Creating the Future with Adhesive Technologies

Linkage + Technology
LINTEC
Company information

Head Office:
Itabashi-ku, Tokyo, Japan

Securities Code:
7966 (Tokyo Stock Exchange, 1st Section)

Established: October 15, 1934

Common Stock: 23.2 billion yen (as of March 31, 2015)

Number of Employees: 4,413 (as of March 31, 2015)

Net Sales: 207.3 billion yen (year ended March 31, 2015)

Fiscal Year-End: March 31

Business Activities: Development, manufacture, and marketing of adhesive products and related equipment, specialty papers, release papers and films, etc.

Consolidated Subsidiary: 3 companies (Japan)
30 companies (Overseas)
Company history

1934: Establishment of FUJI SHIKO CORPORATION, manufacturer of gummed tape (Itabashi, Tokyo)
*The name was changed to FSK CORPORATION in 1984

1960: Started production and sales of adhesive papers and films for labels

Subsequently expanded adhesive operations in industrial fields such as decorative materials for interiors and exteriors, motorcycle, automobile and others

1986: Developed UV curable dicing tape and made full-scale entry into the semiconductor-related product field

1987: MADICO, INC., became a subsidiary

1990: Merged with SHIKOKU PAPER CO., LTD., and SOHKEN KAKO CO., LTD.
Name was changed to LINTEC Corporation

Expanded business activities from release papers and films, specialty papers to the fields of adhesive paper and films, related equipment
Company history

1991: Made full-scale entry into LCD-related product field

1993: LINTEC (TIANJIN) INDUSTRY CO., LTD. was established

1994: PT. LINTEC INDONESIA was established

2000: LINTEC INDUSTRIES (MALAYSIA) SDN. BHD. was established

2002: LINTEC (SUZHOU) TECH CORPORATION was established

LINTEC SPECIALITY FILMS (KOREA), INC., was established

2003: LINTEC SPECIALITY FILMS (TAIWAN), INC., was established

2004: LINTEC KOREA, INC., was established

2011: LINTEC (THAILAND) CO., LTD., was established

2015: LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED was established
Performance trends / Net sales, Operating income

Unit: Billion yen
- Net sales
- Operating income

Highest results on record

212.7 2011/3
20.9 2012/3

Global recession

The impact of financial crisis in Europe and the Great East Japan Earthquake, etc.

2005/3 171.7 12.4
2006/3 171.7 12.4
2007/3
2008/3
2009/3
2010/3
2011/3
2012/3
2013/3
2014/3
2015/3
2016/3

207.3
16.9

220.0
18.5

(Forecast)
Overseas sales have increased 51.8 billion over the last 10 years with average annual growth of 10.9%.

Overseas sales:
- FY2005/3: 28.5 billion yen
- FY2015/3: 80.3 billion yen

Net sales:
- FY2005/3: 171.7 billion yen
- FY2015/3: 207.3 billion yen

Ratio of overseas sales to net sales:
- 16.6%
- 38.8%
Basic composition of adhesive products

- **Surface improvement**
  - Printability, durability etc.
- **Substrate**
  - (Base paper / film)
- **Adhesive**
- **Release paper / film**
Four core technologies and operational segments

**Core technologies**

1. Adhesive applications
2. Surface improvement
3. System development
4. Specialty papers and Release materials production

**Paper and Converted Products**

- Fine & Specialty Paper Products Operations
- Converted Products Operations

**Printing and Industrial Materials Products**

- Printing & Variable Information Products Operations
- Industrial & Material Operations

**Electronic and Optical Products**

- Advanced Materials Operations
- Optical Products Operations

**Adhesive materials + Equipment**
Adhesive papers and films for labels

- Main types: Permanent, Removable, Restickable

Label printing machines, etc.
Usage of adhesive papers and films for labels / Required properties

- For commodity items
  - Water resistance
  - Curved-surface adhesion
  - Design

- For food products
  - Water resistance
  - Curved-surface adhesion
  - Cold resistance

- For stationery
  - Durability
  - Dimensional stability
  - Design etc.

