

*Moving Forward
With a Focus on
The Future*



LINTEC ANNUAL REPORT 2017

For the fiscal year ended March 31, 2017

Contents

- 1 To All Our Stakeholders
- 2 **COVER STORY**
 - 2 LINTEC's History
 - 4 LINTEC's Distinct Features
 - 6 LINTEC's Business Model
- 8 Performance Highlights
- 10 **MANAGEMENT STRATEGY**
 - 10 A Message from the President
 - 14 A Message from the CFO
- 16 **SPECIAL FEATURE**
 - The LINTEC Global Network
- 20 **CORPORATE VALUE INITIATIVES**
 - 20 LINTEC's Value Creation
 - 22 Sales
 - 30 Research and Development
 - 34 Production
 - 38 Human Resources
- 40 **THE BASE THAT SUPPORTS GROWTH**
 - 40 Corporate Governance
 - 47 A Message from an Outside Director
 - 48 Corporate Officers
- 50 **FINANCIAL SECTION**
 - 51 Management's Discussion and Analysis
 - 53 Operating Risks
 - 54 Financial Summary
 - 56 Consolidated Balance Sheet
 - 58 Consolidated Statement of Income
 - 58 Consolidated Statement of Comprehensive Income
 - 59 Consolidated Statement of Changes in Net Assets
 - 60 Consolidated Statement of Cash Flows
 - 61 Notes to Consolidated Financial Statements
 - 84 Management's Report on Internal Control over Financial Reporting
 - 85 Report of Independent Auditors
- 87 Investor Information

Editorial Policy

This report is meant to help shareholders and other investors understand the LINTEC Group and its quest to achieve sustainable growth and contribute to the further development of society as a whole. Based on the International Integrated Reporting Framework released by the International Integrated Reporting Council in December 2013, in addition to performance and financial information, this report also introduces the technological capabilities, human resources, and other "intangible assets" accumulated by the LINTEC Group that are of the variety not listed in the financial statements.

Information that could not be contained within this report is available on the following websites.

IR Website

<http://www.lintec-global.com/ir/>



CSR Website

<http://www.lintec-global.com/csr/>



REPORTING PERIOD

This report covers the period from April 1, 2016 to March 31, 2017. However, some of the information includes content from April 2017 onward.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements, such as forecasts of business results, based on information currently held and assumptions that have been judged as reasonable by the Company. The Company cannot guarantee the accuracy of these statements or definitively assure the realization of future numerical targets and policies. Actual business results, etc., may vary due to various factors and circumstances.

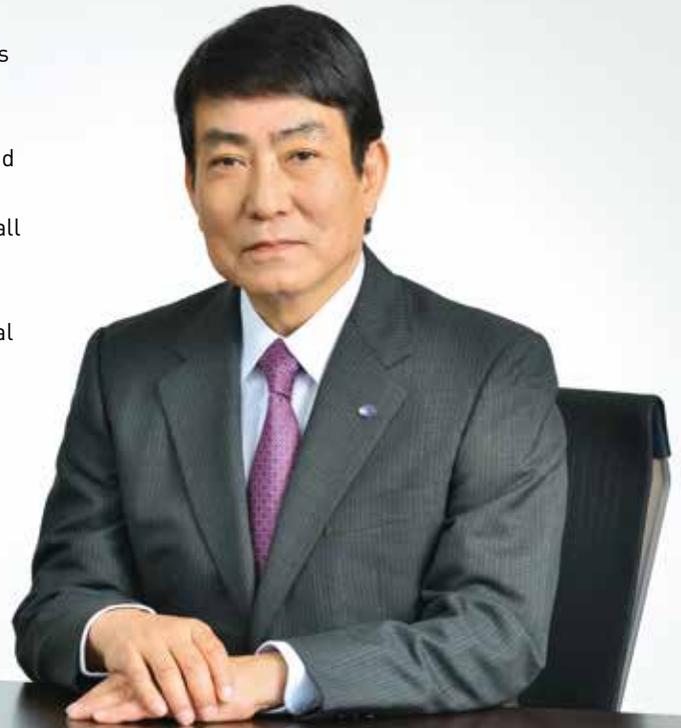
To All Our Stakeholders

LINTEC has a 90-year history of building on original technologies and human resources to deliver a diverse product lineup ranging from adhesive products for labels for food and daily necessities to products for the semiconductor and optical display industries.

