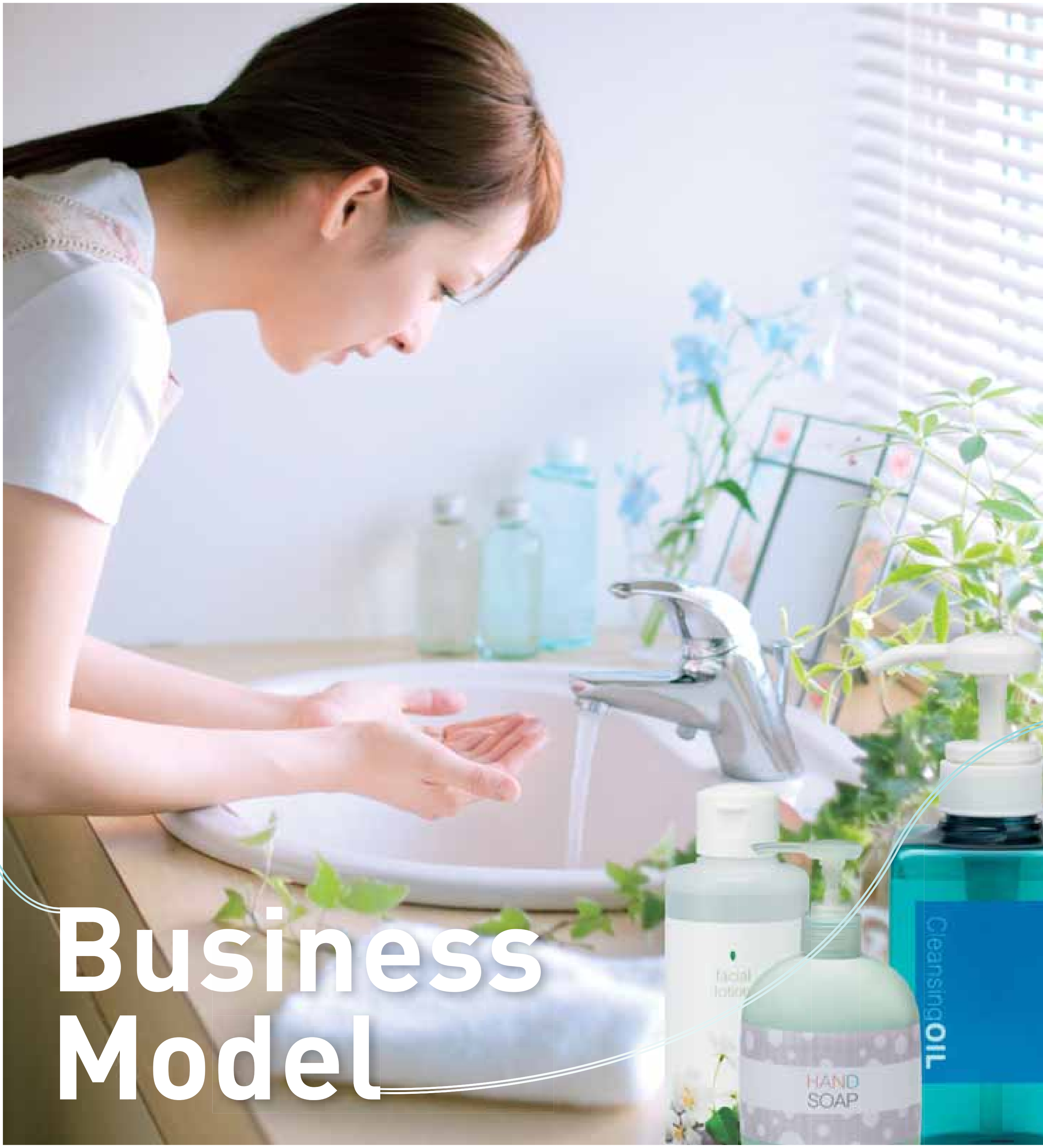
LINTEC
ANNUAL
REPORT
2013

For the year ended
March 31, 2013

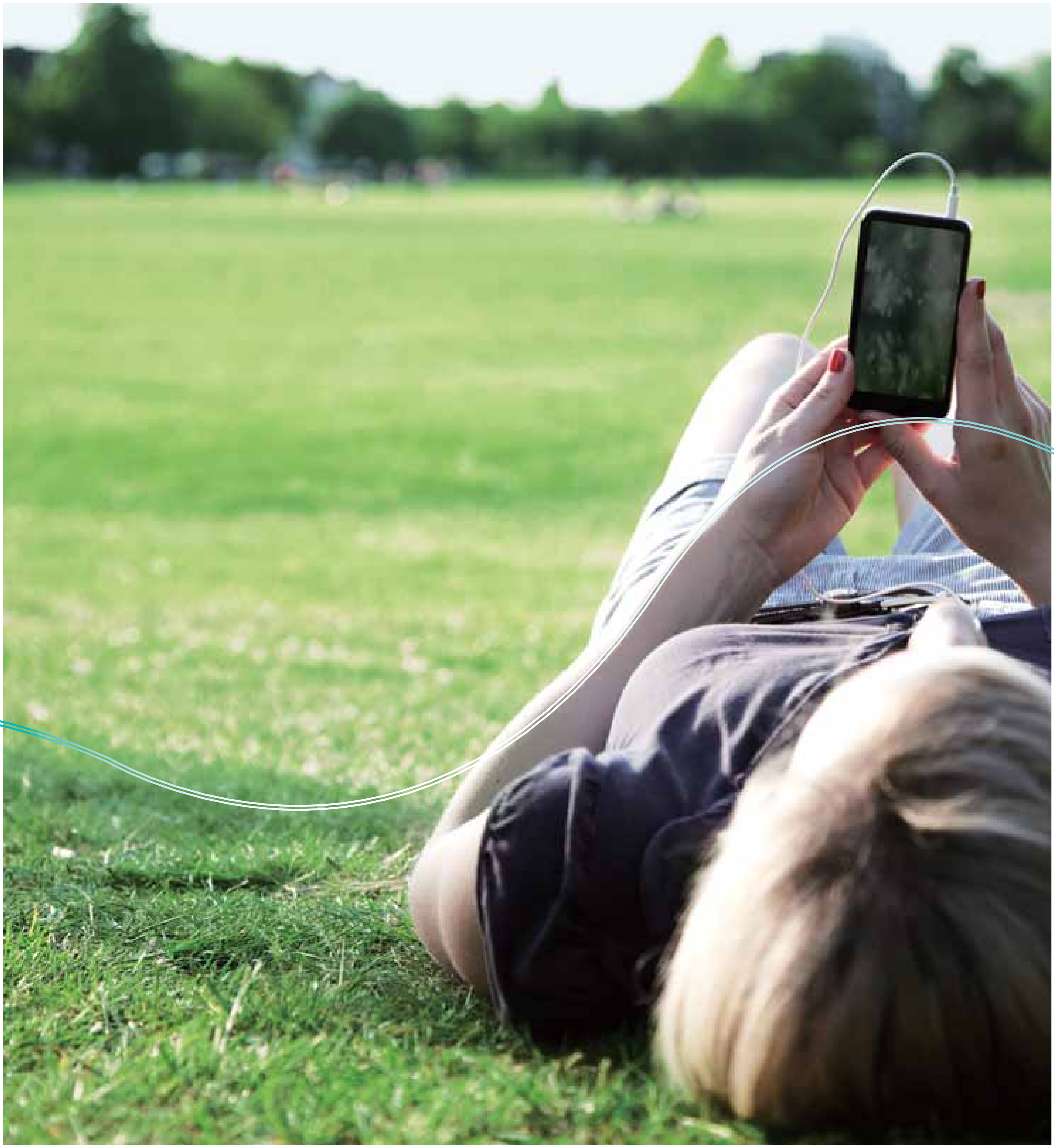
LINTEC Sustained Growth Driven by Our Unique Strengths



Business Model

Our Unique Strengths

Founded in 1927, LINTEC is a comprehensive manufacturer of adhesive products and specialty papers. Our mainstay adhesive papers and films for seals and labels are used in an array of products around you, including daily necessities, food, medicine, stationery, and consumer electronics. LINTEC's products are not limited to only the seals and labels field, as it has steadily extended its engagement with the industrial world through window films for applying to window glass, sheet materials for outdoor signs and interior finishing, and automobile-use adhesive products.



Furthermore, the Group's performance is currently being strongly driven by products leveraging cutting-edge adhesive and release technologies based on the development results of the above items, such as semiconductor-related tapes, optical functional films for LCDs, and coated films for electronic component production, which are enjoying increased demand due to greater usage of smartphones and tablets. Rather than remaining in one specialized part of the market, by handling a wide variety of products including these kinds of growing fields we are building a business structure that is more resilient to changes in economic conditions.

R&D Capabilities

As a technology-centered company, LINTEC is supplying various sheet materials making use of precise thin-film coating technologies as well as designing and developing adhesives and surface coatings. It is also working on related equipment for attaching and removing adhesive products and performing printing. By offering label printing machines, labeling machines, electronic devices, and other such items alongside a broad spectrum of adhesive products within a total package, we are meeting a wide range of customer needs.

Global Expansion

From its launch of label printing machines and adhesive products onto the Chinese market in 1974, LINTEC has steadily been globalizing its operations. Presently it is focusing efforts on further expanding its network centered on rapidly growing markets in Asia, including China, Taiwan, South Korea, Indonesia, Singapore, Thailand, Malaysia, Vietnam, and India. In line with these efforts, we are actively cultivating globally-oriented staff.

Corporate Culture

The spirit of valuing free discussion and communication has been handed down as a tradition at LINTEC. While we place a priority on harmonious teamwork, our corporate culture respects the creative ideas of individual employees. These ideas have been the driving force behind LINTEC's development of high-value-added products. We are achieving continued growth through all LINTEC employees proactively striving to create innovation, rather than being satisfied with the current state of affairs.

Linking your dreams

to the future through technologies.
We are LINTEC.

Linkage + Technology = LINTEC

Reflected in our company name, LINTEC—formed from "linkage" and "technology"—our entire workforce is strongly committed to linking people with technologies to create new value. Our four characteristic technologies are adhesive applications, surface improvement, system development, and specialty papers and release materials production, and by blending these at a high level, we are creating products and technologies our customers have never seen before, enabling them to turn their dreams into reality. Further, our goal is to implement corporate social responsibility (CSR) -based management to further develop as a company that is highly regarded and trusted by all of its stakeholders.

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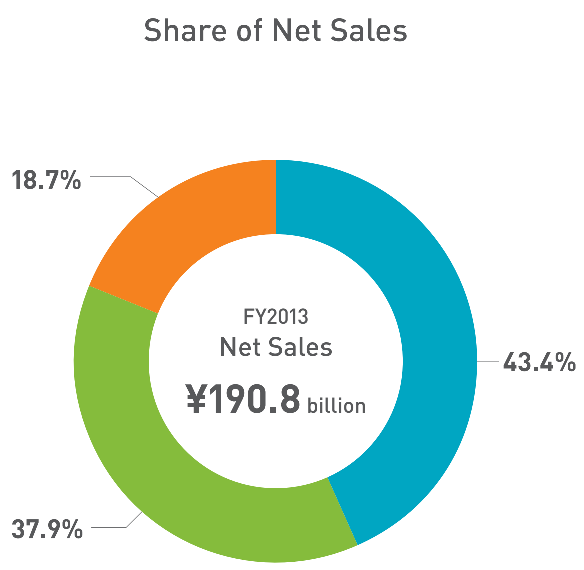
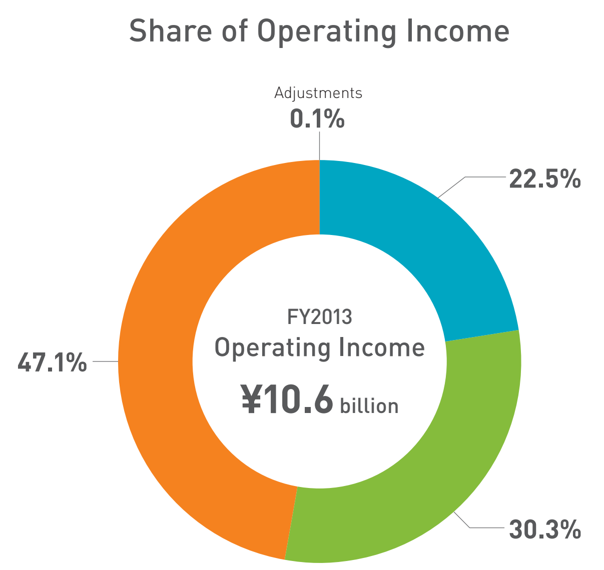
Business Overview





Printing and Industrial Materials Products

This segment consists of Printing and variable information products operations and Industrial and material operations.

In our Printing and variable information products operations, we conduct the production and sales of adhesive papers and films for seals and labels, which are the LINTEC Group's mainstay products. Our adhesive films perform particularly well, boasting a share of over 50% of the domestic market. We are also targeting the expansion of our share in such overseas markets as China and Southeast Asia through the enhancement of production and sales bases in these markets.

In our Industrial and material operations, we deal in a wide variety of products, including specialty adhesive products for use in automobiles and mobile devices, PV backsheets, label system-related equipment, materials for outdoor signs and interior finishing, and even window films for saving electricity and glass shatter-proofing purposes for which demand has been growing in recent years.

Printing and Variable Information Products Operations

Main Products

- Adhesive papers and films for seals and labels
- Label printing machines

Industrial and Material Operations

Main Products

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

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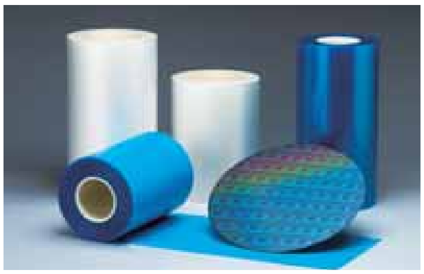
Management's Discussion and Analysis
Please see pages 23-24.

Electronic and Optical Products



This segment consists of Advanced materials operations and Optical products operations.

In our Advanced materials operations, we develop and 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 and various materials for touch screens.

In our Optical products operations, we conduct adhesive processing for optical functional films, including polarizing films and retardation films used to make LCDs; surface improvement processing for polarizing films, such as antiglare hard coat processing, which protects films from scratches and reduces reflectivity; and the manufacturing of protection films for polarizing films.

Advanced Materials Operations

Main Products

- Semiconductor-related tapes and equipment
- Coated films for MLCC production
- Touch screen-related products

Optical Products Operations

Main Products

- Polarizing films and retardation films (adhesive processing)
- Polarizing films (surface improvement processing)
- Protection films for polarizing films

Paper and Converted Products

This segment consists of Fine and specialty paper products operations and Converted products operations.

In our Fine and specialty paper products operations, we produce and sell color papers for envelopes and colored construction papers, products for which LINTEC holds the leading share in domestic markets; lint-free papers for use in cleanroom environments that almost completely prevent the occurrence of dust; oil-resistant papers for food packaging; high-grade printing papers with special textures; and high-grade papers for paper products used for business cards and postcards.

In our Converted products operations, we provide release papers and films that protect the adhesive surfaces of a variety of adhesive products. Additionally, we produce casting papers that are used as patterning papers for placing designs on synthetic leather. We also manufacture casting papers for carbon fiber composite materials, essential for the process of hardening the fine carbon fiber into sheet form. Demand is expected to rise for carbon fiber with increased usage, such as in the bodies of aircraft.

