

Overview of “LIP-2016”, the new medium-term business plan

- 1. Review of “LIP-III”, the previous medium-term business plan**
- 2. Overview of “LIP-2016 (LINTEC INNOVATION PLAN 2016)”, the new medium-term business plan**
 - (1) Basic policies**
 - (2) Key initiatives**
 - (3) Major numerical targets**
 - (4) Capital expenditures/ depreciation and amortization/
R&D expenses**

1. Review of “LIP-III”

“LIP-III” (From the FY ended March 2012 to the FY ended March 2014)

<Basic policies>

Achieve sustainable growth and maximize corporate value through aggressive and bold innovation

<Key initiatives>

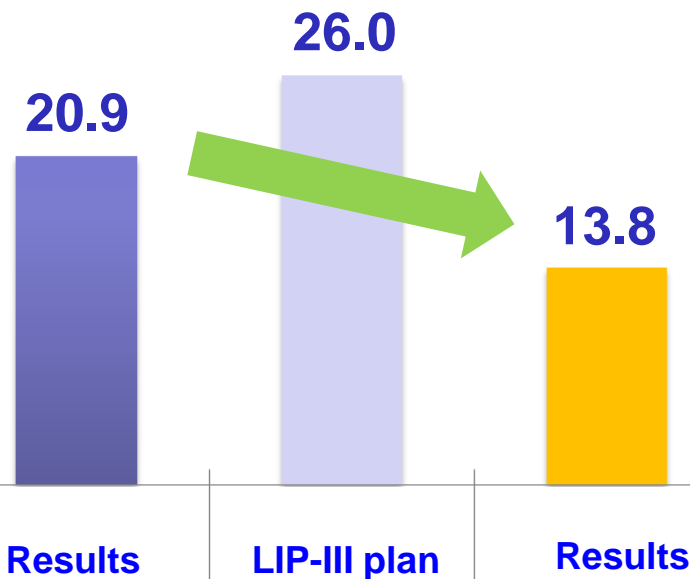
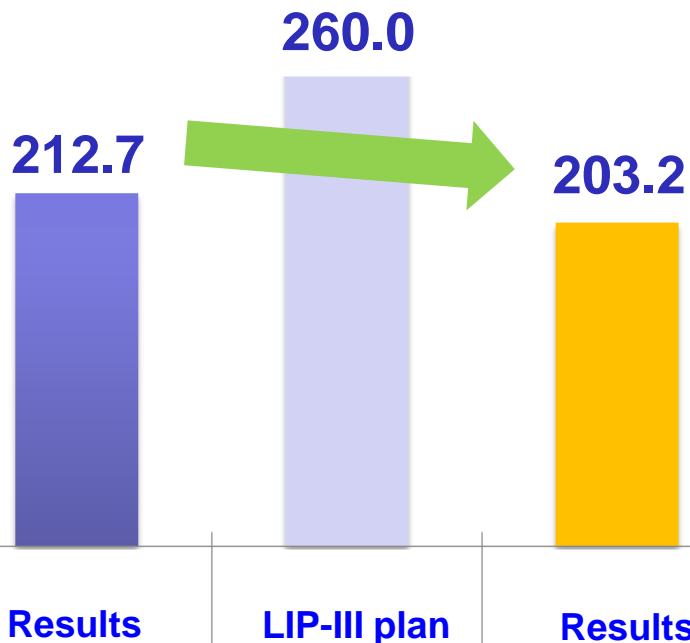
- 1. Strengthen and expand overseas businesses
(Targeted overseas sales ratio: 40%)**
- 2. Expand domestic businesses and increase profitability by optimizing QCD**
- 3. Create original new products that will support the next generation**
- 4. Strengthen global management**

1. Review of “LIP-III”

(Unit: billion yen)

Consolidated net sales

Consolidated operating income



Our business situation became harder and the company failed to reach the quantitative targets due to the issues such as the Great East Japan Earthquake, which occurred right before the LIP-III's first year, the deepening of the financial crisis in Europe, a flood in Thailand, and the excessive strong yen.



<Basic policies>

Return to a growth path through active management and continuous innovation.



Key initiatives

1. Further promote global development
2. Create innovative new products that will support the next generation
3. Transform into a robust corporate structure
4. Promote strategic M&A
5. Foster human resources

2. Overview of LIP-2016 (2) Key initiatives

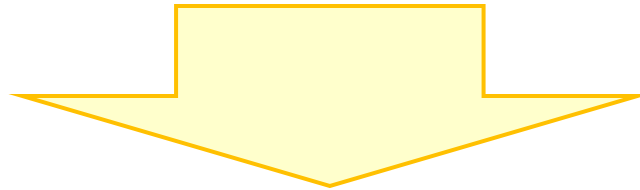
Key initiative 1: Further promote global development

(1) Expand overseas businesses with a particular focus on Asian region

- Make full use of manufacturing/ sales subsidiaries established during LIP-III
- Increase sales from existing customers and acquire new customers (local companies)

(2) Establish firm business foundations in new regions

- Conduct a full-scale market research and select target products
- Build sales network



Target overseas sales ratio at 40% or more

2. Overview of LIP-2016 (2) Key initiatives

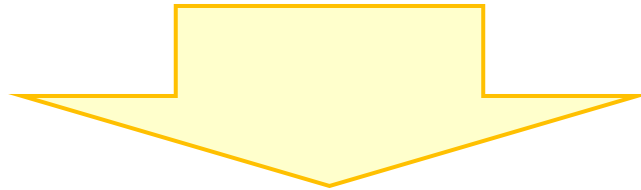
Key initiative 2: Create innovative new products that will support the next generation

(1) Explore new markets and demand by creating new products

- Commercialize key development initiatives of LIP-III
- Select and concentrate on development initiatives (electronics, automobiles, environment- and energy-related businesses, etc.)

