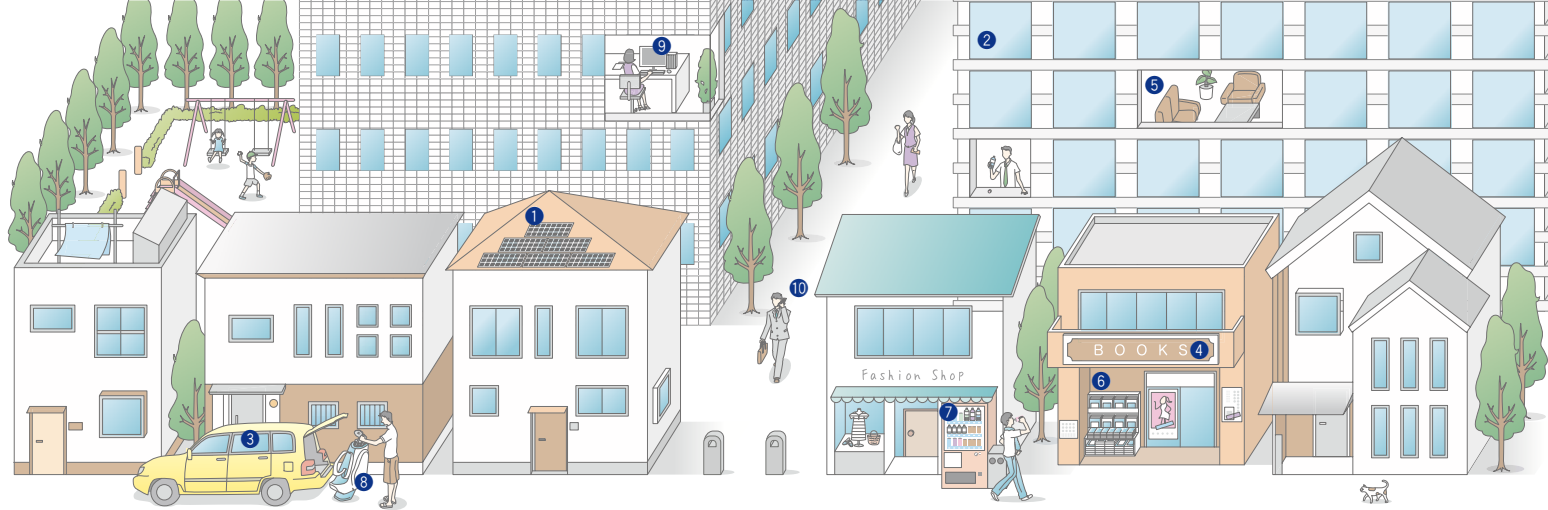




# CSR Report 2011



*Linking your dreams*  
LINTEC Corporation



## Lintec in Everyday Life

Lintec's products play an active role in all areas of life.

- ① PV backsheets ② Architectural window films ③ Automotive window films ④ Marking films  
 ⑤ Interior decorative laminates ⑥ Specialty papers ⑦ Materials for seals and labels  
 ⑧ Casting paper for carbon fiber composite material ⑨ LCD films ⑩ Coated films for manufacturing multilayer ceramic capacitors

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### Editorial Policy

The basic layout has been reorganized into three sections—corporate governance, social report, and environmental report—for ease of comparison of disclosed items. A stakeholder dialogue featuring an exchange of views with an outside expert has been included to ensure the report is cognizant of changes in the social landscape.

### Guidelines Referenced

*Environmental Reporting Guidelines* (2007) of the Ministry of the Environment of Japan  
*Sustainability Reporting Guidelines* (version 3.1) of the Global Reporting Initiative (GRI)  
*Environmental Accounting Guidelines* (2005) of the Ministry of the Environment of Japan  
 ISO 26000 (Social responsibility)

### Reporting Period

This report covers the period from April 1, 2010, to March 31, 2011 (fiscal 2010). It also includes some information up through June 30, 2011, concerning specific initiatives. Environmental performance data for eight group companies outside Japan covers the period from January 1 to December 31, 2010.

### Scope

#### In Japan

This report covers Lintec Corporation and Tokyo Lintec Kako, Inc. However, the section entitled "Environment Report" covers the head office of Lintec Corporation, Agatsuma Plant, Kumagaya Plant, Chiba Plant, Tatsuno Plant, Shingu Plant, Komatsushima Plant, Mishima Plant, Doi Plant, Niihama Plant, Ina Technology Center, Research Center, and Tokyo Lintec Kako, Inc.

#### Outside Japan

This report covers the following companies outside Japan: Lintec (Suzhou) Tech Corporation, Lintec (Tianjin) Industry Co., Ltd., Lintec Specialty Films (Taiwan), Inc., Lintec Korea, Inc., Lintec Specialty Films (Korea), Inc., PT. Lintec Indonesia, Lintec Industries (Malaysia) Sdn. Bhd., and Lintec Industries (Sarawak) Sdn. Bhd.

### Wording

In this report, "Lintec" refers to Lintec Corporation, "Lintec Group in Japan" refers to Lintec Corporation and Tokyo Lintec Kako, Inc., and "Lintec Group" refers to the above Lintec Group in Japan plus group companies outside Japan.

Publication date: November 2011  
 Next publication: November 2012

## Message from the President

**At Lintec, we work hard to fulfill our responsibilities as a global company. Inspired by the spirit of CSR expressed by our company motto, “Sincerity and Creativity,” our entire team is determined to create change and accelerate innovation.**

Since the Great East Japan Earthquake, Japan has received support from many countries around the world. I would like to take this opportunity to express my heartfelt appreciation. I would also like to offer my heartfelt condolences to everyone affected by the disaster and express my hope for the quickest possible recovery of the devastated areas. The Lintec Group did not sustain any major damage, so we were able to send financial assistance and 300,000 masks to help the afflicted areas. Looking to the future, we will continue to develop systems for managing a wide variety of risks, including natural disasters and the challenge of temporary electricity shortages.

Since its founding in 1927, Lintec has made the most of its powerful original technologies in the field of adhesives to develop and introduce an extensive portfolio of products that meet social needs. To list just a few, today we offer products as diverse as adhesive papers and films for seals and labels, processing materials for outdoor signs and interior decor, various adhesive materials for building and automotive applications, PV backsheets, tape and equipment for semiconductor manufacturing, optical function film, color envelope paper and other specialty papers, and casting paper for carbon fiber composite materials and synthetic leather. With this broad range of offerings, Lintec touches practically every aspect of modern life.

Our commitment to craftsmanship is based on our company motto, “Sincerity and Creativity.” Sincere, creative craftsmanship should be the starting point of the CSR spirit for every manufacturer, and it certainly is at Lintec. We are committed to creating sustainable growth by doing business in a transparent and thoroughly respectable manner and capitalizing on the ingenuity that we gain from our determination to innovate. Simply put, we see CSR as an integral part of our core business and practice both careful safeguards and proactive initiatives to fulfill it.

Companies can only continue to grow and develop if society as a whole does. No company can attain sustainable growth for itself without fostering social progress. This is why, at Lintec, we see CSR initiatives as an indispensable element of everything we do.

In fiscal 2010, Lintec posted record performance, overcoming the challenging business environment that has persisted since the global recession began. In March 2011, we also established a new medium-term business plan—the Lintec Innovation Plan III (LIP-III)—covering the three years from April 2011 to March 2014. In LIP-III, we set out the vision of “achieving sustainable growth and maximizing corporate value through aggressive and bold innovation.” To see this vision through, we are working at four important themes: strengthening and expanding our overseas business, especially in Asia; expanding our domestic business and increasing its profitability by optimizing quality, cost, and delivery time (QCD); creating original new products that will support future growth; and strengthening global business management.

None of these initiatives can be detached from CSR. As we strive to create original new products, for example, we are making every effort to develop environmentally friendly products, such as photovoltaic cell components that make the most of natural energy and window films that help conserve energy.

Moreover, as we strengthen our global management, we will push ahead with efforts to acquire globally integrated ISO 14001 certification and will utilize the ISO 26000 guidance on social responsibility issued in November 2010. Additionally, in April this year Lintec announced its participation in the UN Global Compact. In these ways and many more, we are determined to ensure that our business operations fulfill all the responsibilities of a leading global enterprise.

This report summarizes the Lintec Group’s CSR initiatives, focusing on those undertaken during the past year. Your understanding of our business endeavors is very important to us, and we invite your frank review and assessment of our progress.



A handwritten signature in black ink, which appears to read 'Akihiko Ouchi'.

**Akihiko Ouchi**  
President and CEO  
Lintec Corporation

## “Sincerity and Creativity”—The Foundation of Lintec’s CSR

The foundation of the Lintec Group’s CSR is its company motto, “Sincerity and Creativity.” These are the ideals that we aspire 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 carries out CSR initiatives in line with six basic approaches. The CSR Management Office, established as an organization under the direct control of the president, strives to inspire a deeper and fuller CSR spirit, to foster and disseminate high ethical standards, and to support the initiatives of the six CSR committees. The six CSR committees, which have a cross-organizational membership and each include an officer in charge, lead initiatives with responsibility from the standpoint of management. Additionally, business operations are conducted in accordance with Compliance Guidelines, the Quality Policy, the Procurement Policy, and the Environmental Charter established based on Lintec’s company motto, mission statement and basic CSR approaches.

### Basic CSR Approaches

- **Thorough implementation of corporate ethics and compliance**

We will take steps to ensure the prevention of misconduct by enhancing employee training and strengthening the corporate constitution, with an emphasis on strict self-discipline as a company and as individuals.

- **Improved customer satisfaction**

We will endeavor to improve product costs, quality, safety, and services and to manufacture products from the customer’s viewpoint.

- **Environment-friendly operations**

We will implement environment-friendly initiatives, such as ensuring the effective use of energy and other resources in our business activities, and strive to achieve sustainable growth.

- **Safety- and health-related activities**

We will create safe, reassuring work environments and ensure healthy, fulfilling lifestyles for our employees and their families.

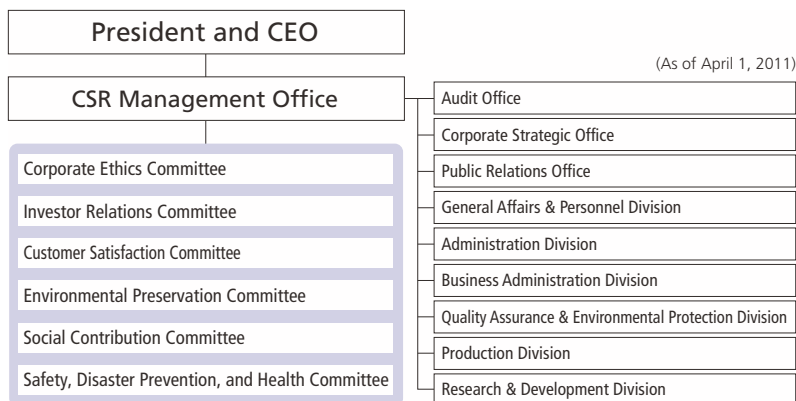
- **Social contributions**

We will contribute to local communities, not only through economic support but through a range of initiatives.

- **Shareholder- and investor-oriented management**

We will strive to enhance the corporate brand through disclosure activities and initiatives to enhance the company’s visibility.

### CSR Promotion System



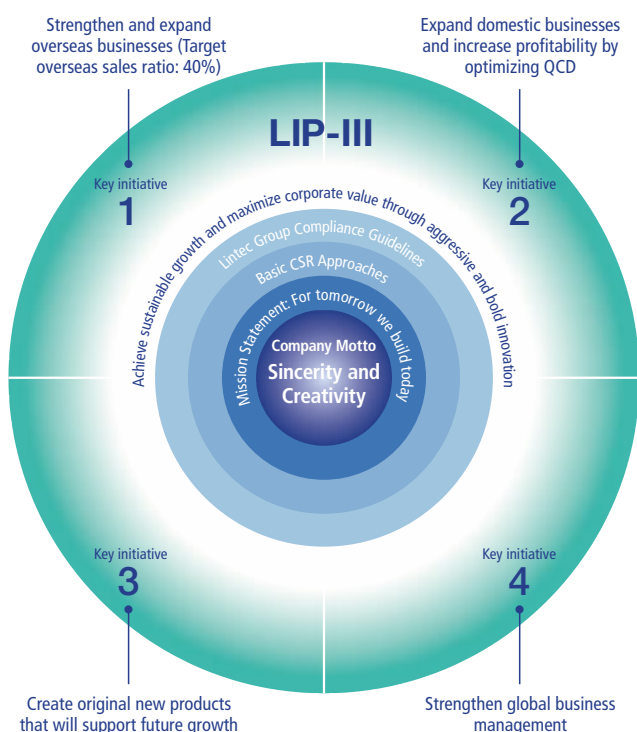
#### Activities of the CSR Management Office

- Formulation of basic policies on implementing CSR
- Supervision of the planning of the overall activities of the six committees
- Monitoring, auditing, and supporting the activities of each committee
- Prompt reporting of important matters to board directors and auditors
- Secretariat of the Risk Assessment Committee
- Other missions

## New LIP-III Medium-Term Business Plan and Practice of CSR in Core Business

In the LIP-III medium-term business plan that started in April 2011, we included a commitment to implementing all corporate activities with a commitment to CSR-driven management and pledged to stress the importance of the CSR perspective as Lintec expands its business globally.

Determined to address social needs and issues, we will fully embrace the challenge of achieving sustainable growth and maximizing corporate value through aggressive and bold innovation. We believe that these efforts will help to build a more sustainable world.



## LIP-III Medium-Term Business Plan

Based on a vision of achieving sustainable growth and maximizing corporate value through aggressive and bold innovation, we will work on four critical goals: (1) strengthen and expand overseas businesses; (2) expand domestic businesses and increase profitability by optimizing QCD; (3) create original new products that will support future growth; and (4) strengthen global business management. Especially in regards to strengthening global business management, the plan includes implementing all corporate activities with a commitment to CSR-driven management, participation in the UN Global Compact, and utilization of ISO 26000 guidance on social responsibility.

### Numerical goals (year ending March 2014)

- Consolidated sales ..... **260 billion yen**
- Consolidated operating income ..... **26.0 billion yen**
- Operating income margin ..... **More than 10%**
- Return on Equity (ROE) ..... **More than 10%**
- Return on Invested Capital (ROIC) ..... **More than 10%**

## Participation in the UN Global Compact

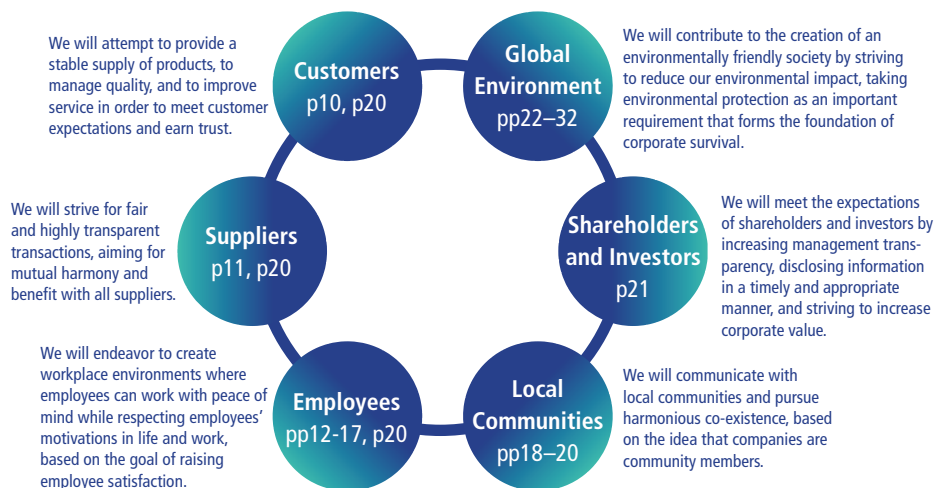
In April 2011, Lintec announced that it would participate in the UN Global Compact. The UN Global Compact is an initiative for businesses around the world to work at being global citizens by supporting 10 principles in the areas of human rights, labour, the environment, and anti-corruption. Going forward, the Compact will serve as a guideline for Lintec's global management.

## Utilization of ISO 26000 Guidelines for Social Responsibility

Released in November 2010, ISO 26000 is the first international standard for organizational social responsibility. Lintec will reference the ISO 26000 as it carries out initiatives to strengthen global business management, which is one of the key initiatives of LIP-III.

## Stakeholder Map

The Lintec Group's business is supported by numerous stakeholders, including customers, suppliers, employees, shareholders and investors, local communities, and the global environment.





