

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2023**  
[Japanese Accounting Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

May 8, 2023

Name of listed company: LINTEC Corporation  
Market

Stock exchange listing: Tokyo Stock Exchange, Prime

Code number: 7966

URL: <https://www.lintec-global.com/>

Representative: Makoto Hattori, President and CEO

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Scheduled date for ordinary general meeting of shareholders: June 22, 2023

Scheduled date for starting dividend payments: June 6, 2023

Scheduled date for filing annual securities report: June 22, 2023

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, 2023**

(from April 1, 2022 to March 31, 2023)

**(1) Consolidated Operating Results**  
(changes)

(% represents year-on-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                         | %      |
| FY ended March 31, 2023 | 284,603         | 10.8 | 13,796           | (36.1) | 15,602          | (31.3) | 11,512                                  | (30.8) |
| FY ended March 31, 2022 | 256,836         | 8.9  | 21,584           | 26.7   | 22,698          | 35.3   | 16,641                                  | 45.9   |

(Note) Comprehensive income: FY Ended March 31, 2023: 27,307 million yen, up 11.4%

FY Ended March 31, 2022: 24,515 million yen, up 130.9%

|                         | 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, 2023 | 167.85               | 167.74                       | 5.3              | 5.1                                      | 4.8                                    |
| FY ended March 31, 2022 | 232.12               | 231.96                       | 8.2              | 7.8                                      | 8.4                                    |

(Reference) Equity in net income of affiliates: FY ended March 31, 2023: — million yen FY ended March 31, 2022: — million yen

**(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, 2023 | 304,881         | 227,150         | 74.2         | 3,311.24             |
| As of March 31, 2022 | 302,865         | 209,758         | 69.1         | 2,996.21             |

(Reference) Shareholders' equity: As of March 31, 2023: 226,352 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 ended March 31, 2023.

**(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, 2023 | 5,936                                | (12,138)                             | (12,775)                             | 33,857  |
| FY ended March 31, 2022 | 24,642                               | (19,644)                             | (14,455)                             | 50,603  |

**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, 2022              | —                        | 39.00                 | —                    | 49.00    | 88.00  | 6,242                    | 37.9                                 | 3.1                                     |
| FY ended March 31, 2023              | —                        | 44.00                 | —                    | 44.00    | 88.00  | 6,015                    | 52.4                                 | 2.8                                     |
| FY ending March 31, 2024 (forecasts) | —                        | 44.00                 | —                    | 44.00    | 88.00  |                          | 63.3                                 |   |

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2024 (from April 1, 2023 to March 31, 2024)

(% 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                  |
|           | 290,000         | 1.9 | 13,500           | (2.1) | 13,500          | (13.5) | 9,500                                   | (17.5) | 138.97               |

\* 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) 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
- (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, 2023 | 76,688,740 | FY Ended March 31, 2022 | 76,659,440 |
| (b) | FY Ended March 31, 2023 | 8,329,891  | FY Ended March 31, 2022 | 6,833,643  |
| (c) | FY Ended March 31, 2023 | 68,591,399 | FY Ended March 31, 2022 | 71,691,450 |

(Reference) Financial Highlights of the Company

Financial Highlights of the Company for the FY ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023 | 149,169         | (8.5) | 4,122            | (68.8) | 13,002          | (39.9) | 10,945          | (37.1) |
| FY ended March 31, 2022 | 163,109         | 3.2   | 13,203           | 33.4   | 21,648          | 21.5   | 17,411          | 19.0   |

|                         | Net income per share |  | Diluted net income per share |  |
|-------------------------|----------------------|--|------------------------------|--|
|                         | Yen                  |  | Yen                          |  |
| FY ended March 31, 2023 | 159.58               |  | 159.48                       |  |
| FY ended March 31, 2022 | 242.87               |  | 242.70                       |  |

(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, 2023 | 246,343         |  | 184,892         |  | 75.0         | 2,703.52             |
| As of March 31, 2022 | 259,122         |  | 183,700         |  | 70.9         | 2,629.49             |

(Reference) Shareholders' equity: As of March 31, 2023: 184,809 million yen As of March 31, 2022: 183,606 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  |
| (5) Policy for Profit Distribution and Dividends for the Fiscal Year<br>under Review and for the Next Fiscal Year ..... | 5  |
| 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 |
| (Segment information, etc.) .....   | 14 |
| (Per share data) .....  | 16 |
| (Significant events after closing of the year) .....  | 16 |

