



Linking your dreams
LINTEC CORPORATION



LINTEC

Sustainability Report 2023

Company Motto

Sincerity and Creativity

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

"Sincerity" means thinking about what can be done that will be of benefit and appreciated and tackling every task with all one's heart.

"Creativity" means working constantly to innovate and improve, seeking greater added value without being satisfied with the status quo.

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

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

LINTEC WAY

Important values supporting the company motto

Five Rules of Sincerity

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

Five Rules of Creativity

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

Reporting Policy

The LINTEC Group follows the company motto of "Sincerity and Creativity" when conducting its corporate activities. This report describes our performance in the area of sustainability, which has become a topic of high interest in recent years, mainly during fiscal 2022. The report selectively discloses information that is particularly important both for our stakeholders and the LINTEC Group. For more detailed information, please visit our Sustainability website.

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

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

Publication Date

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Guidelines Referenced

Sustainability Reporting Standards of the Global Reporting Initiative (GRI)

Environmental Reporting Guidelines (2012/2018) of the Ministry of the Environment of Japan

Environmental Accounting Guidelines (2005) of the Ministry of the Environment of Japan

ISO 26000 (Guidance on social responsibility)

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



SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



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Reporting Period

This report covers the period from April 1, 2022, to March 31, 2023 (fiscal 2022). It also includes some information up through July 31, 2023 concerning specific initiatives. Environmental data for group companies outside Japan covers the period from January 1 to December 31, 2022.

Organizations Covered

Environmental Report

LINTEC: LINTEC CORPORATION (Head Office, 10 production sites*, and Research Center) and TOKYO LINTEC KAKO, INC.
 LINTEC and group companies outside Japan: Sites listed above and overseas group companies
 LINTEC Group: LINTEC CORPORATION plus group companies in and outside Japan

Social Report Governance Report

LINTEC: LINTEC CORPORATION
 LINTEC Group: LINTEC CORPORATION plus group companies in and outside Japan

For information about the LINTEC Group, click the respective links below:

- LINTEC's sales, production and R&D sites in Japan
<https://www.lintec.co.jp/company/branch/>
- Group companies in Japan
<https://www.lintec-global.com/about/country/japan.html>
- Global network
<https://www.lintec-global.com/about/network/>

Note on the Fiscal Year of Consolidated Subsidiaries

The fiscal year of MACTAC AMERICAS, LLC, LINTEC (THAILAND) CO., LTD., and another 36 consolidated subsidiaries ends on December 31. As the difference between the fiscal year end of these 38 consolidated subsidiaries and the consolidated closing date is within three months, consolidated financial statements use each company's financial statements based on the fiscal year, and make necessary adjustments with regard to important transactions that occurred between the two accounting dates.

Verification of the Reliability of this Report

Data marked with ★ have undergone third-party verification by SGS Japan Inc. As a result of the third-party verification, no important issues that require correction were found.

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

Overview of the LINTEC Group

Global Network Supports Our Activities

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



Corporate Profile (as of March 31, 2023)

Company name	LINTEC CORPORATION
Head office	23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan
Website	www.lintec-global.com/
Established	October 1934
Capital	23.4 billion yen
Stock listing	Prime Market, Tokyo Stock Exchange (Securities Code: 7966)
Fiscal year-end	March 31
Representative	Makoto Hattori, Representative Director, President, CEO and COO
Number of employees	Consolidated: 5,418 Non-consolidated: 2,620

Sites	Sales offices: Iidabashi (Tokyo), Sapporo, Sendai, Hokuriku (Toyama Prefecture), Shizuoka, Nagoya, Osaka, Hiroshima, Shikoku (Ehime Prefecture), Fukuoka, and Kumamoto Production sites: Agatsuma (Gunma Prefecture), Kumagaya, Ina (Saitama Prefecture), Chiba (Chiba Prefecture), Tatsuno, Shingu (Hyogo Prefecture), Mishima, Doi, Niihama (Ehime Prefecture), and Komatsushima (Tokushima Prefecture) R&D facility: Warabi and Saitama (Saitama Prefecture)
Business activities	Development, manufacturing, and sales of adhesive products (adhesive papers and films for labels, marking films, window films, semiconductor-related tapes, optical function film, etc.); specialty papers (color envelope paper, color paper, special function paper, etc.); processing materials (release paper, release film, casting paper for synthetic leather, casting paper for carbon fiber composite material, etc.); and adhesive-related devices (labeling machines, semiconductor-related equipment, etc.)
Sales (fiscal 2022)	Consolidated: 284.6 billion yen Non-consolidated: 149.2 billion yen
Operating income (fiscal 2022)	Consolidated: 13.8 billion yen Non-consolidated: 4.1 billion yen

Non-financial and Financial Highlights

Social (non-consolidated)

■ Percentage of paid leave taken

72.7%



■ Number of participants in company-wide training programs^{*1} (total)

973 persons



Total training hours 3,518.5 hours

*1 Company-wide training: Collectively refer to rank-based programs and theme-based programs.



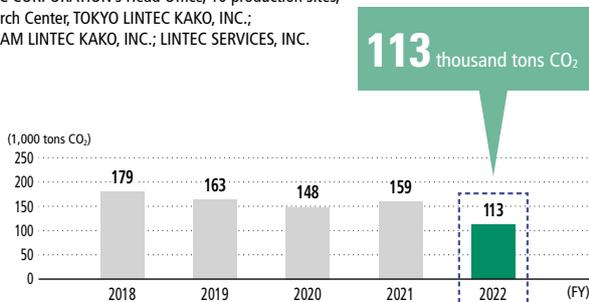
Sales by region



Environment

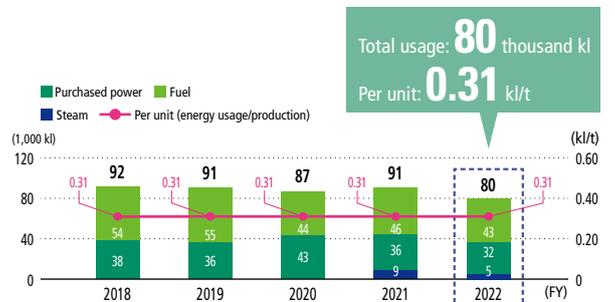
CO₂ emissions

Organizations covered:
LINTEC CORPORATION's Head Office, 10 production sites,
Research Center, TOKYO LINTEC KAKO, INC.;
SHONAM LINTEC KAKO, INC.; LINTEC SERVICES, INC.



Total energy use (crude oil equivalent)

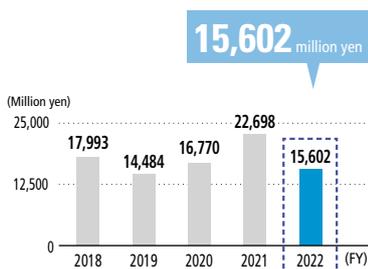
Organization Covered: LINTEC Group in Japan^{*2}



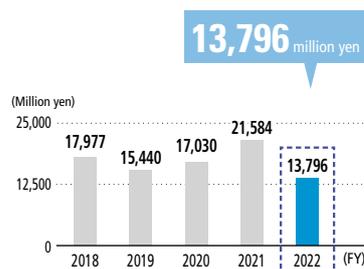
Note: Fuel means gasoline, light oil, kerosene, Bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

Financial (consolidated)

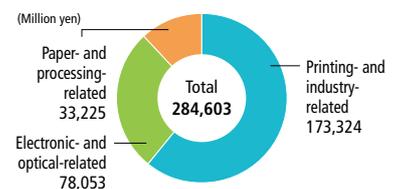
Ordinary income



Operating income



Sales by segment (fiscal 2022)



*2 LINTEC Group in Japan: LINTEC CORPORATION; TOKYO LINTEC KAKO, INC.; PRINTEC, INC.; LINTEC SERVICES, INC.; AND LINTEC COMMERCE, INC.

Building a robust corporate structure that enables growth even in a difficult business environment.

We strive to accelerate our initiatives for realizing our long-term vision "LSV 2030."



Makoto Hattori

Representative Director, President, CEO and COO
LINTEC CORPORATION



Message from the President

Looking back on FY2022, the second year of the Medium-term Business Plan

In April 2021, the LINTEC Group launched its medium-term business plan "LSV 2030 - Stage 1," covering three years ending in March 2024, as a milestone for the realization of its long-term sustainability vision "LSV 2030," targeting the year 2030. Given the excellent business performance in the first year of LSV 2030, the numerical goal for the final year was achieved ahead of schedule, and we made an upward revision to our management goal. However, the Russian invasion of Ukraine broke out in February 2022, triggering skyrocketing raw material and fuel prices on a global scale, and the high-interest rate policy accelerated in many countries to control inflation. As a result, our business environment deteriorated. Meanwhile, the Japanese economy saw an extremely moderate recovery on the back of poor personal consumption partly due to

rising prices reflecting the weaker yen.

In particular, since early autumn of last year, the electronic and optical products business has been adversely affected by the shrinkage in demand for smartphones and personal computers. Additionally, our U.S. subsidiary, which had performed well, also suffered a major impact from the deceleration of personal consumption on the back of rising interest rates.

Under these circumstances, the consolidated business results for FY2022 observed significant year-on-year decreases in operating income and ordinary income despite record-high net sales partly due to the effect of the acquisition conducted by a U.S. subsidiary and the impact of depreciation of the yen. Recognizing the significance of building a robust corporate structure that enables us to grow and make profits in any business environment, we will continue moving forward positively in a fresh state of mind toward the realization of our long-term vision.

Long-term Vision

LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030)

Basic Policy

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

Key Initiatives

1 Solve social issues

- (1) Environment
 - Help to shape a carbon-free world
 - Reduce CO₂ emissions (reduce by 50% or more by 2030 compared to FY2013)
 - Contribute to achieving a recycling-oriented world
 - Expand recyclable products (build release paper recycling system, etc.)
 - Reduce water consumption and comply with wastewater quality standards
 - Compatibility with the PRTR Act
 - Curb release of volatile organic compounds (VOC) into the atmosphere (zero by 2030)
 - Contribute to biodiversity conservation
- (2) Social
 - Respect human rights
 - Provide proper information disclosure to stakeholders and improve communication
 - Promote work-style reforms
 - Rigorously enforce quality and customer-first principle
- (3) Governance
 - Strengthen corporate governance
 - Further increase effectiveness of the Board of Directors
 - Appropriate information disclosure and ensure transparency
 - Constructive dialogue with shareholders and investors
- (4) SDGs^{*1}
 - Ensure that business activities help to achieve the Sustainable Development Goals

2 Foster innovation to build a robust corporate structure

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

3 Create new products and businesses to deliver sustainable growth

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

Financial indicators for the fiscal year ending March 31, 2030

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



Promoting digital transformation (DX) all at once for business process reform

We will proactively push DX as a measure to promote one of our key initiatives: "Foster innovation to build a robust corporate structure." First, it is necessary to internally disseminate basic knowledge on DX while introducing and making the most of various tools. Bearing this in mind, we will make company-wide efforts to work on business process reforms with a sense of speed. Given the importance of advancing all at once, we launched the digital promotion project "LDX 2030" in FY2022.

First, it is critical to implement educational programs to accumulate knowledge about DX, and employees with this specialized knowledge must then become leaders and deploy it throughout the company. DX also includes the effective use of artificial intelligence (AI). At the Research & Development Division,

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

Forecasts of consolidated business results for the fiscal year ending March 31, 2024 (year over year change)

Net sales	290 billion yen (up 1.9%)
Operating income	13.5 billion yen (down 2.1%)
Ordinary income	13.5 billion yen (down 13.5%)
Profit attributable to owners of parent	9.5 billion yen (down 17.5%)

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

Message from the President

we have begun efforts to develop human resources who are well versed in AI, to efficiently draw conclusions from the vast amount of data that has been accumulated, and to increase the speed of development. We believe that this initiative is extremely effective from the viewpoint of creating new added value.

In the past, when business continued to record steady growth, we focused on how the human resources matching such growth should be secured, allocated and assigned. However, under the current severe business environment, the key to growth lies in the creation of a business environment where human resources can maximize their potential. Technologies will be proactively introduced to areas in which operations can be automated by digitalization and robotics, with employees demonstrating their capabilities in areas where systems and robots cannot be used. In order to accelerate the strengthening of our corporate structure, we will swiftly and steadily promote DX.

Efforts to realize a carbon-neutral and recycling-oriented society

Recognizing that climate change has various kinds of impacts on our business activities, we consider this issue to be one of our material management challenges. Toward achievement of the goal of reducing CO₂ emissions by 50% or more compared to FY2013 levels by 2030, we will introduce non-solvent type production facilities, exhaust heat recovery boilers, cogeneration facilities, solar power generation facilities, etc. mainly by the Production Division as early as possible and ahead of schedule. Since FY2022, we have been positively working to improve information disclosure in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. We are also directing great efforts into the development, production and sale of environmentally conscious products with an eye toward a recycling-oriented society. For example, in the midst of the plastic-free trend, we are implementing various initiatives such as proposing "PLALESS PAPER CoC," our new water-resistant printing paper made by employing our specialty paper-making technologies, as an alternative plastic, which has been adopted by customers; and replacing the constituent materials of adhesive films with recycled plastic films and biomass adhesives.

In particular, from the perspective of promoting the recycling and reuse of objects to which labels are affixed, we have developed and proposed various products for more than 20 years based on the following two concepts: 1) Labelstocks that are recyclable without being separated from plastic molded items; and 2) Labelstocks that can be completely peeled off from containers, etc. In the previous fiscal year, we developed polyester-based adhesives made from the same material as PET containers, and launched them together with

films made from the same material as "Mono-material" labelstock. This product is attracting attention as an item that contributes to promoting the recycling of PET bottles. In addition to developing and proposing various eco-friendly products, we have also started full-scale efforts to build a recycling system for labels and release paper.

We participated in Japan-Earth Conscious Labelling (J-ECOL), which was established in June 2023 mainly by affiliated companies, focusing on the recycling of used release paper and dissemination and promotion thereof, support for the establishment of recycling technologies, and visualization and information transmission regarding the status of recycling. There is a limit to what a single company can do, so we believe it will be necessary for the entire industry to work together to build social infrastructure.

