Lintec Group CSR Report 2014



Linking your dreams LINTEC Corporation

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Company Motto

Sincerity and Creativity

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

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

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

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

AND DESCRIPTION OF THE



Editorial Policy

The Lintec Group follows its company motto "Sincerity and Creativity" when conducting its CSR activities. This report mainly explains our CSR activities during fiscal 2013. With the aim of providing information to all stakeholders in a simple and comprehensive manner, the main activities are organized into the categories of Corporate Governance, Social Report, and Environmental Report, following the format used in the last year's report. The Overview and Highlight pages have also been increased.

The Highlight section features BCMS (business continuity management system) and CSR activities. Highlight 1 focuses on the ISO 22301 certification that the Group obtained in fiscal 2013 and provides an overview of activities related to this international BCMS standard. Highlight 2 focuses on an example of our CSR activities conducted as communications with stakeholders*.

This report highlights certain information which is important for both the stakeholders and the Lintec Group. For more detailed information, please visit our CSR website.

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



This icon shown on some pages of this report indicates that related information is available on our CSR website. This icon is shown in the footer of the relevant pages, together with the outline of the related information.

Guidelines Referenced

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

Environmental Reporting Guidelines (2015) of the Ministry of the Environment of Japan

Reporting Period

This report covers the period from April 1, 2013, to March 31, 2014 (fiscal 2013). It also includes some information up through June 30, 2014 concerning specific initiatives. Environmental performance data for 12 group companies outside Japan

covers the period from January 1 to December 31, 2013.

Publication date Previous publication: August 2013 Current publication: August 2014 Next publication: August 2015

Lintec in Everyday Life

Lintec contributes to people's everyday life around the world by manufacturing and providing a wide variety of products.



Major Products

Specialty paper

Films for building windows

Marking films



carbon fiber composite mater

films for labels

23

D

Films for car windows





erials of plastic containe

the r



Interior decorative sheets

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LCD films

Corporate Profile (as of March 31, 2014)

| Company name | Lintec Corporation | | В |
|---------------------|---|--|--------------|
| Head office | 23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan | | |
| Website | www.lintec-global.com/ | | |
| Established | October 1934 | | |
| Capital | 23.2 billion yen | | |
| Stock listing | Tokyo Stock Exch | nange, First Section (Securities Code: 7966) | |
| Fiscal year-end | March 31 | | |
| Representative | Hiroyuki Nishio, I | President and CEO | |
| Number of employees | Consolidated: 4, | 223 Non-consolidated: 2,536 | |
| Sites | Sales offices: | lidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto | S (1 C |
| | Production sites: | Agatsuma (Gunma Prefecture), Kumagaya (Saitama Prefecture), Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno (Hyogo Prefecture), Shingu (Hyogo Prefecture), Komatsushima (Tokushima Prefecture), Mishima (Ehime Prefecture), Doi (Ehime Prefecture), and Niihama (Ehime Prefecture) | (1 |
| | R&D facility: | Research Center (Saitama Prefecture) | |
| | Overseas office: | Shanghai (China) | |
| | | | |





Coating films for laminated ceramic capacitor manufacture

> films, window films, semiconductor-related tapes, optical function film, health-care products, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (label

WEB For more detailed financial information, see the Investor Relations

section of the Lintec Website at www.lintec-global.com/ir/.

Global Network Supports Our Activities

Europe

LINTEC EUROPE B.V. Hungary Office LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH Israel Office

About 30 employees/ 2 companies

Asia

LINTEC (SUZHOU) TECH CORPORATION Beijing Branch Shanghai Branch Shenzhen Branch LINTEC (TIANJIN) INDUSTRY CO., LTD. LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC. Suzhou Branch Tianiin Branch Shenzhen Branch Chengdu Branch MADICO, INC. Suzhou Office LINTEC CORPORATION Shanghai Office LINTEC SPECIALITY FILMS (TAIWAN), INC. LINTEC HI-TECH (TAIWAN), INC. LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC. Hsinchu Office LINTEC KOREA, INC. LINTEC SPECIALITY FILMS (KOREA), INC. LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.

Japan

LINTEC CORPORATION Head Office [Branches] Sapporo Branch, Sendai Branch, Hokuriku Branch, Shizuoka Branch, Nagoya Branch, Osaka Branch, Hroshima Branch, Shikoku Branch, Fukuoka Branch Kumamoto Office [Plants and Research Laboratory] Agatsuma Plant = Kumagaya Plant = Chiba Plant = Tatsuno Plant = Shingu Plant = *1 Shingu Plant, Tatsuno Office = *1 Komatsushima Plant = Mishima Plant = *2 Doi Plant = *2 Niihama Plant = Ina Technology Center = Research Center =

PT LINTEC INDONESIA LINTEC SINGAPORE PRIVATE LIMITED Hanoi Offic PT. LINTEC JAKARTA LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC. LINTEC PHILIPPINES (PEZA), INC. LINTEC (THAILAND) CO., LTD. LINTEC BKK PTE LIMITED LINTEC VIETNAM CO., LTD. LINTEC HANOI VIETNAM CO., LTD. LINTEC INDIA PRIVATE LIMITED LINTEC INDUSTRIES (MALAYSIA) SDN. BHD. LINTEC INDUSTRIES (SARAWAK) SDN. BHD. LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD. Kuala Lumpur Office Penang Office About 1,500 employees/ 25 companies

LINTEC COMMERCE, INC. LINTEC SIGN SYSTEM, INC. FUJI-LIGHT, INC. LINTEC SERVICE, INC. LINTEC CUSTOMER SERVICE, INC. PRINTEC, INC. TOKYO LINTEC KAKO, INC.

About **3,400** employees/ **9** companies

United States

LINTEC USA HOLDING, INC. MADICO, INC. Madico Window Films Madico Southwest Madico Southwest Madico South Texas Madico Southast Madico Florida Madico Northeast LINTEC OF AMERICA, INC. Chicago Office Dallas Office NANO-SCIENCE & TECHNOLOGY CENTER

About 300 employees/ 3 companies

ISO 14001*³ certified sites Note: The numbers of employees on this page includes employees of consolidated and non-consolidated subsidiaries.

Scope and Wording

The scope of this report is arranged as indicated below and follows the same wording. If any information provided diverges from this scope, this is made clear within the text.

Corporate Governance Social Report

Lintec: Lintec Corporation

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

Environment Report

Lintec: Lintec Corporation (head office, Agatsuma Plant, Kumagaya Plant, Chiba Plant, Tatsuno Plant, Shingu Plant, Komatsushima Plant, Mishima Plant, Doi Plant, Niihama Plant, Ina Technology Center, Research Center) and Tokyo Lintec Kako, Inc.

Lintec Group and 12 overseas group companies: Refers to the sites listed above and 12 overseas group companies

Note) 12 overseas group companies:

Lintec (Suzhou) Tech Corporation, Lintec (Tianjin) Industry Co., Ltd., 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, and Madico, Inc.

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

- *1 Shingu Plant and Shigu Plant Tatsuno Office obtained ISO 14001 certificate as one site
- *2 Mishima Plant and Doi Plant obtained ISO 14001 certificate as one site.
- *3 ISO 14001: the international standard for environmental management systems



Message from the President

H. Ansling

Hiroyuki Nishio President and CEO Lintec Corporation

Continue "Aggressive" and "Defensive" CSR Activities Sincerely and with the Spirit of Innovation

On April 1, 2014, I was appointed as the President and CEO of Lintec. I have been engaged in development and progress management of three medium-term business plans of the Company as a corporate officer, the head of the Corporate Strategic Office and the head of the CSR Management Office. The business fields of the Lintec Group are very extensive. As a manufacturer of intermediary materials, our finished products are used in every scene of daily life. All people in the Lintec Group follow the company motto "Sincerity and Creativity." When conducting CSR activities, I sense again the belief that CSR should be pursued as a foundation for the Lintec business.

"Defensive" CSR refers to compliance with laws and regulations, fair transactions, respect for human rights, comfortable working environment and other responsibilities that we should fulfill in our business activities. We need to work on business activities with all of our heart and soul, with the motto of "Sincerity." Moreover, in accordance with the motto of "Creativity," by continually working on creation and improvement, we will place more emphasis on creation of products contributing to the realization of a rich society and providing solutions for social problems. These are our "aggressive" and creative CSR activities.

From "LIP-III" to "LIP-2016" Corporate-Wide and Enhanced CSR Activities

"LINTEC INNOVATION PLAN III (LIP-III)," the previous medium-term business plan, ended in fiscal 2013. Focused on "corporate activities with a commitment to CSR-driven management," we conducted various activities. One of the great advances we have achieved in this LIP-III was the BCMS (business continuity management system). If a disaster or any emergency incident occurs, it is Lintec's considerable responsibility as an intermediary material manufacturer to continue stable product supply to avoid any inconvenience to customers, while at the same time prioritizing employees' lives and safety. To further strengthen this system, we are now developing a corporate-wide BCMS in accordance with ISO 22301*, a global BCMS standard.

In the environmental area, we uphold the policy to "reduce environmental burdens" and to "promote effective use of resources." Based on this policy, we began disclosure of specific environmental values in fiscal 2013. Efforts made in R&D and production areas intended to pursue this policy have brought positive results.

In implementing these CSR activities, employees play the leading role and their understanding is absolutely imperative. As the head of the CSR Management Office, I have hosted CSR workshops for people in the Lintec Group in Japan and overseas, as well as CSR Meetings which covered topics related to how we could solve social problems through our business activities. As a result of these activities, I feel that employees' awareness of CSR's importance and their CSR activities have been enhanced throughout the organization.

With this CSR background, we started a new medium-term business plan "LIP-2016" in fiscal 2014. "LIP-2016" has five key initiatives: 1) further promote global development; 2) create innovative new products that will support the next generation; 3) transform into a robust corporate structure; 4) promote strategic M&A; and 5) foster human resources. Among these, I believe "global development" and "create innovative new products" are the top priorities that need to be addressed immediately.

To achieve our business target, "an overseas sales ratio of 40%," all Lintec people must share the sense of value and standards of conduct, including employees in overseas group companies. To promote this, we have created the "LINTEC WAY," a statement describing the path we should follow. We also translated the LINTEC GROUP Compliance Guideline into six languages and distributed them

Contribute to Society through Manufacturing, with Unified Efforts of Employees and with "Sincerity and Creativity."

to overseas group companies. There will be more overseas sites in the future. We will continue to host study meetings and other opportunities to strengthen our global governance.

Create Innovative New-Generation Products Meet the Needs of Society by Accumulated Technologies

To "create innovative new products that will support the next generation" is a very important target for Lintec to continue its business and fulfill its social responsibility through business activities over the next 100 years.

As companies diversify their business areas, their markets often overlap and the borders between industries have become vague. Under these circumstances, we should focus on delivering values to customers when manufacturing products, by demonstrating creativity beyond the conventional way of thinking, and sometimes beyond the border of business fields.

Accumulated technologies are one of our advantages. However, to utilize them more effectively in developing new products that are valuable for society, we need to listen more actively to opinions from outside the organization and to identify social problems we should tackles. Specifically, we will continue CSR Meetings to enhance awareness of employees. CSR awareness workshops will also be continued by inviting lecturers from outside. Moreover, we will identify the areas of CSR activities that are important for Lintec to create innovative products that are quite different from the existing products.

In the R&D area, we have worked on the technology to process carbon nano-tubes into sheets. Aiming to introduce this product into the market by the end of fiscal 2016, we established a new R&D institute in the U.S. where the technology for mass production of this product is being developed. Furthermore, to strengthen the R&D abilities, we will build a global Research Center and implement a value-creating project. This project will also involve consultants from outside Lintec.

We will also strive to develop the next generation of excellent people who can create value, by establishing and improving work environments where young employees are encouraged to propose ideas, and where their ideas are actively discussed and adopted as appropriate.

New Business to Meet the Society's Expectation with Company Motto "Sincerity and Creativity"

Chairman Ouchi (former CEO) always emphasized the importance of CSR. I have the same belief. Communications and interactions within the organization and between groups have gradually become active as a result of our efforts to strengthen CSR activities. This also helps to facilitate efficient operations of businesses. Lintec should continue sustainable growth by always walking in step with society. To this end, we will continue to further enhance this CSR awareness throughout the Lintec Group, and develop all Lintec people's commitment to care for customers and others.

Our company motto "Sincerity and Creativity" advocates the idea of creating products and new values with a sincere spirit, which is the basis of CSR. Adhering to this motto, we will strive to develop products and businesses for the future and for stakeholders. To communicate our CSR activities broadly to the public and all employees, we structured this report to present the overview of the results of our CSR activities during fiscal 2013 in an easy-to-read and organized manner. We hope to have your continued support and guidance for Lintec and its CSR activities.

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

Enhance CSR in Medium-term Business Plan "LIP-2016"

The CSR in the Lintec Group is built on its company motto "Sincerity and Creativity."

All Lintec people are committed to CSR activities with this motto.

Practice CSR through the Core Business According to LIP-2016

Many stakeholders support the business of the Lintec Group. To meet these stakeholders' expectations, the Lintec Group places its company motto "Sincerity and Creativity" at the center of its CSR structure, and actively conducts its CSR activities in accordance with the Basic CSR Approaches and the Lintec Group Compliance Guidelines.

Our new medium-term business plan "LINTEC INNOVATION PLAN 2016 (LIP-2016)" upholds the basic policy to "Return to Growth Path through Active Management and Continuous Innovation." CSR is an essential element to be fulfilled to realize this basic policy. With strong awareness that CSR activities directly impact the business, all Lintec people are working on the CSR activities in a systematic manner.

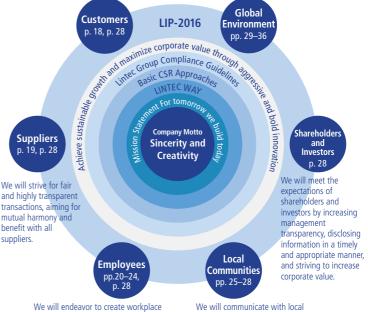
LINTEC INNOVATION PLAN 2016 (LIP-2016) (April 1 2014 to March 31, 2017)

In April 2014, the new medium-term (three-year) business plan LIP-2016 started.

One of its key initiatives is to "further promote global development." Strengthening the group management at a global level is very important in order to satisfy the needs in emerging countries. The Lintec Group has fostered corporate ethics on a global scale by participating in the UN Global Compact and by referring to ISO 26000. In fiscal 2013, we reviewed the Lintec Group Compliance Guidelines. Copies of the reinforced Guidelines were distributed to all employees of the Lintec Group in April 2014.

