

Consolidated Financial Results for the Three Months Ended June 30, 2024
[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

August 8, 2024

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange, Prime Market

Code number: 7966

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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, 2024
(from April 1, 2024 to June 30, 2024)

(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, 2024	76,045	16.9	6,435	373.7	7,590	285.6	5,890	435.5
Three Months Ended June 30, 2023	65,036	(6.4)	1,358	(74.8)	1,968	(71.6)	1,100	(78.7)

(Note) Comprehensive income: Three Months Ended June 30, 2024: 11,136 million yen, up 441.6%
Three Months Ended June 30, 2023: 2,056 million yen, down 80.8%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Three Months Ended June 30, 2024	86.10	86.06
Three Months Ended June 30, 2023	16.09	16.08

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of June 30, 2024	341,323	241,155	70.4
As of March 31, 2024	333,642	232,984	69.6

(Reference) Shareholders' equity: As of June 30, 2024: 240,369 million yen As of March 31, 2024: 232,224 million yen

2. DIVIDENDS

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	44.00	—	44.00	88.00
FY ending March 31, 2025	—				
FY ending March 31, 2025 (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, 2025
(from April 1, 2024 to March 31, 2025)

(% 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	290,000	5.0	18,000	69.4	18,000	56.0	13,000	147.9	190.05

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

*Notes

(1) Significant changes in scope of consolidation during the quarter: 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, 2024	76,688,740	FY Ended March 31, 2024	76,688,740
(b)	Three Months Ended June 30, 2024	8,268,785	FY Ended March 31, 2024	8,285,231
(c)	Three Months Ended June 30, 2024	68,412,045	Three Months Ended June 30, 2023	68,377,396

* Review of the attached quarterly financial statements by certified public accountant or audit firm: None

* 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.

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1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2024

(1) Explanation Regarding Results of Operations

The overall performance of the Group's businesses was positive during the first quarter of the fiscal year under review, primarily due to a significant recovery in net sales attributable to strong demand for semiconductor and electronic component-related products, as well as growing sales volumes of adhesive products for seals and labels and converted products.

The Group posted net sales of 76,045 million yen (up 16.9% year on year), operating income of 6,435 million yen (up 373.7% year on year), ordinary income of 7,590 million yen (up 285.6% year on year), and profit attributable to owners of parent of 5,890 million yen (up 435.5% year on year) during the period.

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	40,948	45,286	4,337	10.6
Printing & Variable Information Products Operations	32,539	36,202	3,663	11.3
Industrial & Material Operations	8,409	9,083	673	8.0
Operating income (loss)	(202)	1,938	2,140	—

In this segment, net sales amounted to 45,286 million yen (up 10.6% year on year) due to higher sales volumes and the effects of the weak yen. On the profit side, operating income was 1,938 million yen (not comparable year on year), partly due to a significant increase in sales volumes in the US.

Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

In adhesive products for seals and labels, domestic sales to the logistics and on-line sales industries held firm, but demand, especially that related to food products, declined due to the impact of rising prices. In addition, overall sales of products for eye-catching labels and beverage campaigns were sluggish. In overseas markets, sales volumes recovered significantly in the US due to the effects of an acquisition. Sales also remained solid in China and ASEAN. The resulting sales in this operation were 36,202 million yen (up 11.3% year on year).

(Industrial & Material Operations)

In the domestic market, sales of devices for on-line sales were firm, but sales of automobile-use adhesive products were tepid due to declining automobile production volumes. In overseas markets, sales of window films for building increased in the US; in India, sales of automobile-use adhesive products increased. Sales in this operation were 9,083 million yen (up 8.0% 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	15,939	21,830	5,891	37.0
Advanced Materials Operations	12,832	19,120	6,288	49.0
Optical Products Operations	3,107	2,709	(397)	(12.8)
Operating income	1,970	4,148	2,178	110.6

In this segment, despite sluggish sales of adhesive products for optical displays, net sales amounted to 21,830 million yen (up 37.0% year on year), thanks to a marked recovery in sales of semiconductor and electronic component-related products. In terms of profitability, operating income came to 4,148 million yen (up 110.6% year on year) due to an increase in sales volumes for semiconductor and electronic component-related products.

Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Sales of semiconductor-related adhesive tape were strong due to higher demand for products used in smartphones and other devices. In addition, sales of semiconductor-related devices for HBM manufacturing grew significantly. Sales of multilayer ceramic capacitor-related tape saw significant growth due to rising demand for applications such as smartphones, automobiles, and data centers. As a result, sales in this operation were 19,120 million yen (up 49.0% year on year).

(Optical Products Operations)

While sales of automotive touch screen-related products increased, sales of optical display-related adhesive products remained weak, affected by declining demand for products for large-screen TVs. As a result, sales in this operation were 2,709 million yen (down 12.8% year on year).

