

# A Message from the President

**Makoto Hattori**

Representative Director  
President, CEO and COO

We will sustain robust growth  
by accurately grasping  
the needs of society and  
our customers.

## Review of the Fiscal Year Ended March 31, 2025

The fiscal year ended March 31, 2025, which was the first year of the medium-term business plan LSV 2030-Stage 2, saw continued upward trends in raw material prices and logistics costs. However, in addition to the significant expansion of semiconductor- and electronic component-related products, supported by solid demand, the sales volume of adhesive products for seals and labels recovered in the United States. As a result, we achieved significant increases in both sales and income compared with the previous fiscal year. To improve profitability, we also worked to optimize our business portfolio, including the dissolution of our production subsidiaries in South Korea and Taiwan within Optical Products Operations and the recording of impairment losses in Fine & Specialty Paper Products Operations.

Our external environment is growing increasingly uncertain due to factors such as geopolitical risks and concerns over the impact of U.S. tariff policies

stemming from changes in administration. Even so, we were still able to achieve strong results under such business conditions. This was made possible by the dedication of all Group employees, who face their daily tasks with sincerity and put in steady efforts. I would also like to express my sincere gratitude to all our stakeholders, including our customers for continuity to choose LINTEC products, our suppliers who provide us with raw materials, and our partner companies.

The current fiscal year, ending March 31, 2026, is the second year of the medium-term business plan and the midpoint of the long-term vision LSV 2030, which concludes in the fiscal year ending March 31, 2030. To remain a sustainable company, I believe we must look ahead to 2030 and conduct our business with a view toward 2050 and the generations that follow. I fully recognize the weight of this responsibility and will take the lead in tackling the challenges ahead.

Realizing Our Long-Term Vision

To achieve further growth and advancement, I believe it is essential to realize the goals of LSV 2030. This long-term vision outlines our ideal future in terms of both economic value and social value, two inseparable and interdependent pillars. LSV 2030 envisions our ideal state along two axes: economic value and social value.

Our top-priority metric in terms of economic value at present is ROE. We are aiming for 8% or more in the fiscal year ending March 31, 2027, the final year for our medium-term business plan, and 10% or more by the fiscal year ending March 31, 2030, the final year of our long-term vision. Meanwhile, ROE for the fiscal year ended March 31, 2025, stood at 6.1%. To achieve our goals, we are working toward two major pillars: improving profitability and enhancing capital efficiency.

In particular, we are working to improve profitability in our existing product lines by reinforcing quality, cost, and delivery through the integrated efforts of our sales, R&D, and production divisions. Our goal is to achieve high profitability by delivering quality that exceeds market expectations, building cost-competitive manufacturing capabilities, and strengthening our supply systems. In addition, we believe that the key to future

growth lies in the continuous development and launch of numerous new highly profitable, market-leading products within each business division. We will strategically invest in R&D to accelerate the creation of innovative products that meet customer needs. In addition, we are actively working on fundamental structural reforms, the optimization of our business portfolio, and the transformation of development, manufacturing, logistics, and business processes through digital transformation (DX).

If these initiatives progress as planned, we believe we can achieve the ROE target of 8% or more set in LSV 2030-Stage 2. In fact, we see the 8% level as only a waypoint as we aim for even higher ROE levels befitting a global company.

Furthermore, all our initiatives are premised on social value, which entails contributing to the realization of a sustainable society. We believe that achieving tangible results from the perspectives of both economic and social value will further earn the trust of our stakeholders and provide the foundation for new and greater challenges.

products after labels are affixed. These initiatives leverage LINTEC’s core technologies and contribute to the realization of a sustainable society. We are also participating in the Japan Earth Conscious Labeling Association (J-ECOL), a label recycling association, aiming to build a recycling system for used release paper and realize a circular economy across the entire supply chain.

Reducing CO<sub>2</sub> emissions and developing and expanding environmentally friendly products is not easy. However, I am convinced that the technological innovations that arise in the process of tackling these ambitious goals embody the innovation we advocate in LSV 2030 and will lead to sustainable growth. We will continue to accelerate Companywide efforts and make proactive investments.

For details, see the “Environment” section on pages 48–50.

