

Lintec Group CSR Report 2016



Linking your dreams
LINTEC Corporation

Company Motto

Sincerity and Creativity

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

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

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

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

LINTEC WAY

Important values supporting the company motto

Five Rules of Sincerity

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

Five Rules of Creativity

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

Editorial Policy

The CSR activities of the Lintec Group follow the company motto: "Sincerity and Creativity" when conducting its CSR activities. This report explains our CSR activities during fiscal 2015. The Highlight section features our modal shift initiative, which the Lintec Group has adopted as part of its efforts to reduce environmental impact, and CSR workshops, which aim to integrate CSR and business. This report highlights certain information which is important for both the stakeholders* and the Lintec Group. For more detailed information, please visit our CSR website.

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

Main Channels for CSR Information

CSR Report (Booklet / PDF version)

[Booklet] Information on the CSR activities of the Lintec Group described in a simple manner.

[PDF version] Full version is created in English. Abridged version is created in Korean, Chinese (traditional), Chinese (simplified), Malay, Indonesian and Thai.

CSR Website

More detailed information on the CSR activities of the Lintec Group

[Japanese]
<http://www.lintec.co.jp/csr/>

[English]
<http://www.lintec-global.com/csr/>

Guidelines Referenced

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

Reporting Period

This report covers the period from April 1, 2015, to March 31, 2016 (fiscal 2015). It also includes some information up through June 30, 2016 concerning specific initiatives. Environmental performance data for 12 group companies outside Japan covers the period from January 1 to December 31, 2015.

Organizations Covered

Corporate Governance **Social Report**

Lintec: Lintec Corporation

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

Environmental Report

Lintec: Lintec Corporation (Head Office, 10 production sites^{*1}, and Research Center) and Tokyo

Lintec Kako, Inc.

Lintec and 12 group companies outside Japan: Sites listed above and 12 overseas group companies^{*2}

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

*1 See page 6. *2 See page 35.

Note on the fiscal year of consolidated subsidiaries

The fiscal year of LINTEC (THAILAND) CO., LTD., LINTEC KOREA, INC. and another 28 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 30 consolidated subsidiaries and the consolidated closing date is within three months, this Report uses each company's financial statements based on the fiscal year, and makes necessary adjustments with regard to important transactions that occurred between the two accounting dates.

Verification of the reliability of this Report

Performance indicators marked by an asterisk * have been verified by a third party, SGS Japan Inc. As a result of third-party verification, no important issues that require correction were found.

Contents

- 01 Editorial Policy
- 02 Message from the President
- 04 Overview of the Lintec Group
- 08 CSR in the Lintec Group
- 10 Materiality (Important Issues)

- 12 **Highlight 1**
Aim to Reduce CO₂ by Changing the Distribution Structure through a Modal Shift
- 14 **Highlight 2 CSR Workshops**
Aggressive CSR for the Creation of Corporate Value

- 16 CSR Themes, Targets, and Performance

Corporate Governance

- 18 Practicing Sincerity
- 20 Aiming to Develop BCMS for Proactively Thinking and Taking the Initiatives

Social Report

- 21 Providing Value to Customers
- 22 Cooperating with Suppliers
- 23 Together with Employees
(Human Rights / Employment / Human Resource Development / Safety and Disaster Prevention)
- 27 Together with Local Communities
(Community Participation)

Environmental Report

- 28 Business and Environmental Activities
- 30 Environmental Management
- 31 Addressing Global Warming
- 33 Reducing Waste and Water Usage
- 34 Reduction of Environmentally Hazardous Substances
- 35 Environmental Activities of 12 Group Companies Outside Japan
- 37 Third-Party Opinion

Publication date
Previous publication: August 2015
Current publication: August 2016
Next publication: August 2017

Message from the President

We Will Contribute to Society by Promoting CSR Activities with Sincerity and Creativity.

We express our heartfelt sympathy to those who were affected by the Kumamoto earthquake, and hope for the earliest possible recovery of the affected areas.

Promoting Business Activities for the Leap Forward Based on LIP-2016

As a leading company in the field of adhesive materials, the Lintec Group has provided a wide variety of products created using unique technologies such as technologies for applying adhesives and for modifying surfaces.

Since fiscal 2014, we have been working on business activities that will result in a further leap forward with the five key initiatives set in our medium-term business plan, LINTEC INNOVATION PLAN 2016 (LIP-2016): further promote global development; create innovative new products that will support the next generation; transform into a robust corporate structure: promote strategic M&As; and foster human resources.

Medium-term Business Plan [LIP-2016]

(April 1, 2014 to March 31, 2017)

Basic Policy

Return to Growth Path through Active Management and Continuous Innovation

Key Initiatives

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

Promoting Global Development to Achieve Our Business Target

Among the five key initiatives under the LIP-2016, global development is our most important challenge as we aim to meet our business target of an overseas sales ratio of 40% or more.

One of the initiatives in this area was full participation in the world's largest labeling exposition, LABELEXPO EUROPE 2015, held in Belgium in September 2015. We introduced our new products in our large exhibition booth to communicate the advantages of the Lintec Group to user companies in Europe and around the world. In recognition of our recycled PET labeling material, the Expo presented the Label Industry Global Award to Lintec, the first Japanese company to receive the award (see page 28 for details).

In December 2015, we completed our clean adhesive coating facilities in Thailand, laying the foundation for the speedy provision of our high value-added products in Asian countries, primarily in Southeast Asia.

With the globalization of our business activities, our business scope is expanding beyond national boundaries and our stakeholders are diversifying. Accordingly, we are reinforcing global-standard governance, risk management, and compliance.

Strengthened Hardware and Software for the Creation of Innovative New Products

In order for the Lintec Group to achieve sustainable growth, creating innovative new products is as important as global development. This initiative has seen steady progress in terms of both hardware and software.

In hardware (facilities), the fully-fledged operation of a new



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

building named the Advanced Technology Wing started at our Research Center. Developing new materials and mass-production processes in an integrated manner at the new building, will allow us to accelerate the launch of innovative new products.

In software (culture), we have held a number of Aggressive CSR workshops. Young and middle-level employees from across our company participated in a total of five workshop sessions to examine new business models that may improve or solve social issues. We are discussing specifically moving forward with unique and feasible ideas presented at the workshops.

We are committed to developing innovative business models that are the result of free thinking, outside existing frameworks.

Set Indicators to Measure Progress of Materiality (Important Issues)

The Lintec Group identified its materiality (important issues) in fiscal 2014, and set key evaluation indicators*1 for each of the issues identified in fiscal 2015. This will help us push forward with total optimization group-wide, instead of partial optimization for individual issues.

We will implement PDCA cycles for our CSR activities to check progress in the processes that will move us toward achieving the targets for the relevant issues.

Trust Lies beyond Sincere Actions

The foundation of these CSR activities is the company motto: "Sincerity and Creativity."

Attempts to enter new, more global fields and to create unprecedented innovative new products will not be achieved

without "Creativity."

Meanwhile, in taking on the challenges of these creative initiatives, we need to build a strong business foundation. That requires "Sincerity," the spirit of working sincerely on all tasks, including compliance with laws and regulations, fair transactions, respect for human rights, and a comfortable working environment. What is important in making a judgement is deciding what is good and what is bad, rather than pursuing percentages. I believe that, by continuing with these sincere actions, we will surely earn the trust of customers and society.

All employees will jointly promote CSR activities based on "Sincerity and Creativity" to meet stakeholder expectations and contribute to society.

To communicate our CSR activities broadly to the public and all employees, this report clearly summarizes the results of our CSR activities during fiscal 2015.

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

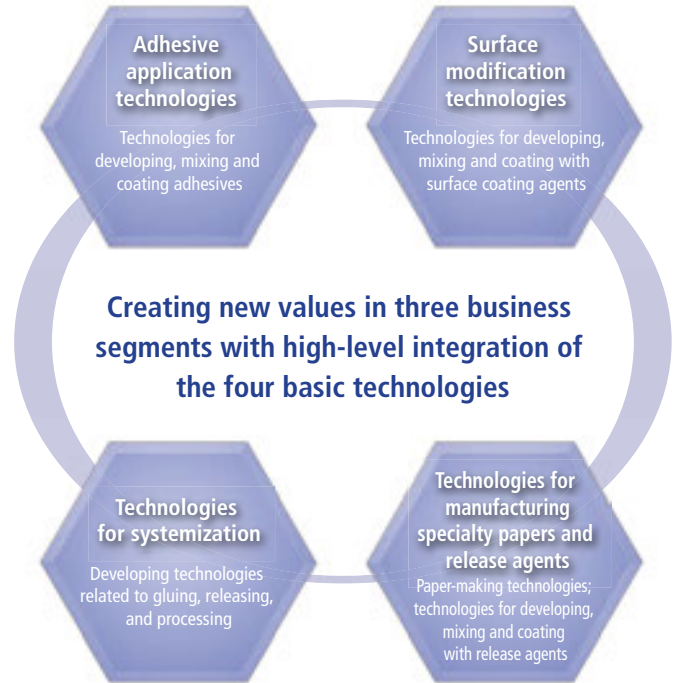
*1 For key evaluation indicators, see page 10.

What Is the Lintec Group?

Evolving four basic technologies to provide products for everyday life

Achieving an integrated system for the mass production of adhesive products

The Lintec Group has established a wide range of proprietary technologies for the production of release base paper, release agent coatings, surface base material coatings, and adhesive coating and gluing, which establishes a unique and integrated system for the mass production of adhesive products.



Information of each segment

Printing- and industry-related segment

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



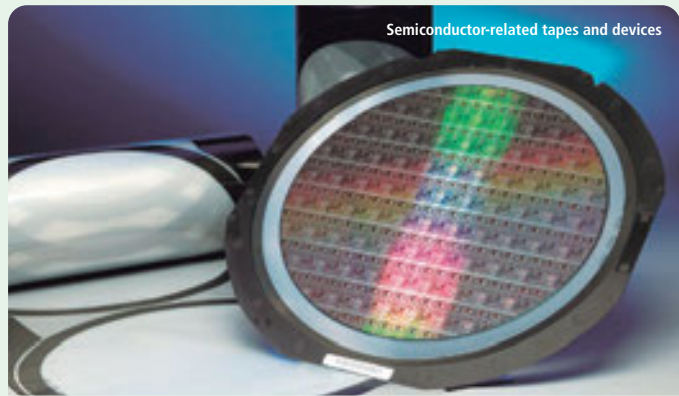
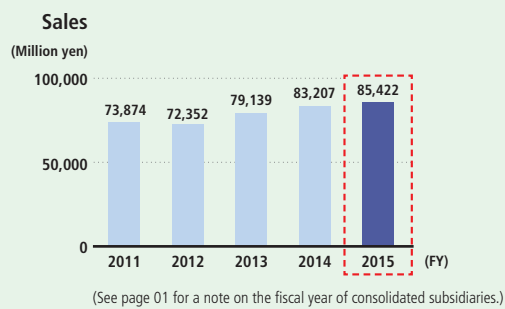
(See page 01 for a note on the fiscal year of consolidated subsidiaries.)



Information of each segment

Electronic- and optical-related segment

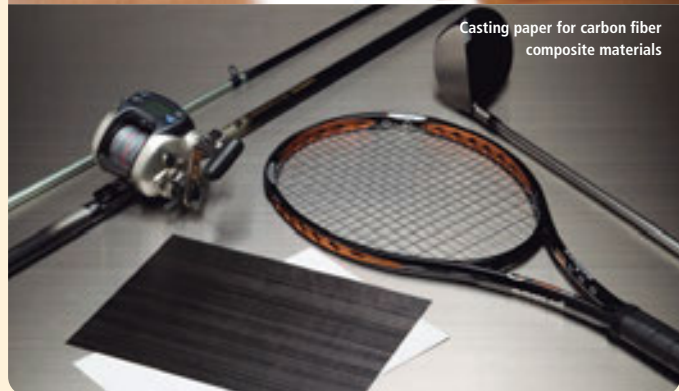
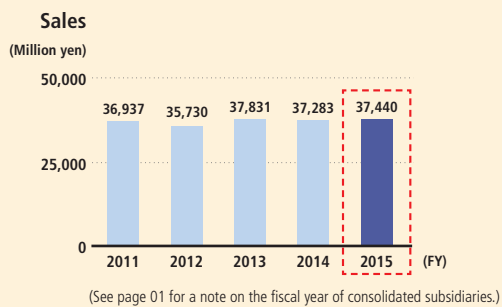
We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, release films indispensable for laminated ceramic capacitor manufacturing, adhesive products related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



