver sustainable growth</p> <p>(1) Create new products and businesses driven by technological innovation</p> <p>(2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)</p> <p>(3) Move aggressively to win a greater presence in the global market</p> <p>(4) Establish localization</p>
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<p>Financial Indicators for the Fiscal Year Ending March 31, 2030</p>	<p>Operating Profit Margin</p> <p>12% or more</p>	<p>Return on Equity (ROE)</p> <p>10% or more</p>		

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.



Medium-term Business Plan

LSV 2030-Stage 1



Management Targets for the Fiscal Year Ending March 31, 2024 (Final Year)

Net Sales	Operating Income
¥300.0 billion	¥24.0 billion
Profit Attributable to Owners of Parent	Operating Profit Margin
¥17.0 billion	8% or more
ROE	
8% or more	

Key Initiatives

See pages 33–41 for details on initiatives in each business operation.

Printing & Variable Information Products Operations

- Expand production bases and strengthen sales capabilities overseas, including the U.S. and Asia

Industrial & Material Operations

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

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

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

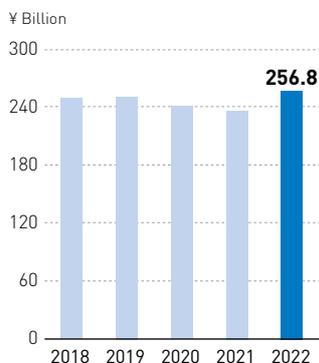
Performance Highlights

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

¥256.8 billion



Application of the Accounting Standard for Revenue Recognition had a ¥13.6 billion negative impact on net sales. Nevertheless, we posted record net sales, thanks to robust demand for products related to semiconductors and electronic components, as well as a recovery in demand for other products.

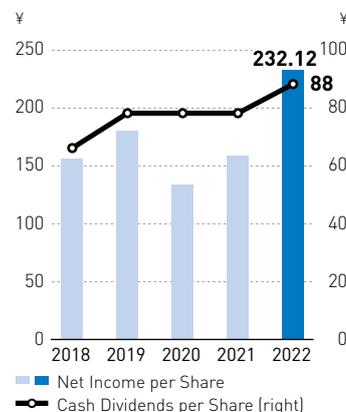
Net Income per Share / Cash Dividends per Share

Net Income per Share

¥232.12

Cash Dividends per Share

¥88



Net income per share was ¥232.12. Based on its basic policy of providing a stable and continued dividend, the Company paid a dividend of ¥88 per share, ¥10 more than in the previous fiscal year, with a dividend payout ratio of 37.9%.

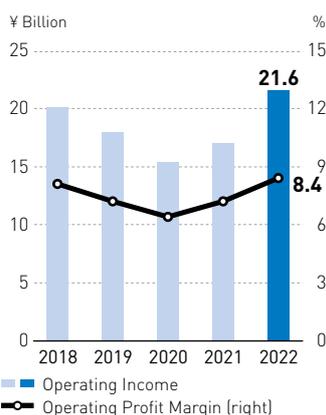
Operating Income / Operating Profit Margin

Operating Income

¥21.6 billion

Operating Profit Margin

8.4%



Despite price rises on key raw materials, such as pulp and petrochemical raw materials, we recorded our highest operating income to date, thanks to substantially higher profits in Electronic and Optical Products and a return to profitability in Printing and Industrial Materials Products.

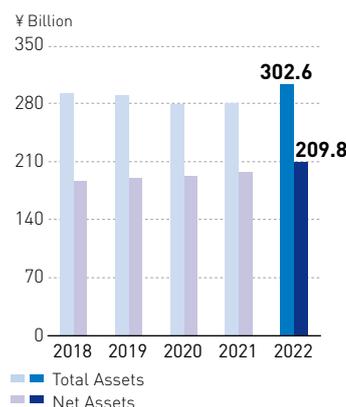
Total Assets / Net Assets

Total Assets

¥302.6 billion

Net Assets

¥209.8 billion



Total assets increased due to the acquisition of a U.S. company, although cash and deposits fell due to the purchase of treasury stock. Net assets also expanded, reflecting an increase in retained earnings. The equity ratio was 69.1%.

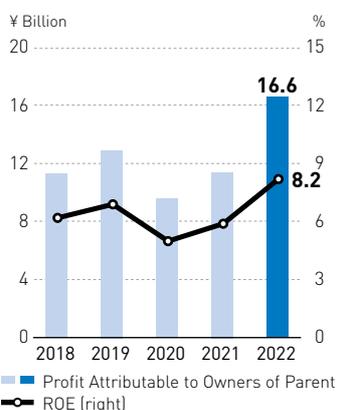
Profit Attributable to Owners of Parent / ROE

Profit Attributable to Owners of Parent

¥16.6 billion

ROE

8.2%



In addition to growth in operating income, we recorded foreign exchange gains and a gain on bargain purchase stemming from the acquisition of a U.S. company. As a result, profit attributable to owners of parent increased, and ROE improved.

Cash Flows

Net Cash Provided by Operating Activities

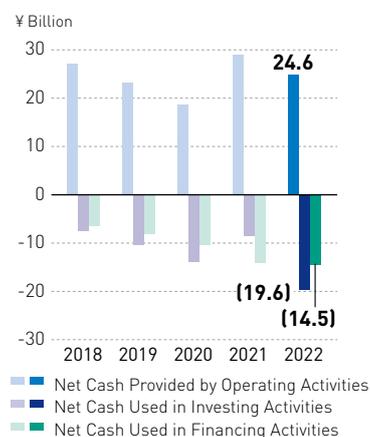
¥24.6 billion

Net Cash Used in Investing Activities

¥(19.6) billion

Net Cash Used in Financing Activities

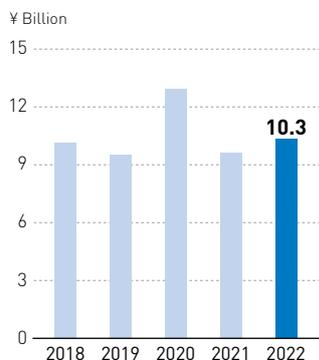
¥(14.5) billion



Cash flows from operating activities were positive, while cash flows from investing activities were negative due to the acquisition of companies and businesses in the U.S., etc. Cash flows from financing activities were negative due to the purchase of treasury stock.

Capital Expenditures

¥10.3 billion



Capital expenditures amounted to ¥10.3 billion, owing to the expansion of coating facilities for multilayer ceramic capacitor-related tape at the Kumagaya Plant (Saitama Prefecture) and the Doi Plant (Ehime Prefecture), and the installation of facilities to reduce CO₂ emissions at various production bases.