■ LINTEC Group's CO₂ emissions reduction target

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

Management that values employees as stakeholders

Our most valuable assets are all of our employees. Under the key initiatives listed in the long-term vision, we are promoting specific measures by setting KPI* for each theme such as occupational safety and health, diversity and work-style reforms. We have also revised the Employment Regulations by newly introducing the retirement-at-65 system, reemployment of those aged 65 to 70 for those who wish to continue to work, and other systems.

What I have always emphasized across the company is to create an open and free environment in the workplace. The corporate culture that values a family-like atmosphere has remained unchanged to date since I joined the Company. While both the number of employees and the organizations have expanded, we will continue to place high value on people-to-people connections and an atmosphere of frank communication. During the COVID-19 pandemic that lasted for three and a half years, we introduced teleworking and work-at-home systems. However, I don't think that our communications within the organizations were sufficient. Following the reclassification of COVID-19 to Class 5 in May 2023, people began to gather at offices and talk face-to-face, and I hear some people say they are happy to be back to this type of normal daily life. I understand that direct, face-to-face communication cannot be entirely replaced no matter how far systems have advanced. It is true, however, that remote working and work at

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



home also have advantages, and I do not see the necessity to make all employees commute to the office like we used to. Also, from the viewpoint of work-style reform, I believe we will be able to manage a hybrid-type work-style by making good use of the advantages of working at offices and remote working.

We also conducted an employee satisfaction survey, and the results are under examination. The leading role of a company is played by its employees. Therefore, we connect one measure to another while respecting each employee's way of thinking. Furthermore, by promoting DX, we will enhance the environment where people can demonstrate their unique abilities. We will develop human resources who can act with innovative ideas regardless of occupation and job class.

Status of progress on sustainability promotion activities

Toward the realization of the long-term vision, we will continue to strengthen the sustainability promotion system. We invited all Outside Directors as members of the Sustainability Committee (consisting of directors and executive officers), which was established in April 2021. I believe that the Committee has helped promote sustainability that enhances governance effectiveness by adopting opinions and recommendations frankly expressed from objective viewpoints based on each person's knowledge and experience concerning the appropriateness of how we position ourselves presently and the direction in which we are heading. In addition, we are working to reinforce the Sustainability Management Office, and are strengthening our system in terms of practical operations.

Considering the changes in various environments surrounding the LINTEC Group, we will promote sustainability management by reviewing materiality and indicators to further clarify our challenges, conducting risk analyses, and steadily implementing PDCA cycles through committee activities.

Toward the realization of "LSV 2030"

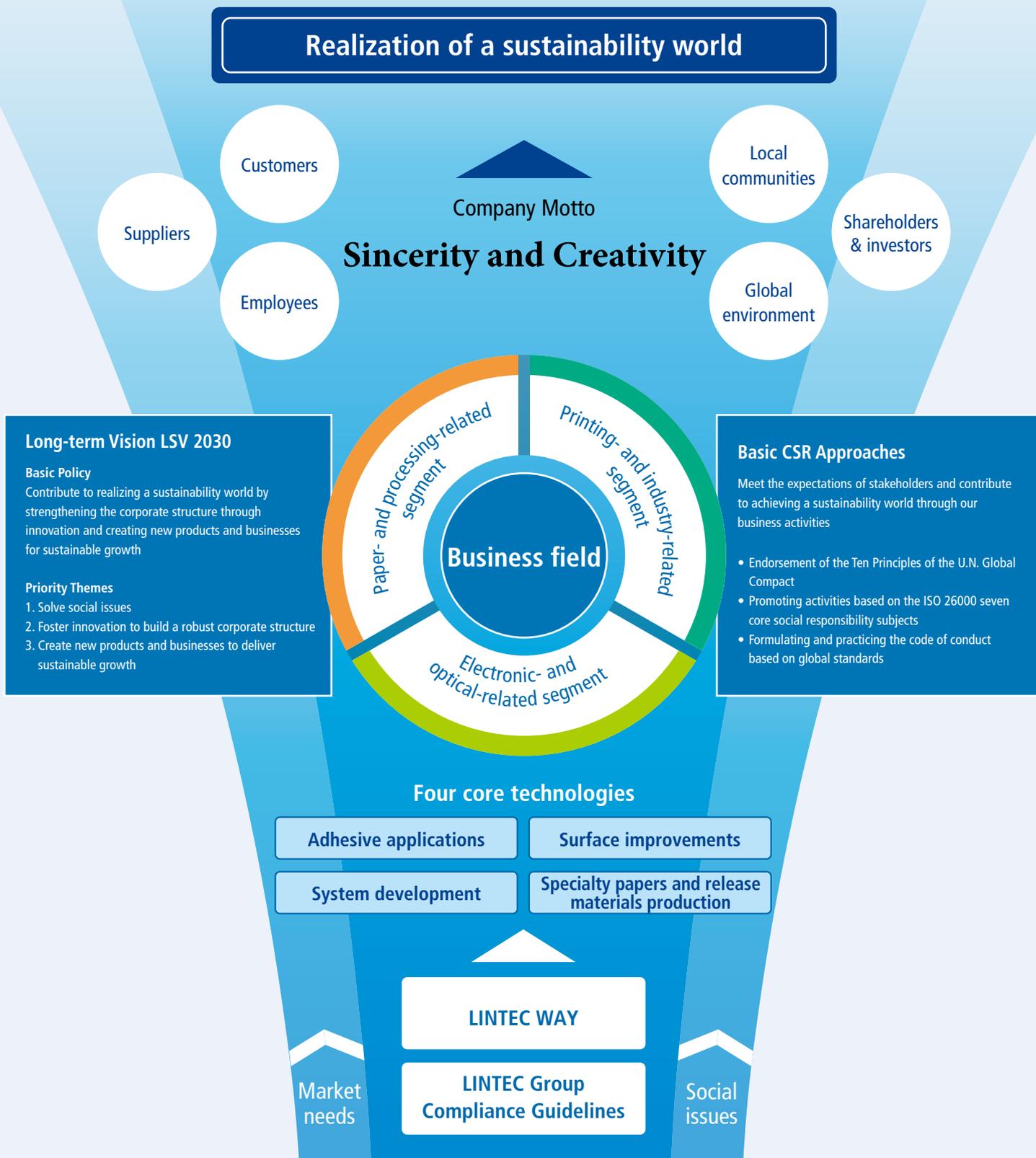
For the current fiscal year, it is expected that the business performance of the LINTEC Group will be significantly affected by chronically high raw material and fuel prices and sluggish demand for semiconductors and electronic component-related products. I believe that our capability of breaking down barriers with group-wide concerted efforts has been firmly cultivated even in this severe business environment. I am confident that each and every employee will steadily engage in and carry out our thoughts, purposes and procedures that are integrated into the long-term vision if such matters are allocated to their duties. In order to internally instill and firmly establish each key initiative listed in the long-term vision and our thoughts integrated therein, we will continue to use various opportunities and the media to deepen our employees' understanding of them. None of our efforts to achieve our long-term vision will be relaxed. Rather, I sometimes give instructions in many situations to advance a plan ahead of schedule, and sometimes make course corrections and start new measures, even if it is in the middle of the fiscal year. Furthermore, we will not just leave the key themes of our long-term vision unchanged until 2030, but will also consider changing them flexibly in line with changes in the business environment.

The LINTEC Group provides a wide variety of products, ranging from familiar goods such as labelstocks and color envelope paper to products used for construction, automobiles and electronics, by developing and integrating four core technologies consisting of adhesive applications, surface improvement, specialty papers and release materials production and system development. We are proud that values in daily life such as pleasure, comfort and convenience are provided through these technologies. Going forward, we will continue to contribute to the realization of a sustainability world by proposing and providing new products through our manufacturing business, and we would like to ask for strong support from all stakeholders.

The LINTEC Group's Approach to and Organization for Sustainability

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

Under the LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030), which spans the period through to the fiscal year ending March 31, 2030, the LINTEC Group will contribute to realizing a sustainability world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth.



United Nations Global Compact

The United Nations Global Compact (UNGC) is the world's largest sustainability initiative that brings together the United Nations and the private sector (companies and organizations) to build a healthy global society. The LINTEC Group supports and practices the following Ten Principles regarding protection of human rights, elimination of unlawful forms of labor, preservation of the environment and anti-corruption.

●Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

●Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

●Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

●Anti-Corruption

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

My Next Stage

The Global Compact Network Japan (GCNJ), which the LINTEC Group has participated in, is a global framework in which each company or organization acts as a good member of society by exercising responsible and creative leadership, to realize sustainable growth. GCNJ has 14 working groups engaging in various activities on human rights education, the environment, ESG, etc. under the initiative of member companies and organizations. The working groups offer opportunities for "open social innovation," where corporate workers learn the practices of other companies and collaborate and communicate with others. From LINTEC, 14 people, including myself, are participating in various working groups. At the human rights education working group, we take a year to discuss a specific theme with members from other companies and prepare materials that are not only available for GCNJ members but non-members as well.



Yasukazu Nakata
Corporate Strategic Office

Sustainability Promotion System

At the LINTEC Group, the company motto of "Sincerity and Creativity" is at the heart of all members and is the starting point of their activities to promote sustainability. To ensure successful implementation of these activities, we have established and reorganized committees and subcommittees. As of April 2023, there are five committees and five subcommittees.



Sustainability Promotion System

Sustainability Committee

The Sustainability Committee developed a basic policy for sustainability management promotion, conducted a progress review and monitoring of measures taken by subordinate committees and subcommittees, and provided instructions for improvement. Additionally, it examined and approved identified and reviewed materiality issues for the achievement of LSV 2030, and provided instructions for formulating a disclosure proposal in response to information disclosure recommendations by the TCFD. In fiscal 2022, it held four meetings concurrently with online meetings, with attendance of the 15 committee members reaching 100%.

Sustainability Disclosure Subcommittee

The Sustainability Disclosure Subcommittee made efforts for prompt and effective information disclosure to stakeholders as needed using disclosure materials, and websites, with a particular focus on further enhancing internal and external provision of information on sustainability management. In fiscal 2022, it held discussions for organizing information to be communicated in line with the new disclosure obligation on human capital, and promoted substantial review and examination of sustainability information and the contents of the integrated report for the next period. It also responded to surveys conducted by external evaluation organizations and top management was provided with feedback on evaluation results.

In addition to disclosure of conventional financial information, society demands a broad range of non-financial information that can lead to future financial information. In communicating LINTEC's business activities to society, the Sustainability Disclosure Subcommittee plays a key role in promoting information disclosure by the relevant departments.

Requirements for information disclosure, such as matters for disclosure, are expected to change along with social circumstances. Through subcommittee activities, we will strive to collect information even on newly required disclosure items so as to ensure consistency in our information disclosure. By continuously disclosing information through printed media, such as the securities report, integrated report, and sustainability report, and our company website, we aim to communicate how LINTEC contributes toward realizing a sustainability world.

Yoichi Shibano

Officer in charge of promoting
Sustainability Disclosure Subcommittee
Director, Managing Executive Officer,
Executive General Manager, Administration Division



Environmental Committee

The Environmental Committee conducts activities to achieve LSV 2030 based on the LINTEC Green Plan, formulated on the environmental issues of climate change, the circular economy, and co-existence with nature for the development of a sustainability world. Regarding climate change (decarbonization), to help the LINTEC Group achieve the target of cutting CO₂ emissions by 50% or more by 2030 (compared to fiscal 2013 levels), it manages the progress of the plan to reduce CO₂ emissions in and outside Japan. In fiscal 2022, steady progress was made due to factors such as capital investment made ahead of schedule and the introduction of green electricity. Regarding the circular economy, the committee disclosed the Targets for Emissions Reduction, Recycling, etc. under the Act on Promotion of Resource Circulation for Plastics at our website in March 2023, thereby promoting reduction of waste plastics, etc. For co-existence with nature, it is preparing a disclosure proposal based on the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations.

TCFD Subcommittee

In order to disclose information based on the TCFD recommendations, the TCFD Subcommittee expanded the time frame for examination from 2030 (medium-term) to 2050 (long-term) and established the image of society that LINTEC envisions. For domestic business, the subcommittee analyzed the scenarios of 2°C or below 1.5°C, and 4°C. Regarding strategy, it examines the "risks and opportunities, and countermeasures" that have a significant impact on business, reevaluates their financial impact and resilience, and renews the information to be disclosed.

The Environmental Committee, based on the long-term vision LSV 2030, formulated the LINTEC Green Plan aimed at realization of a sustainability world, and manages the progress of the plan for renewing various facilities for carbon free both domestically and internationally compared to fiscal 2013.

In preparation for disclosure of non-financial information toward realizing a carbon free world, the TCFD Subcommittee is advancing discussions toward achieving carbon neutrality by 2050.

To make LINTEC a company that will continue to be needed by society, we are working to improve its business activities through our committee activities by focusing on and examining various elements, with the aim of not only reducing CO₂ emissions but helping to realize a sustainability world and creating a vision for our future manufacturing.

In response to the TNFD recommendations for biodiversity, we will deploy initiatives to our production sites in Japan based on the initiatives implemented at the Kumagaya Plant.

Hiroyuki Matsuo

Officer in charge of promoting the Environmental Committee
Director, Managing Executive Officer,
Executive General Manager, Production Division,
and in charge of the Quality Assurance Division and
the Environment & Safety Division



Social & Governance Committee

In fiscal 2022, it confirmed the progress of internal briefings and various preparatory operations related to company-wide measures, such as the age 65 retirement system (operation started in April 2023) and the employee survey (introduced in January 2023), while also being committed to important individual themes, such as increasing the percentage of male employees who take childcare leave.

Corporate Ethics Subcommittee

The Corporate Ethics Subcommittee published Rinri Kawaraban, with the aim of fostering, disseminating and establishing business ethics, and created ethics awareness posters. It also presented examples of ethics-related cases from other companies with commentary in order to learn from them.

