

Overview of the Long-Term Vision, LSV 2030

The LINTEC Group has formulated LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), a long-term vision that continues through the fiscal year ending March 31, 2030, in the aim of realizing a sustainable society. With the basic approach of helping to solve social issues through our business activities, we will actively work on each key initiative from the perspective of sustainability.



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

	Results for the Fiscal Year Ended March 31, 2025	Forecast for the Fiscal Year Ending March 31, 2026	Targets for the Fiscal Year Ending March 31, 2027
Net Sales	¥316.0 billion	¥317.0 billion	¥315.0 billion
Operating Income	¥24.6 billion	¥24.0 billion	¥25.5 billion
Profit Attributable to Owners of Parent	¥14.5 billion	¥18.0 billion	¥18.0 billion
Operating Profit Margin	7.8%	—	8% or more
Return on Equity (ROE)	6.1%	—	8% or more



Stage 1

April 2021 to March 2024



Our Desired State

Return on Equity
(ROE)

10% or more

Operating Profit
Margin

12% or more

Stage 3

April 2027 to March 2030

Stage 2

Medium-Term Business Plan

April 2024 to March 2027

Directions of Major Activities Related to Key Initiatives of the Long-Term Vision, LSV 2030

1 Solve social issues

By March 2027, reduce CO₂ emissions by 67% or more compared with the fiscal year ended March 31, 2014

Results for the fiscal year ended March 31, 2025 **52.5%** reduction

► See pages 48–50.

In addition to further expanding the range of environmentally friendly products and working on solventless products, work with related companies and the Japan Earth Conscious Labeling Association (J-ECOL) to achieve the horizontal recycling of used release paper

Results for the fiscal year ended March 31, 2025

Number of environmentally friendly products developed: **73**

Percentage of solventless adhesive products for seals and labels: **80%**

► See pages 12–17 and pages 48–50.

Curtail atmospheric emissions of volatile organic compounds (VOCs)

► See pages 48–50.

2 Foster innovation to build a robust corporate structure

Implement portfolio restructuring, including withdrawal from unprofitable fields, after assessing the future growth potential, market competitiveness, and profitability of each business, and promote the sound management of domestic and overseas Group companies

► See pages 27–29.

Introduce new production equipment to save energy, raise quality, increase efficiency, and reduce manpower, while at the same time enhancing cost competitiveness through production process innovation

► See page 33.

Create value that exceeds the expectations of all stakeholders by putting specific action plans for LDX 2030 into action and accelerating the development of a transformational management foundation and corporate culture

Results for the fiscal year ended March 31, 2025

Transition to **stage four** of the plan, the execution stage

► See pages 34–35.

3 Create new products and businesses to deliver sustainable growth

Create a system for the early mass production of carbon nanotube (CNT) pellicles for extreme ultraviolet (EUV) lithography equipment, which were developed from elemental technologies

Results for the fiscal year ended March 31, 2025

Successful launch of **mass-production machines**, accelerating the establishment of a **mass-production system**

► See pages 24–26.

Utilize the newly established the Package and Material Development Group to promote the development of new tapes, equipment, and proprietary processes related to packaging technology in advanced semiconductor back-end processes

► See pages 24–26 and page 42.

Increase the ratio of overseas sales to total sales to 65% by the fiscal year ending March 31, 2027, by expanding and broadening the product lineup of adhesive paper and film, etc., to meet local needs in overseas markets

► See pages 38–45.

Results for the fiscal year ended March 31, 2025 Overseas sales ratio: **63.9%**

Material Issues

When formulating its medium-term business plan, LSV 2030-Stage 2, the LINTEC Group also revised its material issues and associated KPIs, taking into account changes in the external environment. Through the five newly defined material issues and our corresponding initiatives, we aim to contribute to the realization of a sustainable society.

Material Issues	KPIs
Work to solve social issues through business activities <ul style="list-style-type: none"> • Help shape a carbon-free world • Respect human rights of all stakeholders • Enhance governance and risk management ▶ Pages 48–57	Reduction in CO ₂ emissions relative to fiscal year ended March 31, 2014 levels (reduction of 67% or more by March 2027, 75% or more by March 2030, and achievement of carbon neutrality by 2050)
	Scope 1, 2, and 3 emissions
	Percentage of non-fossil energy consumption
	Implementation of CSR study sessions for such purposes as raising employee awareness and understanding of the Human Rights Policy
	Number of themes adopted by the Corporate Risk Management Committee for deliberation
	Total hours of discussion at high-levels meetings (meetings of the Business Deliberation Council, Nomination and Compensation Committee, and Sustainability Committee)
Foster innovation to build a robust corporate structure and promote sustainable growth <ul style="list-style-type: none"> • Create market-leading innovative new products and businesses • Reform development, manufacturing, transportation, operations, and other processes to improve profitability • Protect and utilize intellectual property ▶ Pages 30–35	Target percentage of new product sales to total sales (27% by March 2027) (At least 30% by March 2030)
	Number of products developed
	Number of development projects with external institutions
	Number of LDX 2030 transformation themes implemented out of seven
	Number of patent applications/patents held
Fulfill responsibilities associated with the environment, society, and customers <ul style="list-style-type: none"> • Reduce impact on natural ecosystems • Increase development of environmentally friendly products • Provide and stably supply safe and high-quality products ▶ Pages 48–52	Increase in the use of solvent-free release agents and adhesive agents 1. Percentage of solvent-free release agents and adhesive agents used: 75% by 2030 2. Complete shift to solvent-free release paper by 2030 (all release paper produced at Kumagaya and Mishima plants, except specialty products)
	Percentage of forest-certified paper and pulp used
	Landfill disposal rate: 1% or less
	Implementation of our release paper recycling system
	Number of environmentally friendly products developed
	Percentage of quality incidents
Develop and secure human resources for the future <ul style="list-style-type: none"> • Respect human rights in general and the rights of employees • Improve human capital and create an honest and open organizational culture • Promote occupational health and safety ▶ Pages 36–37 and 51	Percentage of female managers/supervisors (subsection manager/assistant project manager): 10%
	Percentage of female among the total number of new hires (graduates from a junior college/university/graduate school): 35% or more
	Percentage of persons with disabilities in the total number of employees: 2.7% in the fiscal year ending March 31, 2026
	Number of participants in correspondence training programs
	Occupational accident frequency rate
	Occupational accident severity rate
	Number of plants having no accidents in a year
Maintain LINTEC's favorable reputation <ul style="list-style-type: none"> • Ensure transparent information disclosure and reinforce stakeholder communication • Ensure compliance and fair business practices • Promote responsible procurement and strengthen supply chains • Enhance information security ▶ Pages 51–53	Number of violations of occupational health and safety laws and regulations
	Number of individual meetings held with institutional investors and analysts
	Number of briefings held to explain financial results and for investor relations and total number of participants
	Number of legal training programs provided and total number of participants (including archive viewers)
	Periodic publication of Legal News (6 times a year) and total number of views (including number of emails sent)
	Number of responses to CSR survey
	Response rate of raw material supplier survey
	Implementation of self-checks once a year based on the Information Security Operational Rules and Internal Audit Checklist
	Implementation of e-learning information security self-audit once a year

*1 LINTEC Group *2 LINTEC Corporation and domestic Group companies *3 LINTEC Corporation *4 LINTEC Corporation (excluding Ina Technology Center), TOKYO LINTEC KAKO, INC., and SHONAN LINTEC KAKO, INC. *5 LINTEC Corporation production plants and R&D facilities, TOKYO LINTEC KAKO, INC., and SHONAN LINTEC KAKO, INC. *6 Suppliers providing raw materials to LINTEC Corporation

Note: Figures marked with ★ have been independently verified by SGS Japan Inc.

For more details on the process of identifying and reviewing material issues, please refer to page 47.

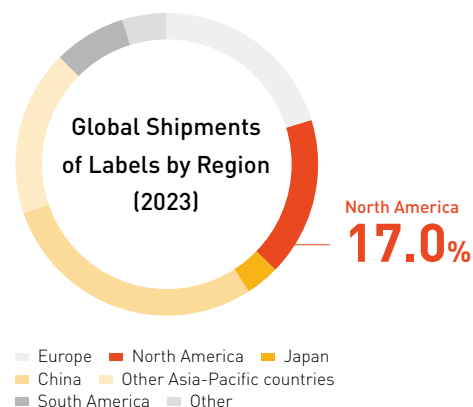
Results	Targets
52.5% [Scope 1 + Scope 2]	*1
Scope 1: 92,143 t-CO ₂ / Scope 2: 66,925 t-CO ₂ J-Credits: -18,762 t-CO ₂ ★ Green Heat Certificates: -127 t-CO ₂ ★ / Scope 3: 1,859,282 t-CO ₂	*1
32.9%	*2
Prepared and disseminated a comparative version of the revised Code of Conduct Guidelines (updated in April 2024)	*1
Identified 18 themes related to regulatory risk	*1
Business Deliberation Council: 2 meetings (130 minutes) / Nomination and Compensation Committee: 4 meetings (295 minutes) / Sustainability Committee: 4 meetings (420 minutes)	*3
27.7%★	*1
3,441	*1
26	*3
All 16 planned themes executed (to continue in the fiscal year ending March 31, 2026)	*3
Patent applications: 283 (fiscal year ended March 31, 2025) / Patents held: 2,684 (as of March 31, 2025)	*3
Release agents: 71% Adhesive agents: 80%	*3
Forest-certified paper: certified material ratio (purchased): 29.4% / Forest-certified pulp: certified material ratio (purchased): 55.9%	*3
0.26%	*3
We conducted educational outreach on the recycling of release liners through activities with the Japan Label Recycling Association (J-ECOL). We also promoted circular economy initiatives through collection systems, re-commercialization systems, and reuse schemes.	*3
73	*3
31% (compared with the fiscal year ended March 31, 2011)	*4
7.7%★	*3
43.9%★	*3
2.53%★	*3
283	*3
0.18★	*5
0.0143★	*5
Three (Chiba Plant, Kumagaya Plant, and the Research & Development Division)	*3
0	*3
Total of 311 companies	*3
Three, total of 317 participants	*3
Six, total of 471 participants (in-person and online)	*3
Six times, 2,828 views	*3
224 (responses by the Sustainability Management Office)	*3
Activities conducted following the supplier questionnaire in the year ended March 31, 2024 1. Number of feedback sessions conducted (number of suppliers who received feedback in the year ended March 31, 2025): 48 companies, 62 business units★ 2. Number of suppliers requested to make improvements (in the year ended March 31, 2025): 5 companies, 5 business units★	*6
Information security training on connection procedures for using internal systems from external locations Training period: December 2–22, 2024	*3
Two rounds conducted First period: July 1–October 31, 2024 Second period: January 20–March 22, 2025	*3

SPECIAL FEATURE

Growth Field 1

Label-Related Business in North America

Since the 1990s, LINTEC has been steadily expanding overseas, initially focusing on Asia and, more recently, increasing its presence in North America through M&A and other strategies. As a result, our overseas sales ratio rose to 63.9% in the fiscal year ended March 31, 2025—an increase of approximately 25 percentage points compared with the fiscal year ended March 31, 2015. The United States accounts for roughly 40% of total overseas sales. This figure reflects the impact of MACTAC AMERICAS, LLC, which became part of the LINTEC Group in December 2016. As shown in the graph on the right, North America is one of the world's largest label markets in terms of shipment volume, with expectations for continued stable growth. Investors frequently ask about the MACTAC Group's performance, whose business base and production capacity in North America we have been steadily strengthening and expanding, so here we provide an overview of its strengths and current efforts to improve profitability.



Source: "The Japanese Label Market 2025,"
Label Shimbun

MACTAC AMERICAS' Strengths

MACTAC AMERICAS operates manufacturing and cutting sites in the United States, Mexico, and Canada and operates a range of businesses centered on adhesive paper and film for printing, primarily targeting the North American market. With proprietary adhesive formulations and advanced high-speed coating technologies, the company has established a strong position in the region's label market. Its proprietary adhesive is a hot-melt adhesive, which is solid at room temperature and applied in molten form. Because it is solventless, it has a minimal environmental impact and eliminates the need for drying processes, which also reduces CO₂ emissions during manufacturing. In Japan, LINTEC launched CHILL AT, a label material that maintains strong adhesion on cold and damp surfaces, in 2020. The product uses MACTAC's hot-melt adhesive, and we have

since expanded our lineup of products that use this same adhesive. In March 2025, we introduced a label material that can be applied at temperatures as low as -5°C and is repositionable and removable. These products have been highly rated by customers and are also generating synergies with our core Printing & Variable Information Products Operations.



