

Lintec Group CSR Report 2015



Linking your dreams
LINTEC Corporation

Company Motto

Sincerity and Creativity

The foundation of the Lintec Group's CSR is its company motto, "Sincerity and Creativity." These are the ideals that everyone in the group aspires to.

"Sincerity" means thinking about what can be done that will be of benefit and appreciated and tackling every task with all one's heart. "Creativity" means to work constantly to innovate and improve, seeking greater added value without being satisfied with the status quo.

Showing integrity to all stakeholders and taking on new challenges over and over again with a determination to innovate is the starting point for a manufacturer dedicated to craftsmanship.

"Start with Sincerity and then apply Creativity"—this is Lintec's unchanging approach and the driving force that underpins its sustainable growth.



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Editorial Policy

The Lintec Group follows its company motto "Sincerity and Creativity" when conducting its CSR activities. This report mainly explains our CSR activities during fiscal 2014. With the aim of providing information to all stakeholders in a simple and comprehensive manner, the main activities are organized into the categories of Corporate Governance, Social Report, and Environmental Report. The Overview and Highlight pages have also been increased.

The Highlight section features the LINTEC WAY and the ideal vision for Lintec in 2025. Highlight 1 gathers together what employees across Japan and around the world think about the LINTEC WAY. Highlight 2 introduces the workshops held to discuss what Lintec aspires to be by 2025.

This report highlights certain information which is important for both the stakeholders* and the Lintec Group. For more detailed information, please visit our CSR website.

*Stakeholders include consumers, employees, shareholders, creditors, suppliers, local communities, and government agencies.

Main Channels for CSR Information




CSR Report (Booklet / PDF version)

- [Booklet]** Information on the CSR activities of the Lintec Group described in a simple manner.
- [PDF version]** Full version is created in English. Abridged version is created in Korean, Chinese (traditional), Chinese (simplified), Malay, Indonesian and Thai.



CSR Website

- More detailed information on the CSR activities of the Lintec Group
- [Japanese]**
<http://www.lintec.co.jp/csr/>
- [English]**
<http://www.lintec-global.com/csr/>

 This icon shown on some pages of this report indicates that related information is available on our CSR website. This icon is shown in the footer of the relevant pages, together with the outline of the related information.

Guidelines Referenced

ISO 26000 (social responsibility)
Sustainability Reporting Guidelines (version 4) of the Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2012) of the Ministry of the Environment of Japan
Environmental Accounting Guidelines (2005) of the Ministry of the Environment of Japan

Reporting Period

This report covers the period from April 1, 2014, to March 31, 2015 (fiscal 2014). It also includes some information up through June 30, 2015 concerning specific initiatives. Environmental performance data for 12 group companies outside Japan covers the period from January 1 to December 31, 2014.

Note on the fiscal year of consolidated subsidiaries

The fiscal year of LINTEC (THAILAND) CO., LTD., LINTEC KOREA, INC. and another 27 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 29 consolidated subsidiaries and the consolidated closing date is within three months, this Report uses each company's financial statements based on the fiscal year, and makes necessary adjustments with regard to important transactions that occurred between the two accounting dates.

Verification of the reliability of this Report

Performance indicators marked by an asterisk * have been verified by a third party, SGS Japan Inc.


Publication date
Previous publication: August 2014
Current publication: August 2015
Next publication: August 2016

Overview of the Lintec Group

Corporate Profile (as of March 31, 2015)

Company name	Lintec Corporation
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan
Website	www.lintec-global.com/
Established	October 1934
Capital	23.2 billion yen
Stock listing	Tokyo Stock Exchange, First Section (Securities Code: 7966)
Fiscal year-end	March 31
Representative	Hiroyuki Nishio, Representative Director President, CEO and COO
Number of employees	Consolidated: 4,413 Non-consolidated: 2,524
Sites	<p>Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto</p> <p>Production sites: Agatsuma (Gunma Prefecture), Kumagaya (Saitama Prefecture), Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno (Hyogo Prefecture), Shingu (Hyogo Prefecture), Komatsushima (Tokushima Prefecture), Mishima (Ehime Prefecture), Doi (Ehime Prefecture), and Niihama (Ehime Prefecture)</p> <p>R&D facility: Research Center (Saitama Prefecture)</p> <p>Overseas office: Shanghai (China)</p>

Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (label printing machines, labeling machines, semiconductor-related equipment, etc.)
Sales (fiscal 2014)	Consolidated: 207.3 billion yen Non-consolidated: 161.7 billion yen
Operating income (fiscal 2014)	Consolidated: 16.9 billion yen Non-consolidated: 9.9 billion yen

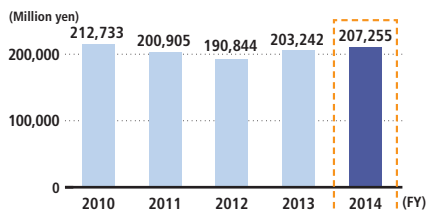
 For more detailed financial information, see the Investor Relations section of the Lintec Website at www.lintec-global.com/ir/.



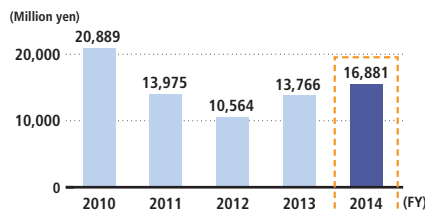
Performance and Financial Highlights (Consolidated)

(See page 1 for a note on the fiscal year of consolidated subsidiaries.)

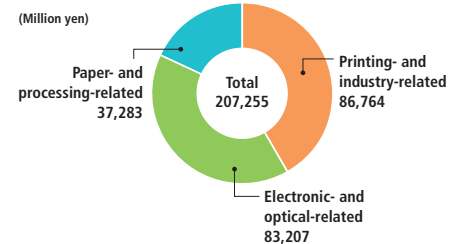
Sales



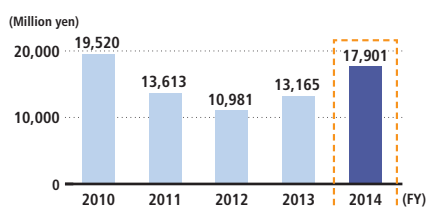
Operating income



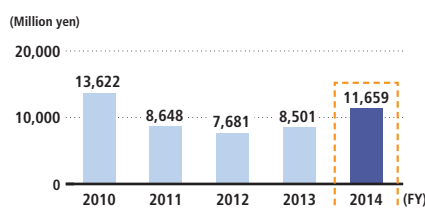
Sales by segment (Fiscal 2014)



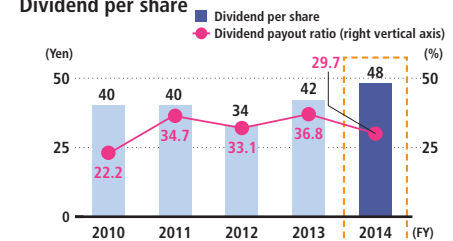
Ordinary income



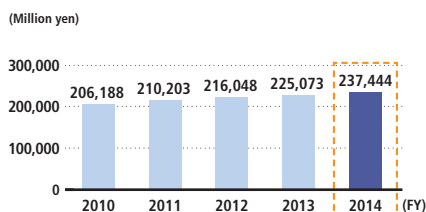
Current net income



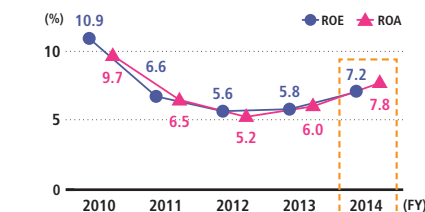
Dividend per share



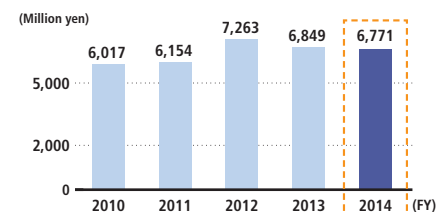
Total assets



ROE / ROA



R&D expenses



Films for building windows

Films for car windows

Marking films

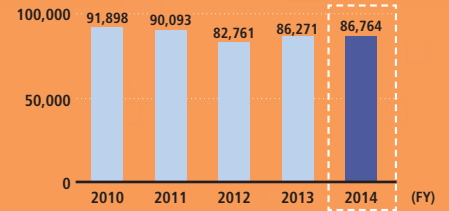
Adhesive papers and films for labels

Printing- and industry-related segment

We provide products to which various functions are added to suit the purpose or usage environment, including: adhesive papers and films for labels on household goods, food products and home electronics, tapes for fixing parts of mobile devices, adhesive products for automobiles, industrial barcode printers, labeling machines for automatic labeling, window films for buildings and automobiles, materials for outdoor signage and advertisements, marking films for decorating car bodies, and interior decorative sheets.

Sales

(Million yen)



(See page 1 for a note on the fiscal year of consolidated subsidiaries.)

Lintec in Everyday Life

Lintec contributes to people's everyday life around the world by manufacturing and providing a wide variety of products.

Information of each segment

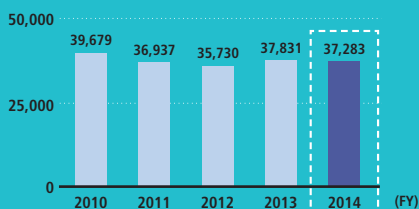
Casting paper for carbon fiber composite materials

Specialty paper

Paper- and processing-related segment

Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelope paper and color paper in a wide array of colors, function paper such as greaseproof paper, dust-free paper for food packaging, and high-quality printing paper, as well as release paper and release film for protecting adhesive coated surfaces, and casting paper used when manufacturing synthetic leather and carbon fiber composite materials.

Sales (Million yen)



(See page 1 for a note on the fiscal year of consolidated subsidiaries.)

LCD films

Semiconductor-related tapes and devices

Coating films for laminated ceramic capacitor manufacture

Electronic- and optical-related segment

We provide products that leverage our unique R&D and technologies, including: special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, coating films indispensable for laminated ceramic capacitor manufacturing, adhesive products related to liquid crystal displays, and products related to touch screens.

Sales (Million yen)



(See page 1 for a note on the fiscal year of consolidated subsidiaries.)

Global Network Supports Our Activities

In response to the views of our stakeholders, all employees of the Lintec Group are engaged in CSR activities to help build a better society.



● Global Topics

Establishing a Regional Management Company in ASEAN (January 2015)

Having strengthened the production and sales sites in the ASEAN region and India with the key themes of comprehensive business strategies, business enhancement and expansion, we established Lintec Asia Pacific Regional Headquarters Private Limited (LAP) as a regional management company in ASEAN in January 2015 to achieve sustainable growth. The purposes of establishing this local management base are to speed up management decision-making, optimize the production system, improve the efficiency of raw material procurement, and increase our market share in the region. Additionally, the new company integrates the administration of financial and personnel affairs, which used to be handled by individual sales sites, in order to bolster local sales and market surveys.



Opening an R&D Center in Texas, USA (February 2014)

The Lintec Group and the University of Texas at Dallas (Texas, USA) have jointly developed new technology for processing carbon nanotubes (cylindrical carbon molecules)* into thin sheets without affecting their properties. To commercialize the technology, we established Nano-Science & Technology Center (NSTC) as a research center under Lintec of America, Inc., in Richardson in the suburbs of Dallas, Texas, and started developing technology for mass production. NSTC and the R&D Division will collaborate on creating new markets and developing products for launch in this cutting-edge area.



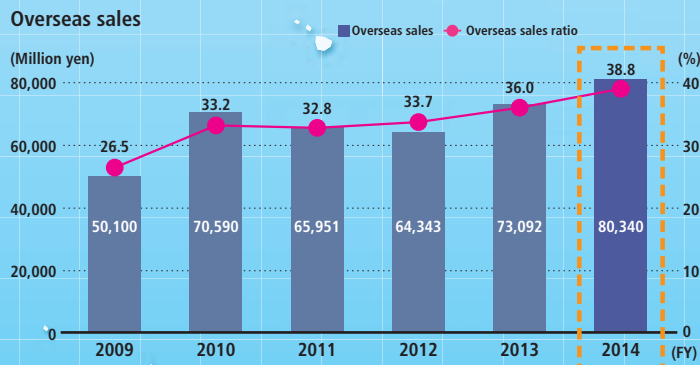
* Carbon nanotubes (cylindrical carbon molecules): These are a cylindrical carbon material with a nanometer-scale diameter and a micrometer-scale length. Although the material is lightweight, it is resistant to bending and tension, and also has extraordinary electrical and thermal conductivities.

United States

3 companies, **277** employees

Japan

9 companies, **3,362** employees



(See page 1 for a note on the fiscal year of consolidated subsidiaries.)

- Manufacturing subsidiary
- Sales subsidiary, branch, office
- R&D center
- See Corporate Profile on page 2.

Note: The number of employees shown here includes employees of non-consolidated subsidiaries.

Scope and Wording

The scope of this report is arranged as indicated below and follows the same wording. If any information provided diverges from this scope, this is made clear within the text.

Corporate Governance Social Report

Lintec: Lintec Corporation

Lintec Group: Lintec Corporation plus group companies in and outside Japan

Environment Report

Lintec: Lintec Corporation (head office, Agatsuma Plant, Kumagaya Plant, Chiba Plant, Tatsuno Plant, Shingu Plant, Komatsushima Plant, Mishima Plant, Doi Plant, Niihama Plant, Ina Technology Center, Research Center) and Tokyo Lintec Kako, Inc.

Lintec Group and 12 overseas group companies: Refers to the sites listed above and 12 overseas group companies

Note) 12 overseas group companies:

Lintec (Suzhou) Tech Corporation, Lintec (Tianjin) Industry Co., Ltd., Lintec Printing & Technology (Tianjin) Corporation, Lintec Speciality Films (Taiwan), Inc., Lintec Advanced Technologies (Taiwan), Inc., Lintec Korea, Inc., Lintec Speciality Films (Korea), Inc., PT. Lintec Indonesia, Lintec Industries (Malaysia) Sdn. Bhd., Lintec Industries (Sarawak) Sdn. Bhd., Lintec Singapore Private Limited, and Madico, Inc.

Lintec Group: Lintec Corporation plus group companies in and outside Japan

“Sincerity and Creativity” form the Foundation of Our CSR Activities

As a leading company in the field of adhesive materials, the Lintec Group provides society with a wide variety of products created using unique technologies such as technologies for applying adhesives and for modifying surfaces. Under the company motto “Sincerity and Creativity,” the Lintec Group has continued to grow steadily based on its sincere commitment to creative manufacturing. Partly thanks to the strong performance of our electronic- and optical-related business and the weakening of the yen, we secured a year-on-year increase both in sales and profit on a consolidated basis for the fiscal year ending March 2015.

We believe that “Sincerity and Creativity” form the foundation of our CSR activities. “Defensive” CSR, which refers to compliance with laws and regulations, fair transactions, comfortable working environment for everyone and other responsibilities we should fulfill in our business activities, represents “Sincerity” to work on business activities faithfully. Meanwhile, “Aggressive” CSR, which includes the creation of products for improving or solving social issues, is driven by “Creativity” to continually work on creation and improvement regardless of past practice.

Enhancing Both Defensive and Aggressive Aspects for Further Development of CSR Activities

In its medium-term business plan, LINTEC INNOVATION PLAN 2016 (LIP-2016), which was started in fiscal 2014, the Lintec Group sets five key initiatives: 1) further promote global development; 2) create innovative new products that will support the next generation; 3) transform into a robust corporate structure; 4) promote strategic M&A; and 5) foster human resources. As we aim to achieve the business target of an overseas sales ratio of

40%, global development is our most important challenge. With the expansion of our fields of business to achieve the target, we focused on developing our governance framework in fiscal 2014.

The Lintec Group has enhanced its production and sales sites to strengthen and expand business in the ASEAN region and India. To formulate and implement regional business strategies, effectively use management resources and enhance governance, we established a regional management company, Lintec Asia Pacific Regional Headquarters Private Limited (LAP), in the ASEAN nation of Singapore in January 2015.

Based on the revision of the Companies Act of Japan, which came into force in May 2015, Lintec Corporation became a company with an audit and supervisory committee*1, and accordingly developed a framework for strengthening the audit and supervisory functions of its Board of Directors and for enhancing corporate governance.

