

Consolidated Financial Results for the Nine Months Ended December 31, 2024

[Japanese Standards] (Consolidated)

Member, Financial Accounting Standards Foundation

February 6, 2025

Name of listed company: LINTEC Corporation

Stock exchange listing: Tokyo Stock Exchange, Prime Market

Code number: 7966

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Scheduled date for dividend payments: -

Supplemental material on quarterly results: Yes

Presentation on quarterly results: None

(Amounts less than one million yen are omitted)

1. CONSOLIDATED BUSINESS RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative) (% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine Months Ended December 31, 2024	239,026	17.4	20,475	214.2	21,580	191.7	16,154	304.4
Nine Months Ended December 31, 2023	203,529	(6.0)	6,516	(50.8)	7,398	(51.4)	3,994	(63.9)

(Note) Comprehensive income: Nine Months Ended December 31, 2024: 17,013 million yen, up 15.9%
Nine Months Ended December 31, 2023: 14,672 million yen, down 48.8%

	Net income per share	Net income per share (diluted)
	Yen	Yen
Nine Months Ended December 31, 2024	236.10	236.00
Nine Months Ended December 31, 2023	58.40	58.38

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of December 31, 2024	342,213	243,578	71.0
As of March 31, 2024	333,590	232,920	69.6

(Reference) Shareholders' equity: As of December 31, 2024: 242,801 million yen As of March 31, 2024: 232,160 million yen

(Note) The figures for the fiscal year ended March 31, 2024 reflect the finalization of provisional accounting for business combinations in the third quarter of the fiscal year ending March 31, 2025.

2. DIVIDENDS

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	44.00	—	44.00	88.00
FY ending March 31, 2025	—	50.00	—	—	—
FY ending March 31, 2025 (forecast)	—	—	—	50.00	100.00

(Note) Revision of the latest dividend forecast announced: None

3. FORECASTS OF CONSOLIDATED BUSINESS RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2025 (from April 1, 2024 to March 31, 2025)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	310,000	12.2	24,000	125.8	24,300	110.6	17,000	224.2	248.44

(Note) Revision of the latest consolidated results forecast announced: None

*Notes

- (1) Significant changes in scope of consolidation during the quarter: Yes
Newly consolidated subsidiaries: -
Subsidiaries excluded: 1 (Name of company) LINTEC SPECIALITY FILMS (KOREA), INC.
* Note: For details, please refer to (4) Notes to Consolidated Quarterly Financial Statements (Significant changes in scope of consolidation during the quarter) on page 10 of the attached document.
- (2) Application of accounting treatment specific to preparing quarterly consolidated financial statements: None
- (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
(a) Changes in accounting principles due to revisions to accounting standards: None
(b) Changes other than (a): None
(c) Changes in accounting estimates: None
(d) Retrospective restatements: None
- (4) Number of outstanding shares (common stock):
(a) Number of outstanding shares at period-end (including treasury stock)
(b) Number of treasury stocks at period-end
(c) Average number of shares during the period (cumulative total for quarterly period)

(a)	Nine Months Ended December 31, 2024	72,488,740	FY Ended March 31, 2024	76,688,740
(b)	Nine Months Ended December 31, 2024	4,061,049	FY Ended March 31, 2024	8,285,231
(c)	Nine Months Ended December 31, 2024	68,421,220	Nine Months Ended December 31, 2023	68,392,985

*Review of the attached quarterly financial statements by certified public accountant or audit firm: None

*Explanation relating to the appropriate use of forecasts of business results and other items of note

- The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Actual results, etc. may differ from projections due to a variety of reasons.
- Supplemental materials will be posted on our website (<https://www.lintec-global.com>) in a timely manner.

【Attachment】

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1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2024

(1) Explanation Regarding Results of Operations

During the first nine months of the fiscal year under review, the performance of the Group's businesses was favorable overall, due mainly to significant recovery in net sales driven by strong demand for semiconductor and electronic component-related products and growing sales volumes of adhesive products for seals and labels in the United States. In terms of profitability, although the price of fuel and raw materials and logistics costs continued to rise, the effects of these increases were outweighed by higher sales volumes of various products, including semiconductor and electronic component-related products.

