

# **Overview of Long-term Vision**

## **LSV 2030 and**

### **New Medium-term Business Plan**

#### **LSV 2030 - Stage 1**

**May 19, 2021**  
**LINTEC Corporation**

# Long-term Vision

Name : 「LINTEC SUSTAINABILITY VISION 2030」 (Abbreviation: LSV 2030)

## Basic Policy

Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth

## Key Initiatives

1. Solve social issues
2. Foster innovation to build a robust corporate structure
3. Create new products and businesses to deliver sustainable growth

2030

2021

## Financial indicators for the FY2030

Operating profit margin : 12% or more  
ROE (Return on Equity) : 10% or more



Medium-term Business Plan  
LSV 2030 - Stage 1

(April 2021 to March 2024)

Medium-term Business Plan  
LSV 2030 - Stage 2

(April 2024 to March 2027)

Medium-term Business Plan  
LSV 2030 - Stage 3

(April 2027 to March 2030)

## 1. Solve social issues

 **Environment**

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 **Society**

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 **Governance**

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 **SDGs**

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## Environment

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### ● Help to shape a carbon-free world

- Reduce CO<sub>2</sub> emissions  
(the goal is to achieve a greater than 50% reduction by 2030 compared with FY2013)

### ● Help to shape a recycling-oriented world

- Expand the recyclable products line (e.g. construction of recycling system for release papers)
- Reduce water consumption and ensure compliance with waste water quality standards

### ● Comply with the PRTR Act

- Reduce emissions of volatile organic compounds (VOCs), aiming to achieve zero emissions by 2030

### ● Biodiversity preservation initiatives

## **Society**

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- **Respect human rights**
- **Provide proper information disclosure to stakeholders**
- **Promote work-style reform initiatives**
- **Promote the quality-first and customer-first approaches**



## Governance

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- **Strengthen corporate governance**
- **Further increase effectiveness of the Board of Directors**
- **Ensure the timely disclosure of corporate information and the transparency of the management**
- **Engage in constructive dialogue with shareholders and investors**

# 「LSV 2030」 Key Initiatives : Solve social issues



## SDGs

- **Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)**

- Our goal is to further accelerate initiatives all across the group, striving to grow as a corporate group capable of providing solutions to issues of the international community

# SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE  
DEVELOPMENT GOALS



## 2. Foster innovation to build a robust corporate structure

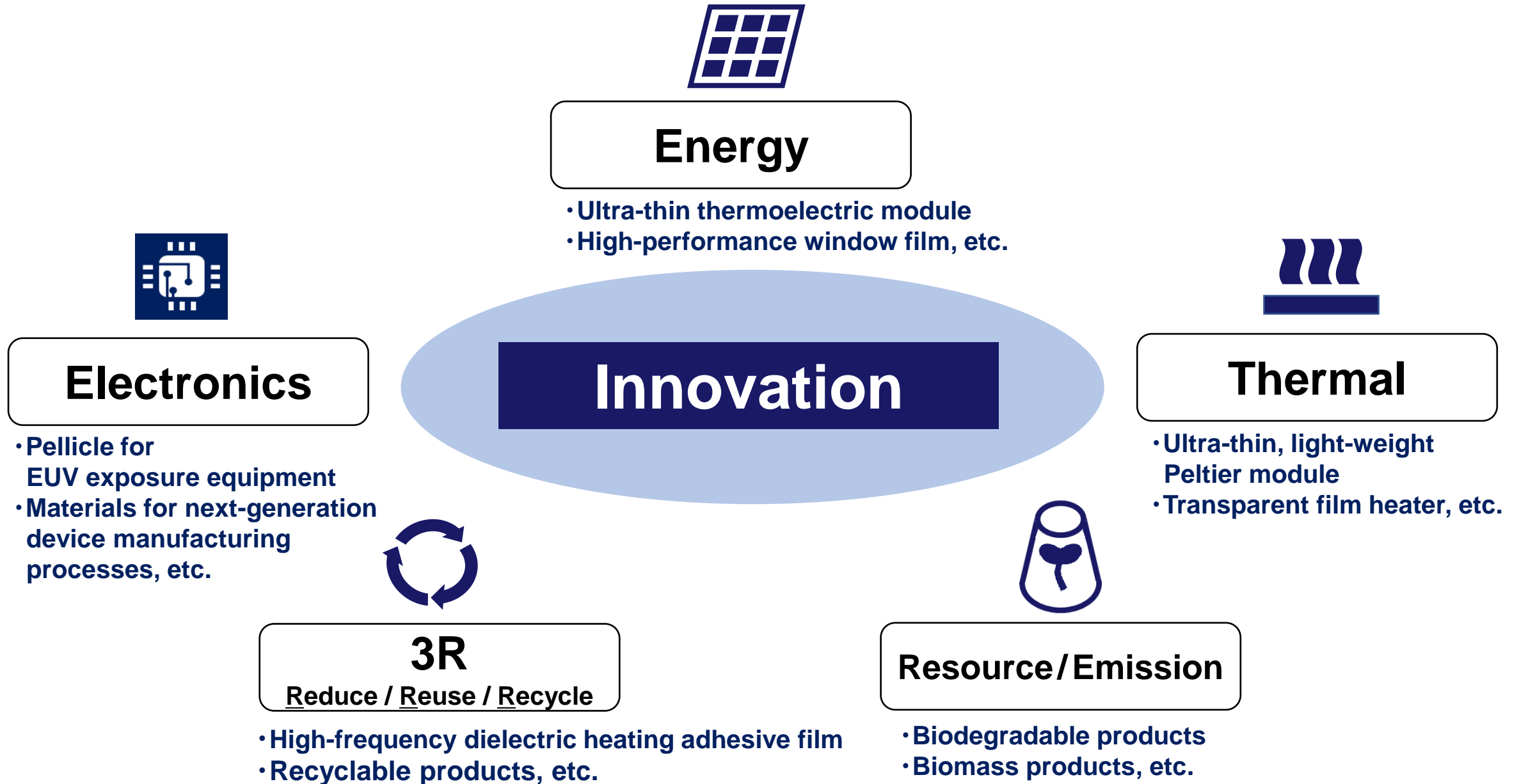
- Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)
- Install new production equipment through scrap and build, with the aim to conserve energy, raise quality, increase efficiency, and reduce labor
- Strengthen cost competitiveness with innovation in production processes
- Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies
- Maintain a solid financial base and improve capital efficiency



