

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 10, 2021

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange 1st Section

Code number: 7966

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Scheduled date for ordinary general meeting of shareholders: June 21, 2021

Scheduled date for starting dividend payments: June 4, 2021

Scheduled date for filing annual securities report: June 21, 2021

Supplemental material on annual results: Yes

Presentation on annual results: None

(Amounts less than one million yen are omitted)

1. CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2021

(from April 1, 2020 to March 31, 2021)

(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, 2021	235,902	(2.0)	17,030	10.3	16,770	15.8	11,407	18.6
FY ended March 31, 2020	240,727	(4.1)	15,440	(14.1)	14,484	(19.5)	9,620	(25.6)

(Note) Comprehensive income: FY Ended March 31, 2021: 10,619 million yen, up 38.8%

FY Ended March 31, 2020: 7,649 million yen, down 14.6%

	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, 2021	157.81	157.69	5.9	6.0	7.2
FY ended March 31, 2020	133.20	133.05	5.0	5.1	6.4

(Reference) Equity in net income of affiliates: FY ended March 31, 2021: — million yen FY ended March 31, 2020: — 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, 2021	280,262	197,350	70.2	2,722.89
As of March 31, 2020	278,972	192,298	68.7	2,653.80

(Reference) Shareholders' equity: As of March 31, 2021: 196,847 million yen As of March 31, 2020: 191,732 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, 2021	28,824	(8,612)	(14,129)	57,636
FY ended March 31, 2020	18,501	(13,818)	(10,284)	52,260

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, 2020	—	39.00	—	39.00	78.00	5,634	58.6	3.0
FY ended March 31, 2021	—	39.00	—	39.00	78.00	5,638	49.4	2.9
FY ending March 31, 2022 (forecasts)	—	39.00	—	39.00	78.00		45.1	

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2022 (from April 1, 2021 to March 31, 2022)

(% represents year-on-year changes)

	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	—	17,500	—	17,500	—	12,500	—	172.90

(Note) As the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) is applied from the beginning of the fiscal year ending March 31, 2022, the above forecasts of consolidated business results show figures after said accounting standard is applied and year-on-year changes are not indicated.

* 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, 2021	76,630,740	FY Ended March 31, 2020	76,600,940
(b)	FY Ended March 31, 2021	4,336,994	FY Ended March 31, 2020	4,352,574
(c)	FY Ended March 31, 2021	72,283,334	FY Ended March 31, 2020	72,230,793

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	158,024	(1.1)	9,894	10.4	17,815	36.6	14,636	40.5
FY ended March 31, 2020	159,837	(5.2)	8,959	(4.2)	13,046	(31.1)	10,420	(32.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY ended March 31, 2021	202.49		202.33	
FY ended March 31, 2020	144.27		144.11	

(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, 2021	248,023		178,512		71.9		2,467.89	
As of March 31, 2020	240,537		169,023		70.2		2,337.71	

(Reference) Shareholders' equity: As of March 31, 2021: 178,413 million yen
As of March 31, 2020: 168,895 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.
- Supplemental material will be posted on our website (<https://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 remained extremely challenging, affected greatly by the spread of the COVID-19 infection and the US-China trade friction. In the second half of the fiscal year, however, there were signs of an improvement. Meanwhile, although the Japanese economy followed a recovery trend from the beginning of fall, supported by imports to China and the United States and consumer spending, overall economic conditions were very severe both in home and abroad.

In this business environment, sales of semiconductors and electronic components-related products remained strong, driven by robust demand. On the other hand, demand for other products remained generally sluggish due to the impact of the COVID-19 pandemic, which was partially offset by a recovery in demand in the third quarter.

Consequently, the Group posted net sales of 235,902 million yen (down 2.0% year on year), operating income of 17,030 million yen (up 10.3% year on year), ordinary income of 16,770 million yen (up 15.8% year on year), and profit attributable to owners of parent of 11,407 million yen (up 18.6% year on year) during the period.

