

Consolidated Financial Results

Three Months Ended June 2005

Member, Financial Accounting Standards Foundation
August 17, 2005

Name of listed company: Lintec Corporation
Code number: 7966

Stock exchange listing: Tokyo Stock Exchange

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

Representative: Akihiko Ouchi, President and CEO

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1. Basis for Preparation of Quarterly Financial Results

(1) Adoption of simplified accounting methods: Yes

(Details) In property, plant and equipment, Lintec has accounted for the first-quarter portion of depreciation on the basis of the estimated depreciation for the first half of the fiscal year ending March 2006. Simplified accounting methods have also been used for the computation of income taxes and certain expense items.

(2) Changes to accounting methods from the most recent fiscal year: No

(3) Changes in scope of consolidation and application of the equity method: Yes

(Details) Due to its increased importance, LINTEC KOREA, INC., established in the previous fiscal year, has been included in the scope of consolidation. No companies have been excluded from the scope of consolidation. There have been no changes in the application of the equity method.

(4) Figures in this report have not been audited by independent auditors.

2. Consolidated Results for the First Quarter of the Fiscal Year Ending March 2006 (April 1, 2005 to June 30, 2005)

(1) Consolidated Operating Results

Amounts rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3 months ended June 2005	41,488	(4.1)	2,523	(32.9)	2,634	(30.6)
3 months ended June 2004	43,275	11.7	3,758	—	3,796	—
(Reference) 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
3 months ended June 2005	1,746	(31.1)	23.11	—
3 months ended June 2004	2,536	—	36.29	33.56
(Reference) FY ended March 2005	7,759	—	108.76	—

(Notes) 1. Percentages for net sales, operating income, ordinary income, and net income are rates of increase or decrease compared with the same period of the previous fiscal year.

2. With the exception of net sales, Lintec began disclosures of quarterly results from the three-month period ended June 30, 2004. As a result, for the three-month period ended June 30, 2004, rates of increase or decrease from the same period of the previous year have only been given for net sales.

[Qualitative Information Regarding Consolidated Operating Results]

In the quarter under review, the Company made a new start with the medium-term business plan that covers the three-year period starting April 2005. However, the Group's operating environment was challenging, with inventory adjustments in electronics- and optical-related market sectors continuing from the second half of the previous fiscal year and with continued increases in crude oil prices.

In pressure-sensitive adhesive related operations, sales of the Company's mainstay pressure-sensitive adhesive and related products for printing were sluggish, and sales of optical-related products were slack due to inventory adjustments.

In paper-related operations, sales of specialty papers were affected by flat demand for the Company's mainstay papers for envelopes. In converted papers and films, sales of coated film for ceramic capacitors were favorable, but sales of release papers, principally for general adhesive applications, were affected by sluggish market conditions.

As a result, net sales declined 4.1% year on year, to ¥41,488 million. Due to higher prices of raw materials, such as petrochemical products, operating income was down 32.9%, to ¥2,523 million, ordinary income declined 30.6%, to ¥2,634 million, and net income decreased 31.1%, to ¥1,746 million.

(2) Changes in Consolidated Financial Position

Amounts rounded down to the nearest million yen.

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Millions of Yen	Millions of Yen	%	Yen
June 30, 2005	168,374	94,657	56.2	1,252.14
June 30, 2004	170,194	83,187	48.9	1,190.17
(Reference) March 31, 2005	169,589	92,767	54.7	1,226.28

[Qualitative Information Regarding Changes in Consolidated Financial Position]

At the end of the first quarter, total assets amounted to ¥168,374 million, up ¥1,214 million from the end of the previous fiscal year.

Current assets were flat, as a rise in cash and cash equivalents stemming from the increase in consolidated subsidiaries was offset by the use for bond redemption of funds that been deposited temporarily. In non-current assets, investment securities declined due to the increase in consolidated subsidiaries.

Liabilities decreased due to such factors as the repayment of borrowings that had been temporarily deposited for convertible bond redemption.

Shareholders' equity rose ¥1,889 million from the previous fiscal year-end, to ¥94,657 million, and the equity ratio was 56.2%.

(Reference) Non-Consolidated Results for the First Quarter of the Fiscal Year Ending March 2006 (April 1, 2005 to June 30, 2005)

Amounts rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income		Net sales	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3 months ended June 2005	38,616	(5.8)	1,825	(41.6)	1,920	(40.7)	1,158	(40.1)
3 months ended June 2004	40,979	11.1	3,125	—	3,236	—	1,935	—
(Reference) FY ended March 2005	161,284	—	9,817	—	9,434	—	5,821	—

	Total assets	Shareholders' equity
	Millions of Yen	Millions of Yen
June 30, 2005	159,160	90,242
June 30, 2004	163,449	81,338
(Reference) March 31, 2005	161,985	89,716

3. 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
6 months ending 9/2005	Revised	85,500	5,600	3,400
	Original (May 25, 2005)	88,000	6,200	4,000
FY ending March 2006		180,000	13,500	9,000

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

[Qualitative Information Regarding the Forecast]

In consideration of results in the first quarter and of the recent management environment, as indicated above, the Company has revised the forecast of consolidated results for the interim period that was released on May 25, 2005.