Information of each segment

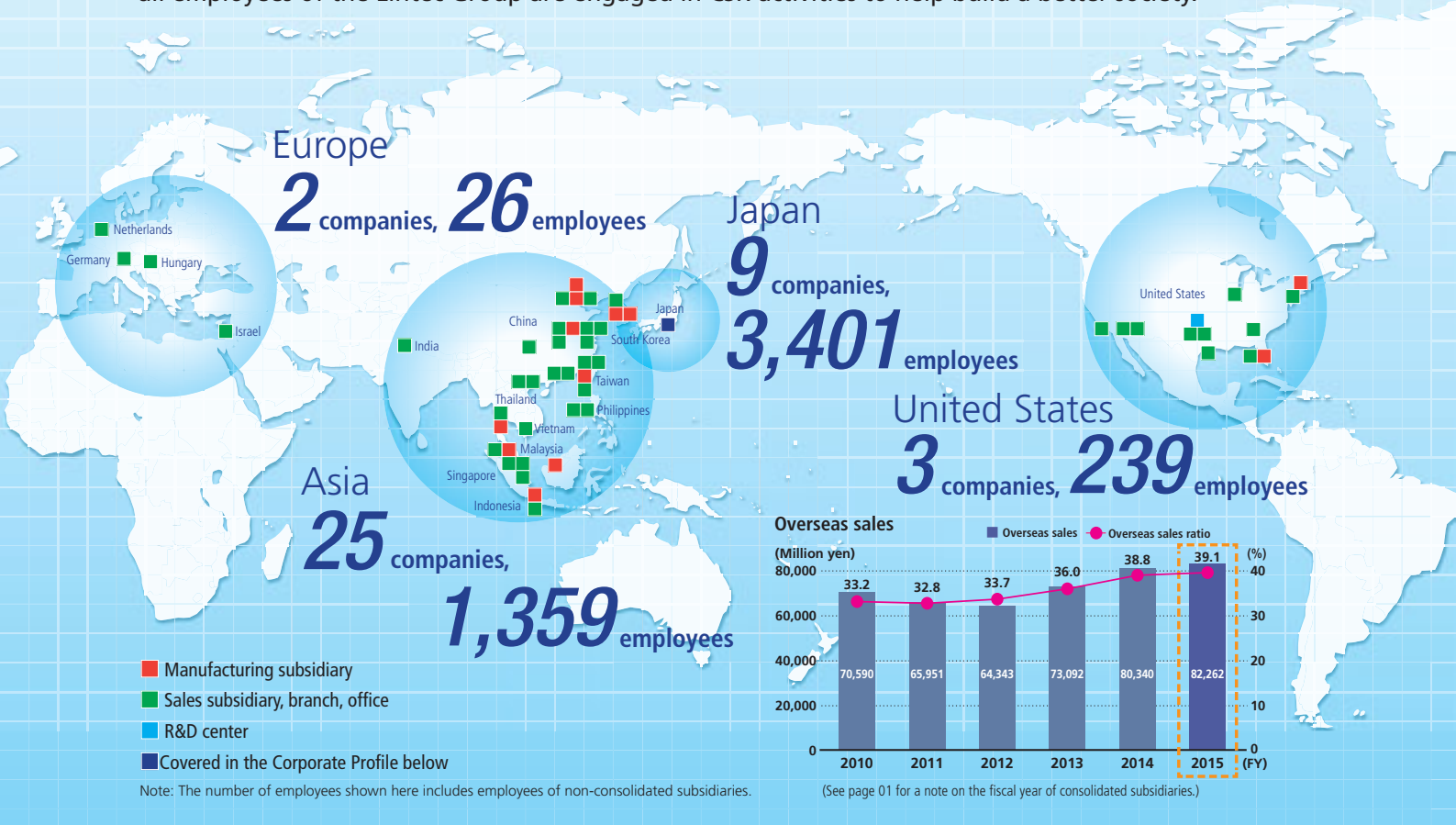
Paper- and processing-related segment

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



Global Network Supports Our Activities

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



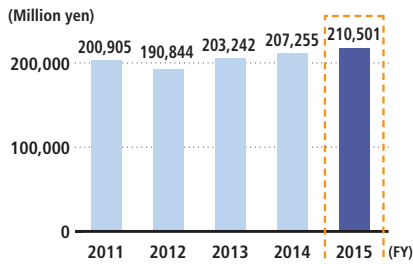
Corporate Profile (as of March 31, 2016)

Company name	Lintec Corporation	Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (label printing machines, labeling machines, semiconductor-related equipment, etc.)
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan	Sales (fiscal 2015)	Consolidated: 210.5 billion yen Non-consolidated: 164.5 billion yen
Website	www.lintec-global.com/	Operating income (fiscal 2015)	Consolidated: 17.7 billion yen Non-consolidated: 10.0 billion yen
Established	October 1934		
Capital	23.2 billion yen		
Stock listing	Tokyo Stock Exchange, First Section (Securities Code: 7966)		
Fiscal year-end	March 31		
Representative	Hiroyuki Nishio, Representative Director President, CEO and COO		
Number of employees	Consolidated: 4,246 Non-consolidated: 2,535		
Sites	<p>Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto</p> <p>Production sites: Agatsuma (Gunma Prefecture), Kumagaya (Saitama Prefecture), Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno (Hyogo Prefecture), Shingu (Hyogo Prefecture), Komatsushima (Tokushima Prefecture), Mishima (Ehime Prefecture), Doi (Ehime Prefecture), and Niihama (Ehime Prefecture)</p> <p>R&D facility: Research Center (Saitama Prefecture)</p>	<p>WEB For more detailed financial information, see the Investor Relations section of the Lintec Website at http://www.lintec-global.com/ir/.</p> 	

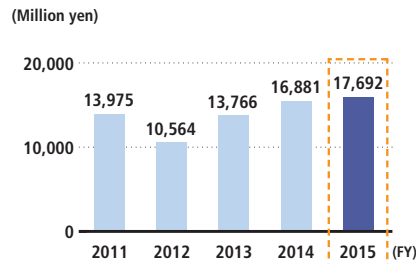
Financial and Non-Financial Highlights (Consolidated)

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

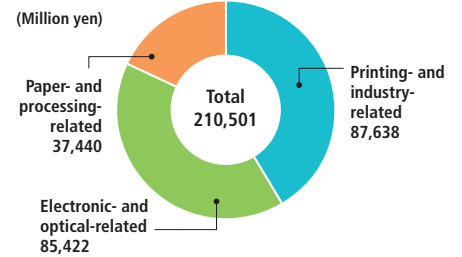
Sales



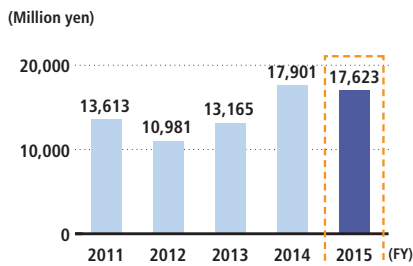
Operating income



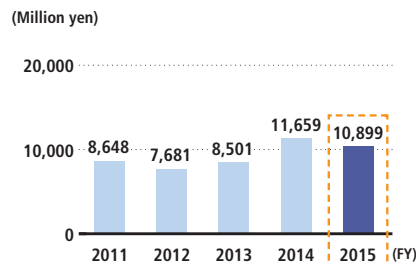
Sales by segment (Fiscal 2015)



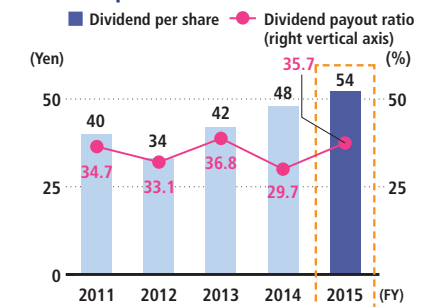
Ordinary income



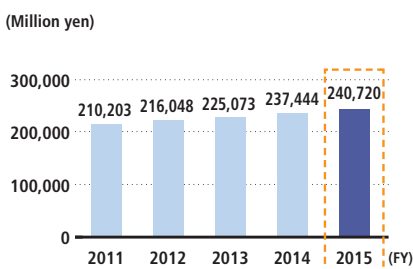
Current net income



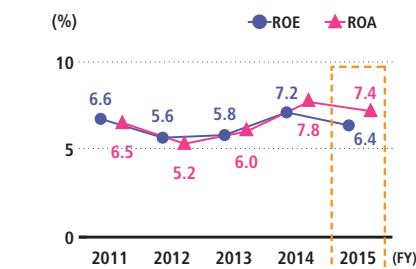
Dividend per share



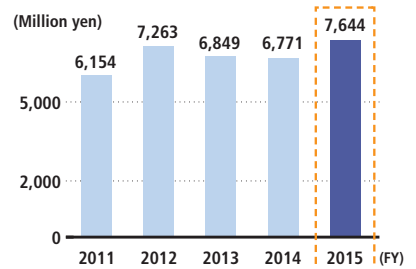
Total assets



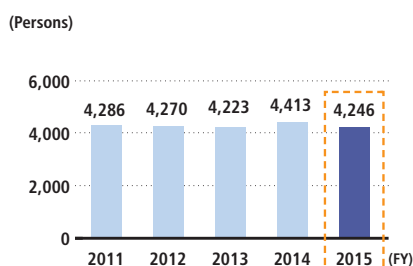
ROE / ROA



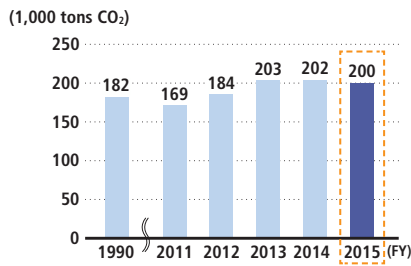
R&D expenses



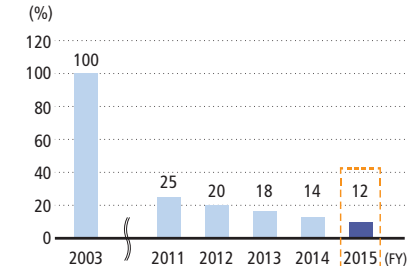
Number of employees



CO₂ emissions (non-consolidated)



Ratio of quality accidents (non-consolidated)



(Ratio to the number recorded in fiscal 2003)

CSR in the Lintec Group

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



Practicing CSR through the Core Business

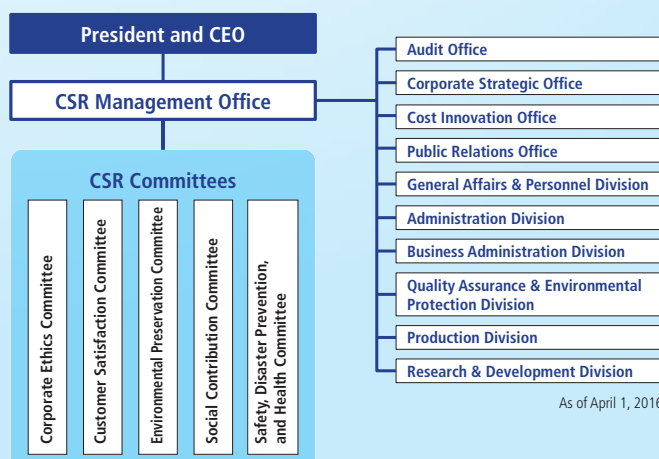
Many stakeholders support the business of the Lintec Group. To meet these stakeholders' expectations and be trusted by them, all Lintec Group employees actively conduct CSR activities with the company motto "Sincerity and Creativity" at the center and in accordance with "LINTEC WAY" which is an important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

To achieve the medium-term business plan, LINTEC INOVATION PLAN 2016 (LIP-2016), which started in April 2014, we need to enhance group management. Therefore, we are conducting CSR activities on a global basis. With strong awareness that CSR activities directly impact the business and in order to implement CSR activities in our core business, the Lintec Group set new key evaluation indicators*1 in fiscal 2015 based on our identified materiality, and has been implementing PDCA cycles in our strategic CSR activities.

*1 For key evaluation indicators, see page 10.

CSR Promotion System

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



As of April 1, 2016

Participation in UN Global Compact

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

Human Rights

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

Labour

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

Environment

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

Anti-Corruption

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

ISO 26000

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



Organizational governance



Fair operating practices



Human rights



Consumer issues



Labor practices



Community involvement and development



Environment

Stakeholder Communication

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

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

Value Chain of the Lintec Group

The Lintec Group is working to implement CSR with its suppliers throughout the value chain.



Materiality (Important Issues)

For further promotion of CSR activities and in response to stakeholder demands, in fiscal 2014 the Lintec Group identified its materiality, following steps 1 through 4 on the right. In fiscal 2015, the Lintec Group set key evaluation indicators*1.

Process of identifying materiality and setting key evaluation indicators

STEP1 Identify issues

We identified CSR-related issues to be considered based on ISO 26000, G4 and other guidelines and through communication with stakeholders.

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

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

*2 Regarding LCA, see page 17.

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

STEP2 Determine priority

We determined the priority of the identified issues from the two perspectives of their importance to the Lintec Group and their importance to stakeholders.

STEP3 Check validity

We received an evaluation and approval from the president as the chief decision-maker on CSR as well as from external experts.

STEP4 Set key evaluation indicators

We disclosed our identified materiality. In light of the progress in our activities, we set key evaluation indicators in fiscal 2015.

	Issues we should work on	Specific actions	Key evaluation indicators	Related pages
	Enhance and operate the management system.	Enhance global governance.	(1) Use of consultation contact points in and outside Japan (2) Results of audits by the Internal Audit Office according to local laws and regulations and internal standards	18 19
	Reduce environmental impact and comply with environmental laws and regulations.	Procure materials that will help to reduce environmental impact based on the Lintec Procurement Policy.	Weight of organic solvents	—
		Reduce emissions into the atmosphere based on our mid-term environmental target.	(1) CO ₂ emissions from manufacturing (2) VOC emissions	17 31
		Develop and spread environmentally friendly products through LCA.	Number of environmentally friendly products developed	32
		Ensure and manage environmental compliance using the environmental management system.	Number of violations of environmental laws and regulations	30
	Provide workplace environments where employees can work with peace of mind and ensure the safety of our employees in emergencies.	Conduct activities to ensure occupational safety according to the occupational safety and health management system.	(1) Number of occupational accidents and accidents resulting in absence from work (2) Working hours with no occupational accidents	25 26
		Respect the diversity of employees and provide rewarding workplaces.	(1) Ratio of female managers (2) Return to work after taking time off for childcare leave or family care	23
		Build working environments where employees feel motivated to work.	Turnover of third-year employees	—
	Promote stakeholder-friendly global communication.	Respect human rights and determine risks throughout the supply chain.	Number of responses to supplier survey	22
		Instill and ensure group-wide compliance.	Response rate to compliance survey by officers and managers	18
		Use the quality management system to eliminate and prevent accidents.	Number of serious product accidents reported	21
		Publicize the effects of environmentally friendly products to stakeholders.	Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	CSR site
		Introduce social contribution activities for local communities as a good corporate citizen.	(1) Total number of participants on plant tours (2) Implementation of social contribution activities	CSR site
	Promote business models that are friendly to the environment and society, and create businesses that can contribute to solving social issues.	Conduct R&D for products intended for local procurement and for solving social issues.	Development of a system for registering local raw materials at sites outside Japan	—
			Number of patent applications (activity evaluation)	—

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

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

Aim to Reduce CO₂ by Changing the Distribution Structure through a Modal Shift

As part of its efforts to address global warming, Lintec is promoting a modal shift*¹, i.e., changing its freight transport means from trucks to railways and ships. In Highlight 1, we introduce the results of our modal shift activities while reviewing past initiatives based on feedback from the staff in charge.



