

# LINTEC Integrated Report 2023

For the fiscal year ended March 31, 2023

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#### Editorial Policy

This report is meant to help shareholders and investors understand the LINTEC Group and its quest to achieve sustainable growth and contribute to the further development of society as a whole. With reference to various guidelines, this report introduces not only business results and financial information but also intangible assets that are not included in the financial statements, such as the Group's R&D capabilities and human resource strengths. Please refer to the Company's website and sustainability report, which provide additional information that is not included in this report.

#### Reporting Period

This report covers the period from April 1, 2022, to March 31, 2023. However, some of the information includes content from April 1, 2023, onward.

#### Forward-Looking Statements

This report includes forward-looking statements, such as forecasts of business results, based on information currently held and assumptions that have been judged as reasonable by the Company. The Company cannot guarantee the accuracy of these statements or definitively assure the realization of future numerical targets and policies. Actual business results, etc., may vary due to various factors.

#### Guidelines Used as References

**IFRS Foundation:** International Integrated Reporting Framework

**Ministry of Economy, Trade and Industry:** Guidance for Collaborative Value Creation

# Value Creation

LINTEC is working to raise corporate value by maximizing the use of the assets built up to date, developing products that meet market needs, and delivering them to a large number of customers in Japan and overseas. This section introduces LINTEC's history, strengths, and value creation process.

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**

Cooperating with All Our Stakeholders

Our business is supported by various stakeholders, including shareholders, investors, employees, customers, suppliers, and local communities. To meet their expectations and uphold our status as a trusted company, we will fulfill our social responsibilities through corporate activities rooted in our company motto, “Sincerity and Creativity.” We are committed to engaging in the co-creation of value with all our stakeholders.



**A dynamic and reliable company that contributes to society as a whole**

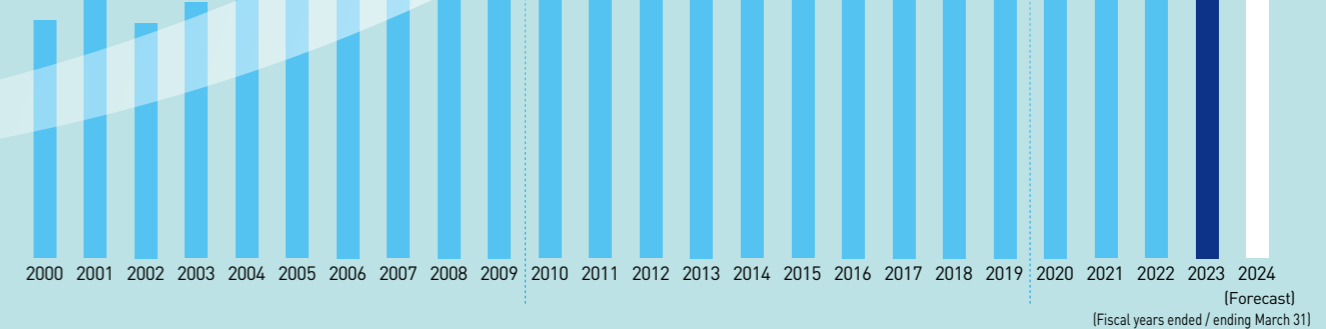
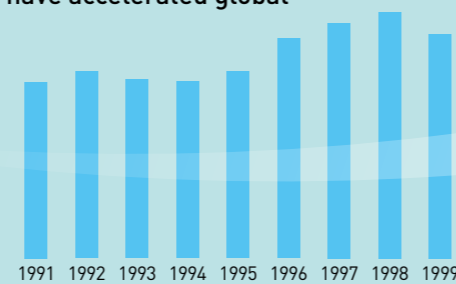


# Achieving Steady Growth by Meeting the Needs of the Times

In 1990, a vertical integration was implemented by three companies—a manufacturer with advanced adhesive technologies, a manufacturer with papermaking technologies for specialty paper, and a manufacturer with production technologies for release paper and film. This significant initiative resulted in the foundation of LINTEC Corporation. Since the merger of these three companies, we have accelerated global development with the aim of expanding business.

