



Presentation for 2Q Results and Full-year Forecasts, FY2021

Nov 18, 2020

Consolidated Financial Results for the Six Months Ended Sep., 2020

(unit : million yen)

FY2020 2Q results	FY2021 2Q results	Increase (decrease)
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(unit : million yen)

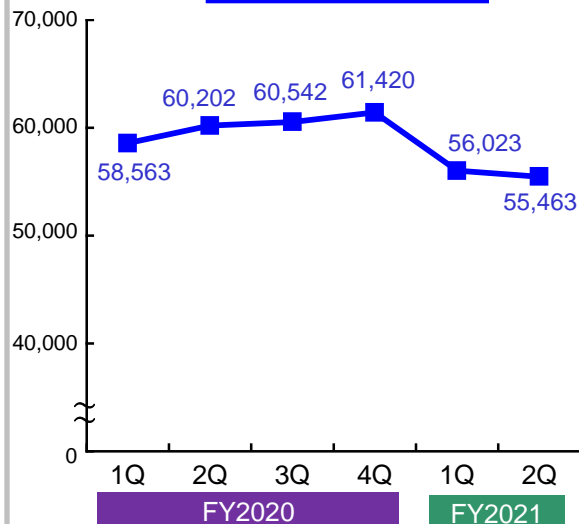
Net Sales	118,765	111,486	(7,279) (6.1%)
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Operating Income	6,948	6,324	(623) (9.0%)
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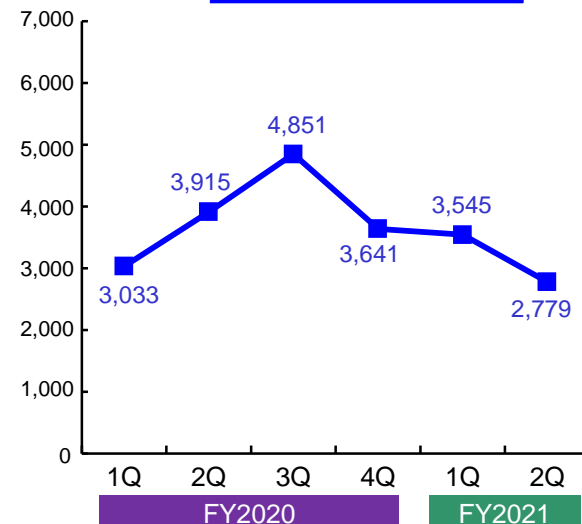
Profit before Income Taxes	6,490	6,234	(255) (3.9%)
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Profit attributable to owners of parent	4,542	4,159	(382) (8.4%)
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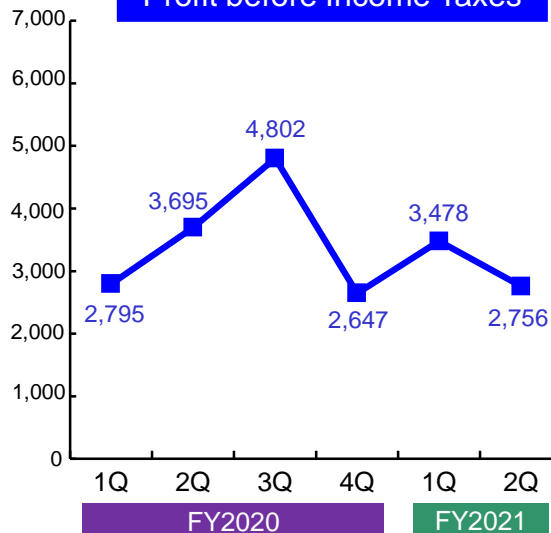
Net Sales