Adhesive products for labels using Hot-melt-type adhesives

Approach to Improving Profitability

Despite such synergies, the MACTAC Group continues to face profit margin pressures, largely due to goodwill amortization costs of approximately ¥30.0 billion incurred from the acquisition. In terms of yen, this amortization has exceeded ¥4.0 billion for the two consecutive years beginning in the fiscal year ended December 31, 2023, due to the currency's depreciation. Looking back, in the fiscal year ended December

31, 2022, strong orders driven by logistics disruptions and rising raw material prices, combined with the acquisition effect, brought the business back into the black. However, in the fiscal year ended December 31, 2023, consumer demand weakened sharply due to inflationary concerns, causing a significant drop in orders and resulting in a ¥3.2 billion operating loss. In the fiscal year ended December 31, 2024,

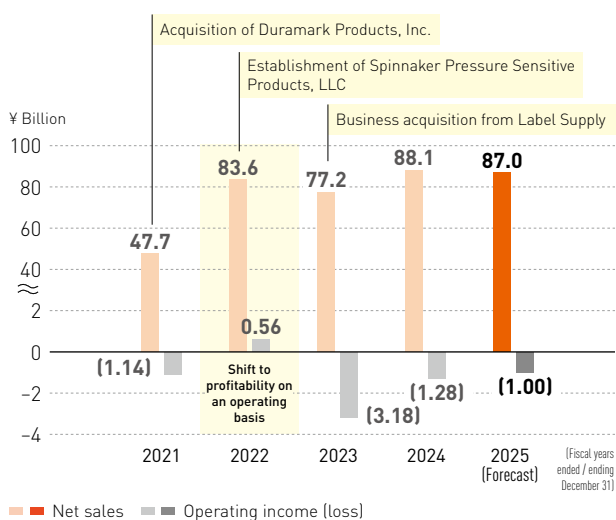
sales volumes rebounded, reducing losses by around ¥2.0 billion. In the current fiscal year, ending December 31, 2025, we expect an operating loss of ¥1.0 billion as volume gains are likely to be offset by persistently high raw material costs and the effects of yen appreciation.

After reviewing performance in the first quarter, we implemented price revisions across all product lines in May 2025 to address these challenges, reflecting rising domestic raw material costs in the United States and higher import costs stemming from tariffs under the Trump administration's trade policies. We have also initiated a range of measures, including supply chain restructuring and optimization of production and logistics sites,

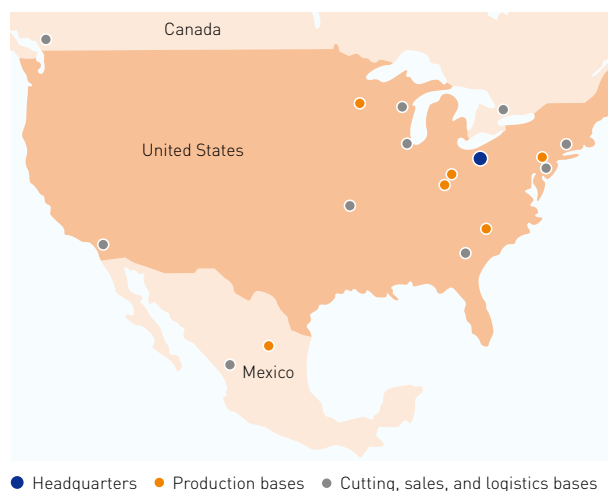
to drive structural reform and improve profitability. Further, we are placing more emphasis on the sales of specialty products, such as those for graphics and technical tape applications.

MACTAC AMERICAS' adhesive products for seals and labels are widely used in consumer-facing markets such as food and household goods, making demand highly sensitive to consumer sentiment. While concerns about inflation and economic slowdown persist, we are pushing forward with the structural reforms outlined above to rebuild profitability. Goodwill amortization is set to conclude in the fiscal year ending December 31, 2026, but we are working to achieve a return to profitability before then by building a resilient operating structure.

MACTAC Group's Performance



MACTAC Group Spanning the Entire North American Market



INTERVIEW



Ed LaForge
 President & CEO
 MACTAC AMERICAS, LLC

The U.S. label industry experienced significant market volatility throughout 2024 as it worked to recover from the deep downturn of 2023. Despite these challenging conditions, MACTAC AMERICAS saw an increase in sales volume and an improvement in profitability, particularly at the EBITDA level. That said, the North American market for adhesive products for seals and labels continues to experience sluggish demand. To capitalize on higher-growth sectors, we have actively pursued business restructuring initiatives. At the same time, in response to the prolonged stagnation in our core business of adhesive products for seals and labels, we have moved quickly and decisively to optimize our manufacturing and cutting footprint. Our strategic targeted acquisitions and continued investment in innovation have enabled us to achieve sustainable growth in the industrial tape sector, in fields such as building and construction, where we leverage our industry-leading adhesive technologies. While we continue to navigate an uncertain operating environment marked by geopolitical risk and the impact of tariffs, we remain committed to a disciplined strategy and future-focused investments. These efforts will allow us to maintain competitiveness in core segments such as adhesive products for seals and labels while pursuing growth in sectors where profitability is high.

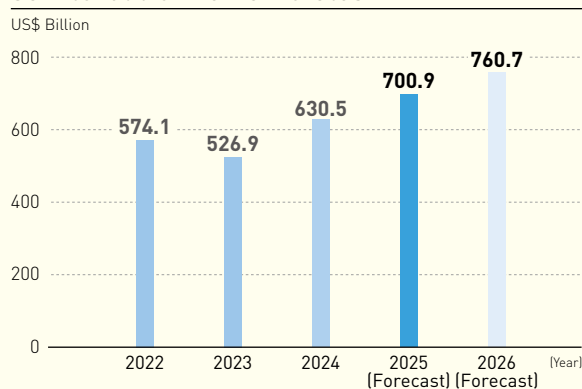
Semiconductor-Related Business

Advanced Materials Operations, in which we develop semiconductor-related products, is driving our growth. Operating income for the electronic- and optical-related segment, which includes Advanced Materials Operations, rose 58.7% year on year, to ¥18.5 billion, in the year ended March 31, 2025. This growth served as the key engine behind the Company's record-high consolidated operating income. The global semiconductor market is expected to continue expanding, fueled by investment in generative AI, and we intend to support the advancement of digital society by developing new products and technologies. In this section, we introduce LINTEC's semiconductor-related products and its efforts to explore new domains.

Increase in Semiconductor Demand

Although the global semiconductor market is seeing sluggish demand in automotive and general industrial applications, growth is being led by memory products and logic devices such as graphics processing units, driven by investments in data centers in anticipation of increasing demand for AI-related products. In June 2025, World Semiconductor Trade Statistics, which consists of major semiconductor manufacturers, forecast that the global semiconductor market would expand to US\$700.9 billion in 2025, up 11.2% from the previous year. While geopolitical risks, such as trade friction sparked by U.S. tariff policies, remain a concern, demand for AI is expected to continue propelling the market forward, sustaining its high growth trajectory.

Semiconductor Market Forecast



Source: World Semiconductor Trade Statistics

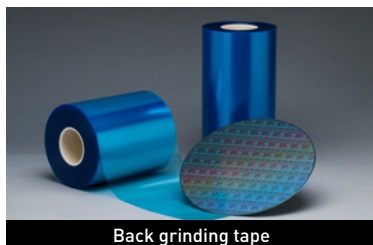
LINTEC Products Supporting Semiconductor Manufacturing Processes

The mainstay products of Advanced Materials Operations are semiconductor-related adhesive tapes and equipment, as well as multilayer ceramic capacitor-related tapes. In terms of approximate sales composition, semiconductor-related adhesive tape accounts for about 50%, semiconductor-related equipment for 20–30%, and the remainder comes from multilayer ceramic capacitor-related tape. Among these, semiconductor-related adhesive tape, which makes up roughly half of the segment's sales, incorporates LINTEC's most advanced technologies and is used in the manufacture and mounting processes of semiconductor chips. As semiconductor performance continues to advance dramatically, LINTEC is also steadily enhancing its production technologies. For example, in the case of back grinding tape, where LINTEC is estimated to hold approximately 30% of the global market share, the Company has newly installed a high-precision coating machine at the Agatsuma Plant in

Gunma Prefecture to achieve ultra-precise coating. In addition, by introducing its first-ever inspection technology, LINTEC has significantly strengthened its quality assurance capabilities.

Sales volumes of LINTEC's semiconductor-related adhesive tape generally correlate area of semiconductor wafers shipped globally, but in the fiscal year ended March 31, 2025, our sales volumes exceeded the rate of growth in the area of semiconductor wafers shipped globally. We believe this was driven by factors such as sustained high demand throughout the year for high-bandwidth memory (HBM), a type of dynamic random-access memory stacked to increase capacity, supported by growth in the generative AI market, as well as the release of numerous new high-performance smartphone models. As a result, demand increased for LINTEC's high-end products, where we have a competitive edge.

Adwill Series Semiconductor-Related Tapes



Back grinding tape

This type of tape protects the wafer surface during the back grinding process (which involves thinning the backside of the wafer by grinding), preventing contamination of the circuit surface by grinding water or debris.



Dicing tape

Dicing tape firmly holds individual chips in place during dicing, then allows easy pickup after UV irradiation reduces adhesive strength.



Backside coating tape

This tape is used in applications such as flip chip mounting, where chips are installed face down on the substrate. This tape protects and reinforces the backside of the chip.



Dicing die bonding tape

Like conventional dicing tape, dicing die bonding tape firmly secures the wafer during dicing. However, when the chips are picked up, adhesive material is transferred to the chip backside for bonding purposes.

Equipment for HBM Manufacturing

One of the highlights for Advanced Materials Operations in the fiscal year ended March 31, 2025, was the high volume of orders received for equipment used in the manufacture of HBM. Orders and shipments for this equipment began in the second half of the fiscal year ended March 31, 2024, and recorded sales reached approximately ¥9.0 billion in the fiscal year ended March 31, 2025. While customer capital investment has begun to taper off and we believe orders have peaked, demand remains steady. For the fiscal year ending March 31, 2026, we are planning for sales of approximately ¥4.0 billion. The adoption of our HBM manufacturing equipment by many of the world's leading semiconductor manufacturers is the result of LINTEC's core strength: the ability to accurately identify customer needs and turn those needs into reality through advanced technological development. We have earned customer trust by leveraging our system for rapidly developing, customizing, mass-producing, and delivering products that align with specific customer requirements. In addition, our global service network, with

engineers stationed in regions around the world, enables us to quickly respond to maintenance needs or technical issues, further differentiating us from the competition. Although demand for HBM manufacturing equipment is expected to decline in the fiscal year ending March 31, 2026, sales of existing equipment, such as wafer mounters and tape laminators and removers, are projected to remain strong, continuing the momentum from the previous fiscal year. Given the outlook for continued growth in demand for semiconductor-related equipment, we are also revamping of the Ina Technology Center in Saitama Prefecture, which handles everything from design and development to production. This is expected to significantly enhance both our development and manufacturing capabilities. LINTEC provides integrated solutions that combine both materials and equipment. As the equipment we deliver enters full operation at customer factories, we anticipate a positive cycle in which demand for our semiconductor-related adhesive tapes also increases.