April 1990: Foundation of LINTEC Corporation

FSK CORPORATION (Manufacture and sale of adhesive products, etc.)	SHIKOKU PAPER CO., LTD. (Manufacture and sale of specialty paper, release paper, etc.)	SOHKEN KAKO CO., LTD. (Manufacture and sale of adhesive paper, release film, etc.)
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## Up to 1990

### Creating an Integrated Production System for Adhesive Products and Establishing a Unique Business Structure

In 1927, we were established as a company engaged in the manufacturing and sales of gummed tape for packaging. In the 1960s, we started to manufacture and sell adhesive paper and film for labels, which are currently mainstay businesses for the Company. We subsequently expanded the scope of our adhesive operations to industrial fields, such as automobile-related areas. In 1986, after the Company name was changed to FSK CORPORATION, we made a full-scale entry into the field of semiconductor-related products. In 1990, through the merger of the three companies indicated above, we created an integrated production system for adhesive products. We established a unique business structure as a company that produced manufacturing adhesive products and that also offered a wide range of products in the areas of release paper and release film and specialty paper.



Gummed tape for packaging, for which demand increased with the spread of cardboard boxes in place of wooden boxes

UV curable dicing tape, which brought about a major transformation in the semiconductor industry



## 1990s–2000s



LINTEC (SUZHOU) TECH CORPORATION (China), our base for the manufacture and sale of adhesive products for labels and casting paper for synthetic leather



LINTEC KOREA, INC. (South Korea), our base for the manufacture and sale of semiconductor-related adhesive tape and multilayer ceramic capacitor-related tape

### Accelerating Globalization of Business, Centered on Asia

Since the 1990s, we have been actively expanding overseas. In 1994, we established a label-related manufacturing subsidiary in Indonesia, and in 1995, we set up sales subsidiaries in the Netherlands and Singapore. In 2002, we established LINTEC (SUZHOU) TECH CORPORATION as our main production base in China. Additionally, in response to the expansion of the electronics market, in around 2000 we successively established manufacturing subsidiaries for products related to optical displays, multilayer ceramic capacitors, and semiconductors in Malaysia, Taiwan, and South Korea, accelerating the globalization of our business centered on Asia.

## 2010s

### Expanding Our Domestic and Overseas Production and R&D Structures, and Reinforcing Our Business Foundation

In 2010, we completed the rebuilding of the Tatsuno Plant (Hyogo Prefecture), which is our main plant for adhesive products for labels. In 2011, we established a subsidiary in Thailand to manufacture these materials. In 2013, we opened an R&D center for carbon nanotube-related technologies in the U.S. In 2015, we constructed the Advanced Technology Building at the Research Center (Saitama Prefecture) and installed leading-edge research equipment and large-scale pilot coaters. In 2016, we acquired three companies in Europe and the U.S., including MACTAC AMERICAS, LLC, a large-scale manufacturer of adhesive products for labels. These moves enabled us to expand our production and R&D structures in Japan and overseas, reinforcing our business foundation.



Large-scale pilot coaters in the Advanced Technology Building

MACTAC AMERICAS, LLC, our base for the manufacture and sale of adhesive products for labels

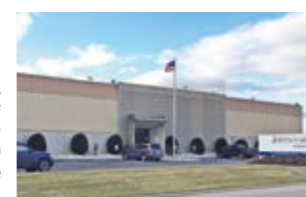


## 2020s



Adhesive film for labels that uses recycled PET resin from used PET bottles as facestock material

SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC, established through the acquisition of a business from an adhesive products manufacturer in the U.S.



### Focusing on Expansion in Growth Fields to Realize Our Long-Term Vision

In 2021, we unveiled our long-term vision, LSV 2030. Since then, we have been promoting various initiatives aimed at contributing to sustainable growth and the realization of a sustainable society. In addition to investing actively in the increased production of electronics-related products, which are slated for significant future demand growth, and environmental measures to reduce CO<sub>2</sub> emissions, we are stepping up our development and sales of environmentally friendly products in response to growing demand. In the North American label market, we aim to increase our market share through M&A-fueled increases in production capacity, as well as expand our business through synergies in the LINTEC Group.

# Three Major Strengths That Support Growth

LINTEC has continued to record stable growth since the merger of its three predecessor companies in 1990. The source of the Group's competitiveness lies in the wide range of products created by utilizing its four core technologies, its market dialogue-driven R&D and the ability to customize products to meet customer needs, and its global production and sales structure, which the Group is actively expanding.

