Highlight 1 Holding CSR Study Sessions for Group-wide Activities

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

CSR Study Sessions Grown with Support from Participants

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

The scale was expanded due to feedback from employees who participated in CSR sessions, such as: "Please continue to hold the sessions"; "It should be attended by those working at production sites"; and "It should be held outside Japan, too". Encouraged by such comments, we have gradually increased the number of sessions and expanded their locations to reach the scale we see today, which allows participation by about 70% of Lintec Group employees.
I really felt the strong will to contribute to society as a manufacturing company. I realized the importance of keeping in mind how what we make has an impact on people in society and on solving issues.

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

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

Yuukari Miura, Business Support Office Human Resources Department

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

Keita Kawamoto, Accounting Section Finance & Accounting Department

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

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

We will continue to promote CSR activities based on the company motto, "Sincerity and Creativity", and the LINTEC WAY by using what we have realized and learned at CSR study sessions.
LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.
LINTEC OF AMERICA, INC. Nano-Science & Technology Center
LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED & LINTEC SINGAPORE PRIVATE LIMITED
LINTEC CORPORATION Head Office
LINTEC EUROPE (UK) LIMITED
LINTEC OF AMERICA, INC. Head Office
TOKYO LINTEC KAKO, INC.
LINTEC CORPORATION Kumagaya Plant
MACTAC AMERICAS, LLC Scranton Plant
VDI, LLC
The stone is a gift to the CSR Management Office from an employee of a group company outside Japan who participated in a CSR study session and related to the content. The stone represents one of the Five Rules of Sincerity: "Faithfulness opens people's mind".
Survey of participants

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

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Do not agree at all</th>
<th>Do not agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.0% (409 persons)</td>
<td>67.2% (2,520 persons)</td>
<td>17.9% (671 persons)</td>
<td>0.2% (9 persons)</td>
<td>0.4% (16 persons)</td>
</tr>
</tbody>
</table>

The graph is based on the results of the questionnaire survey (multiple choice) on 2017 CSR study sessions.

The survey did not cover Mactac Americas, LLC, Lintec Europe (UK) Limited or VDI, LLC, which participated in CSR study sessions for the first time.

[Participant's comment]

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

Naoshi Nishikado, Corporate Strategic Office

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

Alistair Coombs, Lintec Europe (UK) Limited

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

Junya Tanimoto, Planning/Design Group Information Systems Department

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

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

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

Hiroyuki Nishio Representative Director, President, CEO and COO

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Highlight 2 Starting the SDGs Committee to Build a Sustainable Future

Incorporating SDGs into Management from the Perspective of Aggressive CSR

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

The SDGs Committee, with Director Hattori serving as an officer in charge of promotion and the CSR Management Office serving as secretariat, comprises 26 members from a wide variety of sections, including research, production, and sales. Starting with the kick-off in February 2018, the committee plans to meet a total of 10 times by March 2019. In March 2018, the committee identified items in the 17 SDGs that have a strong relevance to the materiality (important issues) of the Lintec Group, and verified the current contribution and possibility of future contribution to achieving the goals. The committee has also selected Lintec products that greatly contribute to achieving specific SDGs.

To share the SDGs with all employees and instill them internally, the committee provides an e-learning program on a regular basis. Through the committee activities, we will review, in stages, initiatives to incorporate SDGs into management and contribution with our core business from the perspective of aggressive CSR.
"SDGs" stands for Sustainable Development Goals. In September 2015, the United Nations adopted the SDGs, comprising 17 goals and 169 targets, to be achieved by its member states in the 15 years from 2016 to 2030. The SDGs are considered common goals for all persons on planet Earth and businesses are regarded as important players.

### What are the SDGs?

**Lintec's initiatives**

- Mangrove planting
- Solar panels at the Doi Plant
- Waste heat boiler updated to increase energy efficiency

### From the Officer in Charge of Promotion

**To Be a Company Contributing to Addressing Social Issues**

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

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

Makoto Hattori
Director, Managing Executive Officer
Executive General Manager, Business Administration Division
Officer in charge of promoting SDGs Committee
SDGs as an Extension of Daily Operations and CSR Activities

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

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

Joining mangrove planting that contributes to attainment of the SDGs

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

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

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

There will be no growth without innovation, and no business will survive without growth. Future advances in IoT*1 and artificial intelligence (AI) will dramatically change our living environment. The advancement and widespread use of digital technology and communication technology have already driven paperless, cashless, wireless and other "-less" systems, leading to the rapid creation of new businesses and products.

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

* IoT: IoT stands for Internet of Things, which collectively refers to a wide variety of "things" such as buildings, appliances, automobiles and medical equipment, connected to the Internet for the purpose of exchanging information.
Medium-Term Business Plan LIP-2019  
(From the FY ending March 2018 to the FY ending March 2020)

|| Basic policies
---|---
Deepening innovation aimed at driving new growth

|| Key initiatives
---|---
1. Strengthening of regional strategy  
- Increase in the domestic share and development of new markets and new demands  
- Strategic investment and business expansion in the Asian region  
- Expansion of the existing fields in Europe and America and the pursuit of synergies with the acquired subsidiaries
2. Creation of new value  
- Creation of differentiated products which exceed customer needs  
- Development of next-generation products anticipating market changes
3. Bolstering the corporate structure  
- Ensuring soundness of the Group companies and continual increase in earnings  
- Promotion of cross-sectional operational reforms  
- Further promotion of cost structure reforms
4. Activities for realizing a sustainable society  
- Promotion of business activities conducive to solving social concerns  
- Promotion of work-style reforms, fostering of diverse human resources and encouragement of their active participation in the workplace

Guide to Action for the 125th Fiscal Period  
A Year to Accelerate Innovation

- Create far-reaching innovation to drive new growth
- Provide customer-centered products and services based on a customer first mindset
- Build on CSR foundation and collaborate with society to build a sustainable future
CSR activities play a crucial role as an engine to drive innovation for further growth.

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

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

To activate such moves, we established the New Project Planning Office in charge of planning and developing new business by consolidating opinions from divisions. We are considering integrating the SDGs Committee into the office so that it will function as a cross-sectoral new project planning office in the future. Meanwhile, the SDGs Committee linked certain SDGs to materiality (important issues) concerns that we have pursued on a full scale since fiscal 2016. To achieve sustainable growth together with society, we will proactively continue to incorporate SDGs into our management.

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

* The SDGs are the Sustainable Development Goals. The United Nations adopted the SDGs, comprising 17 goals and 169 targets, in September 2015.
Focusing on Enhancing Governance with Sincerity

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

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

To eliminate risks that have an impact on business, such as the falsification of quality data and the leaking of information, before they emerge, we have established the Corporate Risk Management Committee, primarily comprising executive general managers. In parallel with the committee activity, we update the BCMS*2 to reinforce our defense.

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

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

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

* 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.

Continued Innovative Initiatives for Further Environmental Contribution

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

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

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

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

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

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

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

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

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

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CSR In The Lintec Group

Company Motto

Sincerity and Creativity

Mission Statement

The company name LINTEC derives from “linkage” and “technology,” two key components of our business philosophy, which emphasizes the importance of close relations, inside and outside the company, and leading-edge R&D programs. By bringing these together to develop innovative solutions, we have established a reputation in Japan and overseas as a dynamic and reliable company that contributes to the prosperity of our stakeholders, to the growth of our Industry, and to a brighter future for society as a whole. And underpinning all of our business activities is an unwavering emphasis on “Sincerity and Creativity,” the twin values enshrined in our company motto.

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

Practicing CSR through the Core Business

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

We continuously promote CSR initiatives on a global basis in line with our policy to promote concerted management as a group under the LINTEC INNOVATION PLAN 2017 (LIP-2017), our medium-term business plan started in April 2017. Viewing business and the promotion of CSR activities as being directly linked, the Lintec Group practices CSR through our core business. In implementing CSR activities, we identify important issues (materiality), set key evaluation indicators, and strategically apply the PDCA cycle. In fiscal 2016, we continued implementing activities through this approach.

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

The Way to Go "LINTEC WAY"

The Lintec Group developed the LINTEC WAY, guidance to be followed by all Lintec people in order to move forward in the same business direction. The LINTEC WAY comprises ten rules as important values supporting the company motto "Sincerity and Creativity" and states the ideal way of being a Lintec employee.
Five Rules of Sincerity

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

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

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

4. Be a giver.
Lintec people must always possess a “mind of unselfishness.” Each employee must be committed to performing his/her tasks sincerely to "give pleasure" to all people he/she associates with. We believe that this attitude will lead to the sustainable growth of society as a whole.
* "Unselfishness" is a way of living that is defined by thinking how to "please others" first before thinking about one’s own interests.

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

Five Rules of Creativity

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

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

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

4. Think globally.
Lintec people must act “globally.” We must strive to contribute to the development of technologies on a global scale. We must also support social revitalization through activities that are locally-based. Always possess environmental consciousness and act as global citizens.

5. Look for connections to potential everywhere.
Lintec people must value “connections.” We must make extra efforts to absorb valuable knowledge and excellent technologies and learn from others. We must promote active communications not only within the Company but also beyond the borders between companies and countries in order to discover potential to create new values.
Compliance is fundamental to corporate activities

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

We, the directors and employees of LINTEC, shall:

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

Established January 2003 Revised April 2011
Having participated in the United Nations Global Compact since April 2011, the Lintec Group conducts business activities based on the following Ten Principles to contribute to the sustainable growth of society.

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

**Labour**
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and

**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.

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**ISO26000**

ISO 26000 is an international standard that defines social responsibilities of all organizations. By referring to the seven core subjects, the Lintec Group promotes CSR activities.
<table>
<thead>
<tr>
<th>Core subjects in social responsibility</th>
<th>Subjects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational governance</td>
<td>Decision-making process and structure</td>
</tr>
</tbody>
</table>
| Human rights                         | (1) Due diligence  
(2) Human rights risk situations  
(3) Avoidance of complicity  
(4) Resolving grievances  
(5) Discrimination and vulnerable groups  
(6) Civil and political rights  
(7) Economic, social and cultural rights  
(8) Fundamental principles and rights at work |
| Labour practices                     | (1) Employment and employment relationships  
(2) Conditions of work and social protection  
(3) Social dialogue  
(4) Health and safety at work  
(5) Human development and training in the workplace |
| The environment                      | (1) Prevention of pollution  
(2) Sustainable resource use  
(3) Climate change mitigation and adaptation  
(4) Protection of the environment, biodiversity and restoration of natural habitats |
| Fair operating practices             | (1) Anti-corruption  
(2) Responsible political involvement  
(3) Fair competition  
(4) Promoting social responsibility in the value chain  
(5) Respect for property rights |
| Consumer issues                      | (1) Fair marketing, factual and unbiased information and fair contractual practices  
(2) Protecting consumers' health and safety  
(3) Sustainable consumption  
(4) Consumer service, support, and complaint and dispute resolution  
(5) Consumer data protection and privacy  
(6) Access to essential services  
(7) Education and awareness |
| Community involvement and development | (1) Community involvement  
(2) Education and culture  
(3) Employment creation and skills development  
(4) Technology development and access  
(5) Wealth and income creation  
(6) Health  
(7) Social investment |
Business activities of the Lintec Group have impacts on every link of the value chain. We proactively hold dialogues with stakeholders at each phase to carry out initiatives that meet social expectations.

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

※ Highlights reflect the unconsolidated results of Lintec Corporation.

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

For further promotion of CSR activities and in response to stakeholder demands, in fiscal 2014 the Lintec Group identified its materiality, following steps 1 through 3 on the right. The Lintec Group set key performance indicators (KPIs)*4 in fiscal 2015, and started to use them in fiscal 2016.

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

### Process of identifying materiality and setting KPIs

**STEP1 Identify issues**

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

**STEP2 Determine priority**

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

**STEP3 Check validity**

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

**STEP4 Set KPIs**

We disclosed our identified materiality. In light of the progress in our activities, we set KPIs in fiscal 2015 and started to use them in fiscal 2016.
**1 LCA (Life Cycle Assessment):** A method for comprehensively assessing effects on the environment by calculating items such as the amount of energy and water input, the amount of raw materials used, and the amount of CO₂ and hazardous chemical substances emitted throughout a product’s lifecycle.

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

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

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Lintec in Everyday Life

Lintec creates varied products in a wide range of fields, including adhesive materials and related equipment, specialty papers, and release papers and films. The company's products play an active role in all areas of life.
**Architectural window films**

In addition to preventing the scattering/falling of glass fragments when glass is broken, such as in an earthquake, Lintec's window films also provide such features as UV protection, insulation, crime prevention, and privacy maintenance by covering the entire pane of window glass. With a diverse lineup of items, including clear, tinted, and reflective films, the company's window films have recently been gathering considerable attention especially with a view toward safety and energy-saving measures.

**Marking films**

Lintec offers durable adhesive films in a rich assortment of colors and various outstanding features such as weather resistance, heat resistance, water resistance, and oil resistance, making them perfect for applications such as outdoor signs and logos attached to automobile bodies. The company also has a lineup of materials that enable varied visual expressions through large-sized printing. These are used widely for applications such as large advertisements in commercial facilities and vehicle wrap advertising on trains and buses.

**Automotive window films**

Automotive window film in a wide variety of colors and textures allows drivers to create a posh external appearance and internal space in tune with one's sensitivities. At the same time, excellent insulation performance enables the creation of a comfortable space with improved air conditioning efficiency inside the vehicle. Lintec's broad lineup includes various high-transparency films.

**Adhesive papers and films for labels**

Lintec has developed and provides a truly diverse range of label materials, from labels for brand display on various products and eye-catching stand-type labels to nameplates an warning labels on automobiles and electrical devices, labels on food packages that can be put into freezers and refrigerators or undergo heat processing, distribution labels suited to barcode printing, re-sealable labels for wet tissue packs, and adhesive memos.
Lintec has developed a truly diverse range of highly functional tapes such as tape that protects circuit surfaces, which is used in the process of making semiconductor wafers thinner through back grinding after circuit formation; tape that fixes wafers in a ring frame during the process of dicing wafers into individual chips; and tape that contributes to the simplification of the chip mounting and laminating processes by transferring adhesive directly to the back surface of chips after dicing. The company has also developed various electronic devices for attaching and detaching its tapes.

Electronics-related products

**LCD films**

Lintec conducts adhesive processing to attach polarizing film, phase difference film, and other films that are indispensable components of LCDs, supplies double-sided adhesive sheets for attaching, and conducts glare-proof hard coating of film surfaces to protect display surfaces from scratches and prevent background reflections of fluorescent and other lights.

Optical-related products

**Coated films for manufacturing multilayer ceramic capacitors**

Release film is crucial in the formation of ultra-thin ceramic layers during the manufacturing process for laminated ceramic capacitors, which are incorporated into numerous electronic devices. There is a need to apply a thin and even coat of ceramic dielectric paste and to then remove the film cleanly. The company's products combine the sophistication of Lintec's release technology with precision, thin coating technology.

Multilayer ceramic capacitor-related tapes

**Casting paper for carbon fiber composite material**

Carbon fiber is used in golf clubs, fishing poles, and components of aircraft bodies as a strong and light material. Lintec's release paper products called "casting paper" are used in the process of hardening carbon fiber into sheets with resin. Heat resistance and dimensional stability are important in addition to ease of release.

Release papers and films
Lintec has developed and provides a truly diverse range of specialty and functional papers, including envelop papers in a rich variety of colors in which different textures provide distinctive characteristics; oil-resistant and water-resistant papers for food packaging; washing-resistant paper for cleaning tags; dust-free paper used in clean rooms such as in semiconductor factories; and incombustible paper that has a self-extinguishing feature.
Overview of the Lintec Group

What Is the Lintec Group?

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

Through initiatives implemented under the medium-term business plan, "LINTEC INNOVATION PLAN 2019 (LIP-2019)", which is targeted at creating economic value, as well as initiatives linked to materiality (important issues), the Lintec Group aims for the sustainable development of society.
We provide products to which various functions are added to suit the purpose or usage environment, including: adhesive papers and films for labels on household goods, food products and home electronics, tapes for fixing parts of mobile devices, adhesive products for automobiles, industrial barcode printers, labeling machines for automatic labeling, window films for buildings and automobiles, materials for outdoor signage and advertisements, marking films for decorating car bodies, and interior decorative sheets.

