



The Next Step
Forward

LINTEC Annual Report 2018
For the fiscal year ended March 31, 2018

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

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, 2017 to March 31, 2018. However, some of the information includes content from April 2018 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.

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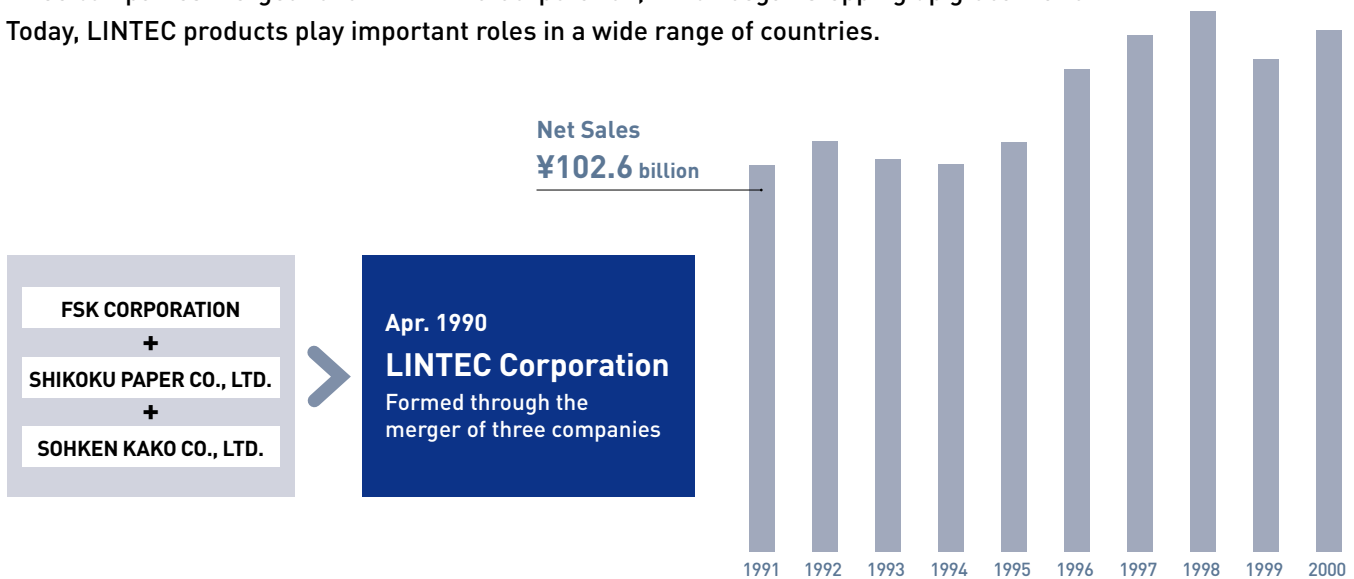
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LINTEC's History

LINTEC's New Growth Stage

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. In 1990, three companies merged to form LINTEC Corporation, which began stepping up globalization. Today, LINTEC products play important roles in a wide range of countries.



Accumulating Technology Capabilities and Expanding Our Business Field

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 manufacturing and selling adhesive papers for labels, thereby building the foundations of our current mainstay businesses.

From the 1970s, the Company started developing new markets for adhesive products, such as highly durable adhesive films used for motorcycles, automobiles, and signboards and window films that are attached to the glass surfaces of buildings and other structures. After changing its name to FSK CORPORATION in 1984, the Company entered the semiconductor-related product field in 1986. 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 our business field into upstream areas including specialty papers as well as release papers and films.



