

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 9, 2019

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange 1st Section

Code number: 7966

URL: <http://www.lintec-global.com/>

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Scheduled date for ordinary general meeting of shareholders: June 20, 2019

Scheduled date for starting dividend payments: June 5, 2019

Scheduled date for filing annual securities report: June 20, 2019

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, 2019

(from April 1, 2018 to March 31, 2019)

(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, 2019	250,942	0.8	17,977	(10.5)	17,993	(2.2)	12,937	14.9
FY ended March 31, 2018	249,030	20.9	20,095	21.1	18,389	17.2	11,257	(1.7)

(Note) Comprehensive income: FY Ended March 31, 2019: 8,954 million yen, down 28.1%

FY Ended March 31, 2018: 12,460 million yen, up 18.8%

	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, 2019	179.24	178.97	6.9	6.2	7.2
FY ended March 31, 2018	156.02	155.76	6.2	6.5	8.1

(Reference) Equity in net income of affiliates: FY ended March 31, 2019: — million yen FY ended March 31, 2018: — 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, 2019	290,320	190,226	65.3	2,625.54
As of March 31, 2018	292,733	186,420	63.4	2,573.69

(Reference) Shareholders' equity: As of March 31, 2019: 189,577 million yen As of March 31, 2018: 185,702 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, 2019	22,858	(10,299)	(8,246)	58,303
FY ended March 31, 2018	26,819	(7,532)	(6,363)	55,042

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, 2018	—	33.00	—	33.00	66.00	4,762	42.3	2.6
FY ended March 31, 2019	—	39.00	—	39.00	78.00	5,631	43.5	3.0
FY ending March 31, 2020 (forecasts)	—	39.00	—	39.00	78.00		41.7	

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2020 (from April 1, 2019 to March 31, 2020)

(% represents year-on-year changes)

Full 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
	260,000	3.6	19,000	5.7	18,500	2.8	13,500	4.3	186.97

* 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 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
- (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, 2019	76,576,340	FY ended March 31, 2018	76,564,240
(b)	FY ended March 31, 2019	4,371,170	FY ended March 31, 2018	4,410,239
(c)	FY ended March 31, 2019	72,180,392	FY ended March 31, 2018	72,151,907

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2019	168,633	(1.0)	9,347	(29.5)	18,921	1.0	15,338	1.7
FY ended March 31, 2018	170,335	3.5	13,259	14.8	18,733	(1.1)	15,084	(3.0)

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 31, 2019	212.50	212.19
FY ended March 31, 2018	209.06	208.71

(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, 2019	249,696		164,506		65.8	2,276.10
As of March 31, 2018	245,725		154,683		62.9	2,140.82

(Reference) Shareholders' equity: As of March 31, 2019: 164,346 million yen

As of March 31, 2018: 154,469 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.

【Attachment】

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1. Overview of Operating Results

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

The global economy in the fiscal year under review generally remained solid in the first half owing to continued economic expansion in the United States supported by an improvement in the employment and income environments as well as a continued moderate recovery in Europe thanks to increased consumer spending. In the second half of the fiscal year, however, uncertainty grew over the outlook due mainly to the deceleration in the Chinese economy caused by the effects of US-China trade friction. Meanwhile, in Japan consumer spending and capital expenditure remained firm overall, but the economic situation proved severe, chiefly because of a decline in exports due to the slowing Chinese economy and falling IT demand.