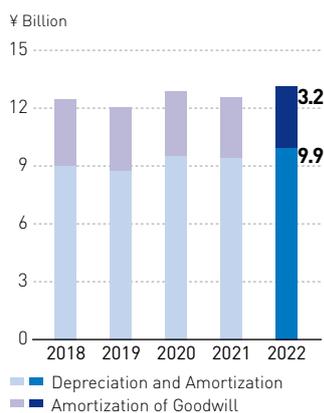
Depreciation and Amortization / Amortization of Goodwill

Depreciation and Amortization

¥9.9 billion

Amortization of Goodwill

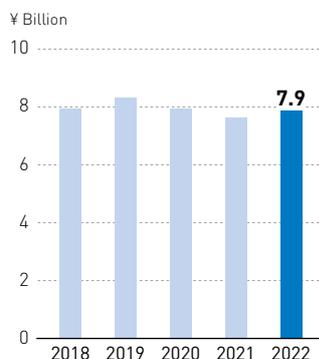
¥3.2 billion



Depreciation and amortization were ¥9.9 billion. Also, amortization of goodwill was ¥3.2 billion, due principally to the amortization of goodwill resulting from the acquisition of MACTAC AMERICAS, LLC, at the end of 2016.

R&D Expenses

¥7.9 billion

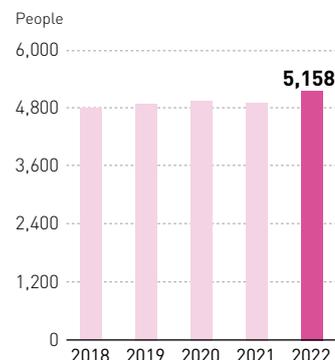


R&D expenses were ¥7.9 billion, with Printing and Industrial Materials Products accounting for ¥2.9 billion; Electronic and Optical Products for ¥3.8 billion; and Paper and Converted Products for ¥1.2 billion.

Non-Financial Information

Number of Employees

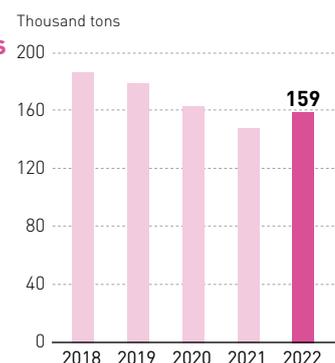
5,158



On a consolidated basis, the number of employees was 5,158, an increase of 245 employees year on year. On a non-consolidated basis, LINTEC had 2,628 employees, up 10 from the previous year.

CO₂ Emissions

159,000 tons



CO₂ emissions volume was up 11,000 tons year on year, to 159,000 tons. This was due to such factors as higher production volumes, despite efforts to reduce environmental impact by installing new facilities at production bases.

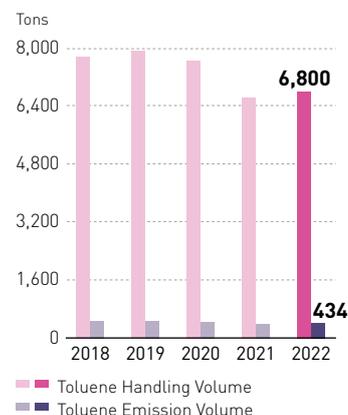
Toluene Handling Volume / Toluene Emission Volume

Toluene Handling Volume

6,800 tons

Toluene Emission Volume

434 tons



Toluene is a volatile organic solvent used mainly used in the adhesive and release agent coating processes. The Company is working to reduce the amount of toluene it handles and emits. During the year under review, production volumes increased, causing toluene handling and emission volumes to increase slightly.

We will strive to reach our new management targets and realize our long-term vision.

Achieving the Management Targets of Our Medium-Term Business Plan in the First Year

The fiscal year ended March 31, 2022, was the first year of our medium-term business plan, LSV 2030-Stage 1. This plan is an initial milestone toward the realization of LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), our long-term vision for 2030. In addition to a major sales increase supported by favorable demand for semiconductor- and electronic component-related products, sales of other products that had been significantly affected in the previous year by the COVID-19 pandemic rebounded, resulting in steady overall progress. Net sales and profit both reached record highs, despite our application of the Accounting Standard for Revenue Recognition to the fiscal year's consolidated performance, which had a ¥13.6 billion negative impact on net sales. Accordingly, we reached our management targets for the fiscal year ending March 31, 2024, the final year of LSV 2030-Stage 1, in the first year of the plan, which were ¥255.0 billion in net sales, ¥21.0 billion in operating income, and ¥14.0 billion in profit attributable to owners of parent. I credit this strong performance to the steady efforts of all LINTEC Group employees to focus on the stable supply of products and the development and sales expansion of new products despite a difficult business environment.

Consolidated Business Results in Fiscal Year Ended March 31, 2022 (Year on Year)

Net Sales	¥256,836 million (up 8.9%)
Operating Income	¥21,584 million (up 26.7%)
Profit Attributable to Owners of Parent	¥16,641 million (up 45.9%)

Makoto Hattori

Representative Director
President, CEO and COO



Setting New Management Targets for LSV 2030-Stage 1

We reached our management targets early, but the plan is still not complete. We see the second year of the plan and beyond as a time to further accelerate and promote each of its measures by building on the progress we made in the first year. We believe our achievements over the upcoming period will drive us on to the next stage. We have set new management targets for the fiscal year ending March 31, 2024: net sales of ¥300.0 billion and operating income of ¥24.0 billion. These targets factor in our expectations for further growth in

electronics-related markets and the favorable performances of U.S. companies we acquired in April 2021 and established in February 2022. Also, we have raised our planned capital expenditures over the three-year period of LSV 2030-Stage 1, from ¥40.0 billion to ¥53.7 billion. We have earmarked spending to expand production capacity in response to medium- to long-term growth in markets related to semiconductors and electronic components as well as to augment equipment in efforts to reduce CO₂ emissions.