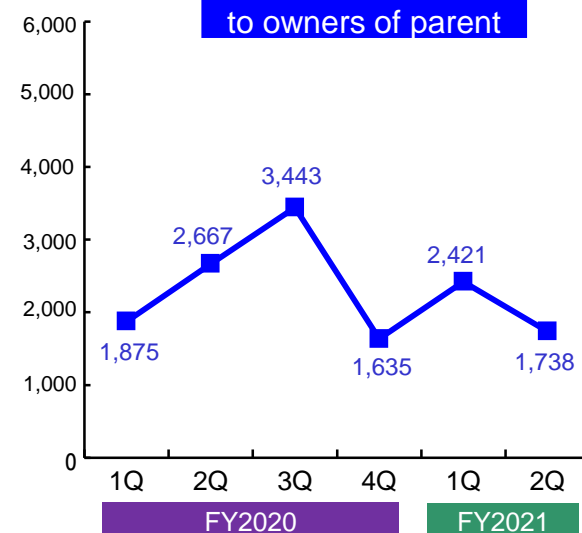
Operating Income



Profit before Income Taxes



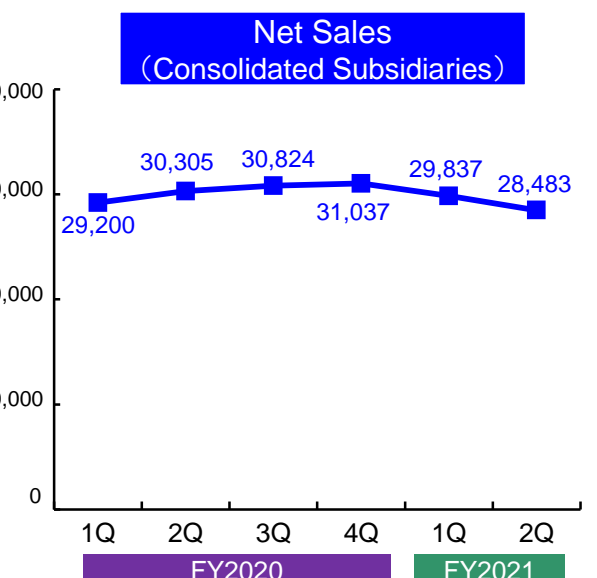
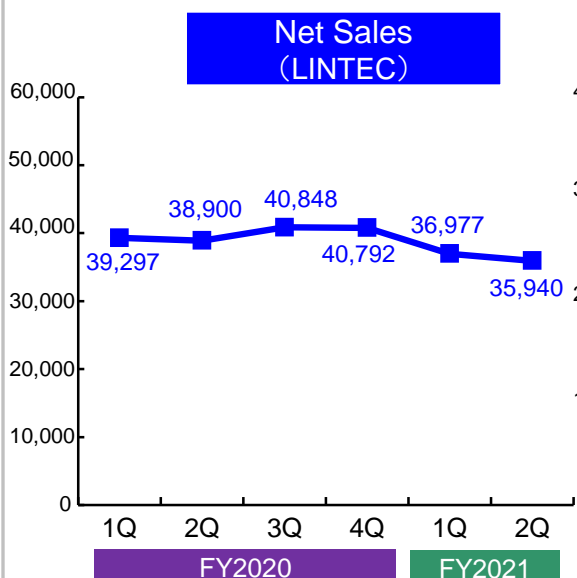
Profit attributable to owners of parent



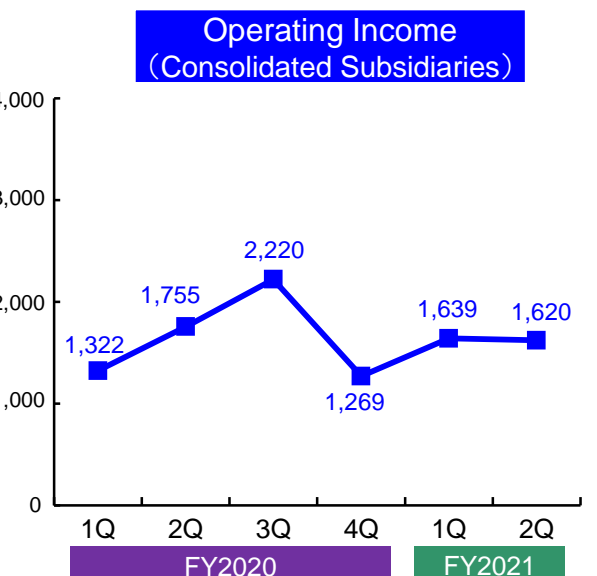
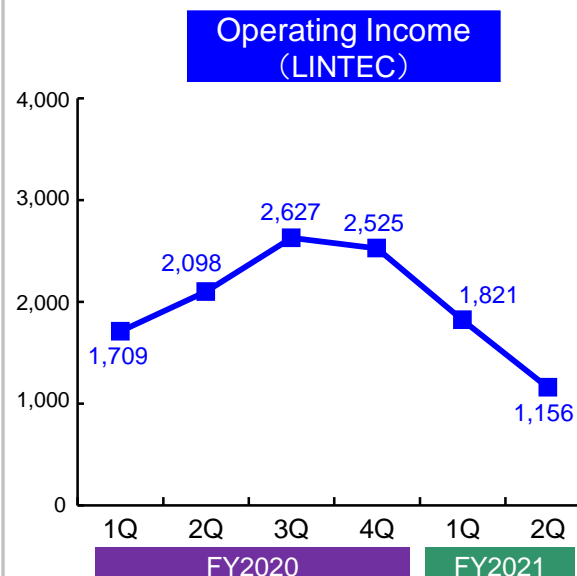
Consolidated Financial Results for the Six Months Ended Sep., 2020

