

Summary of Consolidated Financial Results for the Interim Period Ended September 2005

Member, Financial Accounting Standards Foundation
November 22, 2005

Name of listed company: Lintec Corporation
Code number: 7966

Stock exchange listing: Tokyo Stock Exchange
Location of headquarters: Tokyo

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: November 22, 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

1. CONSOLIDATED RESULTS FOR THE INTERIM PERIOD ENDED SEPTEMBER 2005 (April 1, 2005 to September 30, 2005)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 2005	86,042	(1.0)	6,252	(7.5)	6,287	(4.7)
Six months ended September 2004	86,934	10.8	6,762	40.9	6,596	47.2
FY ended March 2005	171,689	—	12,369	—	11,715	—

	Net income		Net income per share	Net income per share (diluted)
	Millions of Yen	%	Yen	Yen
Six months ended September 2005	4,034	(5.4)	53.37	—
Six months ended September 2004	4,264	(2.2)	60.98	56.45
FY ended March 2005	7,759	—	108.76	—

- (Notes)
- Equity in net income of equity-method affiliates:
Six months ended September 2005: None Six months ended September 2004: None FY ended March 2005: None
 - Average number of outstanding shares during the period (consolidated):
Six months ended September 2005: 75,595,748 shares Six months ended September 2004: 69,930,760 shares
FY ended March 2005: 70,746,623 shares
 - Changes in accounting method: None
 - Percentages for net sales, operating income, ordinary income, and net income are rates of change compared with the previous interim period.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
Six months ended September 2005	171,030	97,383	56.9	1,288.23
Six months ended September 2004	170,246	84,899	49.9	1,205.51
FY ended March 2005	169,589	92,767	54.7	1,226.28

- (Note) Number of outstanding shares at period-end (consolidated):
Six months ended September 2005: 75,594,615 shares Six months ended September 2004: 70,426,135 shares
FY ended March 2005: 75,596,975 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
Six months ended September 2005	5,282	(7,270)	(465)	9,720
Six months ended September 2004	4,613	(7,040)	2,547	7,650
FY ended March 2005	11,163	(8,963)	(410)	9,190

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

Consolidated subsidiaries: 19 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: 1 company —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
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)

	September 30, 2005		September 30, 2004		March 31, 2005	
	Amount	% of total	Amount	% of total	Amount	% of total
Assets						
Current assets	99,302	58.1	95,456	56.1	97,509	57.5
Cash and cash equivalents	11,269		6,998		8,717	
Trade notes and accounts receivable	60,524		60,612		58,295	
Marketable securities	762		864		815	
Inventories	23,481		23,814		22,343	
Deferred tax assets	1,349		1,331		1,222	
Other	2,080		2,018		6,282	
Allowance for doubtful accounts	(165)		(184)		(167)	
Non-current assets	71,727	41.9	74,790	43.9	72,079	42.5
Property, plant and equipment	58,727	34.3	57,844	34.0	56,411	33.3
Buildings and structures	18,597		18,945		18,694	
Machinery, equipment and vehicles	26,856		24,707		25,997	
Land	7,825		8,943		7,833	
Construction in progress	3,831		3,862		2,231	
Other	1,616		1,386		1,654	
Intangible assets	200	0.1	238	0.1	198	0.1
Investments and other assets	12,800	7.5	16,706	9.8	15,470	9.1
Deferred tax assets	6,929		8,357		7,468	
Other	6,053		8,505		8,143	
Allowance for doubtful accounts	(183)		(156)		(141)	
Total assets	171,030	100.0	170,246	100.0	169,589	100.0

(Unit: millions of yen)

	September 30, 2005		September 30, 2004		March 31, 2005	
	Amount	% of total	Amount	% of total	Amount	% of total
Liabilities						
Current liabilities	53,082	31.1	62,210	36.5	54,815	32.3
Trade notes and accounts payable	40,929		41,900		38,868	
Short-term borrowings	2,856		5,170		6,487	
Current portion of convertible bonds	—		5,225		—	
Accrued income taxes	1,761		2,017		875	
Reserve for litigation-related losses	—		54		—	
Other	7,534		7,841		8,584	
Long-term liabilities	19,844	11.6	22,342	13.1	21,241	12.5
Long-term debt	422		478		428	
Accrued retirement allowances	19,124		21,545		20,462	
Accrued retirement benefits for	296		318		348	
Consolidation adjustment account	0		1		0	
Total liabilities	72,926	42.7	84,553	49.6	76,057	44.8
Minority interests	720	0.4	793	0.5	764	0.5
Shareholders' equity						
Common stock	23,201	13.6	20,587	12.1	23,201	13.7
Capital surplus	26,818	15.7	24,209	14.2	26,818	15.8
Retained earnings	48,323	28.3	41,880	24.6	44,960	26.5
Net unrealized holding gain on	894	0.5	885	0.5	765	0.5
Foreign currency translation	(832)	(0.5)	(1,652)	(0.9)	(1,958)	(1.2)
Treasury stock	(1,022)	(0.7)	(1,011)	(0.6)	(1,018)	(0.6)
Total shareholders' equity	97,383	56.9	84,899	49.9	92,767	54.7
Total liabilities, minority interests, and shareholders' equity	171,030	100.0	170,246	100.0	169,589	100.0

