FINANCIAL SECTION

Management's Discussion and Analysis

Revenues and Expenses

In the fiscal year under review, consolidated net sales increased 2.0% year on year, to ¥207.3 billion. This increase was attributable to a variety of factors including substantial growth in Advanced materials operations backed by the demand effect of smartphones and other items, in addition to the effect of increasing value of yen equivalents due to the weak yen.

Although impacted by an increase in pulp prices, in addition to rising raw material and fuel prices as a result of the yen's depreciation, gross profit increased 10.8% year on year, to ¥50.1 billion. This largely reflected an increase in the volume of sales. Operating income grew 22.6%, to ¥16.9 billion, primarily due to the new consolidation of sales subsidiaries in the ASEAN region. Income before income taxes was ¥17.6 billion, up 36.3% year on year, income taxes were ¥5.9 billion following the application of tax effect accounting, and net income for the fiscal year under review amounted to ¥11.7 billion, a year-on-year increase of 37.1%.

Net income per share increased from ¥114.22 in the previous fiscal year to ¥161.63, and return on equity (ROE) climbed from 5.8% to 7.2%.

Performance by Operational Segment

Printing and Industrial Materials Products

In Printing and variable information products operations, sales of adhesive products for seals and labels in Japan were sluggish, centering on products for food and home electronics reflecting the effect of a decline in demand following the consumption tax hike. However, outside of Japan, sales grew in the ASEAN region, mainly in Thailand and Vietnam.

In Industrial and material operations, sales of window films and marking films were weak in Japan. However, overseas, sales of motorcycle- and automobile-use adhesive products were steady in India and the ASEAN region.

As a result of the above, net sales in Printing and Industrial Materials Products were up 0.6% year on year, to ¥86.8 billion, and operating income improved 25.6%, to ¥2.9 billion.

Electronic and Optical Products

In Advanced materials operations, sales of semiconductor-related adhesive tapes grew significantly thanks to the demand effect of such products as smartphones. Sales of semiconductor-related equipment were also strong mainly in the Taiwan market. Coated films for multilayer ceramic capacitor (MLCC) production experienced substantial sales growth reflecting the effects of demand for MLCCs for smartphones and automobiles.

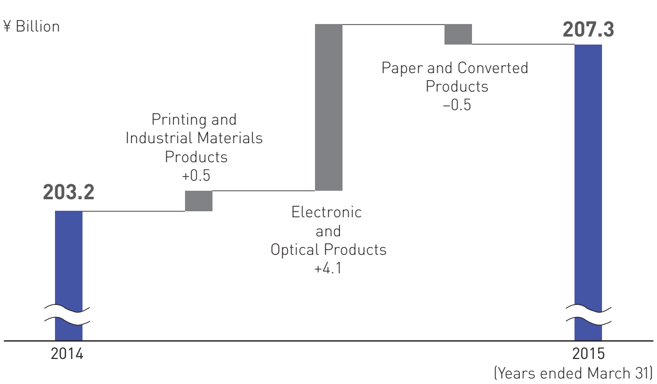
In Optical products operations, sales of LCD-related adhesive products were bolstered by the shift toward larger TVs as well as the demand effect of smartphones, but results were impacted by factors such as changes in the sales mix.

As a result of the above, net sales in Electronic and Optical Products were up 5.1% year on year, to ¥83.2 billion, and operating income increased 47.1%, to ¥10.1 billion.

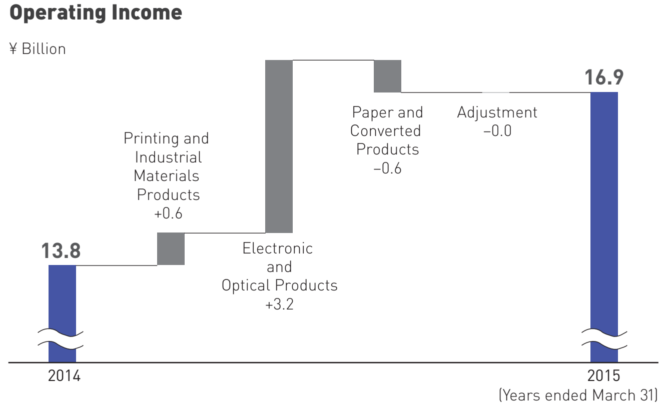
Paper and Converted Products

In Fine and specialty paper products operations, color papers for envelopes, a core product, performed well. Demand for construction material papers, oil resistant papers, and others increased.

Net Sales



Operating Income



Management's Discussion and Analysis

In Converted products operations, sales of casting papers for carbon fiber composite materials grew, centering on use for aircraft. Demand for release papers for flexible printed circuits (FPCs) cover lay films also increased solidly. In contrast, casting papers for synthetic leather decreased due to the effect of sluggish market conditions in China, a mainstay market.

As a result of the above, net sales in Paper and Converted Products were down 1.4% year on year, to ¥37.3 billion, and operating income dropped 14.0%, to ¥4.0 billion.

Financial Condition

[Assets]

Total assets as of March 31, 2015, were ¥237.4 billion, an increase of ¥12.4 billion compared with the end of the previous fiscal year. The main reasons for this increase were as follows:

- Cash and deposits +¥10.8 billion
- Inventories +¥ 1.6 billion
- Deferred tax assets –¥ 2.4 billion
- Net defined benefit asset +¥ 1.5 billion

[Liabilities]

Total liabilities as of March 31, 2015, were ¥65.8 billion, a decrease of ¥6.7 billion compared with the end of the previous fiscal year. The main reason for this decrease was as follows:

- Net defined benefit liability –¥8.5 billion

[Net Assets]

Net assets as of March 31, 2015, were ¥171.7 billion, an increase of ¥19.1 billion compared with the end of the previous fiscal year. The main reasons for this increase were as follows:

- Retained earnings +¥11.9 billion
- Foreign currency translation adjustments +¥ 6.0 billion

Cash Flows

Cash and cash equivalents as of March 31, 2015, amounted to ¥56.1 billion, an increase of ¥11.1 billion, or 24.6%, compared with the end of the previous fiscal year.

[Cash flows from operating activities]

Net cash provided by operating activities decreased ¥0.8 billion year on year, to ¥15.5 billion. The principal movements were as follows:

- Income before income taxes +¥4.7 billion
- Decrease in depreciation and amortization –¥1.3 billion
- Decrease in net defined benefit liability –¥5.6 billion
- Increase in trade notes and accounts receivable +¥1.3 billion
- Increase in inventories +¥1.1 billion
- Increase in trade notes and accounts payable +¥1.0 billion

[Cash flows from investing activities]

Net cash used in investing activities decreased ¥1.8 billion year on year, to ¥5.1 billion. The principal movements were as follows:

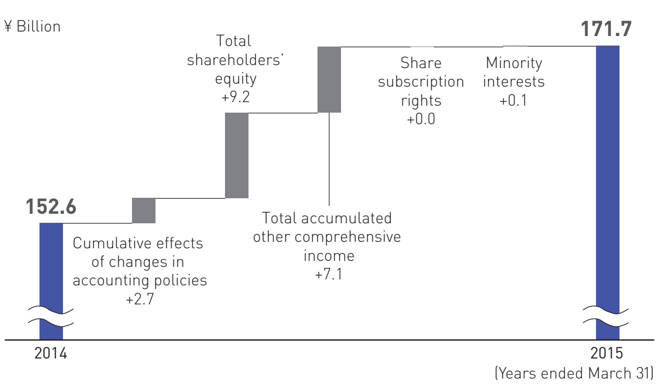
- Payments into time deposits –¥1.0 billion
- Proceeds from withdrawal of time deposits +¥3.2 billion
- Purchase of property, plant and equipment –¥0.8 billion

[Cash flows from financing activities]

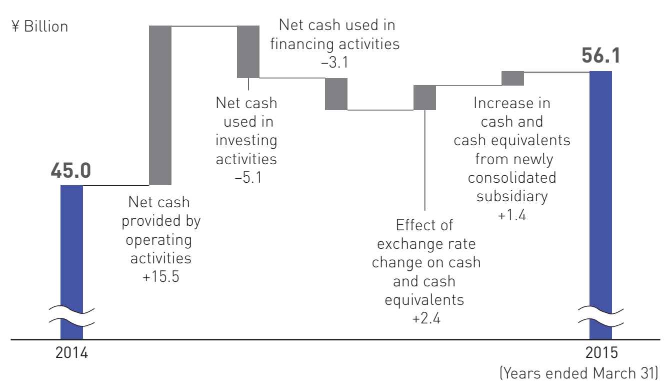
Net cash used in financing activities decreased ¥4.9 billion year on year, to ¥3.1 billion. The principal movement was as follows:

- Purchase of treasury stock +¥5.0 billion

Net Assets



Cash Flows



Operating Risks

The following is a summary of risks that could affect the LINTEC Group's operations. This summary provides specific examples of major risks that are anticipated, but it does not include all risks.

1. Changes in Economic Conditions

The Group's operations include development in a wide range of industries. Therefore, domestic and overseas economic conditions affect the Group's operations directly and indirectly. As a result, future trends in economic conditions could affect the Group's business results.

Furthermore, global trends in the electronics industry affect the Group's new businesses in the field of electronics-related products. Future electronics industry trends could affect the Group's business results.

2. Changes in Selling Prices

Due to intense competition in both the domestic and overseas markets in which the Group operates, the Group may be unable to maintain selling prices to preserve sufficient earnings or sales share. Furthermore, the Group's business results could be affected by difficulties related to cost reductions aimed at maintaining profits and recovering its share by refining customer services.

3. Changes in Raw Material Prices

The Group uses a large quantity of pulp for paper and petrochemical products as raw materials and fuel. The prices of these materials and fuels fluctuate in accordance with market conditions, such as inventories and the supply-demand balance. The Group purchases raw materials in light of careful monitoring of market trends. However, a dramatic change in raw material prices could affect the Group's business results.

4. Changes in Foreign Exchange Rates

The Group conducts foreign currency-denominated procurement and sales overseas as well as finance transactions between both domestic and overseas Group companies. Therefore, changes in foreign exchange rates could affect the Group's business results.

