

From the President

First, I would like to thank our shareholders and other investors for their continued support.

In the fiscal year under review, ended March 31, 2011, we have managed to overcome the effects of the Lehman Shock, which have persisted since fall 2008, to achieve record breaking operating results. This is thanks to not only the support of our shareholders and other investors, but also to our various customers around the world, our suppliers and the support of all of our other stakeholders. I would like to take this opportunity to express my deepest gratitude to all of you for your contributions to LINTEC's success.

In the fiscal year ending March 31, 2012, we began our new medium term business plan, LINTEC Innovation Plan III (LIP III), and are progressing forward with the aim of meeting the new goals we have laid out in this plan. The LINTEC Group is gearing up for the next leap forward by coming together to aggressively and boldly advance the key initiatives of this plan as a company that has continued to improve its profitability and the strength of its financial base. In closing, I would like to ask our shareholders and other investors for their continued support.

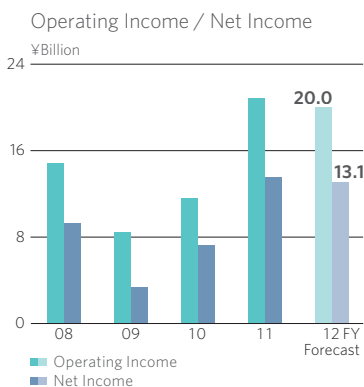
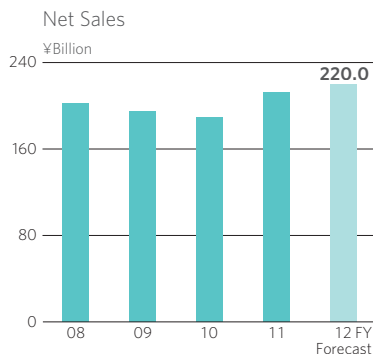
August, 2011



Akihiko Ouchi
President and CEO



We launched the new medium-term business plan, LIP-III, in April 2011.



Review of the Fiscal Year under Review Sales activities were successful and we achieved record-breaking operating results.

In the fiscal year under review, the global economy trended toward expansion driven by robust demand in emerging countries, particularly those in Asia, and initiatives implemented around the world to stimulate consumer spending. In Japan, economic conditions recovered supported by the brisk sales of automobiles, a result of the influence of government initiatives providing tax breaks and “eco points” for the purchase of automobiles, home electronics, and housing as well as strong exports. However, from the fall, the rebound from the elimination of these initiatives and the effects of the strong yen served to decelerate economic growth, bringing the economy to a halt.

In this environment, the Group focused on laying the grounds for future growth strategies. In accordance with our policy of “gearing up for the next leap,” we ambitiously implemented initiatives based on our three key management policies: strengthen profit base, promote business reform, and focus on future growth.

As a result of these efforts, consolidated net sales were up 12.4%, to ¥212.7 billion, operating income increased by a substantial 80.4%, to ¥20.9 billion, and net income also rose greatly, increasing 87.0%, to ¥13.6 billion. In this way, we set record highs for all three of these management indicators. Further, with regard to the Great East Japan Earthquake, which occurred on March 11, 2011, damage to our operating assets were minimal and the effects on consolidated operating results were immaterial.

Forecasts for the Fiscal Year Ending March 31, 2012 At the moment, we are forecasting increased sales, but decreased income.

In the fiscal year ending March 31, 2012, we project that the global economy will be impacted by such factors as the government financial issues and sluggish consumer spending seen in Europe and the United States, as well as by the monetary tightening in China and other emerging countries. Meanwhile, in the post-earthquake Japanese economy, we are anticipating increased consumption following the renewal of production activities and the improvement in the prevailing mood of self-restraint shown by business and consumers alike. However, the combined effects of the strong yen and the electricity shortages in Japan have made the operating environment highly unclear.

Under these conditions, we launched the new medium-term business plan, LIP-III, in April 2011. This plan covers a three-year period and outlines four key initiatives. We are currently aggressively implementing a variety of measures based on these initiatives. With regard to consolidated business result forecasts for the fiscal year



ending March 31, 2012, while the effects of the earthquake and other factors are extremely difficult to predict, our current forecast anticipates the Group achieving net sales of ¥220.0 billion, a 3.4% year-on-year increase; operating income of ¥20.0 billion, a 4.3% decrease; and net income of ¥13.1 billion, a 3.8% decrease.

