Growth Strategy

A Message from the President



CEO MESSAGE

Makoto Hattori

Representative Director
President, CEO and COO

We will forge ahead with determination to continuously raise corporate value, with the resolution of social issues and pursuit of rapid growth as driving forces.

Responsibility to Resolve Social Issues

LINTEC began its business by manufacturing gummed tape that could be applied with water, similar to postage stamps, and has now developed products in a wide range of areas as a comprehensive manufacturer of adhesive-related products. While we continue to adapt our products in line with changes in the business environment as well as people's lifestyles and the needs of customers, our fundamental role has not changed—to contribute to resolving social issues and consistently deliver the value required by customers through our adhesive-related products. I believe this is both LINTEC's mission and responsibility.

Looking solely at environmental issues, society is currently facing a wide range of problems that include reducing CO_2 emissions and realizing a circular society. More than ever, companies are being asked how they will address such issues while also determining how they will provide value. Meanwhile, as we are advancing efforts in our environmental response as a manufacturer, which include our work to enhance our lineup of environmentally friendly products, we are also participating in the Japan-Earth Conscious Labeling (J-ECOL), a label recycling association, to promote recycling of release paper across the entire label industry. As a result of these efforts, LINTEC's technologies and businesses are beginning to contribute to the resolution of social issues.

See the "Environment" section on page 55.

We are not only facing environmental issues. LINTEC's singular purpose entails contributing to resolving the social issues that lie beyond supporting our customers' industries and businesses. It is for this reason that I believe we must continue to be our customers' most important and strongest supporter.

Organizational Strength That Drives Our Value Creation

LINTEC's strengths lie in our high-variety, small-lot manufacturing that other companies find difficult to undertake, which is the result of carefully addressing the highly diverse needs and issues of each and every customer. In the process of striving to meet a wide range of requirements and specifications, ongoing dialogue with customers and daily collaboration between company divisions have become standard practice within our organization. By directly facing each issue through close coordination between our Sales, R&D, and Production divisions and bringing our ideas to life while sharing information and insights within the Company, we have cultivated the ability to accurately identify customer needs and to translate this knowledge into real solutions through technology. These are the source of LINTEC's value creation today.

At the root of this lies our highest priority—making connections with people. We have established strong and lasting partnerships with customers through our efforts to foster relationships and build trust over many years. Even when customers choose a competitor's product, we maintain our relationship with them, analyze any issues, and make continuous improvements, which has led to future opportunities. I firmly believe that this ability to sustain relationships is the very driving force of LINTEC's growth.

We share information and engage in rapid decision-making across divisions. These include not only Sales, R&D, and Production but also administrative functions, such as Procurement and

Quality Assurance. The strength of this ability to collaborate contributes to not only the speed of our development but also our ability to respond to customers, underpinning LINTEC's competitive edge. This stance embodies our company motto of "Sincerity and Creativity." Our commitment to always act in a manner that is true to our company motto remains unwavering, regardless of the business conditions. I firmly believe in the importance of building on our daily efforts, and this steady practice has fostered strong relationships and organizational capabilities, which have in turn led to our current business performance and corporate value.

Review of the Fiscal Year Ended March 31, 2026, and Outlook for the Fiscal Year Ending March 31, 2027

See the "Overview of Long-Term Vision LSV 2030" section on pages 14–15.

See the "A Message from the CFO" section on pages 18–21.

During the fiscal year ended March 31, 2026 (fiscal year under review), the second year of the medium-term business plan LSV 2030–Stage 2, net sales and operating income saw record highs for the second consecutive year. Being able to boost performance to this extent amid increasingly uncertain conditions is a testament to the unwavering efforts of all our employees.

We have been forging ahead with initiatives related to key themes of our long-term vision, LSV 2030, largely as planned. Under our structural reforms initiative, we have been optimizing our business portfolio through efforts that include the closure of our subsidiary LINTEC INDUSTRIES (MALAYSIA) and the shutting down of production equipment in the Fine & Specialty Paper Products Operations, while also actively engaging in measures such as introducing new production equipment through scrap and build. Regarding MACTAC AMERICAS, which is responsible for our North American label-related business, the amortization of planned goodwill has weighed on the company, preventing it from achieving the expected improvement in earnings, and we are addressing this as an urgent management issue. Numerous factors related to this issue are intertwined, such as the market environment in North America and various production systems, and resolving them requires time. However, we have been strengthening the support system from Japan, with measures that include optimizing production equipment and logistics bases. We are also beginning to see progress in improving yield rates, ensuring we achieve profitability at an early stage.