5. Overseas Operations

The Group conducts manufacturing and business operations in markets worldwide. In these countries, the following events could affect the Group's business results.

(1) Political instability or a deterioration in security due to such factors as terrorism, a political change, or a coup d'état
(2) Labor disputes, such as those involving strikes or boycotts
(3) Infrastructure failures, such as those related to electric power, water, or communications
(4) Outbreaks of contagious diseases
(5) Unpredictable changes in laws and regulations, such as those involving tax systems, foreign exchange, or customs
(6) Problems arising between the Group and its business associates or in the collection of accounts receivable due to differences in cultures or business practices

6. New Product Development

The Group pursues R&D activities with a view to realizing comprehensive technological capabilities that cater to market demand and bringing to market competitive, high-value-added products. Accordingly, the Group is stepping up allocations of management resources to increase its number of researchers and to pursue such initiatives as joint research with other companies and academic institutions.

However, there is no guarantee that such investment of management resources in R&D will result in the development of new products or increase operating income. Due to such factors as extended development periods, it could become necessary to discontinue development, and if product development costs cannot be recovered, it could affect the Group's business results.

7. Intellectual Property Rights

The Group takes necessary measures to protect intellectual property rights in Japan and overseas for various original production technologies that it has developed. However, legal measures alone do not provide complete protection, possibly preventing the Group from effectively protecting the rights it has obtained. Furthermore, in the event that a lawsuit is filed by a third party regarding intellectual property rights infringement associated with the Group's products, the Group's business results could be affected.

8. Significant Lawsuits

In conducting business in Japan and overseas, the Group may be subject to lawsuits or other claims related to product liability, environmental, or intellectual property rights issues. Lawsuits or claims, depending on their content, could affect the Group's business results.

9. Legal and Regulatory Systems

In the countries in which it conducts business operations, the Group is subject to various legal and regulatory systems, and as such is working to ensure rigorous compliance with these systems. In the event that the systems are strengthened or changed, the Group's business activities could be restricted or the Group's business results could be affected.

Financial Summary

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31

	2015	2014	2013	2012
For the year:				
Net sales	**¥207,255**	¥203,242	¥190,844	¥200,905
Operating income	**16,881**	13,766	10,564	13,975
% of net sales	**8.1%**	6.8%	5.5%	7.0%
Income before income taxes	**17,555**	12,883	10,836	13,382
Net income	**11,659**	8,501	7,681	8,648
Return on equity	**7.2%**	5.8%	5.6%	6.6%
Return on assets	**7.8%**	6.0%	5.2%	6.5%
Per share data (yen):				
Net income	**¥ 161.63**	¥ 114.22	¥ 102.83	¥ 115.26
Net assets	**2,363.81**	2,100.87	1,909.57	1,766.60
Cash dividends	**48.00**	42.00	34.00	40.00
Depreciation and amortization	**¥ 8,713**	¥10,055	¥ 10,141	¥ 10,079
Purchase of property, plant and equipment	**(6,299)**	(5,508)	(13,823)	(8,760)
Net cash provided by operating activities	**15,485**	16,309	19,619	18,910
Net cash used in investing activities	**(5,104)**	(6,952)	(13,966)	(12,262)
Net cash used in financing activities	**(3,135)**	(8,020)	(2,877)	(5,099)
At year-end:				
Current assets	**¥163,017**	¥149,396	¥138,505	¥137,229
Current liabilities	**57,058**	54,820	56,911	62,075
Working capital	**105,958**	94,575	81,593	75,153
Cash and cash equivalents	**56,050**	44,992	40,739	36,036
Property, plant and equipment, net	**61,503**	61,456	64,915	62,273
Long-term debt, less current portion	**—**	—	—	—
% of shareholders' equity	**—**	—	—	—
Total assets	**237,444**	225,073	216,048	210,203
Net assets	**171,674**	152,610	143,569	132,847
% of total assets	**71.8%**	67.3%	66.0%	62.8%
Number of shares outstanding	**76,564,240**	76,564,240	76,564,240	76,564,240
Number of employees	**4,413**	4,223	4,270	4,286
Segment information:				
Net sales:				
Printing and Industrial Materials Products	**¥86,826**	¥86,310	¥82,785	¥90,143
Electronic and Optical Products	**83,281**	79,143	72,372	73,925
Paper and Converted Products	**54,564**	52,781	52,061	53,225
Segment income:				
Printing and Industrial Materials Products	**2,878**	2,290	2,380	5,213
Electronic and Optical Products	**10,071**	6,846	3,196	3,942
Paper and Converted Products	**3,996**	4,645	4,980	4,846

(Supplementary information)
Effective the year ended March 31, 2011, the "Accounting Standard for Disclosure about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan (ASBJ) Statement No. 17, issued by ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued by ASBJ on March 21, 2008) have been applied.
Since it is impracticable to restate segment information of the fiscal years of 2010 and before complying revised accounting standards for segment information, only reportable segment information for the year ended March 31, 2011 onward have been presented.

Millions of yen, except per share data, number of shares, and number of employees

2011	2010	2009	2008	2007	2006
¥212,733	¥189,348	¥194,901	¥202,297	¥192,723	¥180,334
20,889	11,576	8,498	14,894	14,798	13,618
9.8%	6.1%	4.4%	7.4%	7.7%	7.6%
19,565	11,399	5,215	13,191	14,298	13,214
13,622	7,284	3,391	9,308	10,238	9,011
10.9%	6.2%	2.9%	8.0%	9.5%	9.2%
9.7%	6.1%	3.0%	6.6%	7.7%	7.7%
¥ 180.21	¥ 96.36	¥ 44.86	¥ 123.15	¥ 135.44	¥ 118.34
1,715.78	1,596.37	1,497.58	1,598.30	1,489.87	1,370.85
40.00	24.00	20.00	24.00	18.00	16.00
¥10,178	¥10,537	¥11,286	¥ 9,011	¥ 7,701	¥ 6,823
(8,237)	(7,777)	(9,584)	(14,700)	(11,646)	(12,715)
23,307	22,259	12,979	17,739	13,734	17,005
(9,926)	(9,253)	(9,752)	(15,071)	(12,200)	(13,199)
(2,820)	(3,454)	(2,300)	(769)	(68)	(2,789)
¥132,891	¥121,451	¥ 95,937	¥120,028	¥117,531	¥104,433
60,465	58,654	43,655	67,631	67,950	57,748
72,426	62,797	52,282	52,397	49,581	46,685
35,188	25,387	15,370	17,315	15,550	13,766
61,888	63,337	67,010	73,711	68,377	63,176
—	54	107	201	280	347
—	0.0%	0.1%	0.2%	0.3%	0.3%
206,188	195,656	172,854	204,852	198,526	181,158
130,576	121,502	113,930	121,635	113,397	104,362
62.9%	61.7%	65.5%	59.4%	57.1%	57.6%
76,564,240	76,564,240	76,564,240	76,564,240	76,564,240	76,564,240
4,198	4,037	3,987	3,802	3,708	3,537
¥91,936	—	—	—	—	—
81,193	—	—	—	—	—
55,317	—	—	—	—	—
7,990	—	—	—	—	—
6,732	—	—	—	—	—
6,129	—	—	—	—	—

Consolidated Balance Sheet

LINTEC Corporation and its consolidated subsidiaries
March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2015**	2014	**2015**
Current assets:			
Cash and deposits (Notes 10, 12)	**¥ 62,059**	¥ 51,212	**$ 516,433**
Trade notes and accounts receivable (Note 12)	**64,094**	63,488	**533,364**
Inventories (Note 3)	**32,142**	30,554	**267,477**
Deferred tax assets (Note 17)	**1,879**	1,922	**15,636**
Other	**2,944**	2,308	**24,505**
Allowance for doubtful accounts	**(103)**	(89)	**(862)**
Total current assets	**163,017**	149,396	**1,356,555**
Non-current assets:			
Property, plant and equipment (Notes 6, 7, 8, 11):			
Buildings and structures	**64,993**	63,909	**540,846**
Machinery, equipment and vehicles	**113,258**	112,819	**942,489**
Land	**10,263**	10,395	**85,405**
Construction in progress	**3,635**	354	**30,250**
Other	**11,688**	10,957	**97,269**
	203,839	198,436	**1,696,260**
Accumulated depreciation	**(142,335)**	(136,979)	**(1,184,454)**
Property, plant and equipment, net	**61,503**	61,456	**511,806**
Intangible assets (Note 11):	**2,538**	2,794	**21,123**
Investments and other assets:			
Investment securities (Notes 12, 13)	**3,313**	3,594	**27,570**
Net defined benefit asset (Note 15)	**1,823**	366	**15,174**
Deferred tax assets (Note 17)	**3,578**	5,940	**29,779**
Other	**1,887**	1,798	**15,707**
Allowance for doubtful accounts	**(217)**	(275)	**(1,813)**
Total investments and other assets	**10,384**	11,425	**86,417**
Total non-current assets	**74,427**	75,676	**619,347**
Total assets	**¥ 237,444**	¥ 225,073	**$ 1,975,903**