LIP-III—the New Medium-Term Business Plan
We will practice more-proactive management, strengthening and expanding overseas operations and aggressively conducting capital investment.

The basic policy behind LIP-III is to “achieve sustainable growth and maximize corporate value through aggressive and bold innovation.” In accordance with this policy, we plan to pursue innovation and revolution more aggressively and boldly than ever before. We will also persistently implement more-proactive management by fully utilizing our management resources. In this way, we plan to conduct capital investments totaling more than ¥40.0 billion over the three-year period. Through these initiatives, we aim to meet targets for the fiscal year ending March 31, 2014, the final year of the plan, of net sales of ¥260.0 billion, operating income of ¥26.0 billion, an operating income margin of over 10%, return on equity (ROE) of over 10%, and return on invested capital (ROIC) of over 10%.

The four key initiatives that the Group is working to address under LIP-III are described below.

1 Strengthen and expand overseas businesses
(Targeted overseas sales ratio: 40%)

In order for the LINTEC Group to achieve sustainable growth, exploring additional business opportunities in overseas markets is of the utmost importance. We are currently working to develop optimal production and sales systems in Asian markets, which are showing high levels of growth and are anticipated to become the driving force behind the global economy in the future. We are also steadily exploring opportunities in other new growth markets.

- (1) Develop optimal production and sales systems with a particular focus on Asian markets
 - Respond to increased demand for adhesive films in Chinese markets
 - Conduct sales promotion activities in South East Asian and Indian markets
- (2) Explore new growth markets
 - Develop a sales network and consider the construction of new production bases

Targets for major indicators in the final year of LIP III, the fiscal year ending March 31, 2014
 (on a consolidated basis)

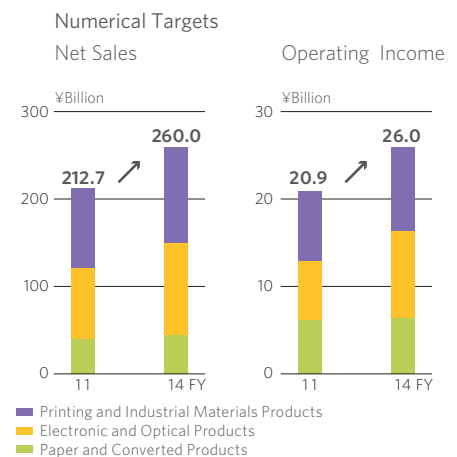
Net sales
 ¥260.0 bn

Operating income
 ¥26.0 bn

Operating income margin
 more than 10%

ROE (Return on Equity)
 more than 10%

ROIC (Return on Invested Capital)
 more than 10%



We plan to pursue innovation and revolution more aggressively and boldly than ever before.

2 Expand domestic businesses and increase profitability by optimizing QCD

LINTEC is expanding domestic businesses and bolstering their profitability by increasing its competitiveness with regard to QCD (quality, cost, and delivery) factors. Specifically, we are optimizing the Group's logistics systems by utilizing supply chain management, conducting continuing cost reduction project through means such as reducing inventories by consolidating product lines, actively introducing highly functional, highly efficient production facilities through the "build and scrap" approach, and reforming inefficient and unprofitable businesses.

(1) Continue to promote the CRP (Cost Reduction Project)

- Optimize the Group's logistics systems by utilizing supply chain management

(2) Actively introduce highly functional and highly efficient production facilities

- Integrate production facilities through the "build and scrap" approach and other methods

(3) Reorganize and reconstruct domestic production bases and subsidiaries

- Revise the activities and operations of inefficient and unprofitable businesses, etc.

(4) Increase the market share of existing businesses and develop new applications

- Respond to the maturing of the domestic market

3 Create original new products that will support the next generation

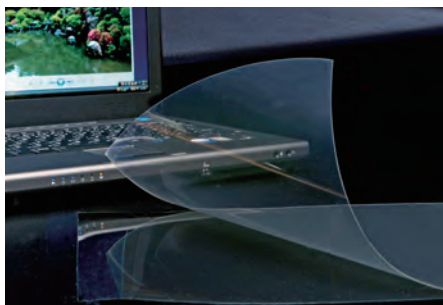
Leveraging LINTEC's unique technological development capabilities, we are progressively developing one-of-a-kind products that stand at the top of their class. Specifically, we are developing next-generation PV materials and other environmentally friendly products as part of our lineup of environment- and energy-related products. Further, we are developing highly functional electronics- and optical device-related products by utilizing our core adhesive and surface improvement technologies.