## CSR-driven Management for Global Growth, and Leveraging Technical Strengths to Address Social Issues

### Remaining worthy of society's trust, based on our company motto, "Sincerity and Creativity"

**Ouchi:** The salient feature of CSR management at Lintec is our company-wide CSR promotion system based on six CSR committees established along the lines of themes for CSR initiatives. This began with the launch of a CSR committee headed by the vice president in 2004, the year I became president. We understood that we had to address social responsibility in everything Lintec does. For many years Lintec has held to a management philosophy of contributing to society as a reliable company, based on a foundation of harmony among people and technical development capabilities, as expressed in our company motto, "Sincerity and Creativity." Our initiatives have benefited from this culture and today the CSR committees proactively put CSR efforts into practice, working under the CSR Management Office, which reports directly to me. Moreover, an officer has been put in charge of each committee, and we have clearly expressed a commitment to ensuring all employees act with awareness of CSR. On the other hand, our initiatives themselves are mainly carried out by Lintec Corporation alone—or group companies within Japan—so we need to work on expanding our CSR initiatives globally. That is why we included a commitment to implementing all corporate activities with a commitment to CSR-driven management in our new LIP-III medium-term business plan that started this fiscal year, took a stand with the UN Global Compact

for human rights, labour, the environment, and anti-corruption, and committed to utilizing ISO 26000.

**Unno:** In one survey, 70% of the CEOs of US corporations said that sustainability is vital to management going forward, indicating the direction of global CSR. The perception of social responsibility has become more uniform since the release of the ISO 26000 last year, but what is important is to recognize that CSR means "solving social challenges (i.e., meeting needs) through business operations that aim to build a sustainable society." Companies often think about CSR in terms of risk, such as corporate ethics and risk management, but CSR has the potential to lead to the creation of new revenue if one sees it not only in terms of risk but also in terms of business opportunities. I call this strategic CSR. Up until now, giving back to the community through what are called social contribution activities was funded by profits. But from now on, CSR needs to be incorporated into the various processes that generate profit.

**Ouchi:** So, in other words, practicing CSR through our core business and specifically how we address social issues are critical. For example, leveraging Lintec's development capabilities to give the world products that are beneficial and positive for people could be one such contribution. That is why I think we have to listen carefully to the needs and expectations of society and stakeholders.

**Unno:** Strategic CSR has three elements: businesses that address social issues, overcoming CSR risks, and strategic social contributions. Even the risk factors can be thought of as positives if you change your way of



**Mizue Unno**  
Managing Director  
So-Tech Consulting Inc.

A graduate of Chiba University, founded So-Tech Consulting Inc. in 1996 after working for a management consulting company. Currently a part-time instructor at the University of Tokyo's Graduate School of Frontier Sciences and a commissioner in various government offices.



**Akihiko Ouchi**  
President and CEO  
Lintec Corporation

thinking. I think that companies that will survive are companies that do not let problems remain problems but rather find positives in them.

## Lintec's Global Strategy: Localization of Business

**Ouchi:** Globalization in our company does not mean merely moving production bases offshore. There is a phrase “Made in Market,” the basic idea of which is to build sales and production bases where it is a given that there is a market in order to respond to that market's expectations swiftly. In that situation, securing and developing human resources in that area are important issues. I think that for the future, localization of human resources is ideal and that it is desirable to have local employees engage in company management with pride and passion.

**Unno:** Generally, people say that dealing with human rights and working environment issues outside Japan can be problematic. It is necessary to think about addressing these kinds of risk while developing the local work environment. Likewise, the ISO 26000 requests participation in and contribution to the development of local communities, and the scope of responsibility extends even to the supply chain, such as the suppliers of raw materials. In both cases difficult demands are placed on companies, but these are matters that cannot be avoided.

**Ouchi:** The cooperation of suppliers is essential to global business growth. First of all, I think it is important to clearly express to suppliers our way of thinking and corporate attitude. After that we must think together about how to handle rules that we would like followed and matters that require attention.

## Practicing CSR in Core Business with Environmentally Friendly Products

**Unno:** When thinking about CSR as an opportunity factor, it is vital to realize that the number of investors who include CSR initiatives as an indicator in corporate valuation have increased, as typified by socially responsible investment (SRI). While still not mainstream, whether or not a company carries out CSR initiatives has come to affect corporate value directly. Investors are paying close attention to these matters.

**Ouchi:** Indeed, investors from outside Japan tell us that our PV backsheets represent a promising business that they expect will grow immensely in coming years. In LIP-III, we have committed to focusing on the environmental and energy field. These PV backsheets make use of precision thin-film coating technology, something Lintec excels in. In fact, this business has been growing at a tremendous pace for several years now. Development of a product that other companies do not offer has really pushed our numbers up significantly.

**Unno:** The environmental and energy field is an area in which social needs will continue increasing in the future. I think that from here on technology development will head in the direction of reducing environmental impact.

**Ouchi:** In terms of reducing environmental impact, one of our products, labels for office machines, uses the same quality and same material as the actual office machines to ensure that they can be recycled without removing the label. Our window films attached to building windows (insulating film) contribute to energy savings by increasing air conditioning efficiency. Additionally, our shift to solvent-free adhesives and release agents is not only good for the environment but is a positive in terms of production efficiency.

**Unno:** You are already fulfilling CSR through your core business. It may be a good idea to make a standard for environmentally friendly products and set sales ratios as goals. Environmentally friendly products need to be thought of in terms of both risks and opportunities; they are truly a good theme for strategic CSR. I recommend that you focus on that as you move ahead with the new medium-term business plan in the future.

## Transforming CSR into Opportunity and Continuing to Take on Challenges Globally

**Ouchi:** I think that making the most of CSR as a business opportunity is a task that lies ahead. I have realized again today how important it is to infuse passion into human resources globally, to make efficient use of resources, to ensure thorough awareness of the environment among all employees, and to strengthen our supply chain management. Going forward, we will continue to vigorously advance our CSR initiatives.

# CSR Themes, Targets and Performance

Lintec's value is in the benefit it provides to the world through its corporate endeavors. We aim to go far beyond the letter of the law, to be trusted and consistently chosen. To achieve this, we seek to meet the demands of society and continue to boldly take up the challenge of technical innovation. Lintec's sustainability depends on contributing to the sustainable development of society by

working to solve social issues through our core business.

In carrying out our CSR initiatives, we have established committees for each of our six basic CSR approaches. We go through the cycle of setting cross-organizational goals, taking action, checking performance, and making improvements. This ensures our CSR initiatives make solid, steady progress.

## Fiscal 2010 CSR Themes and Performance

Field	Basic Commitment	Theme	Fiscal 2010 Targets
Corporate Ethics	Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day	<ul style="list-style-type: none"> <li>All employees behave as good citizens with self-awareness</li> <li>Aspire to be a company trusted by society by ensuring thorough compliance</li> </ul>	<ul style="list-style-type: none"> <li>Promote ethics through interactive participation frameworks</li> <li>Comply with and revise management rules (information security, personal information, business secrets, etc.)</li> <li>Undertake activities based on employee proposals</li> </ul>
Customer Satisfaction	Provide a stable supply of products and improve quality management and service based on the key concepts of assuring customers of reliability and fulfilling responsibilities	<ul style="list-style-type: none"> <li>Establish and implement a specific action plan based on the Lintec Quality Policy and Action Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Achieve concrete actions devised and prepared along the lines of the eight Action Guidelines under the concept of the customer satisfaction slogan, "Lintec Products make everybody happy!"</li> </ul>
Safety, Disaster Prevention, and Health	Proactively develop workplace environments where people can work with security, based on the concept of improving employee satisfaction	<ul style="list-style-type: none"> <li>Prepare for rapid response to natural and human-made disasters</li> </ul>	<ul style="list-style-type: none"> <li>Minimize damage from natural disasters</li> <li>Establish action plan by each overseas group company</li> </ul>
		<ul style="list-style-type: none"> <li>Establish a management system for ensuring employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Adopt an occupational safety and health management system</li> <li>Nurture mental health of employees</li> </ul>
		<ul style="list-style-type: none"> <li>Establish measures to prevent communicable disease</li> </ul>	<ul style="list-style-type: none"> <li>Establish specific practices based on the action plan against new strains of influenza</li> </ul>
		<ul style="list-style-type: none"> <li>Establish measures against long working hours and encourage the taking of annual paid leave</li> </ul>	<ul style="list-style-type: none"> <li>Ascertain the current status and causes of long working hours</li> <li>Consider how to encourage the taking of annual paid leave</li> </ul>
Social Contribution	As a good corporate citizen of both the local communities where we operate and the international community, help solve social challenges and carry out realistic activities that contribute to the sustainable development of societies	<ul style="list-style-type: none"> <li>Realistic activities</li> <li>Sustainable activities</li> <li>Community-based activities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct sensible activities done in Lintec style and interact with local communities</li> <li>Expand and firmly continue activities</li> <li>Raise employees' willingness to participate in activities and support their participation</li> </ul>
Investor Relations	Conduct management that emphasizes shareholders and investors, and take action to improve the corporate brand	<ul style="list-style-type: none"> <li>Increase valuation in the stock market (appropriate stock pricing) and attempt to improve corporate and shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate and strengthen relationships with investors and securities analysts</li> <li>Strengthen relationships with shareholders</li> <li>Increase name recognition and strengthen information dissemination</li> </ul>
Environmental Protection	As a materials manufacturer, conduct company-wide activities in production, R&D, and other areas based on the principle of reducing environmental impact	<ul style="list-style-type: none"> <li>Develop environmentally friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Promote sales of environmentally friendly products</li> </ul>
		<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions: 185,000 tons/year</li> </ul>
		<ul style="list-style-type: none"> <li>Reduce final landfill disposal rate</li> </ul>	<ul style="list-style-type: none"> <li>Maintain final landfill disposal rate below 0.2%</li> </ul>
		<ul style="list-style-type: none"> <li>Reduce and eliminate substances with negative environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Amount of toluene released into the atmosphere: 1,000 tons</li> <li>Promptly comply with chemical substance regulations</li> <li>Ratio of solvent-free release paper (production quantity basis): 54%</li> <li>Ratio of solvent-free printing-related adhesive products (sales quantity basis): 70%</li> </ul>





## Hiroyuki Nishio

Director, Managing Executive Officer

We are determined to conduct corporate activities with a commitment to CSR-driven management, as declared in the new medium-term business plan. Global expansion of this effort will require all employees in and outside Japan to understand and practice the spirit of CSR, and strive to meet the expectations of the global community. In fiscal 2010, in addition to the initiatives of the CSR committees, we actively worked on CSR education with the aim of increasing awareness of CSR. Further, in April 2011 we announced our participation in the UN Global Compact. Going forward, we will advance our initiatives globally with reference to ISO 26000.

Main Activities in Fiscal 2010	Comment from Officer in Charge	Fiscal 2010 Performance
<ul style="list-style-type: none"> <li>Continued publishing the <i>Rinri Kawaraban</i> ethics news column and published an annual booklet</li> <li>Published a booklet on the Compliance Guidelines</li> <li>Completed an internal audit of the head office regarding information security</li> <li>Provided e-learning on governance-based company management</li> </ul>	<p><b>Kenji Kobayashi</b> Corporate Ethics Officer (Director, Managing Executive Officer) In order to maintain corporate ethics, each and every employee needs to understand corporate ethics and to practice them on a daily basis as their own. We will continuously disseminate and raise awareness of ethical standards in order to prevent problems.</p>	 <p><b>Corporate Governance</b> pp8–9 Practicing Sincerity</p>
<ul style="list-style-type: none"> <li>Provided e-learning on the utilization of statistical techniques and design reviews</li> <li>Conducted and analyzed a supplier questionnaire</li> <li>Conducted and analyzed an employee questionnaire on communication</li> </ul>	<p><b>Makoto Iiumi</b> Customer Satisfaction Officer (Director, Managing Executive Officer) We aim to ensure that "Lintec Products make everybody happy!" To achieve this, we will take actions based on the eight Action Guidelines of the Lintec Quality Policy and will strengthen cooperation throughout the operation chain and with suppliers.</p>	 <p><b>Social Report</b> pp10–11 Providing Value to Customers Cooperating with Suppliers</p>
<ul style="list-style-type: none"> <li>Established the Lintec Occupational Health and Safety Policy</li> <li>Started full-scale operation of an occupational health and safety management system</li> <li>Revised the crisis management manual for bases outside Japan</li> <li>Provided emotional health checkups at 10 Lintec Group companies in Japan, including affiliated companies; 92% consultation rate</li> <li>Introduced health support outside Japan</li> <li>Put into operation standards for attendance at work during an outbreak of novel influenza</li> </ul>	<p><b>Koji Koyama</b> Safety, Disaster Prevention, and Health Officer (Director, Managing Executive Officer) By taking actions based on the Occupational Health and Safety Policy, we will develop work environments where all Lintec employees can work together enthusiastically, in safety, and with peace of mind and job satisfaction.</p>	<p><b>Keeping Employees Safe</b> pp12–17</p>
<ul style="list-style-type: none"> <li>Conducted community cleanups</li> <li>Participated in a campaign against local organized crime in Itabashi</li> <li>Took initiatives to support persons with disabilities</li> <li>Made monetary donations for the victims of the Great East Japan Earthquake</li> <li>Accepted a total of 962 people for plant and facilities tours at six business sites</li> </ul>	<p><b>Koji Ichihashi</b> Social Contribution Officer (Director, Managing Executive Officer) Aiming for harmonious existence with communities, we engaged in various social contribution activities at each business site in and outside Japan. Going forward, we will take actions to meet expectations and remain worthy of trust while communicating with communities.</p>	<p><b>Participating in Local Communities</b> pp18–19</p>
<ul style="list-style-type: none"> <li>Accepted interviews with and made individual visits to institutional investors and securities analysts</li> <li>Participated in IR events for institutional investors from outside Japan</li> <li>Held briefings for individual investors</li> <li>Enhanced the provision of information through a shareholder newsletter and IR website</li> </ul>	<p><b>Hitoshi Asai</b> IR Officer (Director, Senior Managing Executive Officer) We must provide accurate information in a timely and fair manner to shareholders and investors in order to obtain their trust. We are determined to carry out IR initiatives and build even stronger relationships of trust.</p>	<p><b>Communicating with Stakeholders</b> pp20–21</p>
<ul style="list-style-type: none"> <li>Developed products based on the new guidelines</li> <li>Achieved goal with CO<sub>2</sub> emissions of about 183,000 tons per year</li> <li>Achieved goal with landfill waste disposal of 10 tons per year (final landfill disposal rate: 0.03%)</li> <li>Achieved goal with about 555 tons per year of toluene released</li> <li>Complied with EU and other regulations and communicated such to suppliers</li> <li>Fell short of goal with 51% solvent-free release paper</li> <li>Fell short of goal with 68% solvent-free printing-related adhesive products</li> </ul>	<p><b>Yoshiyuki Yamato</b> Environmental Protection Officer (Managing Executive Officer) Aware of our responsibility as a manufacturer, we have set numerical targets for environmentally harmful substances, energy use, CO<sub>2</sub> emissions, and amount of waste, and will keep working to reduce Lintec's environmental impact.</p>	 <p><b>Environmental Report</b> pp22–32 Environmental Protection</p>

# Corporate Governance

True to the ideals of its company motto, "Sincerity and Creativity," the Lintec Group strives to ensure that all of its corporate endeavors are thoroughly respectable.

Below is a report about the group's efforts and systems for putting those ideals into practice and contributing to society.

## Practicing Sincerity

For the Lintec Group, corporate ethics and compliance are themes of paramount importance in management, just as one would expect in light of the company motto, "Sincerity and Creativity." At the same time, they are positioned at the foundation of CSR in the group's efforts to strengthen its management structure.

### Corporate Governance

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

#### Corporate Governance Framework

On June 24, 2011, Lintec adopted an executive officer system, separating directors who perform management decision-making and executive officers who administer business operations. In conjunction with this change, the company set the number of directors at 10 (8 inside directors and 2 outside directors) and is attempting to streamline management through revitalization of the board of directors and the speeding-up of decision making. The company's two internal and two external auditors always attend meetings of the board of directors and management meetings and listen to the opinions expressed. They operate with the internal Audit Office and accounting auditors to audit the overall work of the directors. Through meetings of the board of auditors, auditors share the results of their audits of operations

and strengthen the checks on directors' decision-making and the appropriateness and effectiveness of executive officers' administration of business operations.

