

Consolidated Financial Results for the Six Months Ended September 30, 2021
[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

November 8, 2021

Name of listed company: LINTEC Corporation
Code number: 7966

Stock exchange listing: Tokyo Stock Exchange 1st Section
URL: <https://www.lintec-global.com/>

Representative: Makoto Hattori, President and CEO

For inquiries: Yoichi Shibano, Director, Senior Executive Officer and CFO Phone: +81-3-5248-7713

Scheduled filing date for quarterly report: November 10, 2021

Scheduled date for dividend payments: November 26, 2021

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 SIX MONTHS ENDED SEPTEMBER 30, 2021
(from April 1, 2021 to September 30, 2021)

(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	%
Six Months Ended September 30, 2021	125,640	12.7	11,729	85.4	12,255	97.5	8,792	111.4
Six Months Ended September 30, 2020	111,486	(6.1)	6,324	(9.0)	6,204	(4.4)	4,159	(8.4)

(Note) Comprehensive income: Six Months Ended September 30, 2021: 13,592 million yen, up 438.0%
Six Months Ended September 30, 2020: 2,526 million yen, up 7.8%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Six Months Ended September 30, 2021	121.59	121.51
Six Months Ended September 30, 2020	57.55	57.50

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 dated March 31, 2020), etc. is applied at the beginning of the first quarter of the fiscal year under review. For details, please refer to Attachment (page 8: "Change in Accounting Principles" and page 9: "Segment Information").

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of September 30, 2021	296,693	208,159	70.0
As of March 31, 2021	280,262	197,350	70.2

(Reference) Shareholders' equity: As of September 30, 2021: 207,647 million yen As of March 31, 2021: 196,847 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, 2021	—	39.00	—	39.00	78.00
FY ending March 31, 2022	—	39.00			
FY ending March 31, 2022 (forecast)			—	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, 2022 (from April 1, 2021 to March 31, 2022)

(% represents changes over 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	255,000	—	21,000	—	21,500	—	15,000	—	207.40

(Note) Revision of the latest consolidated results forecast announced: Yes

(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 quarter (changes in status of specified subsidiaries accompanying changes in consolidated range): Yes
Newly consolidated subsidiaries: 1 (Name of company) Mactac, Inc.
Subsidiaries excluded: -
Note) For more details, refer to (3) Notes to Consolidated Quarterly Financial Statements (Changes in Status of Significant Subsidiaries During the Quarter) on page 8 of the attachment.
- (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: Yes
(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)	Six Months Ended September 30, 2021	76,659,440	FY Ended March 31, 2021	76,630,740
(b)	Six Months Ended September 30, 2021	4,334,372	FY Ended March 31, 2021	4,336,994
(c)	Six Months Ended September 30, 2021	72,311,896	Six Months Ended September 30, 2020	72,274,004

*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 Company has revised the full year consolidated business results forecast that was published on May 10, 2021. For details, please see “(3) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results” on page 4 of the Attachment.
- 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】

Contents of Attachment

1. Qualitative Information on Financial Results for the Six Months Ended September 30, 2021	2
(1) Explanation Regarding Results of Operations	2
(2) Explanation Regarding Financial Position	3
(3) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results	4
2. Consolidated Quarterly Financial Statements and Notes	5
(1) Consolidated Quarterly Balance Sheets	5
(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income	7
(3) Notes to Consolidated Quarterly Financial Statements	9
(Notes on Going Concern)	9
(Notes on Significant Changes in the Amount of Total Shareholders' Equity)	9
(Changes in Status of Significant Subsidiaries During the Quarter)	9
(Change in Accounting Principles)	9
(Segment Information, etc.)	10

1. Qualitative Information on Financial Results for the Six Months Ended September 30, 2021

(1) Explanation Regarding Results of Operations

During the second quarter of the fiscal year under review, sales of semiconductors and electronic components-related products remained strong, driven by robust demand. Moreover, sales of other products were generally solid, attributable to a recovery in demand compared to a year ago when the impact of the COVID-19 pandemic was significant.

