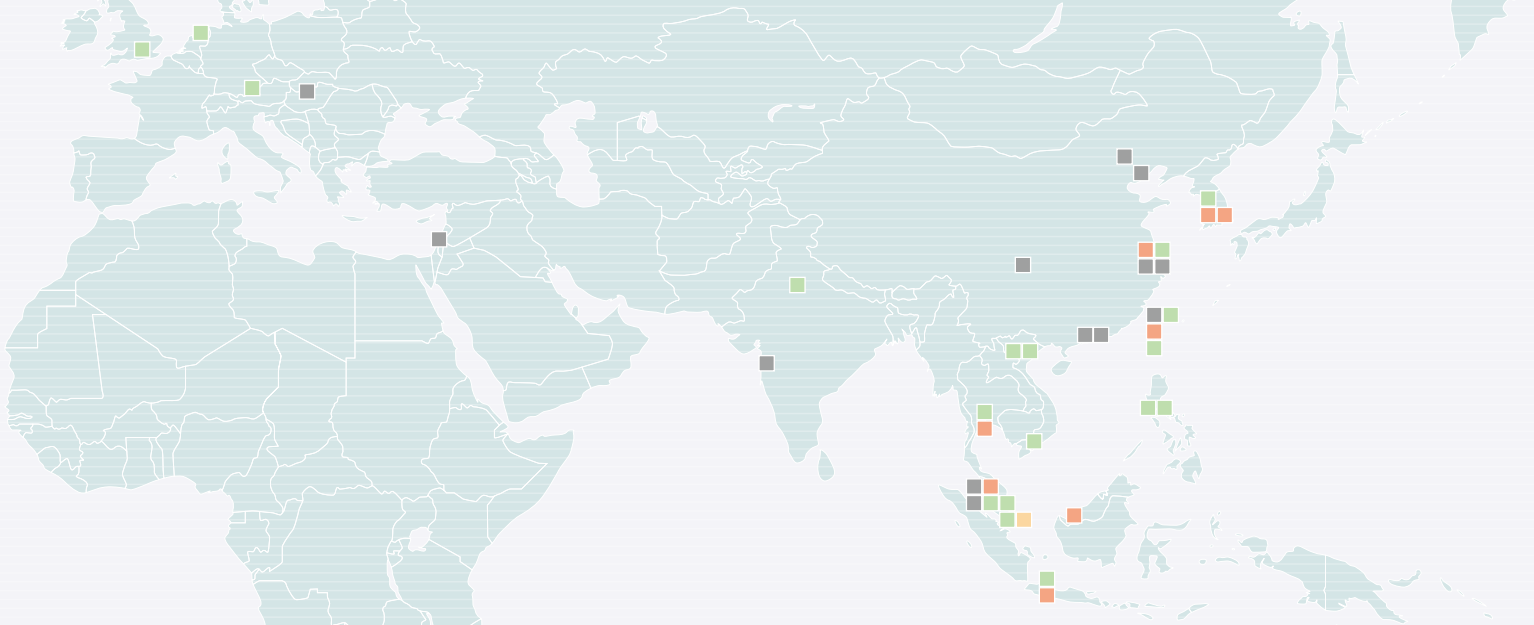


The LINTEC Global Network

LINTEC has been very active in globalizing its business in recent years and currently has plants and offices in 19 countries and regions. “Strengthening of regional strategy” is a key initiative in the medium-term business plan LIP-2019 as LINTEC strives to build up businesses in Japan and overseas. Below we outline the history of LINTEC’s overseas business expansion and profile the three companies in Europe and North America that became subsidiaries in 2016.



Overseas Business History

In its endeavors to establish a label market in Japan, the Company sought to obtain information on advanced adhesive label technologies in Europe and the U.S. from an early stage in its history. “A-100 type” label printing machine the Company developed in 1973 as part of its efforts to expand sales of adhesive products for labels attracted great attention from Europe, the U.S., and Asia.

LINTEC’s first overseas office was an office in Beijing that opened in 1985. In addition to cultivating label markets in China, the Company commenced development of overseas business in window films for automobiles and buildings with the acquisition of MADICO, INC. in the U.S. in 1987.