Hiroshi Fujishima
General Manager
Fine & Specialty
Paper Products and
Converted Products
Operations Department



Akio Shimonabe
General Manager
Cost Innovation
Office



Yoshihiro Tobise
Assistant General
Manager
Cost Innovation
Department



Kazuhito Ishikura
Assistant General
Manager
Environment and
Safety Department



RORO ship berthed at the Port of Chiba

Reducing CO₂ Emissions and Transportation Costs by Changing the Mode of Transport from Truck to RORO Ship*²

Recently, modal shift is drawing attention as a way to address global warming, and is expected to improve social problems, including shortages and overwork for truck drivers, and road congestion. Currently, Lintec is implementing modal shift primarily for distribution between its sites. The move was triggered by an initiative of the Fine & Specialty Paper Products Operations, which Hiroshi Fujishima from these operations reviews as follows:

“The topic of modal shift was first raised around April 2013. As one of the key items on the agenda of a meeting on infrastructure enhancement for the fine & specialty paper products business, we discussed what means of transport could replace conventional truck transport and cut distribution costs. After deciding to get involved in modal shift as much as possible, we examined various means of transport using both land and sea routes, and finally selected RORO ships.”

Six months later, in October 2013, the first RORO ship loaded with products manufactured at the Mishima Plant departed from

the Port of Mishima-kawanoe. Since then, 100 tons of products per month (180 tons per month since July 2015) have been delivered to the sales warehouse and customers in the Kanto region via the Port of Chiba. Starting in September 2014, we have been using RORO ships for product transportation (100 tons/month) from the Kumagaya Plant to the Shikoku region.

“To change transportation to RORO ships, we had a hard time negotiating with distribution companies and coordinating our internal shipment and receipt systems,” says Fujishima.

“Consequently, we reduced CO₂ emissions from transportation as well as transportation costs. We have realized great benefits from introducing modal shift.”



Securing goods in the cargo area of the truck to prevent them from collapsing (left) and securing the truck on the ship (right)

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

*2 RORO ship: RORO (roll-on, roll-off) ship allows trucks loaded with cargo to drive on and off the ship under their own steam.

Identifying Routes for Modal Shift by Checking the Distribution Data for Each Site

The initiative drew the attention of the Cost Innovation Office, headed by Akio Shimonabe.

"The Cost Innovation Office had taken various measures to reduce transportation costs group-wide," says Shimonabe. "However, in order to comply with the Act on the Rational Use of Energy and respond to the future decline in the population of truck drivers, we had to review our distribution methods drastically. The initiative at the Fine & Specialty Paper Products Operations was precisely an example of the structural reform of distribution we envisaged."

In April 2014, led by the Sapporo Branch, we switched truck transport to RORO ship transport for part of the products shipped from the Tatsuno Plant to Sapporo. Concurrently, we collected distribution data from our sites across Japan to investigate the transportation distance and cost for each shipment. Based on an accurate understanding of the group-wide flow of goods, we identified the transportation routes where we should implement modal shift.

"After discussions based on the survey results, we decided to apply modal shift to routes of 500 km or longer," explains Shimonabe. "We found that, when the transportation distance is over 500 km, we can have the benefits of modal shift and reduce CO₂ emissions."

Switching to Railway Transport to Match the Transportation Route Conditions

Besides the shift from trucks to RORO ships, Lintec has implemented a modal shift to railway transport. In June 2015, the Sapporo Branch switched from truck to railway for part of the route for transporting products from one of its contractors in Shizuoka Prefecture. Yoshihiro Tobise of the Cost Innovation Department was in charge of the shift.

"The volume of goods transported on the route was not large enough to use a RORO ship, and we had sea route constraints. So we selected railway transport," relates Tobise. "There are multiple transportation methods for modal shift. It is crucial to choose the best way depending on the transportation route and its conditions."

Following the Shizuoka-Sapporo route, in May 2016, truck transport was changed to railway transport for part of the products and goods in process transported from the Tatsuno Plant in Hyogo Prefecture to Tokyo Lintec Kako, Inc. in Saitama Prefecture. In that case, we negotiated with railway companies to use railway containers with a 13-ton loading capacity (internal volume of 48m³), which is equivalent to a large truck.

"Modal shift is a national commitment," adds Tobise. "The

railway container we are using for the route was developed as part of the railway industry's modal shift measures, and met our needs."



Improved transportation efficiency with the use of railway containers with a loading capacity equivalent to a large truck

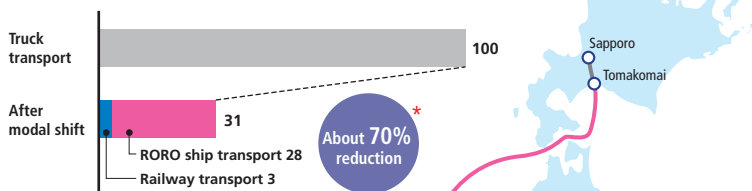
Launching Modal Shift Group-Wide to Build a Distribution Structure with Low Environmental Impact

Kazuhiro Ishikura of the Environmental Safety Department explains the advantages of modal shift as an environmental activity:

"The Environmental Safety Department has been promoting environmental activities primarily at plants. In order to cut more CO₂ emissions from the production process, investment, such as facility improvement, is often required. Modal shift can reduce both CO₂ and transportation costs, and therefore is effective as a corporate environmental activity. Modal shift is also important in terms of playing a role in the socially required activity to reduce CO₂ emissions across the supply chain."

Triggered by the Fine & Specialty Paper Products Operations, modal shift is being expanded group-wide by the Cost Innovation Office. We will use railway and ship transport on various transportation routes to build a distribution system with lower environmental impact.

CO₂ reduction with modal shift



Note: In the graph above, CO₂ emissions after modal shift is compared with CO₂ emissions for truck transport for the route where modal shift is implemented.

Key transportation routes where modal shift is implemented



Regarding the asterisk *, see page 01.

Aggressive CSR for the Creation of Corporate Value

In 2015, the Lintec Group started CSR Workshops with the goal of creating new business models and mechanisms to solve social issues so that it can respond to stakeholder demands and achieve sustainable growth with society.



Creativity Supporting Sustainable Growth

Having set “creating innovative new products” as one of key initiatives in its medium-term business plan, LINTEC INNOVATION PLAN 2016 (LIP-2016), the Lintec Group aims to provide society with new values for sustainable growth. To that end and to respond to a changing society and stakeholder expectations, we believe the practice of aggressive CSR is important.

The Lintec Group carries out all its business activities, as well as CSR, based on the company motto, “Sincerity and Creativity.” Defensive CSR, which is the basis of our business activities, represents “Sincerity.” Meanwhile, aggressive CSR, including creating innovative products, is driven by ideas inspired by “Creativity.” To enable individual employees to further demonstrate “Creativity” so that the company is able to create values, the Lintec Group launched CSR Workshops primarily for young and middle-level employees.

Practice of Aggressive CSR by Individual Employees

In 2015, the first fiscal year of the workshops, 36 young and middle-level employees from all departments participated in a total

of five CSR workshops in six months. The workshops were designed to help individual employees learn the essence and methods of CSR and become able to practice aggressive CSR. The 36 participants were grouped into six teams. Each team held in-depth discussions to create new business models and mechanisms and develop proposals in light of social issues. Each workshop offered a seminar by an external guest speaker to provide the participants with an opportunity to gain new knowledge and awareness.

Aims to Create New Values for the Lintec Group

At the first workshop titled, “Think about the Connection between Social Issues and Business,” the participants identified social issues related to the Lintec Group by taking into account the latest social trends, including United Nations SDGs^{*1}. At the second workshop, they presented their opinions on the strengths and weaknesses of the company, from standpoints that vary between departments. At the third workshop, based on the social issues and the company’s discussed strengths and weaknesses, each team thought about what Lintec aspires to be by 2030 using the backcasting^{*2} method, and what they should do now to that end. At the fourth workshop, each team gave a presentation in preparation for submitting their proposals, while actively providing other teams with comments that may help them further review and improve the presentation

*1 SDGs stands for Sustainable Development Goals. The United Nations adopted SDGs comprising 17 goals and 169 targets in September 2015.

*2 Backcasting: A method that first defines desirable conditions or situations in the future and then works backwards to identify what to do now to create that future.



content. Finally, at the fifth workshop, each of the six teams presented its business model for solving social issues. Some of the proposals developed after the six-month discussions and brainstorming were associated with uniqueness or potential stated in the LINTEC WAY, and are being worked on to be materialized in the future.

Practicing Individual CSR

As the first series of CSR workshops ended, participants provided feedback, including the following: "I became more aware of the relationship between CSR and business"; "I realized that innovation is made through communication between various people"; and "All employees should have an attitude of aggressive CSR to face various issues." Each workshop was very rich in content, helping the participants to understand the essence of CSR and motivating them to practice CSR in their workplaces.

The Lintec Group will continue to provide workshops and other opportunities to help individual employees practice aggressive CSR with "Creativity."

Comments from participants

- The workshop allowed me to discuss, think, and create proposals from scratch with people from departments that I have no contact with in my daily operations. The sense of accomplishment was something I had never felt since I joined the company. I am glad that I participated in the workshops. I am also aware that the workshops widened my personal perspective.
- I realized that businesses can change society, regardless of their scale. That finding motivates me in my work every day.
- I found the workshop very difficult, but realized the importance of CSR through the problem-solving process. I got more and more involved in the subject each time. I had a very meaningful time at the workshops.
- I want to use what I learned in my work. Communication and opinion exchanges with people from other departments will definitely be assets for me in the future.
- I was particularly impressed by the backcasting approach. I find the concept very helpful and will use it in my work.

CSR Themes, Targets, and Performance

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

Fiscal 2015 CSR Themes, Targets, and Performance

	Basic Commitment	Theme	Fiscal 2015 Targets
Corporate Ethics	Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day	<ul style="list-style-type: none"> All employees behave as good citizens with self-awareness Aspire to be a company trusted by society by ensuring thorough compliance 	<ul style="list-style-type: none"> Promote ethics through interactive participation frameworks Optimize and familiarize management rules (information security, personal information, business secrets, etc.) Expand and deepen ethics by promoting activities based on employee proposals
Customer Satisfaction	Provide a stable supply of products and improve quality management and service based on the key concepts of assuring customers of reliability and fulfilling responsibilities	<ul style="list-style-type: none"> Create (development/production/quality) 	<ul style="list-style-type: none"> Learn FMEA^{*1} and promote its launch Horizontally launch unique technologies
		<ul style="list-style-type: none"> Sell (communication/operations) 	<ul style="list-style-type: none"> Enhance marketing power Improve individual skills Enhance the development system Enhance the planning system
		<ul style="list-style-type: none"> Nurture (corporate culture/human resources) 	<ul style="list-style-type: none"> Develop human resources Penetrate the corporate culture
Safety, Disaster Prevention, and Health	Proactively develop workplace environments where people can work with security, based on the concept of improving employee satisfaction	<ul style="list-style-type: none"> Take actions for BCMS (review/follow up the Procedure Manual) 	<ul style="list-style-type: none"> Thoroughly revise the Disaster Response Procedure Manual in line with practice
		<ul style="list-style-type: none"> Establish immediate workplace safety and a health promotion framework Provide mental care for employees 	<ul style="list-style-type: none"> Maintain and manage the occupational safety and health management system Enhance the mental health support system Promote employee health
		<ul style="list-style-type: none"> Take security measures for expatriate employees and employees on overseas business travel (sickness, disaster, riot, etc.) Take measures to prevent sickness in Japan 	<ul style="list-style-type: none"> Share safety information with EM Committee^{*2} and secure safety Establish means of communication Reduce the number of employees infected with influenza
		<ul style="list-style-type: none"> Establish measures against long working hours Encourage the taking of annual paid leave 	<ul style="list-style-type: none"> Decrease the number of employees working long hours Establish effective measures for employees working long hours Establish measures to encourage employees to take annual paid leave
		<ul style="list-style-type: none"> Establish a system for safe commuting by bicycles 	<ul style="list-style-type: none"> Secure the safety of employees commuting by bicycle (mandatory registration, insurance enrollment and rule setting)
Social Contributions	As a good corporate citizen of both the local communities where we operate and the international community, help solve social challenges and carry out realistic activities that contribute to the sustainable development of societies	<ul style="list-style-type: none"> Sustainable activities Community-based activities 	<ul style="list-style-type: none"> Interact with local communities Expand and firmly continue activities Raise employees' willingness to participate in activities and support their participation
Environmental Preservation	As a materials manufacturer, conduct company-wide activities in R&D, production, and other areas based on the principle of reducing environmental impact and effectively using resources	<ul style="list-style-type: none"> Ensure thorough compliance 	<ul style="list-style-type: none"> Strict management of legal compliance
		<ul style="list-style-type: none"> Enhance environment-related PR and education 	<ul style="list-style-type: none"> Release 20 issues of Eco News
		<ul style="list-style-type: none"> Conserve biodiversity 	<ul style="list-style-type: none"> Develop an action plan in each site
		<ul style="list-style-type: none"> Develop environmentally friendly products 	<ul style="list-style-type: none"> 12 development projects a year that satisfy the Lintec LCA Standard^{*3}
		<ul style="list-style-type: none"> Reduce CO₂ emissions 	<ul style="list-style-type: none"> Reduction target: 203,000 tons/year or less
		<ul style="list-style-type: none"> Reduce energy use 	<ul style="list-style-type: none"> Improve the specific energy consumption by 3% (compared to fiscal 2013)
		<ul style="list-style-type: none"> Reduce disposal costs for industrial waste 	<ul style="list-style-type: none"> Waste discharge: 29,000 tons/year or less
		<ul style="list-style-type: none"> Ensure thorough management of chemical substances 	<ul style="list-style-type: none"> 50 self-audits conducted by suppliers a year
<ul style="list-style-type: none"> Reduce release of VOCs to the atmosphere 	<ul style="list-style-type: none"> Target: 890 tons/year or less 		

*1 FMEA stands for Failure Mode and Effects Analysis, a method to prevent failure by predicting potential failure modes in product design or other processes and analyze their possible causes and impacts.