Management Targets for the Final Year of LSV 2030-Stage 1 (Fiscal Year Ending March 31, 2024) and the Three-Year Total for Capital Expenditures

	Before Revision		After Revision
Net Sales	¥255.0 billion	▶	¥300.0 billion
Operating Income	¥21.0 billion	▶	¥24.0 billion
Profit Attributable to Owners of Parent	¥14.0 billion	▶	¥17.0 billion
Operating Profit Margin	More than 8%	▶	More than 8% (unchanged)
ROE	More than 7%	▶	More than 8%
Capital Expenditures (Three-Year Total)	¥40.0 billion	▶	¥53.7 billion

First-Year Achievements and Second-Year Initiatives

Focusing on Penetration within the Group

In the first year of LSV 2030-Stage 1, we focused on Groupwide penetration—in other words, ensuring that all employees recognized the importance of our long-term vision and sustainability management. I personally also described the significance of our vision and sustainability management to all our employees on numerous occasions. Although COVID-19 still makes it difficult for us to visit each of our offices, I am working to further spread understanding within the Group through online conferencing and other means. On the organizational front, in April 2021 we renamed the CSR Management Office the Sustainability Management Office. At the same time, we established the Sustainability Committee to strengthen the promotion system for our sustainability activities, including committees and subcommittees related to ESG and risk management. The Sustainability Committee, mainly comprising members of management, formulates basic policies for sustainability management, and all outside directors are invited to participate and provide advice drawn from their specialized expertise and objective viewpoints.

Accelerating Policy Development in the Spirit of Immediate Action

Now, in the second year of our business plan, we are asking our employees to implement promptly the various measures that need to be put in place. Speaking to the planned capital expenditures described earlier, for instance, by installing equipment to reduce CO₂ emissions, we should also achieve energy and cost savings. Any delays in undertaking such investments could lower their returns, so the sooner we make these investments, the better. Our basic policy is to proceed immediately. It is important we take such action because, once we do so, we will then become aware of other, non-investment activities we need to engage in. I am looking to our employees to think on their feet. If adjustments are necessary, I want employees to practice making revisions and changes without hesitation. On the management side, we will work to make on-site activities smoother by maintaining close communications with worksites and make decisions quickly so that people at the working level can address any problems promptly.

Enhancing Initiatives from the Dual Perspectives of Cost and Quality

We have set new management targets beginning from the current fiscal year, and the challenge of achieving these targets is not to be underestimated. In particular, we expect the recent sharp rises in raw material and fuel prices to have a significant negative impact on performance. Our initial forecast for the current fiscal year calls for a decline in profit despite higher sales. Given this difficult business environment, we will further strengthen our cost reduction efforts to achieve our final-year targets. At the same time, as we are unable to fully compensate through internal efforts for the rise in manufacturing costs that commenced in the previous fiscal year, we are proceeding with price revisions in Japan and overseas, obtaining the understanding of our customers. On the other hand, steps to improve products' quality and further enhance their stability are also important; these moves increase customer satisfaction as well as serve to prevent unnecessary costs. In April 2022, we moved the quality department from the Quality Assurance & Environmental Protection Division, making it the independent Quality Assurance Division. As a manufacturer, we are working to reinforce the quality assurance that underpins our business.

Consolidated Forecasts for Fiscal Year Ending March 31, 2023 (Year on Year)

Net Sales	¥285.0 million (up 11.0%)
Operating Income	¥21.5 million (down 0.4%)
Profit Attributable to Owners of Parent	¥15.5 million (up 6.9%)

Medium- to Long-Term Focus Measures

Reinforcing Electronics-Related Products

In recent years, the Group's performance has been driven by demand in Advanced Materials Operations for electronics-related products such as semiconductor-related adhesive tape and equipment and ceramic capacitor-related tape. We expect demand to continue increasing in the current fiscal year, but lockdowns at large cities in China, which serves as a global manufacturing and logistics hub, have negatively affected the demand for and supply of automobiles, consumer electronics, and other items. Given society's ongoing digitalization, evinced by the proliferation of data centers and artificial intelligence (AI), as well as advances in self-driving car technology, we believe these production adjustments will be temporary. We are convinced that demand for electronics-related products will grow steadily over the medium to long term. The LINTEC Group needs to remain a step ahead by preparing for this expected growth in demand. We need to forecast market

demand trends and execute appropriate investment plans. In addition to investing in production facilities, we will continue to invest actively in R&D that allows us to propose new processes and respond to new technologies, which we believe will lead to significant growth for the Group.



LINTEC's electronics-related products, supporting the increasing sophistication of a variety of electronic devices

PICK UP

Augmenting Three Plants for Electronics-Related Products with New Equipment and Facilities

We have been responding to recent increases in demand for electronic components by aggressively ramping up our investment in the production of electronics-related products. We are spending a total of nearly ¥20.0 billion to construct new buildings and install new equipment at the Doi Plant (Ehime Prefecture) and the Kumagaya Plant (Saitama Prefecture), which produce multilayer ceramic capacitor-related tape. Construction, which is slated for completion in March 2025, will gradually bring online a total of four coating machines. We are also investing around ¥4.5 billion at the Agatsuma Plant (Gunma Prefecture), our core production base for semiconductor-related adhesive tape. This spending is going toward the installation of a state-of-the-art adhesive coater, which should be in place by the end of 2023. In semiconductor- and electronic component-related markets, which are expected to grow over the medium to long term, we will continue striving to maintain stable supplies of high-quality products.



Existing Agatsuma Plant building where new equipment will be installed

Expanding Business in North American Label-Related Markets

The LINTEC Group has leading shares of the Japanese market for adhesive paper and film for labels, its mainstay products. While continuing to cultivate the domestic market, we are also working to expand our operations overseas. The North American market, which accounts for around 25% of the global total, is attractive due to its ongoing stable growth, and we have been investing aggressively in this market. In December 2016, the LINTEC Group made a full-fledged entry into the market by acquiring MACTAC AMERICAS, LLC, which has the number-three share of the North American market. As MACTAC's production capacity was unable to keep up with growing demand, in April 2021 we purchased DURAMARK PRODUCTS, INC. (merged with the MACTAC Group in December 2021), which boasts cutting-edge production equipment. In February 2022, we took over the business of a manufacturer of adhesive paper and film for labels and established SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC, which excels in high-mix, low-volume production, and brought it into the MACTAC Group. Through these moves, we believe we have secured supply capacity sufficient to meet our needs for the foreseeable future. We anticipate significant synergies, and we intend to ensure that the growth of the North American market will translate into profits in the future. We will also continue to focus on expanding the MACTAC Group's products and technologies into countries outside the U.S. and expanding sales of LINTEC products in the North American market.