## Strength 1 A Wide Range of Products Created by Leveraging Four Core Technologies

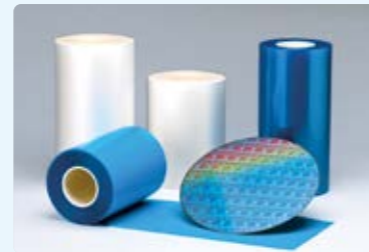
LINTEC leverages the core technologies it has cultivated over the years to offer a wide range of products. These include adhesive products used in various fields, such as mainstay adhesive paper and film for labels. We offer specialty paper with distinctive colors, textures, and functions, as well as release paper and film that protect the adhesive surfaces of adhesive products. We also provide application and removal equipment that maximizes the performance of our adhesive products in various markets. Our four core technologies and the wide variety of products that result from combining them allow us to offer our distinctive total solutions with materials and equipment. We also achieve the integrated production of adhesive products and manufacture adhesive products in-house, starting with the base paper for release paper.



Color paper for envelopes



Adhesive products for labels



Semiconductor-related adhesive tapes

Four Core Technologies	Adhesive applications	Surface improvement	Specialty paper and release materials production	System development
	Adhesive development, mixing, and coating technologies	Technologies for developing, mixing, and coating various surface agents	Technologies for papermaking and for developing, mixing, and coating release agents	Technologies for developing equipment for attaching, removing, and processing



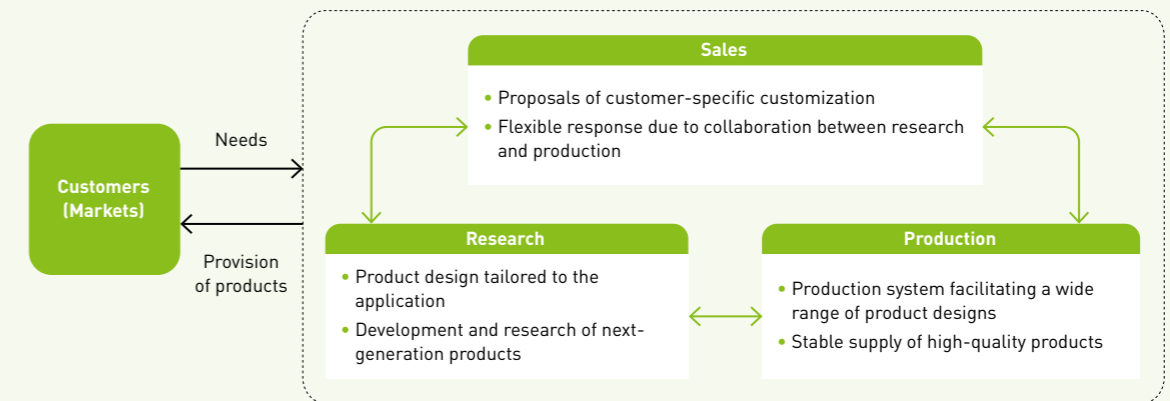
Daily necessities, food products, healthcare, pharmaceuticals, logistics, construction, telecommunications equipment, home electronics, mobility, stationery (envelopes), aircraft, others



Provision to Various Markets

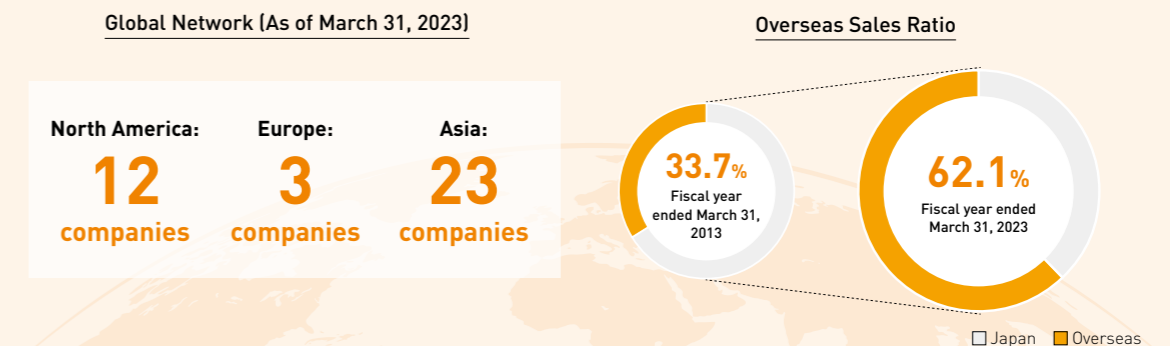
## Strength 2 Market Dialogue-Driven R&D and the Ability to Customize Products to Meet Customer Needs

LINTEC's research and development approach is based on dialogue with the market. Our researchers join sales representatives when making customer visits, and their unique perspective and information-gathering capabilities help them accurately understand customers' needs. We also strive to integrate research, production, and sales throughout each process from development to commercialization, enabling us to respond promptly and meticulously to each customer's requests. We have established a strong presence in various markets through our ability to customize products to meet customers' needs, thereby enhancing customer satisfaction.



