



Linking your dreams
LINTEC Corporation



LINTEC

Sustainability Report
2022

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 working 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 who is 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 Sincerity opens people's mind.
- 3 Please people.
- 4 Be a giver.
- 5 Care about colleagues and family.

Five Rules of Creativity

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

Editorial Policy

The Lintec Group follows the company motto of "Sincerity and Creativity" when conducting its CSR activities. This report explains our CSR activities during fiscal 2021. As the Group's sustainability promotion system was enhanced in April 2021, the name of this report, formerly the "CSR Report," was changed to "Sustainability Report" starting in fiscal 2022.

The report also features activities related to materiality¹ and ESG², which have become topics of high interest in recent years. This report publishes certain information that is important for both stakeholders³ and the Lintec Group. For more detailed information, please visit our Sustainability website.

Publication Date

Previous publication: September 2021
Current publication: August 2022
Next publication: August 2023

Guidelines Referenced

Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2012/2018) of the Ministry of the Environment of Japan
Environmental Accounting Guidelines (2005) of the Ministry of the Environment of Japan
ISO 26000 (Guidance on social responsibility)

To ensure better communication with its stakeholders, the Lintec Group works to disseminate information via a variety of media channels. For details on each channel, please refer to "Main Channels for Sustainability Information" on page 35.



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Reporting Period

This report covers the period from April 1, 2021, to March 31, 2022 (fiscal 2021). It also includes some information up through July 31, 2022 concerning specific initiatives.

Environmental data for 15 group companies outside Japan covers the period from January 1 to December 31, 2021.

Organizations Covered

Social Report Governance Report

Lintec: Lintec Corporation

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

Environmental Report

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

Lintec and 15 group companies outside Japan: Sites listed above and 15 overseas group companies^{*2}

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

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

^{*2} 15 overseas group companies (overseas production sites): Lintec (Suzhou) Tech Corporation; Lintec Printing & Technology (Tianjin) Corporation; Lintec Speciality Films (Taiwan), Inc.; Lintec Advanced Technologies (Taiwan), Inc.; Lintec Korea, Inc.; Lintec Speciality Films (Korea), Inc.; PT. Lintec Indonesia; Lintec Industries (Malaysia) Sdn. Bhd.; Lintec Industries (Sarawak) Sdn. Bhd.; Lintec Singapore Private Limited; Lintec (Thailand) Co., Ltd.; Madico, Inc.; Mactac Americas, LLC; VDI, LLC; and Lintec Europe (UK) Limited

Note on the fiscal year of consolidated subsidiaries

The fiscal year of Mactac Americas, LLC, Lintec (Thailand) Co., Ltd., and another 37 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 39 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.

^{*1} Materiality : Materiality means issues that a company should focus on, identified from among a wide range of CSR activities.

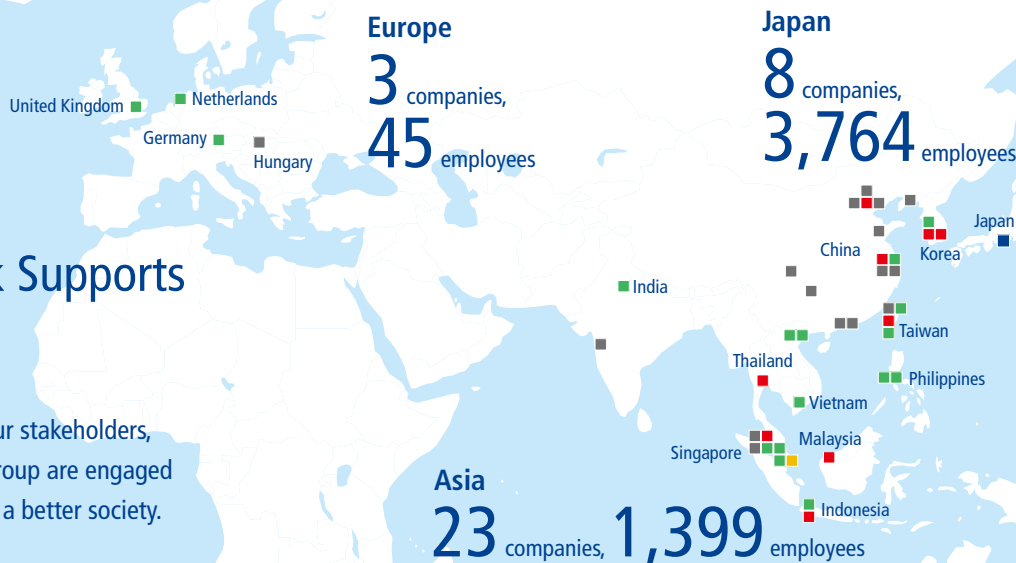
^{*2} ESG: ESG collectively refers to the following three elements: environmental, social, and governance. These three elements are considered to be important for the long-term growth of a company.

^{*3} Stakeholders: Stakeholders include consumers, employees, shareholders, creditors, suppliers, local communities, and government agencies.

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.



Printing- and industry-related segment

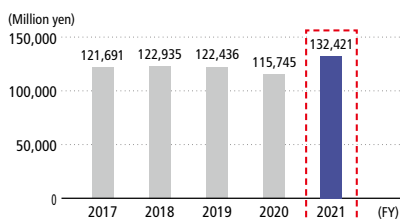


Adhesive papers and films for labels

Window films for automobiles

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

Sales



Electronic- and optical-related segment

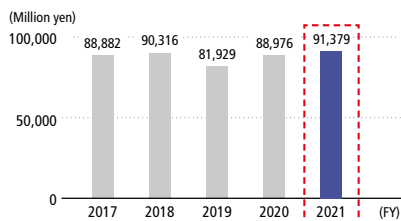


Semiconductor-related tapes

LCD-related adhesive products

We provide products that leverage our unique R&D and technologies, including special tapes for semiconductor chip manufacturing and mounting processes, devices to make the best of these tapes' properties, release films indispensable for laminated ceramic capacitor manufacturing, LED-related adhesive products, and touch screen-related products. We play a part in expanding the IoT*1 society by providing materials for manufacturing processes used in producing smartphone and other electronic devices and highly functional tapes required for flash memory production.

Sales



Paper- and processing-related segment

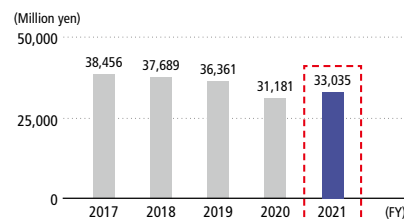


Food packaging paper

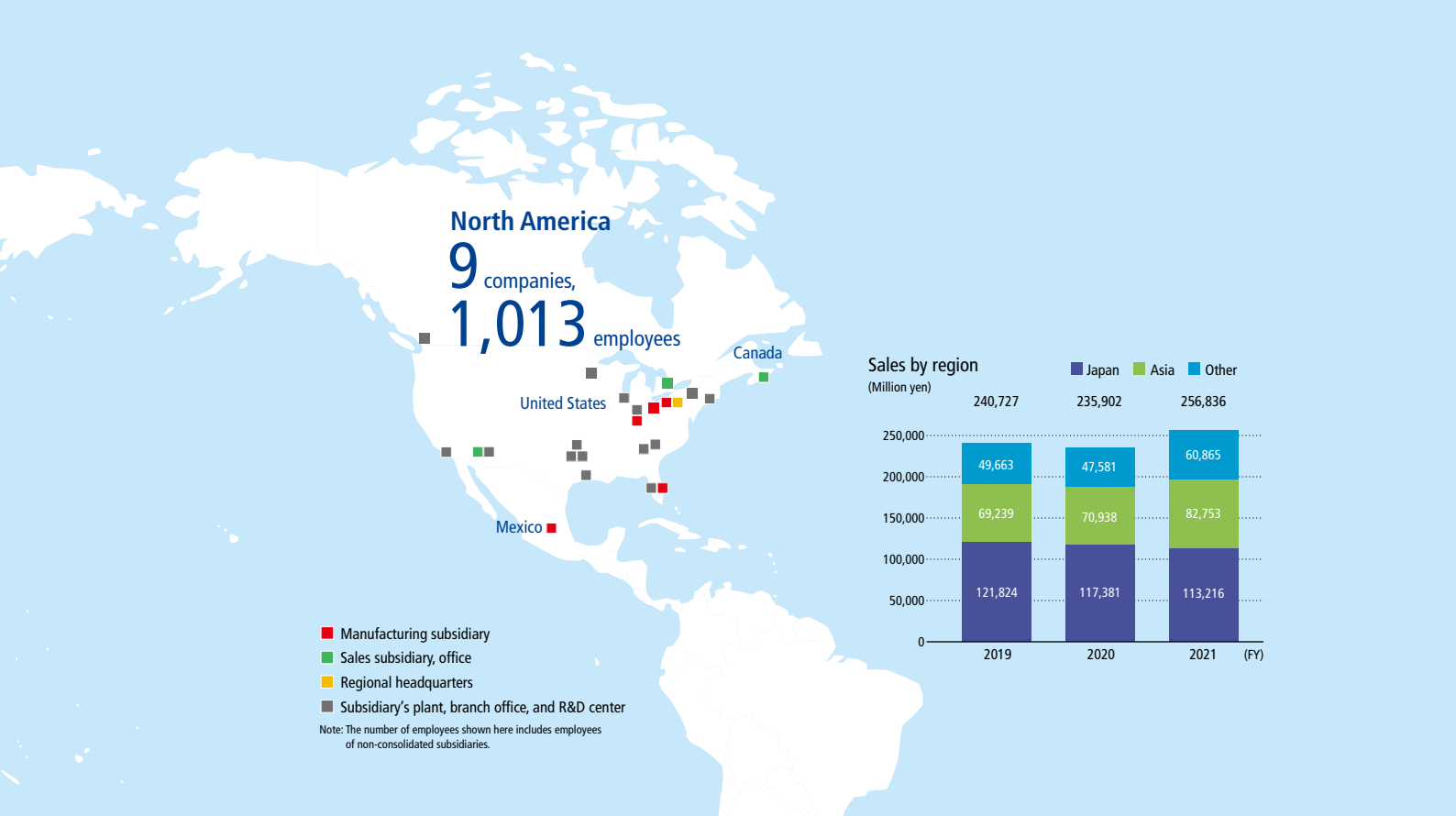
Casting paper used when manufacturing carbon fiber composite materials

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

Sales



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



Four core technologies

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

Adhesive applications

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

Surface improvement

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

System development

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

Specialty papers and release materials production

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

Corporate Profile (as of March 31, 2022)

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 2021)	Consolidated: 256.8 billion yen Non-consolidated: 163.1 billion yen
Established	October 1934	Operating income (fiscal 2021)	Consolidated: 21.6 billion yen Non-consolidated: 13.2 billion yen
Capital	23.3 billion yen		
Stock listing	Prime Market, Tokyo Stock Exchange (Securities Code: 7966)		
Fiscal year-end	March 31		
Representative	Makoto Hattori, Representative Director, President, CEO and COO		
Number of employees	Consolidated: 5,158 Non-consolidated: 2,628		



Accumulation of daily operations leads to a sustainable future

We will accelerate group-wide joint efforts to achieve our long-term vision.

A handwritten signature in black ink that reads "Makoto Hattori". The signature is fluid and cursive.

Makoto Hattori

Representative Director, President, CEO and COO
LINTEC Corporation

Looking back on FY2021, the first year of our medium-term business plan

Having formulated the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), our long-term vision for the period leading up to that year, in April 2021 we started to implement our medium-term business plan for the three years ending in March 2024, LSV 2030 – Stage 1, as a milestone for the realization of the vision.

Our performance in fiscal 2021, the first year of the plan, remained robust for products for semiconductors and laminated ceramic capacitors in the electronic- and optical-related segment due to the growth of smartphones and automobiles, as well as the increasing demand for mobile and communication devices and the enhancement of data centers due to the spread of

remote working.

Meanwhile, the printing and industrial materials products-related segment and the paper and converted products-related segment saw a recovery of demand from fiscal 2020, when both were significantly affected by the COVID-19 pandemic. Taking all segments in combination, we actually achieved the business target for fiscal 2023, the final year of the plan, in the first year.

To fulfill our responsibility to ensure a stable supply of products to our customers, we asked our employees to take thorough measures for preventing the spread of COVID-19, not just in the workplace but in their personal lives as well. I believe we can thus attribute our robust performance to the earnest efforts of each and every employee.

The outlook remains uncertain, but I am committed to work with all employees toward achieving the newly set business target.

Long-term Vision

LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030)

Basic Policy

Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth

Key Initiatives

1 Solve social issues

(1) Environment

- Help to shape a carbon-free world
 - Reduce CO₂ emissions (reduce by 50% or more by 2030 compared to FY2013)
- Contribute to achieving a recycling-oriented world
 - Expand recyclable products (build release paper recycling system, etc.)
 - Reduce water consumption and comply with wastewater quality standards
- Compatibility with the PRTR Act
 - Curb release of volatile organic compounds (VOC) into the atmosphere (zero by 2030)
- Contribute to biodiversity conservation

(2) Social

- Respect human rights
- Provide proper information disclosure to stakeholders and improve communication
- Promote work-style reforms
- Rigorously enforce quality and customer-first principle

(3) Governance

- Strengthen corporate governance
- Further increase effectiveness of the Board of Directors
- Appropriate information disclosure and ensure transparency
- Constructive dialogue with shareholders and investors

(4) SDGs*1

- Ensure that business activities help to achieve the Sustainable Development Goals

2 Foster innovation to build a robust corporate structure

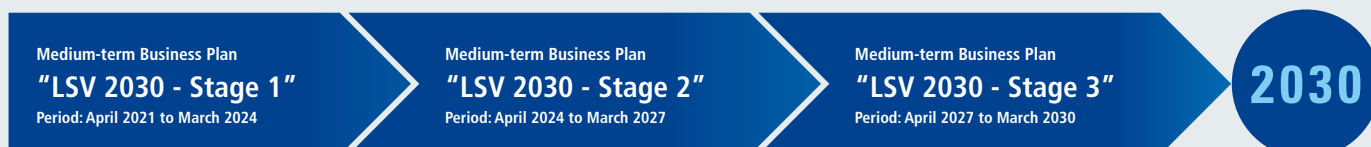
- (1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)²
- (2) Install new production equipment through scrap and build with the aim of conserving energy, raising quality, increasing efficiency, and reducing labor
- (3) Strengthen cost competitiveness with innovation in production processes
- (4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies
- (5) Maintain a solid financial base and improve capital efficiency

3 Create new products and businesses to deliver sustainable growth

- (1) Create new products and businesses driven by technological innovation
- (2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A)
- (3) Move aggressively to win a greater presence in the global market
- (4) Establish localization

Financial indicators for the fiscal year ending March 31, 2030

- Operating profit margin **12% or more**
- ROE (Return on Equity) **10% or more**



Bringing forward key measures while instilling the long-term vision across the company

In fiscal 2021, we spent time promoting understanding of LSV 2030, and instilling it among employees throughout the company. Moreover, both internally and externally, through meetings, in-house magazines, shareholder newsletters, and our website, we carefully communicated the future that we as a company envisage and the determination with which we will move toward it. At the same time, we made efforts to examine and reinforce the measures we need to take to bring about that future.