Forecast for Sales Changes of Advanced Materials Operations' Three Core Products (Comparison with the Fiscal Year Ended March 31, 2025)



Semiconductor-related adhesive tape

Continued increase in demand anticipated, driven by generative AI



Semiconductor-related equipment

Orders for HBM manufacturing equipment expected to decline after peaking



Multilayer ceramic capacitor-related tape

Demand projected to rise for use in smartphones and AI servers

Strategies

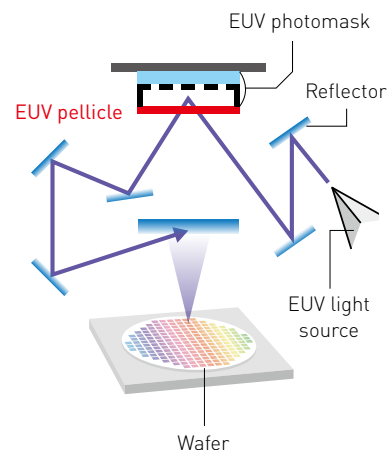
Growth Field 2

Semiconductor-Related Business

Aim of Developing Elemental Technology Used in CNT Pellicles for EUV Lithography Equipment

In our semiconductor-related business, which we position as a growth area, we are currently advancing a project aimed at expanding our business domain. This involves establishing a mass production framework for the carbon nanotube (CNT) pellicles used in extreme ultraviolet (EUV) lithography equipment. Pellicles serve as a dust-proof film that prevents foreign matter from adhering to a photomask (the original plate of a circuit pattern). Traditionally, products based on polysilicon and other materials have been used for this purpose, but in recent years the call for highly durable and reliable pellicles made from CNTs has grown in line with improvements in the performance of EUV lithography equipment, which is essential for semiconductor miniaturization. After developing the necessary elemental technologies, the LINTEC Group leveraged its expertise in designing and developing semiconductor manufacturing equipment to successfully build a proprietary mass-production system. In September 2024, we announced that mass production was now in sight based on the results of joint research with the National Institute of Advanced Industrial Science and Technology. We are currently providing samples to customers and undergoing evaluations, and we remain on schedule to establish mass production during the fiscal year ending March 31, 2026. Unlike the tape materials we have developed to date, which are used in the back-end process of semiconductor manufacturing, pellicles are used in the front-end process. While this initiative represents a foray into an entirely new domain for us and undoubtedly comes with many challenges to overcome, we are bringing together expertise and technologies from inside and outside the Company in our effort to strengthen and expand our semiconductor-related business.

Inside an EUV lithography system



Anticipation of Growth in the Electronics-Related Market

As noted on page 24, although demand in the global semiconductor market continues to show a patchwork of contrasting trends depending on the application, stable growth is forecast, with advanced products for generative AI leading the way. With an eye on the medium- to long-term expansion of the semiconductor market, we are thoroughly allocating management resources. At the Agatsuma Plant in Gunma Prefecture, our core production site for semiconductor-related products, we have invested approximately ¥4.5 billion to introduce state-of-the-art clean coating equipment, cutting equipment, and automated storage racks. These upgrades have enhanced the precision of tape thickness and reinforced our stable supply framework. With significantly improved production capacity, we are now better positioned to stably supply various tapes during times of increased production by semiconductor manufacturers, thereby minimizing the risk of missed sales opportunities. Beyond the semiconductor domain, we have also significantly expanded production facilities for multilayer ceramic capacitor-related tape at the Doi Plant in Ehime Prefecture and the Kumagaya Plant in Saitama Prefecture. Over the four years leading up to the year ended March 31, 2025, we invested a total of approximately ¥20 billion. These capital investments have been made to boost production capacity in anticipation of future demand growth.

In R&D, we are focusing our efforts on key themes such as the development of new tapes, equipment, and proprietary processes related to packaging technologies in the back-end processes for advanced semiconductors. Even when groundbreaking products are successfully developed, the semiconductor industry is not one where such innovations are adopted immediately. This is because manufacturers are often reluctant to change established semiconductor production processes due to concerns such as reduced yield rates. For this reason, we actively engage in close communication with customers and hold discussions with relevant institutions and industry organizations with the aim of establishing de facto standards for the world five to six years from now.



New coaters installed at the Agatsuma Plant



New building for multilayer ceramic capacitor-related tape at the Kumagaya Plant

Financial Strategy

A Message from the CFO

We have positioned the improvement of ROE as a critical management issue and will strive to enhance both profitability and capital efficiency.

Yoichi Shibano

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



Review of the Fiscal Year Ended March 31, 2025, and Outlook for the Fiscal Year Ending March 31, 2026

Looking back on the business environment during the fiscal year ended March 31, 2025, we observed restrained consumer spending in Japan due to the soaring prices of food and other goods, and the overall business environment remained challenging due to continued increases in raw material and logistics costs. Nevertheless, we achieved record highs in both net sales and operating income.

There are several key points in analyzing our results for the previous fiscal year. The biggest factor was a significant recovery in sales volume, centered on semiconductor- and electronic component-related products. Against the backdrop of global investment in AI, net sales of semiconductor-related adhesive tapes and equipment, as well as multilayer ceramic capacitor-related tapes—core products of our Advanced Materials Operations—reached record-high levels. In addition, overseas subsidiaries generally performed steadily. For example, losses at the MACTAC Group, a U.S. subsidiary, shrank by approximately ¥2 billion year on year. Similarly, our U.S.-based companies MADICO, INC. and VDI, LLC also contributed more to profits than in the past. With overseas sales accounting for approximately 64% and the yen remaining weak, we recorded approximately ¥2.2 billion in operating income.

For the fiscal year ending March 31, 2026, we forecast higher net sales but lower income. One factor behind this

profit decline is the impact of foreign exchange rates. Our assumed exchange rate for the current fiscal year is ¥145 to the U.S. dollar, a ¥7 appreciation compared with the previous year's actual rate. While we expect continued solid performance from overseas subsidiaries that sell adhesive products for seals and labels and semiconductor- and electronic component-related products, there will be an exchange rate impact due to yen appreciation. In addition, increased personnel costs, higher fixed costs including depreciation from new production equipment, and rising raw material and transportation costs are anticipated to negatively impact profits. We plan to steadily accumulate profits through Companywide cost reduction measures.

As for net sales, we already achieved the final-year management target of our medium-term business plan, LSV 2030-Stage 2, in the previous fiscal year. As a result of this, we have heard that investors are expecting an upward revision of our medium-term business plan targets. However, considering the performance forecast for the current fiscal year and the continued uncertainty in the business environment, we decided to maintain our targets at the time of the May 2025 earnings announcement. Going forward, we will continue to monitor our business performance and carefully consider revisions to our targets as appropriate.

Consolidated Operating Performance

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026 (forecast)
Net Sales	¥284,603 million	¥276,321 million	¥315,978 million	¥317,000 million
Operating Income	¥13,796 million	¥10,628 million	¥24,562 million	¥24,000 million
Profit Attributable to Owners of Parent	¥11,512 million	¥5,243 million	¥14,476 million	¥18,000 million
Return on Equity (ROE)	5.3%	2.3%	6.1%	—
Return on Invested Capital (ROIC)	4.3%	3.1%	6.9%	—
Weighted Average Cost of Capital (WACC)*	5.2%	5.3%	6.0%	—
Price-to-Book Value Ratio (PBR)	0.65 time	0.93 time	0.76 times	—

* LINTEC uses the capital asset pricing model to calculate WACC.

Strategies

Financial Strategy: A Message from the CFO

Promotion of Structural Reforms

Fine & Specialty Paper Products Operations, which recorded impairment losses in the previous fiscal year, continue to face profitability challenges due to persistently high pulp raw prices and declining sales volumes. However, this business also plays a role in manufacturing raw materials for our adhesive business by supplying release base paper internally. Therefore, we recognize that withdrawing or selling this business at this time could risk negatively impacting the profitability of other business operations. However, as we recognize that structural reforms in the business are essential, in July 2025 we decided to take the first step by shutting down one of the paper machines operating at the Kumagaya Plant.

We are also promoting structural reforms in other areas, such as MACTAC AMERICAS, LLC, which belongs to Printing & Variable Information Products Operations, and Optical Products Operations. MACTAC AMERICAS is working on consolidating production and

logistics bases and reviewing the supply chain. We expect efficiency gains and cost reductions, and with the roughly ¥4 billion annual burden of amortization of goodwill scheduled to end during the period of our medium-term business plan, we anticipate increased profitability moving forward. In Optical Products Operations, we dissolved LINTEC SPECIALITY FILMS (KOREA), INC. and LINTEC SPECIALITY FILMS (TAIWAN), INC., which had been engaged in the adhesive processing business for polarizing films, during the previous fiscal year. This decision was based on the view that recovery in performance at both locations was unlikely due to the recent rise of Chinese companies in the LCD-related business. Going forward, in Optical Products Operations, we will continue to focus on polarizing film products for organic light-emitting diode displays and promote the expansion of proprietary products, such as adhesive products for in-vehicle displays and light diffusion films, while also steadily working to reduce fixed costs.

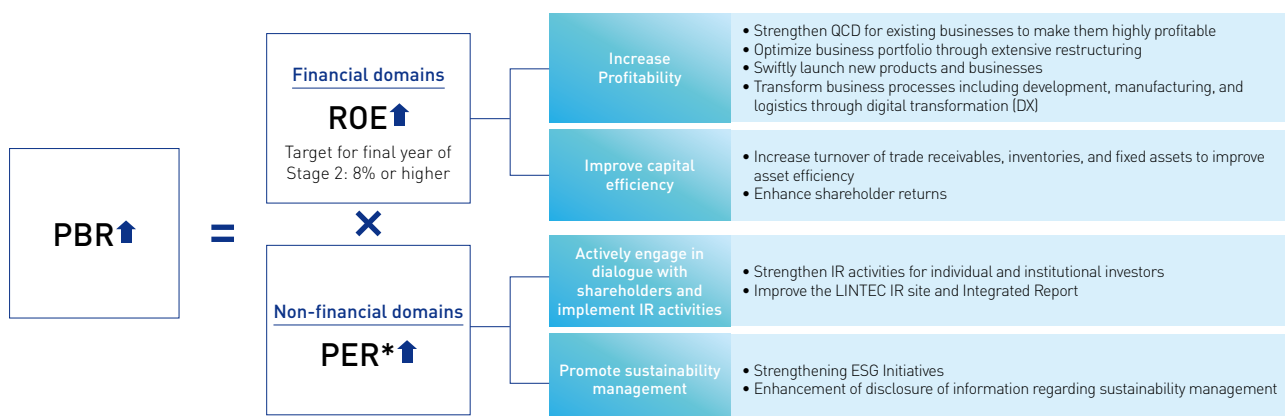
Further Improvement of ROE

Currently, LINTEC's price-to-book value ratio (PBR) remains below 1.0, a level that reflects undervaluation, and we recognize the urgent need to establish a proper stock valuation. We estimate that our WACC for the previous fiscal year was around 6%. To consistently achieve a PBR above 1.0, we recognize the importance of consistently generating ROE that exceeds WACC. Under LSV 2030, we have set financial targets of an operating profit margin of 12% or more and ROE of 10% or more, with the aim of improving corporate value over the medium to long term. To achieve this, we will pursue growth in sales and profit margins through structural reforms; enhancement of quality, cost, and delivery; and the early

launch of new products and businesses. At the same time, we will work toward continuous improvement in ROE through appropriate capital allocation and agile shareholder returns. In the past, we tended to prioritize sales growth, and there was relatively less focus on profitability and capital efficiency. In fact, we intentionally did not disclose numerical targets for net sales or operating income for the fiscal year ending March 31, 2030, to encourage internal awareness reform.

Furthermore, starting from the fiscal year ended March 31, 2024, we transitioned to a framework in which each business operation analyzes and utilizes its own balance sheet.

Initiatives to Achieve Management Mindful of Cost of Capital and the Stock Price



Long-term Vision:
Three Key Initiatives

- Solve social issues
- Foster innovation to build a robust corporate structure
- Create new products and businesses to deliver sustainable growth

Cash allocation for sustainable growth

* Price-to-earnings ratio

We have set KPIs for turnover ratios on fixed assets, inventory, and accounts receivable, and we have also begun in earnest to manage our businesses' ROIC. This enables more precise and agile responses when allocating resources or making strategic decisions. The introduction of KPI management has also led to growing financial awareness, not only within business operations but also in the Production Division,

Procurement Division, and Research & Development Division. We are now able to collect financial data from each business operation without delays and have established an appropriate management structure. Going forward, we aim to further enhance operational performance, inventory control, and business efficiency by leveraging DX.

