



LINTEC

CSR REPORT 2019



Linking your dreams

LINTEC Corporation

Company Motto

Sincerity and Creativity

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

"Sincerity" means thinking about what can be done that will be of benefit and appreciated and tackling every task with all one's heart.

"Creativity" means to work constantly to innovate and improve, seeking greater added value without being satisfied with the status quo.

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

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



LINTEC WAY

Important values supporting the company motto

Five Rules of Sincerity

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

Five Rules of Creativity

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

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. For more detailed information, please visit our CSR website.

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

Main Channels for CSR Information

■ CSR Report (Booklet / PDF version)

[Booklet] Information on the CSR activities of the Lintec Group 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.

Updated in October 2019 (The previous update was in October 2018.)

[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

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.

INDEX

- 01 Editorial Policy
- 02 What Is the Lintec Group?
- 04 Global Network Supports Our Activities
- 05 Message from the President
- 08 Financial and Non-Financial Highlights
- 10 Materiality (Important Issues)

- 12 **Highlight 1** [Mangrove Planting](#)
Protecting People and the Community
by Nurturing a Healthy Forest
- 15 **Highlight 2** [Activities of the SDGs Committee](#)
Addressing Social Issues through
Business

- 16 Practicing Sincerity
- 17 Related Data
- 19 CSR in the Lintec

Governance

- 20 Providing Value to Customers
- 21 Cooperating with Suppliers
- 22 Human Rights and Diversity
- 23 Related Data
- 24 Safety and Disaster Prevention
- 25 Community Participation
- 26 CSR Activities at Group Companies
Outside Japan

Social Report

- 28 Addressing Global Warming
- 30 Reducing Waste and Water Usage
- 31 Reduction of Environmentally
Hazardous Substances
- 32 Related Data

Environmental Report

- 33 Third-Party Opinion

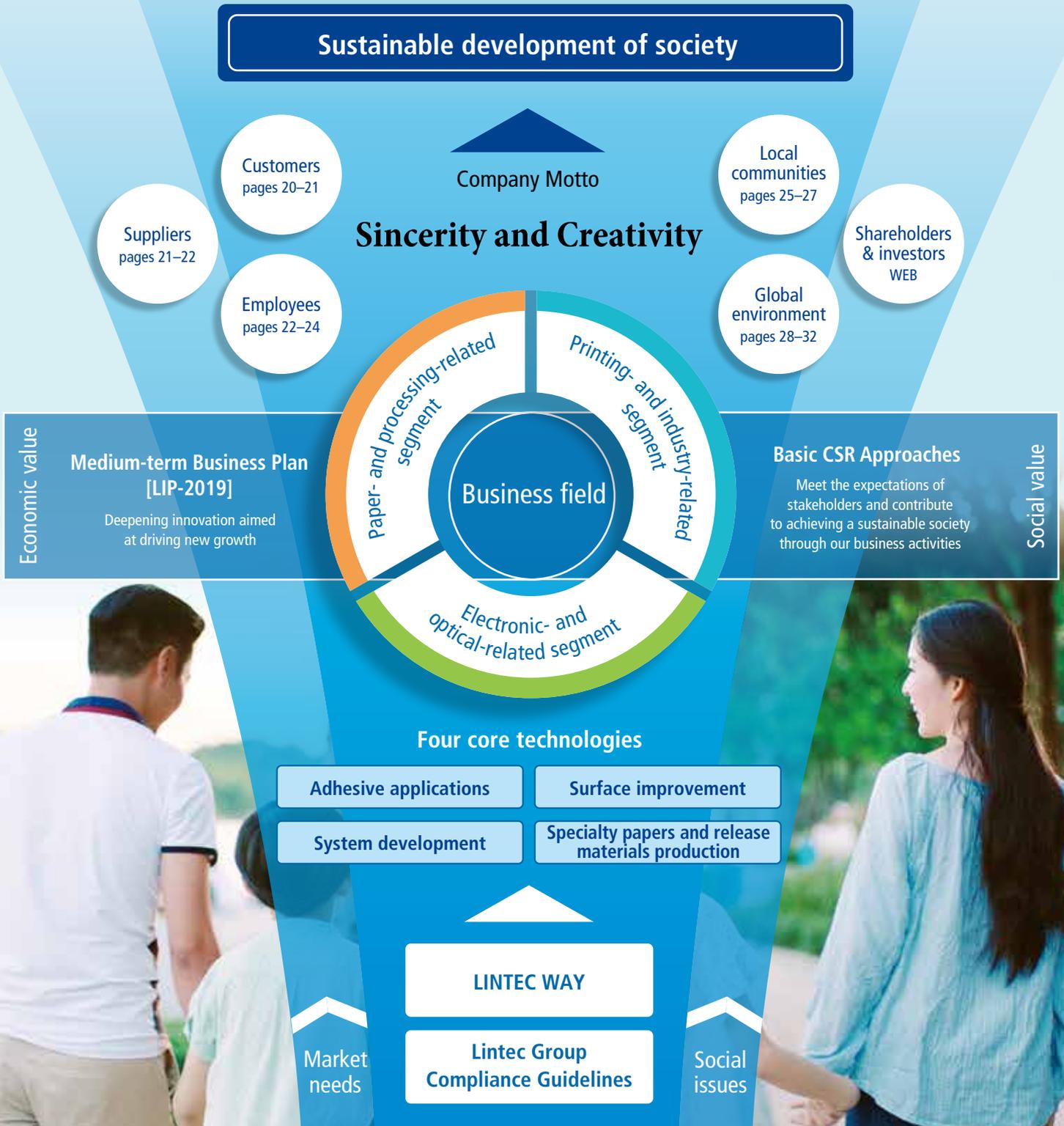
Publication date
Previous publication: August 2018
Current publication: August 2019
Next publication: August 2020

Overview of the Lintec Group

What Is the Lintec Group?

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.

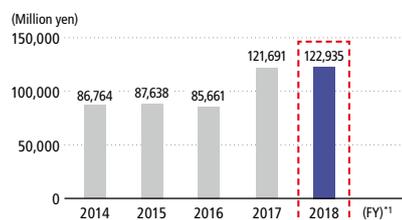
Through initiatives implemented under the medium-term business plan, "LINTEC INNOVATION PLAN 2019 (LIP-2019)," which is targeted at creating economic value, as well as initiatives linked to materiality (important issues), the Lintec Group aims for the sustainable development of society.



Printing- and industry-related segment

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

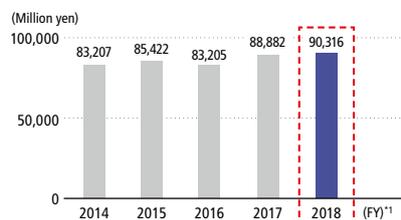
Sales



Electronic- and optical-related segment

We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, 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*2 by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.

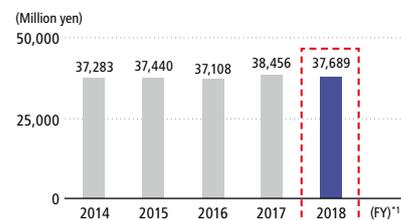
Sales



Paper- and processing-related segment

Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelop 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



*1 See page 01 for a note on the fiscal year of consolidated subsidiaries.