Time of establishment



Gummed tapes

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

1960

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

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

Sep. 1987

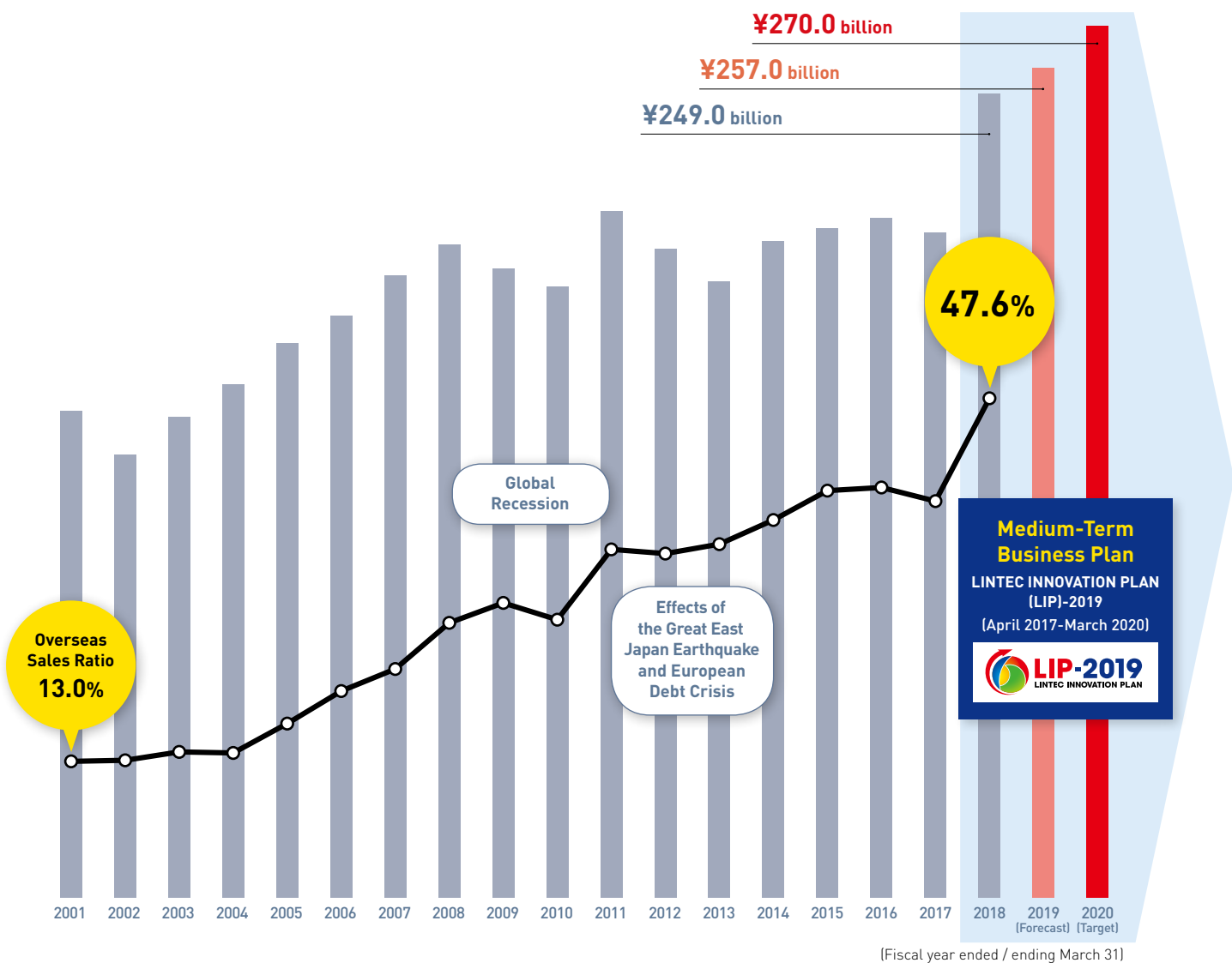
Acquired U.S. window film manufacturer MADICO, INC.

1991

Made full-scale entry into LCD-related product field

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 LCD-related product field in 1991. Further, from the mid-1990s the Company became proactive in setting up overseas bases. Globalization has progressed further since the turn of the century with a more rapid increase in the number of manufacturing and sales bases, principally in Asia. In 2016, we acquired three companies* in Europe and the United States and began a new growth phase. Meanwhile, regarding the strengthening of R&D capabilities, a new building for the research center that is currently our core R&D facility was completed in 1995. In 2015, next to the research center, we built the Advanced Technology Building, which includes leading-edge testing facilities. We are working continually to accelerate product development and to establish new technologies with a view to further growth.

* Three companies: MACTAC AMERICAS, LLC and VDI, LLC in the United States and LINTEC GRAPHIC FILMS LIMITED, currently LINTEC EUROPE (UK) LIMITED, in the United Kingdom



Advanced Technology Building



MACTAC AMERICAS, LLC

Dec. 1995

New building for Research Center constructed in Saitama Prefecture

Jun. 2002

LINTEC (SUZHOU) TECH CORPORATION in China established as manufacturing base for adhesive products for labels and casting papers for synthetic leather

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 as regional headquarters for Southeast Asia

May 2015

Advanced Technology Building constructed in Saitama Prefecture

Oct.-Dec. 2016

Acquired three companies in Europe and the United States, including manufacturer of adhesive products for labels MACTAC AMERICAS, LLC

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.