As part of another key initiative in this Plan to "create innovative new products that will support the next generation," we held CSR Meetings to discuss how aggressive CSR should be implemented in our businesses. We also plan to provide workshops to discuss specific activities to be conducted. We will attempt to provide a stable supply of products, to manage quality, and to improve service in order to meet customer expectations and earn trust.

We will aim for harmony between corporate activities and the global environment and will strive to reduce environmental impact.



We will endeavor to create workplace environments where employees can work with peace of mind while respecting employees' motivations in life and work, based on the goal of raising employee satisfaction. We will communicate with local communities and pursue harmonious co-existence, based on the idea that companies are community members.

Basic Policy

Return to Growth Path through Active Management and Continuous Innovation

Further promote global development

- Expand overseas businesses with a particular focus on Asian region
- Establish firm business foundations in new regions

Create innovative new products that will support the next generation

- Explore new markets and demand by creating new products
- Enhance the base of our research and development in order to create new products

Transform into a robust corporate structure

- Strengthen cost competitiveness
- Select and concentrate our management resources

Promote strategic M&As

- Clarify the targets that are suited to a growth strategy
- Strengthen the system to promote M&As

Foster human resources

- Secure and foster global human resources
- Implement continuous stratified training

Ideal Lintec Group

The Way to Go "LINTEC WAY"

In fiscal 2014, the Lintec Group developed the LINTEC WAY, guidance to be followed by all Lintec people in order to move forward in the same business direction.

What actions must Lintec employees conduct and with what sort of vision in order to realize the company motto "Sincerity and Creativity"? Employees' opinions gathered from interviews and discussions and advice from outside were incorporated into the LINTEC WAY. It states the ideal way of being a Lintec employee.

O Five Rules of Sincerity

1 Always be sincere.

All Lintec people must always be sincere. — "Being sincere" refers to being honest and without pretense. To be sincere, we must not forget thankfulness and respect for the people with whom we associate. We must also deliver sincerity in product quality as a manufacturer.

2 Faithfulness opens people's mind.

Lintec people must always have a "mind to serve faithfully." We believe in this globalized age that the faithful communication we value opens people's minds, shortens the distance between us and helps us to move forward.

3 Please people.

Lintec people must value "thankfulness." We believe that doing business is receiving consideration in exchange for giving satisfaction to stakeholders. Accordingly, we must actively listen to the voices of customers and the general public and strive to solve their problems.

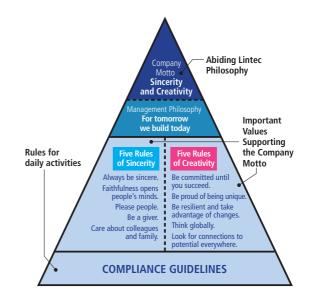
4 Be a giver.

Lintec people must always possess a "mind of unselfishness." Each employee must be committed to performing his/her tasks sincerely to "give pleasure" to all people he/she associates with. We believe that this attitude will lead to the sustainable growth of society as a whole.

* "Unselfishness" is a way of living that is defined by thinking how to "please others" first before thinking about one's own interests.

5 Care about colleagues and family.

Lintec people must care about harmony among people. Strong trusting relationships with colleagues and business partners will enhance a person's work motivation and lead to more stable and improved performance. We care about employees as well as their families and business partners, and continue to create working environments where people can work with comfort and pride.



Five Rules of Creativity

1 Be committed until you succeed.

Lintec people must always be committed to "advance." You must recognize that a little extra effort will go a long way. Be meticulous. Enjoy the challenging processes you are engaged in. Your inexhaustible interest and passion will lead to the fulfillment of dreams throughout the world.

2 Be proud of being unique.

Lintec people must always have unique points of view. It is our role to create new values and markets by using novel approaches that others cannot imitate. We must be proud of this advantage. We must actively enter undeveloped fields and deliver new surprises and excitement to the world.

3 Be resilient and take advantage of changes.

Lintec people must advance together with the changes of the times. Remaining static is one of the greatest risks we face. We must respond resiliently to changing values and environments over time. Develop new markets where we can grow and respond to the needs of future generations by bravely making changes.

4 Think globally.

Lintec people must act "globally." We must strive to contribute to the development of technologies on a global scale. We must also support social vitalization through activities that are locally-based. Always possess environmentalconsciousness and act as global citizens.

5 Look for connections to potential everywhere.

Lintec people must value "connections." We must make extra efforts to absorb valuable knowledge and excellent technologies and learn from others. We must promote active communications not only within the Company but also beyond the borders between companies and countries in order to discover potential to create new values.

Basic CSR Approaches

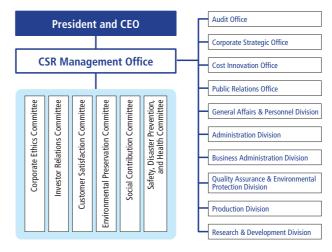
The Lintec Group carries out initiatives in line with six basic approaches, based on its company motto, "Sincerity and Creativity."

| Thorough implementation of corporate ethics and compliance | Safety- and health-related activities |
|---|---|
| Improved customer satisfaction | Social contributions |
| Environment-friendly operations | Shareholder- and investor-oriented management |

CSR Promotion System

Lintec carries out CSR activities in line with six basic CSR approaches.

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



As of April 1, 2014

CSR Efforts

Revision of the Compliance Guidelines

People in the Lintec Group carry a booklet of the Compliance Guidelines. They always consult the booklet in their daily business activities to ensure the integrity of their conduct. In fiscal 2013, the booklet was reviewed to improve it as a global standard by reflecting the UN Global Compact, ISO 26000 and OECD's guidelines for multinational companies. The revised Compliance Guidelines took

effect in April 2014.

The revised Compliance Guidelines also include the LINTEC WAY, translated into several languages and copies



Study meeting in the Research Center

were distributed to all employees throughout the world. In addition, study meetings for the guidelines were held in Japan. We also plan to hold study meetings at overseas sites.



Lintec Group Compliance Guidelines

Compliance Guidelines

Compliance is fundamental to corporate activities. The LINTEC Group is committed to observing "relevant regulations" and "social rules" during corporate activities domestically and overseas.

We, the directors and employees of LINTEC, shall:

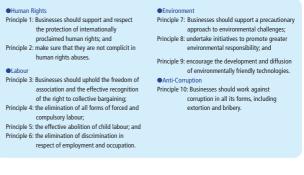
- 1. Continuously offer products and services that contribute to society.
- Conduct fair and transparent transactions based on the principle of free competition with all business partners.
- Comply with regulations in all aspects of corporate activities in Japan and overseas, and conduct ourselves based on the highest ethical standards.
- Emphasize the importance of close relations with all the persons involved in corporate activities, such as shareholders, investors, business partners, local communities, and employees.
- Be actively engaged in controlling and reducing environmental burdens, as global environmental problems are a vitally important management concern.
- 6. Proactively engage in activities that contribute to local and regional communities as good corporate citizens.
- 7. Maintain fair and transparent relations with political bodies and governments.
- 8. Prevent any involvement with anti-social organizations.
- Take part in hospitality activities with modesty and within the range that common sense allows when it is necessary as part of business activities.
- 10. Handle corporate information appropriately, and only disclose it at appropriate times and in appropriate ways.
- 11. Handle intellectual properties securely, respect the intellectual property rights of other companies and do not violate them.
- Respect the individual rights and personalities of directors and employees, treat them fairly and strive to maintain a comfortable environment in the workplace.

Established January 2003 Revised April 2011

The UN Global Compact's Ten Principles

An initiative^{*} proposed to business enterprises in the World Economic Forum in 1999.

It states that business enterprises are able to fulfill their global responsibility as corporate citizens and contribute to sustainable growth of society by conducting business activities that incorporate these 10 principles.



ISO 26000

ISO 26000 is an international standard that defines social responsibilities of all organizations and provides guidelines for fulfilling those social responsibilities. It categorizes social responsibilities of organizations into seven core subjects, in the light of social issues around the world.



In-house CSR Dialogue Sessions

Continuing in-house CSR dialogue sessions

The Lintec Group has hosted various CSR study meetings at domestic and overseas sites to deepen the understanding of CSR by stakeholders. In fiscal 2012, we started in-house dialogue sessions where employees from various departments discussed "aggressive CSR." In fiscal 2013, this activity was continued. In March 2014, a

dialogue session was held by a group of ten female employees, mainly from the Research Center.



Dialog session in the Research Center

Participants' Feedback

- I have had few opportunities to talk about the "Future Lintec" with people from other departments. This session was a very good experience for me.
- I think the Lintec Group can gain its strength by quickly identifying social trends and making preparation for them, not only by complying with laws and regulations.
- To enhance the globalization of our business, it is important to have opportunities to discuss aggressive CSR with employees overseas.



Achieve Sustainable Business Growth by **Establishing Corporate-Wide Business Continuity** Management System (Corporate BCMS)

In Lintec, each business unit or site has established its own business continuity plan (BCP)*1 which describes procedures to respond to unexpected natural disasters or serious accidents.

Aiming to develop a corporate-wide business continuity management system (Corporate BCMS)*² based on these individual BCPs, we strengthen the organization to achieve sustainable business growth.

This Highlight features our activities to date.

- Head office storage for emergency foods and
- seilaau J, K: Disaster drills in head office
- Inspection
- E: Corporate BCMS staff meetings Antiseismic reinforcement implemented at
- atsuno Plant
- Discussion for rule development
- Corporate BCMS study meeting Company Motto Plate "Sincerity and Creativity" at Agatsuma Plant



Continuing the Business: Big Responsibility for an Enterprise

As the supply chain*³ has become complex and the business areas of a corporation have widened, the impact of a corporation on society has become greater. Companies in the Lintec Group manufacture intermediary materials for a broad range of businesses fields. Therefore, were our business activities to be interrupted for any reason, it would have a great impact on society. BCPs and establishment of BCMS to effectively operate BCPs are important and necessary to fulfill our responsibility as a corporation.

Corporate-wide Efforts Needed for Ensuring Business Continuity

"From 2009, we have developed BCPs mainly in business divisions, with the cooperation of related departments," says Toru Maki, the leader of the Corporate BCMS project team.

"At that time we did not have much information available in Japan about BCMS and it took considerable time for planning. Then we had the Great East Japan Earthquake. The awareness of BCP's importance was sharply heightened in and outside the Company," Maki continues.

Subsequently, six business divisions designed frameworks for BCPs. However, Sadakazu Morio of the CSR Management Office said that there was a barrier blocking creation of more practical and detailed plans.

"Individual business divisions and production sites could develop outlines of plans. However, to ensure the business continuity of the entire organization, we had to clear the walls between departments. And we did not have cross-sectional rules."

Subsequently, Maki and Morio decided that all departments within the organization must be involved to realize more elaborated BCPs. Creation of BCPs should not be a goal but a BCMS would be also necessary to continuously review and refine the developed BCPs.

Starting the Corporate BCMS Project: Involving Sales and Marketing Department

One of the obstacles was the difficulty of involving the sales and marketing department in this project.

"Production sites already had some understanding and awareness of BCP. But this was the first experience for sales sites" says Yoshiyuki Yamato from the Quality Assurance & Environmental Protection Division, who would actively participate in the establishment of the Corporate BCMS later.

"When the CSR Management Office proposed that this should be implemented as a corporate-wide system, my honest feeling was that it would be tough," recalls Yamato.

But Chairman Akihiko Ouchi, who was the CEO at that time, encouraged Maki and Yamato to proceed with the project. Ouchi said, "BCMS is an indispensable element for a corporation to fulfill its social responsibility. No single site should be excluded from the project. All departments should participate."

Finally, in April 2013, a project team comprising seven members selected from various departments was formed, with a mission to establish a Corporate BCMS.

"We decided that we should develop this system independently only using our staff members, without consulting professional consultants from outside. This would become a valuable asset for the Company in the future," said Maki.

Identifying and Separating "Causes" and "Consequences" for Breakthrough

Hiroyuki Nishio, who was the head of the CSR Management Office (and is currently CEO), gave a clear directive that the Corporate BCMS should be completed by the end of March 2014. Lintec also decided to follow ISO 22301^{*4}, an international BCMS standard published in 2012. The aim was to realize a BCMS that meets a global standard and to secure its objectiveness.

In the project team, Hiroki Aburaya and Takehiko Nishikawa (both from the Environmental Safety Group, Environmental and Safety Department) were assigned with the tasks of drafting new rules, creating and managing the work schedule. But they faced difficulties before long.

"To plan a BCMS, we had to ask plants and sites to do many things. We had to think how those things could be done effectively without interrupting their daily operations. For example, we asked sites to perform a drill so that they could identify and check various problems in a single drill. We also gave instructions on the procedures for writing a report. But we received requests from sites that the instructions should be more accurate and easy to understand," says Aburaya.

Moreover, as initially expected, the sales department faced difficulties. "I understood their confusion because I myself was from the sale field," admits Hitoshi Sueta of General Affairs and Property Management Group, General Affairs and Legal Department.

*1 BCP: A plan developed in advance to enable the minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

*2 BCMS: stands for a Business Continuity Management System. It is a management technique to develop a business continuity plan, based on the understanding of the current conditions of the organization, to ensure that the businesses are continued in the event of a serious incident (see page 19) that will or may have grave impact on major products/services of the organization. Drills are also performed to validate the effectiveness of the BCP.

*3 Supply chain: A flow of processes of material supply from procurement of raw materials, production, distribution and sales to delivery to end-users.

*4 ISO 22301: See page 5.

"In the sales department, they had hardly had opportunities to think about BCP or BCMS, although this may differ depending on the background of individual persons. To receive understanding and cooperation from them, we first had to explain why BCMS is necessary. So, we focused on creating materials which were easily comprehensible for them," continues Sueta.

Moreover, they faced difficulties in creating BCMS rules, too. "Because we had a huge number of things to decide, just digesting them was difficult. When we discussed what actions we should take for a disaster scenario, we could assume a lot of causes. The more we discussed assumptions, the more possible actions we came up with," says Nishikawa.

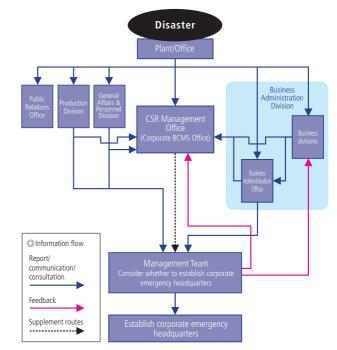
This confusion was solved by a technique to identify and sort out "causes" and "consequences."