The outline by segment was as follows:

[Printing and Industrial Materials Products]

	Previous consolidated fiscal year	Current consolidated fiscal year	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 122,436	Millions of yen 115,745	Millions of yen (6,691)	% (5.5)
Printing & Variable Information Products Operations	86,819	85,048	(1,770)	(2.0)
Industrial & Material Operations	35,617	30,696	(4,920)	(13.8)
Operating income	928	(239)	(1,168)	-

In this segment, net sales were 115,745 million yen (down 5.5% year on year) and operating loss was 239 million yen. Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

In adhesive products for seals and labels, domestic sales remained weak due to the decline in demand for labels used in medical and pharmaceutical fields and cosmetics and toiletry fields, despite solid sales of products for food and on-line sales business. In overseas markets, sales in the United States were solid, while sales in China and ASEAN were sluggish. As a result, sales in this operation were 85,048 million yen (down 2.0% year on year).

(Industrial & Material Operations)

Sales of motorcycle- and automobile-use adhesive products fell significantly, as did sales of window films, reflecting the poor sales results in the first half of the year, partially offset by a recovery in demand in the third quarter. In addition, demand for films related to decorative applications was sluggish primarily due to the cancellation or postponement of various types of events. As a result, sales in this operation were 30,696 million yen (down 13.8% year on year).

[Electronic and Optical Products]

	Previous consolidated fiscal year	Current consolidated fiscal year	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 81,929	Millions of yen 88,976	Millions of yen 7,046	% 8.6
Advanced Materials Operations	47,654	55,294	7,639	16.0
Optical Products Operations	34,274	33,681	(593)	(1.7)
Operating income	10,981	14,435	3,454	31.5

In this segment, net sales were 88,976 million yen (up 8.6% year on year) and operating income was 14,435 million yen (up 31.5% year on year). Sales by operation of this segment were as follows:

(Advanced Materials Operations)

With an increase in demand for 5G-related applications, personal computers and smartphones, 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 55,294 million yen (up 16.0% year on year).

(Optical Products Operations)

Sales of optical display-related adhesive products remained at levels on par with the levels of the previous year, attributable to a recovery in sales of products for large-screen TV units and smartphones in the third quarter, which was offset by the significant impact from the sluggish demand in the first half. As a result, sales in this operation were 33,681 million yen (down 1.7% year on year).

[Paper and Converted Products]

	Previous consolidated fiscal year	Current consolidated fiscal year	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	36,361	31,181	(5,179)	(14.2)
Fine & Specialty Paper Products Operations	16,744	14,442	(2,301)	(13.7)
Converted Products Operations	19,616	16,738	(2,878)	(14.7)
Operating income	3,502	2,740	(762)	(21.8)

In this segment, net sales were 31,181 million yen (down 14.2% year on year), and operating income was 2,740 million yen (down 21.8% year on year). Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Sales of mainstay color papers for envelopes, along with colored construction papers and oil- and water-resistant papers remained sluggish in general, reflecting weak demand. As a result, sales in this operation were 14,442 million yen (down 13.7% year on year).

(Converted Products Operations)

There was a recovery in demand during the third quarter for casting papers for synthetic leather used by auto manufacturers. Meanwhile there was a significant decline in sales, largely reflecting weak demand for casting papers for carbon fiber composite materials used by aircraft manufacturers, and for release papers for general-use adhesive products. As a result, sales in this operation were 16,738 million yen (down 14.7% year on year).

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

(Assets)

Total assets at this consolidated fiscal year end were 280,262 million yen, a year-on-year increase of 1,290 million yen.

Main factors of the change were as follows:

- Increase in "Cash and deposits"	+ 4,633 million yen
- Increase in "Trade notes and accounts receivable"	+ 1,740 million yen
- Decrease in "Inventories"	- 2,001 million yen
- Decrease in "Goodwill"	- 4,368 million yen

(Liabilities)

Total liabilities at this consolidated fiscal year end were 82,912 million yen, a year-on-year decrease of 3,761 million yen.

Main factors of the change were as follows:

- Increase in "Trade notes and accounts payable"	+ 3,369 million yen
- Decrease in "Current portion of long-term loans payable"	- 8,022 million yen

(Net Assets)

Net assets at this consolidated fiscal year end were 197,350 million yen, a year-on-year increase of 5,052 million yen.