Expanding Our Lineup of Environmentally Friendly Products

Demand for environmentally friendly products is rising each year due to the increasingly serious impacts of global warming and marine plastic pollution. The development and sales expansion of more environmentally friendly products will be an important theme for all businesses in the LINTEC Group; in the future, without such products it will be difficult to survive. Under these circumstances, we believe our specialty paper production technology will provide a great advantage in moves to reduce and eliminate the use of plastic. While plastic film is commonly used for its water resistance and transparency, we manufacture and sell paper that is tear-resistant, even when wet, as well as translucent paper. We are expanding our sales

of products using paper instead of film and proposing specialty paper products as alternatives to film applications. We are also promoting the development and increased adoption of adhesives containing plant-derived biomass materials and thinner film substrates while promoting the use of recycled PET resin made from used PET bottles. For window film, which is applied to building and automobile windows to reduce heat from the sun and improve air-conditioning efficiency and energy savings, we aim to develop and expand sales of highly functional products. We are strengthening cooperation between U.S. companies MADICO, INC., our window film production base, and VDI, LLC, a manufacturer of functional film.



Adhesive products for labels using water-resistant paper facestock



Paper files using translucent paper



Automotive window film that keeps vehicle cabin temperatures from rising and improves air-conditioning efficiency

Creating New Businesses and Products That Will Serve As Pillars of Future Earnings

In recent years, semiconductor- and electronic component-related products have become a major source of income for the LINTEC Group. However, products have life cycles; we cannot rely on the continuing success of the same products forever. Existing products must be upgraded to meet changing customer needs, but we cannot respond to major changes in technological trends by drawing on conventional technologies alone. Accordingly, we must actively promote initiatives to create new technologies by evolving and integrating existing ones or by combining external technologies with our own to create new ones. In these ways, we will develop new businesses and products that will become future pillars of earnings for the LINTEC Group. To drive this process, we have established the New Project Planning Office within the Business Administration Division, which is in charge of sales and marketing. This office works to develop new businesses, focusing on the fields of telecommunications, electronics, mobility, the environment, life science, and energy, and several of its products have entered the stage of practical application. We also have established the Next Generation Innovation Group within the same division. From the current fiscal year, this office will begin to consider the development of products that go beyond existing technologies, thereby accelerating efforts to create new products and businesses.



Wearable sensors employing carbon nanotubes for use in the fields of nursing care and welfare

Accelerating Initiatives with a View to Sustainability

Steps to enhance ESG-related initiatives are essential to our efforts to realize a sustainable society, as outlined in LSV 2030. The reduction of CO₂ emissions remains our biggest environmental challenge. In addition to the fuel and electricity used in manufacturing processes, the LINTEC Group needs to reduce CO₂ emissions from the combustion of organic solvents. The Research & Development Division has adopted “Carbon Neutral Challenge” as its slogan, and we are stepping up R&D efforts to reduce CO₂ emissions by moving toward solvent-less products. We are also promoting the introduction of solar power generation systems, cogeneration systems, and high-efficiency, energy-saving facilities at each of our production sites. Our goal is to reduce the LINTEC Group’s CO₂ emissions by 50% or more by 2030, from the fiscal 2013 level, and to achieve net-zero emissions by 2050.

CO₂ Emissions Reduction Targets:

Reduce CO₂ Emissions by **50% or More** by 2030, Compared with Fiscal 2013 Level,



and Achieve **Net-Zero** Emissions by 2050



As a social initiative, in April 2022 we established the Diversity & Work Style Reform Promotion Subcommittee. Composed of people from across the Company, this subcommittee aims to create a more diverse workforce and a more comfortable workplace. On the governance front, independent outside directors have accounted for one-third of the Board of Directors since the previous fiscal year. Through the participation of outside directors in various meetings, we have increased opportunities to receive their objective and expert recommendations. We will continue to promote sustainability initiatives with a focus on our material issues.

Taking All Stakeholders into Consideration

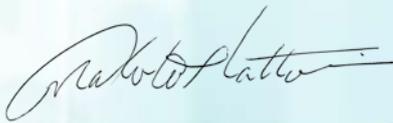
Looking at performance by business segment in the fiscal year ended March 31, 2022, Electronic and Optical Products accounted for nearly 90% of consolidated operating income. We recognize that this imbalanced profit structure is undesirable. Standard practice might suggest we should withdraw immediately from low-profit businesses. I do not see things that way. Given this profit structure, we offer many products that are needed by various industries and consumers, and our customers and suppliers have supported us for many years. I believe we should take prompt action to do what we need to do right now and aim to optimize our business portfolio after thoroughly improving profitability. This approach is based on my policy of "taking all stakeholders into consideration." While valuing our employees, who are the cornerstone of the Company, we provide products that help solve various

environmental problems and other social issues, that are indispensable to people's lives, and that make people's lives more convenient, continuing to do so while enjoying the patronage and support of our customers, suppliers, subcontractors, and others. We return the profits we earn to shareholders and local communities and reinvest in production facilities, R&D, and human resources. By steadily implementing this cycle of value creation, we would like to continue to be a company of value to all stakeholders.

We succeeded in achieving our LSV 2030-Stage 1 management targets in the first year of our business plan. Rather than resting on our laurels, we will work together throughout the Group to reach our new management targets and realize our long-term vision for 2030. I am grateful to our shareholders and investors and ask for their continued support going forward.

Makoto Hattori

Representative Director
President, CEO and COO




Special Feature 1

LINTEC's Electronics-Related Business

As digitalization progresses, each year we are seeing increases in the number of electronic components in smartphones, personal computers, and other devices, as well as in automobiles and consumer electronics. Notably, we posted record earnings in the fiscal year ended March 31, 2022, in Advanced Materials Operations, the business division that focuses on electronics-related products such as various tape and equipment essential for the manufacturing of semiconductor chips and multilayer ceramic capacitors. In this section, we will introduce the LINTEC Group's electronics-related products.

Semiconductor-Related Products

Process Proposal
Combining Tape and Equipment

Semiconductor chips are made by forming electronic circuits on the surface of wafers (thin silicon disks), which are then cut into individual chips. These chips serve as the brains of electronic devices, processing and storing information. The LINTEC Group's lineup includes the various adhesive tape used in the "back-end process." In this process, wafers are ground thin after circuits are formed on to them. The wafers are then cut, mounted on substrates, and packaged. We have also designed our own equipment for applying and releasing tape, and we have established a unique position in the market by proposing processes that combine tape and equipment.

