

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2018**  
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 9, 2018

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange 1st Section

Code number: 7966

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Scheduled date for ordinary general meeting of shareholders: June 21, 2018

Scheduled date for starting dividend payments: June 5, 2018

Scheduled date for filing annual securities report: June 21, 2018

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 31, 2018**  
(from April 1, 2017 to March 31, 2018)

**(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 31, 2018	249,030	20.9	20,095	21.1	18,389	17.2	11,257	(1.7)
FY ended March 31, 2017	205,975	(2.2)	16,595	(6.2)	15,684	(11.0)	11,450	5.1

(Note) Comprehensive income: FY Ended March 31, 2018: 12,460 million yen, up 18.8%

FY Ended March 31, 2017: 10,489 million yen, up 148.6%

	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 31, 2018	156.02	155.76	6.2	6.5	8.1
FY ended March 31, 2017	158.69	158.46	6.6	6.1	8.1

(Reference) Equity in net income of affiliates: FY ended March 31, 2018: — million yen FY ended March 31, 2017: — 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, 2018	292,735	186,420	63.4	2,573.69
As of March 31, 2017	274,199	178,690	64.9	2,465.43

(Reference) Shareholders' equity: As of March 31, 2018: 185,702 million yen As of March 31, 2017: 177,884 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 31, 2018	26,819	(7,532)	(6,363)	55,042
FY ended March 31, 2017	24,361	(48,378)	5,257	41,284

**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 31, 2017	—	33.00	—	33.00	66.00	4,762	41.6	2.7
FY ended March 31, 2018	—	33.00	—	33.00	66.00	4,762	42.3	2.6
FY ending March 31, 2019 (forecasts)	—	39.00	—	39.00	78.00		35.2	

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2019 (from April 1, 2018 to March 31, 2019)

(% 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	257,000	3.2	23,000	14.5	22,000	19.6	16,000	42.1	221.75

\* 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: None  
(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 31, 2018	76,564,240	FY ended March 31, 2017	76,564,240
(b)	FY ended March 31, 2018	4,410,239	FY ended March 31, 2017	4,412,515
(c)	FY ended March 31, 2018	72,151,907	FY ended March 31, 2017	72,152,293

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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 31, 2018	170,335	3.5	13,259	14.8	18,733	(1.1)	15,084	(3.0)
FY ended March 31, 2017	164,602	0.1	11,550	15.9	18,936	36.9	15,549	49.3

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY ended March 31, 2018	209.06		208.71	
FY ended March 31, 2017	215.51		215.19	

(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 31, 2018	245,725		154,683		62.9		2,140.82	
As of March 31, 2017	228,602		144,448		63.1		1,999.42	

(Reference) Shareholders' equity: As of March 31, 2018: 154,469 million yen

As of March 31, 2017: 144,261 million yen

\* This document is unaudited by certificated public accountants or audit firms.

\* 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. For more details, refer to (4) Outlook on page 4 of the [attached materials].
- Supplemental material will be posted on our website (<http://www.lintec-global.com>) in a timely manner.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results in the Fiscal Year under Review

During the fiscal year under review, the global economy saw continued economic expansion in the United States supported by an improvement in corporate earnings and consumer spending, as well as signs of a moderate recovery in Europe. The recovery continued in Asia, especially China, largely thanks to growth of internal demand and exports. Meanwhile, the economy in Japan remained steady overall, reflecting an improvement in corporate earnings largely attributable to robust foreign demand as well as a moderate pickup in consumer spending supported by the improved employment environment.

In this business environment, the Group launched its new medium-term business plan “LIP-2019” in April 2017, and actively worked on key initiatives in accordance with the basic policy “Deepening innovation aimed at driving new growth”.

As a result, for the current fiscal year, the Group achieved net sales of 249,030 million yen (up 20.9% year-on-year), operating income of 20,095 million yen (up 21.1% year-on-year), and ordinary income of 18,389 million yen (up 17.2% year-on-year), with profit attributable to owners of parent amounting to 11,257 million yen (down 1.7% year-on-year).

In the fiscal year under review, the Group recorded under extraordinary losses a provision for business structure improvement of 1,024 million yen associated with management rationalization at Madico, Inc., a consolidated subsidiary in the U.S., and a goodwill impairment loss of 1,041 million yen because the business results of VDI, LLC, a consolidated subsidiary in the U.S., are expected to fall short of those in the business plan estimated at the time of acquisition.