### Compliance

Lintec's corporate ethics is based on the company motto, "Sincerity and Creativity." Each and every employee strives to act with deep commitment to the company motto and to practice careful self-control to completely avoid any corporate scandals. Compliance is the foundation of every corporate endeavor. The Lintec Group complies with relevant laws and regulations and social rules in everything it does in and outside Japan.

#### Rinri Kawaraban Ethics News Column Booklet Vol. 4 Published

First published in June 2006, the *Rinri Kawaraban* ethics news column presents ethical issues in the form of Japanese poems in order to make the ethical standards and code of conduct expected of employees as easy to understand and accessible as possible. Booklet Vol. 4, published in January 2011, included the 100th poem composed thus far. A highlight was the inclusion at the beginning of employee photos with their comments on verses that they liked. Under the motto of, "From Now on as Well, With Sincerity and Creativity, Put into Verse" (the 100th poem), the Lintec Group will continue to publish the *Rinri Kawaraban* ethics news column to illustrate model employee behavior and sincerity.

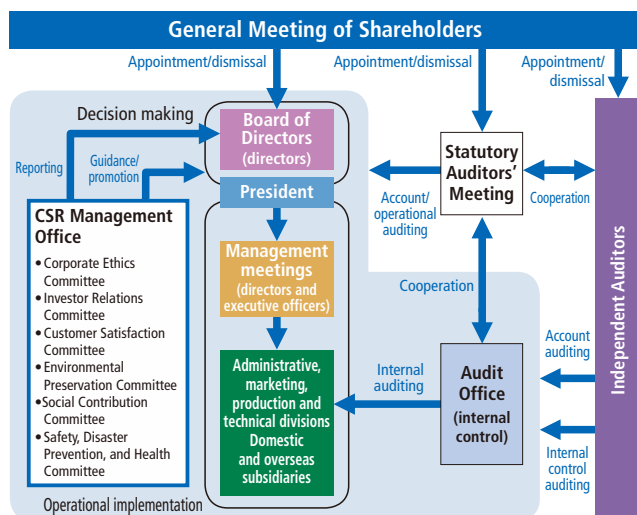


Vol. 1-4 of the *Rinri Kawaraban* ethics news column booklet.

#### Revised Edition of Compliance Guidelines Published

In April 2011, the Lintec Group published a revised edition of its Compliance Guidelines. In the revised edition the guidelines on accounting procedures and antimonopoly law and the content of the Q&A section were partially changed and the layout was made clearer.

Corporate Governance System





The guidelines help all employees in the Lintec Group deepen their understanding and adhere to legal and ethical standards in their behavior. Each and every employee tries to always carry a copy and use it to navigate through issues of compliance and social activities.

Compliance Guidelines

## Risk Management

The Lintec Group strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance. In April 2009, a Risk Assessment Committee, consisting of the general managers of each division, was established with the objective of strengthening the risk management system. The committee meets once a quarter and reports the outcome of its meetings to the board of directors.

## Development of a Business Continuity Plan (BCP)

Lintec is developing BCPs\*1 for each business division to prepare for potential disasters and accidents. The Great East Japan Earthquake of March 11, 2011 caused no major damage that had a direct effect on Lintec's business. However, there was some impact on the procurement of raw materials, necessitating urgent countermeasures involving the supply chain. The earthquake raised the crisis awareness in all divisions, which are striving to develop BCPs based on earthquake experience.

## Information Security Management

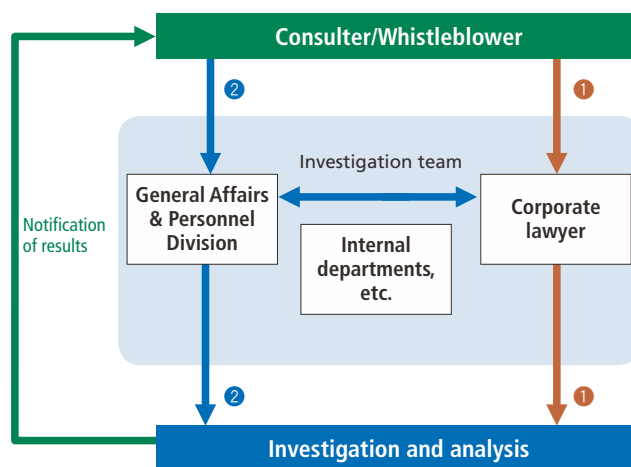
Beginning in fiscal 2009, all business sites in the Lintec Group in Japan have been conducting internal self-checks based on a checklist for internal audits of rules for the control of information security, and the Corporate Ethics Committee started internal audits of the head office, Itabashi Office, and Osaka Branch. In fiscal 2010, the internal audit was completed for all departments in the head office. The overall evaluation found inadequate preparation of detailed regulations and procedure manuals on information security as a point for improvement. As the content differs in each department,

the Corporate Ethics Committee prepared detailed regulations on information security and an internal audit checklist as a model. Each department has now prepared detailed regulations and established a self-audit system.

## Helpline

Lintec has a helpline (internal reporting system) for employees to obtain consultations on legal violations and other worries in the workplace. In April 2008, Lintec added a third-party corporate lawyer to the helpline system, which made possible prompt consultations and investigations on matters that would otherwise be difficult to consult on within the company. Moreover, establishing a fair and neutral consultation contact based on the Whistleblower Protection Act made it possible to quickly identify and solve problems and to reduce risks.

### Helpline Structure



- Notes: 1. ① Used when the consulter/whistleblower does not want the information communicated within the company.  
 ② Used when the information should be communicated within the company.  
 2. "Internal departments, etc." includes the president and CEO, standing auditors, and the CSR Management Office in addition to relevant departments.

### Voice ①

#### Sharing Information in an Emergency

Following the occurrence of the Great East Japan Earthquake, the head office sent out a safety confirmation request via an internal network to 26 business sites, including branch offices, plants, and group companies. Within an hour most sites had returned a message that there were no problems. We also set up a new emergency contact bulletin board on the company intranet to share information concerning the earthquake. This is run on a server at a location outside the area where the head office is so that it can be used even when the head office's area is in blackout.



**Yuichi Fukasaku**  
Administration Division

\*1 Business Continuity Plan (BCP): A plan developed in advance to enable the minimization of damage and the continuation or early resumption of

business in the event that a company encounters an emergency situation such as an accident or disaster.

# Social Report

The Lintec Group's business is supported by numerous stakeholders such as customers, suppliers, employees, shareholders and investors, and local communities.

Below is a report on initiatives aimed at the sustainable development of society and the company.

## Providing Value to Customers

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

### Quality Policy

Based on the Lintec Quality Policy,\*1 the Lintec Group endeavors to ensure thorough quality management, always keeping the customer's perspective in mind and working to fulfill the slogan, "Lintec Products make everybody happy!"

The group works at quality management, design reviews,\*2 thorough upstream management of resources, and the revision and expansion of its quality management system to meet customers' increased expectations. Through these efforts the group aims to make a concerted push to improve product quality and services.

### Quality Assurance System

Lintec has obtained ISO 9001\*3 certification for 11 business sites in Japan, including group companies, and 9 group companies outside Japan. The company continues to work on product quality management and quality improvement. Going forward, the group will build a global system that goes beyond national frameworks.

### Improving Customer Satisfaction

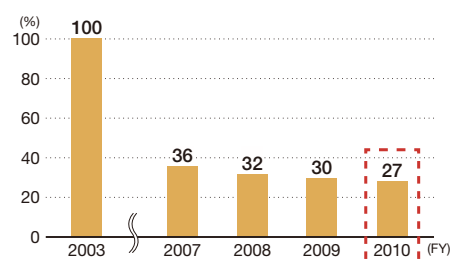
Lintec communicates actively with customers and aspires to provide products that satisfy customers' diverse needs. Specifically, the company implements extensive customer satisfaction initiatives based on quality, the environment,

and safety, such as the procurement of raw materials in adherence to environmental protection standards and in compliance with laws and regulations, the regular holding of quality meetings with suppliers, and the development of products through the combined efforts of the design and manufacturing divisions. Additionally, as in fiscal 2010, the company provided internal education through e-learning (see page 16) as an educational and awareness building measure in its customer satisfaction initiatives.

### Handling Quality Accidents

Lintec works actively at quality improvement initiatives based on ISO 9001. In addition, it strengthens its system of checks from the development stage through manufacturing processes to outgoing inspection by conducting design reviews and utilizing its own audit management system.

Ratio of Quality Accidents to the Number in Fiscal 2003 (Fiscal 2003 = 100%)



### Voice ②

**Yutaka Miura**  
Business Administration Division



### Thinking from the Customer's Perspective

At Lintec, we deeply value communication with customers. We believe it is important to accurately ascertain customers' needs, share information internally, and take action with the customer's perspective in mind. We are working to disseminate to all departments a commitment to "thinking from the customer's perspective" in order to provide satisfying craftsmanship and reliable services. We will continue to roll out new customer satisfaction initiatives designed to improve customer satisfaction.

\*1 Lintec Quality Policy (excerpt): Starting from "manufacturing" based on "quality," "consideration for the environment" and "safety," we endeavor to develop, manufacture and sell products through business activities that gain and maintain the trust of all stakeholders.

View the full Lintec Quality Policy online at:  
<http://www.lintec-global.com/about/csr/quality.html>



# Cooperating with Suppliers

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

## Fair Transactions

The Lintec Group's basic policy is to conduct fair and transparent procurement with all suppliers. When selecting or deciding to continue transactions with suppliers, the group appropriately evaluates quality, cost, delivery time, supply stability, technical capabilities, service, and environmental protection efforts, and strives to form, maintain, and improve sound partnerships.

## CSR Procurement

In its procurement, Lintec makes it a policy to practice thorough CSR from all points of view, working together with suppliers on issues such as respect of human rights, occupational safety and health, ensuring quality and safety, information security, and corporate ethics. Lintec explains this policy to suppliers to obtain their full understanding.

## Green Procurement

In recent years, environmental regulations pertaining to products (e.g. RoHS directive, PFOS regulation, REACH regulation, regulations on organotin compounds\*<sup>4</sup>) have been becoming stronger worldwide, lead by regulations in the EU. In light of this trend, Lintec established the Lintec Procurement Policy\*<sup>5</sup> and is thoroughly managing chemical substances in raw materials and subsidiary materials. Moreover, since the understanding and cooperation of suppliers is necessary in this regard, Lintec is striving to strengthen relationships of trust and structures for cooperation with suppliers. In fiscal 2010, six companies signed the Lintec Environmental and Quality Agreement, bringing the total to 43 companies. Going forward, Lintec will continue taking action aimed at cooperation with many suppliers.

### Briefing Held on Business Continuity Plan (BCP)

The cooperation of suppliers is critical for business continuity during an emergency. That is why it is important for suppliers to understand Lintec's way of thinking regarding its BCP.

In February 2011, Lintec held a briefing on its BCP for suppliers for products related to the Advanced Materials Operations. The company confirmed the status of suppliers' initiatives and worked to improve mutual understanding.

## Supplier Questionnaire

In October 2010, Lintec conducted a questionnaire survey of its suppliers to ascertain the status of their information security systems. Replies were received from 127 of 140 suppliers (reply rate: about 91%).

### Example Items from the Supplier Information Security Questionnaire Survey

Management of the exchange of confidential information	Have you signed non-disclosure agreements including the following provisions with suppliers and contractors? <ul style="list-style-type: none"> <li>Confidentiality obligation</li> <li>Scope of information subject to non-disclosure</li> <li>Period of confidentiality obligation</li> <li>Restrictions on purpose of use</li> </ul>
Physical management	Existence of restrictions on access to grounds, building, and rooms
Management of carrying items in and out and of disposal	Existence of disposal procedures for documents containing important confidential information

## Supplier Quality and Environmental Audits

Lintec strives to improve product quality and strengthen the management of chemical substances to ensure customers can use Lintec's products with peace of mind. Furthermore, to strengthen systems including suppliers, Lintec systematically conducts quality and environmental audits and works at establishing systems that enable cooperation. In fiscal 2010, the company audited 25 companies with the cooperation of its main suppliers. Lintec will continue striving to further strengthen these systems.

## Whistleblower Contact Established for Suppliers

In December 2009, Lintec established a Supplier Helpline (contact point for whistleblowers from suppliers). This helpline makes it possible for suppliers to inform Lintec if its employees' behavior does not meet legal and ethical standards. Lintec reminded suppliers about the availability of the helpline when conducting the supplier information security questionnaire survey in October 2010. Lintec expects all employee behavior to adhere to its code of conduct and legal and ethical standards.

\*2 Design review: An opportunity to check and evaluate development work outcomes (e.g. specification sheets and design documents) by several people with different standpoints, such as personnel from the manufacturing and sales divisions. The design review is defined in the Japan Industrial Standards (JIS) and the International Organization for Standardization (ISO) 9000 series.

\*3 ISO 9001: The international standard for quality management systems.

\*4 Environmental regulations pertaining to products: See bottom of page 29.

\*5 Lintec's policies pertaining to procurement: The Lintec Procurement Policy is posted on the company's website.  
<http://www.lintec-global.com/about/csr/procurement.html>

# Keep Employees Safe (Safety and Disaster Prevention)

The Lintec Group carries out a variety of initiatives, including raising safety awareness, with the aim of creating work environments where the group's employees can work in safety and with peace of mind.

## Occupational Safety

### Occupational Safety and Health Policy

In October 2010, the Lintec Group in Japan established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out initiatives based on an occupational safety and health management system (OSHMS).<sup>\*1</sup>

The OSHMS requires the use of the PDCA cycle. The group has established different plans for different situations: matters to be implemented group-wide are put in the Plan for Mutual Safety Inspections prepared by the Group-wide Safety Secretariat, the prevention of fires caused by solvents and other means is covered by the Plan for Fire Prevention Patrols, and plants follow an Annual Safety and Health Plan.

A Safety Consideration Committee, consisting of members engaged in safety initiatives in plants and members of the Group-wide Safety Secretariat, has been established to consider group-wide safety rules.

### Lintec Occupational Safety and Health Policy

All Lintec Group employees shall devote themselves to the company motto, "Sincerity and Creativity," and to the management philosophy, shall attempt to prevent occupational accidents, and shall work appropriately and actively to create a safe and comfortable workplace environment and improve safety and health.

1. We shall appropriately promote in business operations the occupational safety and health of everyone who works for the Lintec Group.
2. We shall, with the cooperation of people who work in the Lintec Group, continuously promote the prevention of occupational accidents and disease, and the maintenance and enhancement of health.
3. We shall conduct risk assessment in production sites, establish occupational safety goals, and make improvements through plans and actions for goal achievement and routine reviews.
4. We shall comply with laws and ordinances relating to occupational safety and health, agreements to which Lintec has subscribed, and guidance received.
5. We shall attempt to increase the importance and awareness of ensuring safety and health by providing education and awareness building programs pertaining to occupational safety and health to people who work in the Lintec Group.

Established October 1, 2010

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

#### Plan (planning)

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

#### Do (implementation and operation)

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

#### Check (inspections, patrols, improvements)

Monitoring and measurement / internal audits, etc.

#### Action (reviews by management)

### Annual Safety and Health Plan

The Lintec Group in Japan strives to carry out safety and health activities reliably, based on a comprehensive plan covering the year's initiatives. The annual safety and health plan includes matters such as a patrol program, safety education, a training program, an inspection and measurement schedule, health checkups, internal audits, and management reviews. A progress report is made at the monthly meeting of the Safety and Health Committee. In fiscal 2010, the group conducted mutual safety audits and fire prevention patrols based on the Lintec safety and health management system.

What is more, the Lintec Group uses a safety mailing list to share information, including the minutes of the Safety and Health Committee and disaster bulletins.

### Safety and Health Committees & Health Committees

Japan's Industrial Safety and Health Act requires that business owners employing 50 or more full-time workers establish a safety committee, health committee, or a safety and health committee. Business sites belonging to the Lintec Group in Japan that are subject to the Act hold monthly committee meetings to discuss safety and health in the workplace. At production plants a safety and health committee confirms that safety is given priority in all situations and discusses issues such as the inspection of equipment, hazard control, and the 5S methodology (sorting, setting in order, systematic cleaning, standardizing, and sustaining discipline). At the



Health committee meeting at the Iidabashi Office

head office and business sites with a sales department, a health committee discusses issues pertaining to health, safe driving, and work site hygiene.

### Accidents Resulting in Absence from Work

In fiscal 2010 there were five occupational accidents resulting in absence from work (including at partner companies), three of which were accidents involving rotators.<sup>\*2</sup> The safety and health committees discussed countermeasures and efforts were made to prevent a recurrence.

