

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2022**  
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 9, 2022

Name of listed company: LINTEC Corporation  
Code number: 7966

Stock exchange listing: Tokyo Stock Exchange, Prime Market  
URL: <https://www.lintec-global.com/>

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Scheduled date for ordinary general meeting of shareholders: June 22, 2022

Scheduled date for starting dividend payments: June 6, 2022

Scheduled date for filing annual securities report: June 22, 2022

Supplemental material on annual results: Yes

Presentation on annual results: Yes (For institutional investors and analysts)

(Amounts less than one million yen are omitted)

**1. CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2022**

(from April 1, 2021 to March 31, 2022)

**(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, 2022	256,836	8.9	21,584	26.7	22,698	35.3	16,641	45.9
FY ended March 31, 2021	235,902	(2.0)	17,030	10.3	16,770	15.8	11,407	18.6

(Note) Comprehensive income: FY Ended March 31, 2022: 24,515 million yen, up 130.9%

FY Ended March 31, 2021: 10,619 million yen, up 38.8%

	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, 2022	232.12	231.96	8.2	7.8	8.4
FY ended March 31, 2021	157.81	157.69	5.9	6.0	7.2

(Reference) Equity in net income of affiliates: FY ended March 31, 2022: — million yen FY ended March 31, 2021: — million yen

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 dated March 31, 2020), etc. is applied at the beginning of the fiscal year under review. For details, please refer to Attachment (page 14: “Change in accounting policies” and page 15: “Segment information”).

**(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, 2022	302,566	209,758	69.1	2,996.21
As of March 31, 2021	280,262	197,350	70.2	2,722.89

(Reference) Shareholders' equity: As of March 31, 2022: 209,212 million yen As of March 31, 2021: 196,847 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, 2022	24,642	(19,644)	(14,455)	50,603
FY ended March 31, 2021	28,824	(8,612)	(14,129)	57,636

**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, 2021	—	39.00	—	39.00	78.00	5,638	49.4	2.9
FY ended March 31, 2022	—	39.00	—	49.00	88.00	6,242	37.9	3.1
FY ending March 31, 2023 (forecasts)	—	44.00	—	44.00	88.00		38.9	

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2023 (from April 1, 2022 to March 31, 2023)

(% represents year-on-year changes)

Full 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
	285,000	11.0	21,500	(0.4)	21,500	(5.3)	15,500	(6.9)	226.36

\* 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: 1 (Name of company) Mactac, Inc.

Note) For more details, please refer to (5) Notes to Consolidated Financial Statements (Basis of preparation for consolidated financial statements) on page 14 of the attachment.

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policies due to revisions to accounting standards: Yes

(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, 2022	76,659,440	FY Ended March 31, 2021	76,630,740
(b)	FY Ended March 31, 2022	6,833,643	FY Ended March 31, 2021	4,336,994
(c)	FY Ended March 31, 2022	71,691,450	FY Ended March 31, 2021	72,283,334

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	163,109	3.2	13,203	33.4	21,648	21.5	17,411	19.0
FY ended March 31, 2021	158,024	(1.1)	9,894	10.4	17,815	36.6	14,636	40.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 31, 2022	242.87	242.70
FY ended March 31, 2021	202.49	202.33

(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, 2022	259,122	183,700	70.9	2,629.49
As of March 31, 2021	248,023	178,512	71.9	2,467.89

(Reference) Shareholders' equity: As of March 31, 2022: 183,606 million yen

As of March 31, 2021: 178,413 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.

For more information about the forecasts of business results, please refer to (4) Outlook on page 4 of the attachment.

• Supplemental material will be posted on our website (<https://www.lintec-global.com>) in a timely manner.

**【Attachment】**

**Contents of Attachment**

1. Overview of Operating Results .....	2
(1) Overview of Operating Results in the Fiscal Year under Review .....	2
(2) Overview of Financial Position in the Fiscal Year under Review.....	3
(3) Overview of Cash Flows in the Fiscal Year under Review .....	4
(4) Outlook .....	4
2. Basic Rationale for Selection of Accounting Standards .....	5
3. Consolidated Financial Statements and Notes .....	6
(1) Consolidated Balance Sheet .....	6
(2) Consolidated Statements of Income and Comprehensive Income .....	8
(3) Consolidated Statements of Changes in Shareholders' Equity .....	10
(4) Consolidated Statements of Cash Flows .....	12
(5) Notes to Consolidated Financial Statements .....	14
(Notes on going concern) .....	14
(Basis of preparation for consolidated financial statements).....	14
(Changes in accounting policies) .....	14
(Segment information, etc.) .....	15
(Per share data) .....	17
(Significant events after closing of the year) .....	17

## 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 generally remained on a recovery track thanks in part to progress in COVID-19 vaccinations, despite steep rises in resource and energy prices and the disruption of supply chains. In Japan, corporate performance generally recovered, partly based on the depreciation of the yen despite low consumer spending due to COVID-19.