We believe, however, that enhancing governance requires more than just creating a framework, but also raising the awareness of each employee. Therefore, in order to raise all employees’ awareness of CSR, members of the CSR Management Office visited our business sites in and outside Japan to hold CSR study sessions to build awareness of the LINTEC WAY, which clearly states the ideals pursued by employees of the Lintec Group under the company motto of “Sincerity and Creativity.” In response to a questionnaire survey conducted after the study sessions, many participants made positive comments such as “the study session was informative,” “I learned a lot,” and “I want to share it with my family.” Based on these comments, I was delighted to see steady improvements in individual employees’ awareness of CSR.

All these efforts strengthened defensive CSR based on Sincerity, and helped to reinforce the foundation for further development of our CSR activities.

Meanwhile, one of the efforts that symbolize aggressive CSR based on Creativity is creating innovative new products that will

**Based on Sincerity and Creativity,
We Will Promote Defensive and Aggressive
CSR Activities for Society and People.**

support the next generation, which is one of the key initiatives under LIP-2016. The initiative is crucial for the Lintec Group to continue its business activities and contribute to society. I believe that the initiative requires an R&D approach of establishing our proprietary technologies while responding to social changes by looking ahead. And I place particular importance on cross-organizational cooperation.

As part of efforts for the key initiative, we hosted CSR workshops in August and September 2014. The workshops sought participation from all departments to discuss the future of the Lintec Group from the perspective of social issues, helping create visions for an ideal Lintec and providing opportunities for cross-sectoral communication. We will continue such efforts to help create products that are different from existing products and to provide solutions for social problems.

Medium-term Business Plan [LIP-2016]

(April 1, 2014 to March 31, 2017)

Basic Policy

Return to Growth Path through Active Management and Continuous Innovation

Key Initiatives

1. Further promote global development
2. Create innovative new products that will support the next generation
3. Transform into a robust corporate structure
4. Promote strategic M&As
5. Foster human resources

To Develop Frameworks and Indicators Based on Identified Materiality (Important Issues)

In fiscal 2014, the Lintec Group identified materiality by identifying positive and negative impacts of the Group on society and the

environment and holding discussions in light of the opinions of stakeholders both within and outside the company. For each of the identified issues, we will set key performance indicators (KPIs)*² and institute frameworks for achieving the goals.

Additionally, based on the materiality, we will also implement PDCA cycles for CSR activities.

We have just started this undertaking, but we expect that the process of reviewing materiality will help not only defensive aspects but also Aggressive CSR, including business growth and creation of new products.

Committed to Doing Our Best for People and Society with a Sense of Morality, Not Merely Pursuing Percentages

As mentioned earlier, the CSR activities of the Lintec Group are built on the company motto "Sincerity and Creativity." I always ask employees to act with a sense of personal pride. Each employee does their best for the world and for people by deciding what is good and bad, instead of pursuing percentages, with CSR in mind. This is what all group employees must share beyond the borders of nations, cultures or religions. Our CSR spirit is borderless. In order for the Lintec Group to achieve sustainable growth, all employees will jointly promote CSR activities based on "Sincerity and Creativity" and meet stakeholder expectations.

To communicate our CSR activities broadly to the public and all employees, this report clearly summarizes the results of our CSR activities during fiscal 2014.

We would appreciate the continued support and guidance of all our stakeholders.

*1 Regarding company with an audit and supervisory committee, see page 20.

*2 Regarding key performance indicators (KPIs), see page 8.



Hiroyuki Nishio

Representative Director, President, CEO and COO
LINTEC Corporation

Identifying Materiality (Important Issues)*

For further promotion of CSR activities and in response to stakeholder demands, the Lintec Group identified its materiality.

Identified the Materiality of Group-wide Initiatives

The Lintec Group believes that communicating with society and responding to social demands are crucial for the group to achieve sustainable development together with society. *Sustainability Reporting Guidelines Version 4 (G4)*, published by the Global Reporting Initiative (GRI), calls for further disclosure of information that is selected as being material (of great importance) to the company and stakeholders. In line with this global trend, in fiscal 2014, the Lintec Group identified materiality in light of stakeholders’ opinions.

We will reflect the identified materiality on our long-term activities, and develop key performance indicators (KPIs)*¹ and implement PDCA cycles for activities. We will also review the identified materiality, when necessary, according to social changes and the progress of our activities.

Under the company motto and management philosophy, we will work on the identified themes group-wide.

Process of Identifying Materiality

STEP 1
Identify CSR-related issues to be considered

First of all, we identified issues based on such frameworks as ISO 26000, 46 aspects of G4, items covered in a survey by a CSR research organization. Then, in light of the themes that have an impact on society, the environment and stakeholders in the Lintec Group’s business value chains, as well as workshops for group employees (see page 16) and results of other companies’ benchmarks, we selected 64 CSR-related issues to consider.

STEP 2
Determine priority

We determined the internal priority of selected issues by taking into account past activities and future activity goals for each issue. Meanwhile, we used questions regarding CSR and sustainability posed by a research organization to determine external priority, and requested outside experts who have been involved in our activities to evaluate items based on data compiled on the backgrounds of the activities. Finally, we identified materiality through evaluation and analysis from both internal and external perspectives.

STEP 3
Check validity

With regard to the identified materiality, we asked the experts who had evaluated the items in STEP 2 to check the scope of impacts and validity of future actions and targets. We also received an evaluation and approval from the President as the chief decision-maker on CSR.

STEP 4
Review

We disclosed the process and identified materiality in our CSR Report. We will review activities and conduct reviews as needed.



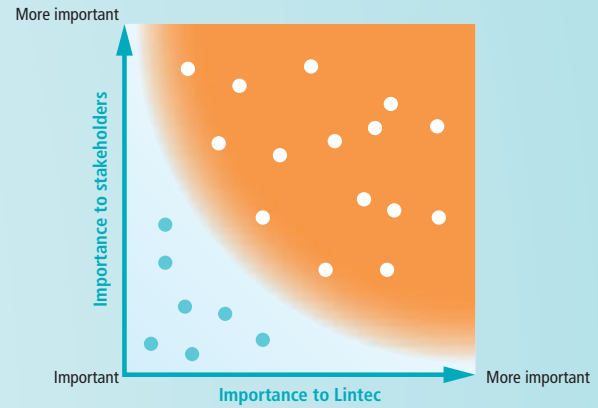
*1 Key performance indicators (KPIs): Important indicators set for organizational strategies to quantitatively measure progress toward the goal.

Regarding the asterisk *, see page 1.

Materiality Mapping

We mapped the materiality identified from the internal and external perspectives in STEP 2, using the axes of importance to Lintec and importance to stakeholders.

With regard to the following 15 items, we will develop key performance indicators (KPIs) and evaluate activities over the years. As for other issues, the Lintec Group will continue ongoing activities as material issues for the group.



Materiality		Scope		Background of selection
		Internal	External	
Contribution to business	Developing business models for local production & consumption in developing countries	○	○	We will promote the utility of adhesive products, provide useful products in developing countries, and operate business globally with emphasis on quality. We need to launch business models horizontally by creating local demand and pursuing local procurement further.
	Entering new areas	○	○	We will enter new areas in response to global customer needs and social issues while recognizing our current strengths and weaknesses in technology and development. We need to consider social aspects (e.g., safety, quality, price) through stakeholder dialogue.
Governance	Operating global governance	○	○	In operating business globally, we need to develop a strategic global management system at a high level above local laws and regulations, divide the roles of execution and supervision, clarify policies, and implement the policies.
The environment	Effectively using raw materials	○	○	We are using petrochemical materials, pulps and water. Resource depletion has an impact on the sustainability of society. Stable procurement of some materials may become unavailable. Therefore, we need to reduce their consumption and use them effectively.
	Reducing atmospheric emissions	○	○	Atmospheric emissions of greenhouse gases, ozone depleting substances, VOCs, and so on have an impact on the entire globe and must be reduced. Strategic initiatives, such as total emissions management, are required.
	Making environmental contributions through products and services	○	○	With the growing need for environmental consideration in all phases from development to production, product use and disposal, LCA* ² management is indispensable. It is crucial for us to consider the products we provide to various industries.
	Ensuring environmental compliance	○	○	The matters subject to environmental regulations, as well as the regulation method, vary among regions. We will need to accurately understand local legal systems and take proper actions in compliance with laws and regulations related to the atmosphere, water quality, noise, vibration and other pollutions in emerging and developing countries.
Labor practices	Ensuring occupational health and safety	○	○	We need to understand the situations of our suppliers in key developing countries and take necessary actions, beyond occupational health and safety within Lintec. It is also becoming important to take actions related to mental health.
	Achieving workplace diversity	○	—	A comfortable working environment requires considerations for diversity (e.g., gender, minority, LGBT* ³). We need to develop policies for achieving diversity to secure a competitive advantage in management.
	Improving employee satisfaction	○	—	Employees are important stakeholders of Lintec. For the long-term growth of a company, a prerequisite is that employees are proud of and satisfied with their work.
Society	Conducting human rights due diligence* ⁴	○	○	As we procure from around the world, it is becoming crucial to understand human rights risks at our primary suppliers and enhance education and supervisory systems for stakeholders to protect human rights throughout the SCM* ⁵ .
	Ensuring social compliance	○	○	As the matters that are subject to social laws and regulations, as well as the regulation method, vary among regions, we need to accurately understand local legal systems. We need to aggregate the information about local situations to link and improve the global management systems.
	Ensuring product compliance	○	○	As the matters that are subject to product-related laws and regulations, as well as the regulation method, vary among regions, we need to accurately understand local legal systems. It is indispensable to provide a stable supply of products, ensure thorough quality management and improve services.
	Making contributions to sustainable consumption	○	○	As a material manufacturer related to labeling of a wide variety of products, we need to provide labels for various purposes, disclose information and develop consumer-friendly products to help consumers select appropriate goods.
	Achieving harmonious co-existence with local communities	○	○	Contacts with local communities increase as we expand globally. In recognition that any company is supported by the local community and society while comprising a part of them, we need to make various contributions to ensure harmonious co-existence with society.

*2 Regarding LCA, see page 18.

*3 LGBT: Lesbian, gay, bisexual and transgender. LGBT is a generic term for sexual minorities.

*4 Human rights due diligence: A process exercised by an organization not only to comply with laws but also to address and reduce the risk of human rights violations (ISO 26000 6.3.3. Human Rights Issue 1). It is based on the Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, which requires global actions.

*5 SCM: Supply chain management. Optimized organization and management of a series of flows from material procurement to production, sales and distribution and to final users.

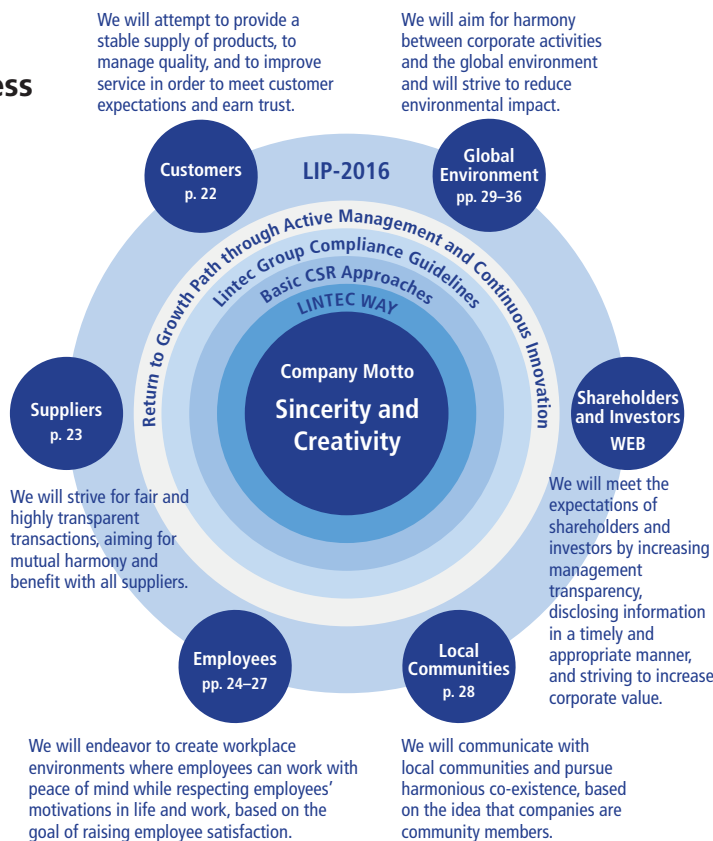
CSR in the Lintec Group

The CSR in the Lintec Group is built on its company motto “Sincerity and Creativity.” All Lintec people are committed to CSR activities with this motto.

● Practicing CSR through the Core Business

Many stakeholders support the business of the Lintec Group. To meet these stakeholders’ expectations and be trusted by them, all Lintec Group employees actively conduct CSR activities with the company motto “Sincerity and Creativity” at the center and in accordance with “LINTEC WAY” which is an important value supporting the company motto, the Basic CSR Approaches and the Lintec Group Compliance Guidelines.

To achieve the medium-term business plan, LINTEC INNOVATION PLAN 2016 (LIP-2016), which started in April 2014, we need to enhance group management. Therefore, we are conducting CSR activities on a global basis. With strong awareness that CSR activities directly impact the business, the Lintec Group strives to practice CSR activities strategically in its core business and group-wide. As part of this effort, we identified materiality (important issues) in fiscal 2014.



● The Way to Go “LINTEC WAY”

The Lintec Group developed the LINTEC WAY, guidance to be followed by all Lintec people in order to move forward in the same business direction. The LINTEC WAY comprises ten rules as important values supporting the company motto “Sincerity and Creativity,” and states the ideal way of being a Lintec employee.

In fiscal 2014, we hosted CSR study sessions at group companies in and outside Japan to spread the LINTEC WAY.

Five Rules of Sincerity

- 1 Always be sincere.
- 2 Faithfulness opens people’s mind.
- 3 Please people.
- 4 Be a giver.
- 5 Care about colleagues and family.

Five Rules of Creativity

- 1 Be committed until you succeed.
- 2 Be proud of being unique.
- 3 Be resilient and take advantage of changes.
- 4 Think globally.
- 5 Look for connections to potential everywhere.

● Basic CSR Approaches

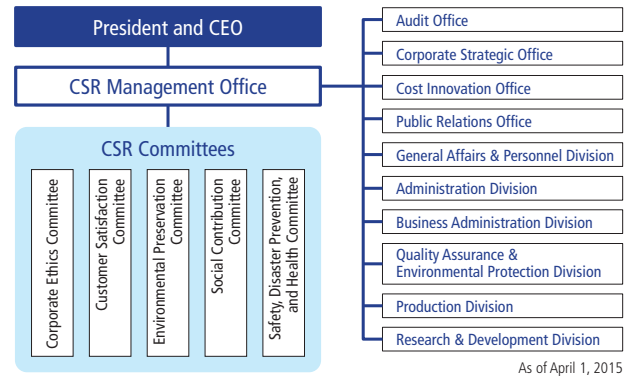
The Lintec Group carries out initiatives in line with six basic approaches, based on its company motto, “Sincerity and Creativity.”

Thorough implementation of corporate ethics and compliance	Safety- and health-related activities
Improved customer satisfaction	Social contributions
Environment-friendly operations	Shareholder- and investor-oriented management

● CSR Promotion System

Lintec carries out CSR activities in line with basic CSR approaches.

The CSR Management Office, established as an organization under the direct control of the president, strives to foster high ethical standards, disseminate information on CSR, and to support the initiatives of the CSR committees. The CSR committees, which have a cross-organizational membership and each of which include an officer in charge, lead initiatives with responsibility from the standpoint of management.



● Lintec Group Compliance Guidelines

Compliance Guidelines

Compliance is fundamental to corporate activities. The LINTEC Group is committed to observing "relevant regulations" and "social rules" during corporate activities domestically and overseas.

We, the directors and employees of LINTEC, shall:

1. Continuously offer products and services that contribute to society.
2. Conduct fair and transparent transactions based on the principle of free competition with all business partners.
3. Comply with regulations in all aspects of corporate activities in Japan and overseas, and conduct ourselves based on the highest ethical standards.
4. Emphasize the importance of close relations with all the persons involved in corporate activities, such as shareholders, investors, business partners, local communities, and employees.
5. Be actively engaged in controlling and reducing environmental burdens, as global environmental problems are a vitally important management concern.
6. Proactively engage in activities that contribute to local and regional communities as good corporate citizens.
7. Maintain fair and transparent relations with political bodies and governments.
8. Prevent any involvement with anti-social organizations.
9. Take part in hospitality activities with modesty and within the range that common sense allows when it is necessary as part of business activities.
10. Handle corporate information appropriately, and only disclose it at appropriate times and in appropriate ways.
11. Handle intellectual properties securely, respect the intellectual property rights of other companies and do not violate them.
12. Respect the individual rights and personalities of directors and employees, treat them fairly and strive to maintain a comfortable environment in the workplace.

