

Consolidated Financial Results for the Nine Months Ended December 31, 2015

[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

February 10, 2016

Name of listed company: LINTEC Corporation Stock exchange listing: Tokyo Stock Exchange 1st Section
 Code number: 7966 URL: <http://www.lintec-global.com/>
 Representative: Hiroyuki Nishio, President and CEO
 For inquiries: Junichi Ogawa, General Manager, Finance & Accounting Dept., Administration Div. Phone: +81-3-5248-7713
 Scheduled filing date for quarterly report: February 12, 2016
 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 NINE MONTHS ENDED DECEMBER 2015 (from April 1, 2015 to December 31, 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	%
Nine Months Ended December 2015	159,544	4.0	14,369	8.5	14,650	6.3	9,532	(2.2)
Nine Months Ended December 2014	153,425	2.0	13,240	21.0	13,788	26.3	9,744	26.6

(Note) Comprehensive income: Nine Months Ended December 31, 2015: 6,182 million yen, down 49.1%
 Nine Months Ended December 31, 2014: 12,140 million yen, down 7.6%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Nine Months Ended December 2015	132.14	131.95
Nine Months Ended December 2014	135.09	134.91

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2015	248,083	174,064	69.7
As of March 31, 2015	237,444	171,674	71.8

(Reference) Shareholders' equity: As of December 31, 2015: 172,983 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	—	27.00	—		
FY ending March 2016 (forecast)				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	210,000	1.3	17,000	0.7	17,000	(5.0)	10,500	(9.9)	145.53

(Note) Revision of the latest consolidated results forecast announced: Yes

***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)	Nine Months Ended December 2015	76,564,240	FY Ended March 2015	76,564,240
(b)	Nine Months Ended December 2015	4,416,095	FY Ended March 2015	4,428,615
(c)	Nine Months Ended December 2015	72,142,471	Nine Months Ended December 2014	72,133,427

***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 Company has revised the full year consolidated business results forecast that was published on May 8, 2015. For details, please see “(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings” on page 3 of the Attachment.
- 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 Nine Months ended December 31, 2015

(1) Explanation regarding Results of Operations

During the nine months ended December 31, 2015 (April 1 – December 31, 2015), the global economy saw a continued stable consumer spending in the U.S. but a lack of strength in Europe. In the Asian region, an economic slowdown became evident in emerging countries including China. In Japan, corporate earnings were improving, but a business pickup was marking time such that exports to emerging countries, particularly to China, declined and consumer spending showed a lack of growth.

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 159,544 million yen (up 4.0% year on year), operating income of 14,369 million yen (up 8.5% year on year), and ordinary income of 14,650 million yen (up 6.3% year on year), with quarterly profit attributable to owners of parent amounting to 9,532 million yen (down 2.2% year on year).

The outline by segment was as follows:

[Printing and Industrial Materials Products]

In this segment, net sales were 66,246 million yen (up 2.3% year on year) and operating income was 2,272 million yen (down 9.8% 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, due partly to the effects of an economic slowdown in China, but sales of motorcycle- and automobile-use adhesive products were steady, particularly in India. As a result, sales in this operation showed a year-on-year increase.

[Electronic and Optical Products]

In this segment, net sales were 65,634 million yen (up 7.3% year on year) and operating income was 8,885 million yen (up 15.0% year on year). Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Sales of semiconductor-related adhesive tapes marked significant growth backed by effects of demand for smartphones and other products, but semiconductor-related equipment decreased. 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 smartphones. As a result, sales in this operation showed a year-on-year increase.

[Paper and Converted Products]

In this segment, net sales were 27,663 million yen (up 0.7% year on year) and operating income was 3,194 million yen (up 7.9% 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 steady and oil resistant papers grew backed by effects of demand for convenience stores and fast food restaurants. As a result, sales in this operation showed a year-on-year increase.

(Converted Products Operations)

Sales of casting papers for carbon fiber composite materials grew, centered on use for aircraft, but release papers for double-sided tapes and FPC cover lay films remained weak. As a result, sales in this operation showed a year-on-year decrease.

(2) Explanation regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 248,083 million yen, a year-on-year increase of 10,639 million yen. Main factors of the change were as follows:

- Increase in "Cash and deposits"	+ 3,673 million yen
- Increase in "Trade notes and accounts receivable"	+ 4,963 million yen
- Increase in "Property, plant and equipment"	+ 1,093 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 74,019 million yen, a year-on-year increase of 8,249 million yen. Main factors of the change were as follows:

- Increase in "Trade notes and accounts payable"	+ 8,373 million yen
- Decrease in "Accrued income taxes"	- 2,342 million yen

(Net Assets)

Net assets at this consolidated quarter end were 174,064 million yen, a year-on-year increase of 2,390 million yen. Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 5,709 million yen
- Decrease in "Foreign currency translation adjustments"	- 3,668 million yen

(3) Explanation regarding Information on Future Forecast, including Forecast of Consolidated Earnings

After the third quarter of the current fiscal year, the unpredictable situation is expected to continue, given a fall in exports and weak consumption in Japan as the future outlook for the global economy is increasingly uncertain due to an economic slowdown in emerging countries including China and low crude oil prices.

As the business results of the Group are expected to fall below the initial forecast in this environment, the Company has revised its full year consolidated business results forecasts for the fiscal year ending March 31, 2016 that was published on May 8, 2015 as follows.