"We could assume a countless number of causes for business interruptions. But consequences resulting from those countless causes were limited, such as 'most employees are unable to come to the office,' or 'materials cannot be transported.' Because we viewed scenarios from the viewpoint of "causes," the rules we created were too complex. But we finally realized that causes and consequences should be separated. Subsequently, we got information that corporations overseas actually have adopted an approach to create two BCPs: one that addresses 'causes' and corresponding disaster control/mitigation procedures and one that addresses 'consequences' and corresponding procedures to ensure business continuity," explains Yamato.

| Causes | Specific risk factors that prevent business continuity of a corporation, including, but are not limited to, earthquake, typhoon, flood, any other natural disaster, fire, public transportation disruption, power failure, disruption of communication lines, terrorism, and many other risks. Planning and taking actions to control and mitigate the disaster is necessary. |
|--------------|---|
| Consequences | Factors that make business continuity difficult. They arise as a result of the occurrence of causes. Consequences include, but are not limited to, injured employees, difficulty to come to office or go home, unavailability of raw materials, shutdown of machines and facilities, disconnected telecommunication lines and others. A specific consequence may arise from different causes, but actions to take to solve it are common. Planning and taking actions to ensure business continuity is necessary. |

Conducting Drills, Follow PDCA Cycle and Verify and Enhance the Effectiveness of BCMS

Establishment of a BCMS will not be achieved only by desk planning and rule-making. Actual drills of various levels should be conducted. The results of the drills should be reviewed to validate and improve the effectiveness of the system. "We conduct two types of drills: corporate-wide drills and site drills," explains Toshiaki Arai of the CSR Management Office. In individual sites, drills were conducted both daytime and nighttime. As a result, we found, for example, that each employee needs to have a flashlight at hand. We were able to find a lot from site drills. With these findings, the effectiveness of the system has been improved.



Flow of Emergency Report: Business Continuity Under Natural Disasters and Other Accidents

Progress of Construction of Corporate BCMS

2009 April 2013 • Developed operational • Developed rules rules • Corporate-wide drills related to the • Provided briefings Started BCP • Formed Corporate • Pre-examination Participated in external management system planning BCMS project team Internal audit education programs • Developed BCP • Formed BCMS Council Corporate BCMS staff Conducted site drills meetings 2012 Issuance of international standard (ISO 22301)

Duplication is an essential technique for business continuity. To ensure this duplication, Yamato says, "We had to determine, for example, in the event of shutdown of a plant, which site will serve as a substitute production site. And if production will be outsourced to a contractor, we also have to perform testing to verify that the contractor can really produce substitutes with equivalent quality."

Yamato says that the formation of the BCMS Council was very useful. "As we conducted drills and discussions, we got many opinions and proposals for improvements. To compile and review these opinions, the BCMS Council was formed."

After many drills, verification of duplication, structuring of organizations and other unified efforts by all employees in Japan, the development of the Corporate BCMS has reached a milestone. In March 2014, Lintec acquired ISO 22301 certification. We are now often asked to speak as a lecturer in BCMS seminars because we have abundant know-how that we accumulated after a series of trials and errors. But this is not the end of our activities.

"A BCMS is still incomplete if only some people within an organization develop and understand it. The full-scale implementation will start from now on," says Arai.

"You may think that disaster control or business continuity is something related to unusual situations. But minor abnormalities often occur in our everyday operations. If you react properly to those minor abnormalities, you are also able to react against major accidents. It also leads to improvement of daily operations. We realized that BCMS is about not only creating an emergency manual but also reviewing our everyday business activities." concludes Nishikawa.

Maki recalls, "In developing this BCMS, we strengthened the bond within the project team and within the Company. Now this bond should be extended to all group companies."

Lintec succeeded in completing the Corporate BCMS construction within just one year and achieved the initial goal, and the Corporate BCMS is supported by all Lintec people. Our next goal is establishing a corporate-wide risk management system, including group companies in Japan and overseas.

BCMS Voices from Departments and Sites

Business Departments

The Industrial and Material Operations Department formed a BCP team immediately after the Great East Japan Earthquake. The Department created scenario-based, resource-based and extended BCPs. It also has planned emergency actions. By participating in this Corporate BCMS project, the department was able to enhance its BCP level from optimization within the department to cross-sectional corporate-wide optimization. We share information and conduct on-going activities according to the PDCA cycle.

Rikio Miki General Manager Admisistrative Department Industrial and Material



Sales Offices

In 2013, the Hiroshima Branch held BCMS basic study meetings and conducted disaster-control and business continuity drills. In conducting these drills, we realized it is very difficult to take rational actions when we face a disaster. Based on the analysis of our actions in these drills, we modified our procedure manual by adding actions that we could not expect when we first created the manual. We will continue to conduct fire drills, AED training and other disaster drills. Each employee will fully play his/her assigned role in the BCMS activities to secure the continuity of our business. Koichi Nomura Team Leader, Operations



Production Sites

To share the awareness of importance of BCMS within the Kumagaya Plant, the development and implementation of an action plan started in the plant. Focusing on the "safety of employees" and "continuity of the business in times of emergency," we discussed time and time again procedures to handle all possible risks to work out an effective action plan. The BCMS has just started. We will continue modification and improvement of the plan to realize a more robust system.

April 2014

* Rikio Miki was appointed as the president of Printec, Inc. on May 30, 2014.





2014

- First examination
 Management review
- Conducted Corporate BCMS study meetings
- Second examination
- Internal audit



standard (ISO 22301)



• Total disaster drill



CSR Themes, Targets, and Performance

In order for Lintec to achieve sustainable growth together with society, the company must not only ensure legal compliance, it must also undertake various efforts to meet the demands of society.

Committees composed of cross-organizational members matched to the company's basic CSR approaches promote CSR activities.

Fiscal 2013 CSR Themes, Targets, and Performance

| Fisca | scal 2013 CSR Themes, Targets, and Performance OAchieved substantially OAchieved Anot achieved Anot | | | | |
|--|---|--|---|--------|--|
| | Basic Commitment | Theme | Fiscal 2013 Targets | Status | |
| Corporate Ethics | Treat corporate ethics and compliance as priority management themes and ensure that every employee is aware of their importance and practices them every day | All employees behave as good citizens with self-awareness Aspire to be a company trusted by society by ensuring thorough compliance | Promote ethics through interactive participation frameworks Comply with and revise management rules (information security, personal information, business secrets, etc.) Undertake activities based on employee proposals | 0 | |
| Customer Satisfaction | Provide a stable supply of products and improve quality management and service based on the key concepts of assuring customers of reliability and fulfilling responsibilities | • Establish and implement a specific action plan based on the Lintec Quality Policy and Action Guidelines | • Achieve concrete actions devised along the lines of the eight Action Guidelines under the concept of the customer satisfaction slogan, "Lintec Products make everybody happy!" | 0 | |
| tion, | | Prepare for rapid response to natural and human-made disasters | • Minimize damage from natural disasters | | |
| Safety, Disaster Prevention, and Health | Proactively develop workplace environments where people can work | • Establish a management system for ensuring employee health and safety | Maintain and manage the occupational safety and health management system Nurture the mental and physical health of employees | | |
| Disaster F and Heal | with security, based on the concept of improving employee satisfaction • Establish measures to prevent communicable disease | | Follow up action plans of individual overseas group company Share safety information with EM Committee^{*1} | 0 | |
| Safety, | | Establish measures against long working hours and encourage the taking of annual paid leave | Implement measures to eliminate long working hours Encourage employees to take annual paid leave | | |
| Social Contributions | As a good corporate citizen of both the local communities where we operate and the international community, help solve social challenges and carry out realistic activities that contribute to the sustainable development of societies | Realistic activities Sustainable activities Community-based activities | Interact with local communities Expand and firmly continue activities Raise employees' willingness to participate in activities and support their participation | 0 | |
| Investor Relations*2 | Conduct management that emphasizes shareholders and investors, and improve the corporate brand | Increase valuation in the stock market (appropriate stock pricing) and attempt to improve corporate and shareholder value | Cultivate and strengthen relationships with investors and securities analysts Strengthen relationships with shareholders and recruit new individual investors Distribute information and strengthen communication | 0 | |
| | | • Ensure thorough compliance | • Strict management of legal compliance | O | |
| tion | | Enhance environment-related PR and education | • Release more than 24 issues of Eco News | 0 | |
| otec | As a materials manufacturer, conduct | Conserve biodiversity | Conduct practical activities in each site | 0 | |
| l Pro | company-wide activities in R&D, production, and other areas based on | • Develop environmentally friendly products | • Eight development projects that satisfy Lintec LCA Standard*3 | 0 | |
| enta | the principle of reducing | Reduce CO₂ emissions | Reduction target: 209,000 tons or less Improve the specific energy consumption by 3% (compared to | 0 | |
| Environmental Protection | environmental impact and effectively using resources | Reduce energy use | fiscal 2010) | 0 | |
| nvir | | Reduce disposal costs for industrial waste | • Target amount: 177,674,000 yen or less | 0 | |
| | | Ensure thorough management of chemical substances | • More than 50 self-audits conducted by suppliers | 0 | |
| | | • Reduce release of VOCs to the atmosphere | • Target for atmospheric VOC emissions: 980 tons or less | 0 | |

*1 EM stands for Emergency Management, an organization to ensure the safety of employees stationed or dispatched in overseas sites. *2 IR stands for Investor Relations and represents corporate activities through which companies provide shareholders and investors with corporate information, including management and financial information and business results. *3 LCA (Life Cycle Assessment): A method for comprehensively assessing effects on the environment by calculating items such as the amount of energy and water input, the amount of raw materials used, and the amount of CO₂ and hazardous chemical substances emitted throughout a product's lifecycle.

We strive to fulfill our CSR with all employees in the Lintec Group proactively thinking, taking the initiative and conducting activities with a sense of unity. To achieve this, each employee should fulfill his/her personal social responsibility (PSR) but it is also important to extend their PSR into Lintec's CSR. In April 2014, based on our corporate motto, we established and announced the LINTEC WAY, a form of

guidance that shows the way Lintec should approach in a simple manner, to share Lintec CSR among all employees. The ten rules supporting the Corporate Motto are true not only to our CSR, but also to PSR. We conduct CSR activities with a sense of unity to achieve the sustainable growth of the Lintec Group.

 $Toru\ Maki\ \ {\rm General\ Manager\ of\ CSR\ Management\ Office}$

| Main Activities in Fiscal 2013 | Comment from Officer in Charge | Fiscal 2013 Performance |
|--|---|--|
| Continued the "Rinri Kawaraban" ethics news column and published a booklet Provided ethics training through e-learning Provided compliance education in the rank-based training Provided information security education in all sites in Japan (about 1,700 employees, in 41 sessions) | Corporate Ethics Officer Kenji Kobayashi (Director, Senior Managing Executive Officer) As the globalization of businesses progresses, the corporate ethic is also expected to meet the world standards. All employees strive to grasp changes in society and reflect the expected corporate ethics in their acts. | Corporate Governance Practicing Sincerity pp. 16–17 Organizational governance/ Fair operating practices |
| Provided e-Learning courses "Customer Relation Tool in the Pocket," "Statistical Technique: Standard Deviation and Normal Distribution," and "Design Review" Conducted in-house survey regarding human resource development | Customer Satisfaction Officer Makoto liumi (Director, Managing Executive Officer) All employees work together with a sense of unity by following a CS slogan. We also work together with customers to further improve customer satisfaction. | Social Report Providing Value to Customers Cooperating with Suppliers pp. 18–19 Human rights/ Consumer issues/ Fair operating practices |
| Continued implementation of occupational safety and health management system Implemented training concerning guidelines for overseas business trips Weekly distribution of overseas safety information Provided mental health care education and awareness-rising activities Surveyed the current status of and promoted the taking of annual paid leave Conducted health care activities, with payment of health-promoting allowance | Safety, Disaster Prevention, and Health Officer Koji Koyama (Director, Senior Managing Executive Officer) We implement various activities to create better working environments where all employees in the Lintec Group are healthy, safe and motivated. | Together with Employees pp. 20–24 Human rights/ Labour practices |
| Employees volunteered to help with reconstruction after the Great East Japan Earthquake reconstruction volunteer activities (10 employees, 4 times) Implemented community clean-up activities Participated in a campaign against local organized crime in Itabashi Took initiatives to support persons with disabilities Made monetary donations for the victims of the Great East Japan Earthquake Hosted plant and facility tours at five business sites (853 visitors) Employees made blood donations (611 employees) | Social Contribution Officer Koji Ichihashi (Director, Senior Managing Executive Officer) As a member of the local community, we continuously conduct activities that meet the social expectations. We also consider how the Lintec Group can provide solutions for some social problems. | Together with Local Communities p. 25 Community involvement and development |
| Held more than 150 IR meetings and accepted interviews with institutional investors and securities analysts in Japan Visited a city in Europe to meet with institutional investors at a total of 17 companies Participated in 3 IR events in Japan for investors from outside Japan and held IR meetings with a total of 18 companies Enhanced the provision of information through a shareholder newsletter and IT website | IR Officer Hitoshi Asai (Director, Vice President Executive Officer*4) We will continue IR activities such as providing accurate information promptly and fairly, in order to further strengthen relationships of trust with shareholders and investors. | Communicating with Stakeholders p. 28 Organizational governance/ Community involvement and development |
| • Conducted mutual internal audits to confirmed environmental compliance at | | |
| each site Achieved the target by releasing 27 issues Each site participated in local community activities | Environmental Protection Officer*5 Yoshiyuki Yamato | |
| Achieved target by developing 14 products | (Managing Executive Officer) | Environmental |
| Achieved the target with about 203,000 tons | As a material manufacturer, we must sincerely face environmental | Report |
| Achieved target with a 7.8% improvement compared to fiscal 2010 | issues. We will continue our efforts to reduce environmental impacts in our business activities. We will also develop new products that contribute to solving environmental problems from | pp. 29–36 The environment † |
| Achieved target with ¥176,903,000 | the LCA perspective. | |
| • Achieved the target, with 61 self-audits conducted by suppliers | | |
| Achieved the target with about 900 tons | | |

*4 On April 1, 2014, Hitoshi Asai was appointed as Director, Vice President Executive Officer, General Manager of Administrative Division, General Manager of Corporate Strategic Office, in charge of General Affairs & Personnel Division. *5 On April 1, 2014, Koichi Kimura was appointed as Environmental Protection Officer. † One of the seven core subjects of ISO 26000. This guide is referenced when reporting Lintec's CSR activities.