Cash Allocation to Support Sustainable Growth

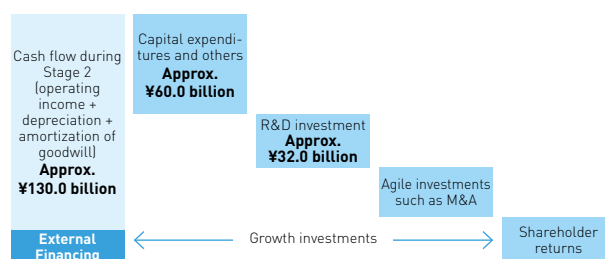
During the period of our medium-term business plan, we anticipate generating approximately ¥130.0 billion in cash flow. We plan to allocate approximately ¥60.0 billion of this toward capital investment. Since the previous medium-term business plan period, we have been working to build capacity to meet rising demand, especially for semiconductor- and electronic component-related products. We accelerated the expansion of production facilities for semiconductor-related adhesive tapes and multilayer ceramic capacitor-related tapes to build a system capable of responding to strong demand. In addition, recognizing the long-term potential of sustained high demand for semiconductor-related equipment, we have launched a project to rebuild the Ina Technology Center, which develops and produces equipment. As a result, capital expenditures in the previous fiscal year exceeded the initial plan and totaled ¥20.6 billion. In today's rapidly changing environment, the key lies in making timely investments ahead of the curve. We will continue to respond swiftly based on our plans.

We are also planning approximately ¥32.0 billion in R&D expenses. In the first year of the medium-term business plan, we invested a record-high ¥10.1 billion. To promptly achieve our goal of increasing the net sales ratio of new products set as part of our material issues, we are steadily investing in new products and businesses. We are making upfront investments with a focus on semiconductor-related products, including carbon nanotube pellicles for extreme ultraviolet lithography equipment. Regarding M&A, we will continue to evaluate opportunities, particularly with a view to expanding in overseas markets, while carefully considering financial risks.

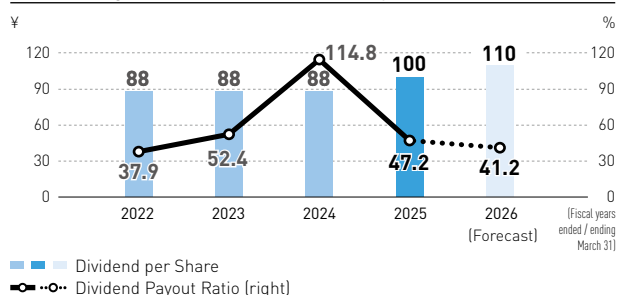
Regarding shareholder returns, our basic policy through the fiscal year ending March 31, 2027, is to avoid dividend reductions in principle and maintain a dividend payout ratio of 40% or higher or a dividend on equity (DOE) ratio of 3% as a benchmark. In the previous fiscal year, reflecting our strong

performance, we raised the annual dividend by ¥12, from the initial forecast of ¥88 to ¥100. For the current fiscal year, we plan to increase the dividend by an additional ¥10 to ¥110, marking the second consecutive year of dividend increases. As part of our shareholder return initiatives, we also executed a share repurchase program beginning in February 2025, with an upper limit of 3 million shares or ¥10 billion. The program was completed in June. While continuing to strengthen our management foundation, we will maintain our fundamental policy of stable and continuous dividends based on each fiscal year's consolidated performance, and we remain committed to further enhancing shareholder returns.

Cash Allocation



Dividend per Share / Dividend Payout Ratio



Constructive Dialogue with Shareholders and Investors

In recent years, during IR meetings with investors we have received many questions regarding the optimization of our business portfolio. LINTEC does not apply blanket rules for investment or withdrawal decisions. This is because we believe that, in a rapidly changing business environment, the ability to accurately assess each situation and make timely decisions allows for flexible responses aligned with individual

circumstances. Accordingly, I view it as my important role to communicate clearly and sincerely with shareholders and investors, explaining the background behind our initiatives as well as LINTEC's thinking and unique strengths. We will continue to strive for improved corporate value and better market recognition through active information disclosure and constructive dialogue.

R&D and Intellectual Property Strategy



A Message from the Executive General Manager

Expanding and Enhancing Our Technical Expertise to Create Highly Profitable Hit Products

Yoshihisa Mineura

Managing Executive Officer
Executive General Manager, Research & Development Div.

Under LSV 2030-Stage 2, our division is pursuing the following key initiatives: the development of new products and technologies that anticipate market trends and address customer and societal issues, productivity improvements through the adoption of digital transformation (DX) and artificial intelligence (AI), and innovation challenges. In the fiscal year ended March 31, 2025, we accelerated the establishment of a mass production system for carbon nanotube (CNT) pellicles for extreme ultraviolet (EUV) lithography equipment using a film deposition system developed in-house. Our barrier film reached the final evaluation stage for electronic paper applications and is now also being evaluated by customers for use in next-generation perovskite solar cells. Across the board, each initiative made significant progress. In addition, we completed infrastructure development for DX-related tools such as AI and machine learning. As a result, 40% of all R&D themes during the year involved the utilization of DX,

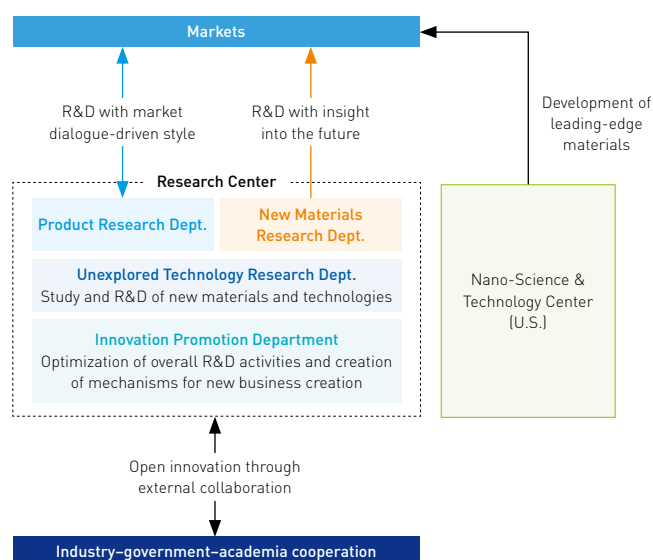
and the number of major themes completed hit a record high, allowing us to see tangible improvements in development speed. In the fiscal year ending March 31, 2026, we will continue to steadily implement measures aimed at developing new products and technologies that solve societal and customer issues while further strengthening our manufacturing capabilities.

Looking ahead to the final year of our long-term vision, the fiscal year ending March 31, 2030, our division sees its role as creating not just new products but also highly profitable hit products across emerging, growth, and mature business fields. To achieve this, we will focus on strengthening our core competencies in materials development, analytical technologies, process development, and the expansion of technological domains. By broadening and deepening our upstream and downstream technical knowledge, we aim to develop one-of-a-kind, market-leading products that offer unrivaled competitive advantages.

R&D

R&D System

The Research Center (Saitama Prefecture) of the Research & Development Division is the core base for the Group's R&D activities. The center has high-precision testing and analysis equipment and a clean room, as well as the same equipment that is used by customers in semiconductor-related fields. Moreover, we have installed large-scale pilot coaters that closely resemble mass-production facilities at plants, building systems for a smooth flow from R&D to mass production. The center includes 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. In addition, in April 2022 we established the Unexplored Technology Research Department and the Innovation Promotion Department. About 200 researchers are engaged in research on these themes.



To remain a leading player in the industry, we are continuously working to optimize our R&D activities. In the area of semiconductor-related products, a key growth field characterized by rapid shifts in technological trends, we have built a robust framework that allows us to engage in direct conversations with customers, accurately identify their needs, and propose new

Building a Foundation for Continuous Innovation

1 RIC: Our Unique Innovation Initiative

As part of our efforts to continuously create new technologies and businesses, we have introduced a unique initiative called RIC (R&D Innovation Challenge). RIC is a research-driven program that aims to generate new value by incorporating novel technologies and ideas, ultimately leading to significant societal and corporate transformation. Under this initiative, researchers are encouraged to pursue innovative activities, such as developing new products or improving R&D efficiency, based on their own ideas. They may devote up to 30% of their working hours to these activities. Launched in 2022, RIC has already begun producing tangible results, including technologies that have received awards at international conferences and the development and implementation of systems that help boost productivity.

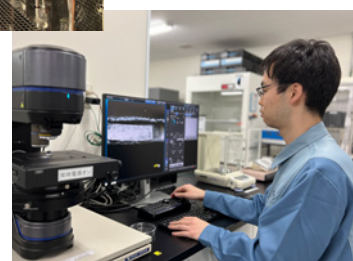
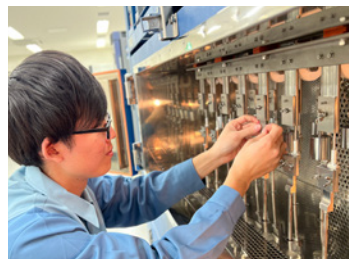
2 New Discoveries Through Intercompany Collaboration

In a world characterized by volatility, uncertainty, complexity, and ambiguity (VUCA), the needs of society and customers are becoming increasingly diverse. As a result, co-creation with external partners, rather than relying solely on in-house capabilities, is gaining importance. In addition to our traditional collaborations with universities and research institutions, we have recently intensified our focus on strengthening partnerships with other companies. One example is our participation in the incubation center ARCH, a facility dedicated to the creation of new businesses. Companies from a wide range of industries that share this mission participate as members. Through dialogue with these member companies, we are exploring potential co-creation themes and have found that LINTEC's accumulated products and technologies may offer solutions for entirely new applications and fields. While ARCH is primarily composed of large corporations, we are

3 Refinement of Market-Engaged R&D

The ultimate goal of these initiatives is to strengthen existing businesses and create new ones through the development of new products and technologies; however, they also play an important role in talent development. A defining characteristic of our R&D framework is its market-engaged approach, where researchers visit customers alongside sales staff to gain a precise understanding of their needs using their unique perspectives and information-gathering skills. In recent years, we have shifted from simply responding to concerns to identifying and materializing latent needs—those

technologies at the optimal time. As part of these efforts, we have increased the number of researchers stationed at overseas sales bases and strengthened collaboration with domestic researchers, enabling us to continue developing materials that enhance the productivity and reliability of increasingly miniaturized semiconductor devices.



also involved in other collaborative spaces where venture and start-up companies gather. In this way, we are actively seeking out ideas for new businesses from every possible angle.



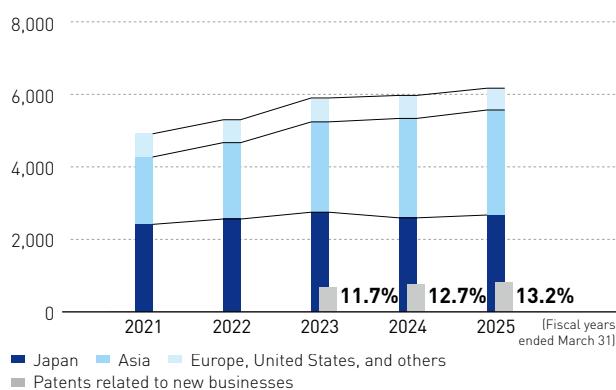
customers themselves may not yet recognize—by developing a deep understanding of their products, applications, and manufacturing processes. Through initiatives such as RIC, which fosters zero-to-one product development unconstrained by assigned themes, and our participation in ARCH, which provides exposure to other companies' technological mindsets, we are continuing to evolve our market-engaged R&D. These efforts are helping our researchers hone their ability to deliver products and services that exceed customer expectations.

Intellectual Property Strategy

Working to Expand Our Intellectual Property

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. The Intellectual Property Department promotes efforts to expand intellectual property rights. We file applications out of awareness of the need to protect proprietary technologies and products and work to create a range of rights that can be utilized in multiple technological fields. The number of patents we hold has risen in recent years, in tandem with the increase in our ratio of overseas sales. We are building a global patent network with a particular focus on Asia for semiconductor-related products, taking into consideration the future market potential in each country and our manufacturing bases around the world. In addition, our proportion of patents held related to new businesses, such as those for the *Welsurt* product line, has been increasing since fiscal 2022, reflecting our commitment to investing in intellectual property for emerging fields. We are also filing a growing number of environmentally focused patents each year, including those related to solventless

technologies, the 3Rs (reduce, reuse, and recycle), biomass, biodegradability, energy conservation, halogen-free materials, and CO₂ emissions reduction.