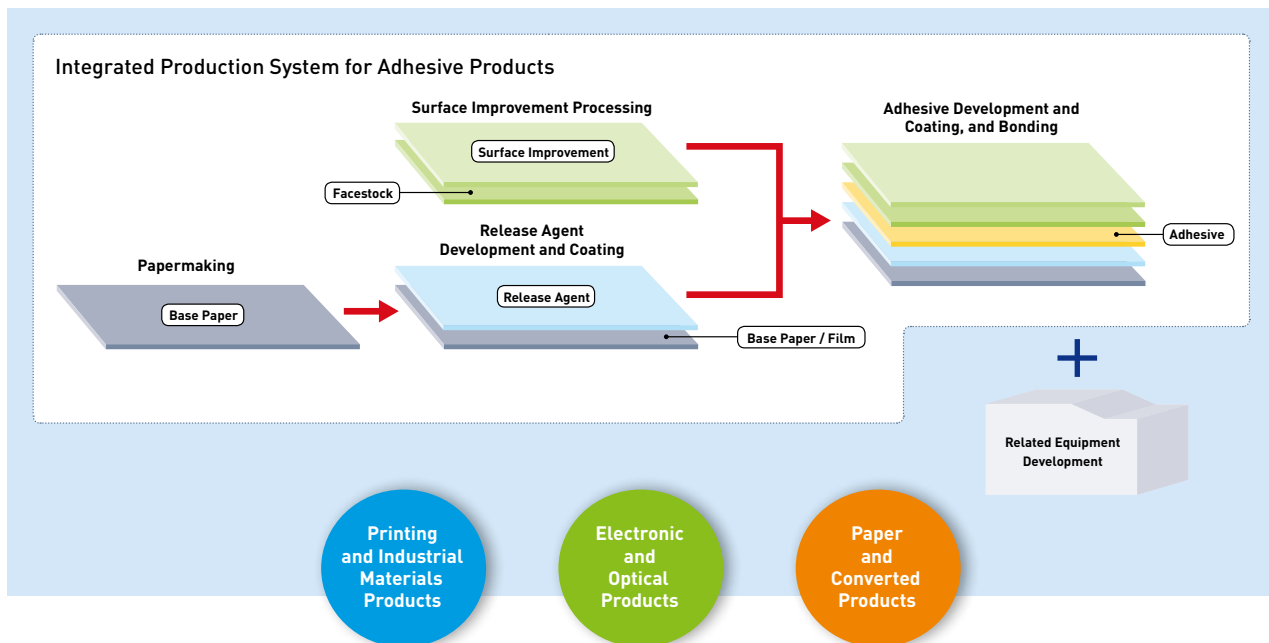
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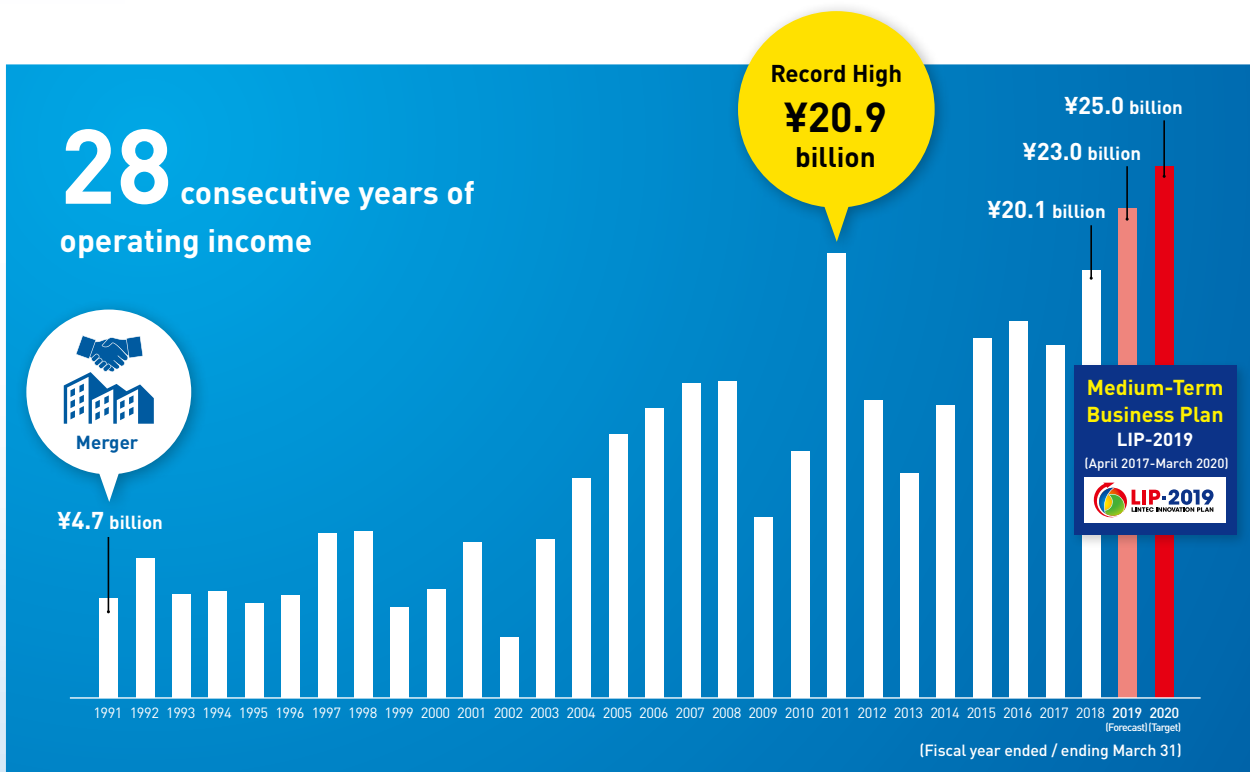
LINTEC's Competitive Advantages