## Strength 3 Active expansion of Our Global Production and Sales Structure

We have advanced the globalization of our businesses. The basic concept of these initiatives is local production, under which we produce and provide a stable supply of products in locations that are closer to our customers by establishing subsidiaries and conducting M&As to expand our overseas production and sales structure. Currently, we have approximately 40 consolidated subsidiaries with more than 5,000 employees in 19 countries and regions, and our overseas sales ratio has increased to more than 62%. Moving forward, we will work to further strengthen our global production and sales system, with a view toward expansion into areas where we do not yet have a presence.



# LINTEC's Value Creation Process

From its establishment to the present, the LINTEC Group has built up a wide range of assets, including technologies, diverse human resources, and trust-based relationships with stakeholders. In accordance with the Company motto—Sincerity and Creativity—we are utilizing these assets to contribute to the resolution of issues faced by society and customers through the development, production, and sales of a variety of products. The resulting profits are returned to stakeholders and proactively invested in the future to create new value. Through this value creation process, the LINTEC Group aims to contribute to the realization of a sustainable society by striking a balance between sustainable growth and the development of society.

## Asset Accumulation

Unique Technical Capabilities



Comprehensive Product Supply System in Japan and Overseas



Diverse Human Resources and Corporate Culture



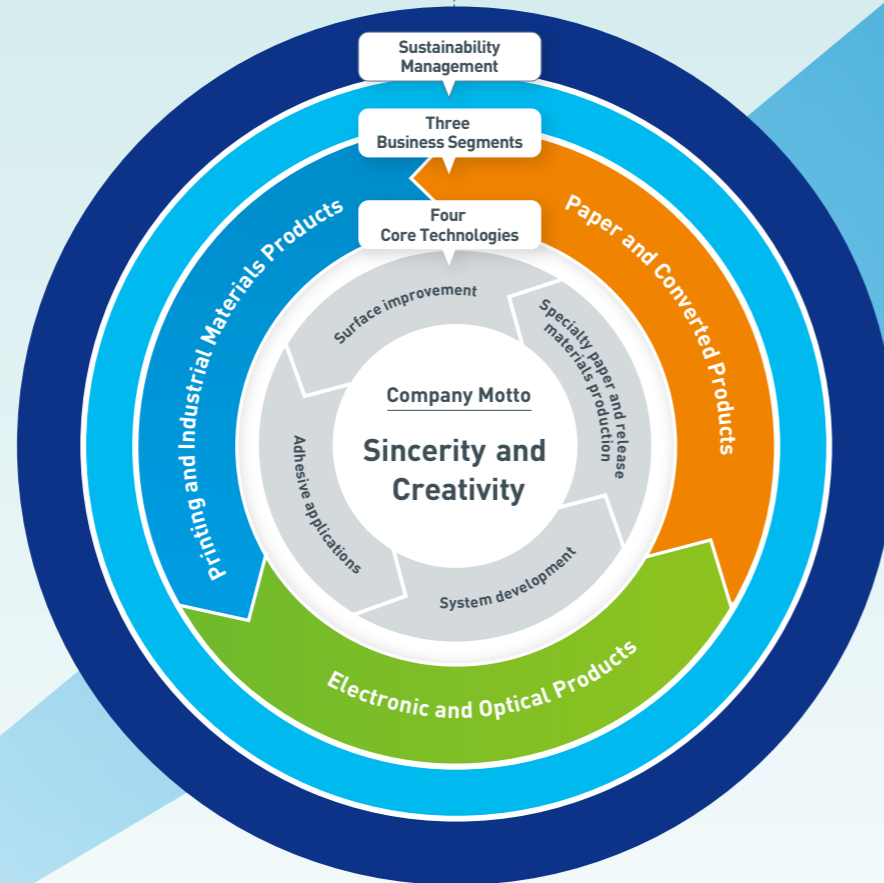
Solid Financial Base



Relationships of Trust with Stakeholders



## LINTEC's Unique Strengths



## INPUT

**Demands from Society**  
Market Needs  
Mega Trends

**External Technologies**

## OUTPUT

## OUTCOME

Create economic value

Long-term vision



Key Initiatives

- 1 Solve social issues
- 2 Foster innovation to build a robust corporate structure
- 3 Create new products and businesses to deliver sustainable growth

