

# Summary of Consolidated Financial Results for the Fiscal Year Ended March 2005

Member, Financial Accounting Standards Foundation  
May 25, 2005

Name of listed company: Lintec Corporation

Code number: 7966

URL: <http://www.lintec.co.jp>

Representative: Akihiko Ouchi, President and COO

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Date of Board of Directors Meeting for the Settlement of Accounts: May 25, 2005

Name of parent company: Nippon Paper Group, Inc. (Code number: 3893)

% of voting rights held by parent company: 29.4%

Application of U.S. Accounting Standards: No

Stock exchange listing: Tokyo Stock Exchange

Location of headquarters: Tokyo

## 1. CONSOLIDATED RESULTS FOR THE FISCAL YEAR ENDED MARCH 2005 (April 1, 2004 to March 31, 2005)

### (1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 2005	171,689	8.0	12,369	20.1	11,715	21.7
FY ended March 2004	158,947	6.7	10,298	38.4	9,624	44.2

	Net income		Net income per share	Net income per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of ordinary income to sales
	Millions of Yen	%	Yen	Yen	%	%	%
FY ended March 2005	7,759	(0.2)	108.76	—	9.0	7.1	6.8
FY ended March 2004	7,778	388.5	111.90	102.16	10.2	6.0	6.1

- (Notes)
- Equity in Net income of equity-method affiliates: FY ended March 2005: None FY ended March 2004: None
  - Average number of outstanding shares during the period (consolidated):  
FY ended March 2005: 70,746,623 shares FY ended March 2004: 68,978,737 shares
  - Changes in accounting method: None
  - Percentages for net sales, operating income, ordinary income, and net income are rates of increase or decrease compared with the previous fiscal year.

### (2) Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
FY ended March 2005	169,589	92,767	54.7	1,226.28
FY ended March 2004	162,707	80,347	49.4	1,149.19

(Note) Number of outstanding shares at year-end (consolidated): FY ended March 2005: 75,596,975 shares, FY ended March 2004: 69,864,712 shares

### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY ended March 2005	11,163	(8,963)	(410)	9,190
FY ended March 2004	9,474	(8,496)	(1,671)	6,254

### (4) Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries: 18 companies Non-consolidated subsidiaries for which the equity method is applied: None  
Affiliates for which the equity method is applied: None

### (5) Changes in Scope of Consolidation and Application of the Equity Method

—Newly included in consolidation: 4 companies —Excluded from consolidation: None  
—Equity method newly applied: None —Equity method no longer applied: None

## 2. Forecast of Consolidated Results for the FISCAL Year Ending March 2006 (April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
Six months ended September 2005	88,000	6,200	4,000
FY ended March 2006	180,000	13,500	9,000

(Note) Projected net income per share for the fiscal year ending March 2006: 118.20 yen

\* Amounts rounded down to the nearest million yen. Projections are based on assumptions regarding economic conditions, market trends, and plans as of the date of these materials. Actual results may differ from projections due to a variety of reasons

Consolidated Balance Sheets

(Unit: millions of yen)

	FY ended March 31, 2005		FY ended March 31, 2004		Change
	Amount	% of total	Amount	% of total	
<b>Assets</b>					
Current assets	97,509	57.5	90,437	55.6	7,072
Cash and cash equivalents	8,717		5,659		3,057
Trade notes and accounts receivable	58,295		57,574		720
Marketable securities	815		943		(128)
Inventories	22,343		21,853		490
Deferred tax assets	1,222		1,488		(266)
Other	6,282		3,104		3,177
Allowance for doubtful accounts	(167)		(186)		19
Non-current assets	72,079	42.5	72,270	44.4	(190)
Property, plant and equipment	56,411	33.3	53,878	33.1	2,532
Buildings and structures	18,694		18,518		176
Machinery, equipment and vehicles	25,997		22,486		3,510
Land	7,833		9,176		(1,343)
Construction in progress	2,231		2,499		(267)
Other	1,654		1,197		456
Intangible assets	198	0.1	190	0.1	8
Investments and other assets	15,470	9.1	18,201	11.2	(2,731)
Investment securities	6,245		5,183		1,061
Deferred tax assets	7,468		9,225		(1,756)
Other	1,898		3,952		(2,053)
Allowance for doubtful accounts	(141)		(159)		17
<b>Total assets</b>	<b>169,589</b>	<b>100.0</b>	<b>162,707</b>	<b>100.0</b>	<b>6,881</b>