Fine and Specialty Paper Products Operations

Main Products

- Color papers for envelopes
- Colored construction papers
- Special function papers
- High-grade printing papers
- High-grade papers for paper products

Converted Products Operations

Main Products

- Release papers and films for adhesive products
- Casting papers for synthetic leather
- Casting papers for carbon fiber composite materials

Performance Highlights

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31

Financial Data

	Millions of yen			Thousands of U.S. dollars*	% change
	2013	2012	2011	**2013**	2013 / 2012
Net sales	**¥190,844**	¥200,905	¥212,733	**$2,029,179**	(5.0)
Operating income	**10,564**	13,975	20,889	**112,329**	(24.4)
Income before income taxes	**10,836**	13,382	19,565	**115,219**	(19.0)
Net income	**7,681**	8,648	13,622	**81,671**	(11.2)
Return on equity (ROE)	**5.6%**	6.6%	10.9%	**—**	—
Per share data (yen and dollars)					
Net income	**¥ 102.83**	¥ 115.26	¥ 180.21	**$ 1.09**	(10.8)
Net assets	**1,909.57**	1,766.60	1,715.78	**20.30**	8.1
Cash dividends	**34.00**	40.00	40.00	**0.36**	(15.0)
Depreciation and amortization	**¥ 10,141**	¥ 10,079	¥ 10,178	**$ 107,833**	0.6
Capital expenditures	**12,293**	11,684	10,058	**130,715**	5.2
Net cash provided by operating activities	**19,619**	18,910	23,307	**208,606**	3.7
Net cash used in investing activities	**(13,966)**	(12,262)	(9,926)	**(148,499)**	13.9
Net cash used in financing activities	**(2,877)**	(5,099)	(2,820)	**(30,593)**	(43.6)
Cash and cash equivalents	**40,739**	36,036	35,188	**433,172**	13.1
Total assets	**216,048**	210,203	206,188	**2,297,163**	2.8
Net assets	**143,569**	132,847	130,576	**1,526,526**	8.1

Non-Financial Data

	2013	2012	2011	**2013**	2013 / 2012
CO_2 Emissions (1,000 tons of CO_2)	**184**	169	183	**—**	8.9
Number of employees	**4,270**	4,286	4,198	**—**	(0.4)
Disabled employee employment ratio (%)	**1.74**	1.71	1.73	**—**	—

* The U.S. dollar amounts are translated, for convenience only, at the rate of ¥94.05 to U.S.$1, the exchange rate prevailing on March 31, 2013.

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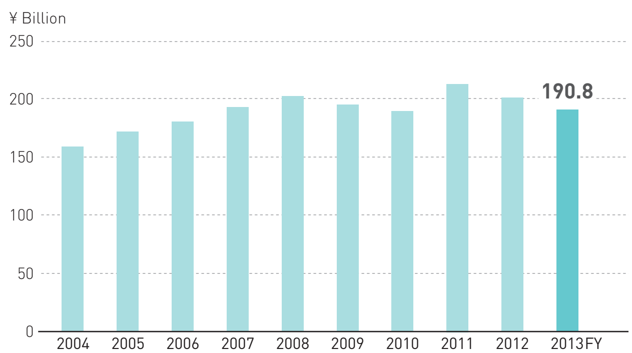
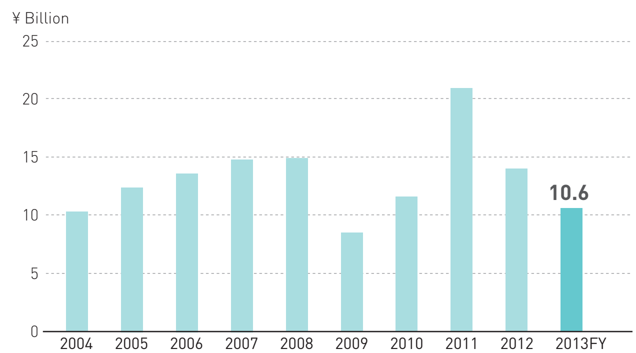
Financial Summary
Please see pages 26-27.

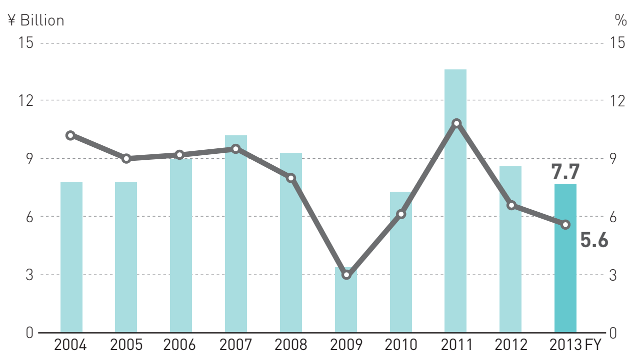
Net Sales



Operating Income

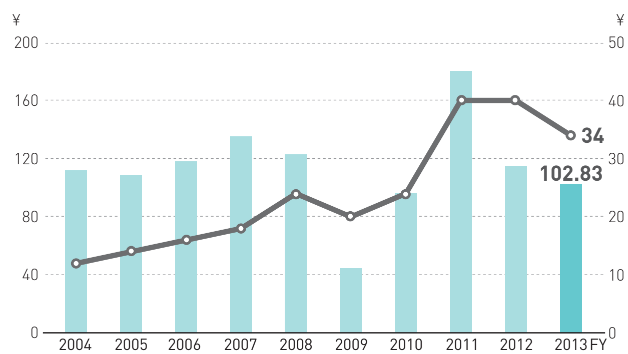


Net Income / ROE



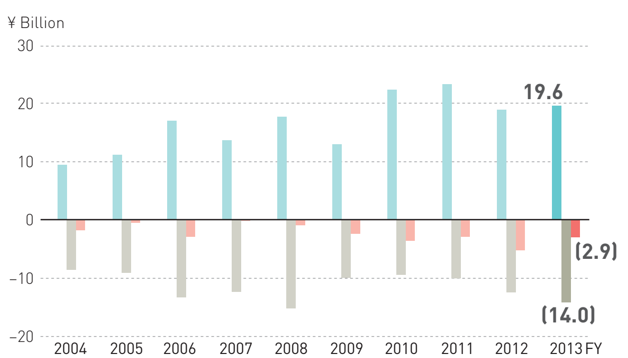
Net Income
ROE (right scale)

Net Income per Share / Cash Dividends per Share



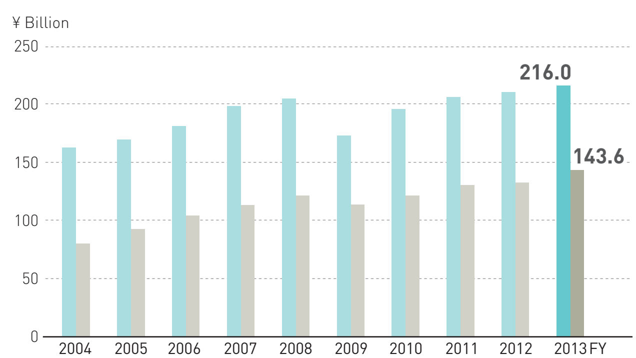
Net Income per Share
Cash Dividends per Share (right scale)

Cash Flows



Net Cash Provided by Operating Activities
Net Cash Used in Investing Activities
Net Cash Used in Financing Activities

Total Assets / Net Assets



Total Assets
Net Assets

From the President

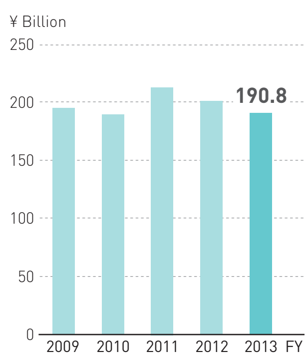
A Look Back at the Fiscal Year under Review

Sales and income were down due to stagnation in overseas economies and yen appreciation.

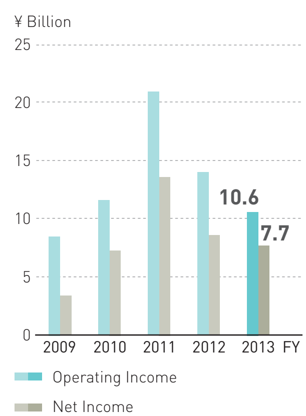
In the fiscal year under review, ended March 31, 2013, the world economic environment was tough overall, despite gentle recovery in the United States buoyed by improvements in the housing market and consumer spending. Conditions in Europe became more difficult due to the worsening of the debt crisis and the employment situation, while emerging economies such as China and India experienced a slowdown in growth as a result of stagnation in exports to Europe and personal consumption. In Japan, expectations of economic recovery are rising following high stock prices and the correction of yen appreciation since the end of last year, but recovery is proving to be extremely slow because of reduced exports related to the poor state of overseas economies and over-appreciation of the yen as well as declining consumer confidence.

As a result of the above factors, sales and income both declined in comparison with the year ended March 31, 2012, with consolidated net sales down 5.0% year on year, to ¥190.8 billion, operating income down 24.4%, to ¥10.6 billion, and net income down 11.2%, to ¥7.7 billion.

Net Sales



Operating Income / Net Income



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Performance by Operational Segment

For details of performance by operational segment, please see "Performance by Operational Segment" on page 23.

Forecasts for the Fiscal Year Ending March 31, 2014

Following domestic and overseas economic recovery, we expect increased sales and income.

Regarding forecasts, although concerns remain about Europe's economic stagnation, recovery is strengthening in the United States, and stable growth is expected to continue in emerging economies, including China and India, as a result of recovery in exports and consumer spending. In Japan too, better corporate performance from improvement in the export environment, due to factors including yen depreciation and a pickup in overseas demand, as well as an upturn in consumer confidence stemming from high stock prices are expected to lead to genuine recovery in the second half of the fiscal year.

In this economic environment, in the fiscal year ending March 31, 2014, we are forecasting net sales of ¥210.0 billion, up 10.0% year on year, operating income of ¥15.0 billion, up 42.0%, and net income of ¥10.5 billion, up 36.7%.

Forecasts by Operational Segment

Printing and Industrial Materials Products: net sales ¥90.5 billion, up 9.3% year on year, operating income ¥3.8 billion, up 58.3%

Printing and variable information products operations

- Adhesive papers and films for seals and labels: increased domestic demand related to food, consumer electronics, and automobiles, and recovery in orders in Asia

Industrial and material operations

- Automobile-use adhesive products: increased demand as Japanese automobile manufacturers produce record number of vehicles worldwide and sales of two-wheeled vehicles in Asia show recovery
- Window films: positive effects of constructing a direct sales network in the United States

Electronic and Optical Products: net sales ¥82.4 billion, up 14.0% year on year, operating income ¥7.1 billion, up 121.9%

Advanced materials operations

- Semiconductor-related tapes: growth through continued increase in demand related to mobile products, including smartphones
- Coated films for MLCC production: solid sales with traction provided by smartphone demand. Our films are well-regarded for use with high-end products
- Touch screen-related products: focus on development and sales expansion of new products

Optical products operations

- Optical functional films: increased demand through recovery in orders for flat-screen TVs and increasingly wide-spread usage of smartphone and other products

Paper and Converted Products: net sales ¥37.1 billion, up 3.9% year on year, operating income ¥4.1 billion, down 18.0%

Fine and specialty paper products operations

- Special function papers: increased demand for oil-resistant papers and other papers

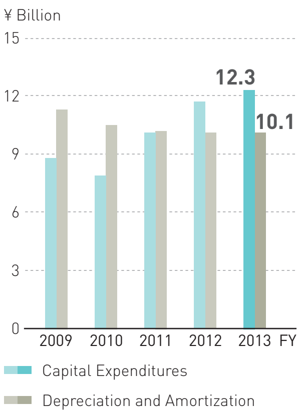
Converted product operations

- Release papers for flexible printed circuit (FPC) coverlayers: solid sales through positive effects of tablet and smartphone demand
- Casting papers for carbon fiber composite materials: increased demand due to expanded usage of carbon fibers, including in new model passenger aircraft
- Casting papers for synthetic leather: trend toward recovery in orders, growth in China

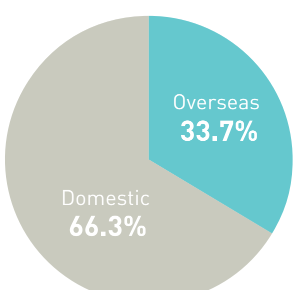
Our Management

From the President

Capital Expenditures / Depreciation and Amortization



Overseas Sales as a Percentage of Total Sales



LINTEC (THAILAND) CO., LTD.

Activities for the Year Ending March 31, 2014

We are working in unison Company-wide to reform costs.

Based on its management policy positioning the year ending March 31, 2014, as a year to meet challenges and move into new growth areas, LINTEC is working to build an operating base that can reliably create income, despite the difficult operating environment, and to establish a strong corporate structure. In April 2013, we reformed our head office organization, setting up a new Cost Innovation Division. Previously, activities for cutting costs were centered on the Production Division, which achieved a degree of success. However, the Cost Innovation Division is now at the center of cost-cutting efforts, working closely with each plant to thoroughly eliminate waste, attacking the problem from various directions through measures including reductions in raw material costs, product integration, eradication of dead stock, and rationalization of order acceptance and delivery operations. The division will also actively examine and consider the integration and reorganization of facilities at domestic production and processing sites, including Group companies, and improvement proposals from suppliers regarding changes in the means of supply of raw materials. It will make further efforts, more meticulous than ever, to implement radical reform at a Company-wide level including not only production divisions but also marketing and R&D divisions.

Activities for the Year Ending March 31, 2014

We will further bolster and expand overseas operations.

LINTEC is pushing forward with globalization of its operations, centered in Asia, based on its policy of manufacturing products nearer to customers to ensure a stable supply through local production.

During the fiscal year under review, we completed our second plant at LINTEC (SUZHOU) TECH CORPORATION, which produces adhesive films for seals and labels and other items, and built and put into operation an adhesive film and release paper plant at LINTEC (THAILAND) CO., LTD., which was founded in 2011. In the year ending March 31, 2014, we expect further increases in sales and income through meeting expanded local product demand, development and establishment of new sales routes, and boosted cost competitiveness as a result of measures including a greater proportion of local procurement.

In the fiscal year under review, we established the company LINTEC HI-TECH (TAIWAN), INC., as a sales base for Printing and Industrial Materials Products. While considering future strengthening of cooperation with LINTEC (THAILAND) CO., LTD., and other companies, in Taiwan, where there are many electronics manufacturing service companies, we are working to expand sales centered on industrial-use adhesive tapes used in the production of smartphones and tablets. In order to reliably capture demand in emerging economies, we are considering Vietnam and India as our most promising candidates for building new plants, following our plant in Thailand, and in preparation for that, we are making efforts to set up sales expansion and delivery systems in both countries. At the end of 2012, we established a new sales base in Hanoi, Vietnam. We plan to introduce cutting facilities and begin operations by the start of 2014. We are also focusing efforts on expanding operations in the Indian market, and having completed local incorporation of our representative office in New Delhi, we plan to establish a delivery center in Mumbai with warehouses and cutting facilities in the fiscal year 2014.