The name LINTEC reflects our employees' commitment to linking together people and technology to open up new business domains and play a part on the global stage. Our motto, "Sincerity and Creativity," expresses our fundamental values as a manufacturer—openness to all our stakeholders and a spirit of innovation as we take on the challenges of new product development.

We will continue to strive for sustainable growth driven by the social contribution from value that only LINTEC can create.

Hiroyuki Nishio
Representative Director
President, CEO and COO



Company Motto



Sincerity and Creativity

Mission Statement

The company name LINTEC derives from "linkage" and "technology," two key components of our business philosophy, which emphasizes the importance of close relations, inside and outside the company, and leading-edge R&D programs. By bringing these together to develop innovative solutions, we have established a reputation in Japan and overseas as a dynamic and reliable company that contributes to the prosperity of our stakeholders, to the growth of our industry, and to a brighter future for society as a whole. And underpinning all of our business activities is an unwavering emphasis on "Sincerity and Creativity," the twin values enshrined in our company motto.

For tomorrow we build today

LINTEC's History

Since our founding in 1927 as FUJI SHOKAI, we have steadily grown through constant development of technologies and products that anticipate the needs of the times. Since the 1990 merger of three companies to form LINTEC Corporation, the Group has been stepping up globalization. Today, LINTEC products play important roles in a wide range of countries.

Accumulated Technology Capabilities

Established in 1927 as a manufacturer of gummed tape for packaging, FUJI SHOKAI significantly expanded its businesses due to the demand for cardboard boxes, which were rapidly being used as a replacement for wooden boxes. In 1960, we began selling adhesive papers for labels and subsequently entered the adhesive film field, thereby laying the foundations of our current mainstay businesses. In the 1970s, the Company diversified into products for motorcycles, automobiles, and interior / exterior decoration. After changing its name to FSK CORPORATION, the Company entered the semiconductor field in 1986 through the development of innovative products. In these ways, the Company's business domains broadened as times changed. LINTEC Corporation came into being in 1990 through a three-way merger with SHIKOKU PAPER CO., LTD. and SOHKEN KAKO CO., LTD. This led to significant extension of the technology domain into upstream areas such as papermaking.



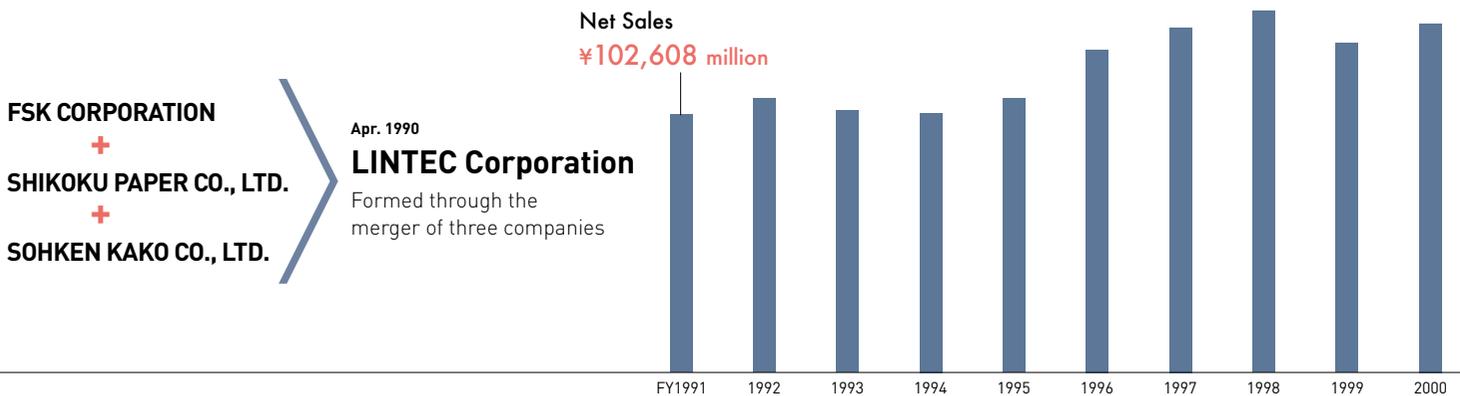
Time of establishment



Gummed tape



UV curable dicing tape



Main Highlights

Apr. 1927
FUJI SHOKAI established in Sugamo, Tokyo
Started production and sales of gummed tape for packaging