Social Contribution Subcommittee

The Social Contribution Subcommittee aims to help the LINTEC Group act as a good corporate citizen within its local communities and the global community by promoting realistic activities that will contribute to the sustainable development of society. Although some events were cancelled due to COVID-19, we carried out activities that we were able to at the time, such as sponsoring events to celebrate the 90th anniversary of the Itabashi city.

Diversity & Work Style Reform Promotion Subcommittee

Established on 1 April 2022, the Diversity & Work Style Reform Promotion Subcommittee aims to contribute to strengthening corporate structure by identifying internal and external needs, and by disseminating measures and programs and raising awareness about our diversity and work style reforms. This year, it produced and distributed the Handbook on How to Use Support Systems (Vol. 4) to provide easy-to-understand explanations of various HR systems.

Today, companies are required more than ever to serve as a public organ of society. In the aspect of "society," we are required to create a company that places respect for human rights at the center of its corporate activities, allows all members of the company to play active roles, and contributes to the sustainability of society as a whole. At LINTEC, I think it is necessary to develop a human resources strategy that is linked to the management strategy, and to promote so-called "human capital management." In terms of "governance," as the weakening earning power of Japanese companies has been pointed out, it is necessary to enhance management and communication capabilities by employing the opinions of outsiders. I think it is particularly important to continue to implement PDCA through an annual evaluation of the effectiveness of the Board of Directors and to examine corporate governance measures from the perspective of investors. The Social & Governance Committee is committed to discussing measures to achieve these goals and actively promote them through the three relevant subcommittees and departments in charge.

Tsunetoshi Mochizuki

Officer in charge of promoting the Social & Governance Committee
Director, Senior Managing Executive Officer,
Executive General Manager,
General Affairs & Human Resources Division



SDGs Committee

A group tasked with generating business ideas, and another group tasked with conducting in-depth research started their activities in July 2021. While both groups were restricted in their activities due to the pandemic, the former held a meeting to make recommendations, while the latter held a briefing to make proposals to management. As a result, a work flow was created to consult and collaborate with existing departments responsible for setting up new businesses, and to involve more people in promoting initiatives.

Aiming to contribute to solving various social issues through our mainstay business activities, the committee recruits members from across the company regardless of occupation, age, and gender to address the task of creating new business ideas.

I hope that the members will later communicate the knowledge, experience, examination techniques, etc. that they have obtained through this initiative at their own workplaces. By doing so, it is expected that efforts regarding SDGs will spread throughout the Group not as special actions but as ordinary ones.

Regarding the created business ideas, we hold discussions with the New Project Planning Office and the Next-Generation Technological Innovation Group, and promote their commercialization as products or businesses.

Takeshi Kaiya

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



Corporate Risk Management Committee

In fiscal 2022, the Corporate Risk Management Committee held six regular meetings and discussed a contingency involving Taiwan, and instructed the relevant departments to make preparations for an emergency. During periodic risk identification, the committee identified risks related to product sales from supervisors in sales and related departments, and implemented necessary response measures, such as enhancing product sales management.

The Corporate Risk Management Committee comprises members who are executive general managers and general managers of offices under the direct control of the president. The committee identifies various business risks in the era of VUCA*, comprehends their actual situation and discusses countermeasures, and provides feedback to business sites after reporting to and obtaining approval from the Sustainability Committee, thereby preventing problems from occurring.

In line with our company accelerating the global expansion of its business, we will continuously identify risks and opportunities while complying with the laws and regulations of relevant countries and understanding differences in business practices and cultures.

Takeshi Kaiya

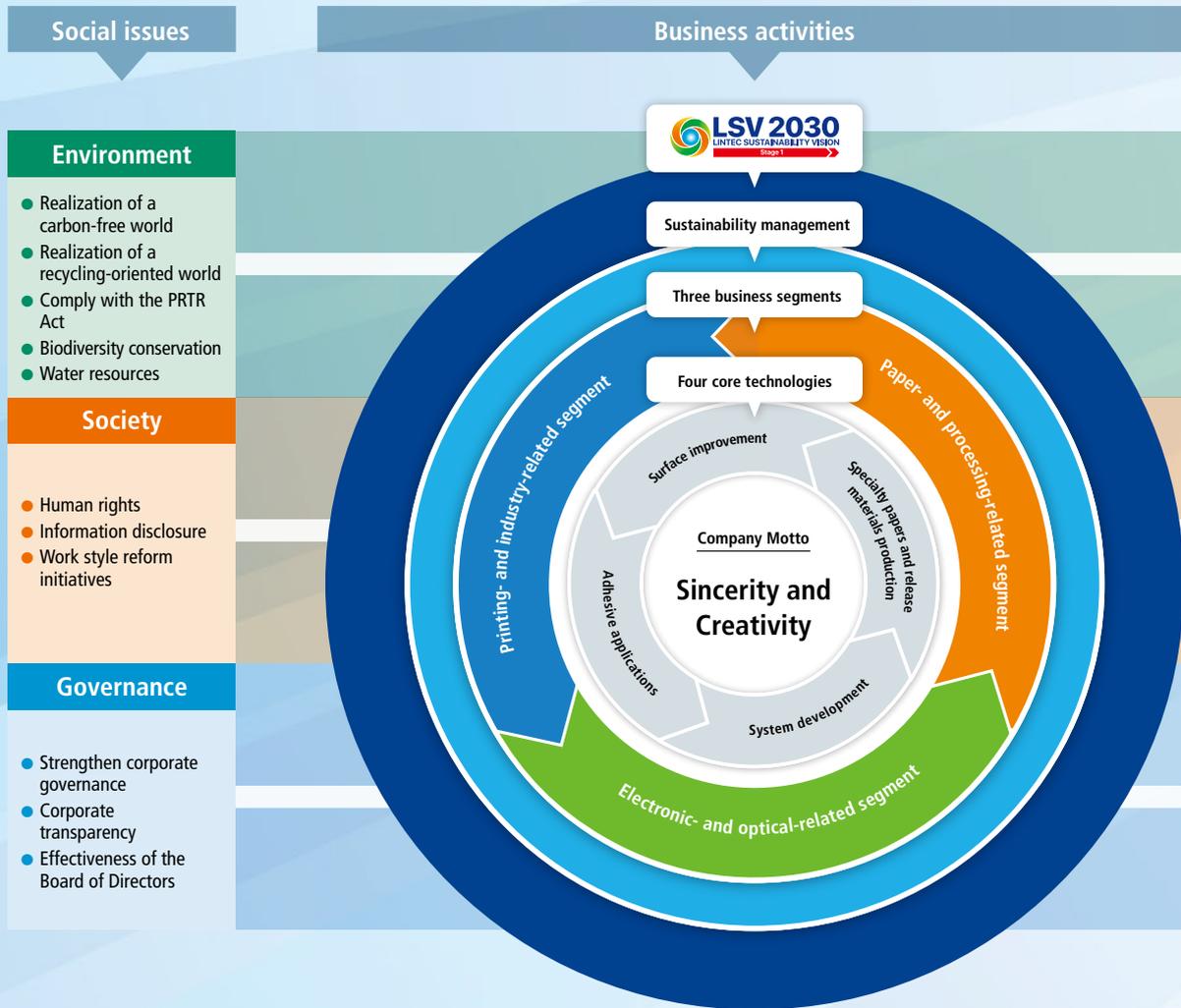
Officer in charge of promoting the Corporate Risk Management Committee
Director, Senior Managing Executive Officer,
Executive General Manager, Business Administration Division



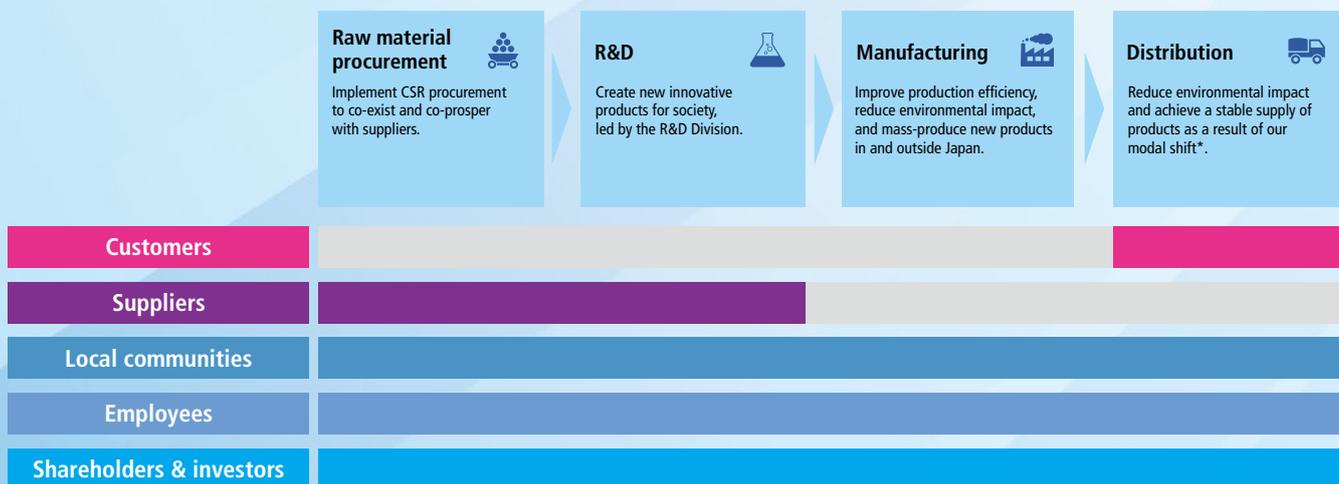
* VUCA: An acronym for Volatility, Uncertainty, Complexity and Ambiguity, describing the situation and the characteristics of a time in which it is difficult for society and business to predict the future.

LINTEC Group's Stories about Solving Social Issues

The LINTEC Group has identified its materiality (material issues) by relating various social issues to the LINTEC Group's business activities and stakeholders, and has also set key performance indicator (KPI) for their assessment. The progress of our business activities is assessed at each stage and reviewed and adjusted as necessary, taking into consideration changes in the social situation. By continuing this process, we will contribute toward the realization of a sustainability world.



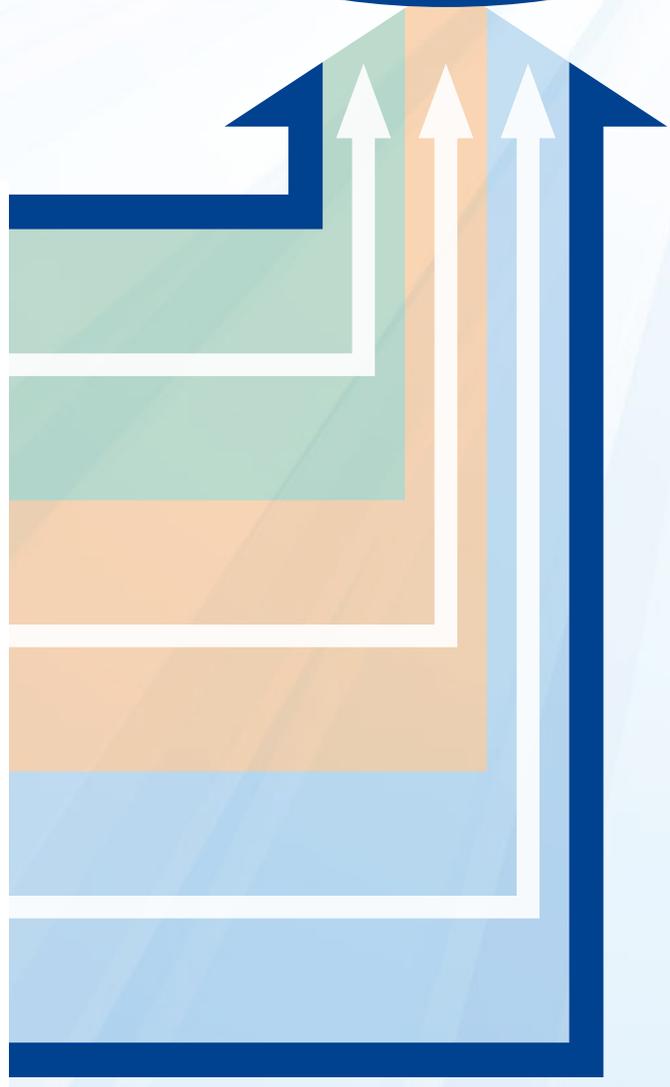
The correlation between the LINTEC Group's value chain and its stakeholders envisioned by the Group is as shown in the diagrams below.



* Modal shift: An initiative to reduce CO₂ emissions by switching from mainline transportation of passengers and cargo to rail and ship transportation, which are capable of mass transportation.

Realization of a sustainability world

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



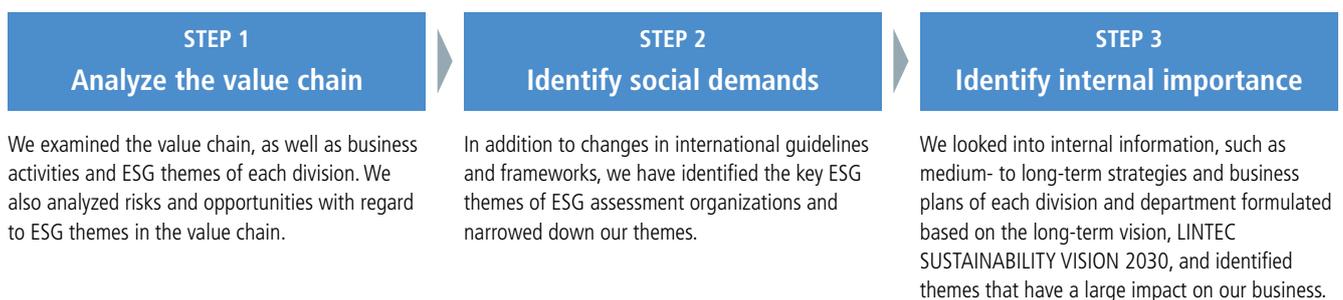
Materiality and KPI

In order to contribute to the realization of a sustainability world, the LINTEC Group has identified priority issues as materiality, and has also established evaluation indicators (KPI) to monitor its progress.