[Paper and Converted Products]

	Previous first quarter	Current first quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	8,148	8,928	780	9.6
Fine & Specialty Paper Products Operations	4,086	3,782	(303)	(7.4)
Converted Products Operations	4,061	5,146	1,084	26.7
Operating income (loss)	(426)	339	765	—

In this segment, despite a drop in sales of color papers for envelopes in Fine & Specialty Paper Products Operations, net sales amounted to 8,928 million yen (up 9.6% year on year), thanks to a significant increase in sales volumes in Converted Products Operations. On the profit side, operating income was 339 million yen (not comparable year on year), due partly to higher sales volumes in Converted Products Operations.

(Fine & Specialty Paper Products Operations)

While sales of oil- and water-resistant papers and industrial specialty papers remained unchanged year on year, sales of mainstay color papers for envelopes were sluggish due to lower demand. Sales in this operation were 3,782 million yen (down 7.4% year on year).

(Converted Products Operations)

Sales of release paper for electronic materials and release film for optical-related products were strong thanks to higher demand for products used in smartphones and other devices. Sales of casting papers for synthetic leather and casting papers for carbon fiber composite materials also increased significantly. As a result, sales in this operation were 5,146 million yen (up 26.7% year on year).

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 341,323 million yen, a year-on-year increase of 7,681 million yen. Main factors of the change were as follows:

- Increase in “Notes and accounts receivable - trade, and contract assets”	2,496 million yen
- Increase in “Inventories”	3,708 million yen
- Increase in “Property, plant and equipment”	2,693 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 100,168 million yen, a year-on-year decrease of 489 million yen. Main factors of the change were as follows:

- Increase in “Trade notes and accounts payable”	2,763 million yen
- Decrease in “Short-term loans payable”	- 1,100 million yen
- Decrease in “Provision for bonuses”	- 1,226 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 241,155 million yen, a year-on-year increase of 8,170 million yen. Main factors of the change were as follows:

- Increase in “Retained earnings”	2,880 million yen
- Increase in “Foreign currency translation adjustments”	5,209 million yen

(3) Explanation Regarding Cash Flow

Cash and cash equivalents at this first quarter end were 51,899 million yen, a decrease of 496 million yen from the end of the previous consolidated fiscal year. The cash flow status for this first quarter was as follows:

(Cash flows from operating activities)

Cash flows from operating activities increased by 3,121 million yen to a cash inflow of 8,573 million yen compared to the first quarter of the previous fiscal year. The key factors contributing to the increase/decrease are as follows:

- Increase in "Profit before income taxes"	5,681 million yen
- Decrease in "Accounts receivable - trade"	- 1,505 million yen
- Decrease in "Inventories"	- 3,487 million yen
- Increase in "Trade payables"	3,590 million yen
- Decrease in "Income taxes (paid) refund"	- 974 million yen

(Cash flows from investing activities)

Cash flows from investing activities increased by 245 million yen to a cash outflow of 5,203 million yen compared to the first quarter of the previous fiscal year. The key factors contributing to the increase/decrease are as follows:

- Increase in "Payments into time deposits"	645 million yen
- Decrease in "Proceeds from withdrawal of time deposits"	- 1,283 million yen
- Increase in "Purchase of property, plant and equipment"	672 million yen

(Cash flows from financing activities)

Cash flows from financing activities decreased by 12,919 million yen to a cash outflow of 5,160 million yen compared to the first quarter of the previous fiscal year. The key factors contributing to increase/decrease are as follows:

- Net decrease in "Increase (decrease) in short-term loans payable"	- 6,100 million yen
- Decrease in "Proceeds from long-term borrowings"	- 6,795 million yen

(4) 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 8, 2024 remains unchanged.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	55,490	55,508
Notes and accounts receivable - trade and contract assets	64,764	67,261
Inventories	59,548	63,257
Other	8,354	7,869
Allowance for doubtful accounts	(181)	(188)
Total current assets	187,977	193,707
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	48,178	49,051
Machinery, equipment and vehicles (net)	39,995	40,216
Land	13,238	13,344
Construction in progress	5,008	6,149
Other (net)	7,704	8,056
Property, plant and equipment	114,125	116,818
Intangible assets		
Goodwill	15,064	14,882
Other	3,234	3,251
Intangible assets	18,299	18,133
Investments and other assets		
Other	13,328	12,752
Allowance for doubtful accounts	(89)	(89)
Total investments and other assets	13,239	12,663
Total non-current assets	145,664	147,615
Total assets	333,642	341,323

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	45,705	48,468
Short-term loans payable	1,400	300
Current portion of long-term loans payable	1,974	2,118
Accrued income taxes	1,975	1,779
Provision for bonuses	2,395	1,169
Provision for directors' bonuses	52	14
Provision for loss on liquidation of subsidiaries and associates	1,147	1,170
Provision for product warranties	254	254
Other	21,012	20,459
Total current liabilities	75,918	75,734
Non-current liabilities		
Long-term loans payable	5,888	5,205
Provision for environmental measures	111	111
Net defined benefit liability	13,667	13,855
Other	5,072	5,261
Total non-current liabilities	24,739	24,433
Total liabilities	100,657	100,168
Net Assets		
Shareholders' equity		
Common stock	23,355	23,355
Capital surplus	26,700	26,711
Retained earnings	170,796	173,676
Treasury stock	(17,568)	(17,533)
Total shareholders' equity	203,283	206,210
Accumulated other comprehensive income		
Net unrealized holding gain on securities	607	644
Foreign currency translation adjustments	25,694	30,904
Remeasurements of defined benefit plans	2,639	2,610
Total accumulated other comprehensive income	28,941	34,159
Share subscription rights	56	54
Non-controlling interests	703	730
Total net assets	232,984	241,155
Total liabilities and net assets	333,642	341,323

