



Linking your dreams
LINTEC Corporation

Overview of “LIP-2019”, the new medium-term business plan

May 15, 2017

- 1. Review of “LIP-2016,” the previous medium-term business plan**
 - 2. Overview of “LIP-2019,” the new medium-term business plan**
- ◆ Business development through the three acquired companies**

1. Review of “LIP-2016”

“LIP-2016” (From the FY ended March 2015 to the FY ended March 2017)

<Basic policies>

Return to a growth path through active management and continuous innovation.

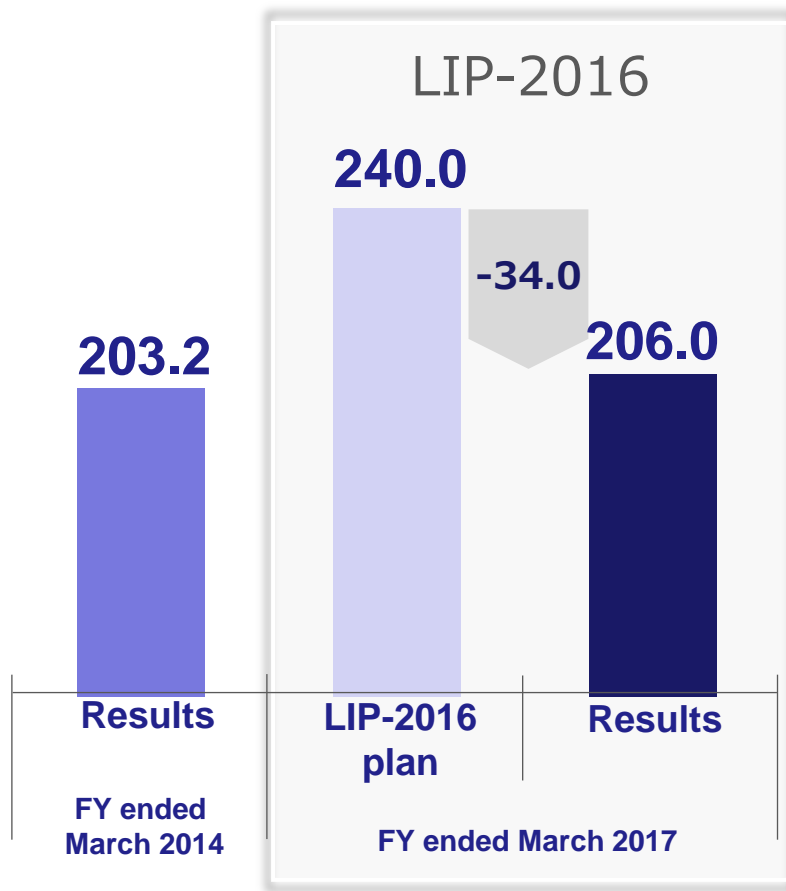
<Key initiatives>

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

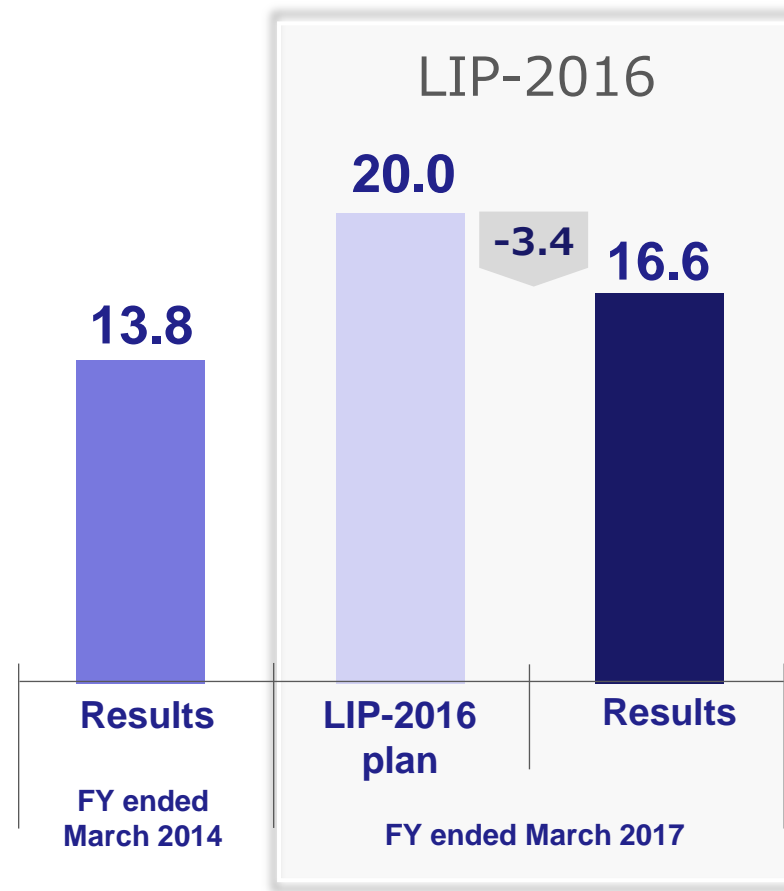
1. Review of “LIP-2016”

(Unit: billion yen)

Consolidated net sales



Consolidated operating income



New medium-term business plan

(From the FY ending March 2018 to the FY ending March 2020)



LIP-2019
LINTEC INNOVATION PLAN

<Basic policies>

**Deepening innovation aimed
at driving new growth**



<Key initiatives>

1. Strengthening of regional strategy
2. Creation of new value
3. Bolstering the corporate structure
4. Activities for realizing a sustainable society

Key initiative 1: Strengthening of regional strategy

- (1) Increase in the domestic share and development of new markets and new demands**
- (2) Strategic investment and business expansion in the Asian region**
- (3) Expansion of the existing fields in Europe and America and the pursuit of synergies with the acquired subsidiaries**

Key initiative 2: Creation of new value

- (1) Creation of products for differentiation which exceed customer needs**
- (2) Development of next-generation products anticipating market changes**