(1) Environment- and energy-related products

- Develop next-generation PV materials
- Promote the development of environmentally friendly products

(2) Electronics- and optical device-related products

- Develop highly functional products utilizing adhesive and surface improvement technologies, etc.





4 Strengthen global management

We are continuing the project of evolving our information system infrastructure, and are working to introduce this infrastructure into overseas Group companies. We believe that this will allow us to expedite the decision making process of management, while developing more standard and efficient workflow processes throughout the Group. Further, we are implementing strategy and investment judgments that include a new focus on ROIC. At the same time, we are fostering human resources and encouraging skill development with the goal of enabling the Company to continue to globalize and grow. Additionally, we are promoting corporate activities based on CSR management through such efforts as achieving ISO26000 compatibility and exercising the ideals of the UN Global Compact.

(1) Evolve information infrastructure and deploy it to Group companies

- Introduce this infrastructure quickly into Group companies both domestically and overseas

(2) Implement strategy and investment judgments that include a new focus on ROIC

- Track clearly how much income is generated by capital invested in the business

(3) Continually foster human resources and develop abilities

- Foster human resources and encourage skill development to enable the Company to continue to globalize and grow

(4) Promote corporate activities based on CSR management

- Achieve ISO26000 compatibility and exercise the ideals of the UN Global Compact

CSR and Corporate Governance

We are conducting CSR management based on international standards and strengthening corporate governance through the introduction of an executive officer system.

The Company views CSR as one of the most important issues for management. Going forward, we aim to contribute to society as a strong and vigorous company that is well trusted.

For this reason, we have established the CSR Management Office, which reports directly to the President. In addition, we have established six CSR subcommittees—on Corporate Ethics; Investor Relations; Customer Satisfaction; Environmental Preservation; Social Contribution; and Safety, Disaster Prevention, and Health—which consist of members from all areas of the Company. These organizations implement a wide variety of CSR activities. Through these efforts, we will continue to promote corporate management that balances its responsibilities toward the economy, the society, and the environment.



Basic policy

Achieve sustainable growth and maximize corporate value through aggressive and bold innovation

Key initiatives

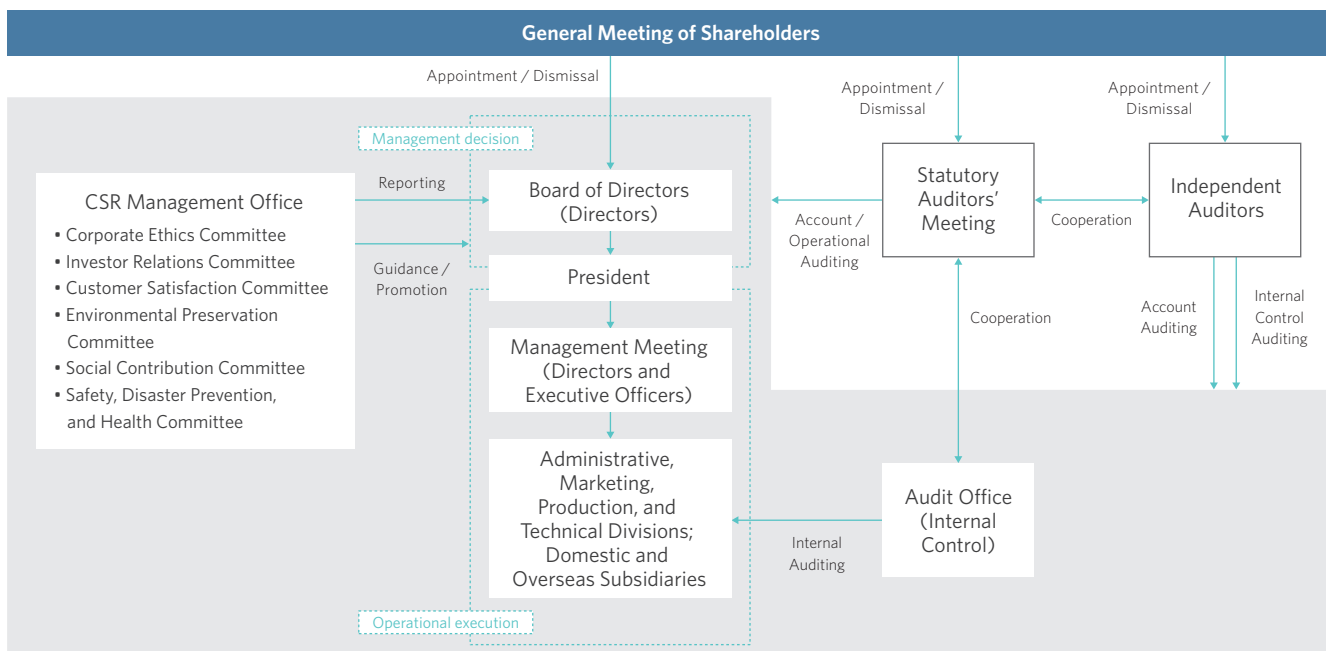
1. Strengthen and expand overseas businesses (Targeted overseas sales ratio: 40%)
2. Expand domestic businesses and increase profitability by optimizing QCD
3. Create original new products that will support the next generation
4. Strengthen global management