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

LINTEC's expertise extends beyond adhesives development and coating to a wide variety of proprietary technologies 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 products. 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.



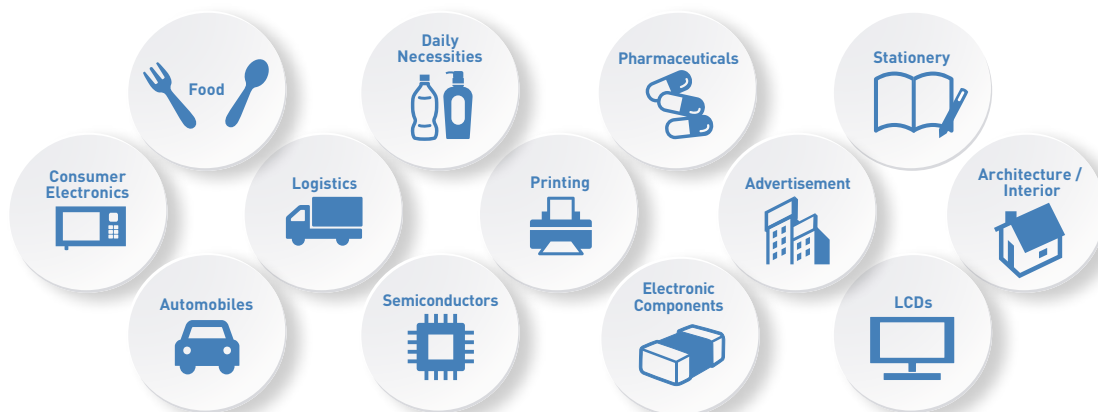


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Stable Business Structure That Is Not Susceptible to Market Volatility in Any Single Industry

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 have been comparatively stable in relation to mainstay adhesive products for labels used for food, daily necessities, pharmaceuticals, automobiles, and consumer electronics, and these products can be seen as foundation businesses that firmly underpin our earnings.