Fundamental Manufacturing Process for Semiconductor Chips (Back-End Process)

Back Grinding

First, the back side of the wafer on which the circuit is formed is ground down with a grindstone to make it thinner. The LINTEC Group offers surface protective tape, which protects circuit surfaces from grinding fluid and debris, and equipment for application and removal of the tape.



Surface protective tapes and laminator for back grinding

Dicing

Next, wafers are cut into individual chips. Dicing tape is used to attach wafers to a ring frame and prevent them from flying off during cutting. The LINTEC Group boasts the world's top market share for this tape.



Dicing tapes and laminator for fixing wafers in place

Picking Up and Mounting

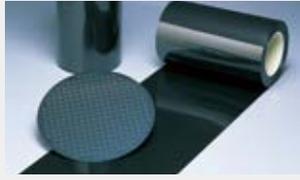
Irradiation with UV light reduces the adhesive strength of the dicing tape, so the cut chips can be picked up and mounted on a substrate. The LINTEC Group also offers a lineup of dicing die bonding tape that allows for mounting directly to substrates by transferring the adhesive from the tape to the back side of the chip.



Dicing die bonding tapes and UV irradiation system

Backside Coating Tape for Flip Chips Meeting Demand for High-Performance, Thinner Electronic Devices

Conventionally, metal wires are used on semiconductor chips to connect the circuitry on the surface of the chip to the substrate. By contrast, flip chips are mounted directly on the substrate by inverting chips with protruding electrodes on the circuit surface. This approach helps improve electrical characteristics and reduce the mounting area. On the other hand, this method leaves the back side of the chip exposed, and reinforcing chips has become an issue as they become thinner. LINTEC has taken the lead over other companies in developing a tape that protects and reinforces the back side of the chip, preventing light from penetrating to the circuit surface to reduce damage. In this area, we maintain a particularly high market share, and this business contributes substantially to the Group's profitability.



Backside coating tape for flip chips

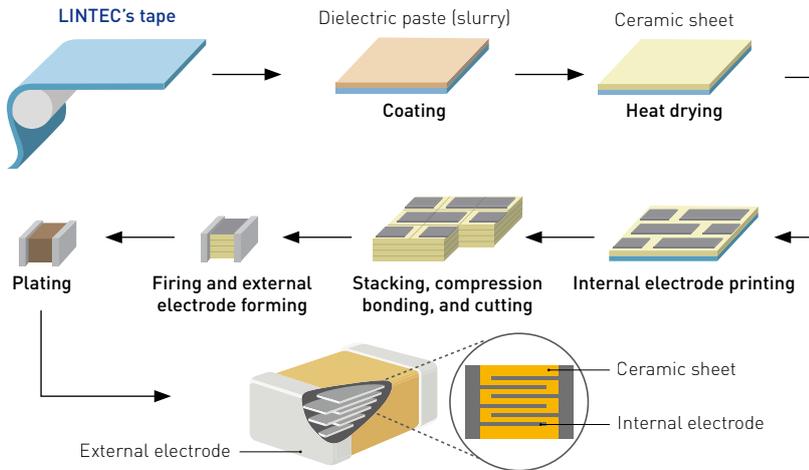


Multilayer Ceramic Capacitor-Related Tape

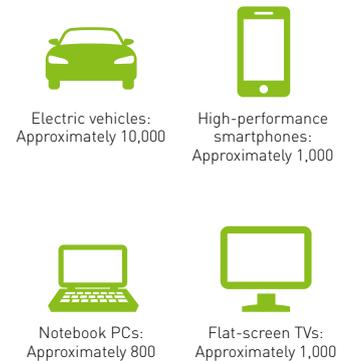
High Quality for High-End Products

Multilayer ceramic capacitors, which function to store electricity and regulate current, are tiny electronic components, some of which measure less than 0.25 mm in size. Inside these capacitors are ceramic sheets numbering anywhere from several hundred to nearly one thousand that are less than 1/1,000 mm thick and have electrodes printed on them. The LINTEC Group's multilayer ceramic capacitor-related tape, which is manufactured using precision thin-film coating technology, is used to form the ceramic sheet. This tape has earned a strong market reputation for its excellent surface smoothness, heat resistance, and release properties. We supply this tape to major capacitor manufacturers. Our tape is used mainly for high-end products that require particularly high quality.

Multilayer Ceramic Capacitor Manufacturing Process



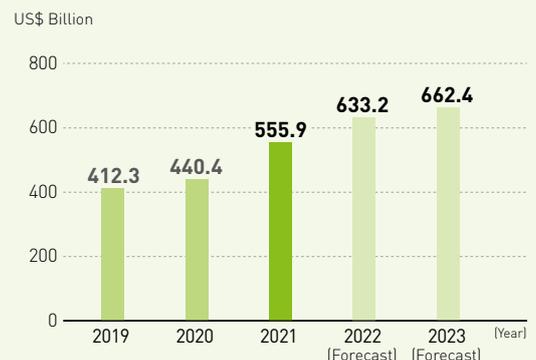
Number of Multilayer Ceramic Capacitors Used



An Eye to Further Demand Growth

In response to the recent global shortage of semiconductors, semiconductor manufacturers are stepping up investment to increase production. Going forward, the semiconductor market is expected to grow due to the further adoption of AI, advances in the Internet of Things (IoT), evolution of automotive electronics, and the spread of high-speed communication standards. At the same time, the number of multilayer ceramic capacitors used in electronic equipment, automobiles, and other applications is increasing, and higher levels of performance are being required. In light of these market trends, we are also moving forward with capital investment plans to expand our capacity to manufacture electronics-related products. We will continue to contribute to the digitalization of society and expand our business through manufacturing that meets customer needs, including by improving quality and adapting to new production processes.

Global Semiconductor Market Forecast



Source: World Semiconductor Trade Statistics (WSTS)

Special Feature 2

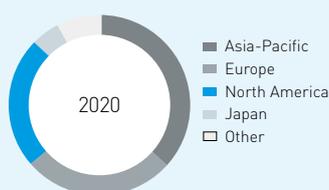
LINTEC's North American Label-Related Business

As a leading company in adhesive products for labels in Japan, we are accelerating the expansion of our business overseas. Particularly in recent years, we have worked to increase the production capacity and sales capabilities of our U.S. subsidiary, MACTAC AMERICAS, LLC, in the North American market. In this section, we introduce the North American label-related business, which holds the key to growth for the LINTEC Group.

