

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 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/>

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Scheduled date for ordinary general meeting of shareholders: June 22, 2016

Scheduled date for starting dividend payments: June 6, 2016

Scheduled date for filing annual securities report: June 22, 2016

Supplemental material on annual results: Yes

Presentation on annual results: Yes (For institutional investors and analysts)

(Amounts less than one million yen are omitted)

1. CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDED MARCH 2016

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

(1) Consolidated Operating Results

(% represents year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 2016	210,501	1.6	17,692	4.8	17,623	(1.6)	10,899	(6.5)
FY ended March 2015	207,255	2.0	16,881	22.6	17,901	36.0	11,659	37.1

(Note) Comprehensive income: Fiscal Year Ended March 31, 2016: 4,220 million yen, down 77.3%

Fiscal Year Ended March 31, 2015: 18,614 million yen, up 3.5%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY ended March 2016	151.07	150.86	6.4	7.4	8.4
FY ended March 2015	161.63	161.41	7.2	7.8	8.1

(Reference) Equity in net income of affiliates: FY ended March 2016: — million yen FY ended March 2015: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 31, 2016	240,720	172,101	71.1	2,370.49
As of March 31, 2015	237,444	171,674	71.8	2,363.81

(Reference) Shareholders' equity: As of March 31, 2016: 171,037 million yen As of March 31, 2015: 170,514 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at end of term
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY ended March 2016	19,928	(9,898)	(4,044)	60,323
FY ended March 2015	15,485	(5,104)	(3,135)	56,050

2. DIVIDENDS

	Cash dividends per share					Total dividends (annual)	Dividend Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 2015	—	22.00	—	26.00	48.00	3,462	29.7	2.1
FY ended March 2016	—	27.00	—	27.00	54.00	3,896	35.7	2.3
FY ending March 2017 (forecasts)	—	33.00	—	33.00	66.00		35.3	

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 2017
(from April 1, 2016 to March 31, 2017)

(% represents year-on-year changes)

	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	215,000	2.1	20,000	13.0	19,500	10.6	13,500	23.9	187.10

* Notes

- (1) Changes in status of significant subsidiaries during the year (changes in status of specified subsidiaries accompanying changes in the scope of consolidation): None
Newly consolidated subsidiaries: — Subsidiaries excluded: —
- (2) 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
- (3) 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

(a)	FY ended March 2016	76,564,240	FY ended March 2015	76,564,240
(b)	FY ended March 2016	4,411,475	FY ended March 2015	4,428,615
(c)	FY ended March 2016	72,144,630	FY ended March 2015	72,134,042

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 2016 (from April 1, 2015 to March 31, 2016)

(1) Operating results of the Company

(% represents year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 2016	164,486	1.7	9,965	0.3	13,828	(11.5)	10,415	(7.4)
FY ended March 2015	161,670	0.5	9,934	19.4	15,629	29.9	11,247	29.0

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY ended March 2016	144.37		144.16	
FY ended March 2015	155.92		155.71	

(2) Financial position of the Company

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of March 2016	195,060	133,138	68.2	1,842.89
As of March 2015	187,894	126,647	67.3	1,753.37

(Reference) Shareholders' equity: As of March 31, 2016: 132,969 million yen

As of March 31, 2015: 126,480 million yen

* Indication of audit process implementation status

- At the time of the disclosure of these financial results, the audit of the financial statements according to the Financial Instruments and Exchange Act is 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 material will be posted on our website (<http://www.lintec-global.com>) in a timely manner.

Contents of Attachment

1. Analysis regarding Results of Operations and Financial Position	2
(1) Analysis regarding Results of Operations	2
(2) Analysis regarding Financial Position	3
(3) Basic Policy for Profit Sharing and Dividends for the Current and the Next Fiscal Years	4
2. Management Policy	4
(1) The Company's Basic Management Policy	4
(2) Target Management Index	5
(3) The Company's Medium- and Long-term Management Strategies and Issues that Need to be Addressed	5
3. Basic Rationale for Selection of Accounting Standards	5
4. Consolidated Financial Statements	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
(3) Consolidated Statements of Changes in Shareholders' Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
(Notes on Going Concern)	14
(Basis of preparation for consolidated financial statements)	14
(Changes in accounting policy)	14
(Consolidated Statements of Income)	14
(Segment Information, etc.)	15
(Per share data)	17
(Significant Events after Closing of the Year)	17