*2 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.

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

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

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

System development

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.

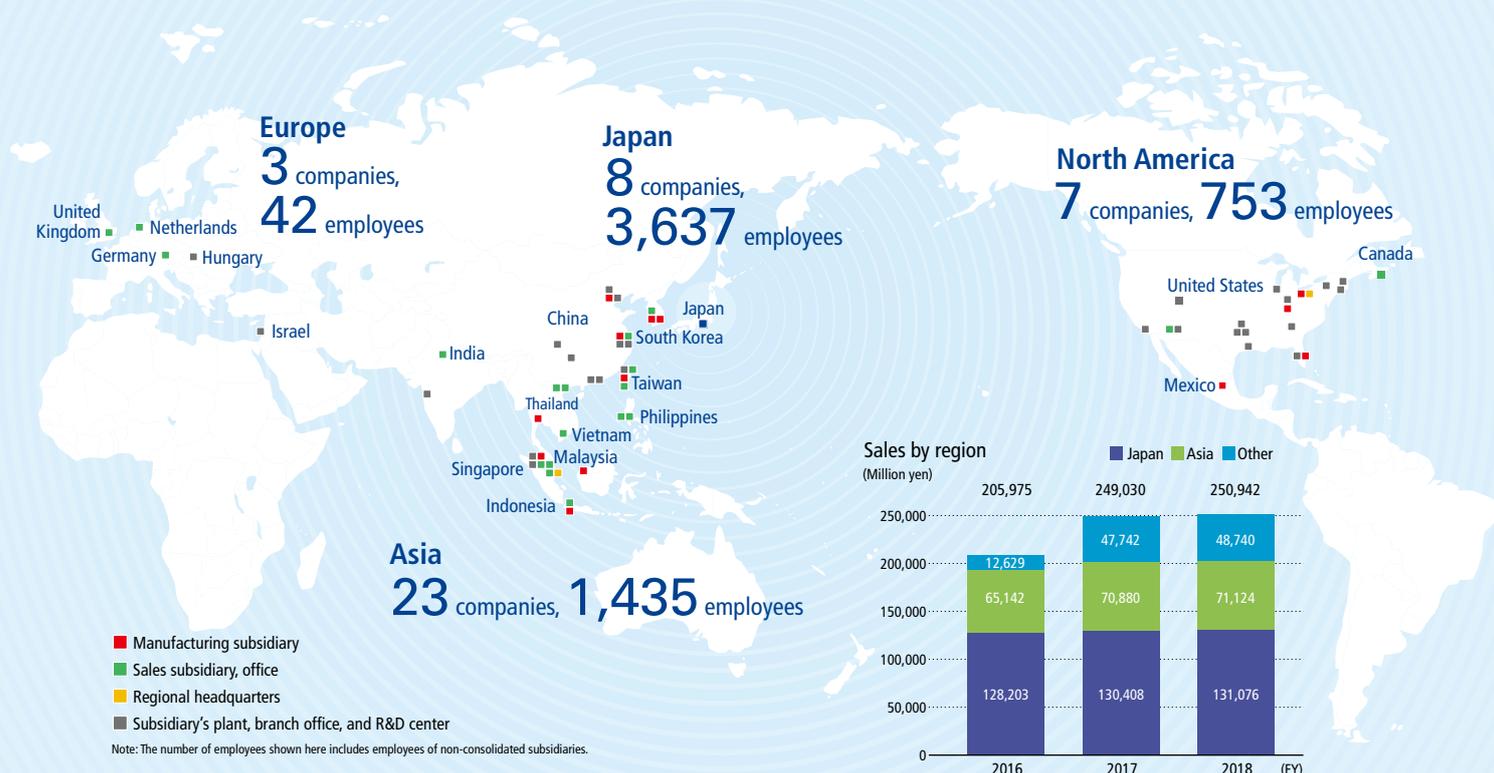
Specialty papers and release materials production

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.



Corporate Profile (as of March 31, 2019)

Company name	Lintec Corporation	Sites	Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto 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) R&D facility: Research Center (Saitama Prefecture)
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan	Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (labeling machines, semiconductor-related equipment, etc.)
Website	www.lintec-global.com/	Sales (fiscal 2018)	Consolidated: 250.9 billion yen Non-consolidated: 168.6 billion yen
Established	October 1934	Operating income (fiscal 2018)	Consolidated: 18.0 billion yen Non-consolidated: 9.3 billion yen
Capital	23.2 billion yen		
Stock listing	Tokyo Stock Exchange, First Section (Securities Code: 7966)		
Fiscal year-end	March 31		
Representative	Hiroyuki Nishio, Representative Director, President, CEO and COO		
Number of employees	Consolidated: 4,888 Non-consolidated: 2,573		



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 production, 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 —

Deepening innovation aimed at driving new growth

— Key initiatives —

1. Strengthening of regional strategy
2. Creation of new value
3. Bolstering the corporate structure
4. Activities for realizing a sustainable society

A Year to Address Our Challenges

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

Developing Creative Human Resources as a Driving Force of Innovation

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 Address Our 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 SDGs² 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

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 CO₂.



*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.



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

The Japanese government has presented a numerical target of reducing CO₂ 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 CO₂ and increase productivity. Comprehensive energy saving not only reduces CO₂ emissions but also reins in manufacturing costs. We will make efforts to reduce CO₂ 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.

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.

*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.

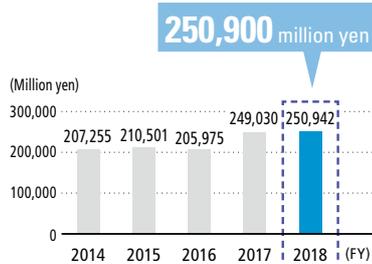
Financial and Non-Financial Highlights



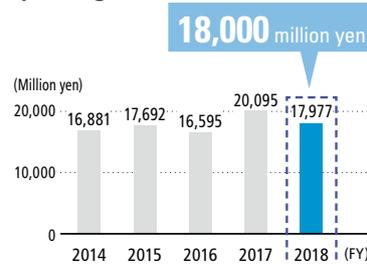
Financial (consolidated)

See page 01 for a note on the fiscal year of consolidated subsidiaries.

