

## Highlight 1

# Mangrove Planting: Protecting People and the Community by Nurturing a Healthy Forest



PT. Lintec Indonesia has been carrying out mangrove planting since 2016. By planting mangroves in cooperation with its sales office, PT. Lintec Jakarta, local residents, and participants from a local fisheries university and following up their growth through periodic observation of the growing conditions, the company contributes to the creation of a better community environment as well as to the livelihoods of local people.

### Doing What We Can to Be of Assistance to This Country

Indonesia has more mangroves than anywhere else in the world. Many have already been cut down, however, to create aquaculture ponds and develop ports in coastal areas. The country had 3.058 million hectares of mangrove forests in 1990, but this had dropped to 2.244 hectares in 2015.\*

Compared with typical trees in Japan, mangrove forests are said to absorb twice the amount of CO<sub>2</sub> per unit of area. As various living organisms can hide in the forests, they are also called "peri-urban woodlands of the ocean" and play a significant role in conserving biodiversity. In addition, because each tree develops an extensive root system, they can prevent land erosion by waves and protect coastal areas from large waves and tsunamis. Land erosion has been a serious issue, especially in the area where PT. Lintec Indonesia carries out its tree planting, and residents in the coastal area have no choice but move to inland.



In the face of such circumstances, PT. Lintec Indonesia hoped to be of assistance to the country through its activity specific to Indonesia and started mangrove planting in 2016. The scale of the activity has been expanded year by year through trial and error, inviting participation from PT. Lintec Jakarta (sales office), local residents, and a local fisheries university, with the hope of helping to improve the livelihoods of local people and create a better community environment.



In 2019, the fourth year, a total of 112 people engaged in the activity to plant 2,500 seedlings. Participants accessed the target areas by boat from the nearby anchorage. While some had to struggle to avoid being swept off their feet due to the low water level on the day and the argillaceous tidal flats, they helped each other and completed the task without any major problems.

\* Cited from the Global Forest Resources Assessment 2015 by FAO  
<http://www.fao.org/3/a-i4808e.pdf>

## Contributing to the Community in Cooperation with Local People

PT. Lintec Indonesia started weeding and cleaning the area near the plant during the national green month (green April) in around 2013, when I was the plant manager. As we hoped to engage in activities more specific to Indonesia, a group of employees voluntarily started to plant mangroves in 2016.

Today, a local fisheries university asks us to deliver a lecture, and we are able to communicate to many people the difficulties involved in planting as well as the sense of fulfillment felt through participation in the activity. The Lintec Group exists as a global company thanks to the support of society. By carrying out what we can do in cooperation with local people in each region, we hope to keep growing with society.



Tomonori Kawakami  
President  
PT. Lintec Indonesia

## Record of mangrove planting

### History

First planting	<p><b>April 2016</b> Planted 1,500 seeds.</p> <p><b>July 2016</b> The seeds sank under the water due to a rise in water level and backwashes caused by fishing boats, and about 1,000 of them died. As the survival rate* was around 30%, observation of the growing conditions came to take place once every three months.</p>
Second planting	<p><b>April 2017</b> Planted 2,500 seedlings about 50 cm tall, including to replace the 1,000 that died in the previous year. The survival rate was around 80%, and stable growth was confirmed.</p>
Third planting	<p><b>April 2018</b> Planted 2,000 seedlings about 80 cm tall. Wave absorbing dykes to protect the seedlings from backwashes caused by fishing boats and fences to prevent soil runoff were installed.</p>
Fourth planting	<p><b>April 2019</b> Planted 2,500 seedlings about 80 cm tall.</p>

\* Survival rate: The proportion of planted plants that take root and start to grow

### Growth of mangrove trees





## Planting areas



## Accomplishments

Total area	1.89 hectares
Total number of trees planted	8,500 trees
Total participants	312 persons
Annual CO <sub>2</sub> absorption	Approx. 43.8 t/year (Average amount based on the assumption that mangroves have a lifespan of 30 years)

## Expanding Community-Based Activities

We have been involved in the administration of mangrove planting since it started. At the beginning, we knew neither how to plant mangroves nor how to find landowners but nevertheless managed to plant in a section thanks to the cooperation of many people. Although we were almost discouraged when more than half of the seeds we first planted sank under the water, the survival rate has been increasing each year since we started to observe the growing conditions once every three months and replant those likely to sink. Mangrove planting has expanded to other locations. We would like to continue to stay close to local communities and carry out community-based activities.



Daisuke Goto  
Engineering Department  
PT. Lintec Indonesia



Sugiharto  
Quality Assurance  
Department  
PT. Lintec Indonesia

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### Each Participant Engaging in Mangrove Planting with a Vision

#### Number of participants

PT. Lintec Indonesia	23
PT. Lintec Jakarta	6
Lintec Corporation	2
Landowners/Local residents	41
Students of Bogor Fisheries University	40
Total	112



### PT. Lintec Indonesia

We are proud of this initiative, in which employees do not just focus on making donations but actually plant trees. I will reach retirement age this year, so I am happy that I had the opportunity to participate in this program in my last year with the company. To expand the activities, we consider it necessary to cooperate with people and companies around us. We would like to share what we have learned and discuss it with each other.



Martha Lie  
Trade Department

Most employees come from inland areas, usually a long way away from mangrove habitats. However, we should be properly aware of this problem, and join the efforts to preserve the global environment. I will share what I have learned and discuss it with many people.



Melani  
Finance & Accounting Department

Before joining this activity, I have almost never had the opportunity to learn about mangrove issues. Now I think I need to know more about the importance of the species to protect the planet's environment. The activity needs to be scaled up to be more effective, so I would like to encourage many more people and companies around me to take part in the program.



Ali Amin  
Coating Department

There are only a few companies that host mangrove planting projects, so I am lucky that I had the opportunity to join this program. I gained a lot of valuable knowledge and experience from the program, and I will share it with many people, taking every possible opportunity to do so.



Parjinu  
Cutting Department

I first joined the planting activity in the second year. As there are few companies that host planting programs encouraging the participation of employees, the company is providing us with a precious opportunity to experience this kind of thing firsthand. This allows us to better communicate the importance of planting activities. I take pride in talking to society about what the Lintec Group does.



Hirokazu Kusumoto  
Manufacturing Department

I have joined the mangrove planting activity, taking advantage of a precious opportunity that is unavailable in Japan. Although the initiative is expanding to other locations, it is still unfamiliar to many employees. So I will work to raise awareness of this activity back in Japan.



Koji Nagata  
Finance & Accounting Department

Knowing that the Lintec Group is taking appropriate actions to address social challenges faced by Indonesia, where I have lived for many years, I am proud of being an employee of the Group. I will continue working to help make the company and its personnel indispensable to this country, regardless of nationality.



Eri Kamiryo  
Administration Department





## PT. Lintec Indonesia (Employees in charge of the administration of the project)

I have been involved in the planting activity since the initial year as an administrative staff member. Mainly, I prepare seedlings and make banners. Previously, I didn't know much about what is happening along the coast, but once I joined the activity, I began to feel a sense of responsibility to take action. I will continue working on this initiative as part of efforts to fulfill that responsibility.



Asep Heriandi  
In charge of 5S

I have been on the administration staff since the initiative started. During the past three years, I had few opportunities to listen to feedback and opinions from employees participating in planting activities. Then this year I was able to hear from many participants, who have confirmed my perception that employee awareness has been steadily increasing.



Shanti Lestari  
Quality Assurance  
Department



I have been on the administration staff since the second year. My main responsibilities involve arranging cooperation with Bogor Fisheries University and internal coordination. I also organize internal workshops to study environmental issues, such as climate change and COP21\*. I hope to help many people increase their awareness of environmental issues through these educational and planting activities.



Sarni Pujiyanto  
General Affairs &  
Personnel  
Department

\* COP21: Twenty-first yearly session of the Conference of the Parties (COP), the UN conference held in the autumn of 2015 for promoting global initiatives to address climate change issues

## PT. Lintec Jakarta

Thanks to the instructions on a planting technique that increases the survival rate, we were able to do a good job planting the seedlings. We hope to continue to engage in activities that make the Lintec Group an essential company in Indonesia and eventually link this initiative with our business.



Yuji Arai  
President

You can cut down a mangrove forest in a matter of moments, but it will take many decades to restore it. Joining the program this year, I learned how difficult it is to properly plant even a single tree. I believe the Lintec Group should continue these activities to contribute to the environment and livelihoods of people in the coastal areas.



Kosuke Sasaki  
Sales Department

## Lintec Corporation

This was the second time we participated in the mangrove planting. While our contribution may be humble, we will make our utmost efforts to support PT. Lintec Indonesia and PT. Lintec Jakarta. Being first accepted by local people is important in a business deployment in any region. As a global company, we would like to carry out effective activities for each country and region.



Makoto Hattori  
Director, Managing  
Executive Officer  
Executive General  
Manager, Business  
Administration  
Division



Gohei Kawamura  
Director, Managing  
Executive Officer  
Executive General  
Manager, Production  
Division and in  
charge of Quality  
Assurance &  
Environmental  
Protection Division



## Students of Bogor Fisheries University

Third-year students participate in tree planting every year. We definitely wanted to participate because we had learned about the state of mangroves at university. This initiative was featured on a campus radio program, on the university website, and on social media, and many students are interested in the program. Although balancing the environment and economy is a difficult challenge, we think it is possible to make improvements by establishing rules on cutting down the trees.



Anwar Akbar Amdar

I listened to the speech by Mr. Sugiharto from PT. Lintec Indonesia on the company's planting initiative. I was very impressed. We carry out planting activities as part of university programs, and I believe university-industry collaboration will achieve greater results. I hope other companies will follow PT. Lintec Indonesia to take appropriate action.



Ririn Rosita Hur

## Landowners

I support PT. Lintec Indonesia and have been cooperating with the company since the start of the project. The coastal areas are facing difficult challenges related to land erosion and economic development. While what I can do alone is limited, I believe that gradual recovery is possible with everyone's cooperation. I would also like to rebuild the school and the place for prayer that have sunk under the sea.



Usup Supriatna

## Local residents

Karawang Regency, in which the planting areas are located, had approximately 9,000 hectares of mangrove forests but has lost 60%, or 5,400 hectares, of them. While I hold meetings for companies in Karawang Regency, tree planting is only half done. I hope PT. Lintec Indonesia reaches out to other companies as well and expands the activity.



Supriyadi

## Highlight 2

### Activities of the SDGs Committee: Addressing Social Issues through Business



#### To Share a Common Vision for the Future with All Employees

The Lintec Group upholds the company motto of "Sincerity and Creativity" and a mission statement that reads: "For tomorrow we build today". Based on such principles, the SDGs\* Committee was established to think about a sustainable future and accelerate the creation of businesses that will contribute to addressing social issues. The Committee comprises 26 members from a wide variety of sections, including research, production, sales, corporate strategy, and general affairs, and has been studying the SDGs since February 2018. It has also engaged in a series of discussions on how our Group should work on the SDGs.



For the Lintec Group to incorporate SDGs into corporate management and proceed with relevant activities in a structured way, it is most important to share a common vision for the future with all employees. To this end, the SDGs Committee concluded its activities for fiscal 2018 by discussing what the Lintec Group should be like in 2030. The aim is to share the status of our Group in 2030, the year by which the SDGs should be achieved, with all employees, to carry out what we should do now, and to work toward how we should be. In March 2019, a proposal was made to top management, including the chairman and the president. The Committee continues to hold a series of discussions to formulate our ideal for the Group.

\* SDGs: SDGs stands for Sustainable Development Goals, comprising 17 goals and 169 targets. They were adopted by the United Nations in September 2015.

## Work of Each Employee is Linked to Society

Through such activities, members of the SDGs Committee reaffirmed the fact that the work of each employee is linked to society as well as the importance of looking ahead to heed the cues of society, while continuing to value the opinions of customers.

The Committee also realized that embracing new ideas and diversity as well as proactively offering information through open interactions in and outside the company is important to generate innovation that can address social issues.

Work toward 2030 has just started. In the global field, each employee will bear in mind what kind of group we want to be and take on the challenge to address social issues.



### Major activities conducted by SDGs Committee during fiscal 2018

- Studies related to CSR, SDGs, and backcasting
- Organization of correspondence relations between the Lintec Group's materiality (important issues), existing businesses, R&D themes, and SDGs
- Benchmarking medium-to long-term goals against other companies and related research
- Planning and proposal for the Lintec Group's ideal vision



## From SDGs Committee members

Deepening my understanding of the SDGs has had a positive impact on my day-to-day work. I have become accustomed to spontaneously thinking about the connection between the topic of development and current social issues.

Hideki Numazawa

Manager  
New Materials Research Department  
Research Center



I was able to learn how important corporate philosophy and being future-oriented is in addressing social issues. My goal is to make the company an organization that my child is amazed by in the future.

Satoshi Hiruma

Senior Staff  
Corporate Strategic Office



Through the SDGs Committee, I was able to reacknowledge the wide range of businesses our Group has. I feel that we have produced a small but real bud of innovation.

Hidetomo Inoue

Subsection Manager  
Fine & Specialty Paper Technology Section  
Fine & Specialty Paper Production Department  
Kumagaya Plant



We will be formulating how the Lintec Group should be in 2030 and implementing specific initiatives. In doing so, I will contribute to addressing social issues at the frontline of manufacturing.

Shunsuke Ochiai

Senior Staff  
Production Technology Section  
Tatsuno Plant



## Message from the President



Each employee engages in CSR activities based on "Sincerity and Creativity," being aware of the issues we face.

Hiroyuki Nishio  
Representative Director, President,  
CEO and COO LINTEC Corporation



### **Robust Performance of Overseas Businesses due to Enhanced Governance and Business Restructuring**

Based on the spirit of the company motto, "Sincerity and Creativity", as well as the concepts of "linkage" and "technology", from which the company name is derived, Lintec has achieved steady growth by integrating its unique core technologies, namely, technologies for adhesive applications, for surface improvement, for system development, and for specialty papers and release materials, at a high level. The company has been globalizing its business by offering various products that meet the needs of society and expanding its business scope.

Fiscal 2018, the second year of the three-year medium-term business plan, LINTEC INNOVATION PLAN 2019 (LIP-2019), was an important year for the company. Although operating profit fell below the target, sales slightly exceeded the previous year's figure. The main reason for the downward pressure on the profit was an increase in raw fuel prices.

Meanwhile, in a significant accomplishment, overseas companies enjoyed robust performance. For example, Madico, Inc., a window film manufacturer and seller in the United States, moved into the black, and Lintec (Thailand) Co., Ltd. integrated manufacturing and sales by merging with the distributor. In addition, the full-fledged launch of Lintec Asia Pacific Regional Headquarters Private Limited in Singapore, which oversees business in the ASEAN region and India, supported the growth of overseas group companies. We hope to actively promote locally hired employees and increase the number of presidents and corporate officers from the ASEAN region.

## Medium-Term Business Plan LIP-2019

(From the FY ending March 2018 to the FY ending March 2020)

### || Basic policies

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Deepening innovation aimed at driving new growth

### || Key initiatives

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#### 1. Strengthening of regional strategy

- (1) Increase in the domestic share and development of new markets and new demands
- (2) Strategic investment and business expansion in the Asian region
- (3) Expansion of the existing fields in Europe and America and the pursuit of synergies with the acquired subsidiaries

#### 2. Creation of new value

- (1) Creation of differentiated products which exceed customer needs
- (2) Development of next-generation products anticipating market changes

#### 3. Bolstering the corporate structure

- (1) Ensuring soundness of the Group companies and continual increase in earnings
- (2) Promotion of cross-sectional operational reforms
- (3) Further promotion of cost structure reforms

#### 4. Activities for realizing a sustainable society

- (1) Promotion of business activities conducive to solving social concerns
- (2) Promotion of work-style reforms, fostering of diverse human resources and encouragement of their active participation in the workplace

### Guide to Action for the 126th Fiscal Period

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## A Year to Address Our Challenges

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### LINTEC INNOVATION PLAN 2019

- Accelerate innovative initiatives with all Group employees focused daily on uncovering issues
- Anticipate market changes and deliver products and services that delight customers
- Build on CSR foundation to help achieve sustainable society



In fiscal 2019, the last year of LIP-2019, we will focus on further deepening innovation under the new guide to action, "A Year to Face Challenges".

To drive innovation that brings about new value, it is important to promote human resource development and diversity.\*1 If operational efficiency improves in the future, AI and robots will replace humans in carrying out routine work. Under such circumstances, it is those people who can continue to ask themselves what they can do who will be able to succeed. We believe that developing employees with rich creativity of a kind that cannot be replaced by AI will be a driving force of innovation, even if business operations are to be increasingly automated. Promoting diversity to facilitate the improved performance of diverse employees is one of the policies to realize this. Since the establishment of the Diversity Committee in 2016, the proportion of women among new employees has increased, reaching around 30% for the past few years. A significant increase in female managers, especially in the development division, is expected to trigger innovation in our business through the addition of the perspectives and preferences that women bring.

In addition, we seek to speed up the development of new products and increase the share of sales going to such new products. To this end, it is necessary for R&D staff to hone the ability to detect potential needs of customers and take them into consideration when developing products. We will accelerate the commercialization of products that meet customers' needs by encouraging development and sales to work more closely together.

The SDGs\*2 Committee, established in February 2018, discussed initiatives to incorporate SDGs into corporate management and contribution to addressing social issues through our core business over a period of more than a year. A large number of ideas were generated from this discussion. The experience gained by the 26 members of the Committee, who came from various divisions, in participating in the activities should prove a valuable asset in further enhancing the CSR activities of our company. We believe that they will make a significant contribution as our corporate structure shifts to focus on ESG.\*3

\*1 Diversity: Diversity means the existence of people in different positions and with different values in a single group. When the diverse characteristics of people and groups are respected, the right people will be able to exercise their abilities in the right place, and problem-solving from a diverse perspective as well as the generation of ingenious ideas will be facilitated.

\*2 SDGs: SDGs stands for Sustainable Development Goals, comprising 17 goals and 169 targets. They were adopted by the United Nations in September 2015.

\*3 ESG: ESG collectively refers to the following three elements: environmental, social, and governance. It is used as an index to judge whether a company can achieve sustainable growth.

## Message from the President

### Contributing to the Achievement of SDGs as Part of Risk Management

Natural disasters that affected many parts of Japan in 2018, such as torrential rain and landslides, were a threat to our business as well. For example, disruption in logistics and temporary suspension of the sales of our customers' products affected the demand for our products. This shows how climate change due to global warming can be a significant risk for business overall, even if our own facilities and equipment are not directly damaged. To maintain their business activities toward the future and continue to grow, all companies need to make a concerted effort to prevent global warming. An example is initiatives to reduce CO<sub>2</sub>.

The Japanese government has presented a numerical target of reducing CO<sub>2</sub> emissions by 26% below the fiscal 2013 level by fiscal 2030. Our company has set a voluntary target to reduce them by 30% below the fiscal 2013 level by fiscal 2030 and plans to invest in necessary equipment. What is important here is to both reduce CO<sub>2</sub> and increase productivity. Comprehensive energy saving not only reduces CO<sub>2</sub> emissions but also reins in manufacturing costs. We will make efforts to reduce CO<sub>2</sub> emissions during transportation, in addition to the emissions by our company itself.

Environmental problems concerning plastic waste have been attracting attention in recent years. To prevent an enormous amount of plastic waste from flooding into the ocean and protect the ecosystem, there is a global trend toward plastic-free living. For our company, which manufactures and sells adhesive films, this is a risk that threatens existing businesses. By taking advantage of new technologies, such as biodegradable films, we have been speeding up our work to develop alternative products.

To identify and respond to all risks concerning our business and corporate management, the Corporate Risk Management Committee was established in April 2018. The Committee consists of executive general managers and general managers of offices under the direct control of the president. At the moment, it is addressing the issues raised in the group-wide risk survey put to managers.

Risks are not limited to external factors, such as climate change and disasters. To maintain the soundness of management, the Corporate Governance Committee was established in December 2018. The Committee provides advice and makes suggestions to the Board of Directors on remuneration of corporate officers as well as on appointment and dismissal of directors, with the aim of improving the objectivity and transparency of corporate governance.

Through such initiatives we intend to enhance risk management as well as identify opportunities, which is the flip side of risks.



The SDGs Committee's discussions for addressing social issues through our core business



A building with window films that block solar heat



Cooperating with the community through mangrove planting

## **Aiming at Further Growth with CSR Activities Based on "Sincerity and Creativity"**

To fulfill our responsibility as a global company, we engage in community-based CSR activities at sites of overseas group companies. Mangrove planting in Indonesia, carried out in cooperation with people in the local community, is one such initiative. It aims not only to conserve the rich ecosystem through tree planting but also to promote coexistence with local communities. Various CSR activities in and outside Japan are opportunities to practice the company motto, "Sincerity and Creativity".

All employees will continue to bear "Sincerity and Creativity" in mind, and we will drive forward group-wide CSR activities informed by the SDGs to achieve further growth.

To communicate our CSR activities broadly to the public and all employees, this report clearly summarizes the results of our CSR activities during fiscal 2018.

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

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## CSR In The Lintec Group

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The CSR Management Office under the direct control of the president strives to foster high ethical standards, disseminate information on CSR, and 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. In fiscal 2017, the SDGs Committee was established to solve social issues through our core business.

- Company Motto

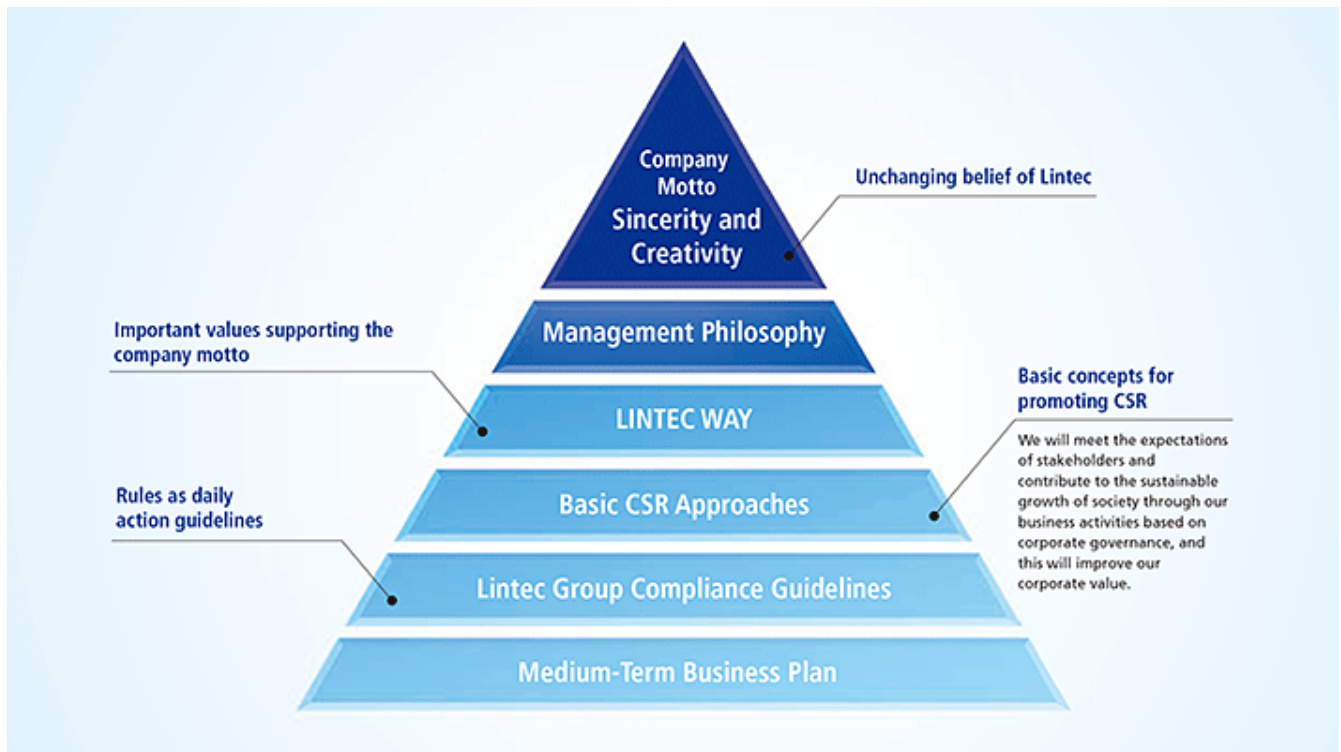
### Sincerity and Creativity

- Mission Statement

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

**For tomorrow we build today**

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.

We continuously promote CSR initiatives on a global basis in line with our policy to promote concerted management as a group under the LINTEC INNOVATION PLAN 2017 (LIP-2017), our medium-term business plan started in April 2017. Viewing business and the promotion of CSR activities as being directly linked, the Lintec Group practices CSR through our core business. In implementing CSR activities, we identify important issues (materiality), set key evaluation indicators, and strategically apply the PDCA cycle. In fiscal 2016, we continued implementing activities through this approach.

\* Key evaluation indicators: Evaluation indicators are important indicators of organizational strategies, and quantitatively measure progress toward targets.

### 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.

## ○ Five Rules of Sincerity

### 1 Always be sincere.

All Lintec people must always be sincere. —“Being sincere” refers to being honest and without pretense. To be sincere, we must not forget thankfulness and respect for the people with whom we associate. We must also deliver sincerity in product quality as a manufacturer.

### 2 Faithfulness opens people’s mind.

Lintec people must always have a “mind to serve faithfully.” We believe in this globalized age that the faithful communication we value opens people’s minds, shortens the distance between us and helps us to move forward.

### 3 Please people.

Lintec people must value “thankfulness.” We believe that doing business is receiving consideration in exchange for giving satisfaction to stakeholders. Accordingly, we must actively listen to the voices of customers and the general public and strive to solve their problems.

### 4 Be a giver.

Lintec people must always possess a “mind of unselfishness.” Each employee must be committed to performing his/her tasks sincerely to “give pleasure” to all people he/she associates with. We believe that this attitude will lead to the sustainable growth of society as a whole.

\* “Unselfishness” is a way of living that is defined by thinking how to “please others” first before thinking about one’s own interests.

### 5 Care about colleagues and family.

Lintec people must care about harmony among people. Strong trusting relationships with colleagues and business partners will enhance a person’s work motivation and lead to more stable and improved performance. We care about employees as well as their families and business partners, and continue to create working environments where people can work with comfort and pride.

## ○ Five Rules of Creativity

### 1 Be committed until you succeed.

Lintec people must always be committed to “advance.” You must recognize that a little extra effort will go a long way. Be meticulous. Enjoy the challenging processes you are engaged in. Your inexhaustible interest and passion will lead to the fulfillment of dreams throughout the world.

### 2 Be proud of being unique.

Lintec people must always have unique points of view. It is our role to create new values and markets by using novel approaches that others cannot imitate. We must be proud of this advantage. We must actively enter undeveloped fields and deliver new surprises and excitement to the world.

### 3 Be resilient and take advantage of changes.

Lintec people must advance together with the changes of the times. Remaining static is one of the greatest risks we face. We must respond resiliently to changing values and environments over time. Develop new markets where we can grow and respond to the needs of future generations by bravely making changes.

### 4 Think globally.

Lintec people must act “globally.” We must strive to contribute to the development of technologies on a global scale. We must also support social vitalization through activities that are locally-based. Always possess environmental consciousness and act as global citizens.

### 5 Look for connections to potential everywhere.

Lintec people must value “connections.” We must make extra efforts to absorb valuable knowledge and excellent technologies and learn from others. We must promote active communications not only within the Company but also beyond the borders between companies and countries in order to discover potential to create new values.

## CSR In The Lintec Group

### Lintec Group 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.

## ISO26000

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.

### Seven core subjects

Core subjects in social responsibility		Subjects
	Organizational governance	Decision-making process and structure
	Human rights	(1) Due diligence (2) Human rights risk situations (3) Avoidance of complicity (4) Resolving grievances (5) Discrimination and vulnerable groups (6) Civil and political rights (7) Economic, social and cultural rights (8) Fundamental principles and rights at work

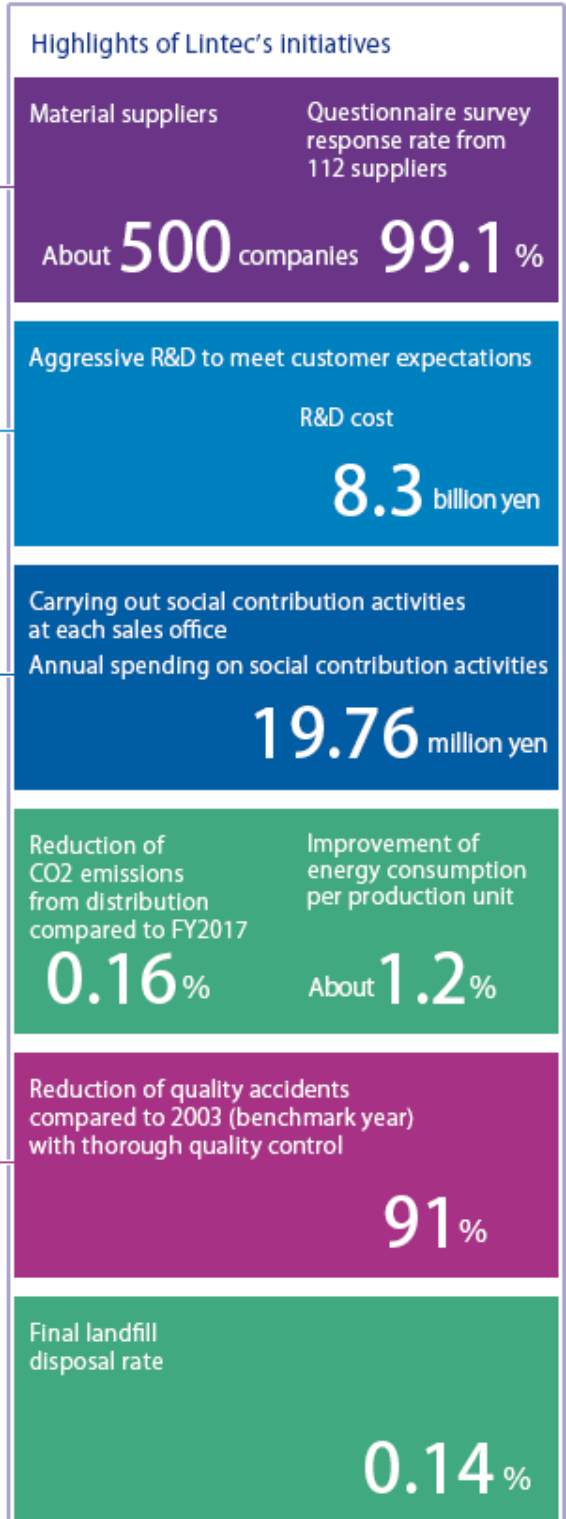


	<p>Labour practices</p>	<ul style="list-style-type: none"> <li>(1) Employment and employment relationships</li> <li>(2) Conditions of work and social protection</li> <li>(3) Social dialogue</li> <li>(4) Health and safety at work</li> <li>(5) Human development and training in the workplace</li> </ul>
	<p>The environment</p>	<ul style="list-style-type: none"> <li>(1) Prevention of pollution</li> <li>(2) Sustainable resource use</li> <li>(3) Climate change mitigation and adaptation</li> <li>(4) Protection of the environment, biodiversity and restoration of natural habitats</li> </ul>
	<p>Fair operating practices</p>	<ul style="list-style-type: none"> <li>(1) Anti-corruption</li> <li>(2) Responsible political involvement</li> <li>(3) Fair competition</li> <li>(4) Promoting social responsibility in the value chain</li> <li>(5) Respect for property rights</li> </ul>
	<p>Consumer issues</p>	<ul style="list-style-type: none"> <li>(1) Fair marketing, factual and unbiased information and fair contractual practices</li> <li>(2) Protecting consumers' health and safety</li> <li>(3) Sustainable consumption</li> <li>(4) Consumer service, support, and complaint and dispute resolution</li> <li>(5) Consumer data protection and privacy</li> <li>(6) Access to essential services</li> <li>(7) Education and awareness</li> </ul>
	<p>Community involvement and development</p>	<ul style="list-style-type: none"> <li>(1) Community involvement</li> <li>(2) Education and culture</li> <li>(3) Employment creation and skills development</li> <li>(4) Technology development and access</li> <li>(5) Wealth and income creation</li> <li>(6) Health</li> <li>(7) Social investment</li> </ul>

## Lintec Group's Value Chain and Stakeholder Communication

Business activities of the Lintec Group have impacts on every link of the value chain. We proactively hold dialogues with stakeholders at each phase to carry out initiatives that meet social expectations.