Due to these factors, net sales reached 239,026 million yen (up 17.4% year-on-year), operating income was 20,475 million yen (up 214.2% year-on-year), ordinary income was 21,580 million yen (up 191.7% year-on-year), and profit attributable to owners of parent was 16,154 million yen (up 304.4% year-on-year).

The outline by segment was as follows:

[Printing and Industrial Materials Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	125,389	139,475	14,085	11.2
Printing & Variable Information Products Operations	98,908	110,761	11,853	12.0
Industrial & Material Operations	26,481	28,713	2,231	8.4
Operating income (loss)	(979)	4,890	5,869	—

Net sales in this segment reached 139,475 million yen (up 11.2% year-on-year) due to increased sales volumes and the effects of the weak yen. Operating income reached 4,890 million yen (not comparable year-on-year), due mainly to a significant increase in sales volumes in the United States.

Sales by operation of this segment were as follows:

(Printing & Variable Information Products Operations)

As for adhesive products for seals and labels, demand, especially that related to food products, declined due to the impact of rising prices in Japan. In addition, sales of products for eye-catching labels and beverage campaigns were sluggish overall. Outside Japan, the United States saw a significant increase in sales volumes due to the effects of acquisitions. Likewise, demand was solid in China and in the ASEAN region. As a result, sales in this operation were 110,761 million yen (up 12.0% year-on-year).

(Industrial & Material Operations)

In Japan, sales of automobile-use adhesive products and window films proved sluggish due to a decline in automobile production. Overseas, sales of security window films and sputtering films were strong in the United States, and sales of automobile-use adhesive products increased in India. As a result, sales in this operation were 28,713 million yen (up 8.4% year-on-year).

[Electronic and Optical Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	53,326	72,991	19,665	36.9
Advanced Materials Operations	42,587	63,898	21,311	50.0
Optical Products Operations	10,738	9,092	(1,646)	(15.3)
Operating income	7,634	14,938	7,304	95.7

Net sales in this segment reached 72,991 million yen (up 36.9% year-on-year). Despite the considerable decrease in sales of optical display-related adhesive products due to the closure of subsidiaries in South Korea and Taiwan, orders received for semiconductor and electronic component-related products recovered significantly. The increase in sales volumes of semiconductor and electronic component-related products resulted in an operating income of 14,938 million yen (up 95.7% year-on-year).

Sales by operation of this segment were as follows:

(Advanced Materials Operations)

Semiconductor-related adhesive tapes performed well due to reasons such as increased demand related to generative AI. Sales of semiconductor-related devices such as those for HBM manufacturing also experienced significant growth. Substantially higher sales were also seen for multilayer ceramic capacitor-related tape, driven by increased demand related to smartphones and data centers. As a result, sales in this operation were 63,898 million yen (up 50.0% year-on-year).

(Optical Products Operations)

Although sales of adhesive tape for OLED smartphones were solid, sales declined significantly due to the closure of subsidiaries in South Korea and Taiwan. As a result, sales in this operation were 9,092 million yen (down 15.3% year-on-year).

[Paper and Converted Products]

	Previous third quarter	Current third quarter	year on year	
			Increase (decrease)	Changes
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	24,813	26,559	1,746	7.0
Fine & Specialty Paper Products Operations	11,559	11,263	(296)	(2.6)
Converted Products Operations	13,253	15,296	2,042	15.4
Operating income (loss)	(189)	601	790	—

Despite the impact from decreased demand for color papers for envelopes in Fine & Specialty Paper Products Operations, net sales in this segment reached 26,559 million yen (up 7.0% year-on-year) due to a significant increase in sales volumes of casting papers for synthetic leather and casting papers for carbon fiber composite materials in Converted Products Operations. Although the Fine & Specialty Paper Products Operations performed poorly in terms of profitability, segment operating income was 601 million yen (not comparable year-on-year), due mainly to the higher sales volumes in the Converted Products Operations.