Main factors of the change were as follows:

- Increase in "Retained earnings"	+ 5,770 million yen
- Decrease in "Foreign currency translation adjustments"	- 2,645 million yen
- Increase in "Remeasurements of defined benefit plans"	+ 1,472 million yen

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

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)	Increase (decrease)
Cash flows from operating activities	18,501	28,824	10,323
Cash flows from investing activities	(13,818)	(8,612)	5,205
Cash flows from financing activities	(10,284)	(14,129)	(3,844)
Effect of exchange rate change on cash and cash equivalents	(441)	(706)	(265)
Net increase (decrease) in cash and cash equivalents	(6,043)	5,375	11,418
Cash and cash equivalents at beginning of year	58,303	52,260	(6,042)
Increase in cash and cash equivalents from newly consolidated subsidiary	0	—	(0)
Cash and cash equivalents at end of year	52,260	57,636	5,375

Cash and cash equivalents at this consolidated fiscal year end were 57,636 million yen, a year-on-year increase of 5,375 million yen. Cash flows in the fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities increased 10,323 million yen year on year, to a cash inflow of 28,824 million yen. The principal movements were as follows:

- Increase in “Profit before income taxes”	+ 2,696 million yen
- Decrease in “Trade notes and accounts receivable”	– 8,411 million yen
- Increase in “Inventories”	+ 1,242 million yen
- Increase in “Trade notes and accounts payable”	+ 15,357 million yen

(Cash flows from investing activities)

Cash flows from investing activities increased 5,205 million yen year on year, to a cash outflow of 8,612 million yen. The principal movements were as follows:

- Increase in “Proceeds from withdrawal of time deposits”	+ 1,846 million yen
- Increase in “Purchase of property, plant and equipment”	+ 3,446 million yen

(Cash flows from financing activities)

Cash flows from financing activities decreased 3,844 million yen year on year, to a cash outflow of 14,129 million yen. The principal movements were as follows:

- Increase in “Proceeds from long-term loans payable”	+ 1,350 million yen
- Decrease in “Repayments of long-term loans payable”	– 6,119 million yen

(4) Outlook

The Lintec Group has developed its long-term vision, Lintec Sustainability Vision 2030 (LSV 2030), with the fiscal year ending March 31, 2030 as its final year. It launched a new three-year medium-term business plan, entitled, “LSV 2030 – Stage 1,” which covers the three years from April 2021 to March 2024, and is formulated as a milestone on the road to achieving its long-term vision. The basic concept of the long-term vision is to contribute to society broadly and continually by creating and developing new products and business fields while making the most of the unique technological capabilities the Group has acquired, while steadily working to solve various social issues, for instance by addressing global environmental issues. Based on this vision, the Lintec Group will work proactively on each key initiative from a sustainability perspective. In the fiscal year ending March 31, 2022, although there is concern about the effects of COVID-19 and the US-China conflict, the global economy is likely to recover gradually, attributable mainly to progress in vaccination and economic stimulus packages taken in countries around the world.

In this business environment, the Company has developed consolidated business results forecasts for the fiscal year ending March 31, 2022, as follows. The forecasts are based on the assumption of foreign exchange rates at 105 yen per U.S. dollar, 0.0900 yen per Korean won, 16.0 yen per Chinese yuan and 3.7 yen per Taiwan dollar.

Net sales	240.0 billion yen
Operating income	17.5 billion yen
Ordinary income	17.5 billion yen
Profit attributable to owners of parent	12.5 billion yen

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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	57,190	61,823
Trade notes and accounts receivable	62,896	64,636
Inventories	40,434	38,432
Other	3,222	5,249
Allowance for doubtful accounts	(82)	(45)
Total current assets	163,660	170,098
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	35,965	35,235
Machinery, equipment and vehicles (net)	26,822	28,382
Land	11,238	11,327
Construction in progress	2,708	1,398
Other (net)	3,747	3,463
Property, plant and equipment	80,481	79,807
Intangible assets		
Goodwill	21,350	16,981
Other	2,177	2,004
Intangible assets	23,527	18,986
Investments and other assets		
Investment securities	1,805	2,447
Deferred tax assets	7,562	6,876
Net defined benefit asset	4	1
Other	2,037	2,162
Allowance for doubtful accounts	(108)	(116)
Total investments and other assets	11,302	11,371
Total non-current assets	115,311	110,164
Total assets	278,972	280,262