Consequently, the Group posted net sales of 125,640 million yen (up 12.7% year on year), operating income of 11,729 million yen (up 85.4% year on year), ordinary income of 12,255 million yen (up 97.5% year on year), and profit attributable to owners of parent of 8,792 million yen (up 111.4% year on year) during the period.

Net sales decreased 6,188 million yen, due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29).

The outline by segment was as follows:

[Printing and Industrial Materials Products]

	Previous second quarter	Current second quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 55,238	Millions of yen 64,239	Millions of yen 9,001	% 16.3
Printing & Variable Information Products Operations	42,290	48,649	6,358	15.0
Industrial & Material Operations	12,947	15,589	2,642	20.4
Operating income (loss)	(934)	1,150	2,085	—

Note) 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 previous second quarter are stated by reclassifying them.

In this segment, net sales were 64,239 million yen (up 16.3% year on year) and operating income was 1,150 million yen. Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

Domestic demand for adhesive products for seals and labels remained strong in businesses such as food, home appliances, automobiles, and online sales, while it was low in businesses such as cosmetics and beverage-related campaigns. In overseas markets, sales in the United States, China and ASEAN remained strong. As a result, sales in this operation were 48,649 million yen (up 15.0% year on year).

(Industrial & Material Operations)

Demand particularly for automobile-use adhesive products, window film, and film for decoration saw a significant recovery, both in domestic and overseas markets. Sales of devices for on-line sales also remained strong. As a result, sales in this operation were 15,589 million yen (up 20.4% year on year).

[Electronic and Optical Products]

	Previous second quarter	Current second quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 41,893	Millions of yen 44,680	Millions of yen 2,787	% 6.7
Advanced Materials Operations	26,268	32,908	6,639	25.3
Optical Products Operations	15,624	11,771	(3,852)	(24.7)
Operating income	6,629	9,539	2,909	43.9

Note) 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 previous second quarter are stated by reclassifying them.

In this segment, net sales were 44,680 million yen (up 6.7% year on year) and operating income was 9,539 million yen (up 43.9% year on year). Sales by operation of this segment were as follows:

(Advanced Materials Operations)

With an increase in demand for 5G smartphones and car electronics as well as for personal computers associated with expanding teleworking, sales of semiconductor-related adhesive tape, semiconductor-related equipment and multilayer ceramic capacitor-related tape remained strong. As a result, sales in this operation were 32,908 million yen (up 25.3% year on year).

(Optical Products Operations)

Sales of optical display-related adhesive products remained solid thanks to growth in demand for products used for large-screen TV units and other products such as PCs and smartphones. Net sales decreased significantly, reflecting the impact of the application of the Accounting Standard for Revenue Recognition. As a result, sales in this operation were 11,771 million yen (down 24.7% year on year).

[Paper and Converted Products]

	Previous second quarter	Current second quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	14,354	16,720	2,365	16.5
Fine & Specialty Paper Products Operations	6,969	7,551	582	8.4
Converted Products Operations	7,385	9,169	1,783	24.2
Operating income	599	1,008	409	68.4

Note) 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 previous second quarter are stated by reclassifying them.

In this segment, net sales were 16,720 million yen (up 16.5% year on year), and operating income was 1,008 million yen (up 68.4% year on year). Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

While sales of mainstay color paper for envelopes remained at the level of the year-ago period, demand for industrial specialty paper used in, for instance, clean rooms and oil- and water-resistant paper for the fast food industry recovered. As a result, sales in this operation were 7,551 million yen (up 8.4% year on year).

