



L I N T E C

C S R R E P O R T 2 0 1 8



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 2017.

The Highlight section features "Holding CSR Study Sessions for Group-Wide Activities," as well as "Starting the SDGs Committee to Build a Sustainable Future."

This report publishes 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 is described in a simple manner.

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

■ CSR Website

More detailed information on the CSR activities of the Lintec Group is available.

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

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

■ Guidelines Referenced

Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2012) 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, 2017, to March 31, 2018 (fiscal 2017). It also includes some information up through June 30, 2018 concerning specific initiatives. Environmental data for 14 group companies outside Japan covers the period from January 1 to December 31, 2017.

■ 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 14 group companies outside Japan: Sites listed above and 14 overseas group companies^{*2}

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

*1 See page 04. *2 See environmental data for 14 group companies outside Japan on page 34.

■ Note on the fiscal year of consolidated subsidiaries

The fiscal year of Mactac Americas, LLC, Lintec (Thailand) Co., Ltd., and another 35 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 37 consolidated subsidiaries and the consolidated closing date is within three months, consolidated financial statements use each company's financial statements based on the fiscal year, and make necessary adjustments with regard to important transactions that occurred between the two accounting dates.

■ Verification of the reliability of this Report

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

LINTEC

CSR REPORT 2018

INDEX

01	Editorial Policy
02	Overview of the Lintec Group
06	Message from the President
10	Materiality (Important Issues)

Highlight 1

12	Holding CSR Study Sessions for Group-wide Activities
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Highlight 2

16	Starting the SDGs Committee to Build a Sustainable Future
----	-----------------------------------------------------------

Corporate Governance

18	Practicing Sincerity
----	----------------------

Social Report

22	Providing Value to Customers
24	Cooperating with Suppliers
25	Human Rights and Diversity
28	Safety and Disaster Prevention
29	Community Participation

Environmental Report

30	Addressing Global Warming
32	Reducing Waste and Water Usage
33	Reduction of Environmentally Hazardous Substances

35	CSR Activities at Group Companies Outside Japan
37	Third-Party Opinion

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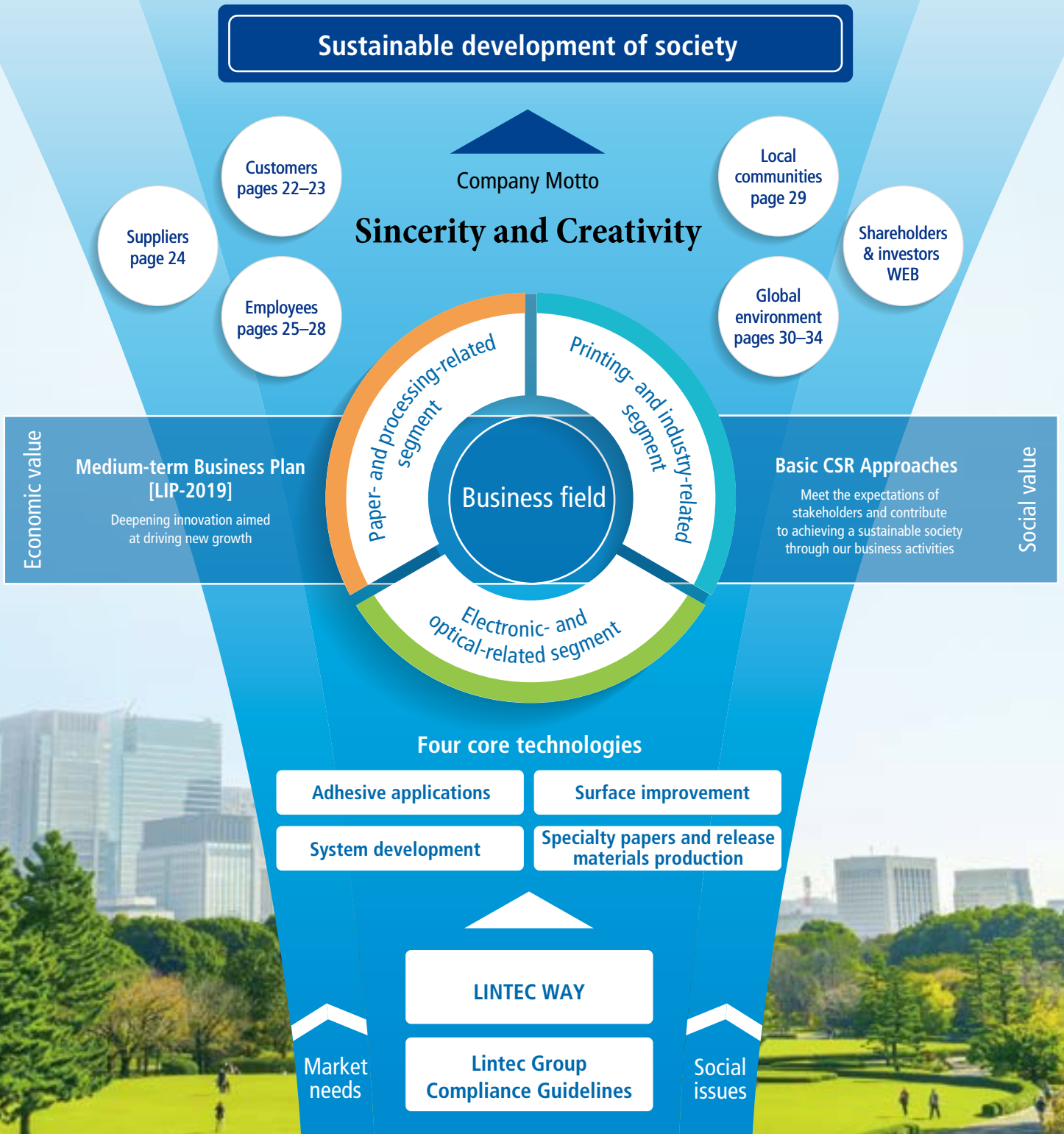
Next publication: August 2019

Overview of the Lintec Group

What Is the Lintec Group?

To realize the company motto, "Sincerity and Creativity," the Lintec Group is creating new value by evolving four basic technologies in accordance with the LINTEC WAY and the Lintec Group Compliance Guidelines.

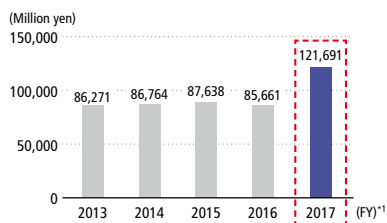
Through initiatives implemented under the medium-term business plan, "LINTEC INNOVATION PLAN 2019 (LIP-2019)," which is targeted at creating economic value, as well as initiatives linked to materiality (important issues), the Lintec Group aims for the sustainable development of society.



Printing- and industry-related segment

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

Sales



Adhesive papers and films for labels

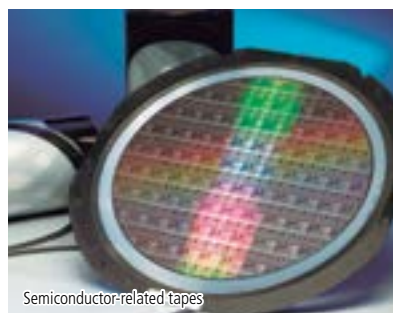
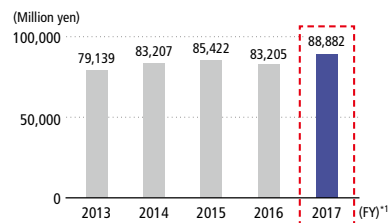


Window films for buildings

Electronic- and optical-related segment

We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, release films indispensable for laminated ceramic capacitor manufacturing, LED-related adhesive products, and touch screen-related products. We play a part in expanding the IoT society^{*2} by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.

Sales



Semiconductor-related tapes

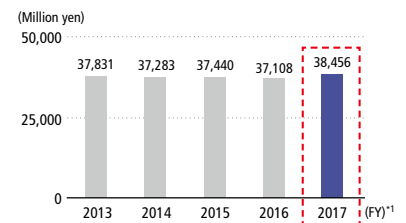


LED-related adhesive products

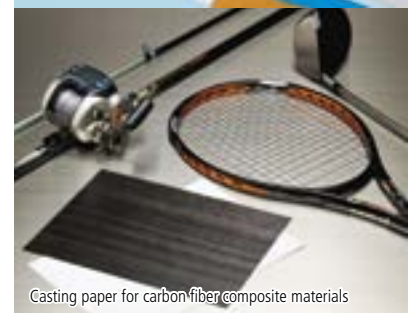
Paper- and processing-related segment

Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelop paper and color paper in a wide array of colors, function paper including greaseproof paper and dust-free paper for food packaging, high-quality printing paper, and release paper and release film for protecting adhesive coated surfaces, as well as casting paper used when manufacturing synthetic leather and carbon fiber composite materials. Recently, we have developed highly water-repellent yet printable craft paper, which is used for envelopes, wrapping and book printing. We continue to improve our products according to market needs.

Sales



Envelope paper



Casting paper for carbon fiber composite materials

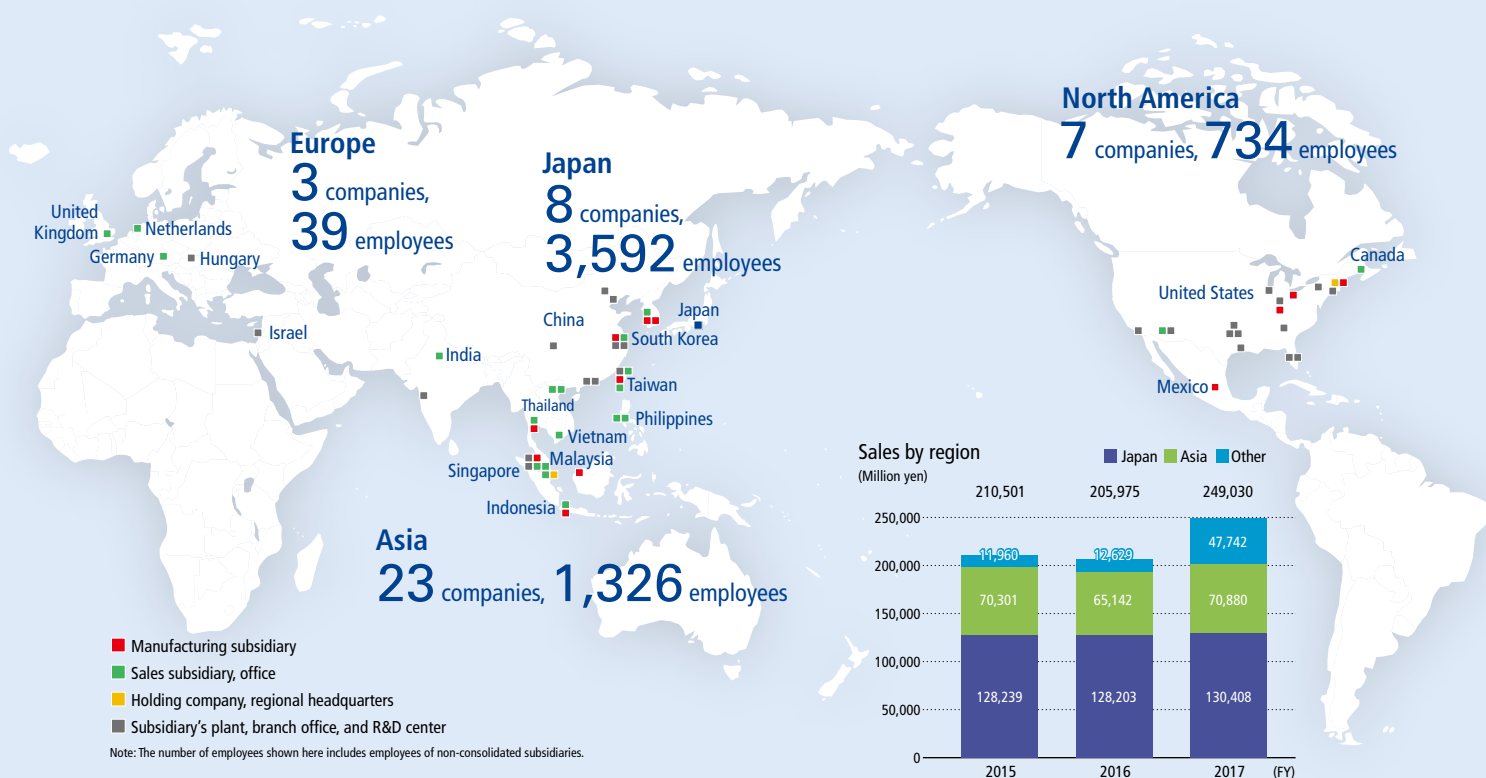
*1 See page 01 for a note on the fiscal year of consolidated subsidiaries.