(Unit: millions of yen)

	FY ended March 31, 2005		FY ended March 31, 2004		Change
	Amount	% of total	Amount	% of total	
<b>Liabilities</b>					
Current liabilities	54,815	32.3	58,108	35.7	(3,292)
Trade notes and accounts payable	38,868		38,905		(37)
Short-term borrowings	6,487		1,993		4,493
Current portion of convertible bonds	—		5,801		(5,801)
Accrued income taxes	875		2,346		(1,470)
Other	8,584		9,061		(476)
Long-term liabilities	21,241	12.5	23,462	14.4	(2,221)
Long-term debt	428		622		(193)
Accrued retirement allowances	20,462		22,146		(1,683)
Accrued retirement benefits for officers	348		692		(343)
Consolidation adjustment account	0		1		0
<b>Total liabilities</b>	<b>76,057</b>	<b>44.8</b>	<b>81,571</b>	<b>50.1</b>	<b>(5,514)</b>
Minority interests	764	0.5	788	0.5	(24)
Shareholders' equity					
Common stock	23,201	13.7	20,299	12.5	2,901
Capital surplus	26,818	15.8	23,921	14.7	2,896
Retained earnings	44,960	26.5	38,159	23.5	6,800
Net unrealized holding gain on securities	765	0.5	228	0.1	537
Foreign currency translation adjustment	(1,958)	(1.2)	(1,264)	(0.8)	(693)
Treasury stock	(1,018)	(0.6)	(996)	(0.6)	(22)
<b>Total shareholders' equity</b>	<b>92,767</b>	<b>54.7</b>	<b>80,347</b>	<b>49.4</b>	<b>12,420</b>
<b>Total liabilities, minority interests, and shareholders' equity</b>	<b>169,589</b>	<b>100.0</b>	<b>162,707</b>	<b>100.0</b>	<b>6,881</b>

Consolidated Statements of Income

(Unit: millions of yen)

	FY ended March 31, 2005		FY ended March 31, 2004		Change
	Amount	% of total	Amount	% of total	
Net sales	171,689	100.0	158,947	100.0	12,741
Cost of sales	135,708	79.0	125,623	79.0	10,085
Gross profit	35,980	21.0	33,324	21.0	2,656
Selling, general and administrative expenses	23,611	13.8	23,025	14.5	585
Operating income	12,369	7.2	102,968	6.5	2,070
Non-operating income	351	0.2	505	0.3	(153)
Interest income	34		39		
Dividend income	39		25		
Other	277		440		
Non-operating expenses	1,005	0.6	1,179	0.7	(174)
Interest expenses	62		78		
Other	942		1,101		
Ordinary income	11,715	6.8	9,624	6.1	2,091
Extraordinary income	317	0.2	3,915	2.5	(3,598)
Gain on sale of fixed assets	279		815		
Gain in liquidation of subsidiary	27		—		
Reversal of allowance for doubtful accounts	11		65		
Gain on return of the substitutional portion of welfare pension fund plans	—		2,741		
Gain on sale of investment securities	—		184		
Gain on sales of shares of subsidiary	—		108		
Extraordinary loss	195	0.1	1,357	0.9	(1,161)
Typhoon-related loss	67		—		
Lawsuit related loss	59		—		
Loss on sales of property, plant and equipment	48		12		
Loss on revaluation of membership rights	20		24		
Impairment losses for fixed assets	—		1,086		
Special retirement allowance	—		180		
Loss on sale of investment securities	—		53		
Income before income taxes	11,837	6.9	12,182	7.7	(344)
Income taxes	2,436	1.4	3,712	2.3	(1,276)
Deferred income taxes	1,655	1.0	670	0.5	985
Minority interests	(13)	0.0	20	0.0	(33)
Net income	7,759	4.5	7,778	4.9	(19)

**Consolidated Statements of Retained Surplus**

(Unit: millions of yen)