DIALOGUE OPPORTUNITIES	Customers	Suppliers	Local communities	Employees	Shareholders/Investors
	Trade shows in and outside Japan, contact for inquiries	Questionnaire survey	Factory tour, social contribution activities	Communication magazine, intranet	Shareholders meeting, IR meeting, IR tool



※ Highlights refflect the unconsolidated results of Lintec Corporation.

\* Modal shift: An initiative to reduce CO<sub>2</sub> emissions by changing the mode of transport for passenger or cargo transportation from truck to railway or ship, allowing mass transport.

## Materiality (Important Issues)

Materiality means issues that a company should focus on, identified from a wide range of CSR activities. While the Lintec Group identified its materiality in 2014, what stakeholders expect from the company has changed significantly since then. In response to this change, the Lintec Group has been in the process of reviewing its materiality and is currently at STEP 2 in the figure to the right. The SDGs\*1 point of view will be incorporated into the new materiality, and key performance indicators (KPIs)\*2 will be updated at the same time.

\*1 SDGs: SDGs stands for Sustainable Development Goals, comprising 17 goals and 169 targets. They were adopted by the United Nations in September 2015.

\*2 Key performance indicators (KPIs): KPIs are important indicators related to organizational strategies, and quantitatively measure progress toward targets.

### Process of reviewing materiality

**STEP1**  
**Identify social demands**

We identified and narrowed down important ESG\*3 topics based on changes in various international guidelines and frameworks, such as the SDGs, GRI Standards, the United Nations Global Compact, and ISO 26000, as well as on information from ESG rating agencies.

**STEP2**  
**Internal engagement**  
**(Determine priority)**

We discuss hypotheses with internal organizations, such as R&D and the New Project Planning Office, and determine the importance.

**STEP3**  
**Identify key initiatives**

Based on the results of STEPs 1 and 2, we identify key initiatives, and have them evaluated by and obtain the approval of the president, the final decision maker.

## STEP4 Set KPIs again

Based on the identified materiality, we set performance indicators for our activities and proceed with implementation.

\*ESG: ESG collectively refers to the following three elements: environmental, social, and governance. It is used as an index to judge whether a company can achieve sustainable growth.

### Goals and results of CSR activities by theme

Organizations covered in Results:  
[A] Lintec Corp.; [B] Lintec Group; [C] Lintec Corp., Tokyo Lintec Kako, Inc.; [D] Lintec Corp. Head Office, 10 production sites, Research Center; [E] Lintec Corp. production sites (incl. Inal), Research Center

Materiality	Scope Circles mean applicable		Issues we should work on	Specific actions	KPIs	Results*	Related SDGs	
	Internal	External						
Governance	Operating global governance	<input type="radio"/>	<input type="radio"/>	Enhance and operate the management system.	Enhance global governance.	(1) Use of consultation contact points in and outside Japan (2) Results of audits by the Internal Audit Office according to local laws and regulations and internal standards	(1) 4 cases [B] (2) No serious Findings [B]	
The environment	Effectively using raw materials	<input type="radio"/>	<input type="radio"/>	Reduce environmental impact and comply with environmental laws and regulations.	Procure materials that will help to reduce environmental impact based on the Lintec Procurement Policy.	Amount of organic solvents used	17,700 t [A]	
	Reducing atmospheric emissions	<input type="radio"/>	<input type="radio"/>		Reduce emissions into the atmosphere based on our mid-term environmental target.	(1) CO <sub>2</sub> emissions from business activities in Japan (2) VOC*2 emissions from business activities in Japan	(1) 179,200 t [C] (2) 929.8 t [E]	 
	Making environmental contributions through products and services	<input type="radio"/>	<input type="radio"/>		Develop and spread environmentally friendly products through LCA*1.	Number of environmentally friendly products developed	30 products [A]	 
	Ensuring environmental compliance	<input type="radio"/>	<input type="radio"/>		Ensure and manage environmental compliance using the environmental management system.	Number of violations of environmental laws and regulations	0 violations [D]	
Labor practices	Ensuring occupational health and safety	<input type="radio"/>	<input type="radio"/>	Provide workplace environments where employees can work with peace of mind and ensure the safety of our employees in emergencies.	Conduct activities to ensure occupational safety according to the occupational safety and health management system.	(1) Number of occupational accidents and incidents resulting in absence from work (2) Working hours with no occupational accidents	No accidents during the year at Agatsuma Plant, Tokyo Lintec Kako, Inc. Chiba Plant, and Shingu Plant (incl. Nihami) [C]	 
	Achieving workplace diversity	<input type="radio"/>	-		Respect the diversity of employees and provide rewarding workplaces.	(1) Ratio of female managers (2) Return to work after taking time off for childcare leave	(1) 14% [B] (2) 100% [A]	 
	Improving employee satisfaction	<input type="radio"/>	-		Build working environments where employees feel motivated to work.	Turnover in three years of employees hired as new graduates	6.4% [A]	
Society	Conducting human rights due diligence*3	<input type="radio"/>	<input type="radio"/>	Promote stakeholder-friendly global communication.	Respect human rights and determine risks throughout the supply chain.	Number of responses to supplier survey	111 companies [A]	
	Ensuring social compliance	<input type="radio"/>	<input type="radio"/>		Instill and ensure group-wide compliance.	Response rate to compliance survey by officers and managers	Response rate to risk identification survey: 87.4% [B] Compliance survey was not conducted as risk identification survey was conducted.	
	Ensuring product compliance	<input type="radio"/>	<input type="radio"/>		Use the quality management system to eliminate and prevent accidents.	Number of serious product accidents reported	0 accidents [C]	
	Making contributions to sustainable consumption	<input type="radio"/>	<input type="radio"/>		Publicize the effects of environmentally friendly products to stakeholders.	Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	52 times [A]	
	Achieving harmonious co-existence with local communities	<input type="radio"/>	<input type="radio"/>		Introduce social contribution activities for local communities as a good corporate citizen.	(1) Total number of participants on plant tours (2) Implementation of social contribution activities	Community support expenses: 19,760 thousand yen [B]	
Contribution to business	Developing business models for local production & consumption in emerging countries	<input type="radio"/>	<input type="radio"/>	Promote business models that are friendly to the environment and society, and create businesses that can contribute to solving social issues.	Conduct R&D for products intended for local procurement and for solving social issues.	Development of a system for registering local raw materials at sites outside Japan (activity evaluation)	Search system for global raw material information management under development [B]	 
	Entering new areas	<input type="radio"/>	<input type="radio"/>		Number of patent applications (activity evaluation)	397 applications [A]	Under review	

\*1 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 CO<sub>2</sub> and hazardous chemical substances emitted throughout a product's lifecycle.

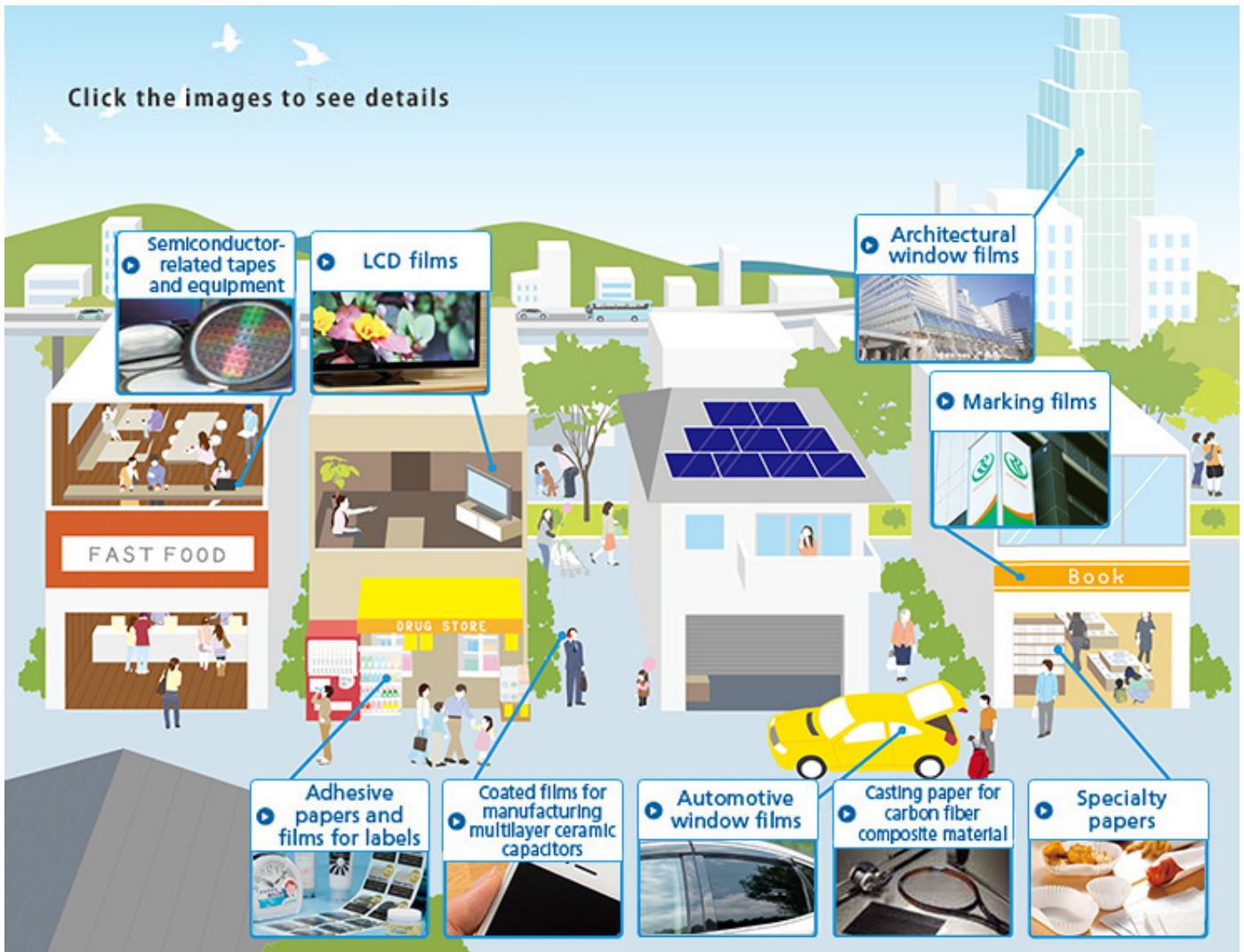
\*2 Human rights due diligence: A process exercised by an organization not only to comply with laws but also to address and reduce the risk of human rights violations (ISO 26000 6.3.3. Human Rights Issue 1).

\*3 VOCs: VOCs stands for volatile organic compounds. VOCs collectively refers to organic compounds that become gas in the atmosphere.

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## Lintec in Everyday Life

Lintec creates varied products in a wide range of fields, including adhesive materials and related equipment, specialty papers, and release papers and films. The company's products play an active role in all areas of life.





## || Architectural window films

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In addition to preventing the scattering/falling of glass fragments when glass is broken, such as in an earthquake, Lintec's window films also provide such features as UV protection, insulation, crime prevention, and privacy maintenance by covering the entire pane of window glass. With a diverse lineup of items, including clear, tinted, and reflective films, the company's window films have recently been gathering considerable attention especially with a view toward safety and energy-saving measures.



## || Marking films

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Lintec offers durable adhesive films in a rich assortment of colors and various outstanding features such as weather resistance, heat resistance, water resistance, and oil resistance, making them perfect for applications such as outdoor signs and logos attached to automobile bodies. The company also has a lineup of materials that enable varied visual expressions through large-sized printing. These are used widely for applications such as large advertisements in commercial facilities and vehicle wrap advertising on trains and buses.



## || Automotive window films

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Automotive window film in a wide variety of colors and textures allows drivers to create a posh external appearance and internal space in tune with one's sensitivities. At the same time, excellent insulation performance enables the creation of a comfortable space with improved air conditioning efficiency inside the vehicle. Lintec's broad lineup includes various high-transparency films.



## || Adhesive papers and films for labels

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Lintec has developed and provides a truly diverse range of label materials, from labels for brand display on various products and eye-catching stand-type labels to nameplates and warning labels on automobiles and electrical devices, labels on food packages that can be put into freezers and refrigerators or undergo heat processing, distribution labels suited to barcode printing, re-sealable labels for wet tissue packs, and adhesive memos.



## || Semiconductor-related tapes and equipment

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Lintec has developed a truly diverse range of highly functional tapes such as tape that protects circuit surfaces, which is used in the process of making semiconductor wafers thinner through back grinding after circuit formation; tape that fixes wafers in a ring frame during the process of dicing wafers into individual chips; and tape that contributes to the simplification of the chip mounting and laminating processes by transferring adhesive directly to the back surface of chips after dicing. The company has also developed various electronic devices for attaching and detaching its tapes.



## || LCD films

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Lintec conducts adhesive processing to attach polarizing film, phase difference film, and other films that are indispensable components of LCDs, supplies double-sided adhesive sheets for attaching, and conducts glare-proof hard coating of film surfaces to protect display surfaces from scratches and prevent background reflections of fluorescent and other lights.



## || Coated films for manufacturing multilayer ceramic capacitors

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Release film is crucial in the formation of ultra-thin ceramic layers during the manufacturing process for laminated ceramic capacitors, which are incorporated into numerous electronic devices. There is a need to apply a thin and even coat of ceramic dielectric paste and to then remove the film cleanly. The company's products combine the sophistication of Lintec's release technology with precision, thin coating technology.



## || Casting paper for carbon fiber composite material

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Carbon fiber is used in golf clubs, fishing poles, and components of aircraft bodies as a strong and light material. Lintec's release paper products called "casting paper" are used in the process of hardening carbon fiber into sheets with resin. Heat resistance and dimensional stability are important in addition to ease of release.



## || Specialty papers

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Lintec has developed and provides a truly diverse range of specialty and functional papers, including envelop papers in a rich variety of colors in which different textures provide distinctive characteristics; oil-resistant and water-resistant papers for food packaging; washing-resistant paper for cleaning tags; dust-free paper used in clean rooms such as in semiconductor factories; and incombustible paper that has a self-extinguishing feature.



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**LINTEC**

*Linking your dreams*

## Overview of the Lintec Group

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### **What Is the Lintec Group?**

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To realize the company motto, "Sincerity and Creativity", the Lintec Group is creating new value by evolving four basic technologies in accordance with the LINTEC WAY and the Lintec Group Compliance Guidelines. Through initiatives implemented under the medium-term business plan, "LINTEC INNOVATION PLAN 2019 (LIP-2019)", which is targeted at creating economic value, as well as initiatives linked to materiality (important issues), the Lintec Group aims for the sustainable development of society.

Sustainable development of society

Company Motto

Sincerity and Creativity

Suppliers

Customers

Employees

Local communities

Shareholders & investors

Global environment

Economic value

Medium-term Business Plan [LIP-2019]

Deepening Innovation aimed at driving new growth



Basic CSR Approaches

Meet the expectations of stakeholders and contribute to achieving a sustainable society through our business activities

Social value

Four core technologies

Adhesive applications

Surface improvement

System development

Specialty papers and release materials production

LINTEC WAY

Market needs

Lintec Group Compliance Guidelines

Social issues



## Printing- and industry-related segment



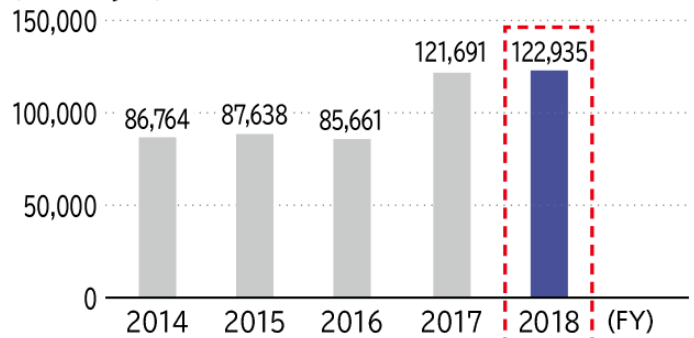
Adhesive papers and films for labels



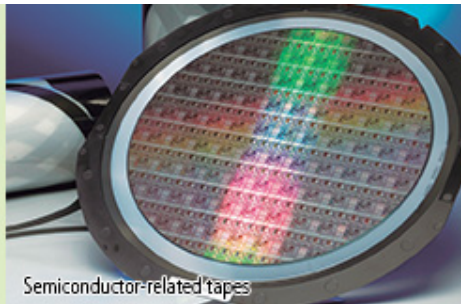
Window films for buildings

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)



## Electronic- and optical-related segment



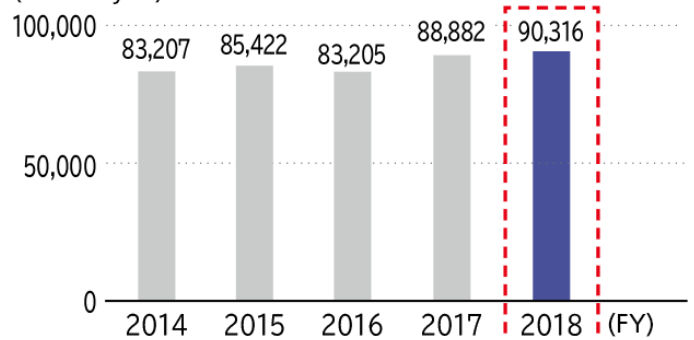
Semiconductor-related tapes



LED-related adhesive products

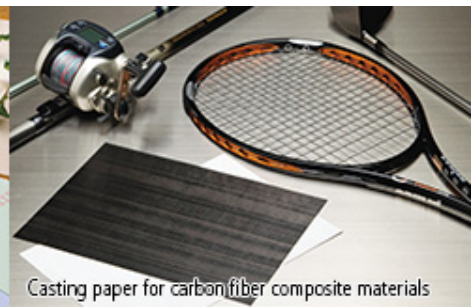
We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, release films indispensable for laminated ceramic capacitor manufacturing, LED-related adhesive products, and touch screen-related products. We play a part in expanding the IoT society\* by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.

### Sales (Million yen)



\* IoT: IoT stands for Internet of Things, which collectively refers to a wide variety of "things", such as buildings, appliances, automobiles and medical equipment, connected to the Internet for the purpose of exchanging information.

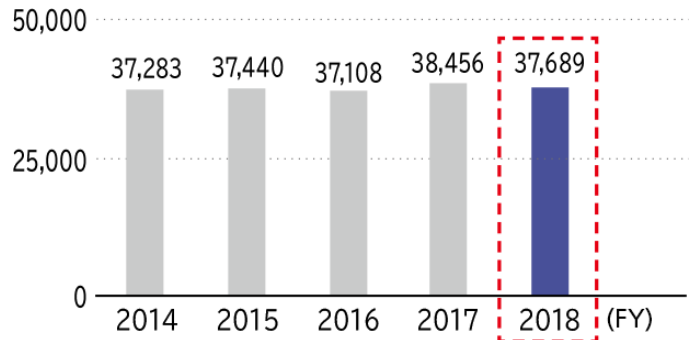
## Paper- and processing-related segment



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 including greaseproof paper and dust-free paper for food packaging, high-quality printing paper, and release paper and release film for protecting adhesive coated surfaces, as well as casting paper used when manufacturing synthetic leather and carbon fiber composite materials. Recently, we have developed highly water-repellent yet printable craft paper, which is used for envelopes, wrapping and book printing. We continue to improve our products according to market needs.

### Sales

(Million yen)



## **Four core technologies**

Working with four core technologies (technologies for adhesive applications, for surface improvement, for system development, and for specialty papers and release materials production), the Lintec Group develops differentiated and highly distinctive products by integrating the technologies at a high level.

### **|| Adhesive applications**

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By developing adhesives and various base materials, as well as through their composite technologies, we apply the basic functions of adhesive products (attaching and releasing) to a broader range of areas.

### **|| Surface improvement**

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Through chemical and physical treatment on the surface of paper and film, we improve their performance and add new functions.

### **|| System development**

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In addition to system development for machines and devices, we propose advanced solutions through the establishment of sophisticated systems that take advantage of the properties of materials.

### **|| Specialty papers and release materials production**

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By leveraging our unique papermaking technologies and technologies for coating, impregnation, and pasting, we develop paper with special functions beyond those of conventional paper as well as high value-added materials.

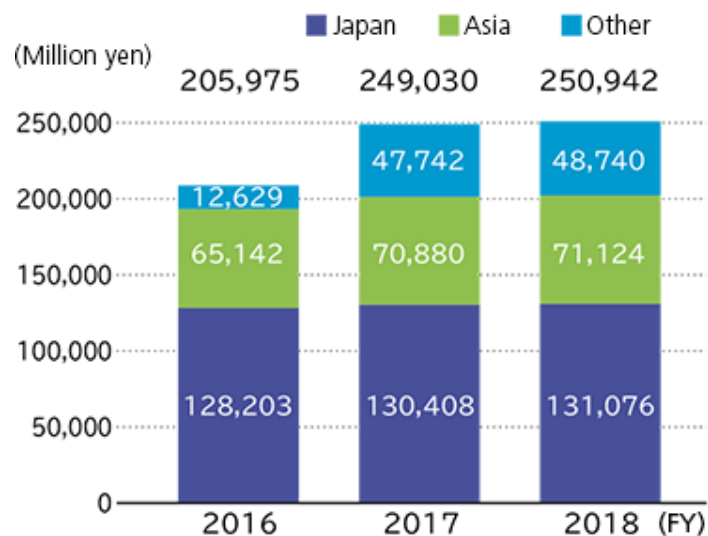
## Overview of the Lintec Group

### 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.



### Sales by region



- Sites certified to ISO 14001, the international standard for environmental management systems

### ■ LINTEC CORPORATION

- Head Office●
- Iidabashi Office

#### (Branches)

- Sapporo Branch
- Sendai Branch
- Hokuriku Branch
- Shizuoka Branch
- Nagoya Branch
- Osaka Branch
- Hiroshima Branch
- Shikoku Branch
- Fukuoka Branch
- Kumamoto Office

#### (Plants and Research Laboratory)

- Agatsuma Plant●
- Kumagaya Plant●
- Chiba Plant●
- Tatsuno Plant●
- Shingu Plant●\*1
- Tatsuno Office●\*1
- Komatsushima Plant●
- Mishima Plant●\*2
- Doi Plant●\*2
- Niihama Plant●
- Ina Technology Center●
- Research Center●

#### (Group Companies)

- LINTEC COMMERCE, INC.
- LINTEC SIGN SYSTEM, INC.
- SHONAN LINTEC KAKO, INC.
- LINTEC SERVICES, INC.
- LINTEC CUSTOMER SERVICE, INC.
- PRINTEC, INC.
- TOKYO LINTEC KAKO, INC.●

\*1 Shingu Plant and Shigu Plant Tatsuno Office obtained ISO 14001 certificate as one site.

\*2 Mishima Plant and Doi Plant obtained ISO 14001 certificate as one site.



## || Asia

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- LINTEC (SUZHOU) TECH CORPORATION●
  - Beijing Branch
  - Shanghai Branch
  - Shenzhen Branch
  - Chongqing Branch
- LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION●
- LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.
  - Suzhou Branch
  - Tianjin Branch
  - Shenzhen Branch
  - Chengdu Branch
- LINTEC SPECIALITY FILMS (TAIWAN), INC.
- LINTEC HI-TECH (TAIWAN), INC.
- LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC●
  - Hsinchu Office
- LINTEC KOREA, INC.●
- LINTEC SPECIALITY FILMS (KOREA), INC.
- INTEC ADVANCED TECHNOLOGIES (KOREA), INC.
- LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED
- LINTEC SINGAPORE PRIVATE LIMITED●
- PT. LINTEC INDONESIA●
- PT. LINTEC JAKARTA
- LINTEC (THAILAND) CO., LTD
- LINTEC INDUSTRIES (MALAYSIA) SDN. BHD●
- LINTEC INDUSTRIES (SARAWAK) SDN. BHD●
- LINTEC KUALA LUMPUR SDN. BHD
- LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD
  - Kuala Lumpur Office
  - Penang Office
- LINTEC VIETNAM CO., LTD
- LINTEC HANOI VIETNAM CO., LTD
- LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC
- LINTEC PHILIPPINES (PEZA), INC
- LINTEC INDIA PRIVATE LIMITED

## || United States

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- LINTEC USA HOLDING, INC.
- LINTEC OF AMERICA, INC.
  - Chicago Office
  - Dallas Office
  - NANO-SCIENCE & TECHNOLOGY CENTER
- MACTAC AMERICAS, LLC
- MADICO, INC●
- VDI, LLC

## || Europe

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- LINTEC EUROPE B.V.
  - Hungary Office
- LINTEC EUROPE (UK) LIMITED
- LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH
  - Israel Office



## Performance Data

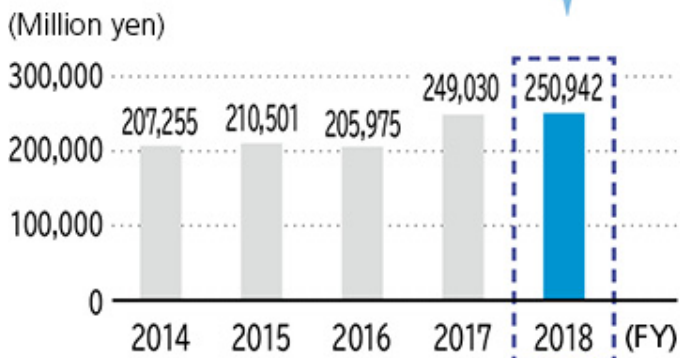
### Financial and Non-Financial Highlights

[Financial \(consolidated\)](#)
[Human Resources](#)
[Social \(non-consolidated\)](#)
[Environmental](#)

### Financial (consolidated)

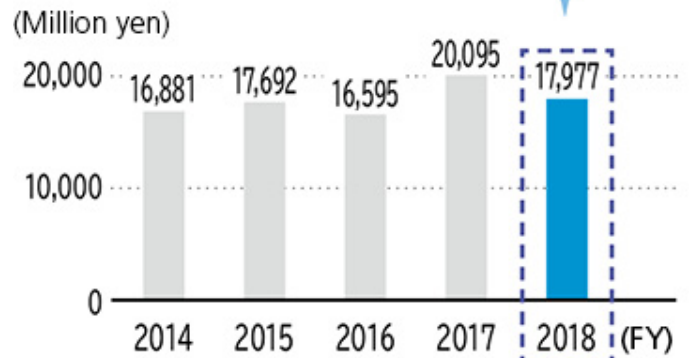
#### Sales

**250,900** million yen

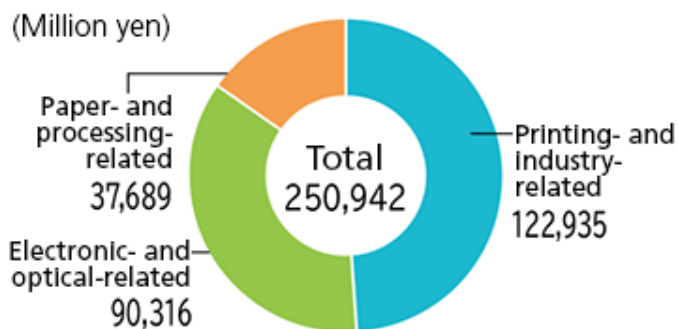


#### Operating income

**18,000** million yen

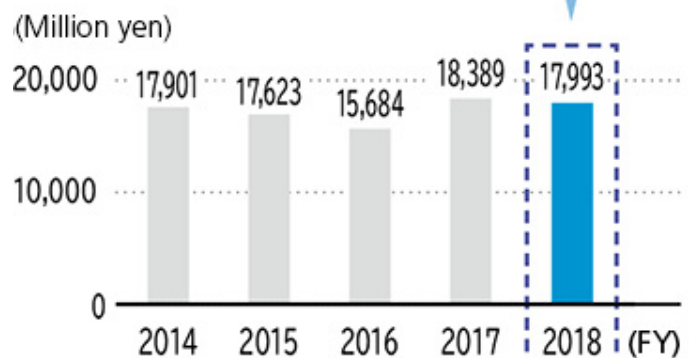


#### Sales by segment (Fiscal 2018)



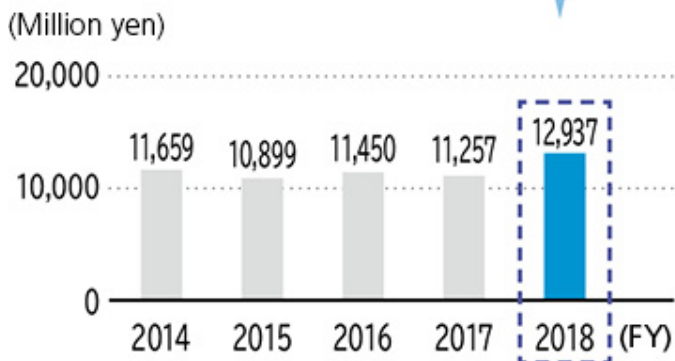
#### Ordinary income

**18,000** million yen



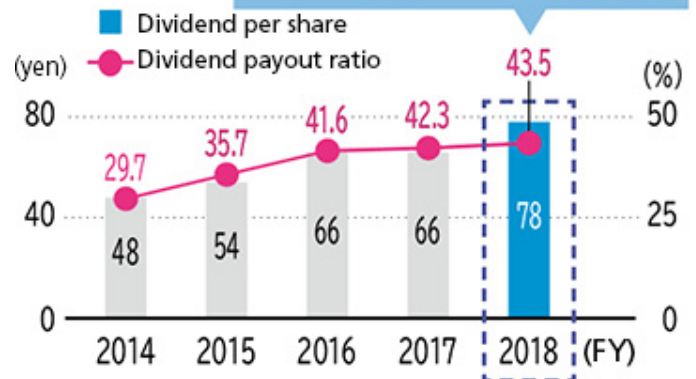
## Profit attributable to owners of parent

**12,900** million yen



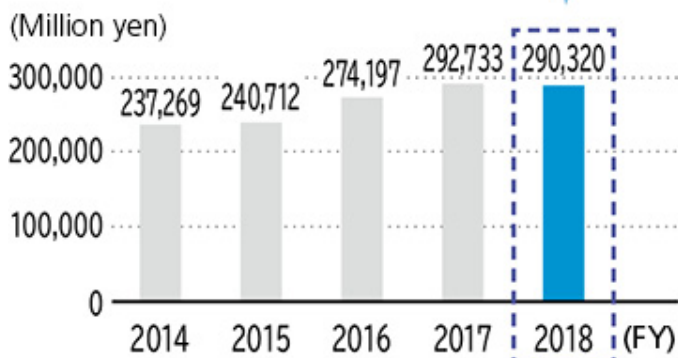
## Dividend per share

Dividend per share: **78** yen  
Dividend payout ratio: **43.5%**



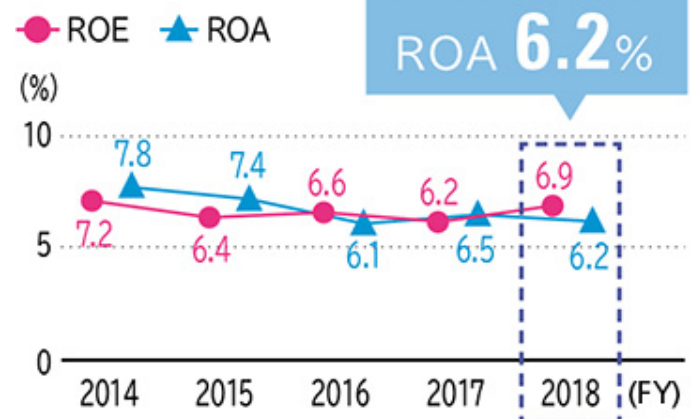
## Total assets

**290,300** million yen



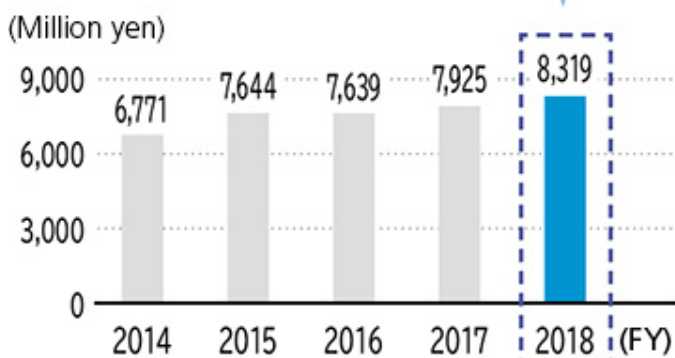
## ROE\*1/ROA\*2

ROE **6.9%**  
ROA **6.2%**



## R&D expenses

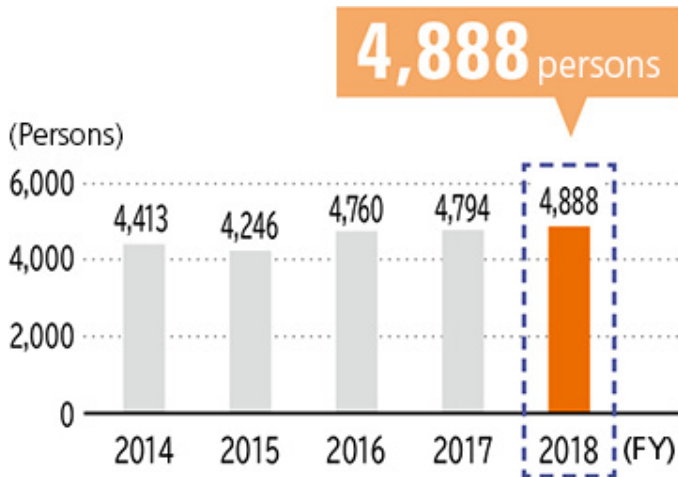
**8,300** million yen



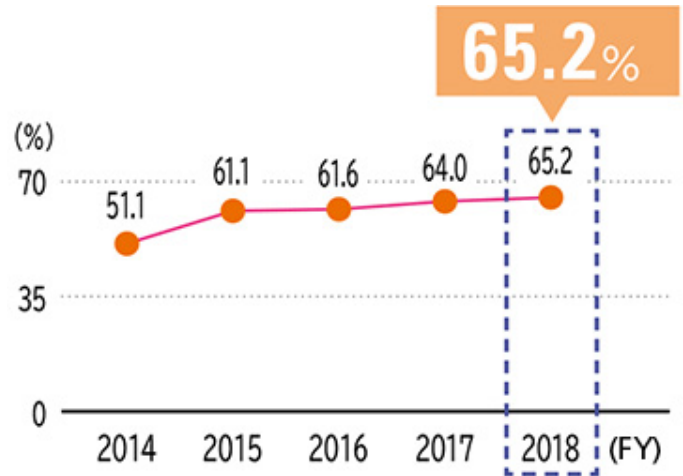
\*1 ROE: ROE stands for Return on Equity. It is an index for financial analysis that shows how much profit was generated from shareholders' equity (net asset).