In this business environment, the Group posted net sales of 250,942 million yen (up 0.8% year on year) and operating income of 17,977 million yen (down 10.5% year on year), which mainly reflected improved earnings of subsidiaries in the United States. However, negative factors such as the price rises in raw materials and fuel were not fully offset. Ordinary income meanwhile came to 17,993 million yen (down 2.2% year on year). Profit attributable to owners of parent increased to 12,937 million yen (up 14.9% year on year), primarily because of the posting in the previous fiscal year of an impairment loss of goodwill of 1,041 million yen and a provision for business structure improvement in the amount of 1,024 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 122,935 million yen (up 1.0% year on year) and operating was 3,761 million yen (up 23.7% 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)

In adhesive products for seals and labels, sales of products for food- and beverage-related applications remained weak primarily due to natural disasters and the severely hot summer in the first half of the fiscal year, although demand for products for home delivery and mail-order business, as well as eye-catching labels for cosmetics, were firm. Overseas, sales in the ASEAN region were firm, but demand decreased in China and sales at subsidiaries in the United States were affected by the decline in value due to the strong yen. As a result, sales in this operation were 86,618 million yen (down 0.6% year on year).

(Industrial & Material Operations)

Sales of equipment for the mail-order business remained firm in Japan. In addition, sales of motorcycle- and automobile-use adhesive products remained well in India and the ASEAN region. Sales of window films also remained firm. As a result, sales in this operation were 36,317 million yen (up 5.1% year on year).

[Electronic and Optical Products]

In this segment, net sales were 90,316 million yen (up 1.6% year on year) and operating income was 11,150 million yen (down 6.9% year on year). Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Sales of semiconductor-related adhesive tapes decreased due to the impact of production adjustments in the market, while sales of semiconductor-related equipment remained at the same level as the previous year despite the impact of restraints on capital expenditure. Sales of multilayer ceramic capacitor-related tapes increased thanks to strong demand for such products as smartphones, automobiles and servers. As a result, sales in this operation were 53,044 million yen (up 2.7% year on year).

(Optical Products Operations)

With regard to optical display-related adhesive products, those mainly for smartphones were affected by sluggish demand in the second half of the fiscal year, but products for large televisions remained well throughout the year. As a result, sales in this operation were 37,271 million yen (up 0.1% year on year).

[Paper and Converted Products]

In this segment, net sales were 37,689 million yen (down 2.0% year on year), and operating income was 2,970 million yen (down 40.5% year on year), mainly due to the negative impact of the price rises for raw materials and fuel such as pulp. Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Sales of papers for envelopes with a concealing effect and oil and water resistant papers for fast food remained well. As a result, sales in this operation were 16,672 million yen (up 1.4% year on year).

(Converted Products Operations)

Sales of release papers for general-use adhesive products and release papers for electronic materials remained sluggish, while sales of casting papers for carbon fiber composite materials remained well. As a result, sales in this operation were 21,017 million yen (down 4.5% year on year).

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

(Assets)

Total assets at this consolidated fiscal year end were 290,320 million yen, a year-on-year decrease of 2,413 million yen.

Main factors of the change were as follows:

- Increase in "Cash and deposits"	+ 3,533 million yen
- Decrease in "Trade notes and accounts receivable"	- 3,111 million yen
- Increase in "Inventories"	+ 2,211 million yen
- Decrease in "Goodwill"	- 3,829 million yen

(Liabilities)

Total liabilities at this consolidated fiscal year end were 100,094 million yen, a year-on-year decrease of 6,218 million yen.

Main factors of the change were as follows:

- Decrease in "Trade notes and accounts payable"	- 1,805 million yen
- Decrease in "Long-term loans payable"	- 2,772 million yen
- Increase in "Net defined benefit liability"	+ 1,835 million yen
- Decrease in "Current liabilities-other"	- 2,761 million yen

(Net Assets)

Net assets at this consolidated fiscal year end were 190,226 million yen, a year-on-year increase of 3,805 million yen.

Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 7,741 million yen
- Decrease in "Foreign currency translation adjustments"	- 2,961 million yen

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

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)	Increase (decrease)
Cash flows from operating activities	26,819	22,858	(3,961)
Cash flows from investing activities	(7,532)	(10,299)	(2,766)
Cash flows from financing activities	(6,363)	(8,246)	(1,882)
Effect of exchange rate change on cash and cash equivalents	834	(1,051)	(1,886)
Net increase (decrease) in cash and cash equivalents	13,757	3,260	(10,497)
Cash and cash equivalents at beginning of year	41,284	55,042	13,757
Cash and cash equivalents at end of year	55,042	58,303	3,260

Cash and cash equivalents at this consolidated fiscal year end were 58,303 million yen, a year-on-year increase of 3,260 million yen. Cash flows in the fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities decreased 3,961 million yen year on year, to a cash inflow of 22,858 million yen. The principal movements were as follows:

- Increase in "Profit before income taxes"	+ 1,671 million yen
- Increase in "Trade notes and accounts receivable"	+ 7,640 million yen
- Decrease in "Trade notes and accounts payable"	- 9,983 million yen
- Decrease in "Impairment loss"	- 1,041 million yen

(Cash flows from investing activities)

Cash flows from investing activities decreased 2,766 million yen year on year, to a cash outflow of 10,299 million yen. The principal movements were as follows:

- Decrease in "Proceeds from withdrawal of time deposits"	- 2,098 million yen
- Decrease in "Purchase of property, plant and equipment"	- 2,683 million yen
- Increase in "Proceeds from sales of property, plant and equipment"	812 million yen

(Cash flows from financing activities)

Cash flows from financing activities decreased 1,882 million yen year on year, to a cash outflow of 8,246 million yen. The principal movements were as follows:

- Decrease in "Increase (decrease) in short-term loans payable"	- 1,479 million yen
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(4) Outlook

The global economy in the fiscal year ending March 31, 2020 appears increasingly uncertain given the slowdown in China associated with US-China trade friction as well as Brexit. In Japan, consumer spending is expected to increase on the back of the improved income environment, but conditions will remain unpredictable, given concerns about the impact of the consumption tax hike and the deceleration in exports due to the stagnant world economy.

In this environment, the Company has established consolidated business results forecasts for the fiscal year ending March 31, 2020 as follows. The forecasts are based on the assumption of foreign exchange rates at 110 yen per U.S. dollar, 0.1000 yen per Korean won, 16.5 yen per Chinese yuan and 3.6 yen per Taiwan dollar.

Net sales	260.0 billion yen (up 3.6% year on year)
Operating income	19.0 billion yen (up 5.7% year on year)
Ordinary income	18.5 billion yen (up 2.8% year on year)
Profit attributable to owners of parent	13.5 billion yen (up 4.3% 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, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	58,614	62,148
Trade notes and accounts receivable	72,590	69,479
Inventories	38,506	40,717
Other	3,991	3,337
Allowance for doubtful accounts	(109)	(85)
Total current assets	173,593	175,597
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	32,342	31,452
Machinery, equipment and vehicles (net)	24,962	25,055
Land	11,083	11,356
Construction in progress	5,087	5,507
Other (net)	1,859	1,758
Property, plant and equipment	75,336	75,131
Intangible assets		
Goodwill	29,189	25,359
Other	3,285	2,758
Intangible assets	32,474	28,117
Investments and other assets		
Investment securities	2,743	2,217
Deferred tax assets	6,529	6,988
Other	2,153	2,364
Allowance for doubtful accounts	(98)	(97)
Total investments and other assets	11,328	11,473
Total non-current assets	119,139	114,722
Total assets	292,733	290,320

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Trade notes and accounts payable	54,678	52,873
Short-term loans payable	2,351	2,531
Current portion of long-term loans payable	2,986	3,038
Accrued income taxes	2,889	2,429
Provision for directors' bonuses	89	69
Provision for business structure improvement	39	–
Other	14,814	12,052
Total current liabilities	77,849	72,994
Non-current liabilities		
Long-term loans payable	14,395	11,622
Provision for environmental measures	132	112
Net defined benefit liability	13,006	14,841
Other	930	522
Total non-current liabilities	28,463	27,099
Total liabilities	106,312	100,094
Net Assets		
Shareholders' equity		
Common stock	23,201	23,220
Capital surplus	26,829	26,842
Retained earnings	137,743	145,484
Treasury stock	(7,711)	(7,642)
Total shareholders' equity	180,062	187,904
Accumulated other comprehensive income		
Net unrealized holding gain on securities	657	291
Foreign currency translation adjustments	8,139	5,178
Remeasurements of defined benefit plans	(3,157)	(3,796)
Total accumulated other comprehensive income	5,639	1,672
Share subscription rights	214	160
Non-controlling interests	503	488
Total net assets	186,420	190,226
Total liabilities and net assets	292,733	290,320

