

**Consolidated Financial Results for the Three Months Ended June 30, 2018**  
[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

August 9, 2018

Name of listed company: LINTEC Corporation  
Code number: 7966

Stock exchange listing: Tokyo Stock Exchange 1st Section  
URL: <http://www.lintec-global.com/>

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Scheduled filing date for quarterly report: August 10, 2018

Scheduled date for dividend payments: -

Supplemental material on quarterly results: Yes

Presentation on quarterly results: None

(Amounts less than one million yen are omitted)

**1. CONSOLIDATED BUSINESS RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2018**  
(from April 1, 2018 to June 30, 2018)

**(1) Consolidated Operating Results (cumulative)** (% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three Months Ended June 30, 2018	61,917	2.0	5,094	2.7	5,269	9.8	3,881	42.9
Three Months Ended June 30, 2017	60,705	25.4	4,960	33.3	4,798	70.3	2,715	28.6

(Note) Comprehensive income: Three Months Ended June 30, 2018: (768) million yen  
Three Months Ended June 30, 2017: 1,109 million yen

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three Months Ended June 30, 2018	53.79	53.70
Three Months Ended June 30, 2017	37.64	37.58

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2018	285,261	183,280	64.0
As of March 31, 2018	292,733	186,420	63.4

(Reference) Shareholders' equity: As of June 30, 2018: 182,579 million yen As of March 31, 2018: 185,702 million yen

**2. DIVIDENDS**

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2018	—	33.00	—	33.00	66.00
FY ended March 31, 2019	—				
FY ending March 31, 2019 (forecast)		39.00	—	39.00	78.00

(Note) Revision of the latest dividend forecast announced: None

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

(% represents changes over the same period in the previous fiscal year.)

	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

(Note) Revision of the latest consolidated results forecast announced: None

\*Notes

- (1) Changes in status of significant subsidiaries during the quarter (changes in status of specified subsidiaries accompanying changes in consolidated range): None  
Newly consolidated subsidiaries: - Subsidiaries excluded: -
- (2) Application of accounting treatment specific to preparing quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
- (a) Changes in accounting principles due to revisions to accounting standards: None
  - (b) Changes other than (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (4) 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 (cumulative total for quarterly period)

(a)	Three Months Ended June 30, 2018:	76,564,240	FY Ended March 31, 2018	76,564,240
(b)	Three Months Ended June 30, 2018:	4,397,778	FY Ended March 31, 2018	4,410,239
(c)	Three Months Ended June 30, 2018:	72,156,025	Three Months Ended June 30, 2017	72,151,696

\*The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm.

\*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 materials will be posted on our website (<http://www.lintec-global.com>) in a timely manner.

**【Attachment】**

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## 1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2018

### (1) Explanation Regarding Results of Operations

During the first quarter of the fiscal year under review, the Group posted net sales of 61,917 million yen (up 2.0% year on year), operating income of 5,094 million yen (up 2.7% year on year) which mainly reflected improved earnings of the subsidiaries in the United States despite the negative impact of the price rises for raw materials and fuel and an increase in fixed costs, and ordinary income of 5,269 million yen (up 9.8% year on year). Profit attributable to owners of parent increased sharply to 3,881 million yen (up 42.9% year on year), primarily attributable to the posting in the same period of the previous fiscal year of a provision for business structure improvement of 925 million yen for a subsidiary in the United States.

The outline by segment was as follows:

#### [Printing and Industrial Materials Products]

In this segment, net sales were 29,585 million yen (down 1.8% year on year) and operating income came to 1,189 million yen (up 72.7% year on year), mainly attributable to improved earnings of subsidiaries in the United States. Sales by operation of this segment were as follows:

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

Sales of adhesive products for seals and labels in Japan were firm, supported by demand for labels for home delivery and mail- order, campaign labels for beverages and eye-catching labels for cosmetics, etc., while sales of food-related products were weak. In overseas markets, sales remained strong in the ASEAN region, while sales in the United States eroded due to the negative impact of the strong yen. As a result, sales in this operation were 21,257 million yen (down 3.4% year on year).