(2) Enhance the base of our research and development in order to create new products

- Increase research buildings and expand experiment and research facilities
- Strengthen NSTC, the research and development base in North America (NSTC: Nano – Science & Technology Center)



Create new core products

2. Overview of LIP-2016 (2) Key initiatives

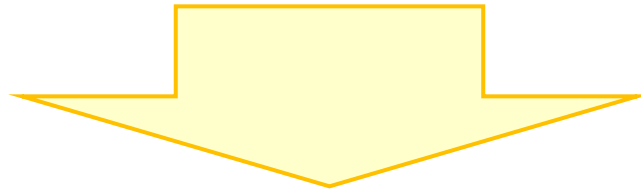
Key initiative 3: Transform into a robust corporate structure

(1) Strengthen cost competitiveness

- Strengthen activities of Cost Innovation Office and others and spread them throughout the Group companies.
- Promote scrap-and-build actions by adopting highly efficient, high-performance production facilities

(2) Select and concentrate our management resources

- Selectively invest management resources in growth areas
- Rebuild and reorganize bases inside and outside Japan



Strengthen corporate structure through promotion of innovation without exceptions

2. Overview of LIP-2016 (2) Key initiatives

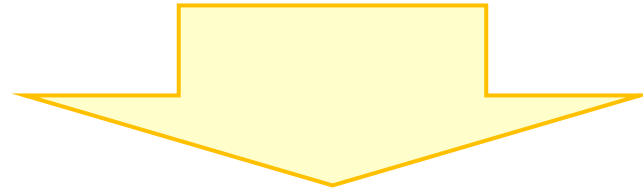
Key initiative 4: Promote strategic M&A

(1) Clarify the targets that are suited to a growth strategy

- Acquire new production bases and sales channels in growth regions.
- Acquire new technologies which could realize synergy effects with our existing technologies.

(2) Strengthen the system to promote M&A

- Organize a team in charge of M&A
- Actively collect information and implement speedy decision making



**Promotion of M&A for early realization of
our business strategy**

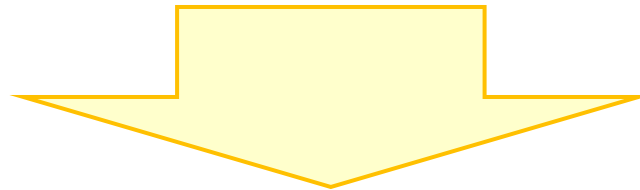
Key initiative 5: Foster human resources

(1) Secure and foster global human resources

- Foster expatriates in a well-planned manner and promote rotation
- Strengthen global support system of the corporate division at the headquarters

(2) Implement continuous stratified training

- Further reinforce and make effective use of the company-wide training system
- Foster and strengthen future management



**Foster human resources which will support growth
in the future**

2. Overview of LIP-2016 (3) Major numerical targets

The final year of LIP-2016 (FY2017) Major numerical targets
(on a consolidated basis)

● Net sales

240.0 billion yen

● Operating income

20.0 billion yen

● Net income

13.0 billion yen

● Operating profit margin

More than 8%

● ROE

More than 8%

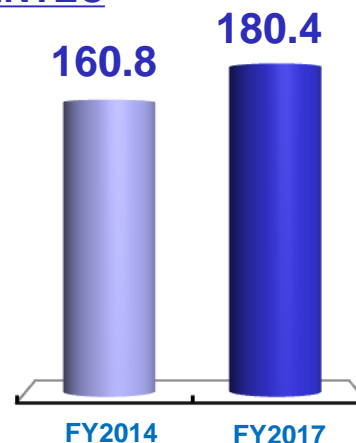
2. Overview of LIP-2016 (3) Major numerical targets

Net sales

(Unit: billion yen)	FY2014 results	FY2017 forecasts	Increase (Decrease)	Change
LINTEC	160.8	180.4	19.6	12.2%
Consolidated subsidiaries	74.2	104.6	30.4	40.9%
Elimination	(31.8)	(45.0)	(13.2)	—
Total	203.2	240.0	36.8	18.1%

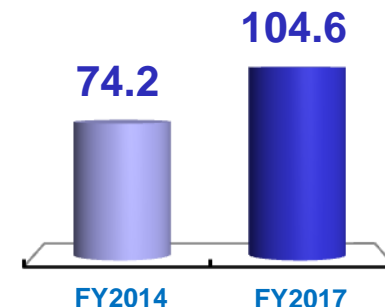
Net sales

LINTEC



(Unit: billion yen)

Consolidated subsidiaries

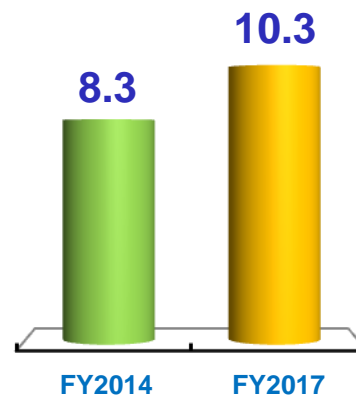


Operating income

(Unit: billion yen)	FY2014 results	FY2017 forecasts	Increase (Decrease)	Change
LINTEC	8.3	10.3	2.0	23.5%
Consolidated subsidiaries	5.6	9.7	4.1	74.4%
Elimination	(0.1)	0	+0.1	—
Total	13.8	20.0	6.2	45.1%