North America’s Label Market Poised for Growth

More than 60% of LINTEC’s net sales are from overseas, and we have already established a solid foundation as a global company. However, to further strengthen our competitiveness in global markets, it is essential to flexibly respond to the characteristics and needs of each market. Cultural and regulatory differences, as well as diverse customer requirements, often mean that products developed and manufactured in Japan cannot be deployed as is in overseas markets. We are therefore promoting product development optimized for the needs of each region, leveraging our technological capabilities.

Among these, we have high expectations for growth in our North American label-related business. In terms of market size for pressure-sensitive labels, North America ranks third after the Asia-Pacific and Europe.

With continued population growth, the market is expected to keep expanding. Although MACTAC AMERICAS, LLC has been recording operating losses due to amortization of goodwill, the company possesses advanced technologies, such as formulations for environmentally friendly hot-melt adhesive agents and high-speed coating equipment. By capitalizing on these strengths, we believe the company will make a significant contribution to the LINTEC Group’s performance in the near future.

For details, see “Growth Field 1” on pages 22–23.

Expansion of the Semiconductor-Related Business

In the semiconductor field, we are currently working to establish mass production of carbon nanotube pellicles for extreme ultraviolet lithography equipment by the end of the fiscal year ending March 31, 2026. Additionally, since the latter half of the fiscal year ended March 31, 2024, demand has been increasing in high-bandwidth memory-related products for generative AI, but we must not be satisfied with this alone. It is important that we expand into areas where LINTEC’s technologies can be applied. We will thoroughly research customer needs and strengthen our systems to swiftly develop and supply products that will likely be in demand a few years from now. Semiconductor technology is expected to continue evolving toward further miniaturization and higher integration. We will actively take on challenges not only in existing areas but also in the cutting-edge areas of the semiconductor market, aiming to further expand the applications of our products in semiconductor manufacturing processes.

For details, see “Growth Field 2” on pages 24–26.

Responding Strategically to Current Needs

The core of LINTEC’s operations is the business-to-business model, and our role is to listen closely to our customers, delve deeply into the markets, and provide full support in creating new demand that enables our customers to achieve sustainable growth. In other words, being the most important and strongest supporter for our customers is the essential prerequisite for being chosen by them. To achieve this, it is vital that we swiftly and accurately perceive the needs of society and our customers.

At present, we are strengthening our ability to respond to three key needs: the growing awareness of environmental issues, increasing overseas demand for adhesive products for seals and labels, and the increasing sophistication of semiconductors.

**Proactive Pursuit of Environmental Targets**

In conducting business sustainably, environmental issues are the most pressing theme to be addressed on a global level. LSV 2030-Stage 2 also positions the

response to environmental issues as one of the most important themes.

Regarding the reduction of CO<sub>2</sub> emissions, we achieved the targets set in LSV 2030-Stage 1 ahead of schedule and have now raised our targets to an even higher level: a reduction of 75% or more by March 2030 (compared with the fiscal year ended March 31, 2014). While environmental measures are a given, we are working toward achieving this goal and actively making capital investments that also aim for improvements in quality and production efficiency.

The development and expansion of environmentally friendly products is another important initiative. Regarding materials other than plastic, we have already commercialized products using our proprietary specialty paper production technology. With respect to release agents and adhesive agents, we are promoting solvent-less formulations that do not use organic solvents while also focusing on the expansion of mono-material label materials that contribute to the improved recyclability of

Proactively Addressing Future Needs

Creation of Value Through Dialogue with Customers

To realize sustainable growth even in times of uncertainty, it is not enough to respond only to explicit needs. We must also detect latent needs and proactively reflect them in our products and services.

I am convinced that the foundation of this approach lies in LINTEC’s core strength: deep communication with our customers. The origin of this belief stems from an experience I had when I first joined the Company.

In 1980, I joined FUJI SHIKO CORPORATION, the predecessor of LINTEC, as a sales representative. At the time, I had little knowledge of pressure-sensitive products and lacked confidence in my ability to improvise, which made me question whether I was suited for a sales role. However, I was encouraged by something my supervisor told me: “Being a good salesperson isn’t about having a silver tongue—it’s about sincerely thinking about your customer.” That message deeply encouraged me then, and more than 40 years later, it remains etched



in my heart. With that teaching in mind, even during periods when I struggled to achieve good sales results, I always asked myself, “What does the customer need right now?” I made repeated visits to our customers, carefully listening to their comments. As I did, I gradually came to understand their challenges and requests. I then broadened the scope of my proposals by working in close collaboration with our internal teams in R&D and production, making use of our collective knowledge to offer solutions that better matched customer needs. Through that process, I began to feel a growing sense of trust and engagement from our customers.