## **3 . Create new products and businesses to deliver sustainable growth**

- **Create new products and businesses driven by technological innovation**
- **Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)**
- **Move aggressively to win a greater presence in the global market**
- **Establish localization**

# 「LSV2030」 Key Initiatives : Create new products and businesses to deliver sustainable growth



# New Medium-term Business Plan

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Name : 「LSV 2030 - Stage1」

Management targets for the FY2024 / 3 (final year)

● Net Sales	255 billion yen
● Operating Income	21 billion yen
● Profit Attributable to Owners of Parent	14 billion yen
● Operating Profit Margin	8% or more
● ROE (Return on Equity)	7% or more

\*Exchange rates

JPY/USD 105.00    JPY/EUR 125.00

JPY/KRW 0.090    JPY/CNY 16.00    JPY/TWD 3.70

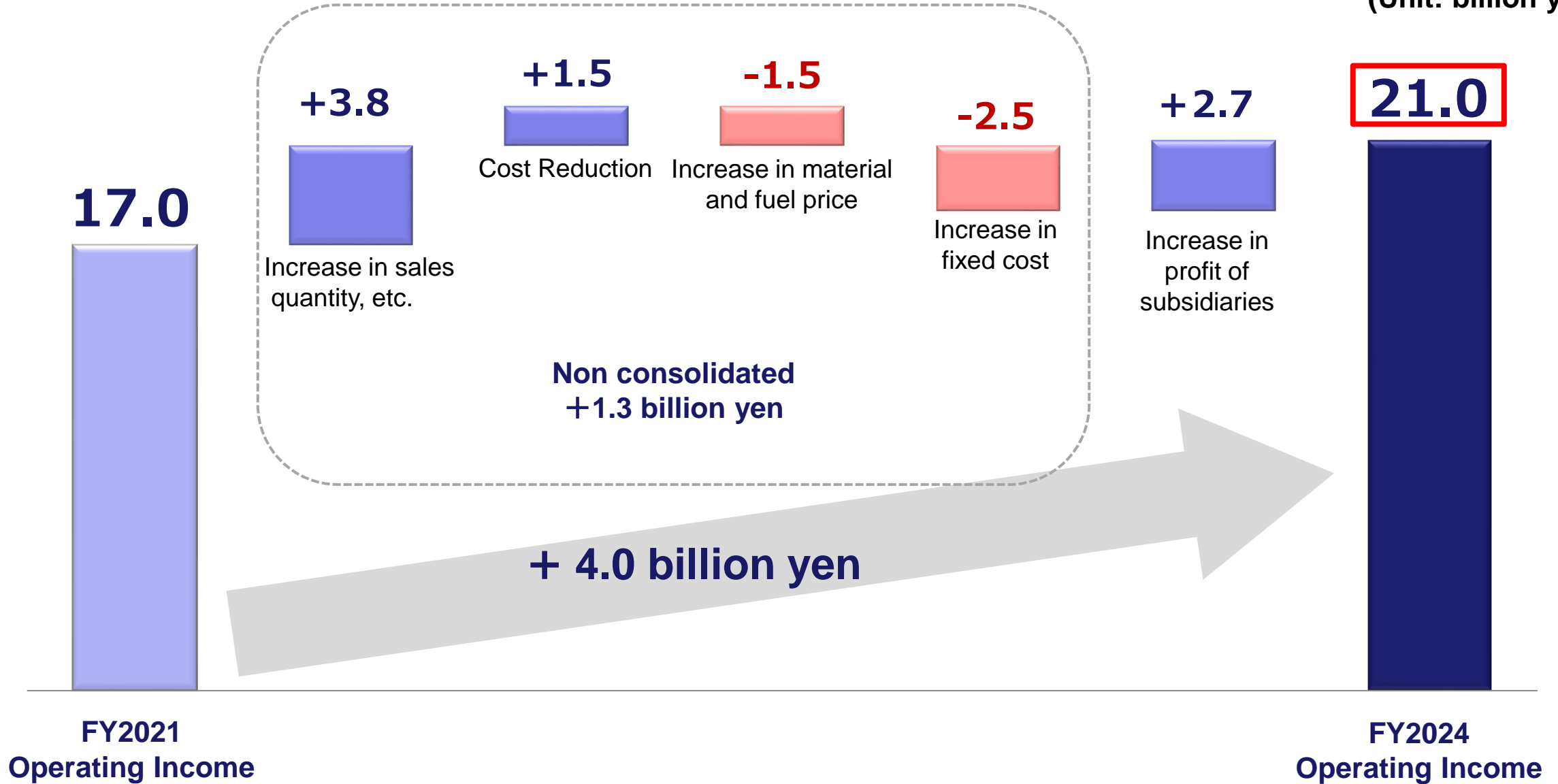
# 「LSV 2030 - Stage 1」 Management targets / Net sales and Operating Income

