Creating the Future with Adhesive Technologies

Linkage + Technology

LINTEC

Feb. 21, 2017
Company information

- Head Office: Itabashi-ku, Tokyo, Japan
- Securities Code: 7966 (Tokyo Stock Exchange, 1st Section)
- Established: October 15, 1934
- Common Stock: 23.2 billion yen (as of March 31, 2016)
- Number of Employees: 4,246 (as of March 31, 2016)
- Net Sales: 210.5 billion yen (year ended March 31, 2016)
- Fiscal Year-End: March 31
- Business Activities: Development, manufacture, and marketing of adhesive products and related equipment, specialty papers, release papers and films, etc.
- Consolidated Subsidiary: 3 companies (Japan)
  39 companies (Overseas)
Company history

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

1960: Started production and sales of adhesive papers and films for labels
Subsequently expanded adhesive operations in industrial fields such as decorative materials for interiors and exteriors, motorcycle, automobile and others

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

1987: MADICO, INC., became a subsidiary

1990: Merged with SHIKOKU PAPER CO., LTD., and SOHKEN KAKO CO., LTD.
Name was changed to LINTEC Corporation
Expanded business activities from release papers and films, specialty papers to the fields of adhesive paper and films, related equipment

1991: Made full-scale entry into LCD-related product field
1993: LINTEC (TIANJIN) INDUSTRY CO., LTD. was established

1994: PT. LINTEC INDONESIA was established

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

2002: LINTEC (SUZHOU) TECH CORPORATION was established

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

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

2004: LINTEC KOREA, INC., was established

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

2015: LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED was established

2016: MACTAC AMERICAS, LLC, became a subsidiary
Performance trends / Net sales, Operating income

Unit: Billion yen
- Blue: Net sales
- Orange: Operating income

Highest results on record

Global recession

The impact of financial crisis in Europe and the Great East Japan Earthquake, etc.
Overseas sales have increased 46.8 billion over the last 10 years with average annual growth of 8.8%.

FY2006/3
Overseas sales: 35.5 billion yen
Net sales: 180.3 billion yen
Japan: 144.8 billion yen (Approx. 2.3 times)

FY2016/3
Overseas sales: 82.3 billion yen
Net sales: 210.5 billion yen
Japan: 128.2 billion yen (Approx. 2.3 times)

Ratio of overseas sales to net sales: 19.7% → 39.1%
Basic composition of adhesive products

- Surface improvement
  - Printability, durability etc.

- Facestock
  - (Base paper / film)

- Adhesive

- Release paper / film

Meeting needs with in-house technologies
Four core technologies and operational segments

Core technologies

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

Paper and Converted Products

- Fine & Specialty Paper Products Operations
- Converted Products Operations

Printing and Industrial Materials Products

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

Electronic and Optical Products

- Advanced Materials Operations
- Optical Products Operations

Adhesive materials + Equipment
Adhesive papers and films for labels

- Main types: Permanent, Removable, Restickable

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

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

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

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

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

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

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

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

FY2016/3
Net sales 210.5 billion yen

33.5 billion yen 15.9%
Automobile-use adhesive products

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

- Protective films for aluminum wheels

- Marking films

- Window films
Advanced Materials Operations

- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Multilayer ceramic capacitor-related tapes
- Touch screen-related products, etc.

Electronic and Optical Products

FY2016/3
Net sales
210.5 billion yen

43.7 billion yen
20.8%
Manufacturing process for semiconductor chip

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

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

*Uses of our tapes and equipment
Key tape products related to semiconductors

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

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

Manufacturing process for MLCC

1. LINTEC’s release film
2. Dielectric paste (Slurry)
3. Ceramic sheet
4. Coating
5. Heat drying
6. Internal electrode printing
7. Die cutting and releasing
8. Stacking, compression bonding and cutting
9. Firing and external electrode forming
10. Forming several hundred layers in a 1mm square or less
**Touch screen-related products**

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

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

**Hard coat film for ITO**
This is a hard coated film ideal for the base material of ITO film.
Optical Products Operations

- Polarizing films and retardation films for LCDs / Adhesive processing
- Polarizing films for LCDs / Surface improvement processing
- Protective films for polarizing films, etc.

FY2016/3
Net sales 210.5 billion yen
41.7 billion yen
19.8%
Structure of LCD

- Surface improvement
  - Anti-reflection / Anti-glare / Abrasion-resistance properties

- Polarizing film
- Adhesive
- Retardation film
- Adhesive
- Liquid crystal cell
- Adhesive
- Polarizing film
- Light source

Protective films for polarizing films
- Surface improvement
  - Dirt-resistance / Water-resistance / Anti-static

Substrate (film)
Fine & Specialty Paper Products Operations

- Color papers for envelopes
- Colored construction papers
- Special function papers (Lint-free papers and Oil resistant papers, etc.)
- High-grade printing papers
- High-grade papers for paper products, etc.