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

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Net sales	249,030	250,942
Cost of sales	186,206	189,664
Gross profit	62,823	61,278
Selling, general and administrative expenses	42,727	43,300
Operating income	20,095	17,977
Non-operating income		
Interest income	220	272
Dividends income	272	257
Rent income	16	17
Gain on sales of noncurrent assets	61	6
Insurance income	10	68
Foreign exchange gains	–	293
Other income	266	348
Total non-operating income	846	1,265
Non-operating expenses		
Interest expenses	226	196
Loss on retirement of noncurrent assets	730	883
Compensation expenses	128	55
Foreign exchange losses	1,012	–
Other expenses	454	114
Total non-operating expenses	2,552	1,249
Ordinary income	18,389	17,993
Extraordinary gain		
Gain on sales of noncurrent assets	–	345
Gain on sales of investment securities	343	–
Total extraordinary gain	343	345
Extraordinary loss		
Impairment loss	1,041	–
Provision for business structure improvement	1,024	–
Total extraordinary losses	2,066	–
Profit before income taxes	16,666	18,338
Income taxes	5,410	5,445
Deferred income taxes	107	(29)
Total income taxes	5,517	5,416
Profit	11,149	12,921
Profit (loss) attributable to non-controlling interests	(108)	(15)
Profit attributable to owners of parent	11,257	12,937

Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Profit	11,149	12,921
Other comprehensive income		
Net unrealized holding gain / loss on securities	(117)	(366)
Foreign currency translation adjustments	1,194	(2,963)
Remeasurements of defined benefit plans	234	(636)
Total other comprehensive income / (loss)	1,311	(3,967)
Comprehensive income	12,460	8,954
(Comprehensive income attributable to)		
Owners of parent	12,576	8,970
Non-controlling interests	(115)	(15)

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous 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					
Issuance of new shares					–
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
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							
Issuance of new shares							–
Cash dividends							(4,762)
Profit attributable to owners of parent							11,257
Purchase of treasury stock							(1)
Disposal of treasury stock							4
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

Current consolidated fiscal year (from April 1, 2018 to March 31, 2019)

(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	137,743	(7,711)	180,062
Changes during current term					
Issuance of new shares	19	19			38
Cash dividends			(5,196)		(5,196)
Profit attributable to owners of parent			12,937		12,937
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		(5)		69	64
Net changes in items other than shareholders' equity during current term					
Total change during current term	19	13	7,741	68	7,842
Balance at end of current term	23,220	26,842	145,484	(7,642)	187,904

	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	657	8,139	(3,157)	5,639	214	503	186,420
Changes during current term							
Issuance of new shares							38
Cash dividends							(5,196)
Profit attributable to owners of parent							12,937
Purchase of treasury stock							(1)
Disposal of treasury stock							64
Net changes in items other than shareholders' equity during current term	(366)	(2,961)	(639)	(3,967)	(54)	(15)	(4,037)
Total change during current term	(366)	(2,961)	(639)	(3,967)	(54)	(15)	3,805
Balance at end of current term	291	5,178	(3,796)	1,672	160	488	190,226