Consolidated Statements of Income

(Unit: millions of yen)

	6 months ended Sep. 30, 2005		6 months ended Sep. 30, 2004		FY ended March 31, 2005	
	Amount	% of total	Amount	% of total	Amount	% of total
Net sales	86,042	100.0	86,934	100.0	171,689	100.0
Cost of sales	67,828	78.8	68,436	78.7	135,708	79.0
Gross profit	18,214	21.2	18,498	21.3	35,980	21.0
Selling, general and administrative expenses	11,962	13.9	11,735	13.5	23,611	13.8
Operating income	6,252	7.3	6,762	7.8	12,369	7.2
Non-operating income	374	0.4	266	0.3	351	0.2
Interest income	56		14		34	
Dividend income	40		32		39	
Other	277		219		277	
Non-operating expenses	339	0.4	433	0.5	1,005	0.6
Interest expenses	37		31		62	
Other	301		401		942	
Ordinary income	6,287	7.3	6,596	7.6	11,715	6.8
Extraordinary income	48	0.1	237	0.3	317	0.2
Gain on sale of fixed assets	48		194		279	
Gain on liquidation of subsidiary	—		27		27	
Reversal of allowance for doubtful accounts	—		15		11	
Extraordinary loss	351	0.4	74	0.1	195	0.1
Special retirement allowance	167		—		—	
Work compensation	143		—		—	
Provision for loss on liquidation of related company	40		—		—	
Provision for lawsuit related loss	—		54		—	
Loss on revaluation of membership rights	—		19		20	
Typhoon-related loss	—		—		67	
Lawsuit related loss	—		—		59	
Loss on sales of property, plant and equipment	—		—		48	
Income before income taxes	5,985	7.0	6,759	7.8	11,837	6.9
Income taxes	1,688	2.0	1,916	2.2	2,436	1.4
Deferred income taxes	327	0.4	577	0.7	1,655	1.0
Minority interests	(64)	(0.1)	0	0.0	(13)	0.0
Net income	4,034	4.7	4,264	4.9	7,759	4.5

Consolidated Statements of Retained Surplus

(Unit: millions of yen)

	6 months ended Sep. 2005		6 months ended Sep. 2004		FY ended Mar. 2005	
Capital surplus						
Capital surplus at beginning of year		26,818		23,921		23,921
Increase in capital surplus						
Increase in capital surplus from conversion of convertible bonds	—		287		2,896	
Gain on disposition of treasury stock	—	—	0	288	0	2,896
Capital surplus at end of year		26,818		24,209		26,818
Retained earnings						
Retained earnings at beginning of year		44,960		38,159		38,159
Increase in retained earnings						
Net income	4,034		4,264		7,759	
Adjustment due to increase of consolidated subsidiaries	—		0		0	
Increase in accordance with U.S. pension accounting standards	—	4,034	—	4,264	7	7,766
Decrease in retained earnings						
Cash dividends	604		419		841	
Bonuses to directors	65		60		60	
Decrease due to increase in consolidated subsidiaries	1	670	63	543	63	965
Retained earnings at end of year		48,323		41,880		44,960

Consolidated Statement of Cash Flows

(Unit: millions of yen)