(Unit: billion yen)



# 「LSV 2030 - Stage 1」 Management targets / Factors for Increases or Decreases of Operating Income

(Unit: billion yen)



# Main Initiatives for Each Business Segment

／ Numerical targets

## Individual themes and measures

- **Expand production bases and strengthen sales capabilities outside Japan, including in the United States and Asia**
  - North America: Reinforce production and marketing capabilities, aided by the acquisition of Duramark
  - Asia: Expand the production capacity of existing manufacturing plants and explore new production sites
  - Untapped geographical areas: Establish new sales bases
- **Synergy with the MACtac Group**
  - Roll out marketing activities for LINTEC products in the United States
  - Increase marketing activities in Japan and Asia for hot melt adhesive products such as labelstock suitable for use in chilled environments
- **Pursue initiatives to ensure harmonious co-existence with the global environment and help build a recycling-oriented world**
  - Expand the lineup of environmentally friendly products (e.g. non-plastic, biomass, biodegradable, verified forest paper products)
- **Develop QCD initiatives and improving earnings capabilities**

# Overview of the acquired company

## ● Duramark Products, Inc.\*

### ■ Registered office :

South Carolina, the United States

### ■ Establishment : 1983

### ■ Number of Employees : 170

(As of the end of December, 2020)

### ■ Business Description : Manufacture and Sales of adhesive papers and films for labels and Graphic films

### ■ Net Sales : US \$ 76 million (FY2020/12)

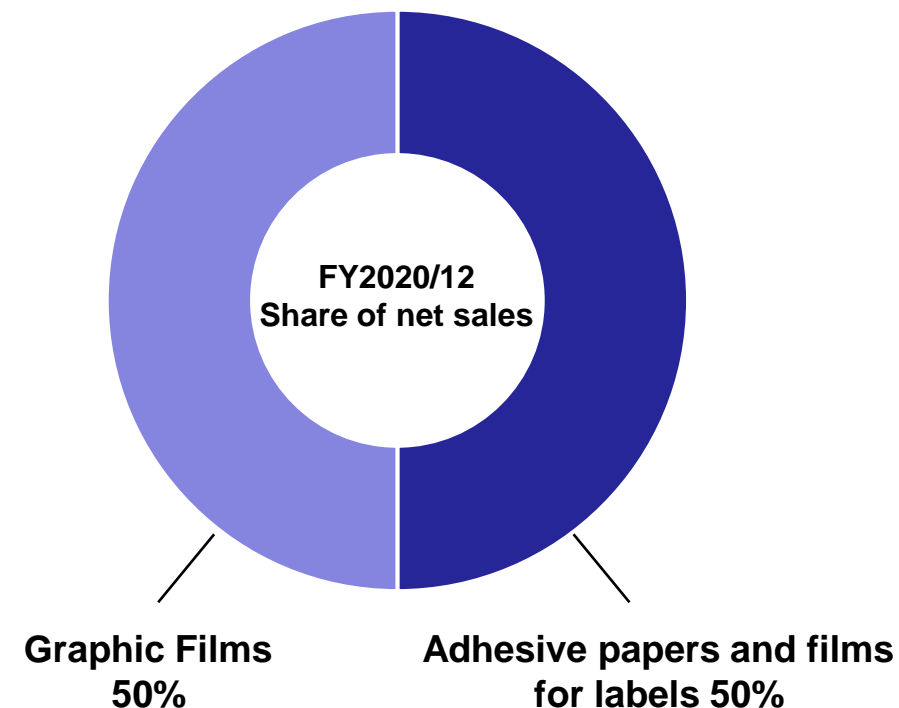
### ■ Operating loss : US \$ 19 million (FY2020/12)