Sales
(Million yen)
150,000
100,000
50,000
0
2013 2014 2015 2016 2017
(FY)

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

IoT: IoT stands for Internet of Things, which collectively refers to a wide variety of "things", such as buildings, appliances, automobiles and medical equipment, connected to the Internet for the purpose of exchanging information.
Taking advantage of paper-making technologies, we provide a wide variety of products, including: color envelop paper and color paper in a wide array of colors, function paper including greaseproof paper and dust-free paper for food packaging, high-quality printing paper, and release paper and release film for protecting adhesive coated surfaces, as well as casting paper used when manufacturing synthetic leather and carbon fiber composite materials. Recently, we have developed highly water-repellent yet printable craft paper, which is used for envelopes, wrapping and book printing. We continue to improve our products according to market needs.

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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.

Overview of the Lintec Group

Sales by region

- Sites certified to ISO 14001, the international standard for environmental management systems
Shingu Plant and Shigu Plant Tatsuno Office obtained ISO 14001 certificate as one site.

Mishima Plant and Doi Plant obtained ISO 14001 certificate as one site.

*1 Shingu Plant and Shigu Plant Tatsuno Office obtained ISO 14001 certificate as one site.

*2 Mishima Plant and Doi Plant obtained ISO 14001 certificate as one site.
Asia

- LINTEC (SUZHOU) TECH CORPORATION
  - Beijing Branch
  - Shanghai Branch
  - Shenzhen Branch
- LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION
- LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.
  - Suzhou Branch
  - Tianjin Branch
  - Shenzhen Branch
  - Chengdu Branch
- LINTEC SPECIALITY FILMS (TAIWAN), INC.
- LINTEC HI-TECH (TAIWAN), INC.
- LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.
  - Hsinchu Office
- LINTEC KOREA, INC.
- LINTEC SPECIALITY FILMS (KOREA), INC.
- LINTEC ADVANCED TECHNOLOGIES (KOREA), INC.
- LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED
- LINTEC SINGAPORE PRIVATE LIMITED
- PT. LINTEC INDONESIA
- PT. LINTEC JAKARTA
- LINTEC (THAILAND) CO., LTD.
- LINTEC INDUSTRIES (MALAYSIA) SDN. BHD.
- LINTEC INDUSTRIES (SARAWAK) SDN. BHD.
- LINTEC KUALA LUMPUR SDN. BHD.
- LINTEC ADVANCED TECHNOLOGIES (MALAYSIA) SDN. BHD.
  - Kuala Lumpur Office
  - Penang Office
- LINTEC VIETNAM CO., LTD.
- LINTEC HANOI VIETNAM CO., LTD.
- LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC.
- LINTEC PHILIPPINES (PEZA), INC.
- LINTEC INDIA PRIVATE LIMITED

United States

- LINTEC USA HOLDING, INC.
- LINTEC OF AMERICA, INC.
  - Chicago Office
  - Dallas Office
  - NANO-SCIENCE & TECHNOLOGY CENTER
- MACTAC AMERICAS, LLC
- MADICO, INC.
- VDI, LLC

Europe

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

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

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

Lintec has four outside directors, including three directors as Audit and Supervisory Committee members. With the adoption of an executive officer system, Lintec separates directors in charge of making decisions on important management issues from executive officers in charge of business operations.

Corporate Governance System

*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.
### Remuneration of Corporate Officers

1. **Total remuneration by corporate officer type, remuneration type, and number of officers included**

<table>
<thead>
<tr>
<th>Corporate officer type</th>
<th>Total remuneration (Millions of yen)</th>
<th>Total remuneration by type (Millions of yen)</th>
<th>Number of officers receiving remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Basic remuneration</td>
<td>Stock options</td>
</tr>
<tr>
<td>Directors (excluding Audit &amp; Supervisory Committee members and outside directors)</td>
<td>450</td>
<td>338</td>
<td>21</td>
</tr>
<tr>
<td>Directors (Audit &amp; Supervisory Committee members, excluding outside directors)</td>
<td>19</td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td>Outside officers</td>
<td>20</td>
<td>20</td>
<td>-</td>
</tr>
</tbody>
</table>

2. **Policy regarding decisions on amounts of director remuneration**

(1) **Director remuneration (excluding Audit & Supervisory Committee members)**

Remuneration of directors (excluding Audit & Supervisory Committee members) consists of the following.

**Basic remuneration**

- Fixed amount determined based on rank as well as contributions to the director shareholding association
- Long-term incentives provided by enabling directors to periodically purchase and hold shares of the Company stock through the director shareholder association based on contributions made

**Bonuses**

- The Company has established short-term incentives (remuneration linked to business performance) paid in amounts adjusted based on consolidated business results. However, the total amount paid does not exceed 150 million yen.
Stock options

- Long-term incentives provided together with the director shareholding association

The amounts of remuneration are decided by the Board of Directors in accordance with the Company's internal rules on director remuneration and based on the duties and responsibilities of each director (excluding Audit & Supervisory Committee members), within totals approved at the General Meeting of Shareholders.

With the aim of improving objectivity and transparency regarding the assessment of and decisions on remuneration for directors (excluding Audit & Supervisory Committee members), the Remuneration Assessment Advisory Meeting has been formed, with its members including external experts, to provide advice and make suggestions to the president and CEO on relevant matters when necessary.

(2) Director remuneration (Audit & Supervisory Committee members)

Remuneration for Audit & Supervisory Committee members is discussed and decided by the Audit & Supervisory Committee in accordance with the Company's internal rules on director remuneration and based on each member's duties and responsibilities, within totals approved at the General Meeting of Shareholders.

Pursuing Strategic CSR Practice

Lintec has four CSR committees: the Corporate Ethics Committee, Customer Satisfaction Committee, Social Contribution Committee and SDGs Committee. Officers in charge of each bring important issues identified by the relevant committee to Board of Directors meetings for resolution. Through this approach, insights of different committees are shared to allow for a multifaceted perspective, which is important for making decisions on matters involving the entire Group.

CSR Promotion System

The CSR Management Office under the direct control of the president strives to foster high ethical standards, disseminate information on CSR, and support the initiatives of the CSR committees. The CSR committees, which have a cross-organizational membership and each of which include an officer in charge, lead initiatives with responsibility from the standpoint of management. In fiscal 2017, the SDGs Committee was established to solve social issues through our core business.
To promote understanding of corporate legal affairs, Lintec provides directors and executive officers with a top-management training program. In fiscal 2017, we held two training sessions, one on laws and one on accounting.

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

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

We will continue to provide education for top management and employees and publish information to help improve understanding of corporate legal affairs.
<table>
<thead>
<tr>
<th><strong>Outside Directors</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director</strong></td>
</tr>
<tr>
<td>Kazumori Fukushima</td>
</tr>
<tr>
<td>(Managing Executive Officer, Nippon Paper Industries Co., Ltd.)</td>
</tr>
<tr>
<td>Kazumori Fukushima enhances the supervisory function of Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in production and sales capacities, at Nippon Paper Industries Co., Ltd.</td>
</tr>
<tr>
<td><strong>Director/Audit &amp; Supervisory Committee Member</strong></td>
</tr>
<tr>
<td>Toru Nozawa</td>
</tr>
<tr>
<td>(Director, Managing Executive Officer, Nippon Paper Industries Co., Ltd.)</td>
</tr>
<tr>
<td>Toru Nozawa audits and supervises Lintec's Board of Directors by drawing on his experience as an officer, as well as the knowledge and experience he acquired in an administrative capacity, at Nippon Paper Industries Co., Ltd.</td>
</tr>
<tr>
<td><strong>Director/Audit &amp; Supervisory Committee Member</strong></td>
</tr>
<tr>
<td>Satoshi Ohoka</td>
</tr>
<tr>
<td>(Lecturer, Chuo University Graduate School of Commerce; Outside Director, Ryobi Limited; member of Lintec's independent committee on large-scale purchasing rules)</td>
</tr>
<tr>
<td>Satoshi Ohoka audits and supervises Lintec's Board of Directors by drawing on his experience in policy-based finance, his rich international experience, his specialized academic experience, and the knowledge and experience he acquired as an outside director in other industries.</td>
</tr>
<tr>
<td><strong>Director/Audit &amp; Supervisory Committee Member</strong></td>
</tr>
<tr>
<td>Kanako Osawa</td>
</tr>
<tr>
<td>(Lawyer at Kajitani Law Offices; member of Lintec's independent committee on large-scale purchasing rules)</td>
</tr>
<tr>
<td>Kanako Osawa audits and supervises Lintec's Board of Directors by drawing on her advanced legal knowledge, broad insights, and knowledge and experience acquired in corporate legal affairs in and outside Japan.</td>
</tr>
</tbody>
</table>

**No. of Board of Directors meetings**
- No. of meetings: 14
- Attendance of directors (%): 97.2
  - Attendance of outside directors (%): 80.0

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

**No. of Audit & Supervisory Committee meetings**
- No. of meetings: 13
- Attendance of committee members (%): 100
  - Attendance of outside committee members (%): 100
Compliance

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

"Compliance self-check sheet" and "compliance training materials" are published in the Lintec intranet. All employees use these materials for checking their conduct and conducting compliance.

Global Surveys on Human Rights and Labor Standards

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

As a result of the survey in March 2018★, it was confirmed that all sites comply with local and regional laws and regulations, that the Lintec Group Compliance Guidelines are well understood by employees, and that Lintec employees work in a healthy and safe working environment where their fundamental human rights are respected.

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

★ For detailed data, click here

Compliance with the Antitrust Law & Prevention of Corruption

The Lintec Group strives vigorously to ensure compliance with the antitrust law and prevent corruption. This topic is included in our Compliance Guidelines, a booklet distributed to employees to raise their compliance awareness.
The Lintec Group issued Legal News (Vol. 16–21) from February 2017 to February 2018 to provide legal information to employees.

- Vol. 16 Defect liability
- Vol. 17 Product liability and the Product Liability Act
- Vol. 18 Corporate organizational design (company with audit and supervisory committee)
- Vol. 19 Environmental laws and regulations related to corporate activities
- Vol. 20 Appropriate use of whistleblowing systems
- Vol. 21 News in review from January 2017 to March 2018

Following the issuance of Legal News Vol. 21, e-learning programs were provided via the intranet.

Additionally, from October 2017 to January 2018, training sessions (about one hour each) aimed at improving employees' legal awareness were organized for three groups: young salespersons in their second or third year at the company on the "basics of sales contracts"; newly appointed section managers on "legal risks associated with Lintec"; and first-year employees assigned to the Research Center on the "basics of contracts".

At the Lintec Group, we issue a code of conduct booklet, "Compliance Guidelines", to enhance each employee's compliance awareness. The Guidelines booklet has been translated into seven other languages to be distributed to employees of Group companies outside of Japan. It was revised in April 2017. Using the revised version, in fiscal 2017 we held CSR study sessions at production bases in Japan, which were attended by a total of 4,100 employees from 58 locations.

Rinri Kawaraban, which started in fiscal 2006, is an intranet ethic news column featuring a short haiku-like poem with an additional explanation to familiarize employees with standards for ethics and conduct. The poems are compiled into a booklet, which is not only used internally but also introduced to suppliers and customers. Volume 10 was issued in March 2017 under the theme of "Look forward with sincerity", and featured special projects in celebration of its 10th anniversary, including an overview of trends over the past decade.
At the Lintec Group, the Corporate Risk Management Committee, primarily comprising executive general managers, strives to prevent problems by identifying all possible risks associated with company management and working at making improvements throughout the group according to the degree of urgency and importance.

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

Lintec Corporation, Tokyo Lintec Kako, Inc., and Lintec Speciality Films (Taiwan), Inc. have developed a BCP*2 to be able to minimize human casualties, continue to supply products, and resume business as early as possible after an earthquake or other disaster. Becoming certified under ISO 22301*3: 2012 in March 2014, we are operating the BCMS to maintain and improve the BCP. We will make continued efforts to share the BCMS among employees to initiate and enhance activities.

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

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

*3 ISO 22301: An international standard for BCMS that a corporation or organization should follow in establishing and effectively operating a system to prepare for earthquake, fire, trouble in the IT system, financial crisis, bankruptcy of supplier, pandemic, or other natural disaster or accident.
Employees at each site plan and conduct drills according to the business and characteristics of the site. Details of drills at all sites are shared group-wide via the intranet.

Drills conducted in fiscal 2017: 26 sites, 312 drills

Company-wide emergency task force drill (Nov. 30, 2017)
Head office comprehensive disaster drill (Mar. 19, 2018)
Satellite telephony practice at Tokyo Lintec Kako (Jul. 4, 2017)

Group-Wide BCMS Study Sessions

Lintec hosts basic BCMS study sessions targeting the entire workforce. Each year, three sessions are held at the Head Office and broadcast to all sites via the videoconference system. In addition, an external BCMS expert is invited to give a seminar on a yearly basis. Representatives from each site attend the seminar and utilize the acquired knowledge to enhance BCMS drills at their respective locations.

BCM seminar (Jul. 28, 2017)
Held in Yokohama, attended by 37 employees
Company-wide BCMS study session, basic 12 (Dec. 7, 2017)
Theme: Pandemic
Improvement efforts

BCMS operation at each site is checked by internal audits. About half of these internal audits are conducted as mutual site audits, which provide employees with opportunities to get to know initiatives at other sites and help improve each other. Suggestions and improvement proposals from employees are discussed at the BCMS Council and reflected in group-wide initiatives. Council meetings are held openly, broadcast at each site using the TV conference system so that employees can watch them.

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

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

Information Security

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

Helpline

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

Instructions on how to use the helpline are provided in the Compliance Guideline to raise awareness of the helpline across the Group. Lintec Head Office sends written questionnaire surveys to group companies every year to grasp how each company is publicizing and operating the system in order to provide necessary instructions and support to improve its effectiveness.
The Lintec Board of Directors at its meeting held in March 2018 decided to discontinue the large-scale purchasing rules on shares, and the rules were abolished at the end of the shareholder meeting in June.

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

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

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

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Lintec's Research & Development Division started full-scale operation of the Advanced Technology Wing in 2015. In fiscal 2017, the division made maximum use of the mass production test coating facilities in the wing to further promote "one-stop development", which considers the mass production process simultaneously with product design. By carrying out thorough advance verification, the division became able to facilitate the preproduction process, reducing material and preproduction costs. It has also become possible to use the mass production test coating facilities in the clean room, where cutting facilities are installed, to directly provide customers with samples for evaluation.

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

★ For detailed data, click here
### Voice Completing Promising New Product After Verification with Test Coating Facilities for Mass Production

In fiscal 2017, we were able to continue to deliver a number of new products to customers and markets. In particular, at Label Expo Europe 2017, the world’s largest label exhibition, we displayed super-strength adhesive labelstocks, ultra low-migration labelstocks, 3D conformable labelstocks and laser markable labelstock, among others. Needless to say, these materials were created based on the unique ideas of designers, and their mass production became possible through verification using the mass production test coating facilities. We firmly hope that these new products will be useful to the world. We will introduce new ancillary facilities to improve the performance of the mass production test coating facilities and further promote one-stop development.

### Disclosing Product Information

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

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

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

* FSC®: The Forest Stewardship Council (FSC) is an international organization that certifies woodproducing forests around the world as well as the distribution and processing of wood taken from such forests.
The Lintec Group believes that individual employees must have an awareness of how an emphasis on quality is important to maintain and improve the quality of products and services, and that acquiring quality-related knowledge and skills with such an awareness is indispensable.