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

We strive to fulfil our corporate social responsibility (CSR) with all employees in the Lintec Group proactively thinking and taking the initiative based on our company motto "Sincerity and Creativity." The LINTEC WAY, an easy-to-understand interpretation of the company motto, helps employees think about it as their own issue and nurture it further. In fiscal 2015, we held CSR workshops

to develop a sense of unity through CSR activities and to help employees realize personal growth. We conduct CSR activities through the concerted efforts of the company and individuals to achieve sustainable growth for the Lintec Group.

Toru Maki General Manager of CSR Management Office

◎Achieved substantially ○Achieved △Not achieved

Progress	Main Activities in Fiscal 2015	Comments from Officers in Charge	Fiscal 2015 Performance
○	<ul style="list-style-type: none"> Continued the "Rinri Kawaraban" ethics news column and published a booklet Provided e-learning course, "Familiar Security Risks 1" Conducted self-audits on information security Completely revised the Sexual Harassment Prevention Rules into Harassment Prevention Rules Created and put up posters on harassment prevention 	<p>Businesses as public institutions should comply with rules to meet social demands and trust. Such rules include not only laws and regulations but also corporate ethics and social norms. Mature corporate ethics forms a foundation for the survival of businesses. We will honestly continue to raise awareness of what businesses and individuals should aspire to be.</p> <p>Tsunetoshi Mochizuki Director, Managing Executive Officer</p> 	<p>Corporate Governance Practicing Sincerity pp. 18–20</p> <p>Organizational governance/ Fair operating practices †</p>
○	<ul style="list-style-type: none"> Started FMEA education through e-learning Continued to share information on production technology specific to each production site Provided rank-based workshops on collection of accounts receivable and credit management for 10th-year employees at the sales section chief level Provided a briefing session on CS activities (Agatsuma Plant, Kumagaya Plant, Chiba Plant, Research Center) 	<p>With the basic principle of securing customer trust, sales, production and research divisions will fulfil their responsibilities to further improve customer satisfaction in global markets.</p> <p>Takashi Nakamura Director, Managing Executive Officer</p> 	<p>Social Report Providing Value to Customers Cooperating with Suppliers pp. 21–22</p> <p>Human rights/ Consumer issues/ Fair operating practices †</p>
○	<ul style="list-style-type: none"> Read through the Disaster Response Procedure Manual and practiced part of it Exchanged opinions with the BCMS Secretariat Conducted mental health checkups Promoted measures to separate smoking areas, and distributed posters to raise awareness of giving up smoking Provided employees with safety lectures in advance of business trips Effectively used the Overseas Risk Management Manual Established rules on commuting by bicycle 	<p>We will launch various initiatives to provide better workplaces so that all the employees of the Lintec Group can stay healthy and continue to work safely with peace of mind.</p> <p>Koji Koyama Director, Senior Managing Executive Officer</p> 	<p>Together with Employees pp. 23–26</p> <p>Human rights/ Labour practices †</p>
○	<ul style="list-style-type: none"> Implemented community clean-up activities (2,838 employees) Participated in local festivals Participated in a campaign against local organized crime in Itabashi Took initiatives to support persons with disabilities Hosted plant and facility tours at five business sites (709 visitors) Employees made blood donations (576 employees) 	<p>To be a company trusted by society, Lintec is carrying out social contribution activities for an enriched society and sustainable growth. Our corporate activities are supported by many stakeholders. We will continue to launch them in various forms.</p> <p>Shuji Morikawa Director, Executive Officer</p> 	<p>Together with Local Communities p. 27</p> <p>Community involvement and development †</p>
◎	<ul style="list-style-type: none"> Conducted mutual internal audits to confirm environmental compliance at each site 	<p>Lintec aims to grow with society by developing environmentally friendly products and manufacturing them with low environmental impact. At our sites in and outside Japan, we will proactively promote community-based activities to conserve biodiversity.</p> <p>Koichi Kimura Managing Executive Officer</p> 	<p>Environmental Report pp. 28–36</p> <p>The environment †</p>
○	<ul style="list-style-type: none"> Achieved the target by releasing 22 issues 		
○	<ul style="list-style-type: none"> Each site participated in local community activities 		
○	<ul style="list-style-type: none"> Achieved the target by developing 24 products 		
○	<ul style="list-style-type: none"> Achieved the target with 200,000 tons/year 		
○	<ul style="list-style-type: none"> Achieved the target with a 7.7% improvement compared to fiscal 2013 		
○	<ul style="list-style-type: none"> Achieved the target with 28,260 tons/year 		
○	<ul style="list-style-type: none"> Achieved the target with 83 voluntary audits conducted a year 		
△	<ul style="list-style-type: none"> Did not achieve the target with 904 tons/year 		

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

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

Practicing Sincerity

- Organizational governance
- Fair operating practices

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

Corporate Governance

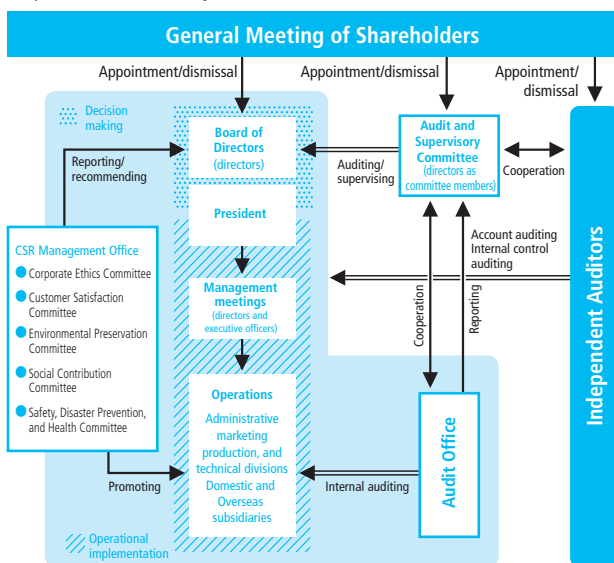
The Lintec Group regards the basics of corporate governance to be the practice of thoroughgoing compliance, maximum management transparency, awareness of corporate ethics, rapid decision-making, and efficient administration of business operations. The Lintec Group aims to increase its corporate value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

Corporate Governance Framework

For organizational design^{*1}, Lintec has chosen a company with an audit and supervisory committee^{*2}, and appoints directors as Audit and Supervisory Committee members with voting rights, with the aims of stepping up corporate governance and improving management further.

Lintec has four outside directors, including three directors as Audit and Supervisory Committee members. Other specific management initiatives include one-year terms for directors to clarify their responsibilities, and the adoption of an executive officer system to separate directors in charge of making decisions on important management issues from executive officers in charge of business operations.

Corporate Governance System



CSR > Corporate Governance > Practicing Sincerity
<http://www.lintec-global.com/csr/governance/corporate/>

Compliance

All employees at the Lintec Group are committed to disciplining themselves based on the corporate motto of "Sincerity and Creativity." In February 2016, we conducted a compliance survey with officers and managers (response rate: 82.6%* in 2016, compared with 79.1% in 2015 and 85.7% in 2014). "Compliance self-check sheet" and "compliance training materials" are published in the Lintec intranet, available to all employees. All employees use these materials to check their conduct. They also use the materials for compliance learning activities in their departments.



CSR study session at Ina Technology Center

Global Surveys on Human Rights and Labor Standards

In February to March 2016, the Lintec Group conducted all-site survey to check labor conditions and human rights at all group companies*. As a result of the survey covering legal compliance, elimination of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe/healthy working environment and human resource development, it was confirmed that all sites comply with local and regional laws and regulations, that the Lintec Group Compliance Guidelines are well understood by employees, and that Lintec employees work in a healthy and safe working environment where their fundamental human rights are respected. We will continue this regular survey every year to understand our current conditions, and improve them.

Awareness Raising with the Compliance Guidelines

At the Lintec Group, we issue a code of conduct booklet, "Compliance Guidelines," to enhance each employee's compliance awareness. Using the booklet, revised in April 2014, we held CSR study sessions both in and outside Japan in fiscal 2015.



*1 Organizational design: Determining the structure of organizations (e.g., shareholder meeting, board of directors) in charge of decision-making or operation of a joint-stock company
 *2 A company with an audit and supervisory committee: A stock company where its audit and supervisory committee, comprising more than three directors (with outside directors as a majority) as committee members, audits and supervises how directors administer business operations.

*3 BCMs stands for a Business Continuity Management System. It is a management technique to develop a business continuity plan, based on the understanding of the current conditions of the organization, to ensure that the businesses are continued in the event of a serious incident (see page 22) that will or may have grave impact on major products/services of the organization. Drills are also performed to validate the effectiveness of the BCP.

Compliance with the Antitrust Law & Prevention of Corruption

The Lintec Group issued volume 8 of an internal legal newsletter, "Will Japanese Companies be Judged by Foreign Laws? Extraterritorial Application of Foreign Laws" in fiscal 2015 to raise employee awareness of legal compliance outside Japan.

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

Fostering Sense of Ethics

Rinrin Kawaraban, which started in fiscal 2006, is an intranet ethic news column featuring a short haiku-like poem with an additional explanation to familiarize employees with standards for ethics and conduct. The poems are compiled and published as a booklet. Volume 9 of the booklet, issued in March 2016, introduces voices of employees stationed outside Japan under the theme of "Sincerity in Any Place." The poem compilations are also shown to suppliers and customers as an example of Lintec's CSR initiatives.



Risk Management

The Lintec Group strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance. We also identify risks on a quarterly basis to understand the situations within the company and improve our risk management ability.

Establishing group-wide BCMS^{*3}

Lintec Corporation and Tokyo Lintec Kako, Inc. have developed a BCP^{*4} to be able to protect the life of employees, continue to supply products, and resume business as early as possible after an earthquake or other disaster. In March 2014, they became certified under an international BCMS standard, ISO 22301:2012^{*5}. With the addition of Lintec Specialty Films (Taiwan), Inc. in fiscal 2015, we are activating and enhancing efforts to spread BCMS.

Information Security Management

Lintec conducts internal audits every year in each department based on detailed regulations on information security and internal audit check list.

In November 2015, our Corporate Ethics Committee conducted a self-audit using a check sheet and confirmed that each department properly understands the contents of the Information Security Management Regulations. In February 2016, we provided an e-learning program, "Familiar Security Risks 1," to call attention to the use of smartphones and SNS.

Helpline

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

In May 2015, we established rules on the global whistleblowing system, covering group companies outside Japan, to accept reporting in English.

Voice 01

Initiatives to Enhance the Governance System

With the enforcement of the Corporate Governance Code^{*6} in June 2015, we have examined Lintec's initiatives with regard to all of 73 items of the principles. We are making continued improvements after discussing the insufficient initiatives with top management and outside directors. We also confirmed that the change to the Audit and Supervisory Committee complies with the principle, and adopted a training program for officers and a mechanism for evaluating the Board of Directors. We will continue to enhance our governance system.



Tsunetoshi Mochizuki, Director, Managing Executive Officer

*4 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.

*5 ISO 22301: An international standard for BCMS that a corporation or organization should follow in establishing and effectively operating a system to prepare for earthquake, fire, trouble in the IT

system, financial crisis, bankruptcy of supplier, pandemic, or other natural disaster or accident.

*6 Corporate Governance Code sets key principles of the code of conduct which listed companies should comply with to enhance corporate governance. Regarding the asterisk *, see page 01.

Aiming to Develop BCMS for Proactively Thinking and Taking the Initiatives

As two years have passed since March 2014 when Lintec established group-wide BCMS^{*1} and became certified under ISO 22301^{*2}, Lintec BCMS is evolving further.

We are conducting the following activities to develop "BCMS for proactively thinking and taking the initiatives," on which all employees work together.

All Employees As Key Persons in BCMS

To protect people's lives and carry out emergency measures and relief activities for business continuity, quick and accurate action by each and every employee is required. The Lintec Group considers all employees as key persons in BCMS, and aims to develop BCMS for proactively thinking and taking the initiatives. Specifically, we hold BCMS study sessions group-wide and BCMS drills at our sites on a regular basis to spread BCMS among employees. We also provide employees with opportunities to participate in the development of BCMS on their own initiative, including conducting mutual site audits and holding open BCMS Council meetings, which have resulted in new measures based on suggestions from employees, such as creating a disaster prevention manual for families and preparing emergency stocks from a women's perspective. While developing BCMS for proactively thinking and taking the initiatives, we will promote the development of BCP and rules, such as double verification, applicable group-wide including sites outside Japan.

BCMS Drill

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

Drills conducted in fiscal 2014 and 2015

31 sites **426** drills



Group-Wide BCMS Study Sessions

We hold study sessions several times a year at Head Office for all employees to gain a basic knowledge of BCMS. The study sessions are broadcast to all sites using the TV conference system.



Internal Audits

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

BCMS Council

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

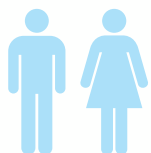
External Training

We hold an annual workshop given by an external BCMS expert, in which employees from each site can take part. Participants use the knowledge they learned in the workshop when holding drills at their sites.



Employees' Awareness and Comments on BCMS

Employees who answered that BCMS leaders are all the people working in the Lintec Group



96%

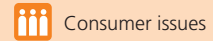
- I believe that individual employee awareness is important. I will start by becoming aware.
- It has an impact not only on employees but also on their families, so I want to continue with it.
- I think BCMS is indispensable to fulfil our corporate social responsibility, including customer service.
- I want to carry out practical activities, not ending up with a desk theory.

Note: Excerpt from an internal survey (March 2015, 1,863 respondents)

*1 BCMS: See page 18.

*2 ISO 22301: See page 19.

Providing Value to Customers



The Lintec Group strives to further improve its services by providing a stable supply of products and ensuring thorough quality management in order to meet the expectations of customers.

WEB CSR > Social Report > Providing Value to Customers
<http://www.lintec-global.com/csr/social/customer/>

Quality Assurance

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

Quality Assurance System

The Lintec Group has established a quality assurance system based on the international standard ISO 9001^{*3}. In response to the ISO revision in September 2015, we are preparing for the transition to the 2015 version. While continuing to acquire even greater integrated certification, as well as certification for new sites, we are enhancing cooperation between related sites. With these activities as a foundation, we are making efforts to improve quality.