### Continuous Accident-Free Hours<sup>\*3</sup>

The Lintec Group in Japan has established a system for recognizing plants with no occupational accidents, including accidents not resulting in absence from work. Awards are given for the achievement of 500,000, 750,000, 1 million, and 1.25 million accident-free hours.

<sup>\*1</sup> Occupational safety and health management system (OSHMS): A company's voluntary independent management system for increasing the level of safety and health at a business site.

<sup>\*2</sup> Rotator accidents: Accidents in which a body part is pulled into a rotating part of a production machine.



### Continuous Accident-Free Hours Achievements

Business site	Continuous accident-free hours	Date achieved
Agatsuma Plant	1.0 million	May 2010
	1.25 million	September 2010
Mishima Plant	0.5 million	May 2010
	0.75 million	August 2010
Shingu Plant	0.5 million	May 2010
Tokyo Lintec Kako, Inc.	0.75 million	October 2010



1.25 million accident-free hours achieved (Agatsuma Plant)

### Regular Safety Conference Held (Kumagaya Plant)

The Kumagaya Plant holds a regular safety conference for installers on long-term contracts in addition to providing new visitors education when outside installers enter the plant. The regular safety conference is attended by about 100 people from in and outside the company each time. At the conference wide-ranging two-way discussions on all manner of safety issues are held, including the checking



Regular Safety Conference

of and thorough adherence to safe working rules, the sharing of accident examples from other companies, and proposals and improvement requests from installers.

### Top Management Patrols at Production Bases

The Lintec Group conducts top management patrols in which the president inspects plants and research centers in Japan and offshore production bases in Southeast Asia, China, and North America. With a view toward mutual audits, the president is accompanied by safety managers from other plants during patrols in Japan, with everyone



The president inspecting the Tatsuno Plant

exchanging opinions from their unique perspectives. The president's on-site inspections help raise awareness of workplace safety and environmental friendliness.

### Crisis Management during a Disaster

Plants and other business sites belonging to the Lintec Group in Japan conduct emergency drills and maintain stores of emergency food, water and other supplies in preparation for various kinds of disasters. During the Great East Japan Earthquake a number of issues became apparent, such as the securing of means of communication, the decision and line of command in sending employees home, and measures against cold. Prompted by this disaster, the group will review its crisis management standards and enhance its system of crisis management for disasters.

### Emergency Drills

Every year plants of the Lintec Group in Japan conduct emergency and firefighting drills. Whenever possible, the cooperation of the local fire department is requested and the drills conducted under the guidance of professionals. Going forward, the group will continue to implement



Joint firefighting drill conducted at the Shingu Plant with the Tatsuno City Fire Department

initiatives that make people aware of the fact that each person's safety leads to overall safety at the company, which in turn enhances the safety of the community.

### Voice ③



Members of the Safety Consideration Committee

### Establishment of a Safety Consideration Committee

In April 2010, a Safety Consideration Committee consisting of members appointed from plants and personnel from the Group-wide Safety Secretariat was established to deliberate group-wide rules for occupational safety and health in the Lintec Group in Japan. Lintec believes that the invigoration of initiatives through the sharing of information, rather than conventional efforts made by each business site, is needed to eliminate occupational accidents. The Safety Consideration Committee will promote safer production operations by clarifying and standardizing the indication of rules for the elimination of rotator accidents and the prevention of fires.

\*3 Continuous accident-free hours: Total number of working-hours with no occupational accidents (accidents not resulting in absence from work, accidents resulting in absence from work, and accidents during

commutation) involving Lintec employees or partner company personnel working full time at a business site.

# Creating Comfortable Workplaces: Health Management, Employment, and Human Rights

The Lintec Group supports its employees in maintaining their physical and mental health so that every person can live and work with energy and inspiration.

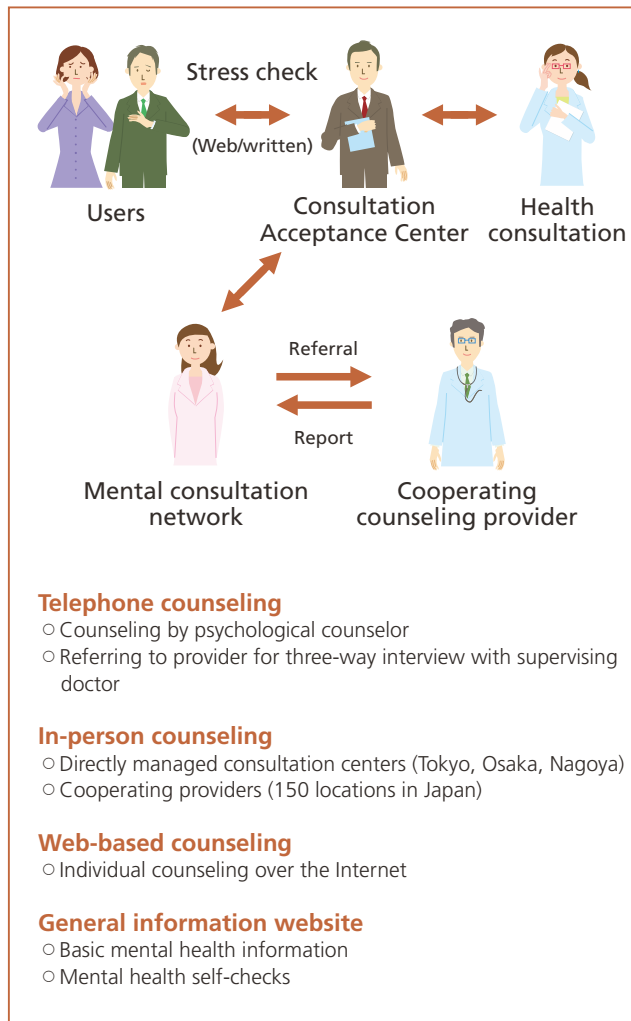
## Health Management

### Mental Health Measures

Ten companies in the Lintec Group in Japan, including affiliates, introduced a precautionary EAP\*<sup>1</sup> system in fiscal 2008. In fiscal 2010, mental health checkups were offered once again, and 92% of employees took advantage of this benefit.

This program enables employees to consult with a professional about worries such as physical health, mental health, childcare, nursing care, legal issues, and family finances without this information becoming known to the company or any third party. Since January 2011, Overseas Health Support has also been made available to Japanese employees and their families posted outside Japan, enabling them to consult in Japanese from their current location with a specialist physician.

#### Precautionary EAP System Overview



### Mental Health Lectures

Annual mental health checkups empower people to take care of their own mental health by monitoring their own stress level.



Mental health lecture at the Agatsuma Plant

In fiscal 2010, based on overall checkup results, the Agatsuma, Kumagaya, and Chiba plants held mental health lectures by outside instructors for their employees.

### Measures against New Strains of Influenza

In light of the outbreaks of new strains of influenza in Japan since 2009, Lintec has established clear standards about when employees should or should not come to work. In November 2010, the Lintec Group in Japan reposted the standards on the company intranet to help employees determine whether they should come to work.

### Measures against Working Long Hours

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

### Measures against Harassment

Lintec has established rules against and is making efforts to prevent sexual harassment. Sexual harassment is a socially impermissible act and an affront to individual dignity. It also inhibits employees from performing to their full potential, disrupts order in the workplace, and obstructs productivity. By providing harassment study sessions at each business site and taking other measures, the company is sending the message that Lintec workplaces will respect all individuals based on the recognition that "every colleague in the workplace is an equal partner."

\*1 Precautionary EAP (Employee Assistance Program): An employee program that aims to improve productivity through the creation of comfortable

workplaces by focusing on *precautions* for healthy employees in addition to addressing the concerns of employees who already have a health issue.





## Respecting Diversity

### Employment of Persons with Disabilities

Lintec strives to provide employment to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2009 was 1.58%, which was below the legally mandated rate of 1.8%. To improve this, the company encouraged each business site to hire persons with disabilities, resulting in an improvement to 1.73% in fiscal 2010. In fiscal 2011, Lintec will continue encouraging the company-wide employment of persons with disabilities and will work to create comfortable workplaces and exceed the legally mandated employment rate.

### Employment of Older Persons

Lintec has provided continued employment of older persons since 2001, before the Revised Act on Employment Security for Older Persons\*2 came into effect. In fiscal 2010, the company re-hired 14 of 42 retirees. These professionals are working vigorously, making use of the skills and experience they have developed over many years in a familiar workplace, while also helping to develop younger employees.

### Job Return Program

In April 2010, Lintec introduced a job return program. Under this program, the company re-hires employees who had retired for personal reasons such as marriage, pregnancy, childbirth, childcare, nursing care of a family member, or other family circumstance such as the transfer of one's spouse. This enables the company to regain skilled employees who can get right to work.

## Work-Life Balance

### Family Care Leave, Family Care Time Off, and Accumulated Time Off Programs

Lintec offers a family care leave program (up to a total of 93 days) and a family care time off program (five days per year) for employees to care for family members who require nursing care. The company also offers a program for accumulating up to 50 days of paid time off that can be used either for long-term treatment of an employee's own illness or injury or for caring for a family member. Utilization of these programs in fiscal 2010 was: 0 persons for family care leave, 1 person for family care time off, and 47 persons for accumulated time off.

### Childbirth Leave, Childcare Leave, and Child Nursing Care Time Off Programs

Lintec offers a childbirth leave program up to a total of 14 weeks and a childcare program that can be taken for the period of time requested by the employee up through the day the child turns one year old (one and a half years old in some circumstances). It also offers child nursing care time off for employees whose children who have not yet started elementary school (six days per year). Utilization of these programs in fiscal 2010 was: 16 persons for childbirth leave, 22 persons for childcare leave, and 7 persons for child nursing care time off.

## Parenting Support

In addition to its childbirth leave and childcare leave programs, Lintec helps parents continue working while raising children through programs such as shorter working hours and flex time. The utilization rate of each program continues to rise each year; only two people left the company due to childbirth in the five years since fiscal 2006.

Going forward, Lintec will continue offering programs and systems that enable employees to build both happy families and satisfying careers.

### Users of Parenting Programs

(Persons)

Program	FY2006	FY2007	FY2008	FY2009	FY2010
Childbirth leave	4	9	17	15	16
Childcare leave	8	5	15	19	22
Shorter hours / flex time	4	1	3	6	8

## Volunteer Support Program

Lintec offers a paid social contribution time off program (three days per year). This program allows employees to participate in relief efforts during a disaster, local firefighting operations, kindergarten, elementary, and junior high school activities, or town revitalization efforts. The program was used by 24 persons for a total of 42 days.

## Management Labor Relations

At Lintec, the labor union is called Lintec Forest. Labor-management consultations are conducted with an attitude of respecting each other's standpoint and a commitment to resolving issues through discussion. In addition, the company provides opportunities for the creative exchange of opinions to help drive business development, such as the semiannual council help for top management and labor union leaders.

### Status of the Lintec Forest Labor Union

FY	Labor union members	Average age	Average service years
2007	2,062	36.8	15 years 9 months
2008	2,124	36.7	15 years 6 months
2009	2,151	36.7	15 years 6 months
2010	2,146	37.0	15 years 6 months

Note: As of the end of each fiscal year

\*2 Revised Act on Employment Security for Older Persons: Revised in June 2004, this Japanese law requires employers who have set the mandatory retirement age at younger than 65 years of age to take measures to ensure

employment security until 65, such as by raising the mandatory retirement age, providing a continued employment program, or abolishing the mandatory retirement age.

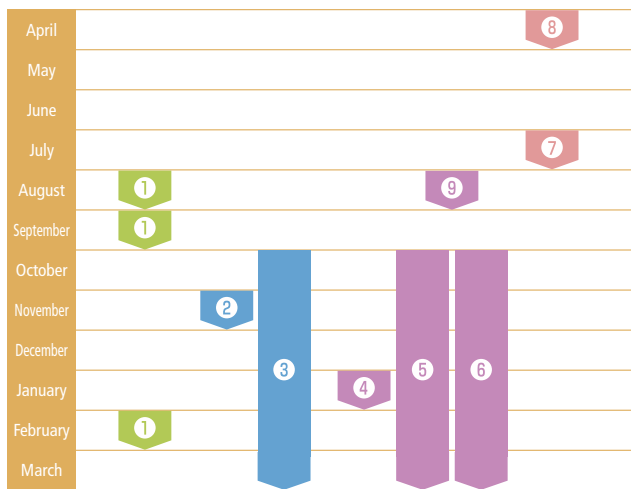
# Human Resources Development

The Lintec Group prepares educational programs tailored to employees' work assignments and abilities and strives to develop competent human resources with a global mindset. The group also provides training to increase employee awareness in fields such as the environment and information security, thereby empowering them to play a part in social progress.

## Company-wide Rank-based Training Programs

Lintec has adopted company-wide rank-based training programs for human resources development. Focusing on the development of the next generation of leaders and on supporting employees' career development, these training programs help boost employees' skills and support each person's self-motivated career planning.

Fiscal 2010 Schedule of Rank-based Training Programs



### • About Programs

Program	Format	Recipients
① Next-generation leader development training	Group training	Selection of managers
② New managers training	Group training	New managers
③ New managers training	Correspondence course	New managers
④ New assistant managers training	Group training	New assistant managers
⑤ Grade 4 employee training	Correspondence course	Employees promoted to 4th class
⑥ Grade 3 employee training	Correspondence course	Employees promoted to 3rd class
⑦ Second-year follow-up training	Group training	Second-year employees
⑧ New hires training	Group training	New hires
⑨ Young sales person training (biannually)	Group training	Third- and fourth-year employees

## Self-development Correspondence Training Courses

Twice a year, Lintec offers self-development correspondence training courses to interested employees. The company subsidizes a part of the cost for those who complete a course within a given timeframe. There is a wide variety of course content available, such as management, business skills, qualifications acquisition, computer skills, foreign languages, and liberal arts. The company will continue offering these courses to encourage employees to keep learning and growing.

Self-development Correspondence Training Course Participants

FY	Number of participants	Completion rate (%)
2008	465	68
2009	413	60
2010	357	58

## Individual Education Programs

### E-learning

Lintec's six CSR committees provide theme-based e-learning opportunities for all employees. The Corporate Ethics Committee conducted its second course on governance-based company management (December 2010, utilization rate: 73%) and the Customer Satisfaction Committee conducted its second course on utilization of statistical techniques (February 2011, utilization rate: 68%) and design reviews (April 2011, utilization rate: 64%). The company also conducted a questionnaire survey on the *CSR Report 2010* from November 2010 to January 2011 (response rate: 75%).

E-learning courses can be taken at any time after the start date, enabling employees to learn as their situations allow. When an employee does not have access to a computer, paper-based learning is also provided.

### Delivering *Lintec Eco News*

Since December 2009 we have been posting *Lintec Eco News* on the company intranet. In the "Environmental Activity News" column we report on revisions to environmental laws and ordinances and explain environmental terms. In the "Chemical Substance News" column, we introduce information needed for chemical substances management in and outside Japan. We have posted a total of 49 issues through May 2011. We have also posted the degree of accomplishment of ISO 14001 objectives and targets. Moving forward, we will work to make the information even more clear and helpful.



Voice ④

**Asami Masuda**  
Quality Assurance &  
Environmental Protection  
Division



## CSR Study Sessions

The Lintec Group in Japan, including affiliates, conducts study sessions on overall CSR, harassment, and information security.

Since July 2010, a total of 507 employees have participated in the sessions via videoconference at the Komatsushima, Mishima, and Tatsuno plants, the Sapporo and Sendai branches and other locations. In all of fiscal 2010, a total of more than 2,100 employees participated in the study sessions.



Study session at the Tatsuno Plant

### Record of Study Sessions on Harassment, Overall CSR, and Information Security

#### ● Harassment

Business site	Sessions	Participants
Iidabashi Office	10	289
Osaka Branch	3	82
Research Center	3	232
Ina Technology Center	2	107

#### ● Overall CSR, Information Security

Business site	Sessions	Participants
Iidabashi Office	9	295
Osaka Branch	3	763
Research Center	2	228

#### ● Overall CSR, Information Security, Harassment

Business site	Sessions	Participants	
Head Office	6	207	
Nagoya Branch	2	31	
Sapporo Branch	Via videoconference	10	
Sendai Branch		11	
Shizuoka Branch		7	
Hokuriku Branch		4	
Hiroshima Branch		7	
Shikoku Branch		10	
Fukuoka Branch		19	
Kumamoto Office		5	
Agatsuma Plant		2	105
Kumagaya Plant		2	116
Chiba Plant	2	56	
Tatsuno Plant, Niihama Plant	1	78	
Shingu Plant	1	66	
Komatsushima Plant	1	33	
Mishima Plant	1	38	
Doi Plant	1	14	
Tokyo Lintec Kako, Inc.	2	32	
Lintec Customer Service, Inc.	2	23	
Lintec Commerce, Inc.	2	24	

## Environmental Education

### Study Sessions on the Environment

The Research Center provides specialized education on the environment to young researchers. In fiscal 2010, it took up Japan's Chemical Substances Control Act\*1 as one theme.