Established January 2003
Revised April 2011

● Participation in UN Global Compact

Having participated in the United Nations Global Compact since April 2011, the Lintec Group conducts business activities based on the following Ten Principles to contribute to the sustainable growth of society.

●Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

●Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

●Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

●Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

● ISO 26000

ISO 26000 is an international standard that defines social responsibilities of all organizations. By referring to the seven core subjects, the Lintec Group promotes CSR activities.



Organizational governance



Human rights



Labor practices



Environment



Fair operating practices



Consumer issues



Community involvement and development

● Stakeholder Communication

To meet social expectations, the Lintec Group proactively holds dialogues with stakeholders.

Customers	We aim to improve products and services to build trusting relationships and improve customer satisfaction.	<ul style="list-style-type: none"> • Participation in trade shows in and outside Japan • Contact for inquiries
Suppliers	We aim at fair transactions, mutual understanding, thorough compliance with laws, and trusting relationships.	<ul style="list-style-type: none"> • Suppliers' Day • Briefing session • Questionnaire survey
Local communities	We aim at mutual understanding with locals and giving back to local communities.	<ul style="list-style-type: none"> • Factory tour • Opinion exchange meeting • Social contribution activities
Employees	We aim to make the working environment rewarding in line with the company motto.	<ul style="list-style-type: none"> • Publication of a communication magazine • Intranet
Shareholders/ investors	We aim to improve corporate value and build trusting relationships.	<ul style="list-style-type: none"> • Shareholders' meeting • IR meeting • Visit to overseas investors • Publication of WAVE for shareholder communication • Website

What Individual Employees Think about the LINTEC WAY

In fiscal 2014, we hosted CSR study sessions at each business site. The LINTEC WAY, which is an important value based on the company motto "Sincerity and Creativity" to encourage integrated CSR activities, has steadily spread among group employees. Highlight 1 features what individual employees think about the LINTEC WAY.

Sincerity

Always be sincere

It's my principle to act honestly, seriously, and faithfully without pretense.

Akihiko Ouchi
Representative Director,
Chairman and CEO



All rules are important. If I were to choose one, I would pick this rule. I must never forget to sincerely do my best as a person.

Hiroyuki Nishio
Representative Director,
President, CEO and COO



To be trusted by customers, I always try to be honest and deal with things to the best of my ability.

Gohei Kawamura
Director, Managing
Executive Officer



I believe it is important to constantly strive to be sincere in order to fulfil the social responsibility of the business (i.e., to continue development and growth).

Makoto Hattori
Director, Executive
Officer



If I live honestly and sincerely, I will have a gentle spirit without guilt.

Liu Yan Hua
Lintec (Suzhou)
Tech Corporation



It is essential to do my job honestly.

Rosana Alvarado
Lintec Advanced
Technologies
(Philippines), Inc.



One of the very important ways to breed good character is to "always be sincere."

Neils Bray
Chicago Office,
Lintec of America, Inc.



I believe that sincerity opens people's minds.

Felix Malabanan
Lintec Philippines
(Peza), Inc.



To make better working environments, we should be sincere with colleagues and care about their families.

Punsub Leksoomboon
Lintec BKK PTE Limited



I believe this rule is necessary to fulfill our responsibility as a manufacturer and maintain trusting relationships.

Nobuko Kawashima
Fukuoka Branch



Daily operations accumulate and lead to quality improvements.

Nanako Onodera
Kumagaya Plant



The rule can create a good relationship, better understanding and build trust among workers.

Kevin Ingkie
Barnabas Nassom
Lintec Industries
(Sarawak) SDN. BHD.



It means to work on your job seriously.

Eiji Sonoda
Osaka Lintec Kako, Inc.



Being sincere is the most important attitude for us.

Akihito Fujiwara
Lintec Sign System, Inc.



It's my motto!

Mika Yamaoka
Head Office
(Audit Office)



The rule is important as it applies to everything.

Megumi Tozaki
Shizuoka Branch



The rule is important not only in my work but also in my life.

Fumitaka Hato
Niihama Plant



I want to do everything with gratitude.

Ryuji Takahashi
Chiba Plant



Sincerity and Creativity

I picked up the company motto, instead of a rule, because our predecessors valued it just as we now do, and we must pass it on to the next generation.

Shigeru Kawasaki
Director, Vice President
Executive Officer



Sincerity Faithfulness opens people's mind

My basic policy is to think simply and act straightforwardly.

Hitoshi Asai
Director, Vice President
Executive Officer, CFO



Not only in ordinary relationships but also in business, there is no honesty without mutual trust. Honesty is the foundation of customer satisfaction. Trusting each other and doing things honestly will make each other happy.

Takashi Nakamura
Director, Managing
Executive Officer



If you speak to a person honestly while considering his or her position, he or she will respond likewise.

Toshio Yamamoto
Director



I'll try to act always with honesty.

Yurie Miura
Sendai Branch



I'll do my job always with honesty and a peaceful mind.

Sarni Pujiyanto
PT. Lintec Indonesia



I want to treat everyone with respect.

Ayaka Ishikawa
Lintec Commerce, Inc.



I want to value each and every customer.

Yosuke Tsuchiya
Lintec Customer
Service, Inc.



I have realized that honesty among people is universal, despite regional or racial differences.

Yohei Noguchi
Lintec Europe B.V.



Creativity Be committed until you succeed

Being in a position to supervise production, I value an attitude of enjoying the manufacturing process and being particular about details, an inquiring mind, and passion.

Koji Koyama
Director, Senior
Managing Executive
Officer



I believe it is crucial to quickly understand the changes of the times and markets and meet customer expectations.

Kazuyoshi Ebe
Director, Managing
Executive Officer



Perseverance is particularly important in a highly technical field.

Derrick Tolly
Nano-Science &
Technology Center



I think that you will succeed if you work on something without receiving complaints from the testing to commercialization phases.

Piyapong Thongsong
Lintec (Thailand)
Co., Ltd.



I believe that keeping on doing something without giving up is the fastest way.

Tomohiro Suzuki
Lintec Services, Inc.



You will succeed if you dedicate yourself to sincere work!

Le Nguyen
Lintec Hanoi Vietnam
Co., Ltd.



I don't want to compromise in developing better new products.

Yuki Nito
Research Center



If you succeed in achieving a goal, you can reach an even higher stage.

Stanley Low
Lintec Singapore
Private Limited



"Sticking to" is what Lintec is all about.

Manami Suenaga
Nagoya Branch



Bring "what you want to try" into reality.

Daiki Ishizue
Mishima Plant



Creativity

Be proud of being unique

It's important to act together with customers, group companies, and suppliers.

Joanne Celis
Lintec Philippines
(Peza), Inc.



You cannot create new ideas unless you are unique.

Shigeo Imaji
Komatsushima Plant



Everyone has an unlimited supply of unique ideas and creativity.

Yasushi Mima
Fuji-Light, Inc.



Highlight 1

What Individual Employees Think about the LINTEC WAY

Creativity

Look for connections to potential everywhere

Sincerity

Please people

Together with my colleagues, I will make the company a pleasant place to work.

Ma Haeri
Lintec Korea, Inc.



All people are the most valuable assets for the organization.

Ankit Gupta
Lintec India Private Limited



It's my pleasure to do a job that is appreciated by people.

Daisuke Shimizu
Printec, Inc.



We need to be a good listener for our customers.

Nguyen Hoang Cuong
Lintec Vietnam Co., Ltd.



Your satisfaction is our priority!

Mok Yean Ni
Lintec Kuala Lumpur SDN. BHD.



The rule is close to my principle about work: Give people hope, give people confidence, give people pleasure, and give people convenience.

Li-Ting Sun
Lintec Advanced Technologies (Taiwan), Inc.



I believe that pleasure, or a smile, is the most important thing in life.

Takashi Yamada
Tatsuno Plant



Small pleasures motivate me.

Yuri Imano
Iidabashi Office (Converted products Sales Dept.)



I want to say "thanks" to a lot of people.

Hidehisa Karasawa
Agatsuma Plant



When I find pleasure, my work is rewarding.

Noriyuki Yamagishi
Sapporo Branch



I want to see people smiling.

Saori Tsuchida
Tokyo Lintec Kako, Inc.



To build positive relationships with customers, you have to listen to customer feedback.

Tee Yih Long
Lintec Advanced Technologies (Malaysia) SDN. BHD.



Sincerity

Be a giver

All employees give with a "Yes I Can attitude"

Nattha Milos
Madico, Inc.



I'm proud to be part of a company that values the community.

Krystal Adachi
Lintec of America, Inc.



I want to be a person who has peace of mind.

Nao Kuwaoka
Doi Plant



I want to be a person who can give people pleasure and peace of mind.

Miho Nagase
Hokuriku Branch



I want to serve and help people altruistically*.

Hideaki Nonaka
Ina Technology Center



I'm satisfied when I give something to people.

Tatsuya Matoi
Kumamoto Office



Creativity

Think globally

We need to think globally to succeed globally.

Francis Zehentmeier
Lintec Advanced Technologies (Europe) GmbH



* Altruism: A way of thinking that gives top priority to other people's pleasure.

Creativity

Be resilient and take advantage of changes

In today's fast-changing world, our company has the potential to respond to the changes.

Shuji Morikawa
Director, Executive Officer



I want to be flexible to respond to changing needs.

David Lee
Lintec Printing & Technology (Tianjin) Corporation



I will take on challenges without being afraid of change.

Shusuke Ikarugi
Shingu Plant



The rule is essential to respond to new processes and proper quality for customers.

Gu Kai kai
Lintec Advanced Technologies (Shanghai), Inc.



Survive and continue to develop with flexible responses in the rapidly changing business environment.

Wang Nan
Lintec (Tianjin) Industry Co., Ltd.



Always get wired and ride the wave of the times, to conceive of the next big development.

Chen Chun-Liang
Lintec Hi-Tech (Taiwan), Inc.



We must not fall behind the changes in order to maintain our sustainability.

Ruby Ann Lavado
Lintec Advanced Technologies (Philippines), Inc.



Sincerity

Care about colleagues and family

I believe that the sound development of the company depends on the corporate culture that values colleagues and families.

Tsunetoshi Mochizuki
Director, Managing Executive Officer



I want to work with strong trusting relationships by valuing harmony among people.

Kim Myeong-Jin
Lintec Speciality Films (Korea), Inc.



All are indispensable "food" for doing a good job tomorrow.

Shuji Kiryu
Lintec Speciality Films (Taiwan), Inc.



I'm happy and proud to work for this company that focuses on harmony and trust.

Rozlan Bin Osman
Lintec Industries (Malaysia) SDN. BHD.



Feeling camaraderie is the starting point of organizational operation.

Mayumi Nojiri
Osaka Branch



I believe that solidarity between employees is crucial.

Afifatul Khoir
PT. Lintec Jakarta



I'm closely connected with colleagues in my office.

Kazuki Hiraguchi
Shikoku Branch



I try to respect my colleagues and suppliers so that we all can enjoy work.

Lee Han Na
Lintec Advanced Technologies (Korea), Inc.



My family, colleagues, suppliers ... each and every one is a valued comrade.

Sachihiko Okamura
Hiroshima Branch



Thinking about What LINTEC Aspires to Be by 2025

At the Lintec Group, we strive to fulfill our CSR with all employees in the Lintec Group proactively thinking, taking the initiative and conducting activities with a sense of unity.

With the goal of helping individual employees understand the Lintec Group's CSR to make Lintec a company that continues to be trusted by society, we held workshops in August and September 2014 to discuss what Lintec aspires to be by 2025.



Thinking of CSR as One's Own Issue to Remain a Sustainable Company

With the globalization of management, in fiscal 2014, the Lintec Group steered its CSR activities toward global standards, including identifying materiality (see page 8).

In order for the Lintec Group as a whole to conduct CSR activities with a sense of unity in line with the globalization of its activities, it is crucial for individual employees to proactively consider how they will carry out the activities.

Accordingly, in August and September 2014 Lintec held workshops titled "Thinking About What LINTEC Aspires To Be by 2025" to help employees think about CSR as their own issues.

With the help of external lecturers, each workshop was attended by 36 employees who discussed the ideal vision for Lintec in 2025.

New Awareness and Future Initiatives for Lintec in 2025

At the workshops, employees from various departments were grouped into six teams to work on three-part group work.

In parts 1 and 2, the participants listened to lectures on what CSR is and indicators for measuring gaps. In part 3, which was designed to make CSR one's own issue, each team used the backcasting method* to think about an ideal vision for Lintec in 2025 and exchanged opinions on how to attain the ideal. Subsequently, each team discussed what individuals should do and suggested ideas for drawing up an action plan. After the group work, all teams gave a presentation and received comments to share their ideas among all participants. Opinions presented by the teams on an ideal vision for Lintec in 2025 included "further expanding overseas operations and establishing new businesses" and "being a company where all employees understand the same direction and share a vision."

* Backcasting method: A method to think about an ideal situation for the future and think backwards about what to do to attain the goal.

Workshop program

1st workshop: August 5, 2014 (Tue), 2nd workshop: September 2, 2014 (Tue)

Part 1 Getting Future-oriented

Lecture 1: What Is CSR?

Lecture 2: What Is Sustainable Society?

Group work:

Picture an ideal society in 2025.



Participants from various departments

Part 2 Developing Indicators for Measuring Gaps

Lecture: What Are Indicators for
Measuring Gaps?

Group work:

Develop a sustainability indicator



The lecturer giving advice

Part 3 Making CSR One's Own Issue

Group work:

- 1) Discuss an ideal of Lintec in 2025
- 2) Develop an indicator for measuring the gap between Lintec in 2014 and Lintec in 2025
- 3) Develop an action plan



Each team giving a presentation

Participants' voices

- I had imagined myself ten years from now as my personal goal, but not my company in ten years. So, the workshop was a good experience.
- I had never tried the method of thinking about the present based on an ideal future. It was very helpful.
- I had never participated in such a workshop. It gave me a chance to deeply think about CSR.
- The workshop gave me a chance to recognize the importance of thinking about CSR in-depth as my own issue, not someone else's.
- It helped me to understand that CSR is not a mindset but something we must practice.
- I realized once again that we should be aware of an ideal and make efforts daily.

Some participating employees said, "The workshop helped me think about actions I should take from now on," and "I realized that whether or not we all can share the same view of sustainable society is a big challenge." The external lecturers commented, "Within the limited time, participants provided their honest ideas about what the Lintec Group should be. I hope that Lintec will continue such cross-sector dialogues to take new initiatives for active CSR."

The workshops provided employees in various positions,

regardless of age or section, with a precious opportunity to think about and share the Lintec Group's CSR and what Lintec aspires to be by 2025.

Based on these workshops and its principle of fulfilling CSR through all employees proactively thinking, taking the initiative and working with a sense of unity, the Lintec Group will plan workshops for specific initiatives in order to practice aggressive CSR through its business.

Comment by a Participant

I used to think that CSR activities are corporate-level activities or charity. However, the workshop helped me to realize the importance of accumulating and achieving immediate goals to attain sustainable growth. It is me who walks the LINTEC WAY. I will set the goal of active CSR, which is generated by giving pleasure and being aware of sincerity as a

working person and by aspiring to be creative as a researcher. The workshop was a good opportunity to change how I look at CSR.

Tadahiro Tomino

Team Leader, Adhesive Material Laboratory,
Product Research Department, Research Center



CSR Themes, Targets, and Performance

In order for Lintec to achieve sustainable growth together with society, the company must not only ensure legal compliance, it must also undertake various efforts to meet the demands of society. Committees composed of cross-organizational members matched to the company's basic CSR approaches promote CSR activities.

