

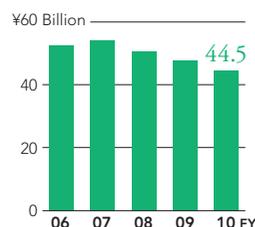
Our Business

PRINTING AND VARIABLE INFORMATION PRODUCTS OPERATIONS

In this division, adhesive papers and films for seals and labels, one of our mainstay products, possesses the leading share in the domestic market. Furthermore, we are aggressively exploring overseas markets, such as those in China and Southeast Asia.

In the fiscal year under review, there was recovery in demand for label materials for automobiles and consumer electronics products, which was a result of economic stimulus measures employed in Japan and overseas. However, on the whole, recovery in demand was sluggish, and accordingly net sales were down 6.7% year on year, to ¥44.5 billion.

NET SALES

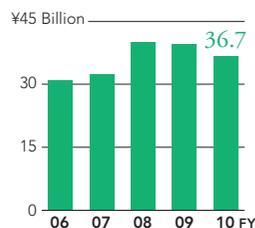


INDUSTRIAL AND MATERIAL OPERATIONS

This division offers an incredibly diverse lineup, including materials used for photovoltaic modules, automobiles, and various industrial products; barcode label supplies and devices; films for outdoor signs and advertising; and interior finishing mounting sheets.

In the fiscal year under review, while sales of PV backsheets recovered rapidly from fall 2009, sales of window films and marking films were stagnant. Accordingly, net sales declined 7.4% year on year, to ¥36.7 billion.

NET SALES

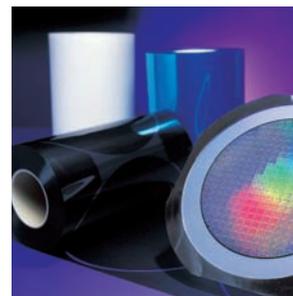
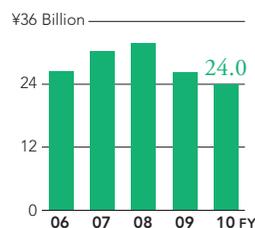


ADVANCED MATERIALS OPERATIONS

In this division, we provide such products as specialized adhesive tapes and related equipment essential in semiconductor manufacturing and mounting processes, as well as coated films for multilayer ceramic capacitor (MLCC) production.

In the fiscal year under review, there was exceptional recovery in demand for semiconductor-related tapes and coated films for MLCC production. However, sales were adversely affected by such factors as the stagnant demand seen during the period from January to March 2009, in which overseas sales subsidiaries had their first quarter, as well as the sluggish recovery of demand for semiconductor-related equipment. This resulted in a 9.3% year on year decrease in net sales, to ¥24.0 billion.

NET SALES

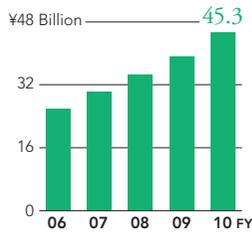


OPTICAL PRODUCTS OPERATIONS

This division conducts adhesive processing for the optically functional films used to make LCDs; anti-glare hard coat processing and other surface improvement processing; and the manufacturing of protection film, which is used to protect the surface of polarizing film from scratches and dirt, as well as other activities.

In the fiscal year under review, the economic stimulus measures employed around the world, as well as the robust demand from emerging nations, resulted in favorable sales of LCD televisions throughout Japan and the rest of the world. This, in combination with the increase in demand for smart phones, drove the volume of sales up. Accordingly, net sales rose 15.6% year on year, to ¥45.3 billion.

NET SALES

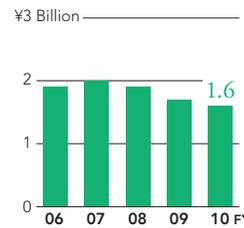


HEALTHCARE PRODUCTS OPERATIONS

Principal activities in this division are the development of an expanding oral film formulation that swells to a jelly when moistened by a small amount of saliva and that can be easily swallowed without water, and transdermal therapeutic patches, which enable medicine to be absorbed through the skin into the body when a patch that contains medicine in the adhesive is applied to the skin. Other important products include various pressure-sensitive adhesive products for medical treatment, such as first-aid bandages.

In the fiscal year under review, we launched new products, but this was unable to offset the poor sales of existing products, and consequently net sales fell 8.0% year on year, to ¥1.6 billion.

NET SALES

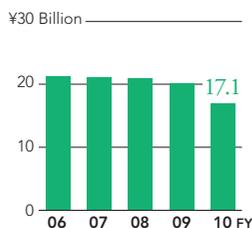


FINE AND SPECIALTY PAPER PRODUCTS OPERATIONS

Core products in this division include color papers for envelopes and colored construction papers, with LINTEC possessing the leading share in the domestic markets for both these products; industrial-use special function papers, such as lint-free paper for use in clean-room environments; high-grade printing papers with special textures; and high-grade papers for paper products used for business cards and postcards.