The accompanying notes are an integral part of the consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2015	2014	Thousands of U.S. dollars (Note 1) 2015
Current liabilities:			
Trade notes and accounts payable (Note 12)	¥ 40,674	¥ 41,286	$ 338,473
Short-term borrowings (Notes 12, 24)	1,695	1,510	14,105
Accrued income taxes (Notes 12, 17)	3,413	2,594	28,408
Provision for directors' bonuses	111	73	928
Other	11,164	9,355	92,902
Total current liabilities	57,058	54,820	474,817
Non-current liabilities:			
Provision for environmental measures	140	132	1,167
Net defined benefit liability (Note 15)	7,853	16,375	65,353
Other	717	1,133	5,969
Total non-current liabilities	8,711	17,641	72,490
Total liabilities	65,770	72,462	547,308
Commitments and contingent liabilities (Note 2)			
Net assets:			
Shareholders' equity (Note 23):			
Common stock:			
Authorized: 300,000,000 shares in 2015 and 2014			
Issued: 76,564,240 shares in 2015 and 2014	23,201	23,201	193,070
Capital surplus	26,830	26,830	223,267
Retained earnings	116,638	104,771	970,609
Less: treasury stock, at cost:			
4,428,615 shares in 2015 and 4,436,436 shares in 2014	(7,741)	(7,754)	(64,418)
Total shareholders' equity	158,928	147,048	1,322,529
Accumulated other comprehensive income			
Net unrealized holding gain on securities	832	355	6,927
Foreign currency translation adjustments	11,256	5,236	93,674
Remeasurements of defined benefit plans (Note 15)	(503)	(1,110)	(4,185)
Total accumulated other comprehensive income	11,586	4,482	96,415
Share subscription rights (Note 16)	166	148	1,387
Minority interests	992	930	8,262
Total net assets	171,674	152,610	1,428,594
Total liabilities and net assets	¥237,444	¥225,073	$1,975,903

Consolidated Statement of Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Net sales	¥207,255	¥203,242	$1,724,684
Cost of sales	157,122	158,005	1,307,498
Gross profit	50,133	45,236	417,185
Selling, general and administrative expenses (Notes 4, 5)	33,251	31,470	276,701
Operating income	16,881	13,766	140,483
Non-operating income:			
Interest income	335	261	2,792
Dividend income	55	59	465
Rent income	55	52	462
Gain on sales of noncurrent assets	45	39	380
Foreign exchange gains	1,487	399	12,377
Other income	369	305	3,072
Total non-operating income	2,349	1,118	19,550
Non-operating expenses:			
Interest expenses	21	13	179
Loss on retirement of noncurrent assets	388	379	3,235
Compensation expenses	753	938	6,266
Other expenses	166	388	1,384
Total non-operating expenses	1,329	1,719	11,065
Ordinary income	17,901	13,165	148,967
Extraordinary gain:			
Gain on sales of noncurrent assets (Note 6)	259	21	2,158
Gain on liquidation of subsidiaries	69	—	579
Subsidy	—	28	—
Total extraordinary gain	329	49	2,738
Extraordinary loss:			
Impairment loss (Note 8)	674	308	5,614
Loss on sales of noncurrent assets (Note 7)	—	23	—
Total extraordinary losses	674	332	5,614
Income before income taxes	17,555	12,883	146,091
Income taxes (Note 17)**:**			
Current	5,851	4,449	48,691
Deferred	48	(55)	401
Total income taxes	5,899	4,394	49,092
Income before minority interests	11,656	8,489	96,998
Minority interests	(2)	(12)	(24)
Net income (Note 23)	¥ 11,659	¥ 8,501	$ 97,023

Consolidated Statement of Comprehensive Income

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Income before minority interests	¥11,656	¥ 8,489	$ 96,998
Other comprehensive income (Note 9)			
Net unrealized holding gain on securities	476	140	3,968
Foreign currency translation adjustments	5,885	9,221	48,978
Adjustment regarding pension obligations of consolidated overseas subsidiaries	—	127	—
Remeasurements of defined benefit plans (Note 15)	595	—	4,954
Total other comprehensive income	6,958	9,489	57,901
Comprehensive income	¥18,614	¥17,978	$154,900
(Comprehensive income attributable to:)			
Shareholders of the parent	18,552	17,848	154,383
Minority interests	62	130	516

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Net Assets

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2015 and 2014

	Thousands													Millions of yen
		Shareholders' equity					Accumulated other comprehensive income							
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Adjustment regarding pension obligations of consolidated overseas subsidiaries	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance as at April 1, 2013	76,564	¥23,201	¥26,830	¥99,198	¥(2,752)	¥146,478	¥213	¥(3,843)	¥(213)	—	¥(3,843)	¥113	¥822	¥143,569
Cumulative effects of changes in accounting policies						—								—
Restated balance		23,201	26,830	99,198	(2,752)	146,478	213	(3,843)	(213)	—	(3,843)	113	822	143,569
Changes during the year:														
Cash dividends				(2,838)		(2,838)								(2,838)
Net income				8,501		8,501								8,501
Purchase of treasury stock					(5,001)	(5,001)								(5,001)
Disposal of treasury stock						—								—
Change of scope of consolidation				(90)		(90)								(90)
Net changes in items other than shareholders' equity							142	9,080	213	(1,110)	8,326	35	108	8,469
Total changes during the year	—	—	—	5,572	(5,001)	570	142	9,080	213	(1,110)	8,326	35	108	9,040
Balance as at March 31, 2014	76,564	¥23,201	¥26,830	¥104,771	¥(7,754)	¥147,048	¥355	¥5,236	—	¥(1,110)	¥4,482	¥148	¥930	¥152,610
Cumulative effects of changes in accounting policies				2,725		2,725								2,725
Restated balance		23,201	26,830	107,497	(7,754)	149,774	355	5,236	—	(1,110)	4,482	148	930	155,336
Changes during the year:														
Cash dividends				(3,101)		(3,101)								(3,101)
Net income				11,659		11,659								11,659
Purchase of treasury stock					(2)	(2)								(2)
Disposal of treasury stock			(0)		15	15								15
Change of scope of consolidation				583		583								583
Net changes in items other than shareholders' equity							476	6,020	—	606	7,104	18	62	7,184
Total changes during the year	—	—	(0)	9,140	12	9,153	476	6,020	—	606	7,104	18	62	16,337
Balance as at March 31, 2015	76,564	¥23,201	¥26,830	¥116,638	¥(7,741)	¥158,928	¥832	¥11,256	—	¥(503)	¥11,586	¥166	¥992	¥171,674

	Thousands													Thousands of U.S. dollars (Note 1)
		Shareholders' equity					Accumulated other comprehensive income							
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Adjustment regarding pension obligations of consolidated overseas subsidiaries	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Minority interests	Total net assets
Balance as at April 1, 2014	76,564	$193,070	$223,270	$871,857	$(64,525)	$1,223,673	$2,958	$43,576	—	$ (9,237)	$37,298	$1,236	$7,745	$1,269,953
Cumulative effects of changes in accounting policies				22,684		22,684								22,684
Restated balance		193,070	223,270	894,542	(64,525)	1,246,357	2,958	43,576	—	(9,237)	37,298	1,236	7,745	1,292,638
Changes during the year:														
Cash dividends				(25,810)		(25,810)								(25,810)
Net income				97,023		97,023								97,023
Purchase of treasury stock					(22)	(22)								(22)
Disposal of treasury stock			(2)		129	126								126
Change of scope of consolidation				4,854		4,854								4,854
Net changes in items other than shareholders' equity							3,968	50,097	—	5,051	59,117	151	516	59,785
Total changes during the year	—	—	(2)	76,066	107	76,171	3,968	50,097	—	5,051	59,117	151	516	135,956
Balance as at March 31, 2015	76,564	$193,070	$223,267	$970,609	$(64,418)	$1,322,529	$6,927	$93,674	—	$(4,185)	$96,415	$1,387	$8,262	$1,428,594

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	**2015**
Cash flows from operating activities:			
Income before income taxes	**¥ 17,555**	¥12,883	**$146,091**
Depreciation and amortization	**8,713**	10,055	**72,509**
Amortization of goodwill	**76**	70	**640**
Amortization of negative goodwill	**—**	(8)	**—**
Increase (decrease) in net defined benefit liability	**(4,671)**	945	**(38,871)**
Increase (decrease) in allowance for doubtful accounts	**(57)**	(80)	**(482)**
Interest and dividend income	**(391)**	(321)	**(3,257)**
Interest expenses	**21**	13	**179**
Loss (gain) on sales of property, plant and equipment	**(300)**	(24)	**(2,504)**
Loss on retirement of property, plant and equipment	**325**	331	**2,706**
Decrease (increase) in trade notes and accounts receivable	**1,449**	127	**12,059**
Decrease (increase) in inventories	**(30)**	(1,133)	**(253)**
Increase (decrease) in trade notes and accounts payable	**(2,090)**	(3,136)	**(17,400)**
Loss (gain) on sales of investment securities	**(0)**	(0)	**(0)**
Increase (decrease) in provision for environmental measures	**7**	—	**63**
Impairment loss	**674**	308	**5,614**
Loss (gain) on liquidation of subsidiaries	**(69)**	—	**(579)**
Other, net	**(1,125)**	(26)	**(9,363)**
Subtotal	**20,086**	20,004	**167,150**
Interest and dividend income received	**397**	302	**3,303**
Interest expenses paid	**(21)**	(13)	**(178)**
Income taxes (paid) refund	**(4,976)**	(3,984)	**(41,414)**
Net cash provided by operating activities	**15,485**	16,309	**128,861**
Cash flows from investing activities:			
Payments into time deposits	**(10,353)**	(9,369)	**(86,160)**
Proceeds from withdrawal of time deposits	**11,084**	7,927	**92,243**
Purchase of property, plant and equipment	**(6,299)**	(5,508)	**(52,417)**
Proceeds from sales of property, plant and equipment	**472**	400	**3,928**
Purchase of intangible assets	**(195)**	(139)	**(1,626)**
Purchase of investment securities	**(12)**	(2)	**(101)**
Proceeds from sales of investment securities	**0**	3	**0**
Purchase of shares of subsidiaries	**(0)**	(29)	**(0)**
Proceeds from liquidation of subsidiaries	**105**	—	**880**
Payments of loans receivable	**(2)**	(302)	**(16)**
Collection of loans receivable	**34**	3	**285**
Other, net	**61**	66	**510**
Net cash used in investing activities	**(5,104)**	(6,952)	**(42,475)**
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	**185**	50	**1,539**
Cash dividends paid	**(3,103)**	(2,841)	**(25,823)**
Purchase of treasury stock	**(2)**	(5,001)	**(22)**
Repayments of lease obligations	**(214)**	(227)	**(1,787)**
Other, net	**0**	—	**0**
Net cash used in financing activities	**(3,135)**	(8,020)	**(26,093)**
Effect of exchange rate change on cash and cash equivalents	**2,363**	2,979	**19,667**
Net increase (decrease) in cash and cash equivalents	**9,608**	4,315	**79,959**
Cash and cash equivalents at beginning of year	**44,992**	40,739	**374,405**
Increase in cash and cash equivalents from newly consolidated subsidiary	**1,449**	19	**12,062**
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	**—**	(83)	**—**
Cash and cash equivalents at end of year (Note 10)	**¥ 56,050**	¥44,992	**$466,428**

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

LINTEC Corporation and its consolidated subsidiaries
March 31, 2015

1. Summary of Significant Accounting Policies

(a) Basis of presenting financial statements

LINTEC Corporation (the "Company") maintains its accounting records and prepares its consolidated financial statements in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

For the convenience of the readers, the accompanying consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts at the rate of ¥120.17=U.S.$1, the prevailing exchange rate as of March 31, 2015. This translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at this or any other rate of exchange.