Ongoing Stable Growth in the North American Market

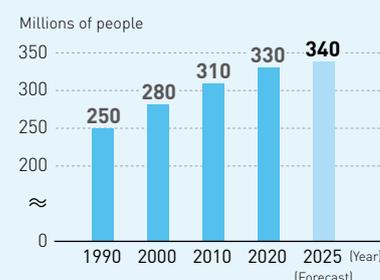
In terms of shipments, North America accounts for a 23% share of the global market for adhesive labels, making it the third-largest market after the Asia-Pacific region and Europe. The U.S., its central market, is a developed country whose population continues to grow. Accordingly, the North American market for adhesive labels is forecast to grow steadily, at an annual rate of 3% or more.

Global Shipments of Adhesive Labels, by Region



Source: "The Japanese Label Market 2022," *Label Shimbum*

U.S. Population Trends



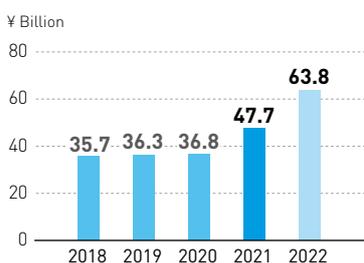
Source: International Monetary Fund (IMF)

MACTAC AMERICAS, LLC, Building a Firm Position in the North American Market

Since the 1980s, the LINTEC Group has been expanding its label-related business overseas, particularly in Asia. In December 2016, the Company made a full-scale entry into the North American market through the acquisition of MACTAC AMERICAS, LLC. A manufacturer of adhesive paper and film for labels, MACTAC AMERICAS also produces and sells decorative graphic film for wall surfaces and various types of industrial and medical tape. With production facilities in Mexico as well as the U.S., MACTAC AMERICAS has established a sales, cutting, and shipping system that spans the vast North American market. With a full range of services for more than 1,000 clients, the company has built a strong position in the North American market.

The company also possesses superior formulation technology and high-speed coating facilities for hot-melt adhesives that coat by melting with heat, capabilities that were new to the LINTEC Group. These adhesives do not use organic solvents in the coating process, which reduces environmental impact, and they feature sufficient adhesive strength even on objects that are typically difficult to adhere to, such as surfaces that are frozen, condensate-covered, or rough. We are currently working to increase sales of this company's products in Japan, as well as in the Southeast Asian and European markets. Meanwhile, LINTEC has sent staff from Japan to actively promote its high-value-added film products in the North American market.

Net Sales of the MACTAC Group



(Fiscal years ended / ending December 31)



Overview of MACTAC AMERICAS, LLC

Location	Ohio, United States
Employees	763 (as of December 31, 2021)
Net sales	¥47.7 billion (fiscal year ended December 31, 2021)
Businesses	Production and sale of adhesive products for labels and graphic film

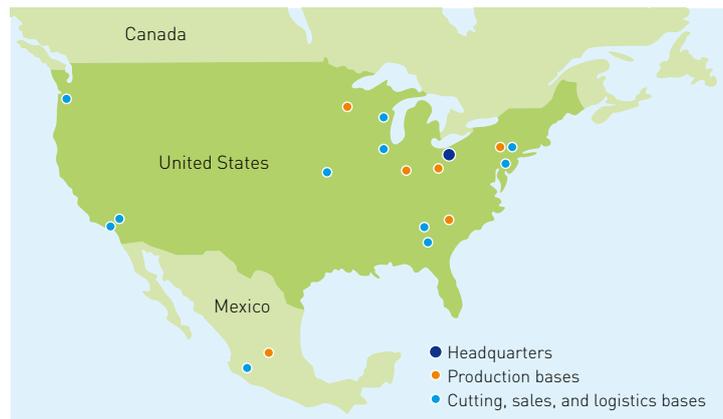


Hot-melt adhesive products for labels

Expanding the Business Base through a Series of Acquisitions

In April 2021, we acquired DURAMARK PRODUCTS, INC., a U.S. manufacturer of adhesive products. Our aim was to increase production capacity at MACTAC AMERICAS, LLC, to meet growing demand in the label-related market, stemming from economic growth in the U.S. In another proactive investment in the North American market, in February 2022 we also took over the business of a manufacturer in the same industry. From this business, we established SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC, which we added to the MACTAC Group. These moves have significantly increased the Group's share of the North American market, and we look forward to boosting our share even further.

MACTAC Group Spanning the Entire North American Market



Former DURAMARK PRODUCTS, INC. (Merged into a Subsidiary of MACTAC AMERICAS, LLC, in December 2021)



In addition to state-of-the-art production facilities for various adhesive formulations and high-speed coating, centered on film-type adhesive products for labels, this company has an integrated production system for graphic film. By acquiring this company, we have significantly increased the MACTAC Group's production capacity and established an optimal manufacturing structure by consolidating and streamlining production.

SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC



This company, which handles high-mix, low-volume production, manufactures and sells various adhesive products for labels. SPINNAKER's strength lies in its ability to provide detailed services and a wide range of products, especially to small and medium-sized customers; its service model differs from that of MACTAC, which mass-produces general-purpose adhesive products for labels. The addition of SPINNAKER thus enhances the Group's ability to meet market needs.

INTERVIEW

We spoke with the head of LINTEC USA HOLDING, INC., the regional headquarters for the U.S., about prospects for the label-related business in North America.

The U.S. economy, like Japan's, was temporarily sluggish due to restrictions on movement right after the COVID-19 pandemic started. However, since last year the economy has been on a recovery path, and demand in the label-related market has also been progressing steadily. In the North American market, I believe the addition of the former DURAMARK PRODUCTS, INC., and SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC to the Group was extremely meaningful in terms of future business expansion. The former DURAMARK PRODUCTS has state-of-the-art production facilities, and SPINNAKER has strengths in a different business model from MACTAC AMERICAS, LLC. MACTAC has been operating at an operational profit loss since its acquisition in 2016, due to the goodwill amortization burden associated with the acquisition through fiscal 2026, but the business is essentially stable and profitable. Although the business environment is currently challenging as a result of soaring raw material and fuel prices, the addition of these two companies to the Group is sure to create strong and positive effects. We aim to increase profitability by improving productivity and optimizing operations. As a result, we anticipate a quick return to operating profitability even including goodwill amortization.



Kazuyoshi Node
President
LINTEC USA HOLDING, INC.



A Message from the CFO

We aim to increase profitability and capital efficiency through aggressive investment, thereby enhancing corporate value.