Acquisition of ISO 9001 certification

	FY2013	FY2014	FY2015 ^o
Number of sites certified	21	20	20

Improving Customer Satisfaction

Quality Education

As part of its efforts to ensure high-quality manufacturing for customer satisfaction, the Lintec Group acquired certification for ISO 9001 (quality management systems), ISO 14001 (environmental management systems) and ISO 22301 (business

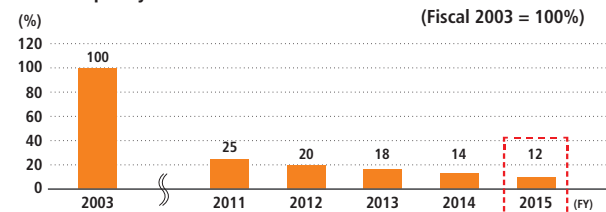
continuity management systems). We continue to provide internal training programs, including study sessions and e-learning programs for all employees.



Preventing Quality Incidents

Quality incidents that may lead to a loss of customer trust require speedy handling. We have built and operate a complaint management system for the quick collection of information, analysis of the cause, and prevention of a recurrence. In addition to the domestic system operation, we launched the system outside Japan in April 2015. With this system for cooperation built in and outside Japan, we will strive to eliminate quality incidents.

Ratio of quality accidents to the number recorded in fiscal 2003



Voice
02

CSR Lecture in Taiwan



As a result of a request from a customer, we provided a presentation on "a comfortable working environment" in January 2016. A comfortable working environment requires sharing of the value of the Lintec Group with all employees, which corresponds to a CSR activity. We explained the Lintec Group's CSR, working environment designed to reduce stress, activities to promote communication between employees, environmental conservation, and activities to promote health to all our employees and customer suppliers. We will actively work on our CSR activities to ensure a stronger trusting relationship with our customers and sustainable growth.



Lu Hsiao-Wei, Public Relations Department, Lintec Advanced Technologies (Taiwan), Inc.

*3 ISO 9001: The international standard for quality management systems
 Regarding the asterisk *, see page 01.

Cooperating with Suppliers

-  Fair operating practices
-  Human rights

The Lintec Group strives to engage in fair, highly transparent transactions, cooperating with suppliers for mutual growth based on relationships of trust.

 [CSR > Social Report > Cooperating with Suppliers](http://www.lintec-global.com/csr/social/partner/)
<http://www.lintec-global.com/csr/social/partner/>

Fair Transactions

The Lintec Group has a basic policy for fair and transparent transactions based on the principle of free competition between all suppliers. When selecting suppliers, we evaluate them appropriately to ensure legal and ethical compliance in our procurement activities. Considering all suppliers as “partners who should grow together with Lintec,” we work to establish trustful relationships with them.

CSR Procurement

Lintec’s procurement activities follow the Lintec Procurement Policy, the Lintec Green Procurement Policy, and the Lintec Lumber Pulp Procurement Policy, all of which are based on CSR. We request suppliers to understand the importance of these policies, and remind them on various occasions to maintain thorough CSR activities. In fiscal 2015, we asked the top 78* among about 500 material suppliers to complete a questionnaire and all of them did so. The survey includes CSR-related questions to check on human rights, prohibition of child labor, healthy working environment, and so on. We will continue to cooperate with our suppliers in this way.

Green Procurement

For procurement with lower environmental impact, the Lintec Group is ensuring thorough chemical substance management for raw materials, parts, and secondary materials. In fiscal 2015, we conducted a survey of about 16,000 raw materials to determine whether suppliers’ materials contain substances regulated under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation^{*1}. We also ask suppliers to endorse our environmental protection activities and ensure control of chemical substances.

Conflict Minerals

Lintec recognizes that conflict minerals^{*2}, mined to fund armed conflict, are a serious social problem. The company investigates and ensures that no conflict minerals are present in any of its raw materials. Lintec will continue to conduct procurement management that avoids the use of conflict minerals.

BCP with Suppliers

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

Lintec also conducted examinations of some suppliers to confirm whether they had BCPs and a management system to implement the BCPs, and whether they had organizations and procedures to cope with an incident^{*3}. All our suppliers will be subject to these examinations in the future.



Voice 03

Working with Suppliers to Enhance QCD Improvement Activities

Lintec uses a self-audit check sheet for constant communication with its key material suppliers. We ask them to fill out four check sheets on quality, control of chemical substances, management/service, and CSR to maintain and enhance our partnership so that we can periodically review the purchasing process and respond to changing customer needs. We will further strengthen activities to improve QCD^{*4} based on our partnerships with suppliers.



Masahito Nakabayashi, Assistant Section Manager, Coordination Section, Procurement Department, Cost Innovation Office, Head Office

*1 REACH Regulation: A chemical substance regulation in the EU on the “Registration, Evaluation, Authorization and Restriction of Chemicals.” Registration is required when exporting a chemical substance into EU states in quantities of one metric ton or more per year. Notification must also be submitted to the authorities when a chemical substance falling under the category of “candidate for required authorization” is present in a



product at more than 0.1 percent of the mass of the object.

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

*3 Incident: A situation which cause or may cause business interruption, disturbance, loss, emergency or hazard

Together with Employees

Rewarding Workplace (Human Rights / Employment / Human Resource Development)

-  Labour practices
-  Human rights

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

WEB [CSR > Social Report > Together with Employees \(Human Rights/Employment\)](http://www.lintec-global.com/csr/social/employee/)
<http://www.lintec-global.com/csr/social/employee/>
WEB [CSR > Social Report > Together with Employees \(Human Resource Development\)](http://www.lintec-global.com/csr/social/employee/training/)
<http://www.lintec-global.com/csr/social/employee/training/>

Respecting Human Rights and Diversity

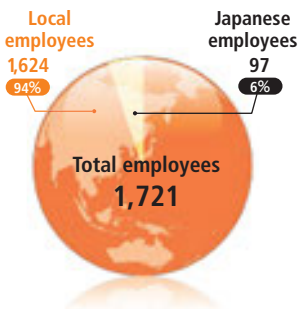
The employees of the Lintec Group are working together based on the company motto, "Sincerity and Creativity." To ensure that all employees may find their work equally rewarding, the group respects the diversity^{*5} of every employee and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality or age. Lintec joined the UN Global Compact, which seeks to eliminate the use of child and forced labor, in 2011. The group aims to continue its growth based on mutual understanding and respect between all employees.

Respect for Human Rights in Labor Management and Education

The Lintec Group believes that compliance forms a foundation for its activities and thoroughly adheres to both social rules and relevant laws and regulations in and outside Japan. This also applies to the recruitment and treatment of employees. Labor management is performed in accordance with relevant laws. Unfair discrimination, child labor, and harassment are prohibited. Education on human rights is also provided. Lintec provided 46 new employees who joined the company in fiscal 2016 with the "UN Global Compact and CSR" training.

Employment

■ Employees at group companies outside Japan

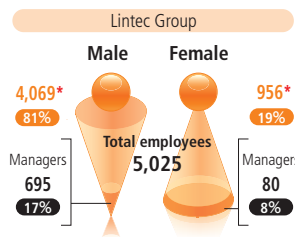
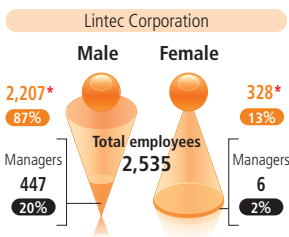


Rate of local employee*

94%

† Scope: All overseas group companies (as of December 31, 2015)
 ‡ Japanese employees hired locally are included in the number of local employees
 † Japanese employees indicates employees transferred from Japan

■ Number of employees by gender



(Overseas: as of December 31, 2015, Japanese: as of March 31, 2016)



Education session for new employees

Employment of Persons with Disabilities

Lintec provides employment opportunities to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2015 was 1.94 percent, which was an improvement over the previous year but below the legally mandated rate of 2.0 percent.

At the Operation Support Office, which was established under the Human Resources Department on April 1, 2015, three staff members are supporting the operations of each department.

Voice
04

Joined the Active Women's Work Committee to Empower Women in the Workplace

The diversity management training allowed me to learn broadly about diversity. I realized that women should develop themselves, and that men should become better communicators. After joining the Active Women's Work Committee to Empower Women in the Workplace, the training helped me advise others on how to use the support system booklet and the interview sheet for return to work after childbirth/childcare leave.

Kayoko Morishita, Assistant Section Manager, Coordination Department, Printing & Variable Information Products Operations, Iidabashi Office



*4 QCD stands for Quality, Cost, and Delivery. Placing the highest priority on customer satisfaction, Lintec continues to work hard to improve QCD through cooperation with its suppliers.

*5 Respecting diversity: By respecting diverse characteristics that exist among people and groups, it is possible to generate more original ideas, solve problems using diverse

perspectives, and allow people to display their full potential by appointing the best person for each job.

Regarding the asterisk *, see page 01.

Work-life Balance

Lintec is working to help employees to balance their professional and personal lives by creating workplace environments where employees are able to perform their jobs with peace of mind and exercise their full abilities. Lintec offers an accumulated time-off program that can be used either for long-term treatment of an employee's own illness or injury or for caring for a family member. There is also a paid social contribution time-off program that allows employees to participate in local volunteer activities. In April 2016, Lintec extended the period of the family care leave from 93 days to one year. Lintec also extended the application of shorter hours: from a child before school age to a child in the third grade for childcare; and from two years (730 days) to three years (1,095 days) for family care.

Starting in April 1, 2016, these activities have also been progressing in line with an action plan it drew up based on the Female Empowerment Promotion Act. The company continues to create systems that help employees work with peace of mind.

Action Plan based on the Female Empowerment Promotion Act

Period: Three years from April 1, 2016 to March 31, 2019

Target 1	We will raise the average percentage of females in the total number of new hires (graduated from university/graduate school) to over 30%.
Initiatives	<p>April 2016</p> <ul style="list-style-type: none"> Continue to raise employee awareness to promote employment of female students. Improve job/workplace environments and review/creatively improve the way of working. Appoint female recruiters to conduct employment screening for each job classification.
Target 2	Raise the percentage of female supervisors (section chiefs) to over 10%
Initiatives	<p>September 2016</p> <ul style="list-style-type: none"> Continue to provide diversity management training for managers to raise awareness for creating workplaces where diverse human assets can exercise their abilities to the full. <p>November 2016</p> <ul style="list-style-type: none"> Continue to provide female empowerment/career-building training for female employees to raise women's awareness of female empowerment initiatives, their career development, and future working styles. <p>February 2017</p> <ul style="list-style-type: none"> Consider review of training programs for career development.

Program users

Programs	FY2013	FY2014	FY2015*
Family care leave program (persons)	1	1	0
Family care time off (persons)	3	1	1
Accumulated time off (persons)	61	65	61
Childbirth leave (persons)	16	14	13
Childcare leave (persons)	26	25	20
Child nursing care time off program (persons)	11	10	9
Shorter hours/flex time (persons)	21	28	27
Paid social contribution time off (persons)	26	26	22
	(total of 50 days)	(total of 47 days)	(total of 49 days)
Percentage of paid leave taken (%)	50.09	51.12	61.11

Company-wide Rank-based Training Programs

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

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

507
employees

Employee Communication

Lintec (Thailand) Co., Ltd. held its Sports Day in December 2015. All employees were grouped into four teams to compete for ten events, including football, *sepak takraw*, badminton, hula-hooping and a relay race. Each game was a tight match, exciting employees. The Sports Day played a significant role in deepening cross-organizational communication. Comments from participants include: "I realized the pleasure of working hard together for the same goal," and "It helped me strengthen relationships of trust with my colleagues, facilitating communication at my workplace."



Sports Day motivated employees

Voice
05

Flower Arrangement Club Has a History of Over 50 Years

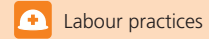
The Flower Arrangement Club (Sogetsu school) in Head Office has a history of more than 50 years. Members practice the basics according to Sogetsu school textbooks. Once they become more advanced, they are permitted to arrange flowers freely. We practice twice a month, and display flower arrangements we created at the reception desk and in the smoking areas. We hope our flower arrangements help visitors and employees to become aware of the seasons and feel relaxed.

Masako Goto, Chief, Secretary's Office, General Affairs and Legal Department, Head Office



Together with Employees

Safe Workplace Environments (Safety and Disaster Prevention)



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

WEB CSR > Social Report > Together with Employees (Safety and Disaster Prevention)
<http://www.lintec-global.com/csr/social/employee/safety/>

Occupational Safety

Occupational Safety and Health Policy

In 2010, the Lintec Group established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out business activities based on an occupational safety and health management system (OSHMS)^{*1}. Plans for mutual safety audit and fire preventive patrol are developed at the corporate-wide level, while annual safety and health plans are developed at individual plants, to implement plan-do-check-act (PDCA) cycles for safety activities. The Safety Consideration Committee, consisting of members engaged in safety activities in plants and members of the group-wide Safety Secretariat, examines group-wide safety activities. The Lintec Group will continue to promote activities for accident-free operation.

Annual Safety and Health Plan

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

In fiscal 2015, mutual safety audits, fire prevention patrols, and top management patrols were conducted. Individual plans also carried out patrols by members of the plant's top management, managers, and the union, as well as employee volunteer patrols. The company shares safety information with all sites, group companies in and outside Japan, and executive officers by distributing disaster flash reports, disaster analysis reports, and the minutes of the Safety and Health Committee meetings.

Actions included in the annual safety and health plan

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

Safety and Health Committees & Health Committees

The Lintec Group holds monthly committee meetings to discuss safety and health in the workplace. In fiscal 2015, the group continued to distribute Japanese and English versions of its disaster flash reports and minutes of committee meetings to implement safety management group-wide.

Committees for safety and health in workplaces

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

Accidents Resulting in Absence from Work

In fiscal 2015, five occupational accidents (resulting in lost work days) occurred at Lintec Group companies in Japan, leading to 134 days of absence from work. The number of accidents had been on the decline since fiscal 2013, but increased in fiscal 2015. Three accidents were similar to those that occurred in the past, and the remaining two seemed to be caused by carelessness during familiar tasks. In fiscal 2016, we will raise everyone's level of awareness through education for managers and supervisors. (Overseas Group companies are excluded.)