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

Overview of the Lintec Group

Global Network Supports Our Activities

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



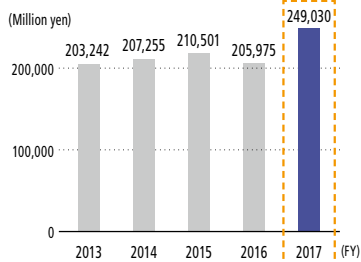
Corporate Profile (as of March 31, 2018)

Company name	Lintec Corporation	Sites	Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto Production sites: Agatsuma (Gunma Prefecture), Kumagaya, Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno, Shingu (Hyogo Prefecture), Mishima, Doi, Niihama (Ehime Prefecture), and Komatsushima (Tokushima Prefecture) R&D facility: Research Center (Saitama Prefecture)
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan	Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (labeling machines, semiconductor-related equipment, etc.)
Website	www.lintec-global.com/	Sales (fiscal 2017)	Consolidated: 249.0 billion yen Non-consolidated: 170.3 billion yen
Established	October 1934	Operating income (fiscal 2017)	Consolidated: 20.1 billion yen Non-consolidated: 13.3 billion yen
Capital	23.2 billion yen		
Stock listing	Tokyo Stock Exchange, First Section (Securities Code: 7966)		
Fiscal year-end	March 31		
Representative	Hiroyuki Nishio, Representative Director President, CEO and COO		
Number of employees	Consolidated: 4,794 Non-consolidated: 2,558		

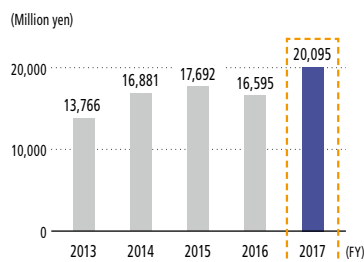
Financial and Non-Financial Highlights (Consolidated)

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

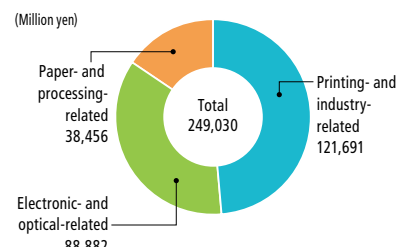
Sales



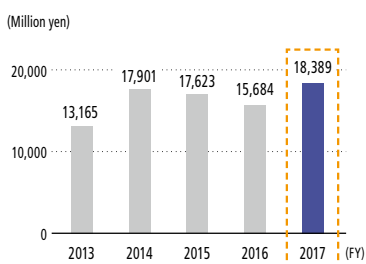
Operating income



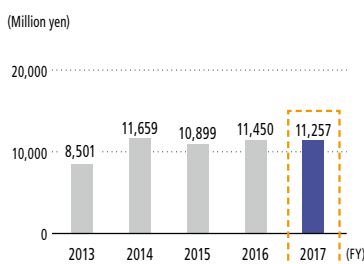
Sales by segment (Fiscal 2017)



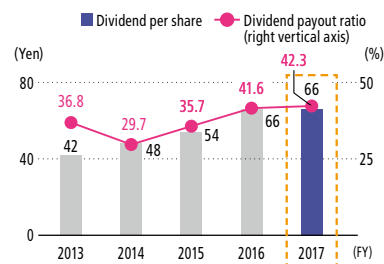
Ordinary income



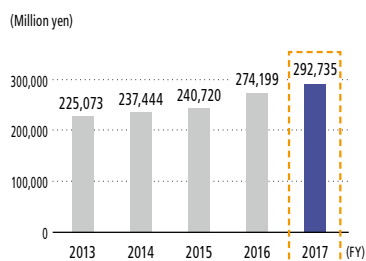
Current net income



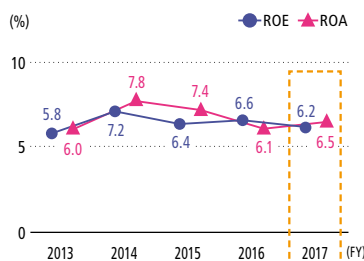
Dividend per share



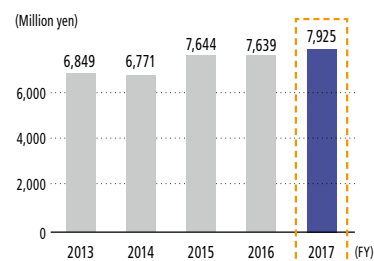
Total assets



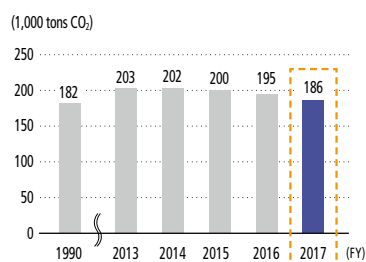
ROE / ROA



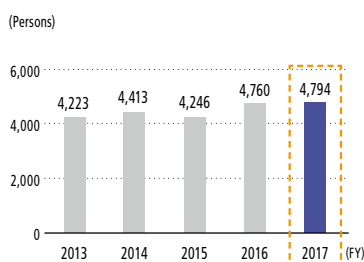
R&D expenses (non-consolidated)



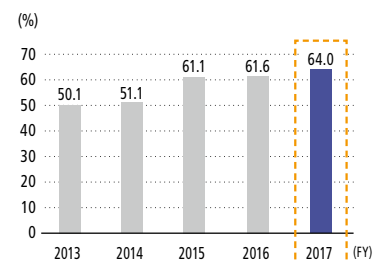
CO₂ emissions (non-consolidated)



Number of employees



Percentage of paid leave taken





Taking on Challenges to Create New Value by Seeing Change as a Chance

Based on the spirit of the company motto, “Sincerity and Creativity,” as well as the concepts of “linkage” and “technology,” from which the company name is derived, Lintec is globalizing its business by integrating its unique core technologies, such as technologies for applying adhesives, for modifying surfaces, and for systemization, at a high level to expand its business scope.

In March 2018, the Lintec Group ended the first year of its three-year medium-term business plan, LINTEC INNOVATION PLAN 2019 (LIP-2019), with the results exceeding the previous year’s figures in both sales and operating profit. However, sales fell below the initial numerical target of the plan, and most operating profit was disproportionately generated from electronics-related business, meaning that the business portfolio remained unbalanced. It must also be noted that some group companies outside Japan are confronting an urgent need to improve their business.

To address these issues, we consider fiscal 2018, the second year of the plan, as the year to further accelerate innovation, and developed a new action policy: deepening reforms, ensuring the “Customer First” principle, and achieving a sustainable future based on the CSR spirit.

There will be no growth without innovation, and no business will survive without growth. Future advances in IoT^{*1} and artificial intelligence (AI) will dramatically change our living environment. The advancement and widespread use of digital technology and communication technology have already driven

Hiroyuki Nishio

Representative Director, President, CEO and COO
LINTEC Corporation

paperless, cashless, wireless and other “-less” systems, leading to the rapid creation of new businesses and products.

Seeing these changes as opportunities and taking on new challenges to develop businesses and products and build business processes with innovative ideas and perspectives is the innovation that creates new value and guides the Lintec Group on the path to growth.

Medium-Term Business Plan LIP-2019

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

Basic policies

Deepening innovation aimed at driving new growth

Key initiatives

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

Guide to Action for the 125th Fiscal Period

A Year to Accelerate Innovation

LINTEC INNOVATION PLAN 2019

- Create far-reaching innovation to drive new growth
- Provide customer-centered products and services based on a customer first mindset
- Build on CSR foundation and collaborate with society to build a sustainable future

CSR Initiatives as the Engine for Innovation

CSR activities play a crucial role as an engine to drive innovation for further growth.

Our company has established the SDGs^{*2} Committee, a cross-divisional committee led by the Executive General Manager of the Business Administration Division, to achieve the growth and development of the Group while contributing to addressing environmental and social issues through our core business. Social interest in the SDGs has been growing rapidly since their adoption by the United Nations in 2015. Furthermore, a procurement code taking sustainability into consideration is required in the procurement process for the preparation and operation of the Tokyo 2020 Olympic and Paralympic Games. Going forward, we must work on new business with a stronger focus on the environment and social contribution. We must also develop new products aligned with SDGs as speedily as possible and put them on the market.

The fact that our research, production and sales divisions are working together on processes from product development to sales is our great strength. Cases in which researchers collect information from customers, resulting in the creation of new value beyond current needs are increasing. To achieve multifaceted innovation, it is crucial that development and sales divisions communicate, freely put forward innovative ideas, and improve the environment to produce results as soon as possible.

To activate such moves, we established the New Project Planning Office in charge of planning and developing new business by consolidating opinions from divisions. We are

*1 For IoT, see page 03.

*2 The SDGs are the Sustainable Development Goals. The United Nations adopted the SDGs, comprising 17 goals and 169 targets, in September 2015.

Accelerate Innovation for Further Growth with

CSR Activities Based on “Sincerity and Creativity”

considering integrating the SDGs Committee into the office so that it will function as a cross-sectoral new project planning office in the future. Meanwhile, the SDGs Committee linked certain SDGs to materiality (important issues)^{*1} concerns that we have pursued on a full scale since fiscal 2016. To achieve sustainable growth together with society, we will proactively continue to incorporate SDGs into our management.

With an awareness of SDGs, individual employees can grasp the reality that they are contributing to society through their daily work—I believe that this is what the Lintec Group should be and what is of great importance.

Focusing on Enhancing Governance with Sincerity

CSR activities not only serve as an engine for “creativity” that promotes innovation, but also demonstrate great power in ensuring “sincerity,” such as legal compliance and respect for human rights. At present, we are focusing on enhancing governance as an important issue.

With the goal of stepping up governance and improving efficiency in management, our company appoints Audit and Supervisory Committee members as directors with voting rights to strengthen the supervisory function of the Board of Directors. Currently, four out of 15 directors (including four Audit and Supervisory Committee members) are outside directors.

To eliminate risks that have an impact on business, such as the falsification of quality data and the leaking of information, before they emerge, we have established the Corporate Risk Management Committee, primarily comprising executive general

managers. In parallel with the committee activity, we update the BCMS^{*2} to reinforce our defense.

For “strengthening of regional strategy,” which is set forth in LIP-2019, and global business operation, it is indispensable to enhance governance over group companies outside Japan. To that end, it is crucial to build a system for checking governance locally on a daily basis. In North America, we will enhance the functions of Lintec USA Holding, Inc. as regional headquarters to strengthen the governance of group companies in the United States.

Meanwhile, to instill the company motto, “Sincerity and Creativity,” and the LINTEC WAY in countries and regions with different ethical and moral norms, the CSR Management Office is leading the effort by holding workshops on a continual basis.

We expect that embracing shared ethics and working on CSR activities across the Lintec Group will lead to innovation that creates new value.

Continued Innovative Initiatives for Further Environmental Contribution

As part of “activities for realizing a sustainable society,” which is one of the key initiatives under LIP-2019, we have worked on CO₂ emissions reduction for years. Last fiscal year, we responded to a questionnaire from CDP^{*3} in order to provide disclosure to investors and evaluation organizations. As for CO₂ emissions, we will improve efficiency in production processes, introduce renewable energy, and carry out innovation to achieve environmental targets.

Process of Identifying Materiality and Setting KPIs

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 3 on the right. The Lintec Group set key performance indicators (KPIs)^{*4} in fiscal 2015, and started to use them in fiscal 2016.

^{*4} Key performance indicators (KPIs): KPIs are important indicators related to organizational strategies, and quantitatively measure progress toward targets.

STEP 1 Identify issues

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

Promoting Diversity to Develop Innovative Human Resources

For work style reforms, a policy that is drawing attention, the Diversity Committee, established in fiscal 2016, is leading the promotion of female empowerment and revision of personnel systems to support work-family care balance. We set up the Business Reform Promotion Project to more powerfully drive work style reforms on a group-wide basis. However, in terms of promoting women in management and supervisory positions, initiatives in Japan are somewhat lagging behind those at group companies outside Japan.

As a global company, we must achieve global-standard diversity across the group and develop an environment where individuality is respected regardless of gender or nationality. Workers whose development takes place amid such a corporate culture and who are proud employees of the Lintec Group will drive future innovation.

Contributing to Addressing Social Issues with CSR Activities Based on the Company Motto, "Sincerity and Creativity"

The root and driving force of CSR activities is "sincerity and creativity," our company motto. Ethics based on "sincerity" is the principle required for CSR, including governance. And innovation created from there embodies "creativity."

We will continue to meet stakeholder expectations and contribute to addressing social issues through core business for further growth.

To communicate our CSR activities broadly to the public and all employees, this report clearly summarizes the results of our CSR activities during fiscal 2017.

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

*1 For materiality (important issues), see page 10.

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

*3 CDP: Originally established as the Carbon Disclosure Project in 2000, CDP as an international NGO asks businesses to disclose environmental data (on climate change, water, forest, etc.) for the publication of its analysis reports.



STEP 2 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.

STEP 3 Check validity

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

STEP 4 Set KPIs

We disclosed our identified materiality. In light of the progress in our activities, we set KPIs in fiscal 2015 and started to use them in fiscal 2016.

