

## Consolidated Financial Results for the Three Months Ended June 30, 2020

[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

August 7, 2020

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange 1st Section

Code number: 7966

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Scheduled filing date for quarterly report: August 11, 2020

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, 2020

(from April 1, 2020 to June 30, 2020)

#### (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, 2020	56,023	(4.3)	3,545	16.9	3,478	24.4	2,421	29.1
Three Months Ended June 30, 2019	58,563	(5.4)	3,033	(40.5)	2,795	(46.9)	1,875	(51.7)

(Note) Comprehensive income: Three Months Ended June 30, 2020: 555 million yen, down 75.0%  
Three Months Ended June 30, 2019: 2,227 million yen

	Net income per share		Net income per share (diluted)	
	Yen		Yen	
Three Months Ended June 30, 2020	33.52		33.48	
Three Months Ended June 30, 2019	25.97		25.94	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of Yen		Millions of Yen		%	
As of June 30, 2020	274,188		190,082		69.1	
As of March 31, 2020	278,972		192,298		68.7	

(Reference) Shareholders' equity: As of June 30, 2020: 189,558 million yen As of March 31, 2020: 191,732 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, 2020	—	39.00	—	39.00	78.00
FY ending March 31, 2021	—				
FY ending March 31, 2021 (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, 2021 (from April 1, 2020 to March 31, 2021)

(% 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	240,000	(0.3)	15,000	(2.9)	15,000	3.6	11,000	14.3	152.25

(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, 2020:	76,620,740	FY Ended March 31, 2020	76,600,940
(b)	Three Months Ended June 30, 2020:	4,338,674	FY Ended March 31, 2020	4,352,574
(c)	Three Months Ended June 30, 2020:	72,260,818	Three Months Ended June 30, 2019	72,212,339

\*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 (<https://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, 2020

### (1) Explanation Regarding Results of Operations

During the first quarter of the fiscal year under review, the Group posted net sales of 56,023 million yen (down 4.3% year on year), although sales of semiconductor and electronic components-related products continued to do well, driven by strong demand. The decrease reflected sluggish demand for other products in general due to the impact of the global spread of the novel coronavirus disease (COVID-19). Operating income came to 3,545 million yen (up 16.9% year on year), primarily due to an increase in sales of semiconductor and electronic components-related products. Ordinary income and profit attributable to owners of parent were 3,478 million yen (up 24.4% year on year) and 2,421 million yen (up 29.1% year on year), respectively.

The outline by segment was as follows:

#### [Printing and Industrial Materials Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 30,008	Millions of yen 28,223	Millions of yen (1,784)	% (5.9)
Printing & Variable Information Products Operations	21,878	21,038	(840)	(3.8)
Industrial & Material Operations	8,129	7,185	(944)	(11.6)
Operating income (loss)	197	(381)	(578)	-

In this segment, net sales were 28,223 million yen (down 5.9% year on year) and operating loss was 381 million yen. Sales by operation of this segment were as follows:

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

In adhesive products for seals and labels, demand for products related to food, medical and pharmaceutical applications remained firm in Japan, although domestic demand for labels related to automobiles, consumer electronics and cosmetics was lackluster. In overseas markets, sales remained firm in the United States while those in China and ASEAN were sluggish. As a result, sales in this operation were 21,038 million yen (down 3.8% year on year).

#### (Industrial & Material Operations)

Given the impact of a decline in vehicle production, sales of motorcycle- and automobile-use adhesive products fell sharply, as did sales of window films. In addition, demand for films related to decorative applications was sluggish mainly due to the cancelation of various types of events. As a result, sales in this operation were 7,185 million yen (down 11.6% year on year).

#### [Electronic and Optical Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 19,267	Millions of yen 20,303	Millions of yen 1,036	% 5.4
Advanced Materials Operations	10,226	12,602	2,376	23.2
Optical Products Operations	9,041	7,700	(1,340)	(14.8)
Operating income	2,040	3,226	1,186	58.1

In this segment, net sales were 20,303 million yen (up 5.4% year on year) and operating income was 3,226 million yen (up 58.1% year on year). Sales by operation of this segment were as follows:

#### (Advanced Materials Operations)

With an increase in demand for 5G-related applications and personal computers attributable to teleworking, sales of semiconductor-related adhesive tapes, and semiconductor-related equipment as well as those of multilayer ceramic capacitor-related tapes remained strong. As a result, sales in this operation were 12,602 million yen (up 23.2% year on year).

(Optical Products Operations)

In optical display-related adhesive products, sales of products for TV units and small- and medium-sized products such as smartphones remained sluggish due to the impact of a fall in demand. As a result, sales in this operation were 7,700 million yen (down 14.8% year on year).

[Paper and Converted Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	9,287	7,495	(1,792)	(19.3)
Fine & Specialty Paper Products Operations	4,249	3,740	(508)	(12.0)
Converted Products Operations	5,038	3,754	(1,283)	(25.5)
Operating income	773	670	(102)	(13.3)

In this segment, net sales were 7,495 million yen (down 19.3% year on year), and operating income was 670 million yen (down 13.3% year on year). Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Sales of papers for envelopes were sluggish, reflecting lackluster demand due to teleworking, while those of colored construction papers also remained weak, affected by the closing of daycare centers and schools. Sales of oil- and water-resistant papers for fast food and theme park were similarly lackluster. As a result, sales in this operation were 3,740 million yen (down 12.0% year on year).

