Linking your dreams
LINTEC Corporation

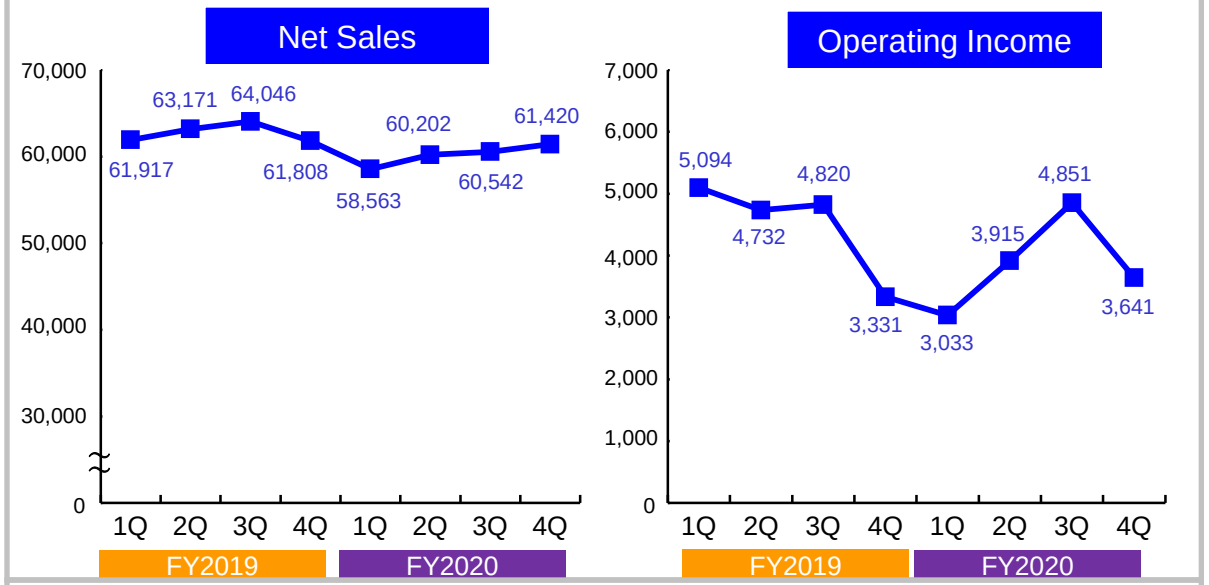
Presentation for FY2020 Results and FY2021 Forecasts

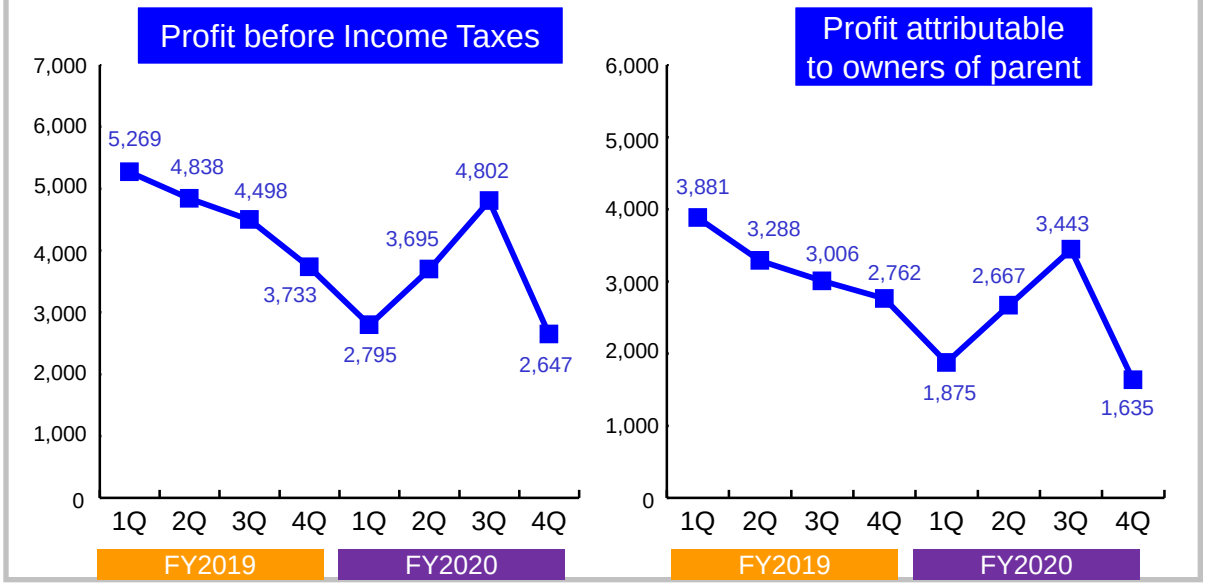
May 18, 2020

Consolidated Financial Results for the Fiscal Year Ended March 2020

(unit：million yen)

	FY2019 results	FY2020 results	Increase (decrease)
Net Sales	250,942	240,727	(10,215) (4.1%)
Operating Income	17,977	15,440	(2,537) (14.1%)
Profit before Income Taxes	18,338	13,939	(4,399) (24.0%)
Profit attributable to owners of parent	12,937	9,620	(3,316) (25.6%)



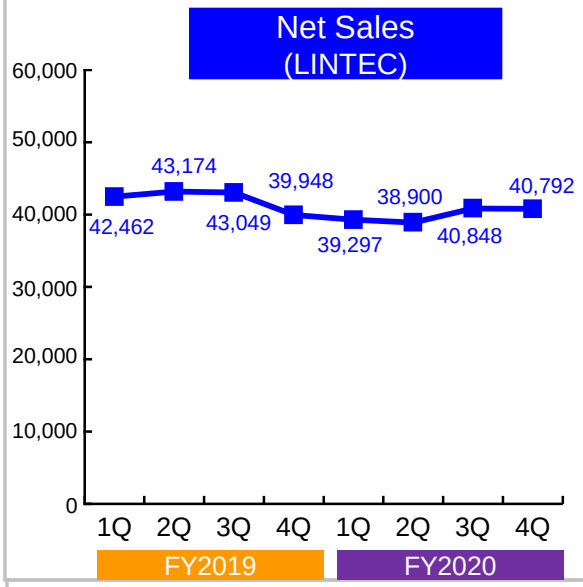


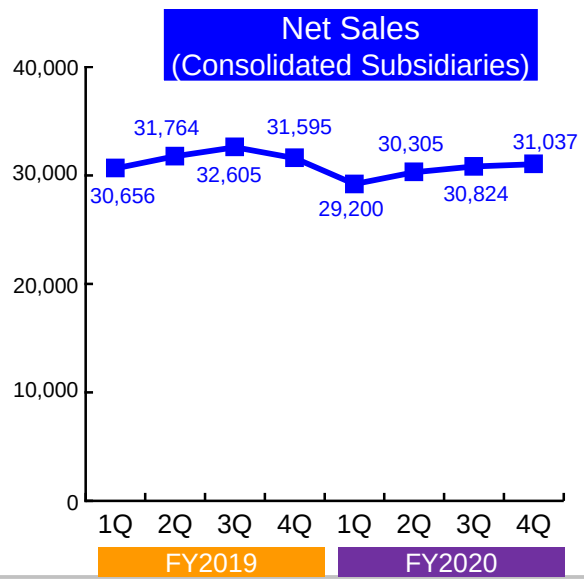
Consolidated Financial Results for the Fiscal Year Ended March 2020

(unit: million yen)

Net Sales

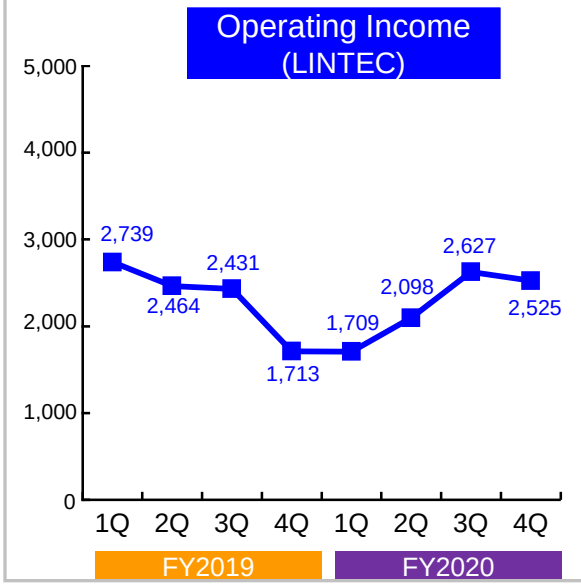
	FY2019 results	FY2020 results	Increase (decrease)
			(unit: million yen)
LINTEC (non-consolidated)	168,633	159,837	(8,796) (5.2%)
Consolidated Subsidiaries	126,620	121,366	(5,254) (4.1%)
Eliminations	(44,311)	(40,476)	3,835
Total	250,942	240,727	(10,215) (4.1%)

