

# Consolidated Financial Results for the Three Months Ended June 30, 2015

[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

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Name of listed company: LINTEC Corporation Stock exchange listing: Tokyo Stock Exchange 1st Section  
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 Scheduled filing date for quarterly report: August 10, 2015  
 Scheduled date for dividend payments: -  
 Supplemental material on quarterly results: Yes  
 Presentation on quarterly results: None

(Amounts less than one million yen are omitted)

## 1. CONSOLIDATED BUSINESS RESULTS FOR THE THREE MONTHS ENDED JUNE 2015

(from April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (cumulative) (% represents the rate of increase or decrease over the same period last year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three Months Ended June 2015	52,550	6.5	4,956	24.7	5,065	26.0	3,605	28.9
Three Months Ended June 2014	49,322	5.2	3,975	32.4	4,020	16.6	2,797	17.7

(Note) Comprehensive income: Three Months Ended June 30, 2015: 3,357 million yen, up 163.3%  
 Three Months Ended June 30, 2014: 1,275 million yen, down 78.1%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three Months Ended June 2015	49.98	49.91
Three Months Ended June 2014	38.78	38.73

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2015	239,857	173,155	71.7
As of March 31, 2015	237,444	171,674	71.8

(Reference) Shareholders' equity: As of June 30, 2015: 171,994 million yen As of March 31, 2015: 170,514 million yen

## 2. DIVIDENDS

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 2015	—	22.00	—	26.00	48.00
FY ended March 2016	—				
FY ending March 2016 (forecast)		27.00	—	27.00	54.00

(Note) Revision of the latest dividend forecast announced: None

## 3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 2016

(from April 1, 2015 to March 31, 2016)

(% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	220,000	6.1	18,500	9.6	18,300	2.2	12,700	8.9	176.06

(Note) Revision of the latest consolidated results forecast announced: None

**\*Notes**

- (1) Changes in status of significant subsidiaries during the quarter (changes in status of specified subsidiaries accompanying changes in consolidated range): None  
Newly consolidated subsidiaries: - Subsidiaries excluded: -
- (2) Application of accounting treatment specific to preparing quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
- (a) Changes due to revisions to accounting standards: Yes
  - (b) Changes other than (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (4) Number of outstanding shares (common stock):
- (a) Number of outstanding shares at period-end (including treasury stock)
  - (b) Number of treasury stocks at period-end
  - (c) Average number of shares during the period (cumulative total for quarterly period)

(a)	Three Months Ended June 2015:	76,564,240	FY Ended March 2015	76,564,240
(b)	Three Months Ended June 2015:	4,428,895	FY Ended March 2015	4,428,615
(c)	Three Months Ended June 2015:	72,135,479	Three Months Ended June 2014	72,129,883

**\*Indication of quarterly review procedures implementation status**

- At the time of the disclosure of the current quarterly financial results, the review procedures of the financial statements according to the Financial Instruments and Exchange Act are under way.

**\*Explanation relating to the appropriate use of forecasts of business results and other items of note**

- The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Actual results, etc. may differ from projections due to a variety of reasons.
- Supplemental materials will be posted on our website (<http://www.lintec-global.com>) in a timely manner.

## 【Attachment】

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## 1. Qualitative Information on Financial Results for the Three Months ended June 30, 2015

### (1) Explanation regarding Results of Operations

During the first quarter (April 1 - June 30, 2015), the global economy saw a continued stable consumer spending in the U.S. and a moderate recovery in Europe centering on Germany. In the Asian region, the pace of business expansion slowed down primarily in China, while the Japanese economy was performing well as seen in an improvement in corporate earnings and pickup in consumer spending.

In such business environment, this year marks the second year of the medium-term business plan "LIP-2016" that started April last year and our Group is further strengthening efforts in respective challenges set in the plan.

As a result, for the current quarter, the Group achieved net sales of 52,550 million yen (up 6.5% year on year), operating income of 4,956 million yen (up 24.7% year on year), and ordinary income of 5,065 million yen (up 26.0% year on year), with quarterly profit attributable to owners of parent amounting to 3,605 million yen (up 28.9% year on year).

The outline by segment was as follows:

#### [Printing and Industrial Materials Products]

In this segment, net sales were 21,690 million yen (up 3.8% year on year) and operating income was 677 million yen (down 19.5% year on year). Sales by operation of this segment were as follows:

##### (Printing & Variable Information Products Operations)

Sales of adhesive products for seals and labels in overseas markets lacked growth mainly reflecting effects of a business downturn in China and the ASEAN region, but remained solid in Japan focusing on those for beverages and medical use. As a result, sales in this operation showed a year-on-year increase.