Fiscal 2014 CSR Themes, Targets, and Performance

	Basic Commitment	Theme	Fiscal 2014 Targets
Corporate Ethics	Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day	<ul style="list-style-type: none"> All employees behave as good citizens with self-awareness Aspire to be a company trusted by society by ensuring thorough compliance 	<ul style="list-style-type: none"> Promote ethics through interactive participation frameworks Optimize and familiarize management rules (information security, personal information, business secrets, etc.) Expand and deepen ethics by promoting activities based on employee proposals
Customer Satisfaction	Provide a stable supply of products and improve quality management and service based on the key concepts of assuring customers of reliability and fulfilling responsibilities	<ul style="list-style-type: none"> Produce (development) Create (quality/production) Sell (communication/operations) 	<ul style="list-style-type: none"> Promote the launching of design reviews Produce low-cost good products Visualize environmental activities Work on manufacturing based on global standards Work on manufacturing with confidence Pass technologies onto the next generation Grasp market and industry trends Promote cross-sector information exchange Develop human resources Penetrate the corporate culture
Safety, Disaster Prevention, and Health	Proactively develop workplace environments where people can work with security, based on the concept of improving employee satisfaction	<ul style="list-style-type: none"> Take actions for BCMS (review/follow up the Procedure Manual) 	<ul style="list-style-type: none"> Thoroughly revise the Disaster Response Procedure Manual in line with practice
		<ul style="list-style-type: none"> Establish immediate workplace safety and a health promotion framework Provide mental care for employees 	<ul style="list-style-type: none"> Maintain and manage the occupational safety and health management system Enhance the mental health support system Promote employee health
		<ul style="list-style-type: none"> Take security measures for expatriate employees and employees on overseas business travel (sickness, disaster, riot, etc.) Take measures to prevent sickness in Japan 	<ul style="list-style-type: none"> Share safety information with EM Committee*1 and secure safety Establish means of communication Reduce the number of employees infected with influenza
		<ul style="list-style-type: none"> Establish measures against long working hours and encourage the taking of annual paid leave 	<ul style="list-style-type: none"> Decrease the number of employees working long hours Establish effective measures for employees working long hours Establish measures to encourage employees to take annual paid leave
		<ul style="list-style-type: none"> Establish a system for safe commuting by bicycles 	<ul style="list-style-type: none"> Secure the safety of employees commuting by bicycle (mandatory registration, insurance enrollment and rule setting)
Social Contributions	As a good corporate citizen of both the local communities where we operate and the international community, help solve social challenges and carry out realistic activities that contribute to the sustainable development of societies	<ul style="list-style-type: none"> Sustainable activities Community-based activities 	<ul style="list-style-type: none"> Interact with local communities Expand and firmly continue activities Raise employees' willingness to participate in activities and support their participation
Investor Relations*2	Conduct management that emphasizes shareholders and investors, and improve the corporate brand	<ul style="list-style-type: none"> Increase valuation in the stock market (appropriate stock pricing) and attempt to improve corporate and shareholder value 	<ul style="list-style-type: none"> Promote the new medium-term business plan Cultivate and strengthen relationships with investors and securities analysts Strengthen relationships with shareholders and recruit new individual investors Distribute information and strengthen communication
Environmental Preservation	As a materials manufacturer, conduct company-wide activities in R&D, production, and other areas based on the principle of reducing environmental impact and effectively using resources	<ul style="list-style-type: none"> Ensure thorough compliance 	<ul style="list-style-type: none"> Strict management of legal compliance
		<ul style="list-style-type: none"> Enhance environment-related PR and education 	<ul style="list-style-type: none"> Release 20 issues of Eco News
		<ul style="list-style-type: none"> Conserve biodiversity 	<ul style="list-style-type: none"> Develop an action plan in each site
		<ul style="list-style-type: none"> Develop environmentally friendly products 	<ul style="list-style-type: none"> 12 development projects a year that satisfy the Lintec LCA Standard*3
		<ul style="list-style-type: none"> Reduce CO₂ emissions 	<ul style="list-style-type: none"> Reduction target: 205,000 tons/year or less
		<ul style="list-style-type: none"> Reduce energy use 	<ul style="list-style-type: none"> Improve the specific energy consumption by 3% (compared to fiscal 2013)
		<ul style="list-style-type: none"> Reduce disposal costs for industrial waste 	<ul style="list-style-type: none"> Waste discharge: 29,000 tons/year or less
		<ul style="list-style-type: none"> Ensure thorough management of chemical substances 	<ul style="list-style-type: none"> 50 self-audits conducted by suppliers a year
<ul style="list-style-type: none"> Reduce release of VOCs to the atmosphere 	<ul style="list-style-type: none"> Target: 910 tons/year or less 		

*1 EM stands for Emergency Management, an organization to ensure the safety of employees stationed or dispatched in overseas sites.

*2 IR stands for Investor Relations and represents corporate activities through which companies provide shareholders and investors with corporate information, including management and financial information and business results. The Investor Relations Committee was dissolved in fiscal 2014 in order to create a better organization.

We strive to fulfill our corporate social responsibility (CSR) with all employees in the Lintec Group proactively thinking and taking the initiative based on our company motto "Sincerity and Creativity." In fiscal 2014, we held CSR study sessions and CSR workshops on the LINTEC WAY that shows an ideal vision for Lintec based on the company motto, with the goal of helping employees think of CSR as their own issue. We believe that CSR initiatives should be reflected on

personal social responsibility (PSR) and so we provide individual employees with opportunities to realize personal growth. We conduct CSR activities in a way that allows both the company and individuals to realize their growth with a sense of unity to achieve the sustainable growth of the Lintec Group.

Toru Maki General Manager of CSR Management Office

◎ Achieved substantially ○ Achieved △ Not achieved

Progress	Main Activities in Fiscal 2014	Fiscal 2014 Performance
○	<ul style="list-style-type: none"> Continued the "Rinri Kawaraban" ethics news column and published a booklet Provided e-learning courses "Active Women," etc. Conducted self-audits on information security Drafted revisions to the Sexual Harassment Prevention Rules and the Punishment for Drunk Driving 	Corporate Governance Practicing Sincerity pp. 20–21 Organizational governance/ Fair operating practices †
○	<ul style="list-style-type: none"> Provided an e-Learning course "Design Review" Started to share information on production technology specific to each production site Planned briefing sessions on finance and accounting for 10th-year employees and section chiefs Provided a briefing session on CS and the company motto during new employee training 	Social Report Providing Value to Customers Cooperating with Suppliers pp. 22–23 Human rights/ Consumer issues/ Fair operating practices †
○	<ul style="list-style-type: none"> Read through the Disaster Response Procedure Manual and practiced part of it Continued implementation of the occupational safety and health management system Conducted mental health checkups Conducted health care activities, with payment of a health-promoting allowance Used the Overseas Risk Management Manual and conducted drills Conducted safe driving workshops 	Together with Employees pp. 24–27 Human rights/ Labour practices †
○	<ul style="list-style-type: none"> Implemented community clean-up activities (2,813 employees) Participated in local festivals Participated in a campaign against local organized crime in Itabashi (2 employees) Took initiatives to support persons with disabilities Made monetary donations for the victims of the Great East Japan Earthquake Hosted plant and facility tours at six business sites (685 visitors) Employees made blood donations (581 employees) 	Together with Local Communities p. 28 Community involvement and development †
○	<ul style="list-style-type: none"> Held more than 150 IR meetings and accepted interviews with institutional investors and securities analysts in Japan Made one visit to Europe and North America, respectively, to meet with institutional investors at a total of 24 companies Participated in 3 IR events in Japan for investors from outside Japan and held IR meetings with a total of 13 companies Enhanced the provision of information through a shareholder newsletter and IT website 	Stakeholder Communication p. 11 Organizational governance/ Community involvement and development †
◎	<ul style="list-style-type: none"> Conducted mutual internal audits to confirm environmental compliance at each site 	Environmental Report pp. 29–36 The environment †
○	<ul style="list-style-type: none"> Achieved the target by releasing 22 issues 	
○	<ul style="list-style-type: none"> Each site participated in local community activities 	
○	<ul style="list-style-type: none"> Achieved the target by developing 23 products 	
○	<ul style="list-style-type: none"> Achieved the target with 202,000 tons/year 	
○	<ul style="list-style-type: none"> Achieved the target with a 4.6% improvement compared to fiscal 2013 	
△	<ul style="list-style-type: none"> Did not achieve the target with 29,110 tons/year 	
○	<ul style="list-style-type: none"> Achieved the target with 50 audits conducted 	
○	<ul style="list-style-type: none"> Achieved the target with about 903 tons/year 	

*3 LCA (Life Cycle Assessment): A method for comprehensively assessing effects on the environment by calculating items such as the amount of energy and water input, the amount of raw materials used, and the amount of CO₂ and hazardous chemical substances emitted throughout a product's lifecycle.

† One of the seven core subjects of ISO 26000. This guide is referenced when reporting Lintec's CSR activities.

Practicing Sincerity

As expressed by the Lintec Group’s company motto, “Sincerity and Creativity,” corporate ethics and compliance are themes of paramount importance in business management. They are positioned at the foundation of CSR in the group’s efforts to strengthen its management structure.

Corporate Governance

The Lintec Group regards the basics of corporate governance to be the practice of thoroughgoing compliance, maximum management transparency, awareness of corporate ethics, rapid decision-making, and efficient administration of business operations. The Lintec Group aims to increase its corporate value by continually improving its corporate governance.

Corporate Governance Framework

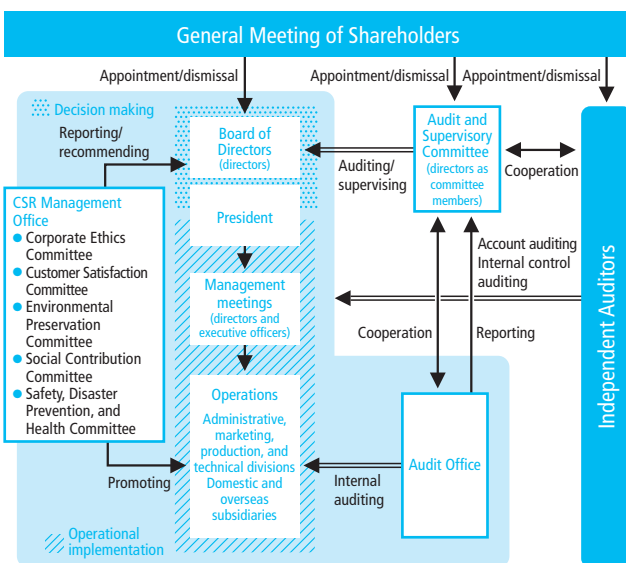
In addition to introducing one-year terms for directors to help clarify their responsibilities, the adoption of an executive officer system has separated decision-making from business operations in order to activate the Board of Directors and speed up decision-making, and thus improve management efficiency.

At an ordinary shareholders’ meeting on June 24, 2015, Lintec became a company with an audit and supervisory committee*1 as a measure to enhance the supervisory function of the Board of Directors.

The Audit and Supervisory Committee comprises one internal director and three outside directors as Audit and Supervisory Committee members. With the new executive officer system, Lintec has a total of four outside directors.

Under this framework, we aim to step up corporate governance and improve management further.

Corporate Governance System



Compliance

All employees at the Lintec Group are committed to disciplining themselves based on the corporate motto of “Sincerity and Creativity.” In February 2015, we conducted a compliance survey with officers and managers (response rate: 79.1% in 2015, compared with 85.7% in 2014, 89.3% in 2013 and 68.6% in 2012).*

“Compliance self-check sheet” and “compliance training materials” are published in the Lintec intranet, available to all employees. Employees use these materials to check their conduct. They also use the materials for compliance learning activities in their departments.



Compliance training


Global Surveys on Human Rights and Labor Standards

In February to March 2015, the Lintec Group conducted all-site survey to check labor conditions and human rights in all group companies and sites.*

As a result of the survey covering legal compliance, elimination of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe/healthy working environment and human resource development, it was confirmed that all sites comply with local and regional laws and regulations, that the Lintec Group Compliance Guidelines are well understood by employees and that Lintec employees work in a healthy and safe working environment where their fundamental human rights are respected. We will continue this regular survey every year to understand our current conditions, and improve them.

Compliance with the Antitrust Law & Prevention of Corruption

In 2013, we created our Antitrust Law Compliance Manual and distributed copies. We also conducted training sessions four times based on this manual, issued an internal legal newsletter “Antitrust Law,” and provided an e-learning program on the Antitrust Law to educate employees about the law.

We also covered the Guidelines for the Antitrust Law in our Compliance Guidelines distributed in April 2014. 

*1 A company with an audit and supervisory committee: A stock company where its audit and supervisory committee, comprising more than three directors (with outside directors as a majority) as committee members, audits and supervises how directors administer business operations.

*2 BCMS: stands for a Business Continuity Management System. It is a management technique to develop a business continuity plan, based on the understanding of the current conditions of

the organization, to ensure that the businesses are continued in the event of a serious incident (see page 23) that will or may have grave impact on major products/services of the organization. Drills are also performed to validate the effectiveness of the BCP.

*3 BCP: A plan developed in advance to enable the minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

Awareness Raising with the Compliance Guidelines

At the Lintec Group, we issue a code of conduct booklet, "Compliance Guidelines," to enhance each employee's compliance awareness.

In April 2014, we revised this booklet and held CSR study sessions both in and outside Japan. We held 98 study sessions around the world, which were attended by a total of 3,210 employees.



Total participants in CSR study sessions (in/outside Japan)

3,210 employees

Fostering Sense of Ethics

Since 2006, Lintec has published *Rinri Kawaraban* ethics news column on its intranet. The column features a short haiku-like poem with an additional explanation to illustrate standards for ethics and conduct. The aim is to foster even better ethics and adherence to the Compliance Guidelines. As of April 1, 2015, we have published an aggregate total of 200 poems on the column.

The poems are also compiled and published once a year as a booklet. Volume 8 of the booklet was issued in March 2015. The poem compilations are also shown to suppliers and customers as an example of Lintec's CSR initiatives.



Risk Management

The Lintec Group strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance.

We also identify risks on a quarterly basis to understand the situations within the company and improve our risk management ability.

Establishing group-wide BCMS*2

Lintec Corporation and Tokyo Lintec Kako, Inc. have developed a BCP*3 to be able to continue to supply products and resume business as early as possible after an earthquake or other disaster. On March 11, 2014, they became certified under an international BCMS standard, ISO 22301:2012*4.

To spread BCMS among all employees, we are holding BCMS study sessions and making efforts to activate and enhance drills at each site. We will repeatedly make voluntary improvements to enhance the actual systems.

Information Security Management

Lintec conducts internal audits in each department based on detailed regulations on information security and an internal audit checklist. In November 2014, our Corporate Ethics Committee conducted a self-audit on information security. As a result, Lintec scored 4.6 on a 5-point scale as its national average. The high score confirmed that each department properly understands the contents of the Information Security Management Regulations.

Helpline

Lintec has a helpline (internal reporting system) for employees to obtain consultations on legal violations and other workplace worries. In April 2008, Lintec added a third-party corporate lawyer to the helpline system, to facilitate prompt consultations and investigations. Efforts have been made to raise internal awareness of the helpline in order to encourage its use, including mentioning it in the Compliance Guidelines. The goal is to quickly identify and solve problems.

Starting April 2015, we launched a global helpline that accepts reporting in English in order to cover group companies outside Japan.

Establishing Global Governance

Voice
01



Toshio Yamamoto, Director, Audit and Supervisory Committee Member

To reinforce and establish the global governance framework, the Lintec Group specifies operational rules for affiliates. Additionally, to strengthen the management systems of group companies in and outside Japan, we provide support and guidance on overall management by designating a department in

charge for each group company. The Internal Audit Office and members of the Audit and Supervisory Committee cooperate to identify issues concerning internal control and compliance and take corrective measures to strengthen global governance.

*4 ISO 22301: An international standard for BCMS that a corporation or organization should follow in establishing and effectively operating a system to prepare for earthquake, fire, trouble in the IT system, financial crisis, bankruptcy of supplier, pandemic, or other natural disaster or accident.


Regarding the asterisk *, see page 1.

WEB See the CSR website for more information on the following:
Compliance with the Antitrust Law & Prevention of Corruption

Providing Value to Customers

The Lintec Group strives to provide a stable supply of products, to ensure thorough quality management, and to improve its services in order to meet the expectations of customers.

Quality Assurance

The Lintec Group is committed to manufacturing based on the company motto "Sincerity and Creativity" and with individual employees remaining aware of quality, the environment and safety. We are addressing challenges in manufacturing, with the goal of delivering safe, reliable products to customers. 

Quality Assurance System

The Lintec Group has established a quality assurance system based on certification by the international standard ISO 9001*1, and is actively working to acquire even greater integrated certification, as well as certification for new sites. In fiscal 2014, Lintec (Thailand) Co., Ltd. became certified. The Group is developing a global management system by the integration of the Hiratsuka Plant into the Industrial and Material Operations in Japan, as well as the consolidation of Lintec Speciality Films (Korea) and Lintec Speciality Films (Taiwan) and the addition of the St. Petersburg Plant of U.S.-based Madico outside Japan.