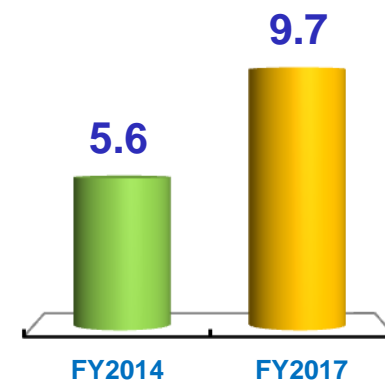
Operating income

LINTEC



(Unit: billion yen)

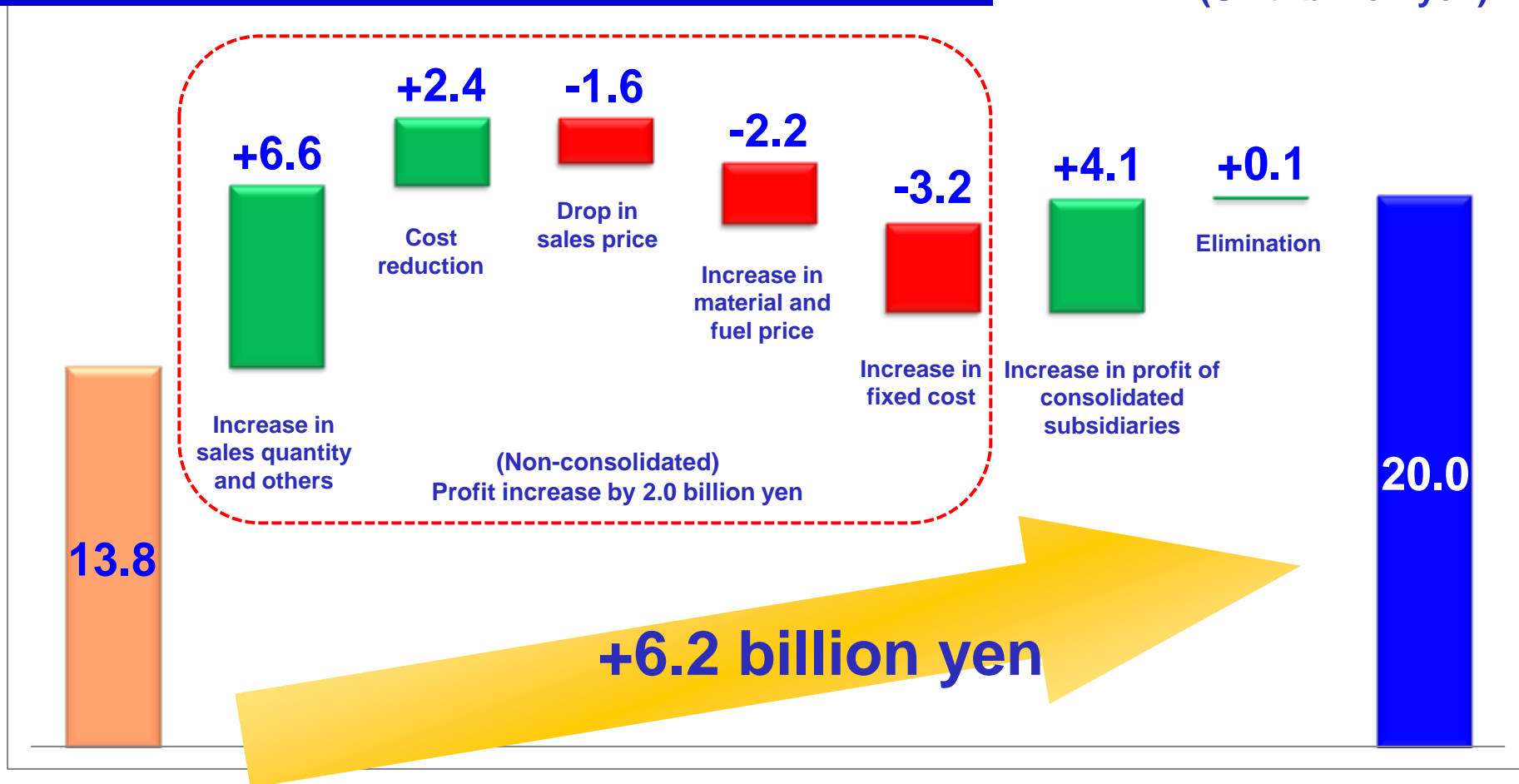
Consolidated subsidiaries



2. Overview of LIP-2016 (3) Major numerical targets

Change in operating income by contributing factor

(Unit: billion yen)