Sales by operation of this segment were as follows:

(Fine & Specialty Paper Products Operations)

Although sales of dust-free papers held firm thanks to a recovery in semiconductor demand, sales of core products like color papers for envelopes, colored construction papers, and construction material papers were sluggish due to lower demand. As a result, sales in this operation were 11,263 million yen (down 2.6% year-on-year).

(Converted Products Operations)

Sales of release papers for electronic materials and release films for optical-related products were strong due to increased demand for smartphones and similar applications. Sales of casting papers for synthetic leather and casting papers for carbon fiber composite materials for leisure also experienced significant growth. As a result, sales in this operation were 15,296 million yen (up 15.4% year-on-year).

(2) Explanation Regarding Financial Position

(Assets)

Total assets at this consolidated quarter end were 342,213 million yen, a year-on-year increase of 8,622 million yen. Main factors of the change were as follows:

- Increase in “Notes and accounts receivable - trade and contract assets”	4,603 million yen
- Increase in “Inventories”	3,488 million yen
- Increase in “Property, plant and equipment”	4,064 million yen
- Decrease in “Goodwill”	-3,146 million yen

(Liabilities)

Total liabilities at this consolidated quarter end were 98,635 million yen, a decline of 2,034 million yen from the end of the previous fiscal year. Main factors of the change were as follows:

- Increase in “Trade notes and accounts payable”	3,643 million yen
- Decrease in “Short-term borrowings”	-1,100 million yen
- Increase in “Accrued income taxes”	1,257 million yen
- Decrease in “Provision for bonuses”	-1,104 million yen

- Decrease in “Provision for loss on liquidation of subsidiaries and associates”	-1,093 million yen
- Decrease in “Long-term borrowings”	-1,891 million yen

(Net Assets)

Total net assets at this consolidated quarter end were 243,578 million yen, an increase of 10,657 million yen from the end of the previous fiscal year. Factors contributing to this result included an increase in profit attributable to owners of parent.

(3) Explanation Regarding Cash Flow

Cash and cash equivalents at the end of the first nine months of the fiscal year under review were 50,141 million yen, a decline of 2,255 million yen from the end of the previous fiscal year. Cash flow status for the first nine months of the fiscal year under review was as follows:

(Cash flows from operating activities)

Cash flows from operating activities increased by 391 million yen to +25,384 million yen compared to the first nine months of the previous fiscal year. The key factors contributing to the increase/decrease are as follows:

- Increase in “Profit before income taxes”	14,509 million yen
- Decrease in “Provision for loss on liquidation of subsidiaries and associates”	-1,110 million yen
- Decrease in “Inventories”	-12,574 million yen
- Decrease in “Income taxes (paid) refund”	-1,136 million yen

(Cash flows from investing activities)

Cash flows from investing activities decreased by 1,288 million yen to -17,826 million yen compared to the first nine months of the previous fiscal year. The key factors contributing to the increase/decrease are as follows:

- Decrease in “Proceeds from withdrawal of time deposits”	- 3,335 million yen
- Decrease in “Purchase of property, plant and equipment”	- 5,969 million yen
- Increase in “Payments for acquisition of businesses”	7,007 million yen

(Cash flows from financing activities)

Cash flows from financing activities decreased by 7,929 million yen to -9,989 million yen compared to the first nine months of the previous fiscal year. The key factors contributing to the increase/decrease are as follows:

- Decrease in “Proceeds from long-term borrowings”	- 6,795 million yen
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(4) Explanation Regarding Information on Future Forecast, Including Forecast of Consolidated Business Results