- For distribution applications
  - Printability
  - Adequacy for affixing seals
  - Cold resistance

- For medical and pharmaceutical items
  - Printability
  - Chemical resistance
  - Tamper-evident

- For industrial applications
  - Oil- and water-resistance
  - Durability
  - Heat resistance
Industrial & Material Operations

- Window films
- Films for outdoor signs and advertising
- Interior finishing mounting sheets
- Automobile-use adhesive products
- Industrial-use adhesive tapes
- Labeling machines, etc.

FY2015/3
Net sales 207.3 billion yen

- 32.8 billion yen 15.9%
Automobile-use adhesive products

- Paint replacement films for door sashes
  - Original material design increases the passage of air and makes it simple to apply
  - With air bubbles
  - With no air bubbles

- Protective films for aluminum wheels

- Marking films
- Window films
Advanced Materials Operations

- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Coated films for multilayer ceramic capacitor production
- Touch screen-related products, etc.

FY2015/3 Net sales 207.3 billion yen
41.9 billion yen 20.1%

Electronic and Optical Products

Linking your dreams LINTEC Corporation
Manufacturing process for semiconductor chip

【Fabrication】
- Single crystal silicon ingot
- Wafer
- Wafer following circuit formation

【Back-end process】
*Uses of our tapes and equipment
- Wafer following circuit formation
- Lamination of surface protective tape*
- Back grinding (wafer thinning)
- Lamination of dicing tape*
- Removal of surface protective tape*
- Dicing (wafer cutting)
- UV irradiation of tape*
- Picking up
- Mounting
- Molding
Key tape products related to semiconductors

● Backside coating tape for Flip Chip
  - This tape protects and reinforces the die backside in applications such as Flip Chip, in which some bumps (electrodes) is formed on the circuit surface and mounted onto a substrate.
  - It blocks light to minimize effects on the circuit surface
  - Unlike a coating of liquid mold material, this product is available as a tape, ensuring outstanding uniformity in thickness, and allowing the simplification of conventional processes
  - We have broad lineups of the tapes including Infrared Transmission Type and Thermal Conductive Type

● Surface protective tape for thin & high-bump wafers
  - This tape is specially designed to prevent thin wafers from bowing after back grinding.
  - It protects the surface of wafers from contamination by attaching to bumps formed on the circuit surface.
  - It prevents wafer damage by dispersing the stress placed upon wafers during back grinding.
Coated films for multilayer ceramic capacitor (MLCC) production

Manufacturing process for MLCC

- LINTEC’s coated film
- Dielectric paste (Slurry)
- Ceramic sheet
- Coating
- Heat drying
- Internal electrode printing
- Die cutting and releasing
- Stacking, compression bonding and cutting
- Firing and external electrode forming
- Forming several hundred layers in a 1mm square or less

Advanced Materials Operations

Electronic and Optical Products
● Touch screen-related products

**Anti-shatter film (ASF)**
This is a hard coated adhesive film designed to prevent the shattering of glass type touch screen.

**Optically clear adhesive sheet (OCA)**
This is a double-sided adhesive sheet has excellent gap filling ability, and prevents the recurrence of air voids caused by outgas.

**Hard coat film for ITO**
This is a hard coated film ideal for the base material of ITO film.
- Polarizing films and retardation films for LCDs / Adhesive processing
- Polarizing films for LCDs / Surface improvement processing
- Protective films for polarizing films, etc.

FY2015/3
Net sales
207.3 billion yen

41.4 billion yen
20.0%
Structure of LCD

- Surface improvement
  - Anti-reflection / Anti-glare / Abrasion-resistance properties
- Polarizing film
- Adhesive
- Retardation film
- Adhesive
- Liquid crystal cell
- Adhesive
- Polarizing film
- Light source

Protective films for polarizing films

- Surface improvement
  - Dirt-resistance / Water-resistance / Anti-static
- Adhesive
- Substrate (film)
- Color papers for envelopes
- Colored construction papers
- Special function papers (Lint-free papers and Oil resistant papers, etc.)
- High-grade printing papers
- High-grade papers for paper products, etc.