##### (Industrial & Material Operations)

Sales of motorcycle- and automobile-use adhesive products remained firm in India and the ASEAN region, and sales of window films also grew both in the domestic and overseas markets. As a result, sales in this operation were 8,327 million yen (up 2.5% year on year).

#### [Electronic and Optical Products]

In this segment, net sales were 22,563 million yen (up 7.3% year on year) and operating income was 3,011 million yen (up 6.5% 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, reflecting robust demand for products for automobiles and cloud-computing servers. Sales of multilayer ceramic capacitor-related tapes also rose due to strong demand for products mainly for automobiles. As a result, sales in this operation were 12,974 million yen (up 11.4% year on year).

##### (Optical Products Operations)

Sales of LCD-related adhesive products remained solid, benefitting from firm demand for larger TV units and small- and medium-sized products such as smartphones. As a result, sales in this operation were 9,588 million yen (up 2.1% year on year).

#### [Paper and Converted Products]

In this segment, net sales were 9,769 million yen (up 2.5% year on year), and operating income came to 853 million yen (down 41.2% year on year), mainly due to the negative impact of the price rises for raw materials and fuel. Sales by operation of this segment were as follows:

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

Sales of mainstay color papers for envelopes remained unchanged year on year, while sales of industrial specialty papers, oil and water resistant papers and others were solid. As a result, sales in this operation were 4,161 million yen (up 0.3% year on year).

##### (Converted Products Operations)

Sales of release films for optical-related products and casting papers for carbon fiber composite materials were firm, while sales of release papers for general-use adhesive products and release papers for electronic materials were weak. As a result, sales in this operation were 5,607 million yen (up 4.1% year on year).

## (2) Explanation Regarding Financial Position

### (Assets)

Total assets at this consolidated quarter end were 285,261 million yen, a year-on-year decrease of 7,472 million yen. Main factors of the change were as follows:

- Decrease in "Cash and deposits"	- 2,052 million yen
- Decrease in "Trade notes and accounts receivable"	- 1,958 million yen
- Decrease in "Goodwill"	- 2,511 million yen

### (Liabilities)

Total liabilities at this consolidated quarter end were 101,980 million yen, a year-on-year decrease of 4,331 million yen. Main factors of the change were as follows:

- Decrease in "Trade notes and accounts payable"	- 1,307 million yen
- Decrease in "Accrued income taxes"	- 1,540 million yen
- Decrease in "Long-term loans payable"	- 1,276 million yen

### (Net Assets)

Total net assets at this consolidated quarter end were 183,280 million yen, a year-on-year decrease of 3,140 million yen. Main factors of the change were as follows:

- Increase in "Retained earnings"	1,500 million yen
- Decrease in "Foreign currency translation adjustments"	- 3,921 million yen

## (3) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results

For the full year consolidated results forecast, the results forecast published on May 9, 2018 remains unchanged.

## 2. Consolidated Quarterly Financial Statements and Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	58,614	56,562
Trade notes and accounts receivable	72,590	70,631
Inventories	38,506	38,824
Other	3,991	3,794
Allowance for doubtful accounts	(109)	(103)
Total current assets	173,593	169,710
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	32,342	32,214
Machinery, equipment and vehicles (net)	24,962	26,301
Land	11,083	11,072
Construction in progress	5,087	3,710
Other (net)	1,859	1,840
Property, plant and equipment	75,336	75,139
Intangible assets		
Goodwill	29,189	26,677
Other	3,285	3,047
Intangible assets	32,474	29,724
Investments and other assets		
Other	11,426	10,784
Allowance for doubtful accounts	(98)	(98)
Total investments and other assets	11,328	10,686
Total non-current assets	119,139	115,550
Total assets	292,733	285,261