Materiality (Important Issues)

Materiality		Scope		Issues we should work on	Specific actions
		Circles mean applicable			
		Internal	External		
Governance	Operating global governance	○	○	Enhance and operate the management system.	Enhance global governance.
The environment	Effectively using raw materials	○	○	Reduce environmental impact and comply with environmental laws and regulations.	Procure materials that will help to reduce environmental impact based on the Lintec Procurement Policy.
	Reducing atmospheric emissions	○	○		Reduce emissions into the atmosphere based on our mid-term environmental target.
	Making environmental contributions through products and services	○	○		Develop and spread environmentally friendly products through LCA ^{*1} .
	Ensuring environmental compliance	○	○		Ensure and manage environmental compliance using the environmental management system.
Labor practices	Ensuring occupational health and safety	○	○	Provide workplace environments where employees can work with peace of mind and ensure the safety of our employees in emergencies.	Conduct activities to ensure occupational safety according to the occupational safety and health management system.
	Achieving workplace diversity	○	—		Respect the diversity of employees and provide rewarding workplaces.
	Improving employee satisfaction	○	—		Build working environments where employees feel motivated to work.
Society	Conducting human rights due diligence ^{*2}	○	○	Promote stakeholder-friendly global communication.	Respect human rights and determine risks throughout the supply chain.
	Ensuring social compliance	○	○		Instill and ensure group-wide compliance.
	Ensuring product compliance	○	○		Use the quality management system to eliminate and prevent accidents.
	Making contributions to sustainable consumption	○	○		Publicize the effects of environmentally friendly products to stakeholders.
	Achieving harmonious co-existence with local communities	○	○		Introduce social contribution activities for local communities as a good corporate citizen.
Contribution to business	Developing business models for local production & consumption in emerging countries	○	○	Promote business models that are friendly to the environment and society, and create businesses that can contribute to solving social issues.	Conduct R&D for products intended for local procurement and for solving social issues.
	Entering new areas	○	○		

*1 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.

























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

Holding CSR study sessions around the globe to carry out CSR activities as group-wide efforts (For activity details, see the article starting page 12)



Organizations covered in Results:

[A] Lintec Corp.; [B] Lintec Group; [C] Lintec Corp., Tokyo Lintec Kako, Inc.; [D] Lintec Corp. Head Office, 10 production sites, Research Center; [E] Lintec Corp. production sites (excl. Ina), Research Center

KPIs	Results*	Related pages	Related SDGs
(1) Use of consultation contact points in and outside Japan (2) Results of audits by the Internal Audit Office according to local laws and regulations and internal standards	(1) 6 cases [B] (2) No serious findings [B]	20 18	 
Amount of organic solvents used	21,500 t [A]	—	 
(1) CO ₂ emissions from business activities in Japan (2) VOC ^{*3} emissions from business activities in Japan	(1) 185,700 t [C] (2) 967.4 t [E]	30 33	  
Number of environmentally friendly products developed	15 products [A]	31	 
Number of violations of environmental laws and regulations	0 violations [D]	—	
(1) Number of occupational accidents and accidents resulting in absence from work (2) Working hours with no occupational accidents	(1) 2 accidents [C] (2) See page 28 [C]	28	 
(1) Ratio of female managers (2) Return to work after taking time off for childcare leave	(1) 12% [B] (2) 100% [A]	25	 
Turnover in three years of employees hired as new graduates	6.8% [A]	26	
Number of responses to supplier survey	114 companies [A]	24	
Response rate to compliance survey by officers and managers	Response rate to risk identification survey: 97.8% [B] Compliance survey was not conducted as risk identification survey (excluding officers) was conducted.	19	
Number of serious product accidents reported	0 accidents [C]	22	
Number of exhibitions participated in as an exhibitor in and outside Japan (activity evaluation)	45 times [A]	CSR site	
(1) Total number of participants on plant tours (2) Implementation of social contribution activities	(1) 717 persons [C] (2) See page 29 [B]	29	
Development of a system for registering local raw materials at sites outside Japan (activity evaluation)	Search system for global raw material information management under development [B]	24	   
Number of patent applications (activity evaluation)	412 applications [A]	23	Under review

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



Highlight

1

Holding CSR Study Sessions for Group-wide Activities

In conjunction with the triennial update of its medium-term business plan, the Lintec Group holds CSR study sessions, which cover the same content wherever they are held, so that all employees will think about and undertake CSR activities at their own initiative in an integrated manner. In fiscal 2017, we held the sessions at 58 locations in and outside Japan, including Mactac Americas, LLC, a new member of the Lintec Group, Lintec Europe (UK) Limited and VDI, LLC, in which about 4,100 employees participated.



MACTAC AMERICAS, LLC



LINEC OF AMERICA, INC.
Chicago Office



LINEC KOREA, INC.



LINEC (SUZHOU) TECH CORPORATION



LINEC INDUSTRIES (MALAYSIA) SDN. BHD.

[Participant's comment]

I really felt the strong will to contribute to society as a manufacturing company. I realized the importance of keeping in mind **how what we make has an impact on people in society and on solving issues.**

Naoko Paul

Nano-Science & Technology Center
Lintec of America, Inc.



LINEC ADVANCED TECHNOLOGIES (KOREA), INC.



LINEC CORPORATION Agatsuma Plant



LINEC CORPORATION Research Center



LINEC CORPORATION Nagoya Branch



LINEC CORPORATION Tatsuno Plant



[Participant's comment]

I learned that **CSR can be the basis of our personal life to improve our relationships with others.** I will make efforts to grow with self-esteem.

Yuukari Miura

Business Support Office
Human Resources Department



CSR Study Sessions Grown with Support from Participants

The Lintec Group started to hold CSR study sessions about 10 years ago in 2009. Back then, the term “CSR” was not fully understood, either in society or within the company, so participants learned “what CSR is” from scratch. After initially holding sessions irregularly for participants limited to employees from specific divisions of Lintec, we have held sessions every three years on a regular basis at locations expanded from Lintec to group companies in and outside Japan.

The scale was expanded due to feedback from employees who participated in CSR sessions, such as: “Please continue to hold the sessions”; “It should be attended by those working at production sites”; and “It should be held outside Japan, too.” Encouraged by such comments, we have gradually increased the number of sessions and expanded their locations to reach the scale we see today, which allows participation by about 70% of Lintec Group employees.



LINTEC (SUZHOU) TECH CORPORATION
Shanghai Branch & LINTEC ADVANCED
TECHNOLOGIES (SHANGHAI), INC.



PT. LINTEC JAKARTA

[Participant's comment]

I used to think of CSR, corporate social responsibility, as an external activity, but now I understand that **internal improvement efforts, such as improving relationships and workplace environments, are also part of CSR activities.**

Keita Kawamoto

Accounting Section
Finance & Accounting Department



LINTEC KUALA LUMPUR SDN. BHD.



LINTEC PRINTING & TECHNOLOGY (TIANJIN)
CORPORATION



PT. LINTEC INDONESIA



LINTEC (THAILAND) CO., LTD.



LINTEC SPECIALITY FILMS (TAIWAN), INC.



[Participant's comment]

I like the company motto and LINTEC WAY. They make sense and **I am proud to know that I am working for a company that has these values.**

Elizabeth Starc

Mactac Americas, LLC



LINTEC HANOI VIETNAM CO., LTD.

To Promote CSR Activities Based on the Company Motto “Sincerity and Creativity” and the LINTEC WAY

What we value most in holding CSR study sessions is sharing with employees the company motto, “Sincerity and Creativity,” which is the basis of the Lintec Group’s CSR activities, and the LINTEC WAY, which helps us reflect the company motto in specific actions, to unify employees’ awareness. No matter where and when study sessions are held and no matter how the world changes, this basic concept will not waver. We communicate the same message at every study sessions held at every site, in or outside Japan. From the results of our questionnaire survey, we have found that respondents have positive opinions about the company motto, “Sincerity and Creativity,” and the LINTEC WAY, and that they have steadily established these as the basis of their individual CSR activities. We are seeing transnational chain reactions of Lintec-style CSR

activities. For instance, one site referred to an overseas site’s social activity and started a similar activity.

We will continue to promote CSR activities based on the company motto, “Sincerity and Creativity,” and the LINTEC WAY by using what we have realized and learned at CSR study sessions.

Column

True Heart Stone

The stone is a gift to the CSR Management Office from an employee of a group company outside Japan who participated in a CSR study session and related to the content. The stone represents one of the Five Rules of Sincerity: “Faithfulness opens people’s mind.”



MADICO, INC.

LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD.

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

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



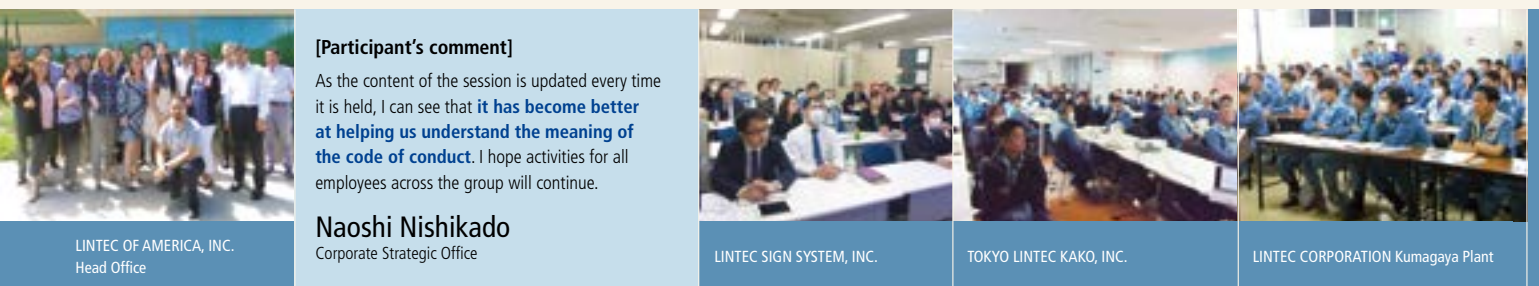
LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED & LINTEC SINGAPORE PRIVATE LIMITED

LINTEC SPECIALITY FILMS (KOREA), INC.

LINTEC CORPORATION Head Office

LINTEC EUROPE (UK) LIMITED

LINTEC HI-TECH (TAIWAN), INC.



[Participant’s comment]

As the content of the session is updated every time it is held, I can see that **it has become better at helping us understand the meaning of the code of conduct.** I hope activities for all employees across the group will continue.

Naoshi Nishikado

Corporate Strategic Office

LINTEC OF AMERICA, INC. Head Office

LINTEC SIGN SYSTEM, INC.

TOKYO LINTEC KAKO, INC.

LINTEC CORPORATION Kumagaya Plant



[Participant’s comment]

I think the company motto and LINTEC WAY are very important and clear. The best thing about the study session was that **I could fully understand the meaning of the LINTEC WAY and share the enthusiasm of the CSR Management Office.**

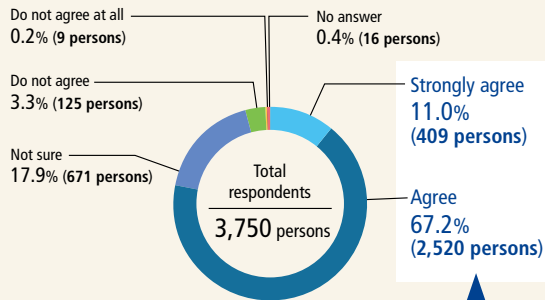
Alistair Coombs

Lintec Europe (UK) Limited

LINTEC COMMERCE, INC.

Survey of participants

■ Do you think CSR activities of the Lintec Group have become established internally?



78.2% of participants "strongly agree" or "agree."

The graph is based on the results of the questionnaire survey (multiple choice) on 2017 CSR study sessions. The survey did not cover Mactac Americas, LLC, Lintec Europe (UK) Limited or VDI, LLC, which participated in CSR study sessions for the first time.

Response to CSR Study Sessions

I always look forward to reading the results of questionnaire surveys on CSR study sessions, in particular, feedback that helps me clearly understand how local employees think and their reaction to CSR. I have realized that many agree with the Lintec Group's CSR activities and that the company motto, "Sincerity and Creativity," and the LINTEC WAY have been instilled across the Group. I am encouraged by the fact that the three companies that joined our Group in fiscal 2016 established a CSR Committee to start activities they came up with themselves.

As a group, we will make concerted efforts to carry out CSR activities to achieve a sustainable society.

Hiroyuki Nishio

Representative Director, President, CEO and COO



MACTAC AMERICAS, LLC Scranton Plant



VDI, LLC



LINTEC INDUSTRIES (SARAWAK) SDN. BHD.



LINTEC VIETNAM CO., LTD.

[Participant's comment]

Participating in the study session, I thought I should read the Compliance Guideline and in-house magazine again. I think **regularly holding such study sessions will help Lintec's CSR penetrate right across the company.**

Junya Tanimoto

Planning/Design Group
Information Systems Department



MACTAC AMERICAS, LLC Columbus Plant



LINTEC CORPORATION Chiba Plant



LINTEC CORPORATION Komatsushima Plant



LINTEC CORPORATION Mishima Plant



LINTEC EUROPE B.V.