Generational governance

Fair operating practices

Corporate Governance

Practicing Sincerity

Corporate Governance

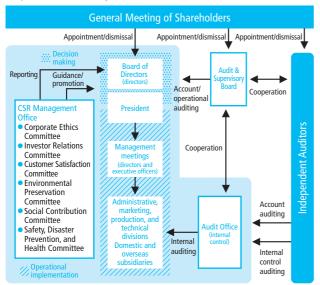
The Lintec Group regards the basics of corporate governance to be the practice of thoroughgoing compliance, maximum management transparency, awareness of corporate ethics, rapid decision-making, and efficient administration of business operations. The Lintec Group aims to increase its corporate value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

Corporate Governance Framework

The introduction of one-year terms for directors has helped to clarify their responsibilities. In June 2011, Lintec adopted an executive officer system, separating directors who perform management decisionmaking and executive officers who administer business operations.

The company's two internal and two external audit and supervisory board members always attend meetings of the board of directors and management meetings and listen to the opinions expressed. They operate with the internal Audit Office and independent auditors to audit the overall work of the directors. Through meetings, the members share the results of their audits of operations and strengthen the checks on directors' decision making and the appropriateness and effectiveness of executive officers' administration of business operations.

Corporate Governance System



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

Compliance

All employees at the Lintec Group are committed to disciplining themselves based on the corporate motto of "Sincerity and Creativity." In February 2014, we conducted a compliance survey with officers and managers (response rate: 86.8% in 2014, compared with 88.8% in 2013 and 68.6% in 2012).

Compliance survey response rate

A "compliance self-check sheet" and "compliance training materials" are published in the Lintec intranet, available to all

employees. Employees use these materials to check their conduct. They also use the materials for compliance learning activities in their departments.



Compliance education in the Agatsuma Plant

Global Surveys on Human Rights and Labor Standards

In January to February 2014, the Lintec Group conducted all-site survey to check labor conditions and human rights in all group companies and sites. 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.

Compliance with Antitrust Law & Prevention of Corruption

In October 2013, we created our "Antitrust Law Compliance Manual" and distributed copies to all officers and managers in the Lintec Group. Copies were also distributed to employees in the Business Administration Division. Educational sessions based on this manual were provided in the lidabashi Office to sales representatives (4 times, about 190 participants). A questionnaire survey was conducted after the educational sessions. The General Affairs and Legal Departments replied individually to questions asked by participants in the survey to ensure understanding of all employees.

In December 2013, we issued an internal legal newsletter "Antitrust Law." In January 2014, an e-learning program was provided to educate employees on the antitrust law.

Revision of the Compliance Guidelines

At the Lintec Group, we issue a booklet of code of conduct to enhance the compliance awareness of each employee. In April 2014, this booklet, "Compliance Guidelines," was revised to improve it to a

more global code of conduct. Guidelines related to the supply chain, CSR management and human right issues were reinforced. Information security and SNS (social networking services) issues were also added to reflect recent social trends.



 \rightarrow See page 8 for details.

Fostering Sense of Ethics

Since 2006, Lintec has published *Rinri Kawaraban* ethics news column on its intranet. The column features a short haiku-like poem with an additional explanation to illustrate standards for ethics and conduct. The aim is to foster even better ethics and adherence to the

Compliance Guidelines. As of April 1, 2014, we have published an aggregate total of 185 poems on the column.

The poems are also compiled and published once a year as a booklet. Volume 7 of the booklet was issued in April 2014. The poem compilations are also shown to suppliers and customers as an example of Lintec's CSR initiatives.

Risk Management

The Lintec Group strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance. We also operate the Risk Assessment Committee, consisting of the general managers of each division, with the objective of strengthening the risk management system.

Business Continuity Plan (BCP)*1

Lintec has diligently worked on development of BCPs so that it can continue supply of products to customers or quickly resume its business in the event of a major earthquake or other disaster.

In April 2013, we began consideration of a business continuity management system (BCMS)*², a management system aimed to operate these BCPs more effectively and more practically. To ensure the validity of actions and procedures to be taken in the event of a disaster, we implemented exercises and drills and internal audits. In March 2014, as a result of these continual efforts to improve the BCP system, Lintec obtained the ISO 22301:2012 certification, an international BCMS standard.

 \rightarrow See pages 10 to13 for details.

Information Security Management

Lintec conducts internal audits in each department based on detailed regulations on information security and an internal audit checklist. In March 2013, Lintec Group Social Media Policies^{*3} and the Social Media Usage Rules were established to clarify basic principles and prohibited activities for the private use of social media established. Subsequently, to provide more specific rules and explanations, we added the Social Media Guidelines and the Case Studies of Social Media Problems to the Lintec intranet publications. In June 2013, an e-learning program on social media use was also provided for employees to strengthen their understanding and awareness of social media use.

Helpline

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

Voice 01

Activities promoted by CSR Working Group

Daniel MacKay, Corporate Compliance Director, Madico, Inc.

It is my pleasure to lead the CSR Working Group, comprising employees in Woburn (Massachusetts) and St. Petersburg (Florida). This working group conducts CSR activities related to corporate governance, ethical education, compliance, risk management, the environment, health, safety, procurement, personnel and labor, and social contributions by setting a goal to achieve the basic principles of ISO 26000 in 2014. The goal also includes biological diversity. To pursue this goal, we formed a project team. We enjoy working on this field and share the knowledge we acquired as members of the Lintec Group.



*1 BCP: See page 11. *2 BCMS: See page 11.

*3 Social Media Policy: a guideline for using Facebook, Twitter and other SNS services for business purposes

Providing Value to Customers

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

Quality Assurance

The Lintec Group adheres to the basics of manufacturing and values quality, environment preservation and safety in conducting its product development, production and sales, aiming to obtain trust from all stakeholders. Based on its management system that follows international standards, including ISO 9001*1, ISO 14001*2 and ISO 22301*3, Lintec continues efforts in quality control, environmental responsibility and business continuity in its business activities to achieve quality that delivers satisfaction to the customers.

Quality Assurance System

Major production sites of the Lintec Group in and outside Japan have obtained the ISO 9001 certification. To further strengthen the organization, we are also pursuing acquisition of the certification in sales offices and development sites and the integrated certification for a group of relevant sites. We are strengthening the unified and trilateral (sales, development and production) management system to ensure speedy and meticulous responses to customers' needs.

Acquisition of ISO 9001 certification

| | FY2011 | FY2012 | FY2013 |
|---------------------------|--------|--------|--------|
| Number of sites certified | 21 | 22 | 21 |

Note) The decrease in fiscal 2013 was due to the consolidation of the Mishima Plant and the Komatsushima Plant

Improving Customer Satisfaction

The Lintec Group discloses product information in various ways to provide customers with a sense of safety. For example, we issue safety data sheets (SDS) and reply to customers' questions based on the results of our chemical examinations. Since our products are used in a wide variety of industries, the types of product information required by customers are also extensive. We believe that we can strengthen customer satisfaction by disclosing these pieces of information in a comprehensive way. For example, in the area of adhesive products, we make technical data available to customers for each product item, describing the characteristics, constituents, physical properties and other data. As our products have many users, we make data of about 1,200 items available to respond to the customers' requests. Lintec will continue efforts to deliver satisfaction to customers through its products.

Data available for **12000** ite

Preventing Quality Incidents

The Lintec quality management system (QMS) follows the principles of ISO 9001, especially the design review^{*4}. Our design review adopts FMEA^{*5}, FTA^{*6} and statistics-based SPC^{*7} techniques systematically to predict the risks of accidents and take proper preventive measures.

Ratio of quality accidents to the number recorded in fiscal 2003 $_{(\mbox{Fiscal 2003}\,=\,100\%)}$



Voice 02

Achieve quality delivering satisfaction to customers

Lim Eng Sneah, QA Executive, Technical Department, Lintec Industries (Malaysia) Sdn. Bhd.

In order for Lintec Industries (Malaysia) Sdn. Bhd. to further enhance customer satisfaction, we have an action team that implements activities to enhance the product quality and to make continual improvements. The team conducts monthly meetings to discuss quality problems related to products and production processes and new improvement targets. The team also confirms whether customer complaints were properly rectified, whether preventive measures have worked effectively, and how potential risks can be prevented. The corporate slogan "Lintec Products make everybody happy!" is our goal and commitment.



- *1 ISO 9001: the international standard for quality management systems
- *2 ISO 14001: See page 3. *3 ISO 22301: See page 5.
- *4 Design review: a method for checking and evaluating materials under development (specifications, design documents, etc.) from different standpoints such as the

manufacturing and sales divisions. Design review is defined in the Japan Industrial Standard (JIS) and ISO 9000 series standards.

- *5 Failure mode and effect analysis (FMEA): a method for systematically analyzing potential malfunctions
- *6 Fault tree analysis (FTA): a method for analyzing the causes of malfunctions using a tree diagram

Fair operating practices 🧧 Human rights

Cooperating with Suppliers

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

Fair Transactions

The Lintec Group works to establish trustful relationships with all suppliers because they are "partners who should grow together with Lintec." The Lintec Group has a basic policy for fair and transparent transactions based on the principle of free competition between all suppliers. The door is open to all companies during the supplier selection process. We choose suppliers based on fair and impartial evaluations, including evaluation of their efforts for environmental protection, to ensure Lintec's legal and ethical compliance in its procurement activities.

CSR Procurement

In accordance with the Lintec Procurement Policy, Lintec reminds suppliers in various occasions to maintain thorough CSR activities, including measures to ensure human rights, occupational health and safety, product quality and safety, information security, and corporate ethics. The Lintec Group has transactions with about 500 material suppliers. In fiscal 2013, we asked the top 49 material suppliers to respond to a questionnaire and all of them responded. The CSR-related questionnaire had questions to confirm the suppliers' CSR status in 13 areas, including whether they respect human rights and do not use child or forced labor.

This supplier survey will be continued in the future to confirm their status and to improve the procurement by Lintec based on the result of the survey.

Suppliers



Green Procurement

Under the Lintec Green Procurement Policy, we are committed to procurement that reduces environmental impact, by thorough chemical substance management for raw materials, parts, and secondary materials. When we purchase a new material from a supplier, we ask the supplier to cooperate in our examination to check whether the material contains any substance regulated by Lintec. We also ask suppliers to cooperate in our ingredient examination whenever we add a new regulated substance. To quickly and accurately conduct these examinations, it is important to have thorough understanding of the suppliers and to promote environmental protection activities and control of chemical substances by the suppliers. To implement green procurement, Lintec will continue to enhance communication with suppliers.

Conflict Minerals

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

BCP with Suppliers

The ability of suppliers to continue their businesses in the event of a disaster is critical for Lintec to secure the stable supply of its products to customers. Lintec conducts evaluation of the suppliers to determine their business continuance ability. In fiscal 2013, for certain products, Lintec conducted examinations of suppliers to confirm the following statuses: (1) the stock volumes of the raw materials for Lintec, (2) procurement routes for the raw materials, (3) disaster control measures taken in their production sites and facilities, and (4) availability of a substitute production site.

Lintec also conducted examinations of some suppliers to confirm whether they had BCPs and a management system to implement the BCPs, and whether they had organizations and procedures to cope with an incident^{*8}. All our suppliers will be subject to these examinations in the future.

Voice 03

Supplier quality and environmental audits

Hisashi Hashizume, Manager, Quality Assurance Department, Head Office

Since 2006, the Lintec Group has been conducting planned quality and environmental audits at its suppliers, with the objectives of strengthening the management of supply sources and building good partnership with the suppliers. As of March 2014,

200 audits were completed (70 suppliers, 190 quality audits and 10 environmental audits). These audits will be continued to strengthen the relationship with the suppliers and to ensure delivery of safer products with higher quality.



^{*8} Incident: a situation which cause or may cause business interruption, disturbance, loss, emergency or hazard

• Labour practices Human rights

Together with Employees

Creating a Rewarding Workplace (Human Rights / Employment)

Respecting Human Rights and Diversity

The employees of the Lintec Group are working together based on the company motto, "Sincerity and Creativity." To ensure that all employees may find their work equally rewarding, the group respects the diversity^{*1} of every employee and prohibits any kind of discrimination, including that based on race, creed, gender, education, nationality or age. Lintec joined the UN Global Compact, which seeks

to eliminate the use of child and forced labor, in 2011. The group aims to continue its growth based on mutual understanding and respect between all employees.

Rate of local employees

Employment

Number of employees by gender



Employees at group companies outside Japan

Voice 04



- * Scope: All overseas group companies (as of December 31, 2013)
- * Japanese employees hired locally are included in the number of local employees * Japanese employees indicates employees transferred from Japan

Japanese employees

For work and family balance of all employees

Masami Mitsui, Team Leader, Administration Section Business Administration Department, Ina Technology Center

Lintec has established the Committee to Empower Women in the Workplace to improve working environments for female workers. In this Committee, I am in charge of the production division. I talked with female workers in production sites to collect information on the current conditions of the workplaces for female workers and their opinions. Each production site has its own atmosphere and history. It was very meaningful that I could hear a

number of valuable opinions from many female workers. Child care and nursing care are important issues for employees. We must find ways to balance the work and the family regardless of whether you are a woman or man, married or single. We are committed to creating a working environment where all employees can equally utilize support programs and colleagues are supportive to employees with family issues.



*1 Respecting diversity: By respecting diverse characteristics that exist among people and groups, it is possible to generate more original ideas, solve problems using diverse perspectives, and allow people to display their full potential by appointing the best person for each job

The Lintec Group has been carrying out a variety of initiatives to support all employees who perform their jobs with energy and inspiration.

Respect for Human Rights in Labor Management and Education

Compliance forms a foundation for the activities of the Lintec Group, and the Company thoroughly adheres to both social rules and relevant laws and regulations in and outside Japan. This also applies to the recruitment and treatment of employees. Labor management is performed in accordance with relevant laws. Unfair discrimination, child labor, and harassment are prohibited. Education on human rights is also provided. In fiscal 2013, the "UN Global Compact and CSR" training was provided to 35 new employees.

Employment of Persons with Disabilities

Lintec provides employment opportunities to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2013 was 1.79 percent, which was below the legally mandated rate of 2.0 percent. Lintec will strive to achieve the legally mandated rate in fiscal 2014, by encouraging each site to employ persons with disabilities.

Job Return Program

In April 2010, Lintec introduced a job return program. Under this program, the company re-hires employees who had retired for personal reasons such as childbirth, childcare, nursing care of a family member, or other family circumstances such as the transfer of spouses to a different work location.