(unit : million yen)

	FY2020 2Q results	FY2021 2Q results	Increase (decrease)
Net Sales			
	(unit : million yen)		
LINTEC (non-consolidated)	78,197	72,917	(5,280) (6.8%)
Consolidated Subsidiaries	59,505	58,320	(1,185) (2.0%)
Eliminations	(18,937)	(19,751)	(814)
Total	118,765	111,486	(7,279) (6.1%)



	FY2020 2Q results	FY2021 2Q results	Increase (decrease)
Operating Income			
	(unit : million yen)		
LINTEC (non-consolidated)	3,807	2,977	(830) (21.8%)
Consolidated Subsidiaries	3,077	3,259	182 5.9%
Eliminations	64	88	24
Total	6,948	6,324	(623) (9.0%)



Consolidated Financial Results for the Six Months Ended Sep., 2020

➤ Net Sales

● LINTEC(Non-consolidated)

Advanced Materials Operations made healthy sales.

Sales were weak in the other operations due to the impact of the COVID-19.

● Consolidated Subsidiaries

Sales were strong for manufacturing and sales subsidiaries operating under the control of Advanced Materials Operations.

Due to COVID-19, sales were sluggish in general for subsidiaries operating in the United States, China and ASEAN, under the control of Printing & Variable Information Products Operations and Industrial & Material Operations.

➤ Operating Income

● LINTEC(Non-consolidated)

(Main income-raising factors)

- Improvement of sales mix : Approx. 0.5 billion yen
- Decrease in prices for pulp, petrochemical raw materials, etc. : Approx. 1.1 billion yen
- Control of costs, including business trip expenses : Approx. 0.4 billion yen

(Main income-lowering factors)

- Decrease in sales quantity : Approx. 1.8 billion yen
- Loss on low factory operation, etc.: Approx. 1.0 billion yen

● Consolidated Subsidiaries

- Income decreased for Madico in the U.S. and in general for subsidiaries operating in ASEAN.
- Income increased, helped by a rise in sales achieved by subsidiaries operating under the control of Advanced Materials Operations.