In the fiscal year under review, the economic recession resulted in significant decreases in demand for mainstay color papers for envelopes, as well as construction papers and industrial-related products. As a result, net sales were down 15.4% year on year, to ¥17.1 billion.

NET SALES

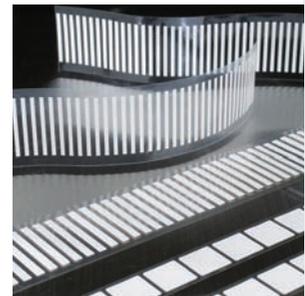
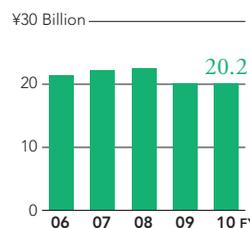


CONVERTED PRODUCTS OPERATIONS

In this division, we manufacture and market release papers and films for use with a variety of adhesive products. We also produce casting papers for carbon fiber composite materials. Going forward, we have high expectations for carbon fiber due to its increased usage, such as in the bodies of aircraft and automobiles. Additionally, we produce casting papers that are indispensable in the production of synthetic leather.

In the fiscal year under review, sales of release films for optical-related products, release papers for flexible printed circuit (FPC) production, and casting papers for synthetic leather continued to see strong recovery. Accordingly, net sales rose 0.7% year on year, to ¥20.2 billion.

NET SALES

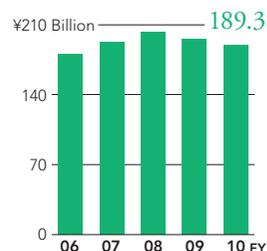


Financial Highlights

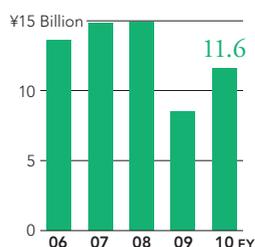
	Millions of yen except per share data			Thousands of U.S. dollars except per share data*	% change 2010 / 2009
	2010	2009	2008	2010	
Net sales	¥189,348	¥194,901	¥202,297	\$2,035,124	(2.8)
Operating income	11,576	8,498	14,894	124,424	36.2
Income before income taxes	11,399	5,215	13,191	122,523	118.6
Net income	7,284	3,391	9,308	78,290	114.8
Return on equity	6.2%	2.9%	8.0%	6.2%	—
Per share data (yen and dollars)					
Net income	¥ 96.36	¥ 44.86	¥ 123.15	\$ 1.04	114.8
Net assets	1,596.37	1,497.58	1,598.30	17.16	6.6
Cash dividends	24.00	20.00	24.00	0.26	20.0
Depreciation and amortization	¥ 10,537	¥ 11,286	¥ 9,011	\$ 113,255	(6.6)
Purchases of property, plant and equipment	(7,777)	(9,584)	(14,700)	(83,592)	18.9
Net cash provided by operating activities	22,259	12,979	17,739	239,245	71.5
Net cash used in investing activities	(9,253)	(9,752)	(15,071)	(99,454)	5.1
Net cash used in financing activities	(3,454)	(2,300)	(769)	(37,132)	(50.2)
Cash and cash equivalents	25,387	15,370	17,315	272,864	65.2
Total assets	195,656	172,854	204,852	2,102,925	13.2
Net assets	121,502	113,930	121,635	1,305,915	6.6

*The U.S. dollar amounts are translated, for convenience only, at the rate of ¥93.04 to U.S.\$1, the exchange rate prevailing on March 31, 2010.

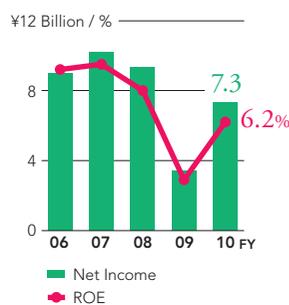
NET SALES



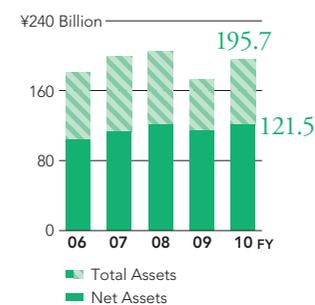
OPERATING INCOME



NET INCOME / ROE



TOTAL ASSETS / NET ASSETS



FORWARD-LOOKING STATEMENTS: All statements contained in this annual report, such as projected operating results, that are not historical facts are forward-looking statements based on the Company's estimates and plans. For various reasons, it is possible that the Company's future results, performance, or achievements will differ from the contents of these forward-looking statements.