Employment of Older Persons

Lintec continues to offer employment to its retirees. All interested retirees are re-hired, in principle. In fiscal 2013, the Company re-hired 15 of 23 retirees. Rehired employees are working vigorously, making use of the skills and experience they have developed over many years.

Management Labor Relations

At Lintec, the labor union is called Lintec Forest. Labor-management consultations are conducted with an attitude of respecting each other's standpoint and a commitment to resolving issues through discussion. Constructive discussions are also carried out at regular labor-management consultations to advance the business.

Work-Life Balance

Lintec is working to help employees to balance their professional and personal lives by creating workplace environments where employees are able to perform their jobs with peace of mind, and exercise their full abilities. Lintec offers an accumulated time-off program that can be used either for long-term treatment of an employee's own illness or injury or for caring for a family member. There is also a paid social contribution time-off program that allows employees to participate in local volunteer activities. In April 2013, Lintec extended the

application of the child care leave from a child below the age of three to a child before school age. The period of the family care leave was also extended from 93 days to two years (730 days).



The Company continues to create systems that help employees work with peace of mind.

Voice 05

volunteer activities for the earthquake disaster reconstruction

| Program users | | | (persons) |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Programs | FY2011 | FY2012 | FY2013 |
| Family care leave program | 2 | 0 | 1 |
| Family care time off | 2 | 2 | 3 |
| Accumulated time off | 55 | 51 | 61 |
| Childbirth leave | 13 | 16 | 16 |
| Childcare leave | 22 | 19 | 26 |
| Child nursing care time off program | 11 | 10 | 11 |
| Shorter hours/flex time | 11 | 10 | 21 |
| Paid social contribution time off | 23 (total of 41 days) | 26 (total of 54 days) | 26 (total of 50 days) |

Mental Health Measures

The Lintec Group has introduced a precautionary Employee Assistance Program (EAP)*2 that provides employees with opportunities to obtain a mental health checkup once a year. Through this checkup, employees 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 2013, 3,357 employees underwent the checkup, a figure representing 96.6% of all employees in the Group. The Lintec Group has also set up an employee support hotline to which employees and their families can personally contact and talk confidentially with a specialist about their worries, including physical and mental health, childcare, nursing care, legal issues, or personal finances.

Measures against Working Long Hours

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

Company-wide Rank-based Training Programs

With the aim of developing human resources that contribute to the company and society, Lintec has introduced company-wide rank-based training programs to develop its human resources. These programs enable all employees with diverse values to achieve personal growth and a sense of

accomplishment. They help boost employees' skills and support each person's self-motivated career planning.

Participants in company-wide rank-based training programs



Social Report

Governance Corporate

The social contribution time-off program sparked

my interest in social activities

Tomio Hatanaka, Section Chief, Human Resources Department, Head Office

In July 2013, Lintec initiated a three-day volunteer program as part of the Great East Japan Earthquake support project. I volunteered in this program and prepared young acorn trees which will be planted along the seashores to regenerate the flood barrier forest that was lost to the tsunami. The company's social contribution

time-off leave gave me a great chance to participate in this program. In the quake-stricken area near the seashore where I visited, there were few buildings. I felt the area was still far from reconstruction. I am continuing other volunteer activities, together with people from other companies who also participated in this program.



*2 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



WEB See the CSR website for more information on the following: Employment Rate for Persons with Disabilities, Number of Job Return Program Users, Employment of Older Persons, Status of the Lintec Forest, Employee Assistance Programs, Overview of Precautionary EAP System, Fiscal 2013 Rank-based Training Schedule, and Fiscal 2013 Training Details and Numbers of Participants

Individual Education Programs

Quality Education

Manufacturing of high-quality products is essential to enhance customer satisfaction. To achieve this, the Lintec Group operates a quality management system (QMS) and an environmental management system (EMS) and conducts related activities. Employees must understand these systems and enhance their awareness to effectively continue these activities. Accordingly, the Company provides employees with opportunities to participate in related seminars and distance-learning programs provided by outside parties. In-house education is also actively provided, including e-learning programs. In fiscal 2013, Lintec provided a total of 27 in-house QMS education sessions and quality e-learning programs. A total of 5,683 employees took these programs.



Environmental Education

Lintec Corporation and Tokyo Lintec Kako provide ISO 14001 awareness education programs to employees. Each office creates its own education plan suited to the conditions of the office, including the number of employees and frequency of sessions. These education programs use graphs and illustrations, and the "Lintec Environmental and Safety Information" published on the intranet as education materials to facilitate the learning by participants. Education and training on biological diversity and chemical substance management, and training and drills for emergency actions are provided and implemented respectively on different days. By providing training on different environmental topics with different schedules, the employees' awareness is continuously reinforced. E-learning programs are also provided to inform employees about Lintec's activities related to biological diversity and management of chemical substances used in Lintec products.

Participants in environmental education in fiscal 2013

- Head Office: 291 Agatsuma Plant: 716 Kumagaya Plant: 401
- ●Chiba Plant: 252 ●Tatsuno Plant: 367 ●Shingu Plant: 410
- ●Komatsushima Plant: 257 ●Mishima Plant: 472 ●Niihama Plant: 39
- Ina Technology Center: 166 Research Center: 348

Tokyo Lintec Kako: 142

Voice 06

Becoming aware of the world and gaining an ability to hold dialogue

Satoshi Hiruma, Corporate Strategic Office, Head Office

I've been taking English communication training since fiscal 2013. In the dialogue-type training, I practice conversations in various scenarios. I learned often-used phrases and I've received instructions from teachers about what was wrong with my expressions, so now I can speak in English more naturally. Before taking this

training, I felt awkward when I spoke with foreigners in English. But the training got rid of my feeling of embarrassment. I want to play a role in international business in the future by using the communication skills I acquired through this training.



Lintec Environmental & Safety Information site

Language Training

Completion rate (%)

learning and growing.

FΥ

Total number of participants

To develop employees who can excel on a global stage, Lintec has introduced a language-training program as a support system for self-motivated study. Employees who want to receive language training apply for the program. Participants are selected by the selection committee from among applicants who obtained a recommendation from their immediate superiors and division general managers. In fiscal 2013, thirteen employees received the language training. Although the training time varies depending on each employee's language level, the aim is for participants to reach their target level with about 100 to 150 hours of training.

Lintec Environmental & Safety Information Site

other regulations), energy-saving

2013, the information was

environmental awareness.

and safety and health. During fiscal

renewed a number of 12 times. The

website will be regularly updated to

Self-motivated Education System

Self-development Correspondence Training Courses Twice a year, Lintec offers self-development correspondence training

There is a wide variety of course content available, such as

courses to interested employees. The Company subsidizes a part of

the cost for those who complete a course within a given time frame.

management, business skills, computer skills, foreign languages,

further strengthen the employees'

As part of the Company's environmental education for employees,

the environment, ISO 14001 (activities conducted by Lintec and

introduction of the website administrative office), regulations of

chemical substances (such as REACH*1 and information related to

Lintec operates the Lintec Environmental & Safety Information site on its intranet to provide to employees updates of information related to



*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.

22

Labour practices

Together with Employees

afe Workplace Environments (Safety and Disaster Prevention)

Occupational Safety

Occupational Safety and Health Policy

In 2010, the Lintec Group established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out business activities based on an occupational safety and health management system (OSHMS)*2.

At the corporate-wide level, a mutual safety audit plan is created. A fire preventive patrol plan is also created. At individual plants, annual safety and health plans are created. Plan-do-check-act (PDCA) cycles are used for these, based on the OSHMS. The Safety Consideration Committee, consisting of members engaged in safety activities in plants and members of the group-wide Safety Secretariat, develops and reviews group-wide safety rules. In fiscal 2013, the Committee added new safety rules, including safety inspection of new equipment, installation of safety fences and safety covers, and prevention of fire accidents.

Annual Safety and Health Plan

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

In fiscal 2013, Lintec carried out mutual safety audits, fire prevention patrols, and top management patrols. Individual plants also carried out patrols by members of the plant's top management, managers, and the union, as well as employee volunteer patrols. The Company has expanded the scope of the safety mailing list to share safety information with all sites and executive officers by distributing the minutes of the Safety and Health Committee meetings.

Actions included in the annual safety and health plan

- Meetings of the Safety and Health Committee Patrols Safety education
- Safety training and drills
 Inspection and measurement schedule
- Measurement of work environment conditions

Internal audit Omeranda audit Audit

Voice 07

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

Safety and Health Committees & Health Committees

The Lintec Group holds monthly committee meetings to discuss safety and health in the workplace.

In fiscal 2013, to implement the safety management on a company-wide scale, the Company expanded the scope of the mailing list for distributing disaster flash reports and minutes of committee meetings.

Committees for safety and health in workplaces

| Committee | Scope | Activities |
|--------------------------------|---|---|
| Safety and Health Committee | Plants and Research Center | Implement plans Share information on disaster conditions, implementation of safety education, results of equipment inspections, findings by patrols and improvement status |
| Health Committee | Head Office and branches that have a sales division | O Discussions on health issues, safe operations and disaster control activities |

Accidents Resulting in Absence from Work

In fiscal 2013, four occupational accidents (resulting in lost work days) occurred at Lintec Group companies in Japan, leading to 245 days of absence from work. Since these occupational accidents with lost work days involved workers who had fewer years of experience in the Company, Lintec has strengthened the safety education provided to employees. Two accidents (resulting in lost work days) were caused by improper handling of product rolls. We will continue to clarify the safety rules to reduce accidents to zero.

Occurrence of accidents resulting in absence from work

| FY | FY2011 | FY2012 | FY2013 |
|--|-------------------|------------------------------|------------------------------|
| Number of accidents resulting in absence from work | 2 | 6 | 4 |
| Number of days of absence from work | 31 | 361 | 245 |
| Accident sites | Partner companies | Lintec and partner companies | Lintec and partner companies |

Security Education, Lintec Safety and Health Management System Organizational Chart, Lintec Occupational Safety and Health Policy, and Overview of the Lintec Occupational

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

In Lintec (Thailand), we conduct a general firefighting drill every year. In 2013, the drill was conducted on November 15. In the morning, we listened to a lecture on fire and learned what extinguishing techniques should be used for different types of fire causes. In the afternoon, we had a fire evacuation drill and also practiced how to use fire extinguishers and fire hoses. The target time for completing evacuation was five minutes. We also practiced how to carry an injured person on a stretcher. Fire evacuation drills are also carried out four times a year.



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



Health and Safety Manual

Striving to Be Accident Free

The Lintec Group has a system for recognizing plants in Japan with a continuous record of no occupational accidents. On January 27, 2014, the Tatsuno Plant achieved continuous accident-free man hours^{*1} of 1 million hours. The safety awareness of all employees has been enhanced by the safety-first policy, risk assessment and safety measures taken for facilities, and practice of 5S^{*2} in TIP activities^{*3}. As a result, accident-free operation has been continuing for about 23 consecutive months from April 24, 2012. We should not be conceited

by this achievement, but further improve our activities and work together to continue this record of continuous accident-free operation.



Employees at Tatsuno Plant and the award plaque

From April 24, 2012 to March 31, 2014 Achieved continuous accident-free man hours (Tatsuno Plant) **11055,000** hours

Continuous accident-free hours achievements in fiscal 2013 (April 1, 2013 to March 31, 2014)

| Date | achieved | Business site | Achievement (hours) |
|------|------------|--|-------------------------|
| | April 1 | Chiba Plant/Shingu Plant/ Ina Technology Center | No accident in the year |
| | May 20 | Research Center | One million |
| | May 28 | Shingu Plant | One million |
| | June 8 | Mishima Plant | 0.75 million |
| 2013 | June 18 | Ina Technology Center | One million |
| | July 23 | Chiba Plant | 0.75 million |
| | August 2 | Agatsuma Plant | 0.5 million |
| | August 23 | Tatsuno Plant | 0.75 million |
| | October 30 | Research Center | 1.25 million |
| | December 2 | Agatsuma Plant | 0.75 million |
| 2014 | January 27 | Tatsuno Plant | One million |

Top Management Patrols at Production Bases

With a slogan of "Safety-First," Chairman Ouchi (former CEO) carried out top management patrols to visit and inspect plants worldwide. Chairman Ouchi also talked with employees while touring around production floors to check the conditions of the workplaces, including safety of the operations, and implementation of 5S (such as tidiness of the workplaces). Based on the results of these top management patrols, various improving measures were implemented in production sites to further enhance the quality of the on-site safety management.

Disaster Control in BCMS

In planning prevention and mitigation of disasters in its business continuity management system (BCMS), Lintec conducts risk assessment of disasters, placing top priority on saving human lives. All Lintec sites examine their operations and facilities to identify, analyze and assess risks of damages that may be caused by different types of disasters. It is stipulated in the BCMS rules that if it is found that

disaster control in a site is not sufficient, the site should plan and take sufficient measures. Moreover, the concreteness and validity of these disaster control measures are checked and improved by carrying out disaster drills.



 \rightarrow See pages 10 to 13 for details.

Carrying an injured person in an emergency drill

Emergency Drills

Each Lintec site carries out emergency drills as part of the BCMS. In addition, procedure manuals relating to business continuity are revised as needed, and emergency stocks are reserved at individual sites to reduce disaster-related risks.

On October 16, 2013, a corporate-wide safety check drill was

conducted, assuming an "earthquake of intensity 6 lower." Twenty-four sites in Japan participated in the drill with about 3,600 employees (Lintec employees and employees from partner companies). Lintec will continue this type of drill several times each year.



Emergency stocks at Head Office

Voice 08

We practice an exercise to save human lives

Masayuki Kumagai, Assistant Branch Manager, Sendai Branch

At the Sendai Branch, we conducted a life-saving exercise in February 2014. We reviewed the office's BCP and the procedure manual for an emergency, and practiced the cardiopulmonary resuscitation technique and how to use the AED^{*4} to check the skills that each employee will need in the event of an emergency. All employees of the Sendai Branch participated in this exercise and practiced the quick life saving procedure using the cardiopulmonary resuscitation technique and an AED. All of us in the Sendai Branch know well that life-saving is the top priority as we experienced the Great East Japan Earthquake three years ago. We will add improvements and continue this exercise in the future.