Oct. 1934
The Company reorganized to establish FUJI SHIKO CORPORATION

Mar. 1960
Started production and sales of adhesive papers for labels and later commenced production and sales of adhesive films

1970s
Expanded business in industrial fields such as decorative materials for interiors and exteriors, motorcycles, automobiles and others

Oct. 1984
Company name changed to FSK CORPORATION

1986
Developed UV curable dicing tape and made full-scale entry into the semiconductor-related product field

1991
Made full-scale entry into LCD-related product field

Feb. 1994
Singapore Office opened

May 1994
PT. LINTEC INDONESIA established as manufacturing base for adhesive products for labels

Globalization and Reinforcement of R&D Capabilities Usher in a New Growth Phase

Following the merger, LINTEC entered the field of optically functional films for Liquid Crystal Displays (LCDs) in 1991. It was around this time that the Company became proactive in setting up plants and offices overseas. A new building for the research center that is currently our core R&D facility was completed in 1995 in Saitama Prefecture.

Globalization has progressed further since the turn of the century with more rapid expansion of manufacturing and sales offices, principally in China and Southeast Asia. R&D capabilities were strengthened in 2015 with the addition of the Advanced Technology Building, a new research facility. Three acquisitions in the U.S. and Europe in 2016 marked a big stride forward in our expansion and the start of a new growth phase.



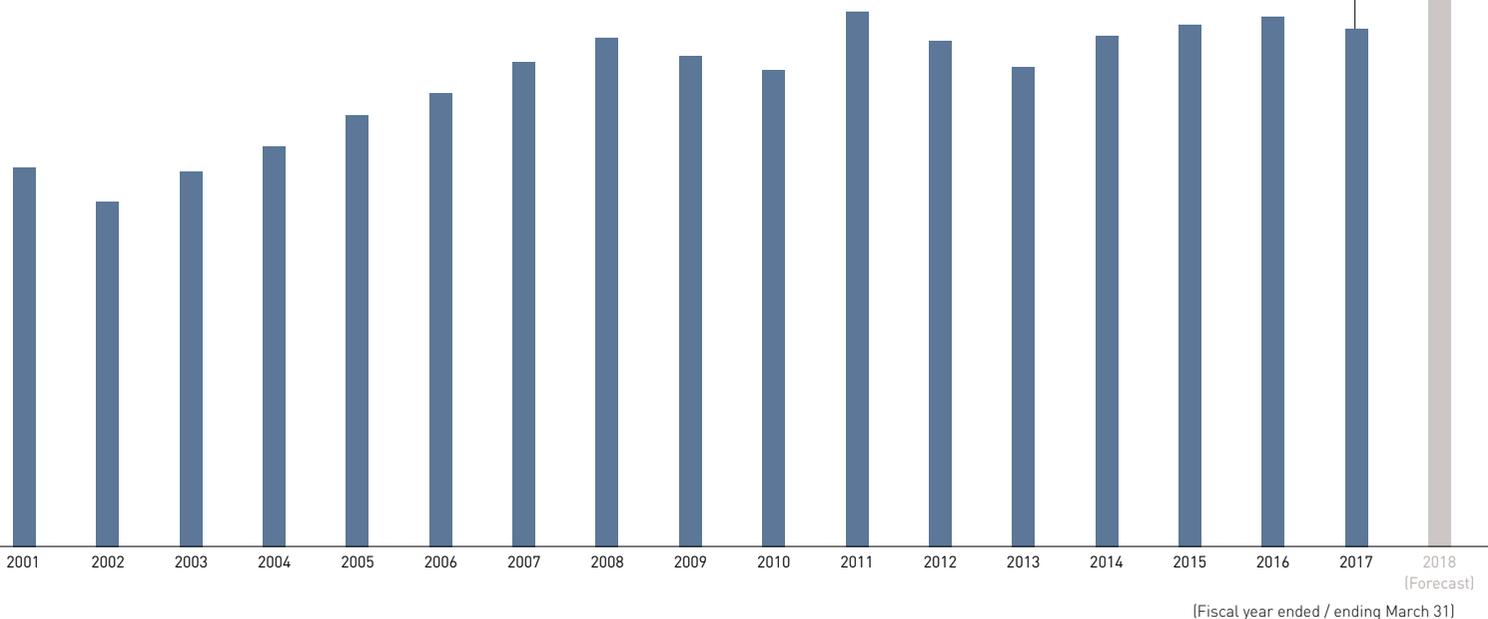
LINTEC KOREA, INC.