In 1994, LINTEC opened a sales office in Singapore to expand sales of semiconductor-related products. The following year this office was incorporated as LINTEC SINGAPORE PRIVATE LIMITED and its business was extended to products such as adhesive products for labels. It subsequently became the strategy center for sales network expansion in Southeast Asia.

On the manufacturing side, the Group’s first Asian adhesive products plant, PT. LINTEC INDONESIA, was also established in 1994. Thereafter the product supply structure was strengthened by building plants in Malaysia, China, South Korea, and Taiwan based on the concept of local production, which means that we manufacture closer to the customer and thereby provide our customers with a stable supply of products.

Following the establishment of a production base in Thailand in 2011, sales offices were set up in quick succession across Southeast Asia and in India, and in January 2015 LINTEC ASIA PACIFIC was established in Singapore to oversee all sales bases in the region.

In 2016, LINTEC secured a foothold for full-scale business development in the European and North American markets with three acquisitions in the U.S. and the U.K.

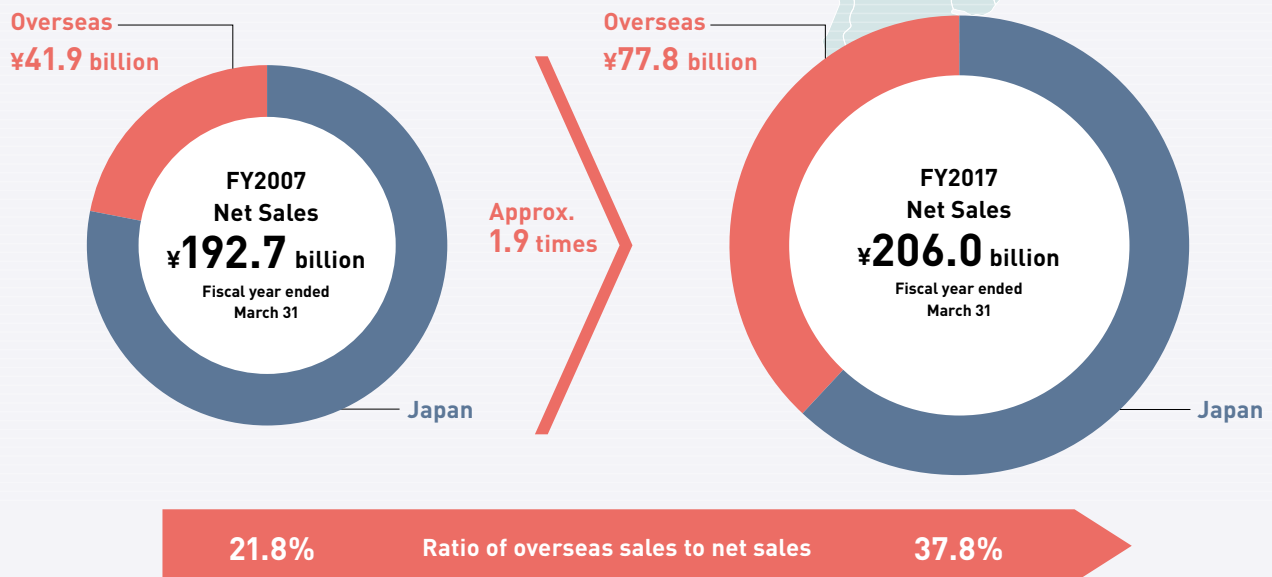


Overseas Sales / Overseas Sales Ratio

The Group's overseas sales in the fiscal year ended March 31, 2017 were ¥77.8 billion, an increase of approximately ¥36 billion compared with 10 years previously. The overseas sales ratio rose from 21.8% in the fiscal year ended March 31, 2007 to 37.8%. It is expected to be close to 50% from the fiscal year ending March 31, 2018, as it will include the full-year consolidated contribution of the three companies converted to subsidiaries in the fiscal year ended March 31, 2017.

Performance trends

Overseas sales have increased approximately ¥36 billion over the last 10 years with average annual growth of 6.4%.



Focus

We profile the three 2016 acquisitions in the U.S. and the U.K. with comments from company representatives.