Key initiative 3: Bolstering the corporate structure

- (1) Ensuring soundness of the Group companies and continual increase in earnings**
- (2) Promotion of cross-sectional operational reforms**
- (3) Further promotion of cost structure reforms**

Key initiative 4: Activities for realizing a sustainable society

- (1) Promotion of business activities conducive to solving social concerns**
- (2) Promotion of work-style reforms, fostering of diverse human resources and encouragement of their active participation in the workplace**

2. Overview of LIP-2019 : Major numerical targets

The final year of LIP-2019 (FY 2020) Major numerical targets

● **Net sales**

270.0 billion yen

● **Operating income**

25.0 billion yen

● **Net income**

17.5 billion yen

● **Operating profit margin**

More than 9%

● **ROE**

More than 9%

*Exchange rates

JPY/USD 110.00 JPY/EUR 123.20

JPY/KRW 0.0990 JPY/CNY 16.70 JPY/TWD 3.50

2. Overview of LIP-2019 : Major numerical targets

Net sales

(Unit: billion yen)

	FY2017 results	FY2020 forecasts	Increase (Decrease)	Change
LINTEC	164.6	183.4	18.8	11%
Consolidated subsidiaries	83.2	139.4	56.2	68%
Elimination	(41.8)	(52.8)	(11.0)	—
Total	206.0	270.0	64.0	31%

Operating income

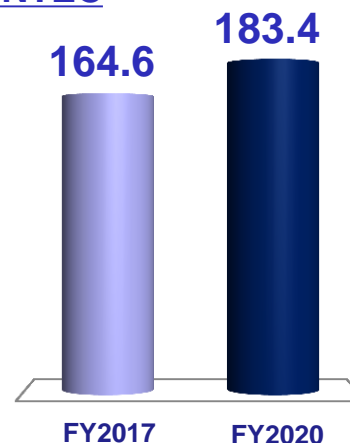
(Unit: billion yen)

	FY2017 results	FY2020 forecasts	Increase (Decrease)	Change
LINTEC	11.6	14.3	2.7	23%
Consolidated subsidiaries	5.0	10.7	5.7	114%
Elimination	0.0	0.0	0.0	—
Total	16.6	25.0	8.4	51%

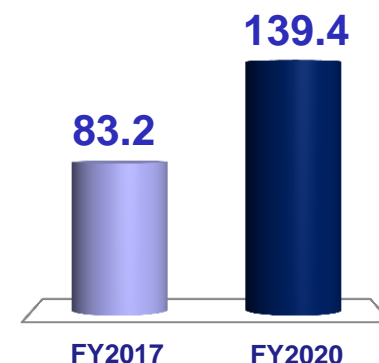
Net sales

(Unit: billion yen)

LINTEC



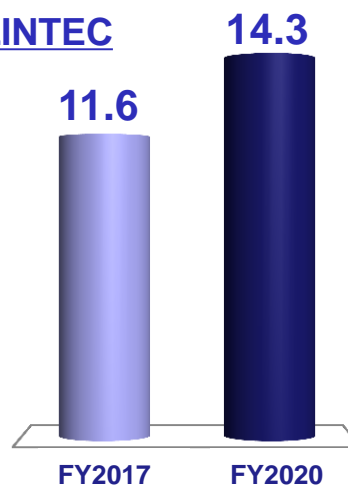
Consolidated subsidiaries



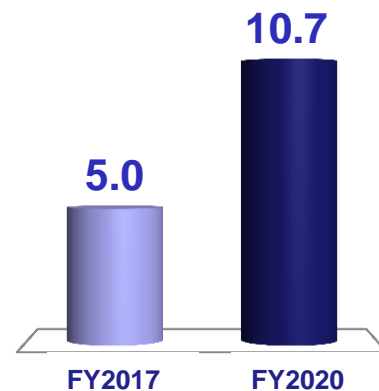
Operating income

(Unit: billion yen)