## 1. Overview of Operating Results

### (1) Overview of Operating Results in the Fiscal Year under Review

During the fiscal year under review, the global economy saw a recovery in certain areas due in part to the easing of restrictions on activities implemented to prevent the spread of COVID-19. Even so, energy and food prices saw sharp rises against the backdrop of Russia's invasion of Ukraine and other factors. Meanwhile, concerns about an economic downturn grew, mainly in Europe and the U.S., reflecting monetary policy adopted to curb inflation. In Japan, the recovery in economic conditions was extremely moderate, reflecting sluggish growth in consumer spending, partly due to continued price increases linked to the impact of the weak yen.

Under these circumstances, the business environment surrounding the Group remained very challenging, reflecting the continuation of a sharp decline in demand due to the weak market for electronic and optical products, as well as the significant impact of surges in prices of materials and fuels.

As a result, net sales increased 10.8% year on year, to 284,603 million yen, given the effect of the acquisition conducted by the U.S. subsidiary, coupled with the impact of the depreciation of the yen. On the profit side, although the Group worked on thorough cost reductions, as well as price revisions while soliciting customers' understanding, operating income declined 36.1% year on year, to 13,796 million yen, ordinary income fell 31.3% year on year, to 15,602 million yen, and profit attributable to owners of parent came to 11,512 million yen, down 30.8% year on year, mainly reflecting significant rises in prices of raw materials and fuels, including pulp, and an increase in the operation loss linked to a fall in the utilization rate of production equipment caused by a decline in orders.

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   |
| Net sales   | Millions of yen<br>132,421        | Millions of yen<br>173,324       | Millions of yen<br>40,903 | %<br>30.9 |
| Printing & Variable Information Products Operations | 101,276                           | 140,010                          | 38,734                    | 38.2      |
| Industrial & Material Operations                    | 31,145                            | 33,314                           | 2,169                     | 7.0       |
| Operating income                                    | 1,373                             | 2,958                            | 1,584                     | 115.4     |

In this segment, net sales were 173,324 million yen (up 30.9% year on year) and operating income was 2,958 million yen (up 115.4% year on year). Sales by operation of this segment were as follows:

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

Regarding adhesive products for seals and labels, in Japan, demand for use, for example, in food and beverage campaigns was weak. Even so, there was progress in the adoption of various types of environmentally friendly products. In addition, demand in the logistics and pharmaceutical industries remained firm. In overseas markets, significant growth was achieved mainly due to the effect of an acquisition in the U.S., coupled with solid sales in ASEAN. As a result, sales in this operation were 140,010 million yen (up 38.2% year on year).

#### (Industrial & Material Operations)

Sales of window film were firm, and demand for graphic films increased. In overseas markets, sales of window film and automobile-use adhesive products remained firm, in the U.S. and ASEAN region. As a result, sales in this operation were 33,314 million yen (up 7.0% year on year).

#### [Electronic and Optical Products]

|                               | Previous consolidated fiscal year | Current consolidated fiscal year | year on year                |             |
|-------------------------------|-----------------------------------|----------------------------------|-----------------------------|-------------|
|                               |                                   |                                  | Increase (decrease)         | Changes     |
| Net sales                     | Millions of yen<br>91,379         | Millions of yen<br>78,053        | Millions of yen<br>(13,326) | %<br>(14.6) |
| Advanced Materials Operations | 67,429                            | 61,455                           | (5,973)                     | (8.9)       |
| Optical Products Operations   | 23,950                            | 16,597                           | (7,353)                     | (30.7)      |
| Operating income              | 19,176                            | 12,463                           | (6,713)                     | (35.0)      |

In this segment, net sales were 78,053 million yen (down 14.6% year on year) and operating income was 12,463 million yen (down 35.0% 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, multilayer ceramic capacitor-related tape were weak, largely affected by sluggish demand for smartphones and personal computers from autumn. As a result, sales in this operation were 61,455 million yen (down 8.9% year on year).

(Optical Products Operations)

Sales of automotive touch screen products grew, but sales of optical display-related adhesive products remained weak, largely affected by sluggish demand for products used for large-screen TV units and smartphones. As a result, sales in this operation were 16,597 million yen (down 30.7% year on year).