FY2016/3 Net sales 210.5 billion yen

17.0 billion yen 8.1%
Converted Products Operations

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

20.5 billion yen
9.7%

FY2016/3 Net sales
210.5 billion yen

*FPC: Flexible Printed Circuit
● Casting papers for carbon fiber composite materials
- The casting paper is used as a base sheet for manufacturing "carbon fiber prepreg", which is a composite material composed of a sheeted form of carbon fiber fixed with resin.
- Carbon fiber prepreg has been used for goods for sports and leisure, such as tennis racket, golf shaft, and fishing rod, as well as for aircraft, and the demand has been expanding.

### Manufacturing process for Casting papers for carbon fiber composite materials

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

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**Features**
- Suitability for resin coating
- Heat resistance
- Strength
- Most appropriate difference in release strength between the front and the back etc.
## Consolidated financial results for third quarter FY2017/3

<table>
<thead>
<tr>
<th></th>
<th>2017/3 3Q results</th>
<th>2016/3 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>151.1</td>
<td>159.5</td>
<td>(8.4) (5.3%)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>12.9</td>
<td>14.4</td>
<td>(1.4) (9.9%)</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>12.3</td>
<td>13.9</td>
<td>(1.6) (11.8%)</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>8.7</td>
<td>9.5</td>
<td>(0.9) (9.2%)</td>
</tr>
</tbody>
</table>

### (Billion yen)

#### Net sales

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/3</td>
<td>52.6</td>
<td>53.0</td>
<td>51.0</td>
<td>51.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017/3</td>
<td>48.4</td>
<td>48.4</td>
<td>48.4</td>
<td>48.4</td>
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<td></td>
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</tbody>
</table>

#### Operating income

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/3</td>
<td>5.0</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017/3</td>
<td>3.3</td>
<td>3.7</td>
<td>4.7</td>
<td>4.5</td>
<td></td>
<td></td>
<td></td>
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</table>

#### Profit before income taxes

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/3</td>
<td>5.1</td>
<td>4.5</td>
<td>4.4</td>
<td>2.9</td>
<td>2.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017/3</td>
<td>4.3</td>
<td>5.0</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#### Profit attributable to owners of parent

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/3</td>
<td>3.6</td>
<td>2.8</td>
<td>3.1</td>
<td>1.4</td>
<td>2.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017/3</td>
<td>3.0</td>
<td>3.5</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
# Net sales / Operating income by operational segment

## Printing and Industrial Materials Products

<table>
<thead>
<tr>
<th>Segment</th>
<th>2017/3 3Q results</th>
<th>2016/3 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial</td>
<td>39.0</td>
<td>40.8</td>
<td>(1.9) (4.6%)</td>
</tr>
<tr>
<td>Material Products Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial and Material</td>
<td>22.7</td>
<td>25.4</td>
<td>(2.7) (10.6%)</td>
</tr>
<tr>
<td>Material Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment net sales</td>
<td>61.7</td>
<td>66.2</td>
<td>(4.6) (6.9%)</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>1.5</td>
<td>2.3</td>
<td>(0.8) (33.9%)</td>
</tr>
</tbody>
</table>

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**Printing and Variable Information Products Operations sales**

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.6</td>
<td>13.4</td>
<td>12.9</td>
<td>13.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Industrial and Material Operations sales**

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>8.9</td>
<td>8.4</td>
<td>8.1</td>
<td>7.6</td>
<td>7.8</td>
<td>7.4</td>
</tr>
</tbody>
</table>

**Segment net sales**

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.7</td>
<td>21.8</td>
<td>20.5</td>
<td>20.5</td>
<td></td>
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<td></td>
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</table>

**Segment operating income**

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.7</td>
<td>0.6</td>
<td>1.0</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.0</td>
</tr>
</tbody>
</table>

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*Linking your dreams* LINTEC Corporation
<table>
<thead>
<tr>
<th>Segment</th>
<th>2017/3 3Q results</th>
<th>2016/3 3Q results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic and Optical Products</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Materials Operations</td>
<td>32.1</td>
<td>33.4</td>
<td>(1.3) (3.9%)</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>29.9</td>
<td>32.3</td>
<td>(2.3) (7.3%)</td>
</tr>
<tr>
<td>Segment net sales</td>
<td>62.0</td>
<td>65.6</td>
<td>(3.7) (5.6%)</td>
</tr>
<tr>
<td>Segment operating income</td>
<td>7.3</td>
<td>8.9</td>
<td>(1.6) (17.7%)</td>
</tr>
</tbody>
</table>