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Trade notes and accounts payable	41,465	44,835
Short-term loans payable	1,580	1,516
Current portion of long-term loans payable	9,240	1,217
Accrued income taxes	2,638	3,414
Provision for directors' bonuses	59	53
Other	11,135	12,467
Total current liabilities	66,119	63,506
Non-current liabilities		
Long-term loans payable	2,285	2,546
Provision for environmental measures	111	111
Net defined benefit liability	16,378	15,431
Other	1,779	1,317
Total non-current liabilities	20,554	19,406
Total liabilities	86,674	82,912
Net Assets		
Shareholders' equity		
Common stock	23,249	23,285
Capital surplus	26,870	26,907
Retained earnings	149,471	155,241
Treasury stock	(7,610)	(7,583)
Total shareholders' equity	191,981	197,850
Accumulated other comprehensive income		
Net unrealized holding gain on securities	(36)	382
Foreign currency translation adjustments	4,193	1,547
Remeasurements of defined benefit plans	(4,405)	(2,932)
Total accumulated other comprehensive income	(248)	(1,002)
Share subscription rights	128	99
Non-controlling interests	437	403
Total net assets	192,298	197,350
Total liabilities and net assets	278,972	280,262

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

	(Millions of yen)	
	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Net sales	240,727	235,902
Cost of sales	182,287	177,673
Gross profit	58,440	58,228
Selling, general and administrative expenses	42,999	41,198
Operating income	15,440	17,030
Non-operating income		
Interest income	300	167
Dividends income	52	49
Rent income	19	21
Gain on sales of noncurrent assets	14	17
Insurance income	22	49
Subsidy income	-	115
Other income	292	300
Total non-operating income	701	721
Non-operating expenses		
Interest expenses	178	149
Loss on sales of noncurrent assets	0	16
Loss on retirement of noncurrent assets	937	367
Compensation expenses	144	36
Foreign exchange losses	200	249
Other expenses	194	161
Total non-operating expenses	1,656	981
Ordinary income	14,484	16,770
Extraordinary gain		
Gain on sales of investment securities	-	35
Total extraordinary gain	-	35
Extraordinary loss		
Impairment loss	545	171
Total extraordinary losses	545	171
Profit before income taxes	13,939	16,635
Income taxes	4,528	5,430
Deferred income taxes	(162)	(173)
Total income taxes	4,366	5,257
Profit	9,573	11,378
Profit (loss) attributable to non-controlling interests	(47)	(29)
Profit attributable to owners of parent	9,620	11,407

Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Profit	9,573	11,378
Other comprehensive income		
Net unrealized holding gain / loss on securities	(327)	418
Foreign currency translation adjustments	(986)	(2,647)
Remeasurements of defined benefit plans	(609)	1,469
Total other comprehensive income / (loss)	(1,923)	(758)
Comprehensive income	7,649	10,619
(Comprehensive income attributable to)		
Owners of parent	7,699	10,653
Non-controlling interests	(50)	(34)

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,220	26,842	145,484	(7,642)	187,904
Changes during current term					
Issuance of new shares	28	28			57
Cash dividends			(5,633)		(5,633)
Profit attributable to owners of parent			9,620		9,620
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		(0)		33	32
Change of scope of consolidation			(0)		(0)
Net changes in items other than shareholders' equity during current term					
Total change during current term	28	28	3,987	32	4,076
Balance at end of current term	23,249	26,870	149,471	(7,610)	191,981

	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	291	5,178	(3,796)	1,672	160	488	190,226
Changes during current term							
Issuance of new shares							57
Cash dividends							(5,633)
Profit attributable to owners of parent							9,620
Purchase of treasury stock							(1)
Disposal of treasury stock							32
Change of scope of consolidation							(0)
Net changes in items other than shareholders' equity during current term	(327)	(985)	(608)	(1,921)	(32)	(50)	(2,004)
Total change during current term	(327)	(985)	(608)	(1,921)	(32)	(50)	2,071
Balance at end of current term	(36)	4,193	(4,405)	(248)	128	437	192,298