	FY ended March 31, 2005		FY ended March 31, 2004	
Capital surplus				
Capital surplus at beginning of year		23,921		23,321
Increase in capital surplus				
Increase in capital surplus from conversion of convertible bonds	2,896		598	
Gain on disposition of treasury stock	0	2,896	0	599
Capital surplus at end of year		26,818		23,921
Retained earnings				
Retained earnings at beginning of year		38,159		31,207
Increase in retained earnings				
Net income	7,759		7,778	
Adjustment due to increase of consolidated subsidiaries	0		67	
Increase in accordance with U.S. pension accounting standards	7	7,766	7	7,853
Decrease in retained earnings				
Cash dividends	841		825	
Bonuses to directors	60		60	
Decrease due to increase in consolidated subsidiaries	63		—	
Employee welfare fund	—	965	15	901
Retained earnings at end of year		44,960		38,159

**Consolidated Statement of Cash Flows**

(Unit: millions of yen)

	FY ended March 31, 2005	FY ended March 31, 2004
<b>I. Cash flows from operating activities:</b>		
Income before income taxes	11,837	12,182
Depreciation and amortization	6,216	5,502
Impairment losses for fixed assets	—	1,086
Amortization of consolidated adjustment accounts	0	(19)
Change in accrued pension and severance costs	(1,684)	(2,698)
Change in allowance for doubtful accounts	(43)	(157)
Interest and dividend income	(73)	(64)
Interest expense	62	78
Gain on sales of property, plant and equipment	(297)	(815)
Loss on disposal of property, plant and equipment	418	612
Change in trade notes and accounts receivable	(725)	(3,989)
Change in inventories	(202)	(2,782)
Change in trade notes and accounts payable	(481)	3,554
Loss on revaluation of membership rights	20	24
Gain on sales of investment securities	—	(184)
Gain on sales of shares of subsidiaries	—	(108)
Loss on sales of investment securities	—	53
Change in reserve for loss on shutdown of a plant	—	(517)
Gain on liquidation of a subsidiary	(27)	—
Other	234	1,749
Subtotal	15,253	13,507
Interest and dividend income	75	62
Interest expense	(60)	(77)
Income taxes	(4,105)	(4,017)
Cash flows from operating activities	11,163	9,474
<b>II. Cash flows from investing activities:</b>		
Proceeds from sales of marketable securities	106	238
Purchases of property, plant and equipment	(8,699)	(8,699)
Proceeds from sales of property, plant and equipment	2,138	1,264
Purchases of investment securities	(7)	(3)
Proceeds from sales of investment securities	39	431
Proceeds from sales of shares of subsidiary	—	346
Proceeds from liquidation of subsidiary	47	—
Payments for purchase of shares or additional investment in unconsolidated subsidiaries or affiliates	(2,462)	(1,967)
Payments for loans	(38)	(37)
Proceeds from collection of loans receivable	41	29
Other	(128)	(98)
Cash flows from investing activities	(8,963)	(8,496)
<b>III. Cash flows from financing activities:</b>		
Change in short-term borrowings	4,549	214
Repayment of long-term debt	(186)	(992)
Payment of redemption fund of convertible bonds	(3,907)	—
Cash dividends paid	(841)	(825)
Payment for acquisition of treasury stock	(23)	(71)
Other	(1)	1
Cash flows from financing activities	(410)	(1,671)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	(68)	(143)
<b>V. Increase (decrease) in cash and cash equivalents</b>	1,719	(836)
<b>VI. Cash and cash equivalents at beginning of year</b>	6,254	6,920
<b>VII. Increase in cash and cash equivalents resulting from initial consolidation of subsidiaries</b>	1,216	170
<b>VIII. Cash and cash equivalents at end of year</b>	9,190	6,254

## Business Segment Information

Fiscal year ended March 31, 2005

(Unit: millions of yen)

	Pressure Sensitive Adhesive Related	Paper Related	Total	Eliminations & Corporate	Consolidated
I. Net sales and operating income (loss)					
(1) Net sales to outside customers	125,359	46,329	171,689	—	171,689
(2) Intersegment sales and transfers	153	7,640	7,793	(7,793)	—
Total	125,512	53,970	179,482	(7,793)	171,689
Operating expenses	117,262	49,850	167,113	(7,793)	159,319
Operating income	8,249	4,119	12,369	—	12,369
II. Assets, depreciation and amortization, and capital expenditures					
Assets	107,320	46,492	153,812	15,776	169,589
Depreciation and amortization	3,646	2,570	6,216	—	6,216
Capital expenditures	5,578	3,059	8,638	—	8,638