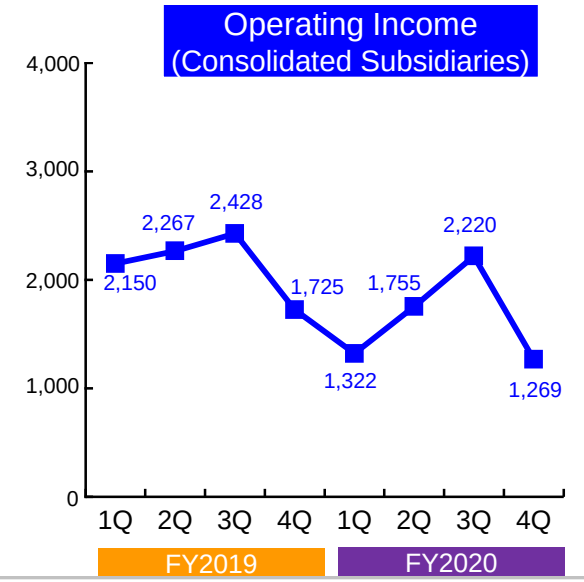




Operating Income

	FY2019 results	FY2020 results	Increase (decrease)
			(unit: million yen)
LINTEC (non-consolidated)	9,347	8,959	(388) (4.2%)
Consolidated Subsidiaries	8,570	6,566	(2,004) (23.4%)
Eliminations	60	(85)	(145)
Total	17,977	15,440	(2,537) (14.1%)





Consolidated Financial Results for the Fiscal Year Ended March 2020

➢ Net Sales

● LINTEC(Non-consolidated)

Sales in Fine and Specialty Paper Products Operations were firm.
Sales were weak in the other operations due to a slowdown in exports amid a setback in the global economy and the negative impact of natural disasters.

● Consolidated Subsidiaries

Madico and Lintec Korea made healthy sales.
Overall sales were sluggish in other consolidated subsidiaries as a result of production adjustment in the market.

➢ Operating Income

● LINTEC(Non-consolidated)

(Main income-raising factors)
- Improvement of sales mix : Approx. 2.0 billion yen
- Decrease in prices of raw materials and fuels, especially pulps : Approx. 1.0 billion yen

(Main income-lowering factors)
- Decrease in sales quantity : Approx. 3.0 billion yen
- Rise of logistics costs : Approx. 0.4 billion yen

● Consolidated Subsidiaries
- There was an effect from increased sales volume by Madico and Lintec Korea.
- Sales in other consolidated subsidiaries remained sluggish.

【Average exchange rate during the period (Results)】

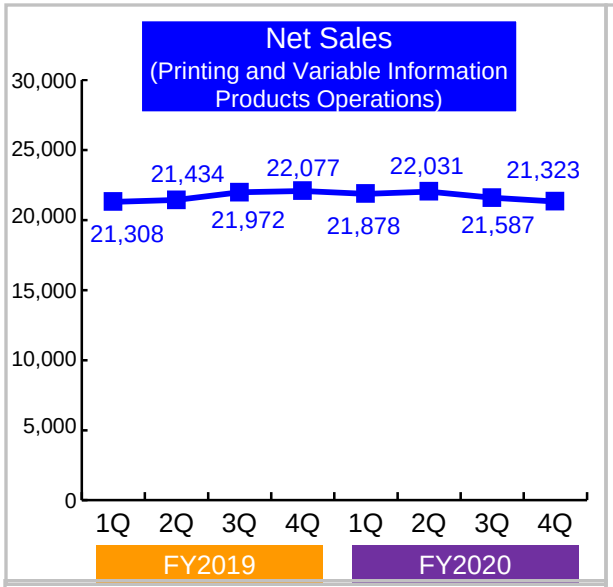
	(FY2019)		(FY2020)
JPY/USD	110.36	→	109.24
JPY/EUR	130.01	→	122.15
JPY/KRW	0.1004	→	0.0941
JPY/CNY	16.64	→	15.82
JPY/TWD	3.66	→	3.54

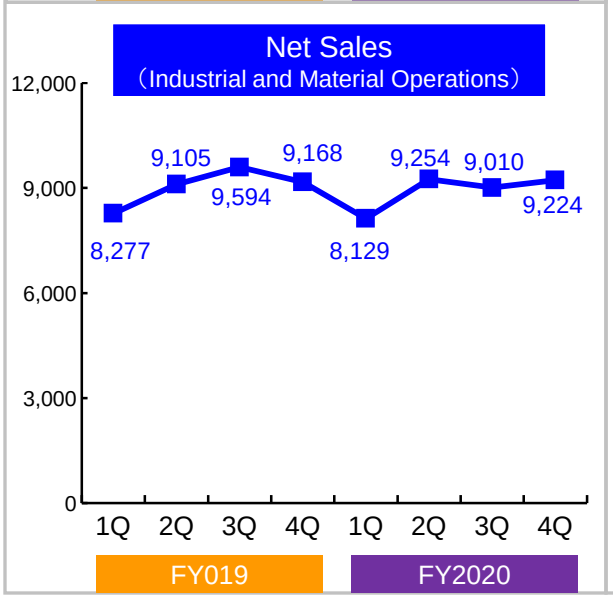
Overview of Printing and Industrial Materials Products

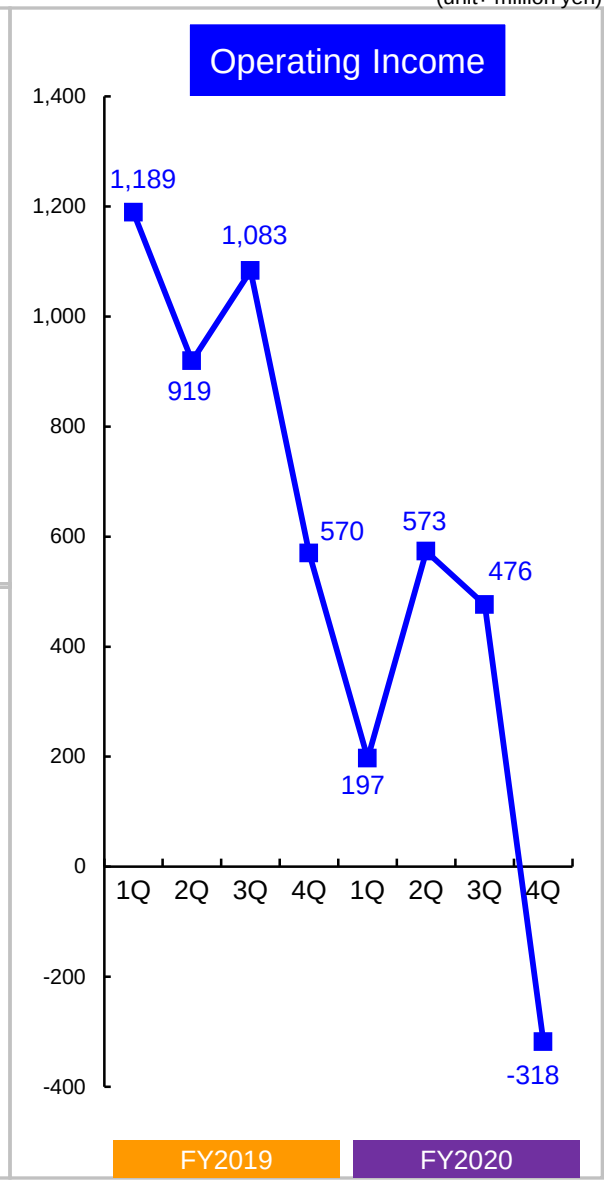
(unit：million yen)

	FY2019 results	FY2020 results	Increase (decrease)
Printing and Variable Information Products Operations	86,791	86,819	27 0.0%
Industrial and Material Operations	36,144	35,617	(527) (1.5%)
Net Sales	122,935	122,436	(499) (0.4%)
Operating Income	3,761	928	(2,832) (75.3%)

* In April 2019, some of the labeling machines were transferred to Printing and Variable Information Products Operations from Industrial and Material Operations. The results for FY2019 are stated by reclassifying them.







Overview of Printing and Industrial Materials Products

➢ Printing and Variable Information Products Operations

Japan : Sales of general labels for food- and beverage-related applications remained weak as well as eye-catching labels for cosmetics, given the impact of the unseasonable weather conditions.