LINTEC

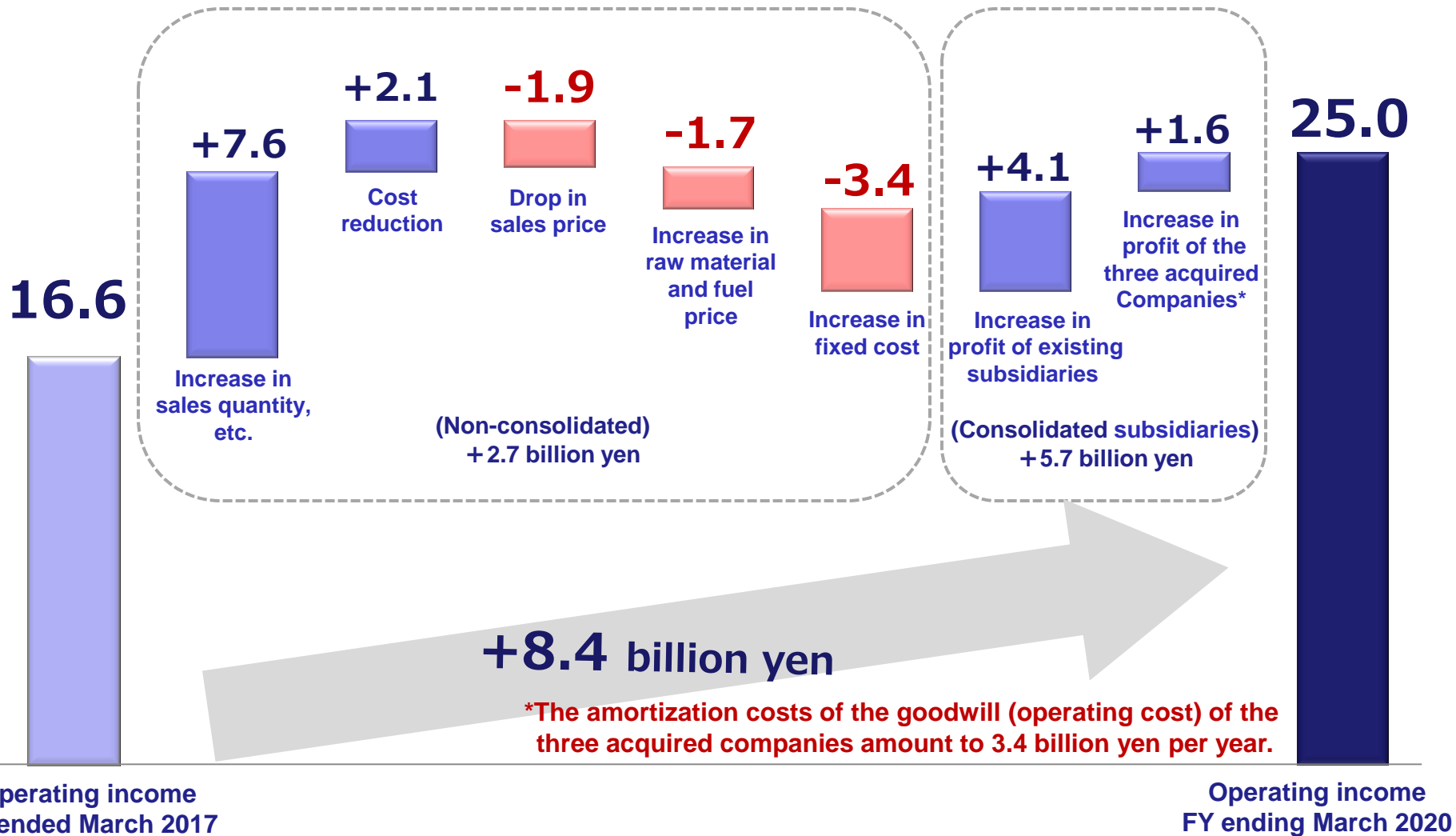


Consolidated subsidiaries



2. Overview of LIP-2019 : Major numerical targets

(Unit: billion yen)



2. Overview of LIP-2019 : Printing and Industrials Materials Products

	FY2017 results	FY2020 results	Increase (Decrease)
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Net Sales (Unit: billion yen)

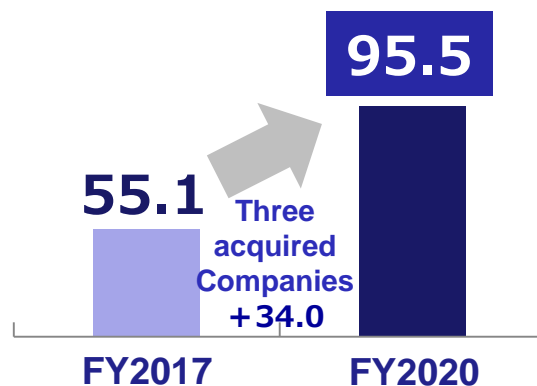
Printing & Variable Information Products Operations	55.1	95.5	+40.4 +73%
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Industrial & Material Operations	30.6	41.5	+10.9 +36%
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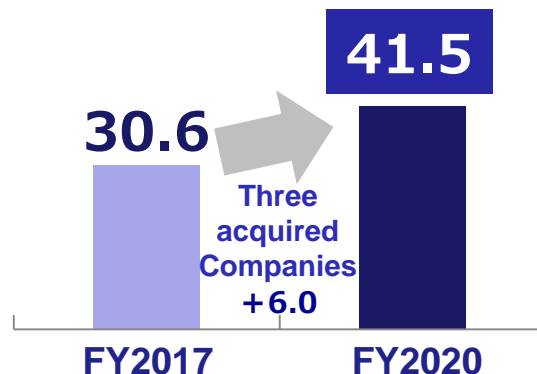
Total	85.7	137.0	+51.3 +60%
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Operating Income	1.7	7.4	+5.7 +335%
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Net Sales (Printing & Variable Information Products Operations)

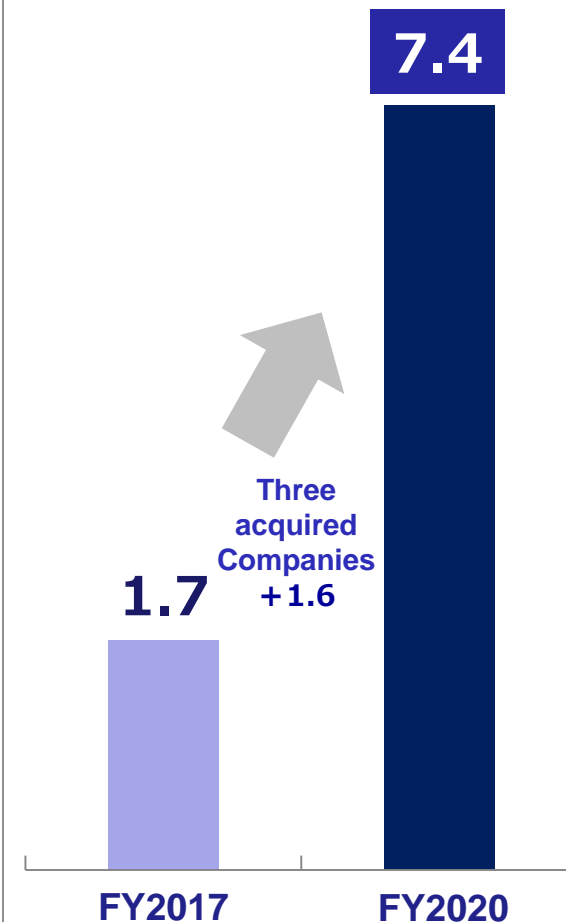


Net Sales (Industrial & Material Operations)



(Unit: billion yen)

Operating income



2. Overview of LIP-2019 : Printing and Industrials Materials Products

Printing & Variable Information Products Operations

- Develop new products to quickly respond customer needs and cultivate new applications and markets.
- Manufacture products that meet regional needs by leveraging to the maximum extent production bases in Indonesia, Thailand and China (Suzhou).

Industrial & Material Operations

- Expand sales of automobile-use adhesive products.
- Develop new window films.

