

# Consolidated Financial Results

Three Months Ended June 2006

Member, Financial Accounting Standards Foundation  
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Name of listed company: Lintec Corporation  
Code number: 7966, Stock exchange listing: Tokyo Stock Exchange, First Section  
URL: <http://www.lintec.co.jp>  
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## 1. Basis for Preparation of Quarterly Financial Results

(1) Adoption of simplified accounting methods: Yes

(Details)

Method of accounting for depreciation and amortization of non-current assets: Lintec has accounted for the first -quarter portion of depreciation on the basis of the estimated depreciation for the fiscal year ending March 2007.

Accounting standard for income taxes: Simplified accounting methods have been used

Simplified accounting methods have also been used for the computation of 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: No

## 2. Consolidated Results for the First Quarter of the Fiscal Year Ending March 2007 (April 1, 2006 to June 30, 2006)

(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 2006	48,111	16.0	4,009	58.9	3,837	45.7
3 months ended June 2005	41,488	(4.1)	2,523	(32.9)	2,634	(30.6)
(Reference) FY ended March 2006	180,334	—	13,618	—	13,561	—

	Net income		Net income per share	Net income per share (diluted)
	Millions of Yen	%	Yen	Yen
3 months ended June 2006	2,663	52.5	35.23	—
3 months ended June 2005	1,746	(31.1)	23.11	—
(Reference) FY ended March 2006	9,010	—	118.34	—

(Note) 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.

### [Qualitative Information Regarding Consolidated Operating Results]

In the quarter under review, in pressure-sensitive adhesive related operations, sales of the Company's mainstay pressure-sensitive adhesive and related products for printing were about level with the same period of the previous fiscal year. However, against a background of expansion in market demand, sales of optical-related products and semiconductor-related products increased by large margins.

In paper-related operations, sales of the Company's mainstay papers for envelopes and release papers recorded small increases, and coated films used in the electronic component and optical-related industries recorded favorable performances.

Although the prices of raw materials and fuel continued to rise, the Company made steady progress with cost reduction initiatives. That progress, together with an increase in net sales, resulted in a substantial improvement in profitability.

Net sales rose 16.0% year on year, to ¥48,111 million. Operating income was up 58.9%, to ¥4,009 million, ordinary income gained 45.7%, to ¥3,837 million, and net income increased 52.5%, to ¥2,663 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, 2006	186,155	106,039	56.6	1,393.76
June 30, 2005	168,374	94,657	56.2	1,252.14
(Reference) March 31, 2006	181,157	103,691	57.2	1,370.85

[Qualitative Information Regarding Changes in Consolidated Financial Position]

At the end of the first quarter, total assets amounted to ¥186,155 million, up ¥4,997 million from the end of the previous fiscal year.

In current assets, the growth in net sales led to higher trade notes and accounts receivable. In non-current assets property, plant and equipment increased due to capital investment.

Liabilities were up ¥3,320 million from the end of the previous fiscal year, to ¥80,115 million, due primarily to higher trade notes and accounts payable.

Shareholders' equity rose ¥1,672 million from the previous fiscal year-end, to ¥105,363 million, principally as a result of an increase in retained earnings.

**3. 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
6 months ending September 2006	95,700	7,000	4,500
FY ending March 2007	198,000	16,500	11,000

(Note) Forecast net income per share for the fiscal year ending March 2006: ¥144.60

[Qualitative Information Regarding the Forecast]

In regard to the forecast of consolidated results for the fiscal year ending March 2007, there have been no revisions to the forecast that was announced when the results for the previous fiscal year were announced (May 18, 2006).

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.