FY2015/3 Net sales 207.3 billion yen

16.4 billion yen 7.9%
Converted Products Operations

- Release papers for adhesive products
- Release films for optical-related products
- Release papers for FPC* cover lay films
- Casting papers for synthetic leather (release paper)
- Casting papers for carbon fiber composite materials (release paper), etc.

*FPC: Flexible Printed Circuit
Casting papers for carbon fiber composite materials

- The casting paper is used as a base sheet for manufacturing "carbon fiber prepreg", which is a composite material composed of a sheeted form of carbon fiber fixed with resin.

- Carbon fiber prepreg has been used for goods for sports and leisure, such as tennis racket, golf shaft, and fishing rod, as well as for aircraft, and the demand has been expanding.

Manufacturing process for Casting papers for carbon fiber composite materials

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- Carbon fiber prepreg has been used for goods for sports and leisure, such as tennis racket, golf shaft, and fishing rod, as well as for aircraft, and the demand has been expanding.

Features

- Suitability for resin coating
- Heat resistance
- Strength
- Most appropriate difference in release strength between the front and the back etc.
<table>
<thead>
<tr>
<th></th>
<th>2016/3 1Q results</th>
<th>2015/3 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>52.6</td>
<td>49.3</td>
<td>3.2 6.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>5.0</td>
<td>4.0</td>
<td>1.0 24.7%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>5.1</td>
<td>4.0</td>
<td>1.1 26.3%</td>
</tr>
<tr>
<td>Net income*</td>
<td>3.6</td>
<td>2.8</td>
<td>0.8 28.9%</td>
</tr>
</tbody>
</table>

*Net income attributable to parent company’s shareholders

**Consolidated financial results for first quarter FY2016/3**

- **Net sales**
  - 2016/3 1Q: 52.6 Billion yen
  - 2015/3 1Q: 49.3 Billion yen
  - Increase: 3.2 Billion yen (6.5%)

- **Operating income**
  - 2016/3 1Q: 5.0 Billion yen
  - 2015/3 1Q: 4.0 Billion yen
  - Increase: 1.0 Billion yen (24.7%)

- **Income before income taxes**
  - 2016/3 1Q: 5.1 Billion yen
  - 2015/3 1Q: 4.0 Billion yen
  - Increase: 1.1 Billion yen (26.3%)

- **Net income**
  - 2016/3 1Q: 3.6 Billion yen
  - 2015/3 1Q: 2.8 Billion yen
  - Increase: 0.8 Billion yen (28.9%)
## Printing and Industrial Materials Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016/3 1Q results</th>
<th>2015/3 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials Products</td>
<td>13.6</td>
<td>13.3</td>
<td>0.4 (2.7%)</td>
</tr>
<tr>
<td>Printing and Variable Information Products Operations</td>
<td>8.1</td>
<td>7.6</td>
<td>0.4 (5.8%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>21.7</td>
<td>20.9</td>
<td>0.8 (3.8%)</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>0.7</td>
<td>0.8</td>
<td>(0.2) (19.5%)</td>
</tr>
</tbody>
</table>

### Graphs
- **Printing and Variable Information Products Operations sales**
  - 2016/3: 7.6, 8.7, 8.5, 8.0, 8.1
- **Industrial and Material Operations sales**
  - 2015/3: 20.9, 21.9, 22.0, 22.0, 21.7
  - 2016/3: 0.8, 0.9, 0.8, 0.4, 0.7
## Net sales / Operating income by operational segment