### ■ Acquisition price : approximately US \$ 60 million (share acquisition ratio : 100%)

### ■ Closing date : April 1, 2021

\* The company name has been changed to Mactac, Inc. on April 8, 2021.

- Expanding production capacity of adhesive papers and films for labels
- To expand sales of graphic films





## Individual themes and measures

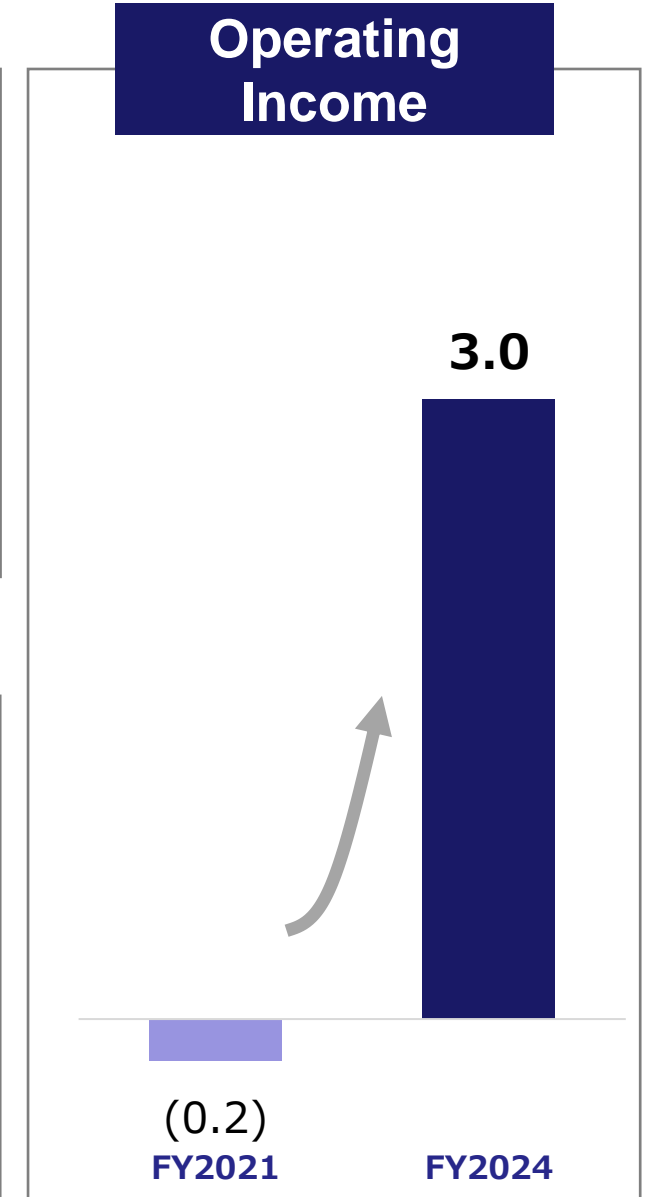
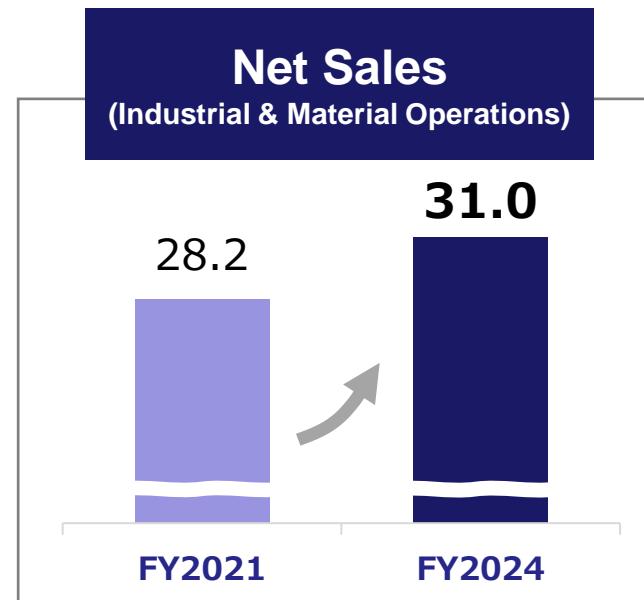
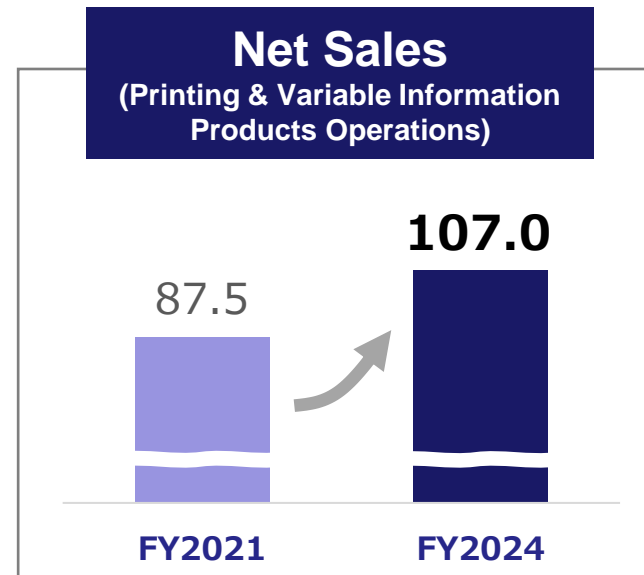
- **Expand sales of window films and expand/develop high-performance products in Japan and overseas**
  - Begin and expand sales of electromagnetic wave transmitting films and light control films
- **Expand sales of automated systems centered on labeling technology**
  - Roll out active marketing activities to automobile-related parts industry
- **New products for automobiles**
  - Develop new adhesive technologies (e.g. high-frequency dielectric heating adhesive films enabling materials with different properties to bond)
- **Develop wall materials using digital printing technology**
  - To expand sales of interior finishing mounting films and glass decorative films