	Materiality	Issues to work on	KPI	
			Key items	
Overall business	Contribution through business	<ul style="list-style-type: none"> ● Strengthening of corporate structure through innovation ● Creation of new products and businesses for sustainable growth 	● Percentage of developed products in sales (20% by 2030)	
			● Number of patent applications/patents held	
Environment	Contribution to a sustainable global environment	<ul style="list-style-type: none"> ● Response to climate change ● Realization of a recycling-oriented world ● Sustainable procurement of raw materials ● Preservation of biodiversity 	● Reduction in CO ₂ emissions (Reduce group-wide emissions by 50% or more from 2013 levels by 2030)	
			● Landfill waste disposal rate (1% or less)	
			● Response rate of raw material supplier survey	
Society	Respect for human rights	<ul style="list-style-type: none"> ● Human rights due diligence ● Ensuring occupational health and safety ● Promotion of diversity ● Promotion of work style reform initiatives 	● Number of consultations regarding harassment	
			● Occupational accident frequency rate	
			● Occupational accident severity rate	
			● Percentage of female employees	
			● Percentage of childcare leave taken by male employees	
	Enhanced value chain management	<ul style="list-style-type: none"> ● Comprehensive customer-first approach ● Improvement in terms of quality, cost, and customer satisfaction 	● Number of responses to CSR survey	
● Percentage of quality incidents				
Better communication with stakeholders	● Harmonious co-existence with local communities	● Number of site tours offered		
Governance	Promotion of governance across the entire Group	<ul style="list-style-type: none"> ● Organizational governance ● Fair business activities 	● Attendance at Board of Directors meetings	
			● Attendance at Audit and Supervisory Committee meetings	
			● Periodic publication of Legal News	

For more detailed information, please visit our Sustainability website below:
<https://www.lintec-global.com/sustainability/philosophy/>

Process of Reviewing Materiality



	Results	Organizations covered	Related SDGs
	21.4%*	LINTEC CORPORATION	
	Number of patent applications: 260* (FY2022) Number of patents held: 2,757* (as of March 31, 2023)	LINTEC CORPORATION	
	39.7%	LINTEC CORPORATION Group companies in and outside Japan	
	0.36%	LINTEC's Head Office, ten production sites and the Research Center, and TOKYO LINTEC KAKO, INC.	
	The survey was not conducted in FY2022. Based on the results of the survey conducted in FY2021, requested improvement on 11 matters*.	LINTEC CORPORATION	
	2 cases*	LINTEC CORPORATION Group companies in and outside Japan	
	0.76*	LINTEC's ten production sites and the Research Center, and TOKYO LINTEC KAKO, INC.	
	0.0142*	LINTEC's ten production sites and the Research Center, and TOKYO LINTEC KAKO, INC.	
	14.4%*	LINTEC CORPORATION	
	59.7%*	LINTEC CORPORATION	
	181 cases*	LINTEC CORPORATION	
	31%* Decreased to 15 in FY2022 from 49 in FY2010	LINTEC CORPORATION (excluding the Ina Technology Center), TOKYO LINTEC KAKO, INC., and SHONAN LINTEC KAKO, INC.	
	30 cases*	LINTEC CORPORATION and TOKYO LINTEC KAKO, INC.	
	100%	LINTEC CORPORATION	
	100%	LINTEC CORPORATION	
	6 times	LINTEC CORPORATION	

STEP 4
Identify material issues

We identified material issues by using a map that shows societal needs and internal importance and discussing areas that are relevant in deciding the importance.

STEP 5
Set KPI

Based on the identified materiality, we set performance indicators for our activities and proceed with implementation.

Contributing to a Sustainable Global Environment

WEB For more detailed information, please visit our Sustainability website.

LINTEC Environmental Report



LINTEC Group’s Approach

The LINTEC Group aims to achieve harmony between its corporate activities and the global environment. We are promoting various initiatives under the slogan “The Earth is one, so let’s strive for a comfortable environment from a broad perspective.”

LINTEC Group Quality, Environmental and Business Continuity Policy

The LINTEC Group sets forth its Basic Policy in the LINTEC Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group has drawn up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each.

Environmental Management System

Based on the LINTEC Group Quality, Environmental and Business Continuity Policy, the LINTEC Group proactively works on conservation of the global environment. With regard to worldwide integrated ISO 14001 certification, in fiscal 2022, we underwent a renewal audit and received a certificate of approval (Issue 16). We have been promoting information sharing among 12 domestic sites and 10 overseas sites covered by the integrated certification. We also underwent third-party verification regarding electric power purchased, production water usage, CO₂ emissions, waste discharge, and VOC^{*1} atmospheric emissions. The verification found no important issues requiring correction. For biodiversity conservation, we continue to engage in relevant activities, such as tree planting and beach cleanups. To reduce marine plastic waste, LINTEC CORPORATION has also been a member of CLOMA^{*2} and is making efforts as a corporate citizen to propose and promote environmentally friendly products.

LINTEC’s Medium-term Targets (FY2020-FY2022) and Results in the Environmental Field

Scope: LINTEC CORPORATION

Item	Target	FY2022 results (year-on-year reduction)
CO ₂ emissions	1% reduction from the previous year (per unit of production)	18% improvement Achieved
Electric power consumption	1% reduction from the previous year (per unit of production)	1.7% increase Not achieved
Production water usage	1% reduction from the previous year (per unit of production) (Paper production at the Mishima and Kumagaya plants)	7.6% improvement Achieved
Waste discharge	0.1% reduction from the previous year	11% improvement Achieved

*1 VOC: VOC stands for volatile organic compounds. VOC collectively refers to organic compounds that become gas in the atmosphere.
 *2 CLOMA: CLOMA stands for Clean Ocean Material Alliance. It is a platform to promote the sustainable use of plastic products and development and introduction of plastic alternatives, and to accelerate innovation through public-private partnerships, toward the reduction of marine plastic litter. CLOMA was established under the initiative of the Ministry of Economy, Trade and Industry.

Response to TCFD Recommendations

In fiscal 2021, we considered “risks” and “opportunities” related to climate change at a TCFD taskforce with a target period of 2030 (medium-term). In fiscal 2022, we expanded the TCFD subcommittee to include new members and added a long-term period targeting 2050 (long-term) and analyzed the 4°C, 2°C and 1.5°C or lower scenarios while advancing the formulation of a global vision for domestic businesses. As a result, we identified and revised “transition risks and physical risks,” and “opportunities” in accordance with the TCFD recommendations.

Furthermore, regarding financial impact, we calculated quantitative impact and examined its degree of impact on business and countermeasures, and worked to improve the disclosed information on “strategy” both qualitatively and quantitatively.

My Next Stage

Within MACTAC, Simply Sustainable is more than a brand. It’s our initiative to choose environmental best practices so they can be ingrained in everything we do and simply become a part of who we are. And it simply starts with building a culture that values and celebrates responsible innovation. We accomplish this through focus on our four main sustainability pillars — sourcing, manufacturing, R&D, and diversity and equal rights.

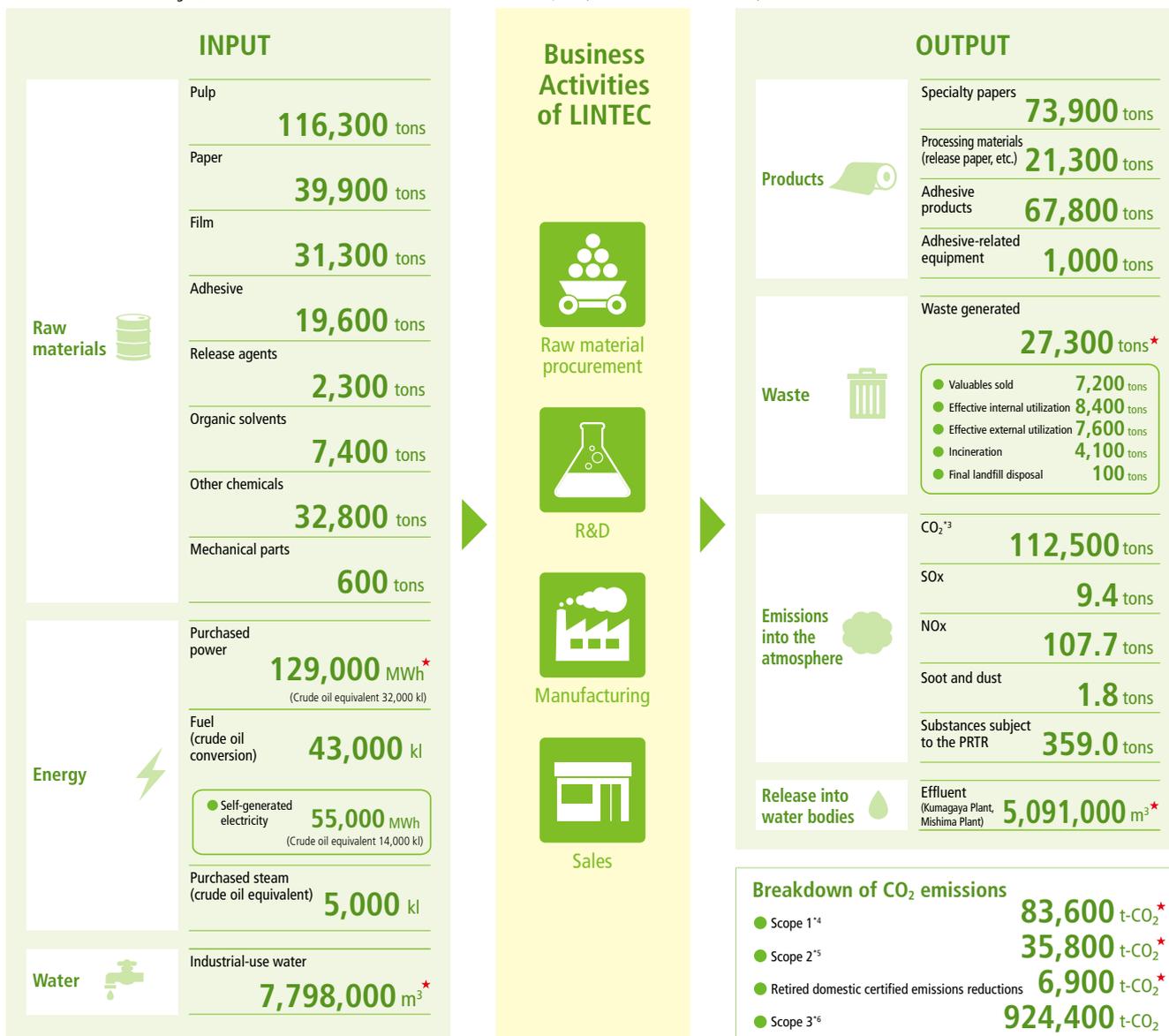
In our manufacturing facilities, it is a two-fold focus, on waste and CO₂ reduction. Coated product waste is either recycled or sent to waste-to-energy plants. We maximize our efforts to minimize our waste production and streamline our production process to reduce our carbon footprint. We’ve also made significant investments in our CO₂ reduction journey, such as LED lighting installation within our coating facilities (completed in 2022) and our finishing facilities (to be completed in 2023). Updating the lighting not only decreases our CO₂ emissions, but it also reduces maintenance time, waste disposal on used bulbs, and creates a better lit environment for our employees.

Simply Sustainable
<https://www.mactac.com/Simplysustainable>



Christina Barajas
 Sustainability Manager,
 MACTAC AMERICAS, LLC

Material Flow Organizations covered: LINTEC CORPORATION and TOKYO LINTEC KAKO, INC. (other affiliates are not included)



Calculation of Scope 3 (excerpted)

Relevant guidelines^{*7} were referenced for the calculation. The table below outlines the five categories with largest CO₂ emissions.

For details, refer to: <https://www.lintec-global.com/sustainability/environment/relation/>

Category item	Organizations covered	FY2022 (t-CO ₂)
Category 1	Purchased Goods and Services LINTEC CORPORATION	719,374
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 LINTEC CORPORATION, SHONAN LINTEC KAKO, INC., TOKYO LINTEC KAKO, INC.	38,595
Category 4	Transportation and Distribution (Upstream) LINTEC CORPORATION, SHONAN LINTEC KAKO, INC., TOKYO LINTEC KAKO, INC.	37,326
Category 5	Waste Generated in Operations LINTEC COPORATION (excluding Ina Technology Center), TOKYO LINTEC KAKO, INC.	54,790
Category 12	End-of-Life Treatment of Sold Products LINTEC COPORATION	57,964

*3 SHONAN LINTEC KAKO, INC. and LINTEC SERVICES, INC. are included in the calculation.

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

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

*6 Scope 3: While Scope 1 and 2 greenhouse gas (GHG) emissions are generated by the reporting company, Scope 3 GHG emissions are generated by other companies in the reporting company's value chain.

*7 The guidelines below were used for the calculation. We will continue to improve calculation accuracy.

- Technical guidance for Calculating Scope 3 Emission-Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard (GHG protocol (WRI / WBCSD))
- Database of emissions unit values for accounting of greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver. 3.1) (Ministry of the Environment, Ministry of Economy, Trade and Industry)
- IDEA Ver.3.1 (for calculation of supply chain greenhouse gas emissions)

Contributing to a Sustainable Global Environment

WEB For more detailed information, please visit our Sustainability website.

LINTEC Environmental Report



Realization of a Recycling-oriented Society

In addition to conventional efforts to reduce the amount of waste generated through continuation of the 3Rs (reduce, reuse and recycle), we are working to improve the efficient use rate of waste by introducing a finer classification of waste, thereby promoting circulation of resources.

Circular Economy

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

Initiatives to Preserve Biodiversity

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

The Tatsuno Plant in Japan maintains and monitors conservation-listed deep-veined maple trees and uses red robin trees for greening purposes. The Chiba Plant covered the west wall of its warehouse with a green curtain in June 2022 for the first time. Vines were seen to grow over four meters in length, as shown in the photo taken in August. We will continue to promote these activities that are close to us.