[Participant's comment]

I found **the company motto and LINTEC WAY very exciting.** I was looking forward to attending the study session. Thank you so much.

Distin Williams

VDI, LLC



LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH

Starting the SDGs Committee to Build a Sustainable Future

Incorporating SDGs into Management from the Perspective of Aggressive CSR

With the growing worldwide interest in the SDGs as an important issue to be tackled on a global scale, businesses are activating their initiatives on SDGs. Firms that are considering operating existing business in new fields and developing new business in light of the SDGs are increasing. It is also said that initiatives for SDGs can be one of the keys to gaining a competitive advantage. Under these circumstances, Lintec established the SDGs Committee to practice specific activities for the fourth key initiative set under LIP-2019, "activities for realizing a sustainable society," as well as for one of items of the Guide to Action for the 125th Fiscal Period, "Build on CSR foundation and collaborate with society to build a sustainable future."

The SDGs Committee, with Director Hattori serving as an officer in charge of promotion and the CSR Management Office serving as secretariat, comprises 26 members from

a wide variety of sections, including research, production, and sales. Starting with the kick-off in February 2018, the committee plans to meet a total of 10 times by March 2019. In March 2018, the committee identified items in the 17 SDGs that have a strong relevance to the materiality (important issues) of the Lintec Group, and verified the current contribution and possibility of future contribution to achieving the goals. The committee has also selected Lintec products that greatly contribute to achieving specific SDGs.

To share the SDGs with all employees and instill them internally, the committee provides an e-learning program on a regular basis. Through the committee activities, we will review, in stages, initiatives to incorporate SDGs into management and contribution with our core business from the perspective of aggressive CSR.

What are the SDGs?

"SDGs" stands for Sustainable Development Goals. In September 2015, the United Nations adopted the SDGs, comprising 17 goals and 169 targets, to be achieved by its member states in the 15 years from 2016 to 2030. The SDGs are considered common goals for all persons on planet Earth and businesses are regarded as important players.





From the Officer in Charge of Promotion

To Be a Company Contributing to Addressing Social Issues

The SDGs, comprising 17 goals and 169 targets, cover a wide variety of themes. Therefore, our SDGs Committee values diversity and appoints members from a wide range of sections and from different age groups. Even at our company, opportunities for diverse groups of employees to engage in free and frank discussions and review business are limited. So this initiative is very significant.

The committee is scheduled to evaluate its activities in March 2019, but that is not the goal. We will continue and develop activities by unfailingly implementing PDCA cycles, including rebuilding the activity plan for the next fiscal year from the perspective of management. Incorporating SDGs into management will help us become a company that is contributing to addressing social issues from a position of being closer to society than ever before. In that sense, this initiative represents a new start. As an officer in charge of promoting the committee, I will work with the committee members working at the frontline of their respective sections to create a path forward for the Lintec Group.



Director Hattori, officer in charge of promotion, declaring the kick-off of the SDGs Committee



Joining mangrove planting that contributes to attainment of the SDGs

SDGs as an Extension of Daily Operations and CSR Activities

Employees who are not participating in the committee may not be familiar with the term "SDGs." In fact, SDGs are not special but rather encompass universal themes, such as decent work, climate action and peace. I hope employees of the Lintec Group will become aware that the SDGs are an extension of their daily operations and CSR activities and will work on their daily tasks and activities with pride. The company will support such efforts.



Makoto Hattori

Director, Managing Executive Officer
Executive General Manager, Business Administration Division
Officer in charge of promoting SDGs Committee



Practicing Sincerity

Materiality

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



Lintec Group's thinking

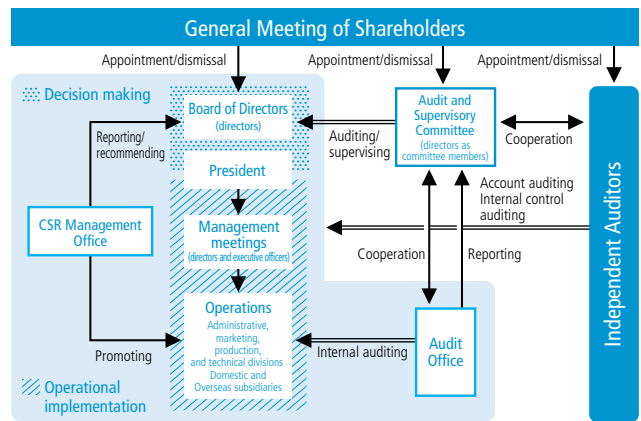
The Lintec Group regards the basics of corporate governance to be the practice of thoroughgoing compliance, maximum management transparency, awareness of corporate ethics, rapid decision-making, and efficient administration of business operations. The Lintec Group aims to increase its corporate value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

Corporate Governance Framework

For organizational design^{*1}, Lintec has chosen 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. With the adoption of an executive officer system, Lintec separates directors in charge of making decisions on important management issues from executive officers in charge of business operations.

■ Corporate Governance System



Compliance

All employees at the Lintec Group are committed to disciplining themselves based on the corporate motto of "Sincerity and Creativity."

"Compliance self-check sheet" and "compliance training materials" are published in the Lintec intranet.

All employees use these materials for checking their conduct and conducting compliance learning activities in their departments.

Activity 1

Global Surveys on Human Rights and Labor Standards

The Lintec Group conducts an all-site survey to check labor conditions and human rights at all group companies. The survey covers a wide range of items, including legal compliance, elimination of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe/healthy working environments, and human resource development.

As a result of the survey in March 2018*, 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.

*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.

Risk Management

At the Lintec Group, the Corporate Risk Management Committee, primarily comprising executive general managers, strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance.

The committee seeks to understand the situation within the company to improve our risk management ability.

Activity 2 Initiative to Reduce Business Risk

The Lintec Board of Directors at its meeting held in March 2018 decided to discontinue the large-scale purchasing rules on shares, and the rules were abolished at the end of the shareholder meeting in June.

From now on, Lintec will reduce the risk of being acquired in a hostile bid by stepping up efforts for corporate value improvement. When it is reasonably determined that there is a need to take a countermeasure against large-scale share purchasing, Lintec will promptly decide and implement appropriate measures and endeavor to secure its corporate value and the common interest of shareholders.

Lintec is also practicing principles of the Corporate Governance Code^{*3}. In light of social situations and the progress of its initiatives, Lintec holds discussions with top management and outside directors regarding insufficiencies to continue its improvement efforts.

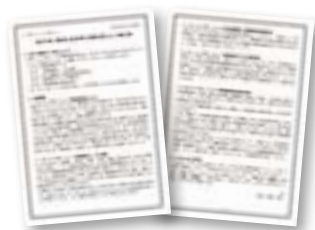
Activity 3 Legal Education for Top Management and Employees

To promote understanding of corporate legal affairs, Lintec provides directors and executive officers with a top-management training program. In fiscal 2017, we held two training sessions, one on laws and one on accounting.

In addition to this training for top management, we are incorporating legal training into training programs for young salespersons and for newly appointed section managers. Starting in fiscal 2018, we will hold legal training sessions for employees in charge of sales six times a year.

Meanwhile, in January 2018, Lintec redesigned its Legal News publication for employees of the Lintec Group to make it easier to read and increased the number of issues from four to six issues per year.

We will continue to provide education for top management and employees and publish information to help improve understanding of corporate legal affairs.



Legal News (digest version)

Related Data

Outside Directors

Director Kazumori Fukushima

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

Kazumori Fukushima enhances the supervisory function of Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in production and sales capacities, at Nippon Paper Industries Co., Ltd.

Director / Audit & Supervisory Committee Member Toru Nozawa

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

Toru Nozawa audits and supervises Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in an administrative capacity, at Nippon Paper Industries Co., Ltd.

Director / Audit & Supervisory Committee Member Satoshi Ohoka

(Lecturer, Chuo University Graduate School of Commerce; Outside Director, Ryobi Limited)

Satoshi Ohoka audits and supervises Lintec's Board of Directors by drawing on his experience in policy-based finance, his rich international experience, his specialized academic experience, and the knowledge and experience he acquired as an outside director in other industries.

Director / Audit & Supervisory Committee Member Kanako Osawa

(Lawyer at Kajitani Law Offices)

Kanako Osawa audits and supervises Lintec's Board of Directors by drawing on her advanced legal knowledge, broad insights, and knowledge and experience acquired in corporate legal affairs in and outside Japan.

No. of Board of Directors meetings

- No. of meetings..... 14
- Attendance of directors (%) 97.2
- Attendance of outside directors (%) 80.0

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

No. of Audit & Supervisory Committee meetings

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

Total amount of executive compensation

Executive category	Total compensation (million yen)	Total compensation by category (million yen)			No. of officers covered (persons)
		Basic compensation	Stock option as compensation	Bonus	
Director (excl. Audit & Supervisory Committee member) (excl. outside director)	450	338	21	90	13
Director (Audit & Supervisory Committee member) (excl. outside director)	19	19	-	-	2
Outside officer	20	20	-	-	5

*3 Corporate Governance Code: A compilation of key principles in the form of a code that listed companies in Japan are expected to comply with as a means of enhancing corporate governance.

Activity 4 Establishing Group-wide BCMS*1

Lintec Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP² to be able to minimize human casualties, continue to supply products, and resume business as early as possible after an earthquake or other disaster. Becoming certified under ISO 22301³: 2012 in March 2014, we are operating the BCMS to maintain and improve the BCP. We will make continued efforts to share the BCMS among employees to initiate and enhance activities.

Activity 5 Information Security

Lintec has developed Information Security Management Rules, and conducts an internal audit every year at each department based on the Information Security Operational Rules and Internal Audit Checklist. In fiscal 2017, the Corporate Ethics Committee conducted a self-audit and confirmed that each department properly understood the Information Security Management Rules. Lintec also provides all employees with an e-learning program on preventing information security breaches while incorporating information security education into the training program for new employees.

Lintec is improving the level of security by providing comprehensive education that includes things to note when using social media in a personal capacity, as well as internal rules on information management.

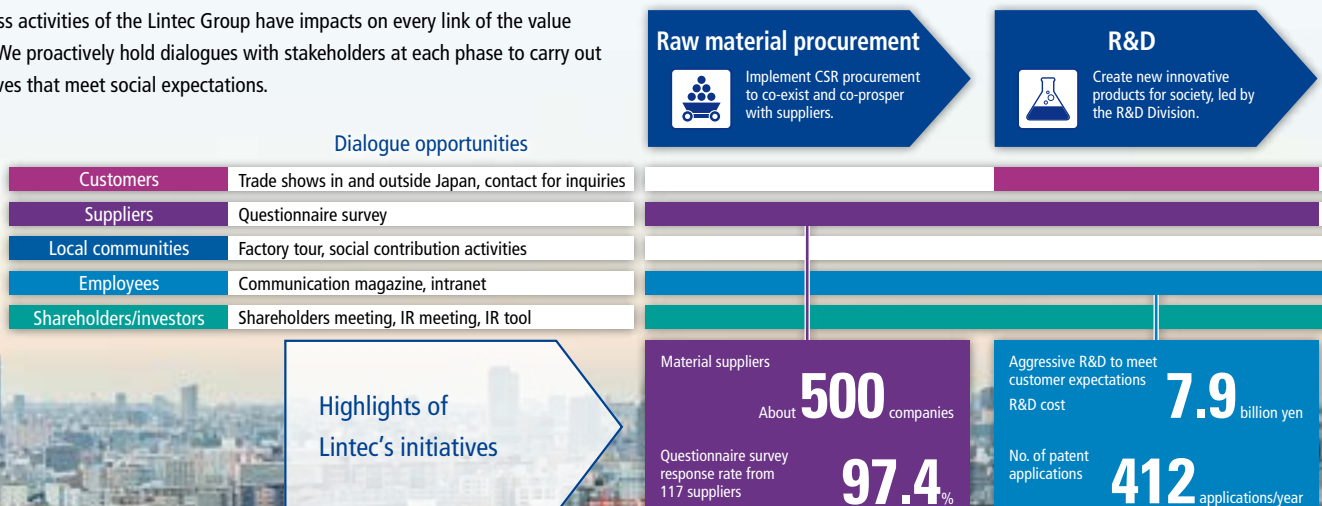
Activity 6 Helpline

Lintec has a helpline (internal reporting system) to enable employees to report, without any disadvantage, any serious legal or ethical violations that they identify within the company. Lintec added a third-party lawyer to the helpline system to facilitate prompt investigations while protecting reporters and reported details. In 2015, we started to operate the global whistleblowing system, covering group companies outside Japan.

Instructions on how to use the helpline are provided in the Compliance Guideline to raise awareness of the helpline across the Group. Lintec Head Office sends written questionnaire surveys to group companies every year to grasp how each company is publicizing and operating the system in order to provide necessary instructions and support to improve its effectiveness.