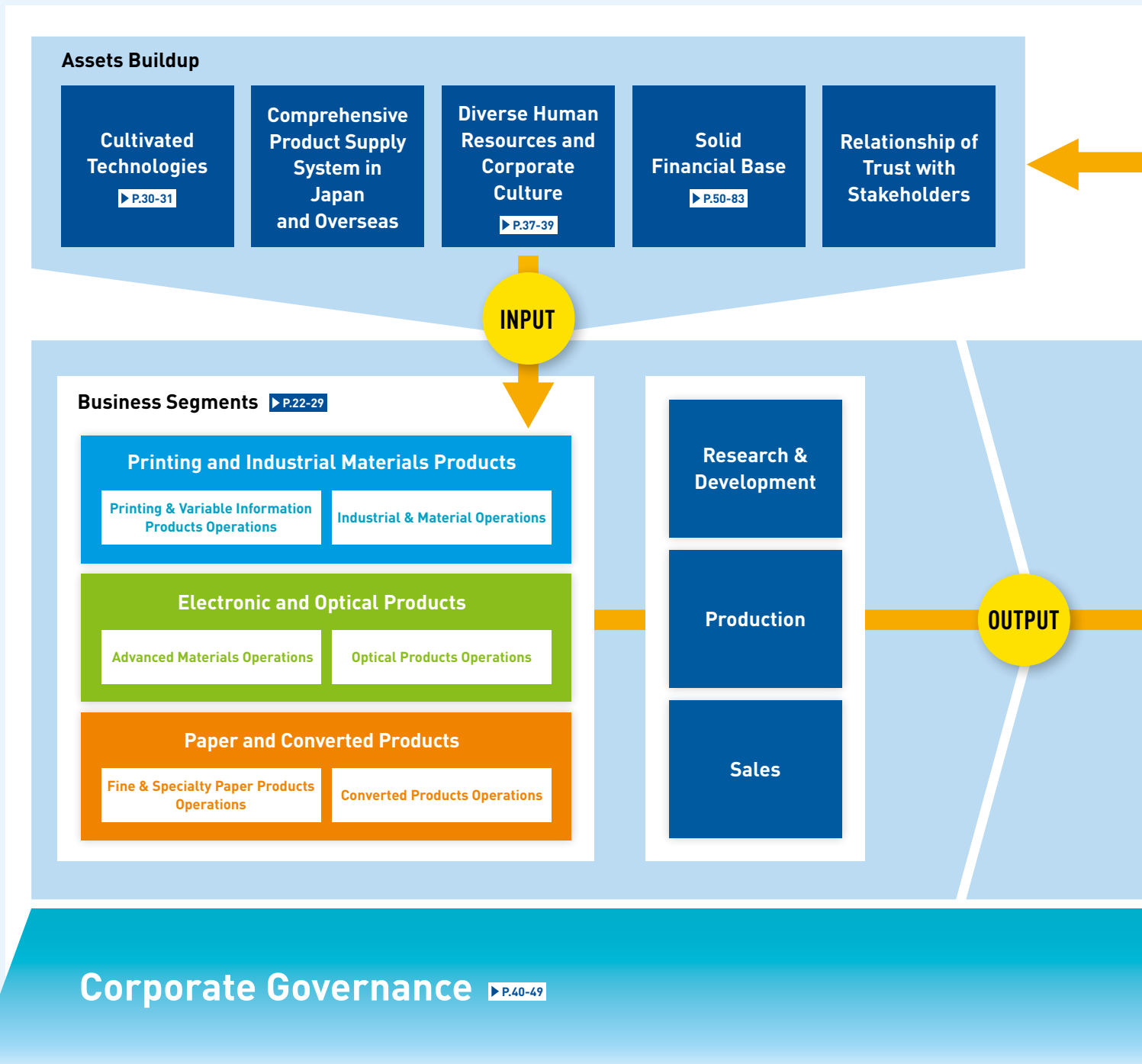
The production of a wide range of products in growth and foundation businesses and sales to a broad range of industries without reliance on any particular industry are the distinguishing characteristics of our business structure. The resulting steady earnings that are not susceptible to market volatility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



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.



Strategy for Growth



Basic Policy

Deepening innovation aimed at driving new growth

Quantitative Targets

Net Sales	Operating Income	Operating Profit Margin	ROE
¥270.0 billion	¥25.0 billion	More than 9%	More than 9%