As of March 31, 2013, overseas sales represented 33.7% of LINTEC's total sales, and we aim to quickly increase this percentage to more than 40% as we continue to work proactively to globalize our business.

Shareholders Returns

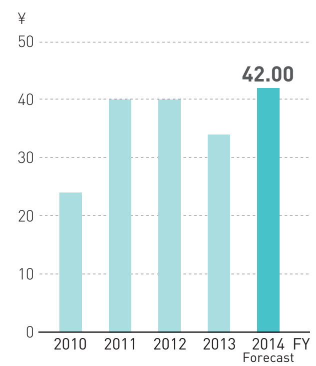
By changing our basic policy, we have clarified the high value we put on shareholders.

LINTEC's basic policy regarding the appropriation of profits was "to increase business earnings and strengthen the Company's financial position from a long-term perspective while paying dividends that reflect consolidated business results." Based on this policy, we issued dividends as initially planned, paying ¥34.00 per share, which resulted in a consolidated payout ratio of 33.1%.

From fiscal year 2014, in order to clarify the high value we put on our shareholders, we changed our basic policy regarding the appropriation of profits as follows. "LINTEC regards enhancement of return of profits to shareholders as one of its most important management issues and fundamentally aims to provide stable and continued returns after consideration of each fiscal year's consolidated performance while strengthening its management base. Internal revenues are used effectively to reinforce the Company's financial base and provide increased future corporate value through investment in production facilities and R&D."

For the fiscal year ending March 31, 2014, based on projections of consolidated net income of ¥10.5 billion, which will equate to net income per share of ¥140.57, we intend to issue dividend payments of ¥42.00 per share.

Cash Dividends per Share



In Closing

As previously stated, as a year to meet challenges and move into new growth areas, we have positioned the fiscal year ending March 31, 2014, as important to LINTEC in returning our performance to an upward trajectory. Employees throughout the Group will strive in unison to reform costs and build a lean corporate structure with no waste in order to increase income. Also, LINTEC's biggest goal will be to ensure the Group's products and services are useful for customers, and by doing so, steadily increase our loyal users. We will continue to work to prioritize customers and exceed their expectations with our products and services. We will also consider CSR in all our activities, maintaining high ethical values and a sense of responsibility as a member of society and promoting CSR management together with all our employees.

In closing, I would like to ask our shareholders and other investors for their continued support.

August 2013

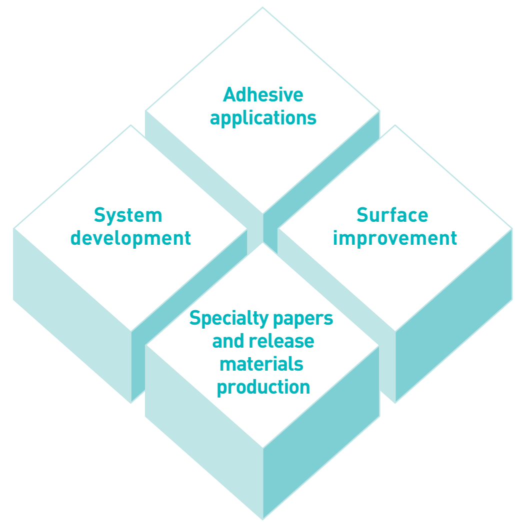
Akihiko Ouchi
President and CEO

R&D Activities and Intellectual Property

Basic R&D Policy

By developing functional materials and related processing technologies that fuse our four core technologies in a sophisticated manner and conducting research that emphasizes dialogue with markets regarding user needs, we are working to resolve customers' technological issues, and through this process are developing many innovative, market-leading products.

As a technology-centered company, we realize that strengthening R&D capabilities is one of our most important management strategies for achieving sustainable growth. Therefore, we are developing new high-value-added products and environmentally friendly products with a particular focus on growth businesses while also working to accelerate LINTEC's globalization.



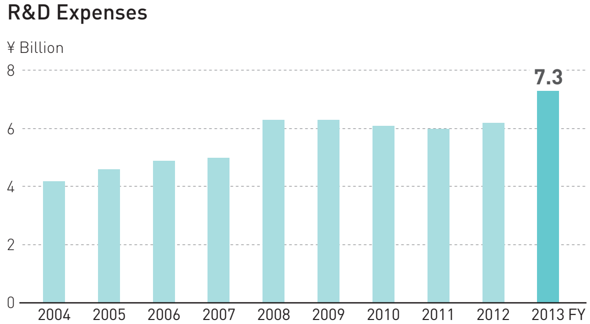
R&D System

The LINTEC Group's R&D function is focused in the Research Center within the Research & Development Division, which has approximately 200 research personnel. With a complete array of the very latest analytical equipment, pilot coaters, and clean-room facilities, the Research Center collaborates closely with production engineering divisions to develop a range of coatings and other products. In the fiscal year 2014, we plan to invest in the further construction of Research Center buildings to bolster our R&D system. Our Ina Technology Center, also part of the Research & Development Division, develops and manufactures a wide variety of equipment, particularly semiconductor-related equipment, and also label printing machines and labeling machines. The Group also has an R&D base in Boston, in the United States, which mainly studies creative technologies with possible application to adhesive products and industrial-use multilayer materials, and researches the commercialization of these technologies. We are not only conducting in-house R&D but are also proactively furthering technological alliances between industry, government, and academia. Our goal is to develop new technologies and products by integrating different technological areas.

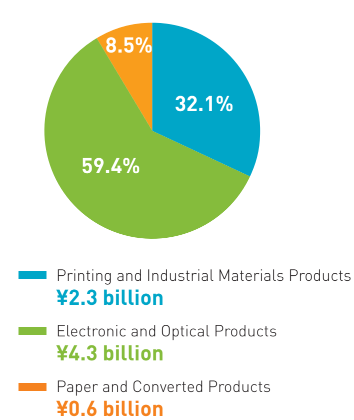
Successful R&D Initiatives in the Fiscal Year under Review

In the fiscal year under review, the R&D expenses incurred by the Group amounted to a total of ¥7.3 billion. The following is an overview of the principal R&D activities conducted by each operational segment.

R&D Expenses



R&D Expenses by Operational Segment in FY2013



Printing and Industrial Materials Products

Printing and variable information products

In order to meet demand for labels, such as POP and eye-catching labels, that allow easy reuse or recycling of containers after being removed, we developed label materials using new adhesives. We launched these label materials, which are strongly adhesive yet leave little glue when removed, as the REPOP brand. We also added silicone low-adhesion items, which make sticking easier, to our REPOP series lineup, making possible expansion to a variety of other applications.

In printing equipment-related products, we are developing printing machines that are optimally suited to the special characteristics of the Company's label materials. In the year under review, we continued to improve the LPM-300 intermittent letterpress and develop low-priced printing machines for the Chinese market. We also worked to develop equipment that combines roll-to-roll web handling technologies and processing technologies.

REPOP

Industrial and material products

We developed new manufacturing technologies for PV backsheets, used to protect the backs of PV modules, launching the highly durable Reflekt series, which does not use any adhesives in forming the multilayer structure. We also developed the new product LAG JET U-IJ E-2203RC, a material for large-sized digital printing used for glass decoration purposes. It is a silicone low-adhesion item that makes possible clean and easy sticking through the release of air bubbles and water.

In industrial equipment-related products, meanwhile, our development activities are centered on labeling systems for the automated application of adhesive labels using LINTEC's label materials. In the fiscal year under review, we continued to focus on the development of equipment for the automobile, distribution, and mail-order industries.

Electronic and Optical Products

Semiconductor-related materials

Through the DBG+LE system that combines dicing before grinding (DBG) system technology with LE tape technology, which can create tape that functions as both dicing tape and die bonding tape, we made possible even thinner large-scale integration (LSI) chips with more layers, which are suitable for solid state drives (SSDs) that are an alternative to hard disk drives.

In electronic equipment-related products, our development activities are centered on application equipment that facilitates the efficient use of the protection tapes for wafer surfaces and dicing tapes used during semiconductor chip manufacturing back-end processes. In the fiscal year under review, we continued to focus development efforts on equipment compatible with ultrathin silicon wafers as well as on processing methods and environmentally friendly equipment.


Semiconductor-related equipment

R&D Activities and Intellectual Property

Optical functional materials

We developed adhesives for polarizing films and touch screens used in mobile products. We also developed special films that can control the region of diffusion through proprietary optical design. We have expectations that these materials will be used in displays and digital signage applications.

Paper and Converted Products

In specialty papers, we developed the new high-grade white printing paper Nuage, which is suitable for offset printing, mimeograph printing, and a wide variety of imprinting such as laser, inkjet, and thermal transfer, as well as being optimal for on-demand printing. We also developed parking ticket paper that excels in being easy to feed, punch, and apply magnetic coating to.

In release materials, with the goal of enhancing our lineup of environmentally friendly products, we launched two new release papers that are produced with non-solvent formulations. We also developed a coating that curtails decreases in optical properties by preventing compounds leaking from polyester films in hot environments.

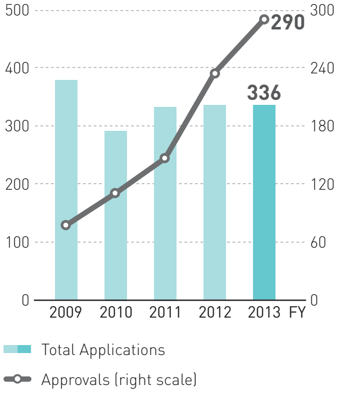
Nuage

Intellectual Property Activities

The LINTEC Group aims to increase corporate value by developing original products that meet customer needs. We therefore realize that intellectual property, such as patents, trademarks, and design rights, are important management resources. Further, we have established the Intellectual Property Department within the Research & Development Division. This department promotes strategic Company-wide intellectual property activities that are absolutely essential to our existence as a technology-centered company by handling patent application processes, vigilantly monitoring these rights to prevent infringement, participating in product development from the first stages, and seeking to uncover new invention candidates at R&D sites.

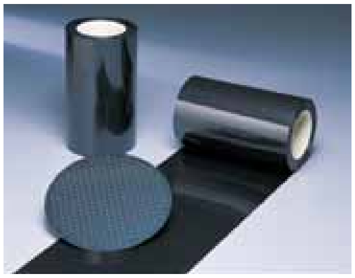
The Company places the utmost emphasis on observing the intellectual property rights of other companies as well as increasing the number and quality of patent applications and rights acquisitions. Accordingly, we are working to expand and build our portfolio of patents for foundation businesses and growth businesses, to provide intellectual property support for operations shifting to overseas locations, and to train more employees with a view to advancing and accelerating development processes. Through those efforts, we aim to improve profitability based on our intellectual property.

Patent Applications and Approvals (Japan)



R&D Topics

At the forefront of semiconductor-related tape development



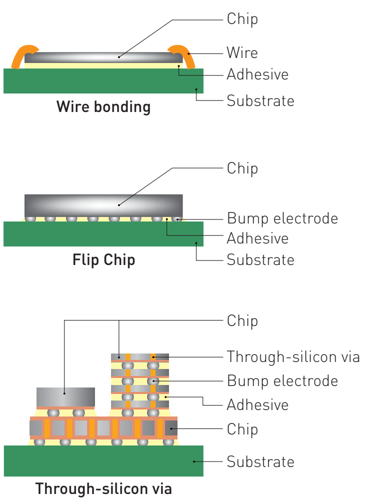
LINTEC's semiconductor-related business began in 1984 with the development of a fixing tape product to be used in the wafer cutting process. It was a tape called dicing tape that held the wafer firm with great adhesive strength at the time of cutting and then after cutting was irradiated with ultraviolet rays to reduce the adhesive strength, making it possible to cleanly and easily pick up the chips one by one. LINTEC's technology, which allowed predictable control of adhesiveness, created a revolution in the industry, and the Company has since launched many such high-performance products onto the market under the Adwill (Adhesion Level at Will) brand. LINTEC boasts the highest market share in the global dicing tape market and is also establishing a strong position in the surface protection tape field.

Semiconductor chip manufacturing back-end processes

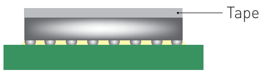
Recently in the semiconductor industry, in order to make the semiconductor package even smaller and slimmer and to simplify processes, rather than using the wire bonding method whereby chips are connected to the substrate with wires, it is becoming common to use either the flip chip mounting or the through-silicon via method. In the flip chip mounting, bump electrodes are formed on the circuit side of the chip, and the chip is flipped so that the circuit side is facing downward when it is mounted on and connected to the substrate. In the through-silicon via method, holes are made in the chips themselves and electrodes passed through the chips, which are layered, so as to connect each layer to the substrate. Accompanying the common use of these methods, as large bump electrodes are formed on the circuit side and reverse side of the wafer, development of surface protection tape and dicing tape able to withstand unevenness on both sides has become a major research theme.

LINTEC is also expanding its development to include the field of materials directly used in the composition of semiconductor packages. An example is adhesive used for chip mounting and stacking. As mounting technologies evolve, demand is arising for adhesives that allow bump electrodes to completely break through and come into contact with lower layers. We are also developing and proposing unique products based on our entirely proprietary ideas and technologies, such as back surface protection tape with improved heat dissipation for use in flip chip mounting and sealant tape that can be used in a wider range of fields than difficult-to-handle liquid resins. We will continue to leverage the special features of our adhesive tapes and bring innovation to semiconductor manufacturing processes going forward.

Various methods for mounting chips



Back surface protection tape for flip chip mounting



Corporate Social Responsibility

Basic Approaches and Promotion System

The LINTEC Group is furthering its activities centered on corporate social responsibility (CSR) activities that are based on its company motto, "Sincerity and Creativity." We have set our basic CSR approaches as, "thorough implementation of corporate ethics and compliance," "shareholder- and investor-oriented management," "improved customer satisfaction," "environmentally friendly operations," "social contribution," and "safety- and health-related activities," and are conducting CSR activities throughout the Company centered on the CSR Management Office, which reports directly to the president, and its six subcommittees, which consist of members from all areas of the Company.

In 2011, LINTEC announced its participation in the United Nations Global Compact. We practice CSR management based on global standards, such as ISO 26000, paying attention to such areas as human rights protection, maintenance of labor standards, environmental consideration, and anti-corruption, with the aim of being a company that is trusted and highly respected by the international community.

CSR Promotion System As of April 1, 2013

Basic Commitments of the Committees

Corporate Ethics Committee
Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day

Investor Relations Committee
Conduct management that emphasizes shareholders and investors, and take action to improve the corporate brand

Customer Satisfaction Committee
Provide a stable supply of products and improve quality management and service based on the key concepts of assuring customers of reliability and fulfilling our responsibilities

Environmental Preservation Committee
As a materials manufacturer, conduct Company-wide activities in production, R&D, and other areas based on the principle of reducing the environmental impact and effectively using resources

Social Contribution Committee
As a good corporate citizen of both the local communities where we operate and the wider international community, help solve social challenges and carry out activities that contribute to the sustainable development of societies

Safety, Disaster Prevention, and Health Committee
Proactively develop workplace environments where people can work with security, based on the concept of improving employee satisfaction

Together with Employees

Respecting human rights and diversity

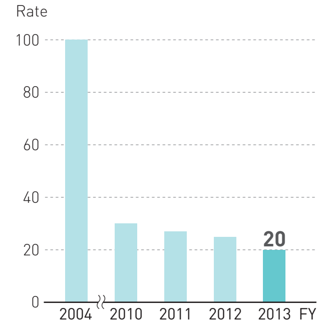
The LINTEC Group avoids discriminatory treatment of employees based on race, creed, gender, education, nationality, religion, or age, thereby respecting the diversity of individuals. In the areas of recruitment and employment, the Group complies thoroughly with labor laws and regulations, including the prohibition of unfair discrimination, child labor, and harassment, and is pushing forward with the creation of workplace environments where all employees can happily and actively do their jobs.