As permitted under the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

Certain reclassifications of previously reported amounts have been made to conform to the consolidated financial statements for the year ended March 31, 2015 presentation.

(b) Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 32 significant subsidiaries as of March 31, 2015, but exclude subsidiaries whose total assets, retained earnings, net sales and net income are not material in relation to the comparable amounts in these statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

Goodwill is amortized over periods of the estimated useful economic lives (mainly 5 years) on a straight-line basis.

Investments in subsidiaries and affiliates, which are not consolidated or accounted for by the equity method, are carried at cost. Where there has been a permanent decline in the value of such investments, the Company has written down the investments.

Certain subsidiaries are consolidated on the basis of fiscal period ending December 31, which differ from that of the Company. The necessary adjustments are made to the financial statements of such subsidiaries to reflect any significant transactions from their respective fiscal year ends to March 31.

(c) Foreign currency translation

Receivables, payables and securities denominated in foreign currencies are converted into Japanese yen at the exchange rates at fiscal year end. Transactions in foreign currencies are recorded based on the prevailing exchange rate on the transaction dates and the resulting translation gains or losses are included in statement of income.

In respect of the financial statement items of overseas subsidiaries, all assets and liabilities accounts are translated into Japanese yen by applying the exchange rates in effect at the fiscal year end. All income and expense accounts are translated into Japanese yen by applying the average exchange rate during the fiscal year.

Translation differences after allocating to minority interest for portions attributable to minority interest are reported as foreign currency translation adjustments in a separate component of net assets in the accompanying consolidated balance sheet.

(d) Investment securities

Securities with market value are stated at fair value, and changes in fair value are recorded as a separate component of net assets at an amount, net of tax, and the moving average method is used to calculate the original cost. Securities without market value are stated at cost determined by the moving average method.

(e) Inventories

Inventories mainly apply the cost method based on the weighted-average method, which determines the amount of the inventories shown on the consolidated balance sheet by writing them down based on the decrease in their profitability.

Machinery applies the cost method based on the specific identification method, which determines the amount of the inventories shown on the consolidated balance sheet by writing them down based on the decrease in their profitability.

(f) Property, plant and equipment (Excluding leased assets)

Property, plant and equipment are stated at cost. Depreciation in the Company is principally computed by the declining-balance method over the estimated useful lives of the respective assets except for the buildings acquired on or after April 1, 1998, for which the straight-line method is used.

Depreciation in its consolidated foreign subsidiaries is computed by the straight-line method over the useful lives of the respective assets.

The significant useful lives are summarized as follows:

Buildings and structures	2 — 50 years
Machinery, equipment and vehicles	3 — 17 years

(g) Intangible assets (Excluding leased assets)

Intangible assets are stated at cost less accumulated amortization. Capitalized costs of software for internal use and other intangible assets are amortized using the straight-line method over estimated lives (5 years).

(h) Leases

Leased assets arising from finance lease transactions which transfer ownership to the lessee are depreciated as the same as the owned property, plant and equipment.

Leased assets arising from finance lease transactions which do not transfer ownership to the lessee are depreciated to a residual value of zero by the straight-line method using the contract term as the useful life.

(i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at the amount of estimated uncollectible accounts, based on individual collectability with respect to identified doubtful receivables and past experience of doubtful receivables.

(j) Provision for directors' bonuses

Bonus to directors is accrued at the year end and to be paid in the following year when such bonuses are attributable.

(k) Accounting method for retirement benefits

(1) Method of attributing expected retirement benefits to periods
In calculating retirement benefit obligations, the benefit formula basis is used to attribute expected retirement benefits to periods through the end of the fiscal year.

(2) Method of amortizing actuarial gain and loss and prior service cost
Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized by the straight-line method principally over 15 years. Prior service cost is being amortized by the straight-line method principally over 15 years.

(l) Provision for environmental measures

The provision for environmental measures is estimated and recorded to provide for future potential costs, such as costs related to removal and disposal of toxic substances based on related legal requirements.

(m) Accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(n) Cash and cash equivalents
Cash and cash equivalents are composed of cash and time deposits, all of which are low-risk, short-term financial instruments readily convertible into cash.

(o) Research and development costs
Research and development costs are charged to income when incurred.

(p) Income taxes
Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(q) Shareholders' equity
The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

(r) Changes in accounting principles
The main clause of Article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012, hereinafter "Retirement Benefits Accounting Standard") and the main clause of Article 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015 hereinafter "Retirement Benefits Guidance") are effective from April 1, 2014. In applying these accounting standards, there was a change from the straight-line basis to the benefit formula basis as the method of attributing expected retirement benefits to periods for the calculation of the retirement benefit obligations and service cost. Also, the Company has changed the method of determining the discount rate from a method in which bond duration as the basis for determining the discount rate is determined based on a number of years similar to the average remaining service period of employees to a method of using a single weighted average discount rate that reflects the estimated timing and amount of the retirement benefit payments.

Application of the Retirement Benefits Accounting Standards, etc. are in accordance with the transitional treatment set forth in Article 37 of the Retirement Benefits Accounting Standards and at the beginning of this consolidated fiscal year, the amount affected by such changes is reflected as additions to retained earnings.

As a result, net defined benefit liability as of April 1, 2014 decreased by ¥4,018 million (U.S. $33,438 thousand), net defined benefit asset increased by ¥217 million (U.S. $1,807), and retained earnings increased by ¥2,725 million (U.S. $22,684). The impact on consolidated earnings was insignificant.

In addition, the impact of this accounting change on per share data can be found under Note 23, "Amounts Per Share."

2. Commitments and Contingent Liabilities

The Company and its consolidated subsidiaries had unused lines of credit for short-term financing aggregating ¥22,286 million (U.S. $185,455 thousand) and ¥21,301 million at March 31, 2015 and 2014, respectively.

3. Inventories

Finished goods and merchandise, work in process, and raw materials and supplies as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Finished goods and merchandise	**¥10,714**	¥ 9,560	**$ 89,164**
Work in process	**11,678**	11,700	**97,185**
Raw materials and supplies	**9,749**	9,292	**81,127**
Total	**¥32,142**	¥30,554	**$267,477**

4. Selling, General and Administrative Expenses

Major items included in selling, general and administrative expenses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Transportation and warehousing expenses	**¥ 5,250**	¥ 5,041	**$ 43,693**
Provision for allowance for doubtful accounts	**15**	(53)	**133**
Salaries and allowances	**7,430**	6,830	**61,831**
Retirement benefit expenses	**396**	507	**3,295**
Provision for directors' bonuses	**111**	80	**928**
Depreciation	**1,059**	1,057	**8,817**
Research and development expenses	**6,771**	6,849	**56,351**
Other	**12,215**	11,157	**101,651**
Total	**¥33,251**	¥31,470	**$276,701**

5. Research and Development Expenses

Research and development expenses, all of which were included in selling, general and administrative expenses, for the years ended March 31, 2015 and 2014 were ¥6,771 million (U.S.$56,351 thousand) and ¥6,849 million, respectively.

6. Gain on Sales of Noncurrent Assets

Gain on sales of noncurrent assets was principally related to sales of land for the year ended March 31, 2015 and sales of buildings and structures for the year ended March 31, 2014.

7. Loss on Sales of Noncurrent Assets

Loss on sales of noncurrent assets was related to sales of land for the year ended March 31, 2014.

8. Impairment Loss on Property, Plant and Equipment

The Company has recognized impairment loss on the following classes of assets for the year ended March 31, 2015:

Major use	Location	Category	Millions of yen	Thousands of U.S. dollars
Company housing for employees	Kumagaya city, Saitama	Buildings and structures	**¥ 46**	**$ 388**
		Land	**197**	**1,639**
		Other	**0**	**0**
		Subtotal	**243**	**2,028**
Pressure-sensitive adhesive related products manufacturing equipment	Massachusetts State, U.S.A.	Machinery, equipment and vehicles	**417**	**3,470**
		Other	**13**	**115**
		Subtotal	**430**	**3,586**
Total			**¥674**	**$5,614**

(1) Circumstances leading to the recognition of impairment loss

- The impairment loss for the company housing has been recognized because the asset has been idled and the market price in real estate has been declined. That asset is planned to be sold since it is not planned to be used in the future.
- The impairment loss for the pressure-sensitive adhesive related products manufacturing equipment has been recognized because the asset has decreased in profitability.

(2) Method of calculating recoverable amounts

The recoverable amounts used for the measurement of the impairment losses above are the net realizable value.

- The recoverable amount of land for the company housing is based on the appraisal value after deduction of the estimated cost of the disposal. The recoverable amounts of other assets are the nominal value.
- The recoverable amounts of the assets above for the pressure-sensitive adhesive related products manufacturing equipment are based on a third-party appraisal value.

The Company has recognized impairment loss on the following classes of assets for the year ended March 31, 2014:

Major use	Location	Category	Millions of yen
Pressure-sensitive adhesive related products manufacturing equipment	Higashi Agatsuma town, Gunma	Machinery, equipment and vehicles	¥153
		Other	1
		Subtotal	155
Paper related products manufacturing equipment	Kumagaya city, Saitama	Machinery, equipment and vehicles	152
Total			¥308

(1) Circumstances leading to the recognition of impairment loss

The impairment loss for the assets above has been recognized because these assets are planned to stop operation or be disposed for the reason of becoming too old and production shutdown.