### Electronic and Optical Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016/3 1Q results</th>
<th>2015/3 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Materials Operations</td>
<td>10.7</td>
<td>8.8</td>
<td>1.9 21.4%</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>10.7</td>
<td>10.2</td>
<td>0.4 4.4%</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>21.4</td>
<td>19.0</td>
<td>2.3 12.3%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>3.0</td>
<td>2.2</td>
<td>0.8 37.8%</td>
</tr>
</tbody>
</table>

### Graphs

1. **Advanced Materials Operations sales**
   - Q1: 8.8 Billion yen
   - Q2: 10.6 Billion yen
   - Q3: 11.4 Billion yen
   - Q4: 11.1 Billion yen
   - Q1 2016/3: 10.7 Billion yen

2. **Optical Products Operations sales**
   - Q1: 10.2 Billion yen
   - Q2: 9.7 Billion yen
   - Q3: 10.5 Billion yen
   - Q4: 11.0 Billion yen
   - Q1 2016/3: 10.7 Billion yen

3. **Segment net sales**
   - Q1: 19.0 Billion yen
   - Q2: 20.3 Billion yen
   - Q3: 21.8 Billion yen
   - Q4: 22.0 Billion yen
   - Q1 2016/3: 21.4 Billion yen

4. **Segment operating income**
   - Q1: 2.2 Billion yen
   - Q2: 3.0 Billion yen
   - Q3: 2.5 Billion yen
   - Q4: 2.3 Billion yen
   - Q1 2016/3: 3.0 Billion yen
## Net sales / Operating income by operational segment

### Paper and Converted Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016/3 1Q results</th>
<th>2015/3 1Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper and Converted Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>4.2</td>
<td>4.2</td>
<td>0.0 1.1%</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>5.3</td>
<td>5.2</td>
<td>0.0 0.8%</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>9.5</td>
<td>9.4</td>
<td>0.1 0.9%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>1.2</td>
<td>0.9</td>
<td>0.3 31.1%</td>
</tr>
</tbody>
</table>

### Fine and Specialty Paper Products Operations sales

- 2016/3: 4.5 Billion yen (2015/3: 4.2 Billion yen)
- Increase: 0.3 Billion yen (31.1%)

### Converted Products Operations sales

- 2016/3: 5.3 Billion yen (2015/3: 5.2 Billion yen)
- Increase: 0.1 Billion yen (1.9%)

### Segment net sales

- 2016/3: 9.5 Billion yen (2015/3: 9.4 Billion yen)
- Increase: 0.1 Billion yen (1.1%)

### Segment operating income

- 2016/3: 1.2 Billion yen (2015/3: 0.9 Billion yen)
- Increase: 0.3 Billion yen (31.1%)
# Forecasts of consolidated financial results for FY2016/3

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>2016/3 forecasts</th>
<th>2015/3 results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>220.0</td>
<td>207.3</td>
<td>12.7 6.1%</td>
</tr>
<tr>
<td>Operating income</td>
<td>18.5</td>
<td>16.9</td>
<td>1.6 9.6%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>18.3</td>
<td>17.6</td>
<td>0.7 4.2%</td>
</tr>
<tr>
<td>Net * income</td>
<td>12.7</td>
<td>11.7</td>
<td>1.0 8.9%</td>
</tr>
</tbody>
</table>