Acquisition of ISO 9001 certification*

	FY2012	FY2013	FY2014
Number of sites certified	22	21	20

Improving Customer Satisfaction

Quality Education

To ensure high-quality manufacturing for customer satisfaction, the Lintec Group operates a quality management system (QMS), an environmental management system (EMS) and a business continuity

management system (BCMS)*2 based on ISO standards. Employees must understand these systems and enhance their awareness to facilitate operation of the standards. Accordingly, the company provides employees with opportunities to participate in related seminars and distance-learning programs provided by outside parties, as well as in-house education, including e-learning programs, and on-the-job training (OJT). In fiscal 2014, Lintec provided a total of 12 in-house programs (excluding OJT). A total of 3,784 employees took these programs.

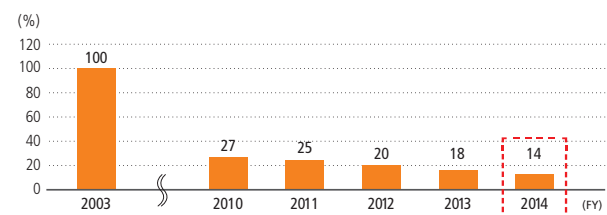
Total participants in quality education program

3,784 employees

Preventing Quality Incidents

The Lintec quality management system (QMS) follows the principles of ISO 9001 to eliminate quality incidents. We have established the management system to communicate information rapidly in the event of quality incidents. Necessary information will be provided immediately to related sites to enable them to respond quickly. We accumulate and share information in order to take preventive measures.

Ratio of quality accidents to the number recorded in fiscal 2003
(Fiscal 2003 = 100%)



Voice
02



Ranked High at a Quality Improvement Presentation

LIN YI CHING, Assistant Section Manager, Production Section, Lintec Speciality Films (Taiwan), Inc.

At the request of a business partner, we participated in their QCC activity*3 as its supplier. Nine teams, including our team, were selected out of 51 teams to give a presentation at a final activity results presentation event, and we ranked high at No. 4.

We will continuously utilize what we learned through the initiative to improve quality further.

*1 ISO 9001: the international standard for quality management systems

*2 BCMS: See page 20.

*3 QCC activity: QCC stands for quality control circle, and QCC activities aim to solve quality management issues continuously by discussing and taking measures to maintain proper levels, improve efficiency and make improvements in small groups.

*4 REACH Regulation: a chemical substance regulation in the EU on the "Registration, Evaluation, Authorization and Restriction of Chemicals." Registration is required when exporting a chemical substance into EU states in quantities of one metric ton or more per year. Notification must also be submitted to the authorities when a chemical substance falling under the category of "candidate for required authorization" is present in a product at more than 0.1 percent of the mass of the object.



Cooperating with Suppliers


The Lintec Group strives to engage in fair, highly transparent transactions, always pursuing seamless cooperation and mutual benefit with suppliers.

Fair Transactions

The Lintec Group has a basic policy for fair and transparent transactions based on the principle of free competition between all suppliers, and ensures legal and ethical compliance in its procurement activities. Considering all suppliers as “partners who should grow together with Lintec,” we work to establish trustful relationships with them. When selecting suppliers, we open the door to all companies and carry out fair and impartial evaluations, including their quality, price, delivery time, stability of supply, technology, service and environmental protection and CSR initiatives.

CSR Procurement

The Lintec Group requests suppliers to understand the Lintec Procurement Policy, and reminds them on various occasions to maintain thorough CSR activities, including measures to ensure human rights, occupational health and safety, product quality and safety, information security, and corporate ethics. The Lintec Group has transactions with about 500 material suppliers. In fiscal 2014, we asked the top 50 material suppliers* to complete a questionnaire and all of them did so. We use the survey results to evaluate suppliers and ask them to make improvements if necessary. In fiscal 2014, no suppliers needed further improvement.


This supplier survey will be continued in the future to confirm their status and to improve the procurement by Lintec based on the result of the survey. 

Suppliers

2,799

Green Procurement

For procurement with lower environmental impact, the Lintec Group is committed to thorough chemical substance management for raw materials, parts, and secondary materials following the Lintec Green

Procurement Policy. It requires suppliers’ understanding as well as their environmental protection activities and control of chemical substances. Not only when we purchase a new material from a supplier but also when new regulations are enforced, we ask suppliers to cooperate with our examination to check whether their materials contain any regulated substance. In fiscal 2014, we conducted a survey on about 12,000 raw materials as to whether they contain substances regulated under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation*4. To ensure green procurement, we will continue to enhance communication with suppliers and conduct these examinations quickly and accurately. 

Conflict Minerals*5

Lintec recognizes that conflict minerals, mined to fund armed conflict, are a serious social problem. The company investigates and ensures that no conflict minerals are present in any of its raw materials. Lintec will continue to conduct procurement management that avoids the use of conflict minerals.

BCP with Suppliers

The ability of suppliers to continue their businesses in the event of a disaster is critical for Lintec to secure the stable supply of its products to customers. Lintec conducts evaluation of the suppliers to determine their business continuance ability. In fiscal 2014, Lintec started to evaluate suppliers for all products to confirm the following statuses: (1) the stock volumes of the raw materials for Lintec, (2) procurement routes for the raw materials, (3) disaster control measures taken in their production sites and facilities, and (4) availability of a substitute production site.

Lintec also conducted examinations of some suppliers to confirm whether they had BCPs and a management system to implement the BCPs, and whether they had organizations and procedures to cope with an incident*6. All our suppliers will be subject to these examinations in the future.

Voice
03



Strengthening Cooperation with Suppliers

Doreen Sabatino, Senior Sales Administrator, Operation & Sales, Specialty Films, Madico, Inc.


Madico holds Suppliers’ Day to strengthen cooperation with its suppliers. At the third Suppliers’ Day held in May 2014, we explained our management strategy, production system and quality management to 55 participants from 42 suppliers.

At the event, we also presented supplier awards to recognize their achievements over the past year. We will continue working to enhance cooperation with our suppliers to improve our products and services.

*5 Conflict Minerals: Conflict minerals defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act include tantalum, tin, tungsten and gold.

*6 Incident: a situation which cause or may cause business interruption, disturbance, loss, emergency or hazard

Regarding the asterisk *, see page 1.

 See the CSR website for more information on the following:
Lintec Group Quality, Environmental and Business Continuity Policies; Product Information Disclosure; Participation in Exhibitions in/outside Japan; Lintec Procurement Policy; Lintec Green Procurement Policy; Lintec Lumber Pulp Procurement Policy; Green Pulp Way; and ITC Suppliers’ Day



Together with Employees

Creating a Rewarding Workplace (Human Rights / Employment)

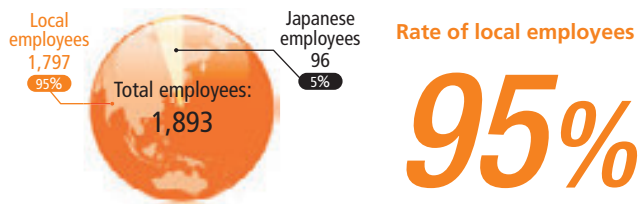
The Lintec Group has been carrying out a variety of initiatives to support all employees who perform their jobs with energy and inspiration.

Respecting Human Rights and Diversity

The employees of the Lintec Group are working together based on the company motto, "Sincerity and Creativity." To ensure that all employees may find their work equally rewarding, the group respects the diversity*¹ of every employee and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality or age. Lintec joined the UN Global Compact, which seeks to eliminate the use of child and forced labor, in 2011. The group aims to continue its growth based on mutual understanding and respect between all employees.

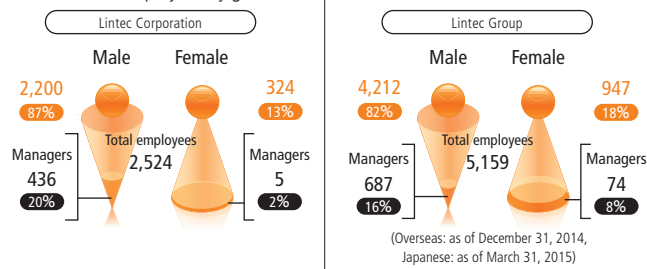
Employment*

■ Employees at group companies outside Japan



* Scope: All overseas group companies (as of December 31, 2014)
 † Japanese employees hired locally are included in the number of local employees
 ‡ Japanese employees indicates employees transferred from Japan

Number of employees by gender



Respect for Human Rights in Labor Management and Education

The Lintec Group believes that compliance forms a foundation for its activities and thoroughly adheres to both social rules and relevant

laws and regulations in and outside Japan. This also applies to the recruitment and treatment of employees. Labor management is performed in accordance with relevant laws. Unfair discrimination, child labor, and harassment are prohibited. Education on human rights is also provided. Lintec provided 32 new employees who joined the company in fiscal 2015 with the "UN Global Compact and CSR" training.



Education session for new employees

Employment of Persons with Disabilities

Lintec provides employment opportunities to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2014 was 1.78 percent, which was below the legally mandated rate of 2.0 percent.

On April 1, 2015, the Operation Support Office was established under the Human Resources Department, and launched an initiative for supporting the operations of each department by creating an environment where tasks requested by each department can be carried out, and for employing persons with disabilities. [WEB](#)

Re-hiring Programs

To provide employees with more working style options, Lintec introduced two re-hiring programs. Under the job return program, Lintec re-hires employees who had retired for personal reasons such as childbirth, childcare, nursing care of a family member, or other family circumstances such as the transfer of spouses to a different work location. Under the retiree re-hiring program, Lintec re-hires employees who reach the mandatory retirement age of 60 if they wish to be re-hired, and signs employment agreements with them on a yearly basis up until the age of 65. In fiscal 2014, Lintec re-hired 22 of 37 retiring employees. [WEB](#)

Voice 04



For a Comfortable and Rewarding Workplace

Mayumi Murakami, Team Leader, Human Resources Department, Head Office

After returning to work from childcare leave, I started to work as a member of the Secretariat of the Active Women's Work Committee to Empower Women in the Workplace. It is the first step to creating a workplace that not only empowers women but also enables employees with diverse lifestyles and opinions to

maximize their abilities.

I intend to actively express my opinions to develop a workplace which all employees, including those aged 60 and older, those with challenges, and those from various countries, find a comfortable and rewarding place to work.

*1 Respecting diversity: By respecting diverse characteristics that exist among people and groups, it is possible to generate more original ideas, solve problems using diverse perspectives, and allow people to display their full potential by appointing the best person for each job.

Work-life Balance

Lintec is working to help employees to balance their professional and personal lives by creating workplace environments where employees are able to perform their jobs with peace of mind and exercise their full abilities. Lintec offers an accumulated time-off program that can be used either for long-term treatment of an employee's own illness or injury or for caring for a family member. There is also a paid social contribution time-off program that allows employees to participate in local volunteer activities. Lintec extended the application of the childcare leave from a child below the age of three to a child before school age. The period of the family care leave was also extended from 93 days to two years (730 days).

Starting April 1, 2015, Lintec has also carried out activities in line with an action plan it drew up based on the Act on Advancement of Measures to Support Raising Next-Generation Children^{*2}. The company continues to create systems that help employees work with peace of mind. [WEB](#)

Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Target 1	We will improve the working environment to help employees achieve a work-life balance and to facilitate the use of assistance programs.
Measures	<ul style="list-style-type: none"> • We will discuss and enhance assistance programs for employees who are raising young children. • We will arrange interviews for employees with their supervisors to create an environment where it is easy to return to work, both for the returning employee and for their colleagues. • We will constantly publicize the program using the support system booklet and the intranet.
Target 2	We will create an environment that embraces employees with various lifestyles and opinions.
Measures	<ul style="list-style-type: none"> • We will conduct an internal questionnaire survey (on childcare, family care, working systems, etc.) to understand the current situation and discuss specific actions to take. • We will introduce planned annual leave, including anniversary leave, to encourage employees to take annual paid leave. • We will provide diversity training to raise awareness further.

Program users

(persons)

Programs	FY2012	FY2013	FY2014*
Family care leave program	0	1	1
Family care time off	2	3	1
Accumulated time off	51	61	65
Childbirth leave	16	16	14
Childcare leave	19	26	25
Child nursing care time off program	10	11	10
Shorter hours/flex time	10	21	28
Paid social contribution time off	26 (total of 54 days)	26 (total of 50 days)	26 (total of 47 days)

Measures against Working Long Hours

Lintec strives to make appropriate personnel appointments and to ensure equal sharing of workloads in order to prevent the harmful effects of working too many hours. The company has introduced systems for carrying out work efficiently and systematically, such as no-overtime-days in each workplace and flextime programs. Supervisors also manage overtime hours carefully to help employees avoid excessive strain on the body and mind. The company has also adopted an attendance

system that enables detailed labor management. The company provides employees with a mental checkup once a year to help them assess their stress level and manage their own mental health. [WEB](#)

Company-wide Rank-based Training Programs

With the aim of developing human resources that contribute to the company and society, Lintec has introduced company-wide rank-based training programs to develop its human resources. These programs enable all employees with diverse values to achieve personal growth and a sense of accomplishment. They help boost employees' skills and support each person's self-motivated career planning. [WEB](#)

Total participants in company-wide rank-based training programs*

527 employees

Environmental Education

Lintec Corporation and Tokyo Lintec Kako provide employees with e-learning courses for ISO 14001 awareness education. The courses in fiscal 2014 focused on energy and management of chemical substances used in Lintec products to help employees understand more about environmental initiatives. In addition to ISO 14001 awareness education, internal auditor training, and lectures on biodiversity, Lintec is working to raise suppliers' awareness. The "Lintec Environmental and Safety Information" available on the intranet covers topics related to environmental laws and regulations, explains terminology, and reports ISO 14001 activities to increase the environmental awareness of individual employees. [WEB](#)

Self-development Correspondence Training Courses

Twice a year, Lintec offers self-development correspondence training courses to interested employees. The Company subsidizes a part of the cost for those who complete a course within a given time frame. There is a wide variety of course content available, such as management, business skills, computer skills, foreign languages, liberal arts, and qualifications certificate programs. The Company will continue offering these courses to encourage employees to keep learning and growing. [WEB](#)

Voice
05



Balancing Work and Life with the Programs and Colleagues' Support

Mika Ebihara, Business Administration Office, Iidabashi Office

I'm using the shorter hours program to work one hour shorter to raise my two-year-old son. Balancing my work and life is sometimes difficult but very fulfilling. After I returned to work, I used some childcare-related assistance programs, for example, when I needed to take sudden leave because my son fell ill. I greatly

appreciate my supervisor, colleagues and family who understand and support me in balancing my work and personal life, as well as the enhanced corporate programs. I am keenly aware that their support allows me to keep on working.

*2 Act on Advancement of Measures to Support Raising Next-Generation Children: A law that encourages measures to support the development of the next generation and create an environment that makes it easier to give birth and raise healthy children on whose shoulders future society will rest, in light of the rapidly declining birth rate and changes in family and local environments surrounding children in Japan.

Regarding the asterisk *, see page 1.

[WEB](#) See the CSR website for more information on the following:
Employment Rate for Persons with Disabilities, Job Return Program, Employment of Older Persons, Management Labor Relations, Employee Assistance Programs, Mental Health Measures, Fiscal 2014 Rank-based Training Schedule, Fiscal 2014 Training Details and Numbers of Participants, CSR Study Sessions and Information Security Education, Total Participants in Fiscal 2014 Environmental Education, Lintec Environmental and Safety Information, Technology Familiarity Workshops, Number of Participants in Self-development Correspondence Training Courses, Language Training, Publication of the Community Magazine, and CSR Communication

Together with Employees

Safe Workplace Environments (Safety and Disaster Prevention)

The employees of the Lintec Group are engaged in a variety of activities so that everyone can work in safety and with peace of mind.

Occupational Safety

Occupational Safety and Health Policy

In 2010, the Lintec Group established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out business activities based on an occupational safety and health management system (OSHMS)*1.

At the corporate-wide level, a mutual safety audit plan is created. A fire preventive patrol plan is also created. At individual plants, annual safety and health plans are created. Plan-do-check-act (PDCA) cycles are used for these, based on the OSHMS. The Safety Consideration Committee, consisting of members engaged in safety activities in plants and members of the group-wide Safety Secretariat, develops and reviews group-wide safety rules. The Lintec Group will continue to promote activities for accident-free operation. [WEB](#)

Annual Safety and Health Plan

The Lintec Group develops an annual plan for safety and health activities. The Group manages health and safety through the implementation of PDCA cycles.