【Average exchange rate during the period (Results)】

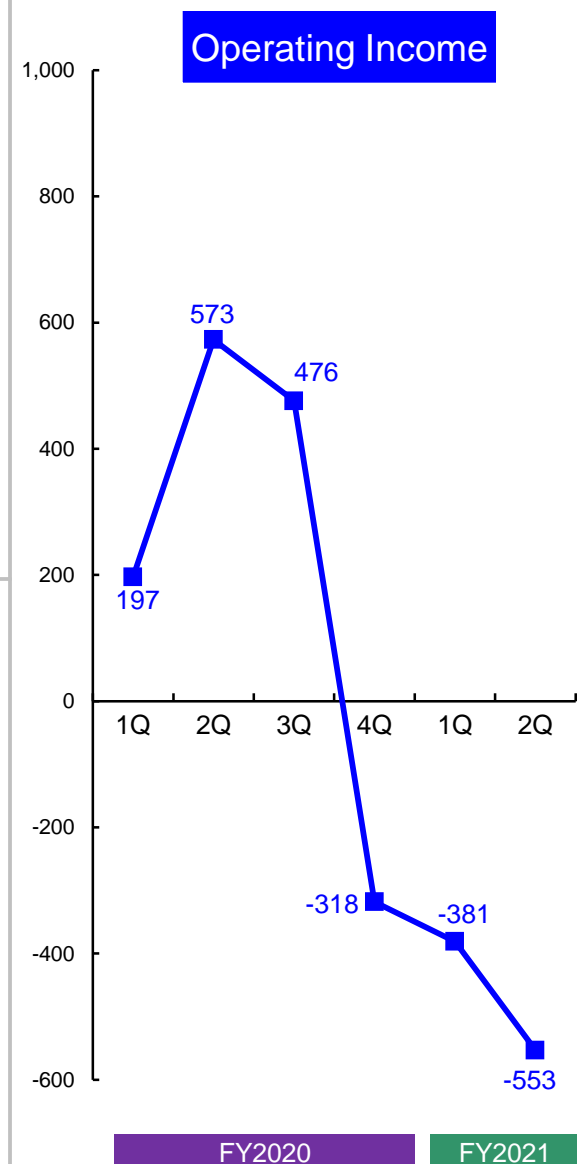
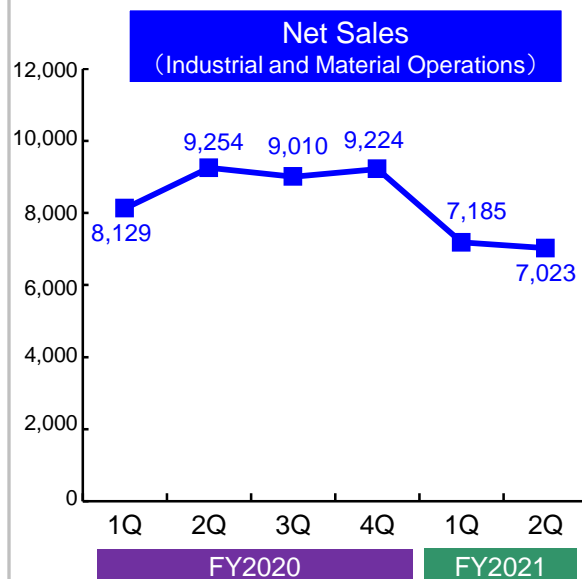
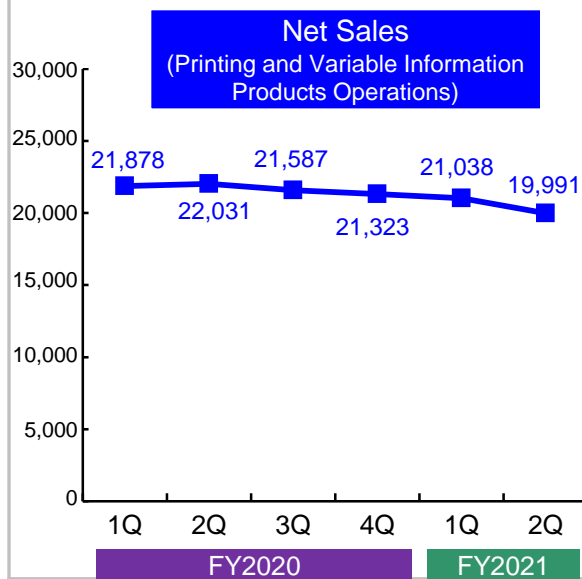
	(FY2020 2Q)		(FY2021 2Q)
JPY/USD	109.97	→	108.24
JPY/EUR	124.07	→	119.40
JPY/KRW	0.0962	→	0.0895
JPY/CNY	16.23	→	15.32
JPY/TWD	3.55	→	3.61

(unit : million yen)

	FY2020 2Q results	FY2021 2Q results	Increase (decrease)
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(unit : million yen)

Printing and Variable Information Products Operations	43,909	41,029	(2,879) (6.6%)
Industrial and Material Operations	17,383	14,208	(3,174) (18.3%)
Net Sales	61,292	55,238	(6,054) (9.9%)
Operating Income	770	(934)	(1,705) -%



➤ Printing and Variable Information Products Operations

Japan : Sales of products related to medical and pharmaceutical applications were solid.

Sales remained weak due to the decline in demand for labels in many areas, including automobile and cosmetics applications.

Overseas : Sales in the United States remained more or less in line with the level of the corresponding period of the preceding fiscal year.

Sales in China and ASEAN were sluggish.

➤ Industrial and Material Operations

Motorcycle- and automobile-use adhesive products and window films :

Given the impact of a decline in vehicle production, sales were fell sharply.

Films related to decorative applications : Demands were sluggish mainly due to the cancelation of various types of events.