	6 months ended Sep. 30, 2005	6 months ended Sep. 30, 2004	FY ended March 31, 2005
I. Cash flows from operating activities:			
Income before income taxes	5,985	6,759	11,837
Depreciation and amortization	3,260	2,934	6,216
Amortization of consolidated adjustment accounts	0	0	0
Change in accrued pension and severance costs	(1,341)	(602)	(1,684)
Change in allowance for doubtful accounts	46	(11)	(43)
Interest and dividend income	(97)	(46)	(73)
Interest expense	37	31	62
Gain on sales of property, plant and equipment	(63)	(196)	(297)
Loss on disposal of property, plant and equipment	158	204	418
Change in trade notes and accounts receivable	(2,028)	(2,937)	(725)
Change in inventories	(892)	(1,530)	(202)
Change in trade notes and accounts payable	1,832	2,354	(481)
Loss on revaluation of membership rights	1	19	20
Provision for loss on liquidation of related company	40	—	—
Gain on liquidation of a subsidiary	—	(27)	(27)
Provision for lawsuit related loss	—	54	—
Other	(815)	(160)	234
Subtotal	6,122	6,845	15,253
Interest and dividend income	81	48	75
Interest expense	(38)	(32)	(60)
Income taxes	(883)	(2,248)	(4,105)
Cash flows from operating activities	5,282	4,613	11,163
II. Cash flows from investing activities:			
Deposits to time deposits	(2,204)	—	—
Proceeds from sales of marketable securities	53	53	106
Purchases of property, plant and equipment	(5,419)	(5,497)	(8,699)
Proceeds from sales of property, plant and equipment	130	714	2,138
Purchases of investment securities	(1)	(1)	(7)
Proceeds from sales of investment securities	—	39	39
Proceeds from liquidation of subsidiary	—	47	47
Payments for purchase of shares or additional investment in unconsolidated subsidiaries or affiliates	(5)	(2,448)	(2,462)
Payments for loans	—	(17)	(38)
Proceeds from collection of loans receivable	16	7	41
Other	160	62	(128)
Cash flows from investing activities	(7,270)	(7,040)	(8,963)
III. Cash flows from financing activities:			
Change in short-term borrowings	(3,731)	3,144	4,549
Repayment of long-term debt	(32)	(162)	(186)
Payment of redemption fund of convertible bonds	—	—	(3,907)
Reversal of redemption fund of convertible bonds	3,907	—	—
Cash dividends paid	(604)	(418)	(841)
Payment for acquisition of treasury stock	(4)	(16)	(23)
Other	0	0	(1)
Cash flows from financing activities	(465)	2,547	(410)
IV. Effect of exchange rate changes on cash and cash equivalents	514	59	(68)
V. Increase (decrease) in cash and cash equivalents	(1,939)	180	1,719
VI. Cash and cash equivalents at beginning of year	9,190	6,254	6,254
VII. Increase in cash and cash equivalents resulting from initial consolidation of subsidiaries	2,469	1,216	1,216
VIII. Cash and cash equivalents at end of year	9,720	7,650	9,190

Business Segment Information

Six months ended September 30, 2005

(Unit: millions of yen)

	Pressure Sensitive Adhesive Related	Paper Related	Total	Eliminations & Corporate	Consolidated
I. Net sales					
(1) Net sales to outside customers	63,240	22,802	86,042	—	86,042
(2) Intersegment sales and transfers	105	3,884	3,989	(3,989)	—
Total	63,345	26,687	90,032	(3,989)	86,042
Operating expenses	58,829	24,950	83,780	(3,989)	79,790
Operating income	4,515	1,736	6,251	0	6,252

Six months ended September 30, 2004

(Unit: millions of yen)

	Pressure Sensitive Adhesive Related	Paper Related	Total	Eliminations & Corporate	Consolidated
I. Net sales					
(1) Net sales to outside customers	63,752	23,182	86,934	—	86,934
(2) Intersegment sales and transfers	52	3,913	3,966	(3,966)	—
Total	63,805	27,096	90,901	(3,966)	86,934
Operating expenses	59,189	24,948	84,138	(3,966)	80,171
Operating income	4,615	2,147	6,762	—	6,762

Fiscal year ended March 31, 2005

(Unit: millions of yen)

	Pressure Sensitive Adhesive Related	Paper Related	Total	Eliminations & Corporate	Consolidated
I. Net sales					
(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

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 for envelopes

Geographical Segment Information

Six months ended September 30, 2005

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
Net sales and operating income (loss)						
(1) Net sales to outside customers	76,960	5,485	3,597	86,042	—	86,042
(2) Intersegment sales and transfers	4,401	2,321	611	7,334	(7,334)	—
Total	81,362	7,806	4,208	93,377	(7,334)	86,042
Operating expenses	76,620	6,762	3,753	87,136	(7,345)	79,790
Operating income	4,741	1,044	454	6,241	11	6,252

Six months ended September 30, 2004

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
Net sales and operating income (loss)						
(1) Net sales to outside customers	79,074	4,509	3,350	86,934	—	86,934
(2) Intersegment sales and transfers	4,301	2,785	408	7,495	(7,495)	—
Total	83,376	7,294	3,759	94,430	(7,495)	86,934
Operating expenses	77,839	6,411	3,479	87,730	(7,558)	80,171
Operating income	5,536	883	280	6,699	63	6,762

Fiscal year ended March 31, 2005

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
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

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

Six months ended September 30, 2005

(Unit: millions of yen)

	Asia	Others	Total
I. Overseas sales	11,542	4,177	15,720
II. Consolidated net sales			86,042
III. Overseas sales/consolidated net sales (%)	13.4	4.9	18.3

Six months ended September 30, 2004

(Unit: millions of yen)

	Asia	Others	Total
I. Overseas sales	10,411	4,261	14,673
II. Consolidated net sales			86,934
III. Overseas sales/consolidated net sales (%)	12.0	4.9	16.9

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

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.