(Converted Products Operations)

Demand for casting paper for synthetic leather recovered substantially for use in vehicles. Sales of release paper for electronic materials and casting paper for carbon fiber composite materials used for sports and leisure also grew steadily. As a result, sales in this operation were 9,169 million yen (up 24.2% year on year)

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 296,693 million yen, a year-on-year increase of 16,430 million yen. Main factors of the change were as follows:

- Increase in "Cash and deposits"	2,901 million yen
- Decrease in "Notes and accounts receivable - trade and contract assets"	- 5,369 million yen
- Increase in "Inventories"	7,553 million yen
- Increase in "Current assets-other"	4,041 million yen
- Increase in "Property, plant and equipment"	7,917 million yen
- Decrease in "Goodwill"	- 446 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 88,533 million yen, a year-on-year increase of 5,621 million yen.

Main factors of the change were as follows:

- Increase in "Current liabilities-other"	5,505 million yen
---	-------------------

(Net Assets)

Total net assets at this consolidated quarter end were 208,159 million yen, a year-on-year increase of 10,808 million yen.

Main factors of the change were as follows:

- Increase in "Retained earnings"	5,938 million yen
- Increase in "Foreign currency translation adjustments"	4,568 million yen

(3) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results

The financial results for the first six months of the fiscal year under review substantially exceeded the initial forecasts owing to support in the form of strong demand for products related to semiconductors and electronic components and a recovery in demand for other products.

Net sales are expected to remain solid from the third quarter despite concerns over the disruption of supply chains and an increase in purchasing costs.

Given this situation, we have revised the forecasts for the consolidated business results for the fiscal year ending March 31, 2022 that were announced on May 10, 2021 as follows:

Full-year consolidated business results forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A)	240,000	17,500	17,500	12,500
New forecast (B)	255,000	21,000	21,500	15,000
Change (B-A)	15,000	3,500	4,000	2,500
Change (%)	6.3	20.0	22.9	20.0
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2021)	235,902	17,030	16,770	11,407

* The above forecasts are principally based on foreseeable economic situations, market trends and plans as of the date of announcement. Actual results may differ from those forecasts due to a variety of reasons.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	61,823	64,725
Trade notes and accounts receivable	64,636	–
Notes and accounts receivable - trade and contract assets	–	59,267
Inventories	38,432	45,986
Other	5,249	9,291
Allowance for doubtful accounts	(45)	(62)
Total current assets	170,098	179,208
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	35,235	38,018
Machinery, equipment and vehicles (net)	28,382	30,520
Land	11,327	11,578
Construction in progress	1,398	3,008
Other (net)	3,463	4,598
Property, plant and equipment	79,807	87,724
Intangible assets		
Goodwill	16,981	16,535
Other	2,004	1,996
Intangible assets	18,986	18,531
Investments and other assets		
Other	11,487	11,344
Allowance for doubtful accounts	(116)	(116)
Total investments and other assets	11,371	11,228
Total non-current assets	110,164	117,485
Total assets	280,262	296,693

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Trade notes and accounts payable	44,835	44,581
Short-term loans payable	1,516	1,369
Current portion of long-term loans payable	1,217	1,231
Accrued income taxes	3,414	3,615
Provision for directors' bonuses	53	29
Other	12,467	17,973
Total current liabilities	63,506	68,801
Non-current liabilities		
Long-term loans payable	2,546	1,958
Provision for environmental measures	111	111
Net defined benefit liability	15,431	15,405
Other	1,317	2,257
Total non-current liabilities	19,406	19,732
Total liabilities	82,912	88,533
Net Assets		
Shareholders' equity		
Common stock	23,285	23,320
Capital surplus	26,907	26,943
Retained earnings	155,241	161,179
Treasury stock	(7,583)	(7,579)
Total shareholders' equity	197,850	203,864
Accumulated other comprehensive income		
Net unrealized holding gain on securities	382	347
Foreign currency translation adjustments	1,547	6,116
Remeasurements of defined benefit plans	(2,932)	(2,680)
Total accumulated other comprehensive income	(1,002)	3,783
Share subscription rights	99	93
Non-controlling interests	403	417
Total net assets	197,350	208,159
Total liabilities and net assets	280,262	296,693