# 「LSV 2030 - Stage 1」 Printing and Industrial Materials Products / Numerical targets

(Unit: billion yen)

	FY2021 results	FY2024 forecasts	Increase (Decrease)
Printing & Variable Information Products Operations	87.5	107.0	19.5 22%
Industrial & Material Operations	28.2	31.0	2.8 10%
<b>Total</b>	<b>115.7</b>	<b>138.0</b>	<b>22.3</b> 19%
<b>Operating Income</b>	<b>(0.2)</b>	<b>3.0</b>	<b>3.2</b> -%

\*From the beginning of the fiscal year ending March 31, 2022, all products related to Industrial & Material Operations at MACtac Americas, LLC are transferred to Printing & Variable Information Products Operations. The results for FY2021 are stated by reclassifying them.



## Individual themes and measures

- **Expand market share of semiconductor and electronic component-related products through aggressive investment**
- **Develop thin-film, high-density, multi-layer products for next-generation device manufacturing processes**
- **Develop adhesive tapes for semiconductor process used in power devices for automobiles and MEMS\***
  - \*MEMS : Micro Electronic Mechanical Systems
- **Commercialize products using carbon nanotube technology**
  - Pellicle for EUV exposure equipment

## Individual themes and measures

- **Develop new adhesives for next-generation displays**
- **Develop and expand sales of new Optical Clear Adhesive (OCA) products**
  - Develop durable OCA for automobiles
  - OCA for environmentally friendly solvent-free ultra-thick films
  - OCA for flexible displays with excellent foldability
- **Enter new markets for light diffusion films**