Forecasts of consolidated business results for the full year are unchanged from those announced November 7, 2024.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	55,490	54,679
Notes and accounts receivable - trade and contract assets	64,764	69,368
Inventories	59,548	63,037
Other	8,354	9,213
Allowance for doubtful accounts	(181)	(145)
Total current assets	187,977	196,153
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	48,249	47,513
Machinery, equipment and vehicles (net)	39,995	41,553
Land	13,238	13,318
Construction in progress	5,008	8,129
Other (net)	7,662	7,704
Property, plant and equipment	114,154	118,219
Intangible assets		
Goodwill	14,991	11,845
Other	3,234	3,003
Intangible assets	18,226	14,849
Investments and other assets		
Other	13,320	13,081
Allowance for doubtful accounts	(89)	(90)
Total investments and other assets	13,231	12,990
Total non-current assets	145,612	146,059
Total assets	333,590	342,213

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	45,705	49,349
Short-term borrowings	1,400	300
Current portion of long-term borrowings	1,974	1,937
Accrued income taxes	1,975	3,233
Provision for bonuses	2,395	1,291
Provision for directors' bonuses	52	57
Provision for loss on liquidation of subsidiaries and associates	1,147	53
Provision for product warranties	254	98
Other	21,012	18,646
Total current liabilities	75,918	74,966
Non-current liabilities		
Long-term borrowings	5,888	3,996
Provision for environmental measures	111	111
Net defined benefit liability	13,667	14,220
Other	5,084	5,340
Total non-current liabilities	24,751	23,668
Total liabilities	100,669	98,635
Net Assets		
Shareholders' equity		
Common stock	23,355	23,355
Capital surplus	26,636	26,627
Retained earnings	170,796	171,648
Treasury stock	(17,568)	(8,611)
Total shareholders' equity	203,219	213,020
Accumulated other comprehensive income		
Net unrealized holding gain on securities	607	607
Foreign currency translation adjustments	25,694	26,623
Remeasurements of defined benefit plans	2,639	2,550
Total accumulated other comprehensive income	28,941	29,781
Share subscription rights	56	54
Non-controlling interests	703	721
Total net assets	232,920	243,578
Total liabilities and net assets	333,590	342,213

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Nine Months Ended December 31, 2024

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2023)	Current consolidated fiscal year (Nine months ended December 31, 2024)
Net sales	203,529	239,026
Cost of sales	159,495	177,442
Gross profit	44,034	61,583
Selling, general and administrative expenses	37,517	41,108
Operating income	6,516	20,475
Non-operating income		
Interest income	312	520
Dividend income	177	286
Gain on sales of non-current assets	23	130
Foreign exchange gains	680	365
Insurance income	33	61
Other income	291	341
Total non-operating income	1,518	1,704
Non-operating expenses		
Interest expenses	287	311
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	230	186
Compensation expenses	6	9
Other expenses	113	92
Total non-operating expenses	637	599
Ordinary income	7,398	21,580
Extraordinary gain		
Gain on sale of investment securities	-	224
Gain on sales of non-current assets	29	74
Gain on liquidation of subsidiaries	-	56
Total extraordinary gain	29	356
Profit before income taxes	7,427	21,936
Income taxes	3,013	5,703
Deferred income taxes	404	62
Total income taxes	3,418	5,765
Profit	4,009	16,170
Profit attributable to non-controlling interests	14	16
Profit attributable to owners of parent	3,994	16,154

Consolidated Quarterly Statements of Comprehensive Income
 Nine Months Ended December 31, 2024

(Millions of yen)

	Previous consolidated fiscal year (Nine months ended December 31, 2023)	Current consolidated fiscal year (Nine months ended December 31, 2024)
Net income	4,009	16,170
Other comprehensive income		
Net unrealized holding gain on securities	51	0
Foreign currency translation adjustments	10,570	930
Remeasurements of defined benefit plans	42	(88)
Total other comprehensive income	10,663	842
Comprehensive income	14,672	17,013
(Comprehensive income attributable to)		
Owners of parent	14,615	16,994
Non-controlling interests	57	18