[Paper and Converted Products]

|  | Previous consolidated fiscal year | Current consolidated fiscal year | year on year           |          |
|--|-----------------------------------|----------------------------------|------------------------|----------|
|  |                                   |                                  | Increase (decrease)    | Changes  |
| Net sales                                  | Millions of yen<br>33,035         | Millions of yen<br>33,225        | Millions of yen<br>189 | %<br>0.6 |
| Fine & Specialty Paper Products Operations | 15,341                            | 16,134                           | 792                    | 5.2      |
| Converted Products Operations              | 17,694                            | 17,090                           | (603)                  | (3.4)    |
| Operating income                           | 971                               | (1,688)                          | (2,659)                | —        |

In this segment, net sales were 33,225 million yen (up 0.6% year on year), and operating loss was 1,688 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)

Although sales of mainstay color paper for envelopes were on par with the level of the same period a year ago, oil- and water-resistant paper for the fast food industry and colored construction paper for schoolchildren showed solid performances. As a result, sales in this operation were 16,134 million yen (up 5.2% year on year).

(Converted Products Operations)

In casting paper for carbon fiber composite materials, demand for use in sports and leisure was firm. Sales of release paper for electronic materials and release film for optical-related products were weak due to sluggish demand from autumn. As a result, sales in this operation were 17,090 million yen (down 3.4% year on year).

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

(Assets)

Total assets at this consolidated fiscal year end were 304,881 million yen, a year-on-year increase of 2,016 million yen.

Main factors of the change were as follows:

|   |                      |
|---|----------------------|
| - Decrease in "Cash and deposits"   | - 17,383 million yen |
| - Decrease in "Notes and accounts receivable - trade and contract assets" | - 3,600 million yen  |
| - Increase in "Inventories"   | 14,541 million yen   |
| - Decrease in "Current assets-other"                                      | - 3,672 million yen  |
| - Increase in "Property, plant and equipment"                             | 11,071 million yen   |
| - Decrease in "Goodwill"  | - 1,634 million yen  |
| - Decrease in "Deferred tax assets"                                       | - 2,248 million yen  |
| - Increase in "Net defined benefit asset"                                 | 3,773 million yen    |

(Liabilities)

Total liabilities at this consolidated fiscal year end were 77,730 million yen, a year-on-year decrease of 15,376 million yen.

Main factors of the change were as follows:

|  |                     |
|--|---------------------|
| - Decrease in "Trade notes and accounts payable" | - 7,329 million yen |
| - Decrease in "Accrued income taxes"             | - 2,920 million yen |
| - Decrease in "Current liabilities-other"        | - 2,097 million yen |
| - Decrease in "Long-term loans payable"          | - 1,468 million yen |
| - Decrease in "Net defined benefit liability"    | - 3,005 million yen |
| - Increase in "Non-current liabilities-other"    | 1,656 million yen   |

(Net Assets)

Net assets at this consolidated fiscal year end were 227,150 million yen, a year-on-year increase of 17,392 million yen.

Main factors of the change were as follows:

|   |                     |
|---|---------------------|
| - Increase in “Retained earnings”                         | 5,083 million yen   |
| - Decrease in “Treasury stock”                            | - 3,544 million yen |
| - Increase in “ Foreign currency translation adjustments” | 10,444 million yen  |
| - Increase in “ Remeasurements of defined benefit plans”  | 5,193 million yen   |

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

(Millions of yen)

|   | Previous consolidated<br>fiscal year<br>(FY ended March 31, 2022) | Current consolidated<br>fiscal year<br>(FY ended March 31, 2023) | Increase<br>(decrease) |
|---|---|--|------------------------|
| Cash flows from operating activities                        | 24,642  | 5,936  | (18,706)               |
| Cash flows from investing activities                        | (19,644)  | (12,138)   | 7,506                  |
| Cash flows from financing activities                        | (14,455)  | (12,775)   | 1,679                  |
| Effect of exchange rate change on cash and cash equivalents | 2,425   | 2,231  | (193)                  |
| Net increase (decrease) in cash and cash equivalents        | (7,032)   | (16,746)   | (9,713)                |
| Cash and cash equivalents at beginning of year              | 57,636  | 50,603   | (7,032)                |
| Cash and cash equivalents at end of year                    | 50,603  | 33,857   | (16,746)               |

Cash and cash equivalents at this consolidated fiscal year end were 33,857 million yen, a year-on-year decrease of 16,746 million yen. Cash flows in the fiscal year under review are as follows:

(Cash flows from operating activities)

Cash flows from operating activities decreased 18,706 million yen year on year, to a cash inflow of 5,936 million yen. The principal movements were as follows:

|  |                     |
|--|---------------------|
| - Decrease in “Profit before income taxes”       | - 7,368 million yen |
| - Decrease in “Inventories”                      | - 3,204 million yen |
| - Decrease in “Trade notes and accounts payable” | - 6,195 million yen |
| - Decrease in “Income taxes (paid) refund”       | - 1,042 million yen |

(Cash flows from investing activities)

Cash flows from investing activities increased 7,506 million yen year on year, to a cash outflow of 12,138 million yen. The principal movements were as follows:

|  |                     |
|--|---------------------|
| - Increase in “Payments into time deposits”  | 1,199 million yen   |
| - Decrease in “Purchase of property, plant and equipment”  | - 4,026 million yen |
| - Increase in “Purchase of shares of subsidiaries resulting in change in scope of consolidation” | 6,349 million yen   |
| - Increase in “Payments for acquisition of businesses”   | 4,347 million yen   |

(Cash flows from financing activities)

Cash flows from financing activities increased 1,679 million yen year on year, to a cash outflow of 12,775 million yen. The principal movements were as follows:

|  |                   |
|--|-------------------|
| - Increase in “Purchase of treasury stock” | 2,983 million yen |
|--|-------------------|

(4) Outlook

As for the outlook for the fiscal year ending March 31, 2024, there is growing concern that the global economy will slow, mainly reflecting monetary policy adopted to curb high inflation, the U.S.-China conflict, the prolongation of the conflict in Ukraine and a rise in the cost of resources. In Japan, meanwhile, demand related to inbound tourism is expected to rise due to the lifting of immigration restrictions imposed due to COVID-19. However, uncertainty is growing partly due to restraints on buying attributable to increases in the prices of groceries, etc.

The Group also expects that its financial results will be significantly affected if the market conditions of semiconductor and electronic components remain weak and prices of fuels and raw materials continue to be at high levels. Therefore, under the basic policy of LINTEC SUSTAINABILITY VISION 2030, it will work actively on a range of measures set forth as key initiatives.

In this business environment, the Company has developed consolidated business results forecasts for the fiscal year ending March 31, 2024, as follows. The forecasts are based on the assumption of foreign exchange rates at 135 yen per U.S. dollar, 0.1000 yen per Korean won, 19.50 yen per Chinese yuan and 4.35 yen per Taiwan dollar.

|   |  |
|---|--|
| Net sales                               | 290.0 billion yen (up 1.9% year on year)   |
| Operating income                        | 13.5 billion yen (down 2.1% year on year)  |
| Ordinary income                         | 13.5 billion yen (down 13.5% year on year) |
| Profit attributable to owners of parent | 9.5 billion yen (down 17.5% 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.

#### (5) Policy for Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

##### ① Basic policy for dividends for the fiscal year under review

The Company regards enhancement of return of profits to shareholders as one of its most important management issues and fundamentally aims to provide stable and continued returns after consideration of each fiscal year's consolidated performance while strengthening its management base. Internal reserves are used effectively to reinforce the Company's financial base and provide increased future corporate value through investment in production facilities and R&D.

##### ② Dividends for the fiscal year under review

For the fiscal year ended March 31, 2023, the Company has decided to pay a year-end dividend of 44 yen and a full-year dividend of 88 yen, including the interim dividend.

##### ③ Basic policy for dividends for the next fiscal year and beyond

From the fiscal year ending March 31, 2024, the Company will apply the following revised basic policy for dividends to further clarify its stance on shareholder returns.

The Company positions the enhancement of shareholder returns as one of its most important management issues and strives to realize a distribution profits while also strengthening its management foundations. With this in mind, the Company has decided, in principle, not to reduce dividends for the four-year period from the fiscal year ending March 31, 2024, namely, the final year of the ongoing medium-term business plan LSV 2030 - Stage 1, to the fiscal year ending March 31, 2027, or the final year of the next medium-term business plan LSV 2030 - Stage 2 (April 2024 to March 2027). It will pay dividends with a view to achieving a payout ratio of at least 40% or a DOE (dividend on equity ratio) of approximately 3%.

Internal reserves are used effectively to reinforce the Company's financial base and provide increased future corporate value through investment in production facilities and R&D.