Lintec Group's Value Chain and Stakeholder Communication

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



*1 For BCMS, see page 09.

*2 BCP stands for a Business Continuity Plan. It is a plan developed in advance to enable the minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

CSR in the Lintec

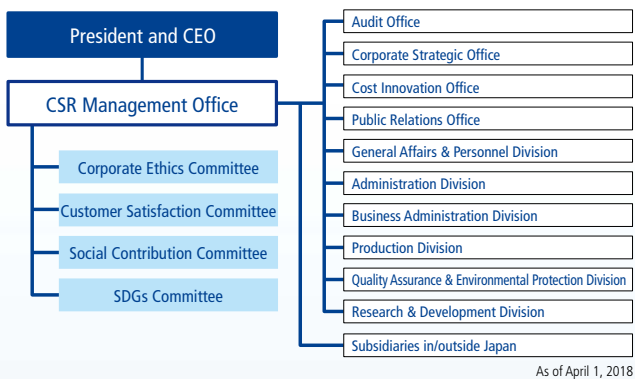
Many stakeholders support the business of the Lintec Group. To meet these stakeholders' expectations and be trusted by them, all Lintec Group employees actively conduct CSR activities with the company motto "Sincerity and Creativity" at the center and in accordance with "LINTEC WAY" which is an important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

To achieve the medium-term business plan, LINTEC INNOVATION

PLAN 2019 (LIP-2019), which started in April 2017, 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 sets key performance indicators*4 based on our identified materiality, and has been implementing PDCA cycles in our strategic CSR activities.

CSR Promotion System

The CSR Management Office under the direct control of the president strives to foster high ethical standards, disseminate information on CSR, and support the initiatives of the CSR committees. The CSR committees, which have a cross-organizational membership and each of which include an officer in charge, lead initiatives with responsibility from the standpoint of management. In fiscal 2017, the SDGs Committee was established to solve social issues through our core business.



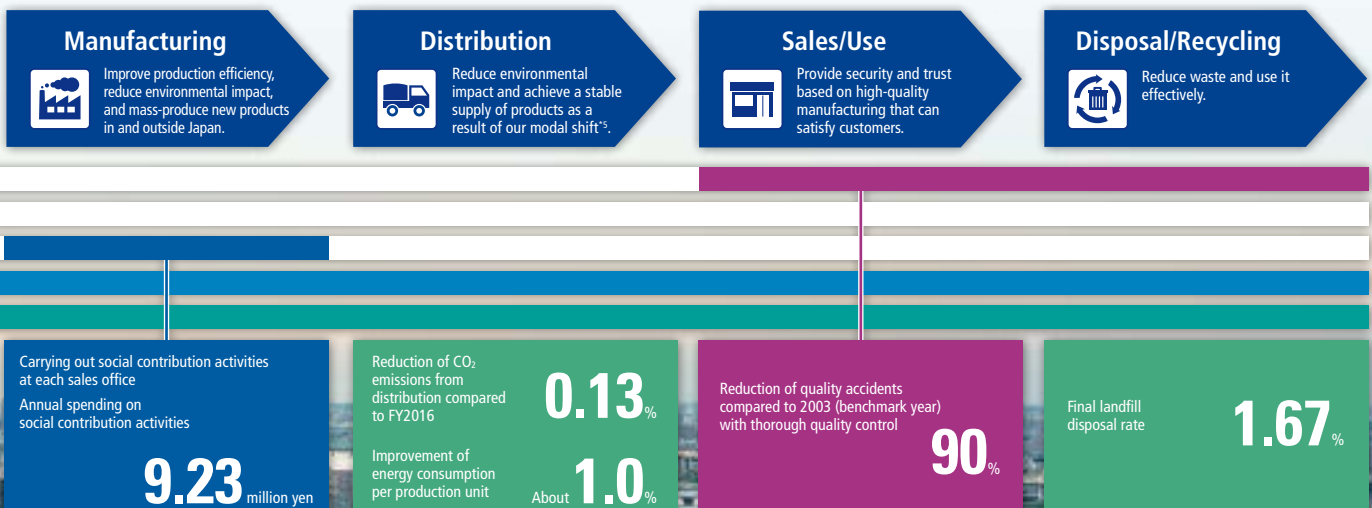
United Nations Global Compact

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

- **Human Rights**
 - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
 - Principle 2: make sure that they are not complicit in human rights abuses.
- **Labour**
 - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - Principle 4: the elimination of all forms of forced and compulsory labour;
 - Principle 5: the effective abolition of child labour; and
 - Principle 6: the elimination of discrimination in respect of employment and occupation.
- **Environment**
 - Principle 7: Businesses should support a precautionary approach to environmental challenges;
 - Principle 8: undertake initiatives to promote greater environmental responsibility; and
 - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- **Anti-Corruption**
 - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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.



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

*4 For key performance indicators, see page 08.

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

Providing Value to Customers

Materiality

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



Lintec Group's thinking

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

Quality Assurance System

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

With the completion of the transition to ISO 9001: 2015 at all 19 sites in and outside Japan, we are now integrating sites to further

enhance the system.

We will step up our quality assurance system to improve customer satisfaction.

Activity 1 Quality Incident Prevention and Education

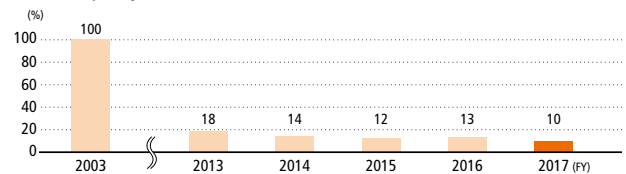
The Lintec Group believes that individual employees must have an awareness of how an emphasis on quality is important to maintain and improve the quality of products and services, and that acquiring quality-related knowledge and skills with such an awareness is indispensable.

Based on this belief, the Lintec Group provides employee education to maintain and improve quality and prevent quality incidents. Through internal courses and e-learning programs, we provide employees with opportunities to recognize the importance of quality in order to establish and raise quality awareness.

In fiscal 2017, we intensively provided education on the revised ISO 9001: 2015 standard.

All employees are making concerted efforts for quality improvement to meet customer demands.

Ratio of quality accidents



Notes: 1 Ratio of quality accidents at Lintec Corp., Tokyo Lintec Kako, Inc. and Shonan Lintec Kako, Inc.
2 Ratio to the number recorded in fiscal 2003 as 100%.

Total participants in quality education program

4,593 employees

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

Voice

Promoting Improvement Activities using PDCA Cycles

Lintec (Suzhou) has set a fiscal 2017 quality policy of using PDCA cycles to eliminate recurring complaints. Based on the policy, all employees are making concerted efforts to investigate causes of problems

and take appropriate measures while the Quality Assurance Section is checking the implementation status of the measures. To improve product quality, we will continue our improvement activities.



He Guan Jun
Quality Assurance Section 1
Lintec (Suzhou) Tech Corporation

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

Activity 2

Disclosing Product Information

The number of inquiries from customers about products is increasing every year and the content of these inquiries varies widely. To ensure customers' safe and secure use of our products, the Lintec Group provides product information in various forms, including publication of a safety data sheet (SDS), responding to surveys on chemical substances contained in products, disclosing information about ISO, FSC^{*2} and other certifications, and technical documents describing

product characteristics.

On the Lintec website, we also provide our company motto, mission statement and corporate policy, as well as details on CSR activities, product information and R&D initiatives.

Based on the spirit of good manufacturing, we will continue to aim at producing high-quality products that satisfy customers.

Activity 3

Promoting One-stop Development

Lintec's Research & Development Division started full-scale operation of the Advanced Technology Wing in 2015. In fiscal 2017, the division made maximum use of the mass production test coating facilities in the wing to further promote "one-stop development," which considers the mass production process simultaneously with product design. By carrying out thorough advance verification, the division became able to facilitate the preproduction process,

reducing material and preproduction costs. It has also become possible to use the mass production test coating facilities in the clean room, where cutting facilities are installed, to directly provide customers with samples for evaluation.

We will incorporate verification using mass production test coating facilities into the design and development flow to further expedite product development.



Advanced Technology Wing



Mass production test coating facilities

No. of patent applications*

412
applications/
year

Voice

Completing Promising New Product After Verification with Test Coating Facilities for Mass Production

In fiscal 2017, we were able continue to deliver a number of new products to customers and markets. In particular, at Label Expo Europe 2017, the world's largest label exhibition, we displayed super-strength adhesive labelstocks, ultra low-migration labelstocks, 3D conformable labelstocks and laser markable labelstock, among others. Needless to say, these materials were created based on the unique

ideas of designers, and their mass production became possible through verification using the mass production test coating facilities. We firmly hope that these new products will be useful to the world. We will introduce new ancillary facilities to improve the performance of the mass production test coating facilities and further promote one-stop development.



Mamoru Kobayashi
Assistant Manager
Product Research Department
Research Center
Research & Development Division

*2 FSC®: The Forest Stewardship Council (FSC) is an international organization that certifies wood-producing forests around the world as well as the distribution and processing of wood taken from such forests.

Cooperating with Suppliers

Materiality

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



Lintec Group's thinking

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

Activity 1 CSR Procurement

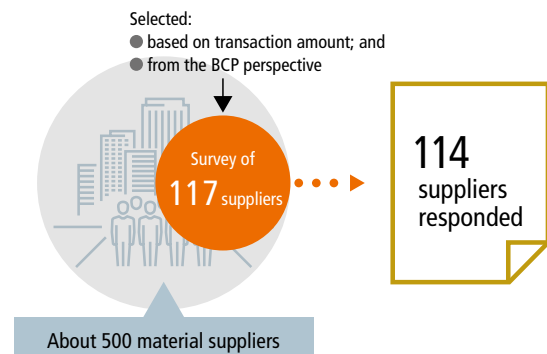
Lintec's procurement activities follow the Lintec Procurement Policy, the Lintec Green Procurement Policy, and the Lintec Lumber Pulp Procurement Policy, all of which are based on CSR.

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

In fiscal 2017, we asked 117 companies, which we selected out of roughly 500 material suppliers based on the transaction amount and from the BCP² perspective, to complete a questionnaire, and 114* of them did so. The survey covered CSR-related items, including legal compliance, prohibition of child labor, and safe/healthy working environments. We are also using the survey results in supplier evaluation.

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

Supplier questionnaire survey



Activity 2 Conflict Minerals*³

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

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

Activity 3 Green Procurement

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

In fiscal 2017, we asked suppliers to respond to our environmental survey based on the revised Joint Article Management Promotion-consortium (JAMP) declarable substance list (versions 4.080 and 4.090), covering about 5,000 raw materials. Together with suppliers, we will continue to promote environmental protection activities and ensure control of chemical substances.

*1 For human rights due diligence, see page 10.
*2 For BCP, see page 20.

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

Human Rights and Diversity

Materiality

- 1 Achieving workplace diversity
- 2 Improving employee satisfaction



Lintec Group's thinking

To ensure that all employees may find their work equally rewarding, the group respects the diversity*⁴ of every employee and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality or age. In 2011, Lintec joined the UN Global Compact, which seeks to eliminate the use of child and forced labor. The Lintec Group will continue to promote diversity so that all employees can grow through mutual understanding and respect.

Activity 1 Diversity Committee

In fiscal 2017, Lintec's Diversity Committee carried out activities with a focus on the ongoing themes of supporting employees engaged in family care, empowerment of female employees, and empowerment of employees who are rehired after reaching retirement age. As the number of employees engaged in family care is likely to increase, Lintec revised work regulations to allow the more realistic use of programs and help individual employees work securely in their own environments and achieve work-family care balance.

In December 2017, Lintec distributed the Family Care Support Handbook, which provides helpful information for achieving a good work-family care balance, to all employees. Lintec also provided a training program led by an expert, in which the handbook was used. About 200 employees across Japan undertook the program.



Family Care Support Handbook distributed to all employees

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

Accumulated time off	<ul style="list-style-type: none"> ● Increasing the upper limit of accumulated time off days (50 days to 80 days) ● Easing requirements for taking time off (accepting "in need of support" in addition to "being in need of care") ● Expanding the scope of family (adding family of spouse)
Family care leave	<ul style="list-style-type: none"> ● Easing requirements for taking time off (accepting "in need of support" in addition to "being in need of care") ● Expanding the scope of family (adding family of spouse)
Family care time off	<ul style="list-style-type: none"> ● Providing benefit during time off
Half-day off	<ul style="list-style-type: none"> ● Increasing the number of times (from up to 40 times/year to up to 80 times/year)

Work-life Balance

Achieving work-life balance is indispensable to help employees perform their jobs with peace of mind and exercise their full abilities. For creating workplace environments where diverse employees can make active contributions and promoting career development, the Diversity Committee leads discussions and the implementation of multifaceted initiatives.