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

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

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

Ratio of quality accidents

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>100</td>
</tr>
<tr>
<td>2013</td>
<td>18</td>
</tr>
<tr>
<td>2014</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>12</td>
</tr>
<tr>
<td>2016</td>
<td>13</td>
</tr>
<tr>
<td>2017</td>
<td>10</td>
</tr>
</tbody>
</table>
```

※2 Ratio to the number recorded in fiscal 2003 as 100%.

Promoting Improvement Activities using PDCA Cycles

Lintec (Suzhou) has set a fiscal 2017 quality policy of using PDCA cycles to eliminate recurring complaints. Based on the policy, all employees are making concerted efforts to investigate causes of problems and take appropriate measures while the Quality Assurance Section is checking the implementation status of the measures. To improve product quality, we will continue our improvement activities.

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

Total participants in quality education program
4,593 employees
Providing Value to Customers

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

Quality Assurance

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

Lintec Group Quality, Environmental and Business Continuity Policies

Quality Assurance System

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

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

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

Acquisition of ISO 9001 certification

<table>
<thead>
<tr>
<th>Number of sites certified</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>21*2</td>
<td>19*3</td>
</tr>
</tbody>
</table>

*1 ISO9001: The international standard for quality management systems.

*2 Regional breakdown: 10 (Japan); 9 (Asia and others); 2 (Americas)

*3 The number of sites certified has decreased from FY2016, reflecting integrations in some regions, resulting in the current breakdown: 9 down from 10 (Japan); 9 (Asia and others); and 1 down from 2 (Americas).
Communicating with Customers

Exhibiting at Exhibitions in and Outside Japan

In order to communicate with even more customers, Lintec actively participates in exhibitions held in and outside Japan. In fiscal 2017, Lintec took part in a total of 45 exhibitions and received valuable feedback on its products and technologies.

Fiscal 2017 Exhibitions

<table>
<thead>
<tr>
<th>Japan</th>
<th>Outside Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Adhesion &amp; Joining Expo</td>
<td>Display Week 2017 (San Diego, U.S.A.)</td>
</tr>
<tr>
<td>FABEX2017</td>
<td>Philippine Semiconductor and Electronics Convention and Exhibition 2017 (Pasay, Phillipines)</td>
</tr>
<tr>
<td>SIGN EXPO 2017</td>
<td>SEMICON West 2017 (San Francisco, U.S.A)</td>
</tr>
<tr>
<td>Label Forum Japan 2017</td>
<td>All China Leather Exhibition 2017 (Shanghai, China)</td>
</tr>
<tr>
<td>SIGN&amp;DISPLAY SHOW2017</td>
<td>SEMICON Taiwan 2017 (Taipei, Taiwan)</td>
</tr>
<tr>
<td>ECO PRODUCTS2017</td>
<td>NEPCON Vietnam 2017 (Ho Chi Minh, Vietnam)</td>
</tr>
<tr>
<td>THE 17th International Nanotechnology Exhibition</td>
<td>LABLEXPO EUROPE 2017 (Brussels, Belgium)</td>
</tr>
<tr>
<td>Converting Technology Exhibition: Neo Functional Material 2018</td>
<td>SEMA SHOW 2017 (Las Vegas, US)</td>
</tr>
<tr>
<td></td>
<td>PHARMAPACK 2018 (Paris, France)</td>
</tr>
<tr>
<td></td>
<td>SEMICON China 2018 (Shanghai, China)</td>
</tr>
</tbody>
</table>

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Cooperating with Suppliers

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

Fair Transactions

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.

CSR Procurement

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

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

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

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

★ For detailed data, click here

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

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

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

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

* 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.
Environmental Assessment at Suppliers

As part of efforts to build relationships of trust with its suppliers, the Lintec Group requests each company to complete a check sheet survey jointly prepared at Lintec by the Procurement Department, Quality Assurance Department, CSR Management Office, and Environmental & Safety Department. We evaluate collected surveys and provide improvement requests to companies depending on the results, asking them to consider improvement plans.

In the area of the environment, key evaluation items chiefly relate to the management of raw materials containing hazardous chemicals. Major items include certification under ISO 14001 or other chemical substance management systems, establishment of chemical substance control systems, data collection, and raw material lot traceability. We visit suppliers with low scores to perform on-site inspections and ask them to take improvement actions if necessary.

BCP*1 with Suppliers

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

Lintec also conducted examinations of some suppliers to confirm whether they had BCPs and a management system to implement the BCPs, and whether they had organizations and procedures to cope with an incident*2. All our suppliers will be subject to these examinations in the future.

*1 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.

*2 Incident: a situation which cause or may cause business interruption, disturbance, loss, emergency or hazard

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

**Respecting Human Rights and Diversity**

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

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

---

**Employment**

- **Number of employees by gender: Lintec Corporation**
  - [Male]: 2,221* 87%
  - [Female]: 337* 13%
  - Total employees: 2,558
  - Managers*: 474 98%
  - Managers*: 10 2%

- **Number of employees by gender: Lintec Group (incl. non-consolidated companies)**
  - [Male]: 4,490* 79%
  - [Female]: 1,201* 21%
  - Total employees: 5,691
  - Managers*: 802 88%
  - Managers*: 112 12%

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

※ Percentage of each gender in management positions
★ For detailed data, [click here](#)
In fiscal 2017, Lintec's Diversity Committee carried out activities with a focus on the ongoing themes of supporting employees engaged in family care, empowerment of female employees, and empowerment of employees who are rehired after reaching retirement age. As the number of employees engaged in family care is likely to increase, Lintec revised work regulations to allow the more realistic use of programs and help individual employees work securely in their own environments and achieve work-family care balance.

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

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated time off</td>
<td>■ Increasing the upper limit of accumulated time off days (50 days to 80 days)</td>
</tr>
<tr>
<td></td>
<td>■ Easing requirements for taking time off (accepting &quot;in need of support&quot; in addition to &quot;being in need of care&quot;)</td>
</tr>
<tr>
<td></td>
<td>■ Expanding the scope of family (adding family of spouse)</td>
</tr>
<tr>
<td>Family care leave</td>
<td>■ Easing requirements for taking time off (accepting &quot;in need of support&quot; in addition to &quot;being in need of care&quot;)</td>
</tr>
<tr>
<td></td>
<td>■ Expanding the scope of family (adding family of spouse)</td>
</tr>
<tr>
<td>Family care time off</td>
<td>■ Providing benefit during time off</td>
</tr>
<tr>
<td>Half-day off</td>
<td>■ Increasing the number of times (from up to 40 times/year to up to 80 times/year)</td>
</tr>
</tbody>
</table>

**Respect for Human Rights in Labor Management and Education**

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

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

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>2,957</td>
<td>635</td>
<td>3,592</td>
</tr>
<tr>
<td>Asia</td>
<td>972</td>
<td>354</td>
<td>1,326</td>
</tr>
<tr>
<td>Other</td>
<td>561</td>
<td>212</td>
<td>773</td>
</tr>
<tr>
<td>Total</td>
<td>4,490</td>
<td>1,201</td>
<td>5,691</td>
</tr>
</tbody>
</table>

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

### Three-year turnover of employees hired as new graduates

<table>
<thead>
<tr>
<th></th>
<th>Joined</th>
<th>Left</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>New employees joined in 2015 (group-wide)</td>
<td>59</td>
<td>4</td>
<td>6.8%</td>
</tr>
<tr>
<td>Male</td>
<td>50</td>
<td>3</td>
<td>6.0%</td>
</tr>
<tr>
<td>Female</td>
<td>9</td>
<td>1</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

※ The above table indicates non-consolidated data for LINTEC Corporation.
★ For detailed data, click here
Improved accessibility* in a new head office building

Together with Employees  
(Human Rights / Employment)

Respecting Human Rights and Diversity

Employment of Persons with Disabilities

Lintec provides employment opportunities to persons with disabilities. The full-year employment rate at Lintec for persons with disabilities in fiscal 2017 was 1.97%, below the legally mandated rate of 2.0%.

The Operation Support Office, which was established under the Human Resources Department on April 1, 2015, creates an environment for employees with disabilities to undertake specific tasks requested by individual departments and recruits new employees to support operations of individual departments.

Employment rate for Persons with Disabilities

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>50</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td>Full-year employment rate</td>
<td>1.94</td>
<td>2.06</td>
<td>1.97</td>
</tr>
</tbody>
</table>

* Accessibility: Enabling older persons and those with disabilities to have easy access to facilities, products, and services.

Job Return Program

In April 2010, Lintec introduced a job return program. Under this program, the company re-hires employees who had retired for personal reasons such as childbirth, childcare, nursing care of a family member, or other family circumstances such as the transfer of spouses to a different work location. In August 2014, we revised re-employment systems, introduced the registration system, and advertised the program to employees. As a result, the number of registrations for the program increased.

Number of registered Job Return Program Users (Persons)

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered users</td>
<td>2</td>
<td>6</td>
<td>13</td>
</tr>
</tbody>
</table>
Lintec continues to offer employment to its retirees. All interested retirees are re-hired, in principle. In fiscal 2017, the Company re-hired 35 out of 44 retirees. Re-hired employees are making meaningful contributions, making use of the skills and experience they have developed over many years.

### Number of re-employed retirees

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of mandatory retirees</td>
<td>32</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Number of retirees rehired (%)</td>
<td>20(63%)</td>
<td>34(77%)</td>
<td>35(80%)</td>
</tr>
</tbody>
</table>

### Management Labor Relations

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

### Status of the Lintec Forest

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor union members</td>
<td>2,033</td>
<td>2,036</td>
<td>2,034</td>
</tr>
<tr>
<td>Average age</td>
<td>38.8</td>
<td>38.7</td>
<td>38.8</td>
</tr>
<tr>
<td>Average service years</td>
<td>11 months</td>
<td>9 months</td>
<td>17 years</td>
</tr>
</tbody>
</table>

※ As of the end of the fiscal year

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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 their full abilities. For creating workplace environments where diverse employees can make active contributions and promoting career development, the Diversity Committee leads discussions and the implementation of multifaceted initiatives.

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

<table>
<thead>
<tr>
<th>Target 1</th>
<th>Raise the average*5 percentage of females in the total number of new hires (graduated from university/graduate school) to over 30%</th>
</tr>
</thead>
</table>
| **Initiatives** | **April 2016~**  
| | - Continue to raise employee awareness to promote employment of female students.  
| | - Improve job/workplace environments and review/creatively improve the way of working.  
| | - Appoint female recruiters to conduct employment screening for each job classification.  |
| **FY2017** | 34.2% |

<table>
<thead>
<tr>
<th>Target 2</th>
<th>Raise the percentage of female supervisors (section chiefs) to over 10%</th>
</tr>
</thead>
</table>
| **Initiatives** | **September 2016**  
| | - Continue to provide diversity management training for managers to raise awareness for creating workplaces where diverse human assets can exercise their abilities to the full.  
| **November 2016** | - Continue to provide female empowerment/career-building training for female employees to raise women's awareness of female empowerment initiatives, their career development, and future working styles.  
| **February 2017** | - Consider review of training programs for career development.  |
| **FY2017** | 6.3% |

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

[Family Care Support]
- Family care leave program (up to one year [365 days] in total)
- Special work hours for employees with family care responsibilities (3 years [1,095 days] in total)
- Family care time off (10 days/fiscal year, available on a half-day basis)
- Accumulated time off (for family care)

Expansion of the following system from April 1, 2018

Accumulated time-off (for family care)
- Unused annual paid time-off can be used for the purpose of providing nursing and other forms of care to family members.
- Increasing the upper limit of accumulated time-off days (50 days to 80 days)
- Easing requirements for taking time-off (accepting "in need of support" in addition to "being in need of care")
- Expanding the scope of family (adding family of spouse) to the 2nd degree of kinship including relatives by marriage

Family care leave
- Easing requirements for taking time-off (accepting "in need of support" in addition to "being in need of care")
- Expanding the scope of family (adding family of spouse) to the 2nd degree of kinship including relatives by marriage

Providing benefits during family care time-off
- Providing 30% of standard wages as benefits to employees on family care leave for whom the family care benefit eligibility period set under the employment insurance system has expired, from the day of expiration up to the 365th day

Maternity leave (14 weeks in total before and after birth)

Childcare leave
- Intended for employed parents of a child under one year of age (the period can be extended to the day when the child reaches two years of age, if necessary)

Child nursing care time-off program (10 days/fiscal year, available on a half-day basis)

Special work hours for parenting employees
- Intended for parents of a child in or below third grade.

Volunteer Support
- Paid social contribution time-off (5 days/fiscal year, available on a half-day basis)
  - Intended for the purpose of participating in local volunteer activities, PTA activities, and other social contribution programs.
### Program users

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

Note: The above table indicates non-consolidated data for LINTEC Corporation.
★ For detailed data, click here

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### Mental Health Measures

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

In fiscal 2017, the checkup was offered across the Group to a total of 3,538 employees, 94.3% of whom actually had it. The Lintec Group has also set up an employee support hotline to which employees and their families can personally contact and talk confidentially with a specialist about their worries, including physical and mental health, childcare, nursing care, legal issues, or personal finances.

* 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.
Precautionary EAP System Overview

Lintec promotes measures to ensure that employees can maintain good health. In order to prevent the harmful effects of long working hours and late night work, we strive to ensure appropriate personnel assignment and the proper sharing of workloads. In particular, we have introduced no-overtime days set in each workplace, flextime programs and other systems to carry out work efficiently and systematically. Also, supervisors are responsible for managing the overtime of individual subordinates to help them avoid excessive strain on the body and mind. Work hour management has been enhanced, specifically by expanding the scope to the entire workforce, including executives and discretionary workers, adopting an attendance system that enables detailed labor management, and checking individual requests for overtime on a daily basis. As a result of these efforts, long working hours have been significantly reduced from the previous year. In addition, the Company provides employees with a mental checkup once a year to help them assess their stress level and manage their own mental health.

Measures against Working Long Hours

Lintec promotes measures to ensure that employees can maintain good health. In order to prevent the harmful effects of long working hours and late night work, we strive to ensure appropriate personnel assignment and the proper sharing of workloads. In particular, we have introduced no-overtime days set in each workplace, flextime programs and other systems to carry out work efficiently and systematically. Also, supervisors are responsible for managing the overtime of individual subordinates to help them avoid excessive strain on the body and mind. Work hour management has been enhanced, specifically by expanding the scope to the entire workforce, including executives and discretionary workers, adopting an attendance system that enables detailed labor management, and checking individual requests for overtime on a daily basis. As a result of these efforts, long working hours have been significantly reduced from the previous year. In addition, the Company provides employees with a mental checkup once a year to help them assess their stress level and manage their own mental health.

Anti-smoking Initiative

In July 2013, as a measure to improve the health of employees and their families as well as enhance productivity in the workplace, we started to offer health promotion incentives for non-smokers in line with the objective of the Health Promotion Act. To be eligible, employees must be non-smokers or have a record of 60 or more consecutive days of no smoking. A monthly incentive of 3,000 yen is offered based on a self-declaration basis. At the end of March 2018, the percentage of incentive recipients stood at 65.6%, up 8.0% percentage points from the figure of 57.6% recorded in the year of introduction. We will continue with these efforts to provide a work environment that encourages employees to maintain their health.

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Together with Employees
(Human Resource Development)

The Lintec Group prepares educational programs tailored to Employees' work assignments and abilities and strives to develop competent human resources with a global mindset.

Concept of Human Resource Development

Lintec has introduced a human resource development program for the professional development of workers exhibiting "pyramid-shaped" competency, comprising expertise supported by broad knowledge and sense.

Various group training programs are provided in two categories: rank-based programs (new hires, second-year follow-up, third-year follow-up, new section chiefs, new managers) and theme-based programs (brothers and sisters, young salesperson, women's empowerment/diversity management, women's empowerment awareness and career progression, work and family care balance, evaluators). These are organized in response to social trends.

In addition, correspondence courses are offered for promoted mid-career managers and newly appointed managers to help them improve their skills.