- *1 Continuous accident-free hours: total number of working hours with no occupational accidents (accidents not resulting in absence from work, accidents resulting in absence from work, and accidents during commuting) involving Lintec or partner company employees working full time at a business site
- 2 55: A slogan for workplace improving practices; "S" is the first letter of Japanese words "Seiri, Seiton, Seiso, Seiketsu, Shitsuke" (meaning organizing, clearing up, cleaning, cleanliness and discipline).
- *3 TIP: Stands for Tatsuno Innovation Project. The Project was formed in October 2009 to improve the workplace conditions in the Tatsuno Plant.
- *4 AED: Automated External Defibrillator. An electronic medical kit that automatically sends an electric shock to the heart in a ventricular fibrillation condition to try to restore a normal rhythm

Social Report

Community involvement and development

Together with Local Communities

(Community Participation)

The Lintec Group is supported by society and local communities. In recognition of this support, the group is engaged in various social contribution activities to fulfill its role as a corporate citizen.

Ongoing Disaster Support

The Lintec Group has been making relief donations as an ongoing activity to support recovery after the Great East Japan Earthquake. In fiscal 2012, the company began participating in the Watari Green Belt Project to regenerate tidewater control forests on affected coastlines, sponsored by the Global Compact Japan Network. In fiscal 2013, a total of ten Lintec employees volunteered to help with the project activities on four occasions. The Head Office also hosted a Fukushima Foods & Product Fair to support the recovery of Fukushima by economic activities. The company will continue various forms of reconstruction support activities in the future.





Young tree pots prepared in the Watari Green Belt Project

Support for Persons with Disabilities

In September 2013, Lintec invited persons with disabilities and their helpers living in Tokyo's Itabashi City (107 people in total) to a professional baseball game at Tokyo Dome—Hokkaido Nippon Ham Fighters vs. Fukuoka Softbank Hawks. This marked the seventh such event arranged by Lintec. The company received smiles and many words of thanks from participants who expressed their enjoyment of the game and a strong desire to participate again next year. Lintec will continue this kind of social contribution activity that brings joy to

Community Safety Activities

The Kumagaya Plant has long participated in the Kumagaya Business Operators' Association of Cooperation with Police. The plant now serves as a vice president company of the Association. The Association promotes close cooperation between business operators and the police to prevent crimes, juvenile delinquency and improve the traffic safety in the community. Lintec will continue to participate and lead this activity to ensure the safety of the community and to eliminate violence.

Beautification Projects and Cleanups

The Lintec Group carries out neighborhood beautification projects and cleanups around all its factories. The Chiba Plant holds a Zero Litter Campaign around the Midori Daira Industrial Park where the plant is located, while the Kumagaya Plant conducts an Arakawa

Riverside Cleanup along a nearby river. The Komatsushima Plant removes litter from the Yokosu shoreline as part of its Seto Inland Sea Restoration effort. In fiscal 2013, a total of 2,499 employees in Japan participated in these activities.



Community clean-up activity by Chiba Plant employees

Total number of participants in community beatification/clean-up activities



Social contribution activities in the Netherlands

Kazuhiro Kusakari, General Manager, Lintec Europe B.V.

he Dutch city of Amsterdam, 0 elderly people live alone. No friend visits them at Christmas days. At the Enma Foundation, it these elderly people, talk vith their shopping, hold recreational events, send flowers on special days and perform many other social activities. Lintec Europe makes donations to the Foundation every year to support their activities, as part of its social actions for the community.



See the CSR website for more information on the following: Regular Safety Council Meetings, Joint Fire Drill Focusing on Actions for Toxic Chemical Leakage, Emergency Drill in Fiscal 2013, List of Lintec Group Social Contribution Activities, Lintec Indonesia's Social Contribution Activities, Group Blood Donation, Planting, Sponsoring of Local Festivals, Participation in Community Activities, Energy-saving by "Green Curtain," Development of Next-generation, Community Beautification and Clean-up Activities in Fiscal 2013

Meet the Expectations of Community as Corporate Citizen with Local Social Actions

As a business supported by community and society, the Lintec Group continues steady activities to support various social action. This Highlight section features one of the disability aid activities that Lintec has been pursuing in Tokyo's Itabashi City, where its head office is located.

Fureai Concert



Children from "Hohoemi-no-Kai" dance with sign language

Planning and Conducting an Unique Event Together with Itabashi City Office and Community Volunteer Organization

A corporation cannot continue its business activities without the understanding of the community and society. In carrying out CSR activities, the Lintec Group sincerely listens to the voices of people in the community to meet their expectations.

The Lintec Group conducts its social activities with the following three principles: "realistic," "sustainable" and "community-based" activities. For example, Lintec has hosted the "Lintec Fureai Concert" according to these principles. With the aim to "connect with people by music," this musical event has continued since 2010. Persons with disabilities and their helpers in Tokyo Itabashi City where Lintec has its head office, people from neighboring areas, Lintec employees and their families are invited as performers and audience.

"In the very first planning stage, we were determined to be actively involved in planning and carrying out a unique event," says Akihiko Bito who is the chairman of the Lintec Social Contribution Committee and was in charge of the planning of this event.

"We co-sponsored the event with the Itabashi City Office, and Lintec employees were personally engaged in the arrangements for the venue, the program planning and publicity activities. We were committed to plan a unique concert so that the performers and the audience can share the joy of music. The jazz band members included some Lintec employees. From the Itabashi "Hohoemi-no-Kai" association of parents of

Akihiko Bito Assistant General Manager Human Resources Department Chairman of Social Contribution Committee children with Down <mark>syndrome, the member</mark> children performed a sign language dance and played hand b<mark>ells," continues Bito.</mark>

For persons with disabilities and their families it is often difficult to participate in a music event as there are many hurdles to cross. In fact, many of the participants in this event said that they had never even been to a concert before.

"It was not easy to plan this event. Every year, we repeat trial and errors to make the event a happy experience for the participants. But when I saw smiling children swaying happily to the rhythm of the music, all my fatigue disappeared," says Bito.

In planning and conducting this concert, Lintec employees personally interacted with people from a variety of circumstances and backgrounds. It was a valuable experience and opportunity for them to deepen their understanding of diversity*.

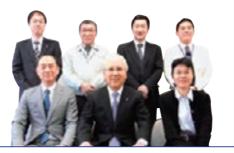
To Meet the Expectations of Communities Around the World

The music concert is just an example of many of the volunteer activities conducted by the Lintec Group. Local offices and sites of the Lintec Group in Japan and overseas conduct various social activities for their local communities, such as support for local events and beautification and clean-up projects.

According to its policy of maintaining close connections with the community, the Lintec Group is committed to implement CSR activities globally to meet the expectations of "communities" throughout the world.

*Diversity: Diverse characteristics that exist among people and groups

Social Contribution Committee members





Children from "Hohoemi-no-Kai" hand bell performance

Planning and Implementation of Ac

Invitation to a Ball Game

Lintec's community-based social activities extend beyond the Fureai Concert.

For example, Lintec has invited persons with disabilities living in Tokyo Itabashi City and their helpers to a professional baseball game since 2006.



Employees welcomed guests



Employees handed out box lunches to guests



Welcome speeches by Vice Itabashi City Mayor Yasui (left) and President Ouchi (currently chairman)

We enjoyed the event, which was very encouraging for families with disabled children.

I participated in the Fureai Concert with my daughter in fall 2013. I've never participated with my daughter in this kind of musical event before. I was little bit worried that the performance would not be very interesting for children because the band was a jazz band. But as they also played cartoon songs, my daughter and I could enjoy the performance I was also very proud of my daughter and her performance. She played the hand bell and danced a sign language dance proudly in front of such a large audience. It is very encouraging for families with disabled children that a company takes initiative in providing this kind of opportunities to interact with society. I hope Lintec will continue this activity in the future. Participants Mrs. Tae Ide and her daugh Kotono





Cooperation in planning,

and provision of an event venue

Participants



Employees welcomed the audience

Invitation

Communication beyond the barrier of disabilities is a valuable opportunity for promoting mutual understanding

The "Hohoemi-no-Kai" is an organization for children with Down syndrome, persons with disabilities and their families. Since the start of the Fureai Concert in 2010. Lintec has invited our members to the event. It is a wonderful event to listen to live performances, and it is also a valuable opportunity for our members to communicate with Lintec employees, their families and people in the neighborhood. In daily life, the interaction that children with disabilities have with others is often limited to their families and helpers. This concert encourages children with disabilities to connect with society and it also promotes mutual understanding between the disabled and the non-disabled. We are very grateful to Lintec for hosting this great event.

Akiko Saito Representative, Hohoemi-no-Kai (Itabashi Association of Parents of Children with Down Syndrome)



Koichi Kaneko Section Chief, Disability Welfare Section Itabashi City Welfare Division

Inspired by free-spirited ideas of a private company

Itabashi City in Tokyo promotes development of a better community by self-effort, mutual aid and public support. The disability aid activities should also be promoted not only by the Ward Office but also by collaboration between community members, including citizens, companies, NPOs and volunteer organizations. The Fureai Concert that the Ward co-sponsored with Lintec is one of these great collaboration efforts. Providing an opportunity to enjoy a live performance to persons with disabilities, who often face difficulties in participating in a musical event, is a great idea that we, at the Ward Office, could not come up with. We are inspired by the free-spirited ideas of Lintec such as these. I hope we continue this valuable relationship and collaborate with Lintec in realizing a livable ward for every citizen.

Social Report

Community involvement and development

Communicating with Stakeholders

To better understand and meet the expectations of society, the Lintec Group works to maintain a dialogue with its stakeholders.

Customers

Exhibiting at Exhibitions in and outside Japan

In order to communicate with even more customers, Lintec actively participates in exhibitions held in and outside Japan. In fiscal 2013, Lintec took part in a total of 34 exhibitions and received valuable feedback on its products and technologies.



Lintec exhibited in SEMICON Japan 2013

Suppliers

Offering the lidabashi Office for Meeting

The Lintec Group places an emphasis on strengthening communications with suppliers and related associations. As part of this effort, Lintec offered its lidabashi Office as the venue for a

seminar of the Japan Federation of Label Printing Industries in March 2014. The seminar was participated in by about 80 members of the Federation. The active session was also live broadcast via the Internet.



Seminar in the Iidabashi Office

Local Communities

Regeneration of Forest Reserve Along Chiba Coastline

The Lintec Group conducts various activities by listening to opinions of people in the community. To meet the expectations of the local people, the Chiba Plant works with the Chiba Greenery Promotion Committee to regenerate the forest reserves on the eastern Chiba coastline damaged by the tsunami in the Great East Japan Earthquake. In April

2013, employees of the Chiba Plant planted 2,200 young trees in the forest reserve. They also participated in the removing of weeds and supplemental planting^{*1} afterwards. Lintec will continue to listen to the voices of the community.

about 80 interview and writing requests.

Media

Media Relations



Weed removing in Yoshizakihama, Chiba

Employees

Publication of the Community Magazine

The Lintec Group publishes a quarterly magazine, *LINTEC*, as a tool for communicating with its stakeholders. An English version and two Chinese versions (simplified and traditional characters) of the magazine are also available. The magazine is distributed to all group employees as well as customers, suppliers, retirees, the media, and government offices. Group companies Madico and Lintec Korea each issue their own monthly newsletters in PDF format, which are also useful for promoting good communication in the workplace.

CSR Communication

In fiscal 2013, Lintec invited Mr. Toshihide Natori, Secretary of Global

Compact Japan Network to speak at the training session of Lintec new employees. He lectured about the "UN Global compact and CSR." CSR study meetings were also held in Lintec sites and group companies in Japan. A total of 1,065 persons participated in these meetings.



Lecture in new employee training

Shareholders and Other Investors

Active Promotion of IR*² Activities

Lintec carries out various IR initiatives with the aim of achieving appropriate share pricing and increasing corporate value. For institutional investors and securities analysts in Japan, the Company holds IR meetings and accepts media interviews each quarter. For institutional investors outside Japan, Lintec offers telephone conferences and participates in IR events arranged by securities companies, while making regular overseas visits to promote their understanding of Lintec. In order to provide information to individual investors and shareholders, Lintec continually enhances its IR website,

while also publishing a quarterly shareholder magazine. Once a year, a reader survey is included in the magazine, and the feedback received is used to improve the magazine's content and Lintec's IR initiatives.

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http://www.lintec-global.com/ir/

*1 Supplemental planting: Additional young trees are planted in places where previously planted young trees died.

In addition to distributing news releases to various media outlets concerning new products and events, the company welcomes requests for interviews as well as articles written by Lintec representatives. In fiscal 2013, the company issued about 20 news releases and granted



Environmental Management

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

Lintec Group Quality, Environmental and Business Continuity Policy

The Lintec Group newly established the Quality, Environmental and Business Continuity Policy, by adding a business continuity policy to the former "Lintec Group Quality and Environmental Policy." According to this policy, Lintec Group conducts environmental preservation activities with more concrete goals, including numerical targets for energy usage and CO₂ emission.

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

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

Integrated Certification for Environmental Management

The Lintec Group is pursuing acquisition of the global integrated certification*³ for ISO 14001. With the inclusion of Lintec Industries (Sarawak) in Malaysia in September 2013 and Lintec Advanced Technologies (Taiwan) in March 2014, integration of nine overseas group companies has been completed so far. The integrated certification now includes 22 sites: Head Office, 10 plants in Japan, Research Center, Tokyo Lintec Kako and these nine overseas group companies. The Lintec Group will continue group-wide environmental protection activities to pursue integrated global certification for ISO 14001.

Internal Environmental Auditing

Lintec conducts internal audits and mutual audits of its business sites, in order to confirm proper implementation of the Environmental Management System and legal compliance in these sites. The Group is

working to develop more lead auditors^{*4} who can conduct mutual site audits, and trained 16 new lead auditors in fiscal 2013, bringing the total to 164.

Lead auditors in charge of site mutual audits



Biodiversity Conservation Initiatives

As the destruction of the natural environment and the loss of ecosystems have progressed in recent years, the world is now faced with a biodiversity conservation crisis. The Lintec Group has incorporated biodiversity conservation into its Quality, Environmental and Business Continuity Policy. According to this policy, the Group has conducted its biodiversity preservation activities since fiscal 2013, led

Lintec Eco News for

communicating infor

on biodiversity

by 22 sites that acquired the ISO 14001 global integrated certification. Lintec will continue various activities, such as educational seminars, to promote the biodiversity preservation.



Environmenta Report

Social Report

Corporate Governance

Voice 10

Community-based biodiversity conservation activities

Tetsuo Shioya, Assistant General Manager, Production Department, Shingu Plant

The Shingu Plant in Hyogo conducts monthly community clean-up activities to conserve the biodiversity of the community. We clean up the neighborhood of the office, including the river and rice fields. In May 2013, we hosted an educational seminar entitled "Looking into Climate Change, Biodiversity and Life from the Hikami Corridor." Employees of the Shingu Plant also participated in the rice planting event (May) and harvesting event (September) hosted by an NPO of Tatsuno City (Hyogo Prefecture) "Tatsuno Society for Nurturing Red Dragonflies." The aim of this activity is to create an environment where the larva of dragonfly can grow. We will actively continue community-based biodiversity activities.