Deep-veined maple at the Tatsuno Plant



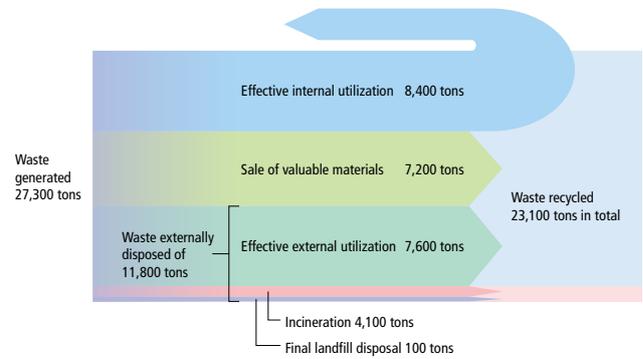
Green curtain at the Chiba Plant

Efforts for Zero Emissions*

We make efforts to achieve a zero landfill disposal rate, including identifying the disposal method of each disposal firm (material recycling, thermal recycling, landfilling) and searching for firms capable of their effective use, switching to recyclable raw materials, and fine classification of waste.

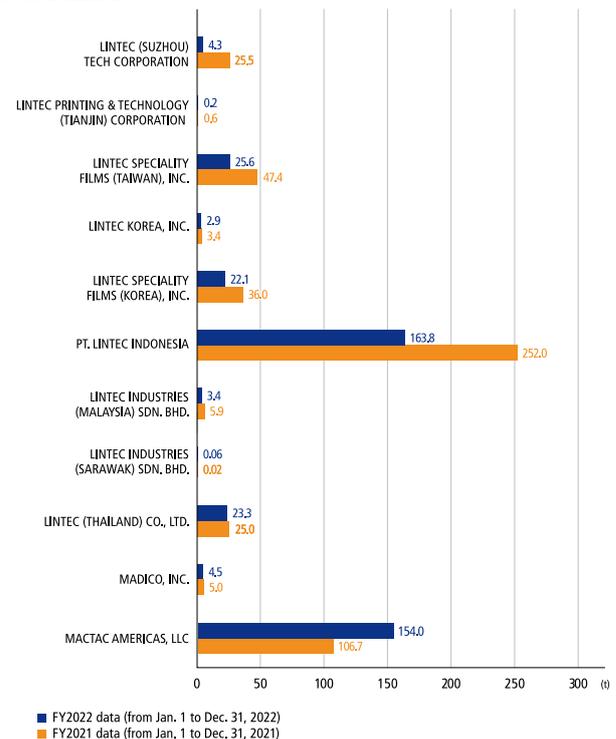
Flow of waste (FY2022)

Organizations covered: LINTEC CORPORATION (Head Office, 10 production sites, and Research Center) and TOKYO LINTEC KAKO, INC.



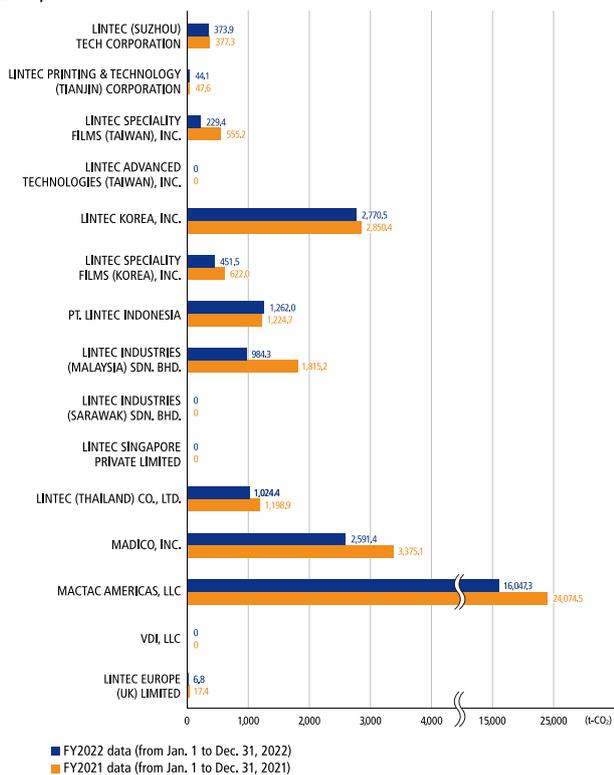
Environment Performance Data in Fiscal 2022

VOC emissions

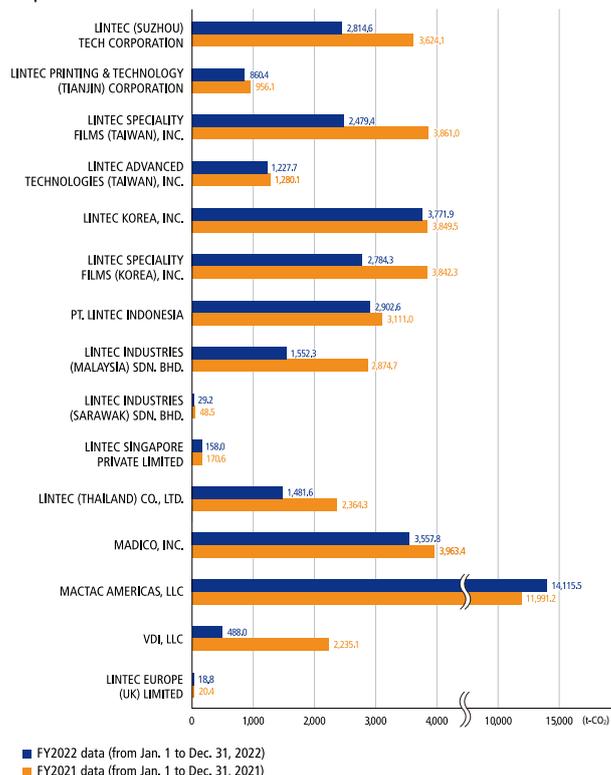


* Zero emissions: LINTEC's standard is a final landfill disposal rate (= Final landfill disposal amount / Amount of waste generated × 100) of 1% or less.

Scope 1



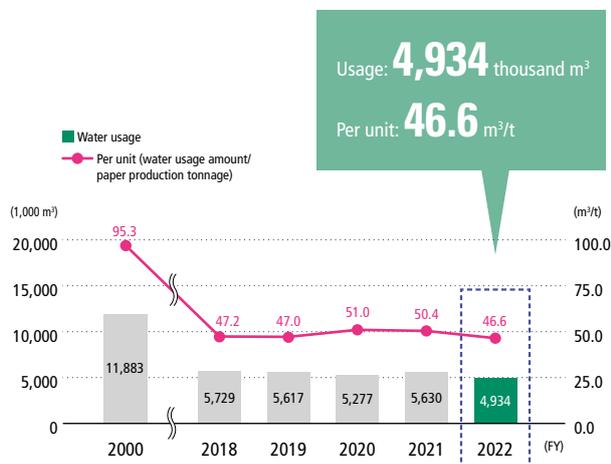
Scope 2



Other Environmental Data

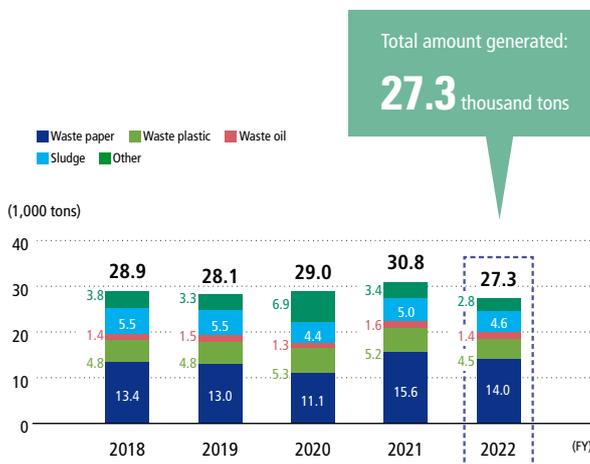
Water usage

Organizations covered: Western paper production sections of the Kumagaya Plant and Mishima Plant



Waste generated

Organizations covered: LINE TEC CORPORATION (Head Office, 10 production sites, and Research Center) and TOKYO LINE TEC KAKO, INC.



Initiatives for Reduction of CO₂ Emissions

As one of the key initiatives of the long-term vision "LSV 2030" is to "Solve social issues," the LINTEC Group is dedicated to initiatives for the environment, making group-wide concerted efforts. In this highlight, let me explain some initiatives that are being conducted by the Production, Research and Sales Divisions concerning measures to reduce CO₂ emissions aiming at achieving "carbon neutrality" by 2050, and "curbing the release of volatile organic compounds (VOC) into the atmosphere (zero by 2030)."

Production Division

Formulating a Capital Expenditure Plan in Line with the Long-term Vision

Recognizing the reduction of CO₂ emissions as materiality, the LINTEC Group implements various measures from the aspect of production facilities, and formulates and promotes capital expenditure plans on a global scale, including overseas Group companies, in line with the medium-term business plan under the long-term vision "LSV 2030." As for "LSV 2030 - Stage 1 (FY2021 to FY2023)," we plan to invest approximately 8.8 billion yen in the introduction of photovoltaic power generation systems for captive consumption and the improvement of various production facilities, totaling approximately 19.5 billion yen up to FY2030, the final year of "LSV 2030 - Stage 3." And, together with the reduction of emissions, we are also considering pursuing cost-effectiveness as a company.

Stage 1

(FY2021 to FY2023)

- Implement the plans with expected cost reduction effects, such as introduction of photovoltaic power generation systems for captive consumption and exhaust heat boilers to regenerative thermal oxidizer (RTO) facilities in addition to sizer^{*1} and shoe press^{*2}.
- Facilities planning to enable unified management (visualization) by promoting digitalization of utility-related fields
- Realize the plans taking into consideration the increase in CO₂ emissions due to implementation of the restructuring plan and the amount of CO₂ emissions reduction as a result of the energy-saving plan (a reduction of 1.0%).

Stage 2

(FY2024 to FY2026)

- Promotion of the plans for the introduction of gas cogeneration systems, which is an ongoing agenda item due to the need to switch to city gas and other reasons, and the introduction of direct-fired boilers to treat all volatile organic compounds (VOC).
- Promote green electric power contracts while confirming the power price and power emission factors.

Stage 3

(FY2027 to FY2029)

- Pay close attention to information and consider moving toward the shift to new fuels such as methanation and hydrogen.
- Optimize the balance of energy with a view to switching from solar power generation (selling electricity for 20 years) to a self-consumption type.

Introduction of New Facilities in FY2022

CO₂ emissions for FY2022 in the entire LINTEC Group were 177,928 t-CO₂, a decrease of 39.7% compared to FY2013. A large volume of CO₂ in particular is discharged in the drying process of the paper machine when specialty paper is made. As a result of the introduction of a shoe press at the Kumagaya Plant (Saitama Prefecture), the main production base, and a sizer at the Mishima Plant (Ehime Prefecture), it is expected that both energy use and CO₂ emissions will be further reduced.

We also focus on the introduction of photovoltaic power generation systems for captive consumption, introducing them to the Tatsuno Plant, Kumagaya Plant, Doi Plant and Komatsushima Plant in FY2022. An annual reduction of 1,000 t-CO₂ is expected. We have completed the introduction of this system at almost all production bases in Japan, and we will continue to introduce it as much as possible. Other than the above, we have implemented various measures for the reduction of CO₂ emissions such as a review of production processes, renovation of the exhaust heat recovery method, introduction of highly efficient boilers, and stopping the use of solvents.

Toward the Achievement of Our Goals

In FY2023, the final year of "LSV 2030 - Stage 1," we will review and optimize the plan by examining the actual quantity reduced and conducting interviews at each plant with the aim of putting into practice more effective reduction measures toward Stages 2 and 3. In parallel with the above, we are considering countermeasures to prevent in advance the increase in emissions as a result of energy saving through "scrap and build," which is to be implemented at plants in the future, and innovation of production processes for the purpose of higher quality, higher efficiency and labor-saving. We also plan to realize carbon neutrality at some plants prior to achieving the goals in FY2030. Going forward, we will proactively implement LINTEC's group-wide concerted efforts to respond to rising demands.

*1 Sizer: Equipment for lightweight coating (applies chemicals to the surface of the sheet as necessary) shortens drying time, which helps reduce energy usage the dry process.

*2 Shoe press: Equipment capable of squeezing more water out of the sheet than before, This helps increase dehydration efficiency and reduce energy usage in the drying process.



Photovoltaic panels introduced at the Kumagaya Plant



Actual reduction of CO₂ emissions by the LINTEC Group



Koumei Terakawa

Production Division

Research & Development Division

Expected Environmental Friendliness and Promotion of Development

We understand that the value of research & development work is to create performance that is required or will be required at an acceptable cost. This is the value that a product must have, but we believe that environmental friendliness should be added as well.

LINTEC's Development of Hot-melt Type Adhesives Contributing to the Reduction of CO₂ Emissions through the Non-use of Organic Solvents

There are various methods and means when it comes to environment-friendly treatments. Among them, the "HVT Series" is a hot melt adhesive*³ that does not use organic solvents in the manufacturing process. Emulsion-type adhesives are the same in terms of environmental friendliness in that they do not use organic solvents, but each has its own advantages and disadvantages, allowing them to complement each other and serve a wide range of product areas.

Toward the Achievement of Our Goals

As mentioned above, in addition to continuing to consider the elimination of organic solvent use, we would like to realize development in which we will be able to propose replacement with more environment-friendly products, not to mention continuing to work to reduce the thickness of the base material and develop adhesives that use a smaller coating quantity by proactively selecting bio-mass materials. Many products I develop are familiar items we see and touch in our daily life, and I feel that, for example, "there will be no problem if a plastic item is replaced by a paper item for a specific use." I would like to continue to develop eco-friendly products while making use of these daily experiences.



Takahiro Tsuyusaki

Product Research Department
Research Center of the Research &
Development Division

Business Administration Division

Proposals for Environment-conscious Products to Satisfy Diversified Customer Demands

Toward the realization of a sustainability world, environmental awareness has risen in various fields, and needs for environment-friendly labels for a variety of products have also been increasing.