##### ④ Forecast dividends for the next fiscal year

For the fiscal year ending March 31, 2024, the Company plans to pay an annual dividend of 88 yen per share.

#### 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, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| <b>Assets</b>                           |                      |                      |
| Current assets                          |                      |                      |
| Cash and deposits                       | 55,416               | 38,032               |
| Trade notes                             | 16,176               | 16,035               |
| Accounts receivable                     | 46,369               | 42,768               |
| Inventories                             | 52,709               | 67,250               |
| Other                                   | 11,677               | 8,004                |
| Allowance for doubtful accounts         | (123)                | (155)                |
| Total current assets                    | 182,224              | 171,936              |
| Non-current assets                      |                      |                      |
| Property, plant and equipment           |                      |                      |
| Buildings and structures (net)          | 38,592               | 41,907               |
| Machinery, equipment and vehicles (net) | 30,950               | 33,960               |
| Land                                    | 11,855               | 12,226               |
| Construction in progress                | 4,129                | 6,515                |
| Other (net)                             | 4,992                | 6,982                |
| Property, plant and equipment           | 90,521               | 101,593              |
| Intangible assets                       |                      |                      |
| Goodwill                                | 16,647               | 15,013               |
| Other                                   | 1,974                | 2,694                |
| Intangible assets                       | 18,622               | 17,708               |
| Investments and other assets            |                      |                      |
| Investment securities                   | 2,116                | 2,342                |
| Deferred tax assets                     | 7,402                | 5,154                |
| Net defined benefit asset               | 0                    | 3,774                |
| Other                                   | 2,070                | 2,464                |
| Allowance for doubtful accounts         | (93)                 | (91)                 |
| Total investments and other assets      | 11,496               | 13,643               |
| Total non-current assets                | 120,640              | 132,945              |
| Total assets                            | 302,865              | 304,881              |



(Millions of yen)

|  | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| <b>Liabilities</b>                           |                      |                      |
| Current liabilities                          |                      |                      |
| Trade notes and accounts payable             | 44,309               | 36,980               |
| Short-term loans payable                     | 1,292                | 960                  |
| Current portion of long-term loans payable   | 1,346                | 1,602                |
| Accrued income taxes                         | 4,210                | 1,289                |
| Provision for bonuses                        | 2,640                | 2,523                |
| Provision for directors' bonuses             | 72                   | 54                   |
| Other  | 18,510               | 16,413               |
| Total current liabilities                    | 72,382               | 59,823               |
| Non-current liabilities                      |                      |                      |
| Long-term loans payable                      | 1,468                | —                    |
| Provision for environmental measures         | 111                  | 111                  |
| Net defined benefit liability                | 15,937               | 12,931               |
| Other  | 3,207                | 4,863                |
| Total non-current liabilities                | 20,724               | 17,906               |
| Total liabilities                            | 93,107               | 77,730               |
| Net Assets                                   |                      |                      |
| Shareholders' equity                         |                      |                      |
| Common stock                                 | 23,320               | 23,355               |
| Capital surplus                              | 26,943               | 26,709               |
| Retained earnings                            | 166,242              | 171,325              |
| Treasury stock                               | (14,118)             | (17,663)             |
| Total shareholders' equity                   | 202,388              | 203,728              |
| Accumulated other comprehensive income       |                      |                      |
| Net unrealized holding gain on securities    | 301                  | 463                  |
| Foreign currency translation adjustments     | 8,936                | 19,381               |
| Remeasurements of defined benefit plans      | (2,414)              | 2,779                |
| Total accumulated other comprehensive income | 6,823                | 22,624               |
| Share subscription rights                    | 93                   | 83                   |
| Non-controlling interests                    | 451                  | 715                  |
| Total net assets                             | 209,758              | 227,150              |
| Total liabilities and net assets             | 302,865              | 304,881              |