The semiconductor-related business, which is a growth field, is expanding at an unprecedented speed due to the rapidly increasing demand for AI, with performance that has greatly exceeded that of the previous fiscal year. Orders remained strong for not only semiconductor-related adhesive tape and multilayer ceramic capacitor-related tape, but also for equipment for semiconductor manufacturing, including tools for high-bandwidth memory (HBM) manufacturing. In the fiscal year ending March 31, 2027 (the current fiscal year), we will capitalize on this tailwind while steadily advancing initiatives aimed at the production of carbon nanotube (CNT) pellicles for extreme ultraviolet (EUV) lithography equipment. For our environmental initiatives, we have received Science Based Targets (SBT) certification. We are continuously working to reduce our greenhouse gas emissions and will further advance specific measures in line with business activities.

See the "Environment" section on pages 52–53.

The fiscal year under review saw the challenges of running a business become even greater under an extremely harsh external environment that included concerns over the procurement of naphtha-derived raw materials, following increasing tensions in the Middle East. Amid these challenges, we placed the highest priority on responsible supply to our customers. Centered on our Procurement Division, we ensured a stable supply of raw materials and were able to fulfill our commitment to deliver. Since we are a business that is easily affected by the external environment, we have consistently placed great importance on developing systems to address latent issues during normal times. As a result, we have equipped ourselves with the capability to respond flexibly and accurately, even in highly uncertain environments. This adaptability was not created overnight but rather a skill that has been cultivated over time, and we regard it as one of LINTEC's core strengths.

The fiscal year under review is a key year for steadily making improvements to our revenue structure while also advancing the enhancement of production equipment and R&D sites to encourage growth. Furthermore, even if a field has matured, there is still plenty of room to create new products and business opportunities that contribute to resolving social issues. With a view to the next medium-term business plan, LSV 2030–Stage 3, we will steadily advance all the themes adopted under LSV 2030 and are making appropriate investment decisions in the necessary fields.

Growth Strategies for 2030

Looking at our current business portfolio, the majority of the Company's profits are underpinned by the Advanced Materials Operations, which is focused on developing semiconductor-related products. As demand for AI is rapidly growing in the semiconductor market, we anticipate growth in the medium to long term. Semiconductors will continue to play an indispensable part in society's evolution, even in 10 or 20 years. Active capital investment by semiconductor manufacturers is expected to continue in the future, and I am determined that we effectively capture this growth opportunity. However, pursuing growth and strengthening the soundness of our business portfolio must be conducted simultaneously. I firmly believe that engaging in improvements to profitability in the other five divisions outside the Advanced Materials Operations is a vital issue. With this in mind, I am committed to establishing a profit-based business structure, further strengthening our semiconductor-related business, and creating new engines for growth.

1. Transformation to a Profit-Oriented Structure

The Printing & Variable Information Products Operations accounts for a substantial share of our sales, and I believe that improving profitability in this segment will have a significant impact on the Company as a whole. In particular, the North American adhesive labels market represents a key growth area for us, and improving the profitability of MACTAC AMERICAS is an urgent priority. As one of the largest adhesive labels markets in the world, with growth expected to accompany population increases, North America is a critically important region for us. While moving quickly to improve profitability, we intend to grow earnings by leveraging synergies across the Group in technology and sales channels. In addition, although the Fine & Specialty Paper Products Operations conducts business in a challenging environment, it remains an important business that supports the supply of raw materials (base paper for release paper) for our adhesive products. Viewing our response to social issues as an opportunity for growth, we will continue to pursue necessary investments and reforms from a medium- to long-term value creation perspective, rather than judging performance solely by short-term growth rates.

See the "Transformation to a Profit-Oriented Structure" section on pages 22–23.

2. Expansion of the Semiconductor-Related Business

The growth of our semiconductor-related business is not just attributable to market conditions. Since developing UV curable dicing tape in 1986, we have continuously created products that anticipate our customers' needs. Underpinning this, as I mentioned earlier, is the trust we have built with our customers over many years, as well as our comprehensive capabilities to address challenges as one unified team, namely, drawing on the integrated strength of sales, R&D, and production. I believe it is this high level of customer trust and recognition that has driven our current growth.

Our CNT pellicles for EUV lithography equipment originated from carbon nanotube research and development conducted at our R&D center in Texas (United States), which opened in 2013. While pellicles were not the original research theme, their potential and market needs became clear as we continued our R&D efforts. We are now in the final stages of preparation for full-scale production. I am strongly determined to ensure that the steadfast efforts by everyone involved launch a successful business. Going forward, we will address challenges one by one, including maintaining quality while ensuring a stable supply and improving usability, such as handling characteristics, to drive continued adoption and market expansion. We opened the Tsukuba Innovative Creation Center in June 2026. This will accelerate our pellicle-related initiatives while steadily advancing the development of new applications that leverage our technology. We will turn this robust demand into sustainable improvements in business performance.

