



# **Presentation for 2Q Results and Full-year Forecasts, FY2017**

**Nov 16, 2016**

# Consolidated Financial Results for the Six Months Ended Sep., 2016

(unit : million yen)

FY2017 2Q results	FY2016 2Q results	Increase (decrease)
-------------------------	-------------------------	------------------------

(unit : million yen)

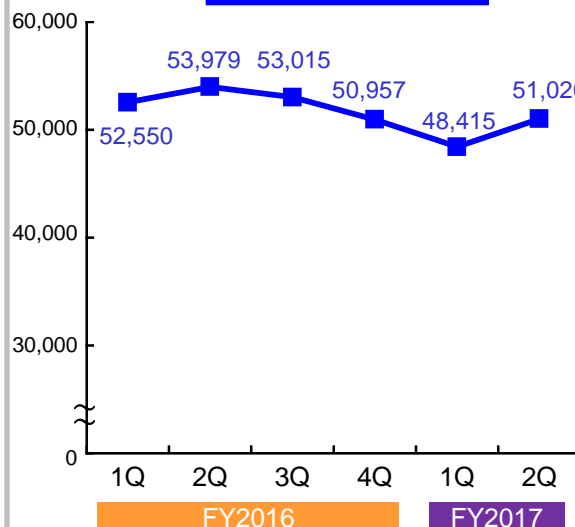
Net Sales	99,435	106,529	(7,093) (6.7%)
-----------	--------	---------	-------------------

Operating Income	8,440	9,632	(1,191) (12.4%)
------------------	-------	-------	--------------------

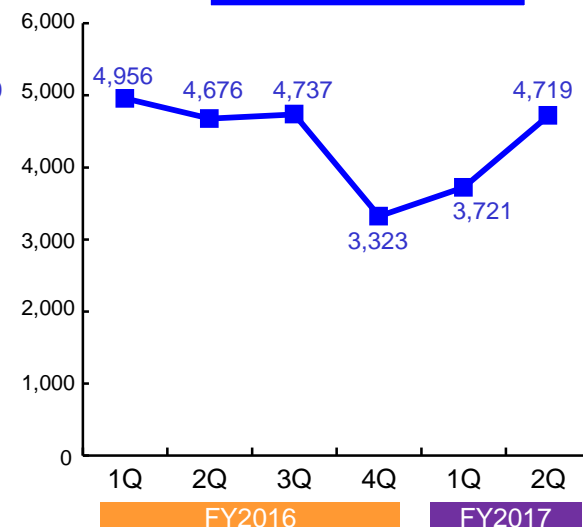
Profit before Income Taxes	7,240	9,557	(2,317) (24.2%)
----------------------------	-------	-------	--------------------

Profit attributable to owners of parent	5,125	6,451	(1,325) (20.5%)
---	-------	-------	--------------------