Overseas : Sales remained sluggish due to the economic setback in China.
Sales remained firm, largely aided by successful sales activities to develop new customers in the United States.

➢ Industrial and Material Operations

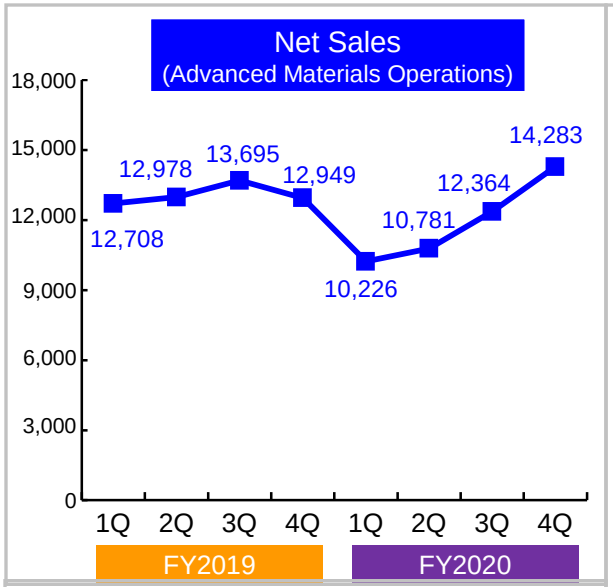
Sales of window films remained well in Japan and overseas.
Sales of motorcycle- and automobile-use adhesive products remained sluggish due to the effects of the stagnant Indian market.

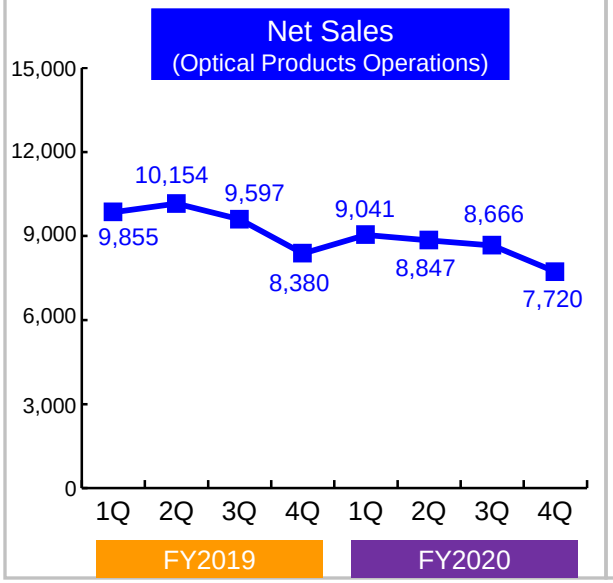
Overview of Electronic and Optical Products

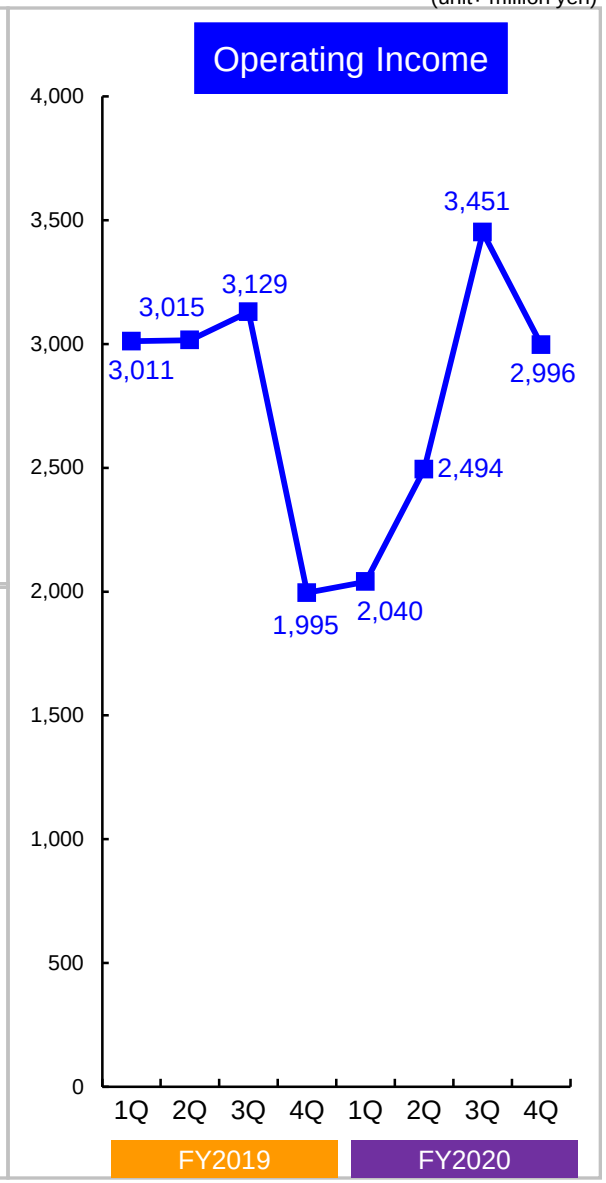
(unit: million yen)

	FY2019 results	FY2020 results	Increase (decrease)
Advanced Materials Operations	52,330	47,654	(4,675) (8.9%)
Optical Products Operations	37,986	34,274	(3,711) (9.8%)
Net Sales	90,316	81,929	(8,386) (9.3%)
Operating Income	11,150	10,981	(169) (1.5%)

* In April 2019, optical devise-related products were transferred to Optical Products Operations from Advanced Materials Operations.
The results for FY2019 are stated by reclassifying them.







Overview of Electronic and Optical Products

➢ Advanced Materials Operations

Semiconductor-related adhesive tapes : Sales increased chiefly thanks to a recovery in demand in the third quarter.

Semiconductor-related equipment : Sales decreased significantly given the impact of restrained capital expenditure.

Multilayer ceramic capacitor-related tapes : Sales of those for automobiles and smartphones both decreased drastically due to production adjustments in the market.

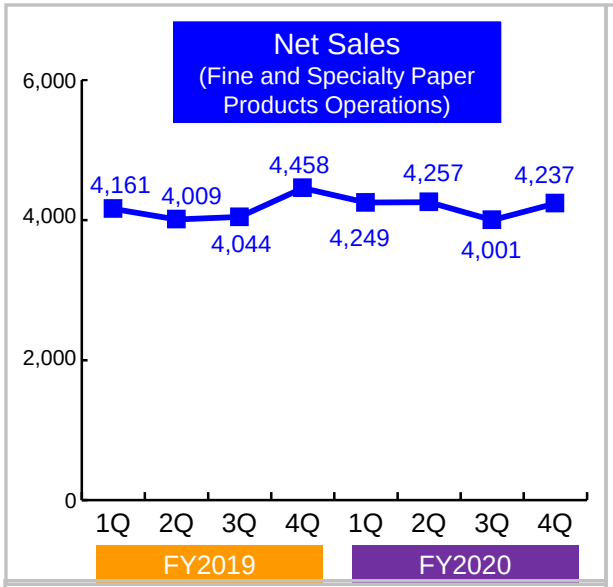
➢ Optical Products Operations

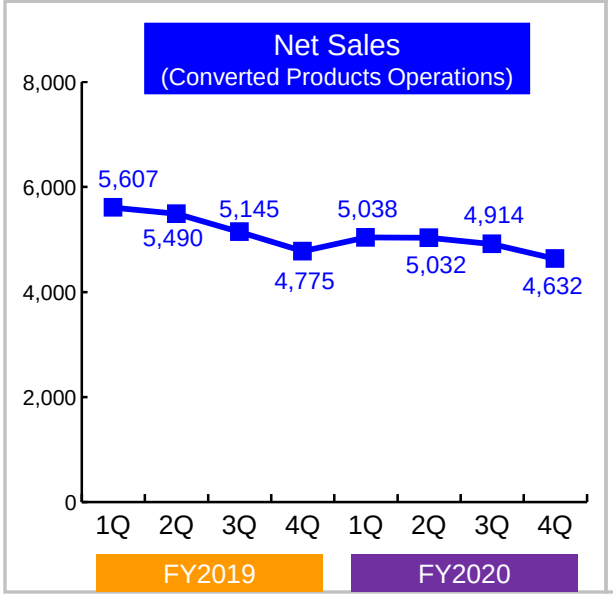
Optical display-related adhesive products : Sales of products for larger TV units were firm.
Sales of products for small- and medium-sized products such as smartphones were weak, reflecting lackluster demand.