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Six Months Ended September 30, 2021

(Millions of yen)

	Previous consolidated fiscal year (Six months ended September 30, 2020)	Current consolidated fiscal year (Six months ended September 30, 2021)
Net sales	111,486	125,640
Cost of sales	84,823	92,493
Gross profit	26,662	33,147
Selling, general and administrative expenses	20,337	21,418
Operating income	6,324	11,729
Non-operating income		
Interest income	97	67
Dividend income	38	252
Gain on sales of non-current assets	11	0
Foreign exchange gains	–	224
Insurance income	19	3
Other income	232	191
Total non-operating income	400	739
Non-operating expenses		
Interest expenses	88	63
Loss on sales of non-current assets	0	11
Loss on retirement of non-current assets	193	107
Foreign exchange losses	142	–
Compensation expenses	10	7
Other expenses	85	23
Total non-operating expenses	521	212
Ordinary income	6,204	12,255
Extraordinary gain		
Gain on sales of investment securities	30	13
Gain on bargain purchase	–	254
Total extraordinary gain	30	267
Profit before income taxes	6,234	12,523
Income taxes	2,328	3,884
Deferred income taxes	(238)	(162)
Total income taxes	2,089	3,721
Profit	4,145	8,801
Profit (loss) attributable to non-controlling interests	(14)	9
Profit attributable to owners of parent	4,159	8,792

Consolidated Quarterly Statements of Comprehensive Income
Six Months Ended September 30, 2021

(Millions of yen)

	Previous consolidated fiscal year (Six months ended September 30, 2020)	Current consolidated fiscal year (Six months ended September 30, 2021)
Net income	4,145	8,801
Other comprehensive income		
Net unrealized holding gain on securities	107	(35)
Foreign currency translation adjustments	(1,966)	4,571
Remeasurements of defined benefit plans	240	254
Total other comprehensive income	(1,618)	4,790
Comprehensive income	2,526	13,592
(Comprehensive income attributable to)		
Owners of parent	2,538	13,578
Non-controlling interests	(12)	14

(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.

(Changes in Status of Significant Subsidiaries During the Quarter)

Duramark Products, Inc. acquired during the first quarter of the fiscal year under review (date of acquisition: April 1, 2021. The name of the company was changed to Mactac, Inc. as of April 8, 2021) is included in the scope of consolidation from the first quarter.

(Change in Accounting Principles)

(Application of the Accounting Standard for Revenue Recognition, etc)

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 dated March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc. at the beginning of the first quarter of the fiscal year under review. Under this standard, revenue is recognized, when the Company transfers the control of a promised good or service to a customer, in an amount that the Company expects to receive in exchange for such good or service.

Accordingly, in charged supplying transactions in which the Company purchases raw materials, etc. from a customer, conducts processing and sells the finished good to the customer, only an amount equivalent to processing costs, excluding purchase prices of raw materials, etc., is recognized as a net amount of revenue, compared to the previous method of recognizing revenue based on a total amount including purchase prices of raw materials, etc.

In charged supplying transactions with repurchase obligations, the Company has changed to a method of not to recognize extinction an item supplied for a fee, while in the previous method such supplied item was recognized extinction. In export sales, compared to the previous method of recognizing revenue on a shipping basis, the Company has changed to a method of recognizing revenue when risk burden is transferred to a customer according to trade conditions specified by Incoterms, etc.

Regarding compensation paid to a customer, including sales cooperation money, it is now deducted from net sales, compared to the previous method of posting as selling, general and administrative expenses.

The Revenue Recognition Accounting Standard is applied according to the provisional measures stipulated in the proviso in Paragraph 84 of the standard. With respect to the application of a new accounting principle, it is applied to the balance of retained earnings at the beginning of the first quarter of the fiscal year under review. This balance of retained earnings is obtained through calculation using the cumulative amount of the impact from retrospective application of the new accounting principle to periods prior to the beginning of the first quarter, either by adding it to or deducting it from the retained earnings.