2. Overview of LIP-2019 : Electronic and Optical Products

	FY2017 results	FY2020 results	Increase (Decrease)
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Net Sales (Unit: billion yen)

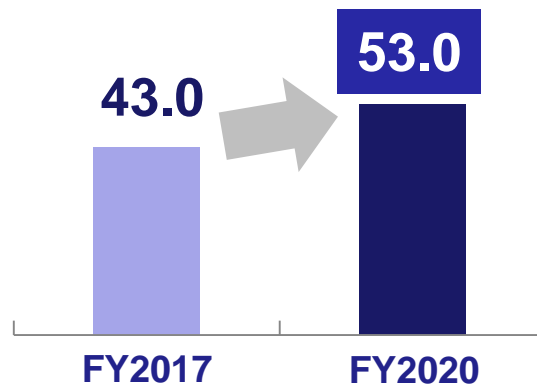
Advanced Materials Operations	43.0	53.0	+10.0 +23%
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Optical Products Operations	40.2	40.0	(0.2) (0%)
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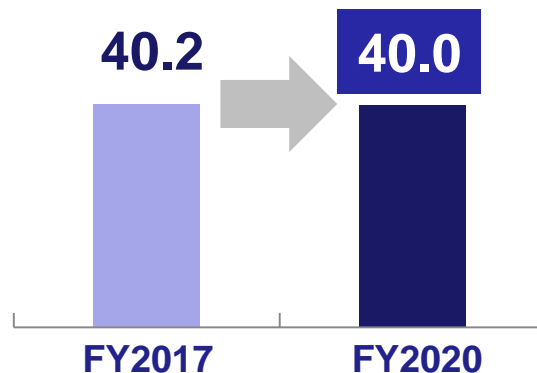
Total	83.2	93.0	+9.8 +12%
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Operating Income	9.1	11.6	+2.5 +27%
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Net Sales
(Advanced Materials Operations)

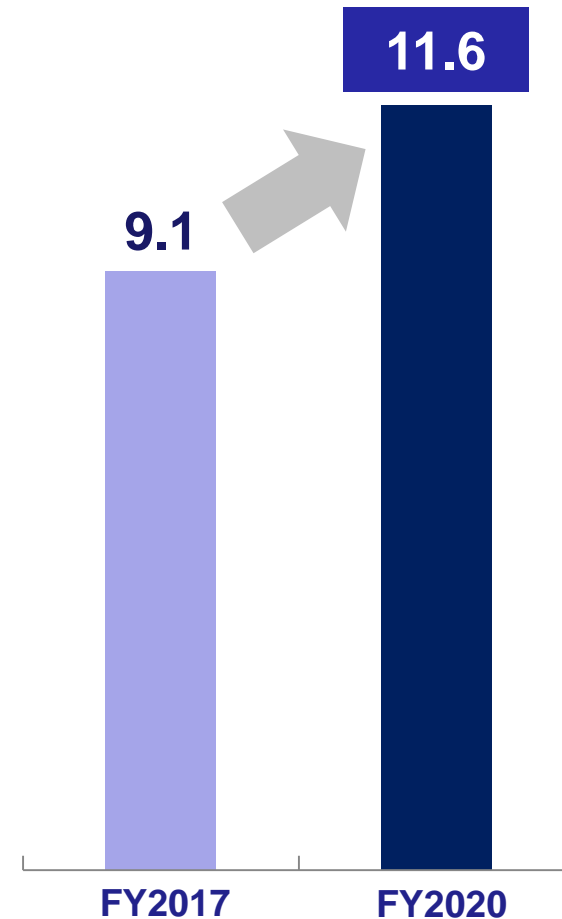


Net Sales
(Optical Products Operations)



(Unit: billion yen)

Operating income



2. Overview of LIP-2019 : Electronic and Optical Products

Advanced Materials Operations

- Lead the industry by offering differentiating or unique products.
- Pursue new technologies, processes and materials.

Optical Products Operations

- Strengthen competitiveness in terms of performance, quality and cost.
- Respond to an increase in demand for products such as large-screen TVs and smartphones, and take the necessary steps in conjunction with organic EL panels.

2. Overview of LIP-2019 : Paper and Converted Products

FY2017 results	FY2020 results	Increase (Decrease)
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Net Sales (Unit: billion yen)

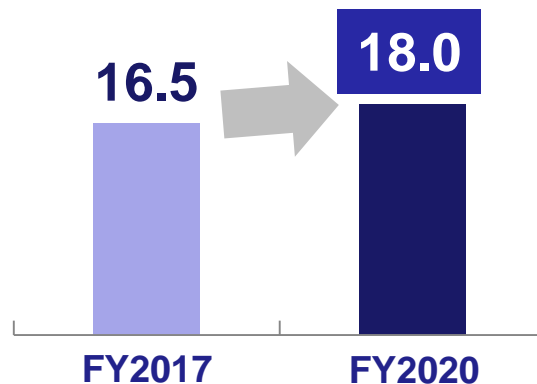
Fine and Specialty Paper Products Operations	16.5	18.0	+ 1.5 + 9%
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Converted Products Operations	20.6	22.0	+ 1.4 + 7%
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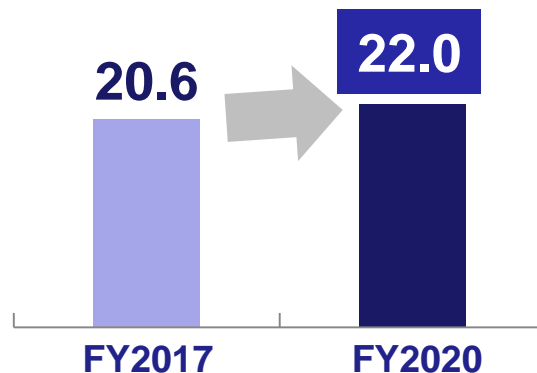
Total	37.1	40.0	+ 2.9 + 8%
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Operating Income	5.8	6.0	+ 0.2 + 3%
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Net Sales (Fine and Specialty Paper Products Operations)