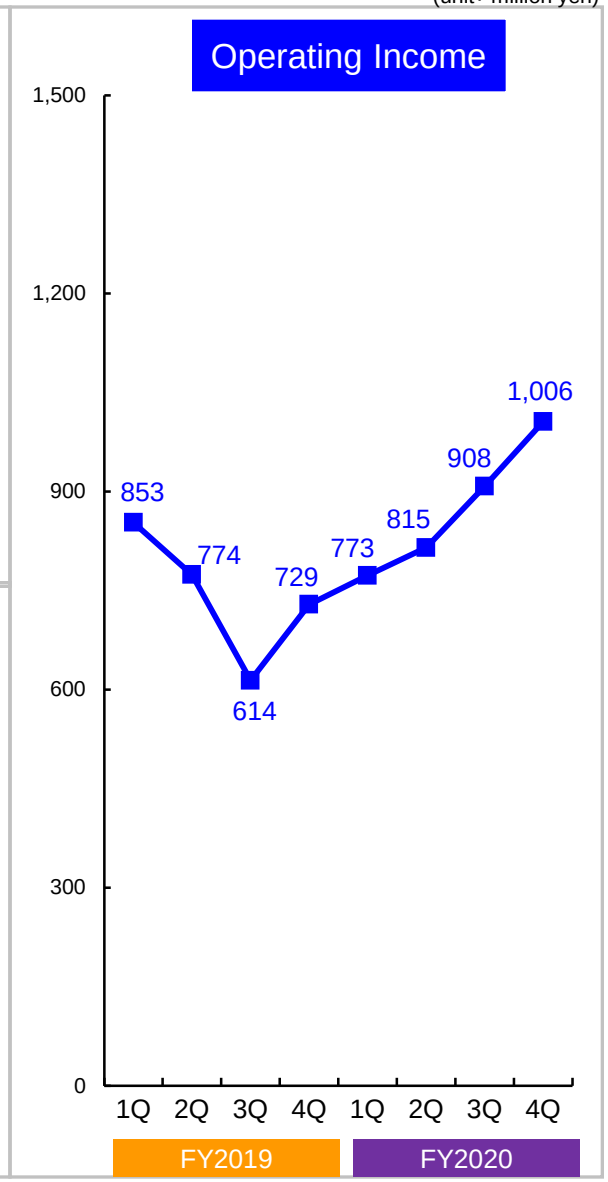
Overview of Paper and Converted Products

(unit：million yen)

	FY2019 results	FY2020 results	Increase (decrease)
Fine and Specialty Paper Products Operations	16,672	16,744	71 0.4%
Converted Products Operations	21,017	19,616	(1,400) (6.7%)
Net Sales	37,689	36,361	(1,328) (3.5%)
Operating Income	2,970	3,502	532 17.9%







Overview of Paper and Converted Products

➢ Fine and Specialty Paper Products Operations

Sales of mainstay color papers for envelopes were performed solidly.
Sales of construction material papers and oil- and water-resistant papers for fast food were well.

➢ Converted Products Operations

Sales of release papers for electronic materials were solid.
Sales of release papers for general-use adhesive products and release films for optical-related products were sluggish.

➢ About influence of the novel coronavirus disease (COVID-19)

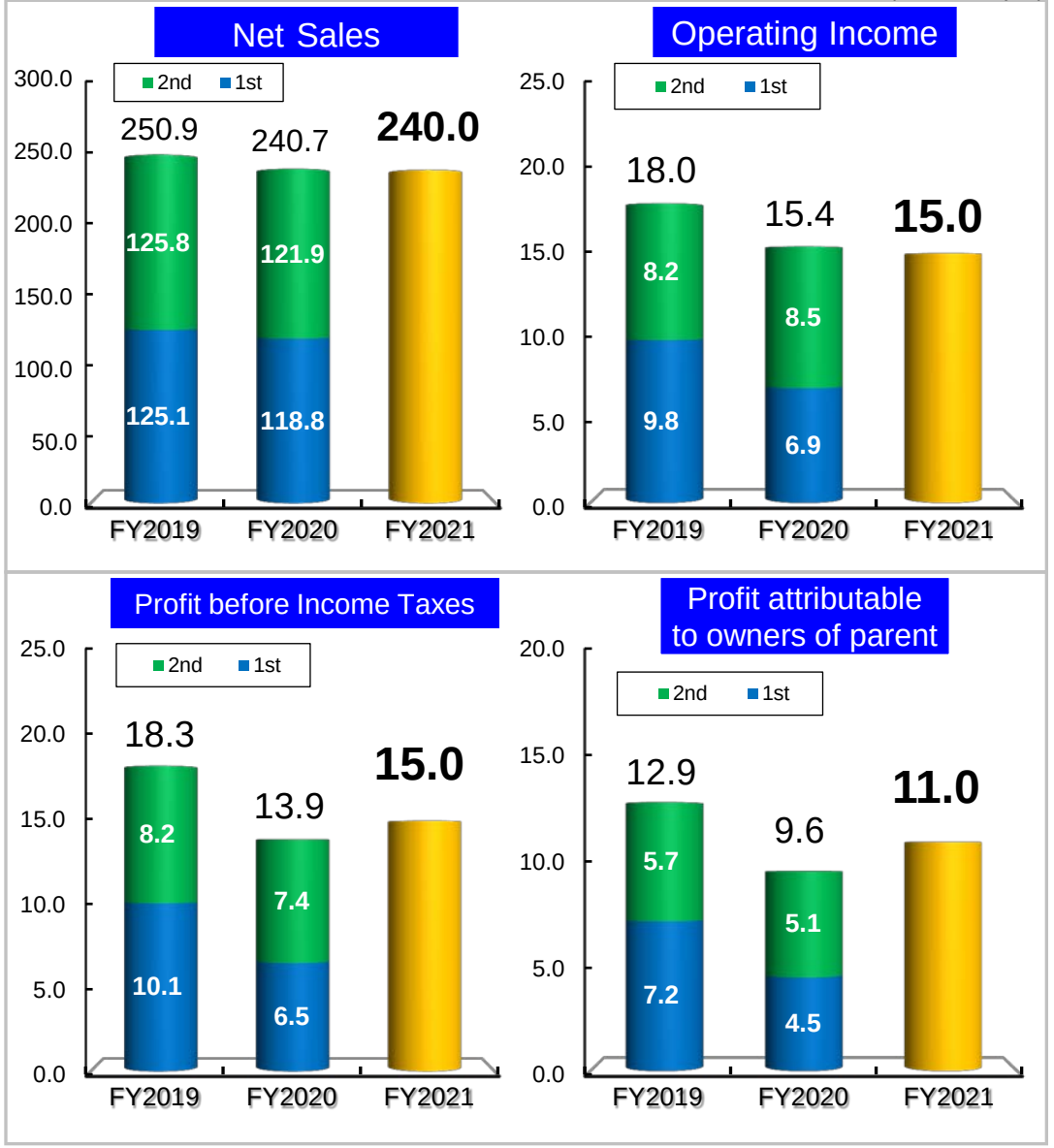
- ✓ Orders are expected to decrease due to a plunge in demand in numerous business areas in the first and the second quarter.
- ✓ Forecasts have been made on the assumption that business activities will return to normal in or after the third quarter.

Forecasts for Consolidated Financial Results for the FY2021

(unit: billion yen)

	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
Net Sales	240.7	240.0	(0.7)	(0.3%)
Operating Income	15.4	15.0	(0.4)	(2.9%)
Profit before Income Taxes	13.9	15.0	1.1	7.6%
Profit attributable to owners of parent	9.6	11.0	1.4	14.3%

(unit: billion yen)



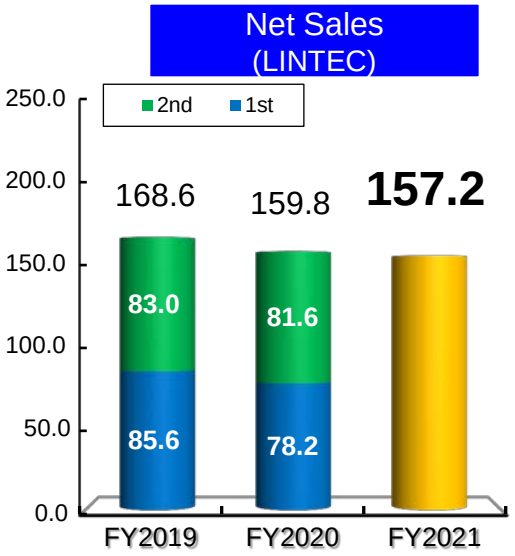
Forecasts for Consolidated Financial Results for the FY2021