Operating income
FY ended March 2014

Operating income
FY ending March 2017

2. Overview of LIP-2016 (3) Major numerical targets

Printing and Industrials Materials Products

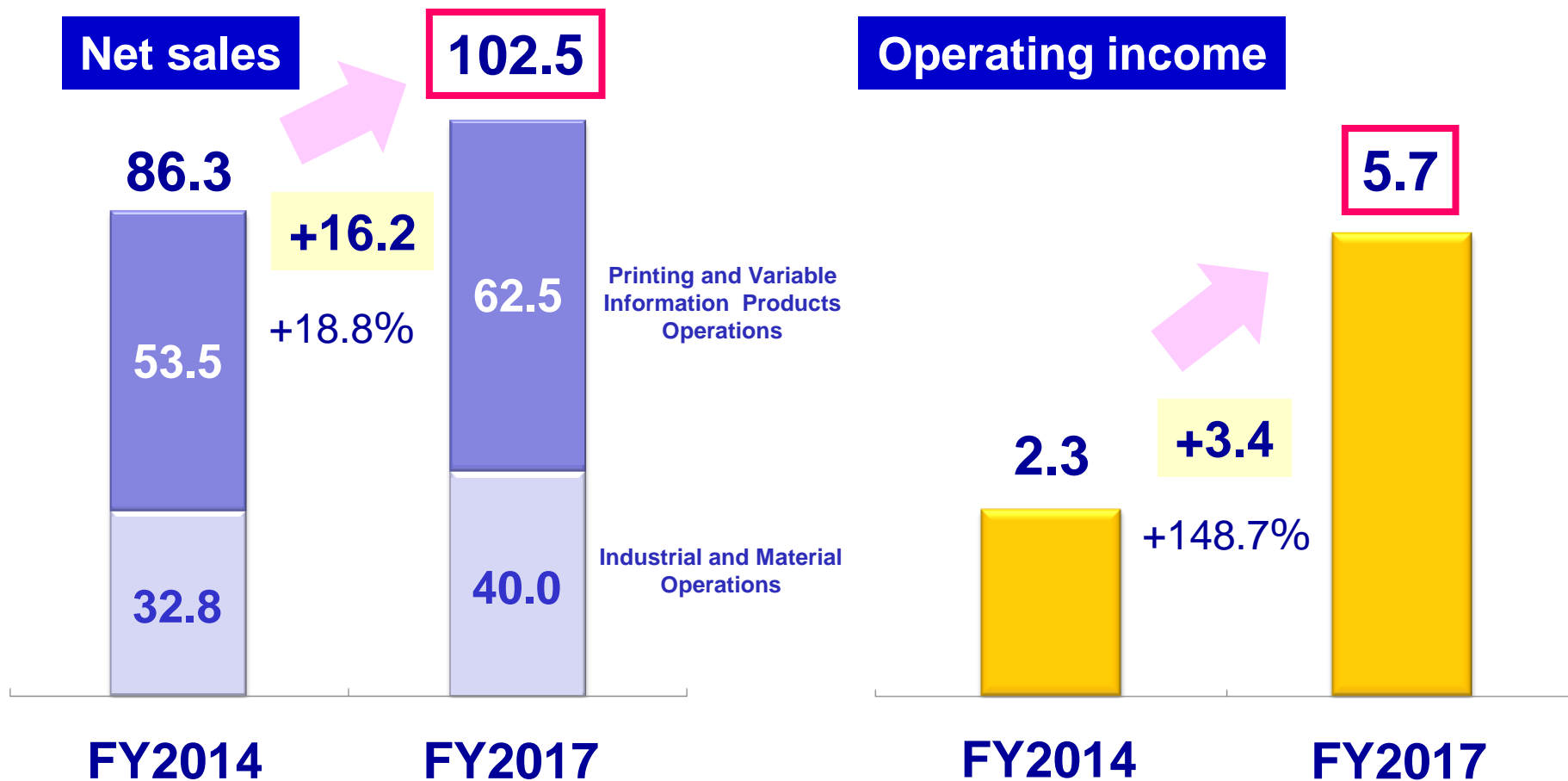
(Unit: billion yen)

Net sales

102.5

Operating income

5.7



2. Overview of LIP-2016 (3) Major numerical targets

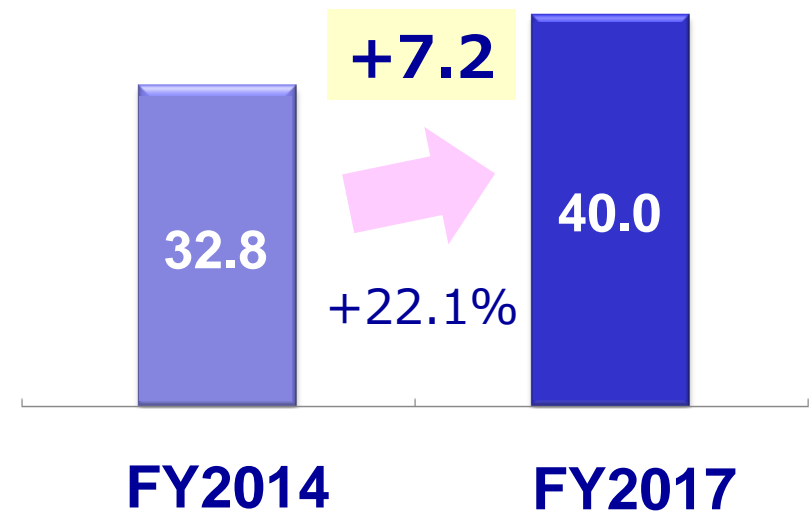
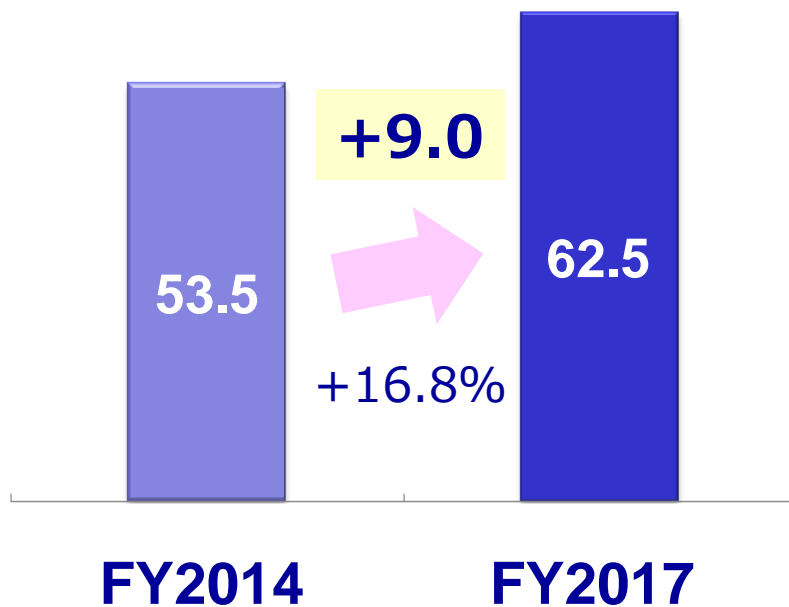
Net sales by operations