Create social value

Reduce environmental impact



Promote digitalization within society



Provide a stable supply of products needed in everyday life



Supply products to a broad range of markets



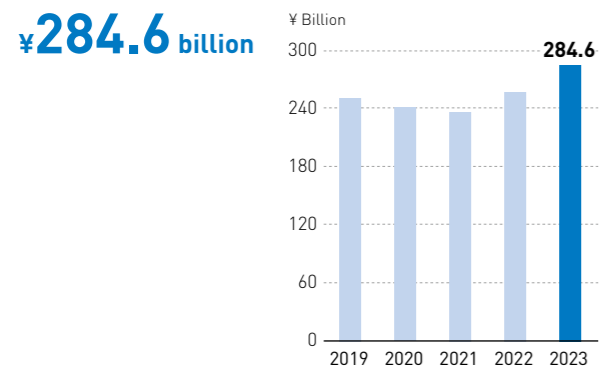
- P30 Printing & Variable Information Products Operations
- P31 Industrial & Material Operations
- P32 Advanced Materials Operations
- P33 Optical Products Operations
- P34 Fine & Specialty Paper Products Operations
- P35 Converted Products Operations

## Performance Highlights

Figures are for LINTEC Corporation and its consolidated subsidiaries (environment-related data is for LINTEC Corporation on a non-consolidated basis). Fiscal years are for periods ended March 31.

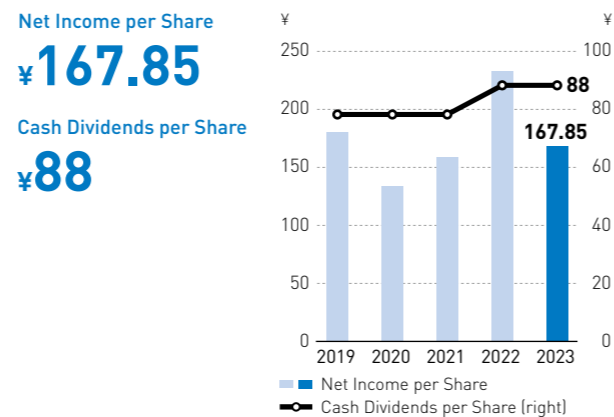
### Financial Information

#### Net Sales



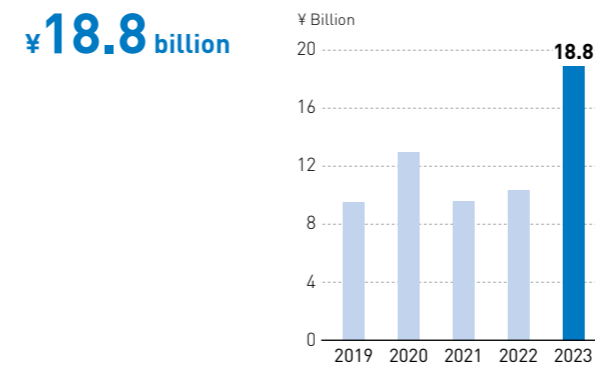
Net sales reached a record high, of ¥284.6 billion, owing in part to the performance of a company established by acquiring a business in the U.S. Also, yen depreciation pushed up sales.

#### Net Income per Share / Cash Dividends per Share



Net income per share was ¥167.85. Based on its basic policy of providing a stable and continued dividend, the Company paid a dividend of ¥88 per share, the same amount as in the previous fiscal year, with a dividend payout ratio of 52.4%.

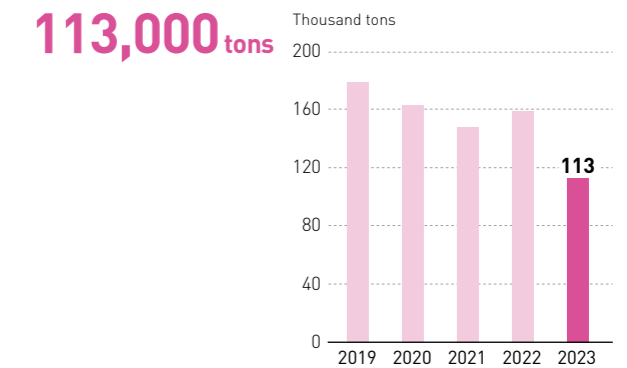
#### Capital Expenditures



Capital expenditure reached a record ¥18.8 billion, owing to increases in equipment for producing semiconductor-related adhesive tape and multilayer ceramic capacitor-related tape, as well as the installation of equipment to help reduce CO<sub>2</sub> emissions at each production base.