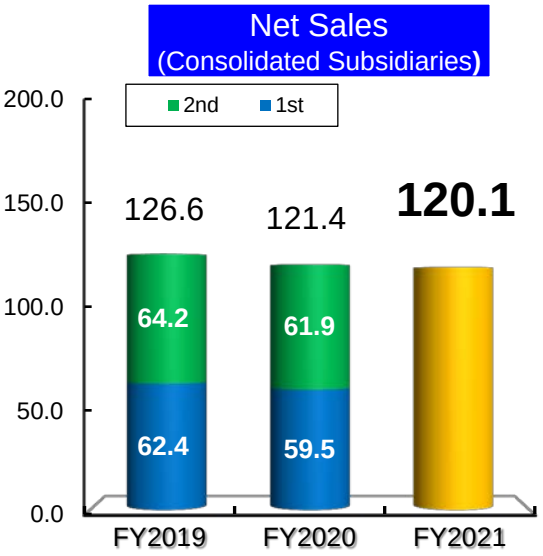
(unit：billion yen)

Net Sales

(unit：billion yen)

	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
LINTEC (non-consolidated)	159.8	157.2	(2.6)	(1.6%)
Consolidated Subsidiaries	121.4	120.1	(1.3)	(1.1%)
Eliminations	(40.5)	(37.3)	3.2	—
Total	240.7	240.0	(0.7)	(0.3%)

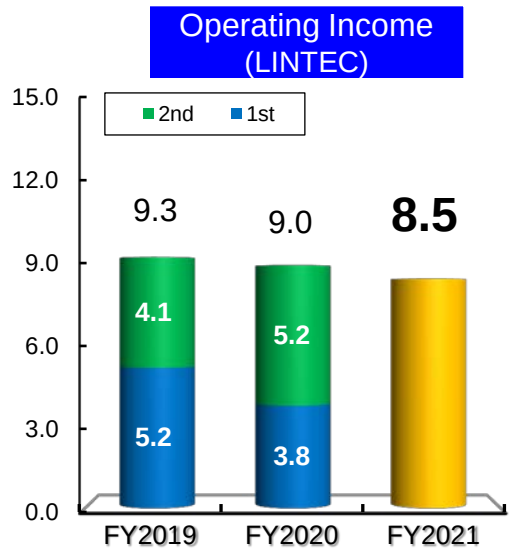


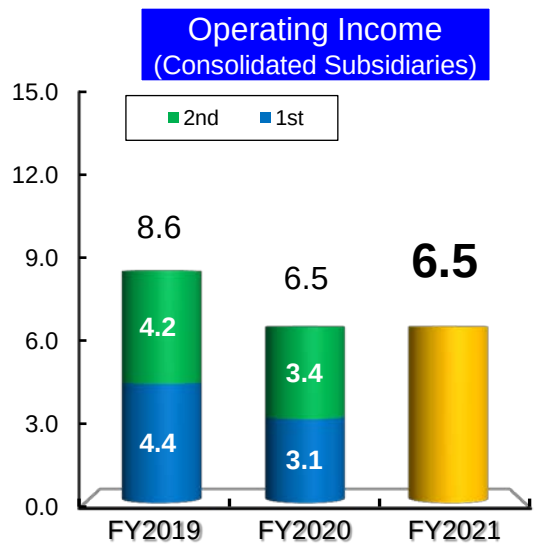


Operating Income

(unit：billion yen)

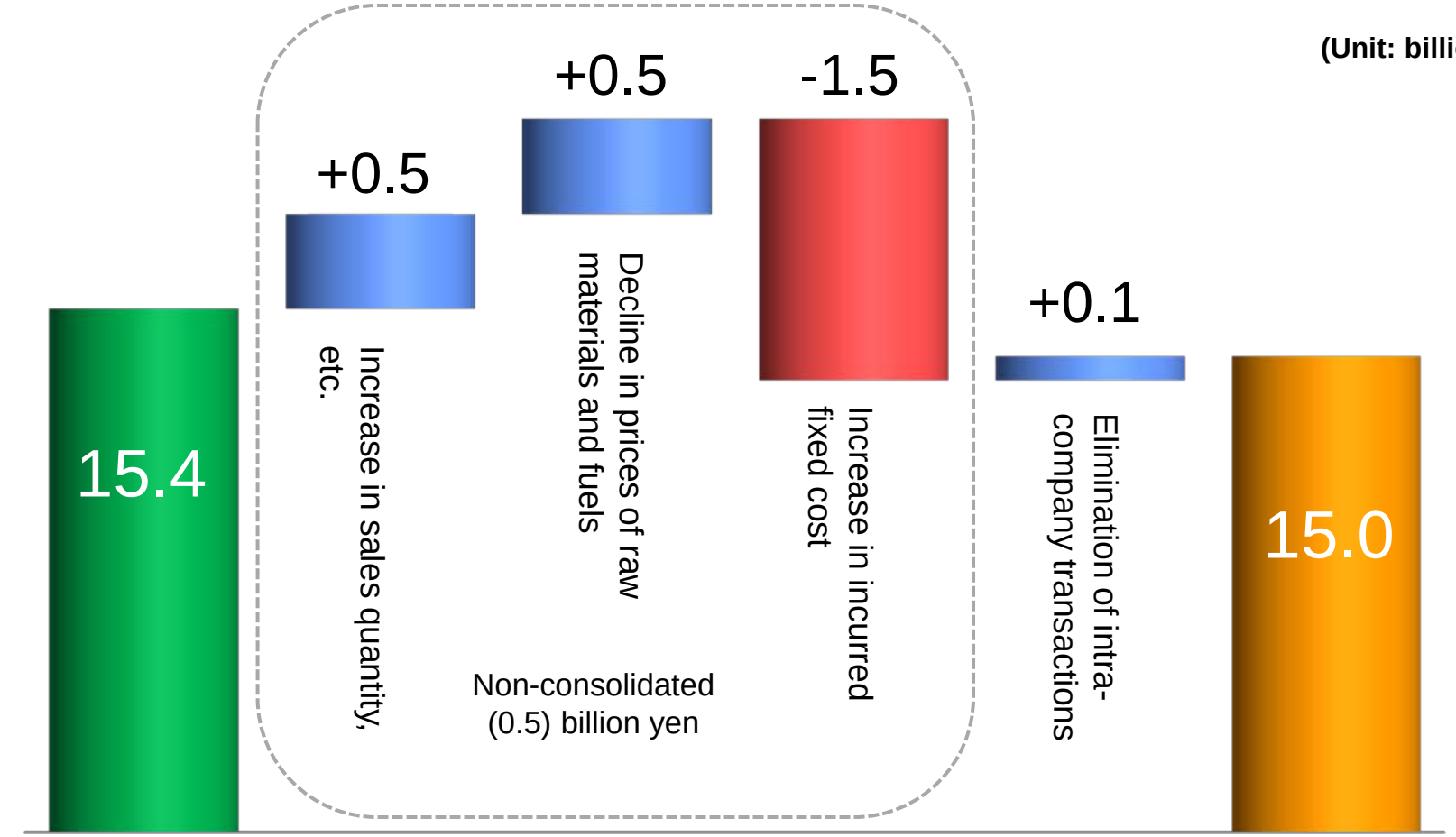
	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
LINTEC (non-consolidated)	9.0	8.5	(0.5)	(5.6%)
Consolidated Subsidiaries	6.5	6.5	0.0	0.0%
Eliminations	(0.1)	0.0	0.1	—
Total	15.4	15.0	(0.4)	(2.9%)





Factors for Increases / Decreases of Operating Income

(Unit: billion yen)