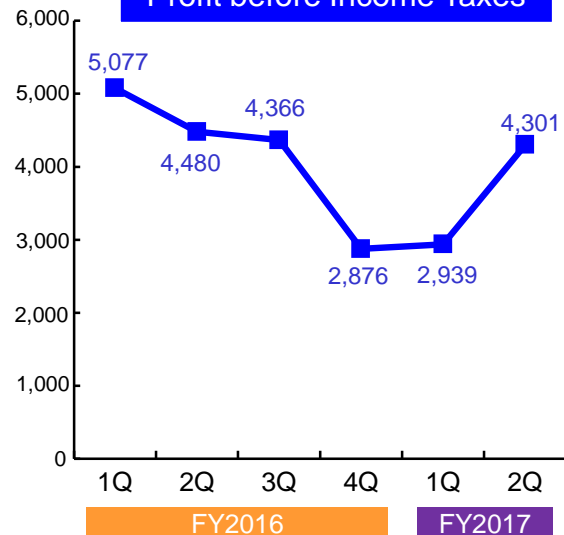
## Net Sales



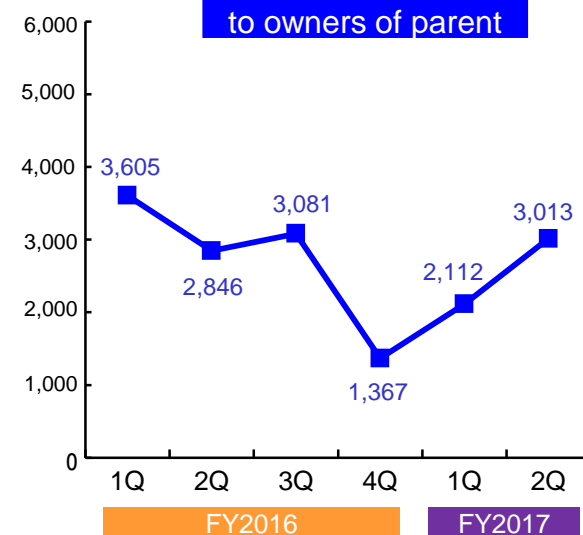
## Operating Income



## Profit before Income Taxes



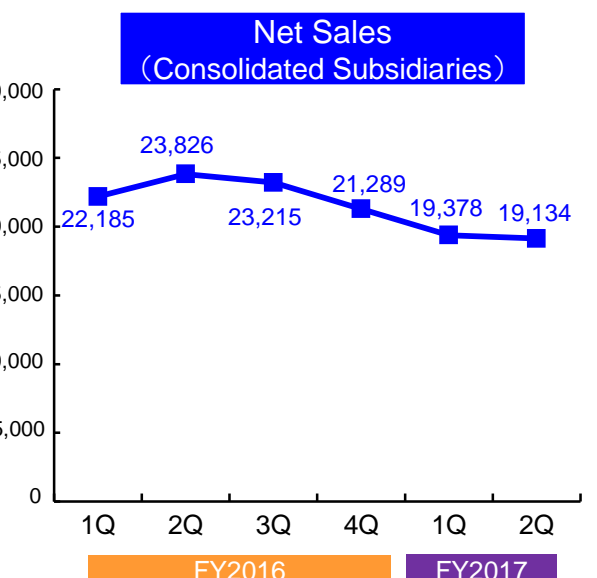
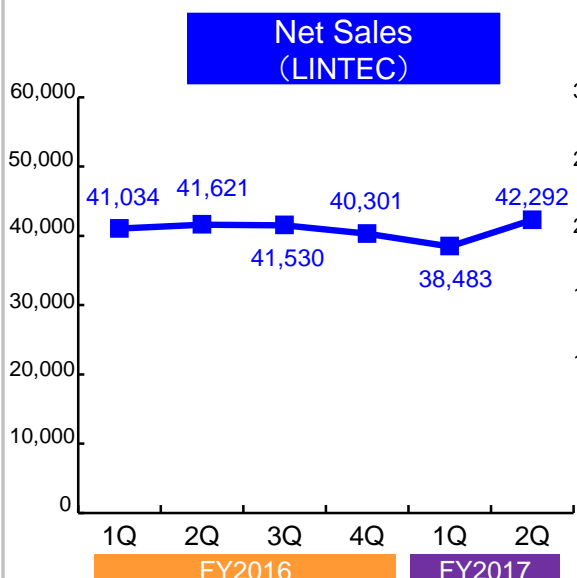
## Profit attributable to owners of parent



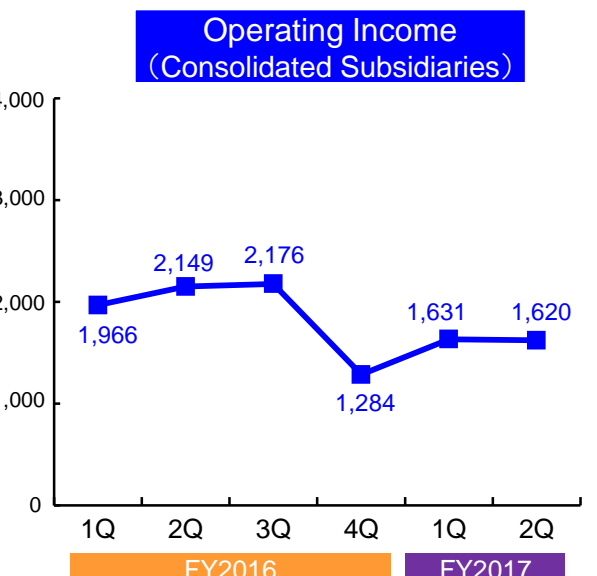
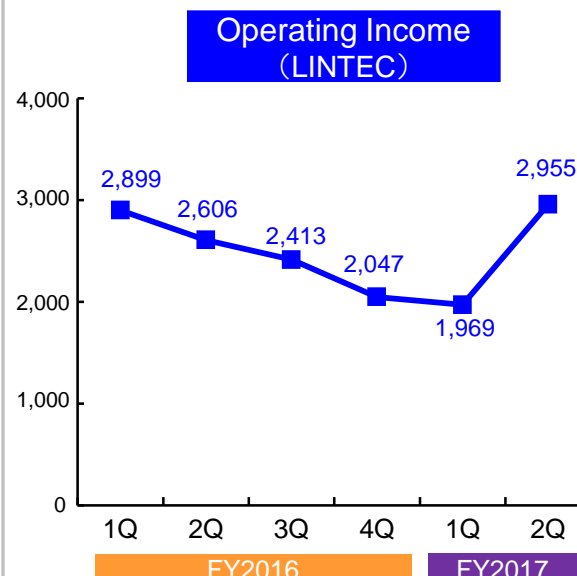
# Consolidated Financial Results for the Six Months Ended Sep., 2016

(unit : million yen)

	FY2017 2Q results	FY2016 2Q results	Increase (decrease)
<b>Net Sales</b>			
	(unit : million yen)		
LINTEC (non-consolidated)	80,775	82,655	(1,880) (2.3%)
Consolidated Subsidiaries	38,512	46,011	(7,499) (16.3%)
Eliminations	(19,852)	(22,137)	2,285
<b>Total</b>	<b>99,435</b>	<b>106,529</b>	<b>(7,093)</b> <b>(6.7%)</b>



	FY2017 2Q results	FY2016 2Q results	Increase (decrease)
<b>Operating Income</b>			
	(unit : million yen)		
LINTEC (non-consolidated)	4,924	5,505	(581) (10.6%)
Consolidated Subsidiaries	3,251	4,115	(864) (21.0%)
Eliminations	265	12	253
<b>Total</b>	<b>8,440</b>	<b>9,632</b>	<b>(1,191)</b> <b>(12.4%)</b>



# Consolidated Financial Results for the Six Months Ended Sep., 2016

➤ **Net Sales** / Effect of decrease on a consolidated basis due to the strong yen : Approx. 3.4 billion yen

● **LINTEC (Non-consolidated)**

Sales in Advanced Materials Operations and Optical Products Operations were solid.  
Overall sales in other operations declined.