(Converted Products Operations)

Sales of casting papers for carbon fiber composite materials for aircraft use and sports and leisure activity applications were sluggish given the impact of sluggish demand. Sales of casting papers for synthetic leather also remained weak, mainly due to lackluster demand for automobile uses. As a result, sales in this operation were 3,754 million yen (down 25.5% year on year)

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 274,188 million yen, a year-on-year decrease of 4,783 million yen. Main factors of the change were as follows:

- Decrease in "Cash and deposits" - 1,364 million yen
- Decrease in "Trade notes and accounts receivable" - 2,290 million yen
- Decrease in "Goodwill" - 962 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 84,106 million yen, a year-on-year decrease of 2,567 million yen.

Main factors of the change were as follows:

- Decrease in "Current portion of long-term loans payable" - 935 million yen
- Decrease in "Accrued income taxes" - 1,361 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 190,082 million yen, a year-on-year decrease of 2,216 million yen.

Main factors of the change were as follows:

- Decrease in "Foreign currency translation adjustments" - 2,068 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 8, 2020 remains unchanged.

## 2. Consolidated Quarterly Financial Statements and Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	57,190	55,825
Trade notes and accounts receivable	62,896	60,605
Inventories	40,434	41,193
Other	3,222	2,844
Allowance for doubtful accounts	(82)	(85)
Total current assets	163,660	160,384
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	35,965	35,231
Machinery, equipment and vehicles (net)	26,822	26,522
Land	11,238	11,128
Construction in progress	2,708	3,901
Other (net)	3,747	3,493
Property, plant and equipment	80,481	80,277
Intangible assets		
Goodwill	21,350	20,387
Other	2,177	2,078
Intangible assets	23,527	22,465
Investments and other assets		
Other	11,410	11,169
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	11,302	11,061
Total non-current assets	115,311	113,803
Total assets	278,972	274,188

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	41,465	41,500
Short-term loans payable	1,580	1,572
Current portion of long-term loans payable	9,240	8,304
Accrued income taxes	2,638	1,277
Provision for directors' bonuses	59	12
Other	11,135	11,634
<b>Total current liabilities</b>	<b>66,119</b>	<b>64,302</b>
Non-current liabilities		
Long-term loans payable	2,285	1,669
Provision for environmental measures	111	111
Net defined benefit liability	16,378	16,501
Other	1,779	1,521
<b>Total non-current liabilities</b>	<b>20,554</b>	<b>19,803</b>
<b>Total liabilities</b>	<b>86,674</b>	<b>84,106</b>
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,249	23,272
Capital surplus	26,870	26,894
Retained earnings	149,471	149,075
Treasury stock	(7,610)	(7,586)
<b>Total shareholders' equity</b>	<b>191,981</b>	<b>191,655</b>
Accumulated other comprehensive income		
Net unrealized holding gain on securities	(36)	67
Foreign currency translation adjustments	4,193	2,124
Remeasurements of defined benefit plans	(4,405)	(4,289)
<b>Total accumulated other comprehensive income</b>	<b>(248)</b>	<b>(2,097)</b>
Share subscription rights	128	103
Non-controlling interests	437	420
<b>Total net assets</b>	<b>192,298</b>	<b>190,082</b>
<b>Total liabilities and net assets</b>	<b>278,972</b>	<b>274,188</b>

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income  
Three Months Ended June 30, 2020

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2019)	Current consolidated fiscal year (Three months ended June 30, 2020)
Net sales	58,563	56,023
Cost of sales	44,708	42,111
Gross profit	13,855	13,911
Selling, general and administrative expenses	10,821	10,366
Operating income	3,033	3,545
Non-operating income		
Interest income	59	54
Dividend income	36	36
Gain on sales of noncurrent assets	2	9
Insurance income	7	4
Other income	105	97
Total non-operating income	210	203
Non-operating expenses		
Interest expenses	40	46
Loss on retirement of noncurrent assets	201	117
Foreign exchange losses	131	60
Compensation expenses	25	5
Other expenses	49	41
Total non-operating expenses	447	270
Ordinary income	2,795	3,478
Profit before income taxes	2,795	3,478
Income taxes	353	664
Deferred income taxes	574	408
Total income taxes	928	1,072
Profit	1,867	2,405
Profit (loss) attributable to non-controlling interests	(7)	(16)
Profit attributable to owners of parent	1,875	2,421

Consolidated Quarterly Statements of Comprehensive Income  
 Three Months Ended June 30, 2020

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2019)	Current consolidated fiscal year (Three months ended June 30, 2020)
Net income	1,867	2,405
Other comprehensive income		
Net unrealized holding gain on securities	33	103
Foreign currency translation adjustments	245	(2,068)
Remeasurements of defined benefit plans	80	115
Total other comprehensive income	359	(1,849)
Comprehensive income	2,227	555
(Comprehensive income attributable to)		
Owners of parent	2,234	572
Non-controlling interests	(7)	(17)

(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.

(Segment Information, etc.)

I. Previous first quarter (from April 1, 2019 to June 30, 2019)

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	30,008	19,267	9,287	58,563	—	58,563
Intersegment sales and transfers	10	7	4,202	4,221	(4,221)	—
Total	30,019	19,274	13,490	62,784	(4,221)	58,563
Segment income	197	2,040	773	3,011	21	3,033

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, 2020 to June 30, 2020)

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	28,223	20,303	7,495	56,023	—	56,023
Intersegment sales and transfers	15	9	3,926	3,951	(3,951)	—
Total	28,239	20,313	11,421	59,974	(3,951)	56,023
Segment income (loss)	(381)	3,226	670	3,516	29	3,545

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