In this situation, the Lintec Group has established a long-term vision, Lintec Sustainability Vision 2030 (LSV 2030), which terminates in the fiscal year ending March 31, 2030, having a basic policy of contributing to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth. The Group positions every three-year period in its medium-term business plan aiming to realize LSV 2030 as a milestone and launched a three-year medium-term business plan called “LSV 2030 – Stage 1,” which covers the three years from April 2021 to March 2024.

During 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 256,836 million yen (up 8.9% year on year), operating income of 21,584 million yen (up 26.7% year on year), ordinary income of 22,698 million yen (up 35.3% year on year), and profit attributable to owners of parent of 16,641 million yen (up 45.9% year on year) during the period.

Net sales decreased 13,564 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 consolidated fiscal year	Current consolidated fiscal year	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	115,745	132,421	16,676	14.4
Printing & Variable Information Products Operations	87,526	101,276	13,749	15.7
Industrial & Material Operations	28,218	31,145	2,926	10.4
Operating income	(239)	1,373	1,613	-

Note ) From the beginning of the fiscal year ended 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 consolidated fiscal year are stated by reclassifying them.

In this segment, net sales were 132,421 million yen (up 14.4% year on year) and operating income was 1,373 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 Asia, including China and Southeast Asia, remained strong, and sales in the United States grew significantly thanks largely to the effect of acquisitions. As a result, sales in this operation were 101,276 million yen (up 15.7% year on year).

#### (Industrial & Material Operations)

Demand for automobile-use adhesive products and window film saw a recovery, both in domestic and overseas markets. Sales of film for decoration and devices for online sales also remained strong. As a result, sales in this operation were 31,145 million yen (up 10.4% year on year).

#### [Electronic and Optical 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	88,976	91,379	2,403	2.7
Advanced Materials Operations	55,294	67,429	12,134	21.9
Optical Products Operations	33,681	23,950	(9,731)	(28.9)
Operating income	15,067	19,176	4,108	27.3

Note) From the beginning of the fiscal year ended March 31, 2022, some products are transferred to Electronic and Optical Products from Paper and Converted Products. The results for previous consolidated fiscal year are stated by reclassifying them.

In this segment, net sales were 91,379 million yen (up 2.7% year on year) and operating income was 19,176 million yen (up 27.3% 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 67,429 million yen (up 21.9% 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 23,950 million yen (down 28.9% 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	31,181	33,035	1,854	5.9
Fine & Specialty Paper Products Operations	14,442	15,341	898	6.2
Converted Products Operations	16,738	17,694	955	5.7
Operating income	2,138	971	(1,167)	(54.6)

Note) From the beginning of the fiscal year ended March 31, 2022, some products are transferred to Electronic and Optical Products from Paper and Converted Products. The results for previous consolidated fiscal year are stated by reclassifying them.

In this segment, net sales were 33,035 million yen (up 5.9% year on year), and operating income was 971 million yen (down 54.6% 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 15,341 million yen (up 6.2% year on year).

(Converted Products Operations)

While sales of release paper remained mostly unchanged from the previous year, demand for casting paper for synthetic leather recovered for use in vehicles and demand for casting paper for carbon fiber composite materials for use in sports and leisure increased, resulting in steady sales. As a result, sales in this operation were 17,694 million yen (up 5.7% year on year).

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

(Assets)

Total assets at this consolidated fiscal year end were 302,566 million yen, a year-on-year increase of 22,303 million yen.

Main factors of the change were as follows:

- Decrease in "Cash and deposits"	- 6,407 million yen
- Decrease in "Notes and accounts receivable - trade and contract assets"	- 2,285 million yen
- Increase in "Inventories"	14,103 million yen
- Increase in "Current assets-other"	6,543 million yen
- Increase in "Property, plant and equipment"	10,417 million yen

(Liabilities)

Total liabilities at this consolidated fiscal year end were 92,808 million yen, a year-on-year increase of 9,895 million yen.