Yoichi Shibano

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

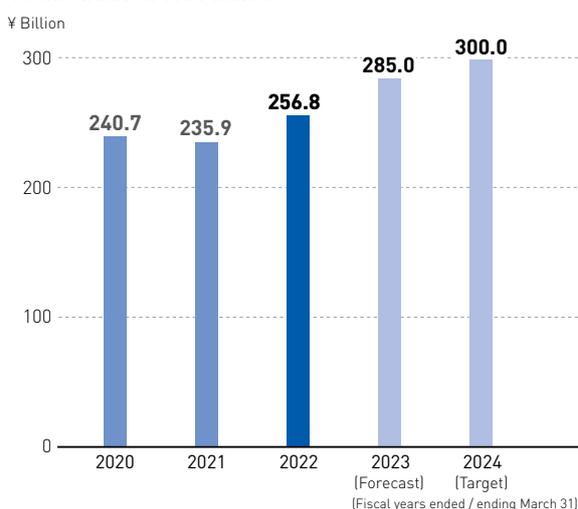
Review of the Fiscal Year Ended March 31, 2022, and Outlook for the Future

In the fiscal year ended March 31, 2022, the application of the Accounting Standard for Revenue Recognition had a ¥13.6 billion negative impact on net sales. Nevertheless, net sales rose ¥20.9 billion year on year, to ¥256.8 billion, thanks to a major increase in the sale of semiconductor- and electronic components-related products, as well as a recovery in demand for other products, and the acquisition of a U.S. company. Operating income rose ¥4.6 billion, to ¥21.6 billion, as income increased in Electronic and Optical Products, and Printing and Industrial Materials Products turned profitable. As a result, we posted record highs in net sales, exceeding the previous record of ¥250.9 billion in the fiscal year ended March 31, 2019, and operating income, ¥20.9 billion in the fiscal year ended March 31, 2011. Accordingly, in the first year of our medium-term business plan, LSV 2030-Stage 1, we achieved the management targets we had set for the final year of that plan (the fiscal year ending March 31, 2024).

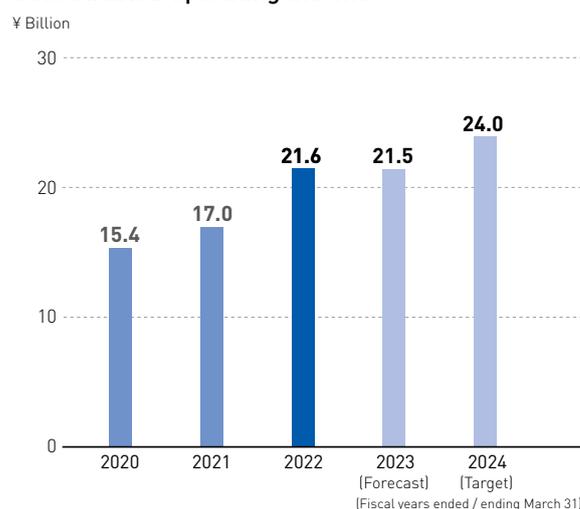
Given this situation, we changed our management targets, which included net sales of ¥300.0 billion and operating income of ¥24.0 billion. The operating environment is extremely

challenging, due to such factors as sharply higher prices on raw materials and fuel, as well as the resurgent COVID-19 pandemic. Consequently, in the fiscal year ending March 31, 2023, we expect a year-on-year decline in income despite higher sales. While we anticipate positive contributions to performance from our newly established U.S. subsidiary, SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC, and the impact of price revisions, we expect these improvements to fall short of compensating for higher raw materials, fuel, and logistics costs. For the current fiscal year, we assume an exchange rate of ¥115 to US\$1. We expect annual exchange rate sensitivity to result in approximately ¥100.0 million in operating income for each ¥1 in depreciation against the dollar. That said, the sensitivity is difficult to judge exactly, due to the major impact of other Asian currencies, such as the South Korean won, the Chinese yuan, and the Taiwanese dollar. In addition, although Russia's invasion of Ukraine will not affect our operations directly because we have no Group bases or major customers there, we expect to be affected indirectly through higher prices on raw materials, fuel, and logistics.

Consolidated Net Sales



Consolidated Operating Income



Investing Aggressively in Growth Fields

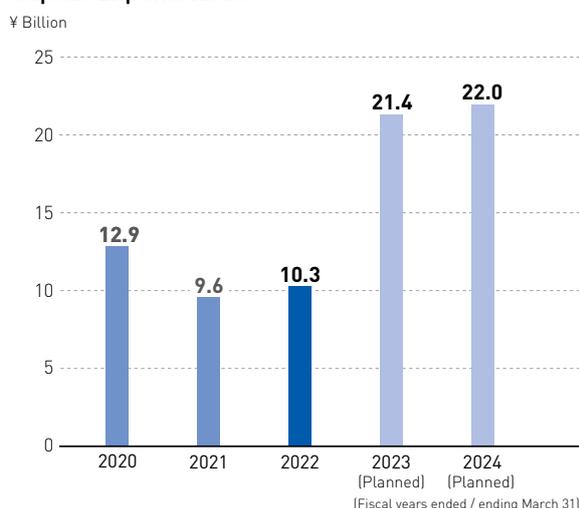
Despite these challenging conditions, we revised our planned capital expenditures during the three years of LSV 2030-Stage 1 from the initially planned ¥40.0 billion to ¥53.7 billion to promote the aggressive investment needed to drive the Group's growth. We mainly increased investment in electronics-related products, including semiconductor-related products and multilayer ceramic capacitor-related tape, which we are positioning as an engine of growth. In addition to boosting capacity, we will build a production system that also takes into account such factors as automation, labor and energy savings, and a reduction in CO₂ emissions. We expect demand for semiconductor- and multilayer ceramic capacitor-related products to grow in the medium to long term, spurred by the proliferation of 5G high-speed communications, data centers, electric vehicles, and self-driving vehicle technologies. For this reason, we will continue to invest flexibly in this category, including through R&D investment.

We made major corporate and business acquisitions to strengthen our label-related business in North America. Last April, our U.S. subsidiary, MACTAC AMERICAS, LLC, acquired DURAMARK PRODUCTS, INC., a U.S. manufacturer of adhesive products, for approximately ¥6.4 billion. In addition, in February 2022 we established SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC to handle a business we purchased from a U.S. adhesive products manufacturer for approximately ¥4.6 billion. The MACTAC Group will incur approximately ¥3.0 billion in annual goodwill amortization costs through fiscal 2026. However, by strengthening our production and sales structure through this series of investments, we aim to capture demand in the North American label-related market, which is trending toward expansion, and achieve an early return to profitability, including the

amortization of goodwill. We will continue to consider production-boosting investments and acquisitions, targeting countries and regions where we can expect growth for the Group.