(2) Method of calculating recoverable amounts

The recoverable amounts used for the measurement of the impairment losses above are the net realizable value or the nominal value.

9. Comprehensive Income

Reclassification adjustment and tax effect of other comprehensive income for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Net unrealized holding gain on securities:			
Amount incurred during the fiscal year	¥ 642	¥ 196	$ 5,346
Reclassification adjustment	(0)	(0)	(0)
Prior to deducting tax effect	642	196	5,346
Tax effect	(165)	(55)	(1,377)
Net unrealized holding gain on securities	476	140	3,968
Foreign currency translation adjustments:			
Amount incurred during the fiscal year	5,885	9,221	48,978
Reclassification adjustment	—	—	—
Prior to deducting tax effect	5,885	9,221	48,978
Tax effect	—	—	—
Foreign currency translation adjustments	5,885	9,221	48,978
Adjustment regarding pension obligations of consolidated overseas subsidiaries:			
Amount incurred during the fiscal year	—	62	—
Reclassification adjustment	—	138	—
Prior to deducting tax effect	—	201	—
Tax effect	—	(73)	—
Adjustment regarding pension obligations of consolidated overseas subsidiaries	—	127	—
Remeasurements of defined benefit plans:			
Amount incurred during the fiscal year	755	—	6,285
Reclassification adjustment	202	—	1,686
Prior to deducting tax effect	958	—	7,972
Tax effect	(362)	—	(3,017)
Remeasurements of defined benefit plans	595	—	4,954
Total other comprehensive income	¥6,958	¥9,489	$57,901

10. Cash and Cash Equivalents

Reconciliation between cash and cash equivalents in the consolidated statement of cash flows and cash and deposits in the consolidated balance sheet as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash and deposits	¥62,059	¥51,212	$516,433
Time deposits with maturity of more than 3 months	(6,009)	(6,219)	(50,005)
Cash and cash equivalents	¥56,050	¥44,992	$466,428

Assets and liabilities related to finance lease transactions newly recognized for the years ended March 31, 2015 and 2014 were ¥186 million (U.S. $1,550 thousand) and ¥93 million, respectively.

11. Leases

(Lessee's accounting)

For finance lease transactions that transfer ownership, leased assets recognized as property, plant and equipment are mainly production facilities for the years ended March 31, 2015 and 2014.

For finance lease transactions that do not transfer ownership, leased assets recognized as property, plant and equipment are mainly production facilities and vehicles, and those recognized as intangible assets are mainly software for the years ended March 31, 2015 and 2014.

The minimum lease payments under noncancellable operating leases as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within 1 year	¥241	¥144	$2,012
Due after 1 year	273	263	2,272
Total	¥514	¥407	$4,285

12. Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

The LINTEC Group (the "Group") limits the scope of its cash and fund management activities to short-term deposits and has a policy of relying principally on bank borrowings.

The Group makes use of derivatives only to reduce risk of foreign currency exchange fluctuations and has a policy of not engaging in derivative transactions for speculative purposes.

(2) Details of financial instruments and associated risk and risk management system

In the course of its business activities, the Group is exposed to credit risk arising from trade notes and accounts receivable that are outstanding from its customers. Regarding the risk pursuant to the internal regulations for managing its credit exposure and trade receivables, due dates and balances are managed appropriately for each customer, to mitigate risks of uncollectible accounts.

Investment securities are stocks being exposed to market price risk, and these are mainly the stocks of companies with which the Group has business relationships and it periodically confirms the market value.

All of the trade payables—trade notes and accounts payable—are due within 1 year.

The Company has commitment line contracts with financial institutions and the borrowings are raised mainly for business activities and capital investments.

The Group is exposed to liquidity risk from its business-related obligations and borrowings but the Company and its consolidated subsidiaries prepare and implement financing plans to manage the liquidity risk.

The Group conducts and manages such transactions based on internal rules and regulations. Director of administration division is in charge of managing derivative transactions and related reports are submitted to top management for each case.

2. Estimated fair value and other matters related to financial instruments

Carrying value on the consolidated balance sheet as of March 31, 2015 and 2014 along with their fair value and the variance were shown in the following table.

	Millions of yen			Thousands of U.S. dollars		
	2015			2015		
	Carrying value	Estimated fair value	Variance	Carrying value	Estimated fair value	Variance
(1) Cash and deposits	**¥ 62,059**	**¥ 62,059**	**¥ —**	**$ 516,433**	**$ 516,433**	**$ —**
(2) Trade notes and accounts receivable	**64,094**	**64,094**	**—**	**533,364**	**533,364**	**—**
(3) Investment securities						
Other securities	**2,656**	**2,656**	**—**	**22,104**	**22,104**	**—**
(4) Trade notes and accounts payable	**(40,674)**	**(40,674)**	**—**	**(338,473)**	**(338,473)**	**—**
(5) Short-term borrowings	**(1,695)**	**(1,695)**	**—**	**(14,105)**	**(14,105)**	**—**
(6) Accrued income taxes	**(3,413)**	**(3,413)**	**—**	**(28,408)**	**(28,408)**	**—**

Note: Figures shown in parentheses are liability items.

	Millions of yen		
	2014		
	Carrying value	Estimated fair value	Variance
(1) Cash and deposits	¥ 51,212	¥ 51,212	¥ —
(2) Trade notes and accounts receivable	63,488	63,488	—
(3) Investment securities			
Other securities	2,001	2,001	—
(4) Trade notes and accounts payable	(41,286)	(41,286)	—
(5) Short-term borrowings	(1,510)	(1,510)	—
(6) Accrued income taxes	(2,594)	(2,594)	—

Note: Figures shown in parentheses are liability items.

Note 1: Method of computing the estimated fair value of financial instruments and securities

(1) Cash and deposits; (2) Trade notes and accounts receivable

Since these items are settled in a short period of time and have estimated fair values that are virtually the same as the carrying value on the ledger, the carrying value has been used.

(3) Investment securities

The market value of investment securities is determined by the price of the stock traded on an exchange market.

(4) Trade notes and accounts payable; (5) Short-term borrowings; (6) Accrued income taxes

Since these items are settled in a short period of time and have estimated fair values that are virtually the same as the carrying value on the ledger, the carrying value has been used.

Note 2: Financial instruments for which obtaining an estimated fair value is deemed to be extremely difficult:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Carrying value	Carrying value	Carrying value
Unlisted stocks	**¥656**	¥1,592	**$5,465**

The unlisted stocks in the preceding table do not have market values, and as estimating their future cash flows is deemed to be extremely difficult, they are not included in the above table "(3) Investment securities."

Note 3: Planned redemption amounts after the balance sheet date for held-to-maturity securities and receivables were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Within 1 year	Within 1 year	Within 1 year
Cash and deposits	**¥ 62,005**	¥ 51,180	**$ 515,984**
Trade notes and accounts receivable	**64,094**	63,488	**533,364**
Total	**¥126,100**	¥114,668	**$1,049,348**

13. Marketable and Investment Securities

The carrying value and acquisition cost of other securities as of March 31, 2015 and 2014 were as follows:

		Millions of yen			Thousands of U.S. dollars		
		2015					
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	**¥2,163**	**¥ 976**	**¥1,187**	**$18,004**	**$ 8,124**	**$9,879**
	Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Other	**—**	**—**	**—**	**—**	**—**	**—**
Subtotal		**¥2,163**	**¥ 976**	**¥1,187**	**$18,004**	**$ 8,124**	**$9,879**
Securities whose acquisition cost exceeds their carrying value	Stocks	**¥ 492**	**¥ 522**	**¥ (29)**	**$ 4,099**	**$ 4,345**	**$ (245)**
	Bonds	**—**	**—**	**—**	**—**	**—**	**—**
	Other	**—**	**—**	**—**	**—**	**—**	**—**
Subtotal		**¥ 492**	**¥ 522**	**¥ (29)**	**$ 4,099**	**$ 4,345**	**$ (245)**
Total		**¥2,656**	**¥1,498**	**¥1,157**	**$22,104**	**$12,469**	**$9,634**

		Millions of yen		
		2014		
	Description	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost	Stocks	¥1,473	¥ 910	¥563
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥1,473	¥ 910	¥563
Securities whose acquisition cost exceeds their carrying value	Stocks	¥ 528	¥ 576	¥ (47)
	Bonds	—	—	—
	Other	—	—	—
Subtotal		¥ 528	¥ 576	¥ (47)
Total		¥2,001	¥1,486	¥515

14. Derivatives

No specific disclosure for derivative transactions has been made as of March 31, 2015 and 2014 because of its immateriality.

15. Retirement Benefits

The Company has defined benefit plans of a corporate pension fund plan under the Japanese Defined Benefit Corporate Pension Law and lump-sum payment plan.

Domestic consolidated subsidiaries have lump-sum payment plans and certain foreign consolidated subsidiaries have defined contribution plans and lump-sum payment plans.

The following summarizes information related to retirement benefits for the years ended March 31, 2015 and 2014.

1. Defined benefit plans

(1) Reconciliation statement for the beginning balance and the ending balance of retirement benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Retirement benefit obligations at beginning of year	**¥36,788**	¥36,663	**$306,134**
Cumulative effects of changes in accounting policies	**(4,235)**	—	**(35,246)**
Restated balance	**32,552**	36,663	**270,888**
Service cost	**1,539**	1,432	**12,810**
Interest cost	**430**	506	**3,580**
Actuarial gains (losses)	**203**	(947)	**1,691**
Retirement benefits paid	**(1,511)**	(1,197)	**(12,577)**
Increase (decrease) from foreign currency translation	**247**	272	**2,056**
Other	**57**	56	**476**
Retirement benefit obligations at end of year	**¥33,518**	¥36,788	**$278,927**

Note: For some of the consolidated subsidiaries, the simplified method is used to calculate retirement benefit obligations.