*Net income attributable to parent company’s shareholders

- **Net sales**
  - 2015/3: 207.3
  - 2016/3: 220.0

- **Operating income**
  - 2015/3: 16.9
  - 2016/3: 18.5

- **Income before income taxes**
  - 2015/3: 17.6
  - 2016/3: 18.3

- **Net income***
  - 2015/3: 11.7
  - 2016/3: 12.7
## Forecasts of net sales and operating income for FY2016/3 by operational segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016/3 forecasts</th>
<th>2015/3 results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials</td>
<td>57.5</td>
<td>54.0</td>
<td>3.5 6.6%</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and Variable Information</td>
<td>35.5</td>
<td>32.8</td>
<td>2.7 8.2%</td>
</tr>
<tr>
<td>Products</td>
<td></td>
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<tr>
<td>Industrial and Material Operations</td>
<td>93.0</td>
<td>86.8</td>
<td>6.2 7.2%</td>
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<tr>
<td>Segment net sales</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Segment operating income</td>
<td>4.1</td>
<td>2.9</td>
<td>1.2 42.5%</td>
</tr>
<tr>
<td>Electronic and Optical Products</td>
<td>42.9</td>
<td>41.9</td>
<td>1.0 2.5%</td>
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<tr>
<td>Advanced Materials Operations</td>
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<tr>
<td>Optical Products Operations</td>
<td>45.0</td>
<td>41.4</td>
<td>3.6 8.8%</td>
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<tr>
<td>Paper and Converted Products</td>
<td>17.1</td>
<td>16.4</td>
<td>0.7 4.3%</td>
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<tr>
<td>Fine and Specialty Paper Products</td>
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<td></td>
<td></td>
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<tr>
<td>Operations</td>
<td>22.0</td>
<td>20.9</td>
<td>1.1 5.3%</td>
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<tr>
<td>Converted Products Operations</td>
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<tr>
<td>Segment net sales</td>
<td>87.9</td>
<td>83.2</td>
<td>4.7 5.6%</td>
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<tr>
<td>Segment net sales</td>
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<tr>
<td>Segment operating income</td>
<td>10.4</td>
<td>10.1</td>
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<tr>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment net sales</td>
<td>4.0</td>
<td>4.0</td>
<td>0.0 0.1%</td>
</tr>
<tr>
<td>Segment operating income</td>
<td></td>
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</tr>
</tbody>
</table>
Capital expenditure, Depreciation & Amortization, R&D expenses

### Capital expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
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<tbody>
<tr>
<td>2012/3</td>
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<tr>
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<td>2014/3</td>
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<tr>
<td>2015/3</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td>2016/3</td>
<td>12.8</td>
<td></td>
</tr>
</tbody>
</table>

### Depreciation & Amortization

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/3</td>
<td>10.1</td>
<td>6.2</td>
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<td>2013/3</td>
<td>10.1</td>
<td>7.3</td>
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<tr>
<td>2014/3</td>
<td>10.1</td>
<td>6.8</td>
</tr>
<tr>
<td>2015/3</td>
<td>8.7</td>
<td>6.8</td>
</tr>
<tr>
<td>2016/3</td>
<td>9.7</td>
<td>8.2</td>
</tr>
</tbody>
</table>

### R&D expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/3</td>
<td>4.9</td>
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<tr>
<td>2013/3</td>
<td>12.8</td>
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<td>2014/3</td>
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<td></td>
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<tr>
<td>2015/3</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>2016/3</td>
<td>8.2</td>
<td></td>
</tr>
</tbody>
</table>

Unit: Billion yen
Trend in dividends per share (yen)

- **Result**
- **Forecast**
- **Payout ratio (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/3</td>
<td>18</td>
<td>13.3</td>
</tr>
<tr>
<td>2008/3</td>
<td>24</td>
<td>19.5</td>
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<td>2009/3</td>
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<td>2010/3</td>
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<tr>
<td>2011/3</td>
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<td>2012/3</td>
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<td>36.8</td>
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<tr>
<td>2015/3</td>
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<td>29.7</td>
</tr>
<tr>
<td>2016/3</td>
<td>54</td>
<td>30.7</td>
</tr>
</tbody>
</table>

(Forecast)
Medium-term business plan

Title LIP-2016 (LINTEC INNOVATION PLAN 2016)

Period From April 2014 to March 2017

Basic Policy 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

Major numerical targets (on a consolidated basis)

- Net sales: ¥240.0 billion
- Operating profit margin: More than 8%
- Operating income: ¥20.0 billion
- ROE (Return on equity): More than 8%
All statements contained in this material, such as projected operating results are based on assumptions regarding economic conditions, market trends and plans as of the date of this material.

For various reasons, it is possible that the Company’s future results, performance, or achievements will differ from the contents of these forward-looking statements.