1. Analysis regarding Results of Operations and Financial Position

(1) Analysis regarding Results of Operations

(I) Results of Operations for the current fiscal year

During the fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016), the global economy saw continued stable consumer spending and a steady employment environment in the United States, but a sluggish recovery in Europe due to stagnant exports. In the Asian region, the economic situation became increasingly severe, reflecting the effects of a slowdown in the Chinese economy. In Japan, the recovery stalled on declining exports to emerging countries, particularly to China, and a prolonged downturn in consumer spending.

In such business environment, this year marks the second year of the medium-term business plan “LIP-2016” that started April 2014 and our Group is further strengthening efforts in respective challenges set in the plan.

As a result, for the current fiscal year, the Group achieved net sales of 210,501 million yen (up 1.6% year on year), operating income of 17,692 million yen (up 4.8% year on year), and ordinary income of 17,623 million yen (down 1.6% year on year), with profit attributable to owners of parent amounting to 10,899 million yen (down 6.5% year on year).

The outline by segment was as follows:

[Printing and Industrial Materials Products]

In this segment, net sales were 87,638 million yen (up 1.0% year on year) and operating income was 2,785 million yen (down 3.2% 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, medical and cosmetic use. As a result, sales in this operation were about the same level year on year.

(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 85,422 million yen (up 2.7% year on year) and operating income was 10,562 million yen (up 4.9% 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. Multilayer ceramic capacitor-related tapes 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 medium and small sized applications 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 37,440 million yen (up 0.4% year on year) and operating income was 4,303 million yen (up 7.7% 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 were steady, centered on use for aircraft, while sales of release papers and films declined, given sluggish demand mainly for adhesive products, FPC cover lay films and optical products. As a result, sales in this operation showed a year-on-year decrease.

(II) Forecasts of the next fiscal year

With respect to the outlook for the global economy in the fiscal year ending March 2017, the U.S. economy is expected to remain steady on the back of strong consumer spending. However, partly due to concerns over the effects of a slowdown in emerging economies, centered on China, on the economies of each country, the outlook for the global economy is likely to remain uncertain. In Japan, reflecting the ongoing appreciation of the yen since the beginning of the year, risks of deterioration in corporate earnings are expected to increase, and a sense of stagnation in consumer spending is also likely to continue.

In this environment, the Company has established consolidated business results forecasts for the next fiscal year as follows. The forecasts are based on the assumption of foreign exchange rates at 108 yen per U.S. dollar, 0.096 yen per Korean won, 16.5 yen per Chinese yuan and 3.4 yen per Taiwan dollar.

Net sales	215 billion yen (up 2.1% year on year)
Operating income	20 billion yen (up 13.0% year on year)
Ordinary income	19.5 billion yen (up 10.6% year on year)
Profit attributable to owners of parent	13.5 billion yen (up 23.9% year on year)

For the depreciation method of property, plant and equipment, the Company on a non-consolidated basis and its domestic consolidated subsidiaries have been mainly adopting the declining balance method, while its overseas consolidated subsidiaries have been adopting the straight line method. To appropriately reflect the situation of the use of property, plant and equipment, from the fiscal year ending March 2017, the Company on a non-consolidated basis and its domestic consolidated subsidiaries plan to change the depreciation method of all their property, plant and equipment to the straight line method.

The above consolidated business results forecasts were prepared based on information assumed as of the date of the announcement, and actual results may differ from the forecasts due to a variety of factors in the future.

(2) Analysis regarding Financial Position

(I) Assets, Liabilities and Net Assets

(Assets)

Total assets at this consolidated fiscal year end were 240,720 million yen, a year-on-year increase of 3,275 million yen.

Main factors of the change were as follows:

- Increase in "Cash and deposits"	+ 3,673 million yen
- Decrease in "Trade notes and accounts receivable"	-1,762 million yen
- Decrease in "Inventories"	-1,076 million yen
- Increase in "Property, plant and equipment"	+ 3,355 million yen
- Decrease in "Net defined benefit asset"	-1,823 million yen
- Increase in "Deferred tax assets"	+ 641 million yen

(Liabilities)

Total liabilities at this consolidated fiscal year end were 68,618 million yen, a year-on-year increase of 2,848 million yen.