### Graphs

- **Advanced Materials Operations sales**
  - 1Q: 10.7
  - 2Q: 11.2
  - 3Q: 11.5
  - 4Q: 9.3
  - 1Q: 12.1

- **Optical Products Operations sales**
  - 1Q: 10.7
  - 2Q: 10.9
  - 3Q: 9.5
  - 4Q: 10.5
  - 1Q: 9.9

- **Segment net sales**
  - 1Q: 21.4
  - 2Q: 22.1
  - 3Q: 22.2
  - 4Q: 18.9
  - 1Q: 22.0

- **Segment operating income**
  - 1Q: 3.0
  - 2Q: 3.0
  - 3Q: 2.9
  - 4Q: 1.7
  - 1Q: 2.6
  - 2Q: 2.7
## Paper and Converted Products

### Net sales / Operating income by operational segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Segment net sales (Billion yen)</th>
<th>Segment operating income (Billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper and Converted Products</td>
<td>27.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>12.0</td>
<td>12.4</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>15.4</td>
<td>15.3</td>
</tr>
</tbody>
</table>

### Fine and Specialty Paper Products Operations sales

- **2016/3 3Q results:** 5.3
- **2017/3 3Q results:** 5.1

### Converted Products Operations sales

- **2016/3 3Q results:** 5.0
- **2017/3 3Q results:** 5.2

### Segment net sales

- **2016/3 3Q results:** 9.5
- **2017/3 3Q results:** 9.2

### Segment operating income

- **2016/3 3Q results:** 1.2
- **2017/3 3Q results:** 1.7
### Forecasts of consolidated financial results for FY2017/3

<table>
<thead>
<tr>
<th></th>
<th>2017/3 full year forecasts</th>
<th>2016/3 full year results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>205.0</td>
<td>210.5</td>
<td>(5.5) (2.6%)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>17.0</td>
<td>17.7</td>
<td>(0.7) (3.9%)</td>
</tr>
<tr>
<td><strong>Profit before income taxes</strong></td>
<td>15.6</td>
<td>16.8</td>
<td>(1.2) (7.1%)</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>10.5</td>
<td>10.9</td>
<td>(0.4) (3.7%)</td>
</tr>
</tbody>
</table>

**Unit: Billion yen**

**Net sales**
- 2016/3: 210.5 Billion yen
- 2017/3: 205.0 Billion yen
- Change: 210.5 Billion yen - 205.0 Billion yen = 5.5 Billion yen (decrease)

**Operating income**
- 2016/3: 17.0 Billion yen
- 2017/3: 17.7 Billion yen
- Change: 17.7 Billion yen - 17.0 Billion yen = 0.7 Billion yen (increase)

**Profit before income taxes**
- 2016/3: 15.6 Billion yen
- 2017/3: 16.8 Billion yen
- Change: 16.8 Billion yen - 15.6 Billion yen = 1.2 Billion yen (increase)

**Profit attributable to owners of parent**
- 2016/3: 10.5 Billion yen
- 2017/3: 10.9 Billion yen
- Change: 10.9 Billion yen - 10.5 Billion yen = 0.4 Billion yen (increase)
### Forecasts of net sales and operating income for FY2017/3 by operational segment

<table>
<thead>
<tr>
<th>Segment net sales</th>
<th>2017/3 forecasts</th>
<th>2016/3 results</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing and Industrial Materials Products</td>
<td>52.4</td>
<td>54.1</td>
<td>(1.7) (3.2%)</td>
</tr>
<tr>
<td>Electronic and Optical Products</td>
<td>42.3</td>
<td>43.7</td>
<td>(1.4) (3.2%)</td>
</tr>
<tr>
<td>Advanced Materials Operations</td>
<td>42.7</td>
<td>41.7</td>
<td>1.0 2.4%</td>
</tr>
<tr>
<td>Optical Products Operations</td>
<td>Segment net sales</td>
<td>85.0</td>
<td>85.4</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>Segment operating income</td>
<td>8.9</td>
<td>10.6</td>
</tr>
<tr>
<td>Paper and Converted Products</td>
<td>Segment net sales</td>
<td>36.8</td>
<td>37.4</td>
</tr>
<tr>
<td>Fine and Specialty Paper Products Operations</td>
<td>Segment net sales</td>
<td>16.6</td>
<td>17.0</td>
</tr>
<tr>
<td>Converted Products Operations</td>
<td>Segment operating income</td>
<td>5.4</td>
<td>4.3</td>
</tr>
</tbody>
</table>