Targets and current status of initiatives based on the Female Empowerment Promotion Act

Target	FY2017
(1) Raise the average ⁵ percentage of females in the total number of new hires (graduated from university/graduate school) to over 30%	34.2%
(2) Raise the percentage of female supervisors (section chiefs) to over 10%	6.3%

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

Number of employees by gender: Lintec Corporation



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



(Outside Japan: as of December 31, 2017; In Japan: as of March 31, 2018)

† Percentage of each gender in management positions

*⁴ Respect for diversity: Respecting individuality in people and diversity in groups leads to the right people being assigned to the right jobs, the solving of problems by the application of diverse perspectives, and the generation of unique ideas.

*⁵ Average during the three-year period of the plan from April 1, 2016 to March 31, 2019

Activity 2 Respect for Human Rights in Labor Management and Education

The Lintec Group believes that compliance forms a foundation for its activities and thoroughly adheres to both social rules and relevant laws and regulations in and outside Japan. This also applies to the recruitment and treatment of employees. Labor management is performed in accordance with relevant laws. Unfair discrimination, child labor, and harassment are prohibited.

Lintec incorporates human rights education into its rank-based training programs. In fiscal 2018, Lintec provided 40 new employees who joined the company during the fiscal year with "UN Global Compact and CSR" training and provided sexual harassment and workplace bullying training during training programs for newly appointed section chiefs and managers.



Training for new employees

Activity 3 Career Design*1

Aiming at developing people who can contribute to the growth of the company and society, Lintec, as part of its human resources training, has introduced company-wide rank-based training programs that allow individual employees with diverse values to realize their personal growth according to the current stage of their career building, starting from training for new employees. Additionally, Lintec has introduced training programs based on certain themes, such as diversity and subordinate development.

Through these training programs, Lintec supports individuals in skill acquisition and career design.

Activity 4 Global Education

At the Ina Technology Center, Lintec provides service engineers in and outside Japan with facilities operation and maintenance training. To facilitate customer support for the "RAD-3520F/12" semiconductor manufacturing equipment developed in 2017, Lintec invited engineers from Singapore, the Philippines, and Malaysia in June, from the United States in September, from Taiwan and across Japan in October, and from Germany in November 2017 to provide them with education using level-based manuals on operation and adjustment.



Training session

Related Data

Employees by region and by gender (persons)

	Male	Female	Total
Japan	2,957	635	3,592
Asia	972	354	1,326
Other	561	212	773
Total	4,490	1,201	5,691

(Outside Japan: as of December 31, 2017; In Japan: as of March 31, 2018)

Three-year turnover of employees hired as new graduates^{†*} (persons)

	Joined	Left	Turnover
New employees joined in 2015 (group-wide)	59	4	6.8%
Male	50	3	6.0%
Female	9	1	11.1%

Use of programs^{†*}

Program	FY2015	FY2016	FY2017
Family care leave program (persons)	0	0	0
Family care time off (persons)	1	1	3
Accumulated time off (persons)	61	86	74
Childbirth leave (persons)	13	19	23
Childcare leave (persons)	20	25	36
Child nursing care time off program (persons)	9	9	7
Shorter hours/flex time (persons)	27	31	36
Paid social contribution time off (persons)	22 (Total 49 days)	26 (Total 55.5 days)	21 (Total 54 days)
Percentage of paid leave taken (%)	61.1	61.6	64.0

Company-wide rank-based training programs: participants and training hours^{†*}

Total participants	Total training hours
491	7,124 hours

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

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

To Create Workplace Environments Where Diverse Employees Make Active Contributions

Lintec Personnel Systems Reforms

Promoting Work Style Reforms with “Program Development” and “Corporate Culture Development”

Labor productivity improvement is indispensable for the Lintec Group to achieve further growth and continue to contribute to society. To that end, Lintec promotes work style reforms led by the Human Resources Department and the Diversity Committee. Reforms include partial revisions of personnel systems in April 2018, measures to reduce long working hours, and human resources development initiatives for group companies outside Japan.

To promote work style reforms, changing awareness among individual employees as program users, as well as changing programs, is crucial. The Human Resources Department and the Diversity Committee will lead efforts to create workplace environments where everyone can make a meaningful contribution and exercise their full abilities by spinning the wheels of “program development” and “corporate culture development.”

Key Reforms of Personnel Systems

1 Review of wage and retirement allowance [in April 2018]

Considering the development of personnel systems that will motivate all employees and let them work with peace of mind as the heart of work style reforms, we reviewed the wages and retirement allowance system for young employees and senior employees.

■ Review of wage curve for young employees

We increased the starting salary as well as wages for employees in their second to tenth year at the company.

■ Review of the level of retirement allowance

We raised the standard model of retirement allowance.

2 Revision of working rules [in April 2018]

For supporting employees engaged in family care, which the Diversity Committee set as one of the fiscal 2017 focus themes, we revised various programs, including easing requirements for taking accumulated time off and family care leave, increasing the number of times employees are permitted to take a half-day off, and providing benefits during family care time off.

■ Easing requirements for taking accumulated time off

	Before change	After change
Upper limit	50 days	80 days
Requirement	Being in need of care	Added “being in need of support”
Scope of family	2nd degree of kinship	Added family of spouse (relatives by marriage)

The same revision of requirement and scope of family was made for family care time off.

3 Measures to reduce long working hours

For employee health management, we took measures to reduce long working hours, such as raising managers’ awareness and creating a work hour management list, which consequently led to improvements regarding prolonged work and late night work.

■ Key results

	FY2016	FY2017
Working 80 hours or longer	174 persons in total	58 persons in total
Working after 21:00 (excl. shiftwork)	Average of 72 persons/day	Average of 50 persons/day

4 Enhance/develop human resources of group companies outside Japan

For the Lintec Group to achieve further growth, we believe that we must develop excellent employees working at group companies outside Japan into key local people in a planned manner, as well as provide systems that will allow them to build their career.

We will consider introducing new personnel systems that facilitate human resources enhancement and development from a global perspective.

■ Measures under discussion

Introduction of succession plan (successors plan)	Setting career path ^{*2} for staff at group companies outside Japan
Considering introduction of a system that facilitates selection of successor candidates by the heads of sites of group companies outside Japan and their development	Considering introduction of a system that sets career path for excellent staff at group companies outside Japan and supports their growth

*2 Career path: A series of work experiences required to be appointed to a certain job or position, the order of appointments, and path of appointments and transfers.

Safety and Disaster Prevention

Materiality

1 Ensuring occupational health and safety



Lintec Group's thinking

The Lintec Group continues to operate the Occupational Safety and Health Policy, which it established based on an occupational safety and health management system (OSHMS)*¹. According to the policy, annual safety and health plans are developed. According to the plans, which set targets and specific activities for individual priority actions, safety and health management activities are carried out. Activity results are evaluated by way of internal audit and management review to assist activities in the following fiscal year.

Activity 1 Safety and Health Committee and Health Committee

Every month, the Lintec Group plants in and outside Japan hold Safety and Health Committee meetings while the Head Office, Iidabashi Office, and Osaka Branch hold Health Committee meetings. Minutes of the committee meetings, a disaster flash report, and other information is delivered in Japanese and English for group-wide information sharing and safety management.

Additionally, Lintec holds a corporate Safety Convention. The second convention was held at the Tatsuno Plant in April 2018 following the first convention held at the Kumagaya Plant in fiscal 2017.

We will continue to exchange information on safety management and implement PDCA cycles to improve the safety level.

Committees on workplace safety and health

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

Activity 2 Annual Safety and Health Plans

Each fiscal year, the Lintec Group formulates safety and health plans by referring to the Occupational Safety and Health Policy and results of the management review, and carries out safety and health activities based on the plans.

Safety and health plans set priority action items, including safety patrols, risk assessment*², and safety education, as well as targets and detailed implementation schedules for the respective action items. Each plant checks the progress of its plan every month and reports the results to the Safety and Health Committee to discuss improvement.

By implementing such PDCA cycles, the Lintec Group continues to carry out safety and health activities for zero accidents.

Activity 3 Toward Zero Accidents Resulting in Absence from Work

In fiscal 2017, there was one accident during commuting and one accident involving a worker becoming caught. Both the number of accidents and the number of days of absence from work decreased from the previous year.

Occurrence of accidents resulting in absence from work

	FY2015	FY2016	FY2017*
Number of accidents resulting in absence from work	5	5	2
Number of days of absence from work	134	207	16
Company	Partner companies	Lintec Corp., partner companies	Lintec Corp., partner companies

Accident-free hours achievements³ (April 1, 2017 to March 31, 2018)*

Date achieved	Business site	Achievement (hours)
2017	December 26	Mishima Plant
	March 22	Kumagaya Plant
	March 31	Chiba Plant
2018	March 31	Kumagaya Plant
	March 31	Research Center
	March 31	Shingu Plant (incl. Niihama)
	March 31	Mishima Plant
	March 31	Tokyo Lintec Kako, Inc.

*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 Risk assessment: Evaluating risks to set safety standards

*3 Accident-free hours achievements: Number of workers x Hours worked per day x Days of operation

Community Participation

Materiality

1 Achieving harmonious co-existence with local communities



Lintec Group's thinking

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

Activity 1 Fureai Concert*

In October 2017, Lintec held its seventh Lintec Fureai Concert at the Itabashi Culture Hall, inviting persons with disabilities and their helpers living in Tokyo's Itabashi City, as well as people from neighboring areas. A total of about 500 people, including Lintec employees, participated in the concert. The concert program included a hand bell performance and dance incorporating sign language by children of members of Itabashi "Hohoemi-no-Kai," an association of parents of children with Down syndrome; a chorus by "Harmony Korine" from the Daito Bunka University a cappella club; and a jazz band session.

We will continue to value opportunities to communicate with local residents.



Well-attended Fureai Concert

Activity 2 Global Activities*

The Lintec Group carries out community-based social contribution activities in locations where it operates. In November 2017, Lintec (Thailand) Co., Ltd. carried out its first mangrove planting on Bangpu Beach in Samut Prakan Province. A total of 144 persons, including employees and their families, planted 750 mangrove seedlings and learned the importance of environmental conservation. As a corporate group trusted by local communities, we will continue to carry out activities around the globe.



Mangrove planting by Lintec (Thailand)

Voice Tree Planting to Learn About the Importance of Forest Conservation

Lintec Advanced Technologies (Taiwan), Inc. carried out its first tree planting in February 2017. Our employees planted trees with elderly people from a local residential care home and held a post-planting party. The activity provided us with an opportunity to spend time in a good and meaningful way and to recognize the importance of forest conservation in addressing global warming. We will continue to conduct environmental conservation activities.



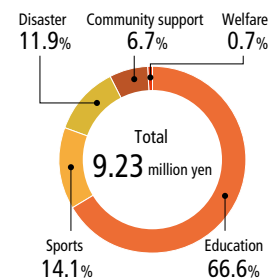
Planting trees with the elderly



Chen-Jung Liao
ISO Promotion Department
Lintec Advanced Technologies
(Taiwan), Inc.

Community Support Expenses (FY2017)

In fiscal 2017, we provided support for education, including donations for university scholarship. Development of future generations will be another focus.



Scope: Lintec Corp.