Occurrence of accidents resulting in absence from work

	FY2013	FY2014	FY2015 ^o
Number of accidents resulting in absence from work	4	2	5
Number of days of absence from work	245	81	134
Accident sites	Lintec and partner companies	Lintec	Partner companies

Voice
06

Accident-Free for Two Consecutive Years After Citing the Four Lintec Safety Principles

At Lintec Thailand, all employees cite the Four Lintec Safety Principles^{*2} every morning to ensure the 5Ss^{*3}. As a safety manager, I conduct daily safety patrol. Every year, we appoint an employee who has taken a safety seminar provided by a public institution as a health and safety committee member in order to improve awareness of safety across our plant. Because of these efforts, we received the safety award from a local labor bureau for two consecutive years. As the next step, we would like to achieve one million accident-free hours.

ZeeroH Madsa-i, Assistant Chief, Safety Office, Lintec (Thailand) Co., Ltd.



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

*2 Four Lintec Safety Principles: (1) Finger pointing and callouts; (2) Never touch a moving rotating machine; (3) Cue colleagues during a collaborative task; and (4) Stop the

machine in the event of trouble.

*3 5S: A slogan for workplace improving practices; "S" is the first letter of Japanese words "Seiri, Seiton, Seiso, Seiketsu, Shitsuke" (meaning organizing, clearing up, cleaning, cleanliness and discipline).

Regarding the asterisk *, see page 01.

Mishima Plant Achieved Two Million Accident-Free Hours

The Mishima Plant has had no accidents for about two and half years, achieving accident-free man hours of two million hours on February 13, 2016.

Since March 2014, the plant has been implementing MIP^{*1}, which is an environmental improvement activity based on the 5Ss^{*2}, in its effort to beautify workplaces and improve workability and efficiency. The plant is committed to enhance and promote the MIP activity for cleaner, safer workplaces.



Members of the Safety and Health Committee at the Mishima Plant

Regular Safety Council Meeting (Kumagaya Plant)

To prevent accidents by partner constructors on its property, the Kumagaya Plant holds Regular Safety Council Meeting three times a year. In April, July and December, 176 participants from in and outside the company exchange a wide range of opinions on safety topics, including (1) following safe operating rules, (2) sharing information on other companies' disasters, and (3) information on unsafe production sites, to help with activities for spreading and reviewing rules and management forms and improving workplaces. The plant asks participating partner companies to submit a pledge of safety to ensure safe operation on plant property.

Disaster Control in BCMS

In planning prevention and mitigation of disasters in its corporate-wide BCMS activities based on ISO 22301, an international standard^{*3}, Lintec conducts risk assessment of disasters, placing top priority on saving human lives. All Lintec sites examine their operations and facilities to identify, analyze and assess risks of damage that may be caused by different types of disasters. It is stipulated in the corporate-wide BCMS activity rules that if it is found that disaster control in a site is not sufficient, the site should plan and take sufficient measures. Moreover, the concreteness and validity of these disaster control measures are checked and improved by carrying out disaster drills.

Emergency Drills

Each Lintec site carries out emergency drills as part of the corporate-wide BCMS activities, while taking measures to reduce disaster-related risks, including stocking emergency supplies and using satellite telephones to ensure multiple means of communication. On December 1, 2015, a corporate-wide safety check drill was conducted, assuming an "earthquake of intensity 6 lower." About 3,700 persons* from 26 Lintec sites* and partner companies in Japan participated in the drill. Lintec will continue this type of drill.

Accident-free hours achievements in fiscal 2015 (April 1, 2015 to March 31, 2016)

Date achieved	Business site	Achievement (hours)	
2015	April 21	Shingu Plant	1.75 million
	May 22	Ina Technology Center	0.5 million
	July 9	Mishima Plant	1.5 million
	November 25	Agatsuma Plant	1 million
	December 11	Shingu Plant (Including Niihama)	2 million
2016	February 13	Mishima Plant	2 million
	March 31	Chiba Plant	No accident in the year
	March 31	Komatsushima Plant	No accident in the year
	March 31	Shingu Plant (Including Niihama)	No accident in the year
	March 31	Agatsuma Plant	No accident in the year
	March 31	Mishima Plant	No accident in the year

Top Management Patrols at Production Bases

To ensure safe operation, President Nishio carried out top management patrols to visit and inspect plants worldwide. President Nishio also talked with employees while touring around production floors to check the progress in safety-first operations and implementation of the 5S's. Each production site is taking various improving measures based on issues pointed out during these top management patrols, and creating comfortable workplaces.

Voice
07

Prompt BCMS-Based Response

Lintec Speciality Films (Taiwan), Inc. started its BCMS activities in February 2015. Our company received registration after a one-year preparation period and a screening for BCMS expansion on February 2, 2016. Following the earthquake in Southern Taiwan that occurred in February 6, 2016, we promptly conducted safety checks and report the damage using LSP (Lintec Standard Package)^{*4}. The event provided an opportunity to see the results of our activities. We will continue to work on group-wide BCMS.



Cheng Wen-chieh, Assistant Section Chief, Occupational Safety Office, General Affairs Section, Lintec Speciality Films (Taiwan), Inc.

*1 MIP stands for Mishima Innovation Project.

*2 5S: See page 25.

*3 ISO 22301: See page 19.

*4 LSP: An inter-company network available to all group companies in and outside Japan

Together with Local Communities

(Community Participation)



Community involvement and development

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



CSR > Social Report > Together with Local Communities
<http://www.lintec-global.com/csr/social/community/>

Ongoing Disaster Support

The Lintec Group has been making relief donations as an ongoing activity to support recovery after the Great East Japan Earthquake. In fiscal 2015, as it did in the previous fiscal year, the company raised funds for Ofunato City in Iwate Prefecture, which has signed a cooperation agreement with Itabashi City, where Lintec's Head Office is located. Lintec and the Lintec Forest*⁵ respectively matched the donations made by Lintec employees, and the total was donated as a matching gift. The donation was used for the purchase of musical instruments for a local junior high school brass band club. Lintec's Head Office also hosted a Fukushima Foods & Product Fair to support the recovery of Fukushima by economic activities. The company will continue various forms of reconstruction support activities in the future.



Students from Ofunato City Junior High School taking a tour of the Itabashi Office Show Room



Fukushima Foods & Product Fair

Fureai Concert

Lintec held its fifth Lintec Fureai Concert in October 2015, inviting persons with disabilities and their helpers living in Tokyo's Itabashi City, as well as people from neighboring areas. A total of about 700 persons, including Lintec Group employees and their families, participated in the concert. The concert programs included: hand bell performance by children of members of Itabashi "Hohoemi-no-Kai," an association of parents of children with Down syndrome; chorus by "Kuma," a choir from the Itabashi City Takashima Daisan Junior High School that joined the event for the first time; and a jazz band session. We will continue to value opportunities to communicate with local residents.



Volunteer staff for the Lintec Fureai Concert

Support for Persons with Disabilities

In April 2015, Lintec invited persons with disabilities and their helpers living in Tokyo's Itabashi City (118 people in total) to a professional baseball game at Tokyo Dome—Hokkaido Nippon Ham Fighters vs. Saitama Seibu Lions. This marked the ninth such event arranged by Lintec. The company received smiles and many words of thanks from participants who expressed their gratitude and enjoyment of the game and a strong desire to participate again. Lintec will continue this kind of social contribution activity that brings joy to local residents.

Beautification Projects and Cleanups

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



Kumagaya Plant employees participating in Arakawa Riverside cleanup



Support for the Areas Affected by the Kumamoto Earthquake in 2016

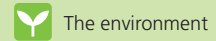
We express our heartfelt sympathy to all those who were affected by the Kumamoto Earthquake. To be of help to the affected people and help the recovery of the affected areas, the Lintec Group made relief donations through the Japanese Red Cross Society. Employees of group companies in and outside Japan have also donated the funds they raised separately.

We hope for the earliest possible recovery of the affected areas.

*5 Lintec Forest: Lintec's labor union

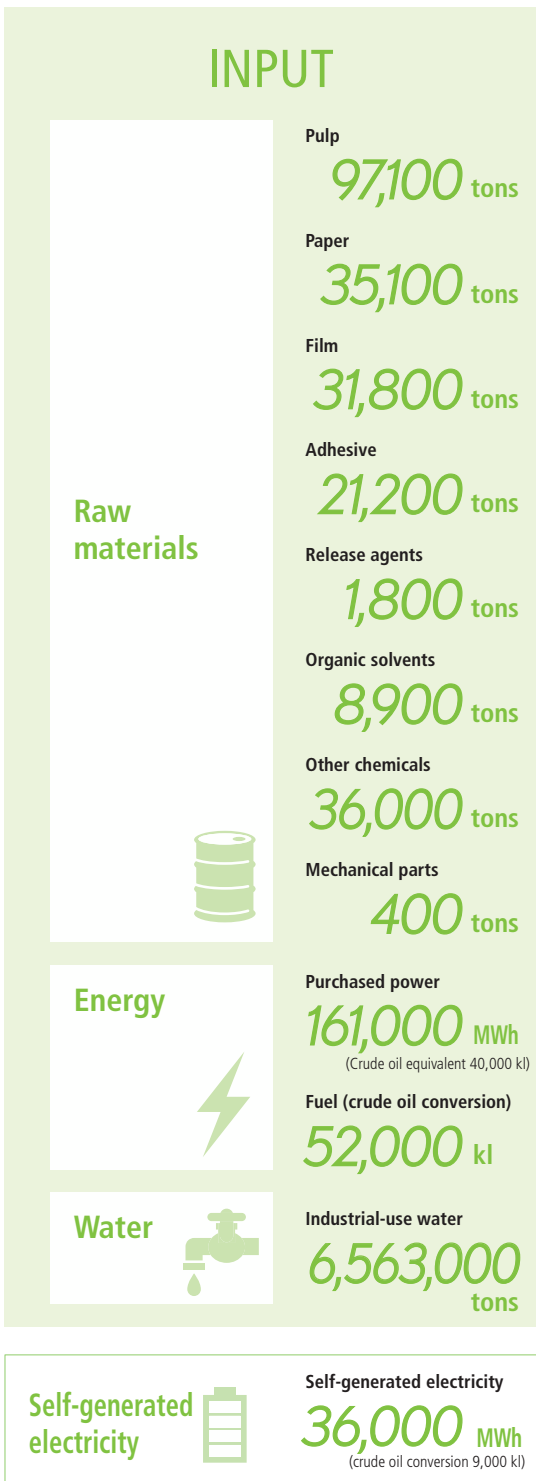
Regarding the asterisk *, see page 01.

Business and Environmental Activities



The Lintec Group is working to reduce environmental impact across its business activities from procurement of raw materials to sales to support conservation of the global environment.

WEB [CSR > Environmental Report > Relationship between Lintec and the Environment](http://www.lintec-global.com/csr/environment/relation/)
<http://www.lintec-global.com/csr/environment/relation/>



Business Activities of the Lintec Group

Raw material procurement

R&D

Environmental Activity Topics

KP5000 from the KINATH Series Won a Global Award

At the world's largest labeling exposition, LABELXPO EUROPE 2015, held in Belgium in September 2015, Lintec's KP5000, a label material using recycled polyethylene terephthalate (PET), from the environmentally friendly product line KINATH received the Label Industry Global Award. Lintec became the first Japanese company to receive the award. KP5000 uses substrates containing 80% or more mechanically recycled PET^{*1} resin, and thus contributes to recycling resources and reducing petroleum usage. Encouraged by the Award, we will continue to develop products that contribute to a sustainable society.



Yusuke Matsuoka
Adhesive Material Laboratory



*1 Mechanically recycled PET: Mechanical recycling is a recycling method that uses plastic bottles collected as sorted waste to produce high-quality and sanitary recycled PET resin.



Manufacturing



Sales

Third-Party Verification of Environmental Data

The Lintec Group promotes environmental conservation activities following ISO 14001 with the global integrated certification covering its sites in and outside Japan, and receives a third-party assessment every year of whether its environmental management system is operating properly for its environmental targets. In addition to that, this fiscal year, the Lintec Group received a third-party assessment by an independent auditing organization for environmental management systems, SGS Japan Inc., on greenhouse gas emissions and electric power consumption. The audit found no important issues that need corrective action.



Verification Report

OUTPUT

Products



Specialty papers
72,000 tons

Adhesive products
81,900 tons

Processing materials
(release paper, etc.)
53,000 tons

Adhesive-related
equipment
800 tons

Waste



Waste generated
28,260 tons

- Waste emitted
11,740 tons
 - Effective external utilization
10,860 tons
 - Incineration
850 tons
 - Final landfill disposal
30 tons
- Effective internal utilization
9,690 tons
- Sale of valuable materials
6,830 tons

Emissions into the atmosphere



CO₂
200,000 tons

SO_x
7.4 tons

NO_x
88.0 tons

Soot and dust
4.8 tons

Release into water bodies



Substances subject to the PRTR
0.45 tons

Effluent
6,291,000 tons

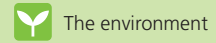
Breakdown of CO₂ emissions

<ul style="list-style-type: none"> •Scope 1^{*2} Direct emissions • Bunker-A oil • Utility gas • LPG 	<ul style="list-style-type: none"> •Scope 2^{*3} Indirect emissions from energy • Electricity
87,000	113,000
tons	tons


*2 Scope 1: All direct CO₂ emissions from the consumption of purchased gas and liquid fuels, such as liquid natural gas (LNG), liquid petroleum gas (LPG), utility gas, oxygen, kerosene, light oil, and gasoline.

*3 Scope 2: All indirect CO₂ emissions from the production of purchased and consumed energy, such as electricity and steam.

Environmental Management



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

 [CSR > Environmental Report > Environmental Management](http://www.lintec-global.com/csr/environment/management/)
<http://www.lintec-global.com/csr/environment/management/>

Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group has established a Quality, Environmental and Business Continuity Policy. The policy was drawn up by adding a business continuity policy prepared for natural disasters and pandemics*1 to the former quality and environmental policy, with the aim of fulfilling social responsibility from various perspectives. In the area of the environment, the Lintec Group sets medium-term targets for CO₂ emissions and electricity consumption.