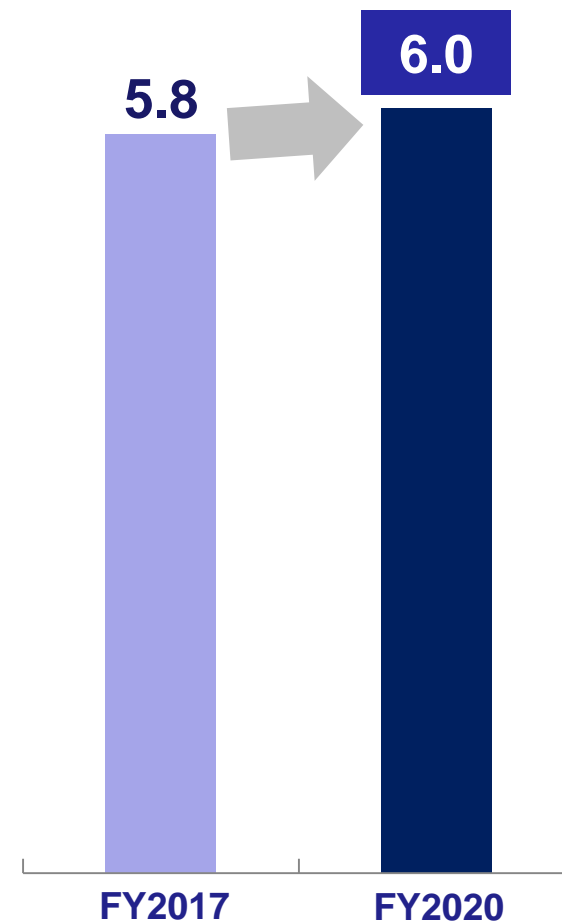


Net Sales (Converted Products Operations)



(Unit: billion yen)

Operating income



2. Overview of LIP-2019 : Paper and Converted Products

Fine and Specialty Paper Products Operations

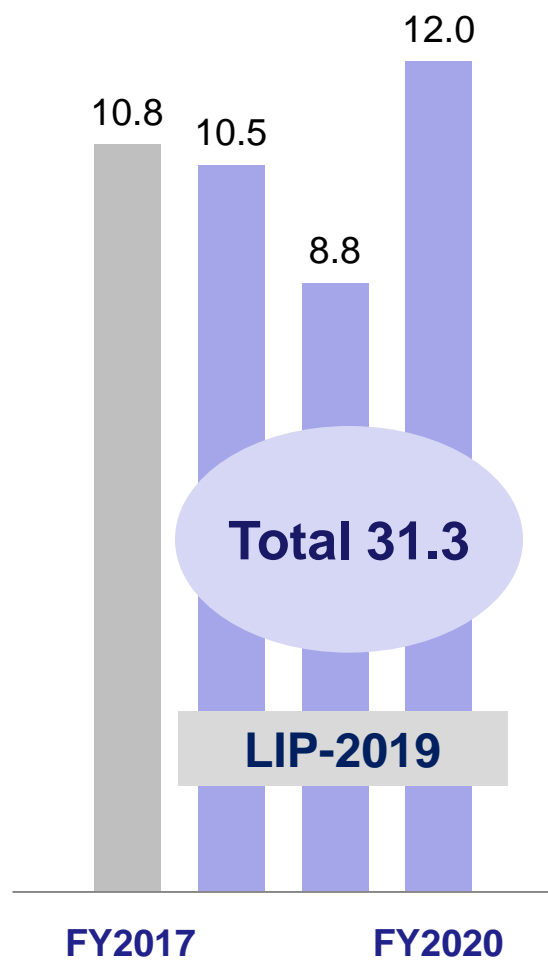
- Develop specialty papers equipped with functionality and environmentally conscious products.
- Expand sales of oil and water resistant papers, a differentiating product.

Converted Products Operations

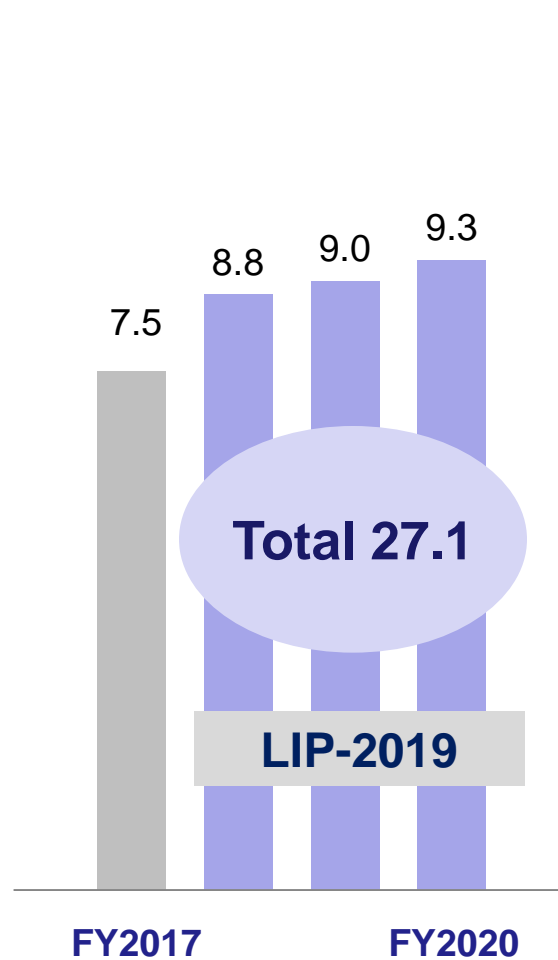
- Strengthen the competitiveness of release papers and casting papers in terms of performance, quality, cost and eco-friendliness, and other factors.
- Address an increase in demand for casting papers for carbon fiber composite materials mainly used for aircraft.