Addressing Global Warming

Materiality

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



Lintec Group's thinking

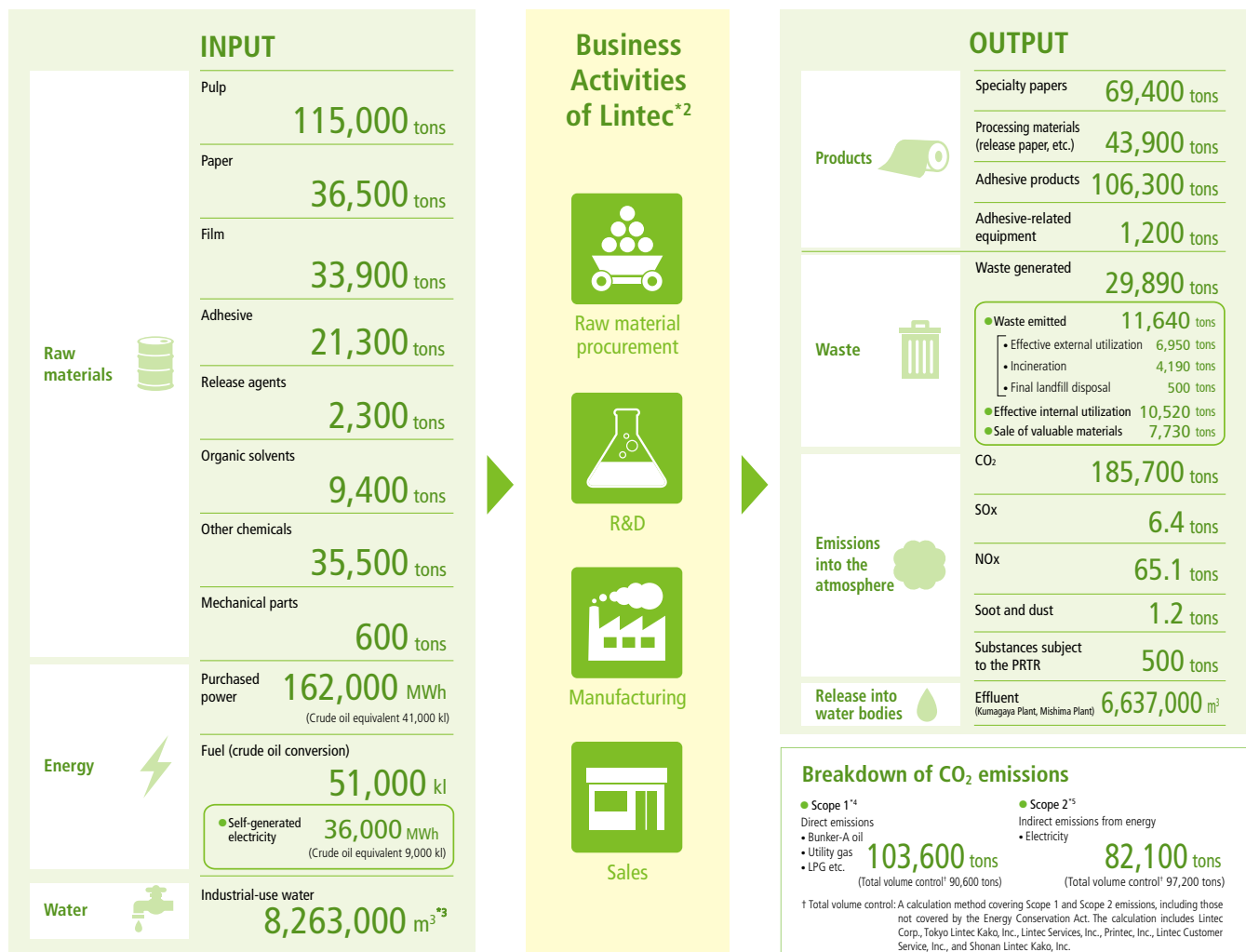
The domestic Lintec Group is committed to carrying out various environmental activities to mitigate global warming, climate change and other environmental issues that impose risks on the continuity of its business.

Efforts to Address Global Warming

In fiscal 2017, total energy use (crude oil equivalent) for the Lintec Group in Japan*1 increased by 0.5% from the previous year due to an increase in production volume. Energy use per unit of production improved by 2.0% to 0.3173 kl per ton. Energy use increased by 0.9%. CO₂ emissions in fiscal 2017 were 186,000 tons, down from

194,000 tons in fiscal 2016.

In fiscal 2018, Lintec aims to reduce its CO₂ emissions by 1.0% and its energy use by 1.0% compared to fiscal 2017, on a per-unit of production basis.



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

*2 Organizations covered by the environmental report: Lintec: Lintec Corporation's Head Office, 10 production sites, and Research Center, and Tokyo Lintec Kako, Inc.

*3 m³ (cubic meters): While tons were used for calculation, the measurement was converted to m³ for this report.

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

Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group sets forth its Basic Policy in the Lintec Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group drew up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each. Efforts for addressing global warming based on the Action

Guidelines set under the Environmental Policy include development of eco-friendly products by the research section as well as reduction of the release of VOCs*6 into the air and electricity consumption by the production section.

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

Item	Target	FY2017 results (year-on-year reduction)
CO ₂ emissions	1% reduction from the previous year (per unit of production)	7.4% Achieved
Electric power consumption	1% reduction from the previous year (per unit of production)	1.7% Achieved
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Mishima and Kumagaya plants)	0.8% Not achieved
Waste discharge	0.1% reduction from the previous year	1.2% Achieved

Environmental Management System

In March 2018, the Lintec Group has completed the transition to ISO 14001: 2015, and updated its certification.

The Group had undergone third-party verification as to three items of CO₂ emissions, electric power consumption, and production

water usage, but, in fiscal 2017, added waste discharge to the items to enhance its measures.

For biodiversity conservation, we will continue initiatives in and outside Japan.

Activity 1 Product Development Initiatives

Lintec develops not only products that meet customer needs but also eco-friendly products that take into account and evaluate LCA*7.

For example, we are increasing the percentage of solvent-free release agents. When all release agents become solvent-free, the production section is likely to reduce VOC emissions by 120 tons per year.

Activity 2 Efforts in Manufacturing

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. One of the most effective measures has been heat recovery at the Tatsuno Plant. In fiscal 2017, overall energy use per production unit improved due to an increase in production volume.

Activity 3 Efforts in Distribution

Lintec does not have distribution and transportation sections but is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers*8 annually. As a Designated Shipper, Lintec submits an annual report to the government in accordance with this Act.

In fiscal 2017, the volume of transportation increased by 0.9% (822,000 ton-kilometers) from the previous year but CO₂ emissions decreased by 0.13% (14 t-CO₂). Energy use per unit of transportation

improved by about 1.0%.

We will continue to step up modal shift*9 and other efforts to improve our distribution system and transportation efficiency, with the goal of reducing environmental impacts.



Transportation using railway containers that have an interior volume equivalent to that of large trucks

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

*6 For VOC, see page 11.

*7 For LCA, see page 10.

*8 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.

*9 For modal shift, see page 21.

Reducing Waste and Water Usage

Materiality

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



Lintec Group's thinking

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

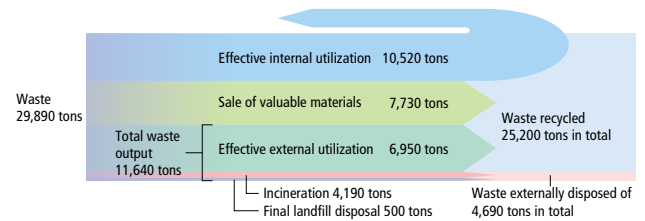
Activity 1 Efforts for Zero Emissions*1

In fiscal 2017, the amount of waste generated, including manufacturing loss, at Lintec was 29,890 tons. The total waste output was 11,640 tons. Of this waste output, 6,950 tons were recycled by outside recycling companies and the remaining 4,690 tons were properly disposed of by waste disposal companies.

The final landfill disposal rate*2 for fiscal 2017 was about 1.67%, falling short of the target final landfill disposal rate of 1.0% or less, which Lintec had achieved every year since fiscal 2007 until the previous year, because sludge generated at the Mishima Plant was no longer used effectively. Lintec's target from fiscal 2018 to fiscal

2019 is a 0.1% reduction in the amount of waste generated, on a year-on-year basis.

■ Flow of waste (FY2017)



Activity 2 Reducing Water Usage and Effluent

In fiscal 2017, Lintec used 8,263,000 m³ of water. Of this amount, about 89% was used by the Kumagaya and Mishima plants, which are Lintec's Fine & Paper Products Operations. Water usage per unit of paper production was 47.5 m³/t³. Lintec was unable to achieve the target of a 1.0% reduction on a year-on-year basis.

The target in fiscal 2018 is 1.0% reduction per unit of production from the previous year. To that end, the plants will make continued efforts to reduce water usage in each process and prevent water leaks.

Voice

Recovering and Reusing White Water to Reduce Water Usage

The Mishima Plant, which is one of Lintec's Fine & Paper Products Operations, has made efforts to reduce water usage. For instance, we recover and reuse white water, which refers to water mixed with raw materials in the papermaking process. This has

resulted in a substantial reduction in water usage and also allowed us to use raw materials contained in white water to reduce waste. Through cross-sectoral cooperation, we will continue to reduce water usage and waste.



Yoji Fujii
Section Manager
Environmental Section
Mishima Plant

*1 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.
*2 The final landfill disposal rate is a value found using the following formula: Final landfill disposal rate (%) = Final landfill disposal amount/Amount of waste generated × 100.
*3 m³/t: While t/t was used for calculation, the measurement was converted to m³/t for this report.

*4 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.

Reduction of Environmentally Hazardous Substances

Materiality

1 Reducing atmospheric emissions



Lintec Group's thinking

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

Activity 1 Compliance with PRTR Act*4

In fiscal 2017, Lintec used nine substances that are subject to PRTR reporting. The total quantity of PRTR chemicals was 7,838 tons. Toluene accounted for the largest portion of this amount, at 7,752 tons, up 22 tons from the previous year due to an increase in production volume. Emissions of toluene into the atmosphere were 482 tons, up 11 tons from the previous year, and the transferred amount was 483 tons, up 16 tons from the year before.

Activity 2 Complying with EU Regulations Concerning Chemical Substance Management and Environmental Preservation

Lintec examines substances with environmental impact in the raw materials it purchases, properly grasps and manages its use of chemical substances to comply with related laws and regulations, and communicates information to customers. The company is fulfilling its reporting obligations under the REACH Regulation*5 and the RoHS Directive*6. Starting fiscal 2017, Lintec has been making preparations for compliance with chemSHERPA*7 to build a system for more accurate and efficient information communication.

Activity 3 Reducing VOCs*8

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 2017, the percentage of solvent-free release paper (production basis) was 55.1%. The percentage of solvent-free printing-related adhesive products (sales basis) was 73.7%. The percentage of solvent-free paper and products remained at the same level as in the past.

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

Voice

Introducing VOC Treatment Facilities to Comply with Revised Law

South Korea revised its Clean Air Conservation Act in 2015 to expand the scope of control to cover air containing volatile organic solvents generated from facilities other than VOC-emitting facilities. To treat low-concentration VOCs from its clean room, Lintec

Korea, Inc. installed two concentrators and one RTO-based exhaust gas treatment system and started their operation in November 2016. VOC emissions in fiscal 2017 were reduced by about 7 tons from fiscal 2016. We will continue to reduce VOCs.



Jang Dae Jung
Section Manager
Plant Engineering Section
Lintec Korea, Inc.

*5 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.

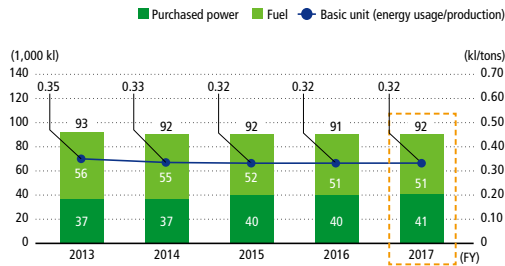
*6 RoHS Directive: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment issued by the EU.

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

*8 For VOCs, see page 11.

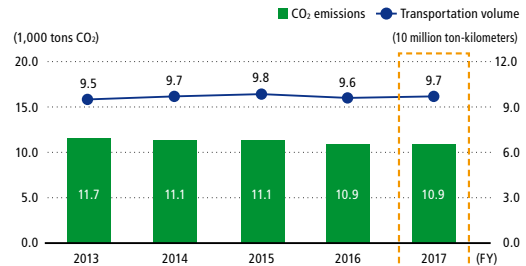
Related Data

Total energy use (crude oil equivalent)

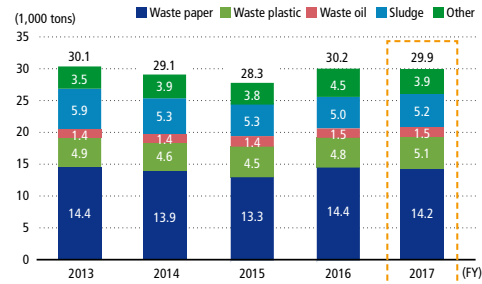


Note: Fuel means kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

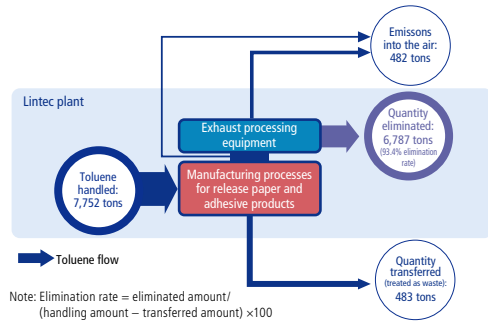
CO₂ emissions and transportation volume in distribution



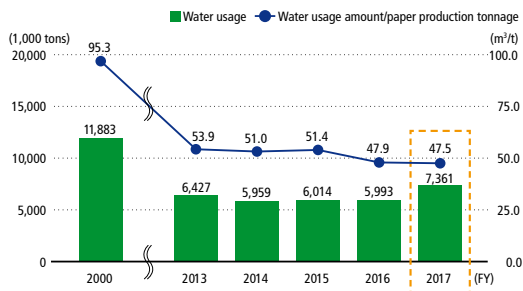
Waste generated



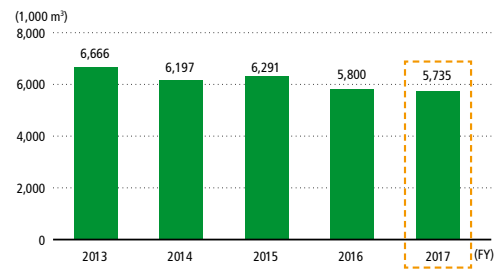
Emission and transfer of toluene



Water usage (Kumagaya and Mishima Plants)