To help to shape a carbon-free world, which is one of the important pillars for solving social issues, a key initiative of the long-term vision, we promoted initiatives for CO₂ emissions

LSV 2030 – Stage 1

Business targets for the year ending March 2024 (final fiscal year)

	Before change	After change
Net Sales	255 billion yen	300 billion yen
Operating income	21 billion yen	24 billion yen
Profit attributable to owners of parent	14 billion yen	17 billion yen
Operating profit margin	8% or more	8% or more (unchanged)
ROE (return on equity)	7% or more	8% or more

reduction ahead of schedule, and I believe we have made a good start in this first year toward realizing our vision.

*1 SDGs: Stands for Sustainable Development Goals, which are international goals for achieving a better world by 2030.

*2 Digital transformation (DX): Means to transform services and business models, as well as business contents and processes, organizations, and corporate culture, and establish a competitive advantage based on customer and social needs by leveraging data and digital technologies so as to adapt to changes in the business environment

Guide to Action for the 129th Fiscal period

A Year of All-Out Effort Pushing to Achieve LSV 2030

- Take positive action that helps realize sustainable society
- Aim to maximize corporate value by providing products and services that exceed customer expectations
- Advance innovative approaches and strengthen corporate structure

Thinking on the run to get where we want to be

As I clearly stated at the beginning of this fiscal year's Guide to Action, fiscal 2022 will be "A Year of All-Out Effort Pushing" in which we will further accelerate our measures. The three guidelines will remain unchanged during the three years of LSV 2030 – Stage 1, but the opening slogan was my message to all group employees at the start of the second year.

First of all, I expect all employees to make a start, with no exceptions. I want everyone to act promptly to solve issues, rather than waiting to make arrangements only after every minute detail is thoroughly understood. I want all of us to assess the situation on the run, and instantly carry out reinforcement and corrective measures as needed. "Thinking on the run" is part of our corporate culture and has been practiced repeatedly in the course of our history.

Some employees at the Lintec Group arrived at their companies as new graduates, while some came onboard as mid-career hires. I take the view that each person is a "human asset" who was already equipped with the capacity for independent thought and action when they joined the Group. As they remain with their company, their skills and potential are further honed and developed by the ups and downs of their working life. Needless to say, we provide educational opportunities, curriculums, and other systems to help employees acquire additional skills, as well as making efforts to improve our workplace environments and programs.

Considering ESG as an important element to achieve both the SDGs and sustainability, the long-term vision positions ESG at the center of our management. Based on a shared understanding of ESG-oriented management, we will join forces with our stakeholders to keep pushing forward until together we unflinchingly achieve the Lintec Group's vision.

Strengthening the sustainability management promotion system

Having participated in the United Nations Global Compact since 2011, in February 2018 we established the SDGs Committee to discuss new development themes with a view to addressing social issues.

In April 2021, we established the Sustainability Committee, which is comprised of members of the top management team, including all outside directors. Moreover, we strengthened our sustainability management system by reorganizing and establishing committees and subcommittees, including the Environmental Committee, the Social & Governance Committee, the Corporate Risk Management Committee, and the SDGs Committee. We also organized the Sustainability Disclosure Subcommittee to visualize the details and status of activities and enhance the system for providing information internally and externally. These moves will help clarify progress made and incorporate new opinions to further promote and accelerate measures.

Achieving a carbon-free world and a recycling-oriented world is a major theme. Stopping global warming and leaving a sound planet Earth to future generations is the primary responsibility that we as a company must fulfill. First of all, we will focus on contributing to achieving the SDGs by 2030 and practicing sustainable management based on ESG. In practice, this means we will make group-wide concerted efforts to reduce our CO₂ emissions by 50% or more by 2030 compared to the FY2013 level and achieve net zero by 2050.

■ Lintec Group's CO₂ emissions reduction target

Medium-term target (compared to FY2013)	Reduce CO ₂ emissions by 50% or more by 2030
Long-term target	Achieve carbon neutrality by 2050

Building a foundation for sound management

Strengthening corporate governance, one of the key initiatives under the long-term vision, is important from the perspective of sound management. We therefore reinforced the management monitoring function by adding one more independent outside director in June 2021, so that independent outside directors now make up more than one-third of the Board. Moreover, in December 2021, the Corporate Governance Committee was renamed the Nomination and Compensation Committee, with all independent outside directors serving as members.

Furthermore, outside directors are invited to serve on the aforementioned Sustainability Committee, where the progress of measures undertaken by the committees and subcommittees is reported on a quarterly basis, and their expert advice and opinions help shape committee activities to promote initiatives in a speedy manner.

We also recognize the importance of information disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD^{*1}). In December 2021, we established the TCFD Subcommittee under the Sustainability Committee and started activities for information disclosure.

Evolving unique technologies to create new products and technologies

Rather than being about creating something totally new out of nowhere, we view innovation as having its seeds in our past development. Since our establishment in 1927 for the production and sales of gummed tape under the name of Fuji Shokai, our company has evolved to the present day by using its unique forward-looking technologies to continue to create products that contribute to society. This capacity is an important asset to be passed on to future generations and a core part of our identity.

These days, items produced as a result of our company's innovative culture range widely, from adhesive papers and films for labels and stickers to adhesive products for automobiles and architecture to products related to semiconductors and laminated ceramic capacitors.

During the recent COVID-19 pandemic, our products have contributed to changing lifestyles and work styles, including remote working. Creating products to promptly respond to such changes of the times is the aim of our innovation, the reason for our existence, and the mission of our company as a material processing manufacturer. To that end, we must have the capability to develop new products and technologies based on the application of existing technologies and accumulation of technological exchanges.

Respecting others is the basis of diversity

Today, we operate 39 consolidated subsidiaries in 18 countries and regions around the world. Accordingly, we must, above all, respect the diversity and different ways of thinking of our group employees, customers, partners, and local communities. Whether in or outside Japan, we must all continue to grow by accepting and learning from one another with mutual gratitude and respect. This is the spirit of the company motto, "Sincerity and Creativity," which has been passed on for many years. It is because of this underlying spirit that our group has developed to this day.

Needless to say, our group's business is supported by numerous stakeholders, including employees, customers, partners, shareholders and investors, and people in local communities. We will proactively disclose information to all stakeholders and provide opportunities for dialogue with them in order to utilize their feedback in our business and management.

Employees are important in our group's development. In this time of uncertainties, not the least of which is the COVID-19 pandemic, I believe that it is through the accumulated individual efforts of our group employees that we will achieve our long-term vision and the further growth and sustainability of world.



*1 TCFD: See page 14.

Lintec Group's Stories about Solving Social Issues

Having set the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030) for the period ending in March 2030, we will contribute to the development of a sustainable society by fostering innovation to build a robust corporate structure and creating new products and businesses to deliver sustainable growth.



Realization of a sustainable world

	Materiality	Main KPIs
Overall business	Contribution through business	<ul style="list-style-type: none"> Percentage of developed products in sales (20% by 2030) Number of patent applications/patents held
The environment	Contribution to a sustainable global environment	<ul style="list-style-type: none"> Reduction in CO₂ emissions Landfill disposal rate Response rate of raw material supplier survey
Society	Respect for human rights	<ul style="list-style-type: none"> Number of consultations regarding harassment Occupational accident frequency rate Occupational accident severity rate Percentage of female employees Percentage of childcare leave taken by male employees
	Enhanced value chain management	<ul style="list-style-type: none"> Number of responses to CSR survey Percentage of quality incidents
	Better communication with stakeholders	<ul style="list-style-type: none"> Number of site tours offered
Governance	Promotion of governance across the entire Group	<ul style="list-style-type: none"> Attendance at Board of Directors meetings Attendance at Audit and Supervisory Committee meetings Periodic publication of Legal News

Employees

Suppliers

Materiality and KPIs

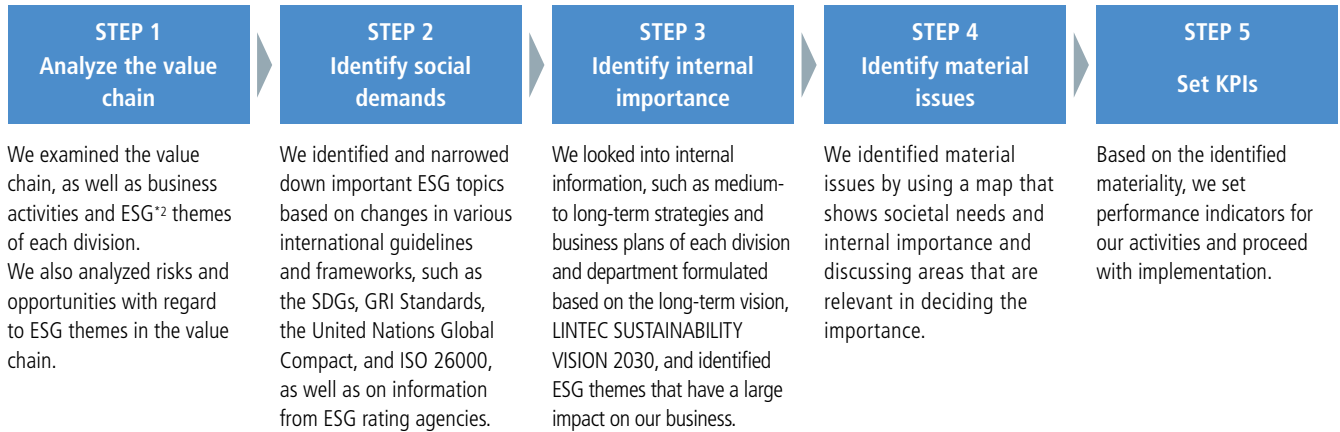
Materiality means issues that a company should focus on, identified from among a wide range of CSR activities. While the Lintec Group identified its materiality in 2014, the Group has reviewed the related themes in light of ever changing social issues, and through a series of dialogues with stakeholders. We incorporated the long-term

vision, LINTEC SUSTAINABILITY VISION 2030, launched in April 2021, as well as the perspective of SDGs, into our new materiality focus and set key performance indicators (KPIs)*1. We will work on the newly identified materiality themes and promote related activities across the Lintec Group.

	Materiality	Risks related to materiality	Opportunities related to materiality
Overall business	Contribution through business	<ul style="list-style-type: none"> Risks in raw material procurement and distribution Loss of business opportunities due to delay in technological innovation 	<ul style="list-style-type: none"> Creation of new products with the introduction of new innovative production equipment and new manufacturing processes pursuing cost reduction Creation of new products and business and diversification of business due to technological innovation Improved efficiency and accuracy in R&D and improved inspection system and technology due to DX
	Contribution to a sustainable global environment	<ul style="list-style-type: none"> Increased investment costs for becoming environmentally friendly Impact on procurement, including costs with high dependence on chemicals and petrochemical raw materials Decrease in usable raw materials due to tightening of environmental regulations 	<ul style="list-style-type: none"> Development of a smart factory that is self-sufficient in terms of electricity, etc. Expanded market with the provision of environment-friendly products and services Conversion from petrochemical raw materials to biomass materials Acceleration of search for and conversion to substitutes and promotion of development of raw materials based on unique recipes Product development using raw materials in the positive list
Society	Respect for human rights	<ul style="list-style-type: none"> Suspension of business or payment of monetary compensation due to human rights considerations in supply chains Loss of opportunity to secure excellent global human resources and loss of such resources Fall in labor productivity and loss of human resources 	<ul style="list-style-type: none"> Higher employee awareness and recognition of contributions made to the development of a sustainable world due to penetration of corporate culture Enhanced employee motivation due to the development of safe and secure workplace environments Multifaceted business decisions made by diverse teams
	Enhanced value chain management	<ul style="list-style-type: none"> Loss of trust from customers due to a lack of proper quality control 	<ul style="list-style-type: none"> Safe and secure business activities due to proper information gathering and system development
	Better communication with stakeholders	<ul style="list-style-type: none"> Loss of trust from local communities due to a lack of communication Damage to corporate reputation due to failure to provide full information disclosure (reputation risk) 	<ul style="list-style-type: none"> Co-existence and co-prosperity with local communities Incorporation of issues recognized by stakeholders into business activities
Governance	Promotion of governance across the entire Group	<ul style="list-style-type: none"> Impact on business due to failure to make business decisions from an objective perspective Impact on corporate activities due to a lack of governance over group companies outside Japan Damage to corporate value due to a compliance violation 	<ul style="list-style-type: none"> Business expansion due to good business decisions Prevention of illegal, fraudulent, or unjust acts due to an improved internal control system Improved stakeholder credibility and satisfaction

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

Process of reviewing materiality★



Issues to work on	KPI	Related SDGs
	Key items	
<ul style="list-style-type: none"> ● Strengthening of corporate structure through innovation ● Creation of new products and businesses for sustainable growth 	<ul style="list-style-type: none"> ● Percentage of developed products in sales (20% by 2030) ● Number of patent applications/patents held 	
<ul style="list-style-type: none"> ● Response to climate change ● Realization of a recycling-oriented world ● Sustainable procurement of raw materials ● Preservation of biodiversity 	<ul style="list-style-type: none"> ● Reduction in CO₂ emissions ● Landfill disposal rate ● Response rate of raw material supplier survey 	
<ul style="list-style-type: none"> ● Human rights due diligence ● Ensuring occupational health and safety ● Promotion of diversity ● Promotion of work style reform initiatives 	<ul style="list-style-type: none"> ● Number of consultations regarding harassment ● Occupational accident frequency rate ● Occupational accident severity rate ● Percentage of female employees ● Percentage of childcare leave taken by male employees 	
<ul style="list-style-type: none"> ● Comprehensive customer-first approach ● Improvement in terms of quality, cost, and customer satisfaction 	<ul style="list-style-type: none"> ● Number of responses to CSR survey ● Percentage of quality incidents 	
<ul style="list-style-type: none"> ● Harmonious co-existence with local communities 	<ul style="list-style-type: none"> ● Number of site tours offered 	
<ul style="list-style-type: none"> ● Organizational governance ● Fair business activities 	<ul style="list-style-type: none"> ● Attendance at Board of Directors meetings ● Attendance at Audit and Supervisory Committee meetings ● Periodic publication of Legal News 	

*2 ESG: See page 1.