Quarterly Financial Statements (Summary)

(1) Consolidated Balance Sheets (Summary)

(Unit: millions of yen)

	3 months ended 06/06		3 months ended 06/05		Change	FY ended 03/06		
	Amount	% of total	Amount	% of total		Amount	% of total	
<b>Assets</b>								
I	Current assets	108,443	58.3	97,507	57.9	10,935	104,432	57.6
	Cash and cash equivalents	13,215		11,143		2,072	13,814	
	Trade notes and accounts receivable	65,576		58,604		6,972	63,174	
	Inventories	25,581		23,678		1,903	24,031	
	Other	4,069		4,081		(12)	3,412	
II	Non-current assets	77,711	41.7	70,867	42.1	6,844	76,725	42.4
	Property, plant and equipment	64,594		57,559		7,035	63,176	
	Intangible assets	397		191		206	385	
	Investments and other assets	12,719		13,116		(396)	13,163	
	<b>Total assets</b>	<b>186,155</b>	<b>100.0</b>	<b>168,374</b>	<b>100.0</b>	<b>17,780</b>	<b>181,157</b>	<b>100.0</b>
<b>Liabilities</b>								
I	Current liabilities	61,623	33.1	52,214	31.0	9,409	57,748	31.9
	Trade notes and accounts payable	47,637		40,182		7,454	45,497	
	Short-term borrowings	3,955		3,942		12	1,291	
	Other	10,031		8,088		1,942	10,959	
II	Long-term liabilities	18,491	9.9	20,752	12.3	(2,260)	19,047	10.5
	Long-term debt	345		442		(96)	347	
	Accrued retirement allowances	17,822		20,043		(2,220)	18,260	
	Other	323		267		56	440	
	<b>Total liabilities</b>	<b>80,115</b>	<b>43.0</b>	<b>72,967</b>	<b>43.3</b>	<b>7,148</b>	<b>76,795</b>	<b>42.4</b>
	<b>Minority interests</b>	<b>—</b>	<b>—</b>	<b>750</b>	<b>0.4</b>	<b>—</b>	<b>670</b>	<b>0.4</b>
<b>Capital</b>								
I	Common stock	—		23,201		—	23,201	
II	Capital surplus	—		26,818		—	26,818	
III	Retained earnings	—		46,035		—	52,723	
IV	Net unrealized holding gain on securities	—		804		—	1,606	
V	Foreign currency translation adjustment	—		(1,182)		—	369	
VI	Treasury stock	—		(1,019)		—	(1,027)	
	<b>Total shareholders' equity</b>	<b>—</b>	<b>—</b>	<b>94,657</b>	<b>56.2</b>	<b>—</b>	<b>103,691</b>	<b>57.2</b>
	<b>Total liabilities, minority interests, and shareholders' equity</b>	<b>—</b>	<b>—</b>	<b>168,374</b>	<b>100.0</b>	<b>—</b>	<b>181,157</b>	<b>100.0</b>
<b>Net Assets</b>								
I	Shareholders' equity	103,632	55.7					
	Common stock	23,201						
	Capital surplus	26,818						
	Retained earnings	54,641						
	Treasury stock	(1,028)						
II	Valuation and translation adjustments	1,730	0.9					
	Net unrealized holding gain on securities	1,157						
	Foreign currency translation adjustment	573						
III	Minority interests	675	0.4					
	<b>Total net assets</b>	<b>106,039</b>	<b>57.0</b>					
	<b>Total liabilities and net assets</b>	<b>186,155</b>	<b>100.0</b>					

**(2) Quarterly Consolidated Statements of Income (Summary)**

(Unit: millions of yen)

	3 months ended 06/2006		3 months ended 06/2005		Change	FY ended 03/2006	
	Amount	% of total	Amount	% of total		Amount	% of total
I Net sales	48,111	100.0	41,488	100.0	6,622	180,334	100.0
II Cost of sales	37,715	78.4	33,030	79.6	4,685	141,727	78.6
Gross profit	10,395	21.6	8,458	20.4	1,937	38,607	21.4
Selling, general and III administrative expenses	6,386	13.3	5,934	14.3	451	24,988	13.8
Operating income	4,009	8.3	2,523	6.1	1,485	13,618	7.6
IV Non-operating income	181	0.4	235	0.5	(54)	721	0.3
V Non-operating expenses	352	0.7	125	0.3	227	778	0.4
Ordinary income	3,837	8.0	2,634	6.3	1,203	13,561	7.5
VI Extraordinary income	—	—	—	—	—	48	0.0
VII Extraordinary loss	—	—	—	—	—	396	0.2
Income before income taxes	3,837	8.0	2,634	6.3	1,203	13,213	7.3
Income taxes	1,167	2.5	911	2.2	256	4,342	2.4
Minority interests	6	0.0	(24)	(0.1)	31	(139)	(0.1)
Net income	2,663	5.5	1,746	4.2	916	9,010	5.0