Printing and Industrials Materials Products

(Unit: billion yen)

Printing and Variable Information
Products Operations

Industrial and Material Operations

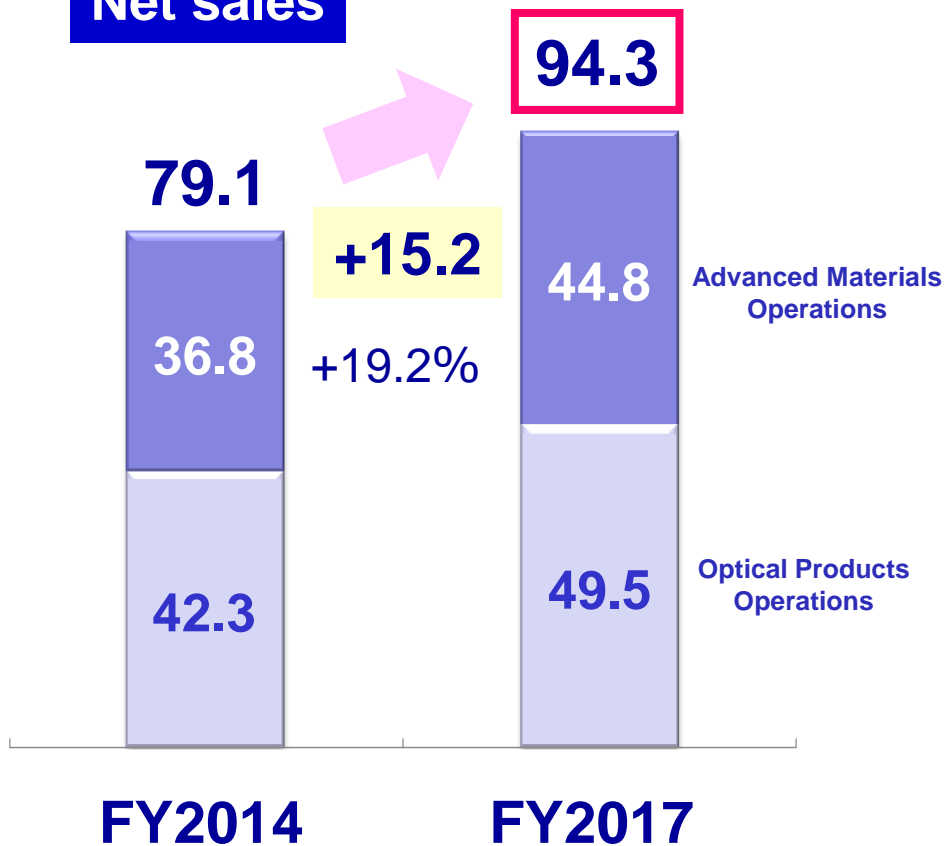


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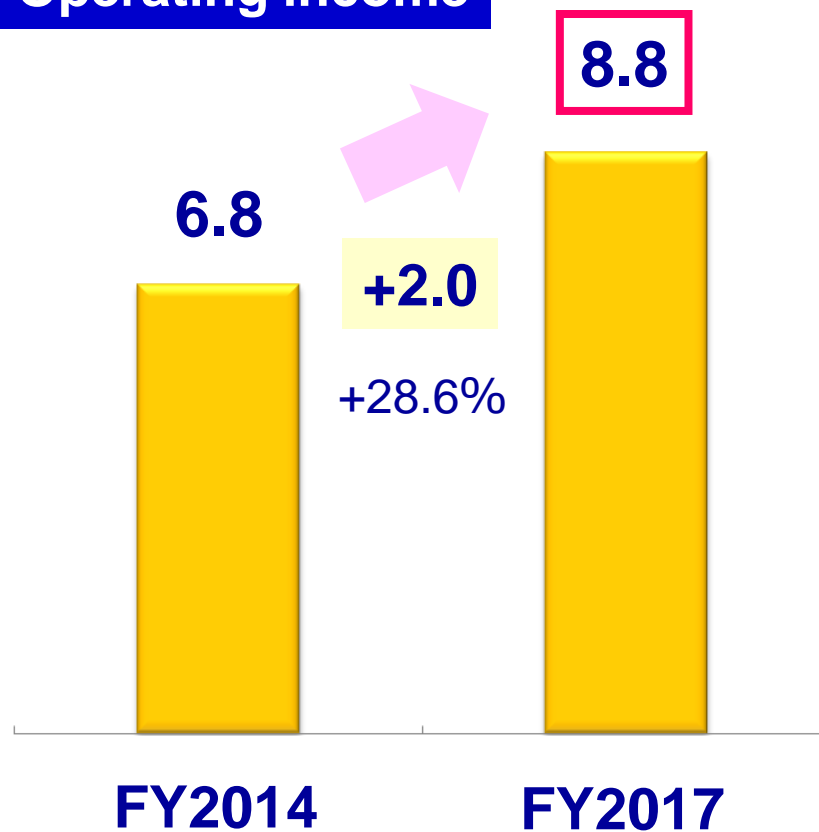
Electronic and Optical Products

(Unit: billion yen)