\*2 ROA: ROA stands for Return on Assets. It is an index for financial analysis that shows how much profit was generated from total assets.

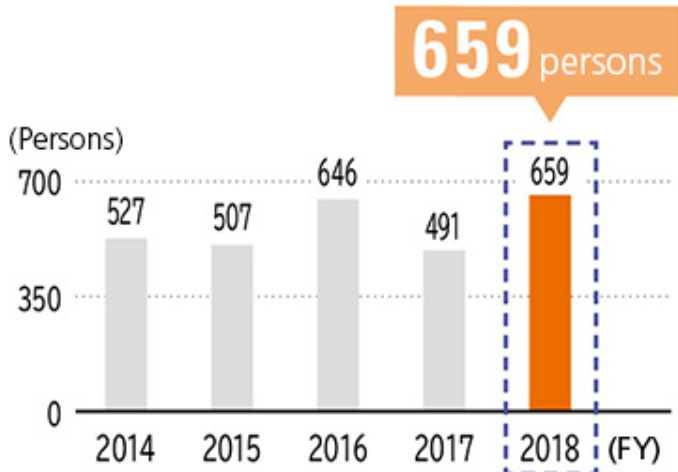
Number of employees (consolidated)



Percentage of paid leave taken (non-consolidated)

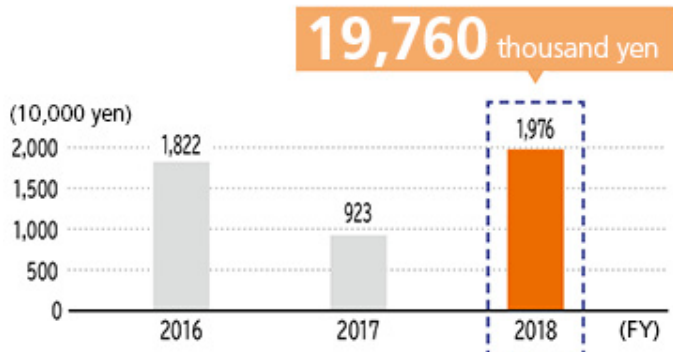


Number of participants in rank-based training programs (non-consolidated/total)

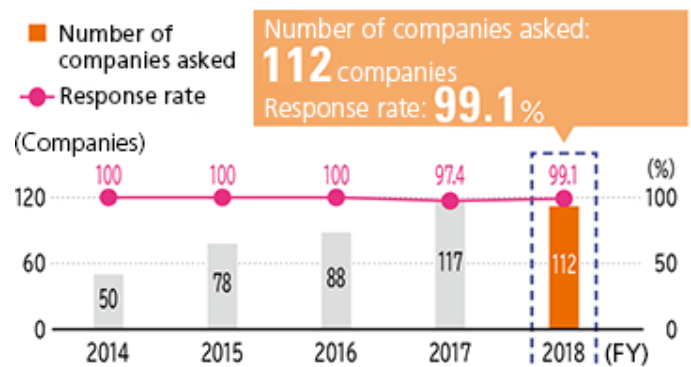


Social (non-consolidated)

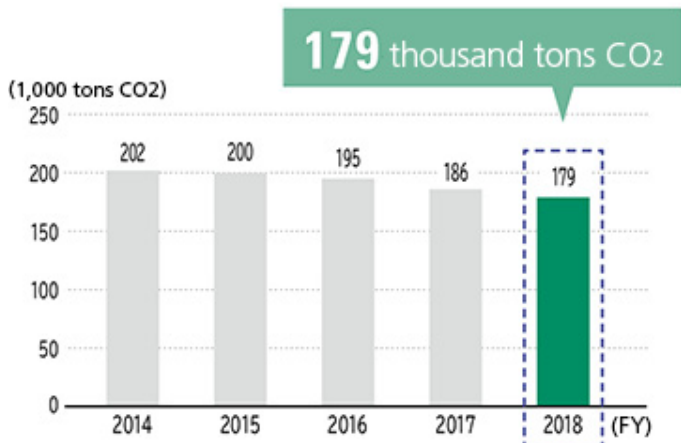
Community support expenses



Response rate of CSR procurement supplier survey



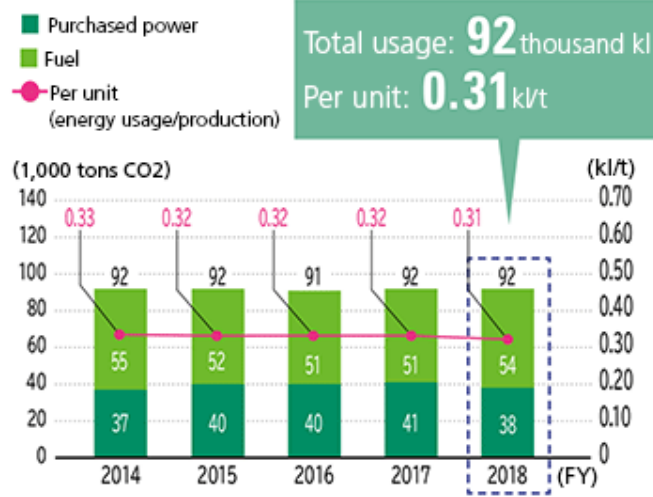
CO<sub>2</sub> emissions



Organizations covered: Lintec Corporation (Head Office, 10 production sites\*1, and Research Center) and Tokyo Lintec Kako, Inc.

- \*1 Production sites: Agatsuma (Gunma Prefecture), Kumagaya, Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno, Shingu (Hyogo Prefecture), Mishima, Doi, Niihama (Ehime Prefecture), and Komatsushima (Tokushima Prefecture)
- \*2 Lintec Group in Japan: Lintec Corporation and its sales offices; Tokyo Lintec Kako, Inc.; Printec, Inc.; Lintec Services, Inc.; and Lintec Commerce, Inc.

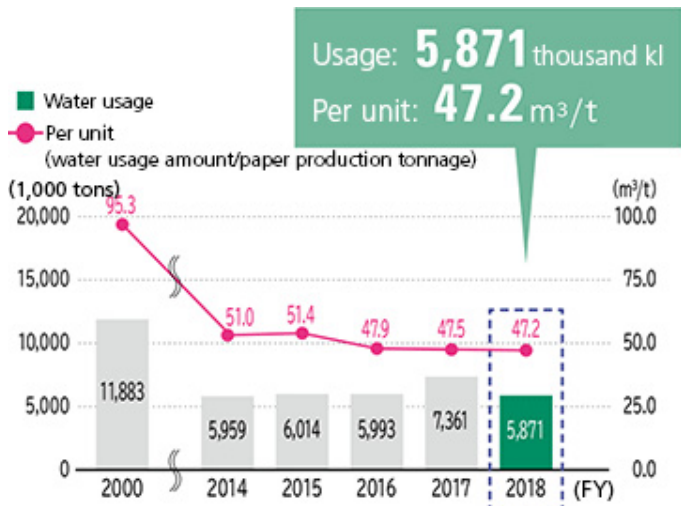
Total energy use (crude oil equivalent)



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

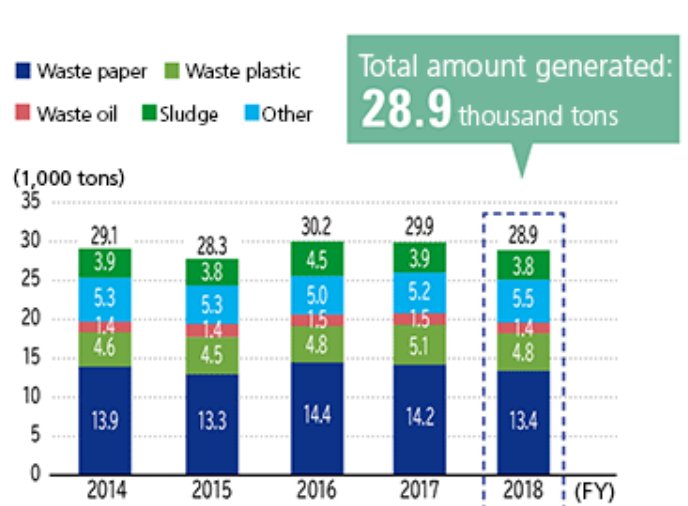
Organizations covered: Lintec Group in Japan\*2

Water usage



Organizations covered: Kumagaya and Mishima Plants

Waste generated



Organizations covered: Lintec Corporation (Head Office, 10 production sites, and Research Center) and Tokyo Lintec Kako, Inc.



## Performance Data

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Many stakeholders support the business of the Lintec Group. To meet these stakeholders' expectations, the Lintec Group places its corporate motto "Sincerity and Creativity" at the center of its CSR structure, and actively conducts its CSR activities. The following is our performance data for key stakeholders.

### Customer Relations

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- ▶ No. of patent applications
- ▶ Acquisition of ISO 9001 certification
- ▶ Total participants in quality education program
- ▶ Ratio of quality accidents

### Supplier Relations

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- ▶ Questionnaire survey response rate
- ▶ Questionnaire items (overview)

### Employees Relations

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- ▶ Number of employees by gender
- ▶ Employment rate for Persons with Disabilities
- ▶ Number of Job Return Program Users
- ▶ Employment of Older Persons
- ▶ Status of the Lintec Forest
- ▶ Employees by region and by gender
- ▶ Local employees at sites outside Japan
- ▶ Three-year turnover of employees hired as new graduates
- ▶ New hires and turnover
- ▶ Program users
- ▶ Company-wide rank-based training programs
- ▶ Participants in environmental education
- ▶ Self-development Correspondence Training Course Participants
- ▶ Occurrence of accidents resulting in absence from work
- ▶ Accident-free hours achievements
- ▶ Construction Safety Conferences
- ▶ Disaster drills at plants

## Community Relations

- ▶ Community Support Expenses
- ▶ Community cleanups
- ▶ Blood Donation
- ▶ A plant and facility tour

## Environment

- ▶ Medium-term targets and results
- ▶ Number of environment-friendly products developed
- ▶ Total energy use (crude oil equivalent)
- ▶ CO<sub>2</sub> emissions (non-consolidated)
- ▶ CO<sub>2</sub> emissions and transportation volume in distribution
- ▶ Energy usage
- ▶ Waste flow
- ▶ Waste generated
- ▶ Process from Water Intake to Effluent
- ▶ Water usage (Kumagaya and Mishima Plants)
- ▶ Effluent treated (Kumagaya and Mishima plants)
- ▶ Effluent Water Quality
- ▶ Emission and transfer of toluene
- ▶ Status of Proper Storage and Management of PCB
- ▶ Percentages of solvent-free printing-related adhesive products and release paper
- ▶ Environmental Conservation Costs
- ▶ Environmental conservation effects
- ▶ VOC emissions (Outside of Japan)
- ▶ Electricity usage (Outside of Japan)
- ▶ Fuel (light oil and natural gas) usage (crude oil conversion) (Outside of Japan)
- ▶ Material Flow (Japan only)

## 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 and common benefit to shareholders.

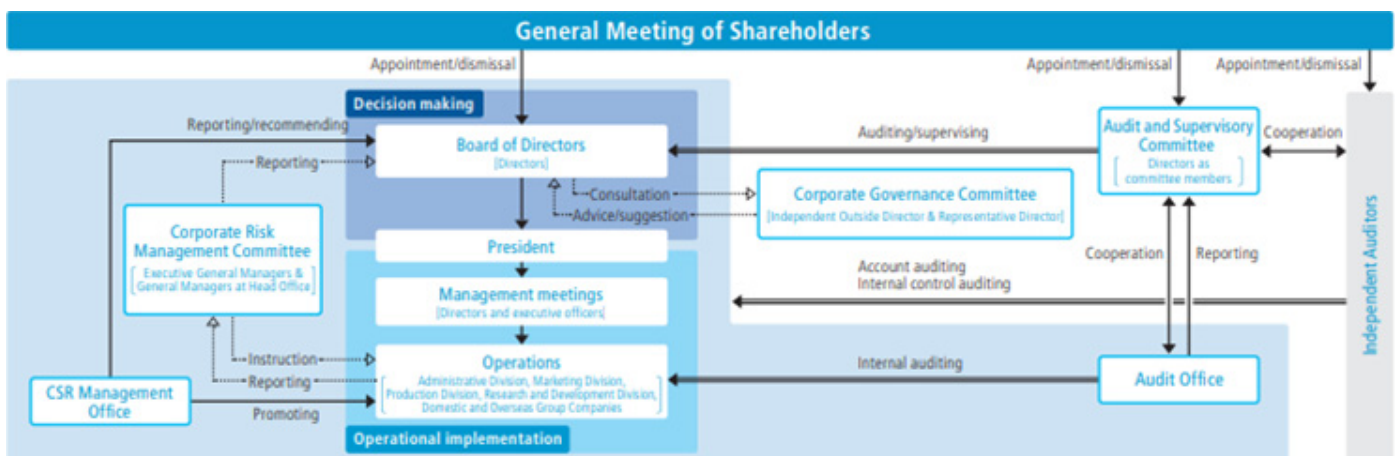
### Corporate Governance Framework

For organizational design\*1, Lintec has chosen to be a company with an audit and supervisory committee\*2, and appoints directors as Audit and Supervisory Committee members to enhance the function of supervising the Board of Directors, with the aims of stepping up corporate governance and improving management further.

Lintec has four outside directors (three men and one woman), including three directors (two men and one woman) who serve as Audit and Supervisory Committee members. With the adoption of the executive officer system, Lintec separates directors in charge of making decisions on important management issues from executive officers in charge of business operations.

In addition, the Corporate Governance Committee, comprising two independent outside directors and a representative director and chaired by an independent outside director, has been established as an advisory body for the Board of Directors. The Committee checks the validity of remuneration and personnel affairs of corporate officers.

### Corporate Governance System



\*1 Organizational design: Determining the structure of organizations (e.g., shareholder meeting, board of directors) in charge of decision-making or operation of a joint-stock company.

\*2 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.

## Actions taken to enhance corporate governance

FY	Actions
2004	<ul style="list-style-type: none"><li>■ Appointed an outside director, first in the company</li></ul>
2006	<ul style="list-style-type: none"><li>■ Established the Audit Office</li><li>■ Reformed the executive compensation system (abolished retirement benefits and introduced stock options)</li><li>■ Established the Remuneration Assessment Advisory Meeting (to check the validity of remuneration of corporate officers)</li></ul>
2008	<ul style="list-style-type: none"><li>■ Established CSR Management Office</li><li>■ Increased the number of outside directors from one to two</li></ul>
2011	<ul style="list-style-type: none"><li>■ Adopted executive officer system; decreased the number of directors significantly from 18 to 10</li></ul>
2015	<ul style="list-style-type: none"><li>■ Shifted to a company with an audit and supervisory committee (from a company with a board of auditors)</li><li>■ Set the number of board members at 16 (including four directors serving as audit and supervisory committee members and four outside directors)</li><li>■ Complied with principles of the Corporate Governance Code</li></ul>
2018	<ul style="list-style-type: none"><li>■ Reformed the executive compensation system (for the long-term incentive plan, replaced stock options with restricted stocks in order to encourage directors' holding of treasury stocks)</li><li>■ Abolished the buyout countermeasure (anti-takeover measure)</li><li>■ Established the Corporate Governance Committee, comprising two independent outside directors and a representative director and chaired by an independent outside director, as an advisory body for the Board of Directors to check the validity of remuneration and personnel affairs of corporate officers (Remuneration Assessment Advisory Meeting was dissolved as a result)</li></ul>

### Compliance with the Corporate Governance Code\*

Lintec complies with principles of the Corporate Governance Code. The Code was revised in 2018, and Lintec has taken necessary measures, such as the establishment of the Corporate Governance Committee.

Lintec will continue to comply with and implement the Corporate Governance Code. In light of social situations and the progress of its initiatives, Lintec holds discussions with top management and outside directors regarding insufficiencies to continue its improvement efforts.

\* Corporate Governance Code: A compilation of key principles set out by the Financial Services Agency and Tokyo Stock Exchange in the form of a code that listed companies in Japan are expected to comply with as a means of enhancing corporate governance.

## Remuneration of Corporate Officers

### 1. Total remuneration by corporate officer type, remuneration type, and number of officers included

Executive category	Total compensation (million yen)	Total compensation by category (million yen)			No. of officers covered (persons)
		Basic compensation	Stock options	Bonus	
Director (excl. Audit & Supervisory Committee member) (excl. outside director)	401	289	38	74	11
Director (Audit & Supervisory Committee member) (excl. outside director)	19	19	-	-	1
Outside director	21	21	-	-	4

### 2. Policy regarding decisions on amounts of director remuneration

#### (1) Director remuneration (excluding Audit & Supervisory Committee members)

Remuneration of directors (excluding outside directors and Audit & Supervisory Committee members) consists of three types: basic remuneration, bonuses, and restricted stock.

Bonuses are offered as short-term incentives (remuneration linked to business performance) and paid in amounts adjusted based on consolidated business results. Restricted stock is offered as long-term incentives, looking to increase directors' motivation for raised share prices and corporate value.

The amounts of remuneration are decided by the Board of Directors in accordance with the Company's internal rules on director remuneration, within totals approved at the General Meeting of Shareholders. With the aim of improving objectivity and transparency, the Corporate Governance Committee has been formed as an advisory body for the Board of Directors to provide advice and recommendations.

#### (2) Director remuneration (excluding Audit & Supervisory Committee members)

The amounts of remuneration are decided by the Board of Directors in accordance with the Company's internal rules on director remuneration, within totals approved at the General Meeting of Shareholders.



### **(3) Director remuneration (Audit & Supervisory Committee members)**

The amounts of remuneration are discussed and decided by the Audit & Supervisory Committee in accordance with the Company's internal rules on director remuneration, within totals approved at the General Meeting of Shareholders.

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## Corporate Governance

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### **Pursuing Strategic CSR Practice**

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

To achieve the LINTEC INNOVATION PLAN 2019 (LIP-2019), the medium-term business plan that was started in April 2017 and has its final year in fiscal 2019, we need to enhance group management. Therefore, we are conducting CSR activities on a global basis. We are aware that CSR activities directly impact business and strive to implement CSR activities in our core business. The Lintec Group promotes its business and CSR activities based on international standards by participating in the United Nations Global Compact and referring to ISO 26000.

In addition, we identify materiality, set key performance indicators (KPIs)\*, and implement PDCA cycles efficiently for strategic CSR activities.

\* Key performance indicators (KPIs): KPIs are important indicators related to organizational strategies, and quantitatively measure progress toward targets.

## CSR Promotion System

The CSR Management Office under the direct control of the president strives to foster high ethical standards, disseminate information on CSR, and support the initiatives of relevant committees. The committees, which are each led by a corporate officer and have a cross-organizational membership, lead initiatives with responsibility from the standpoint of management.

In addition, the SDGs Committee shared understanding on the correspondence relation between Materiality items and SDGs and determined the relevant current situation.



- Officer in charge of Corporate Ethics Committee  
Tsunetoshi Mochizuki, Director and Managing Executive Officer
- Officer in charge of Customer Satisfaction Committee  
Takashi Nakamura, Director and Managing Executive Officer
- Officer in charge of Social Contribution Committee  
Shuji Morikawa, Director and Executive Office
- Officer in charge of SDGs Committee  
Makoto Hattori, Director and Managing Executive Officer

## Legal Education for Top Management and Employees

To promote understanding of corporate legal affairs, Lintec provides directors and executive officers with a top-management training program. In fiscal 2018, we held two training sessions, one on laws and one on accounting.

In addition to this training for top management, we are incorporating legal training into rank-based training programs for newly appointed managers and newly appointed section chiefs. We also hold legal training sessions for mid-level employees in charge of sales.

In addition, Legal News is published six times a year to provide information related to legal affairs to employees of the Lintec Group. At the end of the fiscal year, an e-learning program is provided so that employees can review the contents. We will continue to make efforts to raise the level of understanding of corporate legal affairs.

### Legal News published in fiscal 2018

Publication month	No.	Title
June 2018	22	EU General Data Protection Regulation (GDPR)
July 2018	23	How will our work style change? Overview of the work style reform bill
October 2018	24	A good relationship with social media, such as LINE Information Security Rules of Lintec
November 2018	25	Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (2)
January 2019	26	Act against Unjustifiable Premiums and Misleading Representations
March 2019	27	Summary of news between April 2018 and March 2019

## Related Data

### || Outside Directors

Director (Managing Executive Officer, Nippon Paper Industries, Co., Ltd.) Kazumori Fukushima	Kazumori Fukushima enhances the supervisory function of Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in production and sales capacities, at Nippon Paper Industries Co., Ltd.
Director / Audit & Supervisory Committee Member (Director, Managing Executive Officer, Nippon Paper Industries, Co., Ltd.; Director, Nippon Paper Crecia Co., Ltd.) Toru Nozawa	Toru Nozawa audits and supervises Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in an administrative capacity, at Nippon Paper Industries Co., Ltd.
Director / Audit & Supervisory Committee Member (Lecturer, Chuo University Graduate School of Commerce; Outside Director, Ryobi Limited) Satoshi Ohoka	Satoshi Ohoka audits and supervises Lintec's Board of Directors by drawing on his experience in policy-based financial institutions, his rich international experience, his specialized academic experience, and the knowledge and experience he acquired as an outside director in other industries.
Director / Audit & Supervisory Committee Member (Lawyer at Kajitani Law Offices) Kanakano Osawa	Kanakano Osawa audits and supervises Lintec's Board of Directors by drawing on her advanced legal knowledge, broad insights, and knowledge and experience acquired in corporate legal affairs in and outside Japan.

### || No. of Board of Directors meetings

- No. of meetings : 14 times
- Attendance of directors : 99.5%
- Attendance of outside directors : 98.2%

※ Figures for attendance of directors at the board meetings above include that of Mr. Hitoshi Asai, who served as a director until March 31, 2018.

### || No. of Audit & Supervisory Committee meetings

- No. of meetings : 13 times
- Attendance of committee members : 100%
- Attendance of outside committee members : 100%



## Compliance

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All employees at the Lintec Group are committed to disciplining themselves based on the corporate motto of "Sincerity and Creativity". "Compliance self-check sheet" and "compliance training materials" are published in the Lintec intranet. All employees use these materials for checking their conduct and conducting compliance learning activities in their departments.

### **Global Surveys on Human Rights and Labor Standards**

The Lintec Group conducts a survey once a year to monitor working conditions and human rights. The survey covers a wide range of items, including 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 environments, and human resource development.

As a result of the survey in February 2019★, 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.

★ For detailed data, [click here](#)

### **Compliance with the Antitrust Law & Prevention of Corruption**

The Lintec Group strives vigorously to ensure compliance with the antitrust law, creating appropriate manuals and distributing copies to employees at business divisions as well as providing relevant guidance to salespersons within legal training sessions, specifically referring to reported cases of violations concerning other companies involving cartel formation and resale price maintenance agreements. The Group also works to prevent bribery and corruption, incorporating the topic into the Compliance Guideline, a booklet distributed to employees to raise their compliance awareness.

## Issuing Legal Newsletter

The Lintec Group issued Legal News (Vol.22-27) from April 2018 to March 2019 to provide legal information to employees.

- Vol. 22 EU General Data Protection Regulation (GDPR)
- Vol. 23 How will our work style change? Overview of the work style reform bill
- Vol. 24 A good relationship with social media, such as LINE Information Security Rules of Lintec
- Vol. 25 Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (2)
- Vol. 26 Act against Unjustifiable Premiums and Misleading Representations
- Vol. 27 Summary of news between April 2018 and March 2019

Following the issuance of Legal News Vol. 27, e-learning programs were provided via the intranet.

Additionally, training sessions aimed at improving employee's compliance awareness were organized for three groups. From April to December 2018, salespersons in their 10th or so year at the company attended legal training sessions, provided as part of theme-based programs. In January 2019, newly appointed section managers and first-year employees assigned to the Research Center received guidance (about one hour each) on "legal risks associated with Lintec" and "basics of contracts", respectively.

## 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. The Guidelines booklet has been translated into seven other languages to be distributed to employees of Group companies outside of Japan. It was revised in April 2017. Using the revised version, in fiscal 2018, the CSR study session was held in one Japanese location, and was attended by 99 employees.



▶ [Lintec Group Compliance Guidelines](#)

## Fostering Sense of Ethics

Rinri Kawaraban, which started in fiscal 2006, is an intranet ethic news column featuring a short haiku-like poem with an additional explanation to familiarize employees with standards for ethics and conduct. The poems are compiled into a booklet, which is not only used internally but also introduced to suppliers and customers.



Volume 11 was issued under the theme of "Make corporate ethics easier to understand and practice" and introduced a new patrol dog mascot.

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## Risk Management

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The Lintec Group established the Corporate Risk Management Committee in April 2018 to further enhance its risk management system. The Committee consists of executive general managers and general managers of offices under the direct control of the president, and engages in the identification of the actual state of affairs of the company as well as in risk analysis. The Committee 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. The chair of the Corporate Risk Management Committee reports on the activities of the Committee to the Board of Directors twice a year, thereby sharing information, receiving instructions, and improving the risk management ability.

### **Establishing Group-wide BCMS\*1**

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Becoming certified under ISO 22301\*3: 2012 in March 2014, we are operating the BCMS to maintain and improve the BCP. We will make continued efforts to share the BCMS among employees to initiate and enhance activities.

- \*1 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 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.
- \*2 BCP stands for a Business Continuity Plan. It is 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.
- \*3 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.

## || BCMS Drill

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Employees at each site plan and conduct drills according to the business and characteristics of the site. Details of drills at all sites are shared group-wide via the intranet.

Drills  
conducted in  
fiscal 2019

26 sites 338 drills



Company-wide emergency task force drill (Mar. 2019)



Head office comprehensive disaster drill (Mar. 2019)



Firefighting training at Shizuoka Branch (May 2018)



Evacuation drill at Osaka Branch (Dec. 2018)

## || Group-Wide BCMS Study Sessions

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Lintec hosts basic BCMS study sessions targeting the entire workforce. Each year, three sessions are held at the Head Office and broadcast to all sites via the videoconference system. In addition, an external BCMS expert is invited to give a seminar on a yearly basis. Representatives from each site attend the seminar and utilize the acquired knowledge to enhance BCMS drills at their respective locations.



Held in Yokohama, attended by 37 employees

## || Improvement efforts

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BCMS operation at each site is checked by internal audits. About half of these internal audits are conducted as mutual site audits, which provide employees with opportunities to get to know initiatives at other sites and help improve each other.

Suggestions and improvement proposals from employees are discussed at the BCMS Council and reflected in group-wide initiatives. Council meetings are held openly, broadcast at each site using the TV conference system so that employees can watch them.

## Information Security

Lintec has developed the Information Security Management Rules, and conducts a self-check every year at each department based on the Information Security Operational Rules and Internal Audit Checklist. In fiscal 2018, Lintec provided an e-learning program on information security based on the results of a self-check and made efforts to promote understanding and raise awareness among employees concerning information management. In light of the fact that the uploading of inappropriate videos has become a social issue, Lintec provides comprehensive education that includes things to note when using social media in a personal capacity, as well as internal rules on information management.

## Helpline

The Lintec Group has a helpline (internal reporting system) to enable employees to report, without any disadvantage, any serious legal or ethical violations that they identify. Lintec added a third-party lawyer to the helpline system to facilitate prompt investigations while protecting reporters and reported details.

Instructions on how to use the helpline are provided in the Compliance Guideline to raise awareness of the helpline across the Group. In fiscal 2018, it became possible to report in Simplified Chinese, in addition to Japanese and English.

Written questionnaire surveys are sent to group companies every year to grasp how each company is publicizing and operating the system in order to provide necessary instructions and support to improve its effectiveness.

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## Providing Value to Customers

"We adhere to the fundamentals of 'manufacturing'. We shall develop, manufacture, and sell 'quality', 'environment friendly', and 'safe' products, and pursue business activities that are trusted by all stakeholders". While upholding this Quality Policy, the Lintec Group is making efforts for improving the added value of our products and services to meet customer expectations.

### Improving Customer Satisfaction

### Promoting One-stop Development

Lintec's Research & Development Division promotes "one-stop development", which considers the mass production process simultaneously with product design. In handling difficult development topics in fiscal 2018, before trial manufacturing of production machines we incorporated advance verification using test coating facilities for mass production into the design and development flow by taking advantage of FMEA.\* This significantly reduced defects and problems in trial manufacturing of production machines as well as returns to sections that designed the development topic.

To be able to handle materials for development that have a range of acidities or alkalinities, we will make efforts to enhance ancillary facilities of test coating facilities for mass production.

★ For detailed data, [click here](#)

\* FMEA: FMEA stands for Failure Mode and Effects Analysis. It is a method used to realize prevention by predicting in advance failure modes expected in product design or in a process and analyzing their causes and impacts.

No. of patent applications★  
**397**  
applications/year



Advanced Technology Wing



Large test coaters

## **Voice** Accelerating Product Development with Test Coating Facilities for Mass Production

The Release Materials Labs utilizes test coating facilities for mass production to provide samples with quality equivalent to that required for factory production to customers in a timely manner, thereby accelerating product development.

In fiscal 2018, we focused on examining applications of highly smooth films that are expected to be adopted for next-generation release films but are posing difficult challenges with respect to transportation and roll-up, as well as producing highly concentrated release agents to reduce VOC emissions, thus contributing to environmental protection. To pursue these themes, we need to improve web-handling and coating techniques, which requires many different tests in addition to those for design development. When dealing with these enormous tasks, test coating facilities for mass production are indispensable to enable factory production standards for advance verification.

We also plan to use the facilities for selecting new equipment for future plant construction, looking to cooperate with plants to develop high-function products effectively in response to changing market needs.

\*VOCs: VOCs stands for volatile organic compounds. VOCs collectively refers to organic compounds that become gas in the atmosphere.



Shunsuke Murashima  
Release Materials Labs,  
Product Research  
Department  
Research Center, Research  
& Development Division

## **|| Disclosing Product Information**

To ensure customers safe and secure use of our products, the Lintec Group provides product information in various forms, including publication of a safety data sheet (SDS), responding to surveys on chemical substances contained in products, technical documents describing product characteristics, and preparation of product specifications that state product structure and physical property standards. Characteristics of products, featured products, and lineups are found on the Lintec website and in the in-house magazine. We will continue to produce high-quality products and disclose information properly.

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## Providing Value to Customers

### Quality Assurance

Manufacturing in the Lintec Group is based on the company motto "Sincerity and Creativity". Individual employees work on manufacturing with an awareness of quality, the environment and safety. We are taking on new challenges, never satisfied with the status quo, to deliver safer, more reliable products. The Lintec Group continues to address challenges in manufacturing for the future.