Providing Value to Customers

Conducting thorough quality management

The LINTEC Group has acquired ISO 9001 certification, the international standard for quality management systems, for its major sites in Japan and overseas. In addition, we are working to further reinforce our quality assurance system by expanding ISO 9001 to other departments and acquiring integrated certification for related sites. We also conduct design reviews, a method for checking materials under development at each stage of the production process from the perspective of different divisions, to prevent major quality problems while performing internal management of processes, such as by using defect detection equipment, to stop faulty products from being distributed. As a result of such initiatives, when comparing major quality problems by year, if FY 2004 is set as a base of 100, problems have declined to 20 by FY 2013.

Major Quality Problem Rates by Fiscal Year
(FY 2004 set as a base of 100)



Environmental Management

Reduction of environmentally unfriendly chemical substances

The LINTEC Group is striving to reduce the use of organic solvents, such as toluene, in the manufacturing process. In the fiscal year ended March 31, 2013, LINTEC used 7,796 tons of toluene (non-consolidated), a cut of 789 tons compared with the previous fiscal year. We are also working on a transition to a solvent-free release agent used in release papers and a solvent-free adhesive for adhesive papers and films for seals and labels. In the fiscal year ended March 31, 2013, 53% of release papers produced were solvent-free as were 68% of adhesive papers and films for seals and labels sold. Exhaust-gas treatment facilities have been installed in plants as necessary, and we are making efforts to reduce our volatile organic compound (VOC) emissions into the atmosphere.

Exhaust-gas treatment facility

FOCUS FEATURE

Saving electricity by applying window film for buildings

Window film for buildings has a number of effects when applied across the whole of a window, such as shatter-proofing, preventing glass from flying out or falling when the window breaks due to an earthquake, controlling heat penetration, and cutting the penetration of ultraviolet rays.

Wincos Heat Cut HCN-75F is based on a combination of Fujifilm Corporation's technology for creating a layer to reflect near infrared rays through a uniform coating with special particles and the Company's proprietary formulation for absorbing near infrared rays. While maintaining brightness in the room through high transparency, the film is highly effective in blocking heat penetration. Unlike previous metallized films, there is no interference with radio waves, and the product is drawing attention as a simple means of saving electricity.

Please see our CSR website for detailed information about our CSR activities.
http://www.lintec-global.com/csr/

Corporate Governance

Basic Philosophy

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

Corporate Governance System

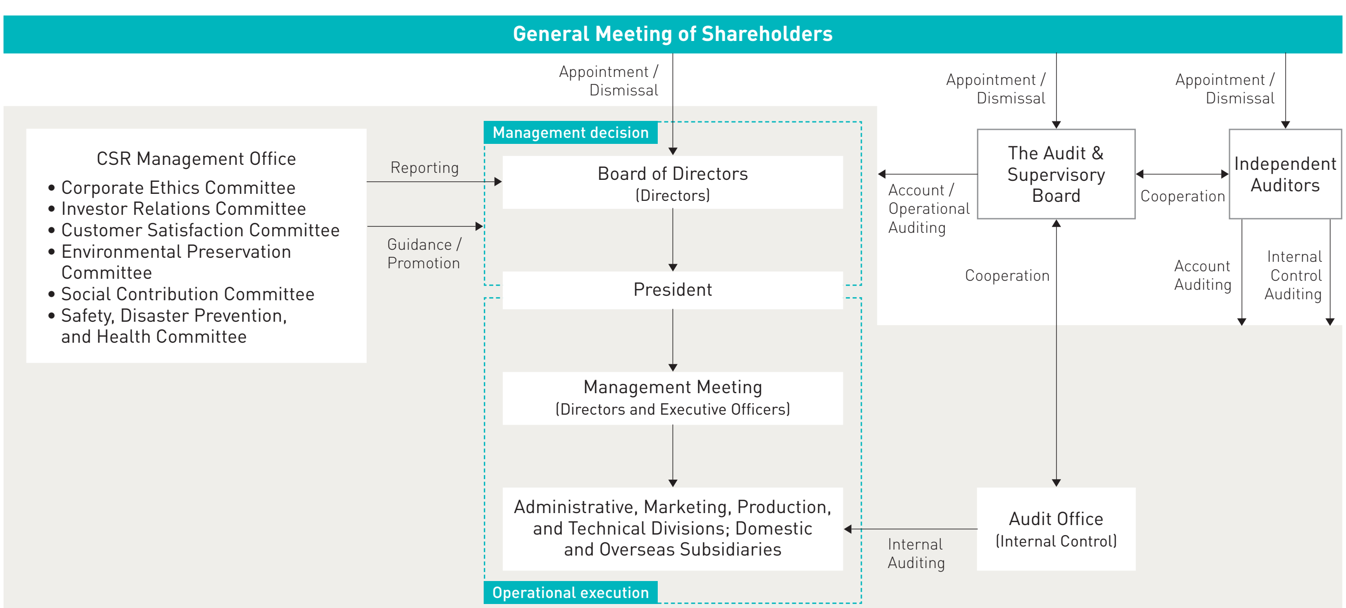
LINTEC has set the term of office for directors at one year to make their responsibilities toward shareholders clearer. Also, through implementation of the executive officer system, we have separated the directors, who make important management decisions, from the executive officers, who are responsible for executing operations. The Board of Directors consists of ten directors and two external directors. In order to ensure speedy management decisions and operational execution amid a fluctuating management environment, Board of Directors Meetings are generally held once a month. Further, management meetings are also held once a month, attended by directors, executive officers, and others. Through the holding of such meetings, we are working to develop optimal management strategies.

Additionally, LINTEC employs an audit & supervisory board system and ensures swift management and the effectiveness of its oversight systems. The Audit & Supervisory Board Meeting is held monthly in principle and is attended by the Company's two audit & supervisory board members and two external audit & supervisory board members. In this meeting, by sharing the results of the business audits performed by each auditor, the auditors reinforce checks on the decisions of directors and operational execution of the Company's management.

Internal Control Systems

LINTEC is working to ensure the continual effective functioning of internal control systems in order to accomplish appropriate accounting, comply with laws and regulations, protect company property, and increase efficiency of business operations. As part of our efforts, we have set up the Audit Office, which monitors internal control systems, performs process audits, working together with audit & supervisory board members to provide advice on the construction and operation of internal management systems from a position that is independent from operational divisions.

We have also established the CSR Management Office, which reports directly to the president and unifies and promotes a variety of areas, including thorough implementation of corporate ethics, product quality control, environmental preservation measures, and investor relations.



Risk Management System

LINTEC has established Company-wide General Risk Management Rules, as well as a risk management system for minimizing damage to corporate value if a major problem arises. It has also implemented and oversees Information Security Management Rules and Trade Secret Management Rules for the protection and management of information. There are also Company-wide risk assessments centered on the CSR Management Office.

Limited Liability Contracts

In accordance with Article 427, paragraph 1 of the Companies Act, LINTEC has entered into a contract with its individual external directors and audit & supervisory board members that limits liability for compensation for damages under Article 423, paragraph 1 of the Companies Act. Based on this contract, liability for compensation for damages is limited to ¥10 million or the minimum amount stipulated by law, whichever is greater.

Internal Audits and Audit & Supervisory Board Member's Audits

The five members of the Audit Office are responsible for internal audits, regularly performing audits of divisions, work-sites, and plants. They also inspects the legality and compliance with internal regulations of operations processes and results. In accordance with audit policy, planning, and separation of duties, audit & supervisory board members attend Board of Directors meetings and management meetings, expressing opinions and listening to the views of directors and the Internal Audit Division, and also attend other major meetings and review important documents. Additionally, they work together with the Internal Audit Division and accounting auditors to audit all aspects of directors' activities, receiving reports from accounting auditors and traveling to subsidiaries as necessary to receive operations reports.

External Directors and External Audit & Supervisory Board Members

LINTEC has selected Shinichi Sato and Satoshi Ohoka as external directors and Fumio Manoshiro and Kazumi Idogawa as external audit & supervisory board members.

External directors

Name	Reason for selection as external director
Shinichi Sato	Because he is able to apply his accumulated rich knowledge and experience as a current director at Nippon Paper Industries Co., Ltd., to the Company's management
Satoshi Ohoka	Because he is able to apply his long years of policy-based finance experience, his rich international experience, his specialist academic experience, and his knowledge and experience gained as an external director in different industries from the Company to the Company's management

External audit & supervisory board members

Name	Reason for selection as external audit & supervisory board member
Fumio Manoshiro	Because he is able to apply his accumulated rich knowledge and experience as a current director at Nippon Paper Industries Co., Ltd., to the Company's auditing system
Kazumi Idogawa	Because he is able to apply his accumulated specialist knowledge and experience as a certified public accountant to the Company's auditing system

Remuneration of Corporate Officers

Total remuneration by corporate officer type

Corporate officer type	Total remuneration (Millions of yen)	Total remuneration by type (Millions of yen)			Number of people receiving remuneration
		Basic remuneration	Stock options	Bonuses	
Directors (excluding external directors)	305	241	10	53	8
Audit & supervisory board members (excluding external audit & supervisory board members)	36	36	—	—	2
External officers	16	16	—	—	6

Note: Estimated bonus payments were recorded as ¥46 million for the fiscal year under review, but final payments were ¥53 million.

Director remuneration, consisting of basic remuneration, stock options, and bonuses, is decided at Board of Directors Meetings, based on each director's duties and responsibilities within totals approved at the General Meeting of Shareholders. Where necessary, the Remuneration Assessment Advisory Committee assesses and provides advice and makes suggestions to the president and CEO about decisions regarding the assessment and remuneration of directors.

Audit & supervisory board member remuneration is decided through the collective deliberation of the auditors, based on each member's duties and responsibilities within totals approved at the General Meeting of Shareholders.

Our Growth Foundation

Corporate Officers

As of June 26, 2013

President and CEO

Akihiko Ouchi

Director, Vice President Executive Officer, CFO

Hitoshi Asai
General Manager, Administration Div.,
in charge of General Affairs & Personnel Div.

Director, Vice President Executive Officer

Shigeru Kawasaki
General Manager, Business Administration Div.

Directors, Senior Managing Executive Officers

Koji Ichihashi
Assistant General Manager, Business Administration Div.

Kenji Kobayashi
General Manager, Research & Development Div.

Koji Koyama
General Manager, Production Div.,
in charge of Quality Assurance & Environmental Protection Div.

Directors, Managing Executive Officers

Makoto Iiumi
Assistant General Manager, Business Administration Div.

Hiroyuki Nishio
General Manager, Corporate Strategic Office and
CSR Management Office,
in charge of Cost Innovation Div.

Kazuyoshi Ebe
General Manager, Optical Products Operations,
Business Administration Div.,
in charge of Shingu Plant, Production Div.

Takashi Nakamura
General Manager, Fine & Specialty Paper Products Operations,
Business Administration Div.,
in charge of Converted Products Operations

External Directors

Shinichi Sato
Managing Executive Officer, Nippon Paper Industries Co., Ltd.

Satoshi Ohoka
Lecturer, Chuo University, Graduate School of Commerce
Outside Director, Ryobi Limited
Member of LINTEC Independent Committee

Audit & Supervisory Board Members

Keita Yoshikawa

Toshio Yamamoto

External Audit & Supervisory Board Members

Fumio Manoshiro
Director, Managing Executive Officer, Nippon Paper Industries Co., Ltd.

Kazumi Idogawa
Certified Public Accountant

Managing Executive Officers

Yoshiyuki Yamato
General Manager, Quality Assurance & Environmental Protection Div.

Kazuma Okamoto
General Manager, Osaka Branch Office, Business Administration Div.

Seiji Takemura
General Manager, Cost Innovation Div.

Toshikazu Yamada
Plant Manager, Tatsuno Plant, Production Div.

Executive Officers

Koichi Kimura
Assistant General Manager, Cost Innovation Div., General Manager, Procurement Dept.

Masami Kozuka
Plant Manager, Agatsuma Plant, Production Div.

Gohei Kawamura
Chairman & President, LINTEC (SUZHOU) TECH CORPORATION

Tsunetoshi Mochizuki
General Manager, General Affairs & Personnel Div. and Human Resource Dept.

Shuji Morikawa
General Manager, Industrial & Material Operations, Business Administration Div.

Takehiko Wakasa
Plant Manager, Chiba Plant, Production Div.

Junichi Nishikawa
Plant Manager, Kumagaya Plant, Production Div., General Manager,
Fine & Specialty Paper Production Dept.

Toru Onishi
Plant Manager, Mishima Plant, Production Div., General Manager, Administration Dept.

Management's Discussion and Analysis

Revenues and Expenses

In the fiscal year under review, consolidated net sales decreased 5.0% year on year, to ¥190.8 billion. This decline is largely attributable to the effect of the low domestic demand for LCD-related products, particularly in TVs, a significant drop in sales of PV backsheets, and the worldwide underperformance of adhesive papers and films for seals and labels, despite a big increase in sales for semiconductor-related tapes and equipment.

Gross profit was down 4.2% year on year, to ¥40.4 billion, as decreases in raw material procurement costs, such as for pulp, were not enough to make up for lower sales. Selling, general and administrative expenses rose 5.9%, to ¥29.8 billion, due to factors such as increases in personnel and R&D costs. As a result, operating income decreased 24.4%, to ¥10.6 billion. Income before income taxes decreased 19.0%, to ¥10.8 billion, and income taxes were ¥3.2 billion.

As a result of these factors, net income decreased 11.2%, to ¥7.7 billion. Net income per share declined from ¥115.26 in the previous fiscal year to ¥102.83, and return on equity (ROE) fell from 6.6% to 5.6%.

Performance by Operational Segment

Printing and Industrial Materials Products

In Printing and variable information products operations, adhesive papers and films for seals and labels suffered from low consumer spending in Japan as well as stagnating exports due to yen appreciation and slowdowns in overseas economies. The European financial crisis also had a big effect on production in Asia, contributing to our underperformance.

In Industrial and material operations, the PV backsheet market expanded, but our market share decreased and sales dropped significantly as a result of price competition mainly with Chinese manufacturers and receivables collection risks. Demand fell overall for automobile-use adhesive products as although sales were brisk in Japan, due to factors including the government's eco-car subsidies, exports to Europe and China and production in Asia dropped.

As a result of the above, net sales in the Printing and Industrial Materials Products segment were down 8.1% year on year, to ¥82.8 billion, and operating income dropped 54.3%, to ¥2.4 billion.

Electronic and Optical Products

In Advanced materials operations, overall sales of coated films for multilayer ceramic capacitor (MLCC) production were down as demand for usage in PCs was low, despite positive smartphone demand. Semiconductor-related tapes also benefited from smartphone demand, and sales significantly increased in Japan and other Asian countries, Europe, and the United States. Semiconductor-related equipment enjoyed a similarly large increase in sales, centered on Taiwan, following a recovery in orders.