● **Consolidated Subsidiaries**

Sales in Converted Products Operations were solid.  
Other operations decreased due to the economic slowdown and the weak demand in China and the ASEAN region.

➤ **Operating Income** / Effect of decrease on a consolidated basis due to the strong yen : Approx. 1.3 billion yen

● **LINTEC (Non-consolidated)**

(Income-raising factors)

- Decline of prices of raw materials and fuels :  
Approx. 1.6 billion yen

(Income-lowering factors)

- Decrease in sales quantity and effect of sales mix :  
Approx. 0.7 billion yen
- Impact of the strong yen in export transactions in foreign currencies and decline in unit sales price :  
Approx. 1.0 billion yen
- Increasing of fixed expenses :  
Approx. 0.4 billion yen

● **Consolidated Subsidiaries**

Operating income remained sluggish, mainly reflecting a decrease in sales.

【Average exchange rate during the period (Results)】

	(FY2016 2Q)		(FY2017 2Q)
JPY/USD	120.48	→	111.46
JPY/EUR	133.83	→	123.99
JPY/KRW	0.1098	→	0.0946
JPY/CNY	19.36	→	16.98
JPY/TWD	3.89	→	3.41

(unit : million yen)

FY2017 2Q results	FY2016 2Q results	Increase (decrease)
-------------------------	-------------------------	------------------------

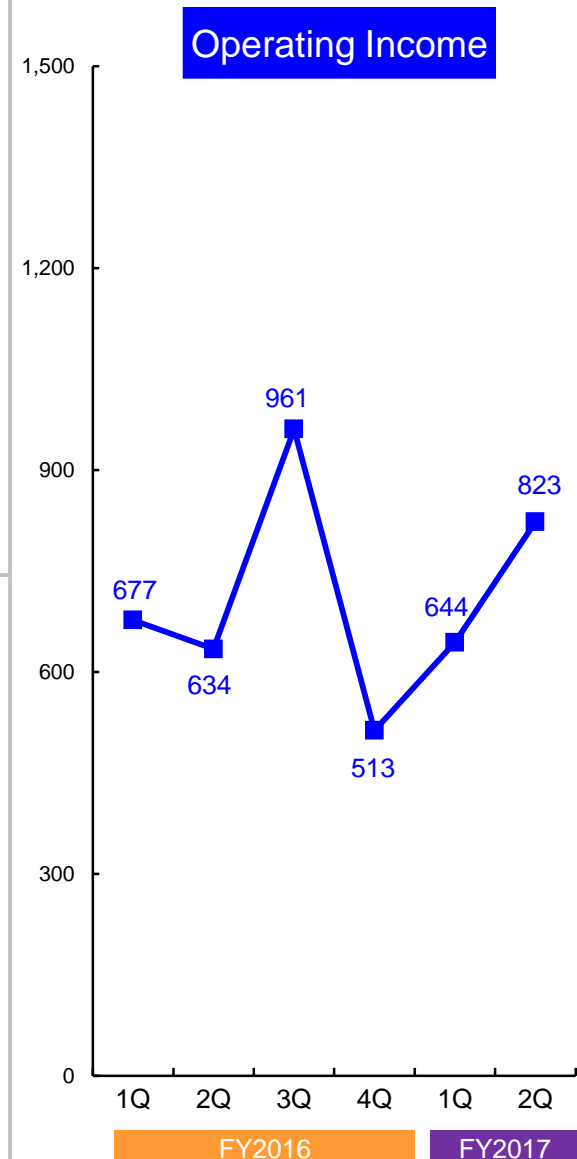
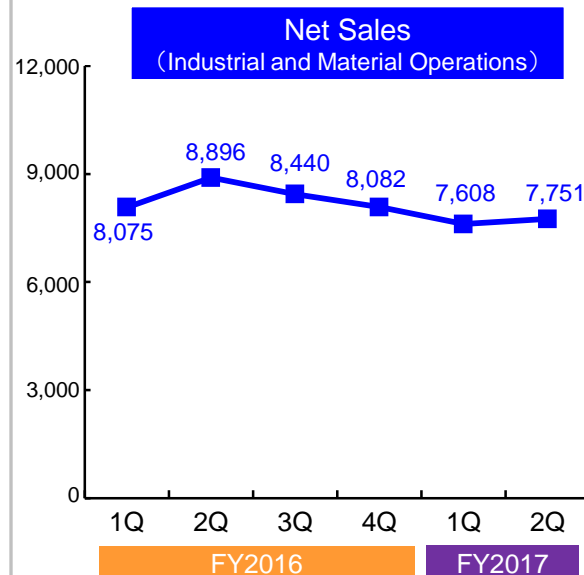
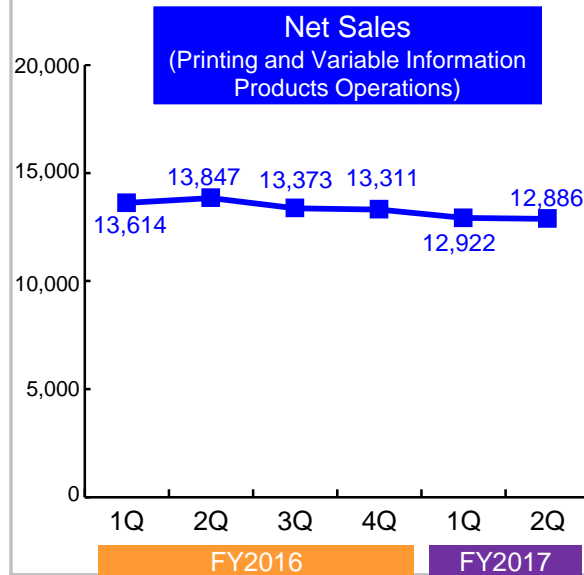
(unit : million yen)