▢ [Lintec Group Quality, Environmental and Business Continuity Policies](#)

### Quality Assurance System

The Lintec Group has established a quality assurance system based on ISO 9001\*. To operate the quality assurance system more efficiently, we have integrated the systems of each business division into a group-wide QMS. We will continue to improve customer satisfaction on the basis of the quality assurance system.

#### Acquisition of ISO 9001 certification

		FY2016	FY2017	FY2018
Number of sites certified		21	19	16
By region	Japan	10	9	5
	Asia and others	9	9	9
	Americas	2	1	2

\* ISO9001: The international standard for quality management systems

※ Number of certifications obtained decreased in some locations

## Quality Incident Prevention and Education

The Lintec Group believes that operating a quality management system effectively is necessary to maintain and improve the quality of products and services. To this end, it is important to deepen the understanding of ISO 9001 as an entire group, especially to improve the ability of internal auditors, who are in charge of checking the quality management system.

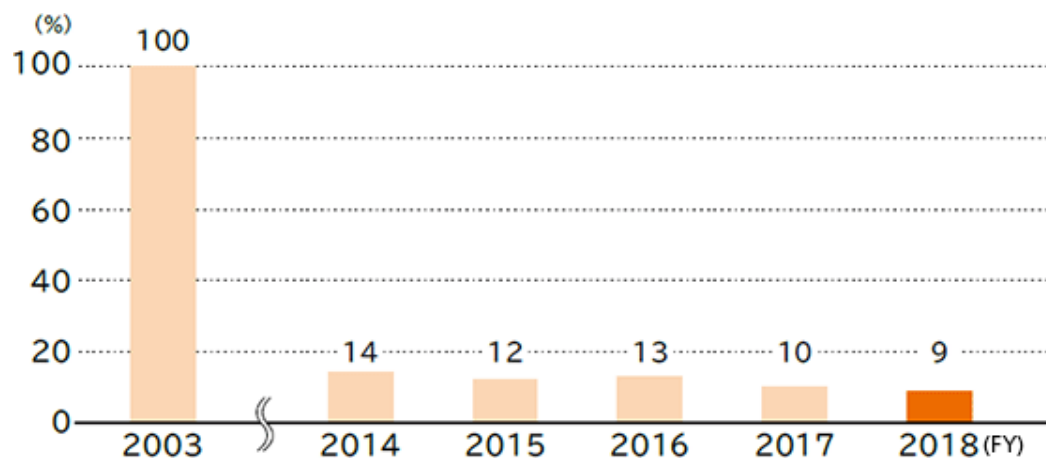
To develop internal auditors based on such a stance, we formulate and implement annual training plans for three stages: knowledge on ISO 9001, understanding of requirements, and internal audit techniques. All employees are making concerted efforts for quality improvement to meet customer demands.

Total participants in quality education program

**505** employees

※ Scope: Lintec Corp., Tokyo Lintec Kako, Inc., Shonan Lintec Kako, Inc., Lintec Customer Service, Inc. and Printec Corp.

### Ratio of quality accidents



※1 Ratio of quality accidents at Lintec Corp., Tokyo Lintec Kako, Inc. and Shonan Lintec Kako, Inc.

※2 Ratio to the number recorded in fiscal 2003 as 100%.

## **Voice** Responding to Customer Demands by Taking Various Measures for Quality Management

At the Agatsuma Plant, we take various measures to respond to customers' requests concerning process management. One of such measures is to establish a specialized group for quality management of suppliers, at the stage of accepting raw materials. This has enabled efficient supplier audits, conclusion of purchase specifications, and quality improvement requests. In addition, we prevent outflow of abnormal products and improve the process at various stages by expanding the scope of SPC\*. As the number of customers who wish to receive periodic reports on the process data is increasing year by year, we are also responding to such requests.

We will keep in mind the policy of the Agatsuma Plant - "Quality is the Pillar of Business Operation. Let us Step Forward with Customers" - and engage in quality management with sincerity.

\* SPC: SPC stands for Statistical Process Control. It is a method used to detect changes in a process by taking small samples frequently.



Naomi Seki  
Senior Staff, Quality  
Management Section,  
Quality Assurance  
Department  
Agatsuma Plant

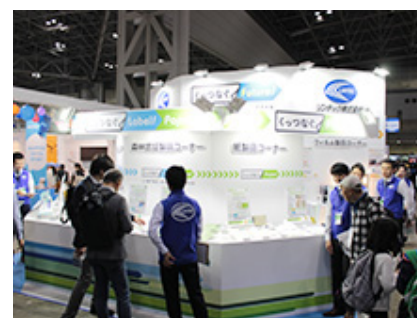
## **|| Assessment of health and safety impacts**

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The Lintec Group handles many materials for industrial products, which relate to a large component of its businesses. Being aware that some of the materials we offer contain hazardous chemicals, we work to ensure that such materials will never affect users, specifically by selecting appropriate raw materials in compliance with standards and guidelines based on the RoHS Directive, the Industrial Safety and Health Act, and other regulations, while implementing measures to prevent contamination during manufacturing processes. In fiscal 2018, no noncompliance or violation was reported in relation to our business activities.

### Exhibiting at Exhibitions in and Outside Japan

In order to communicate with even more customers, Lintec actively participates in exhibitions held in and outside Japan. In fiscal 2018, Lintec took part in a total of 52 exhibitions and received valuable feedback on its products and technologies.



Exhibited at ECO PRODUCTS 2018

#### Fiscal 2018 Exhibitions

Japan	Outside Japan
<ul style="list-style-type: none"> <li>■ SIGN&amp;DISPLAY SHOW2018</li> <li>■ Logis-Tech Tokyo 2018</li> <li>■ JAPANTEX 2018</li> <li>■ ECO PRODUCTS 2018</li> <li>■ Converting Technology Exhibition: Neo Functional Material 2019</li> </ul>	<ul style="list-style-type: none"> <li>■ LABELEXPO SOUTHEAST ASIA 2018 (Bangkok, Thailand)</li> <li>■ Philippine Semiconductor &amp; Electronics Convention and Exhibition 2018 (Pasay, Phillipines)</li> <li>■ SEMICON West 2018 (San Francisco, U.S.A)</li> <li>■ All China Leather Exhibition 2018 (Shanghai, China)</li> <li>■ SEMICON Taiwan 2018 (Taipei, Taiwan)</li> <li>■ NEPCON Vietnam 2018 (Ho Chi Minh, Vietnam)</li> <li>■ LABELEXPO AMERICAS 2018 (Rosemont, U.S.A)</li> <li>■ SEMA Show 2018 (Las Vegas, US)</li> <li>■ Pharmapack 2019 (Paris, France)</li> <li>■ SEMICON China 2019 (Shanghai, China)</li> </ul>



## Cooperating with Suppliers

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Considering all suppliers as "partners who should grow together with Lintec", the Lintec Group strives to establish relationships built on trust with them. When selecting suppliers, we evaluate them appropriately based on the principle of free competition. We engage in fair and transparent transactions, and ensure legal and ethical compliance in our procurement activities.

### Fair Transactions

### CSR Procurement

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Lintec has established the Lintec Procurement Policy, the Lintec Green Procurement Policy, and the Lintec Lumber Pulp Procurement Policy, all of which are based on CSR. Its procurement activities follow the Policies.

We request suppliers, on various occasions, to ensure CSR activities from multiple perspectives, including respect for human rights, occupational health and safety, information security, and corporate ethics.

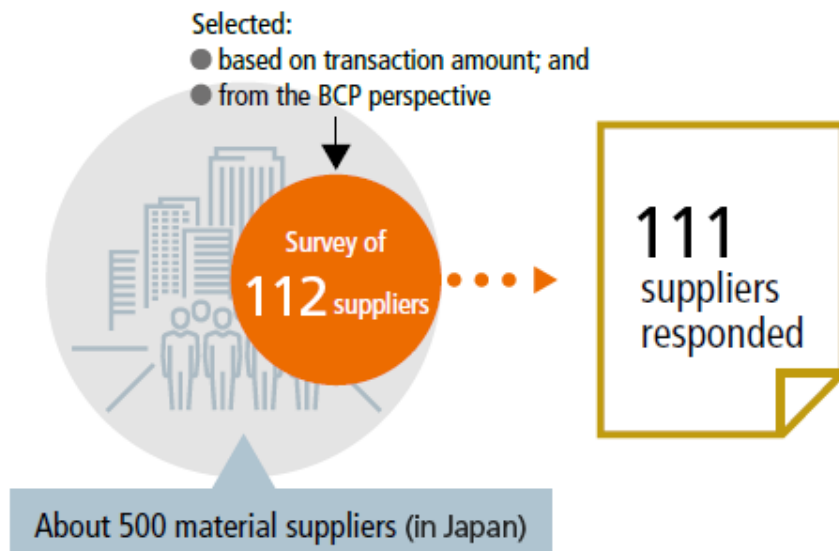
In fiscal 2018, we asked 112 companies, which we selected out of roughly 500 domestic material suppliers based on the transaction amount and from the BCP\* perspective, to complete a questionnaire, and 111★ of them did so. The survey covered CSR-related items, including legal compliance, prohibition of child labor, and safe/healthy working environments. We are also using the survey results in supplier evaluation.

We will continue to improve procurement activities and enhance cooperation with our suppliers.

★ For detailed data, [click here](#)

\* BCP stands for a Business Continuity Plan. It is 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.

## Supplier questionnaire survey



### Questionnaire items (overview)

Corporate management	Financial status
Management/Labor	Legal compliance/Corporate ethics Labor (respect for human rights, working hours, wages, etc.) BCP Information security
Service	Cost Deadline Information provision (information on products, technology, industry, etc.)
Quality	Third-party certification (ISO 9001, etc.) Management system (suppliers, raw materials, manufacturing processes, products, etc.)
Environment	Third-party certification (ISO 14001, etc.) Chemical substances management system

## || Environmental Assessment at Suppliers

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Lintec asks its suppliers to respond to the supplier questionnaire survey. A check sheet survey consisting of a number of categories, it is compiled jointly by our Procurement Department, Quality Assurance Department, CSR Management Office, and Environmental & Safety Department. Using collected responses, we perform supplier evaluations and feed results back to the suppliers. We may request in writing companies with low scores to consider taking improvement measures.

In the category of the environment, particular importance is placed on the management of raw materials containing hazardous chemicals. Major evaluation items are related to the establishment of chemical substance control systems, chemical substance management systems, data collection, and raw material lot traceability. We visit suppliers as necessary to perform on-site inspections and ask them to take improvement measures, depending on the result.

## || Green Procurement

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For procurement with lower environmental impact, the Lintec Group is ensuring thorough chemical substance management for raw materials, parts, and secondary materials. We conduct investigations into substances contained not only in new materials that we procure for the first time but also in materials that we have continuously procured in order to ensure compliance with new regulations.

In fiscal 2018, we asked suppliers to respond to our survey based on the REACH Regulation\*1 (19th and 20th candidate lists) and chemSHERPA\*2 (version 1.06), covering around 5,000 raw materials. Together with suppliers, we will continue to promote environmental protection activities and ensure control of chemical substances.

- [▶ Lintec Green Procurement Policy](#)
- [▶ Lintec Lumber Pulp Procurement Policy](#)
- [▶ Lintec Procurement Policy](#)

\*1 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.

\*2 chemSHERPA: A scheme, recommended by Japan's Ministry of Economy, Trade and Industry, for communicating information about chemical substances contained in products. The mechanism is aimed at properly managing chemical substances contained in products across supply chains, from upstream to downstream, to ensure continued compliance with tighter regulations.

## **|| Conflict Minerals\***

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Lintec recognizes that conflict minerals, mined to fund armed conflict, are a serious social problem, and investigates whether materials it uses include metals from mines that serve as funding sources for armed groups.

We will continue to confirm that our supply chain is not funding armed groups and conduct procurement management that avoids the use of conflict minerals.

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

## **|| Child Labor/Forced Labor**

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The Lintec Group is aware of the grave issues relating to child labor and forced labor. As such, Lintec conducts a supplier survey every year to monitor the relevant situation. In fiscal 2018, no risks associated with child labor or forced labor were identified at our business sites and suppliers.

### **BCP with Suppliers**

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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. Since fiscal 2014, Lintec has evaluated 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\*. All our suppliers will be subject to these examinations in the future.

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

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## Together with Employees (Human Rights / Employment)

The Lintec Group has been creating a comfortable working environment to support all employees who perform their jobs with energy and motivation.

### 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\* 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. In fiscal 2018, two registered job return program users were re-hired.

\* 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.

### Employment

#### Number of employees by gender: Lintec Corporation



#### Number of employees by gender: Lintec Group (incl. non-consolidated companies)



(Outside Japan: as of December 31, 2018; In Japan: as of March 31, 2019)

\* Percentage of each gender in management positions.

★ For detailed data, [click here](#)

## || Diversity Committee

Lintec's Diversity Committee carries out activities to realize a workplace environment where a diverse range of employees, who each have different lifestyles and ways of thinking, can exercise their abilities to the full and make active contributions.

In fiscal 2018, the Committee focused on supporting sick or injured employees and engaged in a series of discussions to revise work regulations to support employees who need to balance receiving treatment and work. Continuing the activities it carried out in the previous fiscal year, the Committee also provided a training program led by an expert in which the Family Care Support Handbook was used to facilitate understanding and establishment of support for employees engaged in family care. About 160 employees across Japan, including those of group companies, undertook the program.



Family Care Support Handbook distributed to all employees

### Diversity Committee

Target ①	Raise the average percentage of females in the total number of new hires (graduated from university/graduate school) to over 30%			
Initiatives	<b>From April 2016 onward</b> <ul style="list-style-type: none"> <li>■ Continue to raise employee awareness to promote employment of female students</li> <li>■ Improve job/workplace environments and review/creatively improve ways of working</li> <li>■ Appoint female recruiters for each job category to conduct employment screening</li> </ul>			
Achievement rate (%)	FY2016	FY2017	FY2018	Plan period average
	32.5	34.2	32.4	32.4

Plan period: 3 years from April 1, 2016 to March 31, 2019



Target ②	Raise the percentage of female supervisors (section chiefs) to over 10%		
Initiatives	<p><b>September 2016</b></p> <ul style="list-style-type: none"> <li>Continue to provide diversity management training for managers to raise awareness of the importance of creating a diverse workplace environment where individual members can exercise their abilities to the full</li> </ul> <p><b>November 2016</b></p> <ul style="list-style-type: none"> <li>Continue to provide training for female employees to raise their awareness of the importance of promoting female empowerment initiatives, and individual career development and future working style plans</li> </ul> <p><b>From February 2017 onward</b></p> <ul style="list-style-type: none"> <li>Consider reviewing career development training programs</li> </ul>		
Achievement rate (%)	FY2016	FY2017	FY2018
	5.4	6.3	7.2

Plan period: 3 years from April 1, 2016 to March 31, 2019

### Next Action Plan

#### Action Plan based on Female Empowerment Promotion Act (Phase 2)

Plan period: 3 years from April 2019 to March 31, 2022

Current issue	Inadequate female candidate pool for managerial/supervisory positions (Particularly for global-type [main career track] positions)
Targets	<ul style="list-style-type: none"> <li>Raise the average percentage of females in the total number of new hires (graduated from junior college/university/graduate school) to over 35%</li> <li>Aim to increase the percentage of female managers/supervisors by 10% from the current level in the coming three years</li> <li>Develop role models for female employees on a continuous basis</li> </ul>
Initiatives	<p>Develop female employees on a continuous basis</p> <ul style="list-style-type: none"> <li>By monitoring trends related to the retirement of female managers/supervisors, ensure that new promotions are more than adequate to fill vacancies while promoting personnel development in an effort to achieve the target of increasing the percentage by 10% from the current level in the coming three years</li> <li>Hold interviews with young female employees hired at the Head Office (in their fourth and seventh year) on an ongoing basis to support their career development</li> <li>Organize a networking luncheon for female managers/supervisors and younger female employees at each workplace, in order to provide an opportunity to discuss relevant topics</li> </ul>

※ Consider promoting mid-career hiring in addition to new graduate recruitment for the purpose of increasing the female workforce over the long term.

## Action Plan based on the Act for Measures to Support the Development of the Next-Generation Children (Phase 4)

Plan period: 3 years from April 2019 to March 31, 2022

Target ①	Review and advertise company programs to support parenting employees on an ongoing basis, and enhance initiatives to support appropriate activities
Measures	<ul style="list-style-type: none"> <li>■ Monitor the usage situation and operational status of programs to support parenting employees, and review and improve them on an ongoing basis</li> <li>■ Promote understanding of the programs' details for use, using the Support Programs Guidebook and other tools</li> <li>■ In order to create a work environment where parenting employees can continue working, promote systems to provide an opportunity for such employees who have returned from parenting leave and their superiors to engage in communication using an interview sheet</li> </ul>

Target ②	Continue to promote initiatives to allow all employees to maintain their health and a sound work style.
Initiatives	<ul style="list-style-type: none"> <li>■ Encourage planned usage of annual paid leave, looking to narrow gaps in the usage rate by workplace, job category, and person, while considering reviewing and improving operational efficiency, thereby increasing the company's overall usage rate</li> <li>■ Enforce the work-interval system to build a workplace that enables employees' health management and sound work styles</li> </ul>

### Revision of work regulations, etc. [in April 2018]

Accumulated time off	<ul style="list-style-type: none"> <li>■ Increasing the upper limit of accumulated time off days (50 days to 80 days)</li> <li>■ Easing requirements for taking time off (accepting "in need of support" in addition to "being in need of care")</li> <li>■ Expanding the scope of family (adding family of spouse). Eligible for absence for at least 4 days due to the same illness/injury, which must be confirmed by a medical certificate</li> </ul>
Family care leave	<ul style="list-style-type: none"> <li>■ Easing requirements for taking time off (accepting "in need of support" in addition to "being in need of care")</li> <li>■ Expanding the scope of family (adding family of spouse)</li> </ul>
Family care time off	<ul style="list-style-type: none"> <li>■ Providing benefit during time off</li> </ul>
Half-day off	<ul style="list-style-type: none"> <li>■ Increasing the number of times (from up to 40 times/year to up to 80 times/year)</li> </ul>

Revised in April 2018

## || 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.

Lintec incorporates human rights education into its rank-based training programs. In fiscal 2019, Lintec provided 42 new employees who joined the company during the fiscal year with "UN Global Compact and CSR" training and provided sexual harassment and workplace bullying training during training programs for newly appointed section chiefs and managers.



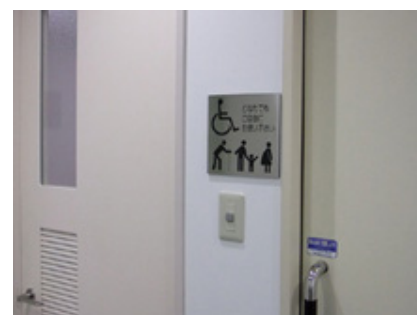
Training for new employees

## || 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 2018 was 2.41%, above the legally mandated rate of 2.2%.

The Operation Support Office, which was established under the Human Resources Department on April 1, 2015, creates an environment for employees with disabilities to undertake specific tasks requested by individual departments and recruits new employees to support operations of individual departments.

Over the four years since the office opened, requests from departments have increased and it has accordingly expanded its staff numbers from the initial three to five at present. Based on the past results, we have begun to introduce the function to other areas, mainly for plant operations.



Improved accessibility\* in a new head office building

### Employment rate for Persons with Disabilities

	FY2016	FY2017	FY2018
Number of employees	53	59	63
Full-year employment rate (%)	2.06	2.26	2.41

\* Accessibility: Enabling older persons and those with disabilities to have easy access to facilities, products, and services.

## || Job Return Program

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In April 2010, Lintec introduced a job return program. Under this program, the company 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. In August 2014, we revised re-employment systems, introduced the registration system, and advertised the program to employees. As a result, the number of registrations for the program increased.

### Number of registered Job Return Program Users (Persons)

	FY2016	FY2017	FY2018
Registered users	6	13	16

## || Employment of Older Person

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Lintec continues to offer employment to its retirees. All interested retirees are re-hired, in principle. In fiscal 2018, the Company re-hired 42 out of 48 retirees. Re-hired employees are making meaningful contributions, making use of the skills and experience they have developed over many years.

### Number of re-employed retirees (Persons)

	FY2016	FY2017	FY2018
Number of mandatory retirees	44	44	48
Number of retirees rehired (%)	34(77%)	35(80%)	42(88%)



Re-hired retiree providing guidance on the frontlines

## Together with Employees (Human Rights / Employment)

### Respecting Human Rights and Diversity

#### Management Labor Relations

Lintec Forest is the labor union (union shop) organized at Lintec. Lintec Forest and the company engage in labor-management consultations in a way that demonstrates respect for each other's standpoints and promotes constructive discussion for the purpose of resolving issues. Also, for addressing workplace safety issues, the two parties join forces to carry out various activities to achieve zero accidents.

#### Status of the Lintec Forest

	FY2016	FY2017	FY2018
Labor union members	2,036	2,034	2,057
Average age	38.7	38.8	38.7
Average service years	9 months 16 years	17 years	9 months 16 years

※ As of the end of the fiscal year.

## Related Data

### || Employees by region and by gender

(Persons)

	Male	Female	Total
Japan	2,987	650	3,637
Asia	1,071	364	1,435
Other	569	226	795
Total	4,627	1,240	5,867

(Outside Japan: as of December 31, 2018; In Japan: as of March 31, 2019)

### || Local employees at sites outside Japan

(Persons)

	Male	Female	Total
Total number of employees	1,743	590	2,333
Total number of local employees	1,640	590	2,230
Managers*	209	108	317

\* Managers: Managers as defined in each country or at each site.

### || Three-year turnover of employees hired as new graduates ★

(Persons)

	New employees joined in 2016 (group-wide)	Male	Female
Joined	78	58	20
Left	5	1	4
Turnover(%)	6.4%	1.7%	20.0%

※ Non-consolidated data for LINTEC Corporation.

★ For detailed data, [click here](#)



## Number of new hires and retirees

(Persons)

		Male	Female	Total
New hires		97	21	118
Percentage of total employment (%)		4.4	6.1	4.6
Breakdown	Under 30	84	17	101
	30s and 40s	13	4	17
	50 or older	0	0	0

		Male	Female	Total	
Retirees		75	11	86	
Breakdown	(1) Mandatory retirement	44	1	45	
	(2) Transfer to a group company before reaching the retirement age	3	0	3	
	(3) Voluntary retirement	24	10	34	
	Breakdown	Under 30	6	6	12
		30s and 40s	13	4	17
		50 or older	5	0	5
	(4) Other reason	4	0	4	
	Breakdown	Under 30	3	0	3
		30s and 40s	0	0	0
		50 or older	1	0	1

※ The above table indicates non-consolidated data for LINTEC Corporation.

## Average length of service

(Year)

	Total	Male	Female
Average length of service	18.9	19.4	15.7

## Together with Employees (Human Rights / Employment)

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### Work-life Balance

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Achieving work-life balance is indispensable to help employees perform their jobs with peace of mind and exercise the full range of their abilities.

### Retirement planning seminar

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In March 2019, Lintec held a retirement planning seminar, which was attended by about 230 employees in their 40s and above.

The program aims to provide employees with an opportunity to consider preparing for life after retirement well before reaching the mandatory age, and has been newly included in the annual seminar on systems to re-hire retirees.

Through these programs, we will provide appropriate information to help our employees lead a meaningful post-retirement life, despite ever-changing social circumstances.

### Employee Support Programs

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#### [Family Care Support]

- Family care leave program (up to one year [365 days] in total)
- Special work hours for employees with family care responsibilities (3 years [1,095 days] in total)
- Family care time off (10 days/fiscal year, available on a half-day basis)
- Accumulated time off (for family care)

#### Expansion of the following system from April 1, 2018

- **Accumulated time-off (for family care)** Unused annual paid time-off can be used for the purpose of providing nursing and other forms of care to family members.
  - Increasing the upper limit of accumulated time-off days (50 days to 80 days)
  - Easing requirements for taking time-off (accepting "in need of support" in addition to "being in need of care")
  - Expanding the scope of family (adding family of spouse) to the 2nd degree of kinship including relatives by marriage
- **Family care leave**
  - Easing requirements for taking time-off (accepting "in need of support" in addition to "being in need of care")
  - Expanding the scope of family (adding family of spouse) to the 2nd degree of kinship including relatives by marriage

## ■ Providing benefits during family care time-off

- Providing 30% of standard wages as benefits to employees on family care leave for whom the family care benefit eligibility period set under the employment insurance system has expired, from the day of expiration up to the 365th day

## Parenting Support

- Maternity leave (14 weeks in total before and after birth)
- Childcare leave  
Intended for employed parents of a child under one year of age (the period can be extended to the day when the child reaches two years of age, if necessary)
- Child nursing care time-off program (10 days/fiscal year, available on a half-day basis)
- Special work hours for parenting employees  
Intended for parents of a child in or below third grade, mainly for shorter work hours

## Volunteer Support

- Paid social contribution time-off (5 days/fiscal year, available on a half-day basis)  
Intended for the purpose of participating in local volunteer activities, PTA activities, and other social contribution programs.

## Use of programs★

Program	FY2016	FY2017	FY2018
Family care leave program (persons)	0	0	1
Family care time off (persons)	1	3	0
Accumulated time off (persons)	86	74	89
Childbirth leave (persons)	19	23	19
Childcare leave (persons)	25	36	39
Child nursing care time off program (persons)	9	7	9
Shorter hours/flex time (persons)	31	36	45
Paid social contribution time off (persons)	26 (total of 55.5)	21 (total of 54)	38 (total of 71.5)
Percentage of paid leave taken (%)	61.6	64.0	65.2

Note: The above table indicates non-consolidated data for LINTEC Corporation.

★ For detailed data, [click here](#)

## || Mental Health Measures

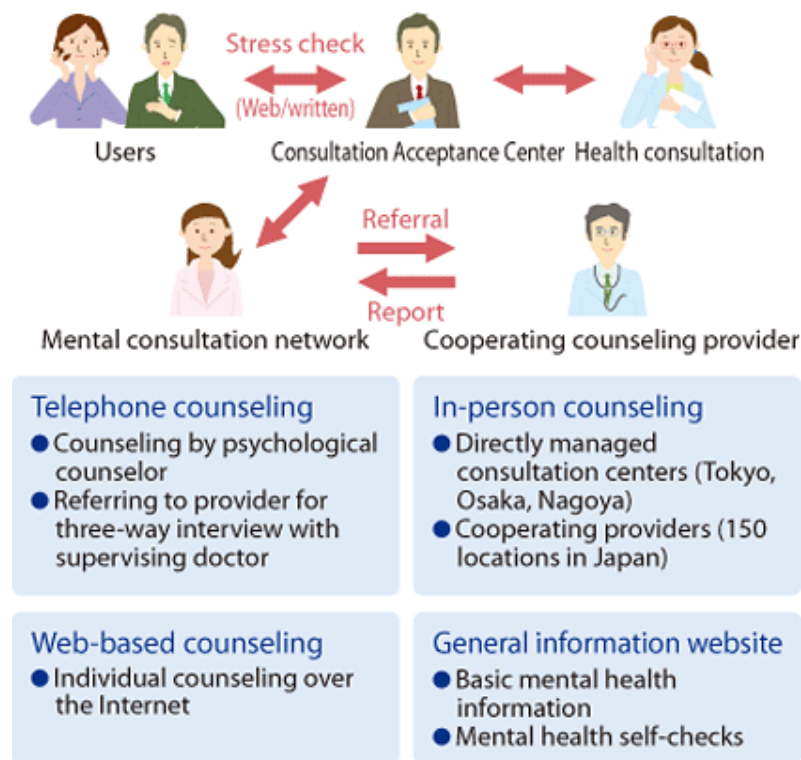
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The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)\* that provides employees with opportunities to obtain a mental health checkup once a year. Through this checkup, employees understand their own stress level, which is useful for personal mental health management. The manager of each business unit receives the results and analysis for employees in the unit, and takes appropriate improvement measures as needed.

In fiscal 2018, the checkup was offered across the Group to a total of 3,538 employees, 95.2% of whom actually had it. The Lintec Group has also set up an employee support hotline to which employees and their families can personally contact and talk confidentially with a specialist about their worries, including physical and mental health, childcare, nursing care, legal issues, or personal finances.

\* Precautionary EAP: an employee program that aims to improve productivity through the creation of comfortable workplaces and by focusing on precautions for healthy employees in addition to addressing the concerns of employees who already have a health issue.

### Precautionary EAP System Overview



## || Company Vaccination Program

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As part of its voluntary employee health programs, Lintec recommends receiving a flu vaccination. The company has introduced the relevant subsidy program offered by the health insurance society to partially bear the expense for employees and their dependent family members. We encourage individual employees to use the opportunity to get vaccinated at a subsidized cost.

## || Expansion of Eligibility for Breast Cancer Screening

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As a measure to support its employees and their families to stay healthy and enjoy a fulfilling life, Lintec offers a range of health checkup plans provided by the health insurance society. Those plans include breast cancer and uterus cancer screenings for female employees and dependent family members aged 35 or older, offered on a request basis, in addition to examinations for lifestyle-related diseases.

## **|| Measures against Working Long Hours**

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Lintec promotes measures to ensure that employees can maintain good health. In order to prevent the harmful effects of long working hours and late night work, we strive to ensure appropriate personnel assignment and the proper sharing of workloads. In particular, we have introduced no-overtime days set in each workplace, flextime programs and other systems to carry out work efficiently and systematically. Also, supervisors are responsible for managing the overtime of individual subordinates to help them avoid excessive strain on the body and mind. Work hour management has been enhanced, specifically by expanding the scope to the entire workforce, including executives and discretionary workers, adopting an attendance system that enables detailed labor management, and checking individual requests for overtime on a daily basis. As a result of these efforts, long working hours have been significantly reduced from the previous year. In addition, the Company provides employees with a mental checkup once a year to help them assess their stress level and manage their own mental health.

## **|| Anti-smoking Initiative**

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In July 2013, as a measure to improve the health of employees and their families as well as enhance productivity in the workplace, we started to offer health promotion incentives for non-smokers in line with the objective of the Health Promotion Act. To be eligible, employees must be non-smokers or have a record of 60 or more consecutive days of no smoking. A monthly incentive of 3,000 yen is offered based on a self-declaration basis.

At the end of March 2018, the percentage of incentive recipients stood at 65.6%, up 8.0% percentage points from the figure of 57.6% recorded in the year of introduction. We will continue with these efforts to provide a work environment that encourages employees to maintain their health.

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## Together with Employees (Human Resource Development)

The Lintec Group prepares educational programs tailored to Employees' work assignments and abilities and strives to develop competent human resources with a global mindset.

### Concept of Human Resource Development

Lintec has introduced a human resource development program for the professional development of workers exhibiting "pyramid-shaped" competency, comprising expertise supported by broad knowledge and sense. Rank-based programs are targeted at: new hires, third-year follow-up, fifth-year follow-up, new section chiefs, and new managers. In the theme-based category, we introduced a number of new programs in April 2019, in response to recent changes in the social situation. Specifically, such programs are organized for legal training, retirement planning, harassment prevention to improve the workplace environment, and information security. In addition, correspondence courses for various business skills are provided to mid-level employees and new manager candidates preparing for promotion.

\* Career design refers to the planning of one's own career so as to use one's own abilities by taking into account one's own experiences, skills, and ideal future.