Main factors of the change were as follows:

- Decrease in "Accrued income taxes"	- 1,140 million yen
- Increase in "Net defined benefit liability"	+ 3,623 million yen

(Net Assets)

Net assets at this consolidated fiscal year end were 172,101 million yen, a year-on-year increase of 427 million yen. Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 7,075 million yen
- Decrease in "Foreign currency translation adjustments"	- 3,443 million yen
- Decrease in "Remeasurements of defined benefit plans"	- 3,006 million yen

(II) Cash flows

(Millions of yen)

Millions of Yen	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)	Increase (decrease)
Cash flows from operating activities	15,485	19,928	4,443
Cash flows from investing activities	(5,104)	(9,898)	(4,794)
Cash flows from financing activities	(3,135)	(4,044)	(908)
Effect of exchange rate change on cash and cash equivalents	2,363	(1,712)	(4,075)
Net increase (decrease) in cash and cash equivalents	9,608	4,273	(5,335)
Cash and cash equivalents at beginning of year	44,992	56,050	11,058
Increase in cash and cash equivalents from newly consolidated subsidiary	1,449	0	(1,449)
Cash and cash equivalents at end of year	56,050	60,323	4,273

Cash and cash equivalents at this consolidated fiscal year end were 60,323 million yen, a year-on-year increase of 4,273 million yen, or 7.6%.

(Cash flows from operating activities)

Net cash provided by operating activities increased 4,433 million yen year on year, to 19,928 million yen. The principal movements were as follows:

- Increase in "Increase (decrease) in net defined benefit liability"	+ 5,460 million yen
- Decrease in "Income taxes (paid) refund"	-1,557 million yen

(Cash flows from investing activities)

Net cash used by investing activities decreased 4,794 million yen year on year, to 9,898 million yen. The principal movements were as follows:

- Decrease in "Proceeds from withdrawal of time deposits"	-1,127 million yen
- Decrease in "Purchase of property, plant and equipment"	-3,511 million yen

(Cash flows from financing activities)

Net cash used by financing activities decreased 908 million yen year on year, to 4,044 million yen. The principal movements were as follows:

- Decrease in "Cash dividends paid"	-721 million yen
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(3) Basic Policy for Profit Sharing and Dividends for the Current and the Next Fiscal Years

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 reserves are used effectively to reinforce the Company's financial base and provide increased future corporate value through investment in production facilities and R&D.

Adhering to this basic policy, the year-end dividend for the year ended March 31, 2016 was set at ¥27 and, in combination with the interim dividend, dividends for the full year totaled ¥54.

We intend to issue dividend payments of ¥66 per share for the period ending March 31, 2017.

2. Management Policy

(1) The Company's Basic Management Policy

The LINTEC Group mission statement is "The company name LINTEC derives from "linkage" and "technology," two key components of our business philosophy, which emphasizes the importance of close relations, inside and outside the company, and leading-edge R&D programs. By bringing these together to develop innovative solutions, we have established a reputation in Japan and overseas as a dynamic and reliable company that contributes to the prosperity of our stakeholders, to the growth of our industry, and to a brighter future for society as a whole. And underpinning all of our business activities is an unwavering emphasis on "Sincerity and Creativity," the twin values enshrined in our company motto."

Based on its four unique technologies, adhesive applications, surface improvement, specialty papers and release materials production and system development, and by integrating these technologies at a higher level, the LINTEC Group will strive to create differentiated and highly distinctive products. Moreover, the Group will be committed to remaining a company that is trusted by society by thoroughly complying with the spirit of CSR under high ethical standards.

(2) Target Management Index

Under its medium-term business plan, LINTEC INNOVATION PLAN 2016 (LIP-2016), which was announced on March 19, 2014, the Company has established major numerical targets that it will work to achieve in the fiscal year ending March 2017, the final year of LIP-2016, as follows.

Net sales	240 billion yen
Operating income	20 billion yen
Operating profit margin	More than 8%
ROE	More than 8%

The above targets were prepared based on information available at the time when these documents were prepared. Actual results may differ from the figures described above due to a variety of factors in the future.