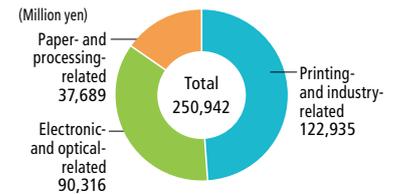
Sales



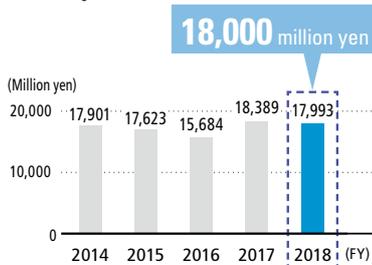
Operating income



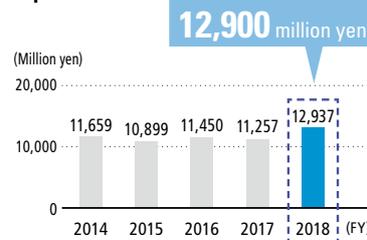
Sales by segment (Fiscal 2018)



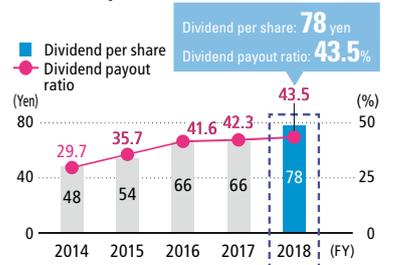
Ordinary income



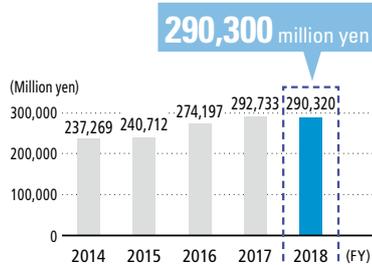
Profit attributable to owners of parent



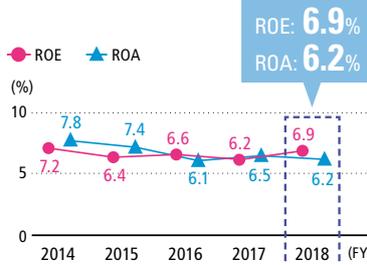
Dividend per share



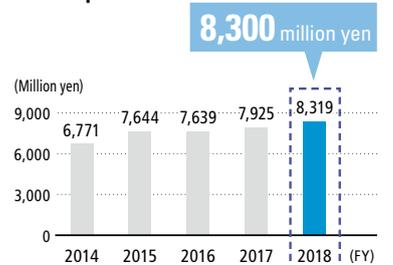
Total assets



ROE*1/ROA*2

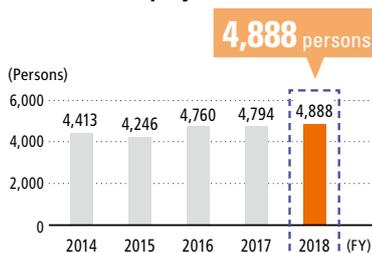


R&D expenses

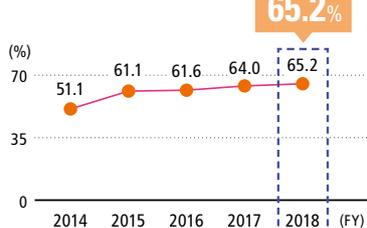


Human Resources

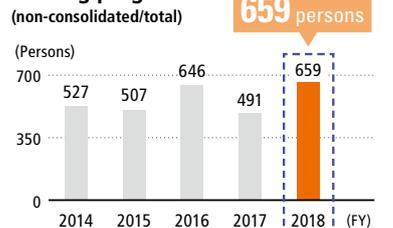
Number of employees (consolidated)



Percentage of paid leave taken (non-consolidated)



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



*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).

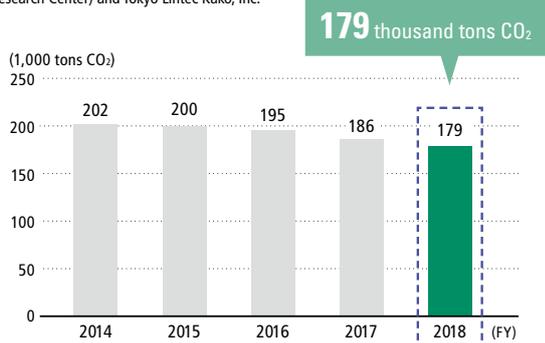
*2 ROA: ROA stands for Return on Assets. It is an index for financial analysis that shows how much profit was generated from total assets.



Environmental

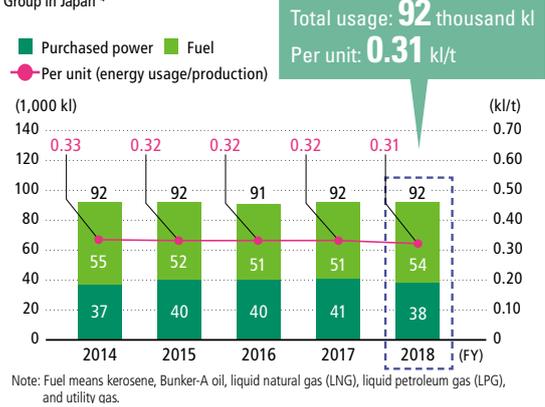
CO₂ emissions

Organizations covered:
Lintec Corporation (Head Office, 10 production sites^{*3},
and Research Center) and Tokyo Lintec Kako, Inc.



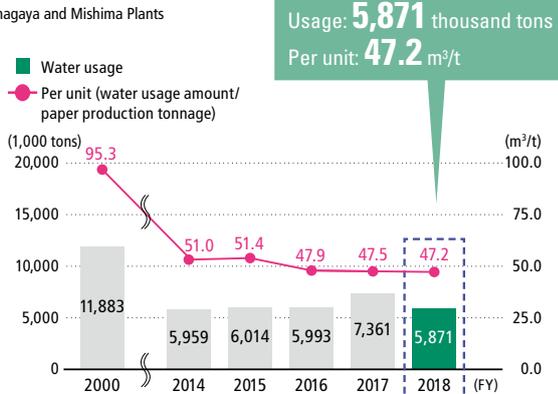
Total energy use (crude oil equivalent)

Organizations covered:
Lintec Group in Japan^{*4}



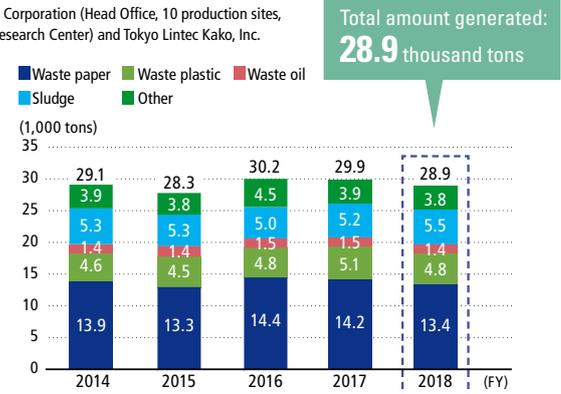
Water usage

Organizations covered:
Kumagaya and Mishima Plants



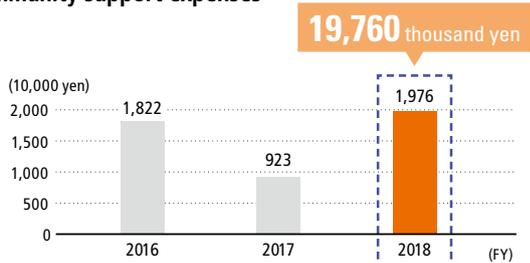
Waste generated

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



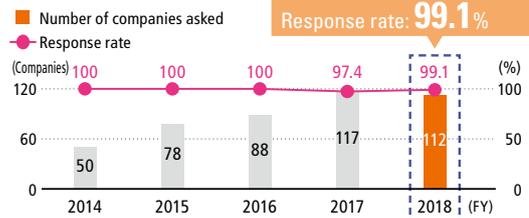
Social (non-consolidated)

Community support expenses



Response rate of CSR procurement supplier survey

Number of companies asked:
112 companies
Response rate: **99.1%**



*3 10 production sites: See page 04.