Value Chain and Stakeholders

Lintec Group's Approach

Business activities of the Lintec Group have impacts on every link of the value chain. We proactively review and improve business operations informed by the SDGs at each phase and promote interdepartmental collaboration, aiming at the realization of a sustainable society.

We also provide opportunities for dialogue with stakeholders, and reflect the input obtained through these dialogues in our business activities.



For the Improvement of Value Chain

Quality Assurance System

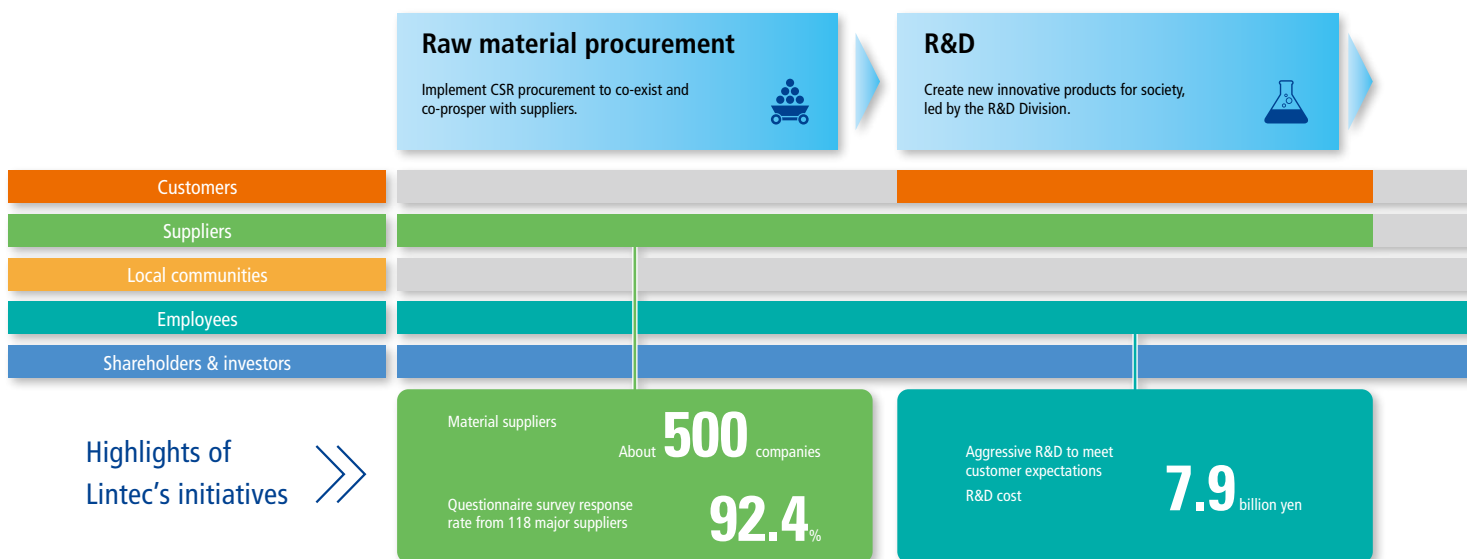
The Lintec Group has established a quality assurance system based on ISO 9001^{*1}. In Japan, we have integrated the quality assurance systems of six divisions into a group-wide QMS. As for group companies outside Japan, the quality assurance system has been set up and put into operation at 12 business sites.

In fiscal 2022, Lintec started further quality improvement initiatives with reinforced quality assurance and quality control and effective QMS operation under the new Quality Assurance Division.

Under the new organization, we will enhance collaboration across business activities along with quality assurance and integration of QMS activities, with the aim of building a quality assurance system from a customer perspective and from the starting point of manufacturing.

■ ISO 9001 certification received (FY2021)

Number of certified sites		16
Breakdown	Japan	4
	Asia	8
	U.S.A.	4



*1 ISO 9001: An international standard for quality management systems (QMSs)

Management

Quality Accident Prevention and Education

The Lintec Group considers it important to integrate its QMS into business processes and implement the QMS effectively so as to maintain and improve quality products and services and prevent quality-related accidents. To deepen the entire Group's understanding of the ISO 9001 standard, the Head Office previously organized ISO education every year based on the annual training plan.

With the recent COVID-19 pandemic, however, providing group training as usual became difficult. We therefore changed the format to online training and reviewed the learning materials to make them easier to understand for those who are learning about the QMS for the first time, and to ensure that the standard would be understood. We will continue such activities in order to provide more reliable products and improve our services for customers.



My Next Stage

At Lintec (Thailand) Co., Ltd. we conduct a quality patrol for each manufacturing process every month and work on problems found to prevent failures. As a result of this, in 2021 we reduced the number of complaints by 56% from 2020. Additionally, we have built an automated inspection sheet issuance system to promptly respond to our customers.

Based on the Quality Policy, we will continue to make concerted efforts to improve customer satisfaction.



Kamonthip Wongsuwan (Nok)
Quality Assurance/Quality Control Department
Lintec (Thailand) Co., Ltd.

Manufacturing

Improve production efficiency, reduce environmental impact, and mass-produce new products in and outside Japan.



Distribution

Reduce environmental impact and achieve a stable supply of products as a result of our modal shift.



Sales/Use

Provide security and trust based on high-quality manufacturing that can satisfy customers.



Disposal/Recycling

Reduce waste and use it effectively.



Carrying out social contribution activities at each business site
Annual spending on social contribution activities

12.44 million yen

Increase of CO₂ emissions from distribution compared to FY2020

8.5%

Decrease in energy consumption per production unit

About **2.4**%

Reduction of quality accidents compared to 2010 (benchmark year) with thorough quality control

65%

Final landfill disposal rate

0.5%

Sustainability at Lintec



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

To materialize the key initiatives of the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), the long-term vision covering the period from April 2021 onward, we established a system to promote initiatives related to ESG and the SDGs, reviewed the Group's issues of materiality, and set key performance indicators (KPIs). Going forward, we will engage in strategic sustainability promotion activities by implementing the PDCA cycle.

In addition, the Group promotes business operations and CSR activities based on international standards by participating in the United Nations Global Compact and referring to ISO 26000 (Guidance on social responsibility).

United Nations Global Compact

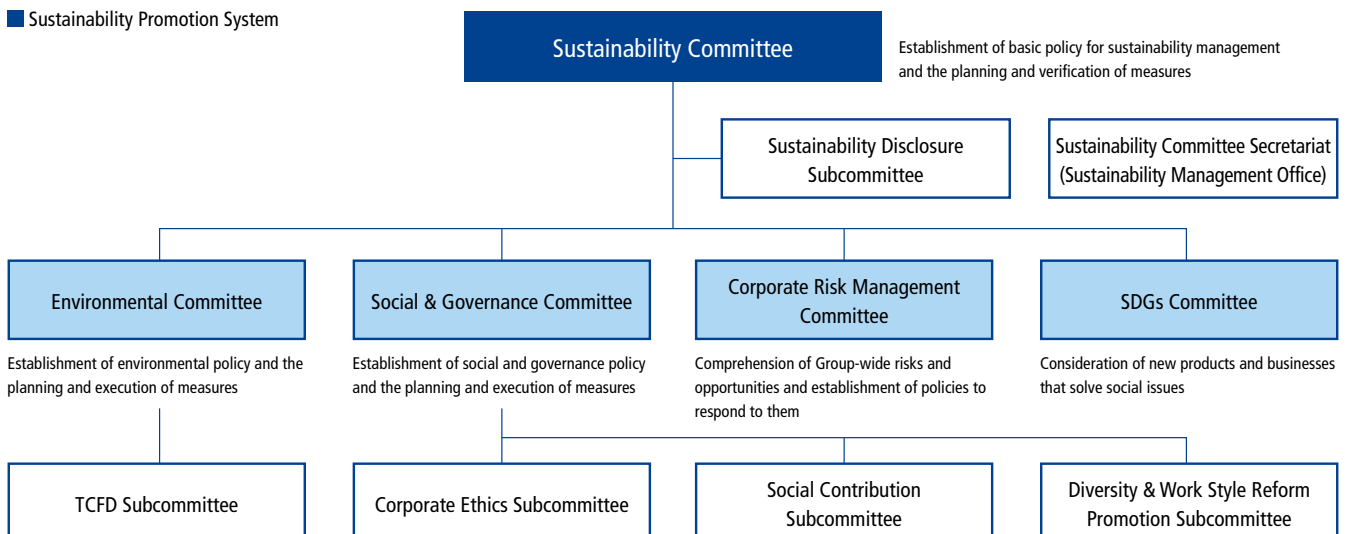
Having participated in the United Nations Global Compact since April 2011, the Lintec Group conducts business activities based on the following Ten Principles to contribute to the sustainable growth of society.

- **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.

Sustainability Promotion System

In April 2021, we established a new sustainability promotion system. Simultaneously, the CSR Management Office under the direct control of the president changed its name to the Sustainability Management Office. We also established the TCFD*¹ Subcommittee (December 2021) and the Diversity & Work Style Reform Promotion Subcommittee (April 2022) under the Sustainability Committee.

■ Sustainability Promotion System



*1 TCFD: Stands for Task Force on Climate-related Financial Disclosures, which make recommendations on how to grasp and disclose the financial impacts of climate change-related risks and opportunities.

Sustainability Promotion System

The Lintec Group set its long-term vision for the period to 2030 in April 2021.

To achieve the LINTEC SUSTAINABILITY VISION 2030 we established the Sustainability Committee, in which outside directors participate.

Additionally, we established and reorganized committees and subcommittees to build and operate the sustainability promotion system.

As of April 2022, the system is comprised of five committees and five subcommittees.

Sustainability Committee

The Sustainability Committee developed a basic policy for sustainability management promotion, conducted a progress review and monitoring of measures taken by subordinate committees and subcommittees, and provided instructions for improvement. Additionally, it examined and approved identified and reviewed issues of materiality for the achievement of LSV 2030, established a new subcommittee in response to information disclosure recommendations by the TCFD, and provided instructions for formulating a disclosure proposal. In fiscal 2021, it held three meetings (July and October 2021 and January 2022), concurrently with online meetings. Attendance of the 14 committee members, including outside directors, was 100%.

Sustainability Disclosure Subcommittee

The Sustainability Disclosure Subcommittee made efforts for prompt and effective information disclosure to stakeholders as needed, using disclosure materials, PR magazines, and websites, with a particular focus on further enhancing internal and external provision of information on sustainability management. It also responded to surveys conducted by external evaluation organizations and ensured that top management was provided with feedback on evaluation results. In fiscal 2021, it carried out activities by holding one meeting (March), which included online participation, and exchanging and sharing information between members as needed.

Environmental Committee

The Environmental Committee developed the Lintec Green Plan on the environmental issues of climate change, circular economy, and co-existence with nature for the development of a sustainable

world, and conducted activities to achieve LSV 2030. In particular, in fiscal 2021 it conducted surveys on CO₂ emissions at manufacturing sites and sales offices both inside and outside Japan to help the Lintec Group achieve the target of cutting CO₂ emissions by 50% or more by 2030 compared to fiscal 2013, and developed and promoted plans to reduce CO₂ emissions in and outside of Japan through collaboration with the Energy Savings Promotion Committee, the Production Division, the Research Center, and other related departments. In fiscal 2021, it held three meetings (September and December 2021 and February 2022) to formulate environmental policy and measures and manage their progress. In December 2021, it established the TCFD Subcommittee as a subordinate organization to identify risks and opportunities related to climate change and examine measures for information disclosure based on the TCFD recommendations.

TCFD Subcommittee

As companies listed in the prime market are required to perform information disclosure based on the TCFD recommendations following the stock market's restructuring, the TCFD Subcommittee was established in December 2021 under the Environmental Committee. From the period from December 2021 to February 2022, the subcommittee identified transition risks (policy/legal, technology, market, and reputation) and physical risks (acute and chronic) for domestic business in 2030 by referring to the framework in the TCFD recommendations and developed a disclosure proposal. With regard to identified risks and opportunities, it used external materials to conduct scenario analysis to predict impacts on business in the cases of global temperature rises of 2°C and 4°C, and developed a disclosure proposal for the first year in line with the TCFD recommendations. In the next fiscal year, it will delve further into identified risks and opportunities with the help of additional new members.

Social & Governance Committee

The Social & Governance Committee checks the progress of initiatives related to the S (society) and G (governance) of ESG on a quarterly basis. In fiscal 2021, it confirmed that the introduction of the systems of age 65 retirement, reemployment until age 70, and paid hourly leave, as well as the establishment of the Nomination and Compensation Committee (reorganized Corporate Governance Committee), progressed as planned.

The committee is currently preparing for the global review of the internal reporting system and the introduction of a human rights survey and employee satisfaction survey in Japan and the US.

Corporate Ethics Subcommittee

The Corporate Ethics Subcommittee is carrying out activities to nurture, instill, and establish corporate ethics. In fiscal 2021, it held four meetings while conducting working group activities on each of the themes below, discussing the penetration of corporate ethics among all employees and providing opportunities for information provision and education.

1 Rinri Kawaraban	Posted <i>senryu</i> (haiku-like poem) related to the Compliance Guidelines on the intranet monthly (11 times) and held <i>senryu</i> competition (Dec.–Feb.)
2 Posters to raise awareness of ethics	Created and distributed the FY2021 version of <i>Communication to Connect with Diverse Colleagues</i> , posted the FY2020 version of “Communication amid the COVID-19 Pandemic” on the intranet, and conducted e-learning survey
3 Self-audit on information security	Provided e-learning and aggregated and reported the results
4 Corporate ethics lessons learned from case studies of other companies	Created a collection of case studies on specified themes, distributed it to heads of sites, and posted it on the intranet bulletin board (twice)

Social Contribution Subcommittee

The Social Contribution Subcommittee aims to help the Lintec Group act as a good corporate citizen within its local communities and the global community by promoting realistic activities that will contribute to the sustainable development of society. In fiscal 2021, it held four meetings (June, September, and December 2021 and March 2022) with online attendance to discuss details of the activities. Although the annual events, namely, a professional baseball game outing for people with disabilities and the Fureai Concert, were unfortunately cancelled due to the COVID-19

pandemic, the subcommittee conducted other activities, including offering fried chicken gift cards at Christmas and providing emergency food stocks to food pantry events organized by the Itabashi Council of Social Welfare.