Advanced Technology Building



MACTAC AMERICAS, LLC



Dec. 1995
New building for Research Center constructed in Saitama Prefecture

Apr. 2000
LINTEC INDUSTRIES (MALAYSIA) SDN. BHD. established as manufacturing base for electronics-related products

Jun. 2002
LINTEC (SUZHOU) TECH CORPORATION in China established as manufacturing base for adhesive products for labels

Sep. 2004
LINTEC KOREA, INC., established as manufacturing base for electronics-related products

Jun. 2011
LINTEC (THAILAND) CO., LTD., established as manufacturing base for adhesive products for labels

Jan. 2015
LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED in Singapore established

May 2015
Advanced Technology Building constructed in Saitama Prefecture

Dec. 2016
Acquired MACTAC AMERICAS, LLC in the United States

LINTEC's Distinct Features

Cultivated Technologies Realize Our Strengths

We are drawing on the original technological capabilities we have built up over the years to establish a firm position as a leading company in adhesive products and specialty papers. Based on our philosophy of “customer first” and innovative new ideas, we will continue to work on developing high-value-added products we can offer to customers to meet their diverse range of needs.

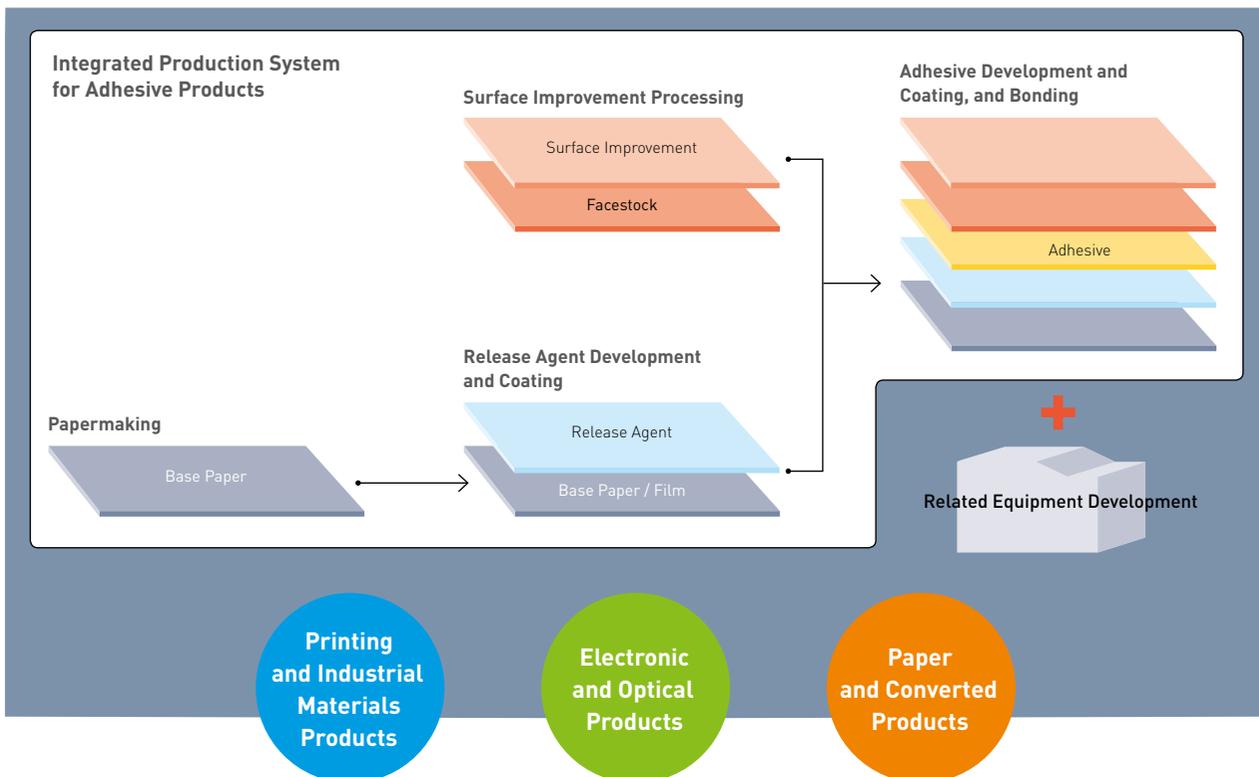
LINTEC's Competitive Advantages