Accumulation & Advancement

Main Products



Social Value



Solves our customers' issues with wide variety of products

PROFIT

Employees

Plants /
Facilities

Shareholders

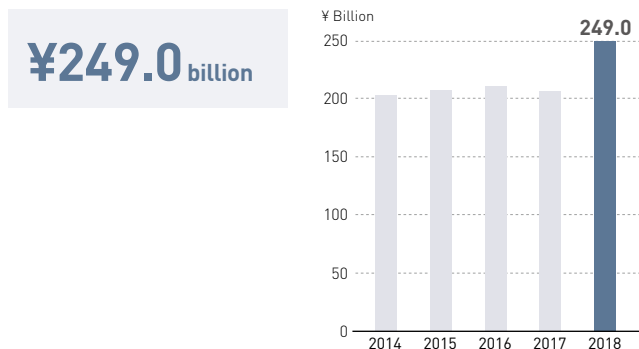
Communities

Performance Highlights

LINTEC Corporation and its consolidated subsidiaries
Years ended March 31

FINANCIAL HIGHLIGHTS

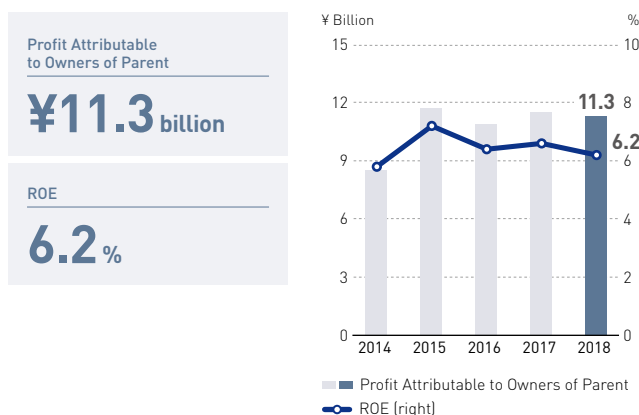
Net Sales



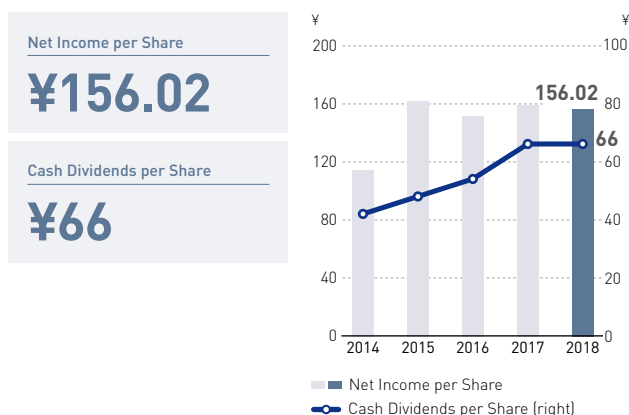
Operating Income / Operating Profit Margin



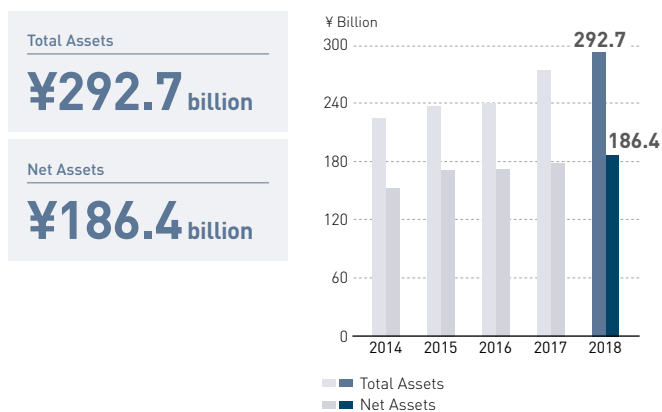
Profit Attributable to Owners of Parent / Return on Equity (ROE)



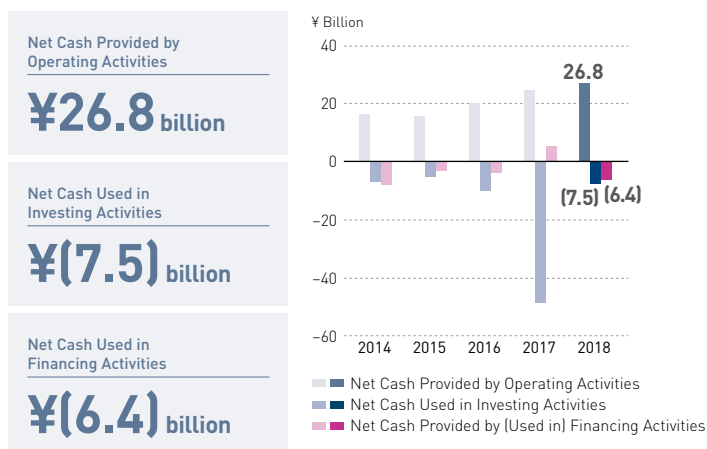
Net Income per Share / Cash Dividends per Share