In order to meet the various needs of our customers to reduce their environmental impact, LINTEC offers a wide lineup of labelstocks with lower environmental burden such as the "KINATH KP Series," which is made of materials recycled from PET bottles, and the "PLALESS Series" which is a labelstock alternative to plastic based on our washing-resistant paper technology.

Expanding Solvent-free Products

In particular, we have received more and more inquiries on reducing CO₂ emissions. One of our efforts in particular we have been focusing on is to reduce the amount of organic solvents used in the manufacturing process. As an example of our initiatives toward solvent-free adhesives, we sell a product line that used "CHILL AT," a hot melt adhesive. This product is praised due to its environmental performance, such as less CO₂ emissions at the material and manufacturing stages compared to products using solvent-based adhesives, in addition to the added feature that the product can be attached in a cool or frozen environment.

Furthermore, in 2023, we launched a product line that applies the new hot melt adhesive "HVT," our proprietary development. In contrast to "CHILL AT," which is excellent in attachment performance in a low-temperature environment, "HVT" has excellent attachment performance under normal to high temperatures, and is applicable for wider use, from daily necessities to cosmetics and medical products.

Toward the Achievement of Our Goals

Going forward, regarding initiatives for products with low environmental burden other than solvent-free products, we will work on reducing the coat thickness of materials used, which will lead to a reduction in plastic use, and recycling of release paper, etc. Furthermore, LINTEC not only develops labelstocks but labeling machines as well, and we are proposing thin film labeling machines that enable labeling using PET 12μm base materials, which had been considered difficult until now. We plan to focus on developing and proposing thin film labelstocks compatible with this thin film labeling machine. In addition, we are examining ways to collect, recycle, and reuse release paper that becomes waste after the label is used.



Kentaro Miyazaki

Technical Planning Office

*3 Hot melt adhesive: An adhesive formulation that is applied while melting it with heat. Characteristics include less environmental impact due to not using organic solvents in the coating process, and less CO₂ emissions due to no requirement for drying facilities.

Respect for Human Rights

WEB For more detailed information, please visit our Sustainability website.

LINTEC Together with Employees (Human Rights / Employment) Search



LINTEC Group's Approach

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

Labor Management and Education with Respect for Human Rights

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

LINTEC incorporates human rights education into its rank-based training programs. LINTEC provided training on the UN Global Compact and CSR for 37 new employees in fiscal 2023 and training on prevention of sexual harassment and workplace bullying for newly appointed supervisors and managers.



New employee training

Job Return Program and Career Return Program

LINTEC introduced a job return program in April 2010. This program is designed to re-hire employees who had earlier resigned due to personal circumstances, such as having a child, providing care to family members, or a spouse's job transfer, as industry-ready professionals. There are 21 registered users of this program, three of which were actually re-hired. Also, as a new initiative to support diverse workstyles, LINTEC introduced a career return program in October 2022. In this program, the company re-hires employees who resigned due to personal circumstances for career development outside the company, as industry-ready professionals.

Employment of Older Person

In fiscal 2022, we re-hired 47 out of 54 employees who turned 60 years old as full-time employees, as well as three out of 23

employees who reached 65 years old as full-time employees and eight on a part-time basis^{*2}.

In line with the revision of the Act on Stabilization of Employment of Elderly Persons, LINTEC revised its rules on re-employment after retirement to allow re-employment of employees aged between 65 and 70 years. In addition, the age 65 retirement rule was introduced starting in fiscal 2023. The re-hired workers are playing active roles in various workplaces, and passing on the knowledge and skills that they have developed over many years to subsequent generations.

Increasing Career Development Opportunities for Female Employees

LINTEC has worked to increase career development opportunities for female employees following the action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life (Phase 2). As a new goal for the period from April 2022 to March 2026, LINTEC formulated the action plan (Phase 3) based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. Under this action plan, we will ensure and expand diversity.

Specifically, the plan sets four targets as indicated below, and we will make steady steps toward achieving our ideal vision. The percentage of male employees who took childcare leave exceeded the target value by the end of fiscal 2022. We will aim to achieve further improvement.

1. Increase the rate of women among the total number of new hires (graduates from a junior college, university, or graduate school) to 35% or higher (average during the period of the plan).
2. Aim to increase the number of female managers/supervisors by 20% from the current number in four years.
3. Develop and operate systems that enable female employees to continue to work easily, and provide continuous training of female employees.
4. Aim to increase the percentage of male employees who take childcare leave to 30% or higher by March 31, 2026.

*1 Diversity: Differences between individuals and groups

*2 Employees on a part-time basis: Employees whose designated weekly working hours total less than 20 hours

Number and rate of employees with disabilities

Program	FY2020	FY2021	FY2022
Number of employees with disabilities	54	57	61
Full-year employment rate for people with disabilities (%)	2.0	2.0	2.26

Use of programs

Program	FY2020	FY2021	FY2022
Family care leave program (persons)	1	0	1
Family care time off (persons)	3	3	1
Accumulated time off (persons) ♦	71	104	275
Childbirth leave (persons)	14	25	15
Leave for spouse giving birth (persons) ♦	56	67	28
Childcare leave (persons)	34	32	48
(Male employees)	3	7	37
Percentage of childcare leave taken (%)	15.8	32.3	64.9
(Male employees)	4.5	8.9	59.7
Return to work after taking time off for childcare leave (%)	93.3	100	100
Child nursing care time off program (persons) ♦	7	4	4
Shorter hours/flex time (persons)	62	64	60
Paid social contribution time off (persons) ♦	12	15	15
Percentage of paid leave taken (%)	61.7	63.5	72.7
Average number of days of paid leave taken	11.8	12.1	13.9

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

Number of employees by gender: LINTEC CORPORATION



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



(Outside Japan: as of December 31, 2022; In Japan: as of March 31, 2023)

Number of entries to the Job-Return Program

	FY2020	FY2021	FY2022
Number of entries (total)	20	22	21

Number of senior employees

		FY2020	FY2021	FY2022
Number of employees who have reached the designated ages (persons)	60 years of age	38	53	54
	65 years of age	—	15	23
Number of re-hires (rate*)	60 years of age	33 (87%)	43 (81%)	47 (87%)
	65 years of age	—	6 (40%)	11 (48%)

♦ Derived by: Number of re-hires/Number of employees who reached the designated age x 100

*3 Percentage of each gender in management positions

Respect for Human Rights

WEB For more detailed information, please visit our Sustainability website.

LINTEC Together with Employees (Human Rights / Employment)



Work-life Balance

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

Retirement Planning Seminar, Future Life Planning Seminar

LINTEC holds a retirement planning seminar and a future life planning seminar, targeting different age groups, on a regular basis. These seminars aim to help employees learn about asset-building for a fulfilling future, including spending for life events, so that they can build a sound asset base and financial environment that will support them as they pursue their career. In view of ever-changing social circumstances and diversifying individual values, we will provide appropriate information to help our employees understand the importance of future life planning.

Measures against Working Long Hours

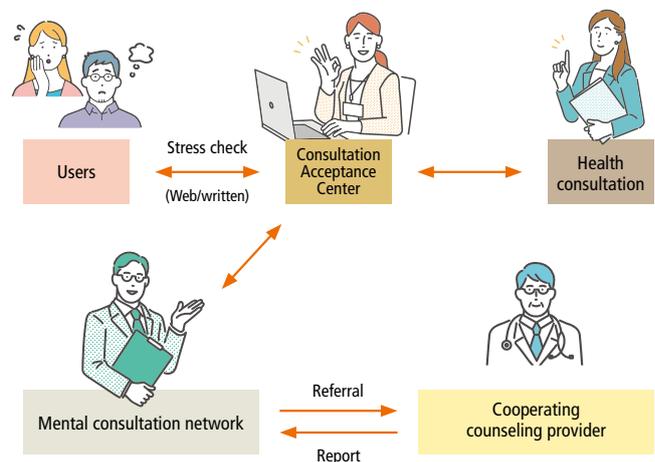
LINTEC proactively promotes measures to ensure that employees can remain in good health. To prevent long working hours and late-night work, which imposes an excessive physical and mental strain, we strive to ensure appropriate personnel assignment and the proper sharing of workloads, and that supervisors are responsible for managing the overtime of individual subordinates. In particular, we have introduced no-overtime days set in each workplace, flextime programs, and a discretionary labor system. Additionally, in fiscal 2019, we adopted a work interval system and a work-from-home system. Working hours are monitored for all employees, including managers, discretionary workers, and others. We have introduced an attendance management system to enable detailed labor management, following up on daily overtime work applications. In addition, by undergoing a "mental health checkup" once a year, employees are able to assess their own stress levels and use the results for self-management of their mental health.

Mental Health Measures

The LINTEC Group has introduced a precautionary Employee Assistance Program (EAP)*1 that provides employees with opportunities to obtain a mental health checkup once a year. Through this checkup, employees come to understand their own stress level, which is useful for personal mental health management. The manager of each business unit receives the results and analysis for employees in the unit, and takes appropriate improvement

measures as needed. In fiscal 2022, the checkup was offered across group companies in Japan to a total of 3,693 employees, 97.5% of whom actually received it. The LINTEC Group has also set up an employee support hotline that employees and their families can contact directly to talk confidentially with a specialist about their worries, including in relation to physical and mental health, childcare, nursing care, legal issues, or personal finances. The Group has also established a dedicated line, the "harassment counseling desk for the improvement of workplace environments," which is outsourced to an external company. The counseling desk provides employees with telephone consultation with a clinical psychologist regarding harassment and other issues.

Precautionary EAP system overview



Telephone counseling

- Counseling by psychological counselor
- Referring to provider for three-way interview with supervising doctor

Web-based counseling

- Individual counseling over the Internet

In-person counseling

- Directly managed counseling centers (Tokyo, Osaka, Nagoya)
- Cooperating providers (150 locations in Japan)

General information website

- Basic mental health information
- Mental health self-checks

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

LINTEC Group's Approach

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

Occupational Safety and Health Policy

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

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

LINTEC created the program for Creating a Culture of Safety and Health to provide a systematic guide to its safety and health activities. Using this, and based on the Four LINTEC Safety Principles, we will promote the four pillars of safety and health activities.

Annual Safety and Health Plans

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

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

Safety and Health Committee and Health Committee

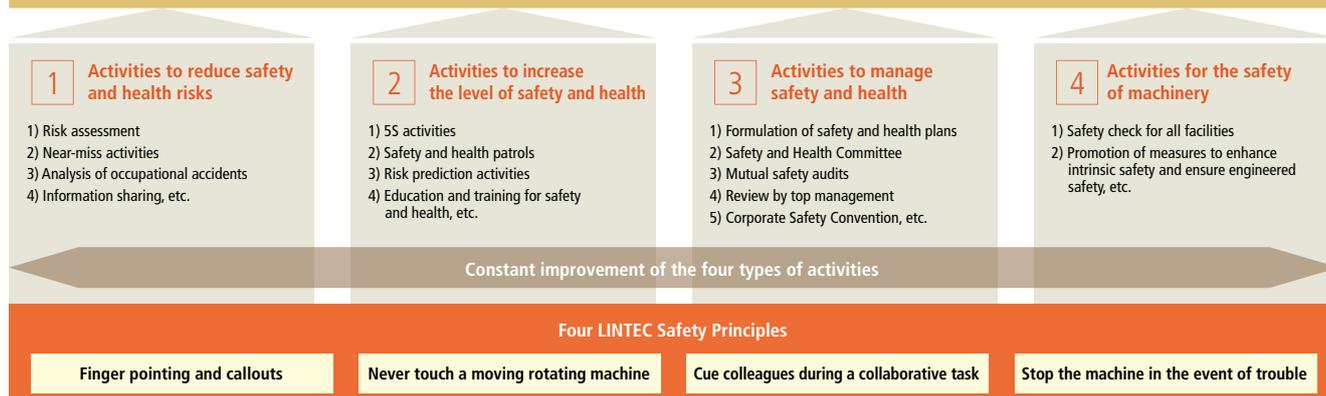
Every month, the LINTEC Group plants in and outside Japan hold Safety and Health Committee meetings, while the Head Office, Bunkyo Kasuga Office, Osaka Branch Office, and other business sites having sales departments convene Health Committee meetings. Each of these meetings are attended by representatives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

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

Creating a Culture of Safety and Health at LINTEC

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

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



*2 ISO 45001: An international standard for occupational health and safety

*3 Risk assessment: Evaluating risks to set safety standards

Supply Chain

WEB For more detailed information, please visit our Sustainability website.

LINTEC Cooperating with Suppliers

Search



LINTEC Group's Approach

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

Green Procurement

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

In fiscal 2022, we conducted surveys based on the REACH Regulation^{*1} (28th candidate list) and chemSHERPA^{*2} (version 2.06).

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

CSR Procurement

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

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

We also confirm our suppliers' CSR status (legal compliance, underage employment prohibited safety/health, etc.) in the supplier questionnaire survey and ask for improvement when deemed necessary.

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

Survey items (Outline)

Corporate management	<ul style="list-style-type: none"> Financial status
Management/Labor	<ul style="list-style-type: none"> Legal compliance/Corporate ethics Labor (Respect for human rights, working hours, wages, etc.) BCP^{*3} SDGs initiative Information security
Service	<ul style="list-style-type: none"> Cost Deadline Survey request (Environment, material search, BCP, etc.) Information provision (Information on products, technology, industry, etc.)
BCP	<ul style="list-style-type: none"> Accident status check (Production site, product, logistics, etc.)
Actions outside of Japan	<ul style="list-style-type: none"> Provision of information on overseas industries, compliance with overseas laws

Responsible Sourcing of Minerals

LINTEC recognizes that conflict minerals^{*4} and other materials mined to fund armed conflict are a serious social problem, and rigorously investigates whether the materials it uses include metals from mines that are linked to armed groups. We will continue to confirm that our supply chain does not fund armed groups and to practice responsible mineral procurement that is free of conflict minerals that could be used to fund such groups.

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

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

^{*3} BCP: BCP stands for a Business Continuity Plan. It is a plan developed in advance to enable the minimization of damage and the continuation or early resumption of business in the event that a company encounters an emergency situation such as an accident or disaster.