— Integrated Production System for Adhesive Products and Provision of Comprehensive Solutions

LINTEC's expertise extends beyond adhesives development and coating to proprietary technology in the manufacture of base paper for release papers, the development of release materials and related coating processes, and facestock improvement coating. The Group has thus built an integrated production system for adhesive products. The resulting ability to manufacture and procure release papers and films for adhesive products in-house gives us advantages in quality, costs, and delivery lead times. Additionally, by combining different processing technologies, we are able to create adhesive products for use in a diverse range of fields. In areas other than adhesive

products, we bring to market large numbers of unique products designed for use with upstream technologies, such as industrial-use release papers and films and specialty papers.

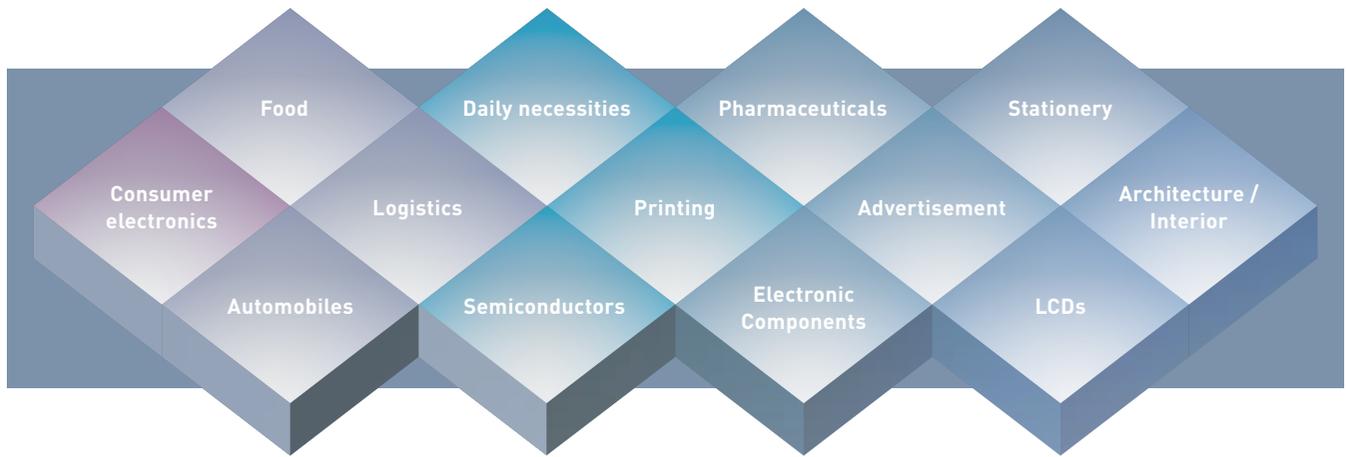
We also develop and manufacture equipment that fully leverages the properties of our adhesive materials. This includes labeling machines that automatically apply labels to packaging and equipment used in semiconductor production. Comprehensive solutions incorporating materials and such equipment are another advantage of the LINTEC Group.