We aim to contribute to society as a strong and vigorous company that is well trusted.

In the fiscal year under review, we worked to reduce usage and emissions of substances that impact the environment, and developed and increased sales of products that reflect consideration for the environment. We also took part in social contribution activities closely linked to local communities, such as participating in cleanup activities in the areas around our operating bases and providing support for people with disabilities. Further, we provided victims of the Great East Japan Earthquake with monetary relief and support. Moreover, we have enhanced and thoroughly instituted corporate ethics training and disseminated a sound understanding of good corporate ethics. Additionally, in March 2011, we declared our intention to participate in the UN Global Compact. In the fiscal year ending March 31, 2012, we will continue to act in accordance with our policy of conducting CSR management based on international standards, as represented by such efforts as the previously mentioned achievement of ISO26000 compatibility.

In regard to corporate governance, the Board of Directors consists of 8 directors and 2 external directors. It works to ensure speedy management decisions and business advancement amid the fluctuating management environment based on the principles of holding Board of Directors meetings and management meetings once





a month. Accordingly, we are working to develop optimal management strategies. Additionally, LINTEC employs a statutory auditor system, and ensures swift management and the effectiveness of its auditing systems. The Statutory Auditors' Meeting is held monthly in principle. In this meeting, by sharing the results of the business audits performed by each auditor, the auditors confirm the appropriateness and effectiveness of the decisions and operational execution of the Company's management.

In June 2011, we introduced an executive officer system with the goal of separating important management decision making processes from operational execution, decreasing the number of directors, invigorating the Board of Directors, and improving management efficiency through swift decision making. Moreover, LINTEC will continue to ensure swift decision making, management transparency, enhanced management oversight systems, and thorough compliance by strengthening its internal control systems and risk management systems.

Shareholder Returns

In the fiscal year ending March 31, 2012, we intend to issue dividend payments of ¥40 per share, the same as in the fiscal year under review.

LINTEC's basic policy on the appropriation of profits is to increase business earnings and strengthen the Company's financial position from a long-term perspective while paying dividends that reflect consolidated business results. Acting in accordance with this policy, we are working to increase shareholder returns.

In the fiscal year under review, we had initially intended to issue dividend payments of ¥30 per share, higher than the previous fiscal year's dividend payments of ¥24 per share. However, our consolidated business results greatly exceeded our initial forecasts due to higher-than-expected net sales and the effects of cost reduction measures on income. Based on this, we decided to raise both the interim and year-end dividends by ¥5 per share, from ¥15 to ¥20 per share, making for a total annual cash dividend of ¥40 per share.

In regard to dividends in the fiscal year ending March 31, 2012, we currently intend to issue dividend payments of ¥40 per share, the same as in the fiscal year under review. Going forward, we will continue to target sustainable growth and higher income with the hopes of offering more substantial shareholder returns.

Cash Dividends per Share