Printing and Variable Information Products Operations	25,808	27,461	(1,652) (6.0%)
---	--------	--------	-------------------

Industrial and Material Operations	15,359	16,971	(1,612) (9.5%)
------------------------------------	--------	--------	-------------------

Net Sales	41,168	44,433	(3,265) (7.3%)
-----------	--------	--------	-------------------

Operating Income	1,467	1,311	156 11.9%
------------------	-------	-------	--------------



## ➤ Printing and Variable Information Products Operations

Japan : Sales of the products for use in medical- and distribution-related industries remained solid, however, products for food-related industries declined.

Overseas : Sales decreased due to the economic slowdown in China and the ASEAN region.

## ➤ Industrial and Material Operations

Motorcycle- and automobile-use adhesive products : Sales were weak affected by the reduced production volume due to the Kumamoto Earthquake, and the downturn in the ASEAN region.

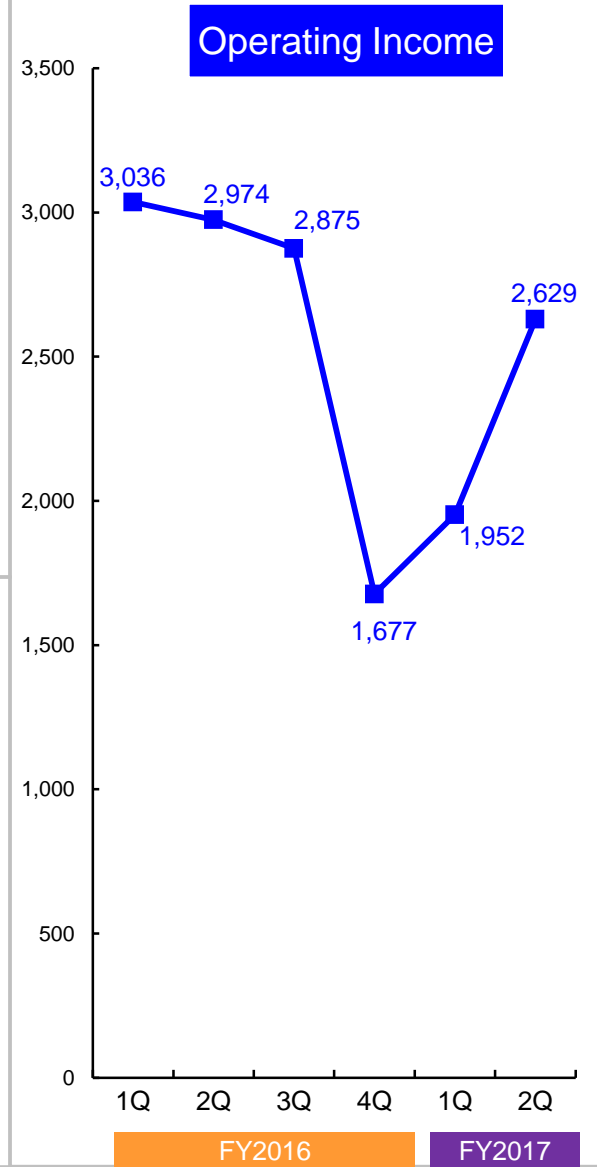
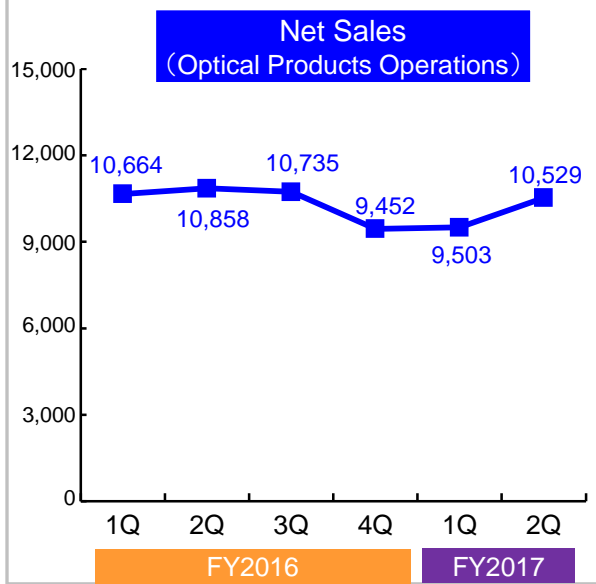
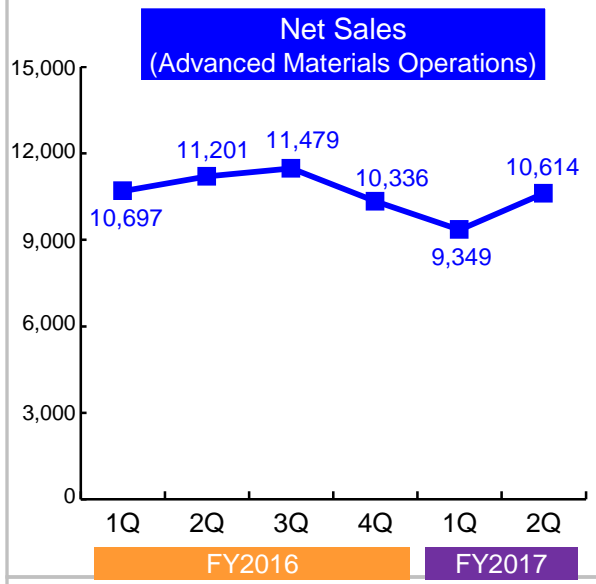
Window films : Sales declined due to weak demand in Japan and China.