(3) The Company's Medium- and Long-term Management Strategies and Issues that Need to be Addressed

Under its previous medium-term business plan, LIP-III, based on the basic policy, "Achieve sustainable growth and maximize corporate value through aggressive and bold innovation," the LINTEC Group also carried out a number of measures by focusing on key themes, including strengthening and expanding its overseas operations and expanding its domestic operations and making the operations highly profitable by strengthening QCD.

For the LINTEC Group to continue to grow and expand in the future, it is essential to take the initiative to return to a growth path. For this reason, the Group established a new medium-term business plan, LIP-2016, which commenced in April 2014.

I. Basic Policy of "LIP-2016"

Under the new medium-term business plan, LIP-2016, by upholding the basic policy of "Return to a growth path through active management and continuous innovation," the Group will actively take on the challenge of a number of key themes. These include expanding the scale of operations in countries and regions in which economies are expected to continue to grow in the future while striving to achieve the sustainable growth of domestic operations, and creating innovative new products that will support the next generation, and promoting M&A to ensure that business strategies will be promptly realized.

Moreover, the Group will establish a robust corporate structure that will not be easily affected by the business environment by strengthening cost reform activities while further deepening the spirit of innovation that has been firmly rooted in employees' activities to date.

II. Key Initiatives

1. Further promote global development

- (1) Expand overseas businesses with a particular focus on Asian region
- (2) Establish firm business foundations in new regions

2. Create innovative new products that will support the next generation

- (1) Explore new markets and demand by creating new products
- (2) Enhance the base of our research and development in order to create new products

3. Transform into a robust corporate structure

- (1) Strengthen cost competitiveness
- (2) Select and concentrate our management resources

4. Promote strategic M&A

- (1) Clarify the targets that are suited to a growth strategy
- (2) Strengthen the system to promote M&A

5. Foster human resources

- (1) Secure and foster global human resources
- (2) Implement continuous stratified training

3. Basic Rationale for Selection of Accounting Standards

The Company prepares its consolidated financial statements in accordance with Japanese standards.

It will deal appropriately with the future introduction of the International Financial Reporting Standards (IFRS) by taking into account the progress of the adoption of the standards in Japan.

4. Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	62,059	65,733
Trade notes and accounts receivable	64,094	62,331
Inventories	32,142	31,066
Deferred tax assets	1,879	1,121
Other	2,944	3,583
Allowance for doubtful accounts	(103)	(143)
Total current assets	163,017	163,647
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	26,595	29,945
Machinery, equipment and vehicles (net)	19,299	20,130
Land	10,263	10,184
Construction in progress	3,635	2,864
Other (net)	1,710	1,734
Property, plant and equipment	61,503	64,859
Intangible assets	2,538	2,357
Investments and other assets		
Investment securities	3,313	3,126
Net defined benefit asset	1,823	–
Deferred tax assets	3,578	4,978
Other	1,887	1,854
Allowance for doubtful accounts	(217)	(103)
Total investments and other assets	10,384	9,855
Total non-current assets	74,427	77,072
Total assets	237,444	240,720

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Trade notes and accounts payable	40,674	39,683
Short-term borrowings	1,695	1,695
Accrued income taxes	3,413	2,272
Provision for directors' bonuses	111	93
Other	11,164	12,644
Total current liabilities	57,058	56,389
Non-current liabilities		
Provision for environmental measures	140	137
Net defined benefit liability	7,853	11,476
Other	717	614
Total non-current liabilities	8,711	12,228
Total liabilities	65,770	68,618
Net Assets		
Shareholders' equity		
Common stock	23,201	23,201
Capital surplus	26,830	26,829
Retained earnings	116,638	123,713
Treasury stock	(7,741)	(7,712)
Total shareholders' equity	158,928	166,032
Accumulated other comprehensive income		
Net unrealized holding gain on securities	832	701
Foreign currency translation adjustments	11,256	7,812
Remeasurements of defined benefit plans	(503)	(3,509)
Total accumulated other comprehensive income	11,586	5,005
Share subscription rights	166	169
Non-controlling interests	992	895
Total net assets	171,674	172,101
Total liabilities and net assets	237,444	240,720