Full year consolidated business results forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A)	220,000	18,500	18,300	12,700
New forecast (B)	210,000	17,000	17,000	10,500
Change (B-A)	(10,000)	(1,500)	(1,300)	(2,200)
Change (%)	(4.5)	(8.1)	(7.1)	(17.3)
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2015)	207,255	16,881	17,901	11,659

* The above forecasts are principally based on foreseeable economic situations, market trends and plans as of the date of announcement. Actual results may differ from those forecasts due to a variety of reasons.

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 third 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 third 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 third quarter.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	62,059	65,733
Trade notes and accounts receivable	64,094	69,058
Inventories	32,142	32,214
Other	4,823	5,399
Allowance for doubtful accounts	(103)	(92)
Total current assets	163,017	172,312
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	26,595	28,812
Machinery, equipment and vehicles (net)	19,299	17,449
Land	10,263	10,171
Construction in progress	3,635	4,453
Other (net)	1,710	1,710
Property, plant and equipment	61,503	62,597
Intangible assets	2,538	2,417
Investments and other assets		
Net defined benefit asset	1,823	2,032
Other	8,779	8,825
Allowance for doubtful accounts	(217)	(101)
Total investments and other assets	10,384	10,755
Total non-current assets	74,427	75,770
Total assets	237,444	248,083

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Trade notes and accounts payable	40,674	49,048
Short-term borrowings	1,695	1,695
Accrued income taxes	3,413	1,071
Provision for directors' bonuses	111	74
Other	11,164	13,353
Total current liabilities	57,058	65,242
Non-current liabilities		
Provision for environmental measures	140	138
Net defined benefit liability	7,853	8,008
Other	717	629
Total non-current liabilities	8,711	8,776
Total liabilities	65,770	74,019
Net Assets		
Shareholders' equity		
Common stock	23,201	23,201
Capital surplus	26,830	26,829
Retained earnings	116,638	122,347
Treasury stock	(7,741)	(7,720)
Total shareholders' equity	158,928	164,657
Accumulated other comprehensive income		
Net unrealized holding gain on securities	832	890
Foreign currency translation adjustments	11,256	7,588
Remeasurements of defined benefit plans	(503)	(153)
Total accumulated other comprehensive income	11,586	8,325
Share subscription rights	166	177
Non-controlling interests	992	903
Total net assets	171,674	174,064
Total liabilities and net assets	237,444	248,083

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Nine Months Ended December 31, 2015

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2014)	Current consolidated fiscal year (Nine months ended December 31, 2015)
Net sales	153,425	159,544
Cost of sales	115,708	118,552
Gross profit	37,717	40,991
Selling, general and administrative expenses	24,477	26,622
Operating income	13,240	14,369
Non-operating income		
Interest income	243	234
Dividend income	54	57
Gain on sales of noncurrent assets	3	5
Foreign exchange gains	898	86
Other income	258	282
Total non-operating income	1,459	668
Non-operating expenses		
Interest expenses	16	15
Loss on retirement of noncurrent assets	78	218
Compensation expenses	716	39
Other expenses	99	114
Total non-operating expenses	910	387
Ordinary income	13,788	14,650
Extraordinary gain		
Gain on sale of noncurrent assets	259	11
Gain on liquidation of subsidiaries	69	-
Total extraordinary gain	329	11
Extraordinary loss		
Special retirement expenses	-	420
Loss on termination of retirement benefit plans	-	251
Loss on temporary suspension of production	-	66
Total extraordinary losses	-	738
Income before income taxes	14,117	13,923
Income taxes	4,065	3,978
Deferred income taxes	295	530
Total income taxes	4,361	4,508
Profit	9,756	9,414
Profit (loss) attributable to non-controlling interests	11	(117)
Profit attributable to owners of parent	9,744	9,532

Consolidated Quarterly Statements of Comprehensive Income
 Nine Months Ended December 31, 2015

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2014)	Current consolidated fiscal year (Nine months ended December 31, 2015)
Net income	9,756	9,414
Other comprehensive income		
Net unrealized holding gain on securities	332	58
Foreign currency translation adjustments	1,984	(3,670)
Remeasurements of defined benefit plans	68	380
Total other comprehensive income	2,384	(3,232)
Comprehensive income	12,140	6,182
(Comprehensive income attributable to)		
Shareholders of the parent	12,113	6,271
Non-controlling interests	27	(89)

(3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern)

Not applicable.

(Consolidated Quarterly Statements of Income)

Current third quarter (from April 1, 2015 to December 31, 2015)

* Special retirement expenses

This is an extra retirement expense associated with management rationalization at subsidiaries in the United States.

* Loss on termination of retirement benefit plans

This is a loss on termination associated with a partial abolition of retirement benefit plans in subsidiaries in the United States.

* Loss on temporary suspension of production

This is a loss arising from the temporary suspension of operations due to strikes at subsidiaries in Indonesia.

(Notes on Significant Changes in the Amount of Total Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

I. Previous third quarter (from April 1, 2014 to December 31, 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	64,766	61,176	27,483	153,425	—	153,425
Intersegment sales and transfers	47	64	12,960	13,072	(13,072)	—
Total	64,813	61,240	40,443	166,498	(13,072)	153,425
Segment income	2,518	7,726	2,961	13,207	32	13,240

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 third quarter (from April 1, 2015 to December 31, 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	66,246	65,634	27,663	159,544	—	159,544
Intersegment sales and transfers	315	390	13,140	13,847	(13,847)	—
Total	66,561	66,024	40,804	173,391	(13,847)	159,544
Segment income	2,272	8,885	3,194	14,352	17	14,369

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.