^{*3} Integrated global ISO 14001 certification: ISO 14001 certification covering multiple business sites worldwide as a single organization

^{*4} Lead auditor: an auditor certified to perform mutual site audits

WEE See the CSR website for more information on the following: Major Commendation for Environmental Activities, Major Exhibitions Lintec Participated in during Fiscal 2013, Plant/Facility Tours in Fiscal 2013, Environmental Compliance, Lintec Group Quality, Environmental and Business Continuity Policies



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

The environment

Efforts in Manufacturing

Status of Compliance with Japan's Energy Conservation Act

Energy use by the entire Lintec Group in Japan^{*1} exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated a "Specified Business Operator," pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit by 1 percent per year. In fiscal 2013, the Lintec Group in Japan implemented a variety of energy-saving measures. These included effective operation of production facilities, management of the air conditioning system, use of more LED lighting, management of compressed air, and capturing and utilizing waste heat.

Energy Savings Promotion Committee

To comply with the Energy Conservation Act, the Lintec Group in Japan collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. Based on these data, individual sites conduct their energy-saving activities. In fiscal 2013, the Committee discussed measures to reduce power consumption during summer and reduce fuel usage and other energy-saving issues. The measures discussed by the Committee were notified to individual sites to improve energy-saving activities at all business sites.

Total Energy Use and CO2 Emissions

In fiscal 2013, total energy use (crude oil equivalent) for the Lintec Group in Japan increased by 1.2 percent, compared to fiscal 2012, to 92,800 kl. This increase was due to the increased production volume. However, energy use per unit of production improved by 0.0057 kl per ton (1.65%) over fiscal 2012 to 0.3454 kl per ton.

In fiscal 2013, the CO₂ emitted by the Lintec Group was 202,700 tons, achieving the target CO₂ emission of 209,000 or less tons for the year.

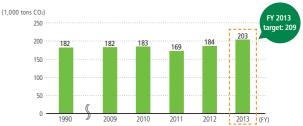
In fiscal 2014, Lintec aims to reduce its CO_2 emissions by 1.6 percent and its energy usage by 0.2 percent over fiscal 2013, on a per-unit of production basis.

Total energy use (crude oil equivalent)



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





Notes: 1. The amount of CO₂ emissions is calculated by applying a CO₂ emission coefficient to the amounts of electricity and fuel used.

Voice 11

CO₂ reduction activities to achieve annual target

Kazunori Hashimoto, Team Leader, Power Plant Section, Kumagaya Plant

Saitama Prefecture requires certain business operators to submit a CO_2 emission report certified by a third certifying organization. In the Lintec Group, this requirement applies to the Kumagaya Plant and the Research Center. In November 2013, both sites received examinations by a certifying organization for their CO_2 emission

volumes in the reference years (three years previously designated). By these examinations, their emission volumes were determined. We also set an annual target for CO_2 reduction. We are continuing our CO_2 reduction activities to achieve this target.



- *1 Lintec Group in Japan: Lintec Corporation and its sales offices; Tokyo Lintec Kako Inc.; Osaka Lintec Kako, Inc.; Printec, Inc.; Lintec Service, Inc.; Lintec Commerce, Inc.; and Renri. Inc.
- *2 Ton kilometers: a unit of measurement representing the volume of goods transported, determined by multiplying the ton weights of goods by the distance of transportation. One ton kilometers means that one ton of goods has been transported one kilometer.

The CO₂ emission coefficient for fiscal 1990 is the value specified in Article 3.1 of the Enforcement Order for the Act on Promotion of Global Warming Countermeasures in Japan as revised in December 2002. The CO₂ emission coefficients for fiscal 2009 and thereafter are the values specified in the same Order, as revised in March 2010. For the purchased electricity coefficients Lintec uses the emission coefficients provided by the power companies that supply electricity to the facilities concerned.
 The emissions shown above are CO₂ emissions from fossil fuels.

Governance Corporate

Waste-Heat Boiler for Efficient Energy Use

The Doi Plant and the Komatsushima Plant have used waste gas treatment units (RTO type) to treat volatile organic compounds (VOCs) generated in the plants. These units have waste heat boilers. Since

waste steam is collected and reused, CO₂ emission can be reduced. Similar systems were installed in the Chiba Plant in September 2013 and in the Shingu Plant in December 2013 as part of efforts to further reduce CO₂ emissions.



Waste-heat boiler installed in the Chiba Plant

Efforts in Distribution

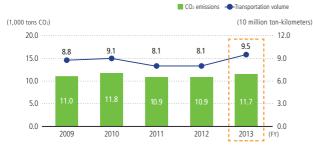
Lintec is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers annually*2. As a Designated Shipper, Lintec submits an annual transport-related energy conservation plan to the government, in accordance with this Act.

In fiscal 2013, CO2 emissions from transportation increased by about 2.4% from the previous year due to the increased production volume. However, energy use per unit of sales decreased by about 0.7%. Lintec will continue to improve its transportation efficiency.



Kumagaya plant makes effort to reduce transportation frequency

CO2 emissions and transportation volume



Product Development Initiatives

Guidelines for Environmentally Friendly Products

In February 2010, Lintec established guidelines for the development of new environment-friendly products, incorporating the concept of LCA*3. Based on these guidelines, Lintec developed 14 products in fiscal 2013, exceeding the target of 8 products. In September 2013, Lintec established guidelines for the development of "self-declared environment-friendly products" in accordance with ISO 14021*4 Lintec will continue to follow these guidelines to develop environment-friendly products.

Developing Products That Help Reduce Environmental Impact

The Lintec Group has positioned environmental and energy businesses as an important focus. Some of the main products are window films with superior heat insulation and film base label materials made of the same material as plastic containers. The high insulating window films will reduce consumption of electricity and other energies. The labels made of the same material as plastic containers will promote recycling and reuse of plastic containers on which the label is attached. Lintec is committed to development of products that help reduce environmental impact and save energy. It will also continue reduction of environmental impact in the designing process.

New Product for Higher Air-Conditioning Efficiency WINCOS REFTEL ZC05G NX/ZC06T NX

Lintec manufactures and sells WINCOS window film for buildings, with energy-saving and shatterproof features. In February 2013, new models of WINCOS series "WINCOS REFTEL ZC05G NX/ZC06T NX" were introduced on the market. By applying the WINCOS film on

windows, the solar radiation from outside is blocked and heat inside the building is maintained. The product can provide excellent solar insulation throughout the year. It blocks 99% of UV rays and also prevents shattering of window glass.



WINCOS REFTEL ZC05G NX/ZC06T NX applied to building windows

Voice 12

Act against global warming in our backyard

Te-Wei Chiang, Engineering Section, Administration Department Lintec Advanced Technologies (Taiwan), Inc.

In Lintec Advanced Technologies (Taiwan), Inc., we conduct environmental conservation activities. In addition to operations that comply with environmental laws and regulations, we also make environmental efforts in the back office, including power-saving, improving the recycling rate of office waste and reduction of paper use. We set the

temperature of the air-conditioning system to 26.5–28 °C, and put up posters with power-saving and water-saving slogans to enhance employees' awareness. We will continue these activities and promote visualization of legal requirements. We will act against global warming by doing what we can do in our daily operations in the office.



*3 LCA: See page 14. *4 ISO 14021: an international standard for "Environmental labels and declarations-Self-declared environmental claims (Type II environmental labeling)." A business operator sets its own standard and may place environmental claims on the labeling of a product which satisfy that standard.



WEB See the CSR website for more information on the following: Solar Power Generation, Energy Consumption in Physical Distribution, Efforts to Reduce CO₂ Emissions/Fuel Shift to LNG, Reduction of Lighting Power/Lintec (Suzhou) Tech Corporation, Use of Environment-Friendly Adhesive in Labeling Material



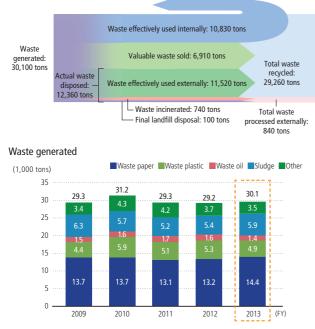
In order to help realize a recycling-oriented society, the Lintec Group is working to reduce waste. It is also striving to save water, reuse waste water, while complying with the effluent control regulations and improving the quality of effluent generated.

The environment

Amounts of Waste Generated and Effectively Used

In fiscal 2013, the amount of waste generated, including manufacturing loss, was 30,100 tons. The total waste output was 12,360 tons. Of this waste output, 11,520 tons were recycled by outside recycling companies and the remaining 840 tons were properly disposed of by waste disposal companies. The final landfill disposal rate*1 for fiscal 2013 was about 0.3%, which was higher than the target (0.2% or less). However, Lintec has continued to achieve "zero emission"*2 (final landfill disposal rate of 1.0% or less) since fiscal 2007. From fiscal 2014 to 2016, Lintec is aiming for a 0.1 percent reduction in the waste generated, compared to each previous year.

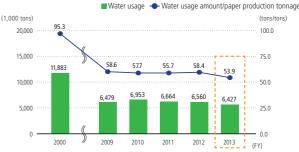
Fiscal 2013 waste flow



Water Usage and Water Conservation Measures

In fiscal 2013, Lintec used 6,934,000 tons of water. Of this amount, about 93 percent was used by the Kumagaya and Mishima plants, which are Lintec's papermaking facilities. These two plants made efforts to reduce water usage, resulting in a decrease of about two percent from the previous fiscal year. Their water usage per unit of paper production decreased by 4.5 tons per ton compared to fiscal 2012. As a water conservation measure, the papermaking division is reducing water usage in each process. Improvement of piping and measures to prevent water leaks were also implemented. In addition, it is attempting to reduce water use and effluent by reusing recovered water. From fiscal 2014 to 2016, the division aims to reduce its water usage per unit of paper production by 2 percent compared to each previous year.

Water usage (Kumagaya and Mishima Plants)



Reducing Effluent and Improving Effluent Quality

The total amount of effluent discharge by Lintec in fiscal 2013 was 6,666,000 tons. About 94 percent of this (6,235,000 tons) was released from the Kumagaya and Mishima plants. These plants are striving to reduce water usage and effluent discharge by improving the pipe line washing process during the papermaking. They will continue to renovate the water treatment facilities to further improve the effluent quality.

Voice 13

Our waste recycling effort received a city award

Toshihiro Iguchi, Manager, Plant Engineering Section, Tatsuno Plant

The Tatsuno Plant is seriously implementing 3R (reduce, reuse and recycle) initiatives to which all plants in the Lintec Group are committed. Our plant also makes leaf molds from branches and weeds clipped in the pruning of the trees on the

plant site for reusing them in the gardening of the plant. Moreover, we recycle and convert combustible waste materials into steam. These efforts were recognized and we were given an award by Tatsuno City.



- *1 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.
 *2 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.
- *3 PRTR (Pollutant Release and Transfer Register): a system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred.
- The system is based on Japan's Act on Confirmation, etc. of Release Amounts of

Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

- *4 PCB (polychlorinated biphenyl): The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law) mandates the proper storage, management, and disposal of wastes containing PCBs.
- *5 REACH Regulation: See page 22.

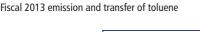


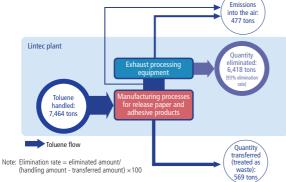
Reduction of Environmentally Hazardous Substances

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

PRTR*³ Compliance

In fiscal 2013, Lintec used eight substances that are subject to PRTR reporting. The total quantity of PRTR chemicals was 7,542 tons. Toluene accounted for the largest portion of this amount, at 7,464 tons, down 332 tons from the previous year (7,796 tons). Emissions of toluene into the atmosphere were 477 tons, down 6 tons from the previous year (483 tons), and the transferred amount was 569 tons, down 234 tons from the year before (803 tons).





Proper Storage and Management of PCB*4

Lintec securely stores and manages waste containing PCBs in accordance with the law. In fiscal 2012, it was reported that Lintec has 38 PCB-containing units of waste. Of these, six units containing low-concentration PCBs were properly disposed of in July 2013. In a subsequent inspection in March 2014, seven more units were found to include PCBs. Of these 39 units, nine are low-PCB concentration units (three) and fluorescent light ballasts (six). They are securely managed and stored in accordance with relevant laws.

Reducing VOCs (volatile organic compounds)

Transitioning to Solvent-free Release Agent

Lintec is working on switching to a solvent-free release agent for its release paper and solvent-free adhesive for printing-related adhesive products to reduce the amount of organic solvents it uses. In fiscal 2013, the percentage of solvent-free release paper (production basis) was 53 percent. The percentage of solvent-free printing-related adhesive products (sales basis) was 71 percent. The company has carried out measures to reduce atmospheric VOC emissions from two angles: product design and use of equipment to treat exhaust gases. The switchover to solvent-free agents has been completed for the

main products, and the installation of exhaust gas treatment equipment has also been completed. Numerical values will continue to be monitored, and the Company will continue reducing its environmental impact. Switchover to solvent-free agents (fiscal 2013 sales basis)



Complying with Regulations Concerning Chemical Substance Management and Environmental Preservation

Under the REACH Regulation*⁵, companies are required to provide information about using substances of very high concern (SVHC). As of December 2013, the list of SVHCs includes 151 substances. Lintec implements measures to comply with the REACH Regulation, examines substances with environmental impact in its raw materials and conveys the necessary information to customers. The management of substances contained in the products will become more important in the future. Lintec will improve the efficiency of management of these substances, comply with relevant regulations and make efforts to reduce the use of regulated substances and facilitate switchover to alternative substances.

Voice 14

We consider environmental impact in each product development process

Akihiko Takano, Section Chief, Research Planning Office Research Planning Department, Research Center

The Research Center has implemented various VOC reduction efforts. We switched materials containing organic solvents to emulsion-based*⁶ materials. In the initial stage of the development, we work to create designs free of environmentally hazardous substances. For environmentally considerate products in particular, we conduct LCA*⁷ assessments. In addition to "environment-friendly products," we work to incorporate environment-friendly design into all products we develop.