Main factors of the change were as follows:

- Increase in "Provision for bonuses"	2,640 million yen
- Increase in "Current liabilities-other"	5,998 million yen
- Decrease in "Long-term loans payable"	- 1,077 million yen
- Increase in "Non-current liabilities-other"	1,662 million yen

(Net Assets)

Net assets at this consolidated fiscal year end were 209,758 million yen, a year-on-year increase of 12,407 million yen.

Main factors of the change were as follows:

- Increase in “Retained earnings”	11,000 million yen
- Decrease in “Treasury stock”	- 6,534 million yen
- Increase in “Foreign currency translation adjustments”	7,389 million yen

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

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)	Increase (decrease)
Cash flows from operating activities	28,824	24,642	(4,182)
Cash flows from investing activities	(8,612)	(19,644)	(11,032)
Cash flows from financing activities	(14,129)	(14,455)	(326)
Effect of exchange rate change on cash and cash equivalents	(706)	2,425	3,132
Net increase (decrease) in cash and cash equivalents	5,375	(7,032)	(12,408)
Cash and cash equivalents at beginning of year	52,260	57,636	5,375
Cash and cash equivalents at end of year	57,636	50,603	(7,032)

Cash and cash equivalents at this consolidated fiscal year end were 50,603 million yen, a year-on-year decrease of 7,032 million yen. Cash flows in the fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities decreased 4,182 million yen year on year, to a cash inflow of 24,642 million yen. The principal movements were as follows:

- Increase in “Profit before income taxes”	6,595 million yen
- Increase in “Trade notes and accounts receivable”	8,209 million yen
- Decrease in “Inventories”	- 10,013 million yen
- Decrease in “Trade notes and accounts payable”	- 7,812 million yen
- Decrease in “Income taxes (paid) refund”	- 1,881 million yen

(Cash flows from investing activities)

Cash flows from investing activities decreased 11,032 million yen year on year, to a cash outflow of 19,644 million yen. The principal movements were as follows:

- Decrease in “Proceeds from withdrawal of time deposits”	- 1,239 million yen
- Increase in “Purchase of property, plant and equipment”	474 million yen
- Decrease in “Purchase of shares of subsidiaries resulting in change in scope of consolidation”	- 6,349 million yen
- Decrease in “Payments for acquisition of businesses”	- 4,617 million yen

(Cash flows from financing activities)

Cash flows from financing activities decreased 326 million yen year on year, to a cash outflow of 14,455 million yen. The principal movements were as follows:

- Decrease in “Proceeds from long-term loans payable”	- 1,350 million yen
- Increase in “Repayments of long-term loans payable”	7,912 million yen
- Decrease in “Purchase of treasury stock”	- 6,537 million yen

(4) Outlook

In the fiscal year ending March 31, 2023, the recovery of economic activity is expected to continue through the lifting of restrictions on activities imposed due to the COVID-19 pandemic. However, the outlook for the year is expected to remain uncertain due primarily to disruption to supply chains, rising energy costs, and international tension caused by the situation in Ukraine. The Lintec Group also expects a significant impact from continuous rises in raw material and fuel prices, logistics costs, and other expenses on its financial results.

In this business environment, the Company has developed consolidated business results forecasts for the fiscal year ending March 31, 2023, as follows. The forecasts are based on the assumption of foreign exchange rates at 115 yen per U.S. dollar, 0.1012 yen per Korean won, 18.10 yen per Chinese yuan and 4.15 yen per Taiwan dollar.

Net sales	285.0 billion yen (up 11.0% year on year)
Operating income	21.5 billion yen (down 0.4% year on year)
Ordinary income	21.5 billion yen (down 5.3% year on year)
Profit attributable to owners of parent	15.5 billion yen (down 6.9% year on year)