Number of Patents Held by Region / Percentage of Patents Held Related to New Businesses

Note: Data for patents related to new businesses from fiscal years prior to the year ended March 31, 2022, have been omitted due to differences in aggregation methods.

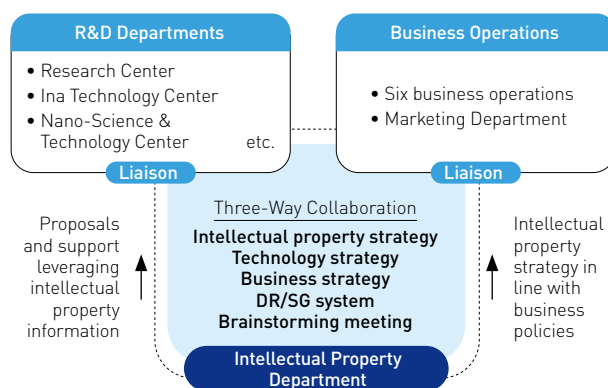
Stepping Up Collaboration Between R&D Departments and Business Operations

The Intellectual Property Department, which develops global intellectual property strategies, collaborates with R&D departments and business operations to share intellectual property information and review ideas, including filing, rights acquisition, and portfolio formation linked to both activities. About half of the people in our Intellectual Property Department work as patent liaisons at the Research Center, where they are responsible for everything from invention discovery to patent prosecution. The Intellectual Property Department also focuses on intellectual property activities linked to R&D schemes, such as design review (DR) and the stage-gate (SG) system, as well as educating researchers about intellectual property. Members of the Intellectual Property Department are also stationed at the Bunkyo Kasuga Office, a base of business operations, where they work to collect information from business operations and strengthen cooperation.

In the fiscal year ended March 31, 2025, we strategically leveraged the collective examination system* to efficiently and promptly examine and patent key technologies related to our

focus product, CNT pellicles for EUV lithography equipment, thereby advancing the construction of our intellectual property portfolio. Going forward, we will continue to promote an integrated approach to business and intellectual property strategy to achieve sustainable growth and enhance corporate value.

* A system that enables efficient and comprehensive patenting aligned with commercialization activities

**Introducing an Analysis System and Using It to Develop Our Intellectual Property Strategy**

In recent years, we have been promoting continuous initiatives based on the intellectual property landscape approach, which involves analyzing intellectual property information and applying the insights to management. As part of this effort, we have set the number of intellectual property landscape projects as a KPI to support decision-making in technology and business strategies. This enables us to analyze and visualize external intellectual property data, including patent information, and provide timely intelligence

to relevant internal departments. By monitoring technology trends and competitor activity, we contribute to the selection of R&D themes and the optimization of our business portfolio. We have also introduced a new patent value evaluation system as an analysis tool. By leveraging this system's evaluation function, we are enhancing the objectivity of decisions regarding patent maintenance while stimulating filing motivation and raising awareness of intellectual property's importance by sharing highly rated patents internally.

Production Strategy



A Message from the Executive General Manager

Refining Our Manufacturing Technologies, Ability to Ensure Quality, and Cost Competitiveness to Deliver World-Class Products

Hiroyuki Matsuo

Director, Senior Managing Executive Officer
Executive General Manager, Production Div.,
and in charge of Quality Assurance Div. and Environment & Safety Div.

The fiscal year ended March 31, 2025, was a year of significant progress in several key areas, such as the expansion of capacity, as well as the strengthening of cost competitiveness through innovations in the production process. Specifically, we completed the installation of new coating equipment to boost our supply capacity for electronics market products such as semiconductor-related adhesive tapes and multilayer ceramic capacitor-related tapes. At the same time, we actively implemented a “scrap-and-build” approach, replacing aging equipment when making equipment updates. This has accelerated our transition to a leaner production system that achieves energy savings, cost reductions, and enhanced product quality. In addition, within our Optical Products Operations, we closed production subsidiaries in South Korea and Taiwan that had been engaged in adhesive processing for polarizing film. We took this opportunity to also restructure domestic production sites. Specifically, we integrated the Shingu Plant into the Tatsuno Plant in Hyogo Prefecture, unifying management and administrative

functions to improve operational efficiency.

A key strength of our production system is the ability to quickly develop, customize, mass-produce, and deliver products that meet customer needs, regardless of the business division. This is due both to our technological advantage in the fully integrated production of adhesive products and the strong communication framework in place between our sales, R&D, and production teams. For example, we hold design review meetings during the early stages of R&D to anticipate future mass production, and we regularly meet with each business division to discuss improvement measures for achieving profitability targets. Leveraging this unique, three-pronged strength, we will continue pursuing relentless improvement initiatives in the fiscal year ending March 31, 2026, to further enhance our manufacturing technologies, quality assurance capabilities, and cost competitiveness. Even in highly competitive markets, we will continue delivering top-tier products that clearly stand apart from those of our competitors.

Capacity Expansion

We installed new coating equipment at our Komatsushima Plant in Tokushima Prefecture, which is a key location producing casting papers and release papers for adhesive products. Our casting papers, used globally in the production of synthetic leather for items like shoes, bags, and furniture, serve a mold-like function to reproduce textures like natural leather. With growing demand for lightweight materials for electric vehicle interiors, synthetic leather has been gaining attention. In the automotive sector in particular, demand for larger-width synthetic leather is rising, making it urgent for us to enhance both customer responsiveness and market competitiveness. We finished installing the new equipment in August 2025, and it went into operation in September. With our state-of-the-art capabilities for high-speed, high-precision coating, production capacity has increased to approximately 1.5 times the previous level. Our focus will be on ramping up output of wider casting paper. Additionally, this

equipment uses a coating method that eliminates organic solvents, helping reduce emissions of volatile organic compounds. It also features comprehensive automation, from mixing the release agent to warehouse logistics for base papers and finished products, creating a sustainable production system.

With a total investment of around ¥4.8 billion, including the construction of a new facility, this capital expenditure will support our strategy to expand sales of casting paper for synthetic leather in overseas markets such as India, China, Europe, and North America.



New wing at the Komatsushima Plant

DX Strategy

We believe digital transformation (DX) is key to realizing our long-term vision, LSV 2030, and achieving the milestones outlined in our medium-term business plan. In addition to the early initiatives already underway in the Production Division and Research & Development Division, we launched LDX 2030 in October 2022. This Companywide DX promotion project is aimed at driving business process reform and building a foundation for digital talent development. By unlocking the potential of our greatest management resource, our people, we aim to strengthen our organizational resilience and secure the profits needed for growth, even in a challenging business environment.

DX Examples in the Research & Development Division

Within the Research & Development Division, the Innovation Promotion Department, established in April 2022, has been leading the charge on DX. By the end of the fiscal year ended March 31, 2025, the foundational infrastructure for various systems and tools was largely completed, and the division is now entering a full-scale phase of utilizing technologies such as machine learning and AI. One notable outcome is a new label material product launched in March 2025, which showcases the use of machine learning tools in product development. The central challenge in developing this product was achieving an optimal balance between adhesive strength and removability to enable repeated use. By leveraging machine learning to analyze how different

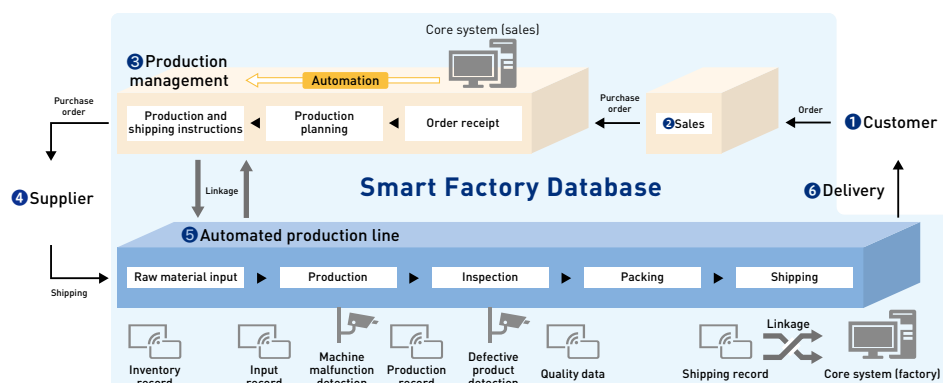
adhesive materials affect performance, researchers moved beyond relying solely on experience or intuition, finding the most efficient development pathway to reach the desired performance goals. In addition, the division has begun working with external partners to combine LINTEC's proprietary technologies with market issues identified through big data analysis, deepening ideation for potential solutions. AI is also being applied to streamline the analysis of massive datasets, such as patent information, by allowing researchers to input a few keywords and quickly extract and filter relevant results. This not only reduces time spent on administrative tasks but also frees up researchers to focus on core R&D activities.

DX Examples in the Production Division

In the Production Division, LINTEC is working to fully redesign its processes across manufacturing, quality inspection, and indirect operations by integrating DX throughout the value chain. This initiative is partly driven by the broader social context of Japan's declining and aging population, which is making workforce recruitment increasingly difficult. At the same time, it also reflects a proactive DX approach aimed at strengthening on-site capabilities to continually meet customer expectations. The Mishima and Doi plants in Ehime Prefecture are spearheading this transformation. At the Doi Plant, we have rolled out smart factory initiatives in

conjunction with the installation of two new lines for production of multilayer ceramic capacitor-related tape. These efforts include full automation, from order receipt to shipping. To enhance quality management, AI has been deployed to unify data management across every stage, from incoming raw materials to final product shipment. This integrated system allows for immediate traceability. In the event of a quality issue with a specific product, the Company can instantly identify any other products that used the same raw materials. This improves operational efficiency and creates a more resilient and trustworthy production system.

The Doi Plant's Transition to a Smart Factory

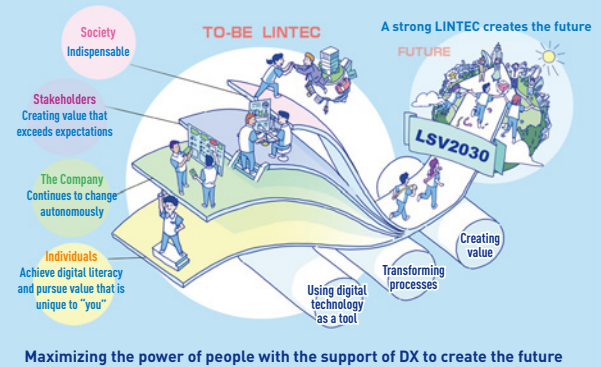


LDX 2030

We are currently moving forward with LDX 2030, our project to promote DX, through a Companywide initiative that spans all divisions, from sales to corporate divisions.

LDX 2030: A Key to Realizing Our Long-Term Vision

We believe the success or failure of this project is closely connected to a priority theme set out in our long-term vision, LSV 2030: "Strengthening the corporate structure through innovation." For this reason, we regard LDX 2030 as key to the realization of our vision. After formulating seven transformation themes aimed at achieving our goal, where "a strong LINTEC creates the future," as well as the development of specific execution plans toward 2030, in April 2024 we moved to the execution stage. We are now carrying out daily activities based on the execution plans created by six working groups and are managing progress effectively by tracking key performance indicators (KPIs).



Conceptual Diagram of LDX 2030

Seven Transformation Themes of LDX 2030

- 1 Revitalize internal communication to instill a mindset of change as part of our corporate culture
- 2 Develop digital human resources for strong personnel and a robust organization
- 3 Business process reengineering (BPR) that proactively utilizes digital technology
- 4 Build a mechanism that digitizes intuition and experience to enable data-based decision-making
- 5 Improve sales efficiency with sales DX and build a system to develop products based on customer needs
- 6 Proactively communicate information outside the Company
- 7 Consider reallocating and optimizing domestic and overseas systems

► Toward Greater Operational Efficiency and Improved Profitability

One of the working groups, which focuses on business process-driven DX, carried out BPR initiatives across seven divisions and 15 departments during the fiscal year ended March 31, 2025, the first year of the implementation phase. In addition to sales, research, and production, these seven divisions included corporate departments such as human resources. The working group conducted detailed analyses and identified issues based on the results of their business process inventories and then proceeded to identify and formalize improvement ideas. As of March 31, 2025, the working group had met its KPIs for both the number of improvement ideas and initiatives formulated based on those ideas, indicating a strong start. The goal is to identify

inefficiencies and promote streamlining in order to shift more easily toward higher-value-added work.