### (3) Quarterly Consolidated Statements of Changes in Net Assets

For the first quarter of the fiscal year ending March 2007 (April 1, 2006, to June 30, 2006)

(Unit: millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders'
Balance at March 31, 2006	23,201	26,818	52,723	(1,027)	101,715
Changes in first quarter					
Dividends from surplus			(680)		(680)
Bonuses to directors			(65)		(65)
Net income for quarter			2,663		2,663
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		0		0	0
Changes in items other than shareholders' equity in first quarter (net)					
Total changes in first quarter	—	0	1,918	(1)	1,917
Balance at June 30, 2006	23,201	26,818	54,641	(1,028)	103,632

	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized holding gain on securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance at March 31, 2006	1,606	369	1,975	670	104,362
Changes in first quarter					
Dividends from surplus					(680)
Bonuses to directors					(65)
Net income for quarter					2,663
Purchase of treasury stock					(1)
Disposal of treasury stock					0
Changes in items other than shareholders' equity in first quarter (net)	(448)	204	(244)	4	(239)
Total changes in first quarter	(448)	204	(244)	4	1,677
Balance at June 30, 2006	1,157	573	1,730	675	106,039

**(4) Quarterly Consolidated Statements of Retained Surplus**

(Unit: millions of yen)

	3 months ended 06/2005		FY ended 03/2006	
<b>Capital surplus</b>				
Capital surplus at beginning of period		26,818		26,818
Increase in capital surplus				
Gain on disposal of treasury stock	—	—	0	0
Capital surplus at end of period		26,818		26,818
<b>Retained earnings</b>				
Retained earnings at beginning of period		44,960		44,960
Increases in retained earnings				
Net income for the quarter (FY)	1,746		9,010	
Increase in accordance with U.S. pension accounting standards	—	1,746	4	9,015
Decrease in retained earnings				
Cash dividends	604		1,133	
Bonuses to directors	65		65	
Decrease due to increase in consolidated subsidiaries	1		1	
Employee welfare fund	—	670	51	1,251
Retained earnings at end of quarter (FY)		46,035		52,723

**(Reference Information)****1. Consolidated net sales by business segment (April 1, 2006 to June 30, 2006)**

	Pressure sensitive adhesive related		Paper related	
	Millions of Yen	%	Millions of Yen	%
3 months ended June 2006	35,893	18.8	12,217	8.3
3 months ended June 2005	30,212	(4.0)	11,276	(4.4)
(Reference) FY ended March 2006	133,053	—	47,280	—

**2. Non consolidated Results for the First Quarter of the Fiscal Year Ending March 2007 (April 1, 2006 to June 30, 2006)**

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 2006	42,843	10.9	2,617	43.4	2,464	28.3
3 months ended June 2005	38,616	(5.8)	1,825	(41.6)	1,920	(40.7)
(Reference) FY ended March 2006	165,381	—	9,851	—	9,810	—

	Net income		Total assets	Net assets
	Millions of Yen	%	Millions of Yen	Millions of Yen
3 months ended June 2006	1,516	30.9	170,674	94,744
3 months ended June 2005	1,158	(40.1)	159,160	90,242
(Reference) FY ended March 2006	5,075	—	167,000	94,423

**3. Forecast Of Nonconsolidated 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
6 months ending September 2006	84,000	5,700	3,500
FY ending March 2007	173,000	12,600	7,700

(Note) Forecast net income per share for the fiscal year ending March 2007: ¥101.00

\*In regard to the forecast of nonconsolidated results for the fiscal year ending March 2007, there have been no revisions to the forecast that was announced when the results for the previous fiscal year were announced (May 18, 2006). 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.