In fiscal 2014, mutual safety audits, fire prevention patrols, and top management patrols were conducted. Individual plants also carried out patrols by members of the plant's top management, managers, and the union, as well as employee volunteer patrols, while two group companies outside Japan (Lintec Indonesia and Madico) conducted fire prevention patrols. The company shared safety information with all sites, group companies in and outside Japan, and executive officers by distributing the minutes of the Safety and Health Committee meetings.

Actions included in the annual safety and health plan

- Meetings of the Safety and Health Committee
- Patrols
- Safety education
- Safety training and drills
- Inspection and measurement
- Measurement of work environment conditions
- Medical checkups
- Internal audit
- Management review

Safety and Health Committees & Health Committees

The Lintec Group holds monthly committee meetings to discuss safety and health in the workplace. In fiscal 2014, the Group reviewed the method used to distribute disaster flash reports and minutes of committee meetings, and started to distribute their English versions, as well as their Japanese versions, to implement safety management group-wide.

Committees for safety and health in workplaces

Committee	Scope	Activities
Safety and Health Committee	Plants and Research Center	<ul style="list-style-type: none"> ○ Implement plans ○ Share information on disaster conditions, implementation of safety education, results of equipment inspections, findings by patrols and improvement status
Health Committee	Head Office and branches that have a sales division	<ul style="list-style-type: none"> ○ Discussions on health issues, safe operations and disaster control activities

Accidents Resulting in Absence from Work

In fiscal 2014, two occupational accidents (resulting in lost work days) occurred at Lintec Group companies in Japan, leading to 81 days of absence from work. Although the number of accidents and days of absence from work have declined for two consecutive years, workers having fewer years of experience still tend to be involved in occupational accidents, and one of the accidents was caused by a moving rotating parts. We will continue to further clarify the safety rules according to work details, with the goal of reducing accidents to zero. (Overseas group companies are excluded.)

Occurrence of accidents resulting in absence from work

FY	FY2012	FY2013	FY2014
Number of accidents resulting in absence from work	6	4	2
Number of days of absence from work	361	245	81
Accident sites	Lintec and partner companies	Lintec and partner companies	Lintec

Voice
06



Conducted a Fire Drill with Partner Companies

Jin-Hee Kim, General Manager, Production Department, Lintec Korea, Inc.

On October 31, 2014, Lintec Korea conducted a company-wide fire drill with the participation of 68 persons (55 Lintec Korea employees and 13 persons from its partner companies). Assuming the scenario of a fire breaking out while handling a solvent, the drill covered the initial response, evacuation, rescue effort,

and firefighting using fire extinguishers and a fire hydrant. Although it was raining, all participants actively took part in the drill and learned that they must make decisions and take actions in a calm manner in emergencies, considering the importance of their own and their colleagues' lives.

*1 OSHMS: Stands for Occupational Safety and Health Management System. It is a voluntary management system operated by a business operator with an aim to improve the safety and health level of its business sites.
*2 Continuous accident-free hours: Total number of working hours with no occupational accidents (accidents not resulting in absence from work, accidents resulting in absence

from work, and accidents during commuting) involving Lintec or partner company employees working full time at a business site.
*3 5S: A slogan for workplace improving practices; "S" is the first letter of Japanese words "Seiri, Seiton, Seiso, Seiketsu, Shitsuke" (meaning organizing, clearing up, cleaning, cleanliness and discipline).

Striving to Be Accident Free

The Lintec Group has a system for recognizing plants in Japan with a continuous record of no occupational accidents. The Shingu Plant (including the Niihama Plant) achieved continuous accident-free man hours*2 of 1.5 million hours on September 2, 2014, and has remained accident-free for 1,728,520 hours as of March 31, 2015. The plant conducts monthly plant-wide safety patrols, enhanced safety patrols by each section that includes 5S*3, and promptly makes improvements when any issue is pointed out. Meanwhile, as part of its KYT activity*4, the plant has been striving to prevent disasters by referring to cases at other plants. All of these efforts resulted in increased safety awareness and recognition.

The Lintec Group companies in Japan are committed to making their working environments safer, with all employees carrying out activities using all five senses, identifying and evaluating risks through workplace risk assessments, with the goal of extending the record of continuous accident-free operation.

(Overseas group companies are excluded.)



Employees at the Shingu Plant and the award plaque

December 24, 2010 to March 31, 2015
Achieved continuous accident-free man hours (Shingu Plant)*

1,728,520 hours

Accident-free hours achievements in fiscal 2014 (April 1, 2014 to March 31, 2015)

Date achieved	Business site	Achievement (hours)	
2014	April 7	Agatsuma Plant	One million
	April 18	Research Center	1.5 million
	May 2	Mishima Plant	0.5 million
	July 29	Chiba Plant	One million
	September 2	Shingu Plant	1.5 million
	October 6	Research Center	1.75 million
	December 4	Mishima Plant	One million
	2015	January 15	Kumagaya Plant
March 20		Tatsuno Plant	0.5 million
March 25		Mishima Plant	1.25 million
March 26		Research Center	2 million
March 26		Agatsuma Plant	0.5 million
March 31		Shingu Plant/Tokyo Lintec Kako/Ina Technology Center	No accident in the year

Top Management Patrols at Production Bases

In pursuit of "ensuring safety-first" at all sites, President Nishio carried out top management patrols to visit and inspect plants worldwide. President Nishio also talked with employees while touring around production floors to check the conditions of the workplaces, including safety of the operations, and implementation of 5S. Each production site is implementing various improving measures based on the results of these top management patrols to further enhance the quality of the on-site safety management.



Inspection at the Tatsuno Plant

Disaster Control in BCMS

In planning prevention and mitigation of disasters in its BCMS, Lintec conducts risk assessment of disasters, placing top priority on saving human lives. All Lintec sites examine their operations and facilities to identify, analyze and assess risks of damages that may be caused by different types of disasters. It is stipulated in the BCMS rules that if it is found that disaster control in a site is not sufficient, the site should plan and take sufficient measures. Moreover, the concreteness and validity of these disaster control measures are checked and improved by carrying out disaster drills.

Emergency Drills

Each Lintec site carries out emergency drills as part of the BCMS, while taking measures to reduce disaster-related risks, including stocking emergency supplies and using satellite telephones to ensure multiple means of communication.

On October 20, 2014, a corporate-wide safety check drill was conducted, assuming an "earthquake of intensity 6 lower." About 3,600 persons from 26 Lintec sites and partner companies in Japan participated in the drill. Lintec will continue this type of drill several times each year.



Voice
07



Eliminating Accidents by Using Demo Machines

Motoshi Kondo, Section Manager, Administration Section, Mishima Plant

To eliminate accidents with rotating machines, the Mishima Plant produced two safety demonstration machines that allow employees to experience accidents: one machine for getting entangled and another for being dug into. These machines help increase safety awareness as employees realize the danger of touching

a moving rotating machine by experiencing the fear upon getting trapped and by seeing how a piece of wood breaks when caught by the machine belt. Other plants are now using these demonstration machines to prevent accidents involving rotating machines throughout the company.


*4 KYT activity: A drill to predict risks. KYT stands for the Japanese words "Kiken Yochi (risk prediction)" Training. To prevent accidents and disasters, drill participants work in small groups to predict potential risks of specific work and point them out.

Regarding the asterisk *, see page 1.

WEB See the CSR website for more information on the following:
Lintec Safety and Health Management System Organizational Chart, Lintec Occupational Safety and Health Policy, Overview of the Lintec Occupational Health and Safety Manual, Regular Safety Council Meetings, and Emergency Drill in Fiscal 2014

Together with Local Communities

(Community Participation)

The Lintec Group is supported by society and local communities. In recognition of this support, the group is engaged in various social contribution activities to fulfill its role as a corporate citizen. 

Ongoing Disaster Support

The Lintec Group has been making relief donations as an ongoing activity to support recovery after the Great East Japan Earthquake.

In fiscal 2014, the company started an initiative to raise funds for Ofunato City in Iwate Prefecture, which has signed a cooperation agreement with Itabashi Ward where Lintec's Head Office is located. Lintec and the Lintec Forest*1 respectively matched the donations made by Lintec employees, and the total was donated as a matching gift. The donation was used for a trial environment improvement project for a local junior high school to enhance local students' physical education and sporting activities. Lintec's Head Office also hosted a Fukushima Foods & Product Fair to support the recovery of Fukushima by economic activities. The company will continue various forms of reconstruction support activities in the future.



Ofunato vice mayor visiting Lintec



Fukushima Foods & Product Fair

Community Safety Activities

Two teams from the Ina Technology Center, one all-male and the other all-female, participated in an annual indoor fire hydrant competition held at the Ina Town fire department. At the event, representatives from businesses and organizations in the town compete in the skill of handling indoor fire hydrants. Thanks to hard practice, the female team was ranked third and one of its members was recognized as a valuable player. Ina Technology Center will continue to participate in the competition to improve awareness of disaster prevention together with local residents.

Support for Persons with Disabilities

In April 2014, Lintec invited persons with disabilities and their helpers living in Tokyo's Itabashi City (115 people in total) to a professional baseball game at Tokyo Dome—Hokkaido Nippon Ham Fighters vs. Fukuoka Softbank Hawks. This marked the eighth such event arranged by Lintec. The company received smiles and many words of thanks from participants who expressed their enjoyment of the game and a strong desire to participate again next year. Lintec will continue this kind of social contribution activity that brings joy to local residents.

Beautification Projects and Cleanups

The Lintec Group carries out neighborhood beautification projects and cleanups around all its factories. The Chiba Plant holds a Zero Litter Campaign around the Midori Daira Industrial Park where the plant is located, while the Kumagaya Plant conducts an Arakawa Riverside Cleanup along a nearby river. The Komatsushima Plant removes litter from the Yokosu shoreline as part of its Seto Inland Sea Restoration effort. As part of social contribution initiatives, the Lintec Group actively conducts cleanups with local residents to keep the environment in local communities beautiful. 



Kumagaya Plant employees cleaning up Arakawa Riverside

Total number of participants in community beautification/clean-up activities

2,813 employees

Voice
08




Donated Caps to Children in Africa

Han Yu Ra, Section Chief, Production Department, Lintec Speciality Films (Korea), Inc.

We participated in the "Caps for Good" campaign by an international NGO, Save the Children. Aiming to help infants suffering from hypothermia to survive in African nations where the temperature changes dramatically, the campaign requires donors to knit and send small caps.

Many of our employees voluntarily participated in the campaign and donated 39 caps they had knitted to children in Africa.

*1 Lintec Forest: Lintec's labor union

 See the CSR website for more information on the following: List of Lintec Group Social Contribution Activities, Group Blood Donation, Planting, Sponsoring of Local Festivals, Participation in Community Activities, Development of Next-generation, Community Beautification and Clean-up Activities in Fiscal 2014, Major Commendation for Environmental Activities, and Plant/Facility Tours in Fiscal 2014

Environmental Management

Under the slogan, "We have to broaden our scope when working to support the environment. There is only one earth," Lintec has established an environment management system and is carrying out a variety of environmental protection initiatives.

● Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group has established the Quality, Environmental and Business Continuity Policy. The policy was drawn up by adding a business continuity policy prepared for natural disasters and pandemics*² to the former quality and environmental policy, with the aim of fulfilling social responsibility from various perspectives. The Lintec Group conducts environmental preservation activities with clear goals, including medium-term targets for CO₂ emissions and electricity consumption. [WEB](#)

Lintec Medium-Term Environmental Targets (fiscal 2014 to 2016)

CO ₂ emissions	1.6% reduction from the previous year (per-unit of production)
Electric power consumption	0.2% reduction from the previous year (per-unit of production)
Waste discharge	0.1% reduction from the previous year
Production water usage	2% reduction from the previous year (per-unit of production)

● Integrated Certification for Environmental Management

The Lintec Group is pursuing acquisition of the global integrated certification*³ for ISO 14001. As a result of examinations for renewal and change carried out between November 2014 and January 2015, integration of the St. Petersburg Plant of U.S.-based Madico was certified. The integrated certification now includes 23 sites: Head Office, 10 plants in Japan, Research Center, Tokyo Lintec Kako and 10 overseas group companies. The Lintec Group will continue group-wide environmental protection activities to pursue integrated global certification for ISO 14001.

● Internal Environmental Auditing

Lintec conducts internal audits and mutual audits of its business sites, in order to confirm proper implementation of the Environmental Management System and legal compliance in these sites. Mutual site audits are conducted by employees who are certified lead auditors as a **Lead auditors in charge of site mutual audits** unique qualification of Lintec.

Lintec trained 11 new lead auditors in fiscal 2014, bringing the total to 175.

175 auditors

● Biodiversity Conservation Initiatives

As destruction of the natural environment has caused imbalances in ecosystems in recent years, the world is facing the collapse of biodiversity. The Lintec Group has incorporated biodiversity conservation into its Quality, Environmental and Business Continuity Policy, and accordingly conducted biodiversity preservation activities, led by 23 sites that acquired the ISO 14001 global integrated certification. Lintec will continue community-based activities at each site to promote the preservation of biodiversity.



Lintec Eco News for communicating information on biodiversity

Voice 09



Learning Biodiversity by Tending Flowerbeds

Shuifang Yang, EMS Secretariat, Lintec (Suzhou) Tech Corporation

To encourage its employees to understand biodiversity, Lintec (Suzhou) Tech Corporation made flowerbeds in September 2014. To allow all employees to take care of the flowerbeds, the flowerbeds were located on plant property and subdivided among each department.

Through taking care of flowers and observing insects flying toward them, we will increase awareness of biodiversity conservation.

*2 Pandemic: An occurrence of an infectious disease that affects many people on a global scale

*3 Integrated global ISO 14001 certification: ISO 14001 certification covering multiple business sites worldwide as a single organization

[WEB](#) See the CSR website for more information on the following: Environmental Compliance, and Lintec Group Quality, Environmental and Business Continuity Policies

Addressing Global Warming

The domestic Lintec Group is committed to carrying out various environmental activities to mitigate global warming, climate change and other environmental issues that impose risks on the continuity of its business.

● Efforts in Manufacturing

Status of Compliance with Japan's Energy Conservation Act

Energy use by the entire Lintec Group in Japan*1 exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated a "Specified Business Operator," pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit by 1% per year. In fiscal 2014, the Lintec Group in Japan implemented a variety of energy-saving measures. These included effective operation of production facilities, management of the air conditioning system, use of more LED lighting, recovery and use of waste heat, and use of VOC combustion heat.

Energy Savings Promotion Committee

To comply with the Energy Conservation Act, the Lintec Group in Japan collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. In fiscal 2014, energy managers, who were selected according to the Energy Conservation Act, were asked to reconfirm the reduction of waste and irregularities. The Tatsuno Plant installed an economizer*2 at its incinerator boiler to reduce heat emissions.



An economizer installed at an incinerator boiler (Tatsuno Plant)

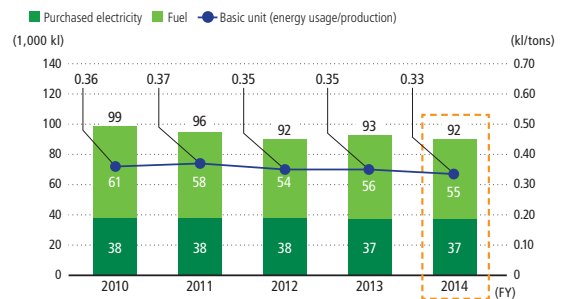
Total Energy Use and CO₂ Emissions

In fiscal 2014, total energy use (crude oil equivalent) for the Lintec Group in Japan decreased by 1.2% despite the increased production volume. Energy use per unit of production improved by 4.6% to

0.3289 kl per ton. Energy use improved by 1.8%. CO₂ emissions in fiscal 2014 were 202,000 tons, achieving the target of 205,000 tons or less for the year.

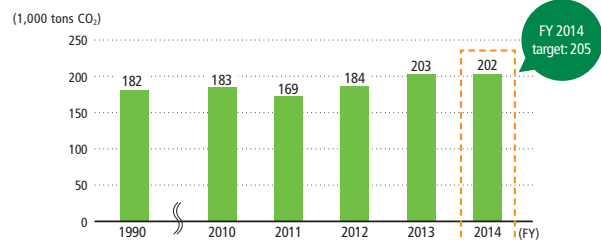
In fiscal 2015, Lintec aims to reduce its CO₂ emissions by 1.6% and its energy use by 0.2% over fiscal 2014, on a per-unit of production basis.