(2) Reconciliation statement for the beginning balance and the ending balance of plan assets

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Plan assets at beginning of year	**¥20,779**	¥18,165	**$172,916**
Expected return on plan assets	**711**	647	**5,923**
Actuarial gains (losses)	**1,018**	1,720	**8,472**
Contributions from the employer	**5,561**	768	**46,276**
Retirement benefits paid	**(776)**	(734)	**(6,465)**
Increase (decrease) from foreign currency translation	**195**	211	**1,626**
Plan assets at end of year	**¥27,488**	¥20,779	**$228,748**

Note: "Contributions from the employer" includes contribution of ¥5,000 million (U.S. $41,607 thousand) to retirement benefit trust.

(3) Reconciliation statement for the ending balance of retirement benefit obligations and plan assets and net defined benefit liability or asset recorded in the consolidated financial statements

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Retirement benefit obligations of a funded pension plan	**¥ 32,818**	¥ 23,081	**$ 273,103**
Plan assets	**(27,488)**	(20,779)	**(228,748)**
	5,330	2,301	**44,354**
Retirement benefit obligations of an unfunded pension plan	**699**	13,706	**5,823**
Net amount of liabilities and assets recorded in the consolidated balance sheet	**6,029**	16,008	**50,178**
Net defined benefit liability	**7,853**	16,375	**65,353**
Net defined benefit asset	**(1,823)**	(366)	**(15,174)**
Net amount of liabilities and assets recorded in the consolidated balance sheet	**¥ 6,029**	¥ 16,008	**$ 50,178**

(4) Components of retirement benefit expenses

	Millions of yen 2015	2014	Thousands of U.S. dollars 2015
Service cost	**¥1,539**	¥1,432	**$12,810**
Interest cost	**430**	506	**3,580**
Expected return on plan assets	**(711)**	(647)	**(5,923)**
Amortization of actuarial losses (gains)	**487**	670	**4,053**
Amortization of prior service cost	**(284)**	(284)	**(2,367)**
Other	**—**	32	**—**
Retirement benefit expenses for the defined benefit plans	**¥1,460**	¥1,711	**$12,155**

Notes: i. Retirement benefit expenses of consolidated subsidiaries using the simplified method are included in service cost.
ii. Employee's contributions to the corporate pension fund are not included in service cost.

(5) Remeasurements of defined benefit plans
Breakdown of items (before tax effect) recorded in other comprehensive income of remeasurements of defined benefit plans are as follows:

	Millions of yen 2015	2014	Thousands of U.S. dollars 2015
Prior service cost	**¥ 284**	¥ —	**$ 2,367**
Actuarial losses (gains)	**(1,242)**	—	**(10,339)**
Total	**¥ (958)**	¥ —	**$ (7,972)**

(6) Remeasurements of defined benefit plans
Breakdown of items (before tax effect) recorded in accumulated other comprehensive income of remeasurements of defined benefit plans are as follows:

	Millions of yen 2015	2014	Thousands of U.S. dollars 2015
Unrecognized prior service cost	**¥(1,112)**	¥(1,397)	**$ (9,260)**
Unrecognized actuarial losses (gains)	**1,895**	3,113	**15,775**
Total	**¥ 782**	¥ 1,715	**$ 6,515**

(7) Items related to plan assets
1. Breakdown of major items
The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2015 and 2014 was as follows:

	2015	2014
Bonds	**52.6%**	40.9%
Stocks	**20.1%**	44.0%
Cash on hand and in banks	**24.8%**	11.7%
Other	**2.5%**	3.4%
Total	**100.0%**	100.0%

2. Method for determining the long-term expected rate of return on plan assets
In determining the long-term expected rate of return on plan assets, estimates are considered based on the current and expected allocation of plan assets and the long-term current and expected rate of return from the various assets comprising the plan assets.

(8) Major actuarial assumptions as of March 31, 2015 and 2014 were as follows:

	2015	2014
Discount rate	**Mainly 1.3%**	Mainly 1.3%
Long-term expected rate of return on plan assets	**Mainly 3.5%**	Mainly 3.5%
Expected rates of pay raises	**Mainly 2.8%**	Mainly 2.8%

2. Defined contribution plan

Some of the consolidated subsidiaries contributed ¥144 million (U.S. $1,205 thousand) and ¥125 million, for the years ended March 31, 2015 and 2014 to the defined contribution plans, respectively.

16. Stock Option Plan

Components of stock-based compensation expense for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	**2015**
Cost of sales	**¥ 3**	¥ 6	**$ 31**
Selling, general and administrative expenses	**29**	29	**246**

The following table summarizes contents of stock options as of March 31, 2015:

The 2006 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 10, 2006
Position and number of grantees	Directors, 17
Class and number of stocks	Common stock 10,500 shares
Date of grant	August 25, 2006
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 26, 2006 to August 25, 2026

The 2007 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2007
Position and number of grantees	Directors, 17
Class and number of stocks	Common stock 9,300 shares
Date of grant	August 24, 2007
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2007 to August 24, 2027

The 2008 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 8, 2008
Position and number of grantees	Directors, 14
Class and number of stocks	Common stock 9,800 shares
Date of grant	August 25, 2008
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 26, 2008 to August 25, 2028

The 2009 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 7, 2009
Position and number of grantees	Directors, 14
Class and number of stocks	Common stock 15,000 shares
Date of grant	August 24, 2009
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2009 to August 24, 2029

The 2010 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2010
Position and number of grantees	Directors, 16
Class and number of stocks	Common stock 14,100 shares
Date of grant	August 24, 2010
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2010 to August 24, 2030

The 2011 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 9, 2011
Position and number of grantees	Directors, 8
Class and number of stocks	Common stock 7,600 shares
Date of grant	August 24, 2011
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 25, 2011 to August 24, 2031

The 2012 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 8, 2012
Position and number of grantees	Directors, 8 and Executive Officers, 12
Class and number of stocks	Common stock 15,900 shares
Date of grant	August 23, 2012
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 24, 2012 to August 23, 2032

The 2013 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 7, 2013
Position and number of grantees	Directors, 10 and Executive Officers, 12
Class and number of stocks	Common stock 22,000 shares
Date of grant	August 22, 2013
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 23, 2013 to August 22, 2033

The 2014 plan

Name of Company	The Company
Date of approval of the Board of Directors	August 6, 2014
Position and number of grantees	Directors, 10 and Executive Officers, 12
Class and number of stocks	Common stock 18,300 shares
Date of grant	August 21, 2014
Condition and settlement of rights	Persons who have received allotment of share subscription rights must hold the position of director or executive officer of the Company at the time of grant.
Period of providing service for stock options	—
Exercise period	From August 22, 2014 to August 21, 2034

The following tables summarize the scale and movement of stock options for the years ended March 31, 2015 and 2014:

(Non-vested stock options)

(unit: shares)

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan
Stock options outstanding at April 1, 2014	—	—	—	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	—	—	—	18,300
Forfeitures	—	—	—	—	—	—	—	—	—
Conversion to vested stock options	—	—	—	—	—	—	—	—	18,300
Stock options outstanding at March 31, 2015	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(Vested stock options)

(unit: shares)

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan
Stock options outstanding at April 1, 2014	6,000	5,500	9,300	14,200	12,700	7,600	15,900	22,000	—
Conversion from non-vested stock options	—	—	—	—	—	—	—	—	18,300
Stock options exercised	1,100	1,000	1,400	2,200	1,800	—	1,400	—	—
Forfeitures	—	—	—	—	—	—	—	—	—
Stock options outstanding at March 31, 2015	**4,900**	**4,500**	**7,900**	**12,000**	**10,900**	**7,600**	**14,500**	**22,000**	**18,300**

The following table summarizes the price information of stock options as of March 31, 2015:

	The 2006 plan	The 2007 plan	The 2008 plan	The 2009 plan	The 2010 plan	The 2011 plan	The 2012 plan	The 2013 plan	The 2014 plan
Exercise price	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**	**¥ 1**
Average market price of the stock at the time of exercise	**2,012**	**2,012**	**2,012**	**2,012**	**2,012**	**—**	**2,012**	**—**	**—**
Fair value at the date of grant	**2,788**	**1,947**	**1,481**	**1,726**	**1,474**	**1,303**	**1,203**	**1,595**	**1,825**

The fair value of stock options granted during the year ended March 31, 2015 was valued by using the Black Scholes option pricing model with the following assumptions:

	The 2014 plan
Volatility	**35.662%**
Expected remaining period	**10 years**
Expected dividend	**¥ 42**
Risk free interest rate	**0.549%**

The expected remaining period for stock options is assumed to be the mid-point of the exercise period.