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

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

Integrated Certification for Environmental Management

The Lintec Group has acquired global integrated certification*2 for ISO 14001 for 25 registered sites, including Head Office, 11 group companies outside Japan, 11 plants plus the Research Center in Japan, and Tokyo Lintec Kako, Inc. We are also preparing for the transition to the 2015 version of the ISO, revised from the 2014 version. The Lintec Group will continue its group-wide environmental protection activities.

Internal Environmental Auditing

Lintec conducts internal audits and mutual audits of its business sites, in order to confirm proper implementation of the Environmental Management System and legal compliance in these sites. Mutual site audits are conducted by employees who are certified lead auditors as a unique qualification of Lintec. Lintec trained nine new lead auditors in fiscal 2015, bringing the total to 184 (as of March 31, 2016).



Biodiversity Conservation Initiatives

The Lintec Group has incorporated biodiversity conservation into its Quality, Environmental and Business Continuity Policy, and accordingly conducted biodiversity preservation activities, led by sites in and outside Japan that have acquired the ISO 14001 global integrated certification. The Lintec Group is committed to proactive biodiversity conservation, including participating in activities held by non-profit organizations and providing internal study sessions with invited lecturers.

Voice
08

Improving the Level of Internal Audits

For more than ten years, we have operated our environmental management system with global integrated ISO 14001 certification. As we shift to the 2015 version of ISO 14001, our efforts for environmental performance are becoming increasingly important. Under these circumstances, we must improve the level of internal audit to manage the proper operation of our environmental management system. In addition to sharing information between sites and horizontally launching initiatives, taking advantage of the group-wide activities ensures that auditors can improve their skills by learning from each other.

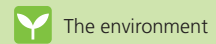


Nachio Satoyoshi, Section Chief, Environmental Group, Plant Engineering Section, Agatsuma Plant

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

*2 Global integrated certification: ISO 14001 certification covering multiple business sites worldwide as a single organization

Addressing Global Warming



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

WEB CSR > Environmental Report > Addressing Global Warming
<http://www.lintec-global.com/csr/environment/warming/factory/>

Efforts in Manufacturing

Status of Compliance with Japan's Energy Conservation Act

Energy use by the entire Lintec Group in Japan*3 exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated a "Specified Business Operator," pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit by 1% per year. In fiscal 2015, the Lintec Group in Japan implemented a variety of energy-saving measures. These included effective operation of production facilities, management of the air conditioning system, recovery and use of waste heat, and use of VOC combustion heat.

Energy Savings Promotion Committee

To comply with the Energy Conservation Act, the Lintec Group in Japan collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. In fiscal 2015, the Lintec Group in Japan implemented corporate-wide energy-saving measures aimed at improving its energy use per production unit. The Chiba Plant expanded the use of VOC combustion heat, while the Kumagaya Plant reviewed its cogeneration system*4.



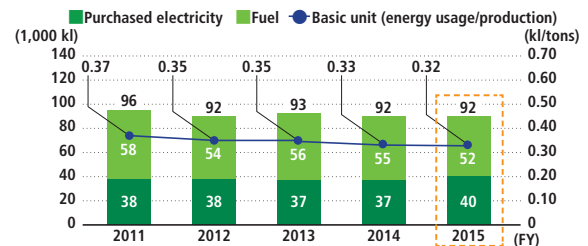
Waste heat boiler at the Chiba Plant

Total Energy Use and CO₂ Emissions

In fiscal 2015, total energy use (crude oil equivalent) for the Lintec Group in Japan increased by 0.3% due to the increased production volume. Energy use per unit of production improved by 3.0% to 0.3189 kl per ton. CO₂ emissions in fiscal 2015 were 200,000 tons, achieving the target of 203,000 tons or less for the year.

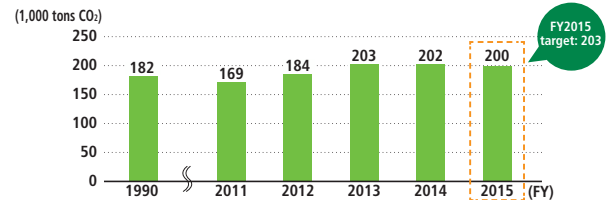
In fiscal 2016, Lintec aims to reduce its CO₂ emissions by 1.6% and its energy use by 0.2% over fiscal 2015, on a per-unit of production basis.

Total energy use (crude oil equivalent)



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

CO₂ emissions



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

Voice
09

Promoting the Reduction and Recycling of Waste

For environmental conservation, Madico, Inc. is making efforts to reduce and recycle waste. One example of these efforts is that we reduced solvent waste from our manufacturing process by improving the production equipment in use. We will continue to promote waste reduction and recycling.



Sharon Bolling, EHS generalist, Madico, Inc. (USA)

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

*4 Cogeneration system: A cogeneration system generates electricity using a generator fueled by gas or other driving source, and simultaneously uses waste heat for the hot water supply and air conditioning.

Efforts to Prevent the Leakage of Fluorocarbons

With the enforcement of the revised Fluorocarbons Act (“the Fluorocarbons Emissions Control Act”) from April 1, 2015, comprehensive measures covering from manufacturing to disposal of fluorocarbons must be taken. To preserve the ozone layer and address global warming, the Lintec Group is making efforts to prevent the leakage of fluorocarbons, which include creating a list of industrial air conditioners and refrigeration systems owned by its sites and conducting regular inspections.

Efforts in Distribution

Lintec is a “Designated Shipper” under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers annually*1. As a Designated Shipper, Lintec submits an annual transport-related energy conservation plan to the government, in accordance with this Act.

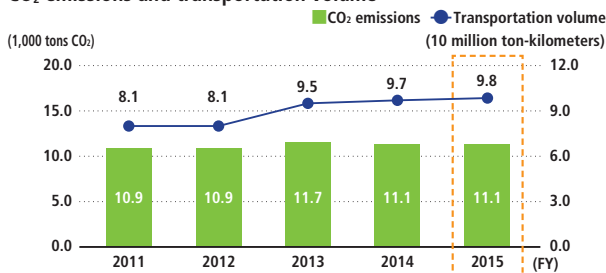
In fiscal 2015, the volume of transportation increased by about 1.2% from the previous year but energy use and energy use per unit of transportation decreased by about 0.2% and 1.3%, respectively, due to efforts to improve transportation efficiency.

We will continue to improve transportation efficiency by expanding modal shift*2 and other measures (see page 12).



Delivery to the warehouse

CO₂ emissions and transportation volume



Product Development Initiatives

Guidelines for Environmentally-Friendly Products

Lintec has been developing new environment-friendly products, taking into account and assessing LCA*3, and developed 24 products in fiscal 2015, exceeding the target of 12 products. Lintec has also developed and uses guidelines for “self-declared environment-friendly products” which are in accordance with ISO 14021*4. Lintec will continue to develop environment-friendly products.



Number of environment-friendly products developed

24

Developing Products That Help Reduce Environmental Impact

The Lintec Group has positioned environmental and energy businesses as an important focus. Some of the main products are window films with superior heat insulation, which reduce consumption of energy, and film base label materials, which promote recycling and reuse. Lintec is committed to developing products that help reduce environmental impact and save energy, and satisfy customers.

Light Diffuser Film for Brighter Reflective LCDs*5

Lintec has developed a light diffuser film that makes display screens brighter by efficiently diffusing the light from reflective liquid crystal displays (LCDs). In recognition of the development of this film, the Institute of Image Information and Television Engineers presented the Technology Promotion Award to Lintec in May 2015.



Digital clock using the light diffuser film (left)

Voice
10

Measures to Prevent Fluorocarbon Leakage in Daily Operations

The Fluorocarbons Emissions Control Act requires businesses with CO₂ equivalent emissions of 1,000 tons or more to submit a report on the amount of leakage from target equipment they own. The Environmental Safety Department has aggregated the amount of leakage at Lintec, and found that the leakage in fiscal 2015 did not require reporting. When we aggregated the leakage data, plants and branches reported to us not only the amount of leakage, but also the status of simple inspections, so that we could confirm that they are controlling fluorocarbons by incorporating actions in response to the new regulation into their daily operations.

Noriko Kijima, Section Chief, Environment and Safety Group,
Environment and Safety Department, Head Office



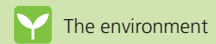
*1 Ton-kilometers: A unit of cargo transport amounts, computed by multiplying the cargo tonnage by the transportation distance. Transporting 1 ton of cargo over a distance of one kilometer equals one ton-kilometer.

*2 Modal shift: See page 12.

*3 LCA: See page 17.

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

Reducing Waste and Water Usage



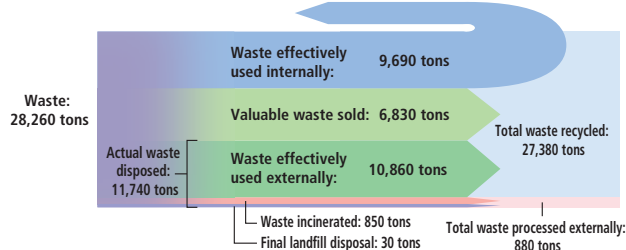
In order to help realize a recycling-oriented society, the Lintec Group is working to reduce waste. It is also striving to save water, reuse waste water, while complying with the effluent control regulations and improving the quality of effluent generated.

WEB CSR > Environmental Report > Reducing Waste
<http://www.lintec-global.com/csr/environment/waste/>

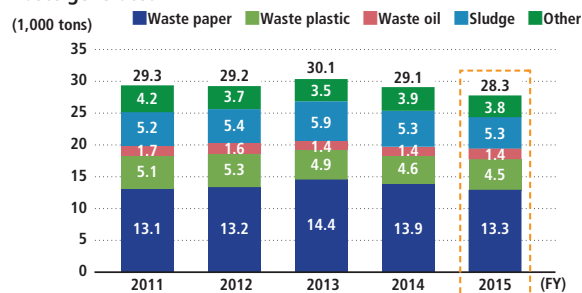
Amounts of Waste Generated and Effectively Used

In fiscal 2015, the amount of waste generated, including manufacturing loss, at Lintec was 28,260 tons. The total waste output was 11,740 tons. Of this waste output, 10,860 tons were recycled by outside recycling companies and the remaining 880 tons were properly disposed of by waste disposal companies. The final landfill disposal rate*6 for fiscal 2015 was about 0.11%, which was lower than the target (0.2% or less), Lintec has also continued to achieve "zero emission"*7 (final landfill disposal rate of 1.0% or less) since fiscal 2007. Lintec's statutory target in fiscal 2016 is a 0.1% reduction in the waste generated, on a year-on-year basis.

Fiscal 2015 waste flow



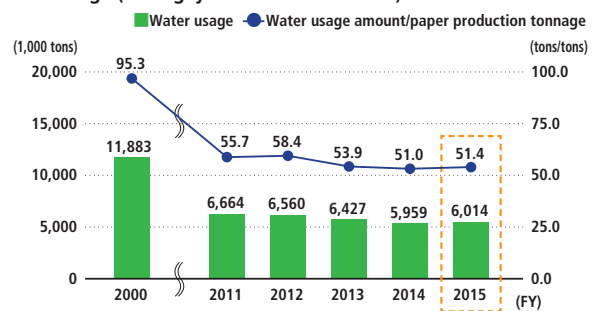
Waste generated



Water Usage and Water Conservation Measures

In fiscal 2015, Lintec used 6,563,000 tons of water. Of this amount, about 92% was used by the Kumagaya and Mishima plants, which are Lintec's papermaking facilities. Water usage at these two plants increased slightly over the previous year. Water usage per unit of paper production increased by 0.8% from the previous fiscal year. The two plants are making continued efforts to reduce water usage in each process and take measures to prevent water leaks. From fiscal 2015 to 2016, they aim to reduce their water usage per unit of production by 2% compared to each previous year.

Water usage (Kumagaya and Mishima Plants)



Reducing Effluent

The total amount of effluent discharge by Lintec in fiscal 2015 was 6,291,000 tons. About 95 percent of this was released from the Kumagaya and Mishima plants. These plants are working to reduce their water usage and effluent discharge by taking measures such as reusing used water in each papermaking process. They will continue to renovate the water treatment facilities.

Voice
11

Reducing Waste by Making Changes on the Production Floor

At the Lintec Group, each plant is improving its production floor. The Chiba Plant is renovating its production floor in the Chiba Innovation Project (CIP) to reduce loss of raw materials, such as chemicals and films, to reduce waste and improve productivity. We will continue to practice the 3Rs (reduce, reuse, and recycle) for the development of a recycling-oriented society.

Susumu Kaneko, Section Chief Assisting Plant Manager, Chiba Plant

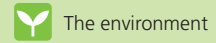


*5 Reflective LCD: A type of liquid crystal display that displays images by reflecting light from external light sources. The electric power consumption of reflective LCDs is only one tenth that of transmissive LCDs.

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

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

Reduction of Environmentally Hazardous Substances



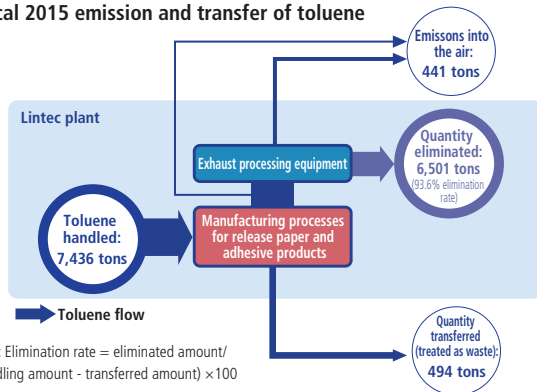
The Lintec Group complies with relevant laws and regulations in and outside Japan and strives to reduce its use of chemical substances that have an impact on the environment.

WEB [CSR > Environmental Report > Reduction of Environmentally Hazardous Substances](http://www.lintec-global.com/csr/environment/impact/)
<http://www.lintec-global.com/csr/environment/impact/>

Compliance with PRTR Act*1

In fiscal 2015, Lintec used ten substances that are subject to PRTR reporting. The total quantity of PRTR chemicals was 7,528 tons. Toluene accounted for the largest portion of this amount, at 7,436 tons, down 144 tons from the previous year (7,580 tons). Emissions of toluene into the atmosphere were 441 tons, down 21 tons from the previous year (462 tons), and the transferred amount was 494 tons, down 42 tons from the year before (536 tons).