Total energy use (crude oil equivalent)



Note: Fuel means kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

CO₂ emissions



Notes: 1. The amount of CO₂ emissions is calculated by applying a CO₂ emission coefficient to the amounts of electricity and fuel used.
 2. The CO₂ emission coefficient for fiscal 1990 is the value specified in Article 3.1 of the Enforcement Order for the Act on Promotion of Global Warming Countermeasures in Japan as revised in December 2002. The CO₂ emission coefficients for fiscal 2010 and thereafter are the values specified in the same Order, as revised in March 2010. For the purchased electricity coefficients Lintec uses the emission coefficients provided by the power companies that supply electricity to the facilities concerned.
 3. The emissions shown above are CO₂ emissions from fossil fuels.

Voice
10



Reducing Electricity and Resource Consumption

Daisy Wang, Leader, Quality Assurance Section, Lintec Printing & Technology (Tianjin) Corporation

Since November 2013, Lintec Printing & Technology (Tianjin) has been working to reduce its consumption of electricity and resources. To reduce power consumption, we are saving electricity such as by turning off corridor lighting during the daytime and setting the temperature of the air conditioning system at 28°C or higher in

summer and at 23°C or lower in winter. As for reducing resource consumption, we use electronic documents (in PDF format) to reduce the use of printing paper. We will continue measures to address global warming and will carry out company-wide environmental activities.

*1 Lintec Group in Japan: Lintec Corporation and its sales offices; Tokyo Lintec Kako, Inc.; Osaka Lintec Kako, Inc.; Printec, Inc.; Lintec Services, Inc.; and Lintec Commerce, Inc.

*2 Economizer: A device that efficiently recovers exhaust gas from a boiler and uses it to preheat the boiler feed water to improve the efficiency of the boiler

*3 Ton kilometers: A unit of measurement representing the volume of goods transported, determined by multiplying the ton weights of goods by the distance of transportation. One ton kilometer means that one ton of goods has been transported one kilometer.

*4 LCA: See page 18.

Reducing CO₂ Emissions by Modifying an Exhaust Gas Treatment Unit

The Shingu Plant Tatsuno Office reviewed the adhesives used in the adhesive coating process and replaced them with adhesives having a low concentration of volatile organic compounds (VOC). The office also modified its exhaust gas treatment unit to reduce LNG consumption by about 50%. Additionally, the office installed a waste heat boiler to further reduce LNG consumption. As a result of these efforts, the office reduced CO₂ emissions by about 8% even though its production increased by about 40% from fiscal 2013.



Waste-heat boiler installed in the Shingu Plant

Efforts in Distribution

Lintec is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers annually*3. As a Designated Shipper, Lintec submits an annual transport-related energy conservation plan to the government, in accordance with this Act. In fiscal 2014, CO₂ emissions from transportation increased by about 1.9% from the previous year due to the increased production volume. However, energy use per unit of sales decreased by about 2.3%. Lintec will continue to improve its transportation efficiency.



The Mishima Plant makes effort to reduce transportation frequency

CO₂ emissions and transportation volume



Product Development Initiatives

Guidelines for Environmentally Friendly Products

Lintec has been developing new environment-friendly products according to the LCA*4 standards, and developed 23 products in fiscal 2014, exceeding the target of 12 products. Lintec also reviewed existing products based on the guidelines for "self-declared environment-friendly products" which is in accordance with ISO 14021*5. Lintec will continue to follow these guidelines to develop environment-friendly products.

Developing Products That Help Reduce Environmental Impact

The Lintec Group has positioned environmental and energy businesses as an important focus. Some of the main products are window films with superior heat insulation and film base label materials made of the same material as plastic containers. The high insulating window films will reduce consumption of electricity and other energies. The labels made of the same material as plastic containers will promote recycling and reuse of plastic containers on which the label is attached. Lintec is committed to developing products that help reduce environmental impact and save energy, while continuing to develop products that satisfy customers. [WEB](#)

New Product for Resource Recycling, KP5000 from the KINATH Series

In February 2015, Lintec released KP5000, a new labeling material using mechanically recycled polyethylene terephthalate (PET), from the environmentally friendly product line, KINATH. Mechanical recycling is a recycling method that uses plastic bottles collected as sorted waste to produce high-quality and sanitary recycled PET resin. KP5000 uses films containing 80% or more recycled resin. Use of the product by customers recycles resources, thus reducing both petroleum usage and environmental impact.



Labels using KP5000



Exhibited at Eco Products 2014

Voice 11



Introduced Energy-saving Air Conditioning System

Shuji Kishino, Section Chief, Facility System Section, Production System Technology Department

When replacing the testing laboratory which has a standard reference atmosphere and had been used for over 18 years, the Research Center adopted an air conditioning system designed to reduce CO₂ emissions. This testing laboratory with its standard reference atmosphere requires constant air conditioning to maintain a standard environment for measuring

properties. The laboratory started to use the new air conditioning system in October 2014, reducing electricity consumption by about 26,000 kWh per month on average, which is estimated to reduce CO₂ emissions by more than 100 tons per year. Besides introducing such energy-saving facilities, we will continue to take environmentally friendly actions.

*5 ISO 14021: An international standard for "Environmental labels and declarations—Self-declared environmental claims (Type II environmental labeling)." A business operator sets its own standard and may place environmental claims on the labeling of a product which satisfy that standard.

[WEB](#) See the CSR website for more information on the following: Solar Power Generation, Energy Consumption in Physical Distribution, Efforts to Reduce CO₂ Emissions/Fuel Shift to LNG, Reduction of Lighting Power, and Use of Environment-Friendly Adhesive in Labeling Material

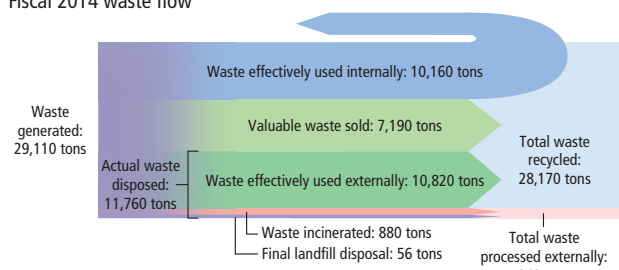
Reducing Waste and Water Usage

In order to help realize a recycling-oriented society, the Lintec Group is working to reduce waste. It is also striving to save water, reuse waste water, while complying with the effluent control regulations and improving the quality of effluent generated.

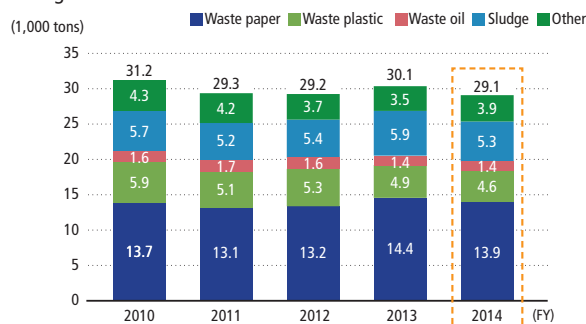
Amounts of Waste Generated and Effectively Used

In fiscal 2014, the amount of waste generated, including manufacturing loss, at Lintec was 29,110 tons. The total waste output was 11,760 tons. Of this waste output, 10,820 tons were recycled by outside recycling companies and the remaining 940 tons were properly disposed of by waste disposal companies. The final landfill disposal rate*1 for fiscal 2014 was about 0.19%, which was lower than the target (0.2% or less), Lintec has also continued to achieve "zero emission"*2 (final landfill disposal rate of 1.0% or less) since fiscal 2007. From fiscal 2014 to 2016, Lintec is aiming for a 0.1% reduction in the waste generated, compared to each previous year.

Fiscal 2014 waste flow



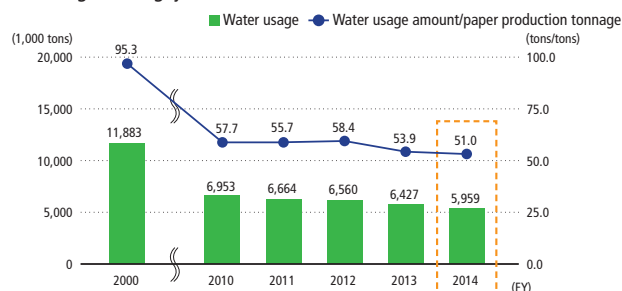
Waste generated



Water Usage and Water Conservation Measures

In fiscal 2014, Lintec used 6,504,000 tons of water. Of this amount, about 93% was used by the Kumagaya and Mishima plants, which are Lintec's papermaking facilities. These two plants made efforts to reduce water usage, resulting in a decrease of about 7% from the previous fiscal year. Their water usage decreased by 2.9 tons per unit of paper production, or 5.4% per unit of production. As a water conservation measure, the papermaking division is reducing water usage in each process. Improvement of piping and measures to prevent water leaks were also implemented. In addition, it is attempting to reduce water use and effluent by reusing recovered water. From fiscal 2014 to 2016, the division aims to reduce its water usage per unit of production by 2% compared to each previous year. [WEB](#)

Water usage (Kumagaya and Mishima Plants)



Reducing Effluent and Improving Effluent Quality

The total amount of effluent discharge by Lintec in fiscal 2014 was 6,197,000 tons. About 93 percent of this was released from the Kumagaya and Mishima plants. These plants are striving to reduce water usage and effluent discharge by improving the pipe line washing process during the papermaking. They will continue to renovate the water treatment facilities to further improve the effluent quality. [WEB](#)

3R Initiatives Certified by Tatsuno City



Voice
12

Yuji Nakayasu, Section Chief, Power Section, Plant Engineering Section, Tatsuno Plant

As all other Lintec Group plants are carrying out 3R (reduce, reuse and recycle) initiatives, the Tatsuno Plant is committed to thorough 3R. In recognition of our continued efforts to reduce and separate waste and beautify the local community, Tatsuno City certified our plant as a Tatsuno Eco-Master Shop, meaning a store that has declared its commitment to reducing and recycling waste, in November 2014.

*1 The final landfill disposal rate is a value found using the following formula: Final landfill disposal rate = Final landfill disposal amount/Amount of waste generated × 100.

*2 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.

*3 PRTR (Pollutant Release and Transfer Register): A system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred. The system is based on Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

*4 PCB (polychlorinated biphenyl): The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law) mandates the proper storage, management, and disposal of wastes containing PCBs.

*5 SDS: Safety data sheet. This is a document which provides information on the handling of chemical substances when transferring or providing products that contain potentially hazardous chemical substances to another company.

*6 GHS: Globally Harmonized System of Classification and Labelling of Chemicals. GHS provides international

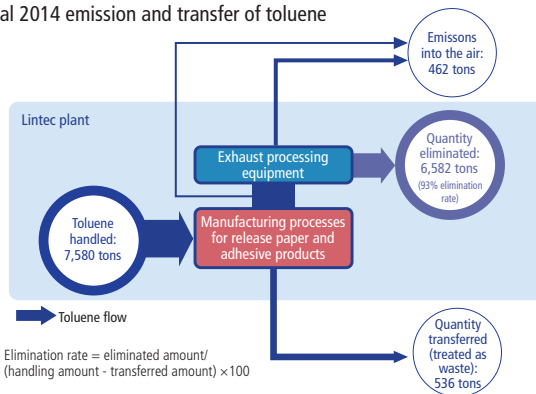
Reduction of Environmentally Hazardous Substances

The Lintec Group complies with relevant laws and regulations in and outside Japan and strives to reduce its use of chemical substances that have an impact on the environment.

● PRTR*³ Compliance

In fiscal 2014, Lintec used ten substances that are subject to PRTR reporting. The total quantity of PRTR chemicals was 7,641 tons. Toluene accounted for the largest portion of this amount, at 7,580 tons, up 116 tons from the previous year (7,464 tons). Emissions of toluene into the atmosphere were 462 tons, down 15 tons from the previous year (477 tons), and the transferred amount was 536 tons, down 30 tons from the year before (569 tons).

Fiscal 2014 emission and transfer of toluene



● Proper Storage and Management of PCB*⁴

Lintec securely stores and manages waste containing PCBs in accordance with the law. In fiscal 2014, Lintec properly disposed of six units containing low-concentration PCBs. In March 2015, the company inspected the number of units and confirmed that it owns 78 high-PCB concentration units (including 50 fluorescent light ballasts) and 11 low-PCB concentration units. Lintec will analyze equipment that may contain PCBs, promptly dispose of low-PCB concentration units, and securely manage and store high-PCB concentration units in accordance with relevant laws. [WEB](#)

● Reducing VOCs (volatile organic compounds)

Transitioning to Solvent-free Release Agent

Lintec is reducing VOCs in both product design and the installation and operation of exhaust gas treatment equipment. In product design, Lintec is working on switching to a solvent-free release agent for its release paper and solvent-free adhesive for printing-related adhesive products to reduce the amount of organic solvents it uses. In fiscal 2014, the percentage of solvent-free release paper (production basis) was 51%. The percentage of solvent-free printing-related adhesive products (sales basis) was 72%. The switchover to solvent-free agents has been completed for the main release agents and adhesives, and the installation of exhaust gas treatment equipment has also been completed.

Lintec will continue to monitor numerical values, and ensure reliable operation of exhaust gas treatment equipment to reduce its environmental impact. [WEB](#)

Switchover to solvent-free agents (fiscal 2014 sales basis)

72%

● Complying with Regulations Concerning Chemical Substance Management and Environmental Preservation

Lintec examines substances with environmental impact in its raw materials and conveys the necessary information to customers. The company is also taking steps to ensure compliance of its products subject to SDS*⁵ with GHS*⁶ as part of its efforts for compliance with the REACH Regulation*⁷ and other environmental regulations to improve the management of substances contained in its products. In light of the planned addition of substances subject to the RoHS Directive*⁸, Lintec is constantly making environmental efforts to reduce the use of regulated substances and facilitate switching to alternative substances. [WEB](#)

Voice
13



Enhancing Management System to Reduce CFC Emissions

Nobuaki Seki, Plant Engineering Section, Production Department, Agatsuma Plant

The Act on Ensuring the Implementation of Recovery and Destruction of Fluorocarbons concerning Designated Products was revised into the Fluorocarbons Recovery and Destruction Law*⁹, and the revised act came into effect in April 2015. In response, Lintec is upgrading its management system at all plants. The Agatsuma Plant, which has many facilities that use

refrigerant fluorocarbons, has made preparations, including asking for advice from air conditioner manufacturers and Gunma Prefecture, since fiscal 2014. We will continue to prevent the release of fluorocarbons into the atmosphere and comply with laws and regulations in order to address global warming.

standards for the classification of chemicals by types of hazard and a mechanism of labeling.

*⁷ REACH Regulation: See page 22.

*⁸ RoHS Directive: EU's Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.


*⁹ Fluorocarbons Recovery and Destruction Law: Act on Ensuring the Implementation of Recovery and Destruction of Fluorocarbons concerning Designated Products. The law requires comprehensive measures throughout the lifecycle from manufacturing of fluorocarbons to their disposal, in addition to their recovery and destruction.

[WEB](#) See the CSR website for more information on the following:
3R Activities, Flow of Process from Water Usage to Discharge, Effluent Quality at Kumagaya and Mishima Plants, Proper Storage and Control of PCB, Drills for Disaster and Chemical Leakage, Switchover to Solvent-free Agents in Printing-related Adhesive Products and Release Paper, and Flow of Submission of Product Information

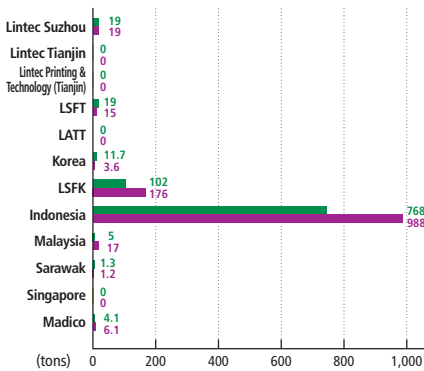
Environmental Activities of 12 Group Companies Outside Japan

The Lintec Group puts effort into environmental conservation activities at group companies outside Japan to fulfill its responsibility as a global company.

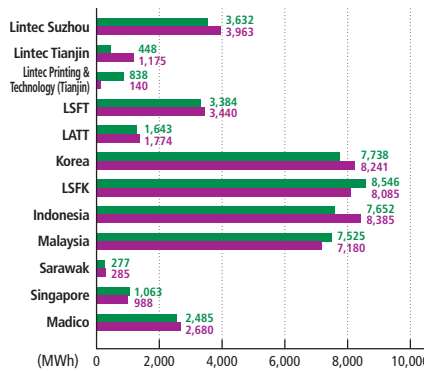
Environment Performance Data in Fiscal 2014 Below is the environmental performance data for the 12 Lintec Group companies outside Japan in fiscal 2014.