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

★ For detailed data, click here

Rank-based Training and Career Planning

Aiming at developing people who can contribute to the growth of the Toward Zero Accidents company and society, Lintec, as part of its human resources training, has introduced company-wide rank-based training programs that allow individual employees with diverse values to realize their personal growth according to the current stage of their career building, starting from training for new employees provided when they join the company.

Through the training programs, Lintec supports individuals in both skill acquisition and career design*.

★ Career design refers to the planning of one's own career so as to use one's own abilities by taking into account one's own experiences, skills, and ideal future.
### Fiscal 2017 Schedule of Rank-based Training Programs

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr.</td>
<td>①</td>
<td>New managers training (group training)</td>
<td>39 (New managers)</td>
</tr>
<tr>
<td>May.</td>
<td>②</td>
<td>New managers training (correspondence course)</td>
<td>39 (New managers)</td>
</tr>
<tr>
<td>Jun.</td>
<td>③</td>
<td>New section chiefs training (group training)</td>
<td>48 (New managers)</td>
</tr>
<tr>
<td>Jul.</td>
<td>④</td>
<td>Grade 5 employee training (group training)</td>
<td>90 (Employees promoted to Grade 5)</td>
</tr>
<tr>
<td>Aug.</td>
<td>⑤</td>
<td>Grade 4 employee training (correspondence course)</td>
<td>82 (Employees promoted to Grade 4)</td>
</tr>
<tr>
<td>Sep.</td>
<td>⑥</td>
<td>Third-year follow-up training (group training)</td>
<td>31 (Third-year employees)</td>
</tr>
<tr>
<td>Oct.</td>
<td>⑦</td>
<td>Second-year follow-up training (group training)</td>
<td>46 (Second-year employees)</td>
</tr>
<tr>
<td>Training Type</td>
<td>Details</td>
<td>Participants</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td><strong>⑧ New hires training (group training)</strong></td>
<td>Participants acquire business skills and work-related knowledge, along with basic skills specific to their own companies. They get an understanding of basic knowledge and occupational theory as members of society and professionals.</td>
<td>43 (New hires)</td>
<td></td>
</tr>
<tr>
<td><strong>⑨ Young salesperson training (group training)</strong></td>
<td>To improve the quality of sales activities, participants acquire relevant capabilities, including communication skills, customer-oriented approaches, and a self-reflective attitude.</td>
<td>13 (Fourth- and fifth-year employees in sales positions)</td>
<td></td>
</tr>
<tr>
<td><strong>⑩ Women empowerment/diversity management training (group training)</strong></td>
<td>Participants get an understanding of the basic concepts of women’s empowerment and diversity management, as well as of managers’ roles and the company’s initiatives, and gain awareness of women’s empowerment.</td>
<td>24 (Managers)</td>
<td></td>
</tr>
<tr>
<td><strong>⑪ Women’s empowerment awareness and career progression training</strong></td>
<td>Participants get a proper understanding of the women’s empowerment initiative and a sense of ownership, and think about creating a comfortable working environment and their future working styles.</td>
<td>28 (Female employees)</td>
<td></td>
</tr>
<tr>
<td><strong>⑫ Brothers and sisters training (group training)</strong></td>
<td>To become mentors for new hires and young employees, participants recognize the importance of giving guidance on the job, acquire the knowledge necessary to give guidance, and learn how to motivate new hires and young employees.</td>
<td>35 (Senior employees who give guidance to new hires and young employees)</td>
<td></td>
</tr>
<tr>
<td><strong>⑬ Subordinate coaching training for managers (group training, videoconference training)</strong></td>
<td>In order to effectively develop the professional capabilities of young employees in a shorter time, participants acquire know-how and skills for practicing appropriate HR development systems and approaches.</td>
<td>Biennial course (2017 falls on the &quot;off&quot; year)</td>
<td></td>
</tr>
<tr>
<td><strong>⑭ Work and family care balance training (group training)</strong></td>
<td>This training aims to increase organizational capabilities to support employees with family care responsibilities, thereby reducing the turnover of these employees. Participants acquire knowledge and skills to be able to balance work and family care responsibilities.</td>
<td>184 (Managers, responsible persons from personnel/employment departments)</td>
<td></td>
</tr>
<tr>
<td><strong>⑮ Language training (volunteers with division recommendation)</strong></td>
<td>As a part of corporate globalization, the purpose of this training is to broaden the base of candidates for postings outside of Japan and to improve their work performance using languages in which the work will be conducted.</td>
<td>12 (Selected from volunteers)</td>
<td></td>
</tr>
<tr>
<td><strong>⑯ Prospective employee training (group training)</strong></td>
<td>Participants learn about becoming working members of society and the necessary preparation before starting work at Lintec.</td>
<td>40 (Prospective employees)</td>
<td></td>
</tr>
<tr>
<td>Total training hours</td>
<td>7,124</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. The above table indicates non-consolidated data for LINTEC Corporation.
2. Calculated for time-based programs only.
★ For detailed data, click here
Together with Employees
(Human Resource Development)

### Individual Education Programs

#### CSR Briefing and Information Security Education

Since fiscal 2010, the Lintec Group has hosted various CSR study sessions to share awareness of CSR activities. Fiscal 2017 sessions focused on the outline of the Lintec Group Compliance Guidelines, which was revised in April 2017, and were held in 58 locations in and outside of Japan (attended by a rough total of 4,100 employees).

#### Global Education

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

#### Environmental Education

Lintec Corporation and Tokyo Lintec Kako provide employees with e-learning courses for ISO 14001 awareness education. The programs for fiscal 2017 focused on energy conservation and safety management to increase employees' understanding of these areas. In addition to ISO 14001 awareness education, internal auditor training, and guest lectures on biodiversity were provided in order to further promote their awareness and understanding. The "Lintec Environmental and Safety Information" available on the intranet covers topics related to environmental laws and regulations, explains terminology, and reports ISO 14001 activities to increase the environmental awareness of individual employees.
<table>
<thead>
<tr>
<th>Invitees</th>
<th>Content</th>
<th>Total participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>Overall system training, new employee training, divisional training, transferred employee training, biodiversity seminar, participation in seminars, etc.</td>
<td>453</td>
</tr>
<tr>
<td>Agatsuma Plant</td>
<td>Self-awareness training, chemical substance management training, emergency drill, internal auditor training</td>
<td>1,453</td>
</tr>
<tr>
<td>Kumagaya Plant (Lintec Service)</td>
<td>ISO 14001 self-awareness training, new employee training, chemical substance management training, forest certification education, emergency drills</td>
<td>564</td>
</tr>
<tr>
<td>Research Center</td>
<td>ISO 14001 regular training, Waste education (new employee), biodiversity (visit lecture), chemical substance management training, (new employee)</td>
<td>361</td>
</tr>
<tr>
<td>Tokyo Lintec Kako</td>
<td>ISO 14001 self-awareness training, training for new employees/transferred employees, biodiversity (visit lecture), company tour, chemical substance management training, energy-saving, waste sorting</td>
<td>203</td>
</tr>
<tr>
<td>Ina Technology Center</td>
<td>ISO 14001 self-awareness training, biodiversity (nature observation)</td>
<td>227</td>
</tr>
<tr>
<td>Chiba Plant</td>
<td>ISO 14001 self-awareness training, internal auditor training, specified duty training, environmental facility training, environmental law training, biodiversity (seminar), new/transferred employees</td>
<td>287</td>
</tr>
<tr>
<td>Tatsuno Plant</td>
<td>ISO 14001 self-awareness training, non-regular awareness training for new employees/transferred employees/New ISO14001 Chief training for new employees/transferred employees/New EMS Chief, specific business education · training · internal training (contact network, chemical leakage), external seminars (ISO14001 assistant judges, biodiversity, qualification etc)</td>
<td>674</td>
</tr>
<tr>
<td>Shingu Plant</td>
<td>ISO 14001 self-awareness training, non-regular awareness training (visit lecture, group activity)</td>
<td>573</td>
</tr>
<tr>
<td>Niihama Plant</td>
<td>ISO 14001 self-awareness training, biodiversity (visit lecture, External seminars), specific business education (hazardous materials · Waste treatment workers · deodorization equipment), external seminar (energy administrator upskilling)</td>
<td>296</td>
</tr>
<tr>
<td>Mishima Plant (including partner companies)</td>
<td>ISO 14001 self-awareness training (new/transferred employees), ISO 14001 internal auditor training, biodiversity (seminar at prefectural general science Museum)</td>
<td>573</td>
</tr>
<tr>
<td>Komatsushima Plant</td>
<td>ISO 14001 self-awareness training, biodiversity, emergency drill, ISO 14001 assistant auditor training</td>
<td>229</td>
</tr>
</tbody>
</table>

### Lintec Environmental & Safety Information Site

As part of the company's environmental education for employees, Lintec operates the Lintec Environmental & Safety Information site on its intranet to provide to employees updates of information related to the environment, ISO 14001 (activities conducted by Lintec and introduction of the website administrative office), regulations of chemical substances (such as REACH* and information related to other regulations), energy-saving and safety and health. During fiscal 2017, a total of 24 new and updated topics were posted on the intranet site. The site will be updated regularly in order to further strengthen employees' environmental awareness.

* 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.

### Technology Familiarity Workshops

The Lintec Group hosts the Technology Familiarity Workshop every year to promote interaction among the R&D, production, and sales divisions in the area of technology. In November 2017, the 68th session was held under the theme of "Lintec's core technologies". The workshop was attended by a rough total of 250 employees, including 67 from production and sales divisions. Members from R&D and production divisions gave presentations on core technologies applied to develop and manufacture Lintec's products. Participants had a lively exchange of opinions and shared a lot of technical information.
Together with Employees
(Human Resource Development)

Self-motivated Education System

Self-development Correspondence Training Courses

Twice a year, Lintec offers self-development correspondence training courses to interested employees. The Company subsidizes a part of the cost for those who complete a course within a given time frame. There is a wide variety of course content available, such as management, business skills, computer skills, foreign languages, liberal arts, and qualifications certificate programs. The Company will continue offering these courses to encourage employees to keep learning and growing.

<table>
<thead>
<tr>
<th>FY</th>
<th>Number of participants</th>
<th>Completion rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>243</td>
<td>65</td>
</tr>
<tr>
<td>2016</td>
<td>250</td>
<td>63</td>
</tr>
<tr>
<td>2017</td>
<td>235</td>
<td>62</td>
</tr>
</tbody>
</table>

Language Training

To develop employees who can excel on a global stage, Lintec has introduced a language-training program as a support system for self-motivated study. Employees who want to receive language training apply for the program. Participants are selected by the selection committee from among applicants who obtained a recommendation from their immediate superiors and division general managers. In fiscal 2017, twelve employees received the language training. Although the training time varies depending on each employee's language level, the aim is for participants to reach their target level with about 100 to 150 hours of training.
LINTEC VIETNAM hosted a company trip in December 2017, and a total of 28 employees and their family members participated in the event. Departing from Ho Chi Minh City, the party traveled 230 km northeast in a chartered bus to Dalat, known as "kingdom of a thousand flowers". They visited a hill famous for hydrangea flower fields, Linh Phuoc Pagoda, and the City Flower Park before enjoying local cuisine and drinks together at a night market. The event was highly appreciated by participating employees, particularly for providing them an opportunity to socialize with co-workers and refresh themselves.

Employees and their families enjoying a company trip

**Publication of the Community Magazine**

The Lintec Group publishes a quarterly magazine, LINTEC, as a tool for communicating with its stakeholders, in Japanese, English and two Chinese (simplified and traditional characters) languages. The magazine is distributed to all group employees as well as customers, suppliers, retirees, the media, and government offices. Also, Madico and Lintec Advanced Technologies (Taiwan), group companies in the U.S. and Taiwan, issue their own in-house newsletter in PDF format, which is useful in promoting good communication in the workplace.
Lintec recognizes its employees as a major stakeholder, and hosts CSR study sessions as part of communication with employees. Specifically, the Company invites Mr. Keiichi Ujiie, Undersecretary General of the Global Compact Network Japan, to speak at the training session for its new employees on the theme of the UN Global Compact and CSR.

The CSR Report was published in seven languages: Japanese, English, Korean, Chinese (simplified and traditional characters), Malay, Indonesian and Thai.

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Together with Employees
(Safety and Disaster Prevention)

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

Occupational Safety

Occupational Safety and Health Policy

In 2010, the Lintec Group established the Lintec Occupational Safety and Health Policy. Since then it has been carrying out business activities based on an occupational safety and health management system (OSHMS)*. Plans for mutual safety audit and fire preventive patrol are developed at the corporate-wide level, while annual safety and health plans are developed at individual plants, to implement plan-do-check-act (PDCA) cycles for safety activities. In April 2018, Lintec hosted a safety managers’ meeting, where representatives from each plant in Japan shared information and opinions on safety activities. The Lintec Group will continue to promote activities for accident-free operation.

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

Lintec Occupational Safety and Health Policy
Overview of the Lintec Occupational Safety and Health Manual

Annual Safety and Health Plan

The Lintec Group develops an annual plan for safety and health activities. The Group manages health and safety through the implementation of PDCA cycles. In fiscal 2017, mutual safety audits, fire prevention patrols, and top management patrols were conducted. Individual plans also carried out patrols by members of the plant’s top management, managers, and the union, as well as employee volunteer patrols. The company shares safety information with all sites, group companies in and outside Japan, and executive officers by distributing disaster flash reports, disaster analysis reports, and the minutes of the Safety and Health Committee meetings.
Committees on workplace safety and health

**Annual Safety and Health Plan**

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

**Safety and Health Committee and Health Committee**

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

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

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

**Committees on workplace safety and health**

<table>
<thead>
<tr>
<th>Committee</th>
<th>Scope</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety and Health Committee</td>
<td>Plants and Research Center</td>
<td>Implement plans&lt;br&gt;Share information, incl. disaster occurrence, safety education implementation status, facilities inspection results, feedback and improvements found during patrol</td>
</tr>
<tr>
<td>Health Committee</td>
<td>Head Office and plants having a sales division</td>
<td>Discussions on health issues, safe operations and disaster control activities</td>
</tr>
</tbody>
</table>
In fiscal 2017, there was one accident during commuting and one accident involving a worker becoming caught. Both the number of accidents and the number of days of absence from work decreased from the previous year. (Overseas Group companies are excluded.)

**Occurrence of accidents resulting in absence from work**

<table>
<thead>
<tr>
<th>FY</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017★</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of accidents resulting in absence from work</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Number of days of absence from work</td>
<td>134</td>
<td>207</td>
<td>16</td>
</tr>
<tr>
<td>Company</td>
<td>Partner companies</td>
<td>Lintec Corp., partner companies</td>
<td>Lintec Corp., partner companies</td>
</tr>
</tbody>
</table>

★ For detailed data, click here

**Mishima and Kumagaya Plants Achieve 1.5 Million Accident-Free Hours**

The Mishima Plant and Kumagaya Plant set a record of 1.5 million accident-free hours on December 26, 2017 and March 22, 2018, respectively.
Fiscal 2017 accident-free hours achievements  
(April 1, 2017 to March 31, 2018)

<table>
<thead>
<tr>
<th>Date achieved</th>
<th>Business site</th>
<th>Achievement (hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 26</td>
<td>Mishima Plant</td>
<td>1.5 million</td>
</tr>
<tr>
<td>March 22</td>
<td>Kumagaya Plant</td>
<td>1.5 million</td>
</tr>
<tr>
<td>March 31</td>
<td>Chiba Plant</td>
<td>No accidents in the year</td>
</tr>
<tr>
<td>March 31</td>
<td>Kumagaya Plant</td>
<td>No accidents in the year</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 31</td>
<td>Technology Center</td>
<td>No accidents in the year</td>
</tr>
<tr>
<td>March 31</td>
<td>Shingu Plant (incl. Niihama)</td>
<td>No accidents in the year</td>
</tr>
<tr>
<td>March 31</td>
<td>Mishima Plant</td>
<td>No accidents in the year</td>
</tr>
<tr>
<td>March 31</td>
<td>Tokyo Lintec Kako, Inc.</td>
<td>No accidents in the year</td>
</tr>
</tbody>
</table>

Regular Safety Council Meeting (Kumagaya Plant)

With the aim of preventing on-site accidents involving construction contractors, the Kumagaya Plant holds a periodic safety conference, in addition to safety meetings prior to each construction project. The conference is held in April, July and December every year, giving around 180 internal and external participants an opportunity to exchange opinions on a wide range of safety-related topics. This event chiefly aims to ensure adequate understanding of safety rules, and share information about accidents reported at other companies and safety-related issues identified at sites. The conference helps workers increase their understanding of rules and improve on-site conditions, thereby strengthening safety management.
### Fiscal 2017 Construction Safety Conferences

<table>
<thead>
<tr>
<th>Sites</th>
<th>Number of conferences conducted</th>
<th>Content</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kumagaya Plant</td>
<td>3</td>
<td>Safety education</td>
<td>205</td>
</tr>
<tr>
<td>Komatsushima Plant</td>
<td>4</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>Mishima Plant, Doi Plant</td>
<td>2</td>
<td></td>
<td>88</td>
</tr>
<tr>
<td>Shingu Plant</td>
<td>1</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>374</strong></td>
</tr>
</tbody>
</table>