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, 2021	As of March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	61,823	55,416
Trade notes and accounts receivable	64,636	–
Trade notes	–	16,176
Accounts receivable	–	46,175
Inventories	38,432	52,536
Other	5,249	11,792
Allowance for doubtful accounts	(45)	(62)
<b>Total current assets</b>	<b>170,098</b>	<b>182,035</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (net)	35,235	38,540
Machinery, equipment and vehicles (net)	28,382	30,946
Land	11,327	11,831
Construction in progress	1,398	4,129
Other (net)	3,463	4,775
<b>Property, plant and equipment</b>	<b>79,807</b>	<b>90,224</b>
<b>Intangible assets</b>		
Goodwill	16,981	16,958
Other	2,004	1,858
<b>Intangible assets</b>	<b>18,986</b>	<b>18,817</b>
<b>Investments and other assets</b>		
Investment securities	2,447	2,116
Deferred tax assets	6,876	7,402
Net defined benefit asset	1	0
Other	2,162	2,063
Allowance for doubtful accounts	(116)	(93)
<b>Total investments and other assets</b>	<b>11,371</b>	<b>11,489</b>
<b>Total non-current assets</b>	<b>110,164</b>	<b>120,530</b>
<b>Total assets</b>	<b>280,262</b>	<b>302,566</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	44,835	44,282
Short-term loans payable	1,516	1,292
Current portion of long-term loans payable	1,217	1,346
Accrued income taxes	3,414	4,210
Provision for bonuses	–	2,640
Provision for directors' bonuses	53	72
Other	12,467	18,466
Total current liabilities	63,506	72,311
Non-current liabilities		
Long-term loans payable	2,546	1,468
Provision for environmental measures	111	111
Net defined benefit liability	15,431	15,937
Other	1,317	2,979
Total non-current liabilities	19,406	20,496
Total liabilities	82,912	92,808
<b>Net Assets</b>		
Shareholders' equity		
Common stock	23,285	23,320
Capital surplus	26,907	26,943
Retained earnings	155,241	166,242
Treasury stock	(7,583)	(14,118)
Total shareholders' equity	197,850	202,388
Accumulated other comprehensive income		
Net unrealized holding gain on securities	382	301
Foreign currency translation adjustments	1,547	8,936
Remeasurements of defined benefit plans	(2,932)	(2,414)
Total accumulated other comprehensive income	(1,002)	6,823
Share subscription rights	99	93
Non-controlling interests	403	451
Total net assets	197,350	209,758
<b>Total liabilities and net assets</b>	<b>280,262</b>	<b>302,566</b>

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

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
Net sales	235,902	256,836
Cost of sales	177,673	191,699
Gross profit	58,228	65,137
Selling, general and administrative expenses	41,198	43,553
Operating income	17,030	21,584
Non-operating income		
Interest income	167	143
Dividends income	49	274
Rent income	21	22
Gain on sales of noncurrent assets	17	7
Insurance income	49	37
Foreign exchange gains	–	1,003
Subsidy income	115	20
Other income	300	375
Total non-operating income	721	1,884
Non-operating expenses		
Interest expenses	149	110
Loss on sales of noncurrent assets	16	12
Loss on retirement of noncurrent assets	367	387
Compensation expenses	36	160
Foreign exchange losses	249	–
Other expenses	161	99
Total non-operating expenses	981	770
Ordinary income	16,770	22,698
Extraordinary gain		
Gain on sales of investment securities	35	13
Gain on bargain purchase	–	282
Gain on sale of shares of subsidiaries and associates	–	259
Total extraordinary gain	35	555
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	–	23
Impairment loss	171	–
Total extraordinary losses	171	23
Profit before income taxes	16,635	23,230
Income taxes	5,430	7,243
Deferred income taxes	(173)	(696)
Total income taxes	5,257	6,547
Profit	11,378	16,683
Profit (loss) attributable to non-controlling interests	(29)	41
Profit attributable to owners of parent	11,407	16,641

## Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
Profit	11,378	16,683
Other comprehensive income		
Net unrealized holding gain / loss on securities	418	(81)
Foreign currency translation adjustments	(2,647)	7,394
Remeasurements of defined benefit plans	1,469	519
Total other comprehensive income / (loss)	(758)	7,832
Comprehensive income	10,619	24,515
(Comprehensive income attributable to)		
Owners of parent	10,653	24,467
Non-controlling interests	(34)	48

## (3) Consolidated Statements of Changes in Shareholders' Equity

Previous 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
Cumulative effects of changes in accounting policies					-
Restated balance	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
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
Cumulative effects of changes in accounting policies							-
Restated balance	(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
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