There are signs of an economic recovery in the second quarter and thereafter, and at this time the Company has not revised its forecast of consolidated results for the fiscal year. Subsequently, if a revision is determined to be necessary due to operational trends or other factors, the revision will be released promptly.

(Reference) Forecast of Nonconsolidated 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
6 months ending 9/2005	Revised	79,000	4,100	2,200
	Original (May 25, 2005)	81,100	4,800	2,900
FY ending March 2006		165,000	10,500	6,400

(Note) Forecast net income per share for the fiscal year ending March 2006: ¥83.80

* Forecasts are based on assumptions regarding economic conditions, market trends, and plans as of the date of these materials. Actual results may differ from forecasts due to a variety of reasons.

Consolidated Balance Sheets

(Unit: millions of yen)

	3 months ended 06/05		3 months ended 06/04		Change	FY ended 03/05		
	Amount	% of total	Amount	% of total		Amount	% of total	
Assets								
I	Current assets	97,507	57.9	97,251	57.1	256	97,509	57.5
	Cash and cash equivalents	11,143		7,624		3,518	8,717	
	Trade notes and accounts receivable	58,604		59,912		(1,308)	58,295	
	Inventories	23,678		24,789		(1,111)	22,343	
	Other	4,081		4,924		(843)	8,153	
II	Non-current assets	70,867	42.1	72,942	42.9	(2,075)	72,079	42.5
	Property, plant and equipment	55,559		57,388		170	56,411	
	Intangible assets	191		240		(48)	198	
	Investments and other assets	13,116		15,313		(2,197)	15,470	
	Total assets	168,374	100.0	170,194	100.0	(1,819)	169,589	100.0
Liabilities								
I	Current liabilities	52,214	31.0	63,750	37.5	(11,536)	54,815	32.3
	Trade notes and accounts payable	40,182		42,571		(2,389)	38,868	
	Short-term borrowings	3,942		6,186		(2,243)	6,487	
	Current portion of convertible bonds	—		5,770		(5,770)	—	
	Other	8,088		9,222		(1,133)	9,460	
II	Long-term liabilities	20,752	12.3	22,449	13.2	(1,697)	21,241	12.5
	Long-term debt	442		586		(143)	428	
	Accrued retirement allowances	20,043		21,556		(1,512)	20,462	
	Other	267		307		(40)	349	
	Total liabilities	72,967	43.3	86,200	50.6	(13,233)	76,057	44.8
	Minority interests	750	0.4	805	0.5	(55)	764	0.5
Shareholders' equity								
I	Common stock	23,201		20,314		2,886	23,201	
II	Capital surplus	26,818		23,937		2,880	26,818	
III	Retained earnings	46,035		40,152		5,882	44,960	
IV	Net unrealized holding gain on securities	804		1,605		(801)	765	
V	Foreign currency translation adjustment	(1,182)		(1,815)		633	(1,958)	
VI	Treasury stock	(1,019)		(1,007)		(12)	(1,018)	
	Total shareholders' equity	94,657	56.2	83,187	48.9	11,469	92,767	54.7
	Total liabilities, minority interests, and shareholders' equity	168,374	100.0	170,194	100.0	(1,819)	169,589	100.0

Quarterly Consolidated Statements of Income (Summary)

(Unit: millions of yen)

	3 months ended 06/2005		3 months ended 06/2004		Change	FY ended 03/2005	
	Amount	% of total	Amount	% of total		Amount	% of total
I Net sales	41,488	100.0	43,275	100.0	(1,787)	171,689	100.0
II Cost of sales	33,030	79.6	33,677	77.8	(647)	135,708	79.0
Gross profit	8,458	20.4	9,598	22.2	(1,140)	35,980	21.0
III Selling, general and administrative expenses	5,934	14.3	5,840	13.5	94	23,611	13.8
Operating income	2,523	6.1	3,758	8.7	(1,234)	12,369	7.2
IV Non-operating income	235	0.5	219	0.5	15	351	0.2
V Non-operating expenses	125	0.3	181	0.4	(56)	1,005	0.6
Ordinary income	2,634	6.3	3,796	8.8	(1,162)	11,715	6.8
VI Extraordinary income	—	—	164	0.4	(164)	317	0.2
VII Extraordinary loss	—	—	—	—	—	195	0.1
Income before income taxes	2,634	6.3	3,961	9.2	(1,327)	11,837	6.9
Income taxes	911	2.2	1,402	3.2	(490)	4,091	2.4
Minority interests	(24)	(0.1)	22	0.1	(47)	(13)	0.0
Net income	1,746	4.2	2,536	5.9	(789)	7,759	4.5

Quarterly Consolidated Statements of Retained Surplus

(Unit: millions of yen)

	3 months ended 06/2005		3 months ended 06/2004		FY ended 03/2005	
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	—	—	15	—	2,896	—
Other	—	—	0	15	0	2,896
Capital surplus at end of year		26,818		23,937		26,818
Retained earnings						
Retained earnings at beginning of year		44,960		38,159		38,159
Increase in retained earnings						
Net income for the quarter (fiscal year)	1,746	—	2,536	—	7,759	—
Adjustment due to increase of consolidated subsidiaries	—	—	0	—	0	—
Other	—	1,746	—	2,536	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		46,035		40,152		44,960