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

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.

Process of reviewing materiality

STEP 1 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.

Materiality		Scope Circles mean applicable		Issues we should work on	Specific actions
		Internal	External		
Governance	Operating global governance	○	○	Enhance and operate the management system.	Enhance global governance.
The environment	Effectively using raw materials	○	○	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.
	Reducing atmospheric emissions	○	○		Reduce emissions into the atmosphere based on our mid-term environmental target.
	Making environmental contributions through products and services	○	○		Develop and spread environmentally friendly products through LCA ^{*4} .
	Ensuring environmental compliance	○	○		Ensure and manage environmental compliance using the environmental management system.
Labor practices	Ensuring occupational health and safety	○	○	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.
	Achieving workplace diversity	○	-		Respect the diversity of employees and provide rewarding workplaces.
	Improving employee satisfaction	○	-		Build working environments where employees feel motivated to work.
Society	Conducting human rights due diligence ^{*5}	○	○	Promote stakeholder-friendly global communication.	Respect human rights and determine risks throughout the supply chain.
	Ensuring social compliance	○	○		Instill and ensure group-wide compliance.
	Ensuring product compliance	○	○		Use the quality management system to eliminate and prevent accidents.
	Making contributions to sustainable consumption	○	○		Publicize the effects of environmentally friendly products to stakeholders.
	Achieving harmonious co-existence with local communities	○	○		Introduce social contribution activities for local communities as a good corporate citizen.
Contribution to business	Developing business models for local production & consumption in emerging countries	○	○	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.
	Entering new areas	○	○		

*1 For SDGs, see page 06.

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

*3 For ESG, see page 07.

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

STEP 2 Internal engagement (Determine priority)

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

STEP 3 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.

STEP 4 Set KPIs again

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

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 (excl. Ina), Research Center

KPIs	Results*	Related pages	Related SDGs
(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]	18 17	 
Amount of organic solvents used	17,700 t [A]	CSR site	 
(1) CO ₂ emissions from business activities in Japan (2) VOC ⁶ emissions from business activities in Japan	(1) 179,200 t [C] (2) 929.8 t [E]	29 31	  
Number of environmentally friendly products developed	30 products [A]	30	 
Number of violations of environmental laws and regulations	0 violations [D]	CSR site	
(1) Number of occupational accidents and accidents resulting in absence from work (2) No occupational accidents	(1) 3 accidents [C] (2) See page 24 [C]	24	 
(1) Ratio of female managers (2) Return to work after taking time off for childcare leave	(1) 14% [B] (2) 100% [A]	23	 
Turnover in three years of employees hired as new graduates	6.4% [A]	23	
Number of responses to supplier survey	111 companies [A]	22	
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.	16	
Number of serious product accidents reported	0 accidents [C]	20	
Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	52 times [A]	CSR site	
(1) Total number of participants on plant tours (2) Implementation of social contribution activities	(1) 932 persons [C] (2) See page 25 [B]	25	
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]	21	   
Number of patent applications (activity evaluation)	397 applications [A]	21	Under review

*5 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)

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



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 million hectares in 2015.*1

Compared with typical trees in Japan, mangrove forests are said to absorb twice the amount of CO₂ 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 expanded year by year, and a total of 112 people participated in 2019, the fourth year.

While some had to struggle to avoid being swept off their feet due to the low water level on the day and argillaceous tidal flats, participants, including local residents and people from the local fisheries university, helped each other and completed the planting without any major problems.

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

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



Record of Mangrove Planting

[History]

- April 2016 [First planting]**
Planted 1,500 seeds.
- July 2016** 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*² was around 30%, observation of the growing conditions came to take place once every three months.
- April 2017 [Second planting]**
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.
- April 2018 [Third planting]**
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.
- April 2019 [Fourth planting]**
Planted 2,500 seedlings about 80 cm tall.



0 month old/30 cm (seed)



3 months old/60 cm (seedlings)



15 months old/150 cm



24 months old/260 cm



40 months old/400 cm

[Planting areas]



[Accomplishments]

Total area	1.89 hectares
Total number of trees planted	8,500 trees
Total participants	312 persons
Annual CO ₂ 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

*² Survival rate: The proportion of planted plants that take root and start to grow



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

PT. Lintec Indonesia

We are proud of this initiative, in which employees do not just focus on making donations but actually plant trees. 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



Melani
Finance & Accounting Department



Ali Amin
Coating Department



Parjnu
Cutting Department



Some in PT. Lintec Indonesia have experienced tree planting, but others have never even seen mangroves. While few companies invite their employees plant trees themselves, it is impossible to describe it to someone who has not actually experienced it. As Japanese living in Indonesia, we consider this a worthwhile activity.

Hirokazu Kusumoto
Manufacturing Department



Koji Nagata
Finance & Accounting Department



Eri Kamiryo
Administration Department



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

We took charge of the administration of the mangrove planting project. We made considerable efforts until the day of planting, such as preparing seedlings in advance and making a banner, so we felt relieved when everyone finished the planting safely. As many employees of PT. Lintec Indonesia come from inland areas and do not know what is happening along the coast, we would like to continue to engage in the activity.

Asep Heriandi
In charge of 5S



Shanti Lestari
Quality Assurance Department



Sarni Pujiyanto
General Affairs & Personnel 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



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



Kosuke Sasaki
Sales Department



Usup Supriatna



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



Ririn Rosita Hur



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





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*1 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.

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.

● 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 reactnowledge 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

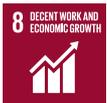


*1 For SDGs, see page 06.



Materiality

- 1 Operating global governance
- 2 Ensuring social compliance
- 3 Making contributions to sustainable consumption



Lintec Group's thinking

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.

Compliance with the Corporate Governance Code^{*3}

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.

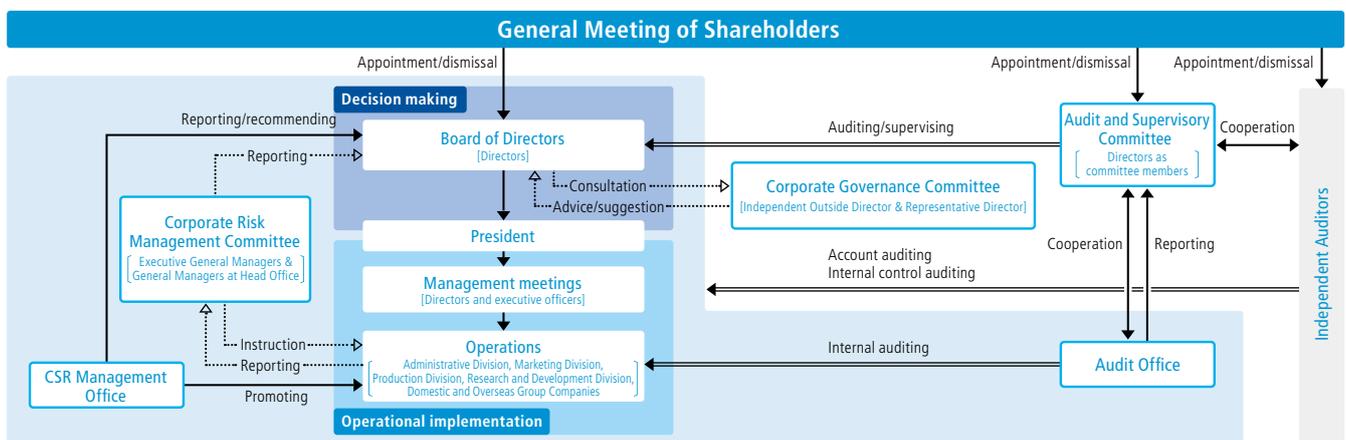
Lintec will continue to comply with and implement the Corporate Governance Code. In light of social situations and the progress of its initiatives, Lintec holds discussions with top management and outside directors regarding insufficiencies to continue its improvement efforts.