Diversity & Work Style Reform Promotion Subcommittee

The Diversity & Work Style Reform Promotion Subcommittee was established under the Social & Governance Committee on April 1, 2022 to identify internal and external needs related to diversity and work styles, ensure the penetration of related measures and systems, and raise awareness, with the aim of contributing to building a robust corporate structure. It holds meeting once a month and carries out activities for identifying needs, establishing systems, and raising awareness in parallel with the Human Resources Department, which develops such systems.

Corporate Risk Management Committee

The Corporate Risk Management Committee, comprising executive general managers and general managers of offices under the direct control of the president, conducted activities to comprehend business risks and opportunities, establish policies to respond to them, and to implement and verify the policies within the corporate structure. The committee identified business risks and opportunities based on the results of regular risk clarification and agendas suggested by committee members, and discussed response policies. Results of the discussions were reported to the Sustainability Committee and the Board of Directors. Instructions received have been implemented within the corporate structure.

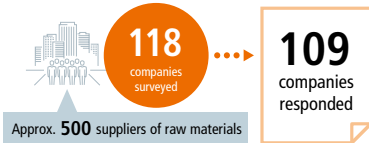
SDGs Committee

The SDGs Committee is comprised of the Innovation Group, which generates new business ideas, and the “Brush Up” Group, which examines their viability. Focusing on team building designed to help diverse members come up with new and creative proposals, the committee held a series of online lectures and group work sessions. For sharing information, in addition to publishing a wall newspaper in Japanese and English, the committee also undertook a trial project to share progress bi-directionally between members and their bosses. It will continue to promote activities to make people more familiar with the SDGs.

Non-Financial and Financial Highlights

Social (non-consolidated)

Response rate of CSR procurement supplier survey **92.4%**



Approx. 500 suppliers of raw materials

Human Resources (non-consolidated)

Percentage of paid leave taken **63.5%**

63.5%



Number of participants in company-wide training programs¹ (total)[★] **1,093 persons**

1,093 persons

Total training hours 5,113.5 hours[★]

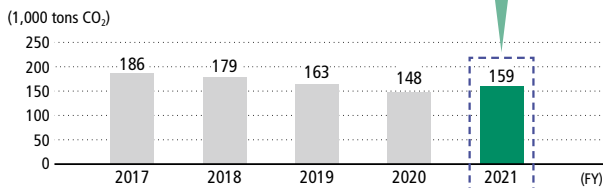


Environmental

CO₂ emissions

Organizations covered: Lintec Corporation (Head Office, 10 production sites⁴, and Research Center) and Tokyo Lintec Kako, Inc.

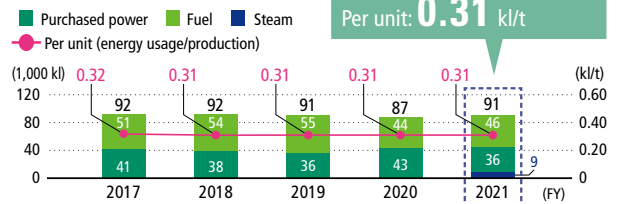
159 thousand tons CO₂



Total energy use (crude oil equivalent)

Organizations covered: Lintec Group in Japan⁵

Total usage: 91 thousand kl
Per unit: 0.31 kl/t

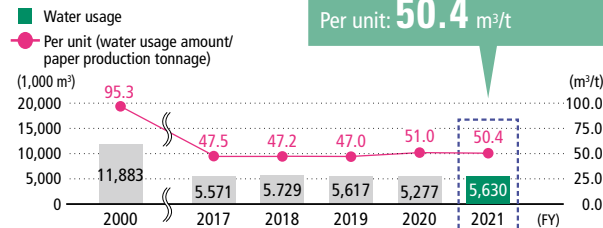


Note: Fuel means gasoline, light oil, kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

Water usage

Organizations covered: Kumagaya and Mishima Plants

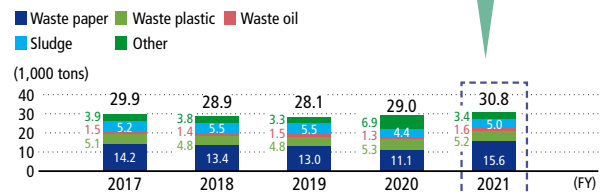
Usage: 5,630 thousand m³
Per unit: 50.4 m³/t



Waste generated

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

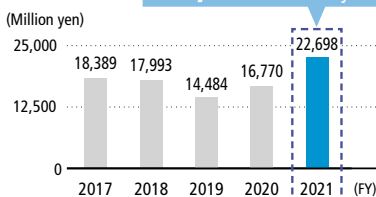
Total amount generated: 30.8 thousand tons



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

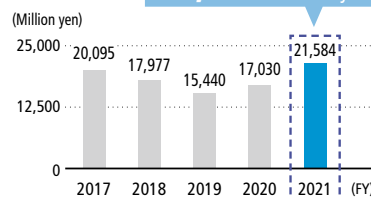
Ordinary income

22,700 million yen

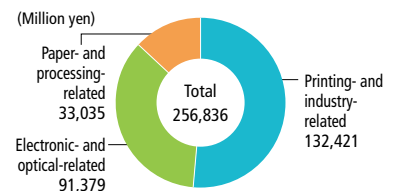


Operating income

21,600 million yen



Sales by segment (Fiscal 2021)



*1 Rank-based training programs² and theme-based training programs³ are collectively called company-wide training programs.
*2 Regarding the rank-based programs, the program for new hires took place as at-home learning due to the COVID-19 pandemic. In the calculation of total training hours, the number of training hours for the program was deemed as equivalent to that of the conventional program.

*3 Regarding the theme-based programs, data on harassment training include those of domestic group companies.

*4 For 10 production sites, see page 01.

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

Contributing to a Sustainable Global Environment

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec. Climate change mitigation and adaptation

Search



Lintec Group's Approach

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

Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group sets forth its Basic Policy in the Lintec Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group has drawn up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each. For climate change mitigation and adaptation, based on the Action Guidelines for Environmental Policy, we promote the development of environmentally friendly products at the research division, and work to reduce VOC^{*1} and CO₂ emissions, energy (electricity and fuel) usage, and waste discharge, among others, at the production division.

Environmental Management System

Based on the Lintec Group Quality, Environmental and Business Continuity Policy, the Lintec Group proactively works on conservation of the global environment. With regard to worldwide integrated ISO 14001 certification, in fiscal 2020 we underwent a renewal audit and received a certificate of approval (issue 14). We have been promoting information sharing among 12 domestic sites and 10 overseas sites covered by the integrated certification. We also underwent third-party verification regarding electric power purchased, production water usage, CO₂ emissions, waste discharge, and VOC emissions. The verification found no important issues requiring correction. For biodiversity conservation, we continue to engage in relevant activities, such as tree planting and beach cleanups. To reduce marine plastic waste, LINTEC Corporation has also been a member of CLOMA^{*2} and is making efforts as a corporate citizen to propose and promote environmentally friendly products.

Efforts to Address Climate Change

In fiscal 2021, total energy use (crude oil equivalent, covered by the Energy Conservation Act) for the Lintec Group in Japan^{*3} increased by 5.2% from the previous year due to an increase in production volume. Energy use per unit of production was 0.306 kl per ton. CO₂ emissions were 159 thousand tons in fiscal 2021, up from 148 thousand tons in fiscal 2020. In fiscal 2022, Lintec aims to reduce its CO₂ emissions and electricity consumption by 1.0% each on a per-unit-of-production basis compared to fiscal 2021 by facilitating the use of low-carbon electric power.

Medium-Term Targets (2020 to 2022) and Results

In fiscal 2021, production increased with the launch of new equipment but energy use per unit of production remained at the same level as the previous year.

The amount of water used for washing increased to fulfill orders for a wide variety of products sought in small quantities. Despite difficulties caused by production adjustment due to a water shortage, water usage per unit of production improved by 1.2% compared to the previous year. We will redouble our reduction efforts by devising a better method of reusing water used in manufacturing one product for producing another product. We aim to reduce waste discharge by making improvements to increase the yield rate and ensuring comprehensive classification. In addition, we aim to improve the final disposal rate through the effective use of waste.

In fiscal 2021, which is the first year of the medium-term business plan under the long-term vision for the period up to fiscal 2030, we are making efforts in line with the basic approach of the long-term vision: to solve social issues through our business activities.

Scope: Lintec Corp.

Item	Target	FY2021 results (year-on-year reduction)
CO ₂ emissions	1% reduction from the previous year (per unit of production)	0.02% increase Not achieved
Electric power consumption	1% reduction from the previous year (per unit of production)	0.82% increase Not achieved
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Mishima and Kumagaya plants)	1.2% improvement Achieved
Waste discharge	0.1% reduction from the previous year	5.9% increase Not achieved

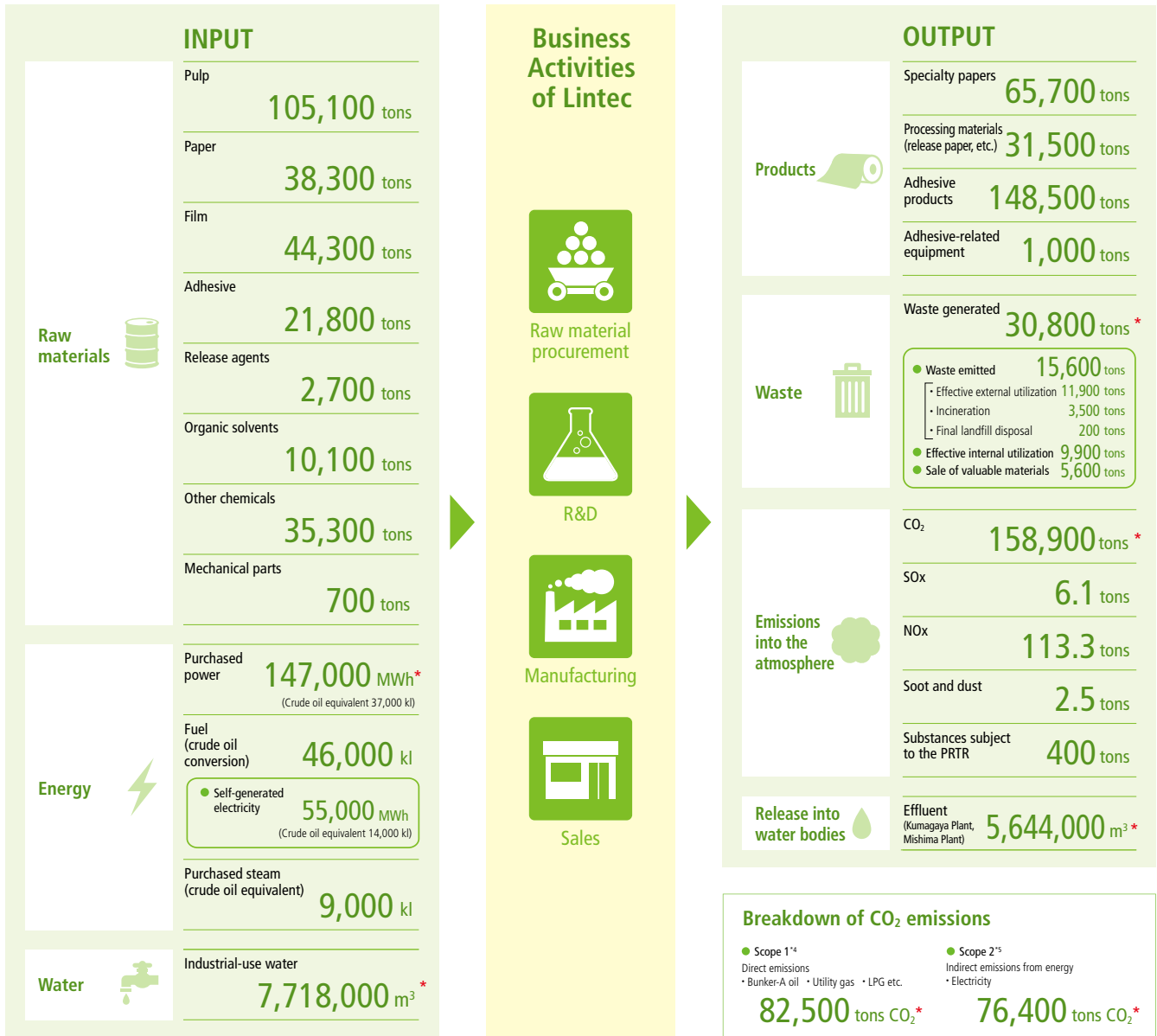
Product Development Initiatives

Energy use by the entire Lintec Group in Japan exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated as a "specified business operator," pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit as well as its weighted electricity use per production unit (for reducing peak hour demand) by 1% per year. In fiscal 2021, the Lintec Group in Japan implemented a variety of energy-saving measures, such as effective operation of production facilities and boilers, air-conditioning control, and promoting the introduction of LED lighting. Due to the progress in energy saving, some business sites that have been designated as "specified business locations" may be reclassified to a different designation category or removed from the designation.

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

*2 CLOMA: CLOMA stands for Clean Ocean Material Alliance. It is a platform to promote the sustainable use of plastic products and development and introduction of plastic alternatives, and to accelerate innovation through public-private partnerships, toward the reduction of marine plastic litter. CLOMA was established under the initiative of the Ministry of Economy, Trade and Industry.

*3 For the Lintec Group in Japan, see page 17.



Efforts in Distribution

In fiscal 2021, the volume of transportation increased by 11.0% (9,845 ton-kilometers⁶) from the previous year. Accordingly, CO₂ emissions increased by 8.5% (823 t-CO₂). Average energy use per unit of transportation over the past five years decreased by about 1.1%. Meanwhile, Lintec declared its voluntary commitment to the White Logistics Movement promoted by the Ministry of Land, Infrastructure, Transport and Tourism of Japan.

We will further reinforce our collaboration with logistics service providers, related companies, and our plants for the optimization of transport efficiency and modal shift.

Response to TCFD Recommendations

For the continuation of sustainable business activities, we established the TCFD Subcommittee under the Environmental Committee and worked on identifying risks and opportunities related to climate change. In assessing impacts of risks and opportunities, we particularly focused on identifying those that may have a big impact on our business under the 4°C scenario, where physical impacts of climate change become prominent, and for the 2°C or lower scenario, where climate change countermeasures in line with the Paris Agreement are accelerated. In June 2022, we disclosed on our website details about our governance, strategy, risk management, and metrics and targets in accordance with the TCFD recommendations. In fiscal 2022, we will add new subcommittee members from across the organization to further delve into the identified risks and opportunities.