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Net sales	207,255	210,501
Cost of sales	157,122	156,877
Gross profit	50,133	53,624
Selling, general and administrative expenses	33,251	35,932
Operating income	16,881	17,692
Non-operating income		
Interest income	335	308
Dividends income	55	59
Rent income	55	58
Gain on sales of noncurrent assets	45	7
Foreign exchange gains	1,487	–
Other income	369	318
Total non-operating income	2,349	752
Non-operating expenses		
Interest expenses	21	18
Loss on retirement of noncurrent assets	388	357
Compensation expenses	753	129
Foreign exchange losses	–	124
Other expenses	166	189
Total non-operating expenses	1,329	820
Ordinary income	17,901	17,623
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	–	438
Loss on termination of retirement benefit plans	–	265
Loss on temporary suspension of production	–	131
Impairment loss	674	–
Total extraordinary losses	674	835
Income before income taxes and other adjustments	17,555	16,799
Income taxes	5,851	5,339
Deferred income taxes	48	689
Total income taxes	5,899	6,029
Profit	11,656	10,769
Profit (loss) attributable to non-controlling interests	(2)	(129)
Profit attributable to owners of parent	11,659	10,899

Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Profit	11,656	10,769
Other comprehensive income		
Net unrealized holding gain / loss on securities	476	(130)
Foreign currency translation adjustments	5,885	(3,443)
Remeasurements of defined benefit plans	595	(2,975)
Total other comprehensive income / (loss)	6,958	(6,549)
Comprehensive income	18,614	4,220
(Comprehensive income attributable to)		
Shareholders of the parent	18,552	4,318
Non-controlling interests	62	(97)

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,201	26,830	104,771	(7,754)	147,048
Cumulative effects of changes in accounting policies			2,725		2,725
Restated balance	23,201	26,830	107,497	(7,754)	149,774
Changes during current term					
Cash dividends			(3,101)		(3,101)
Profit attributable to owners of parent			11,659		11,659
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		15	15
Change of scope of consolidation			583		583
Net changes in items other than shareholders' equity during current term					
Total change during current term	–	(0)	9,140	12	9,153
Balance at end of current term	23,201	26,830	116,638	(7,741)	158,928

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current term	355	5,236	(1,110)	4,482	148	930	152,610
Cumulative effects of changes in accounting policies							2,725
Restated balance	355	5,236	(1,110)	4,482	148	930	155,336
Changes during current term							
Cash dividends							(3,101)
Profit attributable to owners of parent							11,659
Purchase of treasury stock							(2)
Disposal of treasury stock							15
Change of scope of consolidation							583
Net changes in items other than shareholders' equity during current term	476	6,020	606	7,104	18	62	7,184
Total change during current term	476	6,020	606	7,104	18	62	16,337
Balance at end of current term	832	11,256	(503)	11,586	166	992	171,674

Current consolidated fiscal year (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,201	26,830	116,638	(7,741)	158,928
Cumulative effects of changes in accounting policies					–
Restated balance	23,201	26,830	116,638	(7,741)	158,928
Changes during current term					
Cash dividends			(3,823)		(3,823)
Profit attributable to owners of parent			10,899		10,899
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		31	30
Change of scope of consolidation					–
Net changes in items other than shareholders' equity during current term					
Total change during current term	–	(0)	7,075	29	7,103
Balance at end of current term	23,201	26,829	123,713	(7,712)	166,032

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current term	832	11,256	(503)	11,586	166	992	171,674
Cumulative effects of changes in accounting policies							–
Restated balance	832	11,256	(503)	11,586	166	992	171,674
Changes during current term							
Cash dividends							(3,823)
Profit attributable to owners of parent							10,899
Purchase of treasury stock							(2)
Disposal of treasury stock							30
Change of scope of consolidation							–
Net changes in items other than shareholders' equity during current term	(130)	(3,443)	(3,006)	(6,580)	2	(97)	(6,676)
Total change during current term	(130)	(3,443)	(3,006)	(6,580)	2	(97)	427
Balance at end of current term	701	7,812	(3,509)	5,005	169	895	172,101