(Unit: billion yen)

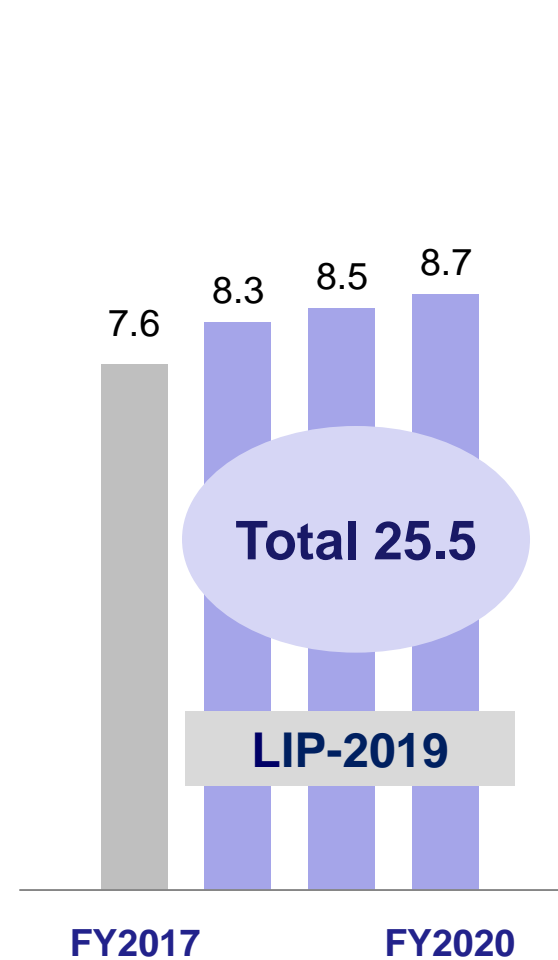
Capital expenditures



Depreciation and amortization



R&D expenses



<United States>

- **MACtac Americas, LLC**
- **VDI, LLC**

<United Kingdom>

- **Lintec Graphic Films Limited**

*The synergetic effects of the three acquired companies are not reflected in the numerical targets of LIP-2019.

Overview of the acquired companies

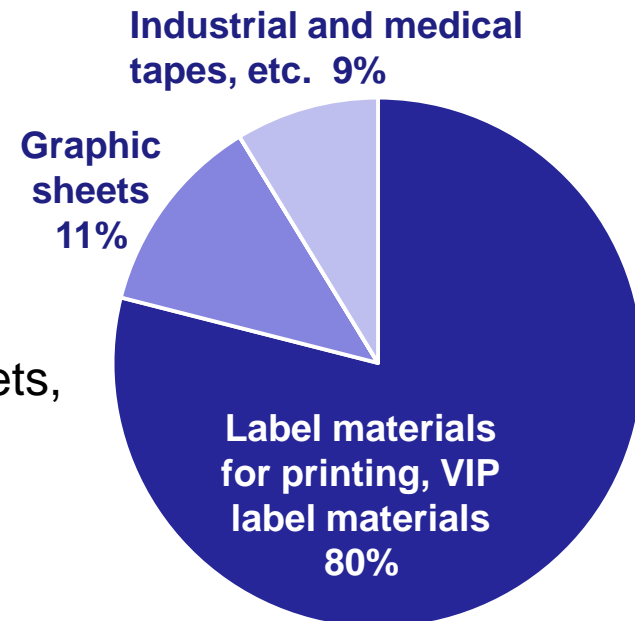
- Name : MACtac Americas, LLC
- Registered Office : Ohio, the United States
- Establishment : 1959
- Number of Employees : 496
(as of the end of December, 2016)
- Business Description :
Manufacture and sales of label materials
for printing, VIP label materials, graphic sheets,
industrial and medical tapes, etc.

Net Sales / Operating Income

(Fiscal year ended
December 31, 2016)