*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

*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 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.

Contributing to a Sustainable Global Environment

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Environmental Data of Group Companies Outside of Japan



Lintec Group's Approach

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.

Development of a Recycling-Oriented World

To build a recycling-oriented world in which limited resources are used effectively through recycling, we continue to work on the 3Rs (reduce, reuse, and recycle) of waste. At the same time, we promote the introduction of electronic manifestos and ensure the thorough classification of waste at our plants and sales offices. As for waste generated from our business activities, we will make efforts to reduce the amount generated and promote its more effective use to reduce the amount of landfill disposal.

Circular Economy

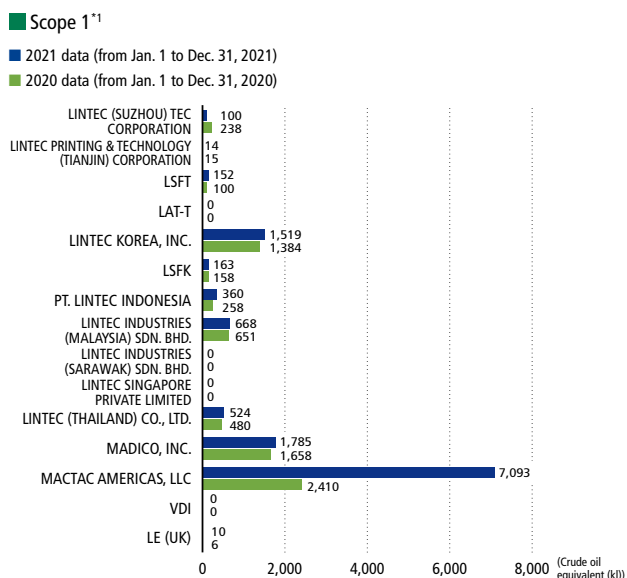
To achieve a sustainable economy and sustainable environments, we are promoting a transition to a circular economy, in which resources are circulated from product production to product use and then to recycling, with product design that limits the generation of waste and pollution from products and production, and the effective use of recycled materials to reduce consumption of new resources. In response to the April 2022 enforcement of the Plastic Resource Circulation Act, which responds to the issues of marine plastic waste, climate change, and tightened regulations on waste imports in other countries, we will work on initiatives to reduce the amount of plastic used at the stages of design and manufacturing, reduce the amount discharged, and recycle plastic.

Sustainable Raw Material Procurement

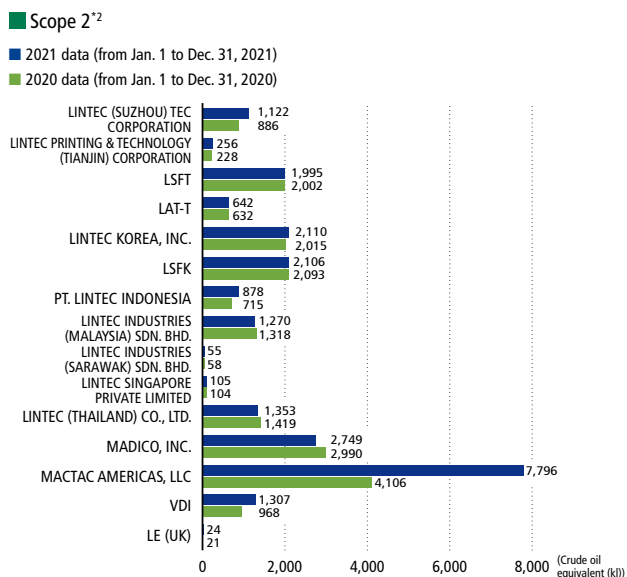
We conduct sustainable raw material procurement based on the Lintec Procurement Policy. This means we ask suppliers to confirm the stability of supply through surveys. In fiscal 2021, we asked 118 raw material suppliers (150 departments) in Japan to complete a self-evaluation questionnaire, which included items on BCP*3 and services, with 109 companies (141 departments) responding. We are also researching and organizing data on the production of around 3,700 raw materials. In the event of an incident, we will use the research results to promptly identify raw materials that may be affected and make efforts to avoid disruptions to raw material procurement.

Environmental Data of Group Companies Outside of Japan

Environmental data for 15 group companies outside of Japan in 2021 are as follows.



(Note) LSFT: Lintec Specialty Films (Taiwan), Inc.; LAT-T: Lintec Advanced Technologies (Taiwan), Inc.; LSFK: Lintec Specialty Films (Korea), Inc.; LE (UK): Lintec Europe (UK) Limited



*1 Scope 1: See page 19.

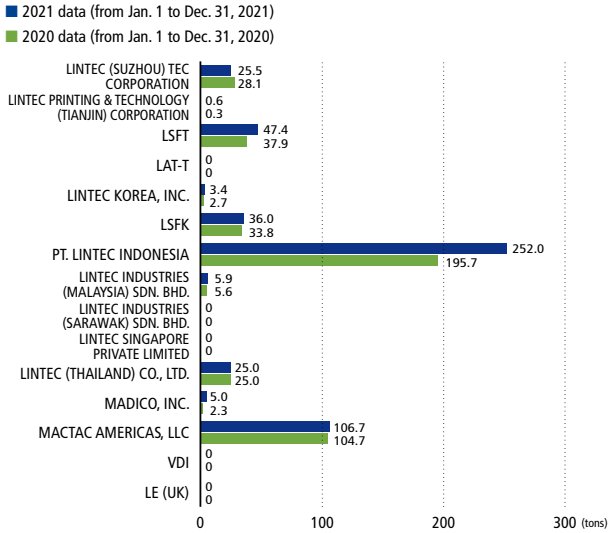
*2 Scope 2: See page 19.

*3 BCP: See page 31.

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Reducing Waste Search Lintec Water Usage Search

VOC emissions



Reducing Water Usage and Effluent

In fiscal 2021, Lintec used 7,718 thousand m³ of water. Of this amount, about 87% was used by the Kumagaya and Mishima plants, which comprise Lintec’s Fine & Paper Products Operations. In fiscal 2021, the water usage per unit of paper production was 50.43 m³/t, which achieved the target of a 1% reduction on a year-on-year basis. The target in fiscal 2022 is a 1% reduction per unit of production from the previous year. To achieve the target, the plants will make continued efforts to reduce water usage and effluent discharge in each process and prevent water leaks. Moreover, plants that have paper machines are regulated by the Water Pollution Prevention Act. Additionally, the Mishima Plant, sited alongside the Akanoi river in Ehime Prefecture, is regulated by the Act on Special Measures for Conservation of the Environment of the Seto Inland Sea (Seto Inland Sea Act), while the Kumagaya Plant, situated next to the Arakawa river in Saitama Prefecture, is regulated by the Saitama Prefectural Ordinance for Environmental Preservation. Both satisfy effluent standards in their region.

Water usage and effluent discharge

Category	FY2021 (1,000 m ³)
Total water usage (calculated by source)	7,718
● Tap water	509
● Industrial water	3,715
● Groundwater	3,494
Effluent	6,630

* Water usage is a total of tap water, industrial water, and groundwater.

Efforts for Zero Emissions*4

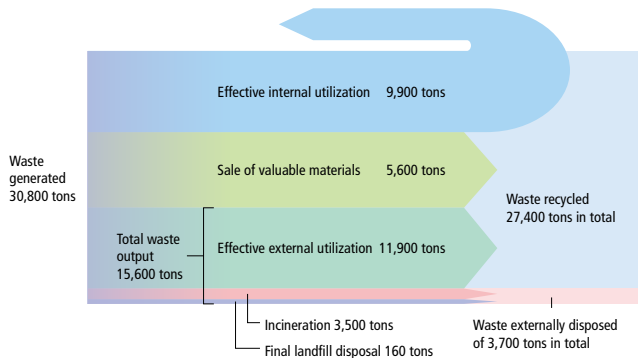
In fiscal 2021, waste generated, including valuable materials, at Lintec amounted to 30.8 thousand tons. The amount of valuable materials and waste effectively used in or outside Lintec was 27.4 thousand tons, 89% of which was recycled.

Ash left after incineration is effectively used as a raw material for concrete.

The final landfill disposal rate*5 for fiscal 2021 was 0.51%, achieving the target final landfill disposal rate of 1.0% or less, and a 0.03% reduction from fiscal 2020 (0.54%).

Flow of waste (FY2021)

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



Biodiversity Conservation

Upholding biodiversity conservation in the Lintec Group Quality, Environmental and Business Continuity Policy, the Lintec Group accordingly conducts biodiversity conservation activities in and outside of Japan.

The Tatsuno Plant in Japan maintains and monitors conservation-listed deep-veined maple trees and uses red robin trees for greening purposes. The Chiba Plant covered the west wall of its warehouse with a green curtain as an immediate measure against global warming.



Deep-veined maple

As for the quality of effluent discharged into rivers, our plants with paper machines satisfy regional effluent standards, and monitor the status of water bodies and related habitats in Japan with regard to their designation as conservation areas.

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

*5 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.

Respect for Human Rights

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Together with Employees (Human Rights / Employment)



Lintec Group's Approach

All employees of the Lintec Group work together under the company motto, "Sincerity and Creativity." To ensure that all employees have the opportunity to engage in equally rewarding work, the group respects the diversity^{*1} of its employees and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality, religion, age, origin, physical disabilities, native inhabitation, immigrant status, sexual orientation, or gender identity. In 2011, Lintec joined the United Nations Global Compact, which seeks to eliminate the use of child and forced labor. The Lintec Group will continue to promote diversity so that all employees can grow through mutual understanding and respect.

Respect for Human Rights in Labor Management and Corporate Activities

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. Lintec provided training on the UN Global Compact and CSR for 24 new employees in fiscal 2022 and training on prevention of sexual harassment and workplace bullying for newly appointed supervisors and managers.



Remotely held new employee training

Employment of Persons with Disabilities

Lintec provides employment opportunities for people with disabilities. The full-year employment rate at Lintec in fiscal 2021 was 2.0%, falling short of the statutory rate (raised in March 2021 to 2.3%). This is attributable to the reduced hiring of people with disabilities relative to those who resigned as we were unable to provide opportunities for workplace experience due to the COVID-19 pandemic.

The Operation Support Center was established in April 2015 under the Head Office's Human Resources Department to provide employment to people with disabilities. It has since been undertaking specific tasks requested by other departments. To expand the initiative at the Head Office, the Operation Support Center Suboffice

was established at the Research Center in May 2022.

We will consider expanding the initiative to the Bunkyo Kasuga Office and the Osaka Branch.



Newly established suboffice at Research Center

Job Return Program

In April 2010, Lintec introduced a job return program to provide more options for those seeking employment. Under the program, Lintec re-hires employees who had earlier resigned due to personal circumstances, such as having a child, providing care to family members, or job transfer of their spouse, as industry-ready professionals. In August 2014, we revised our employment system, introduced a registration system, and informed our employees accordingly. The number of applications for the registration system has increased. In fiscal 2021, no registered job return program user was re-hired.

Employment of Older Persons

With the revision of the Act on Stabilization of Employment of Elderly Persons on April 1, 2021, Lintec revised its rules on re-employment after retirement to allow the re-employment of employees aged between 65 and 70.

In fiscal 2021, we re-hired 43 out of 53 employees who turned 60 years old as full-time employees, as well as six out of 15 employees who reached their 65th birthday on a part-time basis. These workers are playing active roles in various workplaces, and passing on the knowledge and skills that they have developed over many years.

*1 Diversity: Differences between individuals and groups

Increasing Career Development Opportunities for Female Employees

Following the action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Phase 2), Lintec set targets for the period from April 1, 2019 to March 31, 2022 to increase career development opportunities for female employees. The company aimed to raise the average percentage of females in the total number of new hires (graduates from a junior college or technical college/university/graduate school) to over 35%. The percentage of female employees in Phase 2 stood at 37%. We have also set a numerical target for the number of female managers/supervisors, namely, to increase the percentage by 10% from the fiscal 2018 level. Fiscal 2021 saw an increase by 30%, indicating steady progress.

In addition, we hold interviews with young female employees hired at the Head Office on an ongoing basis (in their fourth, seventh, and 10th year) to support their career development.

Use of programs*

Program	FY2019	FY2020	FY2021
Family care leave program (persons)	0	1	0
Family care time off (persons)	2	3	3
Accumulated time off (persons)♦	92	71	104
Childbirth leave (persons)	20	14	25
Leave for spouse giving birth (persons)♦	51	56	67
Childcare leave (persons)	41	34	32
(Male employees)	3	3	7
Percentage of childcare leave taken (%)	21.6	15.8	32.3
(Male employees)	4.4	3.0	8.9
Return to work after taking time off for childcare leave (%)	100	93.3	100
Child nursing care time off program (persons)♦	13	7	4
Shorter hours/flex time (persons)	57	62	64
Paid social contribution time off (persons)♦	22	12	15
Percentage of paid leave taken (%)	66.5	61.7	63.5
Average number of days of paid leave taken	12.4	11.8	12.1

♦ indicates a leave system that can be used for the purpose of childcare
Organization covered: LINTEC Corporation

Number of employees by gender: LINTEC Corporation



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



(Outside Japan: as of December 31, 2021; In Japan: as of March 31, 2022)

My Next Stage

At the Research Center, I am in charge of developing release films used for optical adhesive. I took childcare leave for three months following the birth of my first child and I am currently struggling to maintain a work-life balance.

Anyone can become unable to work in the way they wish for various reasons. Based on my experience, I would like to help improve the workplace environment to make it easier for people to use systems when they need to.



Yuki Ozawa

Assistant Project Manager,
Product Research Department
Research Center

*2 Percentage of each gender in management positions

Respect for Human Rights

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Together with Employees (Human Rights / Employment)



Work-life Balance

Achieving work-life balance is indispensable to help employees perform their jobs with peace of mind and exercise the full range of their abilities. For creating workplace environments where diverse employees can make active contributions and promoting career development, we have revised the work regulations and discussed and implemented multifaceted initiatives to create a comfortable workplace.

Future Life Planning Seminar Training

In fiscal 2021 Lintec provided employees in their 20s and 30s with a future life planning seminar with the aim of helping employees learn about asset building for a fulfilling future, including spending related to major life events, so that they can build a healthy asset base and thereby create an environment in which they can concentrate on their careers.

We will continue to provide information to raise awareness around life planning as social situations change and individual values diversify.