Corporate Governance



See the CSR website for more information on the following: 3R Activities (examples of "reduce," "reuse" and "recycle" activities), Flow of Process from Water Usage to Discharge, Effluent Quality at Kumagaya and Mishima Plants, Proper Storage and Control of PCB, Drills for Disaster and Chemical Leakage, Switchover to Solvent-free Agents in Printing-related Adhesive Products and Release Paper, Flow of Submission of Product Information

Environmental Report

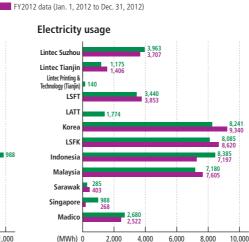
Environmental Activities of 12 Group Companies Outside Japan

The Lintec Group puts effort into environmental conservation activities at group companies outside Japan to fulfill its responsibility as a global company.

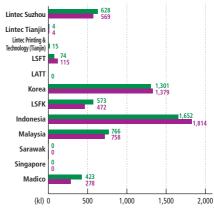
The environment

Environment Performance Data in Fiscal 2013 Below is the environmental performance data for the 12 Lintec Group companies outside Japan in fiscal 2013.

FY2013 data (Jan. 1, 2013 to Dec. 31, 2013) VOC emissions Lintec Suzhou Lintec Tianjin Lintec Printing & Technology (Tianjin 15 12 LSFT LATT 0 3.6 3.7 Korea 176 LSFK nesia Malaysia Sarawak Singapore 6.1 3.8 Madico (tons) 0 400 1,000 200 600 800



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



Notes: 1. VOCs = toluene and methyl ethyl ketone

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

LINTEC (SUZHOU) TECH CORPORATION

Location: Suzhou New District, Jiangsu Province, China No. of employees: 206

To cope with the increased electricity consumption resulting

consumption monitoring unit within the power distribution

from the completion of the second plant, we installed a power

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

> Zhang Xudong Engineering Department



room in the second plant, like the one already installed in the first plant. We control power consumption as part of our energy-saving efforts, by monitoring the power usage of each line.

Control screen of the power consumption monitoring unit

LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

Location: Xiqing Economy Development District, Tianjin, China No. of employees: 104 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

In November 2013, we held a study meeting on biodiversity, in which all employees participated. It was a valuable opportunity for us to learn about the ecosystem of animals and plants and their relationship with human beings, and to enhance our



awareness of the conservation of biodiversity



Zhang Kun

Quality Assurance Office



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

We conduct ongoing energy-saving activities, including switching the office lighting to LED. We also held a study meeting on "the Social Media Policy"* in September 2013 to enhance the awareness of all employees about CSR management



Jia Jun General Affairs & Personnel Divisi



LINTEC SPECIALITY FILMS (TAIWAN), INC.

maintenance. As a result,

we reduced energy-consumption by 41 kl (crude oil equivalent) compared to fiscal 2012

Location: Shanhua District, Tainan City, Taiwan No. of employees: 96 Main business activities: manufacture and sale of electronic- and optical-related products

Our plant uses natural gas to maintain the furnace temperature when we stop the operation of the emission treatment system. In this system, we installed additional energy-saving timer modes, monitored the fuel usage, and carried out proper

Emission treatment system

Ching-Shyang Tsai General Administration Department



* Social Medial Policy: See page 17

LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

Location: K.E.P.Z. Kaoshiung, Taiwan No. of employees: 67 Main business activities: manufacture and sale of electronic-and optical-related products

In March 2014, Lintec Advanced Technologies (Taiwan), Inc. acquired global ISO 14001 certification. We will continue efforts for energy and resource saving by further enhancing the environmental awareness of all employees.



Te-Wei Chiang Engineering Section Administration Department

LINTEC SPECIALITY FILMS (KOREA), INC.

Location: Pyeongtaek, Gyeonggi Province, Korea No. of employees: 123 Main business activities: manufacture and sale of electronicand optical-related products

In June 2013, we changed the method for treating the fluid waste discharged by the company. We now use a technique to convert it to fuel. As a result, our industrial waste recycling rate has improved and CO2 emissions were reduced.



System to convert liquid waste into fue

LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.

Location: Bukit Mertajam, Pulau Pinang, Malaysia No. of employees: 93 Main business activities: manufacture and sale of electronicand optical-related products

In May 2013, to enhance the awareness of recycling activities, a workshop to make soaps from used cooking oil was provided to employees. We will continue to enhance employees' environmental awareness and implement conservation activities

by using familiar topics we face in our daily life.



Recycled soap-making workshop

LINTEC SINGAPORE PRIVATE LIMITED

Location: Cyberhub, Singapore No. of employees: 85 Main business activities: manufacture and sale of products relating to printing materials and industrial materials and electronic- and optical-related products

Long before it acquired the global integrated certification of ISO 14001, Lintec Singapore recycled used paper. In 2013, we placed more focus on reduction efforts by individual departments and employees. We will continue this activity,



keeping up the employees' environmental awareness



Siti Hidayah Binti Ayob

Production Division

Cindy Soh

Human Resource

Dong-Kook Baek

Safety Section

Environment and

LINTEC KOREA, INC.

Location: Cheongwon-Gun, Chungcheongbuk-Do, Korea No. of employees: 71 Main business activities: manufacture and sale of electronic-and optical-related products

In October 2013, as part of our biodiversity conservation activities, 20 employees cleaned up the park near the plant. We will continue environment conservation activities and environmental education to enhance the biodiversity awareness



Park clean-up activity near the plant

PT. LINTEC INDONESIA

Location: Bogor, West Java, Indonesia

No. of employees: 330 Main business activities: manufacture and sale of products relating to printing materials and industrial materials

In December 2013, some of our employees participated in an educational workshop on biodiversity conservation, hosted by an external organization. Subsequently, the employees who participated in the workshop made in-house lectures to share



the knowledge they learned among all employees Based on the knowledge we learned, we will conduct more concrete environment preserving activities.

lin-Hee Kim Production Division

Ketut

Christina Teo

Finance and Administrative

Safety and

Environment Division

Biodiversity workshop

LINTEC INDUSTRIES (SARAWAK) SDN. BHD.

Location: Kuching, Sarawak, Malaysia No. of employees: 26 Main business activities: manufacture and sale of electronicand optical-related products

Lintec Industries (Sawarak) acquired global ISO 14001 certification in September 2013. We will further enhance our environmental awareness and pursue environment-friendly operations



ISO 14001 certificate and staff members

MADICO, INC.

Location: Woburn, Massachusetts, U.S.A. No. of employees: 272 Main business activities: manufacture and sale of printing materials and industrial materials

Madico was rewarded a Platinum Award by a large supplier for its activities in the packaging material recycling program for environmental conservation. In 2013, Madico continued enhancement of environmental awareness by recycling pallets, end plugs cores and other packaging materials totaling 113 tons.



Corporate

Environmental Report



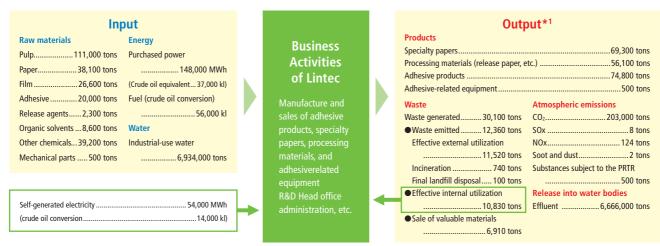
Relationship between Lintec and the Environment

Lintec is working to improve its manufacturing methods and production efficiency in order to reduce the environmental impact caused by waste, PRTR substances, and effluent released into the environment through these business activities.

 Material Flow and Calculation of Environmental Conservation Costs
 1. The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako. Other affiliates are not included.

 2. The data is for the period from April 1, 2013, to March 31, 2014.

Fiscal 2013 Material Flow 🕎



Environmental Accounting

Lintec uses environmental accounting to ascertain the costs and benefits of environmental protection, and continue to carry out environmental protection activities as effectively and efficiently as possible. In fiscal 2013, Lintec made environmental investments^{*2} totaling 308 million yen. The environmental costs^{*3} for the year were 2,897 million yen. The environmental investments decreased by 1,283 million yen because the major environmental facility investments (installation of co-generation systems and solar power systems) were completed in fiscal 2012. Environmental costs decreased by 307 million yen because the number of environmental response themes decreased to 13 from the 30 of fiscal 2012.

| | | | Equipment to be subjected | | Details of main initiatives | Expense |
|-----------------------------------|---|--|--|-----|---|---------|
| | 0 | Pollution prevention cost | | | | |
| 1. Business area cost | | a. Preventing air pollution | Installation of emission treatment systems and deodorizers | 85 | Management and maintenance of equipment to prevent air pollution | 504 |
| | | b. Preventing water pollution | Installation of waste water treatment and white water recycling systems | 42 | Management and maintenance of equipment to prevent water pollution | 115 |
| | | c. Preventing overall pollution | - | - | PCB and sludge disposal costs | 24 |
| | 0 | Global environmental conservation cost | | | | |
| | | a. Preventing global warming | Fuel conversion systems | 39 | Fuel conversion systems | 176 |
| | | b. Energy conservation | Recovery of steam decompression energy | 105 | Management and maintenance of in-house power generation equipment | 564 |
| | 8 | Resource circulation cost | | | | |
| | | a. Efficient utilization of resources | Loss paper handling system | 13 | Management and maintenance of wastepaper processing equipment | 30 |
| | | b. Treating, reducing, and recycling waste | Furnace boiler fuel solidifying system | 24 | Management and maintenance of incinerator and boiler equipment; waste processing | 38 |
| 2. Upstream/downstream cost | 0 | Collecting, recycling, and reusing byproducts | - | - | Collecting, recycling, and reusing pallets and roll cores | 6 |
| | 0 | Green procurement and purchasing | - | - | Purchasing environmentally friendly office supplies | |
| 3. Administration cost | 0 | Environmental education | - | - | Seminars and workshops | |
| | 0 | Monitoring and measuring environmental impact | Environmental measurement instruments | 0 | Analysis of product, air, and water quality | 3 |
| | 8 | Constructing environmental management systems and obtaining certification | - | - | ISO 14001 and forest certification investigation | |
| | 0 | Organizational management for environmental conservation measures | - | - | Administrative costs related to environmental conservation | 32 |
| | 6 | Environmental information disclosure | - | - | Preparation of the CSR Report; participation in the Eco-Products fair | 2 |
| 4. R&D cost | | | - | - | R&D relating to environmental protection | 30 |
| 5. Environmental improvement cost | | | - | - | On-site beautification | 2 |
| 6. Environmental remediation cost | | | - | - | Payment of pollution load levy | 1 |
| Total | | | - | 308 | - | 2,89 |

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

*1 Inside sales are not included in "Output" figures.

*2 Environmental investments: The amount of investments made during a year for the purpose of environmental conservation. Since the effect of the investments lasts for several years or longer, the invested amounts are recognized as costs over those years. *3 Environmental costs: Costs or losses arising from consuming goods and services for the purpose of environmental conservation

Social Report

Corporate Governance

Third-Party Opinion

Hiroyuki Tada

Japan for Sustainability

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



I read the Lintec Group CSR Report 2014, by carefully comparing it to reports of previous years. Fiscal 2013 was a year of great change for the Company with the appointment of a new CEO. In the presidents' message in this Report, Mr. Nishio stated, "I renew the belief that CSR should be pursued as a foundation for the LINTEC business," as a new CEO. I understand the CSR philosophy of the Company has not changed an inch.

The Lintec CSR is unique as it proudly links CSR with its medium-term business plan and management strategies which are the core of their businesses. In addition to the vigorous push of the top-down approach, Lintec established the "LINTEC WAY," ten principles to follow in nurturing Lintec's corporate motto. This is a great bottom-up approach to promote the idea of CSR among employees.

The two Highlight articles featuring the BCMS and social activities were very fascinating. Those Highlights strongly convey the Company's

solid determination to sincerely work on social responsibilities and continues the efforts.

In LIP-2016, the new medium-term business plan of Lintec, the top management recognizes that "global development" and "creation of innovative new products" are the top priority issues. In this sense, Lintec's CSR will face a critical point in terms of how much it can contribute to addressing these issues with specific solutions.

To realize the former issue, corporate governance must be strengthened on a group-wide scale. Looking into the organizational chart in page 16, I had an impression that some elements are missing. Governance is one of three pillars of ESG (environment, society and governance). Lintec should state specifically how it is going to establish a global governance system.

The latter issue is a core competence for a corporation and the lifeblood for surviving. A concrete strategy is necessary to organically connect this with CSR. Although Lintec's management philosophy "For tomorrow we build today" has not been referred to very often, I propose that this management philosophy should also be emphasized by connecting it with "Creativity."

The six basic CSR approaches need some modifications. The governance stated above should be incorporated. The issues "Safety, disaster prevention and health" may narrow the scope. It may be expanded to a wider scope of ES (employee satisfaction). In addition, like the ones set for the environment aspects, I would like to see more quantitative targets established regarding social aspects. I think these are the issues Lintec should work on in the future.

Response to Third-Party Opinion

Mr. Hiroyuki Tada has provided us with his third-party opinion since fiscal 2012. We appreciate his acknowledgment of our management policy built on the corporate motto "Sincerity and Creativity." We will continue to actively carry out CSR management based on a serious consideration of his comments. Lintec established the LINTEC WAY, CSR principles to be followed by Lintec people, in fiscal 2014. It represents the sense of values that all Lintec people should share and individually reconfirm so that Lintec achieves sustainable grow together with society. We will further convey these guidelines in CSR study meetings and other occasions.

As Mr. Tada pointed out, global development and creation of new products are extremely important issues for Lintec. With regards to the global development, we will continue to strengthen the governance organization, including establishing an international controlling company in Asia. As for the creation of new products, we will further expand the CSR Meetings that we started in fiscal 2012. Aiming to realize aggressive CSR, we will carry out workshops in which members from different departments across the organization will discuss solutions for social issues.

Regarding the modification of the basic CSR approaches, we plan to carry out activities related to materiality (material issues related to environment, society and governance), in which we will incorporate the measurable targets pointed out by Mr. Tada for the fiscal 2013 Report.

CSR is the foundation of Lintec's business management. We will continue our CSR efforts to achieve sustainable growth together with society.

Hiroyuki Nishio President and CEO

Editor's postscript

The Message from the President is about creating new business to meet society's expectation for the corporate motto "Sincerity and Creativity." Highlight 1 explains the Lintec's Corporate BCMS (business continuity management system), activities of individual sites and how the system was developed. We will continue further expansion of the BCMS. Highlight 2 introduces our community-based social activities. We will keep in close communication with stakeholders and continue CSR activities to meet social issues.



CSR Report 2014 production project members