Compliance

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.

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

*3 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

Risk Management

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.

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

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.

Related Data

Outside Directors

Kazumori Fukushima Director
(Managing Executive Officer, Nippon Paper Industries Co., Ltd.)

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.

Toru Nozawa Director / Audit & Supervisory Committee Member
(Director, Managing Executive Officer, Nippon Paper Industries Co., Ltd.; Director, Nippon Paper Crecia Co., Ltd.)

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.

Satoshi Ohoka Director / Audit & Supervisory Committee Member
(Lecturer, Chuo University Graduate School of Commerce; Outside Director, Ryobi Limited)

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.

Kanako Osawa Director / Audit & Supervisory Committee Member
(Lawyer at Kajitani Law Offices)

Kanako 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
- Attendance of directors (%) 99.5
- Attendance of outside directors (%) 98.2

No. of Audit & Supervisory Committee meetings

- No. of meetings 13
- Attendance of committee members (%) 100
- Attendance of outside committee members (%) 100

Total amount of executive compensation

Executive category	Total compensation (million yen)	Total compensation by category (million yen)			No. of officers covered (persons)
		Basic compensation	Restricted stocks	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

Establishing Group-wide BCMS**1

Lintec Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP**2 to allow them to minimize human casualties and resume business as early as possible after an earthquake or other disaster.

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.

Information Security

Lintec has developed Information Security Management Rules, and conducts an internal audit 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.

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

Highlights of Lintec's initiatives

Raw material procurement



Implement CSR procurement to co-exist and co-prosper with suppliers.

R&D



Create new innovative products for society, led by the R&D Division.

Material suppliers About **500** companies

Questionnaire survey response rate from 112 major suppliers **99.1** %

Aggressive R&D to meet customer expectations R&D cost

8.3 billion yen

*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.

CSR in the Lintec

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),*4 and implement PDCA cycles efficiently for strategic CSR activities.

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.

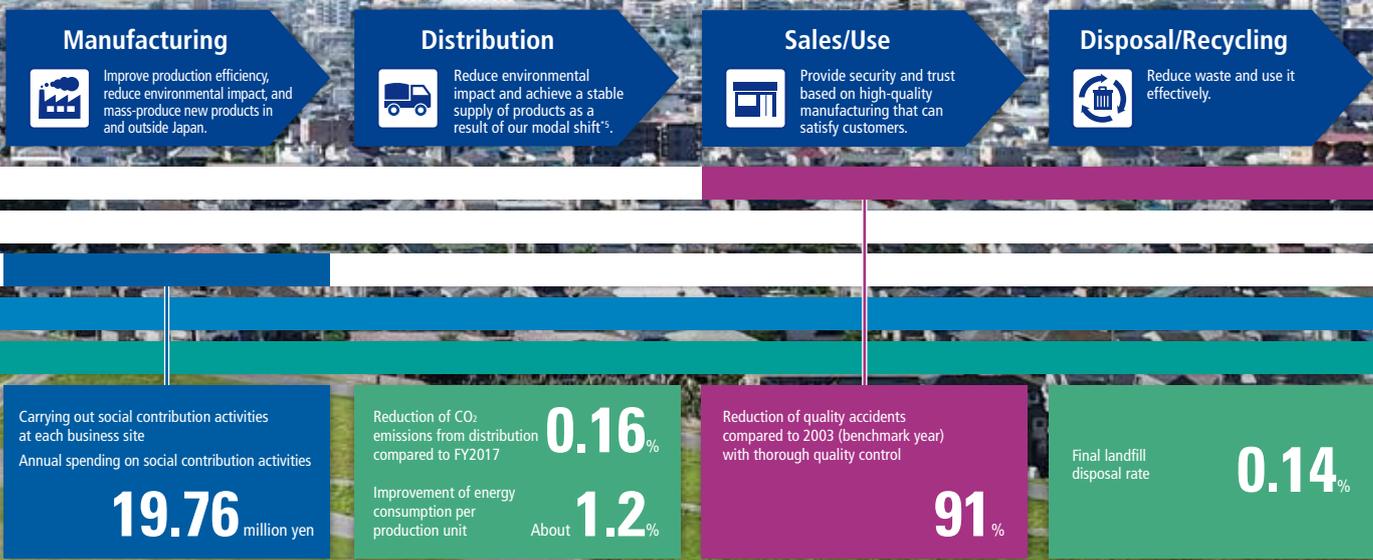


As of March 31, 2019

United Nations 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.



*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

*4 For key performance indicators, see page 10.

*5 Modal shift: An initiative to reduce CO₂ emissions by changing the mode of transport for passenger or cargo transportation from truck to railway or ship, allowing mass transport



Materiality

- 1 Developing business models for local production & consumption in emerging countries
- 2 Entering new areas
- 3 Ensuring product compliance



Lintec Group's thinking

"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.

Quality Assurance System

The Lintec Group has established a quality assurance system based on ISO 9001.*1

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.

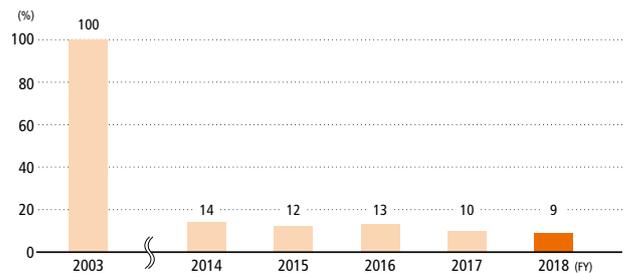
Quality Incident Prevention and Education

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.

Ratio of quality accidents



Notes: 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%.

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.

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.*2 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.



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

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

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

*3 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.

*4 For VOC, see page 11.

*5 For human rights due diligence, see page 11.

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.

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.*³ 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.

Voice

Accelerating Product Development with Test Coating Facilities for Mass Production

The Release Materials Labs take advantage of test coating facilities for mass production to provide samples with quality equivalent to that of products manufactured at plants to customers in a timely manner, and expedite product development. In fiscal 2018, we used test coating facilities for mass production in considering application of highly smooth films expected to be employed as next-generation release films and in producing highly concentrated release agents to reduce VOC*⁴ emissions.

We will collaborate with plants and promote the development of high-performance products that respond to the needs of the market by using the facilities for the selection of new facilities and other purposes.



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



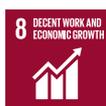
Cooperating with Suppliers

WEB

Please visit our website for relevant topics, such as assessment and improvement at suppliers and BCP with suppliers.