Similarly, the working group tasked with the digitalization of sales processes (sales DX) is undertaking initiatives such as building an information-sharing platform and improving the efficiency of tasks involving the creation of documents and materials. For the information-sharing platform, trial operations of systems related to sales force automation and customer relationship management are planned for the fiscal year ending March 31, 2026. We will monitor usage rates and other metrics to prepare for full-scale implementation.

Human Resource Strategy



A Message from the Executive General Manager

We are enhancing the effectiveness of our human capital strategy through the advancement and evaluation of human capital management.

Takeshi Kaiya

Director, Senior Managing Executive Officer

Executive General Manager, General Affairs & Human Resources Div.

I was appointed executive general manager of the General Affairs & Human Resources Division in April. Achieving the management goals outlined in our long-term vision, LSV 2030, will require us to advance our business strategy and human capital strategy in tandem. At LINTEC, we pride ourselves on our ability to respond swiftly and meticulously to customer needs through close coordination between our sales, R&D, and production divisions. Until now, our corporate divisions have supported these frontline divisions behind the scenes in various ways. Moving forward, we aim to take a more active role in management strategy discussions, evolving toward a four-part integration that ensures our business and human capital strategies work together as a fully functioning pair.

In the fiscal year ended March 31, 2025, the first year of LSV 2030-Stage 2, we continued our employee survey initiatives to improve the workplace environment, promoted digital transformation (DX) in our human resource systems, and introduced new hiring schemes such as the alumni return program and referral-based recruitment to help secure talent for our production sites. In the fiscal year ending March 31, 2026, we will refine and build upon these ongoing initiatives to enhance our

progress toward our vision for the future, while also strengthening our global presence through efforts such as nurturing talent capable of succeeding on the international stage.

One of our key priorities is to refine and validate the narrative around human capital management. While we have already defined key performance indicators (KPIs) and corresponding initiatives for each area of our human capital strategy, we will now reexamine the interrelationships among them to enhance the strategy's overall effectiveness. We are also considering the introduction of a LINTEC-style job-based employment framework. Our efforts to establish a mass production system for carbon nanotube pellicles for extreme ultraviolet lithography equipment serve as a good example: LINTEC is proactively pursuing the creation of new products and businesses. To ensure the success of these ventures, we must be a company where diverse individuals with various experiences and expertise can come together and thrive. Through initiatives like exploring job-based employment, we aim to strengthen our competitive edge in mid-career recruitment and foster flexible working styles that reflect the diverse needs of our workforce.

Promotion of Human Capital Management to Enhance Corporate Value

People are the LINTEC Group's most important asset and the driving force behind value creation. Guided by our corporate motto, "Sincerity and Creativity," we have long fostered a corporate culture that encourages unity across divisions and respects the diversity of every employee. This culture has continuously supported our ability to deliver one-of-a-kind, groundbreaking products and to grow as a company. Today, we operate in a world characterized by volatility, uncertainty, complexity, and ambiguity, where the business environment is in constant flux and the future is increasingly difficult to predict. While carrying forward the corporate culture we have cultivated throughout our history, we are also placing strong emphasis on cultivating people who can boldly take on new challenges and drive transformative change within the Company.



Executive Commitment to Human Capital Strategy

As president, I want to be our employees' most important and strongest supporter. My role, above all else, is to create a work environment where every employee can thrive and to establish systems that allow their experience, knowledge, and skills to be fully maximized.



Active Investment in Human Capital

For the fiscal year ending March 31, 2026, we have introduced a base salary increase of approximately ¥24,000, resulting in an average raise of about 7.4% year on year.*1 This move is aimed at improving employee motivation, enhancing performance, and boosting our competitiveness in attracting top talent.



Development of Broad-Based Talent

We have introduced a human capital development program designed to cultivate talented individuals who combine a broad base of knowledge and sensibility with deep expertise in a particular field. This program aims to maximize each employee's motivation and support self-directed career design. Based on employee feedback, we will continue to transform our training framework based on self-driven development.*2

*1 The increase in base pay includes regular pay raises based on performance evaluations and represents the average for union members. The percentage raise is based on standard base pay.

*2 Average training cost per employee in the fiscal year ended March 31, 2025: ¥13,894 (up 79.7% year on year) (non-consolidated).

EFFORTS

01

A Unique Human Resource System

Diversified Hiring Methods and Human Resource Policies That Enhance Workplace Comfort

▶ Referral Hiring*¹ and Alumni Hiring*²

We introduced these systems in April 2025. Referral hiring reduces the likelihood of mismatches, as candidates are recommended by current employees who understand the Company's culture and operations. Alumni hiring targets individuals who worked at the Company for three years or more before leaving and are seeking reemployment within 10 years of leaving. Neither method guarantees employment, and all candidates are screened in accordance with Company regulations.

*1 A hiring method in which employees recommend acquaintances or friends

*2 A hiring method in which former employees are rehired

▶ Establishment of a Human Resources and Labor Consultation Desk

Employees can now consult the Company on issues related to labor and the workplace environment. While a helpline (internal whistleblower system) is already in place for reporting serious legal or ethical violations without fear of retaliation, we established the separate Human Resources and Labor Consultation Desk in April 2025 to serve specifically as a point of contact for workplace-related concerns. Led by the General Affairs & Human Resources Division, this initiative aims to help resolve problems early on.

▶ System Allowing Accumulation of 80 Days of Leave

Employees can accumulate up to 80 days of unused annual paid leave. This saved leave can be used in cases such as illness or injury, or for nursing and caregiving for family members. The system is intended to ensure that employees can continue working with peace of mind, even in the event of unforeseen circumstances.

▶ Professional Human Resource Certification System (CP System)

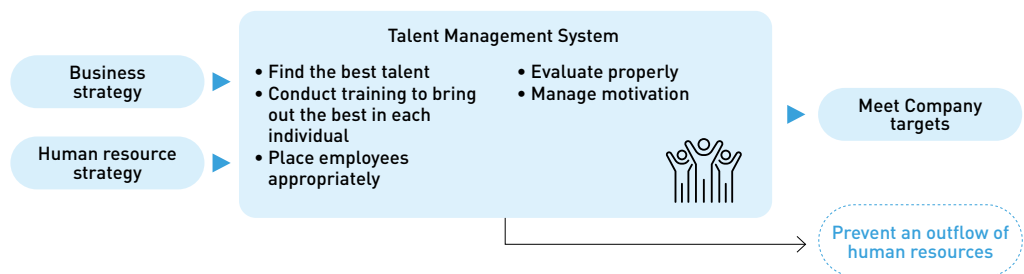
To secure expert human resources, the Company offers treatment separate from the qualification grading system applied to general employees. We also continue to examine the framework for a proprietary job-based employment system.

EFFORTS

02

Talent Management System

As one way of utilizing DX in our personnel system, we are creating a talent management system. By making human resource information such as the skills and abilities that each employee has acquired visible, the Company will strive to increase its competitiveness by optimally allocating employees to positions where they can maximize their capabilities. In the fiscal year ended March 31, 2025, we began requiring employees on a global career track to submit a career declaration sheet, in which they list any public or private certifications and skills they hold, as well as any departments or roles they hope to become involved in. We aim for the system to go into full operation during the fiscal year ending March 31, 2026.



EFFORTS

03

Employee Survey

Improving the workplace environment is essential to ensuring that employees stay motivated and engaged in their work. Since 2023, we have been conducting employee surveys and continuously analyzing the relationship between engagement scores and the implementation of action plans at each workplace. In our third employee survey, in 2025, the overall score was up 1.5 points from the first survey. While modest, this increase confirms the positive impact of our initiatives. In addition, we revised our corporate governance framework to incorporate employee survey results into executive compensation KPIs. The evaluation now considers four indicators, three core themes (philosophy and strategy, organizational culture, and transformational activities), and the overall score and assesses whether scores have improved year on year. By integrating this non-financial indicator of employee engagement into executive compensation alongside financial indicators such as consolidated net sales, consolidated operating income, and total shareholder return, we aim to further advance our approach to human capital management.

Business Strategy

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

Driving Performance Through Customer-First Principles and Customization Capabilities

Masaaki Yoshitake

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



Since joining the Company in 1984, I have spent my career in LINTEC's core Printing & Variable Information Products Operations. I have been closely involved in the seal and label industry for many years. I have worked across a wide range of areas, including the development of new markets for label materials, but not all new products were launched without challenges. It is precisely because our sales, R&D, and production divisions worked together as one to swiftly and persistently develop products that met customer needs that, even today, products bearing those labels can still be found on store shelves. In April 2025, I was appointed executive general manager of the Business Administration Division. I am fully committed to leading from the front to ensure that LINTEC's strengths, its customer-first philosophy and customization capabilities, are fully demonstrated across all business units.

The fiscal year ended March 31, 2025, which marked the first year of LSV 2030-Stage 2, saw record-high net sales and operating income. In the fiscal year ending March 31, 2026, we anticipate downward pressure on profits due to rising raw material costs, increased labor expenses, and higher fixed costs, such as depreciation from new production equipment. Nevertheless, we intend to steadily build profits through strengthened Companywide cost-reduction initiatives. As for

our traditional business segments, Japan's declining population makes it unlikely that domestic demand will grow significantly over the medium to long term. It is therefore essential that we strengthen our competitiveness and expand our market share in promising overseas markets such as Europe, North America, Southeast Asia, and India. In addition, as part of our business portfolio optimization efforts, we are also considering strategic M&A and a review of our domestic and international business sites.

Under our long-term vision, LSV 2030, we have set a target of achieving an operating profit margin of 12% or more. The key to achieving this goal lies in each business unit generating highly profitable hit products, much like those driving growth in our Advanced Materials Operations. We will focus on launching environmentally friendly products that reflect growing societal interest in reducing and eliminating plastic use. Within the Business Administration Division, our New Project Planning Office and Next Generation Innovation Group are working in collaboration with the Research & Development Division to drive the real-world application of next-generation products with significant growth potential. By embracing new challenges and maintaining a constant commitment to growth, we will continue striving for further improvements in performance.

Six-Business Operations Structure

The Business Administration Division oversees six business operations, which are categorized into three business segments—Printing and Industrial Materials Products, Electronic and Optical Products, and Paper and Converted Products—based on similarities in products, technologies, and markets. One of the most frequently asked questions we receive during dialogues with investors is about the significance of maintaining six business operations. We understand this reflects the view that, given the considerable differences in profitability across the segments, LINTEC should further advance its strategy of selection and concentration. Here, we would like to take this opportunity to once again explain the background behind LINTEC's six-business operations structure.



Printing and Industrial
Materials Products

► Pages 40–41

Printing & Variable Information
Products Operations

Industrial & Material Operations



Electronic and Optical
Products

► Pages 42–43

Advanced Materials Operations

Optical Products Operations



Paper and Converted
Products

► Pages 44–45

Fine & Specialty Paper
Products Operations

Converted Products Operations

▶ 1 Integrated Production System

LINTEC has established a fully integrated production system for adhesive products, covering not only the development and coating of adhesive agents but also the production of base paper for release paper, the development and coating of release agents, and surface treatment processes that add various functions to base paper and films. Specifically, our Fine & Specialty Paper Products Operations produce base paper for release paper and supply it internally to Converted Products Operations. Converted Products Operations then add release agent layer to the base paper to produce release paper, which is supplied internally to Printing & Variable Information Products Operations and Industrial & Material Operations, which in turn complete the final adhesive products and deliver them to customers. This structure enables us to maintain a competitive advantage in terms of delivery times and empowers us to independently create a diverse array of products that meet customer needs, supported by our technological capabilities that span the entire process, from upstream to downstream. [▶ Page 3](#)

▶ 2 Stable Profit Generation

Our six business operations serve a broad range of industries rather than relying on a specific sector, making our performance less vulnerable to fluctuations in the economy or market conditions. In recent years, our Advanced Materials Operations have gained attention amid the strong semiconductor market, driven by factors such as increased investment in AI. However, our mainstay adhesive papers and films for labels have applications across a wide array of sectors, including food, distribution and e-commerce, daily goods, automotive, medical and pharmaceutical, and home appliances. Because of this broad application base, performance volatility in this segment tends to be relatively low, helping to stabilize overall earnings. Thanks to this business structure, LINTEC has never posted an operating loss, even during periods of global instability such as the COVID-19 pandemic or U.S.–China trade tensions.