Overview of Electronic and Optical Products

(unit : million yen)

	FY2020 2Q results	FY2021 2Q results	Increase (decrease)
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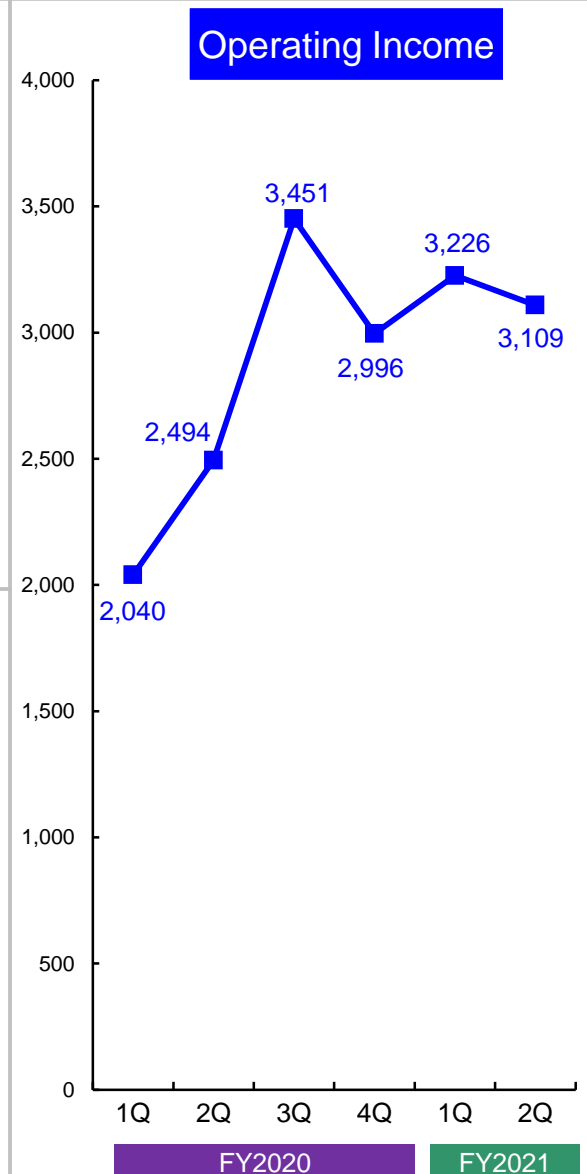
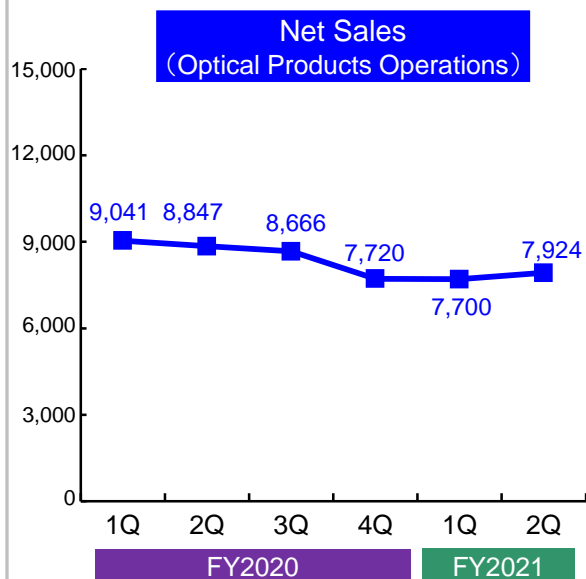
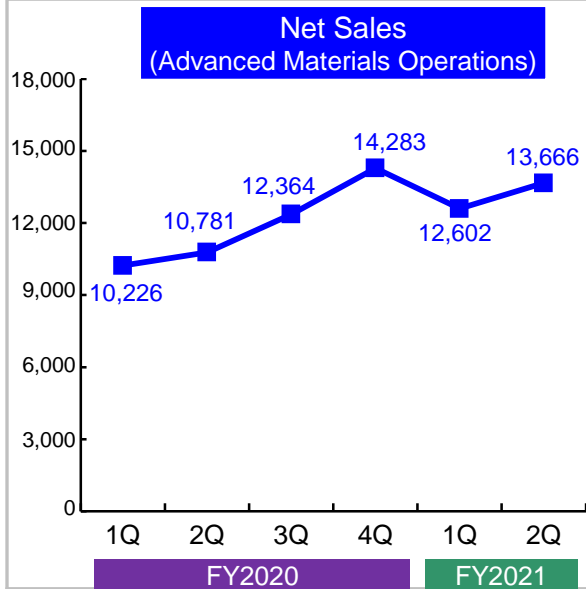
(unit : million yen)

Advanced Materials Operations	21,007	26,268	5,261 25.0%
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Optical Products Operations	17,888	15,624	(2,264) (12.7%)
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Net Sales	38,896	41,893	2,996 7.7%
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Operating Income	4,534	6,335	1,801 39.7%
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➤ Advanced Materials Operations

Semiconductor-related adhesive tapes, semiconductor-related equipment, and multilayer ceramic capacitor-related tapes :

Sales remained strong due to increasing demand for 5G-related applications and personal computers attributable to teleworking.