^{*4} Conflict Minerals: Metals derived from conflict minerals defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act include tantalum, tin, tungsten and gold (3TG). At LINTEC, cobalt and mica, which are not currently regulated by law, are also classified as conflict minerals.

Community Participation

WEB For more detailed information, please visit our Sustainability website.

LINTEC Local Communities



LINTEC Group's Approach

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

Global Activities

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

My Next Stage

We participated in Job and Family Service Christmas for Kids, an annual donation drive held during the Christmas season in Miami County, Ohio, U.S.A., where SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC is located. For more than 15 years, we have been supporting this program, which gives gifts to children under the age of 12 from families in need so that they can have a joyful Christmas. This time, we asked 14 children from 4 families what they wanted. We made a list of their wishes, and our employees purchased gifts based on the list. In addition, we collected donations within the company and gave their parents gift certificates for local shops, much to the delight of the families. We will continue this activity as an annual event to support the community.



Gifts given to children



Mark Cuenot
SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC

Community Safety Activities

Every year, the Kumagaya Plant, together with other companies in Kumagaya City, participates in the Self-Defense Forces incipient firefighting training event hosted by the local government to learn practical skills in handling extinguishers and other equipment for incipient firefighting. In 2022, the event was held in the rain, and the team was awarded a fourth-place finish. We will continue our efforts to win prizes at the next event.

Dialogue with Local Residents

In 2022, LINTEC sponsored an event to commemorate the 90th anniversary of the establishment of Itabashi city. The event was held from October 3 to December 1. In addition to applying floor markings resembling paint palettes to the floor of the venue, we also provided bird-shaped message labels with a releasable adhesive.

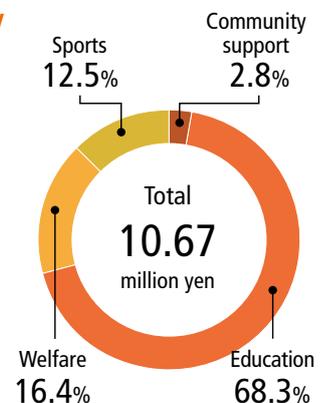


Floor marking being applied

At food distribution events held by the city for families in need of assistance, we offered 20 five kg rice packages in September and gift coupons redeemable for fried chicken in December, which were greatly appreciated by everyone.

Breakdown of Community Support Expenses (FY2022)

In fiscal 2022, expenses for educational support accounted for more than 68% of the total. We also provided support for welfare and sports.



Scope: LINTEC CORPORATION

Promoting Governance of the Entire Group

WEB For more detailed information, please visit our Sustainability website.

LINTEC Governance Report



LINTEC Group's Approach

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

Corporate Governance System

For organizational design^{*1}, LINTEC has chosen to be a company with an audit and supervisory committee^{*2}, and appoints directors as Audit and Supervisory Committee members to enhance the function of supervising the Board of Directors, with the aims of stepping up corporate governance and improving management further. The company has 12 directors, three of whom are members of the Audit and Supervisory Committee. Also, LINTEC has five outside directors (three men and two women), including four independent outside directors (two men and two women). Of these four, two directors (one man and one woman) serve as Audit and Supervisory Committee members.

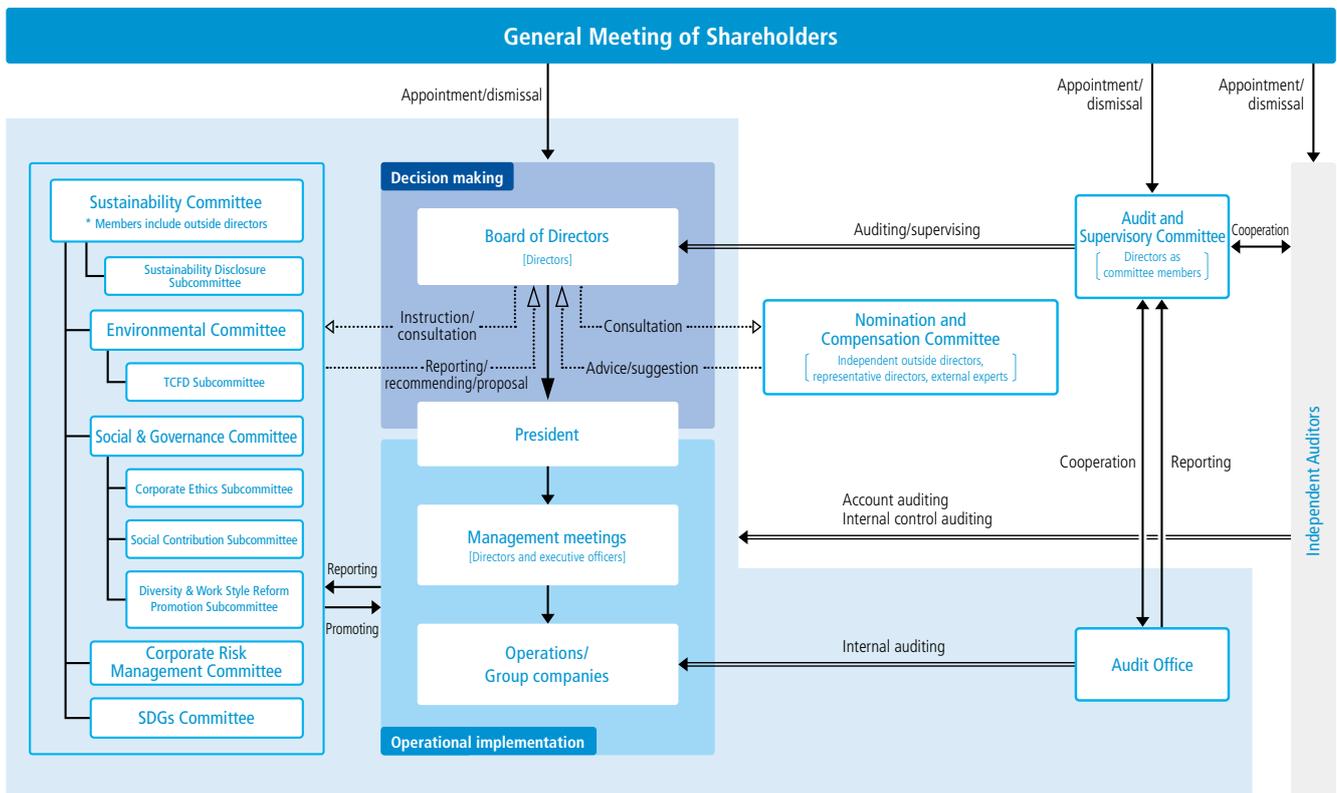
In addition, the Nomination and Compensation Committee (comprising all independent outside directors and all representative

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

Compliance with the Corporate Governance Code^{*3}

LINTEC complies with the Corporate Governance Code. We have been implementing PDCA (plan-do-check-act) based on the effectiveness evaluation of the Board of Directors, and established the Nomination and Compensation Committee in accordance with the Code.

Corporate Governance System



As of April 1, 2023

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

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

■ Actions taken to enhance corporate governance

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

Risk Management

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

In April 2021, the sustainability promotion system was renewed and strengthened, and the purpose of this Committee was defined as "identifying risks and opportunities in business operation, formulating policies to deal with them, and planning and verifying worksite-level measures."

Input to this Committee consists mainly of agenda items brought by each committee member and an annual risk identification process for managers and others. The status of the Committee is reported quarterly to the Sustainability Committee and the Board of Directors for information sharing and instruction provision.

Legal Education for Top Management and Employees

LINTEC provides management-level legal training for directors and executive officers to promote understanding of corporate legal affairs. In fiscal 2022, the themes were "Recent Legal Topics (Status of Exercise of Voting Rights at General Meetings of Shareholders, etc.)" in September and "Latest trends in disclosure (Sustainability Information Disclosure, etc.)" in December.

For employees, legal training for sales personnel has been offered on an ongoing basis since fiscal 2018, and legal courses have been incorporated into annual rank-specific group training for new managers and new supervisors. We also publish Legal News six times a year, which disseminates a wide range of timely legal-related information, such as explanations of recent legal amendments and introductions to violation cases.

These training programs and information sharing are designed to increase employees' sensitivity to "legal risks" that may lurk in their daily business activities, and create a corporate culture that enables early detection and response to risks.

■ Legal training provided in fiscal 2022

Month	Target	Content
August 2022	Plants and sales offices	Briefing on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
September 2022	Directors and executive officers	Legal training for management
October 2022	New managers	Legal risks that you should know about as a manager
November 2022	New supervisors	Legal risks that you should know about as a supervisor
June to November 2022	Sales personnel	Legal training for sales personnel (total of six sessions)
December 2022	Directors and executive officers	Latest trends in disclosure

Establishing the Counseling Desk

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

A harassment counseling desk for the improvement of workplace environments is also available. This system allows employees to consult directly with a clinical psychologist or other specialist, and aims to resolve harassment and other workplace problems through a tie-up between the specialist and the Human Resources Department.

Promoting Governance of the Entire Group

WEB For more detailed information, please visit our Sustainability website.

LINTEC Governance Report

Search



Global Surveys on Human Rights and Labor Standards

The LINTEC Group conducts a survey of all Group companies once a year to monitor working conditions and human rights. The survey covers a wide range of items, including legal compliance, elimination of discrimination, respect for human rights, underage employee prohibited, prohibition of forced labor, wages, working hours, dialogue and negotiation with employees, safe and healthy working environments, and human resource development and other items. As a result of the survey in February 2023*, it was confirmed that all sites comply with local and regional laws and regulations, that the LINTEC Group Compliance Guidelines are well understood by employees, and that LINTEC employees work in a healthy and safe working environment where their fundamental human rights are respected.

We will continue this regular survey every year to understand our current conditions, and improve them.

Information Security

LINTEC has developed Information Security Management Rules, and conducts an internal audit every year at each department based on the Information Security Operational Rules and Internal Audit Checklist. Since 2021, LINTEC has been performing an information security self-audit as part of its efforts to promote understanding and raise awareness among employees concerning information management.

Given that inappropriate postings have become a social issue, LINTEC provides comprehensive education that includes points to note when using social media in a personal capacity, as well as internal rules on information management.

Fostering a Sense of Ethics

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

In March 2023, we published the booklet "Rinri Kawaraban Mamotte Masuka?" Vol. 13 and distributed it to all Group employees in Japan. We issue this booklet, which features the third generation "etiquette patrol dog" character, Mebuki, under the concept of making corporate ethics easier to understand and practice.



Compliance with Antitrust Law and Prevention of Corruption

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

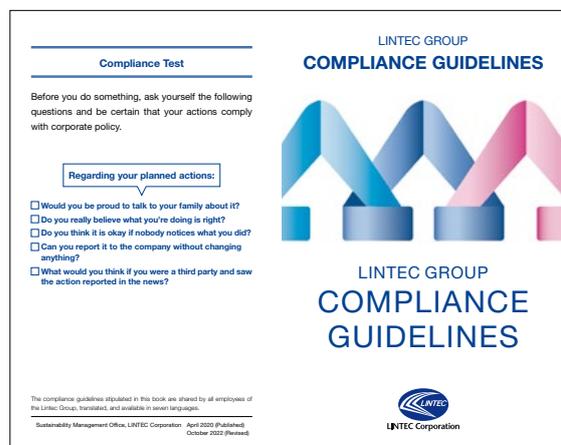
In December 2019, we published a Manual for Compliance with the Antitrust Law and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, which is a completely revised version of the aforementioned manual. The new manual was distributed to managers, including those of Group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

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

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

Awareness Raising with the Compliance Guidelines

At the LINTEC Group, we issue a code of conduct booklet, the "Compliance Guidelines," to enhance each employee's compliance awareness. To ensure that our overseas employees can act with the same awareness, we have translated the booklet into seven languages and distributed it to all employees. Furthermore, we conduct CSR study sessions using the Compliance Guidelines.



Establishing Group-wide BCMS*¹

LINTEC CORPORATION, TOKYO LINTEC KAKO, INC., and LINTEC SPECIALTY FILMS (TAIWAN), INC. have developed a BCP to allow them to minimize human casualties and resume business as early as possible after an earthquake or other disaster. Becoming certified under ISO 22301*² in March 2014, we are operating the BCMS to maintain and improve the BCP.

We will make continued efforts to share the BCMS among employees to initiate and enhance activities, while repeatedly performing drills.

BCMS Drill

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

Drills conducted in FY2022

Number of sites	27
Number of drills	482



Disaster drill at the Agatsuma Plant in June 2022



Emergency evacuation exercise at the Tatsuno Plant in October 2022

Joint BCMS Exercise with Other Sites

In November 2022, LINTEC SPECIALTY FILMS (TAIWAN), INC. and LINTEC CORPORATION's Niihama Plant conducted a satellite phone call exercise. Eleven employees from our company and eight from the Niihama Plant participated. Communication was verified through a variety of methods, including calls between landline and satellite phones, and between satellite phones, and all were confirmed to function without problems. It was also a good opportunity for employees in Taiwan and Japan to communicate with each other. We will encourage more employees to participate in the exercise and continue training so that we can promptly contact Japan in the event of an emergency.



Satellite phone call exercise



Ching-Shyang Tsai

LINTEC SPECIALTY FILMS
(TAIWAN), INC.

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

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

Global CSR Report

LIITEC (SUZHOU) TECH CORPORATION

It is impossible to predict when and where accidents, such as fires and solvent leaks, may occur. Periodic training is necessary to act calmly and without panic.

In November 2022, on the occasion of Chinese Firefighting Day (November every year), we conducted response drills for reporting and communication, initial firefighting, evacuation guidance, response to chemical leaks, and information provision to the fire brigade. The training reinforced our communication and emergency response capabilities.



Pei Ting Rong
Deputy Minister of General Affairs & Labor Department



Evacuation to a designated emergency evacuation site

LIITEC HANOI VIETNAM CO., LTD.

We have constructed firefighting installations (sprinklers, smoke ducts, and firewalls) in our company to comply with Vietnam's revised fire law.

The construction began in March 2022 and we were able to complete the final audit by the authorities and receive the certificate of approval in April 2023. We will continue our production activities with employee safety as our top priority.