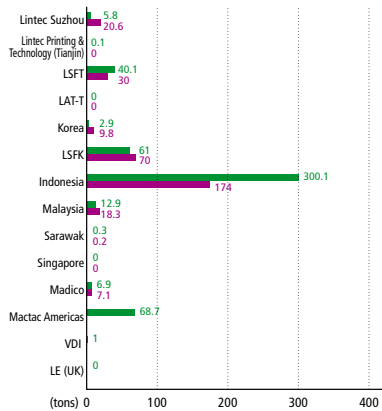
Effluent treated (Kumagaya and Mishima plants)^{*1}



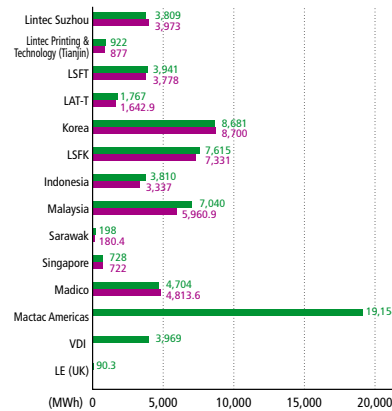
Environmental data at 14 group companies outside Japan

■ FY2017 data (Jan. 1, 2017 to Dec. 31, 2017) ■ FY2016 data (Jan. 1, 2016 to Dec. 31, 2016)

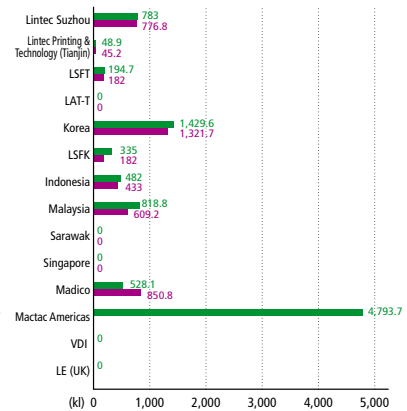
VOC emissions^{*2}



Electricity usage



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



Mactac Americas, LLC, VDI, LLC, and Lintec Europe (UK) Limited, which joined the Lintec Group in 2016, are included in the data starting 2017.

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

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

*2 For VOCs, see page 11.

CSR Activities at Group Companies Outside Japan

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

LINTEC (SUZHOU) TECH CORPORATION

Location: Suzhou, China
No. of employees: 211
Main business activities: manufacture and sale of printing and industry-related products and paper-and processing-related products

In response to the notification dated May 2017 from Jiangsu Province to businesses that handle hazardous chemicals, our company installed double gates separating the production area from other areas in November and started their operation in the following month. This has enabled us to readily grasp the number of persons in the area during emergencies.



Display board in the area



Liu Shiping
Engineering Department

LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

Location: Tianjin, China
No. of employees: 95
Main business activities: manufacture and sale of printing and industry-related products

To promote the understanding of biodiversity, we planted nine cherry trees on our premises in March 2018. We are planning to leave the management and care of the trees to the respective sections in our company, on a one tree, one section basis. We will continue to carry out our biodiversity conservation activities.



Planting trees



Zhang Kun
Quality Assurance Section

LINTEC SPECIALITY FILMS (TAIWAN), INC.

Location: Tainan, Taiwan
No. of employees: 93
Main business activities: manufacture and sale of electronic- and optical-related products

Anticipating that rescuing injured persons in the event of a disaster would be difficult, we installed a wheelchair for emergency stairs in 2017. During a fire drill, we were able to promptly rescue an injured person using the wheelchair. We will continue our training in preparation for disasters.



Drill using a wheelchair for emergency stairs



Tui-ching Yang
Environment & Safety Office

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

Location: Kaohsiung, Taiwan
No. of employees: 82
Main business activities: manufacture and sale of electronic- and optical-related products

In October 2017, we cleaned the Qijin Coast area in Kaohsiung City. Some employees brought their children along to participate in the weekend activity. Through the activity, participants came to understand the seriousness of marine debris and provided positive feedback. We will continue to pursue our environmental conservation activities.



Cleaning the coast



Chen-Jung Liao
ISO Promotion Department

LINTEC KOREA, INC.

Location: Cheongju-si, Chungcheongbuk-do, Korea
No. of employees: 89
Main business activities: manufacture and sale of electronic- and optical-related products

As part of our social contribution activities, about 10 employees cooked kimchi at our cafeteria and delivered it to 60 households in the local community, including elderly people living alone, single-mother families, and single-father families, in November 2017. It provided us with a meaningful opportunity to practice sharing.



Employees preparing kimchi



Moon Ji-Eun
General Affairs Section

LINTEC SPECIALITY FILMS (KOREA), INC.

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

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



Employees who participated in environmental purification activities



Myung-Jin Choi
Environmental Safety Section

PT. LINTEC INDONESIA

Location: Bogor, Indonesia
No. of employees: 118
Main business activities: manufacture and sale of printing and industry-related products

In March 2018, we provided 20 orphans with school supplies as part of our community contribution activities and then started a team-building training program for all employees. Through activities and training, we more deeply recognized the significance of relationships based on trust and cohesion and the importance of growing together with local residents.



Presenting school supplies



Sami Pujiyanto
General Affairs and Human Resources Department

PT. LINTEC JAKARTA

Location: Jakarta, Indonesia
No. of employees: 19
Main business activities: sale of printing and industry-related products

Starting around September 2017, we installed used battery collection boxes within our company. We will bring the collected batteries to their manufacturers or local poisonous and hazardous substance treatment sites. We will continue to promote environmental conservation activities.



Used battery collection box



Sitha Damayanti
General Affairs and Human Resources

LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

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

The Penang district in Malaysia was hit by an unprecedented storm in November, 2017 that caused devastating flood damage. Our company decided to donate used clothes to the affected people, and sent about 500 clothing items collected from employees to the affected area within two days. All employees contributed.



Used clothes collected from employees



Siti Sarah
General Affairs and Human Resources Department

LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

Location: Sarawak, Malaysia
No. of employees: 25
Main business activities: manufacture and sale of electronic- and optical-related products

In October 2017, all employees of our company participated in an activity to preserve the world's largest flower, the Rafflesia, specimens of which grow in a conservation area about a two-hour drive from our company. We learned about the conservation activity from a ranger at the conservation office and carried out a cleanup.



Gathered in front of the conservation office



Michael Benzi Junior
General Affairs & Human Resources

LINTEC SINGAPORE PRIVATE LIMITED

Location: Singapore
No. of employees: 86
Main business activities: manufacture and sale of printing and industry-related products and electronic- and optical-related products

In September 2017, we visited a residential care facility for the elderly, St. John's Home, to plant trees. The company will continue to undertake this environmental conservation activity with employees.



Planting trees

LINTEC (THAILAND) CO., LTD.

Location: Chachoengsao, Thailand
No. of employees: 166
Main business activities: manufacture and sale of printing and industry-related products

As part of our community contribution, we cleaned temples, built shoe shelves using wooden pallets, repaired children's playground equipment, and cleaned school floors and toilets in March 2018. We will continue to support local development.



Participants in local contribution activities



Apakorn Pleansri
Business Development Department

LINTEC EUROPE (UK) LIMITED

Location: Buckinghamshire, UK
No. of employees: 18
Main business activities: manufacture and sale of printing and industry-related products

In August 2017, we provided a local under-13 football team with uniforms for the 2017-2018 season. In June 2018, the team, wearing the uniforms, played in a six-a-side football tournament and took first place. We will continue to contribute to the local community.



Local football team wearing the uniform and holding the winning trophy



Alistair Coombs
General Manager

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

Location: Texas, U.S.A.
No. of employees: 33
Main business activities: research and development

The North Texas Food Bank is a volunteer organization providing free food to needy persons living in northern Texas. We participated in its activity and packed 16,000 servings of nutritious food and beverages. We will join the activity on an ongoing basis.



Employees making food packages



Jeffrey Sameshima
Customer Relationship

MADICO, INC.

Location: Florida, U.S.A.
No. of employees: 179
Main business activities: manufacture and sale of printing and industry-related products

To contribute to the promotion of biodiversity, we carry out various activities. In fiscal 2017, we worked on the conservation of habitats for marine organisms in the Tampa Bay area through cooperation with a non-profit organization. We also cleaned up along the coast with volunteers from the community and picked up about 200 kg of trash.



Trash collected by cleaning up along the coast



Sharon Bolling
CSR Committee

VDI, LLC

Location: Kentucky, U.S.A.
No. of employees: 34
Main business activities: manufacture and sale of printing and industry-related products

We established our first CSR Committee in March 2018. The committee will cover overall CSR activities, including environmental conservation, biodiversity, social contribution, and workplace environments, and lead efforts for building a foundation for promoting world-class initiatives.



CSR Committee members



Toni Doughty
CSR Committee

MACTAC AMERICAS, LLC

Location: Ohio, U.S.A.
No. of employees: 476
Main business activities: manufacture and sale of printing and industry-related products

We supported Bulldog Bags, an organization that addresses food insecurity among local children. We provided elementary school children in the community where our company is located with nutritious breakfasts and lunches. Fifteen employees made food packages in support of the activity undertaken by the organization.



Employees who carried out the volunteer activity



CSR Committee members

Third-Party Opinion

In providing my third-party opinion for a second year, I noticed that social responsibility at Lintec has steadily evolved in a highly ethical manner, while the company motto, "Sincerity and Creativity," is practiced in CSR activities.

First of all, I would note the establishment of the SDGs (Sustainable Development Goals) Committee, which reflects the intention to embody, group-wide, one of the key initiatives set under the LINTEC INNOVATION PLAN 2019 (LIP-2019), "activities for realizing a sustainable society." The cross-departmental SDGs Committee comprises a total of 26 members from diverse sections such as research, production, and sales as well as a director in charge of promotion. The committee is not just a formal organization tasked with relating SDGs to activities and products but provides a venue for unrestricted discussions on how to create innovation by viewing the SDGs as new opportunities. I appreciate the establishment of such an organization as an indication of the responsibility Lintec has as a global company for addressing global social issues and using them to drive its own sustainable growth.

In my third-party opinion last year, I advised Lintec to consider disclosing what it was doing to prevent pollution. As to that point, one of the "Voice" articles in this year's report introduces an employee's views on the use of infrastructure for pollution prevention in compliance with the revised Clean Air Conservation Act in South Korea. The sincere and prompt response is a precise demonstration of the company motto, "Sincerity and Creativity."

I have a few suggestions that may help the Lintec Group, where the ratio of employees in Japan to employees outside Japan is about 6:4, to further publicize itself as a sincere global company.

The first is to further sophisticate its materiality and KPIs. For instance, with regard to improving employee satisfaction, Lintec is carrying out an action to build working environments where employees feel motivated to work. For that action, it has set a KPI for turnover within three years of employees hired as new graduates. More explanation is needed as to whether the KPI expresses the satisfaction of all employees or not. To take another example, the KPI set for making contributions to sustainable consumption is the number of exhibitions participated in as an exhibitor in and outside Japan. It would help if the report explains the relevance of this, such as how the number of exhibitions participated in in and outside Japan contributes to sustainable consumption.

Lintec may need to review its pursuit of materiality (important issues), which it has operated at full-scale since fiscal 2016, in a flexible manner when the business environment changes. For example, the issue of microplastics has recently been drawing worldwide attention. Reportedly, at the G7 Summit held in June 2018, Japan, along with the United States, did not sign the Ocean Plastics Charter, but microplastics is a very serious global environmental issue. I advise Lintec to consider disclosing how Lintec would deal with the problem, for instance, by increasing the percentage of biodegradable or recyclable products.



Makiko Akabane
Director of CSR
Asia Japan Office

Response to Third-Party Opinion

We are grateful to Ms. Akabane for her third-party opinion, as we were in 2017, and for her appreciation of our practice of our company motto, "Sincerity and Creativity," as well as the establishment of the SDGs Committee in response to one of the key initiatives set under the LINTEC INNOVATION PLAN 2019 (LIP-2019). We will roll out the activity across the group so that it will be performed not only by the committee members, and continue it until we produce results of group-wide activities and all employees realize results.

As for materiality, we will strive to clearly show the reasons why we selected the KPIs and explain them to stakeholders. We will also

flexibly review our materiality in light of social changes and results of the SDGs Committee activities.

We will take seriously the opinion received and ensure that our group makes concerted efforts to address social issues through our core business. By sharing with all employees the importance of the company motto, "Sincerity and Creativity," as the basis of our group, we will aim to be a company that contributes to developing a sustainable society.

Hiroyuki Nishio
Representative Director, President, CEO and COO

Editor's postscript

The CSR Report is supported by cross-organizational members. As some activities are introduced only on our CSR website, we invite readers to visit the site to learn more about them.

The Highlight articles feature the CSR study sessions held at the Lintec Group companies and activities of the SDGs Committee. These activities

are based on the company motto, "Sincerity and Creativity," and the LINTEC WAY, which underpins the motto. For our group to achieve sustainable growth together with society, all employees are thinking about activities and seeking to independently implement them in an integrated manner.



CSR Report 2018 production project members