 FY2014 data (Jan. 1, 2014 to Dec. 31, 2014)  FY2013 data (Jan. 1, 2013 to Dec. 31, 2013)

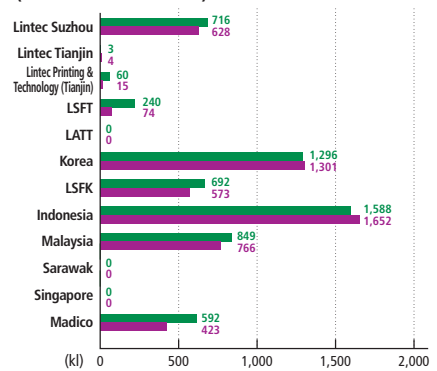
VOC emissions



Electricity usage



Fuel (light oil and natural gas) usage (crude oil conversion)



- Notes: 1. VOCs = toluene and methyl ethyl ketone
- 2. Figures stipulated in Article 4 of the enforcement regulations for Japan's Energy Conservation Act were used for the calorific value of each fuel used in order to calculate the crude oil equivalent of consumed fuel.
- 3. LSFT = Lintec Speciality Films (Taiwan); LATT: Lintec Advanced Technologies (Taiwan); LSFK = Lintec Speciality Films (Korea)

LINTEC (SUZHOU) TECH CORPORATION

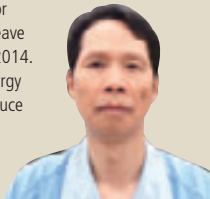
Location: Suzhou New District, Jiangsu Province, China
 No. of employees: 197
 Main business activities: manufacture and sale of printing materials, industrial materials, and products related to paper and processing material

Having coated the first plant and the roof of its attached building with thermal paint in fiscal 2013, we applied thermal paint to the roof and walls of the second plant's hazardous substance warehouse (floor area: 400 square meters, eave height: 6 meters) in April 2014. We will pursue further energy savings at our plant to reduce CO₂ emissions.

Zhang Xudong
 Engineering Department



Second plant's hazardous substance warehouse



LINTEC (TIANJIN) INDUSTRY CO., LTD.

Location: Nankai District, Tianjin, China
 No. of employees: 91
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

We are switching the lighting in our plant to LEDs. We have exchanged a total of 30 lighting fixtures (14 at the processing line and 16 at the assembly line) to LEDs. We also used the Lintec Group CSR Report 2014 as a training text, and conducted a CSR examination for all employees to raise their awareness.

Jia Jun
 General Affairs & Personnel Division



LED lighting at the assembly line



LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

Location: Xiqing Economy Development District, Tianjin, China
 No. of employees: 87
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

In December 2014, we held a study session on biodiversity for all employees. We watched photographs and videos recording the growth of the Oriental turtle dove, which was designated as an endangered species in 2012, to learn the importance of biodiversity.

Zhang Kun
 Quality Assurance Office



Biodiversity study session



LINTEC SPECIALITY FILMS (TAIWAN), INC.

Location: Shanhua District, Tainan City, Taiwan
 No. of employees: 96
 Main business activities: manufacture and sale of electronic- and optical-related products

The regenerative furnace of our exhaust gas treatment unit was suffering worsening heat storage efficiency due to clogging and so was consuming much more heating gas. As a drastic measure, we replaced the regenerative furnace in November 2014, which resulted in reducing the heating gas consumption to half of the initial design value.

LIU FANG YUAN
 Assistant Plant Manager



Exhaust treatment unit



LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

Location: K.E.P.Z. Kaoshiung, Taiwan
 No. of employees: 70
 Main business activities: manufacture and sale of electronic- and optical-related products

To enhance our management and maintenance system of plant wastewater, we installed an additional unit for return treatment to the existing wastewater treatment system in February 2015.



Wastewater treatment system

Meanwhile, starting April 2015, we are switching the office lighting to LED in stages. We will continue our energy-saving efforts.

Jiang Dewei
 Engineering Section
 Administration
 Department



LINTEC KOREA, INC.

Location: Cheongju-si, Chungcheongbuk-do, Korea
 No. of employees: 72
 Main business activities: manufacture and sale of electronic- and optical-related products

We switched the warehouse lighting from mercury lamp to LED, which is estimated to reduce the annual electricity consumption by warehouse lighting to a quarter. The move has also improved the working environment. We will continue to make energy-saving efforts.



LED warehouse lighting

JAE-HYUB KIM
 Engineering Section



LINTEC SPECIALITY FILMS (KOREA), INC.

Location: Pyeongtaek, Gyeonggi Province, Korea
 No. of employees: 124
 Main business activities: manufacture and sale of electronic- and optical-related products

Starting November 2014, we have been replacing the general inverters of the air conditioning system and refrigeration system with high-efficiency inverters. This energy-saving effort is likely to reduce the energy used by the systems by more than 10%, or by about 261,000 kWh (91.6 t-CO₂) a year.



High-efficiency inverter

MYUNG-JIN KIM
 Plant Engineering
 Department



PT. LINTEC INDONESIA

Location: Bogor, West Java, Indonesia
 No. of employees: 312
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

In May 2014, we planted trees on our property. With the participation of staff from the Environmental Safety Department of Lintec's Head Office, the event was an excellent opportunity to share awareness of pursuing environmental conservation activities as a group-wide effort. With such awareness, we will continue to preserve the environment.



Planting trees

Ketut
 Safety and
 Environment
 Division



LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

Location: Bukit Mertajam, Pulau Pinang, Malaysia
 No. of employees: 93
 Main business activities: manufacture and sale of electronic- and optical-related products

In April 2014, Lintec Industries (Malaysia) held a nature study event in a national park in the northwestern part of Penang Island. As we listened to a park guide explaining about the animals, plants, and natural environment, we renewed our recognition of the importance of biodiversity.



Nature study event in a national park

Tan Lean Ean
 Technical Department



LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

Location: Kuching, Sarawak, Malaysia
 No. of employees: 24
 Main business activities: manufacture and sale of electronic- and optical-related products

Lintec Industries (Sawarak) plant is small, allowing us to pay attention to detail, not just in daily operations but also in environmental conservation activities. We will continue environmental conservation with thorough 3R (reduce, reuse and recycle) activities.



Strict sorting of waste

Christina Teo
 Finance and
 Administrative



LINTEC SINGAPORE PRIVATE LIMITED

Location: Cyberhub, Singapore
 No. of employees: 85
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials and electronic- and optical-related products

Lintec Singapore has made donations to the Garden City Fund operated by the National Park Board. In September 2014, we participated in a tree planting event hosted by the fund and planted 25 trees in a national park. The event helped to improve our awareness of biodiversity.



Employees and their families participated in the tree planting event

Sng Seng Leng
 QA/QC



MADICO, INC.

Location: Woburn, Massachusetts, U.S.A.
 No. of employees: 272
 Main business activities: manufacture and sale of printing materials and industrial materials

In 2014, the Window Film section of Madico's St. Petersburg Plant introduced a new liquid input system to reduce the use of adhesives and solvents at its coating line. We also improved the coating equipment, which resulted in a reduction of waste adhesives and solvents used per year by about 76 kl.



Special processing of the coating equipment allows removal of residual coating solution

John Storms
 Engineering Department,
 St. Petersburg Plant



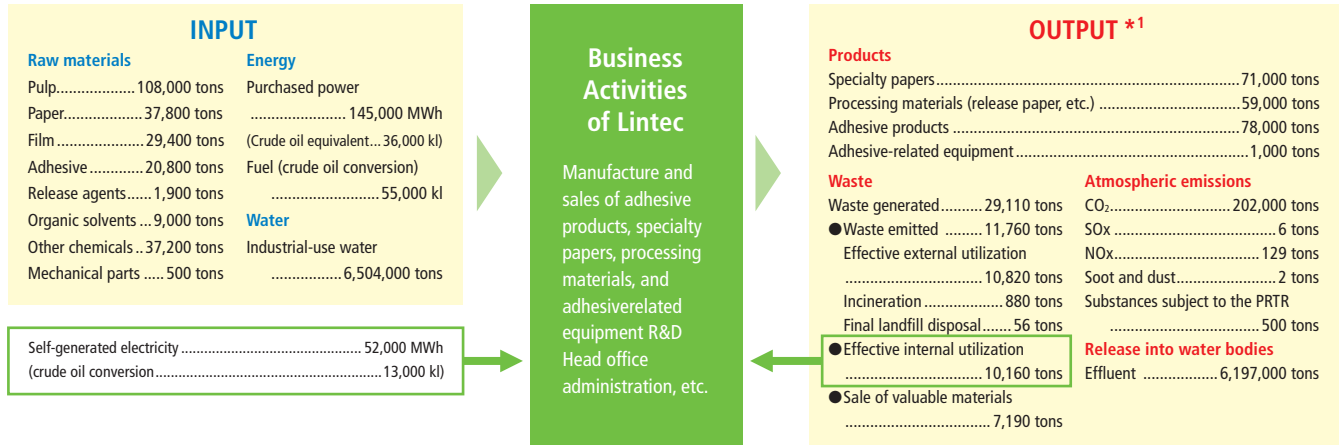
The number of employees is as of December 31, 2014.

Relationship between Lintec and the Environment

Lintec is working to improve its manufacturing methods and production efficiency in order to reduce the environmental impact caused by waste, PRTR substances, and effluent released into the environment through these business activities.

Material Flow and Calculation of Environmental Conservation Costs 1. The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako. Other affiliates are not included.
2. The data is for the period from April 1, 2014, to March 31, 2015.

Material Flow



Environmental Accounting

Lintec uses environmental accounting to ascertain the costs and benefits of environmental protection, and continue to carry out environmental protection activities as effectively as possible. In fiscal 2014, Lintec made environmental investments*2 totaling 326 million yen. The environmental costs*3 for the year were 2,887 million yen. The total environmental investments decreased by 19 million yen from the previous year because of the introduction of facilities for addressing global warming and saving energy.

The total environmental costs decreased by 9 million yen year on year, but the cost for collecting, recycling and reusing byproducts within the upstream/downstream cost increased.

Starting fiscal 2014, the cost for on-site beautification, which used to be classified as environmental improvement cost, is classified as environmental conservation cost in administration, and the new category of 'social activity cost' is added. [WEB](#)

Fiscal 2014 Environmental Conservation Costs

Category		Target equipment	Investments	Details of main initiatives	Expenses
1. Business area cost	① Pollution prevention cost				
	a. Preventing air pollution	Exhaust treatment system	35	Management and maintenance of equipment to prevent air pollution	479
	b. Preventing water pollution	Wastewater treatment system	2	Management and maintenance of equipment to prevent water pollution	101
	c. Preventing overall pollution	—	—	PCB and sludge disposal costs	26
	② Global environmental conservation cost				
	a. Preventing global warming	Once-through boiler	52	Fuel conversion system	154
	b. Energy conservation	Feed water heater for furnace boiler	201	Management and maintenance of in-house power generation equipment	585
③ Resource circulation cost	a. Efficient utilization of resources	Loss paper handling system	27	Management and maintenance of wastepaper processing equipment; use of wastepaper as raw material	273
	b. Treating, reducing, and recycling waste	Furnace boiler fuel solidifying system	10	Management and maintenance of incinerator and boiler equipment; industrial waste processing	372
2. Upstream/downstream cost	① Collecting, recycling, and reusing byproducts	—	—	Pallet collection; byproduct pickup	100
	② Green procurement and purchasing	—	—	Purchase of environmentally friendly office supplies	6
3. Administration cost	① Constructing and operating environmental management systems	—	—	ISO 14001 certification investigation/registration; operation of environmental conservation organizations	326
	② Environmental information disclosure	—	—	Preparation of the CSR Report; participation in the Eco-Products fair	26
	③ Monitoring and measuring environmental impact	—	—	Analysis and measurement of regulated substances	29
	④ Environmental education	—	—	Participation in seminars and workshops	1
	⑤ Environmental improvement measures	—	—	On-site beautification; garden tree pruning	28
4. R&D cost	—	—	R&D relating to environmental protection	363	
5. Social activity cost	—	—	Sponsoring the 26th National Citizen's Summit on Dragonflies in Tatsuno	0	
6. Environmental remediation cost	—	—	Payment of pollution load levy; compensation for fisheries	18	
Total		—	326		2,887

Note: Investment in exhaust treatment system installation includes spare parts and miscellaneous work.

*1 Inside sales are not included in "Output" figures.

*2 Environmental investments: The amount of investments made during a year for the purpose of environmental conservation. Since the effect of the investments lasts for several years or longer, the invested amounts are recognized as costs over those years.

*3 Environmental costs: Costs or losses arising from consuming goods and services for the purpose of environmental conservation

[WEB](#) See the CSR website for more information on the following:
Details of Fiscal 2014 Material Flow, and Environmental Conservation Effects

Third-Party Opinion

Hiroyuki Tada

Japan for Sustainability

Chief director of the non-profit organization Japan for Sustainability, visiting professor at Hosei University, professor at the Tohoku University Graduate School of Environmental Studies, and committee member in various government agencies



In LIP-2016, the medium-term business plan of Lintec which is fundamental to corporate management, the top management recognizes that "global development" and "creation of innovative new products" are the top priority issues. Last year, I wrote as my third-party opinion that Lintec's CSR would face a critical point in terms of how much it can contribute to addressing these issues with specific solutions. I also pointed out that, to realize the former issue, corporate governance must be strengthened on a group-wide scale.

In this year's report, the President states in the Message from the President that "we focused on developing our governance framework in fiscal 2014," and cites specific actions, such as establishing a regional management company in Asia, becoming a company with an audit and supervisory committee, and holding CSR study sessions. I also found on other pages that the company set up a global helpline and held CSR study sessions 98 times a year, attracting 3,210 participants.

I was impressed by the fact that the company is steadily putting matters into practice based on its "Sincerity" DNA as it listens to stakeholders' voices. The goal of "Sincerity" is trust. I think this steadfast, consistent effort enables individual employees around the world to give their frank views on the LINTEC WAY as listed in Highlight 1.

I also find that identifying materiality is a big achievement in fiscal 2014 and a great step forward. This move will likely lead to the structural development of social indicators, which has somewhat lagged behind in quantification compared with environmental indicators, and will facilitate the PDCA cycle relating to society.

Looking at aggressive CSR, the company seems confident that CSR can be an engine for innovation, which is presumably why the company held the workshops featured in Highlight 2. I hope the company will stretch its creative wings by deepening multilateral cooperation with a wide variety of external stakeholders. This will surely lead to the creation of innovative new products.

The six basic CSR approaches should cover corporate governance and suppliers. Governance comprises part of ESG (environment, society and governance) and Lintec Corporation's suppliers total 2,799. I would like to conclude my opinion with this suggestion.

Response to Third-Party Opinion

Mr. Hiroyuki Tada has provided us with his third-party opinion since fiscal 2012. We appreciate his understanding of our CSR activities based on our company motto "Sincerity and Creativity," which is also my management approach. We made efforts to share the LINTEC WAY by providing opportunities such as CSR study sessions. I believe that employees' acceptance of such efforts is crucial and that we can nurture a greater sense of unity by continuing these activities.

The process of identifying materiality has just started, and we need to develop a mechanism to ensure the implementation of PDCA cycles, including developing KPIs in future activities. We will enhance defensive CSR based on "Sincerity."

I believe that promoting CSR also helps facilitate business, and that many activities are directly connected to aggressive CSR, which is based on creativity. We will proactively work on initiatives, such as CSR workshops, in order to turn CSR activities into an engine for innovation.

With regard to basic CSR approaches, we will develop fundamental approaches by sincerely considering changes in social conditions.

Lintec will continue to enhance and promote corporate activities based on CSR, with the goal of becoming a company appreciated and trusted by everyone.

Hiroyuki Nishio

Representative Director, President, CEO and COO

Editor's postscript

The Message from the President is about promoting CSR activities following the company motto "Sincerity and Creativity" for society and people. Highlight 1 features what employees of Lintec and the Lintec Group companies think about the LINTEC WAY. Highlight 2 introduces the

workshops held to discuss what Lintec aspires to be by 2025. All employees will unite to continue CSR activities to address social issues.



CSR Report 2015 production project members