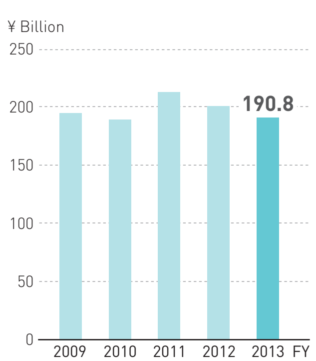
In Optical products operations, there were solid sales for LCD-related products in South Korea and Taiwan due to demand for flat-screen TVs and smartphones, but domestic sales were weak.

As a result of the above, net sales in the Electronic and Optical Products segment were down 2.1% year on year, to ¥72.4 billion, and operating income decreased 18.9%, to ¥3.2 billion.

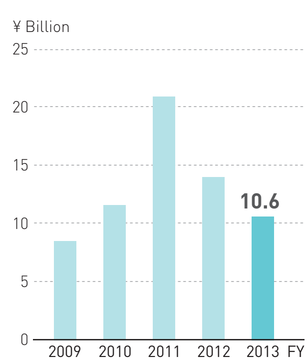
Paper and Converted Products

In Fine and specialty paper products operations, sales for mainstay color papers for envelopes were down as a result of sluggish demand and a shift to low-priced items, and high-grade printing papers and industrial-use specialty papers also underperformed.

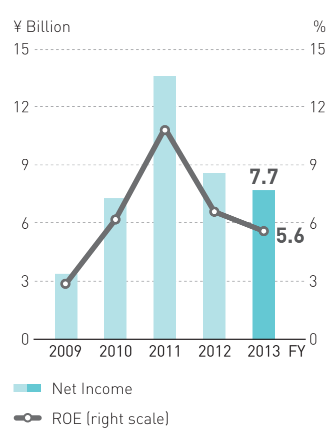
Net Sales



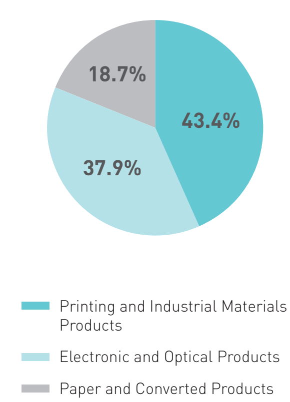
Operating Income



Net Income / ROE



Sales by Operational Segment



Management's Discussion and Analysis

In Converted products operations, there were strong overseas sales for release papers for flexible printed circuit (FPC) coverlayers as a result of factors including demand for smartphones. However, sales of release papers for general adhesives products declined slightly and sales of release films for optical-related products dropped significantly.

As a result of the above, net sales in the Paper and Converted Products segment decreased 3.3% to ¥35.7 billion, and operating income rose 2.8% to ¥5.0 billion.

Financial Condition

(Assets)

Total assets as of March 31, 2013, were ¥216.0 billion, a year-on-year increase of ¥5.8 billion. The main reasons for the increase were as follows:

- An increase in cash and deposits of ¥3.7 billion
- A decrease in trade notes and accounts receivable of ¥3.0 billion
- An increase in property, plant and equipment of ¥2.6 billion
- An increase in intangible assets of ¥0.7 billion
- An increase in investment securities of ¥1.0 billion

(Liabilities)

Liabilities as of March 31, 2013, were ¥72.5 billion, a year-on-year decrease of ¥4.9 billion. The main reasons for the decrease were as follows:

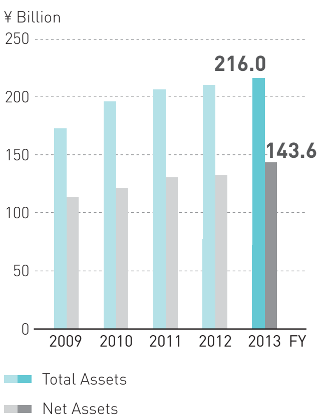
- A decrease in trade notes and accounts payable of ¥2.5 billion
- An increase in accrued income taxes of ¥0.7 billion
- A decrease in current liabilities–other of ¥3.5 billion

(Net assets)

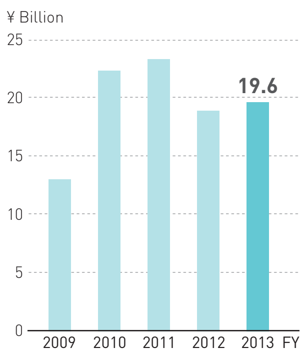
Net assets as of March 31, 2013, were ¥143.6 billion, a year-on-year increase of ¥10.7 billion. The main reasons for the increase were as follows:

- An increase in retained earnings of ¥4.9 billion
- An increase in foreign currency translation adjustments of ¥5.7 billion

Total Assets / Net Assets



Net Cash Provided by Operating Activities



Cash Flows

Cash and cash equivalents as of March 31, 2013, was ¥40.7 billion, a year-on-year increase of ¥4.7 billion, or 13.1%.

(Cash flows from operating activities)

Cash flows from operating activities increased ¥0.7 billion compared with the previous fiscal year. The main reasons for the increase were as follows:

- A decrease in income before income taxes of ¥2.5 billion
- A decrease in trade notes and accounts receivable of ¥6.1 billion
- A decrease in trade notes and accounts payable of ¥4.7 billion
- A decrease in cash flows from operating activities–other of ¥2.1 billion
- A decrease in income taxes paid of ¥3.2 billion

(Cash flows from investing activities)

Cash flows from investing activities decreased ¥1.7 billion compared with the previous fiscal year. The main reasons for the decrease were as follows:

- An increase in proceeds from withdrawal of time deposit of ¥4.8 billion
- An increase in purchase of property, plant and equipment of ¥5.1 billion
- An increase in purchase of shares of subsidiaries of ¥0.8 billion

(Cash flows from financing activities)

Cash flows from financing activities increased ¥2.2 billion compared with the previous fiscal year. The main reason for the increase was as follows:

- A decrease in purchase of treasury stock of ¥1.7 billion

Operating Risks

The following is a summary of risks that could affect the LINTEC Group's operations. This summary provides specific examples of major risks that are anticipated, but it does not include all risks. Forward-looking statements of this report are based on the Company's judgment as of June 26, 2013.

1. Changes in Economic Conditions

The Group's operations include development in a wide range of industries. Therefore, domestic and overseas economic conditions affect the Group's operations directly and indirectly. As a result, future trends in economic conditions could affect the Group's business results. Further, world trends in the electronics industry affect the Group's new businesses in the field of electronics-related products. Future electronics industry trends could affect the Group's business results.

2. Changes in Selling Prices

Due to intense competition in both the domestic and overseas markets in which the Group operates, the Group may be unable to maintain selling prices to preserve sufficient earnings or sales share. Furthermore, the Group's business results could be affected by difficulties related to cost reductions aimed at maintaining profits and recovering its share by refining customer services.

3. Changes in Raw Material Prices

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

4. Changes in Foreign Exchange Rates

The Group conducts foreign currency-denominated procurement and sales overseas as well as finance transactions between both domestic and overseas Group companies. Therefore, changes in foreign exchange rates could affect the Group's business results.

5. Overseas Operations

The Group conducts manufacturing and business operations in markets worldwide. In these countries, the following events could affect the Group's business results.

(1) Political instability or a deterioration in security due to such factors as terrorism, a political change, or a coup d'état
(2) Labor disputes, such as those involving strikes or boycotts
(3) Infrastructure failures, such as those related to electric power, water, or communications
(4) Outbreaks of contagious diseases
(5) Unpredictable changes in laws and regulations, such as those involving tax systems, foreign exchange, or customs
(6) Problems arising between the Group and its business associates or in the collection of accounts receivable due to differences in cultures or business practices

6. New Product Development

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

7. Intellectual Property Rights

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

8. Significant Lawsuits

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

9. Legal and Regulatory Systems

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

Financial Summary

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31

	2013	2012	2011	2010
For the year:				
Net sales	**¥190,844**	¥200,905	¥212,733	¥189,348
Operating income	**10,564**	13,975	20,889	11,576
% of net sales	**5.5%**	7.0%	9.8%	6.1%
Income before income taxes	**10,836**	13,382	19,565	11,399
Net income	**7,681**	8,648	13,622	7,284
Return on equity	**5.6%**	6.6%	10.9%	6.2%
Return on assets	**5.2%**	6.5%	9.7%	6.1%
Per share data (yen):				
Net income	**¥ 102.83**	¥ 115.26	¥ 180.21	¥ 96.36
Net assets	**1,909.57**	1,766.60	1,715.78	1,596.37
Cash dividends	**34.00**	40.00	40.00	24.00
Depreciation and amortization	**¥ 10,141**	¥ 10,079	¥10,178	¥10,537
Purchases of property, plant and equipment	**(13,823)**	(8,760)	(8,237)	(7,777)
Net cash provided by operating activities	**19,619**	18,910	23,307	22,259
Net cash used in investing activities	**(13,966)**	(12,262)	(9,926)	(9,253)
Net cash used in financing activities	**(2,877)**	(5,099)	(2,820)	(3,454)
At year-end:				
Current assets	**¥138,505**	¥137,229	¥132,891	¥121,451
Current liabilities	**56,911**	62,075	60,465	58,654
Working capital	**81,593**	75,153	72,426	62,797
Cash and cash equivalents	**40,739**	36,036	35,188	25,387
Property, plant and equipment, net	**64,915**	62,273	61,888	63,337
Long-term debt, less current portion	**—**	—	—	54
% of shareholders' equity	**—**	—	—	0.0%
Total assets	**216,048**	210,203	206,188	195,656
Net assets	**143,569**	132,847	130,576	121,502
% of total assets	**66.0%**	62.8%	62.9%	61.7%
Number of shares outstanding	**76,564,240**	76,564,240	76,564,240	76,564,240
Number of employees	**4,270**	4,286	4,198	4,037
Segment information:				
Net sales:				
Printing and Industrial Materials Products	**¥82,785**	¥90,143	¥91,936	—
Electronic and Optical Products	**72,372**	73,925	81,193	—
Paper and Converted Products	**52,061**	53,225	55,317	—
Segment income:				
Printing and Industrial Materials Products	**2,380**	5,213	7,990	—
Electronic and Optical Products	**3,196**	3,942	6,732	—
Paper and Converted Products	**4,980**	4,846	6,129	—

(Supplementary information)
Effective the year ended March 31, 2011, the "Accounting Standard for Disclosure about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan (ASBJ) Statement No. 17, issued by ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued by ASBJ on March 21, 2008) have been applied.
Since it is impracticable to restate segment information of the fiscal years of 2010 and before complying revised accounting standards for segment information, only reportable segment information for the year ended March 31, 2011 onward have been presented.

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

2009	2008	2007	2006	2005	2004
¥194,901	¥202,297	¥192,723	¥180,334	¥171,689	¥158,947
8,498	14,894	14,798	13,618	12,370	10,298
4.4%	7.4%	7.7%	7.6%	7.2%	6.5%
5,215	13,191	14,298	13,214	11,838	12,182
3,391	9,308	10,238	9,011	7,759	7,778
2.9%	8.0%	9.5%	9.2%	9.0%	10.2%
3.0%	6.6%	7.7%	7.7%	7.1%	6.0%
¥ 44.86	¥ 123.15	¥ 135.44	¥ 118.34	¥ 108.76	¥ 111.90
1,497.58	1,598.30	1,489.87	1,370.85	1,226.28	1,149.19
20.00	24.00	18.00	16.00	14.00	12.00
¥11,286	¥ 9,011	¥ 7,701	¥ 6,823	¥ 6,216	¥ 5,503
(9,584)	(14,700)	(11,646)	(12,715)	(8,699)	(8,699)
12,979	17,739	13,734	17,005	11,163	9,475
(9,752)	(15,071)	(12,200)	(13,199)	(8,964)	(8,497)
(2,300)	(769)	(68)	(2,789)	(411)	(1,672)
¥ 95,937	¥120,028	¥117,531	¥104,433	¥ 97,510	¥ 90,437
43,655	67,631	67,950	57,748	54,816	58,109
52,282	52,397	49,581	46,685	42,694	32,328
15,370	17,315	15,550	13,766	9,191	6,254
67,010	73,711	68,377	63,176	56,411	53,879
107	201	280	347	429	622
0.1%	0.2%	0.3%	0.3%	0.5%	0.8%
172,854	204,852	198,526	181,158	169,590	162,708
113,930	121,635	113,397	104,362	92,768	80,347
65.5%	59.4%	57.1%	57.6%	54.7%	49.4%
76,564,240	76,564,240	76,564,240	76,564,240	76,564,240	70,817,980
3,987	3,802	3,708	3,537	3,421	3,171

—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—

Consolidated Balance Sheets

LINTEC Corporation and its consolidated subsidiaries
March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2013**	2012	**2013**
Current assets:			
Cash and deposits (Notes 9, 11)	**¥ 44,603**	¥ 40,907	**$ 474,248**
Trade notes and accounts receivable (Notes 4, 11)	**61,791**	64,765	**657,006**
Inventories (Note 3)	**27,531**	27,217	**292,735**
Deferred tax assets (Note 16)	**2,307**	2,189	**24,536**
Other	**2,530**	2,395	**26,906**
Allowance for doubtful accounts	**(259)**	(246)	**(2,757)**
Total current assets	**138,505**	137,229	**1,472,675**
Non-current assets:			
Property, plant and equipment (Notes 7, 10)**:**			
Buildings and structures	**61,424**	57,436	**653,105**
Machinery, equipment and vehicles	**109,006**	102,714	**1,159,030**
Land	**10,382**	9,238	**110,394**
Construction in progress	**1,023**	2,716	**10,881**
Other	**10,844**	10,252	**115,307**
	192,682	182,357	**2,048,720**
Accumulated depreciation	**(127,767)**	(120,083)	**(1,358,501)**
Property, plant and equipment, net	**64,915**	62,273	**690,218**
Intangible assets (Note 10):	**3,047**	2,345	**32,406**
Investments and other assets:			
Investment securities (Notes 11, 12)	**3,370**	2,379	**35,836**
Deferred tax assets (Note 16)	**5,047**	4,894	**53,669**
Other (Note 14)	**1,334**	1,256	**14,183**
Allowance for doubtful accounts	**(171)**	(175)	**(1,826)**
Total investments and other assets	**9,580**	8,354	**101,863**
Total non-current assets	**77,543**	72,973	**824,488**
Total assets	**¥ 216,048**	¥ 210,203	**$ 2,297,163**