Fiscal year ended March 31, 2004

(Unit: millions of yen)

	Pressure Sensitive Adhesive Related	Paper Related	Total	Eliminations & Corporate	Consolidated
I. Net sales and operating income (loss)					
(1) Net sales to outside customers	115,663	43,283	158,947	—	158,947
(2) Intersegment sales and transfers	88	8,409	8,497	(8,497)	—
Total	115,751	51,693	167,444	(8,497)	158,947
Operating expenses	109,587	47,558	157,146	(8,497)	148,648
Operating income	6,164	4,134	10,298	—	10,298
II. Assets, depreciation and amortization, impairment losses for fixed assets, and capital expenditures					
Assets	105,186	44,522	149,709	12,997	162,707
Depreciation and amortization	3,138	2,364	5,502	—	5,502
Impairment losses for fixed assets	1,057	28	1,086	—	1,086
Capital expenditures	5,885	3,378	9,264	—	9,264

Notes:

- (1) Operations are classified into pressure-sensitive adhesive related and paper related segments in accordance with product types and characteristics and selling methods.
- (2) Principal products for each segment are as follows:
  1. Pressure-sensitive adhesive related: pressure-sensitive papers, pressure-sensitive films, semiconductor-related products and equipment, optical-related products
  2. Paper-related: release papers, release films, speciality papers forenvelopes
- (3) In assets, the amount of corporate assets included in the eliminations & corporate category was 12,997 million yen in the previous fiscal year and 15,776 million yen in the year under review. These consisted principally of parent company surplus operating capital (deposits and marketable securities), long-term investments (investment securities), and deferred tax assets.

## Geographical Segment Information

Fiscal year ended March 31, 2005

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
I. Net sales and operating income (loss)						
(1) Net sales to outside customers	156,088	9,349	6,251	171,689	—	171,689
(2) Intersegment sales and transfers	8,416	4,861	1,137	14,415	(14,415)	—
Total	164,504	14,211	7,388	186,104	(14,415)	171,689
Operating expenses	154,406	12,387	7,055	173,850	(14,530)	159,319
Operating income	10,097	1,823	333	12,254	115	12,369
II. Assets	134,123	15,864	3,825	153,812	15,776	169,589

Fiscal year ended March 31, 2004

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
I. Net sales and operating income (loss)						
(1) Net sales to outside customers	147,412	5,964	5,570	158,947	—	158,947
(2) Intersegment sales and transfers	7,425	4,192	1,562	13,180	(13,180)	—
Total	154,837	10,157	7,132	172,127	(13,180)	158,947
Operating expenses	145,956	8,966	6,981	161,904	(13,255)	148,648
Operating income	8,881	1,191	150	10,223	75	10,298
II. Assets	135,288	10,139	4,281	149,709	12,997	162,707

Notes:

- (1) Country and regional segments are based on geographic proximity.
- (2) The main countries and regions included in each segment are as follows:
  1. Asia: Korea, China, Taiwan, Singapore, Indonesia, Malaysia
  2. Others: United States, Netherlands

## Overseas Sales

Fiscal year ended March 31, 2005

(Unit: millions of yen)

	Asia	Others	Total
I. Overseas sales	20,950	7,508	28,459
II. Consolidated net sales			171,689
III. Overseas sales/consolidated net sales (%)	12.2	4.4	16.6

Fiscal year ended March 31, 2004

(Unit: millions of yen)

	Asia	Others	Total
I. Overseas sales	13,543	8,458	22,001
II. Consolidated net sales			158,947
III. Overseas sales/consolidated net sales (%)	8.5	5.3	13.8

Notes:

- (1) Country and regional segments are based on geographic proximity.
- (2) The main countries and regions included in each segment are as follows:
  1. Asia: Korea, China, Taiwan, Singapore, Indonesia, others
  2. Others: North America, Europe, Oceania, others
- (3) Overseas sales represent the sales of Lintec Corporation and its consolidated subsidiaries in countries and regions outside Japan.