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

(Millions of yen)

|  | Previous consolidated fiscal year<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|--|--|---|
| Net sales  | 256,836  | 284,603   |
| Cost of sales  | 191,699  | 221,428   |
| Gross profit   | 65,137   | 63,174  |
| Selling, general and administrative expenses               | 43,553   | 49,378  |
| Operating income   | 21,584   | 13,796  |
| Non-operating income                                       |  |   |
| Interest income  | 143  | 292   |
| Dividends income   | 274  | 111   |
| Rent income  | 22   | 33  |
| Gain on sales of noncurrent assets                         | 7  | 61  |
| Insurance income   | 37   | 95  |
| Foreign exchange gains                                     | 1,003  | 1,434   |
| Subsidy income   | 20   | 83  |
| Other income   | 375  | 422   |
| Total non-operating income                                 | 1,884  | 2,533   |
| Non-operating expenses                                     |  |   |
| Interest expenses  | 110  | 116   |
| Loss on sales of investment securities                     | 12   | 23  |
| Loss on retirement of noncurrent assets                    | 387  | 360   |
| Compensation expenses                                      | 160  | 27  |
| Other expenses   | 99   | 198   |
| Total non-operating expenses                               | 770  | 727   |
| Ordinary income  | 22,698   | 15,602  |
| Extraordinary gain   |  |   |
| Gain on sales of investment securities                     | 259  | 654   |
| Gain on bargain purchase                                   | 282  | —   |
| Gain on sale of shares of subsidiaries and associates      | 13   | —   |
| Total extraordinary gain                                   | 555  | 654   |
| Extraordinary loss   |  |   |
| Impairment loss  | —  | 347   |
| Loss on sales of investment securities                     | —  | 34  |
| Loss on sales of non-current assets                        | —  | 12  |
| Loss on valuation of shares of subsidiaries and associates | 23   | —   |
| Total extraordinary losses                                 | 23   | 394   |
| Profit before income taxes                                 | 23,230   | 15,862  |
| Income taxes   | 7,243  | 4,415   |
| Deferred income taxes                                      | (696)  | (53)  |
| Total income taxes   | 6,547  | 4,361   |
| Profit   | 16,683   | 11,501  |
| Profit (loss) attributable to non-controlling interests    | 41   | (11)  |
| Profit attributable to owners of parent                    | 16,641   | 11,512  |

Statements of Comprehensive Income

(Millions of yen)

|  | Previous consolidated fiscal year<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|--|--|---|
| Profit   | 16,683   | 11,501  |
| Other comprehensive income                       |  |   |
| Net unrealized holding gain / loss on securities | (81)   | 161   |
| Foreign currency translation adjustments         | 7,394  | 10,449  |
| Remeasurements of defined benefit plans          | 519  | 5,195   |
| Total other comprehensive income / (loss)        | 7,832  | 15,806  |
| Comprehensive income                             | 24,515   | 27,307  |
| (Comprehensive income attributable to)           |  |   |
| Owners of parent                                 | 24,467   | 27,313  |
| Non-controlling interests                        | 48   | (5)   |

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

Previous 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                          |
| Capital increase of consolidated subsidiaries                            |                      |                 |                   |                | —                          |
| 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                |
| Capital increase of consolidated subsidiaries                            |   |  |   |  |                           |                           | —                |
| 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          |

Current consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of current term                                     | 23,320               | 26,943          | 166,242           | (14,118)       | 202,388                    |
| Cumulative effects of changes in accounting policies                     |                      |                 |                   |                | —                          |
| Restated balance   | 23,320               | 26,943          | 166,242           | (14,118)       | 202,388                    |
| Changes during current term  |                      |                 |                   |                |                            |
| Issuance of new shares   | 35                   | 35              |                   |                | 70                         |
| Cash dividends   |                      |                 | (6,429)           |                | (6,429)                    |
| Profit attributable to owners of parent                                  |                      |                 | 11,512            |                | 11,512                     |
| Purchase of treasury stock   |                      |                 |                   | (3,555)        | (3,555)                    |
| Disposal of treasury stock   |                      | (0)             |                   | 10             | 10                         |
| Capital increase of consolidated subsidiaries                            |                      | (268)           |                   |                | (268)                      |
| Net changes in items other than shareholders' equity during current term |                      |                 |                   |                |                            |
| Total change during current term   | 35                   | (233)           | 5,083             | (3,544)        | 1,339                      |
| Balance at end of current term   | 23,355               | 26,709          | 171,325           | (17,663)       | 203,728                    |