Materiality

- 1 Conducting human rights due diligence*⁵
- 2 Developing business models for local production & consumption in emerging countries



Lintec Group's thinking

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.

Green Procurement

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*⁶ (19th and 20th candidate lists) and chemSHERPA*⁷ (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.

*⁶ 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.

*⁷ 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.

CSR Procurement

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^{*1} 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.

■ Overview of items covered in the supplier questionnaire survey

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

Conflict Minerals^{*2}

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.



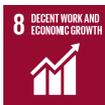
Human Rights and Diversity

WEB

Please visit our website for relevant topics, such as employment of persons with disabilities and management-labor relations.

Materiality

- 1 Achieving workplace diversity
- 2 Improving employee satisfaction



Lintec Group's thinking

All employees of the Lintec Group work together under the company motto, "Sincerity and Creativity." To ensure that all employees have the opportunity to engage in equally rewarding work, the group respects the diversity^{*3} of its employees and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality, religion, age, origin, physical disabilities, native inhabitation, immigrant status, sexual orientation, or gender identity. In 2011, Lintec joined the United Nations Global Compact,

which seeks to eliminate the use of child and forced labor. The Lintec Group will continue to promote diversity so that all employees can grow through mutual understanding and respect.

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.

*1 For BCP, see page 18.

*2 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.

*3 For diversity, see page 06.

Targets and Current Status of Initiatives Based on the Female Empowerment Promotion Act

Target	FY2016	FY2017	FY2018
(1) Raise the average* ⁴ percentage of females in the total number of new hires (graduated from university/graduate school) to over 30%	32.5%	34.2%	32.4%
(2) Raise the percentage of female supervisors (section chiefs) to over 10%	5.4%	6.3%	7.2%

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

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)

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

Work-life Balance

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

For creating workplace environments where diverse employees can make active contributions and promoting career development, the Diversity Committee leads discussions and the implementation of multifaceted initiatives.

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* ⁶	209	108	317

Three-year turnover of employees hired as new graduates*⁷ (persons)

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

Use of programs*⁷

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 55.5 days)	21 (Total 54 days)	38 (Total 71.5 days)
Percentage of paid leave taken (%)	61.6	64.0	65.2

Company-wide rank-based training programs: participants and training hours*⁷

Total participants	Total training hours
659	7,035 hours

*4 Average during the three-year period of the plan from April 1, 2016 to March 31, 2019

*5 Percentage of each gender in management positions

*6 Managers: Managers as defined in each country or at each site

*7 "Turnover within three years of employees hired as new graduates," "use of programs," and "company-wide rank-based training programs: participants and training hours" above indicate figures of Lintec Corporation.

Harassment Prevention

Lintec promotes initiatives to prevent harassment with the aim of establishing a better workplace environment, where each employee can make active contributions.

In fiscal 2019, a training program for harassment prevention to improve the workplace environment was provided for all employees at each business site of Lintec and its group companies in Japan, and

a consultation contact point for harassment was newly established, prior to the enforcement of laws to prevent workplace bullying in April 2020.

As what an actual harassment case involves and how it is interpreted may differ from case to case and person to person, the contact point offers consultation with a psychology expert from an external institution.



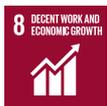
Safety and Disaster Prevention

WEB

Please visit our website for relevant topics, such as workers with a high risk of acquiring occupation-related diseases.

Materiality

1 Ensuring occupational health and safety



Lintec Group's thinking

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).^{*1} 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.

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

Annual Safety and Health Plans

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,^{*2} 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.

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

	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

Accident-free achievements in fiscal 2018 (April 1, 2018 to March 31, 2019)*

Month achieved	Business site	Achievement	
2019	March	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

*1 OSHMS: It is a voluntary management system operated by a business operator with an aim to improve the safety and health level of its business sites.

*2 Risk assessment: Evaluating risks to set safety standards



Community Participation

WEB

Please visit our website for relevant topics, such as social contribution activities and communicating with stakeholders.

Materiality

1 Achieving harmonious co-existence 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.

Fureai Concert*

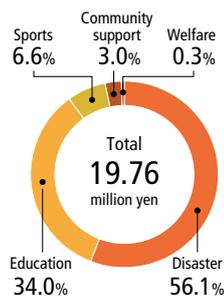
In October 2018, Lintec held its eighth Lintec Fureai Concert at the Itabashi Culture Hall, inviting persons with disabilities and their helpers living in Tokyo's Itabashi City, as well as people from neighboring areas. A total of about 600 people, including Lintec employees, participated in the concert. 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

Breakdown of Community Support Expenses (FY2018)

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



Scope: Lintec Corp.

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.



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

Toni Doughty
CSR Committee
VDI, LLC.



Governance

Social Report

Environmental Report

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

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

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.



External appearance of a plant with enhanced environmental protection



Chen Guo Yan
Engineering Department

LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

Location: Tianjin, China
No. of employees: 99
Main business activities: manufacture and sale of printing- and industry-related products

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.



Installed exhaust pipe



Piao Shirong
Quality Assurance & Environmental Safety Department

LINTEC SPECIALITY FILMS (TAIWAN), INC.

Location: Tainan, Taiwan
No. of employees: 91
Main business activities: manufacture and sale of electronic- and optical-related products

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.



A letter of gratitude for the initiative



Cheng, Wen-chieh
Environment & Safety Office

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

Location: Kaohsiung, Taiwan
No. of employees: 86
Main business activities: manufacture and sale of electronic-related products

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.



Taking part in tree planting



Chen-Jung Liao
ISO Promotion Department

LINTEC KOREA, INC.

Location: Cheongju-si, Chungcheongbuk-do, Korea
No. of employees: 124
Main business activities: manufacture and sale of electronic- and optical-related products

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.



With handmade kimchi



Moon Ji-Eun
General Affairs Section

LINTEC SPECIALITY FILMS (KOREA), INC.

Location: Pyeongtaek-si, Gyeonggi-do, South Korea
No. of employees: 122
Main business activities: manufacture and sale of electronic- and optical-related products

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.



Taking part in environmental purification activities



Myung-Jin Choi
Environmental Safety Section

PT. LINTEC INDONESIA

Location: Bogor, Indonesia
No. of employees: 168
Main business activities: manufacture and sale of printing- and industry-related products

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.



Taking part in tree planting



Sugiharto
Quality Assurance Department

PT. LINTEC JAKARTA

Location: Jakarta, Indonesia
No. of employees: 18
Main business activities: sale of printing- and industry-related products

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.



Trash cans for organic waste and inorganic waste



Affatul Khoir
General Affairs and Human Resources

LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

Location: Penang, Malaysia
No. of employees: 99
Main business activities: manufacture and sale of electronic- and optical-related products

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.



Taking part in tree planting



Ong Hooi Gim
Finance Division

LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

Location: Sarawak, Malaysia
No. of employees: 23
Main business activities: manufacture and sale of electronic- and optical-related products

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.



Gathered in front of the Matang Wildlife Centre



Michael Benzi Junior
General Affairs & Human Resources

LINTEC SINGAPORE PRIVATE LIMITED

Location: Singapore
No. of employees: 81
Main business activities: manufacture and sale of printing- and industry-related products and electronic- and optical-related products

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.