- Net Sales : 34.2 billion yen
- Operating Income : 3.6 billion yen

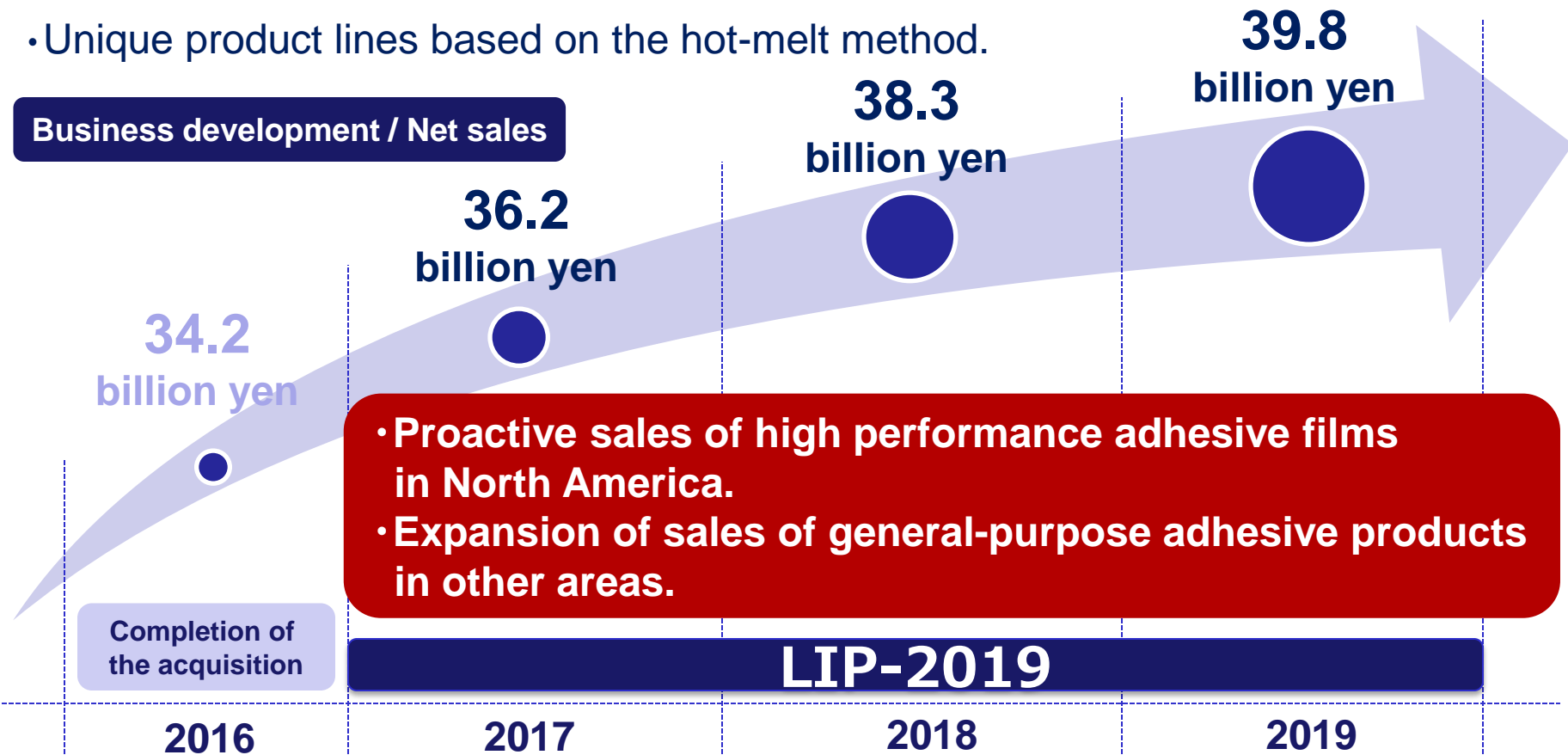
Share of net sales



Purpose of acquisition

- Full-scale expansion into North America, which accounts for approximately 30% of label materials for printing worldwide.
- Possessing high-speed coating facilities as well as warehousing, processing and distribution bases.
- Unique product lines based on the hot-melt method.

Business development / Net sales



Overview of the acquired companies

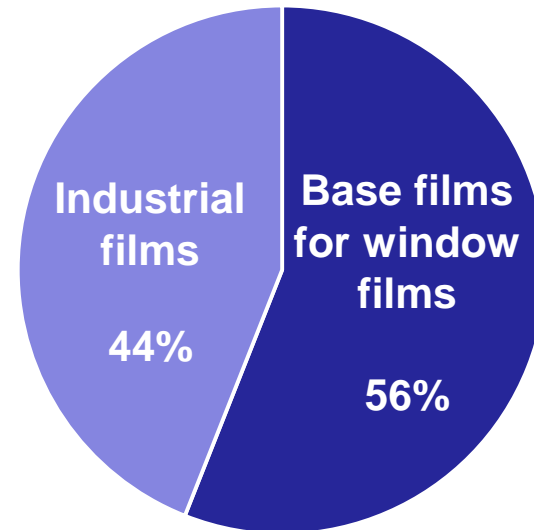
- Name : VDI, LLC
- Registered Office :
Kentucky, the United States
- Establishment : 1971
- Number of Employees : 36
(as of the end of December, 2016)
- Business Description :
Manufacture and sales of metallized films
and sputtering films

Net Sales / Operating Income

(Fiscal year ended
December 31, 2016)

- Net Sales : 1,070 million yen
- Operating Income : 20 million yen

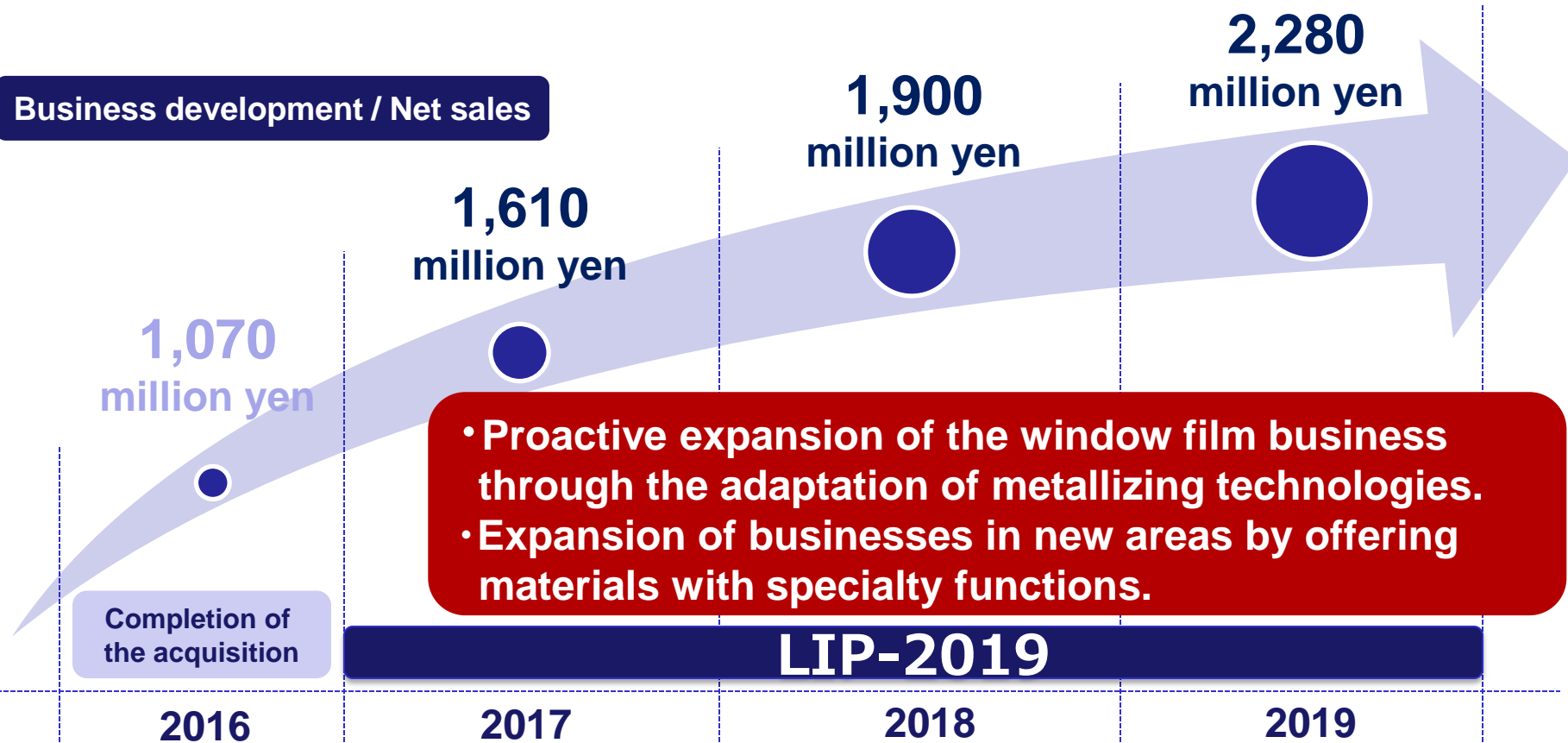
Share of net sales



Purpose of acquisition

- Possessing metallizing technologies such as vapor depositions and sputtering that had not been owned by the Company.