(3) Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Previous consolidated fiscal year (Nine months ended December 31, 2023)	Current consolidated fiscal year (Nine months ended December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	7,427	21,936
Depreciation	8,590	9,471
Amortization of goodwill	2,988	3,394
Increase (decrease) in net defined benefit liability	599	543
Increase (decrease) in allowance for doubtful accounts	11	(38)
Interest and dividend income	(489)	(806)
Interest expense	287	311
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	-	(1,110)
Increase (decrease) in provision for product warranties	-	(156)
Loss (gain) on sale of non-current assets	(52)	(204)
Loss on retirement of non-current assets	101	47
Decrease (increase) in trade notes and accounts receivable	(5,137)	(4,442)
Decrease (increase) in inventories	9,206	(3,368)
Increase (decrease) in trade notes and accounts payable	4,487	3,934
Loss (gain) on sales of investment securities	(0)	(224)
Loss (gain) on liquidation of subsidiaries	-	(56)
Other	(307)	(167)
Subtotal	27,712	29,063
Interest and dividend income received	506	805
Interest expenses paid	(284)	(407)
Income taxes (paid) refund	(2,941)	(4,078)
Cash flows from operating activities	24,992	25,384
Cash flows from investing activities		
Payments into time deposits	(5,060)	(4,723)
Proceeds from withdrawal of time deposits	6,632	3,296
Purchase of property, plant and equipment	(11,004)	(16,973)
Proceeds from sales of property, plant and equipment	107	276
Purchase of intangible assets	(293)	(270)
Proceeds from sales of investment securities	21	520
Payments for acquisition of businesses	(7,007)	-
Other	65	46
Cash flows from investing activities	(16,538)	(17,826)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(508)	(1,100)
Proceeds from long-term borrowings	6,795	-
Repayments of long-term borrowings	(1,721)	(1,772)
Cash dividends paid	(6,009)	(6,419)
Purchase of treasury stock	(0)	(1)
Other	(616)	(695)
Cash flows from financing activities	(2,060)	(9,989)
Effect of exchange rate changes on cash and cash equivalents	2,557	177
Net increase (decrease) in cash and cash equivalents	8,951	(2,255)
Cash and cash equivalents at beginning of year	33,857	52,396
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	180	-
Cash and cash equivalents at end of period	42,989	50,141

(4) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Total Shareholders' Equity)

In accordance with a resolution of the Board of Directors passed on November 7, 2024, the Company retired 4,200,000 treasury stocks on November 29, 2024. As a result, in the first nine months of the fiscal year under review, capital surplus decreased by 34 million yen, retained earnings by 8,871 million yen, and treasury stock by 8,906 million yen.

(Significant changes in scope of consolidation during the quarter)

LINTEC SPECIALITY FILMS (KOREA), INC. was liquidated in this consolidated quarter and is excluded from the scope of consolidation.

(Segment Information, etc.)

I. Previous third quarter (from April 1, 2023 to December 31, 2023)

Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	125,389	53,326	24,813	203,529	–	203,529
Intersegment sales and transfers	67	9	11,033	11,110	(11,110)	–
Total	125,457	53,336	35,846	214,640	(11,110)	203,529
Segment income (loss)	(979)	7,634	(189)	6,465	51	6,516

Notes:

1. Segment income or loss in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income or loss is adjusted to be recorded as operating income in the quarterly consolidated statements of income.

II. Current third quarter (from April 1, 2024 to December 31, 2024)

Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable Segments				Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Printing and Industrial Materials Products	Electronic and Optical Products	Paper and Converted Products	Total		
Net sales						
Net sales to outside customers	139,475	72,991	26,559	239,026	–	239,026
Intersegment sales and transfers	62	12	11,037	11,112	(11,112)	–
Total	139,538	73,003	37,597	250,138	(11,112)	239,026
Segment income	4,890	14,938	601	20,430	45	20,475

Notes:

1. Segment income in each segment was adjusted by eliminating the amount of intra-segments transactions.
2. Segment income is adjusted to be recorded as operating income in the quarterly consolidated statements of income.