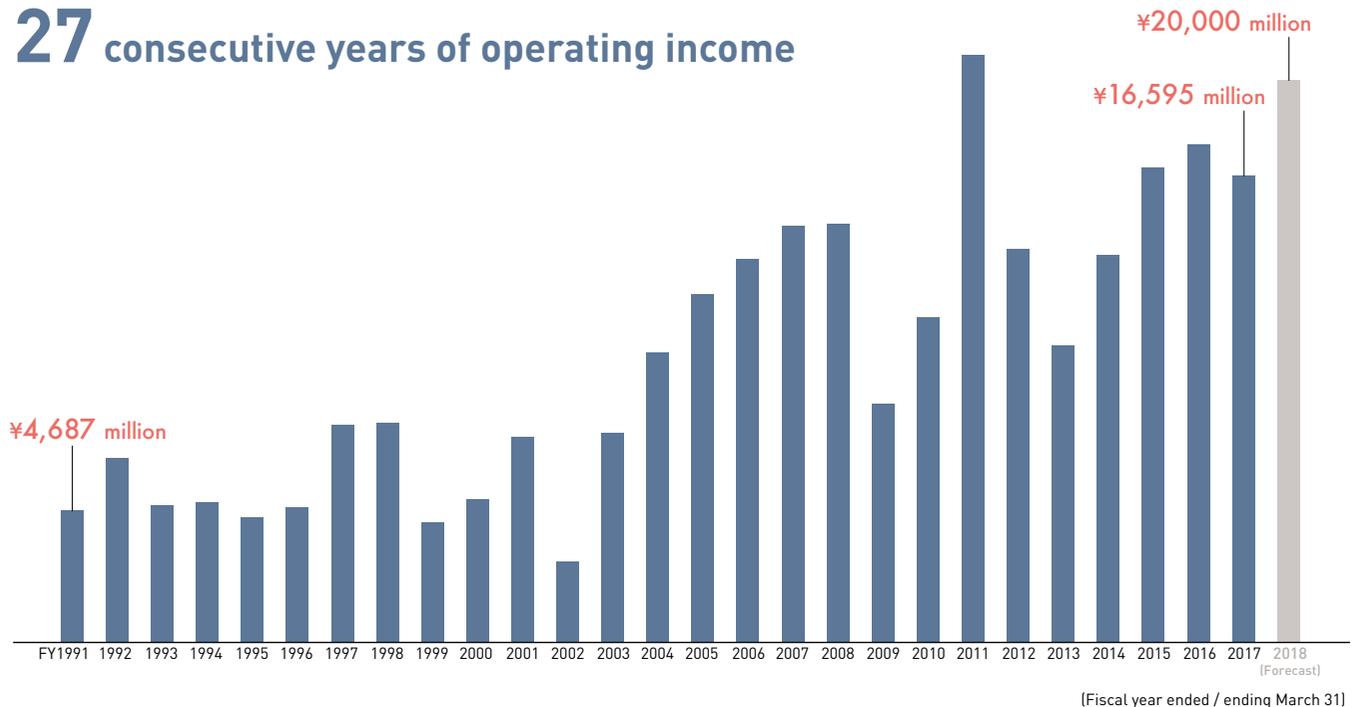
Stable Business Structure That Is Not Susceptible to Market Volatility in Any Single Industry

In recent years, the earnings drivers among LINTEC's diverse range of products have been products for the semiconductor, electronic component, and LCD industries, which have undergone rapid market growth. Meanwhile, sales and profit fluctuations have been comparatively small for mainstay adhesive materials for labels used for food, daily necessities, pharmaceuticals, stationery, and consumer electronics, and these products can be seen as foundation business that provides a firm underpinning for our earnings.

The production of a wide range of products in growth and foundation businesses and sales to a broad range of industries without reliance on any particular industry are the distinguishing characteristics of our business structure. The resulting steady earnings that are not susceptible to market volatility in any single industry are one of our strengths.



