

Summary of Consolidated Financial Results for the Fiscal Year Ended March 2006

Member, Financial Accounting Standards Foundation
May 18, 2006

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 18, 2006

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 2006 (April 1, 2005 to March 31, 2006)

(1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY ended March 2006	180,334	5.0	13,618	10.1	13,561	15.8
FY ended March 2005	171,689	8.0	12,369	20.1	11,715	21.7

	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 2006	9,010	16.1	118.34	—	9.2	7.7	7.5
FY ended March 2005	7,759	(0.2)	108.76	—	9.0	7.1	6.8

- (Notes)
- Equity in net income of equity-method affiliates: FY ended March 2006: None FY ended March 2005: None
 - Average number of outstanding shares during the period (consolidated):
FY ended March 2006: 75,594,832 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 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 2006	181,157	103,691	57.2	1,370.85
FY ended March 2005	169,589	92,767	54.7	1,226.28

(Note) Number of outstanding shares at year-end (consolidated): FY ended March 2006: 75,592,879 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
FY ended March 2006	17,004	(13,198)	(2,788)	13,765
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 2007 (April 1, 2006 to March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
Six months ended September 2006	95,700	7,000	4,500
FY ended March 2007	198,000	16,500	11,000

(Note) Projected net income per share for the fiscal year ending March 2007: 144.60 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, 2006		FY ended March 31, 2005		Change
	Amount	% of total	Amount	% of total	
Assets					
Current assets	104,432	57.6	97,509	57.5	6,922
Cash and cash equivalents	13,814		8,717		5,097
Trade notes and accounts receivable	63,174		58,295		4,878
Marketable securities	708		815		(107)
Inventories	24,031		22,343		1,687
Deferred tax assets	1,371		1,222		149
Other	1,479		6,282		(4,802)
Allowance for doubtful accounts	(147)		(167)		19
Non-current assets	76,725	42.4	72,079	42.5	4,645
Property, plant and equipment	63,176	34.9	56,411	33.3	6,765
Buildings and structures	18,839		18,694		145
Machinery, equipment and vehicles	26,883		25,997		886
Land	7,915		7,833		81
Construction in progress	7,675		2,231		5,443
Other	1,862		1,654		208
Intangible assets	385	0.2	198	0.1	186
Investments and other assets	13,163	7.3	15,470	9.1	(2,306)
Investment securities	5,311		6,245		(933)
Deferred tax assets	6,226		7,468		(1,242)
Other	1,780		1,898		(117)
Allowance for doubtful accounts	(155)		(141)		(13)
Total assets	181,157	100.0	169,589	100.0	11,568
Liabilities					
Current liabilities	57,748	31.9	54,815	32.3	2,932
Trade notes and accounts payable	45,497		38,868		6,628
Short-term borrowings	1,291		6,487		(5,195)
Accrued income taxes	2,513		875		1,637
Other	8,445		8,584		(138)
Long-term liabilities	19,047	10.5	21,241	12.5	(2,193)
Long-term debt	347		428		(81)
Accrued retirement allowances	18,260		20,462		(2,202)
Accrued retirement benefits for officers	345		348		(3)
Consolidation adjustment account	—		0		0
Other	94		—		94
Total liabilities	76,795	42.4	76,057	44.8	738
Minority interests	670	0.4	764	0.5	(93)
Shareholders' equity					
Common stock	23,201	12.8	23,201	13.7	—
Capital surplus	26,818	14.8	26,818	15.8	0
Retained earnings	52,723	29.1	44,960	26.5	7,763
Net unrealized holding gain on securities	1,606	0.9	765	0.5	840
Foreign currency translation adjustment	369	0.2	(1,958)	(1.2)	2,327
Treasury stock	(1,027)	(0.6)	(1,018)	(0.6)	(8)
Total shareholders' equity	103,691	57.2	92,767	54.7	10,923
Total liabilities, minority interests, and shareholders' equity	181,157	100.0	169,589	100.0	11,568

Consolidated Statements of Income

(Unit: millions of yen)

	FY ended March 31, 2006		FY ended March 31, 2005		Change
	Amount	% of total	Amount	% of total	
Net sales	180,334	100.0	171,689	100.0	8,645
Cost of sales	141,727	78.6	135,708	79.0	6,019
Gross profit	38,607	21.4	35,980	21.0	2,626
Selling, general and administrative expenses	24,988	13.8	23,611	13.8	1,377
Operating income	13,618	7.6	12,369	7.2	1,249
Non-operating income	721	0.3	351	0.2	370
Interest income	114		34		
Dividend income	48		39		
Foreign exchange gain	300		—		
Other	257		277		
Non-operating expenses	778	0.4	1,005	0.6	(226)
Interest expenses	80		62		
Other	698		942		
Ordinary income	13,561	7.5	11,715	6.8	1,845
Extraordinary income	48	0.0	317	0.2	(269)
Gain on sale of fixed assets	48		279		
Gain in liquidation of subsidiary	—		27		
Reversal of allowance for doubtful accounts	—		11		
Extraordinary loss	396	0.2	195	0.1	200
Special retirement allowance	167		—		
Operational compensation	143		—		
Loss on liquidation of affiliate	49		—		
Loss on revaluation or disposition of membership	35		—		
Typhoon-related loss	—		67		
Lawsuit related loss	—		59		
Loss on sales of property, plant and equipment	—		48		
Loss on revaluation of membership rights	—		20		
Income before income taxes	13,123	7.3	11,837	6.9	1,376
Income taxes	3,709	2.1	2,436	1.4	1,273
Deferred income taxes	632	0.3	1,655	1.0	(1,023)
Minority interests	(139)	(0.1)	(13)	0.0	(125)
Net income	9,010	5.0	7,759	4.5	1,251