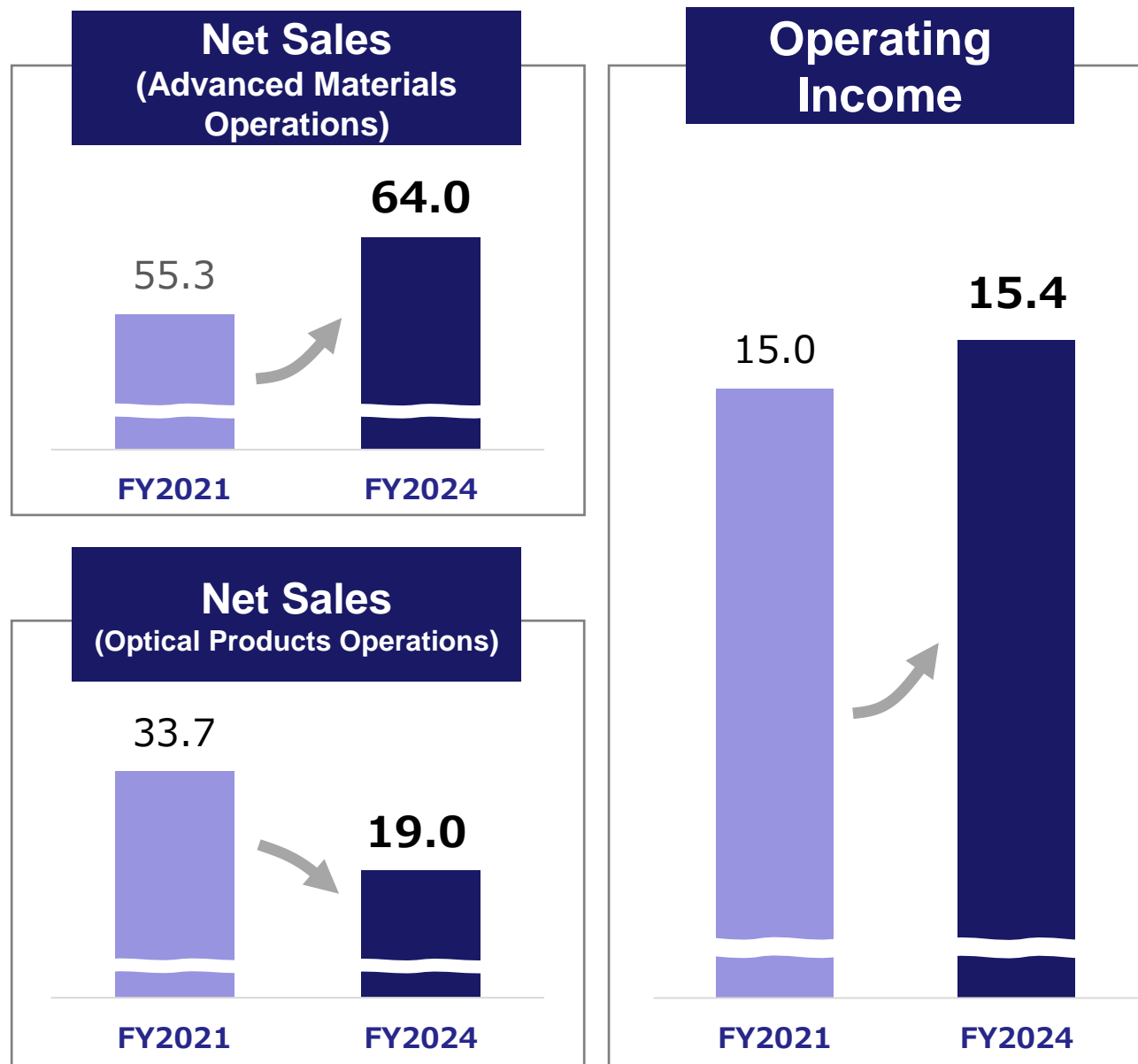
Expansion to digital signage at public facilities

# 「LSV 2030 - Stage 1」 Electronic and Optical Products / Numerical targets

(Unit: billion yen)

	FY2021 results	FY2024 forecasts	Increase (Decrease)
Advanced Materials Operations	55.3	64.0	8.7 16%
Optical Products Operations	33.7	19.0	(14.7) (44%)
<b>Total</b>	<b>89.0</b>	<b>83.0</b>	<b>(6.0)</b> <b>(7%)</b>
<b>Operating Income</b>	<b>15.0</b>	<b>15.4</b>	<b>0.4</b> <b>3%</b>

\*From the beginning of the fiscal year ending March 31, 2022, some products are transferred to Electronic and Optical Products from Paper and Converted Products. The results for FY2021 are stated by reclassifying them.



## Individual themes and measures

- **Develop and expand sales of new products that are plastic-free and reduce food loss**
  - Develop food containers using oil- and water-resistant papers
  - Freshness-keeping papers to keep food fresh, addressing food loss problems
- **New product development and marketing rollout**
  - High transparency papers
  - Biodegradable heat sealing papers
- **Develop new applications by strengthening the competitiveness of existing products**
  - Enhance QCD and increase added value
- **Growth in sales of special function papers in overseas markets**
  - Increase marketing activities in the ASEAN market for special function papers including oil- and water-resistant papers