(unit : million yen)

	FY2017 2Q results	FY2016 2Q results	Increase (decrease)
--	-------------------------	-------------------------	------------------------

(unit : million yen)

Advanced Materials Operations	19,963	21,898	(1,934) (8.8%)
Optical Products Operations	20,032	21,522	(1,489) (6.9%)
Net Sales	39,996	43,420	(3,423) (7.9%)
Operating Income	4,581	6,010	(1,428) (23.8%)



## ➤ Advanced Materials Operations

Semiconductor-related adhesive tapes : Sales decreased due to weak demand for the products for smartphones, etc.

Semiconductor-related equipment : Sales declined generally.

Multilayer ceramic capacitor-related tapes : Sales decreased due to a fall in demand for the products for smartphones.

## ➤ Optical Products Operations

Sales were low, affected by a decline in demand for large televisions, the products for smartphones, and others.



# Overview of Paper and Converted Products

(unit : million yen)

FY2017 2Q results	FY2016 2Q results	Increase (decrease)
-------------------------	-------------------------	------------------------

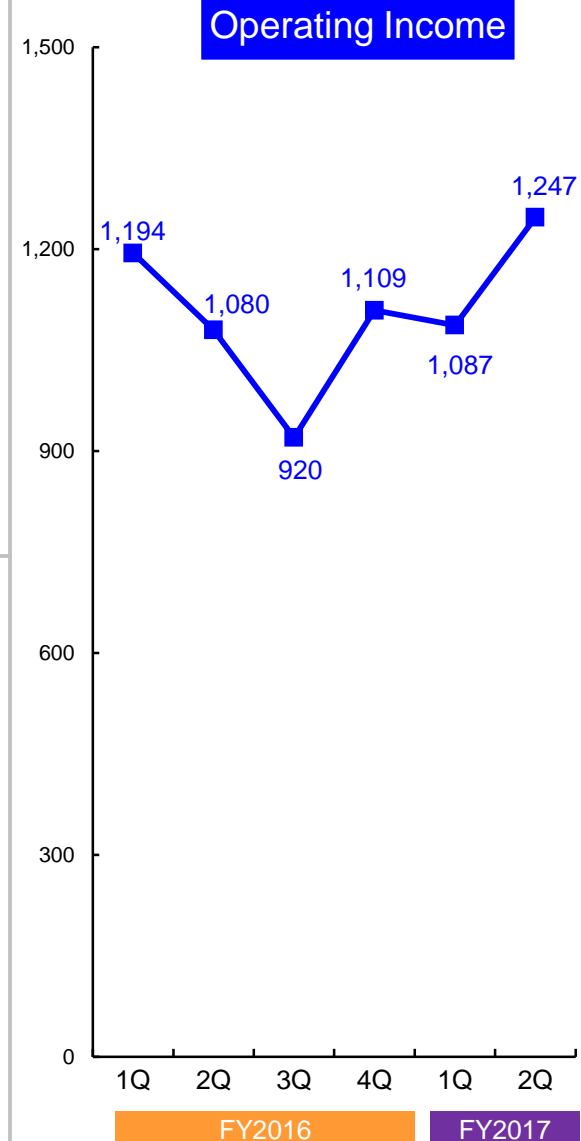
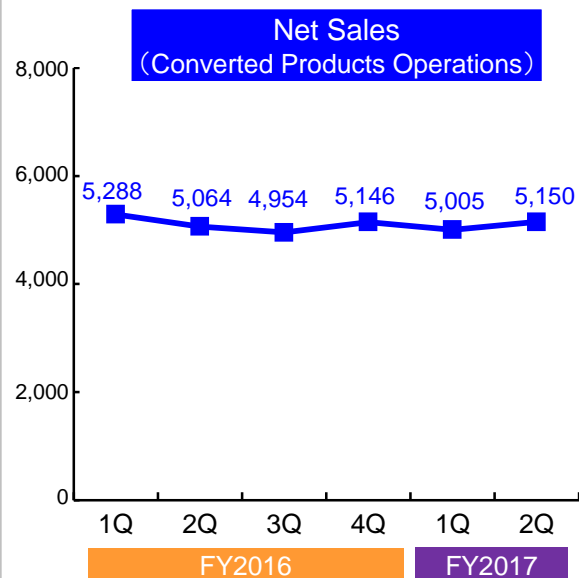
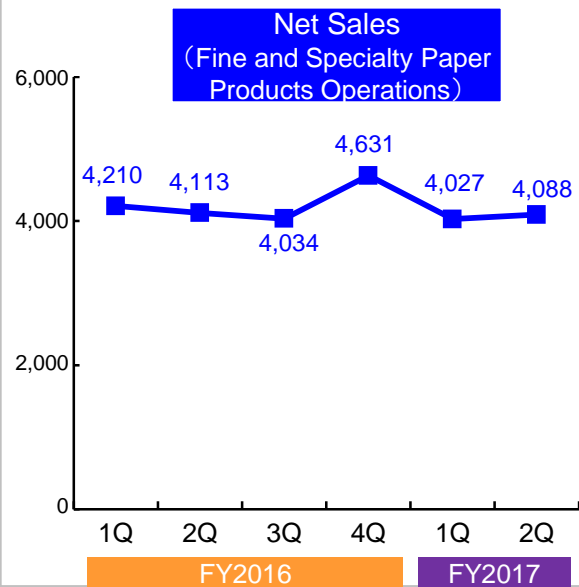
(unit : million yen)

