

**Measures to realize management keenly aware of  
cost of capital and our share price**

**LINTEC Corporation**

Analysis of current situation

■ Actual results for the LSV 2030-Stage 1 Medium-term Business Plan (previous) and actual results, forecasts, and targets for the LSV 2030-Stage 2 Medium-term Business Plan (current)

	Previous Medium-term Business Plan LSV 2030 - Stage 1			Current Medium-term Business Plan LSV 2030 - Stage 2		
	FY2022/3 Results	FY2023/3 Results	FY2024/3 Results	FY2025/3 Results	FY2026/3 Forecasts	FY2027/3 Targets
Net sales (million yen)	256,836	284,603	276,321	315,978	317,000	315,000
Operating income (million yen)	21,584	13,796	10,628	24,562	24,000	25,500
Operating profit margin	8.4%	4.8%	3.8%	7.8%	-	8% or more
Profit attributable to owners of parent (million yen)	16,641	11,512	5,243	14,476	18,000	18,000
Return on equity (ROE)	8.2%	5.3%	2.3%	6.1%	-	8% or more
Weighted average cost of capital (WACC) *	5.2%	5.2%	5.3%	6.0%	-	-
Price-to-book value ratio (PBR)	0.81	0.65	0.93	0.76	-	1 or more
Share price (yen) (adjusted closing price at fiscal year end)	2,431	2,165	3,165	2,756	-	-

\* Weighted average cost of capital calculated by LINTEC using the capital-asset pricing model (CAPM)

## Analysis of current situation

### ■ Achievements in first fiscal year (FY2025/3) of the LSV 2030-Stage 2 Medium-term Business Plan

#### **[Increase profitability and improve capital efficiency]**

- In the first fiscal year of the Medium-term Business Plan, ended March 2025, we achieved record net sales and operating income, with figures for both net sales and operating income significantly exceeding figures recorded for the final fiscal year of the previous medium-term business plan (LSV 2030-Stage 1).
  - Strong demand led to significant growth in earnings from semiconductor and electronic component-related products.
  - Sales volumes for adhesive products for seals and labels recovered in the US.
  - The operating profit margin was 7.8% and ROE 6.1%, with the latter exceeding our expected cost of equity.
- We made new capital investments in coating equipment for release films, semiconductor-related adhesive tape, and casting papers.
  - Capital investments (consolidated): 20.5 billion yen in the fiscal year ended March 2024 and 20.6 billion yen in the fiscal year ended March 2025
- Business environment for the Fine & Specialty Paper Products Operations is expected to remain challenging as orders for mainstay envelope papers are falling. After examining the potential to recoup our investments, we recorded an impairment loss of 7.728 billion yen in the fiscal year ended March 2025 as an extraordinary loss.

#### **[Enhance shareholder returns]**

- In line with our basic policy on profit allocation, we decided to pay an annual dividend of 100 yen for the fiscal year ended March 2025 (interim 50 yen/share, year-end 50 yen/share).
  - Dividend payout ratio: 47.2%
  - DOE (dividend on equity): 3.2%

## Analysis of current situation

### [Enhance shareholder returns]

- Purchase and cancellation of treasury shares
  - Resolved to repurchase shares (maximum of 3 million shares, or 10 billion yen) between February 7, 2025 and September 30, 2025
    - ➡ Total number of shares acquired: 1,082,000 shares, total acquisition cost of shares: 3,092,135,300 yen (as of March 31, 2025)
  - Canceled 4,200,000 common shares of the Company on November 29, 2024 (total number of issued shares after cancellation: 72,488,740 shares)

### [Promote sustainability management]

- We held IR meetings with domestic and overseas institutional investors and analysts, as well as briefings for individual investors.
  - Institutional investors and securities analysts with whom we met at individual meetings, etc.  
FY2024/3 meetings: 221 companies and 320 individuals (totals) ➡ FY2025/3 meetings: 311 companies and 419 individuals (totals)
- Stepped up ESG initiatives.
  - Performance with respect to CO2 emissions reduction target of at least 50% (compared to FY2013)  
FY2023/3: 39.7% ➡ FY2024/3: 51.4% ➡ FY2025/3 53.6%  
Having achieved the targets for FY 2024 and 2025, we will set new reduction targets and strengthen our efforts.
- Price-to-book ratio (PBR) still remains below 1.
  - March 31, 2025: 0.76

## Future initiatives

### ■ Second and subsequent fiscal years of the LSV 2030-Stage 2 Medium-term Business Plan (2026/3 onwards)

#### **[Increase profitability and improve capital efficiency]**

- We will continue to work on the key initiatives of the Long-term Vision and the various measures under the LSV 2030-Stage 2 Medium-term Business Plan. For the final year of Stage 2, we are targeting an operating profit margin of 8% or more and an ROE of 8%.
- Strengthen existing businesses.
  - Optimize our production framework by deploying high-performance machines and pursuing a scrap-and-build approach for existing lines.
    - ➡ During Stage 2, we will suspend 10 older lines, transferring their functions to existing lines, and improve asset efficiency.
  - To restructure Fine & Specialty Paper Products to improve its profitability, we have decided to suspend operation of a paper machine (Kumagaya Plant K-1/M/C).
  - Improve turnover of fixed assets, inventories, etc.
    - ➡ Set KPIs for each business unit to increase profitability and capital efficiency.
- Swiftly launch new products and businesses.
  - Commence full-scale operation of the production equipment completed during Stage 1 and new production equipment scheduled to be completed in the first fiscal year of Stage 2.
    - ➡ Release film coating equipment (four machines) and semiconductor-related adhesive tape coating equipment (one machine)
    - ➡ Casting paper coating equipment (one machine)
    - ➡ Establish system for mass production of CNT pellicles for EUV lithography machines.
    - ➡ Increase production capacity to meet growth in orders for semiconductor-related devices.