|  | 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                                     | 301                                       | 8,936                                    | (2,414)                                 | 6,823  | 93                        | 451                       | 209,758          |
| Cumulative effects of changes in accounting policies                     |   |  |   |  |                           |                           | —                |
| Restated balance   | 301                                       | 8,936                                    | (2,414)                                 | 6,823  | 93                        | 451                       | 209,758          |
| Changes during current term  |   |  |   |  |                           |                           |                  |
| Issuance of new shares   |   |  |   |  |                           |                           | 70               |
| Cash dividends   |   |  |   |  |                           |                           | (6,429)          |
| Profit attributable to owners of parent                                  |   |  |   |  |                           |                           | 11,512           |
| Purchase of treasury stock   |   |  |   |  |                           |                           | (3,555)          |
| Disposal of treasury stock   |   |  |   |  |                           |                           | 10               |
| Capital increase of consolidated subsidiaries                            |   |  |   |  |                           |                           | (268)            |
| Net changes in items other than shareholders' equity during current term | 161                                       | 10,444                                   | 5,193                                   | 15,800                                       | (10)                      | 263                       | 16,053           |
| Total change during current term   | 161                                       | 10,444                                   | 5,193                                   | 15,800                                       | (10)                      | 263                       | 17,392           |
| Balance at end of current term   | 463                                       | 19,381                                   | 2,779                                   | 22,624                                       | 83                        | 715                       | 227,150          |

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

|  | Previous consolidated fiscal year<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|--|--|---|
| <b>Cash flows from operating activities</b>                  |  |   |
| Profit before income taxes                                   | 23,230   | 15,862  |
| Depreciation   | 9,895  | 11,145  |
| Amortization of goodwill                                     | 3,200  | 3,745   |
| Increase (decrease) in net defined benefit liability         | 525  | 187   |
| Increase (decrease) in allowance for doubtful accounts       | (11)   | 13  |
| Interest and dividend income                                 | (417)  | (403)   |
| Interest expense   | 110  | 116   |
| Loss (gain) on sales of property, plant and equipment        | 4  | (24)  |
| Loss on retirement of property, plant and equipment          | 193  | 147   |
| Decrease (increase) in trade notes and accounts receivable   | 6,184  | 5,606   |
| Decrease (increase) in inventories                           | (8,546)  | (11,751)  |
| Increase (decrease) in trade notes and accounts payable      | (3,781)  | (9,976)   |
| Loss (gain) on sales of investment securities                | (13)   | (1)   |
| Subsidy income   | (20)   | (83)  |
| Loss (gain) on sale of shares of subsidiaries and associates | (259)  | (654)   |
| Gain on bargain purchase                                     | (282)  | —   |
| Impairment loss  | —  | 347   |
| Loss (gain) on sales of investment securities                | —  | 34  |
| Loss on valuation of shares of subsidiaries and associates   | 23   | —   |
| Other  | 829  | (1,136)   |
| Subtotal   | 30,866   | 13,175  |
| Interest and dividend income received                        | 415  | 381   |
| Interest expenses paid                                       | (118)  | (122)   |
| Proceeds from subsidy income                                 | 20   | 83  |
| Income taxes (paid) refund                                   | (6,540)  | (7,583)   |
| Cash flows from operating activities                         | 24,642   | 5,936   |

(Millions of yen)

|  | Previous consolidated fiscal year<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|--|--|---|
| <b>Cash flows from investing activities</b>  |  |   |
| Payments into time deposits  | (9,906)  | (8,707)   |
| Proceeds from withdrawal of time deposits  | 9,520  | 9,713   |
| Purchase of property, plant and equipment  | (8,522)  | (12,549)  |
| Proceeds from sales of property, plant and equipment                                       | 17   | 79  |
| Purchase of intangible assets  | (210)  | (1,179)   |
| Purchase of investment securities  | (14)   | (55)  |
| Proceeds from sales of investment securities   | 15   | 28  |
| Proceeds from sale of shares of subsidiaries and associates                                | 478  | —   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation           | (6,349)  | —   |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | —  | 586   |
| Payments for acquisition of businesses   | (4,617)  | (270)   |
| Payments of loans receivable   | (2)  | (28)  |
| Collection of loans receivable   | 9  | 12  |
| Other  | (60)   | 229   |
| Cash flows from investing activities   | (19,644)   | (12,138)  |
| <b>Cash flows from financing activities</b>  |  |   |
| Increase (decrease) in short-term loans payable  | (331)  | (462)   |
| Repayments of long-term loans payable  | (1,229)  | (1,468)   |
| Cash dividends paid  | (5,642)  | (6,426)   |
| Purchase of treasury stock   | (6,539)  | (3,555)   |
| Repayment of lease obligation  | (713)  | (862)   |
| Other  | 0  | 0   |
| Cash flows from financing activities   | (14,455)   | (12,775)  |
| Effect of exchange rate changes on cash and cash equivalents                               | 2,425  | 2,231   |
| Net Increase (decrease) in cash and cash equivalents                                       | (7,032)  | (16,746)  |
| Cash and cash equivalents at beginning of year   | 57,636   | 50,603  |
| Cash and cash equivalents at end of year   | 50,603   | 33,857  |

(5) Notes to Consolidated Financial Statements

(Notes on going concern)

Not applicable.