Measures against Working Long Hours

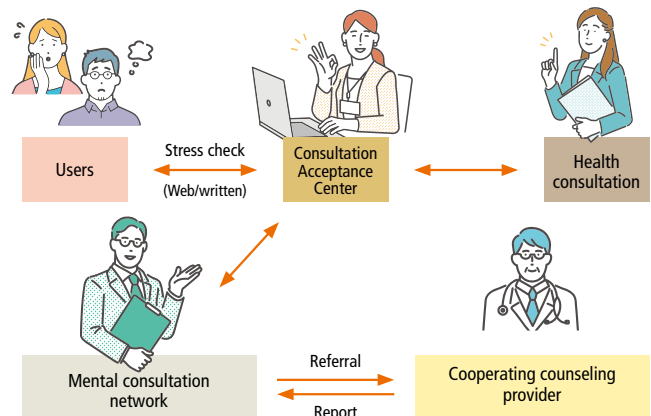
Lintec proactively promotes measures to ensure that employees can remain in good health. To prevent long working hours and late-night work, which imposes an excessive physical and mental strain, we strive to ensure appropriate personnel assignment and the proper sharing of workloads, and that supervisors are responsible for managing the overtime of individual subordinates. In particular, we have introduced no-overtime days set in each workplace, flextime programs, and a discretionary labor system. Additionally, in fiscal 2019, we adopted a work interval system and a work-from-home system. Work hour management has been enhanced, specifically by expanding the scope to the entire workforce, including executives and discretionary workers, adopting an attendance system that enables detailed labor management, and checking individual requests for overtime on a daily basis. We also provide employees with a mental checkup once a year to help them assess their stress level and manage their own mental health.

Mental Health Measures

The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)*¹ that provides employees with opportunities to obtain a mental health checkup once a year. Through this checkup, employees come to understand their own stress level, which is useful for personal mental health management. The manager of each business unit receives the results and analysis for employees in the unit, and takes appropriate improvement measures as needed. In fiscal 2021, the checkup was offered across group companies in Japan to a total of 3,671 employees, 96.4% of whom actually received it. The Lintec Group has also set up an employee support hotline that employees and their families can contact directly to talk confidentially with a specialist about their worries, including in relation to physical and mental health, childcare, nursing care, legal issues, or personal finances.

To improve the workplace environment at the Lintec Group, we also provide a dedicated harassment counseling service desk in the form of an outsourced helpline. Employees can call the helpline to seek advice from a clinical psychotherapist.

Precautionary EAP system overview



Telephone counseling	In-person counseling
<ul style="list-style-type: none"> ● Counseling by psychological counselor ● Referring to provider for three-way interview with supervising doctor 	<ul style="list-style-type: none"> ● Directly managed counseling centers (Tokyo, Osaka, Nagoya) ● Cooperating providers (150 locations in Japan)
Web-based counseling	General information website
<ul style="list-style-type: none"> ● Individual counseling over the Internet 	<ul style="list-style-type: none"> ● Basic mental health information ● Mental health self-checks

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

Lintec Group's Approach

The Lintec Group continues to operate the Occupational Safety and Health Policy, which it established based on ISO 45001.^{*2} According to the policy, annual safety and health plans are developed. Relevant activities are carried out in accordance with the plans, which set targets and specific activities for individual priority actions. Activity results are evaluated by way of internal audit and management review to assist activities in the following fiscal year.

Occupational Safety and Health Policy

In 2018, the Lintec Group established the Lintec Occupational Safety and Health Policy and revised the Lintec Occupational Safety and Health Manual in conformity with the ISO 45001 standard.

Our plants formulate annual safety and health plans and engage in relevant activities. We have established an occupational safety and health management system, and the Safety and Health Committee and the Health Committee hold meetings every month. In addition, employees of eight domestic plants, the Research & Development Div., and Tokyo Lintec Kako, Inc., as well as employees of partner companies who are permanently stationed at these business sites, are subject to internal audits.

In 2020, we set out our program for "Creating a Culture of Safety and Health," a systematic overview of Lintec's safety and health activities. We promote safety and health activities based on the Four Lintec Safety Principles.

Annual Safety and Health Plans

Each fiscal year, the Lintec Group formulates annual plans for safety and health activities. The plans indicate top management policies and set priority action items to realize the policies, including safety patrols, risk assessment^{*3}, and safety education. More specific activities and targets

are set for the priority action items and are reflected in safety and health activities. The results of activities and the progress are reported in the monthly Safety and Health Committee meetings, and all members of the Committee engage in discussions on improvement. By implementing such PDCA cycles that lead to the next round of initiatives, the Lintec Group continues to step up its safety and health activities.

Safety and Health Committee and Health Committee

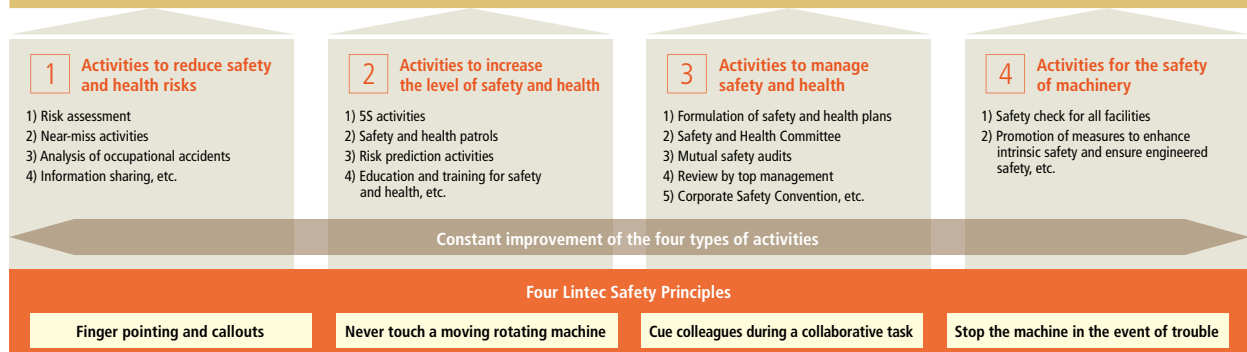
Every month, the Lintec Group plants in and outside Japan hold Safety and Health Committee meetings, while the Head Office, Bunkyo Kasuga Office, Osaka Branch Office, and other business sites having sales departments convene Health Committee meetings. Each of these meetings are attended by representatives of the labor union.

Matters concerning overall safety and health, including statutory matters, are discussed by the committees, and we make it a rule to seek employee input. Regarding the outcomes of the committee meetings, the head of each site has the responsibility and authority to make the final decision. After Safety and Health Committee and Health Committee meetings conducted at each business site, employees' opinions submitted at these events are recorded in the proceedings, and relevant information is communicated to all employees.

■ Creating a Culture of Safety and Health at Lintec

Culture of safety and health 1) Safety is the top priority. 2) Everyone shares the same level of awareness toward safety. 3) Create a culture where everyone can follow the rules easily.

Goals of safety and health activities 1) Prevent occupational accidents (safety) 2) Provide a safe and healthy workplace (security) 3) Stay accident-free



*2 ISO 45001: An international standard for occupational health and safety
 *3 Risk assessment: Evaluating risks to set safety standards

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Cooperating with Suppliers Search



Lintec Group's Approach

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

Green Procurement

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

In fiscal 2021, we asked suppliers to respond to our survey based on the REACH Regulation^{*1} (25th and 26th candidate lists) and chemSHERPA^{*2} (version 2.04), covering around 5,000 raw materials.

Together with suppliers, we will continue to promote environmental protection activities and ensure control of chemical substances.

CSR Procurement

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

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

In fiscal 2021, we asked 118 trading companies and agencies (150 departments), out of roughly 500 domestic material suppliers, to complete a questionnaire, and 109 companies (141 departments) 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.

Questionnaire for trading companies/agencies

Corporate management	<ul style="list-style-type: none"> Financial status
Management/Labor	<ul style="list-style-type: none"> Legal compliance/Corporate ethics Labor (Respect for human rights, working hours, wages, etc.) BCP SDGs initiative Information security
Service	<ul style="list-style-type: none"> Cost Deadline Survey request (Environment, material search, BCP, etc.) Information provision (Information on products, technology, industry, etc.)
BCP	<ul style="list-style-type: none"> Accident status check (Production site, product, logistics, etc.)
Actions outside of Japan	<ul style="list-style-type: none"> Provision of information on overseas industries, compliance with overseas laws

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.

*1 REACH Regulation: A chemical substance regulation in the EU on the "Registration, Evaluation, Authorization and Restriction of Chemicals." Registration is required when exporting a chemical substance into EU states in quantities of one metric ton or more per year. Notification must also be submitted to the authorities when a chemical substance falling under the category of "candidate for required authorization" is present in a product at more than 0.1 percent of the mass of the object.

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

Community Participation

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Local Communities Search



Lintec Group's Approach

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.

Global Activities

The Lintec Group carries out social contribution activities in locations where it operates.

My Next Stage

Giving Old Clothes a New Life for a Sustainable World

Lintec Advanced Technologies (Taiwan), Inc. conducted activities to give old clothes a useful second life. We invited employees to bring in clothes they no longer wore and were able to fill 13 cardboard boxes with their donations. While providing some of the clothes to a social welfare organization for distribution among people in need, the remainder we asked designers to rework into hats, eco-bags, and bottle holders, which we sold at a bazaar and donated the proceeds. From the amount of interest our booth generated, we found that there was a genuine appetite for unneeded items that had been upcycled and given a new life.



Selling items made from old clothes collected from employees



Pao-ya Ke
Lintec Advanced Technologies (Taiwan), Inc.

Community Safety Activities

Every year, the Kumagaya Plant, together with other companies in Kumagaya City, participates in the Self-Defense Forces incipient firefighting training event hosted by the local government to learn practical skills in handling extinguishers and other equipment for incipient firefighting. In fiscal 2021, the event was cancelled due to the COVID-19 pandemic, but the plant will participate in the event next time.

Dialogue with Local Residents

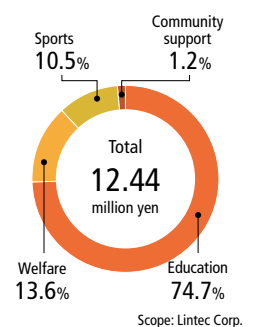
Lintec provided cooperation for food pantry events organized by the Itabashi Council of Social Welfare. In June and September 2021, we provided single-parent households and elderly households in need of support with canned food and retort pouch food taken from our emergency food stocks. In December 2021, in addition to emergency food stocks, we offered gift cards for fried chicken as Christmas gifts to around 200 households, who were very happy to receive them.



Food pantry event

Breakdown of Community Support Expenses (FY2021)

In fiscal 2021, expenses for educational support accounted for more than 70% of the total. We also provided support for welfare and sports.



Offering Plant and Facility Tours

Every year the Lintec Group accepts numerous students, local authorities, NPOs, and community residents for tours of its plants and facilities in Japan. In fiscal 2021, we reduced these activities in response to the COVID-19 pandemic, resulting in a total of 26 visitors being welcomed at four sites.

Support for persons with disabilities

In fiscal 2021, a day out for people with disabilities and their helpers at a professional baseball game at Tokyo Dome was cancelled in the planning stage in view of the COVID-19 risk.

*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.

Promoting Governance of the Entire Group

WEB For more detailed information, please visit our Sustainability website. (in English)



Lintec Governance Search

Lintec Group's Approach

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 (as of July 1, 2022)

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

The company has 12 directors, three of whom are members of the Audit and Supervisory Committee. Also, Lintec has five outside directors (three men and two women), including four independent outside directors (two men and two women). Of these four, two directors (one man and one woman) serve as Audit and Supervisory Committee members.

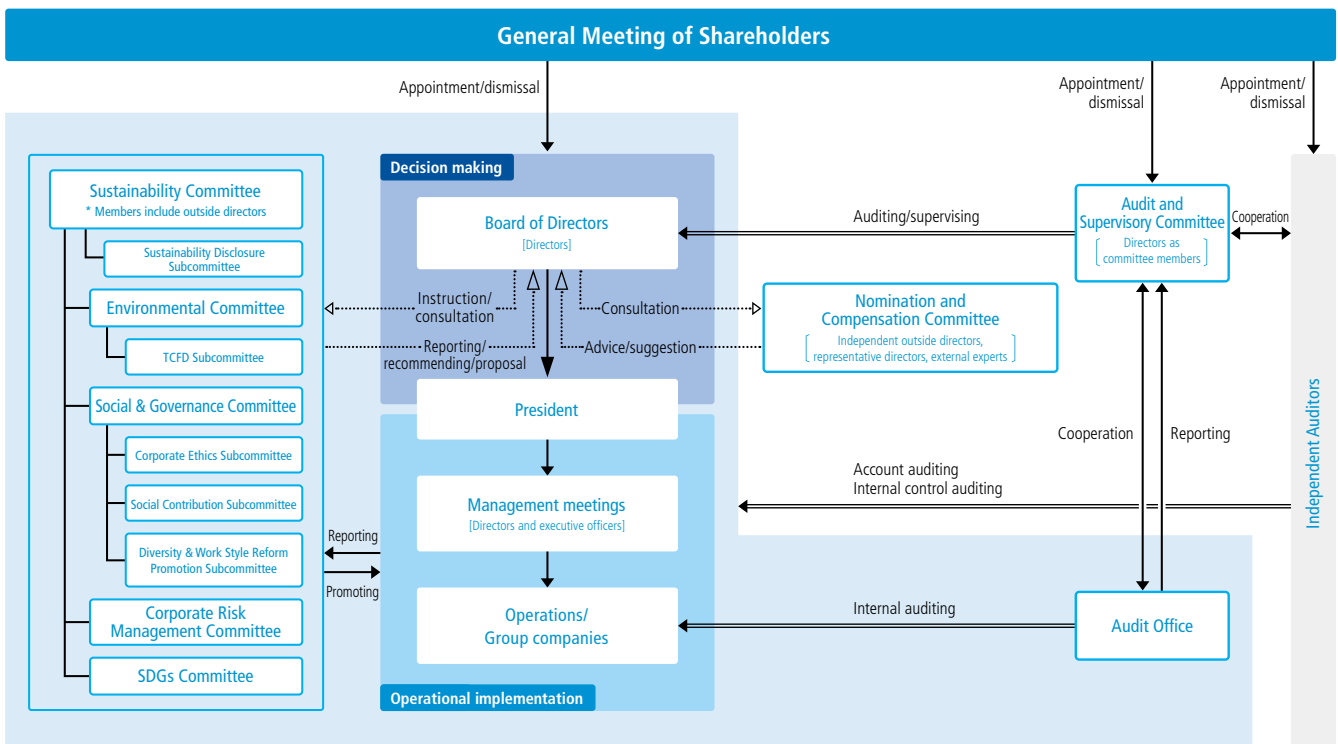
In addition, the Nomination and Compensation Committee (comprising all independent outside directors and all representative directors as well as external experts, with a majority of members

being independent outside directors; chaired by an independent outside director) has been established as an advisory body for the Board of Directors. The committee checks the validity of remuneration and personnel affairs of corporate officers, as well as makes general recommendations on corporate governance. Of the 12 directors on the committee, two are in their 70s, seven are in their 60s, and the other three are in their 50s.