## Future initiatives

### **[Enhance shareholder returns]**

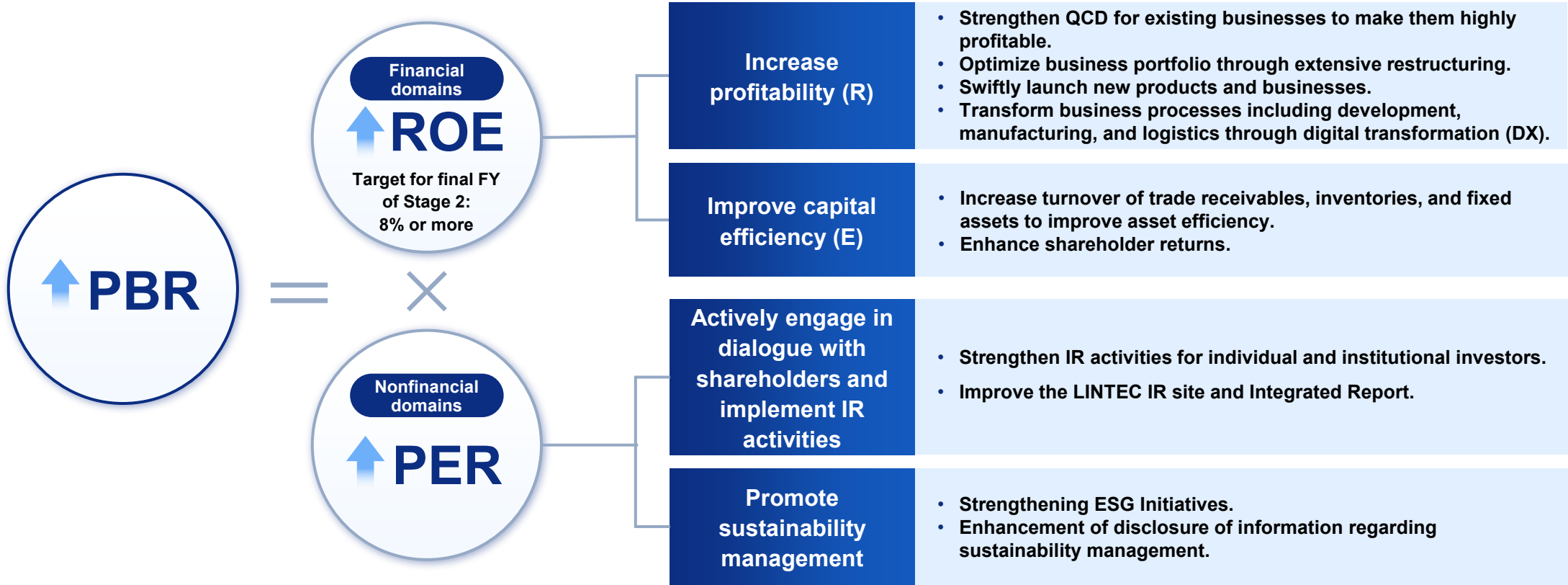
- **Maintain our basic policy on profit allocation.**
  - **We will not reduce dividends until the fiscal year ending March 2027 and will maintain a dividend payout ratio of 40%+ or DOE of 3%.**
  - **Make effective use of retained earnings to strengthen our financial base and invest in production equipment; undertake research and development to strengthen our value as an enterprise.**
    - ➡ **Continue to make significant capital investments in anticipation of growth in the electronics market.**
    - ➡ **Develop new tapes, devices, and proprietary processes in connection with packaging technologies for advanced semiconductor post-processing operations.**
    - ➡ **Establish a system for mass production of CNT pellicles for EUV lithography machines.**
  - **We will pursue a flexible approach to share buybacks, taking into account available cash and confirming the need on a case-by-case basis.**

### **[Promote sustainability management]**

- **Continue to engage in active dialogue with shareholders/investors and in other IR activities.**
  - **Hold IR meetings with domestic and overseas institutional investors and analysts and briefings for individual investors.**
- **Step up ESG initiatives.**
  - **CO2 emissions reduction target (compared to FY2013)**
    - ➡ **We have revised the reduction target to at least 67% by the end of the fiscal year ending March 2027 and at least 75% by the end of the fiscal year ending March 2030.**

Policy

We aim to achieve and maintain a PBR of more than 1 via working on key initiatives of the Long-term Vision and the measures of the LSV 2030-Stage 2 Medium-term Business Plan.



Long-term Vision:  
Three Key Initiatives

- Solve social issues.
- Foster innovation to build a robust corporate structure.
- Create new products and businesses to deliver sustainable growth.

Cash allocation for sustainable growth