For self-awareness education about ISO 14001,\*2 the head office changed from group training sessions to sending out documents and questions via e-mail so that more employees could participate.

#### Record of Fiscal 2010 Study Sessions on the Environment

Date	Sites	Content	Participants	
2010	July 26	Research Center	Newcomer education: Chemical Substances Control Act	35
	November 15-30	Head Office	Self-awareness education on ISO 14001	153

### Environmental Learning on the Intranet

The Lintec Group in Japan is attempting to raise employees' environmental awareness. In fiscal 2010, employees learned about Lintec's environmental management system, environmental laws and ordinances, and chemical substances management.

In the future the company will offer education on the protection of biodiversity, which is a new part of its ISO 14001 program, as well as on chemical substances management and energy conservation. Lintec is determined to convey the importance of environmental protection.

### Technology Familiarity Workshops

The Research Center holds Technology Familiarity Workshops to help employees, including those in the production and sales divisions, become more familiar with various technologies. The 61st workshop, held in October 2010, included over 60 participants from the production and sales divisions, for about 250 employees all told.

Eleven presentations were given on the topic of



An opportunity for cross-divisional sharing of information

"Current and Future Core Technologies," and lively exchanges of opinions were had across site and divisional boundaries.

\*1 Chemical Substances Control Act: Abbreviation for the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, Etc. A law that mandates the investigation of harmful effects to human health before newly manufacturing or importing chemical substances and

that regulates the manufacture, import, and use of chemical substances that could harm human health through the environment.

\*2 ISO 14001: The international standard for environmental management systems.

# Participating in Local Communities

Recognizing its responsibilities as a member of society, the Lintec Group engages in social contribution initiatives in areas such as the environment, welfare, and education. The group participates in community actions that help ensure it operates in harmony with local communities.

## Social Contribution Initiatives

### Beautification Projects and Cleanups

The Lintec Group routinely carries out neighborhood beautification projects and cleanups.

The Mishima Plant planted azaleas in Mishima Park as a beautification project. The Kumagaya Plant participates in an association that focuses on the blessings of living near the Arakawa River and in Kumagaya, and the Komatsushima Plant participates in "Refresh Setouchi" cleanup activities. Additionally, all plants carry out continuing cleanups along public roads.

Going forward, the Lintec Group will continue to actively participate in environmental beautification projects and community cleanups.



Kumagaya Plant employees engaged in the community



Komatsushima Plant employees at the "Refresh Setouchi" cleanup

### Sousa Tulip Festival (Sousa, Chiba Prefecture)

The Lintec Chiba Plant and its Forest Chiba Branch participate as group owners in the annual Sousa Tulip Festival sponsored by Sousa City. In November 2010, they planted 400 tulip bulbs.

In the Sousa Tulip Festival, individual or group owners invest in and plant the tulip bulbs. In April 2011, the tulips bloomed beautifully with large flowers.



Field of tulips in full bloom

### Blood Donations

The Lintec Group in Japan conducts blood donations at all its business sites nationwide in cooperation with the Japanese Red Cross Society. As a social contribution activity that can be performed right at the worksite,



Donating blood at the Osaka Branch

blood donation has been embraced by employees, many of whom give blood every single time. This program will be continued.

### Seminar Held to Address Local Organized Crime in Itabashi

Lintec serves as the presiding company on the Itabashi Coordinating Committee Against Local Organized Crime. Together with the Itabashi Police Station's Organized Crime Division, the committee held a seminar to address issues related to local organized criminal groups at the Itabashi Police Station in October 2010.

Over 80 people attended the seminar, including members of the committee and members of other organizations working against crime, such as Itabashi



At the seminar

Ward public service companies. Lintec plans to continue participating in these efforts, including the street campaigns that the committee holds every year.

### AED\*1 Training Session

The Lintec Group in Japan lets communities know that its business sites are equipped with AEDs. It also conducts AED preparedness training sessions in cooperation with other companies and firefighters from the community.



AED training workshop at the Chiba Plant

From here on, the group will continue routinely providing training so that AEDs can be operated smoothly if the need arises.



### Inviting Persons with Disabilities to a Professional Baseball Game

Since fiscal 2006, Lintec has invited persons with disabilities living in Tokyo's Itabashi Ward, along with their helpers, to a regular-season professional baseball game at Tokyo Dome as part of its social contribution initiatives.

In fiscal 2010, the fifth year, Lintec invited 101 people to the game. On the day of the game, Itabashi Ward officials, community volunteers, and 88 Lintec employees participated as volunteers, helping the invited guests and cleaning up after the game.



Participants with the team mascot



Lintec people give a warm welcome

### Fresh Bread Sold by Persons with Intellectual Challenges

Once a month at the Lintec Head Office and once a week at Tokyo Lintec Kako, Inc., persons with intellectual challenges from "Rainbow Matsubara,"\*<sup>3</sup> a vocational aid center for persons with intellectual challenges in the

Warabi City Social Welfare Center, set up stalls to sell fresh baked bread and pastries. The first sale at the head office began in September 2009, and 200-300 items are sold each time.



Selling fresh baked bread (Lintec Head Office)

### Support for Areas Affected by the Great East Japan Earthquake

The Lintec Group sent financial assistance donated by the company and its employees through the Japanese Red Cross Society, and also donated 300,000 masks to the Ishinomaki Red Cross Hospital to support people affected by the disaster and to help recovery of the devastated areas.

The Lintec Group hopes for the quickest possible recovery of the afflicted areas.

### Project to Support Persons with Disabilities at Lintec Singapore Private Limited

As part of its social contribution initiatives, Lintec Singapore Private Limited has partnered with Hearts@Work\*<sup>2</sup> since March 2010. Through this project the company requests persons with intellectual challenges to perform packaging work for certain products.

The first shipment was made in May 2010, and customers were satisfied. The company will continue to support the independence of persons with disabilities and stay actively involved in community-based initiatives.



Careful packaging work

### Pressure-sensitive Memos Provided to Afflicted Areas

Through employees who work at Printec, Inc., Lintec provided its pressure-sensitive memo products to the volunteer center in the city of Rikuzentakata, which was almost completely destroyed in the Great East Japan Earthquake. The memos were distributed to sign language clubs in addition to evacuation shelters and schools in Rikuzentakata. Recipients were very glad to have the memos for writing messages and posting notes.

Lintec will continue providing all the support it can.



Staff of the volunteer center in Rikuzentakata



Pressure-sensitive memos

\*1 AED: Automated external defibrillator. A medical device designed to return a heart undergoing ventricular fibrillation to normal condition by applying an electric shock.

\*2 Hearts@Work: A project of the non-profit Catholic Welfare Services, which encourages the independence of persons with intellectual challenges and their participation in socioeconomic activities.

\*3 Rainbow Matsubara: A vocational aid center for persons with intellectual challenges in the Warabi City Social Welfare Center that gives employment introductions after providing needed training to persons with intellectual challenges who have difficulty finding employment.

# Communicating with Stakeholders

What does society expect of Lintec and what should the company do to respond? Continual communication with stakeholders is essential to answering these questions. The Lintec Group actively disseminates information and holds dialogues with stakeholders.

## Communicating with Customers

### Exhibiting at Exhibitions in and Outside Japan

Lintec participants in exhibitions held in and outside Japan to create opportunities to listen to the opinions of more customers. In fiscal 2010, Lintec exhibited at a total of 14 exhibitions and received valuable feedback about its products.



Exhibiting at the 5th RFID\*1 Solutions Expo

#### Fiscal 2010 Exhibitions

##### In Japan

- Neo Functional Material 2010
- 1st Highly-functional Film Technology Expo
- 5th RFID Solution Expo
- Label Forum Japan 2010
- Logics-Tech Tokyo 2010
- Nature Photonics Technology Conference
- SEMICON Japan 2010
- Eco-Products 2010
- PV EXPO 2011

##### Outside Japan

- FIMEC 2010 (Novo Hamburgo, Brazil)
- All China Leather Exhibition 2010 (Shanghai, China)
- The 5th China International Touch Screen Exhibition 2010 (Shenzhen, China)
- RFID/USN KOREA 2010 (Seoul, Korea)
- SEMICON China 2011 (Shanghai, China)

## Communicating with Suppliers

### ITC Suppliers' Day

As part of its communication with suppliers, the Ina Technology Center (ITC) has since fiscal 2007 held annual meetings with all of its suppliers in an effort to improve mutual understanding. In November 2010, 22 people from 18 companies participated, with the Center explaining Lintec's procurement policy, financial performance and CSR efforts. Responses on a questionnaire conducted after the meeting indicated a desire for continuation of these meetings, including "It was very useful," and "I would like to come again next time."

## Communicating with Local Communities

### Offering Plant and Facility Tours

Every year the Lintec Group in Japan accepts numerous students, local authorities, NPOs, consumer groups, and community residents for tours of its plants and facilities. It also holds social study tours and environmental



Tour of the Agatsuma Plant for elementary school students

learning programs for elementary school students and informational meetings about the company for high school students looking for future employment.

## Communicating with Employees

### Publication of the Community Magazine *LINTEC*

The Lintec Group publishes a quarterly magazine for employees to share information and deepen understanding of Lintec's business and the direction the company is heading. The magazine is also published in an English version and two Chinese versions (simplified and traditional characters). The magazine is distributed to all group employees as well as customers, suppliers, retirees, the media, and government offices, and the past four issues are posted on the company intranet.

Nearly 70 employees in and outside Japan cooperate in the collection of information as editing members in producing the magazine. The company will strive to enhance the content as a familiar communication tool that connects managers with employees and employees with stakeholders.



Community Magazine *LINTEC*

\*1 RFID: Radio Frequency Identification. Technologies that can send and receive data through close range wireless communication using electromagnetic fields and radio waves from tags imbedded with ID data.



### CSR Report Published in Five Languages

Starting with *CSR Report 2010* (published in September 2010), the Lintec Group publishes its CSR report in PDF form translated into the local languages of its affiliates outside Japan. The objective is to report on Lintec's CSR initiatives to local employees, customers, and suppliers of group companies outside Japan. The message from the president, CSR implementation structure, and other matters of interest are excerpted from the Japanese report and translated into five languages: English, Korean, Chinese (simplified and traditional), Malaysian, and Indonesian.



### CSR Communication at Lintec Industries (Malaysia) Sdn. Bhd.

Lintec Industries (Malaysia) Sdn. Bhd. used *CSR Report 2010* translated into Malaysian to hold four seminars to give local employees an understanding of CSR (first on May 18, 2011).

The ability to communicate the content of the CSR report to local employees directly in Malaysian has helped promote the level of understanding of CSR. In coming years, the company will continue using CSR reports as a tool for communicating with local employees.



Seminar on CSR using the translated *CSR Report 2010*

Once a year a reader questionnaire survey is implemented using the magazine, and efforts are made to strengthen management and enhance IR initiatives based on the feedback of opinions and requests.



Shareholder magazine WAVE

### Communicating with Other Investors

Lintec carries out various IR initiatives with the aim of achieving appropriate share pricing and increasing corporate value.

For institutional investors in Japan, the company holds semiannual results briefings, and also makes individual visits and accepts media interviews about 300 times per year, mainly following quarterly results announcements.

For institutional investors from outside Japan, the company makes individual visits to investors mainly in North America and Europe. It also invites overseas investors to actively participate in events held in Japan. In this way, the company creates more opportunities for communication.

For individual investors, the company attempts to raise Lintec's recognition by holding informational meetings on the company from time to time in major cities in Japan such as Tokyo and Osaka.

Lintec also strives to provide thorough information in a timely manner to shareholders and investors by updating and renewing its IR website as needed.



Individual meeting with institutional investors from outside Japan

Lintec IR website: <http://www.lintec-global.com/ir/>

## Communicating with Shareholders and Other Investors

### Communicating with Shareholders

Lintec regards the general meeting of shareholders held every June as a valuable opportunity for communication. The company avoids days on which many companies hold shareholders meetings in order to have as many people as possible attend. A shareholder briefing is held after the general meeting with the aims of promoting understanding of Lintec and facilitating dialogue with shareholders.

The company also publishes the quarterly shareholder magazine *WAVE*, which includes financial information, business strategies, and product information, as a tool to give shareholders a better understanding of Lintec.

### Main IR events in Fiscal 2010

Date	Event	Target investors
May 20, 2010	Results briefing for fiscal 2010	Japanese institutional
July 10, 2010	Marunouchi Investment Seminar (Tokyo)	Individual
July 13, 2010	Company explanation for individual investors (Osaka)	Individual
September 9–10, 2010	2010 Mizuho Investment Conference (London)	Non-Japanese institutional
November 17, 2010	Results briefing for 2nd quarter of fiscal 2011	Japanese institutional
January 12, 2011	2011 Mizuho Investment Conference	Non-Japanese institutional
March 1–2, 2011	CLSA Japan Forum 2011	Non-Japanese institutional
March 8, 2011	Daiwa Investment Conference Tokyo 2011	Non-Japanese institutional
March 25, 2011	Company explanation for individual investors (Nagoya)	Individual

# Environmental Report

The Lintec Group regards environmental protection as an important building block in the foundation of its corporate survival. The group is carrying out a variety of environmental protection initiatives under the slogan "We have to broaden our scope when working to support the environment. There is only one earth."

## Environmental Management System

The Lintec Group has established an environmental management system based on the ISO 14001 international standard. The group is taking a number of initiatives to reduce the environmental impact of its business operations.

### Environmental Management System: Efforts to Obtain Integrated Certification

Lintec's head office, 10 plants in Japan, the Research Center, and Tokyo Lintec Kako, Inc., operate an integrated ISO 14001 environmental management system. Moreover, the Lintec Group is moving forward with efforts to obtain integrated global ISO 14001 certification\*<sup>1</sup> including the five group companies outside Japan that have already acquired ISO 14001 certification. In March 2011, Lintec (Tianjin) Industry Co., Ltd., was integrated. Together with Lintec (Suzhou) Tech Corporation, two companies

outside Japan have been integrated as of April 2011. In fiscal 2011, Lintec will pursue the integration of PT. Lintec Indonesia, Lintec Korea, Inc., and Lintec Industries (Malaysia) Sdn. Bhd.



Kickoff meeting in Malaysia

#### ISO 14001 Certification at Group Companies Outside Japan

Company Name	Integration Date
Lintec (Suzhou) Tech Corporation Lintec (Tianjin) Industry Co., Ltd.	May 21, 2010 March 28, 2011
PT. Lintec Indonesia Lintec Korea, Inc. Lintec Industries (Malaysia) Sdn. Bhd.	FY2011 (planned)

### Internal Environmental Auditing

In Japan, Lintec is promoting more efficient and effective environmental management by combining two types of internal environmental audits: crossover environmental audits where different sites audit each other; and environmental audits conducted by each site.

Lintec is training ISO 14001 assistant auditors to help carry out these audits. One new assistant auditor was added in April 2011, making a total of three. Internal

environmental audits are also conducted at each of the plants of the five group companies outside Japan that have acquired ISO 14001 certification.



Internal environmental audit at Lintec (Suzhou) Tech Corporation

### Environmental Compliance

Lintec ascertains the content of and complies with environmental laws and regulations that are relevant to its business activities. This work is mainly carried out by environmental management departments. The environmental management system itself incorporates a process for confirming the status of the company's legal compliance.

In fiscal 2010, an ISO 14001 maintenance inspection found that Lintec (Suzhou) Tech Corporation had not calibrated gas concentration measurement devices as specified by Chinese law. This law, which does not exist in Japan, was legislated to prevent explosion accidents. The devices were calibrated right away and a new procedure established.

### Biodiversity Protection Added as a New Item

Japan's Basic Act on Biodiversity\*<sup>2</sup> went into effect in June 2008, and is designed to protect biodiversity. In fiscal 2011, Lintec added the protection of biodiversity to the environmental policy under its ISO 14001 environmental management system and began related initiatives. Fiscal 2011 has been positioned as a year to raise employee awareness of the protection of biodiversity. Information related to biodiversity is being disseminated through *Lintec Econews* and other channels in an effort to make this important topic well known throughout the company.

\*1 Integrated global ISO 14001 certification: ISO 14001 certification covering multiple business sites worldwide as a single organization.

