

Consolidated Financial Results for the Three Months Ended June 30, 2022
[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

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Name of listed company: LINTEC Corporation Stock exchange listing: Tokyo Stock Exchange, Prime Market
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Scheduled filing date for quarterly report: August 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 THREE MONTHS ENDED JUNE 30, 2022
(from April 1, 2022 to June 30, 2022)

(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	%
Three Months Ended June 30, 2022	69,497	11.4	5,393	(15.8)	6,931	(0.1)	5,159	(5.8)
Three Months Ended June 30, 2021	62,377	11.3	6,405	80.7	6,935	99.4	5,478	126.2

(Note) Comprehensive income: Three Months Ended June 30, 2022: 10,700 million yen, up 5.5%
Three Months Ended June 30, 2021: 10,146 million yen (—)

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three Months Ended June 30, 2022	74.51	74.46
Three Months Ended June 30, 2021	75.78	75.72

(Note)

1. Because the percentage change in comprehensive income for the previous first quarter of the fiscal year under review over the same period in the previous fiscal year exceeded 1000%, it is shown as “—.”
2. The figures for the first quarter of the fiscal year ended March 31, 2022 reflect the finalization of provisional accounting for business combinations in the fiscal year ended March 31, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2022	303,865	214,164	70.3
As of March 31, 2022	302,865	209,758	69.1

(Reference) Shareholders' equity: As of June 30, 2022: 213,611 million yen As of March 31, 2022: 209,212 million yen

(Note) The figures for the fiscal year ended March 31, 2022 reflect the finalization of provisional accounting for business combinations in the first quarter of the fiscal year ending March 31, 2023.

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, 2022	—	39.00	—	49.00	88.00
FY ending March 31, 2023	—				
FY ending March 31, 2023 (forecast)		44.00	—	44.00	88.00

(Note) Revision of the latest dividend forecast announced: None

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

(% represents changes over the same period in 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	285,000	11.0	21,500	(0.4)	21,500	(5.3)	15,500	(6.9)	226.36

(Note) Revision of the latest consolidated results forecast announced: None

*Notes

- (1) Changes in status of significant subsidiaries during the quarter (changes in status of specified subsidiaries accompanying changes in consolidated range): None
Newly consolidated subsidiaries: -
Subsidiaries excluded: -
- (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: None
(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)	Three Months Ended June 30, 2022:	76,676,440	FY Ended March 31, 2022	76,659,440
(b)	Three Months Ended June 30, 2022:	8,051,499	FY Ended March 31, 2022	6,833,643
(c)	Three Months Ended June 30, 2022:	69,251,210	Three Months Ended June 30, 2021	72,304,555

*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 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 Three Months Ended June 30, 2022

(1) Explanation Regarding Results of Operations

During the first quarter of the fiscal year under review, net sales rose 11.4% year on year, to 69,497 million yen, reflecting an acquisition at a U.S.-based subsidiary. Operating income declined 15.8%, to 5,393 million yen, due to the significant effect of rising raw materials and fuel prices, including pulp. Ordinary income fell 0.1%, to 6,931 million yen, reflecting foreign exchange gains due to the weaker yen. Profit attributable to owners of parent decreased 5.8%, to 5,159 million yen.

In addition, the figures for the first quarter of the fiscal year ended March 31, 2022 reflect the finalization of provisional accounting for business combinations in the previous fiscal year.

The outline by segment was as follows:

[Printing and Industrial Materials Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	31,229	38,550	7,321	23.4
Printing & Variable Information Products Operations	23,528	31,129	7,601	32.3
Industrial & Material Operations	7,700	7,420	(280)	(3.6)
Operating income (loss)	757	382	(374)	(49.4)

In this segment, net sales were 38,550 million yen (up 23.4% year on year) and operating income was 382 million yen (down 49.4% year on year), mainly due to the negative impact of the price rises for raw materials and logistics costs. Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

Domestic sales of adhesive products for seals and labels remained firm, reflecting sales of labels for plastic bottles and environmentally friendly products to new customers and an increase in demand in the home delivery and logistics industries. In overseas markets, sales in the United States grew significantly thanks largely to the effect of acquisitions. As a result, sales in this operation were 31,129 million yen (up 32.3% year on year).