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

LIABILITIES AND NET ASSETS	Millions of yen 2013	2012	Thousands of U.S. dollars (Note 1) 2013
Current liabilities:			
Trade notes and accounts payable (Notes 4, 11)	¥ 43,124	¥ 45,612	$ 458,527
Short-term borrowings (Notes 11, 23)	1,430	1,320	15,204
Accrued income taxes (Notes 11, 16)	1,931	1,223	20,537
Provision for director's bonuses	46	30	498
Other (Notes 11, 13)	10,378	13,888	110,355
Total current liabilities	56,911	62,075	605,123
Non-current liabilities:			
Accrued pension costs (Note 14)	14,136	13,914	150,304
Provision for environmental measures	132	132	1,410
Other	1,297	1,232	13,798
Total non-current liabilities	15,566	15,279	165,513
Commitments and contingent liabilities (Note 2)			
Net assets:			
Shareholders' equity (Note 22)**:**			
Common stock:			
Authorized: 300,000,000 shares in 2013 and 2012			
Issued: 76,564,240 shares in 2013 and 2012	23,201	23,201	246,691
Capital surplus	26,830	26,830	285,278
Retained earnings	99,198	94,281	1,054,742
Less: treasury stock, at cost:			
1,869,676 shares in 2013 and 1,868,921 shares in 2012	(2,752)	(2,750)	(29,262)
Total shareholders' equity	146,478	141,561	1,557,449
Accumulated other comprehensive income			
Net unrealized holding gain on securities	213	117	2,267
Foreign currency translation adjustments	(3,843)	(9,561)	(40,868)
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(213)	(160)	(2,270)
Total accumulated other comprehensive income	(3,843)	(9,604)	(40,870)
Share subscription rights (Note 15)	113	94	1,206
Minority interests	822	796	8,741
Total net assets	143,569	132,847	1,526,526
Total liabilities and net assets	¥216,048	¥210,203	$2,297,163

Consolidated Statements of Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Net sales	**¥190,844**	¥200,905	**$2,029,179**
Cost of sales	**150,432**	158,738	**1,599,495**
Gross profit	**40,411**	42,167	**429,683**
Selling, general and administrative expenses (Notes 5, 6)	**29,847**	28,192	**317,354**
Operating income	**10,564**	13,975	**112,329**
Non-operating income:			
Interest income	**251**	233	**2,669**
Dividends income	**228**	53	**2,425**
Rent income	**50**	52	**539**
Gain on sales of noncurrent assets	**10**	24	**114**
Foreign exchange gains	**543**	—	**5,775**
Other income	**220**	260	**2,348**
Total non-operating income	**1,304**	625	**13,873**
Non-operating expenses:			
Interest expenses	**57**	24	**612**
Loss on retirement of noncurrent assets	**345**	446	**3,671**
Compensation expenses	**339**	86	**3,611**
Foreign exchange losses	**—**	303	**—**
Other expenses	**145**	126	**1,546**
Total non-operating expenses	**887**	986	**9,441**
Ordinary income	**10,981**	13,613	**116,761**
Extraordinary gain:			
Subsidy	**44**	22	**471**
Total extraordinary gain	**44**	22	**471**
Extraordinary loss:			
Loss on valuation of investment securities (Notes 11, 12)	**—**	128	**—**
Loss on liquidation of subsidiaries	**—**	84	**—**
Loss on valuation of subsidiaries' stocks	**—**	28	**—**
Loss on valuation of membership	**—**	11	**—**
Loss on retirement of noncurrent assets (Note 7)	**189**	—	**2,014**
Total extraordinary losses	**189**	253	**2,014**
Income before income taxes	**10,836**	13,382	**115,219**
Income taxes (Note 16)**:**			
Current	**3,419**	3,689	**36,353**
Deferred	**(256)**	987	**(2,728)**
Total income taxes	**3,162**	4,677	**33,624**
Income before minority interests	**7,673**	8,704	**81,594**
Minority interests	**(7)**	56	**(77)**
Net income (Note 22)	**¥ 7,681**	¥ 8,648	**$ 81,671**

Consolidated Statements of Comprehensive Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Income before minority interests	**¥ 7,673**	¥ 8,704	**$ 81,594**
Other comprehensive income			
Net unrealized holding gain on securities (Note 8)	**95**	14	**1,019**
Foreign currency translation adjustments (Note 8)	**5,750**	(1,713)	**61,147**
Adjustment regarding pension obligations of consolidated overseas subsidiaries (Note 8)	**(52)**	(19)	**(560)**
Total other comprehensive income (Note 8)	**5,794**	(1,718)	**61,607**
Comprehensive income	**¥13,468**	¥ 6,986	**$143,201**
(Comprehensive income attributable to:)			
Shareholders of the parent	**13,442**	6,976	**142,925**
Minority interests	**25**	9	**276**

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

Consolidated Statements of Changes in Net Assets

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

	Thousands												Millions of yen
		Shareholders' equity					Accumulated other comprehensive income						
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Adjustment regarding pension obligations of consolidated overseas subsidiaries	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance as at April 1, 2011	76,564	¥23,201	¥26,830	¥88,638	¥(1,035)	¥137,634	¥102	¥(7,894)	¥(141)	¥(7,932)	¥88	¥786	¥130,576
Changes during the year:													
Cash dividends				(3,005)		(3,005)				—			(3,005)
Net income				8,648		8,648				—			8,648
Purchase of treasury stock					(1,719)	(1,719)				—			(1,719)
Disposal of treasury stock			0		3	4				—			4
Net changes in items other than shareholders' equity						—	14	(1,667)	(19)	(1,672)	5	9	(1,656)
Total changes during the year	—	—	0	5,642	(1,715)	3,927	14	(1,667)	(19)	(1,672)	5	9	2,271
Balance as at March 31, 2012	76,564	23,201	26,830	94,281	(2,750)	141,561	117	(9,561)	(160)	(9,604)	94	796	132,847
Changes during the year:													
Cash dividends				**(2,763)**		**(2,763)**				**—**			**(2,763)**
Net income				**7,681**		**7,681**				**—**			**7,681**
Purchase of treasury stock					**(1)**	**(1)**				**—**			**(1)**
Disposal of treasury stock			**0**		**0**	**0**				**—**			**0**
Net changes in items other than shareholders' equity						**—**	**95**	**5,717**	**(52)**	**5,760**	**19**	**25**	**5,805**
Total changes during the year	**—**	**—**	**0**	**4,917**	**(1)**	**4,916**	**95**	**5,717**	**(52)**	**5,760**	**19**	**25**	**10,722**
Balance as at March 31, 2013	**76,564**	**¥23,201**	**¥26,830**	**¥99,198**	**¥(2,752)**	**¥146,478**	**¥213**	**¥(3,843)**	**¥(213)**	**¥(3,843)**	**¥113**	**¥822**	**¥143,569**

	Thousands												Thousands of U.S. dollars (Note 1)
		Shareholders' equity					Accumulated other comprehensive income						
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Adjustment regarding pension obligations of consolidated overseas subsidiaries	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance as at April 1, 2012	76,564	$246,691	$285,278	$1,002,456	$(29,249)	$1,505,176	$1,248	$(101,662)	$(1,709)	$(102,124)	$1,003	$8,465	$1,412,520
Changes during the year:													
Cash dividends				**(29,385)**		**(29,385)**				**—**			**(29,385)**
Net income				**81,671**		**81,671**				**—**			**81,671**
Purchase of treasury stock					**(13)**	**(13)**				**—**			**(13)**
Disposal of treasury stock			**0**		**0**	**0**				**—**			**0**
Net changes in items other than shareholders' equity						**—**	**1,019**	**60,794**	**(560)**	**61,253**	**203**	**276**	**61,733**
Total changes during the year	**—**	**—**	**0**	**52,286**	**(13)**	**52,273**	**1,019**	**60,794**	**(560)**	**61,253**	**203**	**276**	**114,006**
Balance as at March 31, 2013	**76,564**	**$246,691**	**$285,278**	**$1,054,742**	**$(29,262)**	**$1,557,449**	**$2,267**	**$(40,868)**	**$(2,270)**	**$(40,870)**	**$1,206**	**$8,741**	**$1,526,526**

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

Consolidated Statements of Cash Flows

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes	¥ 10,836	¥ 13,382	$ 115,219
Depreciation and amortization	10,141	10,079	107,833
Amortization of goodwill	57	42	615
Amortization of negative goodwill	(11)	(11)	(118)
Increase (decrease) in accrued pension costs	161	75	1,716
Increase (decrease) in allowance for doubtful accounts	(1)	28	(15)
Interest and dividend income	(479)	(286)	(5,094)
Interest expenses	57	24	612
(Gain) loss on sales of property, plant and equipment	(8)	(4)	(92)
Loss on retirement of property, plant and equipment	432	362	4,594
Decrease (increase) in trade notes and accounts receivable	4,044	(2,008)	43,001
Decrease (increase) in inventories	853	59	9,069
Increase (decrease) in trade notes and accounts payable	(3,231)	1,488	(34,364)
(Gain) loss on sales of investment securities	(2)	0	(30)
Loss on valuation of investment securities	—	128	—
Loss on valuation of membership	0	11	6
Increase (decrease) in provision for environmental measures	—	(16)	—
Loss on valuation of subsidiaries' stocks	—	28	—
Loss on liquidation of subsidiaries	—	84	—
Other, net	(889)	1,162	(9,452)
Subtotal	21,960	24,631	233,500
Interest and dividend income received	495	259	5,263
Interest expenses paid	(57)	(24)	(612)
Income taxes (paid) refund	(2,778)	(5,955)	(29,544)
Net cash provided by operating activities	19,619	18,910	208,606
Cash flows from investing activities:			
Payments into time deposits	(8,286)	(7,991)	(88,110)
Proceeds from withdrawal of time deposits	9,916	5,136	105,437
Purchase of property, plant and equipment	(13,823)	(8,760)	(146,976)
Proceeds from sales of property, plant and equipment	10	70	110
Purchase of intangible assets	(788)	(636)	(8,388)
Purchase of investment securities	(2)	(2)	(27)
Proceeds from sales of investment securities	4	0	52
Purchase of investments in subsidiaries	(775)	—	(8,247)
Purchase of investments in capital of subsidiaries	(79)	—	(846)
Payments of loans receivable	(70)	(56)	(748)
Collection of loans receivable	160	43	1,710
Other, net	(231)	(65)	(2,462)
Net cash used in investing activities	(13,966)	(12,262)	(148,499)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	110	(146)	1,169
Cash dividends paid	(2,759)	(3,002)	(29,340)
Purchase of treasury stock	(1)	(1,719)	(13)
Repayments of lease obligation	(226)	(231)	(2,410)
Other, net	0	0	0
Net cash used in financing activities	(2,877)	(5,099)	(30,593)
Effect of exchange rate changes on cash and cash equivalents	1,927	(700)	20,497
Net increase in cash and cash equivalents	4,703	848	50,011
Cash and cash equivalents at beginning of year	36,036	35,188	383,161
Cash and cash equivalents at end of year (Note 9)	¥ 40,739	¥ 36,036	$ 433,172

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

Notes to Consolidated Financial Statements

LINTEC Corporation and its consolidated subsidiaries
March 31, 2013

1. Summary of Significant Accounting Policies

(a) Basis of presenting financial statements

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

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

For the convenience of the readers, the accompanying consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts at the rate of ¥94.05=U.S.$1, the prevailing exchange rate as of March 31, 2013.

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

Certain reclassifications of previously reported amounts have been made to conform to the consolidated financial statements for the year ended March 31, 2013 presentation.

(b) Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 24 significant subsidiaries as of March 31, 2013, but exclude subsidiaries whose total assets, retained earnings, net sales and net income are not material in relation to the comparable amounts in these statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

Goodwill is amortized over periods of the estimated useful economic lives (mainly 5 years) on a straight-line basis. Negative goodwill incurred prior to the year ended March 31, 2010 is amortized for 5 years on a straight-line basis.

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

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

(c) Foreign currency translation

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

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

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

(d) Investment securities

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

(e) Derivatives

Derivatives are stated at fair value.

(f) Inventories

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

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

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

Property, plant and equipment are stated at cost. Depreciation in the Company is principally computed by the declining-balance method over the estimated useful lives of the respective assets except for the buildings acquired after April 1, 1998, for which the straight-line method is used.

Depreciation in its consolidated foreign subsidiaries is computed by the straight-line method over the useful lives of the respective assets.

The significant useful lives are summarized as follows:

Buildings and structures	2 — 50 years
Machinery, equipment and vehicles	3 — 17 years

(h) Intangible assets (Excluding leased assets)

Intangible assets are stated at cost less accumulated amortization. Capitalized costs of software for internal use and other intangible assets are amortized using the straight-line method over estimated lives (5 years).

(i) Leases

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

Leased assets arising from finance lease transactions which do not transfer ownership to the lessee are depreciated to a residual value of zero by the straight-line method using the contract term as the useful life.

(j) Allowance for doubtful accounts

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

(k) Provision for director's bonuses

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

(l) Accrued pension costs

Accrued pension cost has been provided based on the projected retirement benefit obligation and the pension plan assets.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method principally over 15 years. Prior service cost is being amortized by the straight-line method principally over 15 years.

(m) Provision for environmental measures

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

(n) Accounting for consumption taxes

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

(o) Cash and cash equivalents

Cash and cash equivalents are composed of cash and time deposits, all of which are low-risk, short-term financial instruments readily convertible into cash.

(p) Research and development costs

Research and development costs are charged to income when incurred.

(q) Income taxes

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

(r) Shareholders' equity

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

(s) Accounting standards issued but not yet applied

- Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26, issued by ASBJ on May 17, 2012)
- Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, issued by ASBJ on May 17, 2012)

(1) Overview

Actuarial gains and losses and prior service costs that are yet to be recognized in profit or loss shall be recognized within net assets, after adjusting for tax effects, and the funding deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits). In addition, the standard and guidance allows a choice for the method of attributing expected retirement benefits to periods of either the straight-line basis or the plan's benefit formula basis. Furthermore, the method for calculating the discount rate has been amended.

(2) Application schedule

The Company expects to apply the standard and guidance from the consolidated financial statements for the year ending March 31, 2014. The amendment of the method for attributing expected retirement benefits will, however, be adopted from the beginning of the year ending March 31, 2015.

(3) Effect of application

The effect of applying the standard and guidance is currently under assessment.

2. Commitments and Contingent Liabilities

The Company and its consolidated subsidiaries had unused lines of credit for short-term financing aggregating ¥30,488 million (U.S. $324,178 thousand) and ¥30,364 million at March 31, 2013 and 2012, respectively.

3. Inventories

Finished goods and merchandise, work in process, and raw materials and supplies as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Finished goods and merchandise	**¥ 8,406**	¥ 8,754	**$ 89,384**
Work in process	**11,294**	10,544	**120,086**
Raw materials and supplies	**7,831**	7,918	**83,264**
Total	**¥27,531**	¥27,217	**$292,735**

4. Notes Maturing as of the End of the Fiscal Year

Notes maturing as of the end of the fiscal year are settled on the clearing date. In addition, accounts receivable and payable with due date that is the last day of the fiscal year are also settled on the clearing date. As the last day of the current fiscal year was a non-business day of financial institutions, the following amounts of receivables and payables maturing as of March 31, 2013 and 2012 were included in the ending balance.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Trade notes and accounts receivable	**¥5,173**	¥4,616	**$55,009**
Trade notes and accounts payable	**8,323**	7,382	**88,499**

5. Selling, General and Administrative Expenses

Major items included in selling, general and administrative expenses for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Transportation and warehousing expenses	¥ 4,812	¥ 4,762	$ 51,165
Provision for allowance for doubtful accounts	86	161	924
Salaries and allowances	6,356	5,929	67,583
Provision for retirement benefits	545	557	5,796
Provision for director's bonuses	46	30	498
Depreciation	880	878	9,361
Research and development expenses	7,263	6,154	77,229
Other	9,856	9,717	104,795
Total	¥29,847	¥28,192	$317,354

6. Research and Development Expenses

Research and development expenses, all of which were included in selling, general and administrative expenses, for the years ended March 31, 2013 and 2012 were ¥7,263 million (U.S.$77,229 thousand) and ¥6,154 million, respectively.