Current consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current term	23,285	26,907	155,241	(7,583)	197,850
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	23,285	26,907	155,241	(7,583)	197,850
Changes during current term					
Issuance of new shares	35	35			71
Cash dividends			(5,640)		(5,640)
Profit attributable to owners of parent			16,641		16,641
Purchase of treasury stock				(6,539)	(6,539)
Disposal of treasury stock		0		4	5
Net changes in items other than shareholders' equity during current term					
Total change during current term	35	36	11,001	(6,534)	4,538
Balance at end of current term	23,320	26,943	166,242	(14,118)	202,388

	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	382	1,547	(2,932)	(1,002)	99	403	197,350
Cumulative effects of changes in accounting policies							(0)
Restated balance	382	1,547	(2,932)	(1,002)	99	403	197,350
Changes during current term							
Issuance of new shares							71
Cash dividends							(5,640)
Profit attributable to owners of parent							16,641
Purchase of treasury stock							(6,539)
Disposal of treasury stock							5
Net changes in items other than shareholders' equity during current term	(81)	7,389	518	7,826	(5)	48	7,869
Total change during current term	(81)	7,389	518	7,826	(5)	48	12,407
Balance at end of current term	301	8,936	(2,414)	6,823	93	451	209,758

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	16,635	23,230
Depreciation	9,361	9,895
Amortization of goodwill	3,110	3,200
Increase (decrease) in net defined benefit liability	507	525
Increase (decrease) in allowance for doubtful accounts	(26)	(11)
Interest and dividend income	(216)	(417)
Interest expense	149	110
Loss (gain) on sales of property, plant and equipment	(1)	4
Loss on retirement of property, plant and equipment	103	193
Decrease (increase) in trade notes and accounts receivable	(2,025)	6,184
Decrease (increase) in inventories	1,467	(8,546)
Increase (decrease) in trade notes and accounts payable	4,031	(3,781)
Loss (gain) on sales of investment securities	(35)	(13)
Gain on bargain purchase	–	(282)
Loss (gain) on sale of shares of subsidiaries and associates	–	(259)
Subsidy income	(115)	(20)
Loss on valuation of shares of subsidiaries and associates	–	23
Impairment loss	171	–
Other	189	829
<b>Subtotal</b>	<b>33,307</b>	<b>30,866</b>
Interest and dividend income received	224	415
Interest expenses paid	(163)	(118)
Proceeds from subsidy income	115	20
Income taxes (paid) refund	(4,659)	(6,540)
<b>Cash flows from operating activities</b>	<b>28,824</b>	<b>24,642</b>

(Millions of yen)

	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(10,016)	(9,906)
Proceeds from withdrawal of time deposits	10,759	9,520
Purchase of property, plant and equipment	(8,997)	(8,522)
Proceeds from sales of property, plant and equipment	27	17
Purchase of intangible assets	(451)	(210)
Purchase of investment securities	(54)	(14)
Proceeds from sales of investment securities	52	15
Proceeds from sale of shares of subsidiaries and associates	–	478
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,349)
Payments for acquisition of businesses	–	(4,617)
Payments of loans receivable	(5)	(2)
Collection of loans receivable	10	9
Other	63	(60)
<b>Cash flows from investing activities</b>	<b>(8,612)</b>	<b>(19,644)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	–	(331)
Proceeds from long-term loans payable	1,350	–
Repayments of long-term loans payable	(9,141)	(1,229)
Cash dividends paid	(5,632)	(5,642)
Purchase of treasury stock	(1)	(6,539)
Repayment of lease obligation	(704)	(713)
Other	0	0
<b>Cash flows from financing activities</b>	<b>(14,129)</b>	<b>(14,455)</b>
Effect of exchange rate changes on cash and cash equivalents	(706)	2,425
Net Increase (decrease) in cash and cash equivalents	5,375	(7,032)
Cash and cash equivalents at beginning of year	52,260	57,636
Cash and cash equivalents at end of year	57,636	50,603

(5) Notes to Consolidated Financial Statements

(Notes on going concern)

Not applicable.

(Basis of preparation for consolidated financial statements)

1. Matters regarding scope of consolidation

Number of consolidated subsidiaries: 42

The following two companies acquired or established during the fiscal year under review are included in the scope of consolidation.

Duramark Products, Inc. (The name of the company was changed to Mactac, Inc. as of April 8, 2021)

Spinnaker Pressure Sensitive Products LLC

Mactac, Inc. was excluded from the scope of consolidation at the end of the fiscal year under review due to a merger in which Mactac, Inc. ceased to exist and Morgan Adhesives Company, LLC, a subsidiary of Mactac Americas, LLC, became the surviving company.