★ For detailed data, [click here](#)



Total participants in company-wide rank-based training programs

**659** employees★

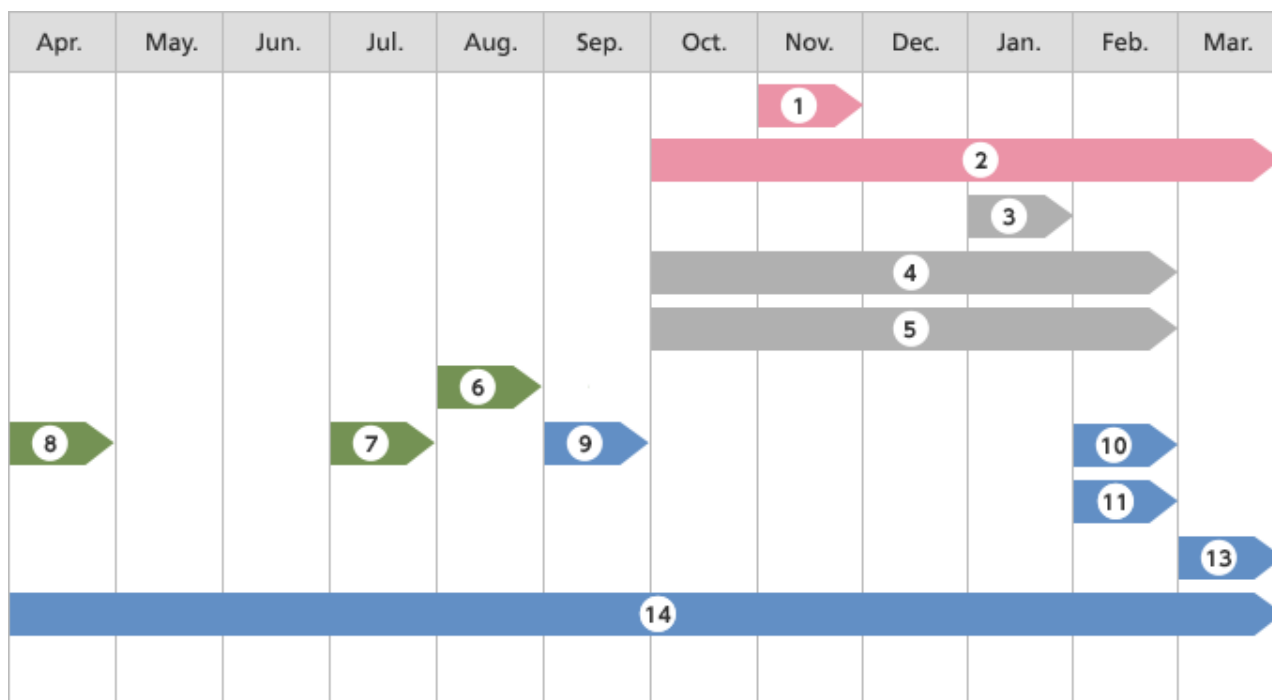
### Rank-based Training and Career Planning

Aiming at developing people who can contribute to the growth of the Toward Zero Accidents company and society, Lintec, as part of its human resources training, has introduced company-wide rank-based training programs that allow individual employees with diverse values to realize their personal growth according to the current stage of their career building, starting from training for new employees provided when they join the company.

Through the training programs, Lintec supports individuals in both skill acquisition and career design\*.



## Fiscal 2018 Schedule of Rank-based Training Programs



## Fiscal 2018 training details and number of participants

Training details	Number of participants (trainee category)
<p><b>① New managers training (group training)</b> Participants acquire the management knowledge, skills, and practical frontline abilities necessary for managers.</p>	29 (New managers)
<p><b>② New managers training (correspondence course)</b> Participants acquire the basic business administration knowledge, management knowledge, and skills necessary for managers.</p>	29 (New managers)
<p><b>③ New section chiefs training (group training)</b> Participants acquire the management knowledge and skills necessary for frontline leaders.</p>	35 (New managers)
<p><b>④ Grade 5 employee training (group training)</b> Participants acquire leadership capabilities, including for solving workplace issues, guiding and developing junior members, and creating an inspiring workplace, by systematic methods.</p>	67 (Employees promoted to Grade 5)
<p><b>⑤ Grade 4 employee training (correspondence course)</b> Participants acquire general business skills by selecting courses to match their goals.</p>	50 (Employees promoted to Grade 4)
<p><b>⑥ Third-year follow-up training (group training)</b> Participants look back their second year and discuss their current situations in groups to clarify what they aim to achieve in the future.</p>	41 (Third-year employees)
<p><b>⑦ Second-year follow-up training (group training)</b> Participants look back on their own growth over the year and clarify initiatives through self-study and group learning.</p>	42 (Second-year employees)

<p><b>⑧ New hires training (group training)</b> Participants acquire business skills and work-related knowledge, along with basic skills specific to their own companies. They get an understanding of basic knowledge and occupational theory as members of society and professionals.</p>	<p>40 (New hires)</p>
<p><b>⑨ Young salesperson training (group training)</b> To improve the quality of sales activities, participants acquire relevant capabilities, including communication skills, customer-oriented approaches, and a self-reflective attitude.</p>	<p>21 (Female employees)</p>
<p><b>⑩ Women empowerment/diversity management training (group training)</b> Participants get an understanding of the basic concepts of women's empowerment and diversity management, as well as of managers' roles and the company's initiatives, and gain awareness of women's empowerment.</p>	<p>18 (Managers, responsible persons from personnel/employment departments)</p>
<p><b>⑪ Women's empowerment awareness and career progression training</b> Participants get a proper understanding of the women's empowerment initiative and a sense of ownership, and think about creating a comfortable working environment and their future working styles.</p>	<p>33 (Senior employees who give guidance to new hires and young employees)</p>
<p><b>⑫ Legal training for salespersons (division recommendation)</b> Participants acquire legal knowledge and related skills relating to transactions and contracts. The training is provided for the purpose of preventing salespersons from facing legal problems concerning transactions, breach of contract, and violation of law in relation to their activities and enabling them to deal with the risks of facing such problems appropriately and in a timely manner.</p>	<p>20 (Mid-level employees in charge of sales)</p>
<p><b>⑬ Retirement planning seminar</b> Participants learn about the financial resources required to maintain their lifestyle after retirement and asset building plans in preparation for their post-retirement life. This seminar aims to create an environment for employees to practice sound asset formation while engaging in their work with peace of mind.</p>	<p>27 (Lintec Group employees in their 40s and early 50s)</p>
<p><b>⑭ Work and family care balance training (group training)</b> This training aims to increase organizational capabilities to support employees with family care responsibilities, thereby reducing the turnover of these employees. Participants acquire knowledge and skills to be able to balance work and family care responsibilities.</p>	<p>9 (Selected from volunteers)</p>
<p><b>⑮ Language training (volunteers with division recommendation)</b> As a part of corporate globalization, the purpose of this training is to broaden the base of candidates for postings outside of Japan and to improve their work performance using languages in which the work will be conducted.</p>	<p>42 (Prospective employees)</p>

### Company-wide rank-based training programs★

Total training hours	7,035 hours
Total number of participants	659 persons
Average training hours per person	10 hours

Notes: 1. The above table indicates non-consolidated data for LINTEC Corporation.

2. Calculated for time-based programs only.

★ For detailed data, [click here](#)

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## Together with Employees (Human Resource Development)

### Individual Education Programs

#### || CSR Briefing and Information Security Education

Since fiscal 2010, the Lintec Group has hosted various CSR study sessions to share awareness of CSR activities. Fiscal 2018 sessions focused on the outline of the Lintec Group Compliance Guidelines, which was revised in April 2017, and were held in 1 location in and outside of Japan (attended by a rough total of 99 employees).

#### || Global Education

The Information Systems Department introduces the Lintec Standard Package (LSP), a common core system developed in-house for production and sales operations, broadly to business sites in and outside of Japan.

The department provides guidance on the LSP to IT staff from target sites to deepen their understanding and ensure proper, efficient, and stable operation of the system. In fiscal 2018, the department invited responsible persons from China (March), Malaysia (September), and Indonesia and Thailand (October) to Japan to receive guidance. Going forward, the department plans to host global-scale training programs involving planning, design, development, and other functions, aiming to enhance the system operations across the group.



LSP guidance session held in Japan in October

#### || Environmental Education

Lintec has revised internal auditor training materials to accommodate ISO 14001:2015 requirements, and provided training to internal auditors using the revised materials. Training on ISO 14001:2015 was also provided to mutual auditors at the Lintec Group, who are tasked with performing mutual audits between business sites in Japan and some in other locations, a practice required for globally integrated certification. Recent programs focused on environmental issues related to microplastics and renewable energy, among others. In addition, each site hosts environmental sessions, such as for biodiversity education and emergency response training.

**Participants in environmental education in FY2018**

Invitees	Content	Total participants
Head Office	Awareness training, new employee training, divisional training, transferred employee training, biodiversity seminar, internal auditor training, mutual auditor training	527
Agatsuma Plant	Awareness training, emergency simulation drills, internal auditor training, mutual auditor training, biodiversity activities	902
Kumagaya Plant (Lintec Service)	Awareness training, chemical substances guidance, internal auditor training, mutual auditor training, emergency simulation drills, biodiversity activities, preparation for assistant EMS assessor qualification	1,042
Research Center	Awareness training, new employee training, chemical substances guidance (B-lep), biodiversity activities, ISO 14001 self-awareness training, mutual auditor training, emergency drills	1,035
Tokyo Lintec Kako	Awareness training, new employee training, biodiversity education, internal auditor training	867
Ina Technology Center	Awareness training, internal auditor training, mutual auditor training, new employee training, biodiversity (nature observation)	294
Chiba Plant	Awareness training, internal auditor training, mutual auditor training, specific business training, biodiversity activities, external seminars, emergency simulation drills	340
Tatsuno Plant	Regular awareness training, non-regular awareness training (new employees, transferred employees, new ISO 14001 Chiefs), participation in external seminars, specific business training, organic solvents guidance, internal auditor training	677
Shingu Plant	Awareness training, specific business training, emergency simulation drills, biodiversity education, waste sorting guidance, internal auditor training, mutual auditor training, prevention of recurrence	655

Niihama Plant	New employee training, new employee training, awareness training, internal auditor training, mutual auditor training, biodiversity education (external seminars, internal workshops), specified duties training (hazardous materials handling, waste treatment workers, deodorization equipment operation), emergency simulation drills, chemical substances risk assessment training (external)	347
Mishima Plant (including partner companies)	Awareness training (all employees), new employee training, biodiversity education, internal auditor training, mutual auditor training, preparation for assistant EMS assessor qualification	652
Komatsushima Plant	Awareness training, biodiversity education, biodiversity activities, nternal auditor training, mutual auditor training, emergency simulation drills	490

## || Lintec Environmental & Safety Information Site

As part of the company's environmental education for employees, Lintec operates the Lintec Environmental & Safety Information site on its intranet to provide to employees updates of information related to the environment, ISO 14001 (activities conducted by Lintec and introduction of the website administrative office), regulations of chemical substances (such as REACH\* and information related to other regulations), energy-saving and safety and health. During fiscal 2018, a total of 28 new and updated topics were posted on the intranet site. The site will be updated regularly in order to further strengthen employees' environmental awareness.

\* 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.



Lintec Environmental & Safety Information Site

## Technology Familiarity Workshops

The Lintec Group hosts the Technology Familiarity Workshop every year to promote interaction among the R&D, production, and sales divisions in the area of technology. In November 2018, the 69th session was held under the theme of "Lintec's core technologies". The workshop was attended by a rough total of 250 employees, including 52 from production and sales divisions. Members from R&D and production divisions and the Environmental & Safety Department gave presentations on activities promoted by each organization to improve quality and reduce environmental impact. The speakers and audience had a lively exchange of opinions and shared a lot of technical information.



Technology Familiarity Workshops



## Together with Employees (Human Resource Development)

### Self-motivated Education System

#### || 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.

#### Self-development Correspondence Training Course Participants

	Number of participants	Completion rate (%)
2016FY	250	63
2017FY	235	62
2018FY	241	67.6

#### || Language Training

To develop employees who can excel on a global stage, Lintec has introduced a language-training program as a support system for self-motivated study. Employees who want to receive language training apply for the program. Participants are selected by the selection committee from among applicants who obtained a recommendation from their immediate superiors and division general managers. In fiscal 2018, 9 employees received the language training. Although the training time varies depending on each employee's language level, the aim is for participants to reach their target level with about 100 to 150 hours of training.

### || Employee Communication

LINTEC INDUSTRIES (MALAYSIA) SDN. BHD. hosted a company trip in April 2018, visiting Tioman Island located off the east coast of the Malay Peninsula. It took around 10 hours in total by plane, bus, and ship to reach the destination, where participants spent three days and two nights enjoying the beautiful nature of the island, including colorful fish and coral reefs, which provide superior snorkeling spots. It was a truly memorable trip.



Employees and their families enjoying a company trip

### || Publication of the Community Magazine

The Lintec Group publishes a quarterly magazine, LINTEC, as a tool for communicating with its stakeholders, in Japanese, English and two Chinese (simplified and traditional characters) languages. The magazine is distributed to all group employees as well as customers, suppliers, retirees, the media, and government offices. Also, Madico and Lintec Advanced Technologies (Taiwan), group companies in the U.S. and Taiwan, issue their own in-house newsletter in PDF format, which is useful in promoting good communication in the workplace.



Community Magazine LINTEC, published in Japanese, English, and two Chinese (simplified and traditional) languages.



In-house newsletter of MADICO, INC.



In-house newsletter of Lintec Advanced Technologies (Taiwan), Inc.

## || CSR Communication

Lintec recognizes its employees as a major stakeholder, and hosts CSR study sessions as part of communication with employees. Specifically, the Company invites Mr. Keiichi Ujiie, Undersecretary General of the Global Compact Network Japan, to speak at the training session for its new employees on the theme of the UN Global Compact and CSR.



Education session for new employees



The CSR Report was published in seven languages: Japanese, English, Korean, Chinese (simplified and traditional characters), Malay, Indonesian and Thai.

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## Together with Employees (Safety and Disaster Prevention)

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The Lintec Group continues to operate the Occupational Safety and Health Policy, which it established based on an occupational safety and health management system (OSHMS)\*. According to the policy, annual safety and health plans are developed. Relevant activities are carried out in accordance with the plans, which set targets and specific activities for individual priority actions. Activity results are evaluated by way of internal audit and management review to assist activities in the following fiscal year.

\* 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.

### Occupational Safety

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#### || Occupational Safety and Health Policy

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The Lintec Group revised the Lintec Occupational Safety and Health Policy in 2018, in response to the ISO 45001 standard for occupational health and safety published in the same year. In conjunction with this, we revised the Lintec Occupational Safety and Health Manual to provide an appropriate manual and regulations in conformity with the new ISO standard.

Mutual safety audits and fire prevention patrol activities are carried out at the corporate-wide level, while annual safety and health plans are developed at individual plants, which implement plan-do-check-act (PDCA) cycles to improve safety activities. In April 2018, Lintec hosted a safety managers' meeting, where representatives from each plant in Japan shared information and opinions on safety activities. The Lintec Group will continue to promote activities for accident-free operation.

- ▶ [Lintec Occupational Safety and Health Policy](#)
- ▶ [Overview of the Lintec Occupational Safety and Health Manual](#)

#### || Annual Safety and Health Plans

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Each fiscal year, the Lintec Group formulates annual plans for safety and health activities. The plans indicate top management policies and set priority action items to realize the policies, including safety patrols, risk assessment\*, and safety education. More specific activities and targets are set for the priority action items and are reflected in safety and health activities. The results of activities and the progress are reported in the monthly Safety and Health Committee meetings, and all members of the Committee engage in discussions on improvement. By implementing such PDCA cycles that lead to the next round of initiatives, the Lintec Group continues to step up its safety and health activities.

\* Risk assessment: Evaluating risks to set safety standards

## Annual Safety and Health Plan

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

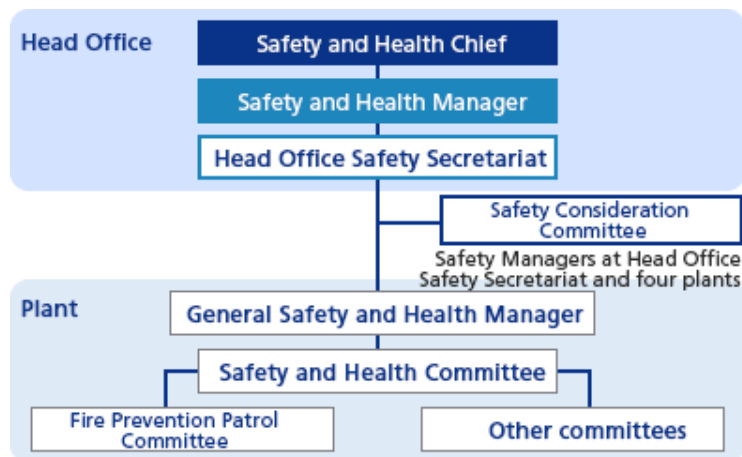
## || Safety and Health Committee and Health Committee

Every month, the Lintec Group plants in and outside Japan hold Safety and Health Committee meetings while the Head Office, Iidabashi Office, and Osaka Branch hold Health Committee meetings. Additionally, Lintec holds a corporate Safety Convention every year. The convention was held at the Tatsuno Plant in April 2018 and at the Mishima Plant in May 2019.

### Committees on workplace safety and health

Committee	Scope	Activities
Safety and Health Committee	Plants, Research Center	<ul style="list-style-type: none"><li>■ Implement plans</li><li>■ Share information, incl. disaster occurrence, safety education implementation status, facilities inspection results, feedback and improvements found during patrol</li></ul>
Health Committee	Head Office and plants having a sales section	<ul style="list-style-type: none"><li>■ Discuss health, safe driving, and disaster prevention activities</li></ul>

## Lintec Safety and Health Management System (excluding the head office and sales division)



### || Protection against high-incidence/high-risk diseases related to work duties

The Lintec Group's business unavoidably involves work duties posing high risks of causing disease. Recognizing this, we have established measures to protect employees engaged in such duties from health risks. At worksites where organic solvents are used, for instance, an organic solvent work chief is appointed to provide appropriate work instructions and the work environment is periodically monitored. Related workers are required to receive a special health examination in addition to the standard medical checkup. Measures have been developed for various other special duties carrying high health risks, such as employing legally qualified workers, installing protective equipment, and offering special health examinations.

### || Toward Zero Accidents Resulting in Absence from Work

In fiscal 2018, there was one serious accident involving a worker becoming caught. The number of days of absence from work significantly increased from the previous fiscal year.

#### Occurrence of accidents resulting in absence from work

FY	FY2016	FY2017	FY2018★
Number of accidents resulting in absence from work	5	2	3
Number of days of absence from work	207	16	177
Location of accidents	Lintec Corp., partner companies	Lintec Corp., partner companies	Lintec Corp., partner companies

★ For detailed data, [click here](#)

## || One Million Accident-Free Hours Achieved

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In June 2018, the Shingu Plant set a record of 3 million accident-free hours. The Mishima and Kumagaya plants achieved 2 million hours in July and September, respectively. This was followed by the Agatsuma and Chiba plants, which achieved 1 million hours in January and February 2019, respectively.

### **Fiscal 2018 accident-free hours achievements (April 1, 2018 to March 31, 2019)**

Date achieved		Business site	Achievement (hours)
2019	31-Mar	Agatsuma Plant	No accidents in the year
		Tokyo Lintec Kako, Inc.	No accidents in the year
		Chiba Plant	No accidents in the year
		Shingu Plant (incl. Niihama)	No accidents in the year

## || Regular Safety Council Meeting (Kumagaya Plant)

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With the aim of preventing on-site accidents involving construction contractors, the Kumagaya Plant holds a periodic safety conference, in addition to safety meetings prior to each construction project. The conference is held in April, July and December every year, giving around 180 internal and external participants an opportunity to exchange opinions on a wide range of safety-related topics. This event chiefly aims to ensure adequate understanding of safety rules, and share information about accidents reported at other companies and safety-related issues identified at sites. The conference helps workers increase their understanding of rules and improve on-site conditions, thereby strengthening safety management.



Safety conference at the Kumagaya Plant



## Fiscal 2018 Construction Safety Conferences

Sites	Number of conferences conducted	Content	Participants
Kumagaya Plant	3	Safety education	182
Komatsushima Plant	4		49
Mishima Plant, Doi Plant	2		116
Shingu Plant	1		39
Total			386

## || Top Management Patrols at Production Bases

Upholding the Safety First slogan, President Nishio carries out top management patrols by visiting and inspecting plants and research centers worldwide. He also talks with employees while touring production floors to check the progress of safety-first operations and implementation of the 5Ss. Each production site is taking various improving measures based on issues pointed out during these top management patrols, and creating comfortable workplaces.



President inspecting a clean room at Agatsuma Plant

## Together with Employees (Safety and Disaster Prevention)

### Disaster Control in BCMS

For disaster prevention and mitigation, the Lintec Group practices group-wide BCMS activities based on ISO22301\*, and conducts risk assessments, placing top priority on saving human lives. All Lintec sites examine their operations and facilities to identify, analyze and assess risks of damage that may be caused by different types of disasters. It is stipulated in the corporate-wide BCMS activity 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.

\* ISO22301: 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.

### Emergency Drills

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



Emergency stocks at Iidabashi Office

**Fiscal 2018 Fire Drills**

Sites	Number of drills conducted	Content	Participants
Kumagaya Plant	6	Evacuation	537
Komatsuhima Plant	14		520
Mishima Plant, Doi Plant	14		518
Tokyo Lintec Kako, Inc.	3		294
Agatsuma Plant	2		475
Research Center	2		528
Niihama Plant	10		57
Ina Technology Center	2		264
Tatsuno Plant	3		550
Chiba Plant	17		323
Shingu Plant	5		439
Total			4,505

※ The above number of drills for Mishima and Kumagaya plants includes departmental drills.

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## Together with Local Communities

Lintec Group's thinking recognizing that it is part of society and local communities, the Lintec Group is engaged in various initiatives to contribute to society while ensuring harmonious co-existence with society.

### Social Contribution Activities of the Lintec Group

The Lintec Group carries out contribution activities in various communities. In Japan, the group performs the following kinds of activities, some of which are highlighted on these two pages.

#### ■ Activities by the Entire Lintec Group

Assistance for recovery after the Great East Japan Earthquake, volunteer tree planting, blood donation, cleanups, collection of plastic bottle caps and used postage stamps, and donation to the Japan Red Cross, Central Community Chest of Japan, and National Land Afforestation Promotion Organization

#### ■ Support for the Development of the Next Generation

Support for Kurarika, offering plant tour, workplace experience opportunity

#### ■ Support for Sports

Sponsoring the Saitama Prefecture Baseball Team, the "Musashi Heat Bears", and the Itabashi City Marathon 2019

#### ■ Community Safety Activities

Street campaign to eliminate organized criminal groups, an AED\* workshop, and registration as a "House for Children's 110" in a map for commuting to an elementary school, disaster prevention drill, support to local fire company

#### ■ Environmental Preservation

Participation in NPO Tatsuno Akatombo-wo-fuyasou-kai, firefly preservation project, Tokushima Forestation Association's Mori-he-iko volunteer tree-planting activity in Kaifu

#### ■ Support for Persons with Disabilities

Friendship concerts, bread sales by welfare facilities for people with disabilities, sponsoring a charity golf tournament, inviting disabled persons to a baseball game at Tokyo Dome, visiting workplaces for the disabled, and donation to children with deformities

### ■ Support for Community Festivals

Hara-machi Narita School, Haramachi Otori Festival, Hara-machi Gion Festival, Usa Hachiman Shrine, Sengen Shrine Spring and Autumn Festival, Kanai Ichinomiya Shrine Spring and Autumn Festival, Kumagaya Ebisu Commerce Festival, Kumagaya Fan (uchiwa) Festival, Kumagaya Fireworks, portable shrine for three district children's clubs at Rokujo Hachiman Shrine, Rokujo Hachiman Shrine Autumn Festival, Tatsuno City Shingu-cho Summer Festival and Fireworks, Tatsuno City Kamioka-cho Konada Residents Association Summer Festival, Doi-cho Fireworks, Tatsuno Shrine, Oyake Shrine, Kosui (lake) Festival, Suiha Shrine Sukeikai, Mishima Drum Festival, Doi Drum Festival, Enoki Shrine donation, Otsuka Shrine donation, Kasuga Shrine donation, Kogan Temple, Sosa Tulip Festival, Warabi Hata Festival, Awa Dance Festival, Itabashi Fireworks, Itabashi Honcho Kamicho festival donation, Itabashi Citizens Festival, Itabashi Children's Festival

### ■ Donation of Products

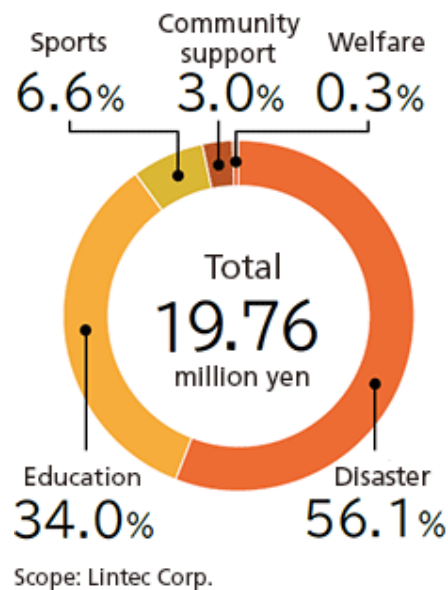
In-kind donation to preschools and elementary schools

- \* AED: a medical device designed to return a heart undergoing ventricular fibrillation to its normal condition by applying an electric shock.

## || Community Support Expenses

In fiscal 2018, we made donations to support victims of the torrential rain in western Japan. We also provided support for academic research.

### Community Support Expenses



## Social Contribution Initiatives

### || 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 2018, as in the previous year, Lintec raised funds for Ofunato City in Iwate Prefecture, which has signed a cooperation agreement with Itabashi City, where Lintec's Head Office is located. The Company matched the donation made by its employees. The funds were used to replace classroom chairs and install window screens in local elementary and junior high schools and improve drainage at the city ballpark. The company will continue various forms of reconstruction support activities in the future.



Fukushima Foods & Product Fair

### || Fureai Concert

In October 2018, Lintec held its eighth Lintec Fureai Concert at the Itabashi Culture Hall, inviting persons with disabilities and their helpers living in Tokyo's Itabashi City, as well as people from neighboring areas. A total of about 600 people, including Lintec employees, participated in the concert. The concert program included a dance performance incorporating sign language by children of members of Itabashi "Hohoemi-no-Kai", an association of parents of people with Down syndrome, a chorus by "Harmony Korine" from the Daito Bunka University a cappella club, a jazz performance by "FUN TIME BIG BAND", a group of adults who play big-band music, and a dance performance by a dance team of children living in Itabashi City, who participated in this concert for the first time. We will continue to value opportunities to communicate with local residents.



Dance performance incorporating sign language by children of "Hohoemi-no-Kai" members

### || Global Activities

The Lintec Group carries out community-based social contribution activities in locations where it operates. Lintec Speciality Films (Taiwan), Inc. donated its food reserves to contribute to addressing the food loss issue.

Lintec of America, Inc. Nano-Science & Technology Center participated in a program to send Christmas presents to children, and its employees sorted and packed toys. The Lintec Group will continue to engage in social contribution activities rooted in the community.

**Voice** **Participating in a Community Event to Support Food Provision to Children**

In April 2019, the CSR team of VDI, LLC. participated in "Summer Blessings", held as part of a community event encouraging volunteer activities. The aim of the event is to pack 8,000 lbs (about 3,600 kg) of food and provide it to children in the community who visit community centers in Louisville, Kentucky. Working alongside a number of other participants, the CSR team packed canned pasta, cereal, and snacks. VDI, LLC. will continue to contribute to local communities by participating in volunteer events.



Toni Doughty  
CSR Committee  
VDI, LLC.



CSR members who participated in the volunteer activity with  
Louisville Mayor Greg Fischer



## Together with Local Communities

### Social Contribution Initiatives

#### Beautification Projects and Cleanups

The Lintec Group carries out neighborhood beautification projects and cleanups around all its factories. Major projects include: Chiba Plant's Zero Litter Campaign around the Midori Daira Industrial Park where the plant is located; Kumagaya Plant's Arakawa Riverside Cleanup along a nearby river; and Komatsushima Plant's cleanup along the Yokosu shoreline as part of its Seto Inland Sea Restoration efforts. Other plants also carry out cleanups in areas around their sites. In fiscal 2018, a total of 3,615 employees in Japan participated in these activities.

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

**3,615**  
employees



Arakawa riverbank cleanup  
(Kumagaya Plant)



Yokosu beach cleanup  
(Komatsushima Plant)

**Fiscal 2018 community cleanups**

Sites	Date	Activity	Number of participants
Agatsuma Plant	Twice a month	Picking up trash around the plant	48
	Jul. 13, 2018	Mt. Iwabitsu trail route cleanup	15
Kumagaya Plant	May 30, 2018	Arakawa riverside cleanup	118
	Nov. 25, 2018	Arakawa Clean Aid	27
Research Center	Once a month	Picking up trash on public roads around the Research Center	1,310 in total
Tokyo Lintec Kako	20 times a year	Cleaning up in and outside the properties	580
	May 15, 2018	Grass cutting in the parking and around the plant	20
Chiba Plant	May 23, 2018	Midori Daira Industrial Park Zero Trash Campaign	7
	Sep. 28, 2018	Undergrowth cutting in Jingujihama	2
Tatsuno Plant	Once a month	Cleaning up around the plant	600
	May 10, 2018	Ditch cleanup around the plant	15
	Nov. 16, 2018	Ibogawa riverside cleanup	60
Shingu Plant	24 times a year	Cleaning around the plant	483
	May 10, 2018	Ditch cleanup around the plant(Tatsuno Office)	10
Mishima Plant	May 19, 2018	Grass cutting around Doi plant	15
	May 13, 2018	Ditch cleanup around the Mishima plant	4
	May 20, 2018	Drain cleaning Tateishi area	2
	Jul. 1, 2018	Sangawa Toyooka Kaihin Park beach cleanup	3
	Tuesdays	Picking up trash on the public roads around the plant	100

Komatsushima Plant	May 19, 2018	Bountiful Sea Cleanup Campaign (hosted by NPO Tokushima Kaiseikai)	53
	Jun. 1, 2018	Gomi-zero-no-hi (zero waste day) campaign: road cleanup	43
	Jun. 9, 2018	Refresh Setouchi (beach cleanup)	43
	Dec. 1, 2018	Tokushima Forestation Association's Mori-he-iko volunteer tree-planting activity in Kaifu	14
	Oct. 9, 2018	Cleanup of roads in front of the plant	43
Ina Technology Center	12 times a year	Cleanup of the commuting route between the plant and Shiku Station	NA
Total			3,615

## || Blood Donation

The Lintec Group conducts blood donations at all its business sites across Japan in cooperation with the Japanese Red Cross. The Agatsuma Plant was commended by the Minister of Health, Labour and Welfare for continuing the activity for long years. As a social contribution activity that can be performed right at the worksite, blood donation has been embraced by employees, and the program will be continued.



Agatsuma Plant commended for continued blood donation

### Fiscal 2018 Blood Donation Results

Sites	Times Held	Participants
Mishima Plant	4	98
Komatsushima Plant	2	28
Tatsuno Plant/Shingu Plant	2	49
Research Center	2	41
Chiba Plant	0	0
Tokyo Lintec Kako	2	6
Kumagaya Plant	2	73
Agatsuma Plant	2	102
Ina Technology Center	2	40
Osaka Branch	2	17
Iidabashi Office	1	41
Head Office	2	83
Total	23	578

## || Community Safety Activities

In October 2018, Kumagaya Plant participated in the incipient firefighting training event hosted by the city government, marking its 12th participation. This regional event is organized every year to increase the fire protection capabilities of local business sites, inviting them to demonstrate practical skills in handling extinguishers and other equipment as well as in incipient firefighting. This year, one participant from the Kumagaya Plant won an individual award.



Incipient firefighting training event

## || Support for Persons with Disabilities

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In May 2018, Lintec invited persons with disabilities and their helpers living in Tokyo's Itabashi City (144 in total) to a professional baseball game held at Tokyo Dome between the Hokkaido Nippon-Ham Fighters and the Saitama Seibu Lions. This marked the 12th such event arranged by Lintec. In return, the company received smiles and many words of thanks from participants, who expressed both their gratitude and enjoyment of the game as well as a strong desire to participate again. Lintec will continue to engage in social contribution activities to bring smiles to local residents.



Going to a professional baseball game



## || Support for Local Festivals

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Every year from July 20 to 22, the Fan (uchiwa) Festival is held in the city of Kumagaya, where the Kumagaya Plant is located. Over 700,000 people take part in this dynamic three-day event, which is often referred to as the Gion Festival of the Kanto region. As one of the sponsors of the festival, the Kumagaya Plant donates Japanese fans to Yasaka Shrine, which are then distributed to visitors.



Festival fans donated by Lintec

## || Participation in Local Festivals

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On August 12, 78 employees from the Komatsushima Plant took part in the Awa Dance Festival held in Tokushima Prefecture. The Awa Dance Festival, which is a nearly 400-year-old tradition, is one of the biggest summer festivals in Japan. Old and young, men and women alike parade through the streets in groups called "ren" made up of a few dozen people, dancing to the musical accompaniment of shamisen, flutes, cymbals, and drums. Every year, the Komatsushima Plant forms a Lintec Ren of volunteers that help enliven the festival.