\*2 Basic Act on Biodiversity: The first basic law enacted in Japan with the aim of protecting biodiversity, which went into effect in June 2008. It covers

matters such as using natural resources through sustainable methods out of consideration for the protection of biodiversity and finding "preventive" solutions to problems before beginning projects that could threaten the environment.



# Developing Environmentally Friendly Products

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

## Guidelines for Environmentally Friendly Products

In February 2010, Lintec established guidelines for environmentally friendly products.

Traditionally, Lintec focused classification on performance, but it has now started using LCA-based environmental assessments at the design stage. In fiscal 2010, the production of products without environmentally harmful substances and the reduction of production processes translated into lower energy consumption during production.

### What is LCA?

LCA, which stands for "life cycle assessment," is a method of comprehensively assessing effects on the environment by calculating the input of energy, water, and raw materials and the output of CO<sub>2</sub> and harmful chemical substances throughout the entire lifecycle of a product (from resource extraction and raw material procurement through development, design, manufacturing, transport, sales, use, recycling, and disposal). LCA is used in the development of products with a low environmental impact and in product assessment. Depending on the purpose for which an LCA is used, the scope of the lifecycle, the environmental field (climate change, waste, resource conservation, air pollution, water pollution, etc.), and other parameters are set individually. For that reason, simple comparisons cannot be made between assessment results for items with different parameters.

## Developing Products that Help Reduce Environmental Impact

The Lintec Group has positioned environmental and energy businesses as an important focus and is developing a variety of products in these fields. Some of the main products are window films that contribute to energy conservation through high thermal insulating capacity and backsheets that increase the durability of photovoltaic cells. Going forward, the group will continue focusing on the development of products that help save energy and reduce environmental impact, such as new components for next-generation photovoltaic cells and environmentally friendly adhesive materials.

### Backsheets for Photovoltaic Modules

Backsheets attached to the back side of photovoltaic modules as a protector must deliver various kinds of performance, including the durability and moisture resistance needed to withstand long-term outdoor use as well as electrical insulation properties. Lintec offers various kinds of multi-laminate PV backsheets made with a special fluorocarbon resin coating.



The highly durable special coating of the outermost layer, based on an original design, will protect the inner structure (main body) for a long time.

### Architectural Window Films that Increase Air Conditioning Efficiency

Lintec's architectural window films include products which combine energy-saving effects and glass shatter-proofing effects. These window films are an effective use of resources in that they prevent secondary disasters from broken window glass and help to address climate change issues with the energy-saving performance of their high insulating effectiveness.

The transparent insulating films demonstrate excellent insulating effectiveness by absorbing and reflecting a broad spectrum of solar radiation, mainly in the invisible infrared band, while maintaining nearly the same visible light transmission as conventional transparent films. Simply by attaching them to window glass, these films are effective at facilitating energy conservation because they help to increase air conditioning efficiency during the summer. Moreover, the reflective type also shows effectiveness in improving heating efficiency in the winter by reflecting far-infrared radiation back into the building.



Example of installed insulating film

Lintec's window films include products that conform to Japan's Green Purchasing Law.\*1

\*1 Products conforming to Japan's Green Purchasing Law: The Green Purchasing Law establishes "judgment criteria" and "principles for consideration" as standards for the environmental friendliness of specified items and encourages efforts to purchase products that conform to those standards.

### Voice ⑤

**Takashi Matsushita**  
Research & Development Division



### Developing Products Effective for Saving Energy

I work on the development of solar shading films that play an effective part in energy-saving measures, which have been in high demand in recent years, while also maintaining performance in preventing the scattering of splinters of glass when a window breaks, which is the basic feature of window films.

Going forward, we will continue developing products that meet market needs, such as products that qualify as specified procurement items under Japan's Green Purchasing Law.

# Fighting Climate Change

Always pursuing a balance between economic and environmental performance, the Lintec Group conducts its business operations with the commitment to reducing environmental impact expected of a responsible materials manufacturer. The group strives to save energy in addition to carrying out initiatives aimed at reducing carbon dioxide (CO<sub>2</sub>) emissions from both manufacturing and distribution.

## Efforts in Manufacturing

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

Energy use by the entire Lintec Group in Japan exceeds 1,500 kL crude oil equivalent each year. Accordingly, in October 2010 the group was designated a "Specified Business Operator" pursuant to the provisions of Japan's Act on the Rational Use of Energy (Energy Conservation Law). At the time, seven plants were designated as Type 1 Designated Energy Management Factories and three business sites as Type 2 Designated Energy Management Factories.

These designations mean that the Lintec Group in Japan must, as a whole, improve its energy use per production unit by 1% per year. Going forward, the group will continue to strengthen its efforts to conserve energy.

### Complying with the Saitama Prefecture Ordinance on the Promotion of Global Warming Countermeasures

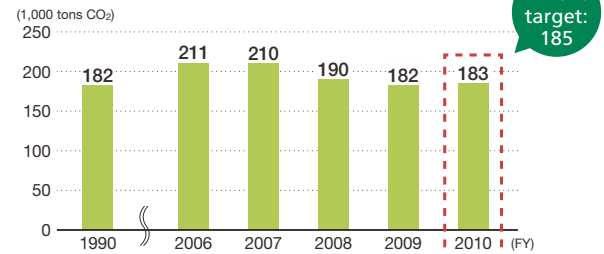
The Saitama Prefecture Ordinance on the Promotion of Global Warming Countermeasures has been in effect since fiscal 2010. Lintec's Kumagaya Plant, Research Center, and Ina Technology Center, all located in Saitama Prefecture, are subject to this regulation. These facilities are taking energy-saving actions to achieve their voluntarily set targets for CO<sub>2</sub> emissions reduction and are working to reduce CO<sub>2</sub> emissions derived from fossil energies. The Kumagaya Plant and the Research Center have the obligation to make thorough cuts of 6% and 8%, respectively, per year through March 2014 based on the CO<sub>2</sub> emissions basis voluntarily set in April 2011. Energy-saving initiatives will be strengthened to comply with the law.

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

With 183,000 tons of CO<sub>2</sub> emissions in fiscal 2010, the target for the year (no more than 185,000 tons) was achieved. On the other hand, total energy use (crude oil equivalent) increased by about 9% over the previous year due to an increase in production driven by the economic recovery. Despite this, CO<sub>2</sub> emissions were kept at about the same level as the year before as a result of the switch to fuels that emit less CO<sub>2</sub>.

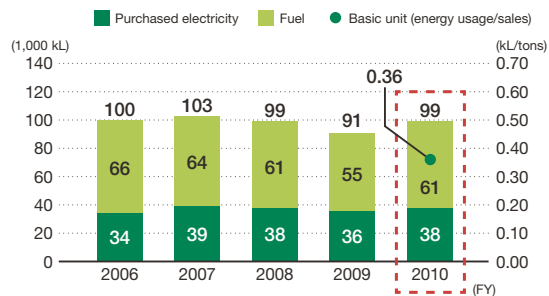
Total energy use (crude oil equivalent) in fiscal 2010 was 99,000 kL, and energy use per unit of production was 0.36kL/ton. Before, Lintec used to assess per-unit energy use in terms of sales, but switched in fiscal 2010 to assessment per unit of production (tons) based on Japan's Revised Energy Conservation Law.\*<sup>1</sup>

CO<sub>2</sub> Emissions



- Notes:
- The amount of CO<sub>2</sub> emissions is calculated by applying a CO<sub>2</sub> emission coefficient to the amounts of electricity and fuel used.
  - The CO<sub>2</sub> emission coefficient used until fiscal 2005 was one revised in December 2002, based on the coefficient established by Article 3, Paragraph 1 of the enforcement order for Japan's Act on Promotion of Global Warming Countermeasures. The coefficient revised in March 2006, based on the same enforcement order, was used for fiscal 2006 to 2008. The emission coefficients provided by the power companies that supply electricity to the facilities concerned were used as the purchased electricity coefficients. The coefficient revised in March 2010, based on the same enforcement order, was used for fiscal 2009 to 2010. The emission coefficients provided by the power companies that supply electricity to the facilities concerned were used as the purchased electricity coefficients.
  - The emissions shown above are CO<sub>2</sub> emissions from fuel derived from fossil energies.

Total Energy Use (Crude Oil Equivalent)



Note: Fuel means kerosene, Bunker-A oil, LNG, LPG, and utility gas.

### Efforts to Reduce CO<sub>2</sub> Emissions: Agatsuma Plant

The Agatsuma Plant has been moving forward with the conversion of fuel from heavy oil to liquid natural gas (LNG) since January 2010. In January 2011, it switched the fuel for all its boilers to LNG and added a second LNG storage tank. The plant expects the installation of the additional LNG facility to result in a total reduction in CO<sub>2</sub> emissions of about 3,450 tons/year. This fuel conversion is contributing not only to reduction of CO<sub>2</sub> but also cutting air pollutants such as NO<sub>x</sub>, SO<sub>x</sub>, and smoke dust.



LNG satellite facility

\*1 Revised Energy Conservation Law: Short title of Japan's Act on the Rational Use of Energy. The law was revised in fiscal 2008, changing regulations that until then were at the business site level to the business operator level.

### Efforts to Reduce CO<sub>2</sub> Emissions: Tatsuno Plant

In fiscal 2010, the Tatsuno Plant also conducted conversion work on its boilers to accelerate its fuel conversion program. The plant expects this effort to have an annual CO<sub>2</sub> emissions reduction effect of about 2,800 tons. Anticipating energy shortages due to the effects of the Great East Japan Earthquake, in fiscal 2011 and beyond the plant will work at reducing energy use and CO<sub>2</sub> emissions through energy conservation efforts such as reducing heat loss by effectively utilizing steam and other waste heat generated by production equipment and by reducing energy loss from air conditioning.

### Efforts to Reduce Power Used for Lighting

All business sites belonging to the Lintec Group in Japan are carrying out measures to reduce power used for lighting, such as removing incandescent light bulbs, reducing the number of florescent bulbs, keeping lighting off when unneeded, and switching from mercury lamps to low-power lamps.

In December 2010, Tokyo Lintec Kako, Inc., switched eight outer wall mercury lamps, three florescent lamps in a freight elevator, and 18 florescent lamps in the truck yard to LED\*2 lighting. This resulted in a power reduction of over 50% compared to before the switchover. Another feature of LED lighting is that it does not attract many insects, which can help reduce the threat they can pose to product quality.



Tokyo Lintec Kako, Inc., where lighting was switched to LED lighting

### Committee Established to Promote Initiatives

The Group-wide Energy Savings Promotion Committee, established in March 2010, is leading efforts to undertake energy-saving initiatives from multiple perspectives, such as expanding the use of waste heat, improving the efficiency of boiler equipment, improving lighting fixtures, and optimizing the number of vending machines at business sites.

In April 2011, new committees were established to promote energy savings even at the Lintec head office, Ina Technology Center, and Tokyo Lintec Kako, Inc., where power usage is low. Going forward, Lintec will continue to step up its efforts to save energy.

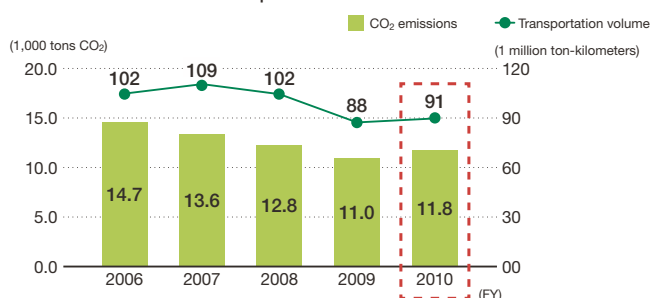
### Efforts in Distribution

Lintec has no distribution or transportation department, but it is a Designated Shipper under Japan's Revised Energy Conservation Law, because it consigns the transport of more than 30 million ton-kilometers annually. This law requires designated shippers to improve their transport-related energy efficiency. It also requires the submission of an annual transport-related energy conservation plan.

In fiscal 2010, CO<sub>2</sub> emissions from transportation were 11,800 tons, which was up about 7.3% from the previous year but down 19.7% compared to fiscal 2006. Energy use was 4,438 kL (crude oil conversion), an increase of about 7% over the previous year. Energy use per unit of sales, on the other hand, declined by about 0.7% year-on-year to 0.0252 kL/million yen.

Lintec is doing its part in the fight against climate change by striving to increase transport efficiency, improve the transport load efficiency between plants, improve delivery routes and methods for line hauls, and revise transportation frequency.

CO<sub>2</sub> Emissions and Transportation Volume



### Voice ⑥

**Katsuyuki Tanaka**

Tokyo Lintec Kako, Inc.



### Tokyo Lintec Kako's Efforts to Save Energy

Tokyo Lintec Kako, Inc., mainly conducts slit processing and shipping of adhesive products for seals and labels. Our energy use is lower than plants with coating processes, but as a member of the Lintec Group we are committed to energy-saving initiatives and efforts to reduce energy use and CO<sub>2</sub> emissions. In June 2011, we upgraded all 80 dual lamp fluorescent lamps in the outgoing freight warehouse to LED lighting.

\*2 LED: Light Emitting Diode. A luminous element with low environmental impact, having a longer life than incandescent light bulbs, half the energy

use of fluorescent bulbs, no harmful substances such as mercury included in the materials, and low heat generation.

# Reducing Waste

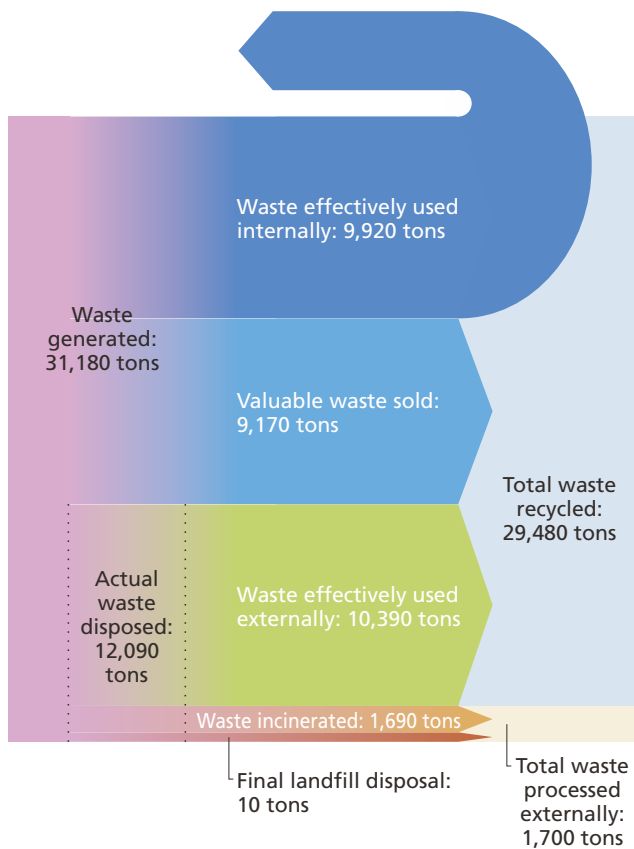
The Lintec Group constantly endeavors to reduce waste by working aggressively at the 3Rs: reduce, reuse, and recycle.

Reducing Waste

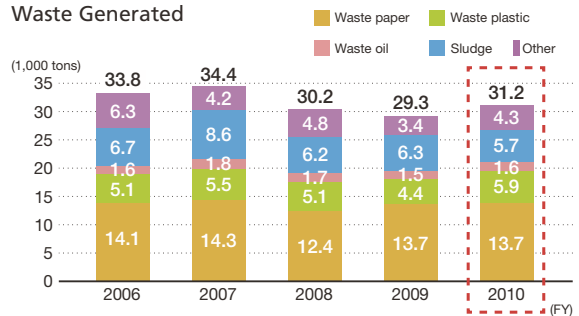
## Amounts of Waste Generated and Effectively Used

In fiscal 2010, the amount of waste generated, including manufacturing loss, was 31,180 tons, which was up 1,920 tons from the previous year. This increase resulted from increased production. The amount of waste output (amount of waste generated minus the amount used effectively internally and the amount sold as valuable resources) was 12,090 tons, an increase of about 0.2% over the previous year. Of the amount of waste output, 10,390 tons were used effectively externally. The 1,700 tons that could not be used effectively were consigned to waste treatment companies and combusted (1,690 tons) or buried (10 tons) as appropriate. The target of 0.2% or less for the final landfill disposal rate\*1 was achieved in fiscal 2010 with a rate of 0.03%. Zero emissions (final landfill disposal rate of no more than 1%) were therefore achieved, as has been done since fiscal 2007. In the future, Lintec will continue to maintain zero emissions and also further reduce the final landfill disposal of waste.