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	54,678	53,371
Short-term loans payable	2,351	3,109
Current portion of long-term loans payable	2,986	3,033
Accrued income taxes	2,889	1,349
Provision for directors' bonuses	89	20
Provision for business structure improvement	39	–
Other	14,814	13,583
Total current liabilities	77,849	74,468
Non-current liabilities		
Long-term loans payable	14,395	13,119
Provision for environmental measures	132	132
Net defined benefit liability	13,006	13,825
Other	930	435
Total non-current liabilities	28,463	27,512
Total liabilities	106,312	101,980
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,201	23,201
Capital surplus	26,829	26,829
Retained earnings	137,743	139,243
Treasury stock	(7,711)	(7,689)
Total shareholders' equity	180,062	181,584
Accumulated other comprehensive income		
Net unrealized holding gain on securities	657	487
Foreign currency translation adjustments	8,139	4,217
Remeasurements of defined benefit plans	(3,157)	(3,709)
Total accumulated other comprehensive income	5,639	994
Share subscription rights	214	202
Non-controlling interests	503	498
Total net assets	186,420	183,280
<b>Total liabilities and net assets</b>	<b>292,733</b>	<b>285,261</b>

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income  
Three Months Ended June 30, 2018

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2017)	Current consolidated fiscal year (Three months ended June 30, 2018)
Net sales	60,705	61,917
Cost of sales	45,236	46,020
Gross profit	15,469	15,897
Selling, general and administrative expenses	10,508	10,803
Operating income	4,960	5,094
Non-operating income		
Interest income	38	50
Dividend income	253	241
Gain on sales of noncurrent assets	3	0
Foreign exchange gains	–	32
Insurance income	8	16
Other income	84	107
Total non-operating income	389	448
Non-operating expenses		
Interest expenses	62	59
Loss on retirement of noncurrent assets	70	156
Foreign exchange losses	361	–
Compensation expenses	3	4
Other expenses	54	53
Total non-operating expenses	552	274
Ordinary income	4,798	5,269
Extraordinary gain		
Gain on sales of investment securities	342	–
Total extraordinary gain	342	–
Extraordinary loss		
Provision for business structure improvement	925	–
Total extraordinary losses	925	–
Profit before income taxes	4,215	5,269
Income taxes	990	669
Deferred income taxes	531	715
Total income taxes	1,522	1,385
Profit	2,692	3,883
Profit (loss) attributable to non-controlling interests	(23)	2
Profit attributable to owners of parent	2,715	3,881

Consolidated Quarterly Statements of Comprehensive Income  
 Three Months Ended June 30, 2018

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2017)	Current consolidated fiscal year (Three months ended June 30, 2018)
Net income	2,692	3,883
Other comprehensive income		
Net unrealized holding gain on securities	(254)	(170)
Foreign currency translation adjustments	(1,360)	(3,929)
Remeasurements of defined benefit plans	32	(552)
Total other comprehensive income	(1,582)	(4,652)
Comprehensive income	1,109	(768)
(Comprehensive income attributable to)		
Shareholders of the parent	1,140	(763)
Non-controlling interests	(31)	(5)

(3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern)  
Not applicable.

(Notes on Significant Changes in the Amount of Total Shareholders' Equity)  
Not applicable.

(Additional Information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.")

The Company adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) at the beginning of the first quarter of the fiscal year under review. Accordingly, "Deferred tax assets" is now included in "Investments and other assets," and "Deferred tax liabilities" is now included in "Non-current liabilities."

(Segment Information, etc.)

I. Previous first quarter (from April 1, 2017 to June 30, 2017)

Information on sales and income or loss by reportable segment

(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	30,136	21,034	9,534	60,705	—	60,705
Intersegment sales and transfers	15	20	3,758	3,794	(3,794)	—
Total	30,151	21,055	13,293	64,500	(3,794)	60,705
Segment income	688	2,826	1,452	4,967	(6)	4,960

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.

II. Current first quarter (from April 1, 2018 to June 30, 2018)

Information on sales and income or loss by reportable segment

(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	29,585	22,563	9,769	61,917	—	61,917
Intersegment sales and transfers	14	14	4,102	4,130	(4,130)	—
Total	29,599	22,577	13,871	66,048	(4,130)	61,917
Segment income	1,189	3,011	853	5,054	40	5,094

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.