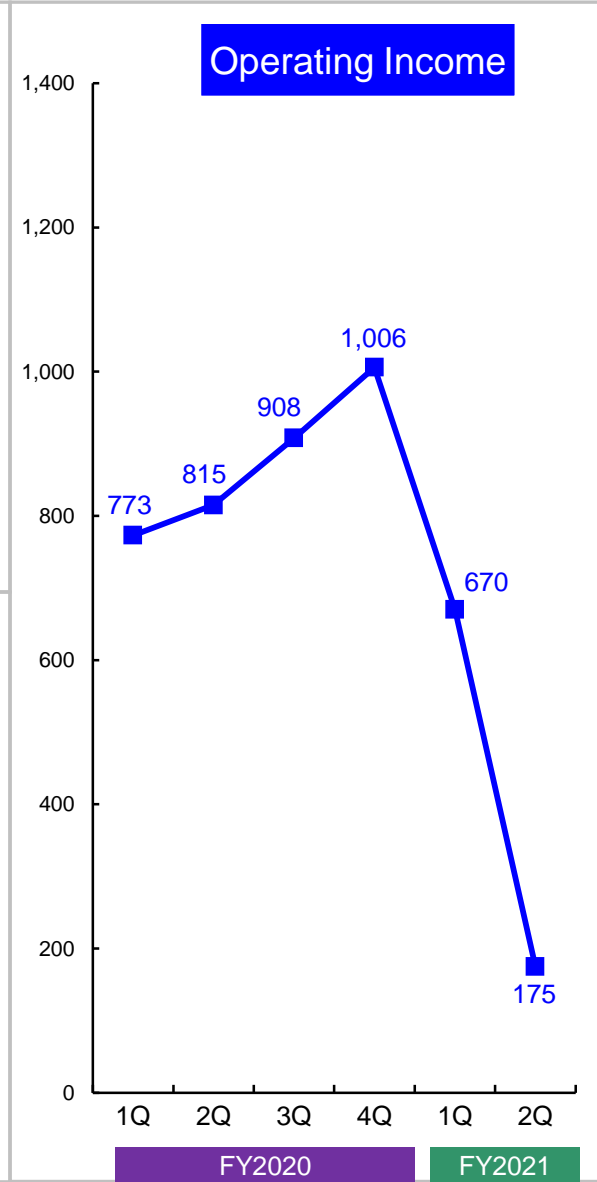
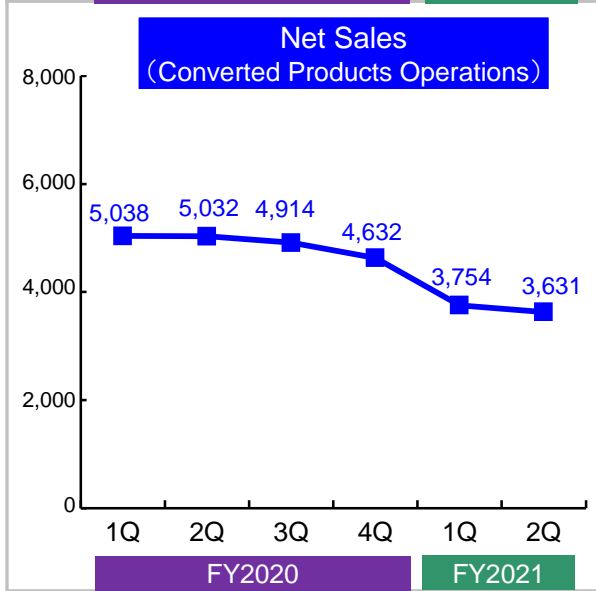
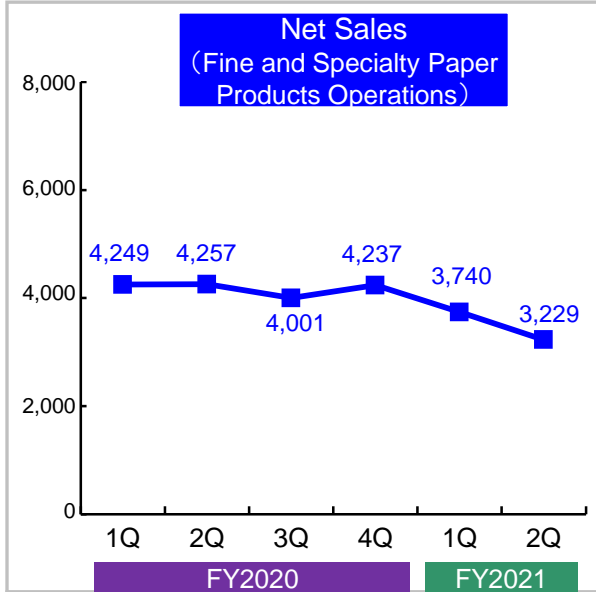
➤ Optical Products Operations

Optical display-related adhesive products : Sales of products for TV units and small- and medium-sized products such as smartphones remained sluggish.