Fiscal 2010 Waste Flow



Waste Generated



## 3R Efforts

### Efforts to Reduce

The manufacturing department at each plant in the Lintec Group attempts to increase productivity in order to limit the generation of waste.

### Efforts to Reuse

The Kumagaya Plant makes effective use of sludge\*2 generated during the production of paper. Besides being used as a material in cement, it is also used for raising worms for fishing, although the amount for this use is still small. Sludge from the Kumagaya Plant contains no harmful substances and so can be used for cultivation. Besides for fishing, worms are also raised for their excretory substance, which is sold as fertilizer.



Fertilizer produced by raising worms on sludge

### Efforts to Recycle

The Lintec Group is continuing to work at material recycling.\*3 The Tatsuno and Kumagaya plants make paper waste that is unfit for material recycling into a solid fuel for thermal recycling\*4 and use it as a fuel for steam boilers. Additionally, waste generated at each plant, including Tokyo Lintec Kako, Inc., is sold externally as valuable material and used as recyclable resources.

\*1 Final landfill disposal rate: A value found using the following formula: Final landfill disposal rate = Final landfill disposal amount / Amount of waste generated × 100

\*2 Sludge: Paper mill sludge consisting of fine wood fibers that were not turned into paper during the papermaking process, talc (a kind of clay mineral), and loading materials (fillers) such as kaolin (a kind of clay).

\*3 Material recycling: The recycling of waste as a raw material, such as using recovered paper as a raw material for recycled paper, turning empty cans into metal and PET bottles into synthetic fiber material. Recycling other than thermal recycling.

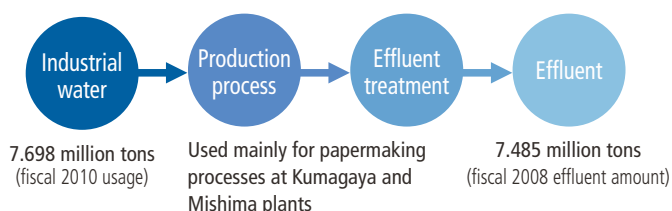
# Measures to Reduce Water Usage and Effluent

Recognizing that water is a limited resource, each plant in the Lintec Group strives to save water and reuse recovered water. The group also pays adequate attention to effluent quality in order to limit impact on the surrounding environment.

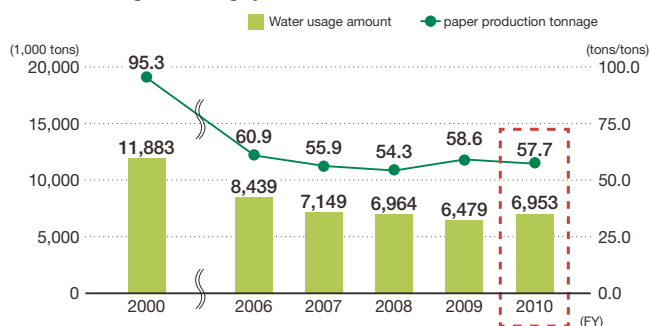
## Water Usage

In fiscal 2010, Lintec used 7.698 million tons of water. Of this amount, about 90% was used by the Kumagaya and Mishima plants, which are Lintec's papermaking facilities. Together, these two plants used 6.953 million tons of water, which was an increase of about 7% over the previous year. This increase was the result of increased production. Nevertheless, this water usage represented a decrease of about 41% compared with fiscal 2000. In fiscal 2010, the two plants' water usage per unit of paper production was 57.7 tons/ton, a decrease of 0.9 tons/ton compared to fiscal 2009.

### Process from Water Intake to Effluent



### Water Usage (Kumagaya and Mishima Plants)



## Water Conservation Measures

The Kumagaya and Mishima plants continuously strive to reduce water usage by reusing recovered water (white water, coolant water), recovering and reusing cleaning water, and preventing water leaks.

\*4 Thermal recycling: The recycling of waste as a source of energy, recovering heat and electricity from it and turning it into a fuel, instead of simply incinerating it.  
\*5 SS: Suspended solid, material suspended in water, making it murky.

## Effluent Quantity and Quality

The entire amount of effluent produced by Lintec in fiscal 2010 was 7.485 million tons. About 91% of this (6.802 million tons) was released from the Kumagaya and Mishima plants.

### Effluent Water Quality (Fiscal 2010)

#### • Kumagaya Plant

Item	Wastewater standards	Results	
		Maximum value	Average value
pH	5.8-8.6	6.6-7.9	7
Regulations on emission concentration	SS*5 (mg/L)	60 (50) or less	40
	BOD*6 (mg/L)	20 or less	19
	COD*7 (mg/L)	-	41
Regulations on total emissions	COD (tons/day)	0.858 or less	0.188
	Nitrogen (tons/day)	0.4068 or less	0.0340
	Phosphorous (tons/day)	0.0418 or less	0.0010

#### • Mishima Plant

Item	Wastewater standards	Results	
		Maximum value	Average value
pH	5.8-8.6	6.1-7.9	7
Regulations on emission concentration	SS (mg/L)	80 (60) or less	43
	COD (mg/L)	90 (65) or less	89
Regulations on total emissions	COD (tons/day)	0.9431 or less	0.3000
	Nitrogen (tons/day)	0.3961 or less	0.0450
	Phosphorous (tons/day)	0.0405 or less	0.0009

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

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

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

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

\*6 BOD: Biochemical oxygen demand, amount of oxygen consumed when microorganisms break down organic matter in the water.  
\*7 COD: Chemical oxygen demand, amount of oxygen needed to oxidize oxidation reactants in water.

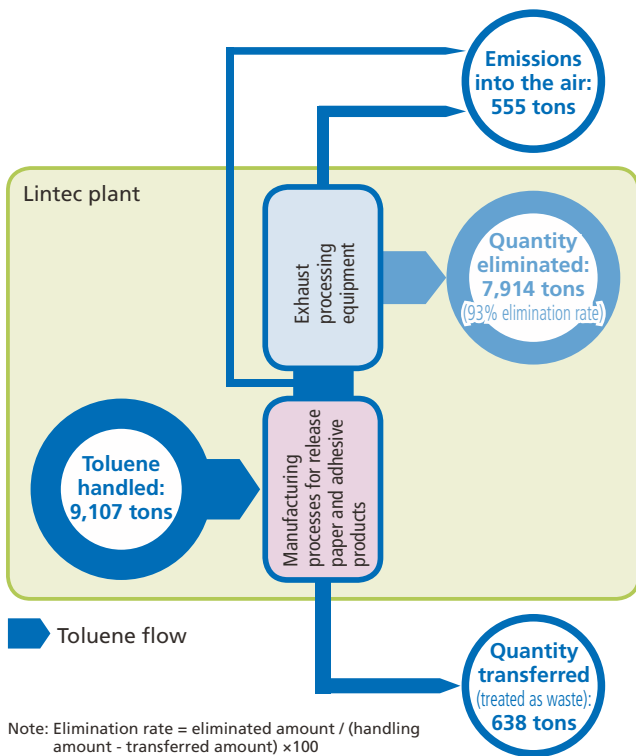
# Reduction of Chemicals with Environmental Impact

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

## PRTR Compliance

In fiscal 2010, Lintec used six substances that are subject to PRTR\*1 reporting. The total quantity of PRTR chemicals was 9,289 tons. Toluene accounted for the largest portion of this amount, at 9,107 tons, up 627 tons from the previous year (8,480 tons). Emissions of toluene into the atmosphere were 555 tons, down 685 tons from the previous year (1,240 tons), and the transferred amount was 638 tons, down 62 tons from the year before (700 tons).

Fiscal 2010 Emission and Transfer of Toluene



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

## Complying with EU Regulations

Under the EU's REACH Regulation on chemical substances, substances of very high concern (SVHC) carry an information transfer obligation. In August 2010, 11 more substances were announced as "candidates for required authorization" as SVHCs, of which eight were listed in December 2010, bring the list up to 46 substances. A further seven substances were announced in February 2011 and listed in June 2011, bringing the list up to a total of 53 substances.

Another chemical substances regulation is the CLP Regulation.\*2 This regulation came into effect on January 20, 2009 with phased implementation through June 1, 2015. As with the REACH Regulation, Lintec is committed to complying with the CLP Regulation.

## Proper Storage and Management of Polychlorinated Biphenyl (PCB)

The Lintec Group in Japan properly stores and manages wastes containing PCBs.\*3

Status of Proper Storage and Management of PCB

Site name	Number of stored units of PCB waste	Treatment facility	Year of registration for consignment treatment	Expected processing completion
		JESCO		
Agatsuma Plant	1	Plan to register for consignment treatment in fiscal 2011		
Kumagaya Plant	20	Tokyo office	2005	Fiscal 2011 or later
Mishima Plant	19	Kyushu office	2005	Undetermined
Tatsuno Plant	6	Osaka office	2006	Fiscal 2011 or later
Tokyo Lintec Kako, Inc.	7	Tokyo office	2005	Fiscal 2011 or later

Note: Lintec reports omitted PCB storage at the Agatsuma Plant up through fiscal 2010. PCBs in the Agatsuma Plant are "low-concentration (trace amount) PCB-containing electronic equipment (high voltage transformers)," and the plant has properly been submitting notifications to the authorities since 2006. Also, since the Japan Environmental Safety Corporation does not handle the treatment of low-concentration PCBs, we intend to register with other disposal contractors, including private companies.

## Dealing with Asbestos

With plans to remodel the Shizuoka Branch, which was constructed in 1964, an investigation was carried out in May 2011 to determine whether asbestos was used in the branch building. The investigation found that a finishing material containing asbestos had been used in the ceilings. In August 2011, the asbestos was properly removed and treated by a specialized contractor.

\*1 PRTR: Pollutant Release and Transfer Register, a system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred. The system is based on Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

\*2 CLP Regulation: Regulation on the Classification, Labeling and Packaging of substances and mixtures.

\*3 PCB: Polychlorinated biphenyl. The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law) mandates the proper storage, management, and disposal of wastes containing PCBs (PCB waste).



## Reduction of Volatile Organic Compounds (VOCs)

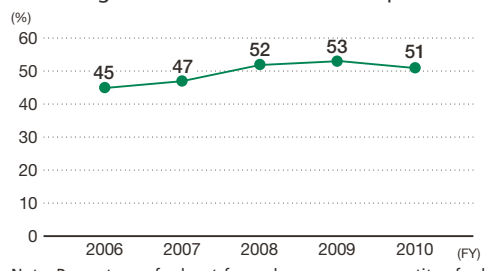
### Transitioning to Solvent-free Release Agent

Switching to solvent-free release agent for release paper and solvent-free adhesive for printing-related adhesive products is an environmental activity theme that Lintec works on continuously, to reduce the amount of organic solvents it uses.

In fiscal 2010, the percentage of solvent-free release paper (production basis) was 51%, leaving the target for the year (54% or more) unmet. Likewise, with the percentage of solvent-free printing-related adhesive products (production basis) at 68%, the target for the year (70% or more) was unmet.

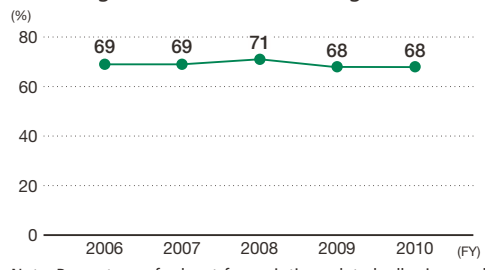
The switchover to solvent-free agents is being carried out in order of those products that can be switched, and the main products have been completed. In part because there are only a few remaining products subject to switchover, this effort will be conducted separately from Lintec's environmental activity themes while still pursuing improvements in the future as a part of the company's environmental initiatives.

Percentage of Solvent-free Release Paper



Note: Percentage of solvent-free release paper = quantity of solvent-free release paper produced / quantity of all release paper produced x 100

Percentage of Solvent-free Printing-related Adhesive Products



Note: Percentage of solvent-free printing-related adhesive products = quantity of solvent-free printing-related adhesive products sold / quantity of all printing-related adhesive products sold x 100

## Environmental Accounting

The Lintec Group in Japan uses environmental accounting to ascertain the costs and benefits of environmental protection, and will continue to carry out environmental protection initiatives as effectively and efficiently as possible.

### Calculation Basis

- (1) The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako, Inc. Other affiliates are not included.
- (2) The data is for the period from April 1, 2010, to March 31, 2011.
- (3) The *Environmental Accounting Guidelines* (2005) from the Japanese Ministry of the Environment were used as a reference.

Fiscal 2010 Environmental Conservation Costs

(Unit: ¥1 million)

Category	Subject equipment	Investments	Details of main initiatives	Expenses	
1. Business area cost	(1) Pollution prevention cost				
	a. Preventing air pollution	Exhaust processing equipment installation	250	Management and maintenance of equipment to prevent air pollution	543
	b. Preventing water pollution	Effluent processing equipment installation	10	Management and maintenance of equipment to prevent water pollution	111
	c. Preventing overall pollution	-	-	PCB and sludge treatment	7
	(2) Global environmental conservation cost				
	a. Preventing global warming	Fuel conversion equipment installation	73	Fuel conversion	235
	b. Energy conservation	Installation of cogeneration equipment and photovoltaic system	11	Management and maintenance of in-house power generation equipment	389
(3) Resource circulation cost					
a. Efficient utilization of resources	Wastepaper processing equipment installation	78	Management and maintenance of wastepaper processing equipment	316	
b. Treating, reducing and recycling waste	Paper sludge drying equipment installation	31	Management and maintenance of incinerator and boiler equipment; waste processing	358	
2. Upstream/downstream cost	(1) Collecting, recycling, and reusing byproducts	-	-	Collecting, recycling, and reusing pallets and roll cores	19
	(2) Green procurement and purchasing	-	-	Purchasing environmentally friendly office supplies	3
3. Administration cost	(1) Environmental education	-	0	Participating in seminars and courses	0
	(2) Monitoring and measuring environmental impact	Equipment for monitoring and measuring air and water	-	Analysis of product, air, and water quality	34
	(3) Constructing environmental management systems and obtaining certification	-	-	ISO 14001 and forest certification investigation	2
	(4) Organizational management for environmental conservation measures	-	-	Environmental preservation management	315
	(5) Environmental information disclosure	-	-	Preparation of the <i>CSR Report</i> ; participation in the Eco-Products fair	22
4. R&D cost	-	-	R&D relating to environmental protection	408	
5. Environmental improvement cost	-	-	On-site beautification	3	
6. Environmental remediation cost	-	-	Payment of pollution load levy	39	
<b>Total</b>	-	<b>453</b>	-	<b>2,804</b>	

Note: Investment in exhaust processing equipment installation includes spare parts and miscellaneous work.

### ☞P11 Environmental Regulations Pertaining to Products

**RoHS Directive:** Effective from July 2006, an EU directive restricting the use of certain hazardous substances in electrical and electronic equipment. The six specified hazardous substances are: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ether (PBDE).

**PFOS Regulation:** Perfluorooctanesulfonic acid (PFOS) is a man-made organofluorine compound. The PFOS Regulation, which is a chemical substance regulation in the EU, has prohibited by an EU directive the use of products containing over a certain amount of PFOS since June 2008 (some exclusions apply).

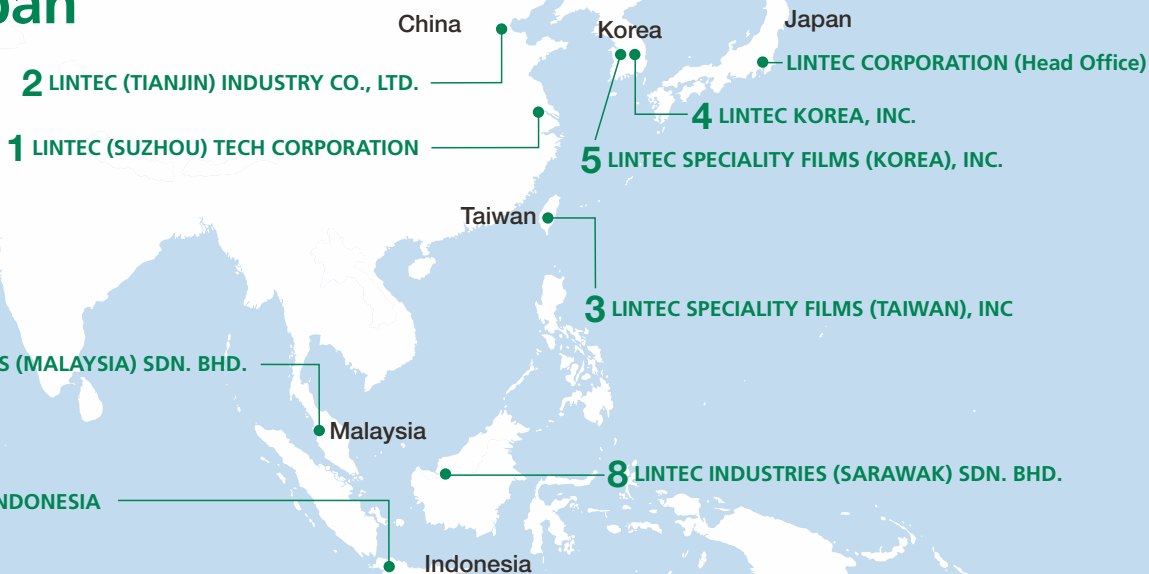
**REACH Regulation:** A chemical substance regulation in the EU on the

### “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% of the mass of the object.

**Organotin compounds regulations:** The EU had already been regulating organotin compounds for a long time when it strengthened its regulations of organotin compounds contained in products in June 2009. Various regulations have become effective since June 2010.