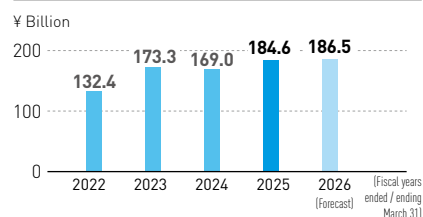
Optimizing the Business Portfolio Through Fundamental Structural Reforms

To further strengthen the cost advantages of the integrated production system described above, we recognize that improving the profitability of existing businesses is a top priority. Based on a careful assessment of competitiveness and profitability in each business, we implemented structural reforms during the fiscal year ended March 31, 2025. This included the dissolution of two overseas production subsidiaries in South Korea and Taiwan that had been engaged in adhesive processing for polarizing films under Optical Products Operations. In the same fiscal year, we also recorded impairment losses on fixed assets within Fine & Specialty Paper Products Operations, as part of efforts to improve profitability and optimize our business portfolio. Looking back, LINTEC has a track record of making decisive changes to address low-profit businesses. In April 2011, Healthcare Products Operations, which had handled medical adhesive products, was integrated into Printing & Variable Information Products Operations. In 2017, we exited the solar panel backsheet business as part of efforts to streamline operations at our U.S. subsidiary. In 2018, we also dissolved a Chinese subsidiary that had been involved in the manufacture and sale of label printing machines. These decisions exemplify LINTEC's approach of taking decisive action when necessary. Since the fiscal year ended March 31, 2024, we have been preparing and analyzing balance sheets by business operation on a semiannual basis. This analysis has brought to light several issues, including the level of fixed assets and asset turnover rates. Based on these findings, and through consultation with the heads of each business operation, we have set KPIs for each unit and, starting in the fiscal year ended March 31, 2025, have launched full-scale efforts to improve performance. Furthermore, the Business Administration Division also houses dedicated organizations tasked with creating new businesses beyond the boundaries of existing business operations. These initiatives are accelerating efforts to generate the next pillars of revenue and support LINTEC's long-term sustainable growth.

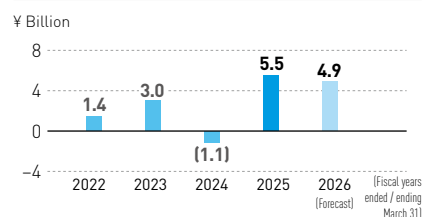
Business Segment Performance

▶ Printing and Industrial Materials Products

Net Sales by Segment

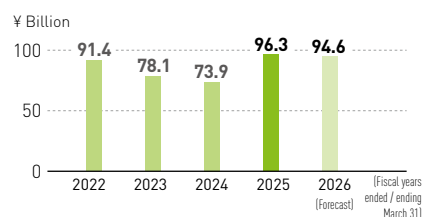


Operating Income (Loss) by Segment

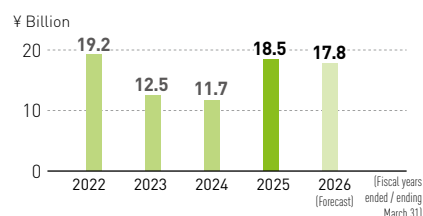


▶ Electronic and Optical Products

Net Sales by Segment

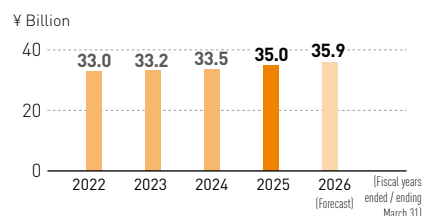


Operating Income by Segment

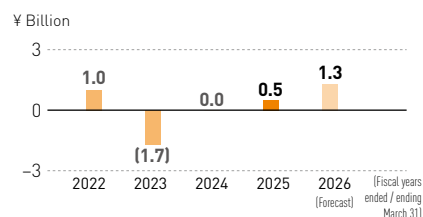


▶ Paper and Converted Products

Net Sales by Segment



Operating Income (Loss) by Segment



Printing and Industrial Materials Products

Printing & Variable Information Products Operations



Atsushi Yamashita

Executive Officer
Executive General Manager,
Printing & Variable
Information Products Operations, and
General Manager, PSA Materials Sales Dept.,
Business Administration Div.

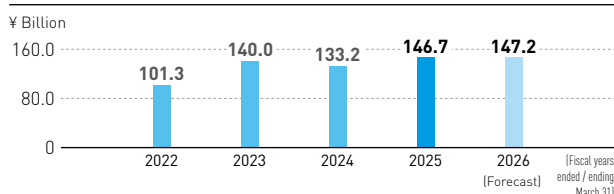
Review of the Fiscal Year Ended March 31, 2025

The fiscal year ended March 31, 2025, was marked by a difficult business environment for labels. This was largely due to weakened consumer demand caused by rising prices, especially for food and daily necessities, as well as changes in packaging formats and the growing adoption of label-free solutions in response to market demands for the reduction and elimination of plastic use. On the other hand, adhesive labels for the medical and pharmaceutical sectors and for distribution and e-commerce, segments less susceptible to market fluctuations and environmental shifts, remained solid. There were also encouraging signs of new demand emerging across the industry, such as the increased adoption of eye-catching labels for premium products by small and mid-sized brand owners, and the expanded use of flap labels for wet wipes. Outside Japan, MACTAC AMERICAS, LLC saw a significant increase in sales volumes, driven by the completion of long-running inventory adjustments in the market and the positive impact of acquisitions.

Strategic Direction for the Fiscal Year Ending March 31, 2026

In the fiscal year ending March 31, 2026, we will continue to respond to growing market demands for environmental responsibility and safety. We plan to accelerate the expansion and promotion of products that use hot-melt adhesives with lower environmental impact and that comply with Japan's Food Sanitation Act and the U.S. Food and Drug Administration's laws and regulations. We will also actively promote mono-material label materials that support 3R (reduce, reuse, and recycle) initiatives and enhanced recyclability while stepping up efforts in the horizontal recycling of release paper. At the same time, we will pursue a global market-in strategy by expanding sales of Japan-developed, high-performance adhesive products to North America, Europe, and the ASEAN region, while promoting hot-melt adhesive products, an area of strength for MACTAC AMERICAS in other regions.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Sales growth and improved earnings in North America and Asia
- Efforts toward coexistence with the environment and the realization of a circular society
- Strengthening of quality, cost, and delivery and increased profits

Q&A in Response to Frequently Asked Questions from Investors

- Q** Has the U.S. government's tariff policy had any impact on MACTAC AMERICAS?
- A** MACTAC AMERICAS operates under a business model of local production for local consumption, sourcing most of its raw materials domestically within the United States. As such, we do not currently foresee any significant impact. While some raw materials are imported, any associated cost increases have been offset through product price adjustments.



Featured Topic

Strengthening the Expansion and Promotion of Environmentally Friendly Products

To meet growing environmental demands in Japan and overseas, we are strengthening the expansion and promotion of environmentally friendly products. In March 2025, we launched a reusable and repositionable label material. It uses an environmentally friendly hot-melt adhesive and can be applied even to surfaces with condensation or oil, where standard label materials typically fail to adhere. The label is also easy to remove after use, supporting recycling efforts for containers and other items. Thanks to its multifunctionality, we are proposing it for a wide range of applications.

Industrial & Material Operations



Hideki Miyake

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

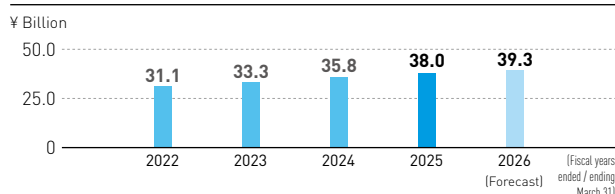
Review of the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025, domestic sales of window film for buildings increased in response to rising awareness around crime prevention. Additionally, demand for marking film was boosted by large-scale, project-based orders. In the e-commerce sector, increased demand for automation led to strong sales of shipping labels to major operators. Overseas, demand for building safety film for schools and government buildings continued at MADICO, INC. in the United States. Sales of adhesive products for automobiles also expanded at LINTEC INDIA PRIVATE LIMITED, leading to a significant increase in sales at overseas Group companies. As a result, total sales for the business operation exceeded those of the previous fiscal year.

Strategic Direction for the Fiscal Year Ending March 31, 2026

For the fiscal year ending March 31, 2026, we have set forth a divisional policy: "Based on our commitment to quality, we will develop and deliver the products and services the market demands in order to enhance customer satisfaction." We will carry over the quality-first approach emphasized in the fiscal year ended March 31, 2025, and position the creation and delivery of new products and services as a core strategic direction. Particularly for window film, we will aim to enhance functionality and expand sales by highlighting our new film for automobiles launched in August 2024, which improves heat shielding performance while maintaining high transparency. To achieve our divisional objectives, we are reorganizing our structure to establish systems that facilitate smoother communication, information sharing, and operational execution. Through these measures and more vigorous sales efforts, we aim to enhance our competitiveness in the marketplace. We also established the Sales Promotion Department to strengthen information and policy sharing among Group companies in Japan and abroad. This department will foster cross-organizational product development and support the broader adoption of both new and existing products.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Further functional enhancements and growth in sales of window film
- New product development and systems sales growth to contribute to solving the labor shortage and improving productivity
- Development and increased sales of digital print media
- Development of environmentally friendly products

Q&A in Response to Frequently Asked Questions from Investors

Q Can you provide an overview of your U.S. subsidiary VDI, LLC?

A VDI is a functional film manufacturer that possesses metallizing technology used to form thin metallic layers on the surface of film. The LINTEC Group made the company a subsidiary in 2016; however, VDI had previously been a supplier to MADICO. In the fiscal year ended December 31, 2024, the company's sputtering films, its mainstay product, saw a substantial increase in sales volumes for aerospace applications, contributing to profitability in this business operation.



Featured Topic

Window Film Attracts Attention for Use in Crime Prevention

One of the key products in this business operation is window film, which offers features such as shatter resistance. Notably, demand has remained strong for safety film manufactured and sold by MADICO in the United States since the fiscal year ended December 31, 2024. With the continued occurrence of school shootings in the United States, multiple states have begun offering subsidies to promote security measures in schools. MADICO's safety film has been adopted by five states, driving higher sales volumes for products geared toward crime prevention. In Japan as well, window film for buildings is attracting attention due to a rise in robbery cases linked to "underground part-time job" recruitment, an issue that has grown into a significant social concern.

Electronic and Optical Products

Advanced Materials Operations



Kinya Mochida

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

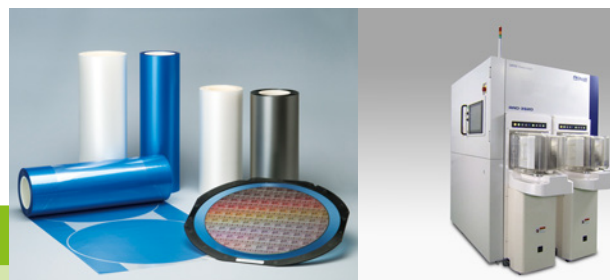
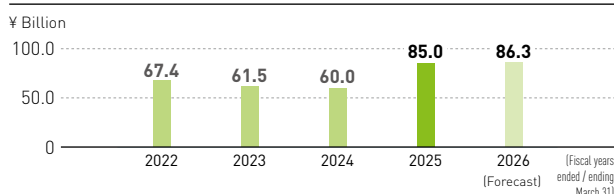
Review of the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025, demand for high-performance semiconductors used in generative AI applications increased, driving strong performance for semiconductor-related adhesive tape. Equipment for semiconductor manufacturing also performed well, including tools for high-bandwidth memory (HBM) manufacturing. Sales of multilayer ceramic capacitor-related tape likewise grew on the back of rising demand for smartphones and data centers, resulting in significant year-on-year sales growth across all major product categories in this business operation. Meanwhile, for carbon nanotube (CNT) pellicles for extreme ultraviolet (EUV) lithography equipment, an advanced semiconductor material for which we aim to establish mass production in the fiscal year ending March 31, 2026, we successfully launched our proprietary mass production system, enabling a clear path toward mass production. We also began actively promoting the product for customer adoption.

