

# Consolidated Financial Results for the Nine Months Ended December 31, 2021

[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

February 9, 2022

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: February 10, 2022

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 NINE MONTHS ENDED DECEMBER 31, 2021

(from April 1, 2021 to December 31, 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	%
Nine Months Ended December 31, 2021	191,245	11.3	17,700	51.9	18,558	62.0	13,373	68.5
Nine Months Ended December 31, 2020	171,768	(4.2)	11,700	(0.8)	11,454	1.4	7,936	(0.6)

(Note) Comprehensive income: Nine Months Ended December 31, 2021: 18,522 million yen, up 208.5%

Nine Months Ended December 31, 2020: 6,003 million yen, up 15.1%

	Net income per share		Net income per share (diluted)	
	Yen		Yen	
Nine Months Ended December 31, 2021	185.34		185.22	
Nine Months Ended December 31, 2020	109.80		109.71	

(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 December 31, 2021	302,738		206,957		68.2	
As of March 31, 2021	280,262		197,350		70.2	

(Reference) Shareholders' equity: As of December 31, 2021: 206,418 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	
FY ended March 31, 2021	—	39.00	—	39.00	78.00	
FY ending March 31, 2022	—	39.00	—			
FY ending March 31, 2022 (forecast)				49.00	88.00	

(Note) Revision of the latest dividend forecast announced: Yes

## 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	—	22,000	—	22,500	—	16,000	—	223.10

(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 9 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)	Nine Months Ended December 31, 2021	76,659,440	FY Ended March 31, 2021	76,630,740
(b)	Nine Months Ended December 31, 2021	5,616,740	FY Ended March 31, 2021	4,336,994
(c)	Nine Months Ended December 31, 2021	72,157,438	Nine Months Ended December 31, 2021	72,279,990

\*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 November 8, 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 Company has revised the year-end dividend forecast that was published on May 10, 2021. For details, please see “(4) Dividends” 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】**

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# 1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2021

## (1) Explanation Regarding Results of Operations

During the third 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 191,245 million yen (up 11.3% year on year), operating income of 17,770 million yen (up 51.9% year on year), ordinary income of 18,558 million yen (up 62.0% year on year), and profit attributable to owners of parent of 13,373 million yen (up 68.5% year on year) during the period.

Net sales decreased 9,810 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 third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 85,323	Millions of yen 98,141	Millions of yen 12,818	% 15.0
Printing & Variable Information Products Operations	64,749	74,773	10,024	15.5
Industrial & Material Operations	20,574	23,368	2,793	13.6
Operating income (loss)	(517)	1,312	1,829	—

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 third quarter are stated by reclassifying them.

In this segment, net sales were 98,141 million yen (up 15.0% year on year) and operating income was 1,312 million yen. Sales by operation of this segment were as follows:

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

In adhesive products for seals and labels, domestic demand for both adhesive paper and adhesive film remained firm due to a rise in demand for food and online sales business, although demand for cosmetics and beverage-related campaigns was sluggish. In overseas markets, sales in the United States, China and ASEAN remained strong. As a result, sales in this operation were 74,773 million yen (up 15.5% 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 online sales also remained strong. As a result, sales in this operation were 23,368 million yen (up 13.6% year on year).

### [Electronic and Optical Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 64,103	Millions of yen 68,509	Millions of yen 4,406	% 6.9
Advanced Materials Operations	39,723	50,520	10,797	27.2
Optical Products Operations	24,380	17,989	(6,390)	(26.2)
Operating income	10,935	15,291	4,355	39.8

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 third quarter are stated by reclassifying them.

In this segment, net sales were 68,509 million yen (up 6.9% year on year) and operating income was 15,291 million yen (up 39.8% year on year). Sales by operation of this segment were as follows:

#### (Advanced Materials Operations)

With an increase in demand for 5G-related smartphones and car electronics as well as for personal computers associated with expanding teleworking, sales of semiconductor-related adhesive tapes, semiconductor-related equipment and multilayer ceramic capacitor-related tapes saw strong progress. As a result, sales in this operation were 50,520 million yen (up 27.2% 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 17,989 million yen (down 26.2% year on year).

[Paper and Converted Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	22,341	24,594	2,252	10.1
Fine & Specialty Paper Products Operations	10,444	11,272	827	7.9
Converted Products Operations	11,896	13,321	1,424	12.0
Operating income	1,235	1,120	(115)	(9.3)

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 third quarter are stated by reclassifying them.

In this segment, net sales were 24,594 million yen (up 10.1% year on year), and operating income was 1,120 million yen (down 9.3% year on year), mainly due to the negative impact of the price rises for raw materials and fuel such as pulp. Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Sales of mainstay color paper for envelopes remained firm. In addition, demand for industrial specialty papers 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 11,272 million yen (up 7.9% year on year).