7. Loss on Retirement of Noncurrent Assets

Loss on retirement of noncurrent assets was principally related to retirement of buildings and structures for the year ended March 31, 2013.

8. Comprehensive Income

Reclassification adjustment and tax effect of other comprehensive income for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Net unrealized holding gain on securities:			
Amount incurred during the fiscal year	¥ 137	¥ (119)	$ 1,462
Reclassification adjustment	(2)	128	(30)
Prior to deducting tax effect	134	9	1,432
Tax effect	(38)	5	(412)
Net unrealized holding gain on securities	95	14	1,019
Foreign currency translation adjustments:			
Amount incurred during the fiscal year	5,750	(1,713)	61,147
Reclassification adjustment	—	—	—
Prior to deducting tax effect	5,750	(1,713)	61,147
Tax effect	—	—	—
Foreign currency translation adjustments	5,750	(1,713)	61,147
Adjustment regarding pension obligations of consolidated overseas subsidiaries:			
Amount incurred during the fiscal year	(201)	(46)	(2,137)
Reclassification adjustment	116	17	1,241
Prior to deducting tax effect	(84)	(29)	(895)
Tax effect	31	10	335
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(52)	(19)	(560)
Total other comprehensive income	¥5,794	¥(1,718)	$61,607

9. Cash and Cash Equivalents

Reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and deposits in the consolidated balance sheets as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Cash and deposits	**¥44,603**	¥40,907	**$474,248**
Time deposits with maturity of more than 3 months	**(3,863)**	(4,871)	**(41,075)**
Cash and cash equivalents	**¥40,739**	¥36,036	**$433,172**

Assets and liabilities related to finance lease transactions newly recognized for the years ended March 31, 2013 and 2012, were ¥177 million (U.S. $1,883 thousand) and ¥115 million, respectively.

10. Leases

(Lessee's accounting)

For finance lease transactions that transfer ownership, leased assets recognized as property, plant and equipment are mainly production facilities for the years ended March 31, 2013 and 2012.

For finance lease transactions that do not transfer ownership, leased assets recognized as property, plant and equipment are mainly production facilities and vehicles, and those recognized as intangible assets are mainly software for the years ended March 31, 2013 and 2012.

The minimum lease payments under noncancellable operating leases as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Due within 1 year	**¥120**	¥101	**$1,278**
Due after 1 year	**48**	125	**510**
Total	**¥168**	¥227	**$1,788**

11. Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

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

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

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

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

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

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

The Company has commitment line contracts with financial institutions and the borrowings are raised mainly for business activities and capital investments.

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

The Group conducts and manages such transactions based on internal rules and regulations. Director of administration division is in charge of managing derivative transactions and related reports are submitted to top management for each case. In addition, the contract amounts of derivative transactions described below in Note 13, "Derivatives," does not represent the market risk associated with derivative transactions.

2. Estimated fair value and other matters related to financial instruments

Carrying value on the consolidated balance sheets as of March 31, 2013 and 2012 along with their fair value and the variance were shown in the following table.

	Millions of yen			Thousands of U.S. dollars		
	2013			2013		
	Carrying value	Estimated fair value	Variance	Carrying value	Estimated fair value	Variance
(1) Cash and deposits	¥ 44,603	¥ 44,603	¥ —	$ 474,248	$ 474,248	$ —
(2) Trade notes and accounts receivable	61,791	61,791	—	657,006	657,006	—
(3) Investment securities						
Other securities	1,816	1,816	—	19,311	19,311	—
(4) Trade notes and accounts payable	(43,124)	(43,124)	—	(458,527)	(458,527)	—
(5) Short-term borrowings	(1,430)	(1,430)	—	(15,204)	(15,204)	—
(6) Accrued income taxes	(1,931)	(1,931)	—	(20,537)	(20,537)	—
(7) Derivative instruments	(15)	(15)	—	(170)	(170)	—

Note: Figures shown in parentheses are liability items.

	Millions of yen		
	2012		
	Carrying value	Estimated fair value	Variance
(1) Cash and deposits	¥ 40,907	¥ 40,907	¥ —
(2) Trade notes and accounts receivable	64,765	64,765	—
(3) Investment securities			
Other securities	1,680	1,680	—
(4) Trade notes and accounts payable	(45,612)	(45,612)	—
(5) Short-term borrowings	(1,320)	(1,320)	—
(6) Accrued income taxes	(1,223)	(1,223)	—
(7) Derivative instruments	(24)	(24)	—

Note: Figures shown in parentheses are liability items.

Note1: Method of computing the estimated fair value of financial instruments, securities and derivative instruments

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

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

(3) Investment securities

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

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

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

(7) Derivative instruments

Please see Note 13, "Derivatives."

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

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
	Carrying value	Carrying value	Carrying value
Unlisted Stocks	¥1,554	¥698	$16,254

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

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

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
	Within 1 year	Within 1 year	Within 1 year
Cash and deposits	¥ 44,570	¥ 40,643	$ 473,905
Trade notes and accounts receivable	61,791	64,765	657,006
Total	¥106,362	¥105,409	$1,130,911

12. Marketable and Investment Securities

The carrying value and acquisition cost of other securities as of March 31, 2013 and 2012 were as follows:

		Millions of yen			Thousands of U.S. dollars		
		2013			2013		
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	¥1,370	¥ 908	¥ 462	$14,576	$ 9,660	$ 4,916
	Bonds	—	—	—	—	—	—
	Other	—	—	—	—	—	—
Subtotal		¥1,370	¥ 908	¥ 462	$14,576	$ 9,660	$ 4,916
Securities whose acquisition cost exceeds their carrying value	Stocks	¥ 445	¥ 590	¥(145)	$ 4,734	$ 6,278	$(1,543)
	Bonds	—	—	—	—	—	—
	Other	—	—	—	—	—	—
Subtotal		¥ 445	¥ 590	¥(145)	$ 4,734	$ 6,278	$(1,543)
Total		¥1,816	¥1,499	¥ 317	$19,311	$15,938	$ 3,372

		Millions of yen		
		2012		
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	¥ 922	¥ 618	¥ 304
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥ 922	¥ 618	¥ 304
Securities whose acquisition cost exceeds their carrying value	Stocks	¥ 757	¥ 879	¥(121)
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥ 757	¥ 879	¥(121)
Total		¥1,680	¥1,498	¥ 182

The Company wrote down by ¥128 million against other securities with a remarkable decline in the value of investment for the year ended March 31, 2012.

13. Derivatives

Derivative transactions to which the Company did not apply hedge accounting as of March 31, 2013 and 2012 were as follows:
(Currency related)

		Millions of yen			
		2013			
		Contract amounts			
	Nature of transaction	Total	Over 1 year	Estimated Fair value	Unrealized gain (loss)
Off-market transactions	Forward exchange contracts to:				
	Sell : U.S. dollars (buy Japanese yen)	**¥313**	**¥—**	**¥ (5)**	**¥ (5)**
	Buy : Japanese yen (sell U.S. dollars)	**207**	**—**	**(10)**	**(10)**
Total		**¥521**	**¥—**	**¥(15)**	**¥(15)**

		Thousands of U.S. dollars			
		2013			
		Contract amounts			
	Nature of transaction	Total	Over 1 year	Estimated Fair value	Unrealized gain (loss)
Off-market transactions	Forward exchange contracts to:				
	Sell : U.S. dollars (buy Japanese yen)	**$3,337**	**$—**	**$ (61)**	**$ (61)**
	Buy : Japanese yen (sell U.S. dollars)	**2,202**	**—**	**(108)**	**(108)**
Total		**$5,539**	**$—**	**$(170)**	**$(170)**

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

		Millions of yen			
		2012			
		Contract amounts			
	Nature of transaction	Total	Over 1 year	Estimated Fair value	Unrealized gain (loss)
Off-market transactions	Forward exchange contracts to:				
	Sell : U.S. dollars (buy Japanese yen)	¥ 831	¥—	¥(24)	¥(24)
	Buy : Japanese yen (sell Taiwan dollars)	369	—	0	0
	Buy : Japanese yen (sell U.S. dollars)	287	—	0	0
	Buy : Japanese yen (sell Thai Baht)	48	—	(0)	(0)
Total		¥1,537	¥—	¥(24)	¥(24)

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

14. Accrued Pension Costs

The Company and its domestic subsidiaries sponsor a corporate pension fund under the Japanese Defined Benefit Corporate Pension Law and retirement plans for their employees. Certain foreign consolidated subsidiaries have defined contribution plans and defined benefit plans.

Actuarial present value of projected benefit obligations and unfunded status as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Actuarial present value of projected benefit obligations	**¥ (36,663)**	¥ (32,396)	**$(389,833)**
Plan assets	**18,165**	15,809	**193,147**
Unfunded accrued pension costs	**(18,498)**	(16,586)	**(196,685)**
Unrecognized net actuarial loss	**6,043**	4,681	**64,260**
Unrecognized prior service cost	**(1,681)**	(1,965)	**(17,879)**
Net retirement benefit obligation recognized in the consolidated balance sheet	**(14,136)**	(13,870)	**(150,304)**
Prepaid pension costs	**—**	44	**—**
Accrued pension costs	**¥ (14,136)**	¥ (13,914)	**$(150,304)**

Components of pension and severance cost for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Service cost	**¥1,258**	¥1,270	**$13,376**
Interest cost	**667**	662	**7,092**
Expected return on plan assets	**(559)**	(547)	**(5,948)**
Unrecognized net actuarial loss	**540**	534	**5,749**
Prior service cost	**(244)**	(304)	**(2,603)**
Other	**109**	93	**1,168**
Total	**¥1,771**	¥1,708	**$18,836**

Major assumptions at the beginning of each of the years ended March 31, 2013 and 2012 were as follows:

	2013	2012
Discount rate	**Mainly 1.3%**	Mainly 2.0%
Expected rate of return on plan assets	**Mainly 3.5%**	Mainly 3.5%
Allocation method of pension costs	**Straight-line method**	Straight-line method
Term of amortization of unrecognized net actuarial loss	**15 years**	15 years
Term of amortization of prior service cost	**15 years**	15 years

15. Stock Option Plan

Components of stock-based compensation expense for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Cost of sales	**¥ 3**	¥—	**$ 39**
Selling, general and administrative expenses	**15**	9	**163**

The following table summarizes contents of stock options as of March 31, 2013:

The first share subscription rights

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

The second share subscription rights

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

The third share subscription rights

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

The fourth share subscription rights

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

The fifth share subscription rights

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

The sixth share subscription rights

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

The seventh share subscription rights

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

The following tables summarize the scale and movement of stock options for the years ended March 31, 2013 and 2012:

(Non-vested stock options)

	The first share subscription rights	The second share subscription rights	The third share subscription rights	The fourth share subscription rights	The fifth share subscription rights	The sixth share subscription rights	The seventh share subscription rights
Stock options outstanding at April 1, 2011	—	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	7,600	—
Forfeitures	—	—	—	—	—	—	—
Conversion to exercisable stock options	—	—	—	—	—	7,600	—
Stock options outstanding at March 31, 2012	—	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	—	15,900
Forfeitures	—	—	—	—	—	—	—
Conversion to exercisable stock options	—	—	—	—	—	—	15,900
Stock options outstanding at March 31, 2013	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(Vested stock options)

	The first share subscription rights	The second share subscription rights	The third share subscription rights	The fourth share subscription rights	The fifth share subscription rights	The sixth share subscription rights	The seventh share subscription rights
Stock options outstanding at April 1, 2011	6,000	5,500	9,800	15,000	14,100	—	—
Conversion from not exercisable stock options	—	—	—	—	—	7,600	—
Stock options exercised	—	—	500	800	1,400	—	—
Forfeitures	—	—	—	—	—	—	—
Stock options outstanding at March 31, 2012	6,000	5,500	9,300	14,200	12,700	7,600	—
Conversion from not exercisable stock options	—	—	—	—	—	—	15,900
Stock options exercised	—	—	—	—	—	—	—
Forfeitures	—	—	—	—	—	—	—
Stock options outstanding at March 31, 2013	**6,000**	**5,500**	**9,300**	**14,200**	**12,700**	**7,600**	**15,900**

The following table summarizes the price information of stock options as of March 31, 2013:

	The first share subscription rights	The second share subscription rights	The third share subscription rights	The fourth share subscription rights	The fifth share subscription rights	The sixth share subscription rights	The seventh share subscription rights
Exercise price	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**
Average market price of the stock at the time of exercise	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Fair value at the date of grant	**2,788**	**1,947**	**1,481**	**1,726**	**1,474**	**1,303**	**1,203**

The fair value of stock options granted during the years ended March 31, 2013 and 2012 were valuated by using the Black Scholes option pricing model with the following assumptions:

	The sixth share subscription rights	The seventh share subscription rights
Volatility	**35.063%**	**35.560%**
Expected remaining period	**10 years**	**10 years**
Expected dividend	**¥ 40**	**¥ 40**
Risk free interest rate	**1.055%**	**0.867%**

The expected remaining period for stock options is assumed to be the mid-point of the exercise period.

16. Income Taxes

1. The Company and its consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 38.01% and 40.69% for the years ended March 31, 2013 and 2012, respectively. Income taxes of the foreign consolidated subsidiaries are based generally on-the tax rates applicable in their countries of incorporation. The effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2013 and 2012 differ from the statutory tax rate for the following reasons:

	2013	2012
Statutory tax rate	**38.01%**	40.69%
Effect of:		
Permanently non-deductible expenses for income tax purposes such as entertainment expenses	**0.81**	0.73
Permanently non-taxable income for income tax purposes such as dividend income	**(9.32)**	(7.54)
Municipal Tax	**0.50**	0.40
The difference of tax rates applied to foreign subsidiaries	**(7.59)**	(7.55)
Tax deduction in accordance with special tax measures	**(3.53)**	(3.32)
Decrease of valuation allowance for such as net operating loss carryforward	**0.60**	(2.10)
Consolidating adjustment of dividend income from consolidated subsidiaries	**9.69**	7.83
Effect of revised corporate tax rate	**—**	5.42
Other, net	**0.01**	0.39
Effective tax rate	**29.18%**	34.95%

2. The significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Accrued bonuses	**¥ 775**	¥ 786	**$ 8,242**
Accrued enterprise taxes	**144**	93	**1,534**
Operating loss carryforwards	**122**	193	**1,299**
Accrued pension costs	**5,014**	4,984	**53,321**
Research and development cost	**585**	561	**6,220**
Loss on valuation of inventories	**343**	267	**3,654**
Allowance for doubtful accounts	**155**	139	**1,648**
Unrealized gain	**236**	213	**2,509**
Other	**790**	569	**8,401**
Gross deferred tax assets	**8,166**	7,810	**86,833**
Valuation allowance	**(178)**	(176)	**(1,900)**
	7,987	7,634	**84,933**
Deferred tax liabilities:			
Revaluation of fixed assets in accordance with special tax measures	**(165)**	(169)	**(1,755)**
Net unrealized holding gain on securities	**(104)**	(65)	**(1,107)**
Depreciation expense of subsidiaries	**(472)**	(470)	**(5,022)**
Other	**(340)**	(259)	**(3,616)**
	(1,081)	(965)	**(11,501)**
Net deferred tax assets	**¥ 6,906**	¥6,669	**$ 73,431**

17. Business Combinations

There is no business combination for the year ended March 31, 2013.