Komatsushima Plant employees participating in the Awa Dance Festival

## Together with Local Communities

### Social Contribution Initiatives

#### || Developing Next Generation of Leaders

Development of the next generation is an important theme for Lintec as a company developing new products with its proprietary technologies. Lintec sponsors Kurarika, a science program for children operated by the Tokyo Tech Alumni Association. Kurarika instructors visit community centers and local children's centers across Japan. In fiscal 2018, 520 classes were held, attracting a total of more than 15,000 participating children. Lintec's contribution was used to purchase workpiece and experimental teaching materials for 20 classrooms in nine prefectures: Tokyo, Kanagawa, Saitama, Chiba, Aichi, Osaka, Hiroshima, Shimane, and Akita. We will continue to sponsor and support this program, wishing to help many children develop desirable scientific mind and curiosity.

Lintec's activity is also introduced on Kurarika website.

[▶ Kurarika website](#) 

### Communicating with Local Communities

#### || Offering Plant and Facility Tours

Every year the Lintec Group accepts numerous students, local authorities, NPOs, and community residents for tours of its plants and facilities in Japan. In addition to social studies and environmental learning for elementary school students, career opportunity presentations are given to high school and university students. In fiscal 2018, a total of 932 visitors were welcomed at five Lintec sites.

(Overseas Group companies are excluded.)



Tour in Kumagaya Plant

**A plant and facility tour in fiscal 2018**

Sites	Date	Activity	Number of participants
Mishima Plant	Jul. 10, 2018	Ehime Prefecture Kawano Senior High School	79
	Jul. 23, 2018	Ehime Prefecture Doi Senior High School	93
	Oct. 30, 2018	Onomichi Fire Company Innoshima-Setoda Branch	32
	Nov. 7, 2018	Shohaku Elementary School	62
	Nov. 22, 2018	Residents living near the Doi Plant (Fujiwara District)	27
Tokyo Lintec Kako	Oct. 12, 2018	Warabi City Tsukagoshi Elementary School	60
	Nov. 1, 2018	Warabi City Minami Elementary School	89
	Nov. 13, 2018	Warabi City Chuo Higashi Elementary School	87
	Nov. 15, 2018	Warabi City Chuo Elementary School	75
	Nov. 28, 2018	Warabi City Kita Elementary School	95
	Nov. 29, 2018	Warabi City Nishi Elementary School	87
Kumagaya Plant	Oct. 10, 2018	Yoshioka Elementary School	36
Agatsuma Plant	May 29, 2018	March 2020 new graduates-to-be	3
	Nov. 28, 2018	Third-graders from Haramachi Elementary School	38
	Nov. 7, 2018	Third-graders from Iwashima Elementary School	14
	Jul. 25, 2018	March 2020 new high school graduates-to-be	14
	Aug. 3, 2018	March 2020 new high school graduates-to-be	2



Chiba Plant	Nov. 5, 2018	Itabashi Industry Association	1
Tatsuno Plant	Feb. 16, 2018	Harima Special Needs School	3
	Feb. 28–Mar. 9, 2018	Harima Special Needs School (for experience-based training)	1
	Jun. 12, 2018	Cross-industry exchange	15
	Aug. 21–23, 2018	Tatsuno Kita Senior High School (for internship)	4
	Oct. 5, 2018	Institutional investors	5
	Nov. 5–9, 2018	Tatsuno Higashi Junior High School (Trial Week program)	4
	Dec. 13, 2018	Akou Seikaen (Special Needs Home)	6
Total			932

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## Together with Shareholders

### Communicating with Shareholders and Other Investors

#### Dialogue with shareholders and investors

Lintec carries out various IR\* initiatives with the aim of achieving appropriate share pricing and increasing corporate value. The Company holds IR meetings and gives media interviews each quarter in addition to organizing semiannual business results briefings for institutional investors and securities analysts in Japan. For institutional investors outside Japan, Lintec offers telephone conferences and participates in IR events in Japan arranged by securities companies, while making regular overseas visits. In order to help a broader range of investors understand Lintec, the company also holds briefings for individual investors as appropriate. Additionally, we publish a quarterly shareholder magazine, WAVE, and perform a reader survey on a regular basis, feeding back collected responses to management.

In addition to the above, we work to enhance public relations tools, such as our IR website and annual report, aiming to help a broad range of investors gain a better understanding of Lintec.

\* IR stands for investor relations and refers to corporate activities through which companies provide corporate information in an appropriate, fair and ongoing manner for shareholders and investors to use when making investment decisions.



Meeting at an IR event



▶ <http://www.lintec.co.jp/ir/>

## Communicating with Stakeholders

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In order to better understand the expectations of society, it is essential to have continual communication with stakeholders.

Therefore, in addition to providing information, the Lintec Group works to maintain a dialogue with its stakeholders.

### Communicating with Customers

Lintec makes use of a variety of opportunities to communicate with customers, including through products and services, sales activities, manuals, MSDSs, points of contact for inquiries, websites, and exhibitions. Through this communication, the company aims to improve its products and services, build relationships of trust, and improve customer satisfaction.

- ▶ Exhibiting at Exhibitions in and Outside Japan

### Communicating with Suppliers

Lintec utilizes a variety of opportunities to communicate with suppliers, including through purchasing activities, briefings, and questionnaires. Through this communication, the company aims to achieve fair transactions and mutual understanding, to ensure compliance, and to build relationships of trust.

### Communicating with Employees

Lintec uses a variety of opportunities to communicate with employees, including through business activities, educational programs, briefings, social get-togethers, the intranet, and company newsletters. Through this communication the company aims to create workplaces where all employees can work with satisfaction based on the company motto.

- ▶ Publication of the Community Magazine/CSR Communication

## Communicating with Local Communities

Lintec makes use of a variety of opportunities to communicate with local communities, including through plant and facility tours, opinion exchange meetings with local governments, social contribution activities, websites, and company brochures. Through this communication, the company aims to foster mutual understanding with community residents and give back to local communities.

- ▶ Offering Plant and Facility Tours

## Communicating with Shareholders and Other Investors

Lintec utilizes a variety of opportunities to communicate with shareholders and investors, including through shareholder meetings, business results briefings, IR meetings and company information sessions. We also use websites and shareholder correspondence to enhance information communication activities, aiming to help stakeholders deepen their understanding of our corporate activities, thereby achieving appropriate share pricing and building relationships of trust.

- ▶ Active Promotion of IR Activities

## Communication with the Media

Lintec uses a variety of opportunities to communicate with the mass media and by extension society including through the acceptance of requests regarding news coverage and the writing of manuscripts, responding to questionnaires, websites, and news releases. Through this communication, the company aims to disclose information with integrity to society and build relationships of trust.

## Media Relations

In addition to distributing news releases on new products and events to various media outlets, the company welcomes requests for interviews as well as articles written by Lintec representatives. In fiscal 2018, the Company issued about 20 releases and granted about 50 requests for interviews and articles.

## Communication with Local Governments

Lintec actively collects legal and regulatory information related to businesses operated in each country and develops appropriate systems. Also, to promote social contribution activities for local communities, we communicate and cooperate with relevant governments in various ways.

## Communication with Students/Industry-Academia-Government Collaboration

The Lintec Group participates in joint research projects involving the industrial, academic, and government sectors. Through these activities, we bring together technical and non-technical insights from inside and outside of the group to explore possibilities in various fields.

## Communication with NGOs/NPOs

To promote social contribution activities, Lintec communicates and collaborates with NPOs and NGOs working to solve various social and environmental issues, thereby participating in efforts aimed at creating a better society.

- ▶ Social contribution activities

## Main Awards for Activities

### Agatsuma Plant

- Agatsuma Association for Safety of Hazardous Materials: "Outstanding Hazardous Materials Officer Award"
- Gunma Prefecture Blood Donation Award

### Tatsuno Plant

- Tatsuno City Private Fire Brigade Competition: Ranked first in fire hydrant category; ranked first in fire extinguisher category
- Challenge 100 Campaign: Three teams

### Mishima Plant

- Pulp & Paper Industrial Association: Superior Employee Award
- Shikokuchuo Chamber of Commerce and Industry: Superior Employee Award
- Ehime Prefecture Community Chest: Letter of gratitude

### Ina Technology Center

- 27th Ina-machi Indoor Firefighting Competition: Ranked second

### Research Center

- Japanese Red Cross Society: Silver Order of Merit

### Head Office

- Tokyo Metropolitan Government: 2018 certification for sports promotion efforts

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## Environmental Management

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

### **Lintec Group Quality, Environmental and Business Continuity Policy**

The Lintec Group sets forth its Basic Policy in the Lintec Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group drew up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each. For addressing global warming, based on the Action Guidelines for Environmental Policy, we promote the development of environmentally friendly products at the research division, and work to reduce VOC\* and CO<sub>2</sub> emissions and electricity usage, among others, at the production division.

#### [▶ Lintec Group Quality, Environmental and Business Continuity Policy](#)

VOCs: VOCs stands for volatile organic compounds. VOCs collectively refers to organic compounds that become gas in the atmosphere.

### **|| Medium-Term Targets (2017 to 2019) and Results**

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With regard to CO<sub>2</sub> emissions and electric power consumption, the amount of self-generated electricity increased from 36,000 MWh to 51,000 MWh, and the amount of purchased power decreased. This is due to the introduction of cogeneration systems. We achieved the targets as increased efficiency in fuel use resulted in the reduction of CO<sub>2</sub> emissions. We did not achieve the target for production water usage as the amount of water used for washing increased to handle a wide variety of products. The target for waste discharge was achieved as a result of improvements made to increase the yield rate and thorough classification. We will continue to strive to achieve the targets.

Item	Target	FY2018 results (year-on-year reduction)
CO <sub>2</sub> emissions	1% reduction from the previous year (per unit of production)	5.2% Achieved
Electric power consumption	1% reduction from the previous year (per unit of production)	9.2% Achieved
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Mishima and Kumagaya plants)	0.7% Not achieved
Waste discharge	0.1% reduction from the previous year	5.1% Achieved

### Environmental Management System

Based on the Lintec Group Quality, Environmental and Business Continuity Policy, the Lintec Group proactively works on conservation of the global environment. With the addition of Lintec (Thailand) Co., Ltd. in fiscal 2018, 25 business sites in and outside Japan are now covered by worldwide integrated ISO 14001 certification, which facilitates further activities.

Third-party verification as to four items of CO<sub>2</sub> emissions, electric power consumption, production water usage, and waste discharge found no important issues requiring correction. For biodiversity conservation, we continue to engage in relevant activities, such as tree planting and beach cleanups.

### Internal Environmental Auditing

In order to ensure proper implementation of environmental management systems in connection with its business activities, the Lintec Group conducts internal audits and mutual audits of its business sites, and runs the PDCA cycle for improvement with respect to legal compliance and system operations.

In fiscal 2017, we completed the transition to ISO 14001: 2015 and were certified on March 3, 2018. In fiscal 2018, we newly introduced mutual audits at overseas sites (China and Malaysia) in addition to those in Japan. Each site uses audit findings to improve plant operations.



## Environmental Compliance

The Lintec Group's operations in and outside of Japan are subject to numerous national and regional environmental laws and regulations. To ensure legal compliance at each site, the environmental management department constantly checks for revisions to relevant laws and regulations, and monitors the compliance status of respective site operations. Identified revisions are incorporated into the Group's environmental management systems on a regular basis to prevent oversights and omissions. No major legal violations have been reported in the 6 years from fiscal 2013 to 2018.

## Biodiversity Conservation Initiatives

The Lintec Group has incorporated biodiversity conservation into its Quality, Environment and Business Continuity Policy, and accordingly promotes biodiversity conservation activities at individual sites in and outside of Japan. PT. Lintec Indonesia has promoted a mangrove afforestation project since 2016, planting a total of 8,500 seedlings to date. Lintec Industries (Malaysia) Sdn. Bhd. has also launched mangrove-planting activities. The company planted 92 trees in 2018.

In addition, Lintec Advanced Technologies (Taiwan) Inc. develops tree-planting activities aimed at protecting the global environment, involving its employees and their families. The company planted a total of 100 trees in March 2019. We will continue these efforts for biodiversity conservation.



Planting mangrove seedlings



Tree-planting activity

## Developing Environmentally Friendly Products

As a responsible manufacturing enterprise, the Lintec Group strives to develop products that reduce environmental impact. The group also works to reduce impact on the environment from resource extraction and the procurement of raw materials through production processes to disposal by including life-cycle assessments (LCA)\* right from the design stage.

\* LCA: 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 CO<sub>2</sub> and hazardous chemical substance emitted throughout a product's lifecycle.

### Guidelines for Environmentally Friendly Products

Lintec has been developing new environment-friendly products, as defined based on LCA assessments, and developed 30 such products in fiscal 2018. Lintec has also developed and uses guidelines for "self-declared environment-friendly products" which are in accordance with ISO 14021\*. Lintec will continue to develop environment-friendly products.

\* ISO14021: 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.



### 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, which reduce consumption of energy, and film base label materials, which promote recycling and reuse. Lintec is committed to developing products that help reduce environmental impact and save energy, and satisfy customers.

### KINATH KP5010, KP5000 recycled PET-based label material

Lintec has developed the KP5000 label material using mechanically recycled PET film. The material uses surface substrates containing 80% or more recycled PET resin, and thus contributes to recycling resources and reducing petroleum usage and environmental impact. In July 2018, the lineup was expanded by the addition of a new item featuring a pearly luster.



KINATH KP5010

## || Window films contributing to energy saving by blocking solar heat

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Lintec offers energy-saving window films that help with environmental protection and the effective use of resources. Easily applied to windows, these films improve air-conditioning energy efficiency in the hot and cold season. Thirty years after its launch, this long-selling product is undergoing further developmental processes to respond to the changing needs of customers.



Window films

## || Labelstocks Using Biomass Materials

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Being aware of serious issues relating to resource shortages and global warming, Lintec strives to develop and broadly distribute environmentally friendly products from various points of view. The latest achievements from such efforts, directed particularly at conserving fossil resources and reducing environmental impact, include label materials that use Biomass Mark\*-certified adhesive agents. The product was launched in February 2019.

- ▶ Increased percentage of solvent-free release paper

\* Biomass Mark has been introduced by the Japan Organics Recycling Association to certify products that use biomass (renewable resources of biological origin) material and conform to a set of requirements and standards for quality and production methods.



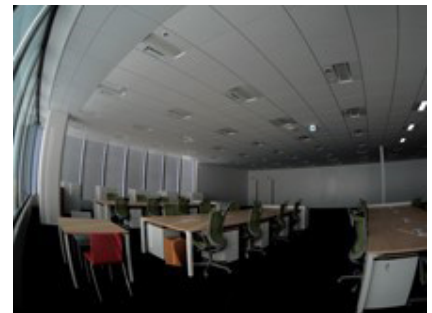
Labels using Biomass Mark-certified adhesive agents

## || Lighting Films that Brighten Up Rooms

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Lintec sells DNP Lighting Film in cooperation with Dai Nippon Printing Co., Ltd. The window film was placed on the market in February 2019 through contractor networks throughout Japan.

The product has been developed by taking advantage of Lintec's technologies for adhesive applications and Dai Nippon Printing's fine processing techniques. With microasperity created inside the base film, the product deflects sunlight, efficiently reflects it onto ceilings, and diffuses it to brighten up rooms. It reduces electricity used for lighting, which leads to a reduction in environmental impact, while increasing occupant comfort.



Before DNP Lighting Film installed



After DNP Lighting Film installed

## Addressing Global Warming

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Lintec Group's thinking 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

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#### || Status of Compliance with Japan's Energy Conservation Law

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Energy use by the entire Lintec Group in Japan\* exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated as 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 as well as its weighted electricity use per production unit (for reducing peak hour demand) by 1% per year. In fiscal 2018, the Lintec Group in Japan implemented a variety of energy-saving measures, such as effective operation of production facilities and boilers, management of the air-conditioning system, recovery and use of waste heat, and use of VOC combustion heat.

\* 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.

#### || Energy Savings Promotion Committee

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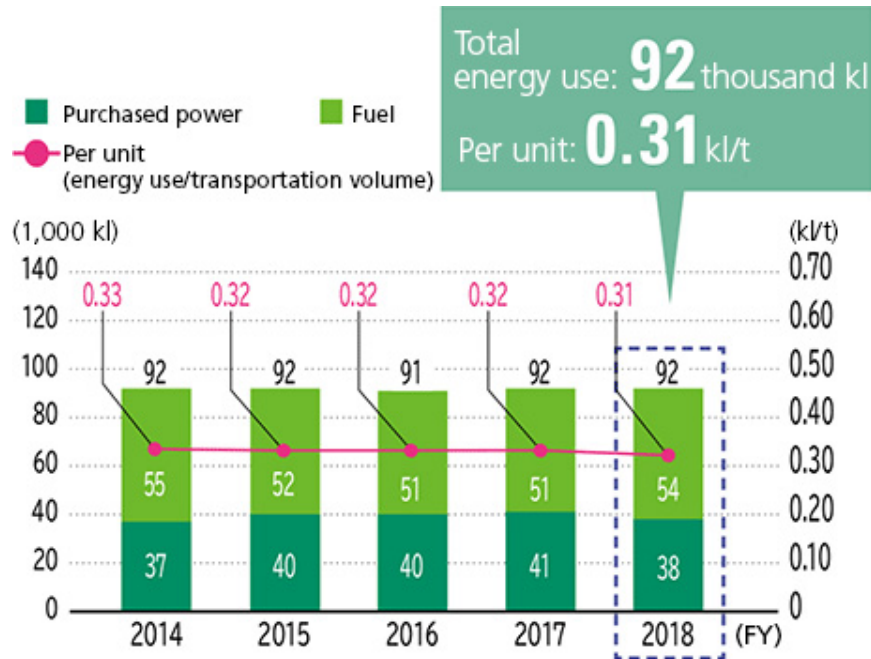
To comply with the Energy Conservation Act, the Lintec Group in Japan collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. In fiscal 2018, the Lintec Group in Japan implemented corporate-wide energy-saving measures aimed at improving its energy use per production unit. The Mishima Plant (Doi Plant) and Kumagaya Plant updated heat medium boilers (equipped with economizers).

#### || Total Energy Use and CO<sub>2</sub> Emissions

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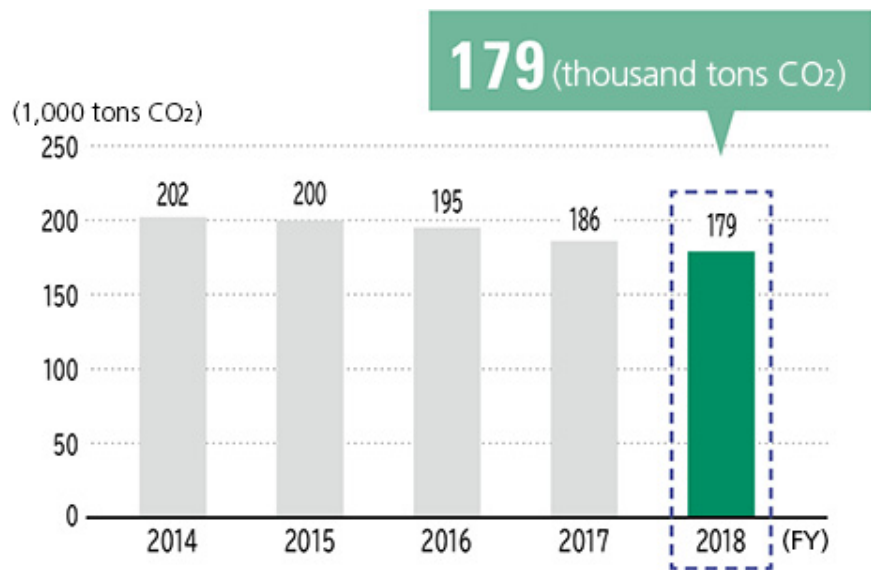
In fiscal 2018, total energy use (crude oil equivalent, covered by the Energy Conservation Act) for the Lintec Group in Japan increased by 0.2% from the previous year due to an increase in production volume. Energy use per unit of production improved by 1.8% to 0.3114 kl per ton. CO<sub>2</sub> emissions were 179 thousand tons, down from 186 thousand tons in fiscal 2017. In fiscal 2019, Lintec aims to reduce its CO<sub>2</sub> emissions and electricity consumption by 1.0% each on a per-unit of production basis compared to fiscal 2018, by facilitating the use of low-carbon electric power.

## Total energy use (crude oil equivalent)



※ Fuel means kerosene, Bunker-A oil, liquid natural gas (LNG),

## CO<sub>2</sub> emissions



※1The amount of CO<sub>2</sub> emissions is calculated by applying a CO<sub>2</sub> emission coefficient to the amounts of electricity and fuel used.

※2The CO<sub>2</sub> 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 CO<sub>2</sub> emission coefficients for fiscal 2009 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.

※3The emissions shown above are CO<sub>2</sub> emissions from fossil fuels.



## || Solar Power

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Lintec has used photovoltaic technology full-scale. An approximately 1,000 kW system was installed on all the rooftops at the Doi Plant and began operation in January 2013. In March, an approximately 500 kW system was installed and began operation at the Agatsuma Plant. The two systems will reduce O<sub>2</sub> emissions by about 500 tons per year. In addition, a smaller system has been installed in the Head Office building to supply power for internal use, thereby helping reduce on-peak demand.



Solar panels at the Doi Plant  
(about 10,000m<sup>2</sup>)



Solar panels at the Agatsuma Plant  
(about 5,000m<sup>2</sup>)

## || Efforts to Reduce CO<sub>2</sub> Emissions: Fuel Shift to LNG

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From fiscal 2006, Lintec moved forward with the conversion of fuel for boilers used to produce steam, shifting from heavy oil and kerosene to utility gas and LNG, which have lower CO<sub>2</sub> emissions. In January 2011, fuel conversion work for boilers at Lintec's plants in Japan had been completed. In addition, we are promoting installation of economizers in incinerator boilers and use of waste heat recovered from VOC treatment units. Seeking to further enhance our energy-saving efforts directed at reducing CO<sub>2</sub> emissions, we adopt energy-efficient models when updating facilities while promoting efficient operation of equipment and use of residual heat.

In 2018, the Kumagaya Plant updated the non-utility generation facilities (gas engine) to be able to increase energy efficiency in response to changes in the electricity and steam demand ratio.



Non-utility generation facility at  
Kumagaya Plant

## || Introduction of Cogeneration Systems

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Lintec has introduced cogeneration systems that produce and supply electric power and heat from the heat source.

The Kumagaya Plant and Doi Plant have introduced gas engine cogeneration systems, which use LNG and other types of fuel, generate and supply electric power to operate various production facilities, and collect, using steam, and utilize heat generated at the time of power generation.

The system at the Kumagaya Plant started its full-fledged operation in April 2018, reducing emissions by approximately 4,100 tons CO<sub>2</sub>/year compared with the previous fiscal year. At the Doi Plant, the system started its full-fledged operation in October 2018, and it is expected to reduce emissions by approximately 4,000 tons CO<sub>2</sub>/year.



Gas engine cogeneration system introduced at the Kumagaya Plant

## || Reducing Power Used for Lighting

---

The Lintec Group continuously encourages energy-saving activities. These include visualization of energy use, air-conditioning control, reduction of standby energy use during non-business hours, and introduction of LED lighting. At the Ina Technology Center, LED lights were introduced in 2018 to replace fluorescent lighting.

## || Efforts to Prevent the Leakage of Fluorocarbons

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Manufacturing sites are equipped with a number of industrial chillers and air conditioners that use fluorocarbon refrigerants. The Lintec Group, in compliance with the Fluorocarbons Emissions Control Act, creates a list of such equipment installed at its sites and conducts daily checks and periodic detailed inspections in order to prevent the leakage of fluorocarbons from the equipment during operation. When needing to dispose of the equipment, we entrust the task to appropriate service providers to ensure safe recovery of the compounds contained.

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## Addressing Global Warming

### Efforts in Distribution

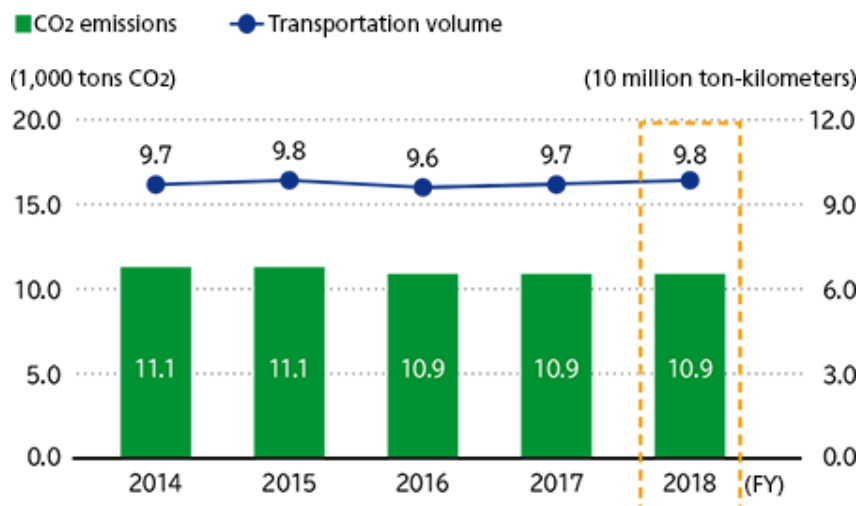
Lintec does not have distribution and transportation sections but is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers\* annually. As a Designated Shipper, Lintec submits an annual report to the government in accordance with this Act. In fiscal 2018, the volume of transportation increased by 0.8% (775,000 ton-kilometers) from the previous year but CO<sub>2</sub> emissions decreased by 0.16% (17 t-CO<sub>2</sub>). Energy use per unit of transportation improved by about 1.2%. We will continue to improve our distribution system and transportation loading efficiency, with the goal of reducing environmental impacts.



Double-deck structure introduced in 10-ton trucks to improve loading efficiency

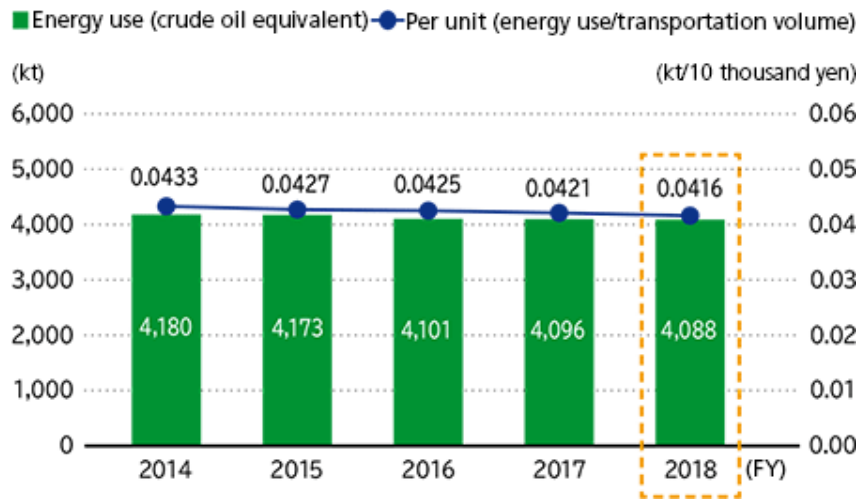
\* Ton-kilometers: A unit of cargo transport amounts, computed by multiplying the cargo tonnage by the transportation distance. Transporting 1 ton of cargo over a distance of one kilometer equals one ton-kilometer.

### CO<sub>2</sub> emissions and transportation volume in distribution





## Energy usage



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## Reducing Waste

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.

### Efforts for Zero Emissions\*1

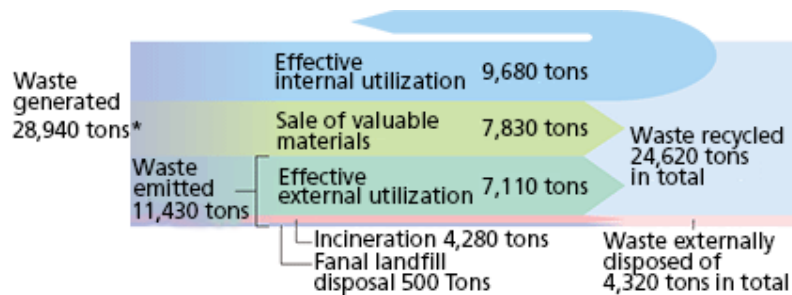
In fiscal 2018, the amount of waste generated, including manufacturing loss, at Lintec was 28,940 tons. The total waste output was 11,430 tons. Of this waste output, 7,110 tons were recycled by outside recycling companies and the remaining 4,320 tons were properly disposed of by waste disposal companies.

The final landfill disposal rate\*2 for fiscal 2018 was 0.14%, achieving the target final landfill disposal rate of 1.0% or less. Lintec's target from fiscal 2018 to fiscal 2019 is a 0.1% reduction in the amount of waste generated, on a year-on-year basis.

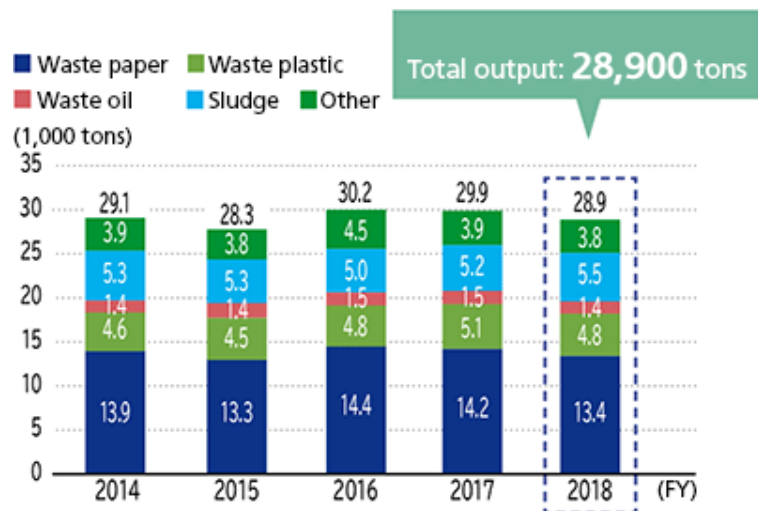
\*1 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.

\*2 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.

### Fiscal 2018 waste flow



## Waste discharge



### 3R Efforts

#### || Efforts to Reduce (reduce amount of waste)

At the Lintec Group, each plant works to increase production yield in order to reduce the generation of waste.

Also, production plans are carefully created to minimize waste of prepared chemical solutions and raw materials.

#### || Efforts to Reuse (use repeatedly)

A large number of roll cores are used at Lintec, where most products are manufactured in rolls. Some of the cores shipped together with products are collected and reused in the manufacturing process.

Also, some of the wooden and plastic pallets used to ship products are collected and reused. If found unsuitable for reuse due to damage, wooden pallets are made into particleboard via an outsourced service while plastic pallets are repelletized.

#### || Efforts to Recycle

The Lintec Group has continued to promote material recycling\*1 and thermal recycling\*2. The Tatsuno and Kumagaya plants collect waste that is unfit for material recycling, such as from polyethylene laminating paper and adhesive products, and incinerate it to recover process steam (thermal recycling). Each plant promotes resources conservation, working to increase production yield to reduce input resources and selling part of the generated waste to recycling companies as valuables.

\*1 Material recycling: the recycling of waste as a raw material, such as using recovered paper as a raw material for recycled paper or turning empty cans into metal and PET bottles into synthetic fiber material, does not include thermal recycling.

\*2 Thermal recycling: the recycling of waste by incinerating it to recover heat energy, as opposed to thermal disposal.

## **Voice** Driving Forward Initiatives for Proper Management of Waste

To manage waste and return items properly, instructions for classification are posted in a unified format at each collection point in the Tatsuno Plant. By individually specifying the color used for indicating the classification using RGB\* color codes, and thereby making it easier to distinguish what can be disposed of based on the illustrated explanation, we strive to promote recycling, dispose of environmentally hazardous substances properly, and increase the awareness of employees. While we currently give instructions for classification into 55 categories in total, we hope to increase the number of categories and step up measures for proper management of waste.

\* RGB: A technique to express various colors by combining red, green, and blue, which are the three primary colors of light.



Yuji Nakayasu  
Subsection Manager,  
Planning Section,  
Maintenance Section,  
Maintenance Department  
Tatsuno Plant

## Reducing Water Usage and Effluent

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.

### Reducing Water Usage and Effluent

In fiscal 2018, Lintec used 8,484,000 m<sup>3</sup> of water. Of this amount, about 89% was used by the Kumagaya and Mishima plants, which are Lintec's Fine & Paper Products Operations. Water usage per unit of paper production was 47.2 m<sup>3</sup>/t\*5. Lintec was unable to achieve the target of a 1.0% reduction on a year-on-year basis.

The target in fiscal 2019 is 1.0% reduction per unit of production from the previous year. To that end, the plants will make continued efforts to reduce water usage in each process and prevent water leaks.

\* m<sup>3</sup>/t: While t/t was used for calculation, the measurement was converted to m<sup>3</sup> for this report.