## Individual themes and measures

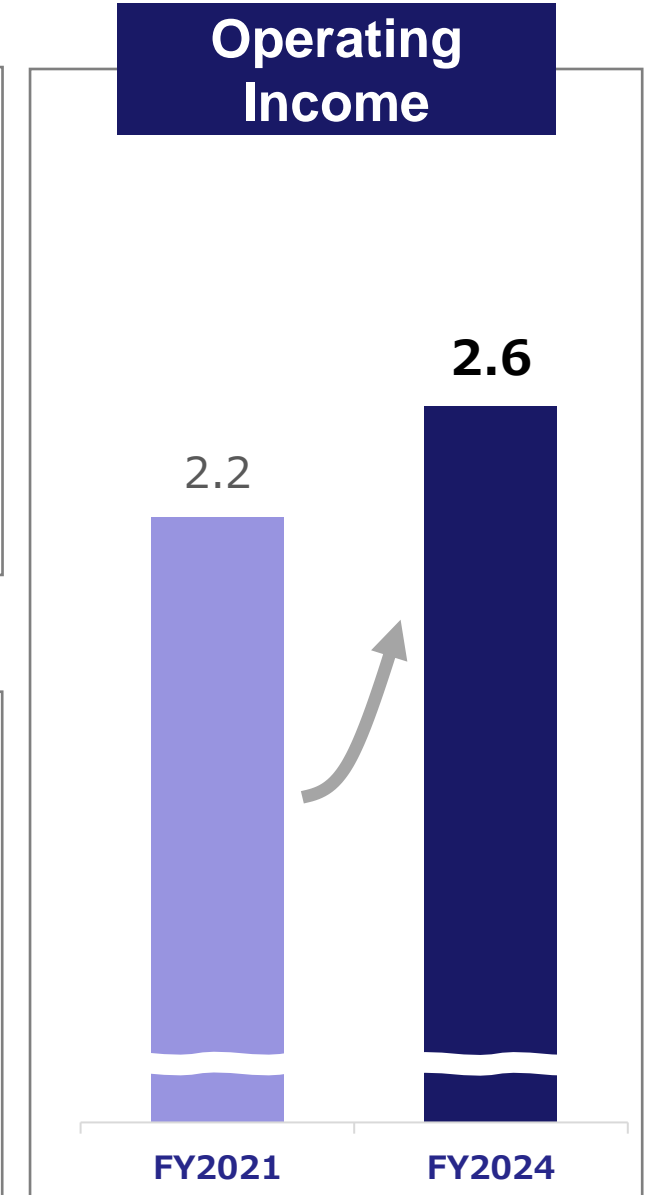
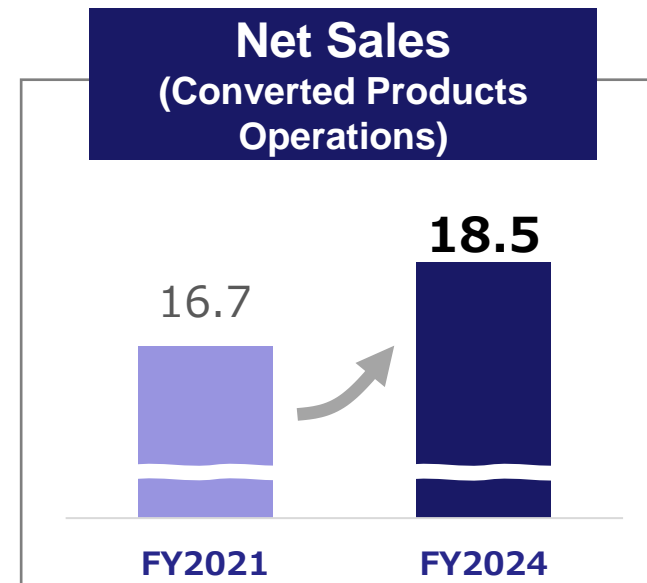
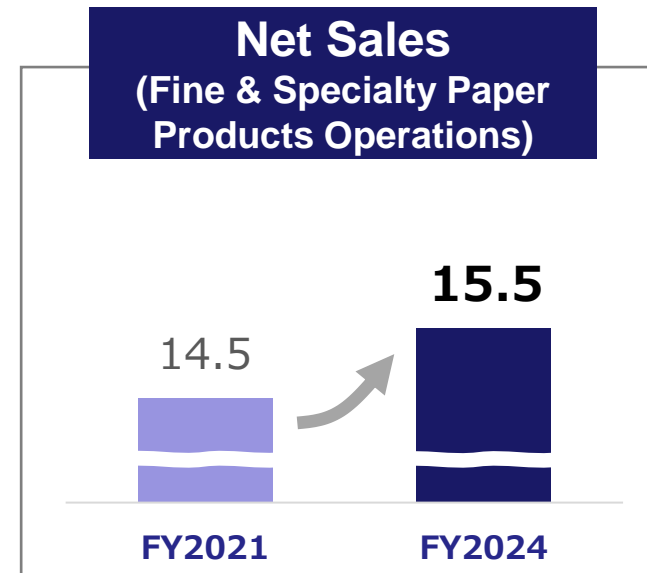
- **Promote solventless and polyethylene-free release paper**
  - Control solvent consumption and VOC emissions
- **Develop and expand sales of casting paper for enamel finish and automotive synthetic leathers**
  - Improve the quality of casting papers for enamel finish synthetic leathers
  - Enhance marketing activities to sell casting papers for synthetic leather used in automobiles to overseas manufacturers
- **New product development and marketing rollout**
  - Develop new casting papers, endowed with special functions such as water resistance, antifouling, abrasion resistance, and skidproof capabilities.