Result of FY ended March 2020

Forecast of FY ending March 2021

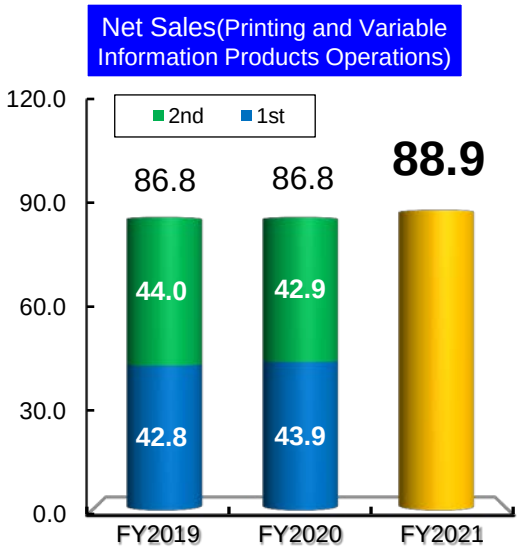
【Exchange rates】

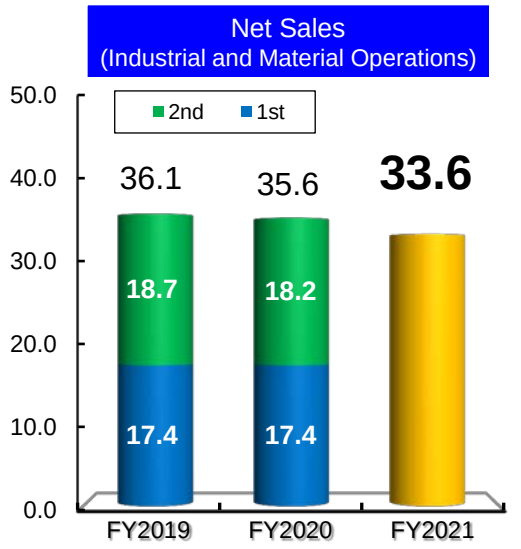
	(FY2020 results)		(FY2021 estimated)
JPY／USD	109.24	→	105.00
JPY／EUR	122.15	→	117.00
JPY／KRW	0.0941	→	0.0880
JPY／CNY	15.82	→	14.80
JPY／TWD	3.54	→	3.40

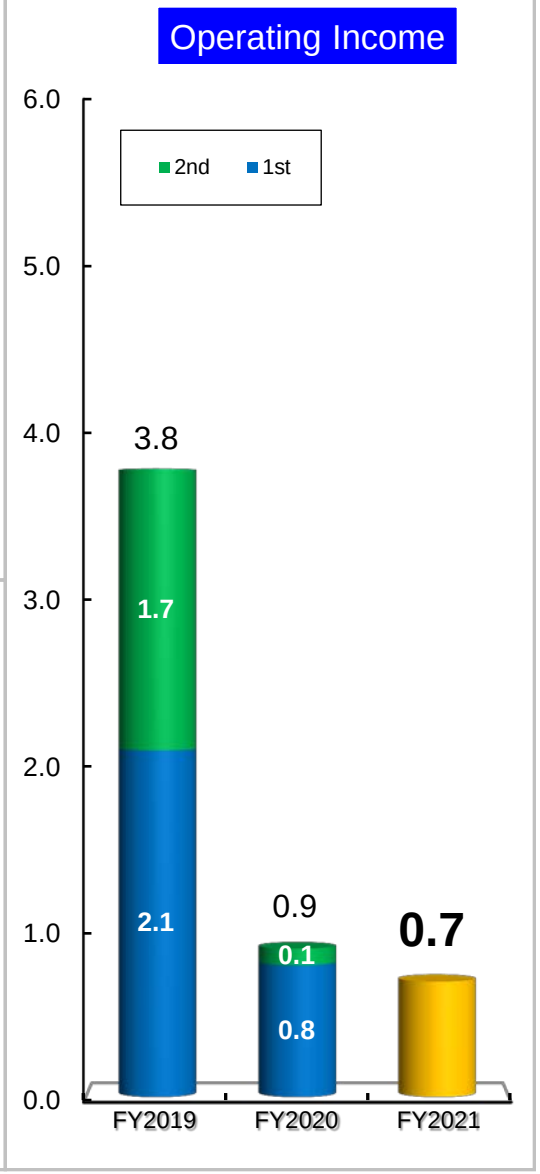
Forecasts for Printing and Industrial Materials Products for the FY2021

(unit：billion yen)

	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
Printing and Variable Information Products Operations	86.8	88.9	2.1	2.4%
Industrial and Material Operations	35.6	33.6	(2.0)	(5.7%)
Net Sales	122.4	122.5	0.1	0.1%
Operating Income	0.9	0.7	(0.2)	(24.6%)







Forecasts for Printing and Industrial Materials Products for the FY2021

➢ Printing and Variable Information Products Operations

Demand for labels for products such as home electronics and cosmetics will fall, due to a decrease in foreign visitors to Japan.
Demand for food-related labels will increase thanks to an increase in home meal replacement.
Demand for medical and pharmaceutical labels will Increase.

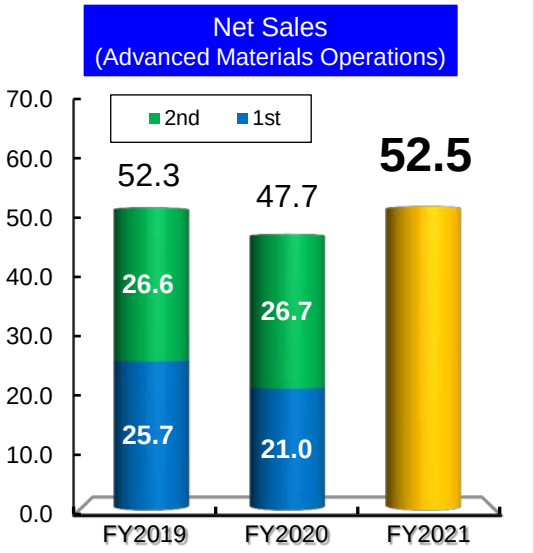
➢ Industrial and Material Operations

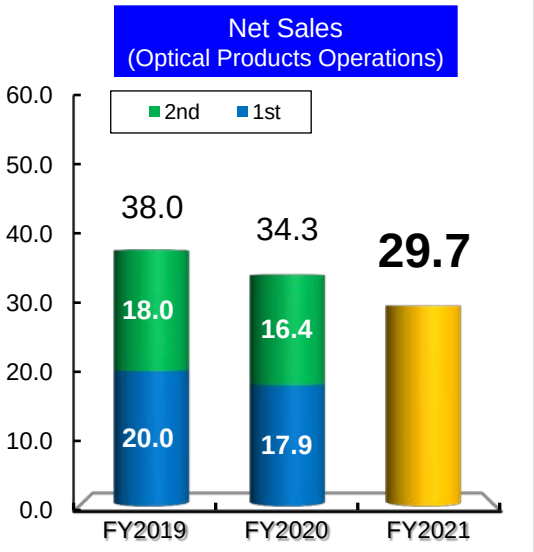
Decoration-related demand will fall, coinciding with the cancellation or postponement of various events.
Sales of motorcycle- and automobile-use adhesive products and window films will decrease.

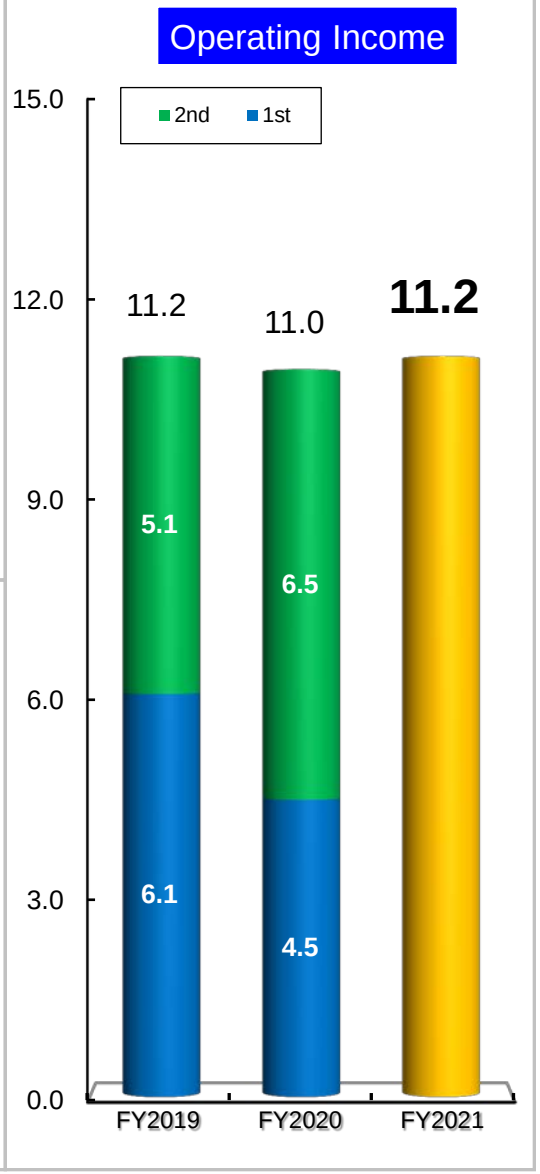
Forecasts for Electronic and Optical Products for the FY2021

(unit：billion yen)

	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
Advanced Materials Operations	47.7	52.5	4.8	10.2%
Optical Products Operations	34.3	29.7	(4.6)	(13.3%)
Net Sales	82.0	82.2	0.2	0.3%
Operating Income	11.0	11.2	0.2	2.0%







Forecasts for Electronic and Optical Products for the FY2021

➢ Advanced Materials Operations

Semiconductor-related adhesive tapes and
Semiconductor-related equipment : Demand will increase as the semiconductor market recovers.
Multilayer ceramic capacitor-related tapes : Demand for automobile use remains weak.
Demand for high-end products, particularly for 5G-related use, will increase.