17. Income Taxes

1. The Company and its consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 35.64% and 38.01% for the years ended March 31, 2015 and 2014, respectively. Income taxes of the foreign consolidated subsidiaries are based generally on-the tax rates applicable in their countries of incorporation. The effective tax rates reflected in the consolidated statement of income for the years ended March 31, 2015 and 2014 differ from the statutory tax rate for the following reasons:

	2015	2014
Statutory tax rate	**35.64%**	38.01%
Effect of:		
Permanently non-deductible expenses for income tax purposes such as entertainment expenses	**0.39**	0.65
Permanently non-taxable income for income tax purposes such as dividend income	**(10.66)**	(12.13)
Municipal Tax	**0.31**	0.42
The difference of tax rates applied to foreign subsidiaries	**(7.36)**	(9.00)
Tax deduction in accordance with special tax measures	**(2.38)**	(3.42)
Decrease of valuation allowance for such as net operating loss carryforward	**2.05**	1.67
Consolidating adjustment of dividend income from consolidated subsidiaries	**10.95**	12.66
Effect of revised corporate tax rate	**2.83**	0.91
Other, net	**1.83**	4.34
Effective tax rate	**33.60%**	34.11%

2. The significant components of deferred tax assets and liabilities as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Accrued bonuses	**¥ 740**	¥ 747	**$ 6,159**
Accrued enterprise taxes	**182**	167	**1,518**
Operating loss carryforwards	**413**	148	**3,443**
Net defined benefit liability	**2,421**	5,712	**20,146**
Retirement benefit trust	**1,616**	—	**13,454**
Research and development cost	**498**	622	**4,145**
Loss on valuation of inventories	**246**	305	**2,052**
Allowance for doubtful accounts	**102**	127	**852**
Unrealized gain	**435**	345	**3,625**
Excess depreciation expense	**299**	218	**2,490**
Other	**613**	640	**5,105**
Gross deferred tax assets	**7,570**	9,036	**62,995**
Valuation allowance	**(406)**	(160)	**(3,382)**
	7,163	8,876	**59,612**
Deferred tax liabilities:			
Revaluation of fixed assets in accordance with special tax measures	**(208)**	(160)	**(1,736)**
Net unrealized holding gain on securities	**(325)**	(159)	**(2,707)**
Depreciation expense of subsidiaries	**(274)**	(533)	**(2,287)**
Dividend income from consolidated subsidiaries	**(435)**	(525)	**(3,627)**
Net defined benefit asset	**(595)**	(136)	**(4,955)**
Other	**(62)**	(12)	**(520)**
	(1,902)	(1,528)	**(15,834)**
Net deferred tax assets	**¥ 5,260**	¥ 7,347	**$ 43,777**

Note: The net deferred tax assets as of March 31, 2015 and 2014 were included in the following items on the consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current assets-Deferred tax assets	**¥1,879**	¥1,922	**$15,636**
Noncurrent assets-Deferred tax assets	**3,578**	5,940	**29,779**
Current liabilities-Other	**17**	29	**149**
Noncurrent liabilities-Other	**178**	486	**1,489**

3. Adjustments of deferred tax assets and liabilities due to the change of statutory tax rate
With the announcement of the "Act for the Partial Amendment of the Income Tax Act" and the "Act for the Partial Amendment of the Local Tax Act," the statutory tax rate used to calculate the Company's deferred tax assets and liabilities (limited to settlements made after April 1, 2015) was changed from 35.64% to 33.06% for taxable items between April 1, 2015 and March 31, 2016, and to 32.30% for taxable items after April 1, 2016.

Due to the change, the net amount of deferred tax assets decreased by ¥472 million (U.S. $3,930 thousand), deferred income taxes increased by ¥496 million (U.S. $4,128 thousand), net unrealized holding gain on securities increased by ¥33 million (U.S. $279 thousand), and remeasurements of defined benefit plans decreased by ¥9 million (U.S. $81 thousand) for the year ended March 31, 2015.

18. Business Combinations
There is no business combination for the year ended March 31, 2015.

19. Asset Retirement Obligations
There is no asset retirement obligation as of March 31, 2015 and 2014.

20. Rental Property
No specific disclosure for rental property has been made as of March 31, 2015 and 2014 because of its immateriality.

21. Segment Information
1. Overview of reportable segments
(1) Decision procedures for reportable segments
The business segments of our group are subject to periodic review, because each of them provides its own financial information separately from other business units of our group and the board of directors not only makes a decision on allocation of management resources, but also evaluates the performance of them.

Our group consists of 6 business segments, each of which develops comprehensive strategies and conducts business activities in overseas and domestic markets.

Based on product manufacturing methods and similarity of the markets where the products are introduced, we aggregate these business segments into 3 distinguishable units, such as "Printing and Industrial Materials Products," "Electronic and Optical Products," and "Paper and Converted Products," to include in this report.
(2) Products and services handled in each segment
Products and services handled in each segment were as follows:

Reportable segments	Main products and services
Printing and Industrial Materials Products	Adhesive products for seals and labels, Label printing machines, Barcode printers, Labeling machines, Automobile-use adhesive products, Industrial-use adhesive tapes, Window films, Films for outdoor signs and advertising, Interior finishing mounting sheets
Electronic and Optical Products	Semiconductor-related tapes, Semiconductor-related equipment, Coated films for multilayer ceramic capacitor production, LCDs-related adhesive products
Paper and Converted Products	Color papers for envelopes, Colored construction papers, Special function papers, High-grade printing papers, High-grade papers for paper products, Release papers for general-use, Release films for optical-related products, Casting papers for synthetic leather, Casting papers for carbon fiber composite materials

2. Method of calculating sales and income (loss), assets, and other items by reportable segment reported
The reported information regarding business segments is processed mostly following the accounting procedures listed in "Significant Accounting Policies" used as basis for preparing consolidated financial statements.

The profits of the segments reported are based on operating income.

The values for internal sales and transfers conducted between segments are given based on the market price for transactions between consolidated companies, and on the first cost for transactions within the same company.

3. Information on sales and income (loss), assets, and other items by reportable segment for the years ended March 31, 2015 and 2014 are outlined as follows:

Millions of yen

2015	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	**¥86,764**	**¥83,207**	**¥37,283**	**¥207,255**	**¥ —**	**¥207,255**
Intra-segment sales and transfers	**61**	**73**	**17,281**	**17,417**	**(17,417)**	**—**
Total	**¥86,826**	**¥83,281**	**¥54,564**	**¥224,672**	**¥(17,417)**	**¥207,255**
Segment income	**¥ 2,878**	**¥10,071**	**¥ 3,996**	**¥ 16,946**	**¥ (64)**	**¥ 16,881**
Others						
Depreciation and amortization	**¥ 2,919**	**¥ 3,155**	**¥ 2,638**	**¥ 8,713**	**¥ —**	**¥ 8,713**
Amortization of goodwill	**¥ 76**	**¥ —**	**¥ —**	**¥ 76**	**¥ —**	**¥ 76**

Thousands of U.S. dollars

2015	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	**$722,014**	**$692,417**	**$310,252**	**$1,724,684**	**$ —**	**$1,724,684**
Intra-segment sales and transfers	**515**	**615**	**143,811**	**144,942**	**(144,942)**	**—**
Total	**$722,529**	**$693,033**	**$454,063**	**$1,869,626**	**$(144,942)**	**$1,724,684**
Segment income	**$ 23,952**	**$ 83,810**	**$ 33,259**	**$ 141,022**	**$ (539)**	**$ 140,483**
Others						
Depreciation and amortization	**$ 24,296**	**$ 26,256**	**$ 21,956**	**$ 72,509**	**$ —**	**$ 72,509**
Amortization of goodwill	**$ 640**	**$ —**	**$ —**	**$ 640**	**$ —**	**$ 640**

Notes: i. Segment income adjustments show elimination of the amount of intra-segment transactions.
ii. Segment income is adjusted to be reported as operating income in the consolidated statement of income.
iii. The amounts to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
iv. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

Millions of yen

2014	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Adjustments	Consolidation
Net sales						
Net sales to external customers	¥86,271	¥79,139	¥37,831	¥203,242	¥ —	¥203,242
Intra-segment sales and transfers	39	3	14,949	14,992	(14,992)	—
Total	¥86,310	¥79,143	¥52,781	¥218,235	¥(14,992)	¥203,242
Segment income	¥ 2,290	¥ 6,846	¥ 4,645	¥ 13,782	¥ (16)	¥ 13,766
Others						
Depreciation and amortization	¥ 3,168	¥ 4,069	¥ 2,816	¥ 10,055	¥ —	¥ 10,055
Amortization of goodwill	¥ 70	¥ —	¥ —	¥ 70	¥ —	¥ 70

Notes: i. Segment income adjustments show elimination of the amount of intra-segment transactions.
ii. Segment income is adjusted to be reported as operating income in the consolidated statement of income.
iii. The amounts to be written off as depreciation and amortization of goodwill are allocated among the business segment on the basis of reasonable criteria.
iv. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the business segment is done.

Related Information

1. Information by product and service

Since the Company and its consolidated subsidiaries disclose the same information in its segment information section, it has been omitted.

2. Information by geographical segment

	Millions of yen				Thousands of U.S. dollars			
	2015							
	Japan	Asia	Others	Total	Japan	Asia	Others	Total
Sales	**¥126,914**	**¥69,593**	**¥10,747**	**¥207,255**	**$1,056,127**	**$579,122**	**$89,434**	**$1,724,684**
Property, plant and equipment	**45,945**	**13,901**	**1,655**	**61,503**	**382,340**	**115,685**	**13,780**	**511,806**

Note: Sales information is based on location of customers and it is classified by country or region.

	Millions of yen			
	2014			
	Japan	Asia	Others	Total
Sales	¥130,149	¥63,023	¥10,069	¥203,242
Property, plant and equipment	46,592	12,855	2,009	61,456

Note: Sales information is based on location of customers and it is classified by country or region.

3. Information by principal customers

		Millions of yen		Thousands of U.S. dollars
		2015	2014	**2015**
Name of the customer	Related reportable segment	Sales		
Sumitomo Chemical Company, Limited	Electronic and Optical Products	**¥21,383**	¥25,103	**$177,944**

Information on impairment losses on noncurrent assets by reportable segment

	Millions of yen				
	2015				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	**¥—**	**¥—**	**¥—**	**¥—**	**¥674**

	Thousands of U.S. dollars				
	2015				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	**$—**	**$—**	**$—**	**$—**	**$5,614**

Note: Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

	Millions of yen				
	2014				
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Impairment loss	¥—	¥—	¥—	¥—	¥308

Note: Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Information related to the amount of amortization of goodwill and the unamortized amount of goodwill by reportable segment

	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Millions of yen					
	2015				
Unamortized amount of goodwill	¥—	¥—	¥—	¥—	¥93

	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Thousands of U.S. dollars					
	2015				
Unamortized amount of goodwill	$—	$—	$—	$—	$782

Notes: i. Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in the reportable segment information section, it has been omitted.
ii. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total	Consolidation
Millions of yen					
	2014				
Unamortized amount of goodwill	¥—	¥—	¥—	¥—	¥158

Notes: i. Since the Company and its consolidated subsidiaries disclose the same information of the amount of amortization of goodwill in the reportable segment information section, it has been omitted.
ii. Since companies, offices, and factories serve as the base for administrative classification of segment's assets, no allocation to the segment of the enterprise is done.