#### Top Management Patrols at Production Bases

Upholding the Safety First slogan, President Nishio carries out top management patrols by visiting and inspecting plants and research centers worldwide. He also talks with employees while touring production floors to check the progress of safety-first operations and implementation of the 5Ss. Each production site is taking various improving measures based on issues pointed out during these top management patrols, and creating comfortable workplaces.

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Together with Employees
(Safety and Disaster Prevention)

Disaster Control in BCMS

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

* ISO22301: An international standard for BCMS that a corporation or organization should follow in establishing and effectively operating a system to prepare for earthquake, fire, trouble in the IT system, financial crisis, bankruptcy of supplier, pandemic, or other natural disaster or accident.

Emergency Drills

Each Lintec site carries out emergency drills as part of the corporate-wide BCMS activities, while taking measures to reduce disaster-related risks, including stocking emergency supplies and using satellite telephones to ensure multiple means of communication.
<table>
<thead>
<tr>
<th>Sites</th>
<th>Number of drills conducted</th>
<th>Content</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kumagaya Plant</td>
<td>18</td>
<td></td>
<td>739</td>
</tr>
<tr>
<td>Komatsuhima Plant</td>
<td>4</td>
<td></td>
<td>232</td>
</tr>
<tr>
<td>Mishima Plant, Doi Plant</td>
<td>17</td>
<td></td>
<td>379</td>
</tr>
<tr>
<td>Tokyo Lintec Kako, Inc.</td>
<td>2</td>
<td>Evacuation</td>
<td>208</td>
</tr>
<tr>
<td>Agatsuma Plant</td>
<td>3</td>
<td></td>
<td>298</td>
</tr>
<tr>
<td>Research Center</td>
<td>1</td>
<td></td>
<td>286</td>
</tr>
<tr>
<td>Niihama Plant</td>
<td>1</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Ina Technology Center</td>
<td>1</td>
<td></td>
<td>279</td>
</tr>
<tr>
<td>Tatsuno Plant</td>
<td>2</td>
<td></td>
<td>356</td>
</tr>
<tr>
<td>Chiba Plant</td>
<td>3</td>
<td></td>
<td>263</td>
</tr>
<tr>
<td>Shingu Plant</td>
<td>4</td>
<td></td>
<td>279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,347</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

※ The above number of drills for Mishima and Kumagaya plants includes departmental drills.
Together with Local Communities

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.

Social Contribution Activities of the Lintec Group

The Lintec Group carries out contribution activities in various communities. In Japan, the group performs the following kinds of activities, some of which are highlighted on these two pages.

- **Activities by the Entire Lintec Group**
  Assistance for recovery after the Great East Japan Earthquake, volunteer tree planting, blood donation, cleanups, collection of plastic bottle caps and used postage stamps, and donation to the Japan Red Cross, Central Community Chest of Japan, and National Land Afforestation Promotion Organization

- **Support for the Development of the Next Generation**
  Support for Kurarika, Offering plant/facility tours to senior high school students

- **Support for Sports**
  Sponsoring the Saitama Prefecture Baseball Team, the "Musashi Heat Bears," and the Itabashi City Marathon 2018

- **Community Safety Activities**
  Street campaign to eliminate organized criminal groups, an AED* workshop, and registration as a "House for Children's 110" in a map for commuting to an elementary school

- **Environmental Preservation**
  Participation in NPO Tatsuno Akatombowo-fuyasou-kai

- **Support for Persons with Disabilities**
  Friendship concerts, bread sales by welfare facilities for people with disabilities (Warabi City, Bunkyo Ward, Tatsuno City), co-sponsor of the Chuo City Charity Golf Tournament (Shikoku) to support education for children with disabilities, provision of products for the Itabashi Ward Sports Tournament for people with disabilities, taking disabled persons to a baseball game at Tokyo Dome, and participation in the Bellmark campaign for educational institutions and activities to support people with disabilities
Support for Community Festivals
Haramachi Narita School, Higashi Agatsuma Furusato Festival, Usa Hachiman Shrine, Kawado Shrine, Sengen Shrine Spring Festival, Kanai Ichinomiya Shrine Spring and Autumn Festival, Kumagaya Fan (uchiwa) Festival, Kumagaya Fireworks, portable shrine for three district children's clubs at Rokujo Hachiman Shrine, Rokujo Hachiman Shrine Autumn Festival, Tatsuno City Shingu-cho Summer Festival and Fireworks, Tatsuno City Kamioka-cho Konada Residents' Association Summer Festival, Tatsuno City Kamioka-cho Kamioka Sports Promotion Association Furusato Competition, Doi-cho Fishing Tournament, Tatsuno Shrine, Oyake Shrine, Sosui Thanksgiving Festival, Kosui (lake) Festival, Mishima Park Cherry Blossom Festival, Tenjin Festival and Fireworks, Suiha Shrine Association, Shikoku Chuo City Summer Festival and Fireworks in Doi, Mishima Drum Festival, Doi Drum Festival, Enoki Shrine donation, Otsuka Shrine donation, Kasuga Shrine donation, Kogan Temple, Asahi Culture Center year-end party, Sosa Tulip Festival, Ina Festival, Warabi Hata Festival, Nakasendo Warabi Juku Shukuba Festival, Awa Dance Festival, Itabashi Fireworks, and Itabashi Honcho Kamicho festival donation

Donation of Products
Donation of paper products to 11 preschools and elementary schools

* AED: a medical device designed to return a heart undergoing ventricular fibrillation to its normal condition by applying an electric shock.

Community Support Expenses

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

Community Support Expenses

<table>
<thead>
<tr>
<th>Disaster</th>
<th>Community Support</th>
<th>Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.9%</td>
<td>6.7%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Total 9.23 million yen

Sports 14.1%
Education 66.6%

※ Scope: Lintec Corp.
Social Contribution Initiatives

**Ongoing Disaster Support**

The Lintec Group has been making relief donations as an ongoing activity to support recovery after the Great East Japan Earthquake. In fiscal 2017, as in the previous year, Lintec raised funds for Ofunato City in Iwate Prefecture, which has signed a cooperation agreement with Itabashi City, where Lintec's Head Office is located. The Company matched the donation made by its employees. The funds were used to purchase and install sports facilities and equipment on local elementary and junior high school grounds. Lintec's Head Office also hosted a Fukushima Foods & Product Fair to support the recovery of Fukushima by economic activities. The company will continue various forms of reconstruction support activities in the future.

**Fureai Concert**

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

**Global Activities**

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

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

Planting trees with the elderly

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Together with Local Communities

Social Contribution Initiatives

Beautification Projects and Cleanups

The Lintec Group carries out neighborhood beautification projects and cleanups around all its factories. Major projects include: Chiba Plant’s Zero Litter Campaign around the Midori Daira Industrial Park where the plant is located; Kumagaya Plant’s Arakawa Riverside Cleanup along a nearby river; and Komatsushima Plant’s cleanup along the Yokosu shoreline as part of its Seto Inland Sea Restoration efforts. Other plants also carry out cleanups in areas around their sites. In fiscal 2017, a total of 3,752 employees in Japan participated in these activities.

Arakawa riverbank cleanup
(Kumagaya Plant)

Yokosu beach cleanup
(Komatsushima Plant)

Total number of participants in community beautification/clean-up activities 3,752 employees
<table>
<thead>
<tr>
<th>Sites</th>
<th>Date</th>
<th>Activity</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agatsuma Plant</td>
<td>Twice a month</td>
<td>Picking up trash around the plant</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Apr. 26, 2017</td>
<td>Mt. Iwabitsu trail route cleanup</td>
<td></td>
</tr>
<tr>
<td>Kumagaya Plant</td>
<td>Nov. 12, 2017</td>
<td>Arakawa Clean Aid</td>
<td>142</td>
</tr>
<tr>
<td>Research Center</td>
<td>Twice a month</td>
<td>Picking up trash on public roads around the Research Center</td>
<td>1,200</td>
</tr>
<tr>
<td>Tokyo Lintec Kako</td>
<td>23 times a year</td>
<td>Cleaning up in and outside the properties</td>
<td>644</td>
</tr>
<tr>
<td></td>
<td>May. 22, 2017</td>
<td>Grass cutting in the parking and around the plant</td>
<td>30</td>
</tr>
<tr>
<td>Chiba Plant</td>
<td>May. 24, 2017</td>
<td>Midori Daira Industrial Park Zero Trash Campaign</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Jul. 20, 2017</td>
<td>Weeding on Yoshizakihama</td>
<td>3</td>
</tr>
<tr>
<td>Tatsuno Plant</td>
<td>Once a month</td>
<td>Cleaning up around the plant</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td>May. 16, 2017</td>
<td>Ditch cleanup around the plant</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Nov. 17, 2017</td>
<td>Ibogawa riverside cleanup</td>
<td>60</td>
</tr>
<tr>
<td>Shingu Plant</td>
<td>24 times a year</td>
<td>Cleaning around the plant</td>
<td>544</td>
</tr>
<tr>
<td></td>
<td>May. 16, 2017</td>
<td>Ditch cleanup around the plant(Tatsuno Office)</td>
<td>13</td>
</tr>
<tr>
<td>Mishima Plant</td>
<td>May. 20, 2017</td>
<td>Grass cutting around Doi plant</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>May. 15, 2017</td>
<td>Ditch cleanup around the Mishima plant</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>May. 21, 2017</td>
<td>Drain cleaning Tateishi area</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Jul. 7, 2017</td>
<td>Sangawa Toyooka Kaihin Park beach cleanup</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Tuesdays</td>
<td>Picking up trash on the public roads around the plant</td>
<td>100</td>
</tr>
<tr>
<td>Komatsushima Plant</td>
<td>May. 20, 2017</td>
<td>Bountiful Sea Cleanup Campaign</td>
<td>54</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>----------------</td>
<td>---------------------------------</td>
<td>-----</td>
</tr>
<tr>
<td></td>
<td>May. 31, 2017</td>
<td>Cleanup of roads in front of the plant</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Jun. 10, 2017</td>
<td>Refresh Setouchi (beach cleanup)</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Sep. 11, 2017</td>
<td>Let's go to Kyodo Forest (tree planting)</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Oct. 10, 2017</td>
<td>Cleanup of roads in front of the plant</td>
<td>41</td>
</tr>
<tr>
<td>Ina Technology Center</td>
<td>Jul. 28, 2017</td>
<td>Cleanup of the commuting route between the plant and Shiku Station</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Nov. 14, 2017</td>
<td>Cleanup of the commuting route between the plant and Shiku Station</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3,752</td>
</tr>
</tbody>
</table>
Blood Donation

The Lintec Group conducts blood donations at all its business sites across Japan in cooperation with the Japanese Red Cross. As a social contribution activity that can be performed right at the worksite, blood donation has been embraced by employees, and the program will be continued.

<table>
<thead>
<tr>
<th>Sites</th>
<th>Times Held</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mishima Plant</td>
<td>3</td>
<td>74</td>
</tr>
<tr>
<td>Komatsushima Plant</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Tatsuno Plant/Shingu Plant</td>
<td>2</td>
<td>38</td>
</tr>
<tr>
<td>Research Center</td>
<td>2</td>
<td>65</td>
</tr>
<tr>
<td>Chiba Plant</td>
<td>2</td>
<td>37</td>
</tr>
<tr>
<td>Tokyo Lintec Kako</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Kumagaya Plant</td>
<td>2</td>
<td>72</td>
</tr>
<tr>
<td>Agatsuma Plant</td>
<td>2</td>
<td>94</td>
</tr>
<tr>
<td>Ina Technology Center</td>
<td>2</td>
<td>37</td>
</tr>
<tr>
<td>Osaka Branch</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Iidabashi Office</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Head Office</td>
<td>2</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>573</strong></td>
</tr>
</tbody>
</table>

Community Safety Activities

In October 2017, Kumagaya Plant participated in the incipient firefighting training event hosted by the city government, marking its 11th participation. This regional event is organized every year to increase the fire protection capabilities of local business sites, inviting them to demonstrate practical skills in handling extinguishers and other equipment as well as in incipient firefighting.
Support for Persons with Disabilities

In May 2016, Lintec invited persons with disabilities and their helpers living in Tokyo's Itabashi City (118 people in total) to a professional baseball game held at Tokyo Dome between the Hokkaido Nippon-Ham Fighters and the Chiba LOTTE Marines. This marked the 11th such event arranged by Lintec. The Company received smiles and many words of thanks from participants, who expressed their gratitude and enjoyment of the game as well as a strong desire to participate again.

Support for Local Festivals

Every year from July 20 to 22, the Fan (uchiwa) Festival is held in the city of Kumagaya, where the Kumagaya Plant is located. Over 700,000 people take part in this dynamic three-day event, which is often referred to as the Gion Festival of the Kanto region. As one of the sponsors of the festival, the Kumagaya Plant donates Japanese fans (uchiwa) to Yasaka Shrine, which are then distributed to visitors.

Participation in Local Festivals

On August 12, 89 employees from the Komatsushima Plant took part in the Awa Dance Festival held in Tokushima Prefecture. The Awa Dance Festival, which is a nearly 400-year old tradition, is one of the biggest summer festivals in Japan. Old and young, men and women parade through the streets, in groups called "ren" with a few dozen people, dancing to the musical accompaniment of shamisen, flutes, cymbals, and drums. Every year, the Komatsushima Plant forms a Lintec Ren of volunteers that help enliven the festival.

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Together with Local Communities

Social Contribution Initiatives

Planting Trees

The Chiba Plant participated in the Chiba Greenery Promotion Committee (Green Fund) Afforestation—Weed Removing 2017, an activity to regenerate the forest reserves at Kujukuri beach on the eastern Chiba coastline, which was damaged by the tsunami during the Great East Japan Earthquake. Weed removal work was essential to assisting the steady growth of seedlings planted in April 2013 and March 2014. On the sunny day of July 20, three Chiba Plant employees participated in the event and engaged in weeding while keeping themselves properly hydrated, hoping for the healthy growth of the seedlings.

Developing Next Generation of Leaders

Development of the next generation is an important theme for Lintec as a company developing new products with its proprietary technologies. Lintec sponsors Kurarika, a science program for children operated by the Tokyo Tech Alumni Association. Kurarika instructors visit community centers and local children's centers across Japan. In fiscal 2017, 494 classes were held, attracting a total of more than 14,680 participating children. Lintec's contribution was used to purchase science equipment and teaching materials for 20 classrooms in eight prefectures: Tokyo, Kanagawa, Saitama, Chiba, Shizuoka, Osaka, Hyogo and Shimane.

Lintec's activity is also introduced on Kurarika website.

Kurarika website
Every year the Lintec Group accepts numerous students, local authorities, NPOs, and community residents for tours of its plants and facilities in Japan. In addition to social studies and environmental learning for elementary school students, career opportunity presentations are given to high school and university students. In fiscal 2017, a total of 717 visitors were welcomed at five Lintec sites.

(Overseas Group companies are excluded.)

### A plant and facility tour in fiscal 2017

<table>
<thead>
<tr>
<th>Sites</th>
<th>Date</th>
<th>Activity</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mishima Plant</td>
<td>Nov. 2, 2017</td>
<td>Shohaku Elementary School</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Nov. 7, 2017</td>
<td>Mishima elderly Club Association</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Nov. 8, 2017</td>
<td>Yamaguchi Prefecture Hikari City Chamber of Commerce</td>
<td>12</td>
</tr>
<tr>
<td>Tokyo Lintec Kako</td>
<td>Oct. 4, 2017</td>
<td>Warabi City Tsukagoshi Elementary School</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Oct. 12, 2017</td>
<td>Warabi City Kita Elementary School</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Nov. 2, 2017</td>
<td>Warabi City Minami Elementary School</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>Nov. 15, 2017</td>
<td>Warabi City Chuo Higashi Elementary School</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Nov. 22, 2017</td>
<td>Warabi City Nishi Elementary School</td>
<td>68</td>
</tr>
<tr>
<td>Kumagaya Plant</td>
<td>Oct. 18, 2017</td>
<td>Sakuragi Elementary School</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Oct. 25, 2017</td>
<td>Yoshioka Elementary School</td>
<td>59</td>
</tr>
<tr>
<td>Agatsuma Plant</td>
<td>Jul. 28, 2017</td>
<td>Agatsuma Administration Prefectural Tax Office</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Nov. 2, 2017</td>
<td>Third-graders from Haramachi Elementary School</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Nov. 15, 2017</td>
<td>Third-graders from Iwashima Elementary School</td>
<td>16</td>
</tr>
<tr>
<td>Plant</td>
<td>Date</td>
<td>Event Description</td>
<td>Number</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Chiba Plant</td>
<td>Jan. 25, 2018</td>
<td>Companies in the industrial park hosting an interaction session inviting Prefectural Toso Technical High School students</td>
<td>7</td>
</tr>
<tr>
<td>Tatsuno Plant</td>
<td>Aug. 8, 2017</td>
<td>Harima Special Needs School</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Dec. 6, 2017</td>
<td>Osaka Prefectural Manufacturing &amp; Industrial Association</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>717</strong></td>
</tr>
</tbody>
</table>

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Lintec carries out various IR initiatives with the aim of achieving appropriate share pricing and increasing corporate value. The Company holds IR meetings and gives media interviews each quarter in addition to organizing semiannual business results briefings for institutional investors and securities analysts in Japan. For institutional investors outside Japan, Lintec offers telephone conferences and participates in IR events in Japan arranged by securities companies, while making regular overseas visits. In order to help a broader range of investors understand Lintec, the Company holds briefings for individual investors and enhances its IR website. Lintec also publishes a quarterly shareholder magazine, WAVE. A reader survey is included in the magazine on a regular basis, and the feedback received is used to improve the magazine’s content and Lintec's IR initiatives.

* IR stands for investor relations and refers to corporate activities through which companies provide corporate information in an appropriate, fair and ongoing manner for shareholders and investors to use when making investment decisions.

Meeting at an IR event

http://www.lintec.co.jp/ir/
In order to better understand the expectations of society, it is essential to have continual communication with stakeholders. Therefore, in addition to providing information, the Lintec Group works to maintain a dialogue with its stakeholders.

Lintec makes use of a variety of opportunities to communicate with customers, including through products and services, sales activities, manuals, MSDSs, points of contact for inquiries, websites, and exhibitions. Through this communication, the company aims to improve its products and services, build relationships of trust, and improve customer satisfaction.

Lintec utilizes a variety of opportunities to communicate with suppliers, including through purchasing activities, briefings, and questionnaires. Through this communication, the company aims to achieve fair transactions and mutual understanding, to ensure compliance, and to build relationships of trust.