# 「LSV 2030 - Stage 1」 Paper and Converted Products / Numerical targets

(Unit: billion yen)

	FY2021 results	FY2024 forecasts	Increase (Decrease)
Fine and Specialty Paper Products Operations	14.5	15.5	1.0 7%
Converted Products Operations	16.7	18.5	1.8 11%
<b>Total</b>	<b>31.2</b>	<b>34.0</b>	<b>2.8</b> 9%
<b>Operating Income</b>	<b>2.2</b>	<b>2.6</b>	<b>0.4</b> 18%

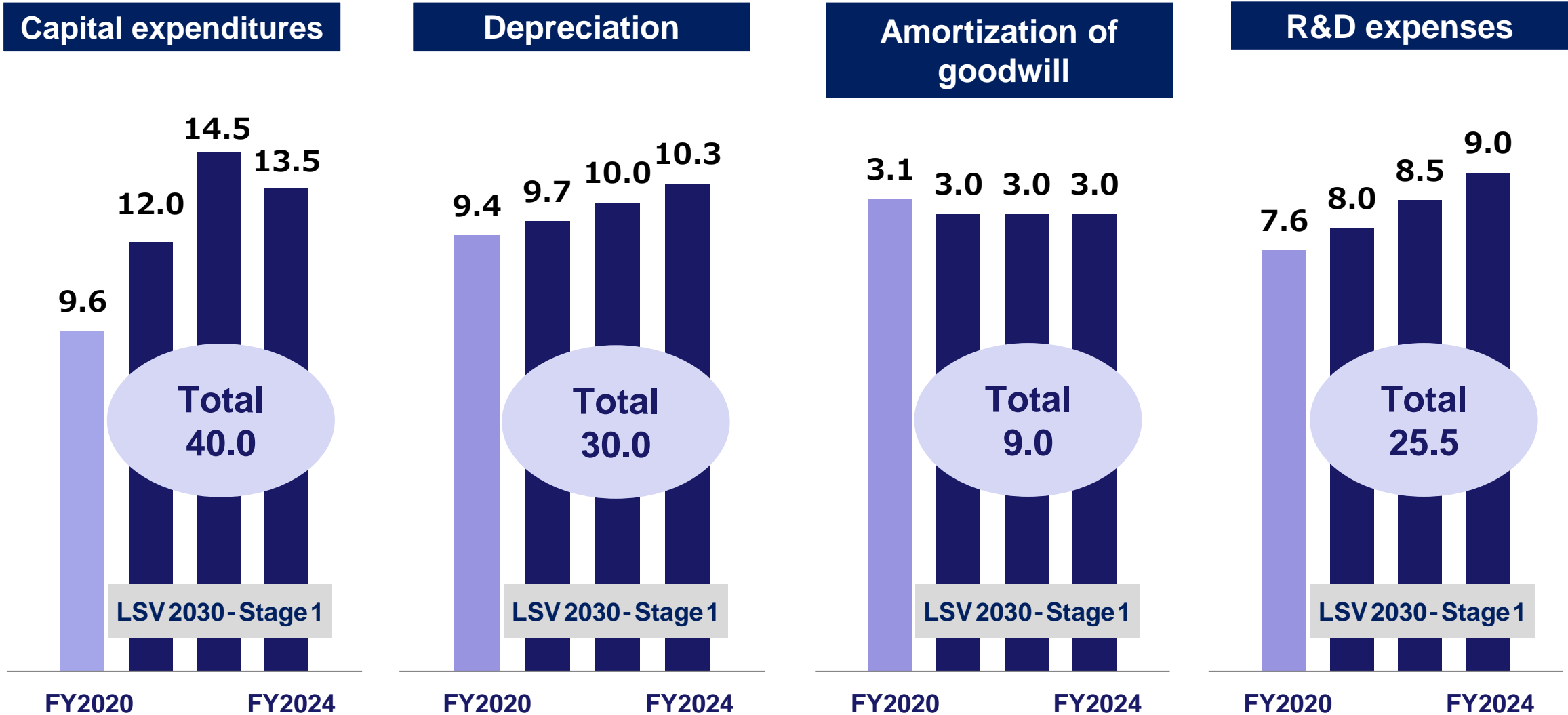
\*From the beginning of the fiscal year ending March 31, 2022, some products are transferred to Electronic and Optical Products from Paper and Converted Products. The results for FY2021 are stated by reclassifying them.





# 「LSV 2030 - Stage 1」 Capital expenditures / Depreciation / Amortization of goodwill / R&D expenses

(Unit: billion yen)



## Cautionary Statement with Respect to Forward-Looking Statements

The plans and forecasts contained herein reflect the Company's assumptions based on the information available at the time of publication, and do not guarantee the accuracy of the information nor guarantee that the forecast figures or policies will be achieved. Please note that actual business results may differ from forecast due to various future factors.

**LINTEC Corporation**