Fine and Specialty Paper Products Operations	8,115	8,323	(207) (2.5%)
--	-------	-------	-----------------

Converted Products Operations	10,155	10,352	(196) (1.9%)
-------------------------------	--------	--------	-----------------

Net Sales	18,271	18,675	(404) (2.2%)
-----------	--------	--------	-----------------

Operating Income	2,334	2,274	59 2.6%
------------------	-------	-------	------------



➤ **Fine and Specialty Paper Products Operations**

Sales of papers for envelopes with a concealing function grew. However, sales of oil resistant papers, and others decreased.

➤ **Converted Products Operations**

Casting papers for carbon fiber composite materials : Sales for aircraft were solid, but those for sports and leisure were weak.

Casting papers for synthetic leather : Sales decreased as a result of the slowdown in the Chinese economy.

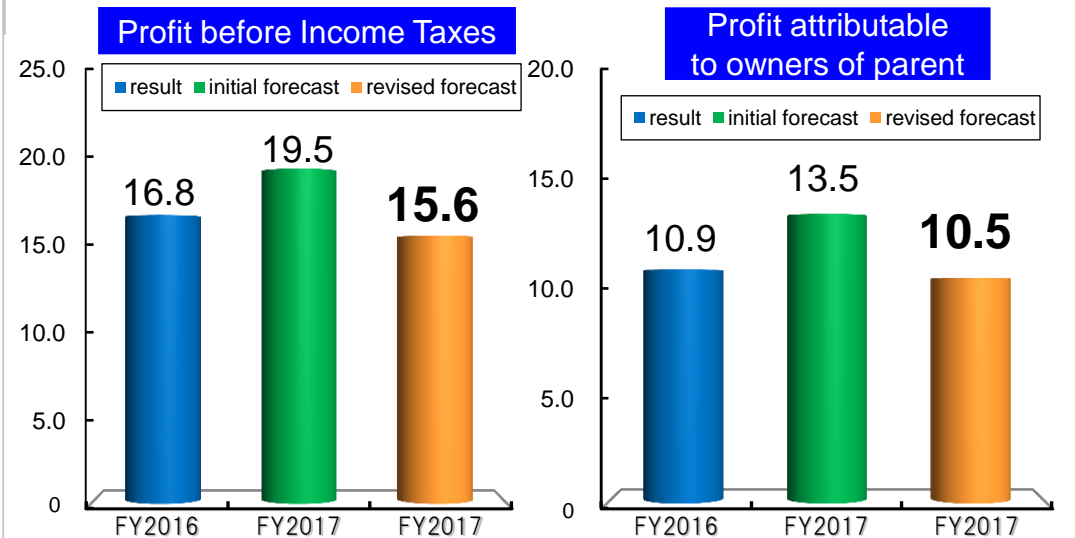
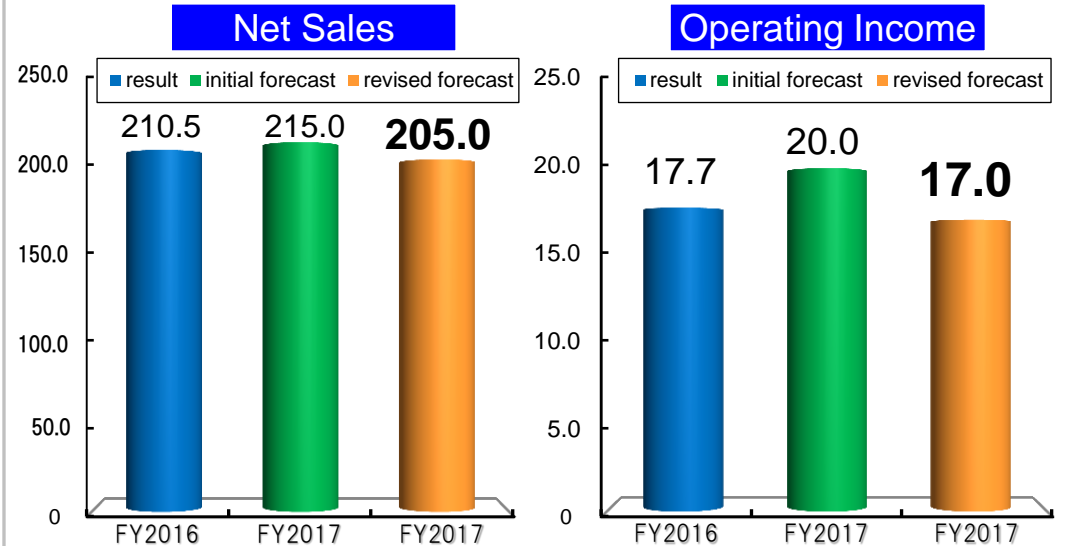
# Forecasts for Consolidated Financial Results for the FY2017