See the "Expansion of the Semiconductor-Related Business" section on pages 24–27.

See the "Creation of New Growth Engines" section on pages 28–29

3. Creation of New Growth Engines

While semiconductor- and electronic component-related products are currently in the spotlight, their life cycles will inevitably come to an end. As a result, I believe that it is imperative to be proactive in our response to new developments in the medium to long term. With this in mind, we are focusing on developing materials and processes aimed at becoming the next-generation de facto standard and creating solutions that contribute to the resolution of social issues, with a view to the continued growth of semiconductors. Despite differing progress in each theme, there are some fields that are starting to take off due to industry–academic collaboration and external co-creation, and we anticipate an increase in the scope of our business portfolio in the future.

In research and development, the Research & Development Division currently serves as the core, while the Business Administration Division is also advancing initiatives aimed at creating new products and businesses as well as promoting research themes under a cross-organization, Companywide approach. This system allows us to incorporate market needs into our development process at an early stage and accelerate the creation of new products and their commercialization.

To achieve LSV 2030, LINTEC has adopted a multifaceted growth strategy that involves addressing all themes with the potential to develop a compelling narrative, rather than focusing heavily on one particular field. At first glance, it may seem extremely inefficient to work on so many themes at once. However, I recognize that our business is structured in a way that creates value through the interaction between technology, customer relationships, and our supply system. As a result, simply optimizing a single area in isolation is unlikely to yield sufficient results.

The Board of Directors also continues to discuss the optimization of our business portfolio as a key priority from the perspective of overall optimization. We will enhance the effectiveness of our strategies and enhance corporate value by incorporating the objective and candid opinions of our outside directors, who are informed by their experience and industry expertise.

Strengthening the Foundation That Accelerates Growth (Human Capital, DX, and Governance)

See the "Human Resource Strategy" section on pages 46–47.

Human resources are the source of our growth. While the approach to talent development varies by country, region, and industry, we are advancing human capital development across the Group in a systematic manner. In particular, securing and developing R&D talent is a critical issue that will determine our future competitiveness, and we are strengthening recruitment and development efforts in line with the expansion of our R&D themes. In addition, with overseas sales now accounting for more than 60% of total revenue, developing talent and strengthening governance at our overseas subsidiaries have become important management issues. Senior managers at our local operations are required to understand and apply both Japanese corporate philosophy and local management practices. We will steadily advance this talent development while further strengthening trust and governance within our local operations through ongoing communication and personnel exchanges.

See the "DX Strategy" section on pages 48–49.

One area that we are particularly focused on accelerating is the promotion of digital transformation (DX). We have positioned DX as an essential means of sustainably enhancing our competitiveness. The promotion of DX is not limited to specific departments, but rather a Companywide initiative encompassing all departments. In the previous fiscal year, we obtained DX Certification from Japan's Ministry of Economy, Trade and Industry. Building on the DX learning and infrastructure development we have focused on over the past several years, and incorporating external expertise in the process, we have now moved into the utilization and application phase, working to generate concrete results across our operations. In particular, advances in AI are bringing significant change to the speed of business execution across our operations. The speed of literature research and design review in our R&D operations is being substantially improved through the use of AI. Rapid information sharing, decision-making, and development speed have long been among our strengths, and I believe DX will enable us to elevate these strengths even further. In this sense, DX is not merely a tool for improving operational efficiency. It is a critical initiative for further enhancing the Companywide agility that is one of our core strengths, and for driving new value creation. Through the development of DX talent and the use of data to enhance visibility and governance across the Group, we will work to build a more resilient management foundation on a global scale.

To Our Stakeholders

Guided by our company motto of "Sincerity and Creativity," we will continue to fulfill our corporate mission of resolving social issues by enhancing the resilience of our management foundation and business foundation, linking these efforts with solid business results. I believe that we must pursue both the resolution of social issues and rapid growth by working together as a company.

Our growth to date is entirely due to the understanding and support of our stakeholders. We will continue to meet our customers' expectations by providing value that exceeds those expectations, building on the foundation of trust with our customers. Corporate value is not evaluated on its short-term results. I firmly believe that it is viewed in terms of the efforts built up over 10 or 20 years.

LINTEC will continue to be our customers' most important and strongest supporter, and we will strive to sustainably enhance our corporate value through the pursuit of both social issue resolution and rapid growth. I sincerely ask for your continued understanding and support as we move ahead with these efforts.

Makoto Hattori
Representative Director
President, CEO and COO