Lintec uses a variety of opportunities to communicate with employees, including through business activities, educational programs, briefings, social get-togethers, the intranet, and company newsletters. Through this communication the company aims to create workplaces where all employees can work with satisfaction based on the company motto.
Communicating with Local Communities

Lintec makes use of a variety of opportunities to communicate with local communities, including through plant and facility tours, opinion exchange meetings with local governments, social contribution activities, websites, and company brochures. Through this communication, the company aims to foster mutual understanding with community residents and give back to local communities.

Offering Plant and Facility Tours

Communicating with Shareholders and Other Investors

Lintec utilizes a variety of opportunities to communicate with shareholders and investors, including through shareholder meetings, business results briefings, IR meetings and company information sessions. We also use websites and shareholder correspondence to enhance information communication activities, aiming to help stakeholders deepen their understanding of our corporate activities, thereby achieving appropriate share pricing and building relationships of trust.

Active Promotion of IR Activities

Advanced Technology Building tour for institutional investors

Lintec held company information sessions for individual shareholders in Osaka and Tokyo on March 16 and 29, 2018, respectively. In each of the events, President Nishio gave presentations chiefly on the company profile, business outline and performance outlook in order to help the attendees (150 in Osaka, 116 in Tokyo) deepen their understanding of the Company. In addition to the above two cities, we have held similar information sessions for individual shareholders in Nagoya, Kyoto and Hiroshima. Considering these events as a precious opportunity to communicate with individual shareholders, we will continue with this activity.

Communication with the Media

Lintec uses a variety of opportunities to communicate with the mass media and by extension society, including through the acceptance of requests regarding news coverage and the writing of manuscripts, responding to questionnaires, websites, and news releases. Through this communication, the company aims to disclose information with integrity to society and build relationships of trust.
In addition to distributing news releases on new products and events to various media outlets, the company welcomes requests for interviews as well as articles written by Lintec representatives. In fiscal 2017, the Company issued about 20 releases and granted about 60 requests for interviews and articles.

Lintec actively collects legal and regulatory information related to businesses operated in each country and develops appropriate systems. Also, to promote social contribution activities for local communities, we communicate and cooperate with relevant governments in various ways.

The Lintec Group participates in joint research projects involving the industrial, academic, and government sectors. Through these activities, we bring together technical and non-technical insights from inside and outside of the group to explore possibilities in various fields.

To promote social contribution activities, Lintec communicates and collaborates with NPOs and NGOs working to solve various social and environmental issues, thereby participating in efforts aimed at creating a better society.

**Main Awards for Activities**

**Agatsuma Plant**
- Agatsuma Association for Safety of Hazardous Materials: "Outstanding Hazardous Materials Officer Award"
- Agatsuma Administration Prefectural Tax Office: Bicycle tax payment, PR activities

**Kumagaya Plant**
- Kumagaya Workplace Police Association: "Superior Security Award"
- Kumagaya District Labor Standards Association: "Outstanding Employee Award"
Tatsuno Plant
- Tatsuno City Private Fire Brigade Competition: Ranked first in fire hydrant category; ranked first in fire extinguisher category
- Challenge 100 Campaign: Two teams

Head Office
- Tokyo Metropolitan Government: 2017 certification for sports promotion efforts
Environmental Management

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

**Lintec Group Quality, Environmental and Business Continuity Policy**

The Lintec Group sets forth its Basic Policy in the Lintec Group Quality, Environmental and Business Continuity Policy. To practice specific activities, the Group drew up a Quality Policy, Environmental Policy, and Business Continuity Policy, as well as Action Guidelines for each. Efforts for addressing global warming based on the Action Guidelines set under the Environmental Policy include development of eco-friendly products by the research section as well as reduction of the release of VOCs*6 into the air and electricity consumption by the production section.

**Medium-Term Targets (2017 to 2019) and Results**

<table>
<thead>
<tr>
<th>Item</th>
<th>Target</th>
<th>FY2017 results (year-on-year reduction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions</td>
<td>1% reduction from the previous year (per unit of production)</td>
<td>7.4% Achieved</td>
</tr>
<tr>
<td>Electric power</td>
<td>1% reduction from the previous year (per unit of production)</td>
<td>1.7% Achieved</td>
</tr>
<tr>
<td>consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production water</td>
<td>1% reduction from the previous year (per unit of production)</td>
<td>0.8% Not achieved</td>
</tr>
<tr>
<td>usage</td>
<td>(Paper production at the Mishima and Kumagaya plants)</td>
<td></td>
</tr>
<tr>
<td>Waste discharge</td>
<td>0.1% reduction from the previous year</td>
<td>1.2% Achieved</td>
</tr>
</tbody>
</table>
In March 2018, the Lintec Group has completed the transition to ISO 14001:2015, and updated its certification.

The Group had undergone third-party verification as to three items of CO₂ emissions, electric power consumption, and production water usage, but, in fiscal 2017, added waste discharge to the items to enhance its measures.

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

The Lintec Group conducts internal audits and mutual audits of its business sites in order to confirm proper implementation of environmental management systems in compliance with applicable laws and regulations.

In fiscal 2017, we completed the transition to ISO 14001:2015 and were certified on March 3, 2018. We will expand mutual audits to overseas sites in fiscal 2018.

The Lintec Group's operations in and outside of Japan are subject to numerous national and regional environmental laws and regulations. To ensure legal compliance at each site, the environmental management department constantly checks for revisions to relevant laws and regulations, and monitors the compliance status of respective site operations. Identified revisions are incorporated into the Group’s environmental management systems on a regular basis to prevent oversights and omissions. No major legal violations have been reported in the five years from fiscal 2013 to 2017.
Biodiversity Conservation Initiatives

The Lintec Group has incorporated biodiversity conservation into its Quality, Environment and Business Continuity Policy, and accordingly promotes biodiversity conservation activities at individual sites in and outside of Japan. Lintec Indonesia has promoted a mangrove afforestation project for the past three years. In 2017, it planted 1,500 mangrove seedlings.

Lintec Advanced Technologies (Taiwan) visited a residential care home in Kaohsiung City in February 2018 to plant a total of 145 trees, including crape myrtle and soapberry trees, with the aim of preserving the global environment. We will continue with these initiatives aimed at biodiversity conservation.

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As a responsible manufacturing enterprise, the Lintec Group strives to develop products that reduce environmental impact. The group also works to reduce impact on the environment from resource extraction and the procurement of raw materials through production processes to disposal by including life-cycle assessments (LCA)* right from the design stage.

* LCA: a method for comprehensively assessing effects on the environment by calculating items such as the amount of energy and water input, the amount of raw materials used, and the amount of CO₂ and hazardous chemical substance emitted throughout a product’s lifecycle.

Lintec has been developing new environment-friendly products, as defined based on LCA assessments, and developed 20 such products in fiscal 2017. Lintec has also developed and uses guidelines for "self-declared environment-friendly products" which are in accordance with ISO 14021*. Lintec will continue to develop environment-friendly products.

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

The Lintec Group has positioned environmental and energy businesses as an important focus. Some of the main products are window films with superior heat insulation, which reduce consumption of energy, and film base label materials, which promote recycling and reuse. Lintec is committed to developing products that help reduce environmental impact and save energy, and satisfy customers.
In June 2012, Lintec launched a new brand of label material that can be removed cleanly from cosmetics containers and bottles: the REPOP series. The series uses a new adhesive that holds strong but that can be repeatedly released. The product has a high degree of adhesion during use and can be removed cleanly, making it perfect for reusing and recycling plastic containers. What is more, the product contributes to the reduction of environmentally harmful substances, as the adhesive does not contain organic solvents.

Increased percentage of solvent-free release paper

* Emulsion: Emulsion refers to a solution of substances that do not combine with each other, such as water and oil, in which the particles of one substance are dispersed within a solution of the other substance.

Light Diffuser Film for Brighter Reflective LCDs*

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

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

KINATH KP5010, KP5000 recycled PET-based label material

Lintec has developed the KP5000 label material using mechanically recycled PET film. The material uses surface substrates containing 80% or more recycled PET resin, and thus contributes to recycling resources and reducing petroleum usage.

Window films contributing to energy saving by blocking solar heat

Lintec offers energy-saving window films that help with environmental protection and the effective use of resources. Easily applied to windows, these films improve air-conditioning energy efficiency in the hot and cold season.
Fighting Climate Change

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

Efforts in Manufacturing

Status of Compliance with Japan's Energy Conservation Law

Energy use by the entire Lintec Group in Japan* exceeds 1,500 kl of crude oil equivalent each year. As a result, the Group was designated as a "specified business operator", pursuant to the provisions of the Act on the Rational Use of Energy ("Energy Conservation Act") in Japan, and is required to improve its energy use per production unit as well as its weighted electricity use per production unit (for reducing peak hour demand) by 1% per year. In fiscal 2017, the Lintec Group in Japan implemented a variety of energy-saving measures, such as effective operation of production facilities and boilers, management of the air-conditioning system, recovery and use of waste heat, and use of VOC combustion heat.


Energy Savings Promotion Committee

To comply with the Energy Conservation Act, the Lintec Group in Japan collects monthly data on energy consumption of individual sites under the direction of the Lintec Energy Savings Promotion Committee. In fiscal 2017, the Lintec Group in Japan implemented corporate-wide energy-saving measures aimed at improving its energy use per production unit. The Mishima Plant (Doi Plant) and Kumagaya Plant updated heat medium boilers (equipped with economizers).
In fiscal 2017, total energy use (crude oil equivalent) for the Lintec Group in Japan increased by 0.5% from the previous year, reflecting increased production. Energy use per production unit improved by 2.0% to 0.3173 kl per ton. CO₂ emissions in fiscal 2017 decreased to 186 thousand tons from 194 thousand tons in fiscal 2016.

In fiscal 2018, we aim to reduce our CO₂ emissions and energy use by 1.0% each over fiscal 2017 on a per-production unit basis.

### Total energy use (crude oil equivalent)

- **Purchased power**
- **Fuel**
- **Basic unit (energy usage/production)**

![Graph showing energy use from 2013 to 2017]

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

### CO₂ emissions (non-consolidated)

![Graph showing CO₂ emissions from 1990 to 2017]

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

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

※3 The emissions shown above are CO₂ emissions from fossil fuels.
Lintec has used photovoltaic technology full-scale. An approximately 1,000 kW system was installed on all the rooftops at the Doi Plant and began operation in January 2013. In March, an approximately 500 kW system was installed and began operation at the Agatsuma Plant. The two systems will reduce CO₂ emissions by about 500 tons per year. In addition, a smaller system has been installed in the Head Office building to supply power for internal use, thereby helping reduce on-peak demand.

**Solar Power**

Solar panels at the Doi Plant
about 10,000m²

Solar panels at the Agatsuma Plant
about 5,000m²

**Efforts to Reduce CO₂ Emissions: Fuel Shift to LNG**

From fiscal 2006, Lintec moved forward with the conversion of fuel for boilers used to produce steam, shifting from heavy oil and kerosene to utility gas and LNG, which have lower CO₂ emissions. In January 2011, fuel conversion work for boilers at Lintec's plants in Japan had been completed. In addition, we are promoting installation of economizers in incinerator boilers and use of waste heat recovered from VOC treatment units. Seeking to further enhance our energy-saving efforts directed at reducing CO₂ emissions, we adopt energy-efficient models when updating facilities while promoting efficient operation of equipment and use of residual heat.

In 2017, the Mishima Plant (Doi Plant) and Kumagaya Plant updated heat medium boilers, increasing energy efficiency.

**Waste-Heat Boiler for Efficient Energy Use**

At the Kumagaya Plant, a heat medium boiler was updated to a more energy-efficient model in 2017. The introduced boiler collects waste steam, helping reduce CO₂ emissions from the plant.
The Lintec Group continuously encourages energy-saving activities. These include visualization of energy use, air-conditioning control, reduction of standby energy use during non-business hours, and introduction of LED lighting. At the Komatsushima Plant, LED lights were introduced in 2017 to replace fluorescent lights in the coating room.

### Efforts to Prevent the Leakage of Fluorocarbons

The revised Fluorocarbons Act ("the Fluorocarbons Emissions Control Act"), which was put into force on April 1, 2015, requires comprehensive management covering all processes from manufacturing to disposal of fluorocarbons. To preserve the ozone layer and address global warming, the Lintec Group is making efforts to prevent the leakage of fluorocarbons, which include creating a list of industrial air conditioners and refrigeration systems owned by its sites and conducting regular inspections.

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Lintec does not have distribution and transportation sections but is a "Designated Shipper" under the Revised Energy Conservation Act in Japan because it consigns the transport of more than 30 million ton-kilometers\(^1\) annually. As a Designated Shipper, Lintec submits an annual report to the government in accordance with this Act.

In fiscal 2017, the volume of transportation increased by 0.9% (822,000 ton-kilometers) from the previous year but CO\(_2\) emissions decreased by 0.13% (14 t-CO\(_2\)). Energy use per unit of transportation improved by about 1.0%.

We will continue to step up modal shift\(^2\) and other efforts to improve our distribution system and transportation efficiency, with the goal of reducing environmental impacts.

**Aim to Reduce CO\(_2\) by Changing the Distribution Structure through a Modal Shift**

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

*\(^2\) Modal shift: An initiative to reduce CO\(_2\) emissions by changing the mode of transport for passenger or cargo transportation from truck to railway or ship, allowing mass transport.*

**CO\(_2\) emissions and transportation volume in distribution**

![Graph showing CO\(_2\) emissions and transportation volume over years]


(FY) 2013-2017
Reducing Waste

The Lintec Group constantly endeavors to make effective use of resources and to reduce waste by working aggressively at the 3Rs, to help create a recycling-oriented society.

**Efforts for Zero Emissions *1**

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

The final landfill disposal rate*2 for fiscal 2017 was about 1.67%, falling short of the target final landfill disposal rate of 1.0% or less, which Lintec had achieved every year since fiscal 2007 until the previous year, because sludge generated at the Mishima Plant was no longer used effectively. Lintec's target from fiscal 2018 to fiscal 2019 is a 0.1% reduction in the amount of waste generated, on a year-on-year basis.

*1 Zero emission: Lintec's standard is a final landfill disposal rate of one percent or less.
*2 The final landfill disposal rate is a value found using the following formula: Final landfill disposal rate (%) = Final landfill disposal amount/Amount of waste generated × 100.

**Fiscal 2017 waste flow**

*Graph showing the breakdown of waste generation and disposal in fiscal 2017.*

**Waste generated**

*Graph showing the amount of waste generated from 2013 to 2017 (FY).*
3R Efforts

Efforts to Reduce (reduce amount of waste)

At the Lintec Group, each plant works to increase production yield in order to reduce the generation of waste. Also, production plans are carefully created to minimize waste of prepared chemical solutions and raw materials.

Efforts to Reuse (use repeatedly)

A large number of roll cores are used at Lintec, where most products are manufactured in rolls. Some of the cores shipped together with products are collected and reused in the manufacturing process. Also, some of the wooden and plastic palettes used to ship products are collected and reused.

Efforts to Recycle

The Lintec Group has continued to promote material recycling*1 and thermal recycling*2. The Tatsuno and Kumagaya plants take paper waste that is unfit for material recycling and make it into a solid fuel for thermal recycling. Additionally, waste generated at each plant is used as recyclable resources. For example, Lintec Industries (Sarawak) sells scrap generated during cutting to a recycling company as valuable material.

*1 Material recycling: the recycling of waste as a raw material, such as using recovered paper as a raw material for recycled paper or turning empty cans into metal and PET bottles into synthetic fiber material; does not include thermal recycling.

*2 Thermal recycling: the recycling of waste as a source of energy, recovering heat and electricity from it and turning it into a fuel, instead of simply incinerating it.

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Recognizing that water is a limited resource, each plant in the Lintec Group strives to save water and reuse recovered water. The group also complies with wastewater standards and pays adequate attention to effluent quality in order to limit impact on the surrounding environment.

In fiscal 2017, Lintec used 8,263,000 m$^3$ of water. Of this amount, about 89% was used by the Kumagaya and Mishima plants, which are Lintec's Fine & Paper Products Operations. Water usage per unit of paper production was 47.5 m$^3$/t*3. Lintec was unable to achieve the target of a 1.0% reduction on a year-on-year basis. The target in fiscal 2018 is 1.0% reduction per unit of production from the previous year. To that end, the plants will make continued efforts to reduce water usage in each process and prevent water leaks.