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	16,666	18,338
Depreciation	9,031	8,700
Amortization of goodwill	3,427	3,295
Increase (decrease) in net defined benefit liability	751	821
Increase (decrease) in allowance for doubtful accounts	(20)	(22)
Interest and dividend income	(492)	(530)
Interest expense	226	196
Increase (decrease) in provision for business structure improvement	38	(38)
Loss (gain) on sales of property, plant and equipment	(56)	(352)
Loss on retirement of property, plant and equipment	374	257
Decrease (increase) in trade notes and accounts receivable	(5,229)	2,410
Decrease (increase) in inventories	(3,682)	(2,720)
Increase (decrease) in trade notes and accounts payable	8,967	(1,015)
Loss (gain) on sales of investment securities	(343)	(1)
Increase (decrease) in provision for environmental measures	(3)	(19)
Impairment loss	1,041	–
Other	1,444	(1,027)
Subtotal	32,143	28,293
Interest and dividend income received	477	530
Interest expenses paid	(233)	(202)
Income taxes (paid) refund	(5,568)	(5,763)
Cash flows from operating activities	26,819	22,858

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Cash flows from investing activities		
Payments into time deposits	(7,631)	(7,269)
Proceeds from withdrawal of time deposits	8,098	6,000
Purchase of property, plant and equipment	(8,084)	(10,768)
Proceeds from sales of property, plant and equipment	132	944
Purchase of intangible assets	(123)	(151)
Purchase of investment securities	(4)	(4)
Proceeds from sales of investment securities	536	3
Proceeds from liquidation of subsidiaries	–	195
Payments of loans receivable	(24)	(21)
Collection of loans receivable	6	12
Purchase of shares and membership interests of subsidiaries resulting in change in scope of consolidation	(308)	–
Other	(129)	759
Cash flows from investing activities	(7,532)	(10,299)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	1,692	212
Repayments of long-term loans payable	(3,059)	(3,039)
Cash dividends paid	(4,762)	(5,196)
Purchase of treasury stock	(1)	(1)
Repayment of lease obligation	(232)	(221)
Other	0	0
Cash flows from financing activities	(6,363)	(8,246)
Effect of exchange rate changes on cash and cash equivalents	834	(1,051)
Net Increase (decrease) in cash and cash equivalents	13,757	3,260
Cash and cash equivalents at beginning of year	41,284	55,042
Cash and cash equivalents at end of year	55,042	58,303

(5) Notes to Consolidated Financial Statements

(Notes on going concern)

Not applicable.

(Change in Reporting Method)

(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.)

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, Optical 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, 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.

Current consolidated fiscal year (from April 1, 2018 to March 31, 2019)

(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	122,935	90,316	37,689	250,942	–	250,942
Intra-segments sales and transfers	61	43	16,513	16,618	(16,618)	–
Total	122,997	90,360	54,203	267,560	(16,618)	250,942
Segment income	3,761	11,150	2,970	17,882	95	17,977
Others						
Depreciation and amortization (Note 3)	3,403	3,190	2,107	8,700	–	8,700
Amortization of goodwill (Note 3)	3,295	–	–	3,295	–	3,295

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, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Net assets per share	Yen 2,573.69	Yen 2,625.54
Net income per share	156.02	179.24
Diluted net income per share	155.76	178.97

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

Item	Previous consolidated fiscal year (FY ended March 31, 2018)	Current consolidated fiscal year (FY ended March 31, 2019)
Net income per share		
Profit attributable to owners of parent (million yen)	11,257	12,937
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	11,257	12,937
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	72,151	72,180
Diluted net income per share		
Diluted profit attributable to owners of parent (million yen)	-	-
Increase in common stock (thousand shares)	119	107
(Share warrant) (thousand shares)	(119)	(107)
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, 2018)	Current consolidated fiscal year (As of March 31, 2019)
Total net assets in the consolidated balance sheet (million yen)	186,420	190,226
Amount deducted from total net assets (million yen)	718	648
(Share warrant) (million yen)	(214)	(160)
(Non-controlling interests) (million yen)	(503)	(488)
Term-end net assets per common share (million yen)	185,702	189,577
Number of common stocks used in calculating net assets per share (thousand shares)	72,154	72,205

(Significant events after closing of the year)

Not applicable