Taking part in the cleanup

LINTEC (THAILAND) CO., LTD.

Location: Chachoengsao, Thailand
No. of employees: 196
Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products

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.



Taking part in the cleanup



Apakorn Pleansri
Business Development Department

LINTEC EUROPE B.V.

Location: Amstelveen, The Netherlands
No. of employees: 7
Main business activities: sale of printing- and industry-related products and paper- and processing-related products

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.



Donations to the church



Peter Olah
Sales Division

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

Location: Texas, U.S.A.
No. of employees: 32
Main business activities: research and development

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.



Employees sorting toys



Marilu Guerrero
R&D Assistant

MADICO, INC.

Location: Florida, U.S.A.
No. of employees: 203
Main business activities: manufacture and sale of printing- and industry-related products

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.



Team of Madico employees participated in the event



Chris Layne
CSR Committee

VDI, LLC

Location: Kentucky, U.S.A.
No. of employees: 47
Main business activities: manufacture and sale of printing- and industry-related products

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.



CSR team that took part in the support activity



Toni Doughty
CSR Committee

MACTAC AMERICAS, LLC

Location: Ohio, U.S.A.
No. of employees: 464
Main business activities: manufacture and sale of printing- and industry-related products

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.



Donated goods for children

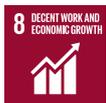


CSR Committee members



Materiality

- 1 Effectively using raw materials
- 2 Reducing atmospheric emissions
- 3 Making environmental contributions through products and services
- 4 Ensuring environmental compliance



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.

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.

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 CO₂ 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.

Efforts to Address Climate Change

In fiscal 2018, total energy use (crude oil equivalent, covered by the Energy Conservation Act) for the Lintec Group in Japan^{*1} 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. CO₂ emissions were 179,000 tons, down from 186,000 tons in fiscal 2017.

In fiscal 2019, Lintec aims to reduce its CO₂ emissions and electric power 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.

Medium-Term Targets (2017 to 2019) and Results Scope: Lintec Corp.

Item	Target	FY2018 results (year-on-year reduction)
CO ₂ 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

With regard to CO₂ 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 CO₂ 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.

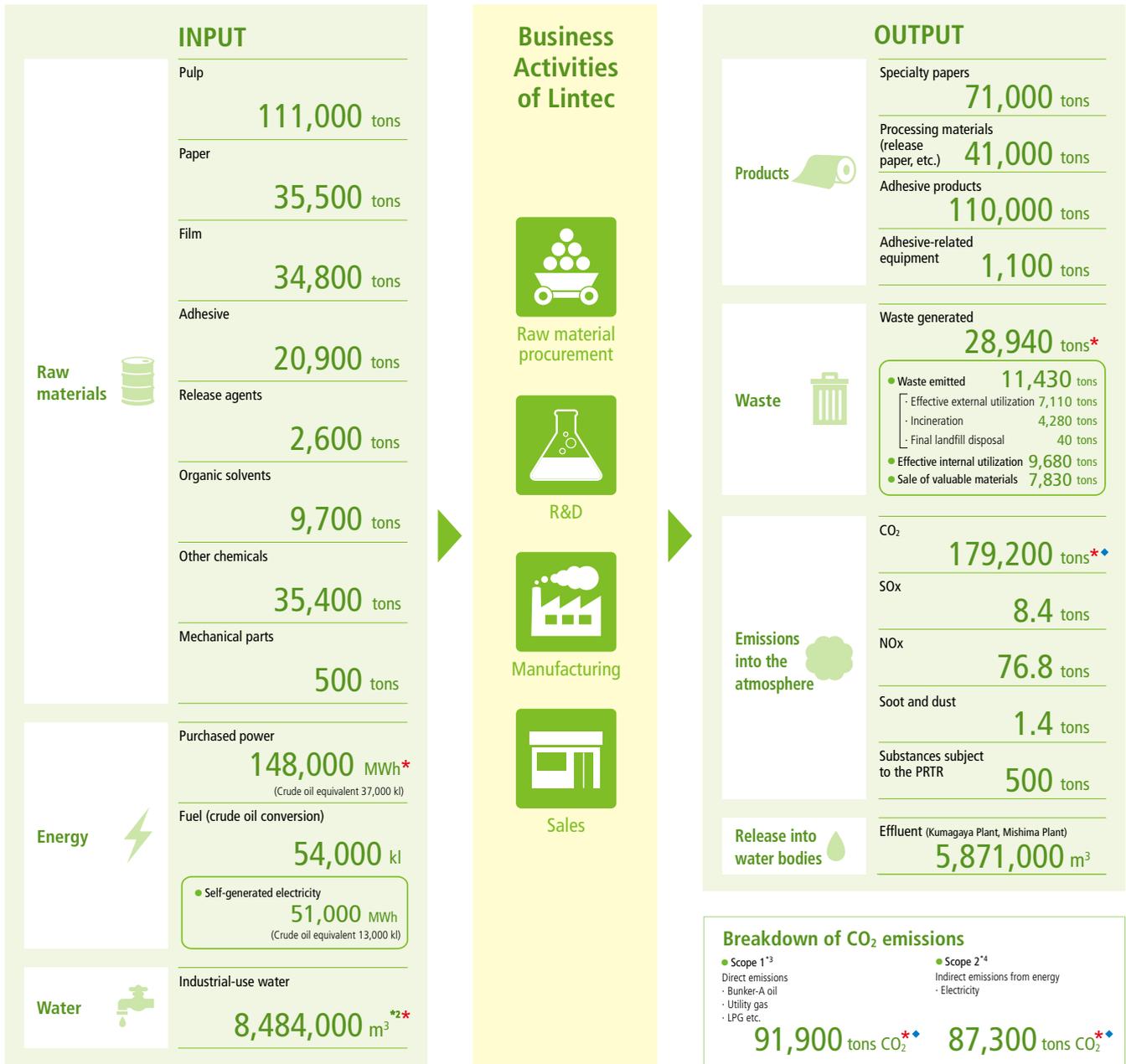
We will continue to strive to achieve the targets.

*1 For the Lintec Group in Japan, see page 09.

*2 While tons were used for calculation, the measurement was converted to m³ for this report.

*3 Scope 1: Direct CO₂ or other greenhouse gas emissions from the consumption of purchased gas and liquid fuels, such as liquid natural gas (LNG), liquid petroleum gas (LPG), utility gas, kerosene, light oil, and gasoline

Material Flow Organizations covered: Lintec Corporation (Head Office, 10 production sites, and Research Center) and 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.

Introduction of Cogeneration Systems

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 CO₂/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 CO₂/year.



Gas engine cogeneration system introduced at the Kumagaya Plant

*4 Scope 2: CO₂ or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the reporting company

*5 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.

Product Development Initiatives

Lintec develops eco-friendly products that take into account and evaluate LCA.*¹ For example, we sell DNP Lighting Film in cooperation with Dai Nippon Printing Co., Ltd. By taking advantage of Lintec's technologies for adhesive applications and Dai Nippon Printing Co., Ltd.'s fine processing technology, the product deflects sunlight, efficiently reflects it onto ceilings, and diffuses it to brighten up rooms. It reduces electric power used for lighting, which leads to a reduction in environmental impacts.