Strategic Direction for the Fiscal Year Ending March 31, 2026

In the fiscal year ending March 31, 2026, we expect continued strong demand for high-performance semiconductors, including for HBM and data center applications, and we forecast further sales growth for semiconductor-related adhesive tape and multilayer ceramic capacitor-related tape. We will continue strengthening our supply framework to ensure we can meet customer needs, while also taking a proactive approach to addressing challenges such as rising geopolitical risks and new environmental regulations to ensure our products remain the preferred choice of our customers. Additionally, we will actively pursue the development of new tape, packaging technologies, equipment, and proprietary processes for advanced semiconductor back-end processes.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Continued capital investment and response to demand in growing electronics markets
- Development of new tapes, equipment, and proprietary processes related to packaging technologies in semiconductor back-end processes
- Establishing mass production structures for CNT pellicles for EUV lithography equipment

Q&A in Response to Frequently Asked Questions from Investors

- Q** What is the demand outlook for the three main products in Advanced Materials Operations for the fiscal year ending March 31, 2026?
- A** For semiconductor-related adhesive tape, we expect continued strong investment in AI-related applications, and we are also projecting a market recovery for NAND flash memory starting in the fall. Sales of multilayer ceramic capacitor (MLCC)-related tape are likewise expected to grow due to rising demand for MLCCs in data centers and related applications. On the other hand, sales of semiconductor-related equipment are expected to decline compared with the fiscal year ended March 31, 2025, as demand for HBM-related manufacturing equipment is forecast to decline.



Featured Topic

Strengthening Production and Development Capabilities for Semiconductor-Related Equipment

Although sales of HBM-related equipment are expected to decrease in the fiscal year ending March 31, 2026, sales of other semiconductor-related equipment remain strong, and sales in the previous fiscal year reached a record high. To enhance our production capacity in line with growing demand and respond more effectively to customer needs, we have launched a reconstruction project for the Ina Technology Center, which handles everything from equipment design and development to manufacturing. A new development building is scheduled for completion in September 2026 and will support the continued growth of our semiconductor-related equipment business as it enters a new phase of expansion.

Optical Products Operations



Satoru Shoshi

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

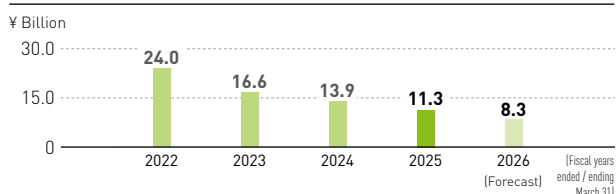
Review of the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025, we dissolved our production subsidiaries in South Korea and Taiwan that had been engaged in polarizing film adhesive processing and shifted our business strategy by scaling down our LCD-related business to focus on higher-performance areas such as organic electroluminescence (EL) displays. On the sales front, light-diffusing film was adopted for organic EL displays for tablets and high-barrier film made progress toward adoption in electronic paper applications. Although there were several positive developments, the overall business environment remained challenging. To lay the groundwork for a substantial earnings recovery in the fiscal year ending March 31, 2026, we also worked on various cost-cutting measures and pricing negotiations to build momentum going into the next fiscal year.

Strategic Direction for the Fiscal Year Ending March 31, 2026

In the fiscal year ending March 31, 2026, we expect to see the benefits of new products introduced in the previous fiscal year, including increases in sales volumes and the effects of price revisions. We believe that the key to achieving our targeted profit recovery will be the expansion of sales of the Opteria series, optical functional materials that leverage our precision thin-film coating technology. We are focusing on three priority areas: increasing sales of light-diffusing film, achieving profitability from high-barrier film during the fiscal year, and expanding sales of optical clear adhesive (OCA) for automobiles. Although we have scaled back the polarizing film business, we will continue to maintain production and quality systems for our existing partners in the field of organic EL displays.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Rollout of optical display-related adhesive products
- New product development and sales growth for OCA for automobiles and other products
- Development of light-diffusing film
- Development of barrier film
- Sales expansion for surface processing optical film

Q&A in Response to Frequently Asked Questions from Investors

Q What is the outlook for Optical Products Operations, which have been facing profitability challenges?

A In June 2024, we dissolved our consolidated subsidiary in South Korea, followed by the dissolution of our subsidiary in Taiwan in September of the same year. As a result, from the fiscal year ending March 31, 2026, this business operation will be conducted solely on a standalone basis. With the dissolution of these subsidiaries, which had seen a sharp decline in orders and were struggling financially, we expect profitability to improve in the current fiscal year. We are also working to expand sales of our proprietary products in the Opteria series, including onboard optical clear adhesive sheets, light-diffusing film, and high-barrier film. By executing stronger sales initiatives for these products, we aim to drive future growth.



Featured Topic

Proprietary Products, the Key to Profitability Improvement, Attracting Market Attention

High-barrier film, offered under the Opteria series, is drawing significant interest in the market. This business operation made its first appearance at neo functional material 2025, a trade show held in January at Tokyo Big Sight. We exhibited barrier film that protects internal devices and substrates from degradation due to moisture vapor for use in next-generation solar cells (perovskite solar cells) and electronic paper, promoting our industry-leading barrier performance. The films are now in the final stage of evaluation for adoption in electronic paper applications, while proposals for next-generation solar cell use are also underway.

Paper and Converted Products

Fine & Specialty Paper Products Operations



Satoshi Aoki

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

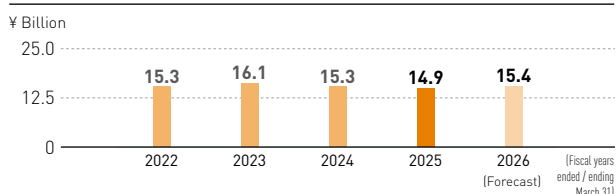
Review of the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025, although we saw strong demand for dust-free papers used in semiconductor interleaving applications for generative AI data centers, sales of our core product, color papers for envelopes, were sluggish. This was due to the growing shift from paper to digital media, as well as the impact of postage rate hikes that took effect in October 2024. On the profit front, despite various efforts such as reducing inventories, rationalizing product specifications, and revising pulp procurement methods, negative factors including a decline in sales volume, persistently high raw material prices, and rising logistics costs resulted in a very challenging outcome.

Strategic Direction for the Fiscal Year Ending March 31, 2026

For the fiscal year ending March 31, 2026, initiatives in this segment will focus on the goals of improving profitability, boosting sales volume, and creating new products. To enhance profitability, we will work to rebuild and optimize our production system and ensure appropriate inventory levels. To increase sales volume, we aim to promote a full transition from fluorine-based oil-resistant papers to fluorine-free alternatives by lowering production costs and improving quality for these high-demand products. On the product development front, we will leverage the equipment of Converted Products Operations to create high-value-added products. We will also strengthen collaboration with the Research & Development Division and production sites to accelerate the formulation and execution of new development themes with greater speed.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Efforts to expand applications for oil-resistant paper
- Development and sales growth for high-performance papers as plastic alternatives
- Creation of high-value-added products
- Increase in profitability

Q&A in Response to Frequently Asked Questions from Investors

Q Amid a business environment that remains challenging, what is your growth strategy going forward?

A This business operation continues to face declining orders for its core envelope papers, as a result of digitalization and the shift away from paper, as well as ongoing rises in the cost of raw materials, such as pulp and chemicals, and of logistics. In light of these conditions, we recorded an impairment loss of approximately ¥7.7 billion in the fiscal year ended March 31, 2025. In addition to the resulting reduction in fixed costs, we will continue to proactively implement structural reforms, such as rebuilding and optimizing our production system. At the same time, we are pursuing every possible avenue to increase sales, including expanding sales of existing products, fully transitioning to fluorine-free oil-resistant papers, and developing high-performance paper products as alternatives to plastic, such as transparent papers and biodegradable heat-sealing papers.



Featured Topic

Fluorine-Free Oil-Resistant Paper in the Spotlight

In recent years, moves to regulate the use of perfluoroalkyl and polyfluoroalkyl substances (PFASs) have been gaining traction, particularly in the United States and Europe. In the field of food packaging, such as wrappers for items like french fries, demand is rising for oil-resistant papers that do not use fluoropolymer coatings. Leveraging its proprietary papermaking technology, this business operation has been proactively developing and marketing fluorine-free oil-resistant papers ahead of PFAS regulatory trends, in response to growing environmental awareness. Adoption of these products is increasing, particularly among convenience stores and fast-food chains.

Converted Products Operations



Daisuke Kii

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

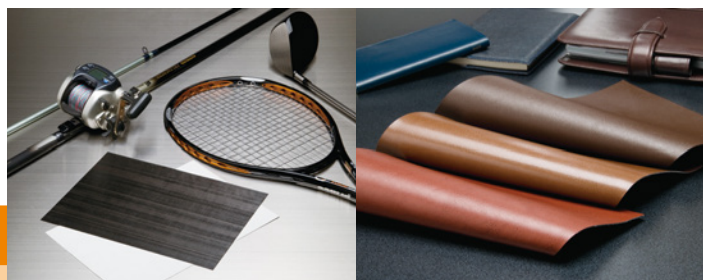
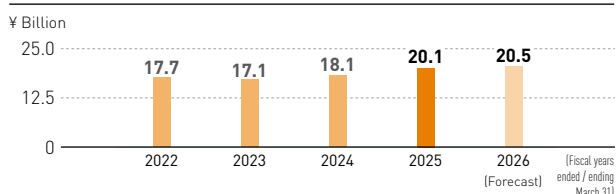
Review of the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025, demand for release paper used in adhesive products was sluggish, and casting paper for carbon fiber composite materials used in aircraft also faced weak performance due to production adjustments in the aerospace sector. On the other hand, release paper for electronic materials and release film for optical-related products performed well, particularly in high-end smartphone applications. In addition, with the recovery of the automotive market, casting paper for synthetic leather used in vehicle interior seats also remained strong. As a result, sales for this business operation exceeded those of the previous fiscal year overall.

Strategic Direction for the Fiscal Year Ending March 31, 2026

Although market trends remain uncertain in the fiscal year ending March 31, 2026, we will continue working to improve profitability by flexibly responding to customer needs while increasing sales volume and reducing costs. A new coating machine is scheduled to begin operation at the Komatsushima Plant in September 2025. This will support the global expansion of casting paper for synthetic leather, drive the development of new products, and boost our market share through initiatives such as expanding sales of casting paper for carbon fiber composite materials, where demand is expected to grow in the aerospace sector. We will also continue promoting environmentally friendly initiatives, which include advancing the solvent-free manufacturing of release paper and eliminating polyethylene lamination (depolymerization), key long-term themes aimed at enhancing our environmental performance.

Net Sales



Business Strategy (Main Initiatives in Medium-Term Business Plan LSV 2030-Stage 2)

- Enhancement of overseas deployment of casting paper for synthetic leather
- Sales growth for casting paper for carbon fiber composite materials
- Development of new, early-stage products
- Promotion of environmentally friendly products

Q&A in Response to Frequently Asked Questions from Investors

Q What market trends are most closely linked to the performance of Converted Products Operations?

A The answer differs by product category. General release paper for adhesive products tends to track with the market conditions of LINTEC's Printing & Variable Information Products Operations and Industrial & Material Operations, as it is often used in similar applications. Release paper for electronic materials and release film for optical-related products are linked to the market for smartphones and PCs. For example, demand tends to increase when multiple new smartphone models are released. Casting paper for synthetic leather is influenced by production trends in sectors such as sports footwear and automobiles, while casting paper for carbon fiber composite materials is tied to demand in the sports and leisure industries as well as increases in aircraft production.



Featured Topic

Stepping Up Efforts to Meet Environmental Needs

As part of the long-term vision's emphasis on reducing atmospheric emissions of volatile organic compounds, we are focused on expanding proposals and the adoption of solventless release paper, which does not use organic solventless manufacturing. We are working toward 100% of our release paper being solventless by 2030. Meanwhile, amid rising demand for plastic alternatives, this business operation is developing and promoting glassine-based release paper that achieves high smoothness without polyethylene lamination.