Fiscal 2015 emission and transfer of toluene



promptly dispose of the low-PCB concentration units, and securely manage and store high-PCB concentration units that are awaiting disposal.

Reducing VOCs (volatile organic compounds)*3

Lintec is reducing VOCs. In product design, Lintec is working on switching to a solvent-free release agent for its release paper and solvent-free adhesive for printing-related adhesive products to reduce the amount of organic solvents it uses. In fiscal 2015, the percentage of solvent-free release paper (production basis) was 55.8%. The percentage of solvent-free printing-related adhesive products (sales basis) was 73%. The percentage of solvent-free paper and products remains at the same level, but Lintec will continue to expand sales by promoting the advantages of environmentally friendly products and their benefits to environmental conservation. Meanwhile, the installation of exhaust gas treatment equipment has been completed. Lintec will continue to monitor numerical values, and ensure reliable operation of exhaust gas treatment equipment to reduce its environmental impact.

Complying with EU Regulations Concerning Chemical Substance Management and Environmental Preservation

Lintec examines substances with environmental impact in the raw materials it purchases, and conveys the necessary information to customers. The company also issues GHS*4-compliant SDS*5 for its products, complying with regulations in EU where environmental regulations are becoming tighter. In light of the addition of substances subject to the REACH Regulation*6 and the RoHS Directive*7, Lintec is enhancing the management of substances contained in its products. (Currently, about 6,000 substances are regulated.)

Proper Storage and Management of PCB*2

Lintec securely stores and manages waste containing PCBs in accordance with the law. In fiscal 2015, Lintec properly disposed of eight units containing high-concentration PCBs and five units containing low-concentration PCBs. By December 2015, the company re-inspected the number of units and confirmed that it owns 77 high-PCB concentration units (including 52 fluorescent light ballasts) and 13 low-PCB concentration units. Lintec will

Voice
12

Improving the Working Environment to Reduce Environmental Impact

Lintec Industries (Sarawak) SDN. BHD. is working on the reuse of secondary materials. For instance, we are collecting and cleaning acrylonitrile-butadiene-styrene (ABS) resin cores for winding products to reuse them. We have also introduced a closed automatic washer to improve the working environment while reducing the amount of solvents used and disposed of.

James Rigas, Maintenance, Lintec Industries (Sarawak) SDN. BHD. (Malaysia)

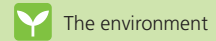


*1 The PRTR (Pollutant Release and Transfer Register) Act is formally named the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvement to the Management Thereof. PRTR is a system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred.

*2 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.

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

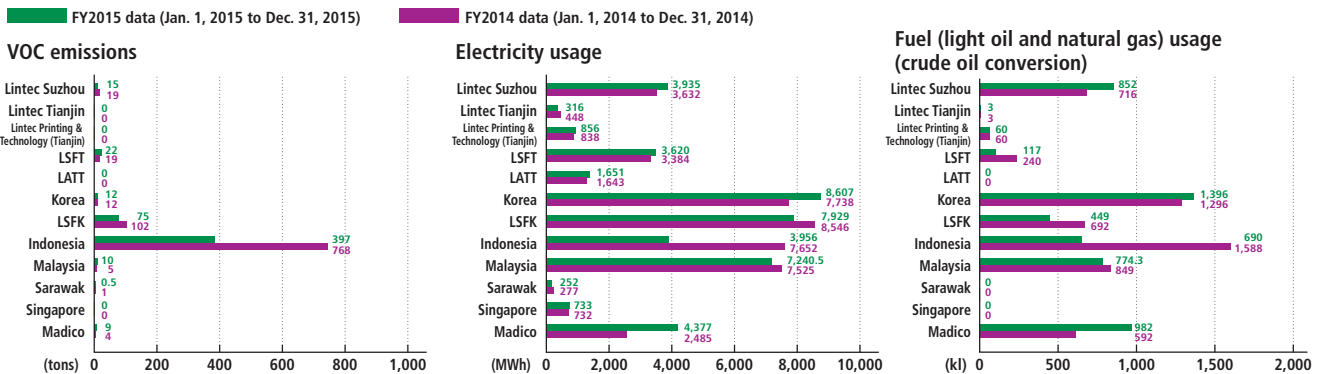
Environmental Activities of 12 Group Companies Outside Japan



While acquiring global integrated certification for ISO 14001^{*8}, the Lintec Group is putting its efforts into environmental conservation activities at group companies outside Japan to fulfil its responsibility as a global company.

CSR > Environmental Report > Environmental Activities of 12 Group Companies Outside Japan
<http://www.lintec-global.com/csr/environment/overseas/eco/>

Environment Performance Data in Fiscal 2015 Below is the environmental performance data for the 12 Lintec Group companies outside Japan in fiscal 2015.



With the merger with Madico in January 2013, Lintec acquired Madico's St. Petersburg Plant, and completed the inclusion of the plant in the integrated ISO 14001 certification in January 2015. Starting in 2015, data for the plant has been included in the above graphs, so that emissions and usage increased. At Lintec Indonesia, emissions and usage decreased with the decline in production volume.

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

LINTEC (SUZHOU) TECH CORPORATION

Location: Suzhou New District, Jiangsu Province, China No. of employees: 219
 Main business activities: manufacture and sale of printing materials, industrial materials, and products related to paper and processing material

In June 2015, we conducted biodiversity education and awareness-raising activities. Employees took the initiative in the activities, creating education materials in-house. We will continue to conduct initiatives for biodiversity.



Biodiversity study session in the Quality Control Section

Zhang Xudong
Engineering Department



LINTEC (TIANJIN) INDUSTRY CO., LTD.

Location: Nankai District, Tianjin, China No. of employees: 89
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

To raise employee awareness of CSR, we used the Lintec Group CSR Report 2015 as a training text and conducted a CSR test for all employees. We are also working to raise awareness of how to improve the environment. For example, we changed the labeling at the waste and iron scrap storage area.



Changed the waste storage area and the labeling

Jia Jun
General Affairs & Personnel Division



LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

Location: Xiqing Economy Development District, Tianjin, China No. of employees: 92
 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

To further reduce effluents and electricity consumption, we introduced new printmaking equipment in April 2015, which resulted in reducing effluents by 100 liters and electricity by 200 kWh per month. Meanwhile, we are promoting initiatives to provide a comfortable working environment for every employee.



New printmaking equipment

Zhang Kun
Quality Assurance Office



LINTEC SPECIALITY FILMS (TAIWAN), INC.

Location: Shanhua District, Tainan City, Taiwan No. of employees: 94
 Main business activities: manufacture and sale of electronic- and optical-related products

In June 2015, we held an Employee Family Day in an old sugar factory site in Wushulin in Houbi, Tainan. Ninety-three participants learned about the history of the sugar factory, as well as the animals and plants living on the property. The event provided them with a good opportunity to find out about the importance of biodiversity.



Employee Family Day

Tsai Ching-Shyang
General Affairs Section



The number of employees is given for December 31, 2015.

*4 GHS: Globally Harmonized System of Classification and Labelling of Chemicals. GHS provides international standards for the classification of chemicals by types of hazard and a mechanism of labeling.
 *5 SDS: Safety data sheet. This is a document which provides information on the handling of chemical substances when transferring or providing products that contain potentially

hazardous chemical substances to another company.
 *6 REACH Regulation: See page 22.
 *7 RoHS Directive: EU's Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment
 *8 Global integrated certification: See page 30.

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

Location: K.E.P.Z. Kaoshiung, Taiwan No. of employees: 73
Main business activities: manufacture and sale of electronic- and optical-related products

To improve the management and maintenance of plant wastewater and reduce the electricity consumption, we installed an additional unit for the wastewater treatment system and switched the lighting to LEDs in fiscal 2015. We also introduced auto monitoring systems for electricity and sewage for more efficient environmental conservation. We will continue to enhance environmental conservation and our management systems.



LED lighting after replacement

Jiang Dewei
Engineering Section
Administration
Department



LINTEC KOREA, INC.

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

We improved the systems for operating our manufacturing facilities and boilers to reduce electricity and fuel consumption. Consequently, we reduced our annual electricity consumption by about 236,000 kWh and our gas consumption by about 249,000 m³, which resulted in a reduction of about 587 tons of CO₂ per year.



Operating and managing the best mix of six boilers

Kim Jung In
Engineering Section



LINTEC SPECIALITY FILMS (KOREA), INC.

Location: Pyeongtaek, Gyeonggi Province, Korea No. of employees: 127
Main business activities: manufacture and sale of electronic- and optical-related products

We changed the firebricks in the furnace of the VOC incineration system, resulting in an appropriate furnace pressure and improved combustion efficiency. The average monthly LNG consumption decreased by about 85% from 35,000 m³ in August 2015 to 5,100 m³ in December that year, or by 35% on a year-on-year basis.



VOC heat incineration system

Lee Young Ho
Plant Engineering
Department



PT. LINTEC INDONESIA

Location: Bogor, West Java, Indonesia No. of employees: 112
Main business activities: manufacture and sale of products relating to printing materials and industrial materials

In May 2015, we cut the grass on plant property, providing employees with an opportunity to re-acknowledge the significance of preserving the environment and cooperating with each other. We will continue with our various environmental conservation activities.



Cutting the grass

Shanti
Quality Assurance
Department



LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

Location: Bukit Mertajam, Pulau Pinang, Malaysia No. of employees: 92
Main business activities: manufacture and sale of electronic- and optical-related products

In April 2015, we planted mangroves along a coastal area in southern Penang on the Malay Peninsula to contribute to biodiversity conservation. Thirty volunteer employees participated in the event. We hope that the mangroves we planted will grow and contribute to conserving biodiversity in the region.



Employees participated in the tree planting event

Yeoh Gaik Leng
Production Management
Section



LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

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

To conserve the forests and contribute to biodiversity, we planted trees in the Bako National Park in September 2015, with the participation of all employees. As we listened to a park guide explaining the history of the park and the activities of the local community, we recognized the importance of the natural environment.



Employees participated in the tree planting event

Michael Benjzi
General Affairs &
Human Resources



LINTEC SINGAPORE PRIVATE LIMITED

Location: Cyberhub, Singapore No. of employees: 90
Main business activities: manufacture and sale of products relating to printing materials and industrial materials and electronic- and optical-related products

As in the previous year, we made a donation to the Garden City Fund operated by the National Park Board. In November 2015, we also participated in a tree planting event hosted by the fund and planted 16 trees in a national park.



Employees and their families participated in the tree planting event

Sng Seng Leng
QA/QC



MADICO, INC.

Location: Woburn, Massachusetts, U.S.A. No. of employees: 215
Main business activities: manufacture and sale of printing materials and industrial materials

Madico's Woburn Plant implemented energy reduction measures, such as switching to LED lighting and installing solar panels. Consequently, electricity usage per unit of production in 2015 improved by 13% from the previous year.



Solar panels improving electricity usage per unit of production

Paul Malburg
Engineering



The number of employees is given for December 31, 2015.

Third-Party Opinion

Hiroyuki Tada

Japan for
Sustainability

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



I am concerned about so-called “Japanese-style CSR” that too often attaches much importance to compliance or the use of check sheets and therefore cannot play the original role of CSR: making a paradigm shift to a sustainable society. On the other hand, Lintec Corporation’s CSR based on its company motto “Sincerity and Creativity” has the potential to come close to the global standard for CSR.

The Message from the President clearly states that the goal of sincerity means building relationships of trust with stakeholders. Creativity is understood as making social innovation driven by CSR, as proved by the CSR workshops featured in Highlight 2. Perseverance makes perfect. I believe that the accumulation of such steady efforts will lead to the creation of a new business model as well as social innovation with the new model.

Looking back on the activities in fiscal 2015, what I find notable are setting materiality-related goals and the main evaluation indicators and providing non-financial data in addition to financial

data. I hope that the company will implement PDCA cycles for CSR management more elaborately by using the indicators for the former and further enhance non-financial data for the latter.

Modal shift featured in Highlight 1 is a steady but important activity because CO₂ emissions from distribution are surprisingly great in the manufacturing industry. The Lintec Group clearly provided its input and output in the Business and Environmental Activities of the Environmental Report, but it would have been better if the Lintec Group has explained the impact of the respective business processes, including distribution, from the LCA perspective, which would allow readers to clearly see the entire picture.

Lastly, I would like to present a suggestion. Under the current CSR promotion system, the CSR Management Office serves as a secretariat, and five CSR committees, each of which has an officer in charge, steadily implement activities every year. From now on, it will become crucial to link these activities to materiality and integrate them.

I would also like to add that many activity themes are “defensive CSR.” I suggest that the sixth CSR committee be established to launch “aggressive CSR” group-wide and that committee activities be coordinated with the CSR workshops that I mentioned earlier. I believe that it would let “Creativity” fly more dynamically on the foundation of “Sincerity.”

Response to Third-Party Opinion

Mr. Hiroyuki Tada has provided us with his third-party opinion since fiscal 2012. We appreciate his understanding of the CSR activities of the Lintec Group. We are still feeling our way with CSR workshops, which are directly connected to “aggressive CSR” based on creativity. We believe, however, that we will come up with new ideas of human resources development and business models if we persevere. We will make continued efforts to transform CSR activities into innovation engines.

Activities along with identifying materiality are important for us as a company aiming to attain sustainable growth with society. By developing targets and key evaluation indicators and implementing PDCA cycles, we expect that we will be able to fulfil our social responsibility and create virtuous cycles, including new opportunities. We have just started modal shift, but we will be able to expand it as our sales division becomes aware of

environmental conservation through cooperation with related divisions. The CSR committees, headed by the officers in charge, play significant roles in supporting our CSR activities. We will link the activities of the CSR committees to materiality and coordinate them with job classifications.

As for the suggestion about the CSR committees, we will check the progress of the CSR workshops and examine the suggestion as to when we should enhance them.

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

Hiroyuki Nishio

Representative Director, President, CEO and COO

Editor’s postscript

The Message from the President is about promoting CSR activities following the company motto “Sincerity and Creativity” for society. Highlight 1 introduces modal shift introduced to reduce environmental impact.

Highlight 2 features CSR workshops aimed to integrate CSR with business.

We will continue with our CSR activities to satisfy the expectations of our stakeholders.



CSR Report 2016 production project members