Efforts in Manufacturing

To comply with the Energy Conservation Act, the Lintec Group in Japan*² collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. In fiscal 2018, we promoted group-wide energy-saving initiatives, such as efficient operation of production facilities and boilers, air-conditioning management, promotion of exhaust heat recovery, and expansion of the use of VOC*³ combustion heat.

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*⁴ 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 CO₂ emissions decreased by 0.16% (17 t-CO₂). 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.



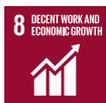
Reducing Waste and Water Usage

WEB

Please visit our website for relevant topics, such as 3R efforts and reducing effluent.

Materiality

- 1 Effectively using raw materials
- 2 Reducing atmospheric emissions
- 3 Making environmental contributions through products and services
- 4 Ensuring environmental compliance



Lintec Group's thinking

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 m³ 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 m³/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.

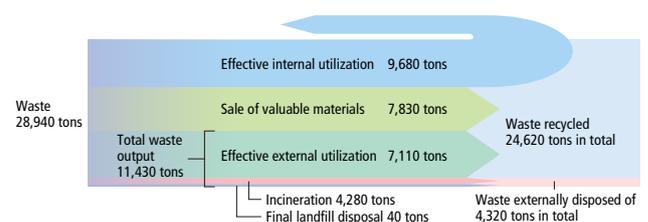
Efforts for Zero Emissions*⁶

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*⁷ 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.

Flow of waste (FY2018)

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



*1 For LCA, see page 10.

*2 For the Lintec Group in Japan, see page 09.

*3 For VOC, see page 11.

*4 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.

*5 While t/t was used for calculation, the measurement was converted to m³/t for this report.

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

*7 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.

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*⁸ 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.



Yuji Nakayasu

Subsection Manager
Planning Section
Maintenance Section
Maintenance Department
Tatsuno Plant



Reduction of Environmentally Hazardous Substances

WEB

Please visit our website for relevant topics, such as proper storage and management of PCB and environmental accounting.

Governance

Social Report

Environmental Report

Materiality

1 Reducing atmospheric emissions



Lintec Group's thinking

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*⁹

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.

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*¹⁰ and the RoHS Directive*¹¹.

In fiscal 2018, Lintec took steps to comply with chemSHERPA*¹² in order to manage chemical substances properly along the entire supply chain.

Reducing VOCs

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.

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



Adsorption type activated carbon device

type activated carbon devices to reduce VOC emission gas.

It is expected to reduce the emissions by about 15 to 20%.

Piao Shirong

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



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

*9 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.

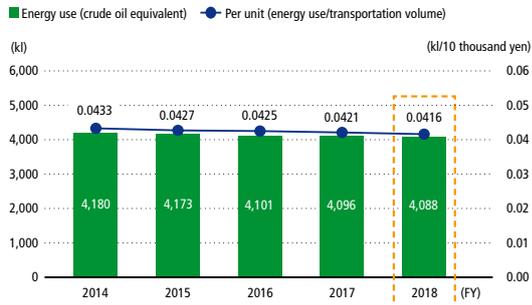
*10 For REACH Regulation, see page 21.

*11 RoHS Directive: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment issued by the EU

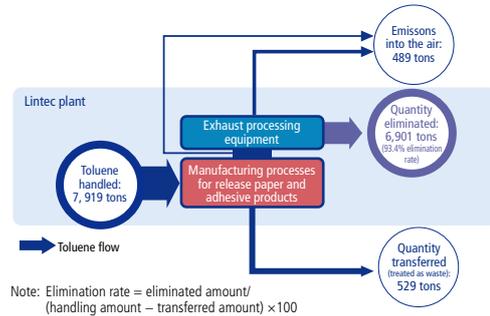
*12 For chemSHERPA, see page 21.

Related Data

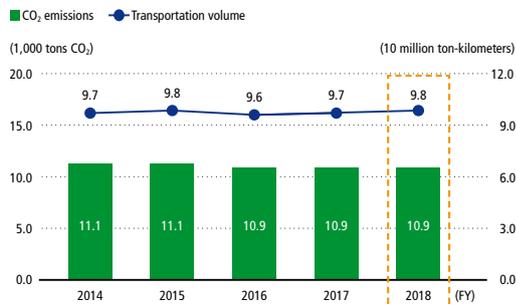
Energy use in distribution



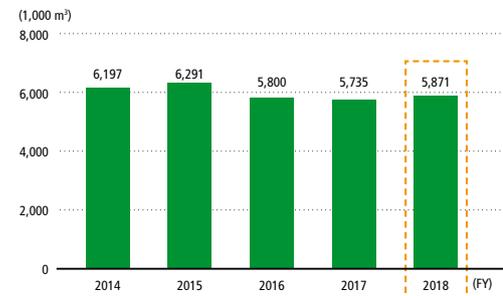
Emission and transfer of toluene



CO₂ emissions and transportation volume in distribution



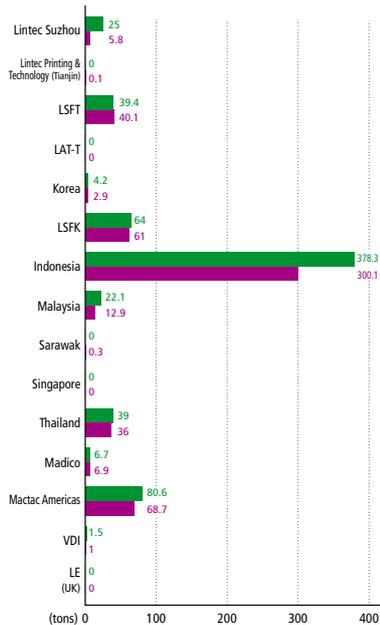
Effluent treated (Kumagaya and Mishima plants)^{*1}



Environmental data at 15 group companies outside Japan

■ FY2018 data (Jan. 1, 2018 to Dec. 31, 2018) ■ FY2017 data (Jan. 1, 2017 to Dec. 31, 2017)

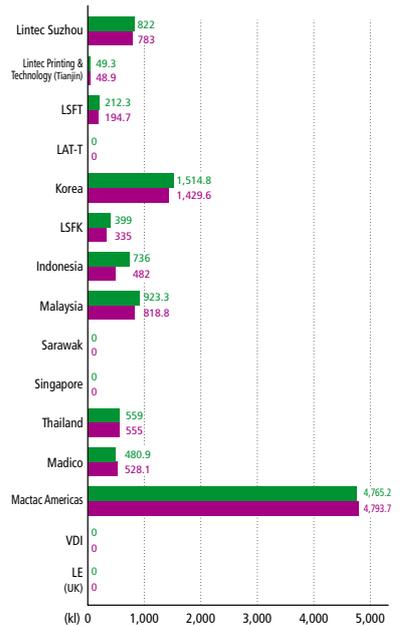
VOC² emissions



Electricity usage



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



Notes: 1. VOC = 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 Specialty Films (Taiwan); LAT-T = Lintec Advanced Technologies (Taiwan); LSFK = Lintec Specialty Films (Korea); LE (UK) = Lintec Europe (UK) Limited

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

*2 For VOC, see page 11.

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 CO₂ 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.

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.



Makiko Akabane

Director of CSR
Asia Japan Office

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