The outline by segment was as follows:

#### [Printing and Industrial Materials Products]

In this segment, net sales were 121,691 million yen (up 42.1% year-on-year) and operating income was 3,040 million yen (up 81.8% year-on-year). Sales by operation of this segment were as follows:

##### (Printing & Variable Information Products Operations)

Sales of adhesive papers for seals and labels in Japan were low for food-related products due to the unseasonable weather, but sales for pharmaceutical and distribution-related products remained firm. Sales of adhesive films for seals and labels remained well, backed by demand for campaign labels for beverages and eye-catching labels for cosmetics, etc. Sales in overseas markets were steady due to robust sales in the ASEAN region, while sales at subsidiaries in Europe and the United States acquired at the end of 2016 were also added. As a result, sales in this operation stood at 87,132 million yen (up 58.2% year-on-year).

##### (Industrial & Material Operations)

Sales of equipment for the mail-order business in Japan, and sales of motorcycle- and automobile-use adhesive products and window films remained firm in Asia. In addition, sales at subsidiaries in Europe and the United States acquired at the end of 2016 were added. As a result, sales in this operation stood at 34,558 million yen (up 13.1% year-on-year).

#### [Electronic and Optical Products]

In this segment, net sales were 88,882 million yen (up 6.8% year-on-year) and operating income was 11,972 million yen (up 30.8% year-on-year). Sales by operation of this segment were as follows:

##### (Advanced Materials Operations)

Sales of semiconductor-related adhesive tapes and semiconductor-related equipment increased significantly, reflecting robust demand for products for smartphones and cloud servers, etc. Sales of multilayer ceramic capacitor-related tapes also rose due to strong demand for products mainly for smartphones and automobiles. As a result, sales in this operation stood at 51,633 million yen (up 20.0% year-on-year).

##### (Optical Products Operations)

Sales of LCD-related adhesive products remained steady in terms of volume, but were significantly affected by product mix and a decline in the unit selling price. As a result, sales in this operation stood at 37,249 million yen (down 7.3% year-on-year).

#### [Paper and Converted Products]

In this segment, net sales were 38,456 million yen (up 3.6% year-on-year) and operating income was 4,996 million yen (down 13.4% year-on-year). Sales by operation of this segment were as follows:

##### (Fine & Specialty Paper Products Operations)

Although sales of industrial specialty papers and oil resistant papers were solid, mainstay color papers for envelopes remained low. As a result, sales in this operation stood at 16,441 million yen (down 0.1% year-on-year).

(Converted Products Operations)

Sales release papers for FPC cover lay films and release films for optical-related products were favorable, and sales of casting papers for synthetic leather were also solid. As a result, sales in this operation stood at 22,015 million yen (up 6.6% year-on-year)

(2) Overview of Financial Position in the Fiscal Year under Review

(Assets)

Total assets at this consolidated fiscal year end were 292,735 million yen, a year-on-year increase of 18,536 million yen.

Main factors of the change were as follows:

- Increase in "Cash and deposits"	+ 13,554 million yen
- Increase in "Trade notes and accounts receivable"	+ 5,789 million yen
- Increase in "Inventories"	+ 3,921 million yen
- Increase in "Property, plant and equipment"	+ 1,465 million yen
- Decrease in "Goodwill"	- 5,369 million yen

(Liabilities)

Total liabilities at this consolidated fiscal year end were 106,314 million yen, a year-on-year increase of 10,806 million yen. Main factors of the change were as follows:

- Increase in "Trade notes and accounts payable"	+ 9,620 million yen
- Increase in "Short-term loans payable"	+ 1,709 million yen
- Decrease in "Long-term loans payable"	- 3,399 million yen

(Net Assets)

Net assets at this consolidated fiscal year end were 186,420 million yen, a year-on-year increase of 7,729 million yen. Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 6,495 million yen
- Increase in "Foreign currency translation adjustments"	+ 1,201 million yen

(3) Overview of Cash Flows in the Fiscal Year under Review

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)	Increase (decrease)
Cash flows from operating activities	24,361	26,819	2,457
Cash flows from investing activities	(48,378)	(7,532)	40,845
Cash flows from financing activities	5,257	(6,363)	(11,621)
Effect of exchange rate change on cash and cash equivalents	35	834	799
Net increase (decrease) in cash and cash equivalents	(18,723)	13,757	32,481
Cash and cash equivalents at beginning of year	60,323	41,284	(19,038)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(315)	-	315
Cash and cash equivalents at end of year	41,284	55,042	13,757

Cash and cash equivalents at this consolidated fiscal year end were 55,042 million yen, a year-on-year increase of 13,757 million yen. Cash flows in the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities increased 2,457 million yen year-on-year, to 26,819 million yen. The principal movements were as follows:

- Increase in "Profit before income taxes"	+ 1,268 million yen
- Increase in "Depreciation"	+ 1,564 million yen
- Increase in "Amortization of goodwill"	+ 3,112 million yen
- Decrease in "Trade notes and accounts receivable"	- 3,664 million yen
- Decrease in "Inventories"	- 4,495 million yen
- Increase in "Trade notes and accounts payable"	+ 5,497 million yen
- Increase in "Impairment loss"	+ 1,007 million yen

(Cash flows from investing activities)

Net cash used in investing activities decreased 40,845 million yen year-on-year, to 7,532 million yen. The principal movements were as follows:

- Increase in "Payments into time deposits"	+ 3,266 million yen
- Decrease in "Proceeds from withdrawal of time deposits"	- 4,065 million yen
- Increase in "Purchase of property, plant and equipment"	+ 4,964 million yen
- Increase in "Purchase of shares and membership interests of subsidiaries resulting in change in scope of consolidation"	+ 36,601 million yen

(Cash flows from financing activities)

Net cash used in financing activities amounted to 6,363 million yen compared with net cash provided of 5,257 million yen in the previous fiscal year. The principal movements were as follows:

- Increase in "Increase (decrease) in short-term loans payable"	+ 3,441 million yen
- Decrease in "Proceeds from long-term loans payable"	- 20,850 million yen
- Increase in "Repayments of long-term loans payable"	+ 6,194 million yen

(4) Outlook

In the fiscal year ending March 31, 2019, continued growth is forecast in the United States and continued recovery is also expected in Europe and China, although there is concern over the effect of U.S. policy on the global economy. The Japanese economy is also expected to continue to recover moderately on the back of growth in exports due to the recovery of overseas economies and improvement in the income environment mainly due to wage increases.

Net sales	257 billion yen (up 3.2% year-on-year)
Operating income	23 billion yen (up 14.5% year-on-year)
Ordinary income	22 billion yen (up 19.6% year-on-year)
Profit attributable to owners of parent	16 billion yen (up 42.1% year-on-year)

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. 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.

3. Consolidated Financial Statements and Notes  
(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	45,060	58,614
Trade notes and accounts receivable	66,801	72,590
Inventories	34,584	38,506
Deferred tax assets	1,614	1,483
Other	3,503	3,991
Allowance for doubtful accounts	(114)	(109)
Total current assets	151,449	175,077
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	31,397	32,342
Machinery, equipment and vehicles (net)	27,293	24,962
Land	11,057	11,083
Construction in progress	2,163	5,087
Other (net)	1,958	1,859
Property, plant and equipment	73,871	75,336
Intangible assets		
Goodwill	34,558	29,189
Other	4,000	3,285
Intangible assets	38,559	32,474
Investments and other assets		
Investment securities	3,102	2,743
Deferred tax assets	5,063	5,047
Other	2,256	2,153
Allowance for doubtful accounts	(105)	(98)
Total investments and other assets	10,318	9,846
Total non-current assets	122,749	117,658
<b>Total assets</b>	<b>274,199</b>	<b>292,735</b>

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	45,057	54,678
Short-term loans payable	641	2,351
Current portion of long-term loans payable	3,051	2,986
Accrued income taxes	3,098	2,889
Provision for directors' bonuses	90	89
Provision for business structure improvement	–	39
Other	12,460	14,823
Total current liabilities	64,401	77,858
Non-current liabilities		
Long-term loans payable	17,795	14,395
Provision for environmental measures	135	132
Net defined benefit liability	12,362	13,006
Other	814	922
Total non-current liabilities	31,107	28,456
Total liabilities	95,508	106,314
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,201	23,201
Capital surplus	26,829	26,829
Retained earnings	131,247	137,743
Treasury stock	(7,714)	(7,711)
Total shareholders' equity	173,563	180,062
Accumulated other comprehensive income		
Net unrealized holding gain on securities	775	657
Foreign currency translation adjustments	6,938	8,139
Remeasurements of defined benefit plans	(3,392)	(3,157)
Total accumulated other comprehensive income	4,320	5,639
Share subscription rights	186	214
Non-controlling interests	619	503
Total net assets	178,690	186,420
<b>Total liabilities and net assets</b>	<b>274,199</b>	<b>292,735</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
Net sales	205,975	249,030
Cost of sales	153,115	186,206
Gross profit	52,859	62,823
Selling, general and administrative expenses	36,264	42,727
Operating income	16,595	20,095
Non-operating income		
Interest income	218	220
Dividends income	91	272
Rent income	43	16
Gain on sales of noncurrent assets	20	61
Insurance income	226	10
Other income	274	266
Total non-operating income	875	846
Non-operating expenses		
Interest expenses	73	226
Loss on retirement of noncurrent assets	785	730
Compensation expenses	107	128
Foreign exchange losses	473	1,012
Other expenses	345	454
Total non-operating expenses	1,786	2,552
Ordinary income	15,684	18,389
Extraordinary gain		
Gain on sales of investment securities	190	343
Gain on sales of noncurrent assets	121	–
Gain on liquidation of subsidiaries	17	–
Total extraordinary gain	329	343
Extraordinary loss		
Impairment loss	34	1,041
Provision for business structure improvement	–	1,024
Loss on liquidation of subsidiaries	568	–
Loss on sales of investment securities	13	–
Total extraordinary losses	615	2,066
Profit before income taxes	15,398	16,666
Income taxes	5,383	5,410
Deferred income taxes	(1,191)	107
Total income taxes	4,192	5,517
Profit	11,206	11,149
Profit (loss) attributable to non-controlling interests	(244)	(108)
Profit attributable to owners of parent	11,450	11,257

Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
Profit	11,206	11,149
Other comprehensive income		
Net unrealized holding gain / loss on securities	73	(117)
Foreign currency translation adjustments	(907)	1,194
Remeasurements of defined benefit plans	118	234
Total other comprehensive income / (loss)	(716)	1,311
Comprehensive income	10,489	12,460
(Comprehensive income attributable to)		
Owners of parent	10,765	12,576
Non-controlling interests	(275)	(115)

## (3) Consolidated Statements of Changes in Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,201	26,829	123,713	(7,712)	166,032
Changes during current term					
Cash dividends			(4,329)		(4,329)
Profit attributable to owners of parent			11,450		11,450
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		0		0	0
Change of scope of consolidation			413		413
Net changes in items other than shareholders' equity during current term					
Total change during current term	–	0	7,533	(2)	7,531
Balance at end of current term	23,201	26,829	131,247	(7,714)	173,563

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current term	701	7,812	(3,509)	5,005	169	895	172,101
Changes during current term							
Cash dividends							(4,329)
Profit attributable to owners of parent							11,450
Purchase of treasury stock							(2)
Disposal of treasury stock							0
Change of scope of consolidation							413
Net changes in items other than shareholders' equity during current term	73	(874)	116	(684)	17	(275)	(942)
Total change during current term	73	(874)	116	(684)	17	(275)	6,589
Balance at end of current term	775	6,938	(3,392)	4,320	186	619	178,690

Current consolidated fiscal year (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,201	26,829	131,247	(7,714)	173,563
Changes during current term					
Cash dividends			(4,762)		(4,762)
Profit attributable to owners of parent			11,257		11,257
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		(0)		4	4
Change of scope of consolidation					–
Net changes in items other than shareholders' equity during current term					
Total change during current term	–	(0)	6,495	3	6,498
Balance at end of current term	23,201	26,829	137,743	(7,711)	180,062

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current term	775	6,938	(3,392)	4,320	186	619	178,690
Changes during current term							
Cash dividends							(4,762)
Profit attributable to owners of parent							11,257
Purchase of treasury stock							(1)
Disposal of treasury stock							4
Change of scope of consolidation							–
Net changes in items other than shareholders' equity during current term	(117)	1,201	235	1,318	28	(115)	1,231
Total change during current term	(117)	1,201	235	1,318	28	(115)	7,729
Balance at end of current term	657	8,139	(3,157)	5,639	214	503	186,420

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
<b>Cash flows from operating activities</b>		
Profit before income taxes	15,398	16,666
Depreciation	7,466	9,031
Amortization of goodwill	315	3,427
Increase (decrease) in net defined benefit liability	947	751
Increase (decrease) in allowance for doubtful accounts	(24)	(20)
Interest and dividend income	(310)	(492)
Interest expense	73	226
Increase (decrease) in provision for business structure improvement	–	38
Loss (gain) on sales of property, plant and equipment	(132)	(56)
Loss on retirement of property, plant and equipment	482	374
Decrease (increase) in trade notes and accounts receivable	(1,565)	(5,229)
Decrease (increase) in inventories	812	(3,682)
Increase (decrease) in trade notes and accounts payable	3,470	8,967
Loss (gain) on sales of investment securities	(177)	(343)
Increase (decrease) in provision for environmental measures	(2)	(3)
Loss (gain) on liquidation of subsidiaries	551	–
Impairment loss	34	1,041
Other	1,789	1,444
Subtotal	29,128	32,143
Interest and dividend income received	325	477
Interest expenses paid	(16)	(233)
Income taxes (paid) refund	(4,809)	(5,568)
Special retirement expenses paid	(265)	–
Cash flows from operating activities	24,361	26,819