(Industrial & Material Operations)

In overseas markets, demand for window film and automobile-use adhesive products remained firm, but in Japan, demand for window film and industrial-use adhesive film declined significantly due to automobile production cuts. As a result, sales in this operation were 7,420 million yen (down 3.6% year on year).

[Electronic and Optical Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	22,592	22,266	(326)	(1.4)
Advanced Materials Operations	16,816	16,474	(342)	(2.0)
Optical Products Operations	5,776	5,792	15	0.3
Operating income	4,903	5,023	119	2.4

In this segment, net sales were 22,266 million yen (down 1.4% year on year) and operating income was 5,023 million yen (up 2.4% year on year). Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Sales of semiconductor-related adhesive tape and semiconductor-related equipment remained firm. Meanwhile, sales of multilayer ceramic capacitor-related tape were weak, reflecting sluggish demand for smartphones and automobile production cuts. As a result, sales in this operation were 16,474 million yen (down 2.0% year on year).

(Optical Products Operations)

Sales of optical display-related adhesive products were affected by sluggish demand for products used for large-screen TV units and smartphones, while sales of automotive touch screen products grew. As a result, sales in this operation were 5,792 million yen (up 0.3% year on year).

[Paper and Converted Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
Net sales	Millions of yen 8,555	Millions of yen 8,680	Millions of yen 124	% 1.5
Fine & Specialty Paper Products Operations	4,056	4,036	(19)	(0.5)
Converted Products Operations	4,499	4,643	144	3.2
Operating income	729	(27)	(756)	—

In this segment, net sales were 8,680 million yen (up 1.5% year on year), and operating loss was 27 million yen, 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 color paper for envelopes remained flat from a year ago. Sales of oil- and water-resistant paper were firm chiefly due to an increase in demand for takeout. Demand for industrial specialty paper was weak, reflecting a decrease in demand in China. As a result, sales in this operation were 4,036 million yen (down 0.5% year on year).

(Converted Products Operations)

Demand for casting paper for synthetic leather was sluggish, reflecting automobile production cuts in Japan and overseas. Sales of release paper for general-use adhesive products and for electronics components were firm. Sales of casting paper for carbon fiber composite materials were also firm as demand for use in sports and leisure increased. As a result, sales in this operation were 4,643 million yen (up 3.2% year on year)

(2) Explanation Regarding Financial Position

Provisional accounting for business combinations carried out towards the end of the fiscal year ended March 31, 2022 was finalized in the first quarter of the fiscal year ending March 31, 2023. For a comparison with results in the fiscal year ended March 31, 2022, amounts revised after the finalization of provisional accounting are used.

(Assets)

Total assets at this consolidated quarter end were 303,865 million yen, a year-on-year increase of 1,000 million yen. Main factors of the change were as follows:

- Decrease in “Cash and deposits”	- 7,773 million yen
- Increase in “Notes and accounts receivable - trade and contract assets”	1,304 million yen
- Increase in “Inventories”	4,240 million yen
- Increase in “Property, plant and equipment”	3,161 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 89,701 million yen, a year-on-year decrease of 3,406 million yen.

Main factors of the change were as follows:

- Increase in “Trade notes and accounts payable”	1,092 million yen
- Decrease in “Accrued income taxes”	- 2,095 million yen
- Decrease in “Provision for bonuses”	- 1,356 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 214,164 million yen, a year-on-year increase of 4,406 million yen.

Main factors of the change were as follows:

- Increase in “Retained earnings”	1,738 million yen
- Decrease in “Treasury stock”	- 2,903 million yen
- Increase in “Foreign currency translation adjustments”	5,325 million yen

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

For the full year consolidated results forecast, the results forecast published on May 9, 2022 remains unchanged.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	55,416	47,642
Notes and accounts receivable - trade and contract assets	62,545	63,849
Inventories	52,709	56,949
Other	11,677	12,171
Allowance for doubtful accounts	(123)	(137)
Total current assets	182,224	180,475
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	38,592	38,832
Machinery, equipment and vehicles (net)	30,950	31,387
Land	11,855	11,999
Construction in progress	4,129	6,061
Other (net)	4,992	5,401
Property, plant and equipment	90,521	93,682
Intangible assets		
Goodwill	16,647	16,849
Other	1,974	1,935
Intangible assets	18,622	18,785
Investments and other assets		
Other	11,589	11,010
Allowance for doubtful accounts	(93)	(88)
Total investments and other assets	11,496	10,922
Total non-current assets	120,640	123,389
Total assets	302,865	303,865