(Converted Products Operations)

Demand for casting paper for synthetic leather recovered substantially for use in vehicles. Sales of casting paper for carbon fiber composite materials used for sports and leisure and release films for optical-related products also grew steadily. As a result, sales in this operation were 13,321 million yen (up 12.0% year on year)

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 302,738 million yen, a year-on-year increase of 22,475 million yen. Main factors of the change were as follows:

- Increase in "Inventories"	9,342 million yen
- Increase in "Current assets-other"	8,497 million yen
- Increase in "Property, plant and equipment"	7,198 million yen
- Decrease in "Goodwill"	- 1,061 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 95,780 million yen, a year-on-year increase of 12,868 million yen.

Main factors of the change were as follows:

- Increase in "Trade notes and accounts payable"	6,519 million yen
- Decrease in "Accrued income taxes"	- 1,038 million yen
- Increase in "Current liabilities-other"	7,813 million yen
- Decrease in "Long-term loans payable"	- 1,166 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 206,957 million yen, a year-on-year increase of 9,607 million yen.

Main factors of the change were as follows:

- Increase in "Retained earnings"	7,698 million yen
- Decrease in "Treasury stock"	- 3,306 million yen
- Increase in "Foreign currency translation adjustments"	4,785 million yen

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

Given strong sales of products related to semiconductors and electronic components in the third quarter of the fiscal year under review, among other factors, the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2022, which were announced on November 8, 2021, have been revised as presented below.

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)	255,000	21,000	21,500	15,000
New forecast (B)	255,000	22,000	22,500	16,000
Change (B-A)	—	1,000	1,000	1,000
Change (%)	—	4.8	4.7	6.7
(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.

(4) Dividends

Taking into account the full-year consolidated results forecasts, the year-end dividend forecast for the fiscal year ending March 31, 2022 has been revised, and a year-end dividend per share will be increased by 10 yen, from the initially projected 39 yen to 49 yen.

With this revision, the annual dividend per share will be increased to 88 yen including a dividend per share of 39 yen which has been already paid after the closing of the second quarter.

## 2. Consolidated Quarterly Financial Statements and Notes

### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	61,823	61,536
Trade notes and accounts receivable	64,636	–
Notes and accounts receivable - trade and contract assets	–	64,010
Inventories	38,432	47,775
Other	5,249	13,747
Allowance for doubtful accounts	(45)	(61)
Total current assets	170,098	187,008
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	35,235	37,716
Machinery, equipment and vehicles (net)	28,382	29,867
Land	11,327	11,751
Construction in progress	1,398	3,206
Other (net)	3,463	4,463
Property, plant and equipment	79,807	87,006
Intangible assets		
Goodwill	16,981	15,920
Other	2,004	1,938
Intangible assets	18,986	17,858
Investments and other assets		
Other	11,487	10,952
Allowance for doubtful accounts	(116)	(87)
Total investments and other assets	11,371	10,865
Total non-current assets	110,164	115,729
Total assets	280,262	302,738

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	44,835	51,354
Short-term loans payable	1,516	1,325
Current portion of long-term loans payable	1,217	1,265
Accrued income taxes	3,414	2,376
Provision for directors' bonuses	53	51
Other	12,467	20,281
Total current liabilities	63,506	76,654
Non-current liabilities		
Long-term loans payable	2,546	1,380
Provision for environmental measures	111	111
Net defined benefit liability	15,431	15,441
Other	1,317	2,193
Total non-current liabilities	19,406	19,125
Total liabilities	82,912	95,780
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,285	23,320
Capital surplus	26,907	26,943
Retained earnings	155,241	162,940
Treasury stock	(7,583)	(10,890)
Total shareholders' equity	197,850	202,314
Accumulated other comprehensive income		
Net unrealized holding gain on securities	382	323
Foreign currency translation adjustments	1,547	6,333
Remeasurements of defined benefit plans	(2,932)	(2,552)
Total accumulated other comprehensive income	(1,002)	4,104
Share subscription rights	99	93
Non-controlling interests	403	445
Total net assets	197,350	206,957
Total liabilities and net assets	280,262	302,738

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income  
Nine Months Ended December 31, 2021

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2020)	Current consolidated fiscal year (Nine months ended December 31, 2021)
Net sales	171,768	191,245
Cost of sales	129,380	141,096
Gross profit	42,388	50,149
Selling, general and administrative expenses	30,687	32,378
Operating income	11,700	17,770
Non-operating income		
Interest income	136	98
Dividend income	48	267
Gain on sales of non-current assets	11	7
Foreign exchange gains	–	471
Insurance income	47	19
Other income	324	249
Total non-operating income	568	1,113
Non-operating expenses		
Interest expenses	122	87
Loss on sales of non-current assets	13	11
Loss on retirement of non-current assets	272	171
Foreign exchange losses	282	–
Compensation expenses	19	8
Other expenses	105	46
Total non-operating expenses	814	325
Ordinary income	11,454	18,558
Extraordinary gain		
Gain on sales of investment securities	30	13
Gain on bargain purchase	–	279
Total extraordinary gain	30	292
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	–	22
Total extraordinary losses	–	22
Profit before income taxes	11,484	18,828
Income taxes	3,396	5,221
Deferred income taxes	180	199
Total income taxes	3,576	5,421
Profit	7,908	13,407
Profit (loss) attributable to non-controlling interests	(27)	33
Profit attributable to owners of parent	7,936	13,373