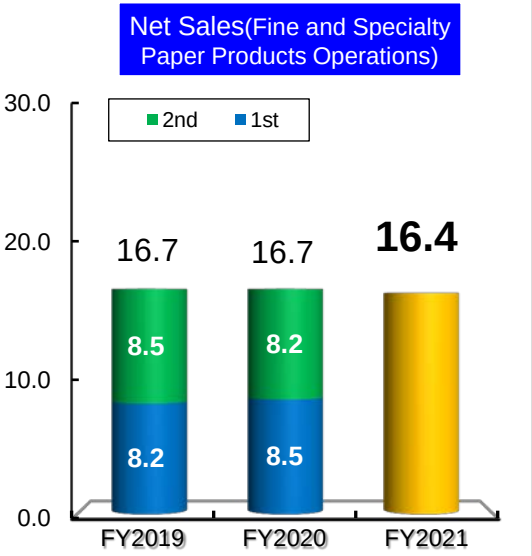
➢ Optical Products Operations

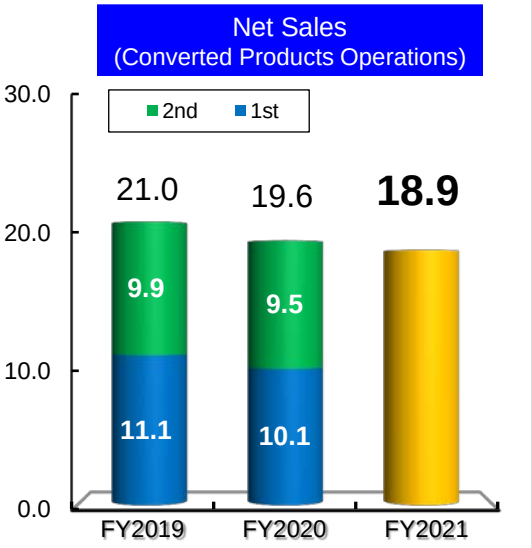
Decrease in demand for use in larger TV units and small- and medium-sized products such as smartphones is expected.

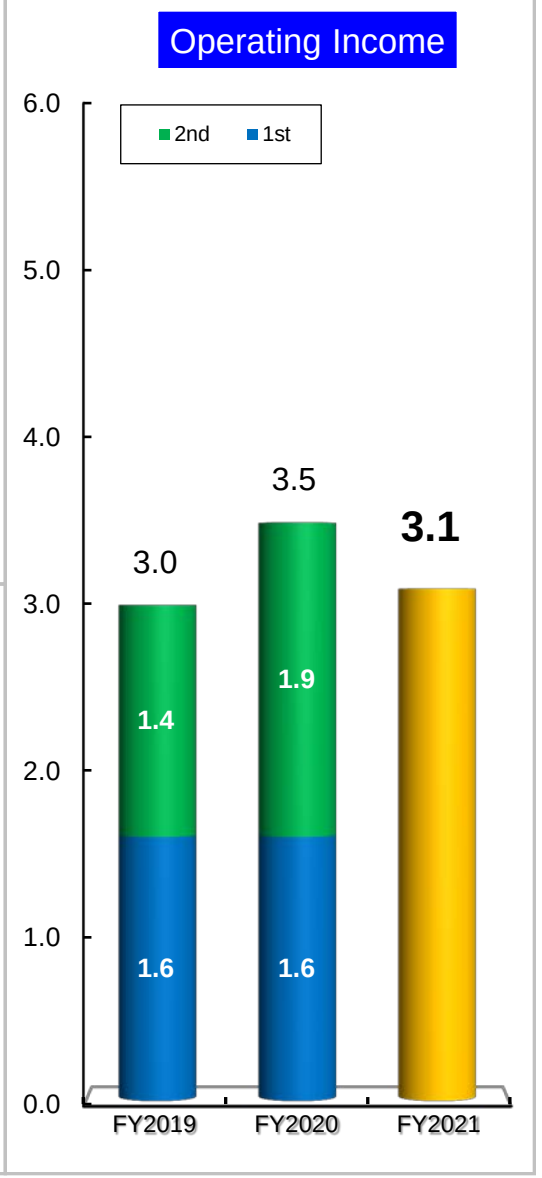
Forecasts for Paper and Converted Products for the FY2021

(unit: billion yen)

	FY2020 results	FY2021 forecasts	Increase (decrease)	Change
Fine and Specialty Paper Products Operations	16.7	16.4	(0.3)	(2.1%)
Converted Products Operations	19.6	18.9	(0.7)	(2.9%)
Net Sales	36.3	35.3	(1.0)	(2.9%)
Operating Income	3.5	3.1	(0.4)	(11.5%)







Forecasts for Paper and Converted Products for the FY2021

➢ Fine and Specialty Paper Products Operations

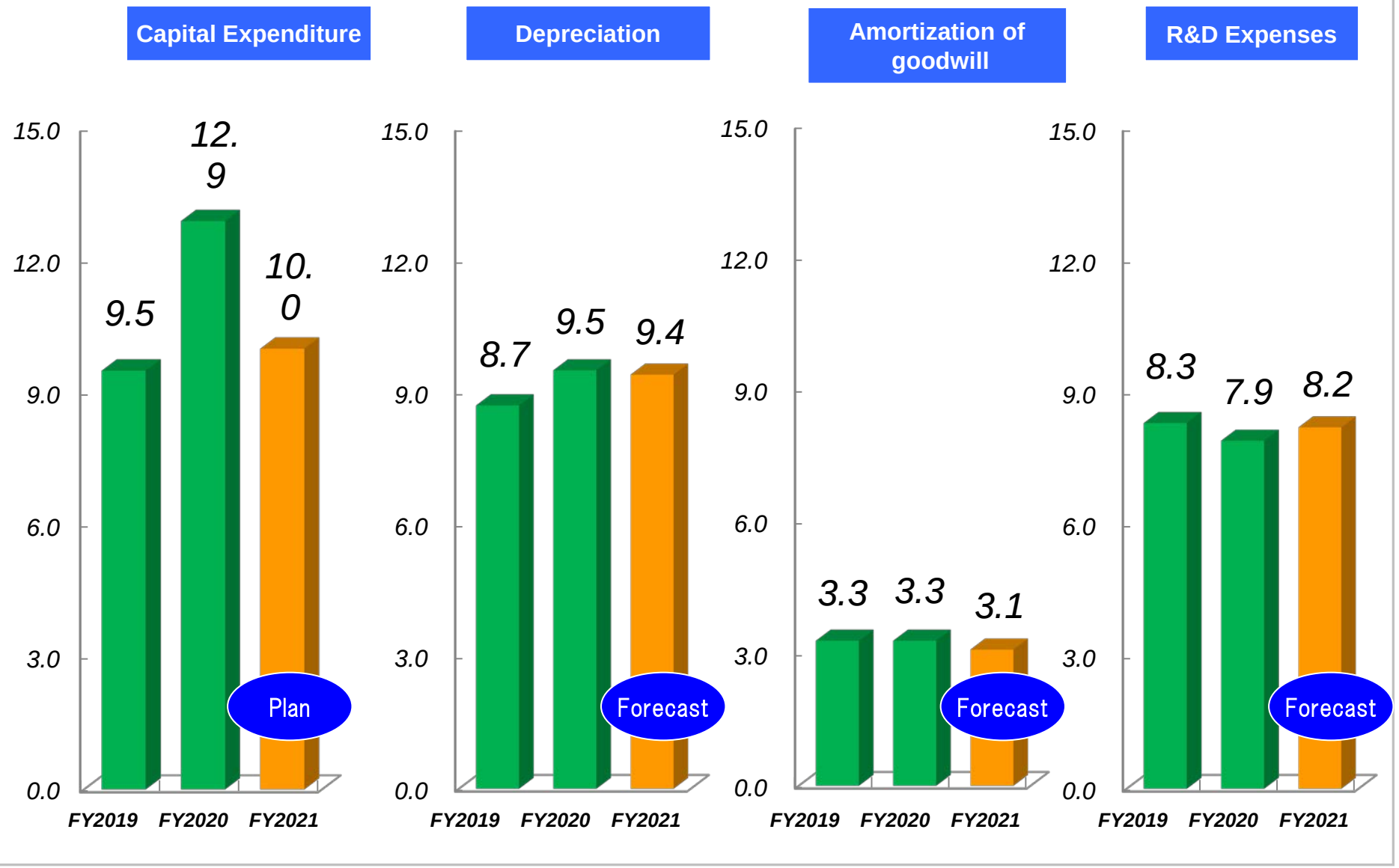
Demand for colored construction papers will fall owing to school and kindergarten closures.
Demand for oil- and water-resistant papers will fall as a result of a decrease in customers at fast food restaurants.