The essence of LINTEC lies in this approach—starting with dialogue to understand customer needs and working across departments to develop products that provide fundamental solutions. This cycle of customer-driven innovation is what drives LINTEC’s sustainable growth. It is, without a doubt, the embodiment of our Company motto: “Sincerity and Creativity.”

**A Companywide R&D Framework**

As my experience illustrates, the creation of new products and businesses at LINTEC is not limited to engineers with specialized technical skills. While our Research & Development Division plays a central role, we have also established an organization within the Business Administration Division dedicated to developing new products and businesses. Our structure enables each division, sales, R&D, and manufacturing, to contribute to technological development from their

own unique perspectives. This cross-organizational approach is the key to accurately grasping changes in society and the diversifying needs of customers and to responding quickly even in these times of rapid change. By directly incorporating insights from the front lines into product development, we are able to provide practical solutions that cannot be derived from theory alone.

In recent years, we have also actively pursued open innovation by combining LINTEC’s proprietary technologies, built up over many years, with external expertise. A representative example is our participation in ARCH, an incubation center whose mission is to generate new businesses. Through communication with member companies from different industries in this co-creation space, we have discovered new possibilities for applying our technologies and products to solve issues in entirely new fields. Ideas gained from these activities are shared with our research centers and business divisions, enhancing the collaborative use of knowledge and improving the feasibility of commercialization. In today’s world, where uncertainty continues to grow, co-creation among companies is becoming increasingly important. By proactively embracing multifaceted external perspectives, we will accelerate the creation of innovative products and services that meet the diverse needs of society and our customers.

For details, see the “R&D and Intellectual Property Strategy” section on pages 30–32.

**Building a System for Speed**

**DX as a Driver of New Product and Business Creation**

We take pride in the steady advances we have made in both organizational and technological aspects of new product development. However, to respond quickly to rapidly evolving market needs, it is essential to further accelerate the speed of our R&D. The key to achieving this lies in promoting DX.

A particular focus of our efforts is to effectively integrate the vast database accumulated over many years by the Research & Development Division into the development process using the latest DX tools. In the past, consideration of material formulations often relied on individual researchers’ experience and intuition; however, with AI-driven data analysis, we are now achieving greater precision and significantly

reduced lead times. We are also enhancing cross-functional information sharing, bringing together multifaceted perspectives to drive the creation of new products and businesses.

For details, see the “DX Strategy” section on pages 34–35.

**Unity as a Strength**

Alongside innovation born from communication with customers, what I also consider a source of LINTEC’s strength is our unity in critical moments. We have fostered a culture of cross-divisional collaboration and flexible coordination, and I take pride in the fact that all our employees move in the same direction.



In recent years, our sales representatives have faced the difficult task of negotiating price increases with customers in an extremely harsh market environment characterized by surging raw material and fuel prices. In such situations, it is only natural to feel discouraged or wish to avoid confrontation, especially when facing strong pushback. Even so, I have always encouraged our employees to engage proactively. If we distance ourselves from our customers, communication will cease, and we will lose sight of what they truly need.

LINTEC employees recognize the essence of a situation and take the initiative, even in tough circumstances. When the Company clearly communicates its policies and thinking, employees understand and move forward as one. I firmly believe this unity is what strengthens our driving force. If at times employees are not aligned with our thinking, then the responsibility lies with me for not communicating well enough. I believe I must further improve how I convey our direction and values so that our employees can fully understand and embrace them.

**Message to Our Shareholders and Investors**

Amid an increasingly uncertain business environment, LINTEC continues to make strong strides toward both solving social issues and enhancing business performance. In pursuing these goals, I am once again keenly aware that thorough and consistent communication with all our stakeholders is the foundation of sustainable growth. Our continued growth has only been possible through dialogue with our stakeholders. The candid feedback and expectations we receive from you are a source of nourishment for our growth and the wellspring of innovation. As president, I will put into practice the lessons I learned as a new employee and fully support

every employee in actively engaging with our stakeholders to build even stronger relationships of trust.

Even when the path ahead is shrouded in fog, I firmly believe that by deepening our dialogue with shareholders and investors, we can chart a clear direction and forge a path forward. I sincerely ask for your continued and increased support as we move ahead.

Makoto Hattori  
Representative Director  
President, CEO and COO