Business development / Net sales



Overview of the acquired companies

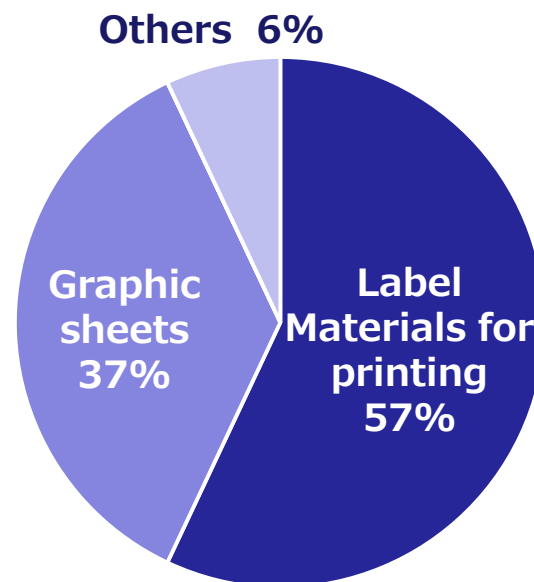
- Name : Lintec Graphic Films Limited
- Registered Office : Buckinghamshire,
the United Kingdom
- Establishment : 1993
- Number of Employees : 18
(as of the end of October, 2016)
- Business Description :
Processing and sales of label materials
for printing, graphic sheets, etc.

Net Sales / Operating Income

(Fiscal year ended
October 31, 2016)

- Net Sales : 850 million yen
- Operating Income : 130 million yen

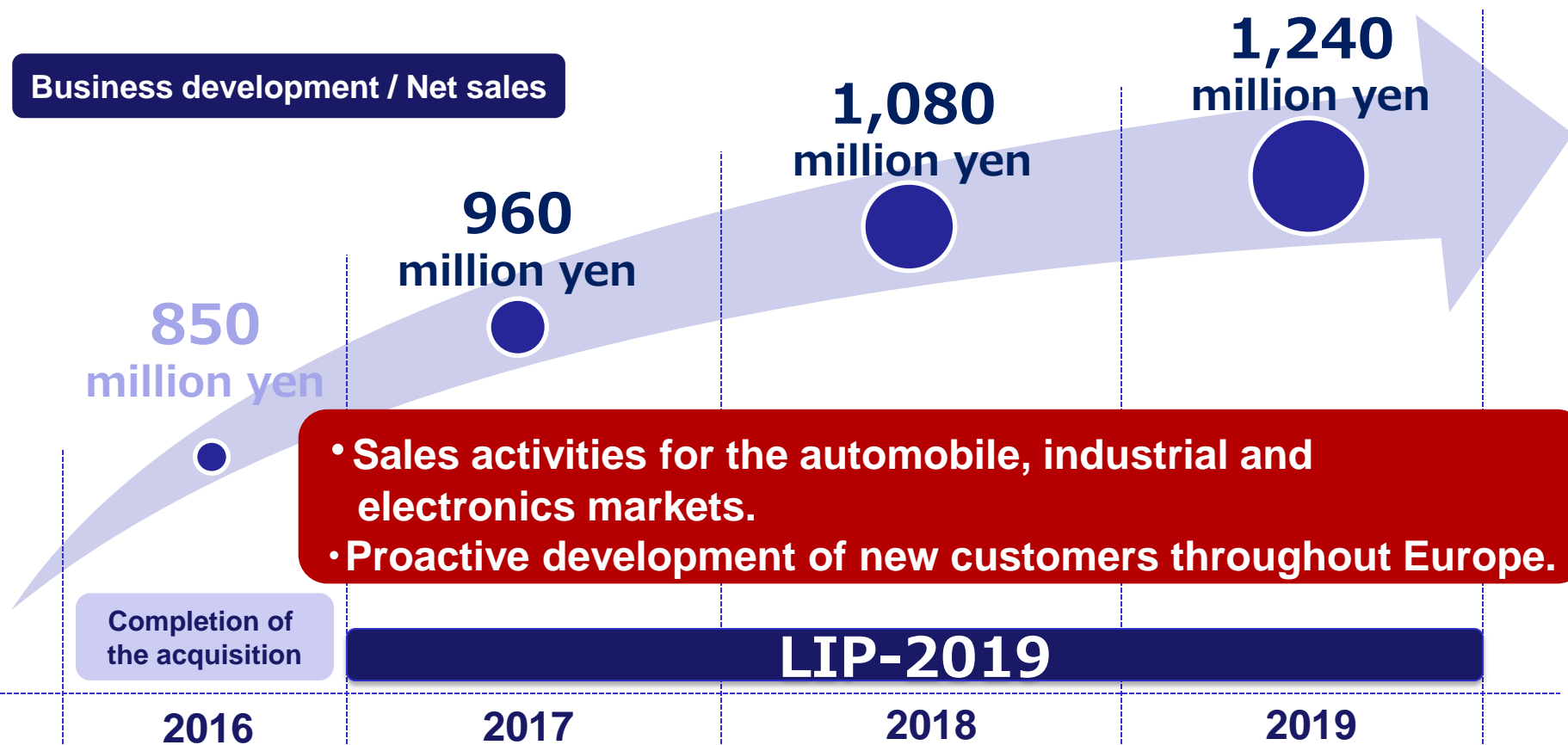
Share of net sales



Purpose of acquisition

- Possessing extensive knowledge pertaining to the European market.
- Contribution to sales expansion of the Company's adhesive products throughout Europe through excellent product proposal capabilities.

Business development / Net sales



- Sales activities for the automobile, industrial and electronics markets.
- Proactive development of new customers throughout Europe.

Completion of the acquisition

LIP-2019

2016

2017

2018

2019

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.