2. Notes regarding accounting policies

Accounting standards for significant allowances and provisions

Provision for bonuses

To prepare for the payment of employees' bonuses, the amount to be paid in the consolidated fiscal year under review is posted based on the estimated payment amount.

(Additional information)

An estimated amount of employees' bonuses previously included in "Other" of current liabilities as accrued expenses is posted as a "Provision for bonuses" in the fiscal year under review due to uncertainty of the amount at the time of preparing the consolidated financial statements.

(Change in accounting policies)

(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 consolidated 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 policy, it is applied to the balance of retained earnings at the beginning of the consolidated 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 policy to periods prior to the beginning of the fiscal year, 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 consolidated fiscal year under review decreased by 13,564 million yen, 13,413 million yen, 86 million yen, 64 million yen, 17 million yen and 17 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 "Trade notes" and "Accounts receivable" from the consolidated 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 consolidated fiscal year under review. It also decided to apply new accounting policy 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 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 policy on the starting date of such application.

As a result, as of the end of the fiscal year under review, "property, plant and equipment," "other" under current liabilities and "other" under non-current liabilities increased by 857 million yen, 286 million yen, and 607 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.)

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 tape, Window film, Film for outdoor signs and advertising, Interior finishing mounting film
Electronic and Optical Products	Semiconductor-related adhesive tape, Semiconductor-related equipment, Multilayer ceramic capacitor-related tape, Optical display-related adhesive products
Paper and Converted Products	Color paper for envelopes, Colored construction paper, Special function paper, High-grade printing paper, Construction material paper, Release paper for adhesive products, Release film for optical-related products, Casting paper for synthetic leather, Casting paper for carbon fiber composite materials

(3) Matters related to changes in reportable segments

(Changes to reportable segments)

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

2. Method of calculating net sales, profit (loss), assets, and other items by reportable segment

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

As described in the "Change in Accounting Policy," the Company adopted the Accounting Standard for Revenue Recognition, etc. and changed accounting methods for revenue recognition at the beginning of the fiscal year under review. 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 fiscal year under review net sales for "Printing and Industrial Materials Products" decreased by 1,861 million yen and segment profit by 43 million yen, net sales for "Electronic and Optical Products" decreased by 11,089 million yen and segment profit by 5 million yen, and net sales for "Paper and Converted Products" decreased by 614 million yen and segment profit by 15 million yen.

### 3. Information on sales and income (loss), identifiable assets, and other items by reportable segment

Previous 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	12,247	12,347	(12,347)	–
Total	115,804	89,017	43,428	248,249	(12,347)	235,902
Segment income	(239)	15,067	2,138	16,967	63	17,030
Others						
Depreciation and amortization (Note 3)	3,930	3,636	1,794	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.

Current consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(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	132,421	91,379	33,035	256,836	–	256,836
Intra-segments sales and transfers	70	26	13,181	13,278	(13,278)	–
Total	132,491	91,406	46,217	270,115	(13,278)	256,836
Segment income	1,373	19,176	971	21,522	62	21,584
Others						
Depreciation and amortization (Note 3)	4,218	3,735	1,941	9,895	–	9,895
Amortization of goodwill (Note 3)	3,200	–	–	3,200	–	3,200

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, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
Net assets per share	Yen 2,722.89	Yen 2,996.21
Net income per share	157.81	232.12
Diluted net income per share	157.69	231.96

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

Item	Previous consolidated fiscal year (FY ended March 31, 2021)	Current consolidated fiscal year (FY ended March 31, 2022)
Net income per share		
Profit attributable to owners of parent (million yen)	11,407	16,641
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	11,407	16,641
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	72,283	71,691
Diluted net income per share		
Diluted profit attributable to owners of parent (million yen)	-	-
Increase in common stock (thousand shares)	56	49
(Share warrant) (thousand shares)	(56)	(49)
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, 2021)	Current consolidated fiscal year (As of March 31, 2022)
Total net assets in the consolidated balance sheet (million yen)	197,350	209,758
Amount deducted from total net assets (million yen)	502	545
(Share warrant) (million yen)	(99)	(93)
(Non-controlling interests) (million yen)	(403)	(451)
Term-end net assets per common share (million yen)	196,847	209,212
Number of common stocks used in calculating net assets per share (thousand shares)	72,293	69,825

(Significant events after closing of the year)

Not applicable.