Net sales



Operating income



2. Overview of LIP-2016 (3) Major numerical targets

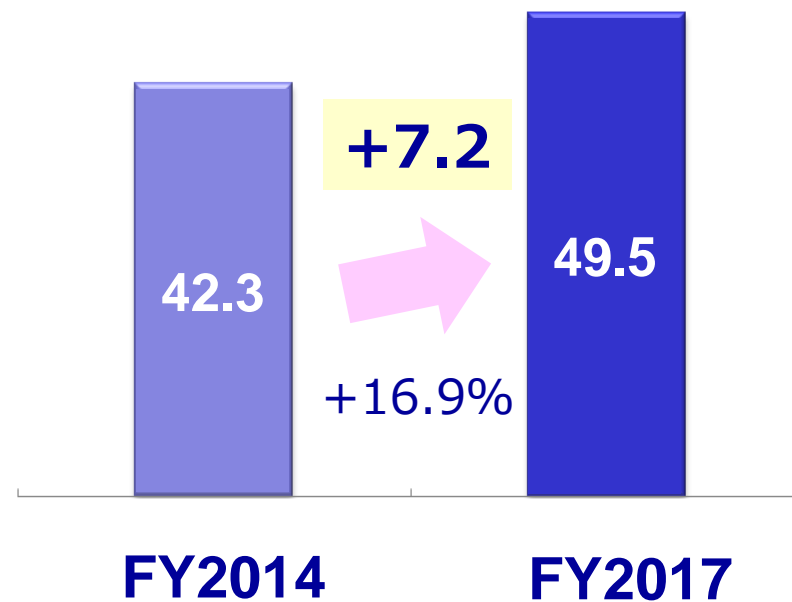
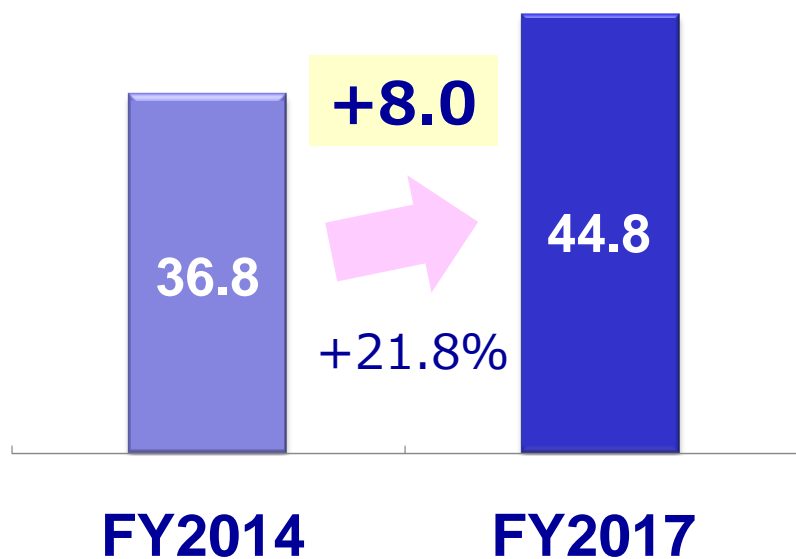
Net sales by operations

Electronic and Optical Products

(Unit: billion yen)