Overview of Paper and Converted Products

(unit : million yen)

	FY2020 2Q results	FY2021 2Q results	Increase (decrease)
(unit : million yen)			
Fine and Specialty Paper Products Operations	8,506	6,969	(1,536) (18.1%)
Converted Products Operations	10,070	7,385	(2,685) (26.7%)
Net Sales	18,576	14,354	(4,221) (22.7%)
Operating Income	1,588	845	(742) (46.8%)



➤ Fine and Specialty Paper Products Operations

Papers for envelopes : The demand was sluggish due to teleworking.

Colored construction papers : Sales were remained weak, affected by the closing of daycare centers and schools.

Oil- and water-resistant papers : Fast food use was remained weak.

➤ Converted Products Operations

Casting papers for carbon fiber composite materials : The demand for aircraft manufacturers use was sluggish.

Casting papers for synthetic leather : The demand for shoes and automobiles use was sluggish.

➤ **About impact of the COVID-19**

- ✓ During the first six month of the fiscal year under review, orders decreased more significantly than initially expected.
- ✓ We expect the business environment surrounding the Group to remain unforeseeable from the third quarter of the current fiscal year, while demand for products is now beginning to show some signs of recovery at home and abroad.

Forecasts for Consolidated Financial Results for the FY2021

(unit : billion yen)

	FY2021 first half results	FY2021 second half forecasts	FY2021 revised forecasts	FY2021 initial forecasts	Increase (decrease)	FY2020 results
Net Sales	111.5	114.5	226.0	240.0	(14.0)	240.7
Operating income	6.3	6.7	13.0	15.0	(2.0)	15.4
Profit before Income Taxes	6.2	6.3	12.5	15.0	(2.5)	14.5
Profit attributable to owners of parent	4.2	4.3	8.5	11.0	(2.5)	9.6

【Average exchange rate during the period】	FY2021 first half results	FY2021 second half forecasts	FY2021 revised forecasts	FY2021 initial forecasts	FY2020 results
JPY/USD	108.24	105.00	106.00	105.00	109.24
JPY/EUR	119.40	124.00	121.00	117.00	122.15
JPY/KRW	0.0895	0.0900	0.0900	0.0880	0.0941
JPY/CNY	15.32	15.50	15.40	14.80	15.82
JPY/TWD	3.61	3.60	3.60	3.40	3.54

(unit : billion yen)

	FY2021 first half results	FY2021 second half forecasts	FY2021 revised forecasts	FY2021 initial forecasts	Increase (decrease)	FY2020 results
Net Sales						
Printing and Variable Information Products Operations	41.0	42.4	83.4	88.9	(5.5)	86.8
Industrial and Material Operations	14.2	16.1	30.3	33.6	(3.3)	35.6
Printing and Industrial Materials Products	55.2	58.5	113.7	122.5	(8.8)	122.4
Operating Income						
Printing and Industrial Materials Products	(0.9)	0.9	0.0	0.7	(0.7)	0.9

➤ **Net Sales**

● Printing and Variable Information Products Operations

In Japan, demand for adhesive products for seals and labels is expected to recover as a result of the running of campaigns for materials for beverages and the more active movement of people and transfer of products, as well as a recovery in the production of consumer electronics and cars both in Japan and overseas. However, this will not lead to a full-scale recovery.

● Industrial and Material Operations

Demand for automobile-use adhesive products and window films is expected to increase as a result of a recovery in car production, and sales of devices for the on-line sales business are expected to rise. However, this growth will not be as strong as initially anticipated.