Consolidated Statements of Retained Surplus

(Unit: millions of yen)

	FY ended March 31, 2006		FY ended March 31, 2005	
Capital surplus				
Capital surplus at beginning of year		26,818		23,921
Increase in capital surplus				
Increase in capital surplus from conversion of convertible bonds	—		2,896	
Gain on disposition of treasury stock	0	0	0	2,896
Capital surplus at end of year		26,818		26,818
Retained earnings				
Retained earnings at beginning of year		44,960		38,159
Increase in retained earnings				
Net income	9,010		7,759	
Adjustment due to increase of consolidated subsidiaries	—		0	
Increase in accordance with U.S. pension accounting standards	4	9,015	7	7,766
Decrease in retained earnings				
Cash dividends	1,133		841	
Bonuses to directors	65		60	
Decrease due to increase in consolidated subsidiaries	1		63	
Employee welfare fund	51	1,251	—	965
Retained earnings at end of year		52,723		44,960

Consolidated Statement of Cash Flows

(Unit: millions of yen)

	FY ended March 31, 2006	FY ended March 31, 2005
I. Cash flows from operating activities:		
Income before income taxes	13,213	11,837
Depreciation and amortization	6,822	6,216
Impairment losses for fixed assets	0	0
Amortization of consolidated adjustment accounts	(2,208)	(1,684)
Change in accrued pension and severance costs	(22)	(43)
Change in allowance for doubtful accounts	(162)	(73)
Interest and dividend income	80	62
Interest expense	(89)	(297)
Gain on sales of property, plant and equipment	425	418
Loss on disposal of property, plant and equipment	(4,546)	(725)
Change in trade notes and accounts receivable	(995)	(202)
Change in inventories	5,909	(481)
Loss on revaluation of membership rights	—	20
Loss on revaluation or disposition of membership rights	35	—
Loss on liquidation of an affiliate	49	—
Gain on sales of shares of subsidiaries	—	(27)
Other	760	234
Subtotal	19,271	15,253
Interest and dividend income	160	75
Interest expense	(76)	(60)
Income taxes	(2,350)	(4,105)
Cash flows from operating activities	17,004	11,163
II. Cash flows from investing activities:		
Payments for time deposits	(705)	—
Proceeds from sales of marketable securities	407	106
Purchases of property, plant and equipment	(12,715)	(8,699)
Proceeds from sales of property, plant and equipment	189	2,138
Purchases of investment securities	(60)	(7)
Proceeds from sales of investment securities	0	39
Proceeds from liquidation of subsidiary	—	47
Payments for purchase of shares or additional investment in unconsolidated subsidiaries or affiliates	(5)	(2,462)
Payments for loans	0	(38)
Proceeds from collection of loans receivable	17	41
Other	(325)	(128)
Cash flows from investing activities	(13,198)	(8,963)
III. Cash flows from financing activities:		
Change in short-term borrowings	(5,553)	4,549
Repayment of long-term debt	—	(186)
Payment of redemption fund of convertible bonds	—	(3,907)
Reversal of convertible bond sinking fund	3,907	—
Cash dividends paid	(1,133)	(841)
Payment for acquisition of treasury stock	(8)	(23)
Other	0	(1)
Cash flows from financing activities	(2,788)	(410)
IV. Effect of exchange rate changes on cash and cash equivalents	1,088	(68)
V. Increase (decrease) in cash and cash equivalents	2,106	1,719
VI. Cash and cash equivalents at beginning of year	9,190	6,254
VII. Increase in cash and cash equivalents resulting from initial consolidation of subsidiaries	2,469	1,216
VIII. Cash and cash equivalents at end of year	13,765	9,190

Business Segment Information

Fiscal year ended March 31, 2006

(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	133,053	47,280	180,334	—	180,334
(2) Intersegment sales and transfers	128	8,949	9,077	(9,077)	—
Total	133,182	56,229	189,411	(9,077)	180,334
Operating expenses	123,684	52,110	175,794	(9,078)	166,715
Operating income	9,498	4,119	13,617	1	13,618
II. Assets, depreciation and amortization, and capital expenditures					
Assets	120,490	48,651	169,141	12,016	181,157
Depreciation and amortization	4,199	2,623	6,822	—	6,822
Capital expenditures	10,174	2,989	13,164	—	13,164

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

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

(3) In assets, the amount of corporate assets included in the eliminations & corporate category was 15,776 million yen in the previous fiscal year and 12,016 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, 2006

(Unit: millions of yen)

	Japan	Asia	Others	Total	Eliminations & Corporate	Consolidated
I. Net sales and operating income (loss)						
(1) Net sales to outside customers	158,753	14,250	7,330	180,334	—	180,334
(2) Intersegment sales and transfers	9,726	5,057	1,175	15,959	(15,959)	—
Total	168,480	19,307	8,505	196,293	(15,959)	180,334
Operating expenses	158,522	16,479	7,773	182,775	(16,060)	166,715
Operating income	9,957	2,828	732	13,518	100	13,618
II. Assets	138,316	26,191	4,633	169,141	12,016	181,157

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

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, 2006

(Unit: millions of yen)

	Asia	Others	Total
I. Overseas sales	27,714	8,305	35,480
II. Consolidated net sales			180,334
III. Overseas sales/consolidated net sales (%)	15.1	4.6	19.7

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.