Other important measures involve the transformation of design, development, manufacturing, logistics, and other business processes through digital technology, in other words, through digital transformation (DX). On the production front, we plan to introduce AI to make our capital expenditures, in multilayer ceramic capacitor-related tape mentioned earlier "smarter." We also plan to revamp the enterprise resource planning system at some of our bases. Going forward, we will accelerate investment in systems to improve operational efficiency and reduce costs, including in sales, research, and administrative divisions.

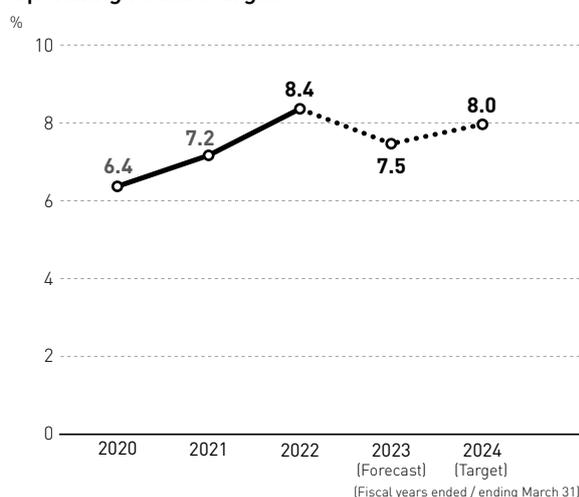
Capital Expenditures



Aiming to Increase Profitability and Capital Efficiency

The LINTEC Group believes boosting profitability and capital efficiency are among the most important initiatives for achieving sustainable growth. Accordingly, we have set an operating profit margin of 12% or more and ROE of 10% or more as financial indicators to be achieved by the fiscal year ending March 31, 2030. Notably, Printing and Industrial Materials Products, the business segment that accounts for the majority of the LINTEC Group's consolidated net sales, moved into the black in the fiscal year ended March 31, 2022. Even so, we need to improve profitability further. In Japan, we continue to move ahead with a profit-improvement project involving the Business Administrative, Production, Procurement, and Research & Development divisions. These divisions are working together on initiatives to review raw materials, increase production efficiency, and reduce fixed costs. We will also continue to focus on improving the profitability of our overseas subsidiaries.

Operating Profit Margin

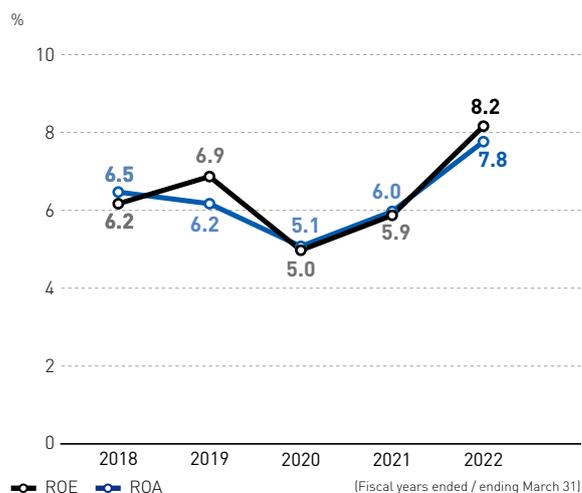


Value Creation

A Message from the CFO

In addition to looking at the sales and profitability levels of each business operation, we are creating balance sheets for each to draw more attention to capital efficiency. This move will make it possible to ascertain fixed asset turnover, inventory turnover, and receivables turnover on a quarterly basis to allow an understanding of each business operation's strengths and weaknesses, enabling comparison of business operations against competitors. From the upcoming fiscal year, we will set and manage KPIs based on balance sheets for each business operation. As a result, we will strive to manage assets properly, eliminate unprofitable factors, and further enhance ROE and ROA throughout the Group.

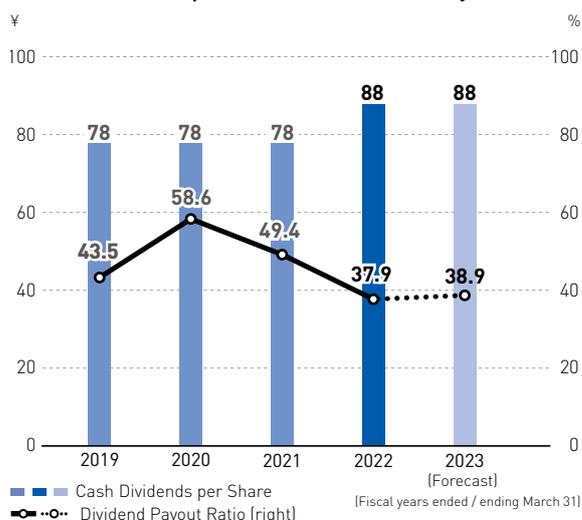
ROE / ROA



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 its management foundation. In line with this policy, for the fiscal year ended March 31, 2022, we awarded annual dividends of ¥88 per share—the highest level to date—for a dividend payout ratio of 37.9%. To enhance shareholder returns and improve capital efficiency, from November 2021 to July 2022 we acquired 4,000,000 of the Company's shares. For the fiscal year ending March 31, 2023, we forecast annual dividends of ¥88 per share, resulting in a dividend payout ratio of 38.9%. We consider the distribution of profits to shareholders to be one of our most important management issues. To appropriately distribute the cash we generate, we will continue to consider various ways to further enhance shareholder returns.

Cash Dividends per Share / Dividend Payout Ratio



My Mission as CFO

As of March 31, 2022, the Group's equity ratio was high, at 69.1%, which demonstrates financial soundness. The challenge is how to increase capital efficiency while maintaining this strong financial base. In the fiscal year ended March 31, 2022, ROE was 8.2%. This level exceeds the cost of shareholders' equity, which we currently see as being less than 6%, but the price-to-book value ratio (PBR) currently remains below 1x. We need to improve this situation as soon as possible by enhancing corporate value. To achieve sustainable growth, we will boost profitability by aggressively investing cash where it

is needed, such as in systems to improve R&D efficiency and operational efficiency, as well as in M&A, not to mention facilities to increase production, reduce costs, and respond to environmental issues. In addition, we work toward achieving the management indicator of an ROE of 10% or more ahead of our target date in the fiscal year ending March 31, 2030. We are also committed to meeting the expectations of our shareholders and investors by enhancing our corporate value and further improving shareholder returns.