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	44,309	45,402
Short-term loans payable	1,292	1,347
Current portion of long-term loans payable	1,346	1,571
Accrued income taxes	4,210	2,114
Provision for bonuses	2,640	1,284
Provision for directors' bonuses	72	16
Other	18,510	17,713
Total current liabilities	72,382	69,451
Non-current liabilities		
Long-term loans payable	1,468	820
Provision for environmental measures	111	111
Net defined benefit liability	15,937	15,899
Other	3,207	3,419
Total non-current liabilities	20,724	20,249
Total liabilities	93,107	89,701
Net Assets		
Shareholders' equity		
Common stock	23,320	23,341
Capital surplus	26,943	26,963
Retained earnings	166,242	167,980
Treasury stock	(14,118)	(17,021)
Total shareholders' equity	202,388	201,264
Accumulated other comprehensive income		
Net unrealized holding gain on securities	301	368
Foreign currency translation adjustments	8,936	14,261
Remeasurements of defined benefit plans	(2,414)	(2,282)
Total accumulated other comprehensive income	6,823	12,347
Share subscription rights	93	83
Non-controlling interests	451	468
Total net assets	209,758	214,164
Total liabilities and net assets	302,865	303,865

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Three Months Ended June 30, 2022

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2021)	Current consolidated fiscal year (Three months ended June 30, 2022)
Net sales	62,377	69,497
Cost of sales	45,322	52,435
Gross profit	17,055	17,062
Selling, general and administrative expenses	10,649	11,668
Operating income	6,405	5,393
Non-operating income		
Interest income	33	38
Dividend income	249	89
Gain on sales of non-current assets	0	0
Foreign exchange gains	223	1,356
Insurance income	1	83
Other income	98	111
Total non-operating income	606	1,679
Non-operating expenses		
Interest expenses	32	53
Loss on sales of non-current assets	2	17
Loss on retirement of non-current assets	26	48
Compensation expenses	5	3
Other expenses	9	18
Total non-operating expenses	77	142
Ordinary income	6,935	6,931
Extraordinary gain		
Gain on sales of investment securities	13	—
Gain on bargain purchase	283	—
Total extraordinary gain	296	—
Profit before income taxes	7,232	6,931
Income taxes	1,220	1,144
Deferred income taxes	532	616
Total income taxes	1,753	1,761
Profit	5,479	5,169
Profit (loss) attributable to non-controlling interests	0	9
Profit attributable to owners of parent	5,478	5,159

Consolidated Quarterly Statements of Comprehensive Income
 Three Months Ended June 30, 2022

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2021)	Current consolidated fiscal year (Three months ended June 30, 2022)
Net income	5,479	5,169
Other comprehensive income		
Net unrealized holding gain on securities	4	66
Foreign currency translation adjustments	4,541	5,330
Remeasurements of defined benefit plans	120	133
Total other comprehensive income	4,667	5,530
Comprehensive income	10,146	10,700
(Comprehensive income attributable to)		
Owners of parent	10,145	10,683
Non-controlling interests	0	17

(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.

(Segment Information, etc.)

I. Previous first quarter (from April 1, 2021 to June 30, 2021)

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	31,229	22,592	8,555	62,377	—	62,377
Intersegment sales and transfers	21	14	3,156	3,192	(3,192)	—
Total	31,250	22,606	11,712	65,570	(3,192)	62,377
Segment income	757	4,903	729	6,390	14	6,405

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 first quarter (from April 1, 2022 to June 30, 2022)

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	38,550	22,266	8,680	69,497	—	69,497
Intersegment sales and transfers	19	7	3,445	3,472	(3,472)	—
Total	38,570	22,273	12,126	72,970	(3,472)	69,497
Segment income (loss)	382	5,023	(27)	5,378	14	5,393

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.