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Cash flows from operating activities		
Income before income taxes	17,555	16,799
Depreciation and amortization	8,713	8,800
Amortization of goodwill	76	71
Increase (decrease) in net defined benefit liability	(4,671)	788
Increase (decrease) in allowance for doubtful accounts	(57)	(72)
Interest and dividend income	(391)	(367)
Interest expense	21	18
Loss (gain) on sales of property, plant and equipment	(300)	(9)
Loss on retirement of property, plant and equipment	325	163
Decrease (increase) in trade notes and accounts receivable	1,449	966
Decrease (increase) in inventories	(30)	582
Increase (decrease) in trade notes and accounts payable	(2,090)	(1,485)
Loss (gain) on sales of investment securities	(0)	(0)
Increase (decrease) in provision for environmental measures	7	(2)
Impairment loss	674	–
Loss (gain) on liquidation of subsidiaries	(69)	–
Special retirement expenses	–	438
Loss on termination of retirement benefit plans	–	265
Other	(1,125)	(792)
Subtotal	20,086	26,166
Interest and dividend income received	397	382
Interest expenses paid	(21)	(18)
Income taxes (paid) refund	(4,976)	(6,534)
Payments for special retirement expenses	–	(66)
Cash flows from operating activities	15,485	19,928

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Cash flows from investing activities		
Payments into time deposits	(10,353)	(9,653)
Proceeds from withdrawal of time deposits	11,084	9,957
Purchase of property, plant and equipment	(6,299)	(9,810)
Proceeds from sales of property, plant and equipment	472	26
Purchase of intangible assets	(195)	(455)
Purchase of investment securities	(12)	(15)
Proceeds from sales of investment securities	0	0
Purchase of shares of subsidiaries	(0)	–
Proceeds from liquidation of subsidiaries	105	–
Payments of loans receivable	(2)	(5)
Collection of loans receivable	34	2
Other	61	56
Cash flows from investing activities	(5,104)	(9,898)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	185	–
Cash dividends paid	(3,103)	(3,824)
Purchase of treasury stock	(2)	(2)
Repayment of lease obligation	(214)	(217)
Other	0	0
Cash flows from financing activities	(3,135)	(4,044)
Effect of exchange rate changes on cash and cash equivalents	2,363	(1,712)
Net Increase (decrease) in cash and cash equivalents	9,608	4,273
Cash and cash equivalents at beginning of year	44,992	56,050
Increase in cash and cash equivalents from newly consolidated subsidiary	1,449	0
Cash and cash equivalents at end of year	56,050	60,323

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Basis of preparation for consolidated financial statements)

Matters regarding scope of consolidation

Number of consolidated subsidiaries: 33

The Company's newly established subsidiary LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED is included in the scope of consolidation in the current consolidated fiscal year.

(Changes in accounting policy)

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

The application of the Business Combination Accounting Standards follows the transitional treatment set forth in 58-paragraph 2 (4) of the Business Combination Accounting Standards, 44-paragraph 5 (4) of the Consolidated Accounting Standards and 57-paragraph 4 (4) of the Business Splits Accounting Standards, which are applicable from the beginning of the consolidated accounting period under review and going forward.

In this regard, such cases were not found during the consolidated accounting period under review. Accordingly, the changes have had no impact on the consolidated financial statements.

Immediate Treatment related to Accounting for Overseas Subsidiaries in Preparation of Consolidated Financial Statements (Practical Issues Task Force No. 18 of March 26, 2015) is applied from the consolidated accounting period under review, and amortization is undertaken as before based on the remaining amortization period for goodwill on the consolidated financial statements pursuant to the transitional treatment set forth in this Practical Issues Task Force. Accordingly, the changes have had no impact on the consolidated financial statements in the consolidated accounting period under review.

(Consolidated Statements of Income)

Current fiscal year (from April 1, 2015 to March 31, 2016)

* 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.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) Decision procedures for reportable segments

The business segments are included in business units of our group and each of their financial statements is available separately and also, the segments are subject to a periodic review in order for the board of directors to make a decision on allocation of management resources and evaluate their performance.

Our group consists of six business operations, each of which draws up comprehensive strategies for overseas and domestic markets and conducts business activities.