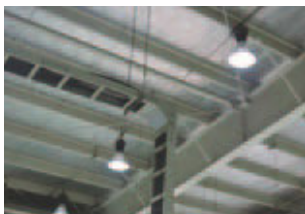
# Environmental Activities of Eight Group Companies Outside Japan



## 1 LINTEC (SUZHOU) TECH CORPORATION

This company has been making the switchover to LED lighting since January 2011 to facilitate safety and energy savings.

In February 2011, it switched to LED lighting for the plant, and will switch lighting in the warehouse in the future. The company will continue to pursue improved energy efficiency in this way.



LED lighting in the plant

### Company Overview

**Location:**  
Suzhou New District, Jiangsu Province, China

**No. of employees:**  
217 (as of December 31, 2010)

**Main business activities:**  
Manufacture and sale of printing materials, industrial materials, and products related to paper and processing material

## 2 LINTEC (TIANJIN) INDUSTRY CO., LTD.

May 2010 saw the start of the campaign to achieve globally integrated ISO 14001 certification. Internal audits and management reviews were conducted according to an integration manual, and registration was approved in March 2011. This company will work at further reducing waste and raising environmental awareness as an integrated site.



Office of Lintec (Tianjin) Industry, which obtained integrated ISO 14001 certification

### Company Overview

**Location:**  
Nankai District, Tianjin, China

**No. of employees:**  
253 (as of December 31, 2010)

**Main business activities:**  
Manufacture and sale of products relating to printing materials and industrial materials

## 3 LINTEC SPECIALITY FILMS (TAIWAN), INC

Since January 2010, this company has been measuring VOCs using an automatic monitoring and measurement device and routinely reporting the monthly results to the Environmental Protection Administration. It ascertains waste output and is also considering using a waste (waste liquid) disposal company with a good environmental record.

The company also attends briefings held by the administration office of the Southern Taiwan Science Park and by the Environmental Protection Administration. It will continue to gather information relating to environmental protection and make efforts to reduce waste and VOCs.



VOC automatic monitoring and measurement device

### Company Overview

**Location:**  
Shanhua Township, Tainan County, Taiwan

**No. of employees:**  
95 (as of December 31, 2010)

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

## 4 LINTEC KOREA, INC.

The dangerous substances handling station in the clean room immediately exhausts air conditioning air in light of possible emergencies, even if there is no VOC gas. By redirecting the air conditioning air into a temperature-controlled outside dangerous substances warehouse, it is possible to stop existing air conditioning equipment, which translates into energy savings and reduced CO<sub>2</sub> emissions.



Exhaust duct for air conditioning air

### Company Overview

**Location:**  
Cheongwon County, North Chungcheong Province, Korea

**No. of employees:**  
94 (as of December 31, 2010)

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



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

This company continually monitors trends in its waste output and makes efforts to save energy. In fiscal 2010, it changed its method of handling wood waste (wooden pallets). It used to dispose of wooden pallets used for shipments from Japan by incineration, because they could not be diverted for use in distribution in Korea, where the size of pallets is different. However, since September 2010, the company has been reusing all wooden pallets by having a contractor cut the pallets and rebuild them to the Korean distribution standard.



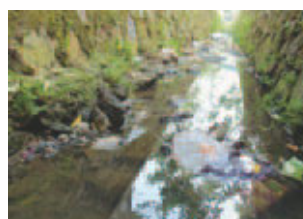
Assembling wooden pallets

### Company Overview

**Location:**  
Pyeongtaek, Gyeonggi Province, Korea  
**No. of employees:**  
106 (as of December 31, 2010)  
**Main business activities:**  
Manufacture and sale of electronic and optical-related products

## 6 PT. LINTEC INDONESIA

In April 2011, this company held an environmental photo contest to raise employees' awareness of the environment. The judges selected the top four works by evaluating the exhibited photos on three points: environmental message, title appropriateness, and picture quality. Since June, the company has been displaying information related to the environment each month within the company in an effort to spread awareness.



The first prize photo: "Don't litter me up!"

### Company Overview

**Location:**  
Bogor, West Java, Indonesia  
**No. of employees:**  
311 (as of December 31, 2010)  
**Main business activities:**  
Manufacture and sale of products relating to printing materials and industrial materials

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

This company's staff members take turns presenting on an environment-related topic during the morning meeting every Friday. Having employees investigate and give a presentation on environmental topics that they are interested in has led to heightened environmental awareness on the part of each individual.

The company will continue independently undertaking initiatives that enable employee engagement with environment issues.



Presentation during the morning meeting by that day's presenter

### Company Overview

**Location:**  
Bukit Mertajam, Pulau Pinang, Malaysia  
**No. of employees:**  
91 (as of December 31, 2010)  
**Main business activities:**  
Manufacture and sale of electronic and optical-related products

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

This company's main business is cutting and shipping films. Each month it generates on average about 3 tons of trimmings. With a view to environmental protection, the company has a recycling company take these away. The waste is categorized into two classes. Each class is designated by color and stored in a temporary holding station to avoid mistakes when it is being taken away.



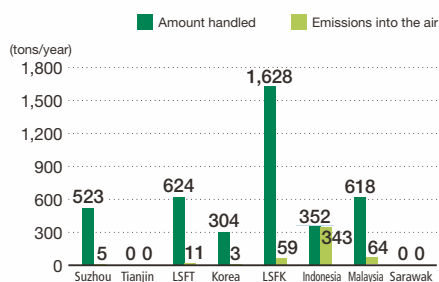
Film being collected as a recyclable material

### Company Overview

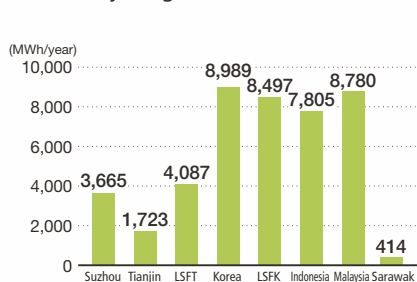
**Location:**  
Kuching, Sarawak, Malaysia  
**No. of employees:**  
26 (as of December 31, 2010)  
**Main business activities:**  
Manufacture and sale of electronic and optical-related products

# Environment Performance Data in Fiscal 2010

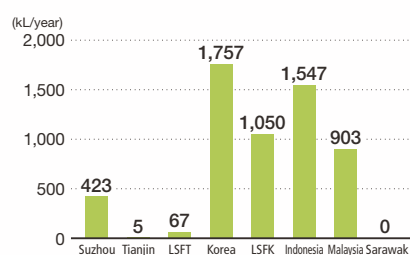
### Amount Handled and Emissions of VOCs



### Electricity Usage



### Fuel (Light Oil and Natural Gas) Usage (Crude Oil Conversion)

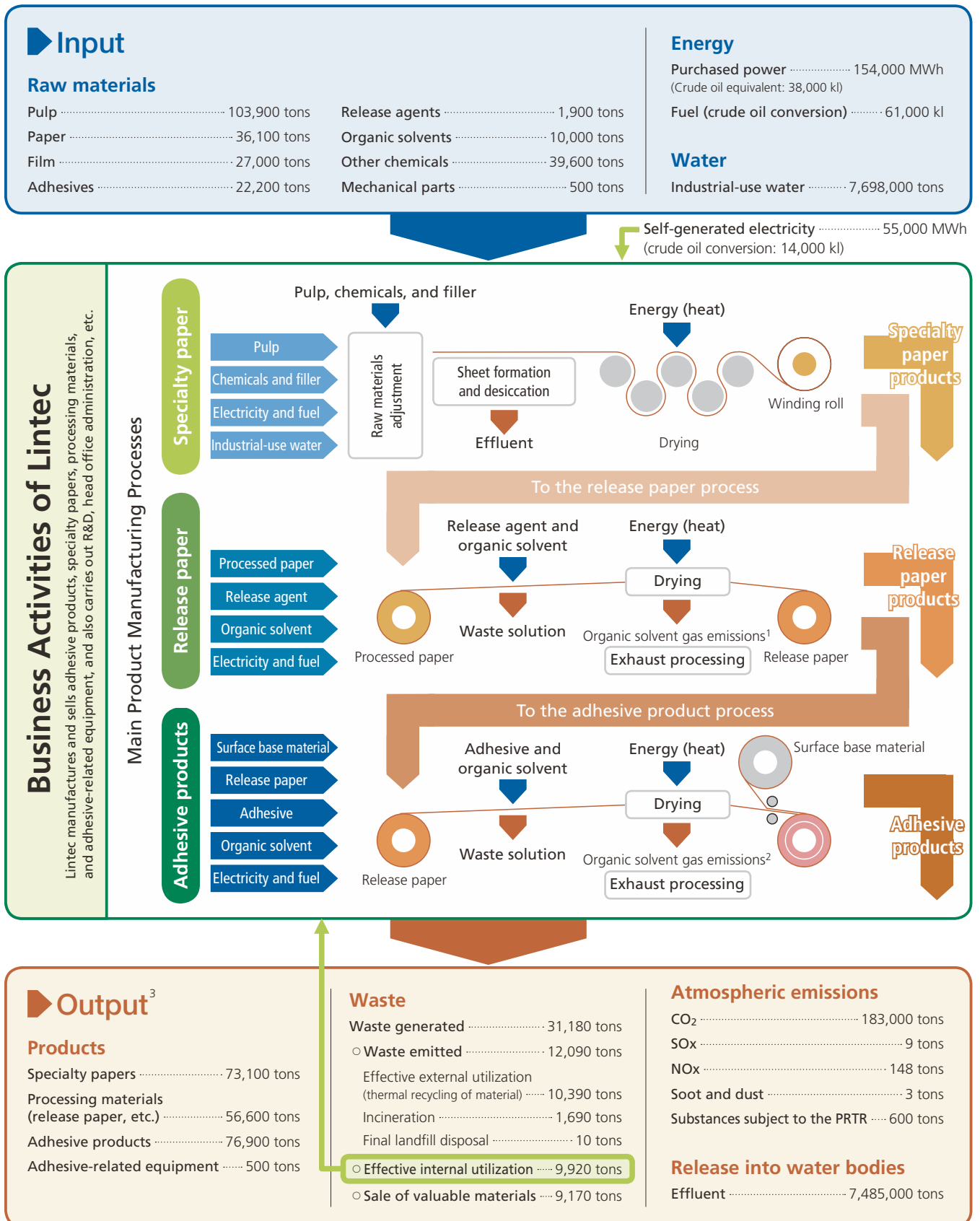


1. VOCs = toluene and methyl ethyl ketone
2. Figures stipulated in the Article 4 of the enforcement regulations for Japan's Energy Conservation Act were used for the calorific value of each fuel used in order to calculate the crude oil equivalent of consumed fuel.
3. LSFT = Lintec Speciality Films (Taiwan)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

# Relationship between Lintec and the Environment

Lintec develops and manufactures various products, including adhesive products, specialty papers, processing materials such as release papers, and adhesive-related equipment. The company is working to improve its manufacturing methods and production efficiency in order to reduce the environmental impact caused by waste, CO<sub>2</sub>, toluene and other pollutant release and transfer register (PRTR) substances, and effluent released into the environment through these business activities.

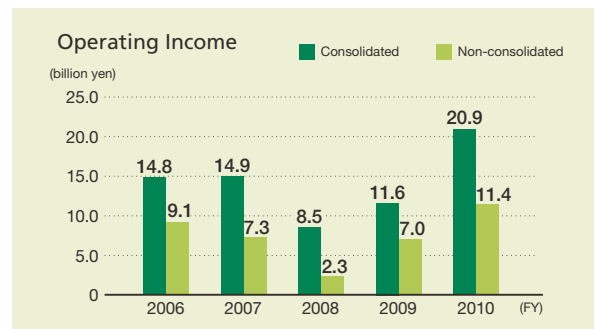
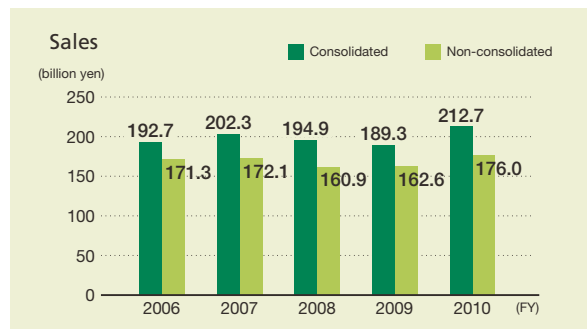
Fiscal 2010 Material Flow (Japan only)



Note: 1. If solvent-free silicone (release agent) is used, no organic solvent emissions are released.  
 2. If a solvent-free adhesive is used, no organic solvent emissions are released.  
 3. Inside sales are not included in "Output" figures.

## Corporate Profile (as of March 31, 2011)

Company name	LINTEC Corporation
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan
Website	www.lintec-global.com/
Established	October 1934
Capital	23.2 billion yen
Stock listing	Tokyo Stock Exchange, 1st Section Securities Code: 7966
Fiscal year-end	March 31
Representative	Akihiko Ouchi, President and CEO
Number of employees	Consolidated: 4,198; Non-consolidated: 2,529
Sites	Sales offices: Tokyo, Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto Production sites: Agatsuma (Gunma Prefecture), Kumagaya (Saitama Prefecture), Ina (Saitama Prefecture), Chiba, Tatsuno (Hyogo Prefecture), Shingu (Hyogo Prefecture), Komatsushima (Tokushima Prefecture), Mishima (Ehime Prefecture), Doi (Ehime Prefecture), and Niihama (Ehime Prefecture) R&D facility: Research Center (Saitama Prefecture) Overseas office: Shanghai, China
Subsidiaries	Consolidated: 4 companies in Japan, 18 companies outside Japan Non-consolidated: 5 companies in Japan, 6 companies outside Japan
Business activities	Development, manufacturing, and sales of adhesive products (seal and label material, graphic film, window film, tape for semiconductor manufacturing, optical function film, health-care products, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (label printing machines, labeling machines, devices for semiconductor manufacturing, etc.)
Sales	Consolidated: 212.7 billion yen; Non-consolidated: 176.0 billion yen (fiscal 2010)
Operating income	Consolidated: 20.9 billion yen; Non-consolidated: 11.4 billion yen (fiscal 2010)



For more detailed financial information, see the Investor Relations section of the Lintec Website at [www.lintec-global.com/ir/](http://www.lintec-global.com/ir/)

## Results of Employee Survey regarding the CSR Report 2010

A questionnaire survey was offered to employees of the Lintec Group in Japan, including affiliated companies, in conjunction with the publication of *CSR Report 2010*. Increased font size and explanation of terminology—two points that were requested on the 2009 questionnaire—were improved in *CSR Report 2010* and were not pointed out in the 2010 survey. Aside from

opinions about the CSR report itself, there were many requests regarding CSR initiatives overall, such as requests for continued implementation of the questionnaire, extension of initiatives to group companies outside Japan, and promotion of CSR communication. CSR will continue to be addressed while referring to questionnaire feedback.

## Editor's postscript

Up through *CSR Report 2010*, the content of the report was structured mainly around the efforts of the six CSR committees that drive CSR initiatives forward within the group. In this *CSR Report 2011*, the basic layout was reorganized into three sections—corporate governance, social report, and environmental report—to make the comparison of disclosed items easier. Additionally, for the first time an exchange of opinions was held between the president and an outside expert. We asked about changes in the social landscape and opinions about the group's CSR initiatives, and the president articulated a commitment to working on CSR (pp. 4–5).

We hope that *CSR Report 2011*, which describes Lintec's CSR initiatives in fiscal 2010, will be read by many people.

CSR Management Office



CSR Report 2011 production project members