(unit : billion yen)

	FY2016 results	FY2017 initial forecasts	FY2017 revised forecasts	Increase (decrease)
(unit : billion yen)				
Net Sales	210.5	215.0	205.0	(10.0)
Operating Income	17.7	20.0	17.0	(3.0)
Profit before Income Taxes	16.8	19.5	15.6	(3.9)
Profit attributable to owners of parent	10.9	13.5	10.5	(3.0)

【Average exchange rate during the period】

	FY2016 results	FY2017 initial forecasts	FY2017 revised forecasts
JPY/USD	121.03	108.00	107.39
JPY/EUR	133.69	123.00	118.88
JPY/KRW	0.1070	0.0960	0.0931
JPY/CNY	19.19	16.50	16.17
JPY/TWD	3.82	3.40	3.33



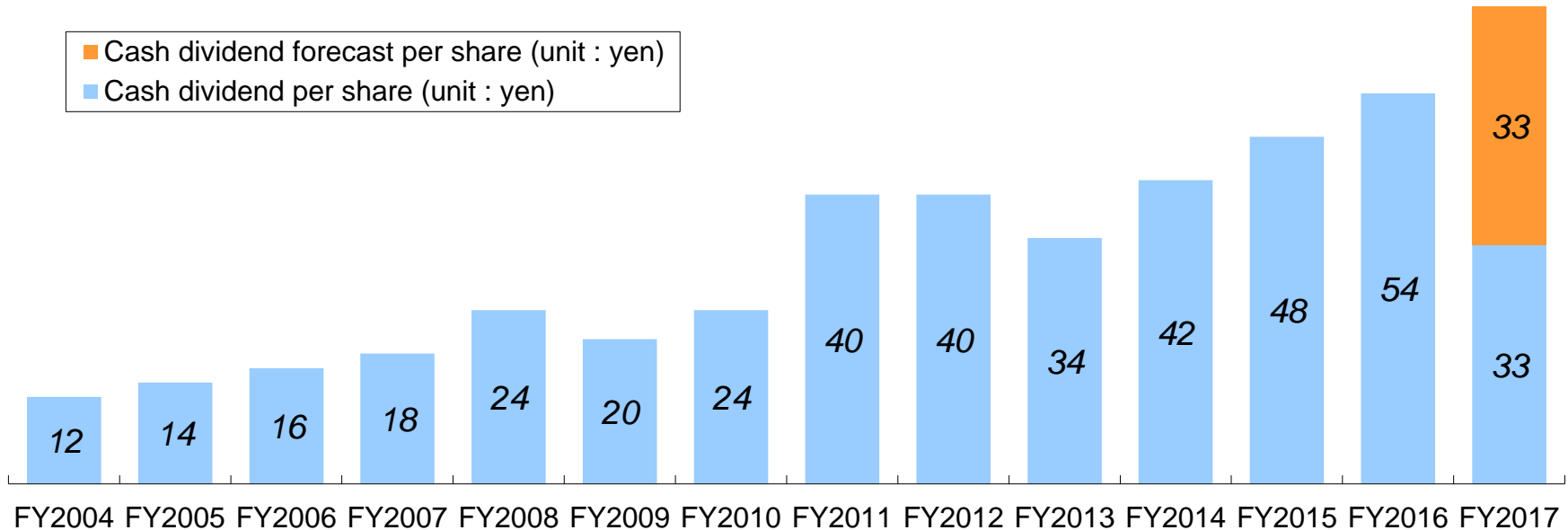
# Forecasts for Consolidated Financial Results for the FY2017

(unit : billion yen)	FY2016 results	FY2017 initial forecasts	FY2017 revised forecasts	Increase (decrease)	Factors for deviations from the initial forecast
Net Sales	210.5	215.0	205.0	(10.0)	
Printing and Industrial Materials Products	87.6	88.4	83.2	(5.2)	
Printing and Variable Information Products Operations	54.1	55.3	52.4	(2.9)	Japan : Decrease due to the impact of slumping consumption. Overseas : Decrease due to the impact of the economic slowdown in China and the ASEAN region.
Industrial and Material Operations	33.5	33.1	30.8	(2.3)	Given the difficult business environment, the second half is expected to remain at the same level as the first half.
Electronic and Optical Products	85.4	87.3	85.0	(2.3)	
Advanced Materials Operations	43.7	43.8	42.3	(1.5)	Decrease due to the impact of weak demand that affected overseas subsidiaries in particular in the early part of the first half.
Optical Products Operations	41.7	43.5	42.7	(0.8)	Decrease due to the impact of the weak market conditions in the first half.
Paper and Converted Products	37.5	39.3	36.8	(2.5)	
Fine and Specialty Paper Products Operations	17.0	17.4	16.6	(0.8)	Decrease due to the impact of weak demand.
Converted Products Operations	20.5	21.9	20.2	(1.7)	Decrease due to the impact of weak demand and production adjustments.
Operating Income	17.7	20.0	17.0	(3.0)	
Printing and Industrial Materials Products	2.8	4.1	2.7	(1.4)	Inclusion of approximately 600 million yen as expenses related to acquisitions.
Electronic and Optical Products	10.6	10.2	8.9	(1.3)	Decrease due to the impact of the strong yen.
Paper and Converted Products	4.3	5.7	5.4	(0.3)	Cost reductions on the back of a decline in the prices of raw materials and fuels do not offset the impact of a decrease in sales.