Therefore, we treat these business divisions as units of identification for business segments and based on product manufacturing methods and similarity of the markets, we aggregate those divisions into three reportable segments, such as “Printing and Industrial Materials Products,” “Electronic and Optical Products” and “Paper and Converted Products”.

(2) Products and services handled in each segment

Main products and services handled in each reportable segment are as follows:

Reportable segments	Main products and services
Printing and Industrial Materials Products	Adhesive products for seals and labels, Label printing machines, Barcode printers, Labeling machines, Automobile-use adhesive products, Industrial-use adhesive tapes, Window films, Films for outdoor signs and advertising, Interior finishing mounting sheets
Electronic and Optical Products	Semiconductor-related tapes, Semiconductor-related equipment, Multilayer ceramic capacitor-related tapes, LCDs-related adhesive products
Paper and Converted Products	Color papers for envelopes, Colored construction papers, Special function papers, High-grade printing papers, High-grade papers for paper products, Release papers for general-use, Release films for optical-related products, Casting papers for synthetic leather, Casting papers for carbon fiber composite materials

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

The reported information regarding business segments is processed mostly following the accounting procedures listed in “Basis of preparation for consolidated financial statements.”

The income of the reportable segments is 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), identifiable assets, and other items by reportable segment

Previous consolidated fiscal year (from April 1, 2014 to March 31, 2015)

(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	86,764	83,207	37,283	207,255	–	207,255
Intra-segments sales and transfers	61	73	17,281	17,417	(17,417)	–
Total	86,826	83,281	54,564	224,672	(17,417)	207,255
Segment income	2,878	10,071	3,996	16,946	(64)	16,881
Others						
Depreciation and amortization (Note 3)	2,919	3,155	2,638	8,713	–	8,713
Amortization of goodwill (Note 3)	76	–	–	76	–	76

Notes:

1. Segment income in each segment is adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the consolidated statements of income.
3. The amount to be written off as depreciation and amortization of goodwill are distributed by business segment on the basis of reasonable criteria.
4. Since companies, offices, and factories serve as the base for administrative classification of segments' assets, no allocation to the segments is done.

Current consolidated fiscal year (from April 1, 2015 to March 31, 2016)

(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	87,638	85,422	37,440	210,501	–	210,501
Intra-segments sales and transfers	461	473	17,135	18,070	(18,070)	–
Total	88,100	85,895	54,576	228,572	(18,070)	210,501
Segment income	2,785	10,562	4,303	17,651	40	17,692
Others						
Depreciation and amortization (Note 3)	2,974	3,068	2,757	8,800	–	8,800
Amortization of goodwill (Note 3)	71	–	–	71	–	71

Notes:

1. Segment income in each segment is adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the consolidated statements of income.
3. The amount to be written off as depreciation and amortization of goodwill are distributed by business segment on the basis of reasonable criteria.
4. Since companies, offices, and factories serve as the base for administrative classification of segments' assets, no allocation to the segments is done.

(Per share data)

	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Net assets per share	Yen 2,363.81	Yen 2,370.49
Net income per share	161.63	151.07
Diluted net income per share	161.41	150.86

(Note) 1. Calculation basis for net income per share and diluted net income per share

Item	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Net income per share		
Profit attributable to owners of parent (million yen)	11,659	10,899
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	11,659	10,899
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	72,134	72,144
Diluted net income per share		
Diluted Profit attributable to owners of parent (million yen)	-	-
Increase in common stock (thousand shares)	98	102
(Share warrant) (thousand shares)	(98)	(102)
Outline of dilutive shares not included in diluted net income per share since they have no dilutive effect	-	-

2. Calculation basis for net assets per share

Item	Previous consolidated fiscal year (FY ended March 31, 2015)	Current consolidated fiscal year (FY ended March 31, 2016)
Total net assets in the consolidated balance sheet (million yen)	171,674	172,101
Amount deducted from total net assets (million yen)	1,159	1,064
(Share warrant)	(166)	(169)
(Non-controlling interests)	(992)	(895)
Term-end net assets per common share (million yen)	170,514	171,037
Number of common stocks used in calculating net assets per share (thousand shares)	72,135	72,152

(Significant Events after Closing of the Year)

Not applicable