*Note: Forecasts are based on current market conditions and may vary.*
Capital expenditure, Depreciation & Amortization, R&D expenses

Unit: Billion yen

Capital expenditure
- 2013/3: 12.3
- 2014/3: 7.8
- 2015/3: 4.9
- 2016/3: 13.2
- 2017/3: 12.0

Depreciation & Amortization
- 2013/3: 10.1
- 2014/3: 10.1
- 2015/3: 8.7
- 2016/3: 8.8
- 2017/3: 7.9

R&D expenses
- 2013/3: 7.3
- 2014/3: 6.8
- 2015/3: 6.8
- 2016/3: 7.6
- 2017/3: 8.2
Trend in dividends per share (yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/3</td>
<td>13.3</td>
<td></td>
</tr>
<tr>
<td>2008/3</td>
<td>19.5</td>
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<td>2009/3</td>
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<td>2010/3</td>
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<td>2011/3</td>
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<tr>
<td>2012/3</td>
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<td></td>
</tr>
<tr>
<td>2013/3</td>
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<td></td>
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<tr>
<td>2014/3</td>
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<tr>
<td>2015/3</td>
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<tr>
<td>2016/3</td>
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<tr>
<td>2017/3</td>
<td>45.4</td>
<td>66</td>
</tr>
</tbody>
</table>

(Forecast)
Medium-term business plan

Title  LIP-2016 (LINTEC INNOVATION PLAN 2016)

Period  From April 2014 to March 2017

Basic Policy  Return to a growth path through active management and continuous innovation

Key initiatives  
1. Further promote global development
2. Create innovative new products that will support the next generation
3. Transform into a robust corporate structure
4. Promote strategic M&A
5. Foster human resources

Major numerical targets (first planning)
- Net sales: ¥240.0 billion
- Operating income: ¥20.0 billion
- Operating profit margin: More than 8%
- ROE (Return on equity): More than 8%
MACTAC AMERICAS, LLC

Establishment: 1959
Registered Office: Ohio, the United States
Number of Employees: 482 (as of the end of December, 2015)
Business Description: Manufacture and sales of label materials for printing, VIP label materials, graphic sheets, industrial and medical tapes, etc.

Net Sales: USD 304 million (Fiscal year ended December 31, 2015)
Operating Income: USD 26 million (Fiscal year ended December 31, 2015)
Acquisition Price: Approx. USD 270 million*
Ratio of Membership Interests to be Acquired: 100%
Closing Date: December 1, 2016

- Full-scale entry into the North American market of adhesive papers and films for labels
- Expansion of sales of LINTEC products using MACTAC AMERICAS’ sales channels

* Debt assumption is not included
Overview of Three Companies in Europe and the US That Became Subsidiaries after October 2016

**VDI, LLC**

- **Establishment**: 1971
- **Registered Office**: Kentucky, the United States
- **Number of Employees**: 35
  (as of the end of December, 2015)
- **Business Description**: Manufacture and sales of functional films
- **Net Sales**: USD 13 million
  (Fiscal year ended December 31, 2015)
- **Operating Income**: USD 1.5 million
  (Fiscal year ended December 31, 2015)
- **Acquisition Price**: USD 26 million*
  * Debt assumption is not included
- **Ratio of Membership Interests to be Acquired**: 100%
- **Closing Date**: October 31, 2016

- **Use of metallizing technologies, including metal deposition and sputtering, which LINTEC did not have**
- **Development of operations in a new field**

**LINTEC GRAPHIC FILMS LIMITED**

- **Establishment**: 1993
- **Registered Office**: Buckinghamshire, the United Kingdom
- **Number of Employees**: 18 (as of the end of October, 2015)
- **Business Description**: Processing and sales of adhesive products
- **Net Sales**: USD 1.5 million
  (Fiscal year ended December 31, 2015)
- **Operating Income**: USD 0.8 million
  (Fiscal year ended December 31, 2015)
- **Acquisition Price**: USD 26 million*
  * Debt assumption is not included
- **Closing Date**: November 30, 2016

- **LINTEC GRAPHIC FILMS sells LINTEC products in European market under a licensing agreement concluded in 2010**.
- **Acceleration of customer acquisition using the company’s marketing capability and sales network**
This material includes forward-looking statements, such as forecasts of business results, based on information currently held and assumptions that have been judged as reasonable by the Company.

The Company cannot guarantee the accuracy of these statements or definitively assure the realization of future numerical targets and policies.

Actual business results, etc., may vary due to various factors and circumstances.