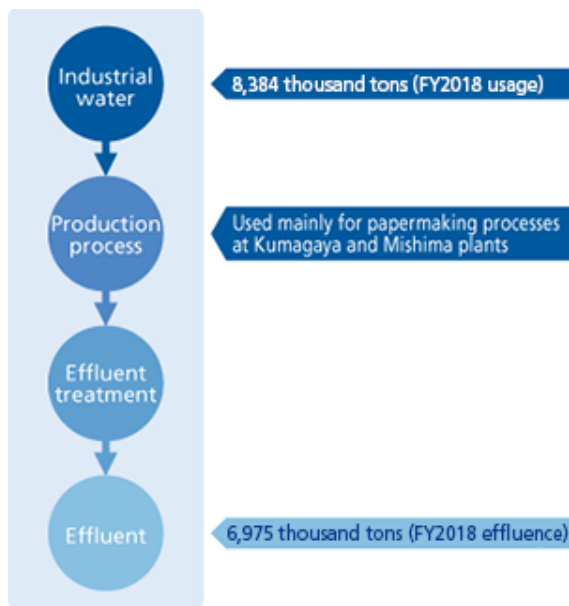
### Process from Water Intake to Effluent

Water usage data is calculated by source.

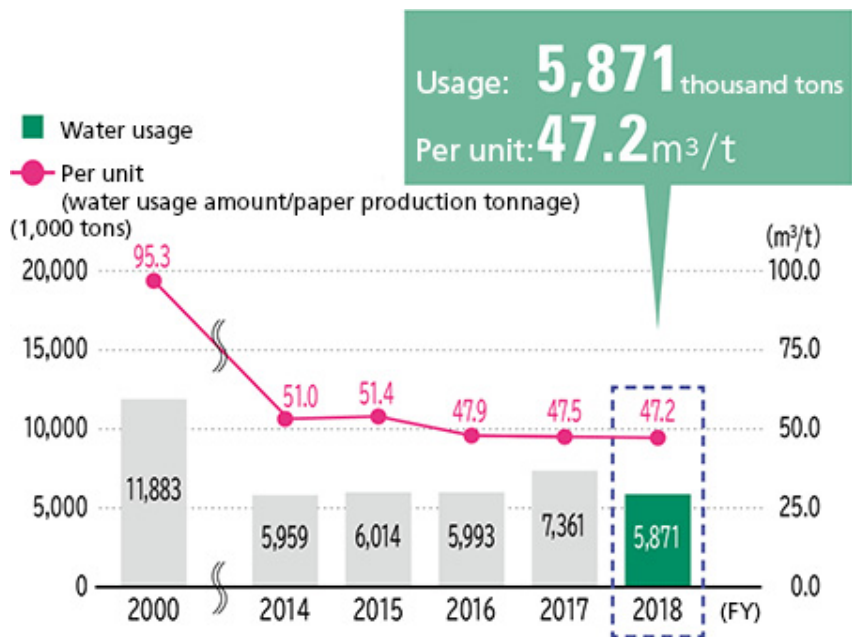
Category	FY2018 (thousand tons)
Total water usage	8,384
Tap water	523
Industrial water	4,133
Groundwater	3,828
Effluent	6,975

### Standards, methods and preconditions used

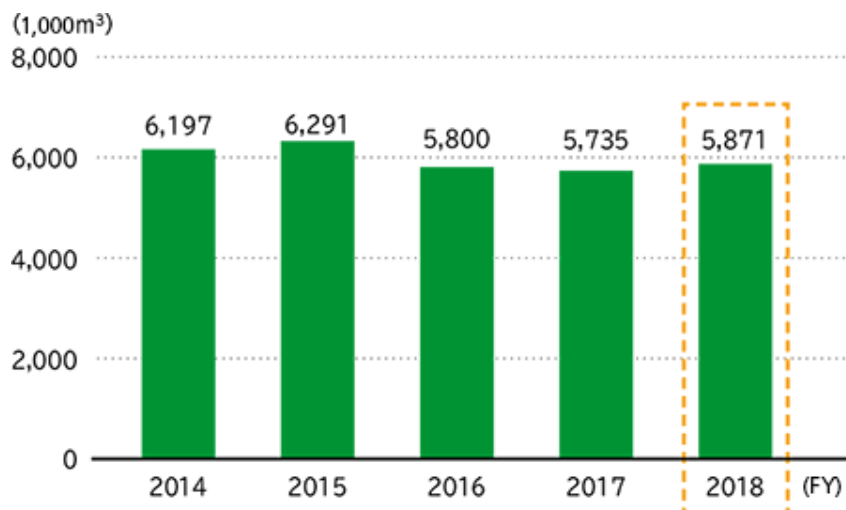
Measurement value is used for tap water, industrial water and groundwater.



### Water usage (Kumagaya and Mishima Plants)



## Effluent treated (Kumagaya and Mishima plants)\*



\* Total of flowmeter data for effluent treatment equipment installed at the Kumagaya and Mishima plants.

### Reducing Effluent

The total amount of water used by Lintec in fiscal 2018 was 8,484 thousand m<sup>3</sup>. About 89 percent of this was used at the Kumagaya and Mishima plants. These plants are working to reduce their water usage and effluent discharge by taking measures such as reusing used water in each papermaking process. They will continue to renovate the water treatment facilities.



Effluent processing equipment at the Kumagaya Plant

## Effluent Water Quality (Fiscal 2018)

### Kumagaya Plant

Item		Wastewater standards	Results	
			Maximum value	Average value
pH		5.8~8.6	6.68~7.52	7.08
Regulations on emission concentration	SS*1(mg/ℓ)	60(50) or less	31.0	11.65
	BOD*2(mg/ℓ)	20 or less	27.0	9.25
	COD*3(mg/ℓ)	-	41.8	21.66
Regulations on total emissions	COD(t/day)	0.858 or less	0.264	0.128
	Nitrogen(t/day)	0.4068 or less	0.168	0.0228
	Phosphorous(t/day)	0.0418 or less	0.0039	0.0008

Note: A BOD value exceeding the plant's voluntary standard (a value agreed upon with Kumagaya City) of 20 mg/L was recorded. We reported the fact to Kumagaya City immediately, and took appropriate action. The BOD treatment facility will be improved in fiscal 2019.



## Mishima Plant

Item		Wastewater standards	Results	
			Maximum value	Average value
pH		5.8~8.6	5.9~7.2	6.54
Regulations on emission concentration	SS*1(mg/ℓ)	80(60) or less	29	3
	COD*3(mg/ℓ)	90(65) or less	83	22
Regulations on total emissions	COD(t/day)	0.9431 or less	0.4896	0.2362
	Nitrogen(t/day)	0.3961 or less	0.1850	0.0451
	Phosphorous(t/day)	0.0405 or less	0.0048	0.0010

Notes: 1. Figures in parentheses are the daily average values. The regulations for each plant are as follows:

Kumagaya Plant: The regulation value shown for BOD is based on a value agreed upon with the city of Kumagaya. The values shown for pH, SS, COD (total emission), nitrogen, and phosphorus are based on the environmental protection ordinances and notices of Saitama Prefecture.

Mishima Plant: The regulation values shown for pH, SS, and COD (emission concentration) are based on the Water Pollution Control Law, while the values for COD (total emissions), nitrogen, and phosphorus are based on notices from Ehime Prefecture.

2. In the column showing the maximum values of the results, the minimum to maximum values are shown for pH and the total value is shown for regulations on total emissions.

\*1 SS (suspended solid): substances that remain in suspension in water and cause water turbidity.

\*2 BOD (biochemical oxygen demand): amount of oxygen consumed when microorganisms break down organic matter in the water.

\*3 COD (chemical oxygen demand): amount of oxygen required to oxidize oxidizable substances in water.

### **Voice** Recovering and Reusing White Water to Reduce Water Usage

The Kumagaya Plant consumes a large amount of water to run two paper machines, and works to reduce water usage. Our efforts include reuse of white water, which refers to water mixed with raw materials in the papermaking process, mainly for material preparation and dilution as well as equipment and other cleaning. We also promote water-saving measures, specifically, the reuse of cooling water in each process. We will encourage cross-divisional efforts to save and reuse water, aiming to further reduce water usage.



Masashige Aoki  
Senior Project Manager,  
Assistant to Plant Manager  
Kumagaya Plant

## Reduction of Environmentally Hazardous Substances

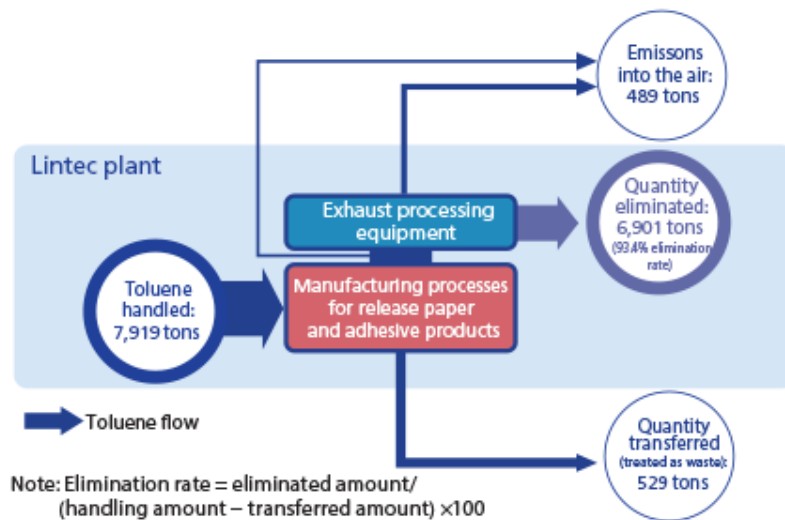
The Lintec Group complies with relevant laws and regulations in and outside Japan and strives to reduce its use of chemical substances that have an impact on the environment.

### Compliance with PRTR Act\*

In fiscal 2018, Lintec used 12 substances that are subject to PRTR reporting, such as toluene and xylene. The total quantity of PRTR chemicals was 8,179 tons.

Toluene accounted for approximately 97%, the largest portion, of this amount, at 7,919 tons, up 167 tons from the previous year due to an increase in production volume. Emissions of toluene into the atmosphere were 489 tons, up 7 tons from the previous year, and the transferred amount was 529 tons, up 46 tons from the year before.

### Emission and transfer of toluene FY2018



**Change in emission and transfer of toluene**

	2014	2015	2016	2017	2018
Toluene handled (t)	7,580	7,436	7,730	7,752	7,919
Toluene emitted (t)	462	441	471	482	489
Quantity eliminated (t)	6,582	6,502	6,792	6,787	6,901
Elimination rate (%)	93	93.6	93.5	93.4	93.4
Quantity transferred (t) (Disposed of)	536	494	467	483	529

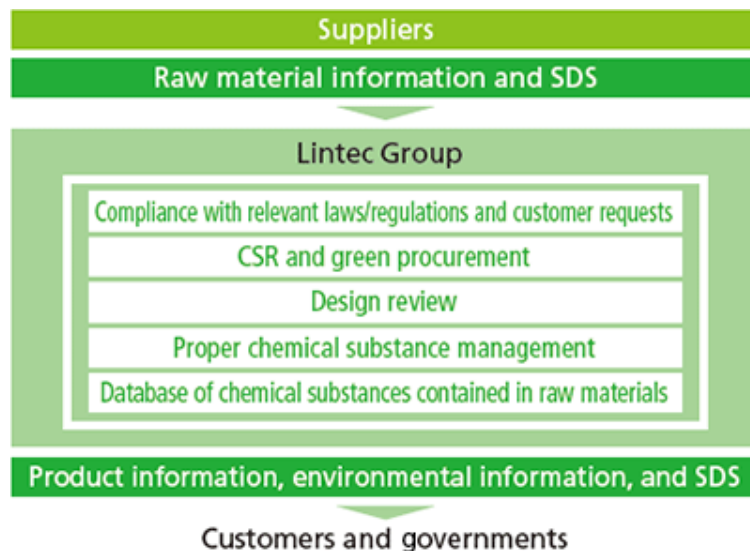
Note: Elimination rate = eliminated amount/(handling amount – transferred amount) ×100

\* The PRTR (Pollutant Release and Transfer Register) Act is formally named the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvement to the Management Thereof.

**Complying with EU Regulations Concerning Chemical Substance Management and Environmental Preservation**

Lintec examines substances with environmental impact in the raw materials it purchases, properly grasps and manages its use of chemical substances to comply with related laws and regulations, and communicates information to customers. The company is fulfilling its reporting obligations under the REACH Regulation\*1 and the RoHS Directive\*2. In fiscal 2018, Lintec took steps to comply with chemSHERPA\*3 in order to manage chemical substances properly along the entire supply chain.

## Product Information Flow



- \*1 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.
- \*2 RoHS Directive: EU's Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment.
- \*3 chemSHERPA: A scheme, recommended by Japan's Ministry of Economy, Trade and Industry, for communicating information about chemical substances contained in products. The mechanism is aimed at properly managing chemical substances contained in products across supply chains, from upstream to downstream, to ensure continued compliance with tighter regulations.

### Chemical Leak Drills

The Lintec Group conducts chemical spill drills at plants and research centers that handle chemical substances. The drills aim to familiarize employees with actions required to be taken in the event of a chemical spill, including immediate initial actions, steps to prevent possible secondary disasters, such as a spill extending to outside the premises, soil contamination, and fire, and safe methods of clearing the contaminated area.

In fiscal 2018, drills were carried out at the Mishima Plant, Agatsuma Plant, Kumagaya Plant, Komatsushima Plant, Chiba Plant, Tatsuno Plant, Ina Technology Center, Research Center and Niihama Plant.

## Reduction of Environmentally Hazardous Substances

### Proper Storage and Management of PCB\*

We will securely manage and store high-PCB concentration units that are awaiting disposal. In fiscal 2018, Lintec properly disposed of 20 units containing PCBs (high-concentration: 19; low-concentration: one; all from storage at the Kumagaya Plant). At the end of June 2019, we transferred 17 units containing PCBs stored at the Tatsuno Plant, thereby completing the disposal of PCBs for which Lintec is responsible for properly storing and managing.

#### Status of proper storage and management of PCBs

Site name	Number of stored units of PCB waste	Treatment facility	Year of registration for consignment treatment	Expected processing completion
Kumagaya Plant	19 high-concentration units	JESCO Tokyo Office	2005	March 22, 2019 (Completed)
	1 low-concentration unit	Gunto Sangyo Co., Ltd.	2018	December 2018 (Completed)
Tatsuno Plant	14 high-concentration units	JESCO Kitakyushu Office	2015	June 2019 (Completed)
	3 fluorescent light ballasts		2019	June 2019 (Completed)
Total	37 units disposed of			

\* 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.

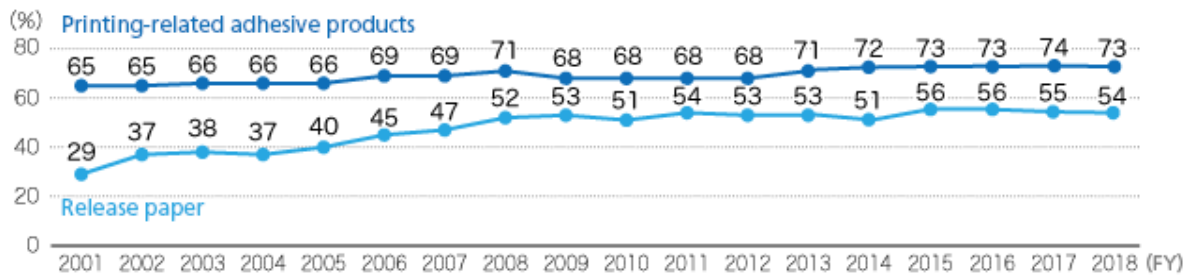
## Reducing VOCs (volatile organic compounds)

### || Transitioning to Solvent-free Release Agent

Lintec is reducing VOCs. 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 2018, the percentage of solvent-free release paper (production basis) was 54.2%. The percentage of solvent-free printing-related adhesive products (sales basis) was 73.3%. The percentage of solvent-free paper and products remained at the same level as in the past.

Recognizing the importance of further reducing VOCs for preventing air pollution by businesses, Lintec is planning and implementing VOC reduction measures. Lintec has completed the installation of exhaust gas treatment facilities, and will continue to ensure reliable management of treatment facilities, manage the percentage of solvent-free products, and develop and promote sales of solvent-free products to further reduce its environmental impact.

### Percentages of solvent-free printing-related adhesive products and release paper



- Notes: 1 Percentage of solvent-free printing-related adhesive products = quantity of solvent-free printing-related adhesive products sold / quantity of all printing-related adhesive products sold x 100  
2 Percentage of solvent-free release paper = quantity of solvent-free release paper produced / quantity of all release paper produced x 100

### **Voice** Installing Adsorption Type Activated Carbon Devices to Reduce VOC Emission Gas

In China, companies are under pressure to take measures as part of a plan to keep the sky blue by preventing air pollution. In addition to the use of UV ink, which has smaller environmental impacts, our company installed adsorption type activated carbon devices to reduce VOC emission gas. It is expected to reduce the emissions by about 15 to 20%.



Adsorption type activated carbon device



Piao Shirong  
Quality Assurance &  
Environmental Safety  
Department  
Lintec Printing &  
Technology (Tianjin)  
Corporation

## Environmental Accounting

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Lintec uses environmental accounting to ascertain the costs and benefits of environmental protection, and continues to carry out environmental protection activities as effectively as possible. Environmental investments\*1 made in fiscal 2018 totaled 350 million yen, while environmental costs\*2 incurred for the same year totaled 2,648 million yen. The total environmental investments, used to introduce new gas cogeneration systems, among others, decreased by 285 million yen from the previous year. The total environmental costs increased by 17 million yen year on year.

\*1 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.

\*2 Environmental costs: Costs or losses arising from consuming goods and services for the purpose of environmental conservation

## Calculation Basis

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, 2018, to March 31, 2019.
3. The Environmental Accounting Guidelines (2005) from the Japanese Ministry of the Environment were used as a reference.

### Fiscal 2018 Environmental Conservation Costs

(Million yen)

Category	Target equipment	Investments	Details of main initiatives	Expenses	
1.Business area cost	Pollution prevention cost				
	a.Preventing air pollution	Exhaust treatment system	70	Management and maintenance of equipment to prevent air pollution	327
	b.Preventing water pollution	Wastewater treatment system	7	Management and maintenance of equipment to prevent water pollution	148
	c.Preventing overall pollution	-	-	PCB and sludge disposal costs	29
	Global environmental conservation cost				
	a.Preventing global warming	Exhaust treatment system	10	Management and maintenance of fuel conversion systems	85
	b.Energy conservation	Waste heat recovery system	259	Management and maintenance of in-house power generation equipment	400



Resource circulation cost					
1.Business area cost	a.Efficient utilization of resources	Waste paper treatment system	0	Management and maintenance of wastepaper processing equipment; use of wastepaper as raw material	336
	b.Treating, reducing, and recycling waste	Waste-derived fuels system	5	Management and maintenance of incinerator and boiler equipment; industrial waste processing	397
2.Upstream / downstream cost	Collecting, recycling, and reusing byproducts	-	-	By-product pickup	58
	Green procurement and purchasing	-	-	Purchase of environmentally friendly office supplies	10
3.Administration cost	Constructing and operating environmental management systems	-	-	ISO 14001 certification investigation/registration; operation of environmental conservation organizations	344
	Environmental information disclosure	-	-	Preparation of the CSR Report and webpages; participation in the Eco-Products fair	30
	Monitoring and measuring environmental impact	-	-	Analysis and measurement of regulated substances	40
	Environmental education	-	-	Participation in seminars and workshops	1
	Environmental improvement measures	-	-	On-site beautification; garden tree pruning	25

4.R&D cost	-	-	R&D relating to environmental protection	401
5.Social activity cost	-	-	Biodiversity project activity reporting presentation	0
6.Environmental remediation cost	-	-	Payment of pollution load levy; compensation for fisheries	16
Total	-	350	-	2,648

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

**Fiscal 2018 environmental conservation effects**

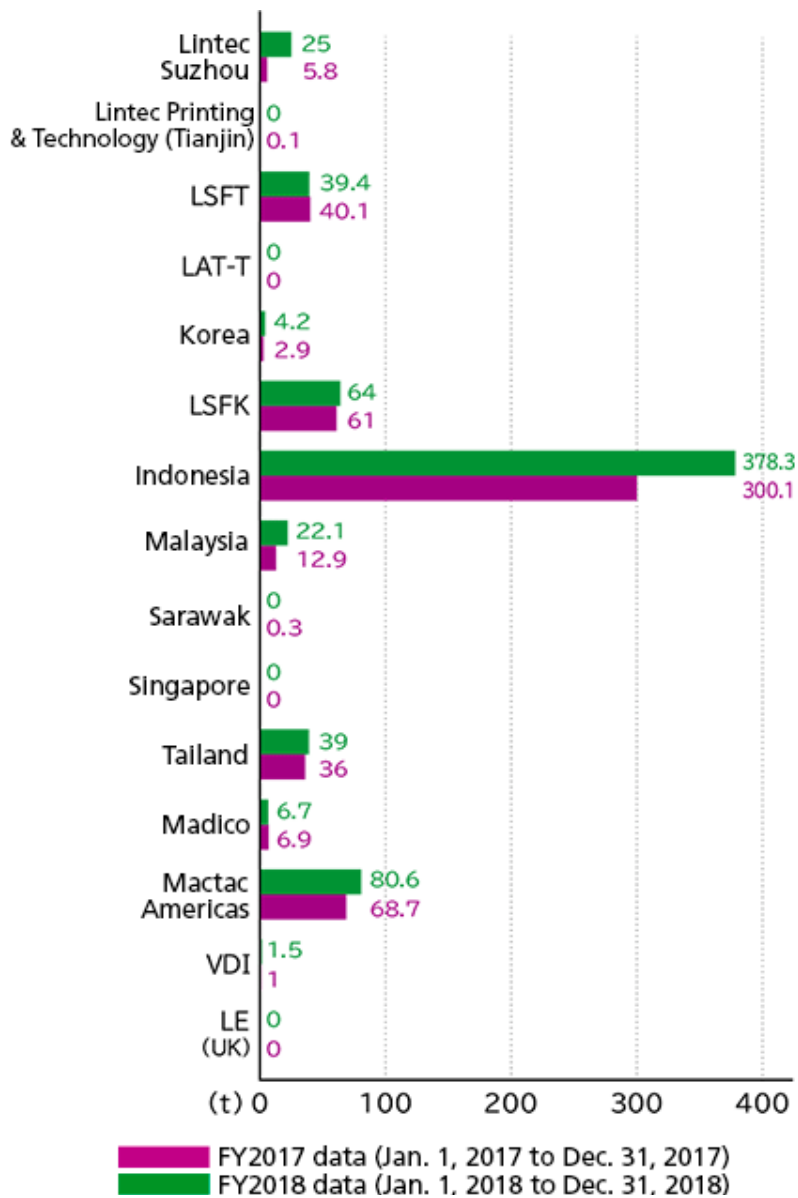
Environmental conservation effect categories	Environmental performance indicators		Base period (FY2017)	FY2018	Environmental conservation effect (difference against base period)
1. Environmental conservation effects related to resources put into business activities	Purchased electricity usage (crude oil equivalent)	1,000 kl	41	37	-4
	Fuel usage (crude oil equivalent)	1,000 kl	51	54	3
	Organic solvent usage	1,000 t	9.4	9.7	0.3
	Water usage	1,000 t	8,263	8,484	221
2. Environmental conservation effects related to environmental impact and waste output from business activities	CO <sub>2</sub> emissions from manufacturing	1,000 t-CO <sub>2</sub>	186	179	-7
	Toluene emissions to air	1,000 t	0.482	0.489	0.01
	Waste discharg	1,000 t	29.89	28.94	-0.95
	Waste incinerated	1,000 t	4.19	4.29	0.10
	Waste buried in final landfills	1,000 t	0.50	0.04	-0.46
	Total effluent	1,000 t	6,637	6,795	158
	SO <sub>x</sub> emissions	t	6.4	8.4	2.0
	NO <sub>x</sub> emissions	t	65	77	12
3. Other environmental conservation effects	Fuel usage associated with transportation (crude oil equivalent)	kl	4,096	4,088	-8
	CO <sub>2</sub> emissions associated with transportation	1,000 t-CO <sub>2</sub>	10.9	10.9	0.00
	Amount of product transportation	Million ton-km	9.7	9.8	0.1

## Environmental Data of Group Companies Outside of Japan

### Environment Performance Data in Fiscal 2018

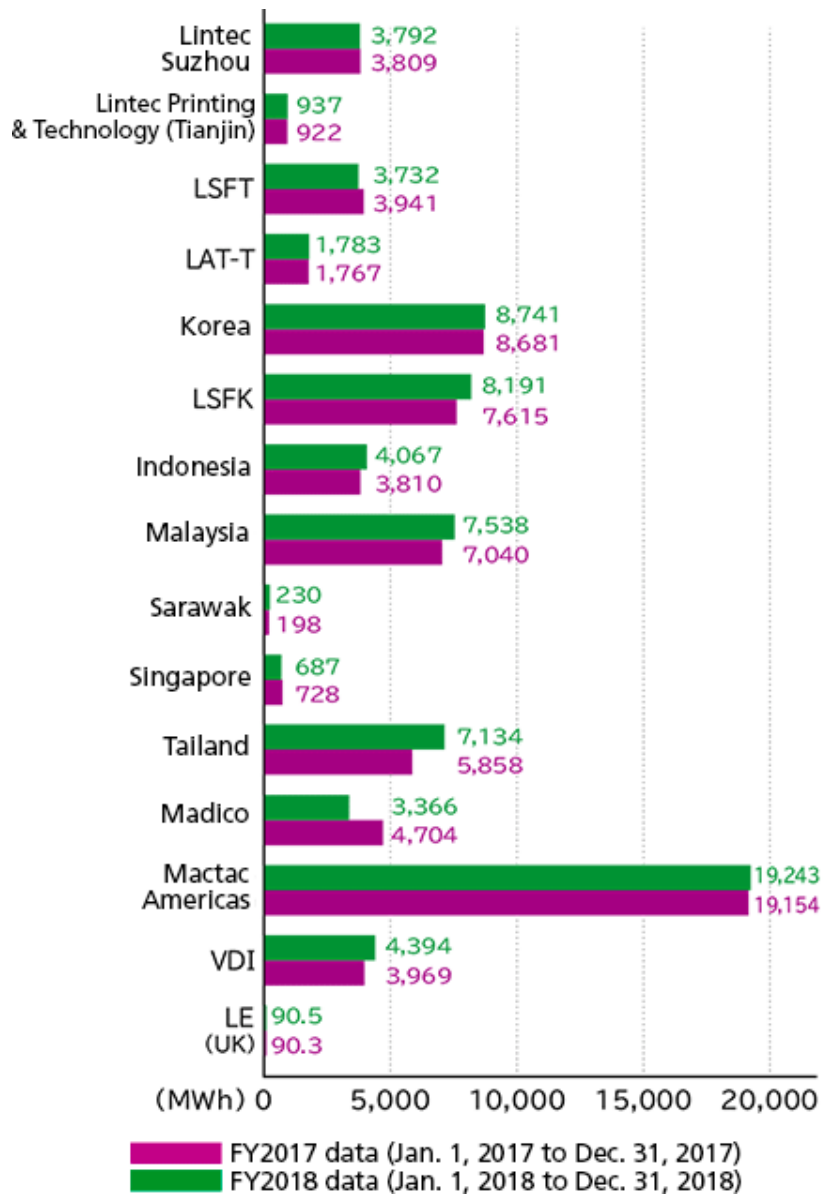
Below is the environmental FY2018 data for the 15 Lintec Group companies outside of Japan.

#### VOC emissions\*

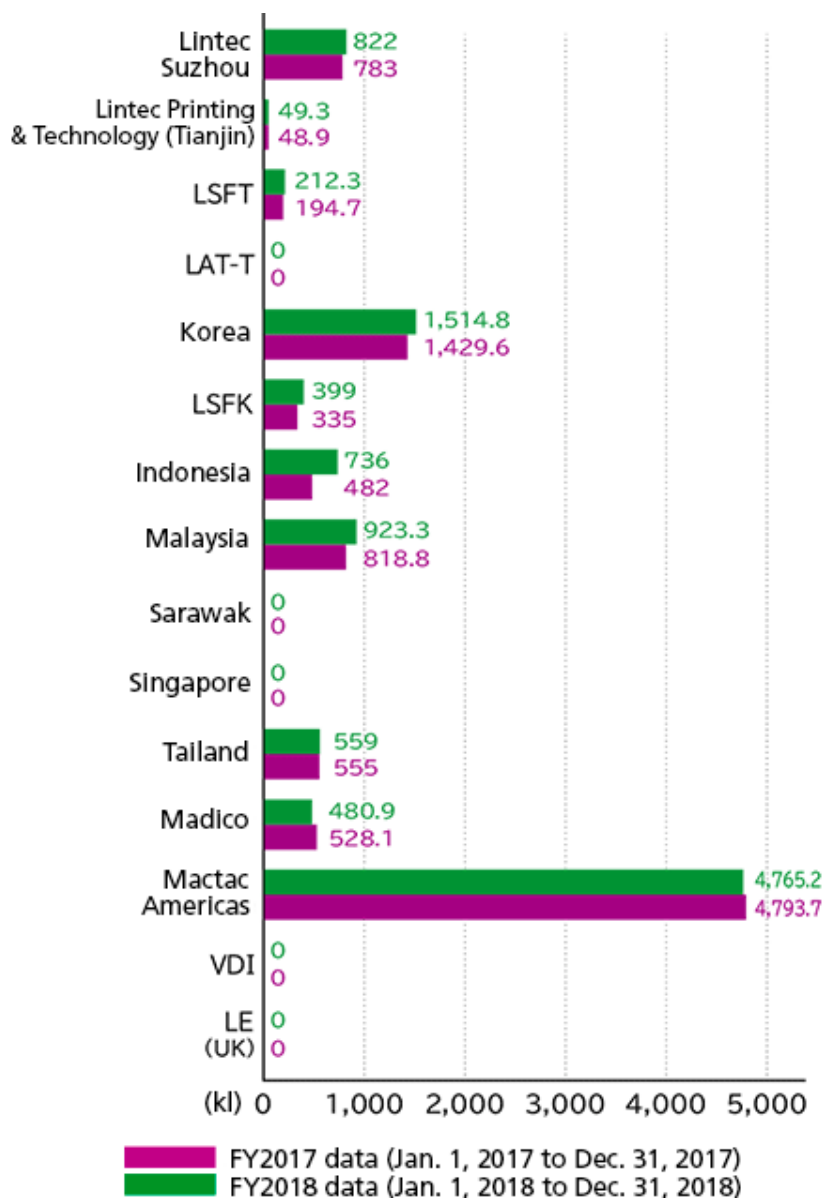


\* VOCs: VOCs stands for volatile organic compounds. VOCs collectively refers to organic compounds that become gas in the atmosphere.