Current consolidated fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,249	26,870	149,471	(7,610)	191,981
Changes during current term					
Issuance of new shares	35	35			71
Cash dividends			(5,637)		(5,637)
Profit attributable to owners of parent			11,407		11,407
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		0		28	28
Change of scope of consolidation					—
Net changes in items other than shareholders' equity during current term					
Total change during current term	35	36	5,770	26	5,869
Balance at end of current term	23,285	26,907	155,241	(7,583)	197,850

	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	(36)	4,193	(4,405)	(248)	128	437	192,298
Changes during current term							
Issuance of new shares							71
Cash dividends							(5,637)
Profit attributable to owners of parent							11,407
Purchase of treasury stock							(1)
Disposal of treasury stock							28
Change of scope of consolidation							—
Net changes in items other than shareholders' equity during current term	418	(2,645)	1,472	(753)	(28)	(34)	(816)
Total change during current term	418	(2,645)	1,472	(753)	(28)	(34)	5,052
Balance at end of current term	382	1,547	(2,932)	(1,002)	99	403	197,350

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	13,939	16,635
Depreciation	9,491	9,361
Amortization of goodwill	3,264	3,110
Increase (decrease) in net defined benefit liability	114	507
Increase (decrease) in allowance for doubtful accounts	9	(26)
Interest and dividend income	(352)	(216)
Interest expense	178	149
Loss (gain) on sales of property, plant and equipment	(13)	(1)
Loss on retirement of property, plant and equipment	229	103
Decrease (increase) in trade notes and accounts receivable	6,385	(2,025)
Decrease (increase) in inventories	224	1,467
Increase (decrease) in trade notes and accounts payable	(11,325)	4,031
Loss (gain) on sales of investment securities	(4)	(35)
Increase (decrease) in provision for environmental measures	(1)	-
Subsidy income	-	(115)
Impairment loss	545	171
Other	7	189
Subtotal	22,691	33,307
Interest and dividend income received	371	224
Interest expenses paid	(196)	(163)
Proceeds from subsidy income	-	115
Income taxes (paid) refund	(4,364)	(4,659)
Cash flows from operating activities	18,501	28,824

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	(10,139)	(10,016)
Proceeds from withdrawal of time deposits	8,913	10,759
Purchase of property, plant and equipment	(12,443)	(8,997)
Proceeds from sales of property, plant and equipment	86	27
Purchase of intangible assets	(158)	(451)
Purchase of investment securities	(66)	(54)
Proceeds from sales of investment securities	10	52
Payments of loans receivable	(3)	(5)
Collection of loans receivable	20	10
Other	(37)	63
Cash flows from investing activities	(13,818)	(8,612)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(920)	–
Proceeds from long-term loans payable	–	1,350
Repayments of long-term loans payable	(3,021)	(9,141)
Cash dividends paid	(5,632)	(5,632)
Purchase of treasury stock	(1)	(1)
Repayment of lease obligation	(708)	(704)
Other	0	0
Cash flows from financing activities	(10,284)	(14,129)
Effect of exchange rate changes on cash and cash equivalents	(441)	(706)
Net Increase (decrease) in cash and cash equivalents	(6,043)	5,375
Cash and cash equivalents at beginning of year	58,303	52,260
Increase in cash and cash equivalents from newly consolidated subsidiary	0	–
Cash and cash equivalents at end of year	52,260	57,636

(5) Notes to Consolidated Financial Statements

(Notes on going concern)

Not applicable.

(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, 2019 to March 31, 2020)

(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	122,436	81,929	36,361	240,727	–	240,727
Intra-segments sales and transfers	58	41	16,699	16,799	(16,799)	–
Total	122,494	81,971	53,060	257,527	(16,799)	240,727
Segment income	928	10,981	3,502	15,412	27	15,440
Others						
Depreciation and amortization (Note 3)	4,056	3,445	1,989	9,491	–	9,491
Amortization of goodwill (Note 3)	3,264	–	–	3,264	–	3,264

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, 2020 to March 31, 2021)