Compliance with the Corporate Governance Code^{*3}

Lintec complies with the Corporate Governance Code. Thus far, referencing the code, the company has taken various measures, such as the implementation of PDCA cycles through evaluating the effectiveness of the Board of Directors, and the establishment of the Corporate Governance Committee.

Corporate Governance System



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

*2 A company with an audit and supervisory committee: A stock company where its audit and supervisory committee, comprising more than three directors (with outside directors as a majority) as committee members, audits and supervises how directors administer business operations

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

■ Actions taken to enhance corporate governance

FY	Major actions
2004	<ul style="list-style-type: none"> Appointed an outside director, first in the company
2006	<ul style="list-style-type: none"> Established the Audit Office Reformed the executive compensation system (abolished retirement benefits and introduced stock options) Established the Remuneration Assessment Advisory Meeting (to check the validity of remuneration of corporate officers)
2008	<ul style="list-style-type: none"> Established CSR Management Office Increased the number of outside directors from one to two
2011	<ul style="list-style-type: none"> Adopted the executive officer system; decreased the number of directors significantly from 18 to 10
2015	<ul style="list-style-type: none"> Shifted to a company with an audit and supervisory committee (from a company with a board of auditors) Set the number of board members at 16 (including four directors serving as Audit and Supervisory Committee members and four outside directors) Complied with principles of the Corporate Governance Code
2018	<ul style="list-style-type: none"> Reformed the executive compensation system (for the long-term incentive plan, replaced stock options with restricted stocks in order to encourage directors' holding of treasury stocks) Abolished the buyout countermeasure (anti-takeover measure) Established the Corporate Governance Committee, comprising two independent outside directors and a representative director and chaired by an independent outside director, as an advisory body for the Board of Directors to check the validity of remuneration and personnel affairs of corporate officers (Remuneration Assessment Advisory Meeting was dissolved as a result)
2021	<ul style="list-style-type: none"> Increased the number of outside directors from four to five Increased the proportion of independent outside directors to one-third (four out of 12) Enhanced the constitution and function of the Corporate Governance Committee to mandate that it: be comprised of all independent outside directors and all representative directors, with the remainder of members being external experts; have independent outside directors in the majority; and be chaired by an independent outside director. Its function is to check the validity of nomination and remuneration of corporate officers and make general recommendations on corporate governance Corporate Governance Committee renamed Nomination and Compensation Committee

Risk Management

To further enhance its risk management system, the Lintec Group established the Corporate Risk Management Committee, comprising executive general managers and general managers of offices under the direct control of the president, in April 2018. The committee holds meetings on a regular basis.

We restructured and strengthened our sustainability promotion system in April 2021, and redefined the purpose of the committee as "to comprehend business risks and opportunities, establish policies to respond to them, and implement and verify the policies within the corporate structure."

Agenda items brought up by each member and information based on annual risk clarification by managers constitute the main components of inputs to the committee. Discussions are reported to the Board of Directors every quarter to share information and receive instructions.

Legal Education for Top Management and Employees

To promote understanding of corporate legal affairs, Lintec provides directors and executive officers with training. In fiscal 2021, we held

one session on the theme of "Revision of the Corporate Governance Code and Keys to Responses" in September 2021, and sessions on "Recent Trends in Disclosure of Non-financial Data" and "Organizing Issues Related to Digitization of Business Documents" in January 2022.

As for training for employees, we implement legal training for salespersons geared to mid-level employees in charge of sales. We are also incorporating legal seminars into group training programs for newly appointed managers and newly appointed section chiefs. In addition, Legal News is published six times a year to provide employees of the Lintec Group with timely information related to legal affairs.

These training programs and information disseminated help employees to improve their cognizance of potential legal risks lurking in daily business activities, which is expected to lead to early risk detection and response.

■ Legal News published in fiscal 2021

Publication month	No.	Title
May 2021	40	Revised Act on Stabilization of Employment of Elderly Persons
July 2021	41	Worry no more! Annoying telemarketer tricks and how to deal with them
September 2021	42	Surprisingly little known facts about copyright—it's not just about manga and movies
November 2021	43	Ongoing shift to paperless: electronic contracts and revised Electronic Books Preservation Act
January 2022	44	Will the First Section disappear? New Tokyo Stock Exchange
March 2022	45	Summary of news between April 2021 and March 2022

Establishing the Counseling Desk

The Lintec Group has a helpline (internal reporting system) to enable employees to report, without any disadvantage, any serious legal or ethical violations that they identify. Lintec added a third-party lawyer to ensure that the helpline system facilitates prompt investigations while protecting reporters and reported details. Instructions on how to use the helpline are provided in the Compliance Guidelines distributed to employees across the Group.

We established the harassment counseling desk for the improvement of workplace environments in May 2019, and have operated it since. Employees can consult clinical psychotherapists or other experts directly, who can then liaise with the Human Resources Department to solve problems related to harassment and others.

Promoting Governance of the Entire Group

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec Governance Search



Global Surveys on Human Rights and Labor Standards

The Lintec Group conducts a survey of all Group companies once a year to monitor working conditions and human rights. The survey covers a wide range of items, including legal compliance, elimination of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe/ healthy working environments, and human resource development. As a result of the survey in February 2022*, 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.

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 2021, we provided an e-learning program for performing a self-audit of information security to promote understanding and raise awareness among employees concerning information management. Furthermore, as well as ensure compliance with information management rules within the company, we also provide comprehensive education that includes things to note when using social media in a personal capacity to respond to the emerging issue of inappropriate social media use.

Fostering a Sense of Ethics

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

We issue the booklet, which features an endearing "etiquette patrol dog" character, under the concept of "making corporate ethics easier to understand and practice."



Compliance with Antitrust Law and Prevention of Corruption

In 2013, the Lintec Group created an Antitrust Law Compliance Manual, copies of which were handed out to employees at sales divisions. The Group also provided relevant guidance to salespersons during legal training sessions, specifically referring to reported cases of violations at other companies involving cartel formation and resale price maintenance agreements.

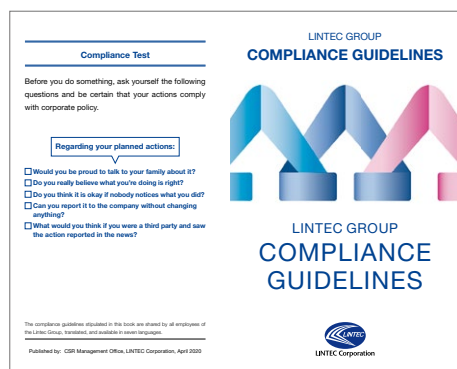
In December 2019, we published a Manual for Compliance with the Antitrust Law and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, which is a completely revised version of the aforementioned manual. The new manual was distributed to managers, including those of Group companies.

Moreover, in March 2020, we compiled a "List of Do's and Don'ts," which illustrates potential legal risks existing in everyday duties.

The Group also works to prevent bribery and corruption, incorporating the topic into the Compliance Guidelines, a booklet distributed to employees to raise their compliance awareness.

Awareness Raising with the Compliance Guidelines

At the Lintec Group, we issue a code of conduct booklet, the "Compliance Guidelines," to enhance each employee's compliance awareness. The Guidelines booklet has been translated into seven other languages to be distributed to employees of Group companies outside of Japan. Following the revision of the Lintec Group Code of Conduct in January 2020, the Compliance Guidelines were also revised and reissued in April 2020. We distributed the revised guidelines to all employees of the Lintec Group. We also hold CSR study sessions using the Compliance Guidelines.



Establishing Group-wide BCMS*1

LINTEC Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP*2 to allow them to minimize human casualties and resume business as early as possible after an earthquake or other disaster. Becoming certified under ISO 22301*3 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, while repeatedly performing drills.

BCMS Drill

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

■ Drills conducted in FY2021

Number of sites	26
Number of drills	476



Firefighting drill

March 2022
Lintec Speciality Films (Taiwan), Inc.



Earthquake experience

April 2021
Mishima Plant

Related Data

Outside Directors

Akira Sebe

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

Akira Sebe uses his knowledge and experience as an officer and his many years of business experience in the material division at Nippon Paper Industries to strengthen the supervisory function of Lintec's Board of Directors.

Akiko Okushima

Director
(Representative Director and President, JBtoB CO., LTD.)

Akiko Okushima uses her extensive knowledge and experience in marketing as well as her many years of experience as a representative director and president in another industry to strengthen the supervisory function of Lintec's Board of Directors.

Shigeru Sugimoto

Director
(Representative, Sakura & Co.)

Shigeru Sugimoto uses his abundant business experience as an outside director and auditor in another industry—where he also managed his own company—as well as his many years of practical experience, broad knowledge, and advanced expert insight as a certified public accountant, registered real estate appraiser, and certified tax accountant to strengthen the supervisory function of Lintec's Board of Directors.

Satoshi Ohoka

Director,
Audit & Supervisory Committee Member

Satoshi Ohoka uses his long years of policy-based finance experience, his rich international experience, his specialist academic experience, and his knowledge and experience gained as an outside director in other industries to strengthen the supervisory function of Lintec's Board of Directors.

Kanako Osawa

Director,
Audit & Supervisory Committee Member

Kanako Osawa uses her specialist expertise and extensive knowledge gained as an attorney, along with the knowledge and experience gained through her career in corporate legal affairs in and outside of Japan, to strengthen the supervisory function of Lintec's Board of Directors.

(As of June 22, 2022)

Status of Board of Directors

● Number of meetings held (times)	15
● Attendance of directors (%)	100
Attendance of outside directors (%)	100

Status of Audit & Supervisory Committee

● Number of meetings held (times)	13
● Attendance of auditors (%)	100
Attendance of outside auditors (%)	100

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

*2 BCP: BCP stands for a Business Continuity Plan. It is a plan developed in advance to enable the

minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

*3 ISO 22301: An international standard for a business continuity management system (BCMS), which helps companies and organizations plan measures for disasters, accidents, and incidents such as an earthquake, fire, IT system failure, financial crisis, bankruptcy of a partner, or pandemic and efficiently and effectively respond to them.

Global CSR Report



Environmental Activities

LINTEC (SUZHOU) TECH CORPORATION

- Location: Suzhou, Jiangsu, China
- Number of employees: 162
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products

The Chinese government's action plan to reach peak carbon dioxide before 2030, announced in October 2021, sets the target of reducing CO₂ emissions by 18% in 2025 compared to 2020. In April 2022, as part of our activities to reduce CO₂ emissions, our company installed a solar power generation system with the capacity to generate 913,808 kWh per year, which is likely to cut our emissions by 685 t-CO₂ a year.



Liu Shiping
Engineering Department



Solar power generation monitor



Social Activities

LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

- Location: Tianjin, China
- Number of employees: 97
- Main business activities: manufacture and sale of printing- and industry-related products

At an emergency drill held in May 2021, we learned how to use a hydrant and a fire extinguisher from specialist firefighters at the Tianjin City Fire Department. We also learned how to wind a hose and conducted practical exercises to improve our firefighting skills and awareness, which we will use for future firefighting activities.



Li Dawei
Safety Section, Quality & Environmental Safety Department



Learning how to wind a hose in a firefighting drill



Social Activities

LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH

- Location: Munich, Germany
- Number of employees: 19
- Main business activities: sale of electronic- and optical-related products

We provided kindergarten and elementary school children and their parents and teachers with a coloring book that is published by the German detectives union to help kids learn about crime prevention while having fun. Incorporating traffic rules and the police perspective, the book contains pages for coloring, stories, and spot-the-difference exercises.



Igor Steinhorst
Finance



Coloring book for kids to learn about crime prevention while having fun



Environmental Activities

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

- Location: Kaohsiung, Taiwan
- Number of employees: 83
- Main business activities: manufacture and sale of electronic- and optical-related products

In November 2021, we cleaned up a marsh in Tainan with cooperation from an environmental conservation organization to improve the habitat for a rare species, the pheasant-tailed jacana. Using our hands, we skimmed floating grass off the surface of the water to make room for large-leafed floating vegetation. Despite having some trouble with dirt and thorns of the prickly water lily, the activity was a very good experience.



Pao-ya Ke
Public Relations Department



Cleaning up the habitat of a rare bird species in a marsh in Tainan



Social Activities

LINTEC KOREA, INC.

- Location: Cheongju-si, Chungcheongbuk-do, Korea
- Number of employees: 120
- Main business activities: manufacture and sale of electronic- and optical-related products

In September 2021 we carried out a volunteer activity in Ochang Lake Park near our company. The seven participants beautified the park by cleaning up the area around the pond, the grass area, and low-traffic areas. We will continue this activity with a view to handing over a sound natural environment to future generations.



Kim Jin-Hee
Environmental Safety Department



Surprising amount of garbage tucked away in the seemingly clean park



Social Activities

LINTEC SPECIALITY FILMS (KOREA), INC.

- Location: Pyeongtaek-si, Gyeonggi-do, Korea
- Number of employees: 127
- Main business activities: manufacture and sale of electronic- and optical-related products

We carry out our CSR activity with the proceeds from a coffee machine that we operate for charity, plus funding from our company. In May 2022, we made a donation to international NGO Save the Children to support displaced people from Ukraine.



Ji-Hun Lim
Planning Management Department



Letter of gratitude from Save the Children



Environmental Activities

PT. LINTEC INDONESIA

- Location: Bogor, Indonesia
- Number of employees: 129
- Main business activities: manufacture and sale of printing- and industry-related products

In March 2022, all employees participated in an activity to learn about biodiversity at our facility. We set up a biotope on the plant premises, each planted a tree, and released 300 fish. Diverse plants and animals then moved in the biotope. It was a meaningful activity.



Dedi Nurholis
Engineering Department



Biotope created on the plant premises



Social Activities

LINTEC PHILIPPINES (PEZA), INC.