# Dividend forecast

## (Basic Policy)

We regard the enhancement of return in profit to shareholders as one of the most important issue for our management purpose. Regarding distribution of profit, while strengthening management bases and considering consolidated results for each fiscal year, our base is to distribute stable and continued dividends. For internal reserves, we will effectively use these to reinforce our financial bases as well as to establish and reconstruct production facilities and make research and development investment with the intention of improving our corporate value in the future.



Profit attributable to owners of parent (billion yen)	7.3	13.6	8.6	7.7	8.5	11.7	10.9	10.5
Net income per share (yen)	96.36	180.21	115.26	102.83	114.22	161.63	151.07	145.53
Consolidated payout ratio (%)	24.9	22.2	34.7	33.1	36.8	29.7	35.7	45.4



# Regarding the Acquisition of VDI, LLC and MACtac Americas, LLC

# 1. Overview of VDI, LLC

## Overview of the acquired company

- Name : VDI, LLC
- Registered office : Louisville, Kentucky, the United States
- Establishment : 1971
- Number of Employees : 35 (as of the end of April, 2016)
- Business description : Manufacture and sales of metallized films and sputtering films

### Metallizing technologies



A variety of the functions of metal can be incorporated in plastic films such as PET films.

## Overview of the acquisition

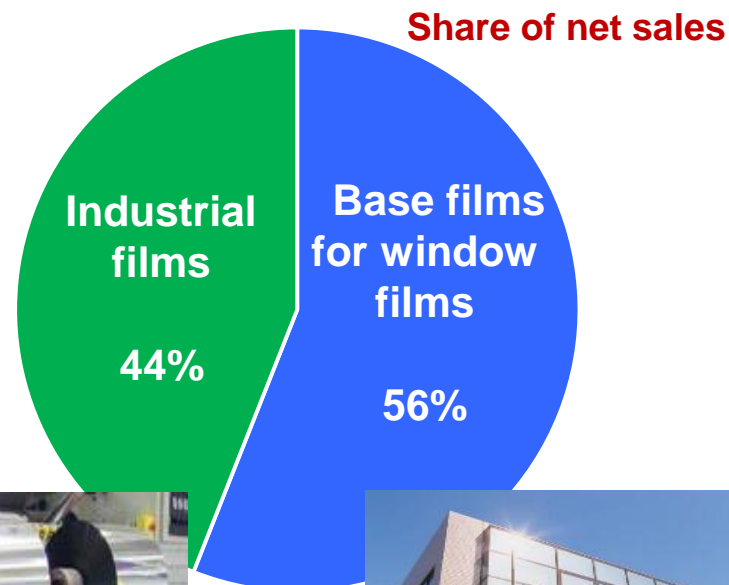
- Ratio of membership interests to be acquired : 100%
- Acquisition price : approximately US\$ 26 million
- Closing date : October 31, 2016

LINTEC will facilitate business development and growth in new areas, incorporating VDI's outstanding metallizing technologies that the Company does not possess.

## Net sales / Operating income

(Fiscal year ended December 31, 2015)

- Net sales : US\$ 13,090,000
- Operating income : US\$ 1,498,000



## 2. Overview of MACtac Americas, LLC

### Overview of the acquired company

- Name : MACtac Americas, LLC
- Registered office : Stow, Ohio, the United States
- Establishment : 1959
- Number of Employees : 481 (as of the end of April, 2016)
- Business description : Manufacture and sales of label materials for printing, VIP label materials, graphic sheets, industrial and medical tapes, etc.

### Overview of the acquisition

- Ratio of membership interests to be acquired : 100%
- Acquisition price : approximately US\$ 270 million
- Closing date : Late November 2016 (planned)

### Net sales / Operating income

(Fiscal year ended December 31, 2015)

- Net sales : US\$ 304 million
- Operating income : US\$ 26 million

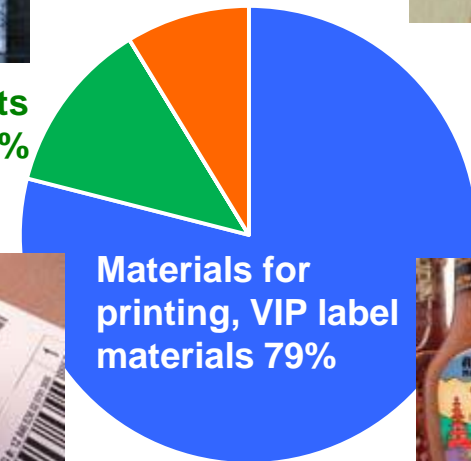


Graphic sheets  
12%

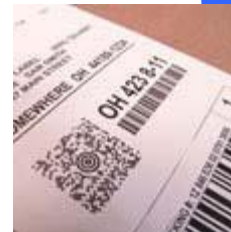
Industrial and medical tapes, etc.  
9%



Share of net sales



Materials for printing, VIP label materials  
79%



**LINTEC will enter the market of printing pressure sensitive labels and adhesive films in North America on a full-scale basis. Harnessing the sales channels of MACtac, it will also accelerate the efforts of aggressive sales expansion and global development of LINTEC's products**



## Cautionary Statement with Respect to Forward-Looking Statements

This presentation contains forward-looking statements that reflect Lintec's plans. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Lintec's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements of financial position expressed or implied by these forward-looking statements.