18. Asset Retirement Obligations

There is no asset retirement obligation as of March 31, 2013 and 2012.

19. Rental Property

No specific disclosure for rental property has been made as of March 31, 2013 and 2012 because of its immateriality.

20. Segment Information

1. Overview of reportable segments

(1) Decision procedures for reportable segments

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

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

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

(2) Products and services handled in each segment

Products and services handled in each segment were as follows:

Reportable segments	Main products and services
Printing and Industrial Materials Products	Adhesive papers and films for seals and labels, Label printing machines, Barcode printers, Films for outdoor signs and advertising, Interior finishing mounting sheets, Window films, PV backsheets, Adhesive products for automobiles, Industrial-use adhesive tapes, Healthcare-related products
Electronic and Optical Products	Semiconductor-related tapes and equipment, Coated films for multilayer ceramic capacitor production, Optical-related products
Paper and Converted Products	Color papers for envelopes, Special function papers, Release papers and films, Casting papers for carbon fiber materials, Casting papers for synthetic leather

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

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

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

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

3. Information on sales and income (loss), assets, and other items by reportable segment for the years ended March 31, 2013 and 2012 are outlined as follows:

Millions of yen

2013	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	¥82,761	¥72,352	¥35,730	¥190,844	¥ —	¥190,844
Intra-segment sales and transfers	24	19	16,330	16,375	(16,375)	—
Total	¥82,785	¥72,372	¥52,061	¥207,219	¥(16,375)	¥190,844
Segment income	¥ 2,380	¥ 3,196	¥ 4,980	¥ 10,557	¥ 7	¥ 10,564
Others						
Depreciation and amortization	¥ 3,087	¥ 4,308	¥ 2,745	¥ 10,141	¥ —	¥ 10,141
Amortization of goodwill	¥ 57	¥ —	¥ —	¥ 57	¥ —	¥ 57

Thousands of U.S. dollars

2013	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	$879,969	$769,299	$379,910	$2,029,179	$ —	$2,029,179
Intra-segment sales and transfers	262	212	173,639	174,114	(174,114)	—
Total	$880,232	$769,511	$553,550	$2,203,293	$(174,114)	$2,029,179
Segment income	$ 25,310	$ 33,985	$ 52,953	$ 112,250	$ 79	$ 112,329
Others						
Depreciation and amortization	$ 32,833	$ 45,807	$ 29,192	$ 107,833	$ —	$ 107,833
Amortization of goodwill	$ 615	$ —	$ —	$ 615	$ —	$ 615

Notes: (1) Segment income adjustments show elimination of the amount of intra-segments transactions.
(2) Segment income is adjusted to be reported as operating income in the consolidated statements of income.
(3) The amount to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
(4) Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

	Millions of yen					
	2012					
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	¥90,093	¥73,874	¥36,937	¥200,905	¥ —	¥200,905
Intra-segment sales and transfers	50	50	16,288	16,389	(16,389)	—
Total	¥90,143	¥73,925	¥53,225	¥217,294	¥(16,389)	¥200,905
Segment income	¥ 5,213	¥ 3,942	¥ 4,846	¥ 14,002	¥ (27)	¥ 13,975
Others						
Depreciation and amortization	¥ 3,305	¥ 3,978	¥ 2,795	¥ 10,079	¥ —	¥ 10,079
Amortization of goodwill	¥ 42	¥ —	¥ —	¥ 42	¥ —	¥ 42

Notes: (1) Segment income adjustments show elimination of the amount of intra-segments transactions.
(2) Segment income is adjusted to be reported as operating income in the consolidated statements of income.
(3) The amount to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
(4) Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

Related Information

1. Information by product and service

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

2. Information by geographical segment

	Millions of yen				Thousands of U.S. dollars			
								2013
	Japan	Asia	Others	Total	Japan	Asia	Others	Total
Sales	**¥126,500**	**¥54,953**	**¥9,390**	**¥190,844**	**$1,345,037**	**$584,297**	**$99,844**	**$2,029,179**
Property, plant and equipment	**51,436**	**11,635**	**1,843**	**64,915**	**546,902**	**123,714**	**19,600**	**690,218**

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

	Millions of yen			
				2012
	Japan	Asia	Others	Total
Sales	¥134,953	¥56,352	¥9,599	¥200,905
Property, plant and equipment	51,419	9,202	1,652	62,273

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

3. Information by principal customers

		Millions of yen		Thousands of U.S. dollars
		2013	2012	**2013**
Name of the customer	Related reportable segment	Sales		
Sumitomo Chemical Company, Limited	Electronic and Optical Products	**¥20,638**	¥26,359	**$219,447**

Information on impairment losses on noncurrent assets by reportable segment

There is no impairment loss on noncurrent assets for the years ended March 31, 2013 and 2012.

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

	Millions of yen				
					2013
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	**¥—**	**¥—**	**¥—**	**¥—**	**¥192**

	Thousands of U.S. dollars				
	2013				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	$—	$—	$—	$—	$2,048

Notes: Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in its segment information section, it has been omitted.
Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

	Millions of yen				
	2012				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Unamortized amount of goodwill	¥—	¥—	¥—	¥—	¥170

Notes: Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in its segment information section, it has been omitted.
Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Information on profit arising from negative goodwill by reportable segment

There is no profit arising from negative goodwill for the years ended March 31, 2013 and 2012.

21. Related Party Transactions

The Company and its consolidated subsidiaries have transactions with NP Trading Co., Ltd., a subsidiary of Nippon Paper Group, for the years ended March 31, 2013 and 2012. The transactions between the companies for the years were as follows:

	Millions of yen		Thousands of U.S. dollars
For the years	2013	2012	2013
Sales of fine & specialty paper products and converted products	¥10,269	¥ 10,774	$109,191
Purchase of stencil, chemicals and equipment	6,159	5,451	65,490

	Millions of yen		Thousands of U.S. dollars
At year-end	2013	2012	2013
Trade notes and accounts receivable	¥4,679	¥ 4,681	$49,755
Trade notes and accounts payable	2,714	2,056	28,866
Other liabilities	5	185	61

These related party transactions took place on terms similar to those with third parties.

22. Amounts Per Share

The amounts per share of net assets and net income as of and for the years ended March 31, 2013 and 2012 were as follows:

	Yen		U.S. dollars
	2013	2012	2013
Net assets	¥1,909.57	¥ 1,766.60	$20.30
Net income (basic)	102.83	115.26	1.09
Net income (diluted)	102.74	115.18	1.09

The bases for calculation were as follows:
(1) Basic and diluted net income per share

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Net income (basic) per share:			
Net income	¥ 7,681	¥ 8,648	$81,671
Amount not attributable to common shareholders	—	—	—
Net income attributable to common shareholders	¥ 7,681	¥ 8,648	$81,671
Weighted-average number of shares issued during the year (thousand)	74,695	75,031	74,695
Net income (diluted) per share:			
Adjustment of net income related to dilutive securities	¥ —	¥ —	$ —
Adjustment of dilutive securities (thousand)	65	54	65
[Share subscription rights (thousand)]	[65]	[54]	[65]

(2) Net assets per share

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Total net assets	¥143,569	¥132,847	$1,526,526
Amount deducted from total net assets	935	890	9,948
[Share subscription rights]	[113]	[94]	[1,206]
[Minority interests]	[822]	[796]	[8,741]
Net assets attributable to shares of common stock	¥142,634	¥131,957	$1,516,578
Number of shares of common stock outstanding used in calculation of net assets per share (thousand)	74,694	74,695	74,694

23. Short-Term Borrowings, Long-Term Debt and Other Interest-Bearing Debts

Short-term bank loans are represented generally by 30-day or 90-day notes issued by the Company and its consolidated subsidiaries to banks at annual interest rates from 0.36% to 0.82% at March 31, 2013 and from 0.47% to 0.84% at March 31, 2012.

Short-term borrowings as of March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Short-term bank loans	¥1,430	¥1,320	$15,204
Current portion of long-term debt	—	—	—
	¥1,430	¥1,320	$15,204

Other interest-bearing debts as of March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Short-term lease obligation	¥212	¥204	$2,258
Long-term lease obligation	626	670	6,666

Planned repayment amounts after the balance sheet (March 31, 2013) date for long-term debt and lease obligation are as follows:

	Millions of yen				Thousands of U.S. dollars			
					2013			
	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Lease obligation	¥171	¥142	¥119	¥92	$1,820	$1,511	$1,269	$981

24. Subsequent Event

The following distribution of retained earnings was approved at a meeting of the board of directors held on May 9, 2013.

	Millions of yen	Thousands of U.S. dollars
		2013
Cash dividends (¥17 per share)	¥1,269	$13,501

Management's Report on Internal Control over Financial Reporting

Basic Framework of Internal Control over Financial Reporting

Akihiko Ouchi, President & Chief Executive Officer of LINTEC Corporation, and Hitoshi Asai, Director, Vice President Executive Officer & Chief Financial Officer of LINTEC Corporation, are responsible for designing and operating adequate internal control over financial reporting for consolidated financial statements of LINTEC Corporation and consolidated subsidiaries (the "Company") in accordance with the basic framework set forth in "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting" issued by Business Accounting Council.

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

Scope of Assessment, Assessment Date and Assessment Procedure

We assessed the effectiveness of the Company's internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2013 in accordance with the standards for assessment of internal control over financial reporting generally accepted in Japan.
For this assessment, we first evaluated the company-level controls which would have a material impact on the reliability of overall financial reporting on a consolidated basis. We then selected the process-level controls to be assessed based on the results of the company-level control assessment. For the process-level control assessment, we evaluated the effectiveness of internal control by analyzing processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

We determined the scope of assessment by selecting consolidated subsidiaries based on their materiality of impact on the reliability of financial reporting. We determined their materiality of impact by considering both quantitative and qualitative aspects. The scope of our process-level control assessment was determined based on the results of our assessment of company-level controls, which included its 13 consolidated subsidiaries.
We excluded 12 consolidated subsidiaries from the scope of the company-level control assessment since their quantitative and qualitative impacts were deemed insignificant.

For the purpose of determining the scope of process-level controls assessment, we selected 1 consolidated subsidiary as "Significant Business Locations," which contributed approximately two thirds of the Company's net sales on a consolidated basis for the fiscal year ended March 31, 2012. For the Significant Business Locations, we primarily included business processes related to sales, accounts receivable, and inventory in the scope of assessment as the aforementioned accounts were closely associated with the Company's business objectives. In addition, we included certain business processes in the scope of assessment not only from "Significant Business Locations" but also from all subsidiaries and affiliates, which were related to significant accounts involving estimates and management's judgment or include high-risk operations and/or transactions, as "business processes with a material impact on financial reporting."

Assessment Result

Based on the results of our assessment with the above mentioned scope, date and procedures, we concluded that Company's internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2013 was effective.

Report of Independent Auditors

Ernst & Young ShinNihon LLC
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2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
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Independent Auditor's Report

The Board of Directors
LINTEC Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of LINTEC Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LINTEC Corporation and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1(a).

Report on the Internal Control

We also have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2013 of LINTEC Corporation and its consolidated subsidiaries (the "Management's Report").

Management's Responsibility for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about conclusions of management's assessment of internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the degree of impact on the reliability of financial reporting. An internal control audit also includes examining the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our internal control audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as at March 31, 2013 is effective, presents fairly, in all material respects, management's assessment on internal control over financial reporting for the consolidated financial statements in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 26, 2013

Investor Information

As of March 31, 2013

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URL: http://www.lintec-global.com/

Established
October 15, 1934

Fiscal Year-End
March 31

Net Assets
¥143,569 million

Common Stock
Authorized: 300,000,000 shares
Issued: 76,564,240 shares

Stock Listing
Tokyo Stock Exchange, 1st Section
Securities Code: 7966

Shareholder Register Agent for Common Stock
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku,
Tokyo 100-8212, Japan

Number of Employees
4,270 (Consolidated)
2,552 (Parent company only)

Major Shareholders

Nippon Paper Industries Co., Ltd.	29.10%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.81%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3.79%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.46%
Tamie Shoji	3.07%

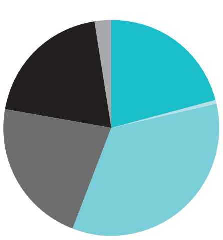
Major Subsidiaries

Domestic
- LINTEC COMMERCE, INC.*
- LINTEC SIGN SYSTEM, INC.*
- FUJI-LIGHT, INC.*
- RENRI, INC.*
- LINTEC SERVICES, INC.
- LINTEC CUSTOMER SERVICE, INC.
- PRINTEC, INC.
- TOKYO LINTEC KAKO, INC.
- OSAKA LINTEC KAKO, INC.

Overseas
- LINTEC USA HOLDING, INC.*
- MADICO, INC.*
- LINTEC OF AMERICA, INC.*
- LINTEC EUROPE B.V.*
- LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH*
- LINTEC (SUZHOU) TECH CORPORATION*
- LINTEC (TIANJIN) INDUSTRY CO., LTD.*
- LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION*
- LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.*
- LINTEC SPECIALITY FILMS (TAIWAN), INC.*
- LINTEC HI-TECH (TAIWAN), INC.*
- LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.*
- LINTEC KOREA, INC.*
- LINTEC SPECIALITY FILMS (KOREA), INC.*
- LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.*
- PT. LINTEC INDONESIA*
- LINTEC SINGAPORE PRIVATE LIMITED*
- LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC.
- LINTEC PHILIPPINES (PEZA), INC.
- LINTEC (THAILAND) CO., LTD.*
- LINTEC BKK PTE LIMITED
- LINTEC VIETNAM CO., LTD.
- LINTEC INDIA PRIVATE LIMITED
- LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.*
- LINTEC INDUSTRIES (SARAWAK) SDN. BHD.*
- LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD.

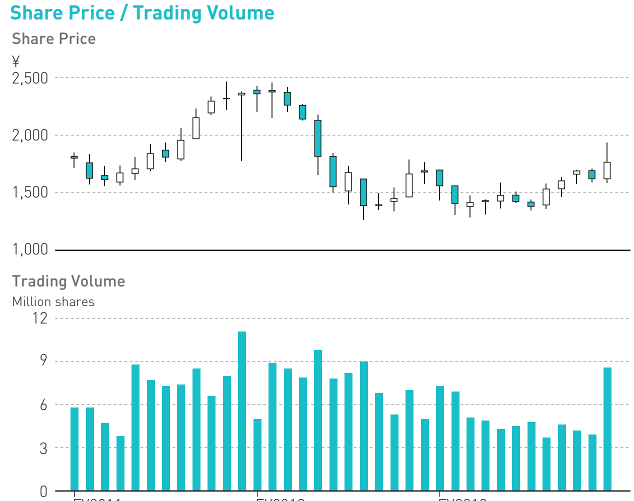
* Consolidated Subsidiary

Ownership and Distribution of Shares



Financial Institutions	20.95%
Securities Companies	0.50%
Other Companies	34.59%
Overseas Companies	21.83%
Individuals and Other	19.69%
Treasury Stock	2.44%

Share Price / Trading Volume



LINTEC's Annual Report and other information are available at:
http://www.lintec-global.com/

LINTEC Corporation
Linking your dreams

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