Information on profit arising from negative goodwill by reportable segment

There is no profit arising from negative goodwill for the years ended March 31, 2015 and 2014.

22. Related Party Transactions

The Company and its consolidated subsidiaries have transactions with NP Trading Co., Ltd., a subsidiary of Nippon Paper Industries Co., Ltd. The transactions between the companies for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
For the year	2015	2014	2015
Sales of fine & specialty paper products and converted products	¥11,431	¥11,200	$95,127
Purchase of stencil, chemicals and equipment	4,969	6,577	41,353

	Millions of yen		Thousands of U.S. dollars
At year-end	2015	2014	2015
Trade notes and accounts receivable	¥4,034	¥ 3,913	$33,577
Trade notes and accounts payable	1,804	2,305	15,012
Other liabilities	47	9	397

These related party transactions are carried out on an arm's-length basis similar to third party transactions.

23. Amounts Per Share

The amounts per share of net assets and net income as of and for the years ended March 31, 2015 and 2014 were as follows:

	Yen		U.S. dollars
	2015	2014	2015
Net assets	¥2,363.81	¥2,100.87	$19.67
Net income (basic)	161.63	114.22	1.35
Net income (diluted)	161.41	114.09	1.34

The bases for calculation were as follows:
(1) Basic and diluted net income per share

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Net income (basic) per share:			
Net income	¥11,659	¥ 8,501	$97,023
Amount not attributable to common shareholders	—	—	—
Net income attributable to common shareholders	¥11,659	¥ 8,501	$97,023
Weighted-average number of shares issued during the year (thousand)	72,134	74,427	72,134
Net income (diluted) per share:			
Adjustment of net income related to dilutive securities	¥ —	¥ —	$ —
Adjustment of dilutive securities (thousand)	98	84	98
[Share subscription rights (thousand)]	[98]	[84]	[98]

(2) Net assets per share

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Total net assets	¥171,674	¥152,610	$1,428,594
Amount deducted from total net assets	1,159	1,079	9,650
[Share subscription rights]	[166]	[148]	[1,387]
[Minority interests]	[992]	[930]	[8,262]
Net assets attributable to shares of common stock	¥170,514	¥151,530	$1,418,944
Number of shares of common stock outstanding used in calculation of net assets per share (thousand)	72,135	72,127	72,135

Note: As stated in Note 1 (r), "Changes in accounting principles," Retirement Benefits Accounting Standards, etc. have been adopted and applied in accordance with the transitional treatment set forth in Article 37 of the Retirement Benefits Accounting Standard.
As a result, net assets per share for the year ended March 31, 2015 increased by ¥37.79 (U.S. $0.31). In addition, the impact on basic and diluted net income per share was insignificant.

24. Short-Term Borrowings, Long-Term Debts and Other Interest-Bearing Debts

Short-term bank loans are represented generally by 30-day or 90-day notes issued by the Company and its consolidated subsidiaries to banks at annual interest rates from 0.33% to 0.68% at March 31, 2015 and from 0.35% to 0.72% at March 31, 2014.

Short-term borrowings as of March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Short-term bank loans	¥1,695	¥1,510	$14,105
Current portion of long-term debt	—	—	—
	¥1,695	¥1,510	$14,105

Other interest-bearing debts as of March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Short-term lease obligation	¥199	¥183	$1,657
Long-term lease obligation	471	503	3,922

Planned repayment amounts after the balance sheet date (March 31, 2015) for long-term debt and lease obligation are as follows:

	Millions of yen				Thousands of U.S. dollars			
								2015
	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
Lease obligation	¥175	¥145	¥100	¥47	$1,464	$1,213	$832	$396

25. Subsequent Event

The following distribution of retained earnings was approved at a meeting of the board of directors held on May 8, 2015.

	Millions of yen	Thousands of U.S. dollars
		2015
Cash dividends (¥26 per share)	¥1,875	$15,607

Management's Report on Internal Control over Financial Reporting

Basic Framework of Internal Control over Financial Reporting

Hiroyuki Nishio, Representative Director, President, CEO and COO of LINTEC Corporation, and Hitoshi Asai, Director, Vice President Executive Officer & Chief Financial Officer of LINTEC Corporation, are responsible for designing and operating adequate internal control over financial reporting for consolidated financial statements of LINTEC Corporation and consolidated subsidiaries (the "Company") in accordance with the basic framework set forth in "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting" issued by Business Accounting Council.

Internal control achieves its objectives to a reasonable extent given that all individual components of internal control are integrated and function as a whole. Internal control over financial reporting for consolidated financial statements may not completely prevent or detect misstatements in financial reporting.

Scope of Assessment, Assessment Date and Assessment Procedure

We assessed the effectiveness of the Company's internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2015 in accordance with the standards for assessment of internal control over financial reporting generally accepted in Japan. For this assessment, we first evaluated the company-level controls which would have a material impact on the reliability of overall financial reporting on a consolidated basis. We then selected the process-level controls to be assessed based on the results of the company-level control assessment. For the process-level control assessment, we evaluated the effectiveness of internal control by analyzing processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

We determined the scope of assessment by selecting consolidated subsidiaries based on their materiality of impact on the reliability of financial reporting. We determined their materiality of impact by considering both quantitative and qualitative aspects. The scope of our process-level control assessment was determined based on the results of our assessment of company-level controls, which included its 15 consolidated subsidiaries. We excluded 18 consolidated subsidiaries from the scope of the company-level control assessment since their quantitative and qualitative impacts were deemed insignificant.

For the purpose of determining the scope of process-level controls assessment, we selected 1 consolidated subsidiary as "Significant Business Locations," which contributed approximately two thirds of the Company's net sales on a consolidated basis for the fiscal year ended March 31, 2014. For the Significant Business Locations, we primarily included business processes related to sales, accounts receivable, and inventory in the scope of assessment as the aforementioned accounts were closely associated with the Company's business objectives. In addition, we included certain business processes in the scope of assessment not only from "Significant Business Locations" but also from all subsidiaries and affiliates, which were related to significant accounts involving estimates and management's judgment or include high-risk operations and/or transactions, as "business processes with a material impact on financial reporting."

Assessment Result

Based on the results of our assessment with the above mentioned scope, date and procedures, we concluded that Company's internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2015 was effective.

Report of Independent Auditors

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Independent Auditor's Report

The Board of Directors
LINTEC Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of LINTEC Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LINTEC Corporation and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

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Report of Independent Auditors

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Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1(a).

Report on the Internal Control

We also have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2015 of LINTEC Corporation and its consolidated subsidiaries (the "Management's Report").

Management's Responsibility for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about conclusions of management's assessment of internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the degree of impact on the reliability of financial reporting. An internal control audit also includes examining the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our internal control audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as at March 31, 2015 is effective, presents fairly, in all material respects, management's assessment on internal control over financial reporting for the consolidated financial statements in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 24, 2015

A member firm of Ernst & Young Global Limited

Investor Information

As of March 31, 2015

Head Office
23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan
Phone: +81-3-5248-7711　Fax: +81-3-5248-7760
URL: http://www.lintec-global.com/

Established
October 15, 1934

Fiscal Year-End
March 31

Net Assets
¥171,674 million

Common Stock
Authorized: 300,000,000 shares
Issued: 76,564,240 shares

Stock Listing
Tokyo Stock Exchange, 1st Section
Securities Code: 7966

Shareholder Register Agent for Common Stock
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku,
Tokyo 100-8212, Japan

Number of Employees
4,413 (Consolidated)
2,524 (Parent company only)

Major Shareholders

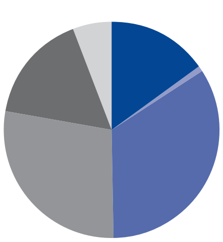
Nippon Paper Industries Co., Ltd.	30.13%
MSIP CLIENT SECURITIES	4.51%
National Mutual Insurance Federation of Agricultural Cooperatives	3.18%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2.50%
Tamie Shoji	2.49%

Major Subsidiaries
Domestic
- LINTEC COMMERCE, INC.*
- LINTEC SIGN SYSTEM, INC.*
- FUJI-LIGHT, INC.*
- LINTEC SERVICES, INC.
- LINTEC CUSTOMER SERVICE, INC.
- PRINTEC, INC.
- TOKYO LINTEC KAKO, INC.
- OSAKA LINTEC KAKO, INC.

Overseas
- LINTEC USA HOLDING, INC.*
- MADICO, INC.*
- LINTEC OF AMERICA, INC.*
- LINTEC EUROPE B.V.*
- LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH*
- LINTEC (SUZHOU) TECH CORPORATION*
- LINTEC (TIANJIN) INDUSTRY CO., LTD.*
- LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION*
- LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.*
- LINTEC SPECIALITY FILMS (TAIWAN), INC.*
- LINTEC HI-TECH (TAIWAN), INC.*
- LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.*
- LINTEC KOREA, INC.*
- LINTEC SPECIALITY FILMS (KOREA), INC.*
- LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.*
- PT. LINTEC INDONESIA*
- PT. LINTEC JAKARTA*
- LINTEC SINGAPORE PRIVATE LIMITED*
- LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC.*
- LINTEC PHILIPPINES (PEZA), INC.*
- LINTEC (THAILAND) CO., LTD.*
- LINTEC BKK PTE LIMITED*
- LINTEC VIETNAM CO., LTD.*
- LINTEC HANOI VIETNAM CO., LTD.*
- LINTEC INDIA PRIVATE LIMITED*
- LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.*
- LINTEC INDUSTRIES (SARAWAK) SDN. BHD.*
- LINTEC KUALA LUMPUR SDN. BHD.*
- LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD.*

* Consolidated Subsidiary

Ownership and Distribution of Shares



Financial Institutions	15.25%
Securities Companies	0.75%
Other Companies	33.79%
Overseas Companies	28.12%
Individuals and Other	16.31%
Treasury Stock	5.78%

Share Price / Trading Volume