Advanced Materials
Operations

Optical Products
Operations

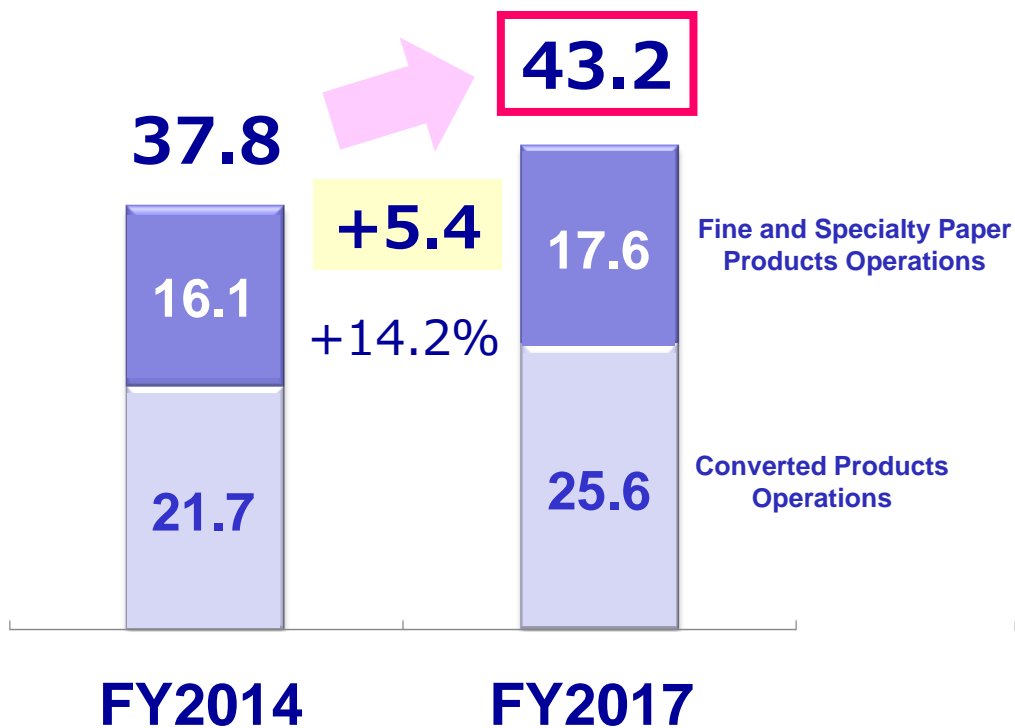


2. Overview of LIP-2016 (3) Major numerical targets

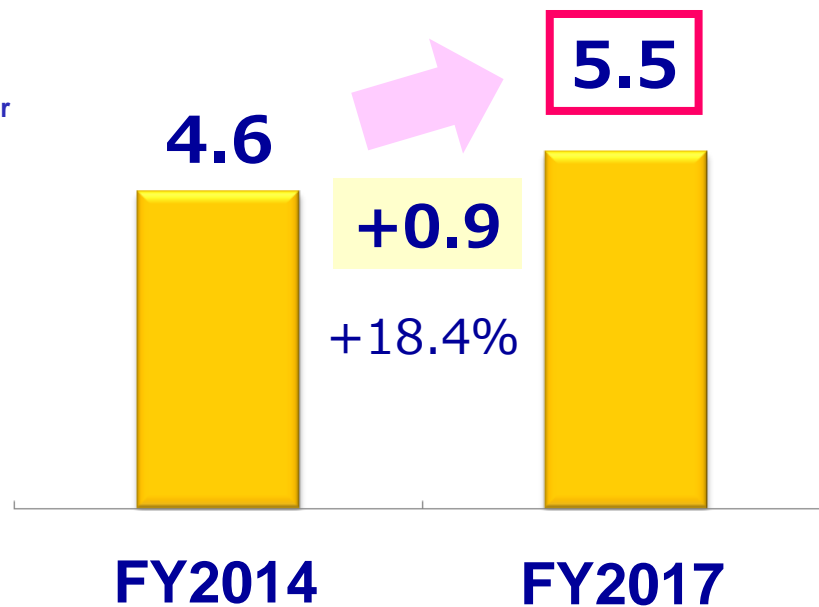
Paper and Converted Products

(Unit: billion yen)

Net sales



Operating income



2. Overview of LIP-2016 (3) Major numerical targets

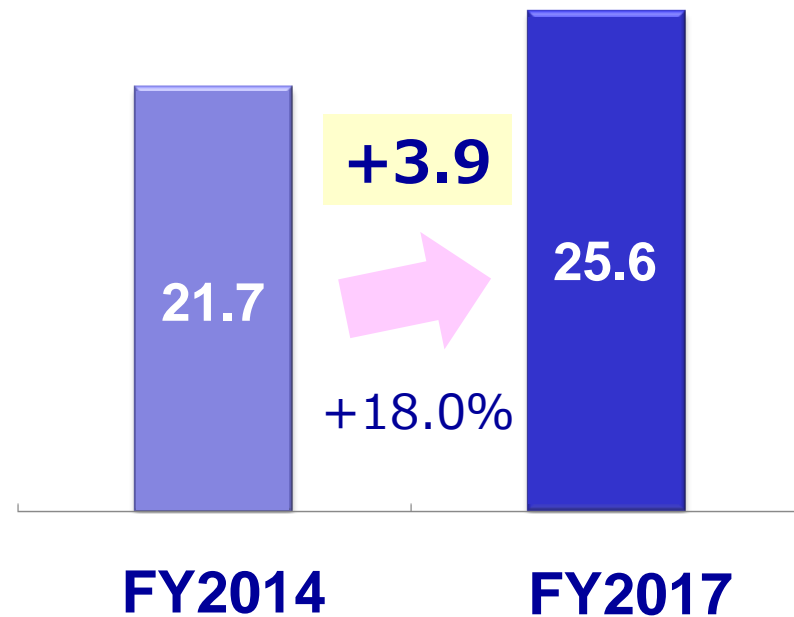
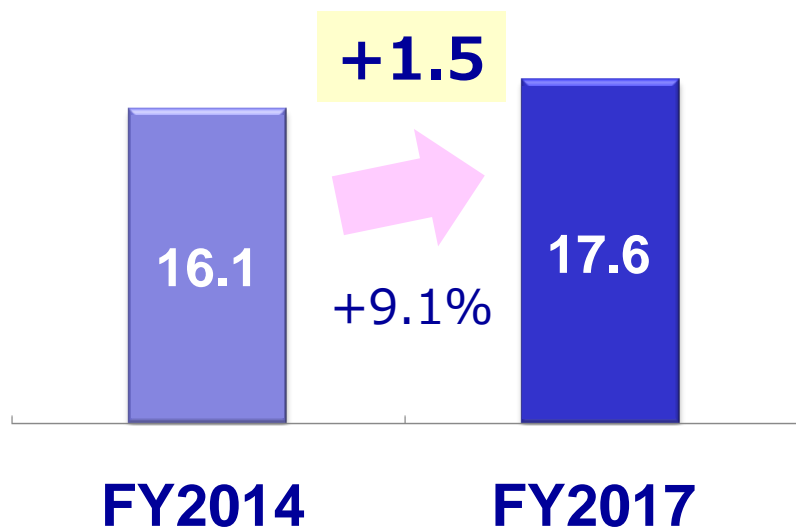
Net sales by operations