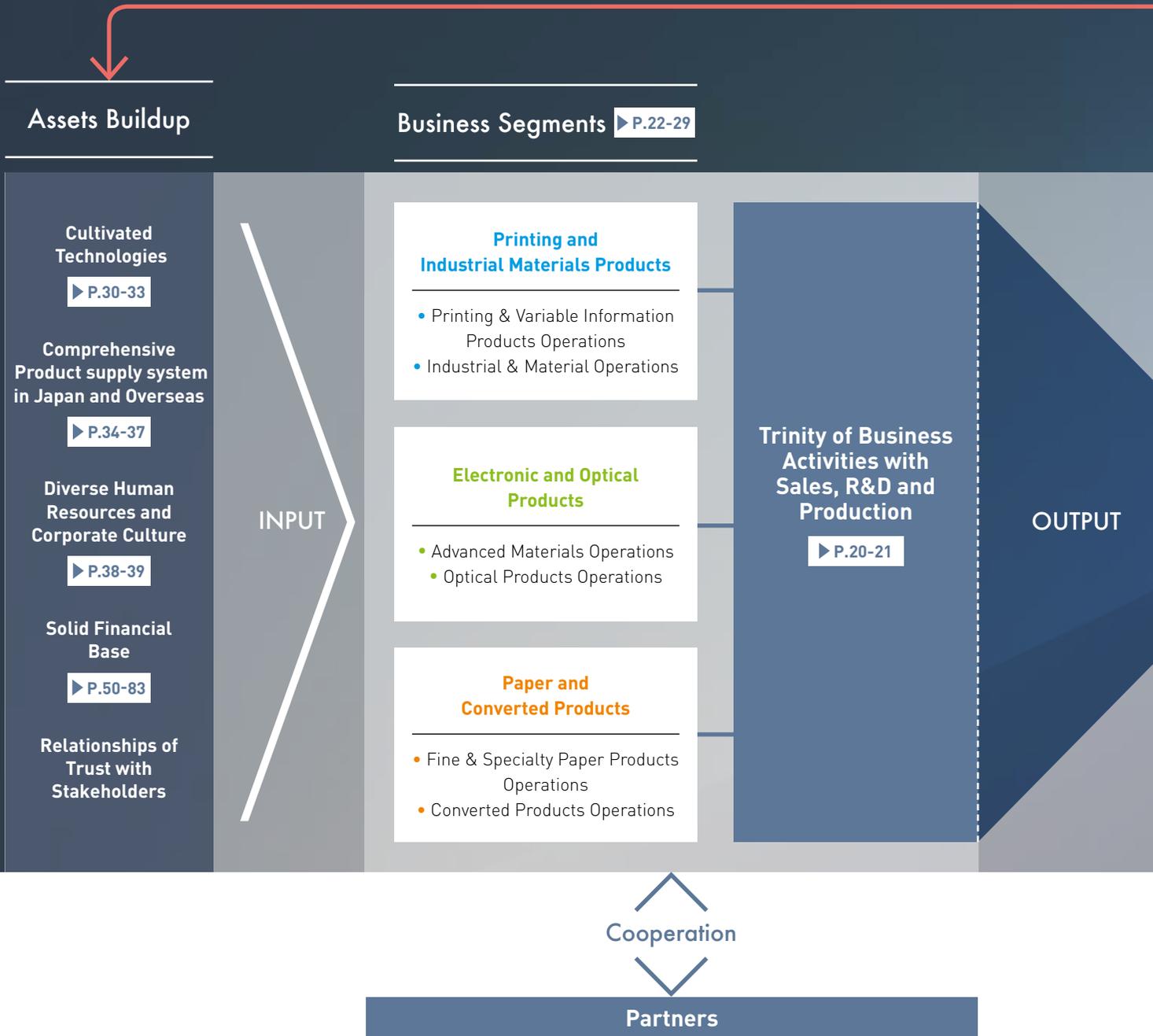
27 consecutive years of operating income



LINTEC's Business Model

Business Model That Realizes Sustainable Growth

The numerous assets amassed by the LINTEC Group since the time of its founding are vital capital for our business activities and the driving force in our manufacturing as we respond to wide-ranging social needs. We will continue to return the resulting profits to our stakeholders and invest with an eye to the future as we seek to create new value.



Accumulation & Advancement

Main Products



Providing Value

Solves Our Customers' Issues with Wide Variety of Products

Profit

Employees

Plants / Equipment

Shareholders

Communities