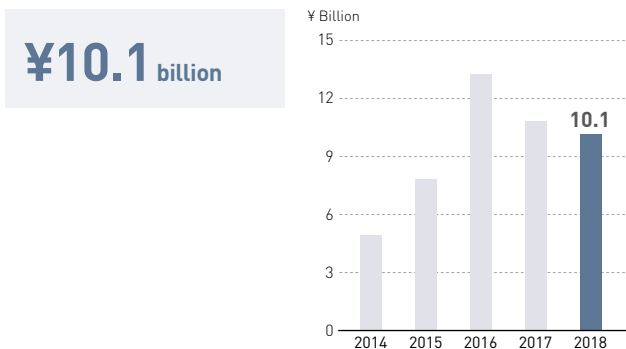
Total Assets / Net Assets



Cash Flows

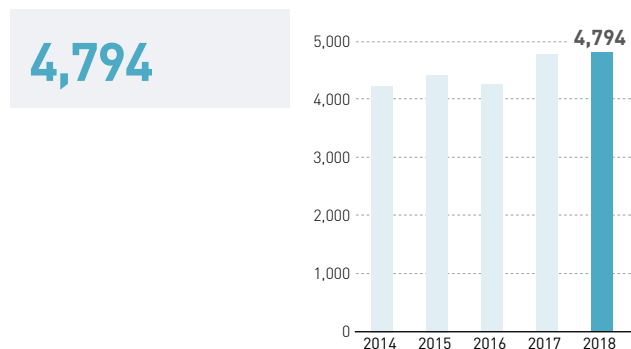


Capital Expenditures

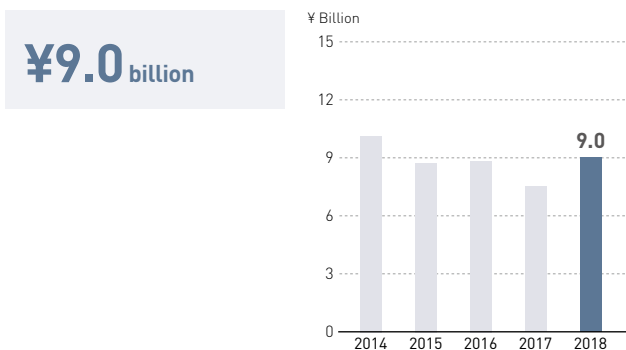


NON-FINANCIAL HIGHLIGHTS

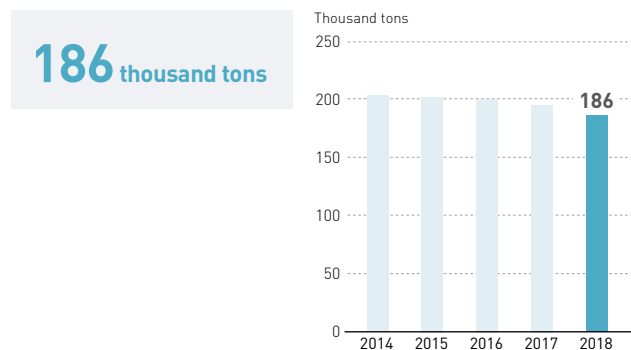
Number of Employees



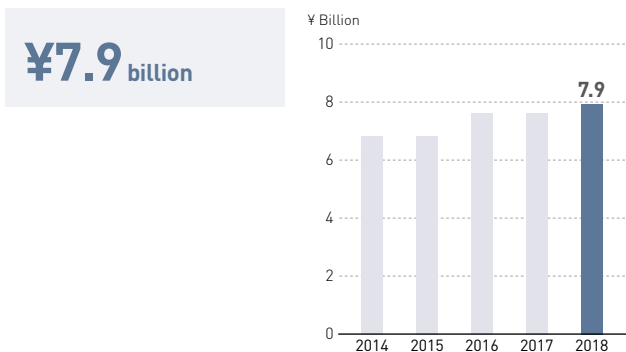
Depreciation and Amortization (Excluding amortization of goodwill)



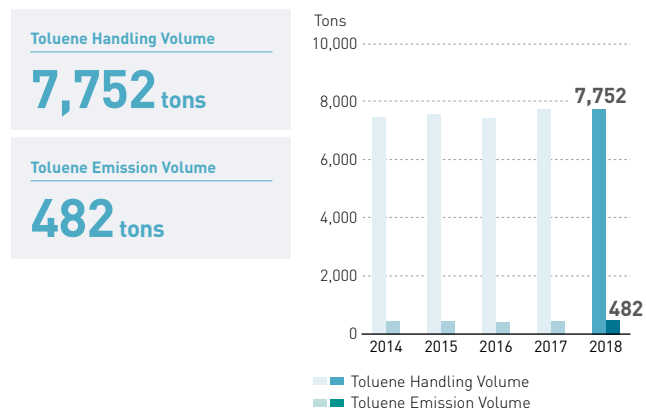
CO₂ Emissions



R&D Expenses



Toluene Handling Volume / Toluene Emission Volume



Major Activities in FY2018

CORPORATE

Apr. 1
Began new three-year medium-term business plan, LIP-2019



Jun. 22
Announced rationalization of the business management of U.S. manufacturing subsidiary MADICO, INC.

Sep. 7
Participated in the 2017 Mizuho Investment Conference Tokyo

Sep. 25-28
Exhibited various new products at Labelexpo Europe 2017 in Belgium, the world's largest label-related exhibition




2017

Apr. May Jun. Jul. Aug. Sep.