As a result, net sales, cost of sales, selling, general and administrative expenses, operating income, ordinary income and profit before income taxes for the first quarter of the fiscal year under review decreased by 6,188 million yen, 6,106 million yen, 43 million yen, 38 million yen, 12 million yen and 12 million yen, respectively. The impact on the balance of retained earnings at the beginning of the fiscal year was minor.

With the application of the Revenue Recognition Accounting Standard, etc. "trade notes and accounts receivable" posted under "current assets" on the balance sheet of the previous fiscal year is posted as "notes and accounts receivable - trade and contract assets" from the first quarter of the fiscal year under review. In accordance with the provisional measures stipulated in Paragraph 89-2 of said accounting standard, reclassification of reported amounts for the previous fiscal year has not been made to conform with current classifications.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company started to apply the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 dated July 4, 2019; hereinafter, "Fair Value Measurement Accounting Standard") at the beginning of the first quarter of the fiscal year under review. It also decided to apply new accounting principles set by the Fair Value Measurement Accounting Standard for the future, in accordance with Paragraph 19 of the Fair Value Measurement Accounting Standard and provisional measures stipulated in Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 dated July 4, 2019). There is no impact on the quarterly consolidated financial statements.

(Application of the FASB Accounting Standards Updates No. 2020-05: Leases)

From the beginning of the first quarter of the fiscal year under review, the Company's consolidated subsidiary in the United States applies the FASB ASU No. 2020-05: Leases (the "Standards"). Accordingly, lessees will recognize all leases as assets and liabilities, in principle. In applying the Standards, the Company complies with the provisional measures and has adopted the method of recognizing amounts of accumulated impact by the change of accounting principle on the starting date of such application.

As a result, as of the end of the first quarter of the fiscal year under review, "property, plant and equipment," "other" under current liabilities and "other" under non-current liabilities increased by 744 million yen, 247 million yen, and 526 million yen, respectively. The impact on the profit and loss in the second quarter of the fiscal year under review was minor.

(Segment Information, etc.)

I. Previous second quarter (from April 1, 2020 to September 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	55,238	41,893	14,354	111,486	—	111,486
Intersegment sales and transfers	23	24	5,868	5,916	(5,916)	—
Total	55,261	41,917	20,223	117,402	(5,916)	111,486
Segment income (loss)	(934)	6,629	599	6,294	30	6,324

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 second quarter (from April 1, 2021 to September 30, 2021)

1. 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	64,239	44,680	16,720	125,640	—	125,640
Intersegment sales and transfers	35	19	6,391	6,446	(6,446)	—
Total	64,275	44,699	23,112	132,087	(6,446)	125,640
Segment income	1,150	9,539	1,008	11,698	30	11,729

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.

2. Changes in reportable segments

(Changes to Reporting Segments)

The Group has made partial changes in business performance management classification. Accordingly, from the beginning of the first quarter of the fiscal year under review, some products are reclassified from “Paper and Converted Products” to “Electronic and Optical Products.” The segment information for the second quarter of the previous fiscal year is based on the reclassified segments.

(Application of the Revenue Recognition Accounting Standard, etc.)

As described in the “Change in Accounting Principles,” the Company has adopted the Revenue Recognition Accounting Standard, etc. and changed accounting methods for revenue recognition. Reflecting this change, it modified the method for the measurement of profits and losses of its business segments.

As a result of the change, compared to the previous methods, in the second quarter of the fiscal year under review net sales for “Printing and Industrial Materials Products” decreased by 869 million yen and segment profit by 25 million yen, net sales for “Electronic and Optical Products” decreased by 4,998 million yen and segment profit by 5 million yen, and net sales for “Paper and Converted Products” decreased by 320 million yen and segment profit by 7 million yen.