- Location: Laguna, Philippines
- Number of employees: 20
- Main business activities: sale of printing- and industry-related products

Since June 2021, we have supported an orphanage called Bahay Pag-Asa where 65 orphans are sheltered. We have donated milk, diapers, food, and daily necessities. We will continue the activity with the aim of bringing happiness to as many children as possible.



Chezy Happy D. Casin
Quality Assurance/ISO facilitator



Children at the orphanage

To fulfill its responsibility as a global company, the Lintec Group is promoting community-based CSR activities at group companies in and outside of Japan. In fiscal 2021, the COVID-19 pandemic meant that restrictions on various events and activities continued on from the previous year, but some activities were nevertheless held with a bit of creative planning.

WEB For more detailed information, please visit our Sustainability website. (in English)

Lintec CSR Activities at Group Companies in and outside of Japan **Search**



Social Activities

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



Sergej Li
R&D Manager and Safety Officer

- Location: Texas, U.S.A.
- Number of employees: 27
- Main business activities: research and development

According to the US Occupational Safety and Health Administration (OSHA), sudden cardiac arrest (SCA) accounts for 13% of deaths in the workplace. The victims' chance of survival, however, improves by 70% if they are treated with cardio-pulmonary resuscitation (CPR) and AED* within three minutes. For this reason, our company provides all employees with CPR and AED training every two years to help them acquire related qualifications.



Installed AED device



Social Activities

LINTEC INDUSTRIES (SARAWAK) SDN. BHD.



Ideris Ak Ungak
Operation Supervisor

- Location: Sarawak, Malaysia
- Number of employees: 25
- Main business activities: manufacture and sale of electronic- and optical-related products

The cancellation of outdoor activities continued from 2020 under the strict restrictions on outings due to the COVID-19 pandemic. Therefore, we could only carry out the morning cleanup in limited places around the company during a limited period of time. Within the scope of the restrictions, employees, mainly those involved in manufacturing and warehouse operations, weeded sidewalks and cleaned gutters.



Completely cleaned gutters



Environmental Activities

TOKYO LINTEC KAKO, INC.



Hisashi Tamura
Production Management Section

- Location: Warabi, Saitama, Japan
- Number of employees: 152
- Main business activities: processing and sale of printing- and industry-related products

We publish an environmental newspaper four times a year (with extra editions several times a year) to help all employees understand and provide cooperation for an EMS activity that our company promotes as a member of the Lintec Group. We will continue to enhance the content, carefully explaining the importance of the activity.



Environmental Newspaper featuring a lecture on biodiversity



Environmental Activities

LINTEC (THAILAND) CO., LTD.



Sataporn Kanfoong
Engineering & Maintenance

- Location: Chachoengsao, Thailand
- Number of employees: 187
- Main business activities: manufacture and sale of printing- and industry-related products and paper- and processing-related products

To achieve the CO₂ emissions reduction target and contribute to the development of a carbon-free world, we introduced a solar power generation system with a maximum output of 816 kW and started its operation in April 2022. It has the potential to reduce CO₂ emissions by 466 tons a year, equivalent to 11% of our total emissions. We will also consider using surplus electricity.



Introduced solar panels



Social Activities

SHONAN LINTEC KAKO, INC.



Yasushi Mima
Quality Assurance Section

- Location: Hiratsuka, Kanagawa, Japan
- Number of employees: 96
- Main business activities: processing and sale of printing- and industry-related products and paper- and processing-related products

We used to provide cooperation for the local festival every year to promote friendship with the local community. Due to the COVID-19 pandemic, we undertook a new activity that involved donating unused postcards to the Kanagawa UNICEF Association. UNICEF supports children around the world using such donations.



Thank-you letter from Kanagawa UNICEF Association



Environmental Activities

MADICO, INC.



Aya Killgo
CSR Committee

- Location: Florida, U.S.A.
- Number of employees: 197
- Main business activities: manufacture and sale of printing- and industry-related products

In April, together with local governmental groups, we participated in an Earth Day cleanup event organized by non-profit environmental conservation organization Keep Pinellas Beautiful, cleaning up the State Street Park and its surrounding areas. Members of the CSR Committee and more than 25 volunteers collected a total of 274 kg of garbage.



Volunteers participated in an Earth Day cleanup event



Social Activities

VDI, LLC



Toni Doughty
CSR Committee

- Location: Kentucky, U.S.A.
- Number of employees: 38
- Main business activities: manufacture and sale of printing- and industry-related products

We have continued to support the Dare to Care Food Bank, an NPO that is providing food support to households in need of food. Five volunteers participated in the sorting of donated food, which was then distributed to households through Kids Café, School Pantry, Mobile Pantry, and other programs.



CSR Team carried out a support activity



Environmental Activities

MACTAC AMERICAS, LLC



Joni Allen
Marketing Communications Specialist

- Location: Ohio, U.S.A.
- Number of employees: 440
- Main business activities: manufacture and sale of printing- and industry-related products

Viewing environmentally friendly activities as part of our business operations, we proactively carry out such activities at each of our company sites. For instance, our Columbus Plant removed three million feet of litter over the course of the year, while our Scranton plant partners with local recyclers that have diverted 290 tons of paper roll waste from landfills.



Recycling box in a meeting room at Stow Head Office

Environmental Report

Social Report

Governance Report

*AED: Automated External Defibrillator

Third-Party Opinion

Lintec's sustainability initiatives launched with its participation in the United Nations Global Compact in 2011 moved to a new stage last year, the 10th anniversary year, as the company introduced the long-term vision, LSV 2030. The new sustainability promotion system, which was established with the restructuring of certain committees and addition of the TCFD Subcommittee and the Diversity & Work Style Reform Promotion Subcommittee, marks a dramatic shift from conventional CSR management to sustainability management. As part of the move, the CSR Report was renamed the Sustainability Report.

The biggest change is that this report provides an overall picture of value creation, which was only a feature in last year's Integrated Report. The report's title, "Stories about Solving Social Issues," reflects the key policy of the LSV 2030. The listing and linking of constituent aspects, such as social issues, business activities, materiality, and KPIs, plays a significant role in communicating the overall picture of sustainability management to readers. In particular, incorporating the revised materiality into stories and linking it to corresponding KPIs helps clarify the intention to synchronize corporate activities with solving social issues. I am pleased to find this as I requested it in this column last year.

Incorporating value-creation elements, which are essential items in an integrated report, into a sustainability report has the benefit of strengthening the connection between sustainability activities and the main business. But it can also make it difficult to differentiate the role of an integrated report from that of a sustainability report. In the case of Lintec's Sustainability Report, my concerns in this regard were dispelled when I read the message from the president. While adopting the main theme of reaffirming and communicating the importance of the long-term vision, his message shows a strong awareness that employees form part of the report's readership. This is a characteristic that is consistently found in Lintec's reports. Throughout his message, the president is communicating his hope that employees will take ownership of the long-term vision.

This may provide a clue to the title that was chosen, "Stories about Solving Social Issues," as opposed to a more generalized title such as "Value



Keisuke Takegahara

Executive Fellow
Research Institute of Capital Formation
Development Bank of Japan Inc.

Creation Story." It may well be the editorial intention to use this report to invite employees to take ownership of solving social issues (as their job), while emphasizing for investors in the integrated report the scenario of growth through solving social issues via the two other pillars of the long-term vision, i.e., innovation and new products and businesses.

Following the overall picture, this report introduces the new sustainability promotion system in detail, including the TCFD Subcommittee, which was established in December 2021 and has already disclosed its achievements on the website, communicating an active shift to the new system.

I have great hope for Lintec's efforts to further pursue the new direction presented in this report. Considering the importance of innovation, which President Hattori referred to in his message, and recognition of opportunities related to technologies and markets, which are presented in line with disclosure based on the TCFD recommendations (website), Lintec may further incorporate the perspective of business opportunities while focusing on relevant social issues. I further hope that Lintec, as an early member of the UN Global Compact, will enhance its human resource-related measures, such as setting KPIs for human rights and diversity promotion. By linking a wide spectrum of corporate activities with diverse employee activities as described in the Global CSR Report section, this Sustainability Report may play a role in highlighting Lintec's value in a way that differs from that of an integrated report while communicating the strategy of growth through solving social issues.

Response to Third-Party Opinion

We are pleased that Mr. Takegahara has given our group's sustainability initiatives a high rating.

In fiscal 2021, we spent time instilling the long-term vision, LSV 2030, across the Group to encourage all employees to take ownership of it and promote measures from their respective positions.

Having laid the foundation for such promotion, including with the promotion system, we will organically connect materiality, KPIs, and measures to achieve the KPIs with the long-term vision to clarify stories about solving social issues through business activities, with the goal of achieving further growth and a sustainable society. In promoting

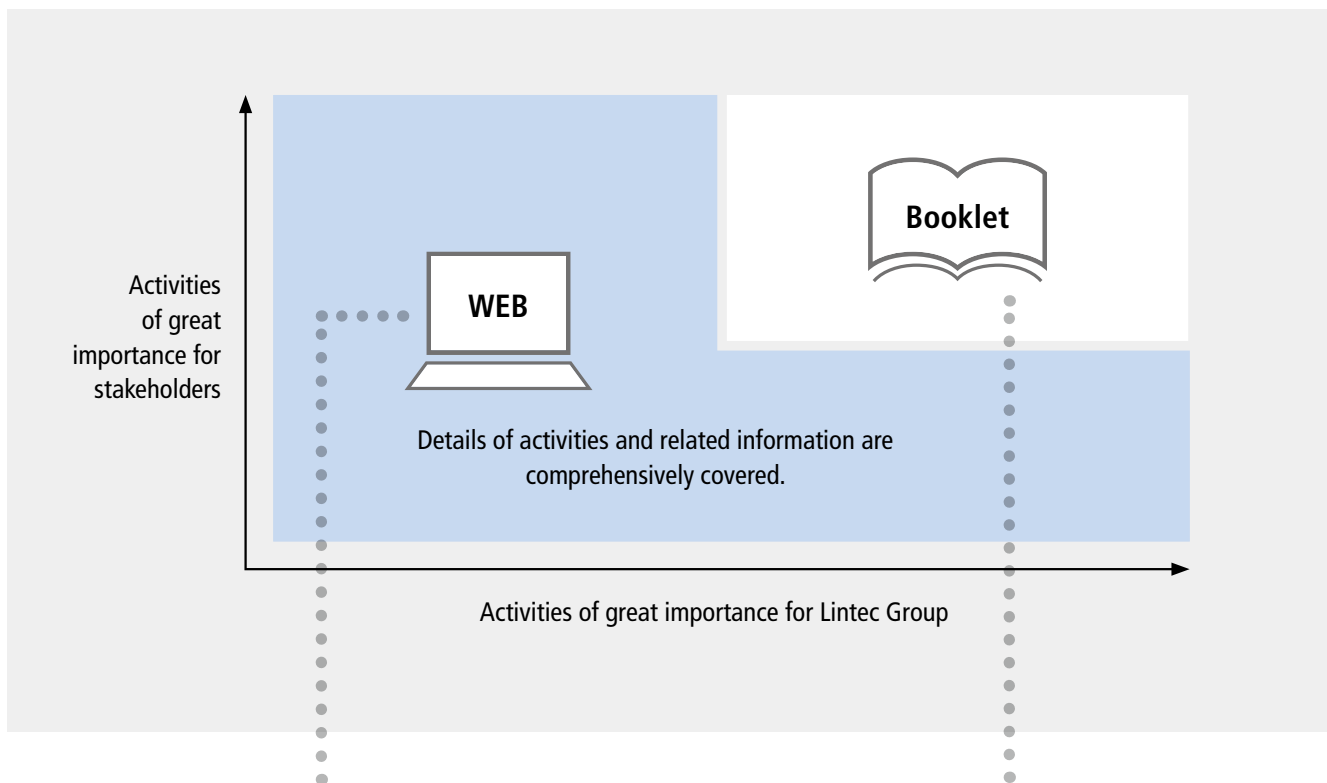
sustainability management, we will proactively review measures and disclose information in response to requests from any and all stakeholders.

Guided by the company motto of "Sincerity and Creativity," which forms the basis of our management, I'm sure individual employees will make creative efforts and join forces to achieve the long-term vision and thereby boost the significance of our group.

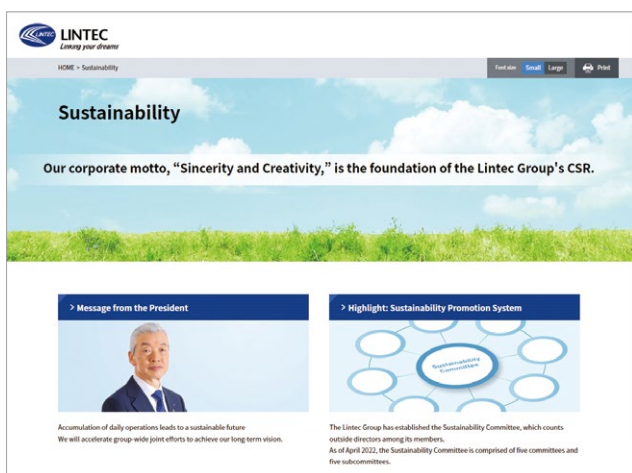
Makoto Hattori

Representative Director, President, CEO and COO
LINTEC Corporation

Main Channels for Sustainability Information



Sustainability Website



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

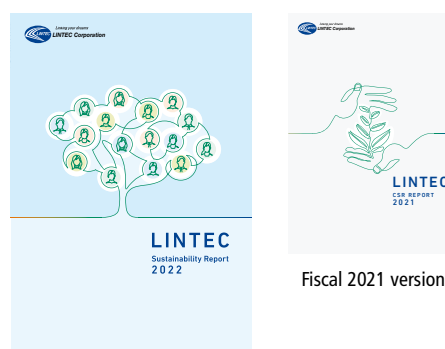
Japanese version scheduled for update in October 2022
(The previous update was in September 2021)

English version scheduled for update in December 2022
(The previous update was in December 2021)

[Japanese] www.lintec.co.jp/sustainability

[English] www.lintec-global.com/sustainability

Sustainability Report (Booklet/PDF version)



The booklet describes information on the CSR activities of the Lintec Group in a simple manner.

In the PDF format, a full version is created in English. An abridged version is created in Korean, Chinese (traditional), Chinese (simplified), Malay, Indonesian, and Thai.

Key external evaluations

- CDP: Climate change ● CDP: Water security ● CDP: Forests
- MSCI: Japan ESG Select Leaders Index ● MSCI: Japan Empowering Women Index
- RBA-VAP audit (Agatsuma Plant) ● FTSE Blossom Japan Sector Relative Index