Consolidated Quarterly Statements of Comprehensive Income  
 Nine Months Ended December 31, 2021

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2020)	Current consolidated fiscal year (Nine months ended December 31, 2021)
Net income	7,908	13,407
Other comprehensive income		
Net unrealized holding gain on securities	252	(59)
Foreign currency translation adjustments	(2,517)	4,788
Remeasurements of defined benefit plans	360	384
Total other comprehensive income	(1,904)	5,114
Comprehensive income	6,003	18,522
(Comprehensive income attributable to)		
Owners of parent	6,028	18,480
Non-controlling interests	(25)	41

### (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 9,810 million yen, 9,699 million yen, 64 million yen, 46 million yen, 10 million yen and 10 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 729 million yen, 255 million yen, and 526 million yen, respectively. The impact on the profit and loss in the third quarter of the fiscal year under review was minor.

(Segment Information, etc.)

I. Previous third quarter (from April 1, 2020 to December 31, 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	85,323	64,103	22,341	171,768	—	171,768
Intersegment sales and transfers	41	29	9,033	9,104	(9,104)	—
Total	85,364	64,133	31,375	180,873	(9,104)	171,768
Segment income (loss)	(517)	10,935	1,235	11,653	47	11,700

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 third quarter (from April 1, 2021 to December 31, 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	98,141	68,509	24,594	191,245	—	191,245
Intersegment sales and transfers	55	23	9,872	9,950	(9,950)	—
Total	98,196	68,532	34,466	201,196	(9,950)	191,245
Segment income	1,312	15,291	1,120	17,724	46	17,770

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 third 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 third quarter of the fiscal year under review net sales for “Printing and Industrial Materials Products” decreased by 1,322 million yen and segment profit by 29 million yen, net sales for “Electronic and Optical Products” decreased by 8,024 million yen and segment profit by 5 million yen, and net sales for “Paper and Converted Products” decreased by 462 million yen and segment profit by 11 million yen.

(Significant events after closing of the year)

(Acquisition of Business and Establishment of New Company with U.S. Consolidated Subsidiary)

At a meeting of the Board of Directors held on January 20, 2022, Lintec Corporation (hereinafter “Lintec”) announced that Morgan Adhesives Company, LLC (headquarters: Ohio, USA; wholly owned subsidiary of Mactac Americas, LLC, hereinafter “Mactac,” which is a wholly owned subsidiary of Lintec USA Holding, Inc.\*) has resolved to enter into a business transfer agreement with Spinnaker Holding Inc. (headquarters: Ohio) and its wholly owned subsidiary Spinnaker Coating, LLC (headquarters: Ohio). Morgan Adhesives Company, LLC also resolved to establish Spinnaker Pressure Sensitive Products LLC (headquarters: Ohio) as a wholly owned subsidiary and the transferee of this business.

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

(1) Reason for Business Transfer

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.

In North America, Lintec acquired Mactac, a manufacturer and distributor of adhesive papers and film for label, and graphic film, in December 2016, establishing it as a Group company. To strengthen and expand the Group's core business, Printing & Variable Information Products Operations, Mactac acquired Duramark Products, Inc. in April 2021.

Spinnaker Coating, LLC, which is a subsidiary of Spinnaker Holding Inc., is a supplier of adhesive paper and film for labels, primarily servicing customers located in North America. Its strengths lie in the manufacture and sales of adhesive sheets for lithographic printing and small-lot, high-mix roll label products. The Lintec Group has determined that combining these strengths with the large lot and general-purpose roll label products that are Mactac strengths will enable the Group to expand its share of the North American market and increase profitability.

(2) Name and business outline of the company from which the business is transferred

Name	Spinnaker Holding Inc.
Business description	Manufacture and sales of adhesive paper and film for labels and other products carried out by Spinnaker Coating, LLC, a subsidiary of Spinnaker Holding Inc.

(3) Transfer Price

Approx. US\$40 million

(4) Amounts of assets and liabilities to be transferred

It is not determined yet.

(5) Date of business transfer

February 1, 2022 (local time)

(6) Name, business outline, size, date of establishment and the ownership ratio of the company to which the business is transferred

Name	Spinnaker Pressure Sensitive Products LLC
Business description	Manufacture and sale of adhesive paper and film for labels
Capital	US\$20 million
Date of establishment	February 1, 2022 (local time)
Investor and equity ratio	Morgan Adhesives Company, LLC (100%)