PRODUCTS

May 1
Launched new-model equipment for the application of surface protective tapes to semiconductor wafers that realizes high performance and saves space

May 1
Added deepest-color-type automotive window film to WINCOS Automotive Film lineup

Jul. 10
Launched new-model automatic labeling machine with a simpler, more practical design



Focus 1

Exhibited at Labelexpo Europe 2017

We exhibited many original high-value-added products in a large 450m² booth immediately beside the venue's main reception desk. Many people visited our booth and the exhibition helped us in our effort to expand sales and enhance our brand power in Europe and the rest of the world.

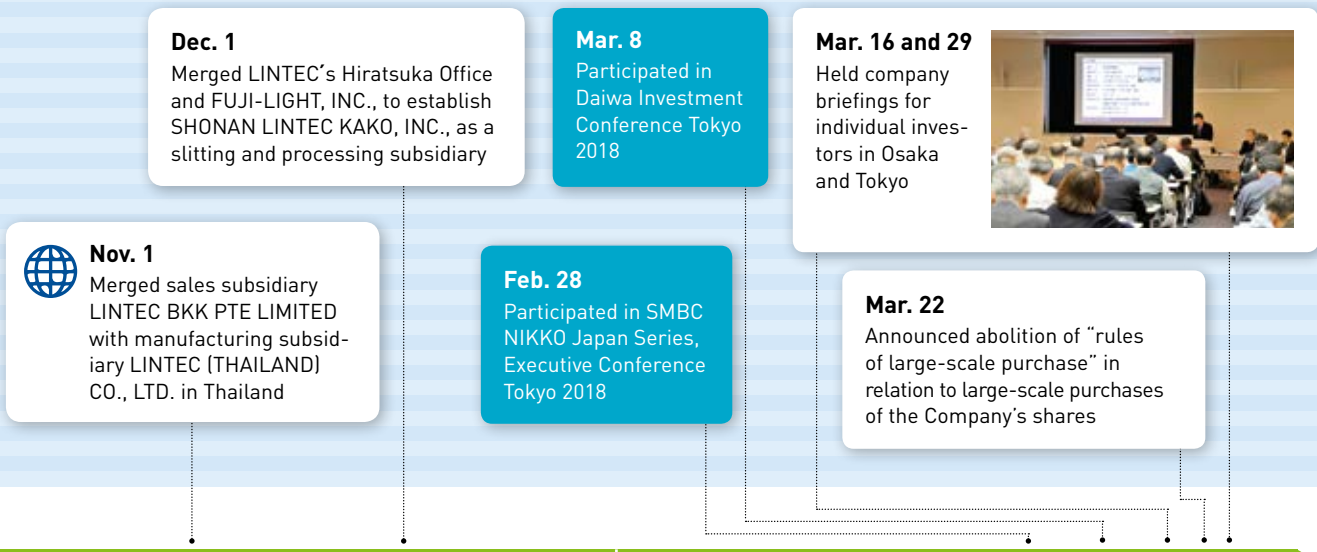
Focus 2

We participated in several IR conferences sponsored by securities companies

We participated in three IR conferences held by securities companies in Tokyo at which domestic and international institutional investors gathered. In the meetings we held with many overseas investors, President Nishio explained LINTEC's business strategy and management policy in detail, helping to promote understanding of the Company.



SMBC NIKKO Japan Series, Executive Conference Tokyo 2018



Nov. 1
 Merged sales subsidiary LINTEC BKK PTE LIMITED with manufacturing subsidiary LINTEC (THAILAND) CO., LTD. in Thailand

Dec. 1
 Merged LINTEC's Hiratsuka Office and FUJI-LIGHT, INC., to establish SHONAN LINTEC KAKO, INC., as a slitting and processing subsidiary

Feb. 28
 Participated in SMBC NIKKO Japan Series, Executive Conference Tokyo 2018

Mar. 8
 Participated in Daiwa Investment Conference Tokyo 2018

Mar. 16 and 29
 Held company briefings for individual investors in Osaka and Tokyo



Mar. 22
 Announced abolition of "rules of large-scale purchase" in relation to large-scale purchases of the Company's shares

2018

Oct. Nov. Dec. Jan. Feb. Mar.

Oct. 20
 Added to lineup of anti-tamper label materials by launching non-transferable type

Nov. 21
 Added to lineup of oil-tolerant labelstock by launching transparent type

Dec. 1
 Launched WINCOS Paint Protection Film, which protects the paintwork of automotive bodies from dirt and scratching

Jan. 19
 Revamped the lineup of PAROI decorative films for interiors, which are usable for commercial facilities, offices, hotels, and a wide range of other applications