* m$^3$/t: While t/t was used for calculation, the measurement was converted to m$^3$/t for this report.

**Process from Water Intake to Effluent**

Water usage data is calculated by source.

Tap water: 434,000 tons; industrial water: 4,104,000 tons; groundwater: 3,725,000 tons

**Standards, methods and preconditions used:**

Measurement value is used for tap water, industrial water and groundwater.
Water usage (Kumagaya and Mishima Plants)

Effluent treated (Kumagaya and Mishima plants)*

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

Reducing Effluent

The total amount of effluent discharged by Lintec in fiscal 2017 was 8,263 thousand tons. About 89 percent of this was released from the Kumagaya and Mishima plants. These plants are working to reduce their water usage and effluent discharge by taking measures such as reusing used water in each papermaking process. They will continue to renovate the water treatment facilities.
### Effluent Water Quality (Fiscal 2017)

#### Kumagaya Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Wastewater standards</th>
<th>Results</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maximum value</td>
<td>Average value</td>
</tr>
<tr>
<td>pH</td>
<td>5.8~8.6</td>
<td>6.6~7.51</td>
<td>7.06</td>
</tr>
<tr>
<td>Regulations on emission concentration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS*1(mg/t)</td>
<td>60(50) or less</td>
<td>33.4</td>
<td>11.28</td>
</tr>
<tr>
<td>BOD*2(mg/t)</td>
<td>20 or less</td>
<td>20</td>
<td>8.13</td>
</tr>
<tr>
<td>COD*3(mg/t)</td>
<td>42.3</td>
<td>21.41</td>
<td></td>
</tr>
<tr>
<td>Regulations on total emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COD(t/day)</td>
<td>0.858 or less</td>
<td>0.218</td>
<td>0.127</td>
</tr>
<tr>
<td>Nitrogen(t/day)</td>
<td>0.4068 or less</td>
<td>0.173</td>
<td>0.029</td>
</tr>
<tr>
<td>Phosphorous(t/day)</td>
<td>0.0418 or less</td>
<td>0.0083</td>
<td>0.0019</td>
</tr>
</tbody>
</table>

Note: The Kumagaya Plant recorded a BOD value that exceeded the plant’s voluntary standard (a value agreed upon with the city of Kumagaya) of 20 mg/L, but not the effluent standard of Saitama Prefecture. When the BOD value exceeded the voluntary standard, the plant reported it to Kumagaya City and took appropriate action.

#### Mishima Plant

<table>
<thead>
<tr>
<th>Item</th>
<th>Wastewater standards</th>
<th>Results</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maximum value</td>
<td>Average value</td>
</tr>
<tr>
<td>pH</td>
<td>5.8~8.6</td>
<td>5.9~7.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Regulations on emission concentration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS(mg/t)</td>
<td>80(60) or less</td>
<td>51</td>
<td>3</td>
</tr>
<tr>
<td>COD(mg/t)</td>
<td>90(65) or less</td>
<td>78</td>
<td>20</td>
</tr>
<tr>
<td>Regulations on total emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COD(t/day)</td>
<td>0.9431 or less</td>
<td>0.4939</td>
<td>0.2076</td>
</tr>
<tr>
<td>Nitrogen(t/day)</td>
<td>0.3961 or less</td>
<td>0.2390</td>
<td>0.0405</td>
</tr>
<tr>
<td>Phosphorous(t/day)</td>
<td>0.0405 or less</td>
<td>0.0029</td>
<td>0.0006</td>
</tr>
</tbody>
</table>

Notes: 1. Figures in parentheses are the daily average values. The regulations for each plant are as follows:
   Kumagaya Plant: The regulation value shown for BOD is based on a value agreed upon with the city of Kumagaya. The values shown for pH, SS, COD (total emission), nitrogen, and phosphorus are based on the environmental protection ordinances and notices of Saitama Prefecture.
   Mishima Plant: The regulation values shown for pH, SS, and COD (emission concentration) are based on the Water Pollution Control Law, while the values for COD (total emissions), nitrogen, and phosphorus are based on notices from Ehime Prefecture.
2. In the column showing the maximum values of the results, the minimum to maximum values are shown for pH and the total value is shown for regulations on total emissions.

*1 SS (suspended solid): substances that remain in suspension in water and cause water turbidity.
*2 BOD (biochemical oxygen demand): amount of oxygen consumed when microorganisms break down organic matter in the water.
*3 COD (chemical oxygen demand): amount of oxygen required to oxidize oxidizable substances in water.
Recovering and Reusing White Water to Reduce Water Usage

The Mishima Plant, which is one of Lintec’s Fine & Paper Products Operations, has made efforts to reduce water usage. For instance, we recover and reuse white water, which refers to water mixed with raw materials in the papermaking process. This has resulted in a substantial reduction in water usage and also allowed us to use raw materials contained in white water to reduce waste. Through cross-sectoral cooperation, we will continue to reduce water usage and waste.

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

### Compliance with PRTR Act*

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

### Fiscal 2017 emission and transfer of toluene

*The PRTR (Pollutant Release and Transfer Register) Act is formally named the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvement to the Management Thereof. PRTR is a system for ascertaining, aggregating, and publishing data on the amounts of chemical substances released and transferred.*
The central role of release paper and release films is to protect adhesive coated surfaces until adhesive products are affixed to objects. Ease of removal is also important for such products to allow adjustment of peel force according to the type of adhesive, labeling using a labeling machine, and printing and cutout processing. Release agents, generally silicone, are coated onto a paper or film base.

To reduce the release of VOCs* into the air, Lintec is working on solvent-free and highly condensed release agents at its plants and Research Center. The percentage of release paper that was solventfree in 2017 was 55.1% (production basis), remaining at the same level as the previous year.

To further increase the percentage of solventfree release paper, the Research Center is working on purpose-specific design and development with a focus on the structure of release agents. The center also cooperates with plants to refine coating technology.

We will continue to improve design and development and coating technology for the development of products with low environmental impact.

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

Lintec examines substances with environmental impact in the raw materials it purchases, properly grasps and manages its use of chemical substances to comply with related laws and regulations, and communicates information to customers. The company is fulfilling its reporting obligations under the REACH Regulation*1 and the RoHS Directive*2. Starting fiscal 2017, Lintec has been making preparations for compliance with chemSHERPA*3 to build a system for more accurate and efficient information communication.
**Product Information Flow**

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Raw material information and SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lintec Group</td>
<td></td>
</tr>
<tr>
<td>Compliance with relevant laws/regulations and customer requests</td>
<td>CSR and green procurement</td>
</tr>
<tr>
<td>Design review</td>
<td>Proper chemical substance management</td>
</tr>
<tr>
<td>Database of chemical substances contained in raw materials</td>
<td></td>
</tr>
</tbody>
</table>

**Customers and governments**

*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.


*3 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.

**Chemical Leak Drills**

The Lintec Group conducts chemical spill drills at plants and research centers that handle chemical substances. The drills aim to familiarize employees with actions required to be taken in the event of a chemical spill, including immediate initial actions, steps to prevent possible secondary disasters, such as a spill extending to outside the premises, soil contamination, and fire, and safe methods of clearing the contaminated area.

In fiscal 2017, drills were carried out at the Mishima Plant, Agatsuma Plant, Kumagaya Plant, Komatsushima Plant, Chiba Plant, Tatsuno Plant, Ina Technology Center, Research Center and Niihama Plant.

**Proper Storage and Management of PCB**

In fiscal 2017, Lintec properly disposed of 38 units containing high-concentration PCBs (from storage at the Research Center). We will securely manage and store high-PCB concentration units that are awaiting disposal.
* PCB (polychlorinated biphenyl): The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Law) mandates the proper storage, management, and disposal of wastes containing PCBs.

## Reducing VOCs (volatile organic compounds)

### Transitioning to Solvent-free Release Agent

Lintec is reducing VOCs. In product design, Lintec is working on switching to a solvent-free release agent for its release paper and solvent-free adhesive for printing-related adhesive products to reduce the amount of organic solvents it uses. In fiscal 2017, the percentage of solvent-free release paper (production basis) was 55.1%. The percentage of solvent-free printing-related adhesive products (sales basis) was 73.7%. The percentage of solvent-free paper and products remained at the same level as in the past.

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

### Percentages of solvent-free printing-related adhesive products and release paper

![Graph showing percentages of solvent-free printing-related adhesive products and release paper from 2001 to 2017 (FY)]

Notes: 1 Percentage of solvent-free printing-related adhesive products = quantity of solvent-free printing-related adhesive products sold / quantity of all printing-related adhesive products sold x 100

2 Percentage of solvent-free release paper = quantity of solvent-free release paper produced / quantity of all release paper produced x 100

### Status of Proper Storage and Management of PCB in Fiscal 2017

<table>
<thead>
<tr>
<th>Site name</th>
<th>Number of stored units of PCB waste</th>
<th>Treatment facility</th>
<th>Year of registration for consignment treatment</th>
<th>Expected processing completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kumagaya Plant</td>
<td>24</td>
<td>JESCO Tokyo Office</td>
<td>FY2005</td>
<td>FY2018</td>
</tr>
<tr>
<td>Tatsuno Plant</td>
<td>14</td>
<td>fluorescent light ballast JESCO Kitakyushu Office</td>
<td>FY2015</td>
<td>FY2019</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>(34 high-concentration units, 4 fluorescent light ballasts)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Introducing VOC Treatment Facilities to Comply with Revised Law

South Korea revised its Clean Air Conservation Act in 2015 to expand the scope of control to cover air containing volatile organic solvents generated from facilities other than VOC-emitting facilities. To treat low-concentration VOCs from its clean room, Lintec Korea, Inc. installed two concentrators and one RTO-based exhaust gas treatment system and started their operation in November 2016. VOC emissions in fiscal 2017 were reduced by about 7 tons from fiscal 2016. We will continue to reduce VOCs.

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Lintec uses environmental accounting to ascertain the costs and benefits of environmental protection, and continues to carry out environmental protection activities as effectively as possible. Environmental investments*1 made in fiscal 2017 totaled 635 million yen while environmental costs*2 incurred for the same year totaled 2,631 million yen. The total environmental investments, largely relating to the introduction of paper recycling-related equipment for the purpose of raising resource efficiency, increased by 30 million yen from the previous year. The total environmental costs decreased by 194 million yen year on year, primarily reflecting downscaled environment-friendly product development projects and related personnel.

*1 Environmental investments: The amount of investments made during a year for the purpose of environmental conservation. Since the effect of the investments lasts for several years or longer, the invested amounts are recognized as costs over those years.

*2 Environmental costs: Costs or losses arising from consuming goods and services for the purpose of environmental conservation
## Calculation Basis

1. The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako. Other affiliates are not included.
2. The data is for the period from April 1, 2017, to March 31, 2018.
3. The Environmental Accounting Guidelines (2005) from the Japanese Ministry of the Environment were used as a reference.

### Fiscal 2017 Environmental Conservation Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Target equipment</th>
<th>Investment</th>
<th>Details of main initiatives</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pollution prevention cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Preventing air pollution</td>
<td>Exhaust treatment system</td>
<td>19</td>
<td>Management and maintenance of equipment to prevent air pollution</td>
<td>393</td>
</tr>
<tr>
<td>b. Preventing water pollution</td>
<td>Wastewater treatment system</td>
<td>19</td>
<td>Management and maintenance of equipment to prevent water pollution</td>
<td>156</td>
</tr>
<tr>
<td>c. Preventing overall pollution</td>
<td>-</td>
<td>-</td>
<td>PCB and sludge disposal costs</td>
<td>28</td>
</tr>
<tr>
<td><strong>Global environmental conservation cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Preventing global warming</td>
<td>Exhaust treatment system</td>
<td>10</td>
<td>Management and maintenance of fuel conversion systems</td>
<td>119</td>
</tr>
<tr>
<td><strong>Resource circulation cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Efficient utilization of resources</td>
<td>Waste paper treatment system</td>
<td>452</td>
<td>Management and maintenance of wastepaper processing equipment; use of wastepaper as raw material</td>
<td>281</td>
</tr>
<tr>
<td>b. Treating, reducing, and recycling waste</td>
<td>Waste-derived fuels system</td>
<td>20</td>
<td>Management and maintenance of incinerator and boiler equipment; industrial waste processing</td>
<td>379</td>
</tr>
<tr>
<td>Cost Category</td>
<td>Activity Description</td>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Upstream / downstream cost</td>
<td>Collecting, recycling, and reusing byproducts</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchase of environmentally friendly office supplies</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Administration cost</td>
<td>Constructing and operating environmental management systems</td>
<td>328</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ISO 14001 certification investigation/registration; operation of environmental conservation or organizations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental information disclosure</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preparation of the CSR Report and webpages; participation in the Eco-Products fair</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and measuring environmental impact</td>
<td>37</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Analysis and measurement of regulated substances</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Environmental education</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Participation in seminars and workshops</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental improvement measures</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>On-site beautification; garden tree pruning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. R&amp;D cost</td>
<td>R&amp;D relating to environmental protection</td>
<td>379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Social activity cost</td>
<td>Biodiversity project activity reporting presentation</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Environmental remediation cost</td>
<td>Payment of pollution load levy; compensation for fisheries</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,630</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Investment in exhaust treatment system installation includes spare parts and miscellaneous work.
### Fiscal 2017 environmental conservation effects

<table>
<thead>
<tr>
<th>Environmental conservation effect categories</th>
<th>Environmental performance indicators</th>
<th>Base period (FY2016)</th>
<th>FY2017</th>
<th>Environmental conservation effect (difference against base period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environmental conservation effects related to resources put into business activities</td>
<td>Purchased electricity usage (crude oil equivalent)</td>
<td>1,000 kL</td>
<td>40</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Fuel usage (crude oil equivalent)</td>
<td>1,000 kL</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Organic solvent usage</td>
<td>1,000 t</td>
<td>8.9</td>
<td>9.4</td>
</tr>
<tr>
<td></td>
<td>Water usage</td>
<td>1,000 t</td>
<td>6,388</td>
<td>8,263</td>
</tr>
<tr>
<td>2. Environmental conservation effects related to environmental impact and waste output from business activities</td>
<td>CO₂ emissions from manufacturing</td>
<td>1,000 t-CO₂</td>
<td>195</td>
<td>186</td>
</tr>
<tr>
<td></td>
<td>Toluene emissions to air</td>
<td>1,000 t</td>
<td>0.478</td>
<td>0.482</td>
</tr>
<tr>
<td></td>
<td>Waste discharge</td>
<td>1,000 t</td>
<td>30.24</td>
<td>29.89</td>
</tr>
<tr>
<td></td>
<td>Waste incinerated</td>
<td>1,000 t</td>
<td>3.89</td>
<td>4.19</td>
</tr>
<tr>
<td></td>
<td>Waste buried in final landfills</td>
<td>1,000 t</td>
<td>0.01</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>Total effluent</td>
<td>1,000 t</td>
<td>6,281</td>
<td>6,637</td>
</tr>
<tr>
<td></td>
<td>SOx emissions</td>
<td>t</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>NOx emissions</td>
<td>t</td>
<td>80</td>
<td>65</td>
</tr>
<tr>
<td>3. Other environmental conservation effects</td>
<td>Fuel usage associated with transportation (crude oil equivalent)</td>
<td>kℓ</td>
<td>4,101</td>
<td>4,096</td>
</tr>
<tr>
<td></td>
<td>CO₂ emissions associated with transportation</td>
<td>1,000 t-CO₂</td>
<td>10.9</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>Amount of product transportation</td>
<td>Million ton-km</td>
<td>9.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>
Below is the environmental FY2017 data for the 14 Lintec Group companies outside of Japan.

VOC emissions*

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

Data for MACTAC AMERICAS, LLC, VDI, LLC and LINTEC EUROPE B.V., which joined the Lintec Group in 2016, are included from 2017.

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

Data for MACTAC AMERICAS, LLC, VDI, LLC and LINTEC EUROPE B.V., which joined the Lintec Group in 2016, are included from 2017.

Note: 1 VOCs = toluene and methyl ethyl ketone
Note: 2 Figures stipulated in Article 4 of the enforcement regulations for Japan’s Energy Conservation Act were used for the calorific value of each fuel used in order to calculate the crude oil equivalent of consumed fuel.
Note: 3 LSFT = Lintec Speciality Films (Taiwan); LAT-T: Lintec Advanced Technologies (Taiwan); LSFK = Lintec Speciality Films (Korea)
Relationship between Lintec and the Environment

In fiscal 2017, total energy use (crude oil equivalent) for the Lintec Group in Japan* decreased by 0.5% from the previous year due to energy-saving measures. Energy use per unit of production worsened by 2.0% to 0.3173 kl per ton. Energy use increased by 0.9%. CO₂ emissions in fiscal 2017 were 186,000 tons, achieving the target of 194,000 tons or less for the year. In fiscal 2018, Lintec aims to reduce its CO₂ emissions by 1.0% and its energy use by 1.0% compared to fiscal 2017, on a per-unit of production basis.

1. The scope of data collection covers Lintec Corporation and Tokyo Lintec Kako. Other affiliates are not included.
2. The data is for the period from April 1, 2017, to March 31, 2018.

**Fiscal 2017 Material Flow (Scope: Lintec Corporation [Head Office, 10 production sites, Research Center]; Tokyo Lintec Kako, Inc.)**

*1 Inside sales are not included in “Output” figures.