##### (Industrial & Material Operations)

Sales of window films were sluggish in Japan and the North America, but sales of motorcycle- and automobile-use adhesive products were steadily in India and the ASEAN region. As a result, sales in this operation showed a year-on-year increase.

#### [Electronic and Optical Products]

In this segment, net sales were 21,361 million yen (up 12.3% year on year) and operating income was 3,036 million yen (up 37.8% year on year). Sales by operation of this segment were as follows:

##### (Advanced Materials Operations)

Sales of semiconductor-related adhesive tapes continuously marked significant growth backed by effects of demand for smartphones and other products, and semiconductor-related equipment also performed well. In addition, coated films for multilayer ceramic capacitor production grew significantly thanks to effects of demand for smartphones and automotive products. As a result, sales in this operation showed a year-on-year increase.

##### (Optical Products Operations)

Sales of LCD-related adhesive products were steady due to effects of demand for TVs and smartphones. As a result, sales in this operation showed a year-on-year increase.

#### [Paper and Converted Products]

In this segment, net sales were 9,498 million yen (up 0.9% year on year) and operating income was 1,194 million yen (up 31.1% year on year). Sales by operation of this segment were as follows:

##### (Fine & Specialty Paper Products Operations)

Sales of color papers for envelopes, mainstream products, were sluggish, but oil resistant papers increased in demand for convenience stores and fast food restaurants. As a result, sales in this operation remained on par with the same period of the previous year.

##### (Converted Products Operations)

Sales of casting papers for carbon fiber composite materials grew centering on the use for aircrafts, but release papers for adhesive products were weak. As a result, sales in this operation remained on par with the same period of the previous year.

(2) Explanation regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 239,857 million yen, a year-on-year increase of 2,413 million yen. Main factors of the change were as follows:

- Increase in "Inventories"	+ 1,728 million yen
- Increase in "Property, plant and equipment"	+ 917 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 66,702 million yen, a year-on-year increase of 932 million yen. Main factors of the change were as follows:

- Increase in "Trade notes and accounts payable"	+ 1,635 million yen
- Decrease in "Accrued income taxes"	- 1,602 million yen

(Net Assets)

Net assets at this consolidated quarter end were 173,155 million yen, a year-on-year increase of 1,480 million yen. Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 1,729 million yen
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(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings

For the full year consolidated earnings forecast, the earnings forecast published on May 8, 2015 remains unchanged.

## 2. Matters for Summary Information (Notes)

### (1) Changes in status of significant subsidiaries during the quarter

Not applicable

### (2) Application of accounting treatment specific to preparing quarterly consolidated financial statements

Not applicable

### (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

#### (Changes in Accounting Policies)

Accounting Standards for Business Combination (Corporate Accounting Standards No.21, September 13, 2013, hereinafter referred to as “Business Combination Accounting Standards”), Accounting Standards for Consolidated Financial Statements (Corporate Accounting Standards No. 22, September 13, 2013, hereinafter referred to as “Consolidated Accounting Standards”), and Accounting Standards for Business Splits (Corporate Accounting Standards No.7, September 13, 2013, hereinafter referred to as “Business Splits Accounting Standards”) are applied from the first quarter of this consolidated accounting period, and the accounting method is changed where differences caused by changes in the Company’s equity for subsidiaries in case of continued control are reported as capital surplus, and acquisition related costs are reported as expenses for a consolidated accounting period in which those expenses accrued. In addition, regarding a business combination carried out after the beginning of the first quarter of this consolidated accounting period, the accounting method is changed where a review of the allotment amount of acquisition costs resulting from provisional determination of accounting standards is reflected in quarterly consolidated financial statements for a quarterly consolidated accounting period containing the date of business combination. Furthermore, changes are made in the presentation method of quarterly net income, etc. and the presentation method from the minority shareholders' equity to non-controlling shareholders' equity. To reflect such changes, as for the first quarter of the previous consolidated accounting period and the previous consolidated accounting period, certain reclassifications were made to quarterly consolidated financial statements and consolidated financial statements.

Application of Business Combination Accounting Standards follows the transitional treatment set forth in 58-paragraph 2 (4) of Business Combination Accounting Standards, 44-paragraph 5 (4) of Consolidated Accounting Standards and 57-paragraph 4 (4) of Business Splits Accounting Standards, which are applied from the beginning of the first quarter of this consolidated accounting period to the future.

In this regard, such cases were not found during this first quarter. Thus, there are no effects that those changes have on quarterly consolidated financial statements.