(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 |



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

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

(Millions of yen)

|  | Reportable Segments                                 |                                       |                                    |         | Adjustment<br>(Note 1) | Consolidated<br>Statements<br>of Income<br>(Note 2) |
|--|---|---------------------------------------|------------------------------------|---------|------------------------|---|
|  | Printing and<br>Industrial<br>Materials<br>Products | Electronic<br>and Optical<br>Products | Paper and<br>Converted<br>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.

Current consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

|  | Reportable Segments                                 |                                       |                                    |         | Adjustment<br>(Note 1) | Consolidated<br>Statements<br>of Income<br>(Note 2) |
|--|---|---------------------------------------|------------------------------------|---------|------------------------|---|
|  | Printing and<br>Industrial<br>Materials<br>Products | Electronic<br>and Optical<br>Products | Paper and<br>Converted<br>Products | Total   |                        |   |
| Net sales                              |   |                                       |                                    |         |                        |   |
| Net sales to outside customers         | 173,324   | 78,053                                | 33,225                             | 284,603 | –                      | 284,603   |
| Intra-segments sales and transfers     | 68  | 25                                    | 14,044                             | 14,138  | (14,138)               | –   |
| Total                                  | 173,393   | 78,078                                | 47,269                             | 298,741 | (14,138)               | 284,603   |
| Segment income                         | 2,958   | 12,463                                | (1,688)                            | 13,733  | 62                     | 13,796  |
| Others                                 |   |                                       |                                    |         |                        |   |
| Depreciation and amortization (Note 3) | 5,177   | 3,936                                 | 2,030                              | 11,145  | –                      | 11,145  |
| Amortization of goodwill (Note 3)      | 3,745   | –                                     | –                                  | 3,745   | –                      | 3,745   |

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<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|------------------------------|--|---|
| Net assets per share         | Yen<br>2,996.21  | Yen<br>3,311.24   |
| Net income per share         | 232.12   | 167.85  |
| Diluted net income per share | 231.96   | 167.74  |

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

| Item  | Previous consolidated fiscal year<br>(FY ended March 31, 2022) | Current consolidated fiscal year<br>(FY ended March 31, 2023) |
|---|--|---|
| Net income per share  |  |   |
| Profit attributable to owners of parent (million yen)   | 16,641   | 11,512  |
| Amount not attributable to common shareholders<br>(million yen)   | –  | –   |
| Profit attributable to owners of parent applicable to<br>common stock (million yen)                           | 16,641   | 11,512  |
| Average number of shares of common stock outstanding<br>during the fiscal year (thousand shares)              | 71,691   | 68,591  |
|   |  |   |
| Diluted net income per share  |  |   |
| Diluted profit attributable to owners of parent (million<br>yen)  | –  | –   |
| Increase in common stock (thousand shares)  | 49   | 44  |
| (Share warrant) (thousand shares)   | (49)   | (44)  |
| Outline of dilutive shares not included in diluted net income<br>per share since they have no dilutive effect | –  |   |

(Note) 2. Calculation basis for net assets per share

| Item  | Previous consolidated fiscal year<br>(As of March 31, 2022) | Current consolidated fiscal year<br>(As of March 31, 2023) |
|---|---|--|
| Total net assets in the consolidated balance sheet<br>(million yen)                   | 209,758   | 227,150  |
| Amount deducted from total net assets (million yen)                                   | 545   | 798  |
| (Share warrant) (million yen)   | (93)  | (83)   |
| (Non-controlling interests) (million yen)   | (451)   | (715)  |
| Term-end net assets per common share (million yen)                                    | 209,212   | 226,352  |
| Number of common stocks used in calculating net assets per<br>share (thousand shares) | 69,825  | 68,358   |

(Significant events after closing of the year)

Not applicable.