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(10,897)	(7,631)
Proceeds from withdrawal of time deposits	12,164	8,098
Purchase of property, plant and equipment	(13,049)	(8,084)
Proceeds from sales of property, plant and equipment	181	132
Purchase of intangible assets	(199)	(123)
Purchase of investment securities	(5)	(4)
Proceeds from sales of investment securities	361	536
Proceeds from liquidation of subsidiaries	24	–
Payments of loans receivable	(2)	(24)
Collection of loans receivable	4	6
Purchase of shares and membership interests of subsidiaries resulting in change in scope of consolidation	(36,909)	(308)
Other	(50)	(129)
<b>Cash flows from investing activities</b>	<b>(48,378)</b>	<b>(7,532)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	(1,748)	1,692
Proceeds from long-term loans payable	20,850	–
Repayments of long-term loans payable	(9,253)	(3,059)
Cash dividends paid	(4,328)	(4,762)
Purchase of treasury stock	(2)	(1)
Repayment of lease obligation	(258)	(232)
Other	0	0
<b>Cash flows from financing activities</b>	<b>5,257</b>	<b>(6,363)</b>
Effect of exchange rate changes on cash and cash equivalents	35	834
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>(18,723)</b>	<b>13,757</b>
Cash and cash equivalents at beginning of year	60,323	41,284
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(315)	–
<b>Cash and cash equivalents at end of year</b>	<b>41,284</b>	<b>55,042</b>

(5) Notes to Consolidated Financial Statements

(Notes on going concern)

Not applicable.

(Segment information, etc.)

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, Labeling machines, Automobile-use adhesive products, Industrial-use adhesive tapes, Window films, Films for outdoor signs and advertising, Interior finishing mounting films
Electronic and Optical Products	Semiconductor-related adhesive tapes, Semiconductor-related equipment, Multilayer ceramic capacitor-related tapes, LCD- and OLED display- 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 adhesive products, Release films for optical-related products, Casting papers for synthetic leather, Casting papers for carbon fiber composite materials

2. Information on sales and income (loss), identifiable assets, and other items by reportable segment

Previous consolidated fiscal year (from April 1, 2016 to March 31, 2017)

(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	85,661	83,205	37,108	205,975	–	205,975
Intra-segments sales and transfers	60	73	15,523	15,657	(15,657)	–
Total	85,721	83,278	52,632	221,633	(15,657)	205,975
Segment income	1,672	9,155	5,767	16,595	(0)	16,595
Others						
Depreciation and amortization (Note 3)	2,706	2,748	2,011	7,466	–	7,466
Amortization of goodwill (Note 3)	315	–	–	315	–	315

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, 2017 to March 31, 2018)

(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	121,691	88,882	38,456	249,030	–	249,030
Intra-segments sales and transfers	57	88	15,571	15,717	(15,717)	–
Total	121,748	88,970	54,027	264,747	(15,717)	249,030
Segment income	3,040	11,972	4,996	20,009	86	20,095
Others						
Depreciation and amortization (Note 3)	3,863	3,049	2,118	9,031	–	9,031
Amortization of goodwill (Note 3)	3,427	–	–	3,427	–	3,427

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, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
Net assets per share	Yen 2,465.43	Yen 2,573.69
Net income per share	158.69	156.02
Diluted net income per share	158.46	155.76

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

Item	Previous consolidated fiscal year (FY ended March 31, 2017)	Current consolidated fiscal year (FY ended March 31, 2018)
Net income per share		
Profit attributable to owners of parent (million yen)	11,450	11,257
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	11,450	11,257
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	72,152	72,151
Diluted net income per share		
Diluted profit attributable to owners of parent (million yen)	-	-
Increase in common stock (thousand shares)	106	119
(Share warrant) (thousand shares)	(106)	(119)
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 (As of March 31, 2017)	Current consolidated fiscal year (As of March 31, 2018)
Total net assets in the consolidated balance sheet (million yen)	178,690	186,420
Amount deducted from total net assets (million yen)	806	718
(Share warrant) (million yen)	(186)	(214)
(Non-controlling interests) (million yen)	(619)	(503)
Term-end net assets per common share (million yen)	177,884	185,702
Number of common stocks used in calculating net assets per share (thousand shares)	72,151	72,154

(Significant events after closing of the year)

Not applicable