## Electricity usage



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



Note: 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); LAT-T = Lintec Advanced Technologies (Taiwan); LSFK = Lintec Speciality Films (Korea); LE (UK) = Lintec Europe (UK) Limited

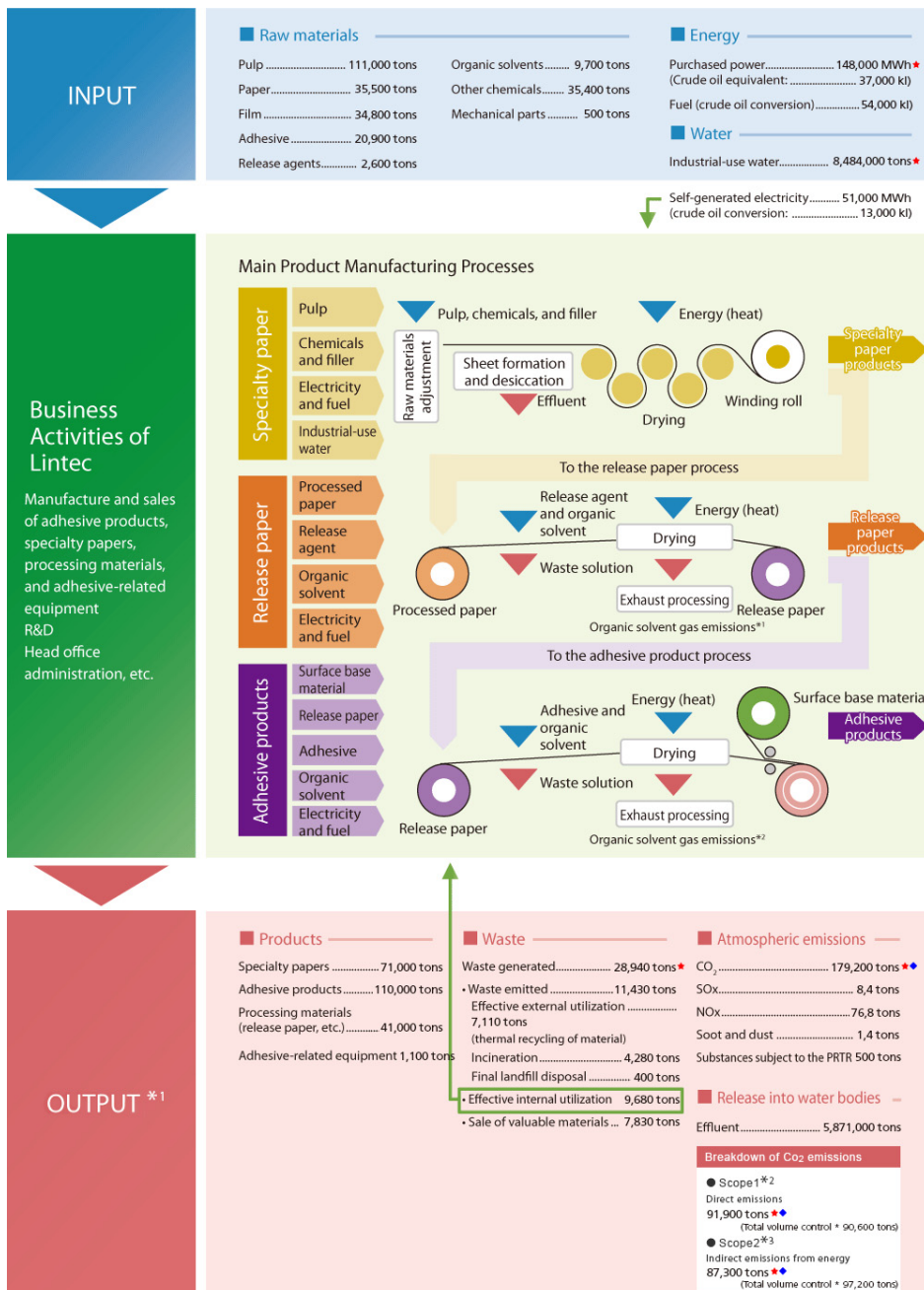
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## Relationship between Lintec and the Environment

### Calculation Basis

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, 2018, to March 31, 2019.

### Fiscal 2018 Material Flow (Scope: Lintec Corporation [Head Office, 10 production sites, Research Center]; Tokyo Lintec Kako, Inc).



As figures with ★ are information collected based on the Energy Conservation Act, they have undergone third-party verification by SGS Japan, Inc.

Scope of verification for figures with ◆ is equivalent to 98% of the conventional figures reported. In responding to CDP,\*5 we have been expanding the scope through total volume control.

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

\*2 Scope 1: Direct CO<sub>2</sub> or other greenhouse gas emissions from the consumption of \*4 Pandemic: An occurrence of an infectious disease that affects many people on a global scale purchased gas and liquid fuels, such as liquid natural gas (LNG), liquid petroleum gas (LPG), utility gas, kerosene, light oil, and gasoline.

\*3 Scope 2: CO<sub>2</sub> or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the reporting company.

\*4 CDP: CDP is an international NGO that calls for disclosure of corporate information on environmental affairs (climate change, water, forest, etc.) and issues regular analysis reports. The Carbon Disclosure Project, established in 2000, is the precursor of CDP.

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## CSR Activities at Group Companies Outside Japan

Each of our group companies outside Japan is promoting community-based CSR activities to fulfill our responsibility as a global company.

### || LINTEC (SUZHOU) TECH CORPORATION



CHEN GUO YAN  
Engineering  
Department

In China, air pollution has been a serious social issue amid the country's rapid economic development, and a national commitment to address the issue is required. In November 2018, our company enhanced environmental protection by installing local ventilation equipment for coating facilities and oil smoke treatment equipment for polyethylene laminating machines.

#### **Company Overview**

Location: Suzhou, China

No. of employees: 203

Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products



External appearance of a plant with enhanced environmental protection

### || LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION



Piao Shirong  
Pok Se-ei  
Quality Assurance  
Environmental  
Safety Department

In printing labels, blending inks is a necessary process. Although ventilators had been installed in the ink blending room of our company, odors nonetheless pervaded the room, especially at the time of blending. To address this issue, we extended the exhaust pipe to directly above the blending instruments, thereby improving the working environment.

#### **Company Overview**

Location: Tianjin, China

No. of employees: 99

Main business activities: manufacture and sale of printing- and industry-related products



Installed exhaust pipe

## || LINTEC SPECIALITY FILMS (TAIWAN), INC.



Cheng, Wen-chieh  
Environment &  
Safety Office

We donated emergency food that had been stored at our company. This initiative can contribute to addressing the food loss issue and leads to the periodic renewal of our food reserves. We would like to continue to engage in social contribution activities with a spirit of dedication.

### **Company Overview**

Location: Tainan, Taiwan

No. of employees: 91

Main business activities: manufacture and sale of electronic-related products



A letter of gratitude for the initiative

## || LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.



Chen-Jung Liao  
ISO Promotion  
Department

In March 2019, we planted trees in the suburbs of Kaohsiung City. A total of 48 participants, consisting of employees and their families, planted as many as 100 trees. We would like to continue to engage in activities to conserve biodiversity and contribute to creating a people- and nature-friendly environment for the next generation.

### **Company Overview**

Location: Kaohsiung, Taiwan

No. of employees: 86

Main business activities: manufacture and sale of electronic-related products



Taking part in tree planting

## || LINTEC KOREA, INC.



Moon Ji-Eun  
General  
Affairs Section

In November 2018, we engaged in a social contribution activity called "kimchi making with love". At our cafeteria, 22 employees made kimchi, which was then delivered to single-parent families and elderly people living alone via the community support center. A large number of employees got together, and it was a lively and enjoyable occasion.

### **Company Overview**

Location: Cheongju-si, Chungcheongbuk-do, Korea

No. of employees: 124

Main business activities: manufacture and sale of electronic- and optical-related products



With handmade kimchi

## || LINTEC SPECIALITY FILMS (KOREA), INC.



Myung-Jin Choi  
Environmental  
Safety Section

We participate in environmental purification activities that local businesses are voluntarily implementing and carry out a monthly cleanup activity, which not only contributes to environmental conservation of the surrounding areas but also helps us strengthen our bond with the local community and raise awareness of environmental conservation among our employees and local residents.

### **Company Overview**

Location: Pyeongtaek-si, Gyeonggi-do, South Korea

No. of employees: 122

Main business activities: manufacture and sale of electronic- and optical-related products



Taking part in environmental purification activities

## || PT. LINTEC INDONESIA



Sugiharto  
Quality Assurance  
Department

In April 2018, we carried out mangrove planting. In addition to our employees, students of a fisheries university and local residents took part, and a total of 112 participants planted 2,000 mangrove seedlings. Everyone understood the significance of tree planting and participated with enthusiasm.

### **Company Overview**

Location: Bogor, Indonesia

No. of employees: 168

Main business activities: manufacture and sale of printing- and industry-related products



Taking part in tree planting

## || PT. LINTEC JAKARTA



Afifatul Khoir  
General Affairs and  
Human Resources

In October 2018, we distributed a brochure explaining how to classify waste within the company to all employees. In accordance with the instructions from the company that manages the building, we installed separate trash cans for organic waste and inorganic waste on the company premises. We will continue to promote environmental conservation activities.

### **Company Overview**

Location: Jakarta, Indonesia

No. of employees: 18

Main business activities: sale of printing- and industry-related products



Trash cans for organic waste and inorganic waste



## || LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

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Ong Hooi Gim  
Finance Division

In September 2018, we planted mangroves in the state of Kedah, Malaysia. In addition to 32 employees from our company, three people from the Environmental Safety Department of the Head Office participated. Despite struggling in the muddy ground, we managed to plant 92 mangroves in total.

### **Company Overview**

Location: Sarawak, Malaysia

No. of employees: 23

Main business activities: manufacture and sale of electronic- and optical-related products



Taking part in tree planting

## || LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

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Michael Benzi Junior  
General Affairs &  
Human Resources

In November 2018, all employees of our company visited the Matang Wildlife Centre. Orangutans and various other animals live in the Centre, which serves as a conservation area. We learned about the conservation activity at the office and carried out a cleanup.

### **Company Overview**

Location: Sarawak, Malaysia

No. of employees: 23

Main business activities: manufacture and sale of electronic- and optical-related products



Gathered in front of the Matang Wildlife Centre

## || LINTEC SINGAPORE PRIVATE LIMITED

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Beach Green participants

We carried out a beach cleanup together with Lintec Asia Pacific Regional Headquarters Private Limited in October 2018, and a total of 82 people participated. By cleaning the beach for about an hour, we collected as much as 58 kg of waste. We were able to contribute to conserving the marine ecosystem by making the beach clean.

### **Company Overview**

Location: Singapore

No. of employees: 81

Main business activities: manufacture and sale of printing- and industry-related products and electronic- and optical-related products



Taking part in the cleanup

## || INTEC (THAILAND) CO., LTD.

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Apakorn Pleansri  
Business  
Development  
Department

We visited Ko Samet in the province of Rayong in March 2019 as a company trip. During the trip, everyone cleaned the beach and collected 42 kg of waste, including strings and plastic.

### **Company Overview**

Location: Chachoengsao, Thailand

No. of employees: 196

Main business activities: manufacture and sale of printing- and industry-related products



Taking part in the cleanup

## || Lintec Europe B.V.

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Peter Olah  
Sales Division

We donated clothes, stationery items, playground equipment, and other goods to a church and an elementary school in a small village in Romania. We received a heartwarming thank-you e-mail from a teacher from the elementary school to which we made the donation, which helped us realize the outcome and importance of this support activity.

### **Company Overview**

Location: Amstelveen, The Netherlands

No. of employees: 7

Main business activities: sale of printing- and industry-related products and paper-and processing-related products



Donations to the church

## || LINTEC OF AMERICA, INC. Nano-Science & Technology Center

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Marilu Guerrero  
R&D Assistant

We participated in Toys for Tots, administered by alumni of the US Marine Corps Reserve . This program sends donated toys to disadvantaged children as Christmas presents. Our company sorted and packed about 540 boxes of toys.

### **Company Overview**

Location: Texas, U.S.A.

No. of employees: 32

Main business activities: research and development



Employees sorting toys

## || MADICO, INC.



Chris Layne  
CSR Committee

We participated in Walk to End Alzheimer's, a charity walk event that took place in St. Petersburg, Florida, and called for donations. Donations raised in this event will be spent to improve health services for and support research on Alzheimer's disease.

### **Company Overview**

Location: Florida, U.S.A.

No. of employees: 203

Main business activities: manufacture and sale of printing- and industry-related products



Team of Madico employees participated in the event

## || VDI, LLC



Toni Doughty  
CSR Committee

The CSR Committee of our company has set a target to carry out a CSR activity every month and has been implementing various initiatives. In February and March 2019, we supported the activity of Dare to Care Food Bank, which offers food to disadvantaged people in the community, by helping with the sorting and packing of the food.

### **Company Overview**

Location: Kentucky, U.S.A.

No. of employees: 47

Main business activities: manufacture and sale of printing- and industry-related products



SR team that took part in the support activity

## || MACTAC AMERICAS, LLC



CSR Committee members

We engaged in community-based social contribution activities, such as participating as volunteer staff in a children's marathon that took place in a local community. We also donated school supplies, food, hygiene products, and other goods through a charity organization to abused or neglected children.

### **Company Overview**

Location: Ohio, U.S.A.

No. of employees: 464

Main business activities: manufacture and sale of printing- and industry-related products



Donated goods for children

## Internal Control

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### **LINTEC Group Internal Control Policy**

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All departments in Lintec and Lintec Group subsidiaries should develop and enhance an internal control system that prevents fraudulent or illegal practices and errors and ensures adequate and efficient business activities.

- All employees and officers have their respective roles and responsibilities in the development and operation of the internal control system.
- Each department in Lintec and its subsidiaries should conduct a self-assessment from time to time as necessary to check that its operational or administrative processes are being implemented properly and efficiently in compliance with the relevant laws/regulations and internal rules.
- The internal audit department should be formed as an independent unit from all other departments and conduct audits of individual departments in Lintec and subsidiaries periodically to check that their internal controls are working effectively and efficiently.

Established October 1, 2013  
LINTEC Corporation

## Compliance

### Lintec Group Compliance Guidelines

#### || Code of conduct

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 the 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 human rights and dignity of individual employees and officers and treat them fairly to enable a good working environment.

Established January 2003

Revised April 2011



## Quality, Environment and Business Continuity

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### **Lintec Group Quality, Environmental and Business Continuity Policies**

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#### **Basic Policy**

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Dedicated to the company motto, "Sincerity and Creativity", and the Lintec management philosophy, all employees in the Lintec Group practice fair and innovative corporate activities to fulfill our responsibilities to society, including compliance with laws/regulations of Japan and beyond.

Lintec subscribes to the following "Quality Policy", "Environmental Policy", "Business Continuity Policy", and "Action Guidelines" to ensure the practical execution of these activities.

#### **Quality Policy**

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We adhere to the fundamentals of "manufacturing". We shall develop, manufacture and sell "quality", "environmentfriendly" and "safe" products, and pursue the conduction of business activities that are trusted by all stakeholders.

#### **Action Guidelines**

1. Develop "people" and a "corporate culture" that work in harmony with different cultures and localities, and contribute to global development by providing the highest possible quality.
2. Identify customers' needs quickly and accurately with a spirit of craftsmanship and share the information within the Group.
3. Analyze current conditions constantly with a spirit of craftsmanship, and conduct continuous improvement activities.
4. Improve and innovate daily services and operations in order to provide better products stably and at reasonable prices.
5. Conduct thorough design reviews to build quality into product design at the initial development stage.
6. Apply statistical approaches for all aspects of operations, including production and quality control, to improve data evaluation and management systems.
7. Construct systematic in-house education programs that develop employees that are capable of demonstrating originality in "craftsmanship".

## || Environmental Policy

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We work to pass down a healthy planet to the next generation. We prioritize the creation of environmentally friendly products, and actively make efforts to protect the global environment.

### **Action Guidelines**

1. Develop environmentally friendly products.
2. Promote the effective use of resources and implement the 3Rs (reduce, reuse, and recycle).
3. Work for global environmental preservation by managing the chemicals contained in our products.
4. Strive to protect biodiversity.
5. Take the initiative in environmental efforts and continuously improve our environmental activities using the PDCA (plan, do, check and act) cycle.

## || Business Continuity Policy

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We work to create and continually improve the business continuity management system (BCMS) to minimize the impact of any risks that may lead to the interruption of business. Risks include, for instance, natural disasters such as earthquakes, storms and floods, and fires and pandemics.

### **Action Guidelines**

1. Place top priority on the safety of group employees and their families.
2. Always remember disaster risk-reduction measures to minimize the impact of any disaster.
3. In the event of a disaster, endeavor to quickly resume supplies of our main products to fulfill our responsibilities to our customers.
4. Provide support and assistance for reconstruction of disaster-stricken regions.
5. Provide continuous improvements in the BCMS through the PDCA plan-do-check-act) cycle.

Environmental Charter established April 10, 1992

Quality Policy established August 10, 1998

Quality and Environmental Policy established April 1, 2012

Quality, Environmental and Business Continuity Policy established September 1, 2013

Quality, Environmental and Business Continuity Policy revised January 1, 2014

Quality, Environmental and Business Continuity Policy revised April 1, 2014

## Procurement

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### Lintec Procurement Policy

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#### **1. Fair and transparent business practices**

We shall maintain fair and transparent business transactions with all partners based on the principle of free competition in the market. In selecting business partners, we shall keep our door open wide and make fair evaluations of candidates in the areas of quality, cost, delivery, supply stability, technology, services, and environmental effort.

#### **2. Building partnerships**

We shall recognize every partner as a "partner for mutual development" and build relationships of trust.

#### **3. Adherence to laws and regulations and social norms**

In our procurement activities, we not only shall abide by the laws and regulations of Japan and beyond but also require our partners to do the same.

#### **4. Consideration for the environment**

We shall pursue procurement activities with less environmental impact based on the Lintec Green Procurement Policy, and require our partners to actively conduct environmental conservation activities and strictly manage chemical substances.

#### **5. Thorough pursuit of CSR**

We shall pursue high level and thorough CSR in our procurement activities together with partners in areas such as respect for human rights, labor health and safety, quality assurance and safety, information security, corporate ethics, and conflict minerals.

Established August 10, 2009

Revised August 30, 2013

## || Request for Cooperation regarding partnership with Lintec

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Lintec will pursue appropriate business development together with its partners. To this end, we ask you to understand the above-stated Lintec Procurement Policy and take specific actions to practice the following. We also ask that your partners understand the same policy and take actions appropriately.

### **1. Adherence to laws/regulations and social norms; fair business practices**

Comply with laws and regulations as well as social norms of countries and regions where you operate business, and respond to your stakeholders in a fair, impartial, and sincere manner in all situations.

- Ensure compliance with applicable laws and regulations
- Maintain sound and honest relationships with your partners
- Ensure information security
- Respect intellectual property

### **2. Consideration for the environment**

Recognize environmental issues, represented by climate change, and those posing grave risks to ongoing business operations, and promote appropriate initiatives to combat such issues in various areas, aiming to contribute to creating a sustainable society.

- Promote environmental conservation activities
- Manage chemical substances
- Reduce environmental impact
- Reduce waste generation
- Promote biodiversity conservation

### **3. Respect for human rights; promotion of occupational health and safety**

Create a workplace environment where all workers involved in your business operations show mutual respect for one another, form relationships without fear of discrimination and human rights abuse, and enjoy working under safe and hygienic conditions.

- Respect fundamental human rights and prohibit discrimination  
Prohibit discrimination based on race, nationality, gender, religion, belief, age, familial origin, disabilities, indigeneity, immigration, sexual orientation, gender identity, or for any other reason.
- Prohibit child labor
- Prohibit forced labor
- Take measures against conflict minerals

### **4. Offer fair prices; build stable supply networks**

Offer raw materials at consistently competitive prices, exert cost improvement efforts on an ongoing basis, and build networks to ensure stable supply and be able to flexibly respond to unexpected changes in supply or demand.

### **5. Improve quality and techniques; ensure safety**

For the purpose of quality maintenance and continuous technical improvement for providing products and services, acquire quality management system (ISO 9001) certifications, observe work and operation manuals, and establish and maintain appropriate and rigorous inspection and production systems.

- Observe safety standards applicable to each country and region

## Procurement

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### **Lintec Green Procurement Policy**

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1. Along with partners, we will promote the management of chemical substances in raw materials, parts, and auxiliary materials that go into our products.
2. We will work to prioritize procurement of less-harmful raw materials, parts and indirect materials from partners actively engaging in environmental conservation and management of chemical substances.
3. As for supply chain management, we will demand that partners actively participate in environmental conservation and chemical products management with their respective suppliers.
4. We will proactively promote the use of Green Pulp based on the Lintec Lumber Pulp Procurement Policy.

Established June 1, 2006

Revised August 10, 2009

## Procurement

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### **Lintec Lumber Pulp Procurement Policy**

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#### **1. Procurement Policy and approach**

- (1) As a measure to counteract illegal logging, we will not procure the following kinds of wood pulp:
  - (a) Pulp from illegally logged wood
  - (b) Pulp from trees of regions violating traditional or civic rights
  - (c) Pulp from protected forests
  - (d) Pulp from reforested areas or forests earmarked for certain purposes
  - (e) Pulp from forests with transgenic trees
- (2) We will proactively promote the use of Green Pulp.

#### **2. Confirmation of Legitimacy**

- (1) We will obtain written proof from partners showing that they have abided by each point of the Procurement Policy.
- (2) In our procurement of wood pulp, we will obtain traceability reports from our partners that indicate wood material logging location, species and quantity.
- (3) We will keep relevant materials for five years, and we will disclose them as necessary for audits, etc.
- (4) We will regularly perform internal audits to gauge initiative progress, along with monitoring (surveys and audits) by the Japan Paper Association. We will disclose summaries of the results online.

Established August 10, 2009

Revised June 1, 2010

Revised August 23, 2010

## Procurement

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### Green-Pulp-Way

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#### || Green-Pulp-Way

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Green Pulp Way is Lintec's own concept for eco-friendly products. The company carries out product design and manufacturing for special papers and label sheets based on this concept. The aim is to reduce impact on the global environment and to leave a healthy green planet for future generations.

#### || Green Pulp

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Green Pulp is a registered trademark of Lintec in Japan, and is produced through a bleaching process that is elemental chlorine free (ECF). The raw materials for this pulp include trees from lawfully and properly managed forests (including CoC-certified pulp and pulp made from afforestation trees), pulp from reused material, and non-wood pulp.

#### || Background

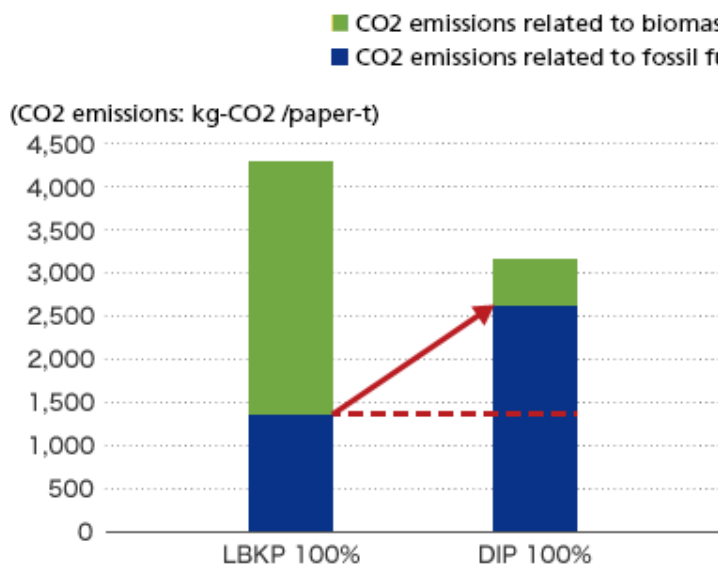
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Lintec promotes the recycling of used paper as an initiative for the effective use of resources. In general, the quality (e.g., strength) of recycled paper tends to be compromised in order to raise the content of used material. Given this tendency, we use selected quality material so as to be able to satisfy wide-ranging quality requirements. Recently, however, it has become difficult to procure used paper, irrespective of quality, due to a growing demand for the material in China and other markets. In order to address this situation, we have reviewed our standards for the content percentage of used paper.

Meanwhile, the global warming process is accelerating and intensifying, affecting natural ecosystems and human lives in different ways and giving rise to stronger calls globally for urgent actions to take against the problem. One major approach is pursued by controlling the increasing amount of CO<sub>2</sub> emitted from burning fossil fuels, known as a leading cause of global warming, and forests can play a key role in this approach by fixing CO<sub>2</sub> taken from the atmosphere. In light of this, for the purpose of controlling the global warming process, it is vitally important to protect forest resources, limiting wood sourcing to that from properly managed forests. In addition, recent studies report that pulp made from wood sourced from such forests (Kraft pulp) emits small amounts of fossil fuel-related CO<sub>2</sub> in the paper production process compared to pulp from used paper (deinked pulp). Although recycling used paper is important for the purpose of promoting the effective use of resources, it should be noted that paper recycling may carry a risk of effecting an excessively high content of used paper, resulting in increased emissions of CO<sub>2</sub>, a leading GHG.

Considering the above situation, we have established a new policy on materials for paper production: primarily use Green Pulp, with deinked pulp also permitted to be used as necessary while ensuring optimum content to meet quality requirements. We will also give adequate environmental consideration to the selection and design of raw materials other than pulp and auxiliary materials.

## Comparison of CO<sub>2</sub> emissions related to production of 1 ton of high-quality paper from Kraft pulp (LBKP) and deinked pulp (DIP)



\* Based on Survey Report on Recycling of Used Paper and Relevant Environmental Impact (March 2001, Paper Recycling Promotion Center)

\*1 CO<sub>2</sub> emitted from the burning of fuels of biological origin, such as those derived from plants. In paper production using Kraft pulp, wood lignin and other ingredients can supply biomass fuels to meet a large percentage of energy demand. Upon burning, biomass fuels emit CO<sub>2</sub> that has been fixed into the relevant plant from the atmosphere during its growth process, which means that CO<sub>2</sub> emissions from biomass fuels do not increase atmospheric CO<sub>2</sub> content.

\*2 CO<sub>2</sub> emitted from the burning of fossil fuels, such as petroleum and coal. CO<sub>2</sub> emissions related to fossil fuels burned for paper production using deinked pulp are double those produced when using Kraft pulp, as indicated in the above chart.

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## Safety and Health

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### **Lintec Occupational Safety and Health Policy**

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Under the company motto, "Sincerity and Creativity", and the management philosophy of Lintec, all Lintec Group employees shall prevent occupational accidents, create a safe and comfortable workplace environment and actively improve safety and health standards.

- 1.** In conducting business activities, we shall appropriately secure and improve the occupational safety and health of everyone in the Lintec Group.
- 2.** The Company shall always work with all Lintec employees to prevent occupational accidents and diseases, and maintain and enhance the health of employees.
- 3.** We shall conduct risk assessment at production sites, establish occupational safety goals, create and implement action plans for achieving those goals and periodically review the plans for improvement.
- 4.** We shall comply with laws and ordinance agreements, and governmental instructions relating to occupational safety and health.
- 5.** We shall provide education and awareness-building programs on occupational safety and health to people in the Lintec Group to communicate the importance of safety and health in the work place and to enhance employee awareness.
- 6.** We shall disclose the Occupational Safety and Health Policy to external parties appropriately on request.

Established June 1, 2018

## Safety and Health

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### Overview of the Lintec Occupational Safety and Health Manual

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■ **Plan (planning)**

Laws and ordinances / safety and health plan, safety and health goals, etc.

■ **Do (implementation and operation)**

Organization, roles, responsibilities, and authority / capacity, education and training, and self-awareness / communication, etc.

■ **Check (inspections, patrols, improvements)**

Monitoring and measurement / internal audits, etc.

■ **Action (reviews by management)**

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## Editorial Policy

The Lintec Group follows the company motto, "Sincerity and Creativity", when conducting its CSR activities. This report explains our CSR activities during fiscal 2018. The Highlight section features a story titled "Mangrove Planting: Protecting People and the Community by Nurturing a Healthy Forest", as well as "Activities of the SDGs Committee: Addressing Social Issues through Business". This report publishes certain information that is important for both stakeholders\* and the Lintec Group.

\* 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 is 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 is available.

- **[Japanese]**

▶ <http://www.lintec.co.jp/csr/>

- **[English]**

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

### Guidelines Referenced

Sustainability Reporting Standards of the Global Reporting Initiative (GRI)

Environmental Reporting Guidelines (2012/2018) of the Ministry of the Environment of Japan

Environmental Accounting Guidelines (2005) of the Ministry of the Environment of Japan

ISO 26000 (Guidance on social responsibility)

## Reporting Period

This report covers the period from April 1, 2018, to March 31, 2019 (fiscal 2018). It also includes some information up through June 30, 2019 concerning specific initiatives.

Environmental data for 15 group companies outside Japan covers the period from January 1 to December 31, 2018.

## Organizations Covered

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

### ■ Environmental Report

Lintec: Lintec Corporation (Head Office, 10 production sites\*1, and Research Center) and Tokyo Lintec Kako, Inc.

Lintec and 15 group companies outside Japan: Sites listed above and 15 overseas group companies\*2

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

\*1 10 production sites: Agatsuma, Kumagaya, Ina, Chiba, Tatsuno, Shingu, Komatsushima, Mishima, Doi, and Niihama

\*2 15 overseas group companies: Lintec (Suzhou) Tech Corporation; 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; Lintec (Thailand) Co., Ltd.; Madico, Inc.; Mactac Americas, LLC; VDI, LLC; and Lintec Europe (UK) Limited

## Note on the fiscal year of consolidated subsidiaries

The fiscal year of Mactac Americas, LLC, Lintec (Thailand) Co., Ltd., and another 35 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 37 consolidated subsidiaries and the consolidated closing date is within three months, consolidated financial statements use each company's financial statements based on the fiscal year, and make 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. As a result of third-party verification, no important issues that require correction were found.

★ For detailed data, [click here](#)

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## Third-Party Opinion

In providing my third-party opinion for a third year, I noticed that Lintec, a global company where the proportion of employees outside Japan is approximately 40%, practices its company motto, "Sincerity and Creativity", not only in Japan but also overseas. The company is willing to contribute to addressing local issues in areas where it operates and sincerely strives to fulfill its social responsibility as a member of the community. Mangrove planting in Indonesia, featured in Highlight 1, represents such high aspirations.

This local contribution activity started in 2013, in response to a call for weeding and cleaning during the green month designated by the Indonesian government. To embody a clear vision to be of assistance to the country not through passive activities but through activities specific to Indonesia, Lintec started mangrove planting in 2016. This year is the fourth year of the ongoing activity, which plays a role in addressing local issues. I hold this initiative in high regard as an example of the practice of Lintec's company motto, "Sincerity and Creativity". Firstly, Indonesia, where the activities have taken place, has the most mangroves in the world, although they have been decreasing in recent years. This is a serious social issue as depletion of biodiversity and land erosion can potentially change the lives of Indonesian people. To improve the situation, Lintec reached out to the community; various actors, such as a local fisheries university, landowners, and local residents, showed support; and the initiative evolved into an activity with multi-stakeholder involvement. Lintec's activities include not only planting but also steady follow-ups until the planted mangroves take root and start to grow, such as observing the growing conditions once every three months, replanting the seedlings if they are likely to sink under water, and managing the growing environment by installing fences and wave-absorbing dykes. In addition, Lintec evaluates the outcome of the tree planting objectively by measuring annual CO<sub>2</sub> absorption, as well as the number of trees planted and the number of participants. I consider this project, which is an ongoing engagement to address community issues with a sense of mission, as a representation of Lintec's strong potential, which will be a source of growth. I am looking forward to the future development of the activities.



Makiko Akabane  
Director of CSR  
Asia Japan Office

I would like to make a suggestion on the enhancement of the international competitiveness of the company. Lintec added a site in Singapore last year that oversees business in ASEAN and India, and is growing steadily as a global company with more than 2,200 employees working outside Japan. I therefore recommend further disclosure of information on initiatives at sites outside Japan. Environmental data, such as those on the use of electric power and VOC emissions, have been disclosed, which can be considered a result of communication between the Head Office and each site. Meanwhile, data related to employees, such as those on rank-based training programs and percentage of paid leave taken, are disclosed only for Japan. Securing and developing human resources overseas is directly linked to a company's competitiveness. What is not said is regarded as not done, especially outside Japan. It is therefore important to disclose information on programs that have been implemented. While communication with overseas sites often involves difficulties, I advise Lintec to consider disclosing information related to human resources, starting from indexes that are likely to be available.

### Response to Third-Party Opinion

We are grateful to Ms. Akabane for her third-party opinion, as we were in 2018, and for her appreciation of our practice of our company motto, "Sincerity and Creativity", as well as the mangrove planting by PT. Lintec Indonesia and local residents. The tree planting project has entered its fourth year, and the number of participants has increased year by year. The initiative is thus gradually transforming into a community-based activity. We would like to expand and continue to engage in the activity with a large number of people. We will facilitate communication with sites outside Japan and work toward disclosure of data related to employees, which are currently disclosed only for Japan.

We will take seriously the opinion received, promote CSR management, and aim to be a company that contributes to developing a sustainable society.

Hiroyuki Nishio  
Representative Director, President, CEO and COO

#### Editor's postscript

Mangrove planting by PT. Lintec Indonesia is featured in this year's Highlight article, which explains how the company plants trees in cooperation with local residents and contributes to the creation of the community environment and people's livelihoods.

While it has not been long since the SDGs Committee was established, the Committee will continue to take on the challenge of addressing social issues through business. To familiarize all levels of the company with the SDGs, the Committee shares its activities with employees by providing e-learning programs and posting newsletters on walls, as well as facilitates interactive communication by receiving comments and suggestions.

For our group to achieve sustainable growth together with society, all employees are thinking about activities and seeking to independently implement them in an integrated manner.



CSR Report 2019  
Production project members

## Third-Party Verification

Performance indicators for social areas marked by ★ have been verified by a third party, SGS Japan Inc.

▶ Verification Statement (Environment)

[PDF: 123KB] 

▶ Verification Statement (Sociality)

[PDF : 110KB] 