Yoshihiro Kojima
Sales Manager



Construction of a fire extinguishing tank for the sprinkler system

LIITEC ADVANCED TECHNOLOGIES (TAIWAN), INC.

To raise environmental awareness, we invited customers to view environment-related videos and answer questionnaires at SEMICON Taiwan 2022 in September 2022. In December 2022, we planted trees and hung customers' wish cards from the tree branches. In addition, a method using PET bottles was implemented for watering the planted trees.



Ko Tsai-Chun
General Affairs & Human Resources Department



Tree planting

LIITEC KOREA, INC.

In November 2022, a "making kimchi with love" volunteer activity was held. Volunteer employees made kimchi with 250 Chinese cabbages. Together with 500 kg of rice prepared by the Onmaum Association, they were distributed to elderly people living alone and single-parent families in the community through a community support center.

It was a meaningful time filled with heartfelt wishes for local residents to stay warm through the winter, even during the pandemic.



Park Sung-Kyu
Manufacturing Section 3



50 boxes of kimchi and 500 kg of rice given to local residents

LIITEC SPECIALITY FILMS (KOREA), INC.

Every year, we conduct harassment education for all employees, including workplace bullying and sexual harassment education and disability awareness improvement education. In fiscal 2022, we focused on education related to bullying in the workplace, which has become a social issue.



Ji-Hun Lim
Planning Management Department



A shot from a training session

PT. LIITEC INDONESIA

In October 2022, we invited 15 students and two teachers from our nearby Muhammadiyah vocational high school to an SDG awareness activity at the plant. While implementing measures to prevent COVID-19 infection, the participants received a brief lecture on the SDGs indoors and then engaged in SDG learning activities related to the environment at a biotope set up on the premises of the plant, to realize the importance of SDG activities.



Mohammad Revan Reisal Kosasih
Quality Assurance Department



Fishing experience in the biotope

LIITEC INDUSTRIES (MALAYSIA) SDN. BHD.

In September 2022, the TPC (Training Promotion Committee), to which I belong, organized mangrove planting in the South Seberang Perai District of the state of Penang. To help prevent COVID-19 infection, 30 employees were divided into two groups, who planted a total of 150 trees over two days.



ANG POON CHYE
System Administrator, Financial/Admin



A signboard installed at the tree-planting site

LIITEC INDUSTRIES (SARAWAK) SDN. BHD.

In 2019, when we made a planter together with SBC (Sarawak Biodiversity Center), we were interested in the SBC's research and development of anti-cancer, anti-bacterial, disinfectant, and detergent products using medicinal herbs that have been used by the indigenous people of Borneo since ancient times. In October 2022, we planted seedlings of the herb Adenosma Nelsonioides, together with SBC.



Kevin Barnabas
Maintenance Assistant



Planting herb seedlings

To fulfill its responsibility as a global company, the LINTEC Group is promoting community-based CSR activities at group companies inside and outside of Japan. In fiscal 2022, the COVID-19 pandemic meant that restrictions on various events and activities continued on from the previous year, but some activities were nevertheless held with a bit of creative planning.

WEB For more detailed information, please visit our Sustainability website. **LINTEC** CSR Activities at Group Companies Inside and Outside of Japan **Search**

LINTEC SINGAPORE PRIVATE LIMITED

We received a letter from Hearts@Work, a support group to which we outsource the packing of thermal transfer ink ribbons, thanking us for the work we have been providing to persons with special needs through this support group for many years and for the fact that the packing work helped them hone the fine motor skills, as well as learn teamwork and cooperation, which will increase their employability in the future.



Cindy Soh
Human Resources Department



Packing work at Hearts@Work

LINTEC (THAILAND) CO., LTD.

As one of the activities during Safety Week in fiscal 2021 and fiscal 2022, we held a contest to create furniture and toys for local elementary schools using waste materials generated by our company.

In 2021, we made furniture such as children's desks and shoe shelves, and in 2022, we made educational toys and donated them to Saket 80 Elementary School in Chachoengsao Province.



Apakorn Pleansri
ISO Manager



Elementary school students using the furniture

LINTEC SERVICES, INC.

We have been cleaning and weeding the surrounding streets for more than 20 years as a contribution to the local community. By making contact with local residents through these activities, we are able to maintain a good environment at the waste collection point adjacent to our office. We consider this activity an important contribution and will continue our efforts going forward.



Tomoaki Ono
General Affairs Section



Cleaning up the surrounding street

LINTEC SIGN SYSTEM, INC.

As part of human resource development, we hold compliance training sessions every other month. Using materials for each theme, employees take turns serving as lecturers and explaining laws and regulations, the approach to making ethical decisions, and points to keep in mind in daily business operations. Previously conducted in the form of a group workshop, it is now held online.



Yoshiharu Chiba
Printec Division



A compliance training session

MADICO, INC.

The CSR Committee organized Earth Day Community Cleanup Madico, a company-wide cleanup of the area around the company building. VDI and other service centers in the U.S. also conducted cleanup events, and telecommuting employees were actively encouraged to participate in local Earth Day events. With the participation of CSR Committee members and employees, a large amount of trash was collected at various locations.



Aya Killgo
CSR Committee



Cleanup activities

VDI, LLC

All employees participated in the annual fundraising event Rock-Paper-Scissors. The event was conducted in a format modeled after NCAA basketball's "March Madness" tournament, in which employees from the same department were paired up. This year, when the second-place employee donated his prize money to an animal welfare organization in Kentucky, other employees also donated, and our company matched the total amount.



Toni Doughty
CSR Committee



Rock-Paper-Scissors fundraising event

MACTAC AMERICAS, LLC

In our Stow headquarters, we are collecting 500 pounds of flexible plastic waste that will be converted into a recycled plastic bench and donated to the city.

Site specific Earth Day messaging encouraged employees to participate in sustainability centric activities in their communities – such as Earth Fests to hazardous waste roundups to prevent harmful chemicals from entering soil and waterways.



Christina Barajas
Sustainability Manager



Some of the collected plastic waste

LINTEC OF AMERICA, INC.

My son's school asked for volunteers to help teach some classes. The classes were prepared by an organization called Junior Achievement. Junior Achievement gives students more information about preparing for their future. I got to talk about LINTEC and the products we make and what it's like to work here. This program has been nominated for a Nobel Peace Prize twice. It gives kids a new perspective.



Mary Snow
Customer Service Representative



An activity during the lecture

Message from Outside Director

In fiscal 2021, we organized a “Sustainability Committee,” comprised mainly of senior management, to promote sustainability management. The Committee involves all outside directors to ensure that the Company’s committee activities are evaluated from a third-party perspective and that improvements are promoted.

○ As a Member of the Sustainability Committee

Demand for corporate social responsibility is becoming more and more prevalent. LINTEC has established a promotion system that responds to these demands through cross-organizational efforts. From my perspective as an outside director, LINTEC’s activities are of a high level, but I think there is room for further improvement in terms of whether the system is easy to understand from the outside and whether information is appropriately disseminated to the outside. Another challenge is that because of the broad scope of the group’s business, it is difficult to determine the linkage between the activities of each business segment and the promotion system.

I feel that we are at the stage of reviewing the activities of the Sustainability Committee and other committees and subcommittees from a perspective that is easy for external parties to understand.

○ Activities and Achievements of Committees and Subcommittees

First, during the two years since I became a member of the Sustainability Committee, I examined the activities and performance reports of each committee and subcommittee from the perspective of whether the regulations were being properly followed. Each of the committees and subcommittees promoted its activities based on clearly defined goals and measures, and there are no problems in this regard. In addition, each committee and subcommittee appoints members on their own initiative, which means that they have a good grasp of the skills of the personnel needed for their activities.

What is even more commendable is that business sites and other organizations are working with an eye toward the local community under the Social Contribution Subcommittee. Community involvement is an important and ongoing initiative, as it can lead to support for recruitment and business activities.

○ For the Promotion of Future Activities

Given the wide range of structures and activities, we believe it is time to identify the issues facing each committee and subcommittee, stop and look at the situation from a bird’s-eye view, and review the structure and issues to ensure that they are MECE*. Ideally, once each committee resolves issues and incorporates solutions into work processes, the committee or subcommittee should be dissolved flexibly or an organization to address new issues should be established agilely. It may also be necessary to provide an opportunity for the Sustainability Committee to discuss the organizational aspect of the sustainability promotion system once a year or so.

We are a leading company in the industry. In order to realize our long-term vision “LSV 2030” and further promote sustainability management, we have entered a phase in which we aim to upgrade our committee activities, such as by disclosing more quantitative information.



Shigeru Sugimoto

Outside Director

Biography

1982: Joined Housing and Urban Development Corporation (currently Urban Renaissance Agency)

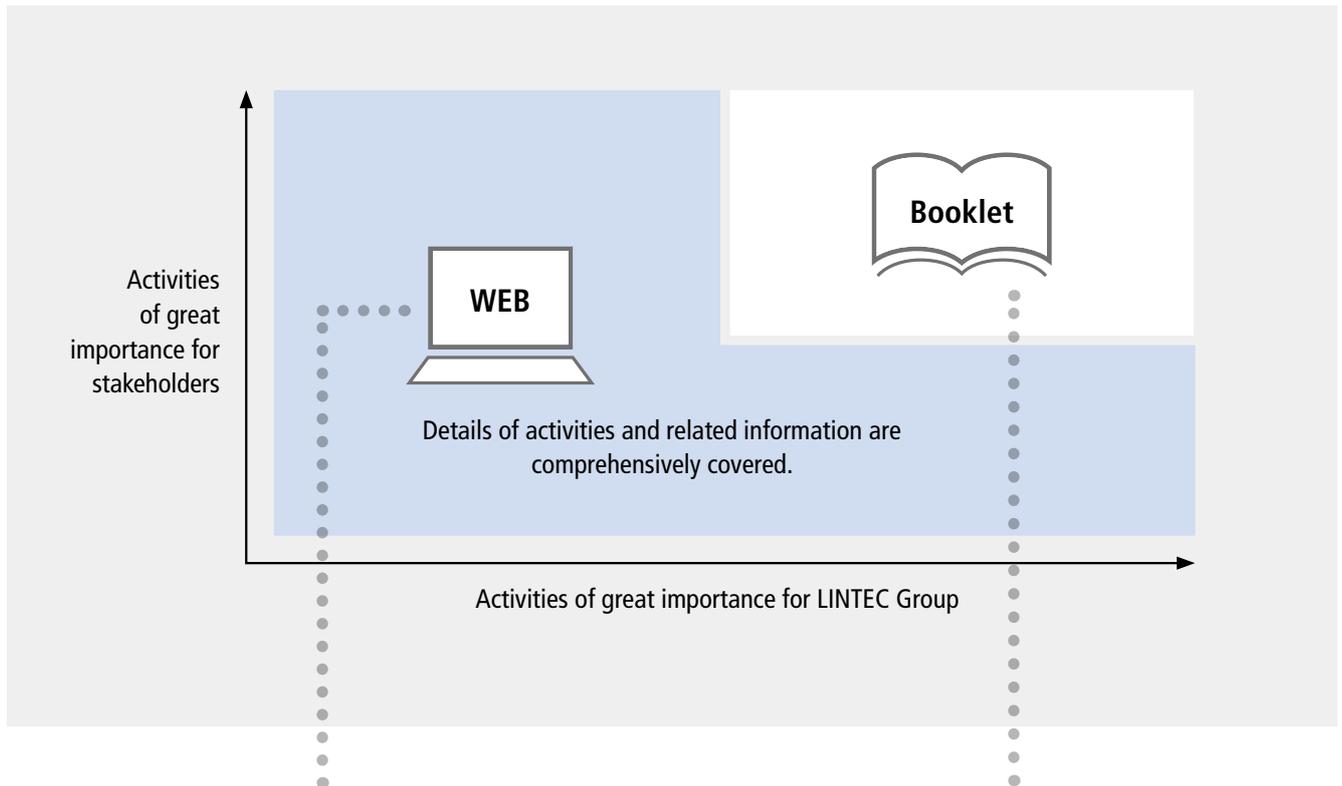
1985: Joined Showa Ota & Co. (currently ERNST & YOUNG SHINNIHON LLC)

1988: Established Sakura & Co. (currently Crowe Sakura & Co.), offering consulting services in M&A, business restructuring and rehabilitation as a certified public accountant

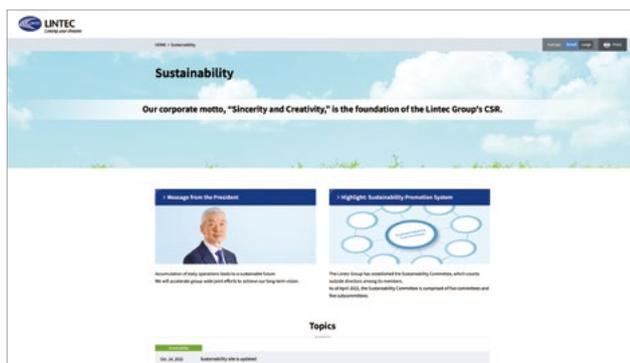
2021: Outside Director of LINTEC CORPORATION (current position), serving on the Sustainability Committee

* MECE: Mutually Exclusive and Collectively Exhaustive

Main Channels for Sustainability Information



Sustainability Website



Japanese version scheduled for update in August 2023
(The previous update was in October 2022)

English version scheduled for update in October 2023
(The previous update was in December 2022)

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

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

Sustainability Report (Booklet/PDF version)



Fiscal 2022 version

A full version is produced in English and Japanese in PDF format.
An abridged version is created in Korean, Chinese (traditional and simplified), Malay, Indonesian, and Thai.

Key external evaluations

- CDP: Climate change ● CDP: Water security ● CDP: Forests
For more detailed information on CDP, refer to the CDP website.
- MSCI: Japan ESG Select Leaders Index ● MSCI: Japan Empowering Women Index
- FTSE Blossom Japan Sector Relative Index

External audits

- RBA-VAP audit (Agatsuma Plant)
For the RBA's Code of Conduct, refer to the RBA's website.