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Three Months Ended June 30, 2024

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2023)	Current consolidated fiscal year (Three months ended June 30, 2024)
Net sales	65,036	76,045
Cost of sales	51,491	55,970
Gross profit	13,544	20,074
Selling, general and administrative expenses	12,186	13,638
Operating income	1,358	6,435
Non-operating income		
Interest income	82	150
Dividend income	156	268
Gain on sales of non-current assets	6	6
Foreign exchange gains	511	806
Insurance income	16	0
Other income	85	73
Total non-operating income	858	1,306
Non-operating expenses		
Interest expenses	74	105
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	112	21
Compensation expenses	1	4
Other expenses	59	20
Total non-operating expenses	248	151
Ordinary income	1,968	7,590
Extraordinary gain		
Gain on sales of non-current assets	—	59
Total extraordinary gain	—	59
Profit before income taxes	1,968	7,649
Income taxes	351	1,445
Deferred income taxes	511	308
Total income taxes	862	1,753
Profit	1,105	5,896
Profit (loss) attributable to non-controlling interests	5	5
Profit attributable to owners of parent	1,100	5,890

Consolidated Quarterly Statements of Comprehensive Income
Three Months Ended June 30, 2024

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2023)	Current consolidated fiscal year (Three months ended June 30, 2024)
Net income	1,105	5,896
Other comprehensive income		
Net unrealized holding gain on securities	95	37
Foreign currency translation adjustments	840	5,231
Remeasurements of defined benefit plans	14	(29)
Total other comprehensive income	950	5,240
Comprehensive income	2,056	11,136
(Comprehensive income attributable to)		
Owners of parent	2,048	11,108
Non-controlling interests	7	27

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (Three months ended June 30, 2023)	Current consolidated fiscal year (Three months ended June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	1,968	7,649
Depreciation	2,778	3,101
Amortization of goodwill	930	1,123
Increase (decrease) in net defined benefit liability	230	178
Increase (decrease) in allowance for doubtful accounts	2	(4)
Interest and dividend income	(238)	(418)
Interest expense	74	105
Loss (gain) on sales of property, plant and equipment	(5)	(65)
Loss on retirement of property, plant and equipment	39	8
Decrease (increase) in trade notes and accounts receivable	91	(1,413)
Decrease (increase) in inventories	1,143	(2,343)
Increase (decrease) in trade notes and accounts payable	(1,550)	2,040
Loss (gain) on sales of investment securities	(0)	(1)
Other	431	4
Subtotal	5,895	9,964
Interest and dividend income received	229	408
Interest expenses paid	(50)	(202)
Income taxes (paid) refund	(622)	(1,597)
Cash flows from operating activities	5,451	8,573
Cash flows from investing activities		
Payments into time deposits	(1,503)	(858)
Proceeds from withdrawal of time deposits	1,728	445
Purchase of property, plant and equipment	(5,641)	(4,968)
Proceeds from sales of property, plant and equipment	28	135
Purchase of intangible assets	(103)	(31)
Proceeds from sales of investment securities	21	52
Other	18	21
Cash flows from investing activities	(5,449)	(5,203)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	5,000	(1,100)
Proceeds from long-term borrowings	6,795	—
Repayments of long-term loans payable	(838)	(821)
Cash dividends paid	(2,989)	(2,989)
Purchase of treasury stock	(0)	(0)
Other	(207)	(247)
Cash flows from financing activities	7,759	(5,160)
Effect of exchange rate changes on cash and cash equivalents	411	1,293
Net Increase (decrease) in cash and cash equivalents	8,172	(496)
Cash and cash equivalents at beginning of year	33,857	52,396
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	180	—
Cash and cash equivalents at end of period	42,210	51,899

(4) 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, 2023 to June 30, 2023)

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	40,948	15,939	8,148	65,036	—	65,036
Intersegment sales and transfers	21	3	3,602	3,626	(3,626)	—
Total	40,969	15,942	11,751	68,662	(3,626)	65,036
Segment income (loss)	(202)	1,970	(426)	1,341	17	1,358

Notes:

1. Segment income or loss in each segment is adjusted by eliminating the amount of intra-segments transactions.
2. Segment income or loss is adjusted to be recorded as operating income in the quarterly consolidated statements of income.

II. Current first quarter (from April 1, 2024 to June 30, 2024)

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	45,286	21,830	8,928	76,045	—	76,045
Intersegment sales and transfers	18	4	3,645	3,668	(3,668)	—
Total	45,304	21,834	12,574	79,713	(3,668)	76,045
Segment income	1,938	4,148	339	6,426	9	6,435

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 quarterly consolidated statements of income.