Paper and Converted Products

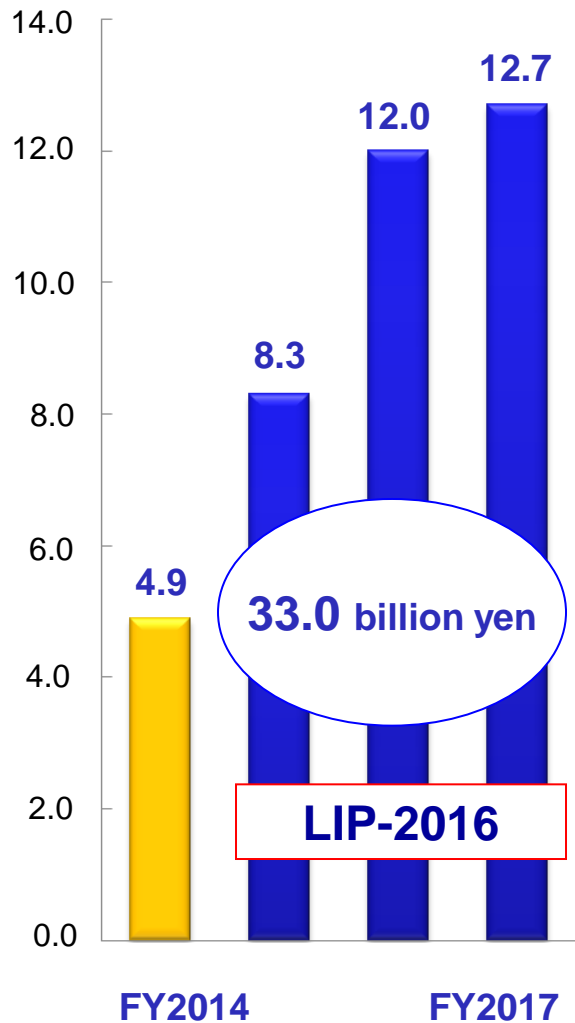
(Unit: billion yen)

Fine and Specialty paper
Products Operations

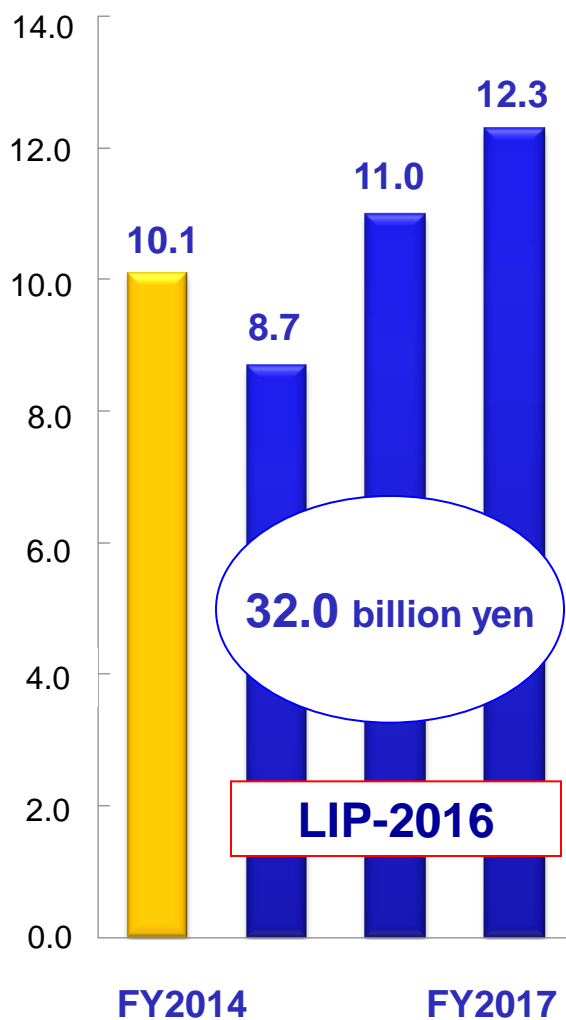
Converted Products
Operations



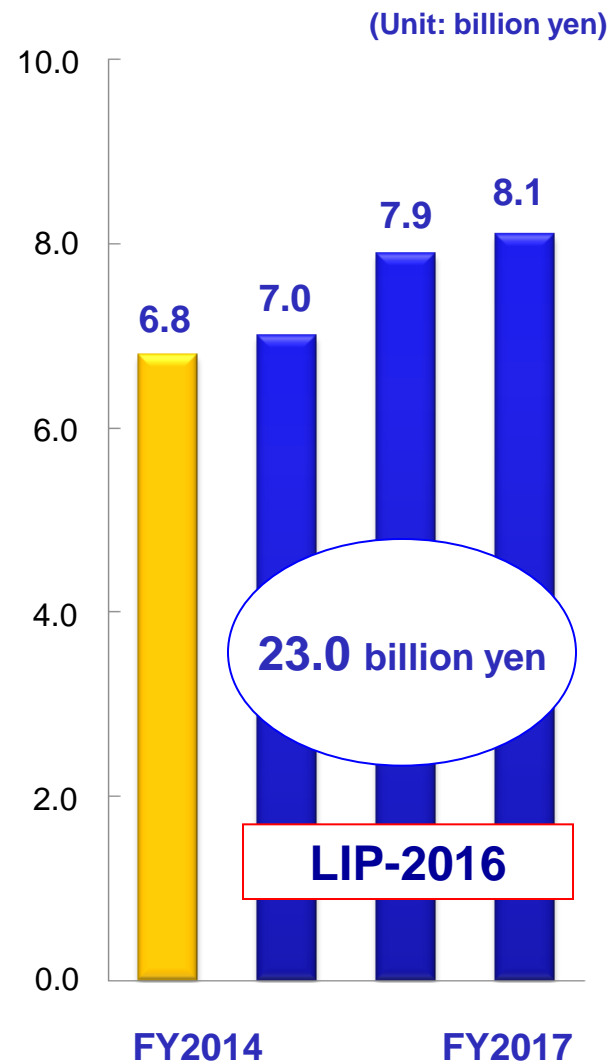
Capital expenditures



Depreciation and amortization



R&D expenses



Cautionary Statement with Respect to Forward-Looking Statements

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