*2 Scope 1: Direct CO\(_2\) 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.

*3 Scope 2: CO\(_2\) or other greenhouse gas emissions generated by other companies in the production of energy, such as electricity and steam, purchased by the reporting company.

CSR Activities at Group Companies Outside Japan

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

### LINTEC (SUZHOU) TECH CORPORATION

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

**Company Overview**

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

![Display board in the area](image)

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### LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION

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

**Company Overview**

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

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

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

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

Company Overview
Location: Kaohsiung, Taiwan
No. of employees: 82
Main business activities: manufacture and sale of electronic- and optical-related products
As part of our social contribution activities, about 10 employees cooked kimchi at our cafeteria and delivered it to 60 households in the local community, including elderly people living alone, single-mother families, and single-father families, in November 2017. It provided us with a meaningful opportunity to practice sharing.

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

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

Company Overview
Location:
No. of employees: 124
Main business activities: manufacture and sale of electronic- and optical-related products
In March 2018, we provided 20 orphans with school supplies as part of our community contribution activities and then started a team-building training program for all employees. Through activities and training, we more deeply recognized the significance of relationships based on trust and cohesion and the importance of growing together with local residents.

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

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

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

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

**Company Overview**
Location: Penang, Malaysia  
No. of employees: 99  
Main business activities: manufacture and sale of electronic- and optical-related products
In October 2017, all employees of our company participated in an activity to preserve the world’s largest flower, the Rafflesia, specimens of which grow in a conservation area about a two-hour drive from our company. We learned about the conservation activity from a ranger at the conservation office and carried out a cleanup.

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

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

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

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

**Company Overview**
Location: Chachoengsao, Thailand
No. of employees: 166
Main business activities: manufacture and sale of printing and industry-related products
In August 2017, we provided a local under-13 football team with uniforms for the 2017-2018 season. In June 2018, the team, wearing the uniforms, played in a six-a-side football tournament and took first place. We will continue to contribute to the local community.

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

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

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

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

**Company Overview**
Location: Florida U.S.A
No. of employees: 179
Main business activities: manufacture and sale of printing and industry-related products
We established our first CSR Committee in March 2018. The committee will cover overall CSR activities, including environmental conservation, biodiversity, social contribution, and workplace environments, and lead efforts for building a foundation for promoting world-class initiatives.

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

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

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

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All departments in Lintec and Lintec Group subsidiaries should develop and enhance an internal control system that prevents fraudulent or illegal practices and errors and ensures adequate and efficient business activities.

- All employees and officers have their respective roles and responsibilities in the development and operation of the internal control system.
- Each department in Lintec and its subsidiaries should conduct a self-assessment from time to time as necessary to check that its operational or administrative processes are being implemented properly and efficiently in compliance with the relevant laws/regulations and internal rules.
- The internal audit department should be formed as an independent unit from all other departments and conduct audits of individual departments in Lintec and subsidiaries periodically to check that their internal controls are working effectively and efficiently.

Established October 1, 2013
LINTEC Corporation
Compliance

Lintec Group Compliance Guidelines

Code of conduct

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

We, the directors and employees of LINTEC, shall:

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

Established January 2003
Revised April 2011

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Quality, Environment and Business Continuity

Lintec Group Quality, Environmental and Business Continuity Policies

Basic Policy

Dedicated to the company motto, "Sincerity and Creativity", and the Lintec management philosophy, all employees in the Lintec Group practice fair and innovative corporate activities to fulfill our responsibilities to society, including compliance with laws/regulations of Japan and beyond. Lintec subscribes to the following "Quality Policy", "Environmental Policy", "Business Continuity Policy", and "Action Guidelines" to ensure the practical execution of these activities.

Quality Policy

We adhere to the fundamentals of "manufacturing". We shall develop, manufacture and sell "quality", "environmentfriendly" and "safe" products, and pursue the conduction of business activities that are trusted by all stakeholders.

Action Guidelines

1. Develop "people" and a "corporate culture" that work in harmony with different cultures and localities, and contribute to global development by providing the highest possible quality.
2. Identify customers' needs quickly and accurately with a spirit of craftsmanship and share the information within the Group.
3. Analyze current conditions constantly with a spirit of craftsmanship, and conduct continuous improvement activities.
4. Improve and innovate daily services and operations in order to provide better products stably and at reasonable prices.
5. Conduct thorough design reviews to build quality into product design at the initial development stage.
6. Apply statistical approaches for all aspects of operations, including production and quality control, to improve data evaluation and management systems.
7. Construct systematic in-house education programs that develop employees that are capable of demonstrating originality in "craftsmanship".
Environmental Policy

We work to pass down a healthy planet to the next generation. We prioritize the creation of environmentally friendly products, and actively make efforts to protect the global environment.

Action Guidelines

1. Develop environmentally friendly products.
2. Promote the effective use of resources and implement the 3Rs (reduce, reuse, and recycle).
3. Work for global environmental preservation by managing the chemicals contained in our products.
4. Strive to protect biodiversity.
5. Take the initiative in environmental efforts and continuously improve our environmental activities using the PDCA (plan, do, check and act) cycle.

Business Continuity Policy

We work to create and continually improve the business continuity management system (BCMS) to minimize the impact of any risks that may lead to the interruption of business. Risks include, for instance, natural disasters such as earthquakes, storms and floods, and fires and pandemics.

Action Guidelines

1. Place top priority on the safety of group employees and their families.
2. Always remember disaster risk-reduction measures to minimize the impact of any disaster.
3. In the event of a disaster, endeavor to quickly resume supplies of our main products to fulfill our responsibilities to our customers.
4. Provide support and assistance for reconstruction of disaster-stricken regions.
5. Provide continuous improvements in the BCMS through the PDCA (plan-do-check-act) cycle.

Environmental Charter established April 10, 1992
Quality Policy established August 10, 1998
Quality and Environmental Policy established April 1, 2012
Quality, Environmental and Business Continuity Policy established September 1, 2013
Quality, Environmental and Business Continuity Policy revised January 1, 2014
Quality, Environmental and Business Continuity Policy revised April 1, 2014

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Procurement

Lintec Procurement Policy

1. **Fair and transparent business practices**
   We shall maintain fair and transparent business transactions with all partners based on the principle of free competition in the market. In selecting business partners, we shall keep our door open wide and make fair evaluations of candidates in the areas of quality, cost, delivery, supply stability, technology, services, and environmental effort.

2. **Building partnerships**
   We shall recognize every partner as a "partner for mutual development" and build relationships of trust.

3. **Adherence to laws and regulations and social norms**
   In our procurement activities, we not only shall abide by the laws and regulations of Japan and beyond but also require our partners to do the same.

4. **Consideration for the environment**
   We shall pursue procurement activities with less environmental impact based on the Lintec Green Procurement Policy, and require our partners to actively conduct environmental conservation activities and strictly manage chemical substances.

5. **Thorough pursuit of CSR**
   We shall pursue high level and thorough CSR in our procurement activities together with partners in areas such as respect for human rights, labor health and safety, quality assurance and safety, information security, corporate ethics, and conflict minerals.

Established August 10, 2009
Revised August 30, 2013

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Procurement

Lintec Green Procurement Policy

1. Along with partners, we will promote the management of chemical substances in raw materials, parts, and auxiliary materials that go into our products.

2. We will work to prioritize procurement of less-harmful raw materials, parts and indirect materials from partners actively engaging in environmental conservation and management of chemical substances.

3. As for supply chain management, we will demand that partners actively participate in environmental conservation and chemical products management with their respective suppliers.

4. We will proactively promote the use of Green Pulp based on the Lintec Lumber Pulp Procurement Policy.

Established June 1, 2006
Revised August 10, 2009

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1. Procurement Policy and approach

(1) As a measure to counteract illegal logging, we will not procure the following kinds of wood pulp:

(a) Pulp from illegally logged wood
(b) Pulp from trees of regions violating traditional or civic rights
(c) Pulp from protected forests
(d) Pulp from reforested areas or forests earmarked for certain purposes
(e) Pulp from forests with transgenic trees

(2) We will proactively promote the use of Green Pulp.

2. Confirmation of Legitimacy

(1) We will obtain written proof from partners showing that they have abided by each point of the Procurement Policy.

(2) In our procurement of wood pulp, we will obtain traceability reports from our partners that indicate wood material logging location, species and quantity.

(3) We will keep relevant materials for five years, and we will disclose them as necessary for audits, etc.

(4) We will regularly perform internal audits to gauge initiative progress, along with monitoring (surveys and audits) by the Japan Paper Association. We will disclose summaries of the results online.

Established August 10, 2009
Revised June 1, 2010
Revised August 23, 2010

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Procurement

Green-Pulp-Way

Green Pulp Way is Lintec's own concept for eco-friendly products. The company carries out product design and manufacturing for special papers and label sheets based on this concept. The aim is to reduce impact on the global environment and to leave a healthy green planet for future generations.

Green Pulp

Green Pulp is a registered trademark of Lintec in Japan, and is produced through a bleaching process that is elemental chlorine free (ECF). The raw materials for this pulp include trees from lawfully and properly managed forests (including CoC-certified pulp and pulp made from afforestation trees), pulp from reused material, and non-wood pulp.

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Safety and Health

Lintec Occupational Safety and Health Policy

Under the company motto, "Sincerity and Creativity", and the management philosophy of Lintec, all Lintec Group employees shall prevent occupational accidents, create a safe and comfortable workplace environment and actively improve safety and health standards.

1. In conducting business activities, we shall appropriately secure and improve the occupational safety and health of everyone in the Lintec Group.

2. The Company shall always work with all Lintec employees to prevent occupational accidents and diseases, and maintain and enhance the health of employees.

3. We shall conduct risk assessment at production sites, establish occupational safety goals, create and implement action plans for achieving those goals and periodically review the plans for improvement.

4. We shall comply with laws and ordinance agreements, and governmental instructions relating to occupational safety and health.

5. We shall provide education and awareness-building programs on occupational safety and health to people in the Lintec Group to communicate the importance of safety and health in the workplace and to enhance employee awareness.

Established October 1, 2010

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Overview of the Lintec Occupational Safety and Health Manual

- **Plan (planning)**
  Laws and ordinances / safety and health plan, safety and health goals, etc.

- **Do (implementation and operation)**
  Organization, roles, responsibilities, and authority / capacity, education and training, and self-awareness / communication, etc.

- **Check (inspections, patrols, improvements)**
  Monitoring and measurement / internal audits, etc.

- **Action (reviews by management)**

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The CSR activities of the Lintec Group follow the company motto: "Sincerity and Creativity" when conducting its CSR activities. This report explains our CSR activities during fiscal 2017. The Highlight section features "Holding CSR Study Sessions for Group- Wide Activities", as well as "Starting the SDGs Committee to Build a Sustainable Future". This report publishes certain information which is important for both the stakeholders* and the Lintec Group. For more detailed information, please visit our CSR website.

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

### Main Channels for CSR Information

#### CSR Report (Booklet / PDF version)
- **[Booklet]**
  Information on the CSR activities of the Lintec Group is described in a simple manner.
- **[PDF version]**
  Full version is created in English. Abridged version is created in Korean, Chinese (traditional), Chinese (simplified), Malay, Indonesian and Thai.

#### CSR Website
More detailed information on the CSR activities of the Lintec Group is available.
- **[Japanese]**
  [http://www.lintec.co.jp/csr/](http://www.lintec.co.jp/csr/)
- **[English]**

### Guidelines Referenced

Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
Environmental Reporting Guidelines (2012) of the Ministry of the Environment of Japan
Environmental Accounting Guidelines (2005) of the Ministry of the Environment of Japan
ISO 26000 (Guidance on social responsibility)
This report covers the period from April 1, 2017, to March 31, 2018 (fiscal 2017). It also includes some information up through June 30, 2018 concerning specific initiatives. Environmental data for 14 group companies outside Japan covers the period from January 1 to December 31, 2017.

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

**Corporate Governance Social Report**
Lintec: Lintec Corporation
Lintec Group: Lintec Corporation plus group companies in and outside Japan

**Environmental Report**
Lintec: Lintec Corporation (Head Office, 10 production sites*1, and Research Center) and Tokyo Lintel Kako, Inc.
Lintec and 14 group companies outside Japan: Sites listed above and 14 overseas group companies*2
Lintec Group: Lintec Corporation plus group companies in and outside Japan

*1 10 Production sites: Agatsuma, Kumagaya, Ina, Chiba, Tatsuno, Shingu, Mishima, Doi, Niihama, and Komatsushima

*2 14 group companies outside Japan: 14 group companies outside Japan: Lintec Suzhou, Lintec Printing & Technology (Tianjin), LSFT, LAT-T, Korea, LSFK, Indonesia, Malaysia, Sarawak, Singapore, Madico, Mactac Americas, VDI, LE (UK)

**Note on the fiscal year of consolidated subsidiaries**

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

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

★ For detailed data, click here
Third-Party Opinion

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

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

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

I have a few suggestions that may help the Lintec Group, where the ratio of employees in Japan to employees outside Japan is about 6:4, to further publicize itself as a sincere global company. The first is to further sophisticate its materiality and KPIs. For instance, with regard to improving employee satisfaction, Lintec is carrying out an action to build working environments where employees feel motivated to work. For that action, it has set a KPI for turnover within three years of employees hired as new graduates. More explanation is needed as to whether the KPI expresses the satisfaction of all employees or not. To take another example, the KPI set for making contributions to sustainable consumption is the number of exhibitions participated in as an exhibitor in and outside Japan. It would help if the report explains the relevance
of this, such as how the number of exhibitions participated in in and outside Japan contributes to sustainable consumption.

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

Response to Third-Party Opinion

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

As for materiality, we will strive to clearly show the reasons why we selected the KPIs and explain them to stakeholders. We will also flexibly review our materiality in light of social changes and results of the SDGs Committee activities.

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

Hiroyuki Nishio
Representative Director, President, CEO and COO

Editor's postscript

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

The Highlight articles feature the CSR study sessions held at the Lintec Group companies and activities of the SDGs Committee. These activities are based on the company motto, "Sincerity and Creativity", and the LINTEC WAY, which underpins the motto. For our group to achieve sustainable growth together with society, all employees are thinking about activities and seeking to independently implement them in an integrated manner.
Performance indicators for social areas marked by ★ have been verified by a third party, SGS Japan Inc.

[Verification Statement (Sociality) [PDF: 182KB]

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