➢ Converted Products Operations

Demand for casting papers for carbon fiber composite materials will decrease as aircraft production declines.
Demand for casting papers for synthetic leather for the Chinese market will decrease.

Forecasts for Capital Expenditure / Depreciation & Amortization / R&D Expenses

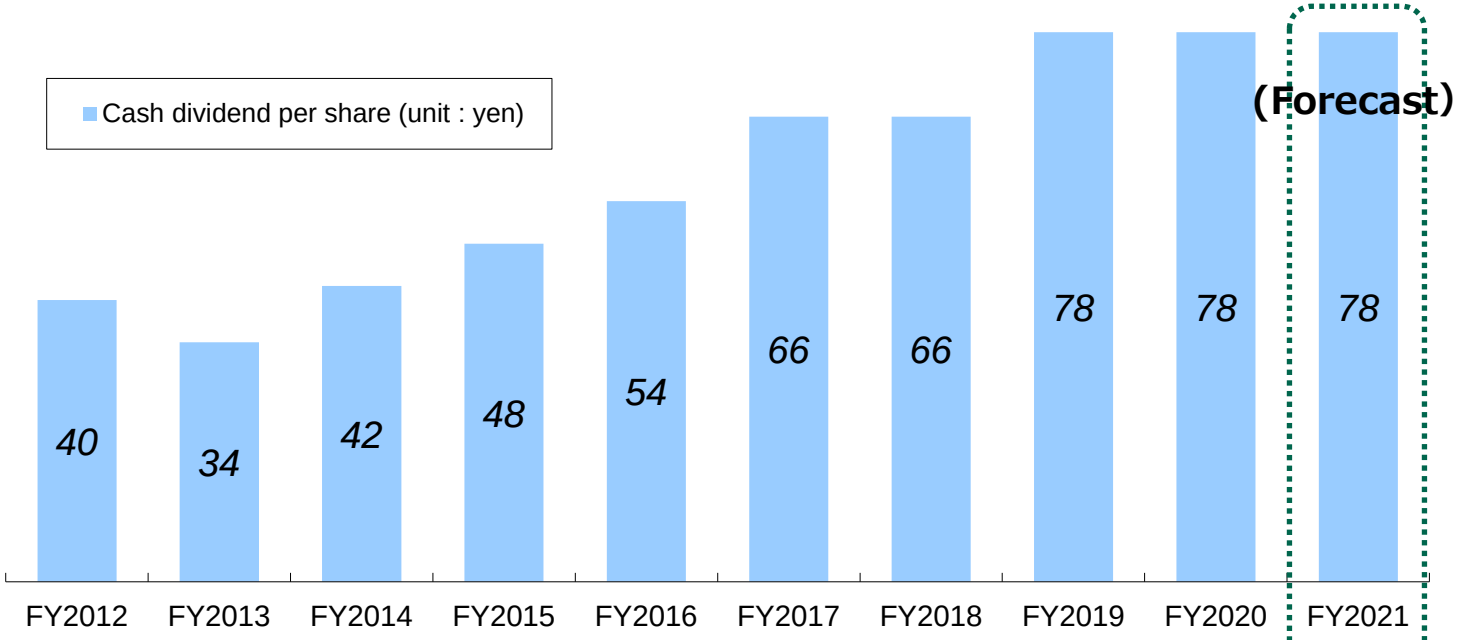
(unit: billion yen)



Dividend forecast

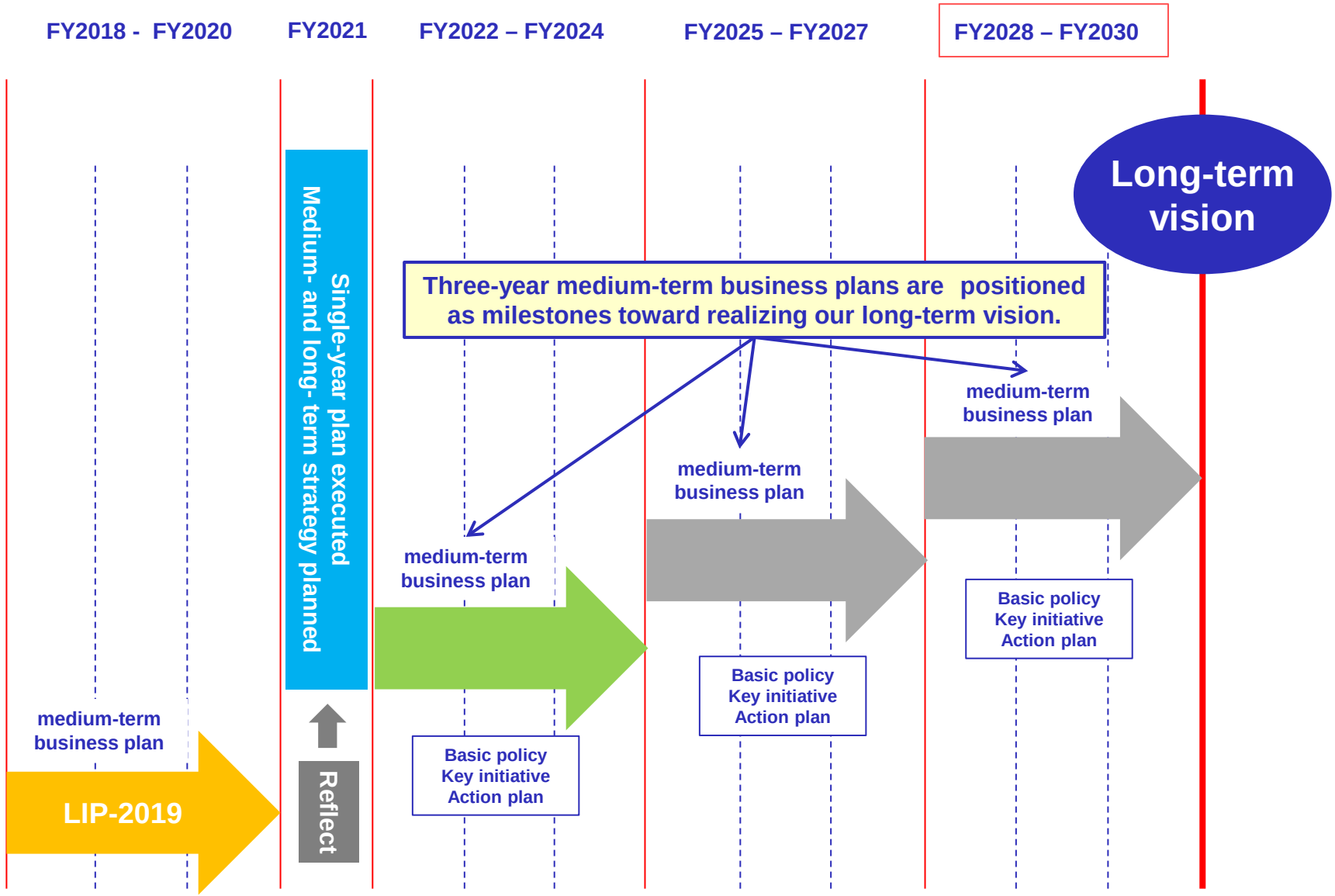
(Basic Policy)

We regard the enhancement of return in profit to shareholders as one of the most important issue for our management purpose. Regarding distribution of profit, while strengthening management bases and considering consolidated results for each fiscal year, our base is to distribute stable and continued dividends. For internal reserves, we will effectively use these to reinforce our financial bases as well as to establish and reconstruct production facilities and make research and development investment with the intention of improving our corporate value in the future.



Profit attributable to owners of parent (billion yen)	**8.6**	**7.7**	**8.5**	**11.7**	**10.9**	**11.5**	**11.3**	**12.9**	**9.6**	**11.0**
Net income per share (yen)	**115.26**	**102.83**	**114.22**	**161.63**	**151.07**	**158.69**	**156.02**	**179.24**	**133.20**	**152.25**
Consolidated payout ratio (%)	**34.7**	**33.1**	**36.8**	**29.7**	**35.7**	**41.6**	**42.3**	**43.5**	**58.6**	**51.2**

Measures Toward the Next Business Plan



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.