Immediate Treatment related to Accounting for Overseas Subsidiaries in Preparation of Consolidated Financial Statements (Practical Issues Task Force No.18, March 26, 2015) is applied from the first quarter of this consolidated accounting period and amortization is made as before based on the remaining amortization period for goodwill on the consolidated financial statements pursuant to the treatment set forth in this Practical Issues Task Force. Thus, there are no effects that those changes have on quarterly consolidated financial statements in this first quarter.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	62,059	61,173
Trade notes and accounts receivable	64,094	64,450
Inventories	32,142	33,871
Other	4,823	4,981
Allowance for doubtful accounts	(103)	(87)
Total current assets	163,017	164,388
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	26,595	29,013
Machinery, equipment and vehicles (net)	19,299	18,790
Land	10,263	10,264
Construction in progress	3,635	2,609
Other (net)	1,710	1,742
Property, plant and equipment	61,503	62,420
Intangible assets	2,538	2,483
Investments and other assets		
Net defined benefit asset	1,823	1,902
Other	8,779	8,875
Allowance for doubtful accounts	(217)	(212)
Total investments and other assets	10,384	10,564
Total non-current assets	74,427	75,469
Total assets	237,444	239,857

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	40,674	42,309
Short-term borrowings	1,695	1,695
Accrued income taxes	3,413	1,811
Provision for directors' bonuses	111	24
Other	11,164	12,109
Total current liabilities	57,058	57,950
Non-current liabilities		
Provision for environmental measures	140	138
Net defined benefit liability	7,853	7,928
Other	717	685
Total non-current liabilities	8,711	8,752
Total liabilities	65,770	66,702
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,201	23,201
Capital surplus	26,830	26,830
Retained earnings	116,638	118,367
Treasury stock	(7,741)	(7,741)
Total shareholders' equity	158,928	160,657
Accumulated other comprehensive income		
Net unrealized holding gain on securities	832	871
Foreign currency translation adjustments	11,256	10,904
Remeasurements of defined benefit plans	(503)	(438)
Total accumulated other comprehensive income	11,586	11,336
Share subscription rights	166	166
Non-controlling interests	992	994
Total net assets	171,674	173,155
Total liabilities and net assets	237,444	239,857

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income  
Three Months Ended June 30, 2015

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2014)	Current consolidated fiscal year (Three months ended June 30, 2015)
Net sales	49,322	52,550
Cost of sales	37,423	38,974
Gross profit	11,899	13,575
Selling, general and administrative expenses	7,923	8,619
Operating income	3,975	4,956
Non-operating income		
Interest income	72	77
Dividend income	38	38
Gain on sales of noncurrent assets	0	2
Foreign exchange gains	-	97
Other income	88	79
Total non-operating income	199	296
Non-operating expenses		
Interest expenses	5	5
Loss on retirement of noncurrent assets	36	126
Foreign exchange losses	81	-
Compensation expenses	0	5
Other expenses	31	49
Total non-operating expenses	155	187
Ordinary income	4,020	5,065
Extraordinary gain		
Gain on sale of noncurrent assets	-	11
Total extraordinary gain	-	11
Income before income taxes	4,020	5,077
Income taxes	643	972
Deferred income taxes	570	519
Total income taxes	1,213	1,491
Profit	2,806	3,585
Profit (loss) attributable to non-controlling interests	9	(20)
Profit attributable to owners of parent	2,797	3,605

Consolidated Quarterly Statements of Comprehensive Income  
 Three Months Ended June 30, 2015

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2014)	Current consolidated fiscal year (Three months ended June 30, 2015)
Net income	2,806	3,585
Other comprehensive income		
Net unrealized holding gain on securities	45	38
Foreign currency translation adjustments	(1,611)	(354)
Remeasurements of defined benefit plans	33	87
Total other comprehensive income	(1,531)	(228)
Comprehensive income	1,275	3,357
(Comprehensive income attributable to)		
Shareholders of the parent	1,278	3,355
Non-controlling interests	(2)	1

(3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern)  
Not applicable.

(Notes on Significant Changes in the Amount of Total Shareholders' Equity)  
Not applicable.

(Segment Information, etc.)

I. Previous first quarter (from April 1, 2014 to June 30, 2014)  
Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	20,886	19,026	9,409	49,322	—	49,322
Intersegment sales and transfers	12	12	4,052	4,077	(4,077)	—
Total	20,898	19,039	13,462	53,400	(4,077)	49,322
Segment income	841	2,204	911	3,956	19	3,975

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.

II. Current first quarter (from April 1, 2015 to June 30, 2015)  
Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	21,690	21,361	9,498	52,550	—	52,550
Intersegment sales and transfers	17	17	4,532	4,567	(4,567)	—
Total	21,707	21,378	14,031	57,118	(4,567)	52,550
Segment income	677	3,036	1,194	4,908	47	4,956

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.