(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	115,745	88,976	31,181	235,902	–	235,902
Intra-segments sales and transfers	59	41	15,967	16,068	(16,068)	–
Total	115,804	89,017	47,148	251,970	(16,068)	235,902
Segment income	(239)	14,435	2,740	16,936	94	17,030
Others						
Depreciation and amortization (Note 3)	3,930	3,487	1,942	9,361	–	9,361
Amortization of goodwill (Note 3)	3,110	–	–	3,110	–	3,110

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, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Net assets per share	Yen 2,653.80	Yen 2,722.89
Net income per share	133.20	157.81
Diluted net income per share	133.05	157.69

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

Item	Previous consolidated fiscal year (FY ended March 31, 2020)	Current consolidated fiscal year (FY ended March 31, 2021)
Net income per share		
Profit attributable to owners of parent (million yen)	9,620	11,407
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	9,620	11,407
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	72,230	72,283
Diluted net income per share		
Diluted profit attributable to owners of parent (million yen)	-	-
Increase in common stock (thousand shares)	79	56
(Share warrant) (thousand shares)	(79)	(56)
Outline of dilutive shares not included in diluted net income per share since they have no dilutive effect	-	

(Note) 2. Calculation basis for net assets per share

Item	Previous consolidated fiscal year (As of March 31, 2020)	Current consolidated fiscal year (As of March 31, 2021)
Total net assets in the consolidated balance sheet (million yen)	192,298	197,350
Amount deducted from total net assets (million yen)	565	502
(Share warrant) (million yen)	(128)	(99)
(Non-controlling interests) (million yen)	(437)	(403)
Term-end net assets per common share (million yen)	191,732	196,847
Number of common stocks used in calculating net assets per share (thousand shares)	72,248	72,293

(Significant events after closing of the year)

(Business combination through acquisition)

Lintec Corporation announced today the results of talks with investors in Duramark Products, Inc. (headquartered in South Carolina, USA; hereinafter “Duramark”) regarding the Lintec Group acquiring all shares of Duramark, a manufacturer and distributor of various adhesive products. At the board of Directors meeting held on April 1, 2021, the board of directors passed a resolution to acquire all shares of Duramark and decided to carry out a transfer agreement with Duramark’s investors on April 1, 2021 (US time). The shares will be acquired through Morgan Adhesives Company, LLC, headquartered in Ohio, USA. Morgan Adhesives Company, LLC is a wholly owned subsidiary of Mactac Americas, LLC (hereinafter “Mactac,” also headquartered in Ohio, USA), which is a wholly owned subsidiary of Lintec USA Holding, Inc.*

* Lintec USA Holding, Inc. is a wholly owned subsidiary of Lintec.

(1) Name and description of the business of the acquired company

Name Duramark Products, Inc.

(Note) The company name has been changed to Mactac, Inc. on April 8, 2021.

Business description Manufacture and sale of adhesive papers and films for labels, graphic films, etc.

(2) Main reason for making a business combination

The Lintec Group has been moving forward with the globalization of its business based on the concept of local production, manufacturing products in locations that are closer to its customers and providing them with a stable supply. Notably, in North America, in December 2016 the Group acquired Mactac, a manufacturer and distributor of adhesive papers and films for labels, and graphic films, thereby strengthening and expanding its Printing & Variable Information Products Operations and Industrial & Material Operations, which are the Group’s core businesses.

Duramark’s business operations span adhesive papers and films for labels, and graphic films, mainly provided to customers in North America. The acquisition provides immediate access to production equipment that Mactac requires to increase the production capacity of adhesive papers and films for labels, its main products. In addition, the introduction of the Duramark-owned integrated production system for graphic films, as well as in-house production, will greatly help to acquire new commercial rights and expand sales. Lintec plans to strengthen and expand its business not only in North America but also in Japan and other regions.

(3) Date of business combination

April 1, 2021 (local time)

(4) Legal form of business combination

Stock acquisition

(5) Percentage of voting rights acquired

100%

(6) Main grounds for determining acquiring company

The Company decided to acquire 100% voting rights of Duramark through the cash acquisition of its shares. It was made through Morgan Adhesives Company, LLC, a subsidiary of Mactac which is the Company’s subsidiary in the United States.