MACTAC AMERICAS, LLC

Adhesive materials manufacturer MACTAC has a solid position in North America, where the market is growing at a steady 2%–3% annually and accounts for an approximately 30% share of the global adhesive label materials market. Working with three manufacturing bases in the U.S. and Mexico, it has good relationships with its more than 1,000 customers and possesses a long supply record and strong brand. In addition to adhesive products for labels, MACTAC handles decorative graphic sheets that can be used as wall hangings and a variety of industrial and medical tapes. Its sales total approximately ¥35 billion.

MACTAC complements LINTEC’s strengths in adhesive films with a focus on adhesive papers and excels in hot-melt adhesive formulation technology that the LINTEC Group did not possess before. It also brings high-speed coating facilities to the Group for the first time. The company’s extensive sales network in North America will facilitate the rollout of LINTEC products in this market, and by engaging in product development that combines the two companies’ technologies, LINTEC will seek to grow business in other regions as well.



Head office



Columbus Plant



MACTac Americas, LLC

Head office: Ohio, U.S.A.
 Established: 1959
 Number of employees: 496
 (As of December 31, 2016)
 Net sales: ¥34.2 billion
 Operating income: ¥3.6 billion
 (Year ended December 31, 2016)
 Acquisition price: Approx. \$270 million
 (Debt assumption is not included)



Edward LaForge, President

The true strength of MACTAC comprises our employees, technology, and culture. The innovative spirit and strong R&D team at MACTAC have led to unique technology solutions, including our hot-melt adhesive formulation. We believe combining LINTEC and MACTAC technologies will strengthen our market positions, and we are confident that “our products,” including LINTEC’s, will extend their global reach. What’s more, we hope to fuse our respective corporate cultures, technologies, and strategies to generate the benefits of positive synergy early on, and contribute to the Group.

VDI, LLC

Based in the U.S. state of Kentucky, VDI is a manufacturer of functional films. The company uses metallizing technology, which forms thin metal layers on film surfaces, to make metal vapor deposition films and sputtering* films that it markets itself. As it is a supplier to MADICO, LINTEC's window film manufacturing subsidiary in the U.S., there is potential for cost savings in materials procurement. The LINTEC Group has not had metallizing technologies before and will be using them in product development to roll out business in new fields.

* Sputtering: The ejection of particles by bombarding materials such as metals and oxides at high energies in a vacuum and the deposition of the particles on films and other surfaces.



VDI, LLC

Head office: Kentucky, U.S.A. Established: 1971
Number of employees: 36 (As of December 31, 2016)
Net sales: ¥1,070 million
Operating income: ¥20 million (Year ended December 31, 2016)
Acquisition price: \$26 million (Debt assumption is not included)

David Bryant, President

We believe "Quality, Innovation, and Service" are three keys to our success. Producing quality products generates satisfied customers; innovation allows us to serve many markets across the globe; and excellent client service generates future business. We believe VDI and LINTEC have many things in common, as manufacturers. We both are very active in the window film market and look for new technologies to broaden opportunity. From now on, we at VDI, as a LINTEC family member, will absorb various things and contribute to the family with better performances.



LINTEC GRAPHIC FILMS LIMITED

LINTEC GRAPHIC FILMS signed a trademark licensing agreement with LINTEC in 2010, thereby adopting the Company's name, and is the U.K. sales company for adhesive products, with a focus on the Company's adhesive products for labels, graphic sheets, and window films. Its name will be changed to LINTEC EUROPE (UK) LIMITED before the Group exhibits at the world's largest label event, Labelexpo Europe 2017, in late September in Belgium. LINTEC will be aiming to accelerate new customer acquisition in Europe by making even more effective use than before of the company's marketing strengths and wide-ranging sales network.



Lintec Graphic Films Limited

Head office: Buckinghamshire, U.K. Established: 1993
Number of employees: 18 (As of October 31, 2016)
Net sales: ¥850 million
Operating income: ¥130 million (Year ended October 31, 2016)
Acquisition price: £7.3 million



Andrew James Voss, Managing Director

LINTEC's corporate culture is ethical, creative, and positive. The underlying culture of LINTEC GRAPHIC FILMS, LINTEC's business partner, is very similar to that of the LINTEC Group. Having strengthened our ties with LINTEC EUROPE B.V. through our change of name, we will be aiming to expand sales in Europe. It's highly rewarding work. We will continue providing our customers better products and services to help LINTEC become recognized in Europe as an innovation leader.