(unit : billion yen)

	FY2021 first half results	FY2021 second half forecasts	FY2021 revised forecasts	FY2021 initial forecasts	Increase (decrease)	FY2020 results
Net Sales						
Advanced Materials Operations	26.3	26.0	52.3	52.5	(0.2)	47.7
Optical Products Operations	15.6	15.3	30.9	29.7	1.2	34.3
Electronic and Optical Products	41.9	41.3	83.2	82.2	1.0	82.0
Operating Income						
Electronic and Optical Products	6.3	5.3	11.6	11.2	0.4	11.0

➤ **Net Sales**

● Advanced Materials Operations

Sales of semiconductor-related adhesive tapes and semiconductor-related equipment as well as multilayer ceramic capacitor-related tapes will continue to be firm.

● Optical Products Operations

Sales of products for televisions and smartphones will remain at the same level as in the first half.

(unit : billion yen)

	FY2021 first half results	FY2021 second half forecasts	FY2021 revised forecasts	FY2021 initial forecasts	Increase (decrease)	FY2020 results
Net Sales						
Fine and Specialty Paper Products Operations	7.0	6.8	13.8	16.4	(2.6)	16.7
Converted Products Operations	7.4	7.9	15.3	18.9	(3.6)	19.6
Paper and Converted Products	14.4	14.7	29.1	35.3	(6.2)	36.3
Operating Income						
Paper and Converted Products	0.8	0.6	1.4	3.1	(1.7)	3.5

➤ **Net Sales**

● Fine and Specialty Paper Products Operations

Demand for papers for envelopes and colored construction papers will continue to be weak in the second half.

● Converted Products Operations

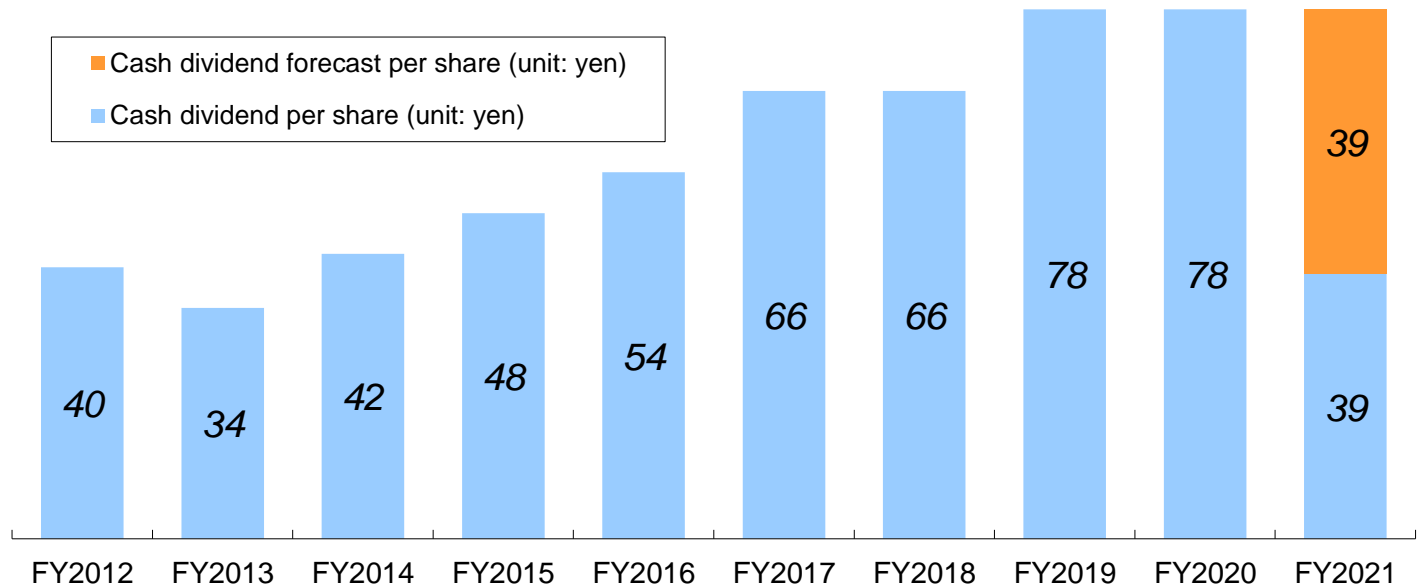
Sales of casting papers for synthetic leather, particularly those for in-vehicle use, will move onto a path toward recovery.

Demand for casting papers for carbon fiber composite materials will remain lackluster.

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	8.5
Net income per share (yen)	115.26	102.83	114.22	161.63	151.07	158.69	156.02	179.24	133.20	117.58
Consolidated payout ratio (%)	34.7	33.1	36.8	29.7	35.7	41.6	42.3	43.5	58.6	66.3

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.