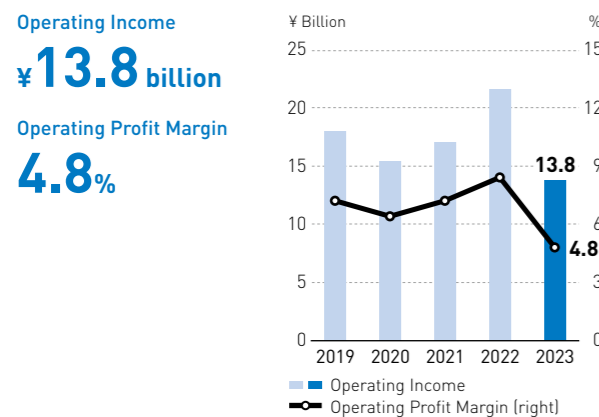
### Non-Financial Information

#### CO<sub>2</sub> Emissions



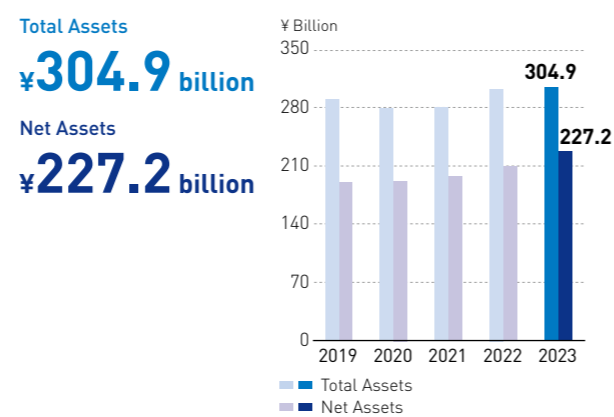
CO<sub>2</sub> emissions volume was down 46,000 tons year on year, to 113,000 tons. This was due to such factors as efforts to reduce environmental impact by installing new equipment at production bases.

#### Operating Income / Operating Profit Margin



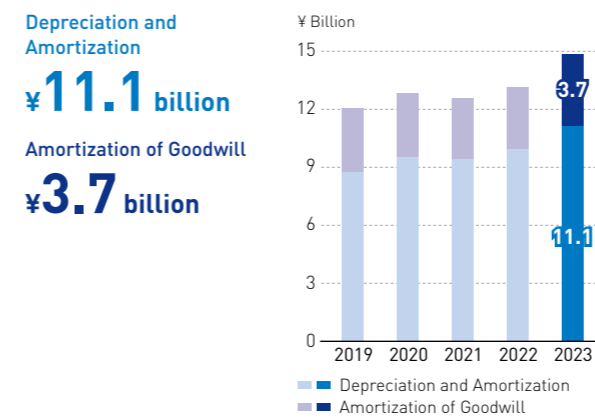
In addition to soaring prices on key raw materials, such as pulp and petrochemical raw materials, a sharp decline in the electronics market caused demand for Electronic and Optical Products to fall, causing profits to decline substantially.

#### Total Assets / Net Assets



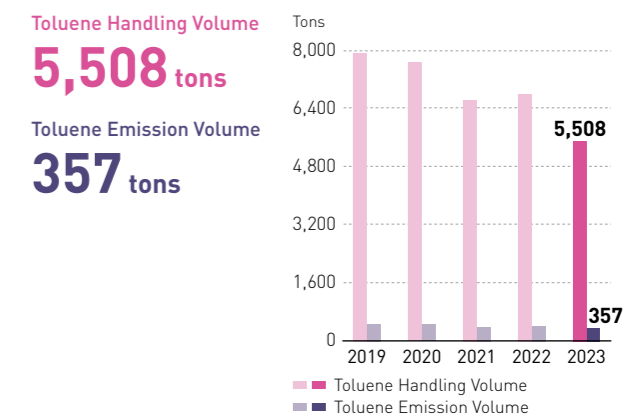
Total assets rose, owing to such factors as the acquisition of a business in the U.S. and higher procurement costs. Net assets increased as a result of ongoing yen depreciation, which bolstered foreign currency translation adjustments. The equity ratio was 74.2%.

#### Depreciation and Amortization / Amortization of Goodwill



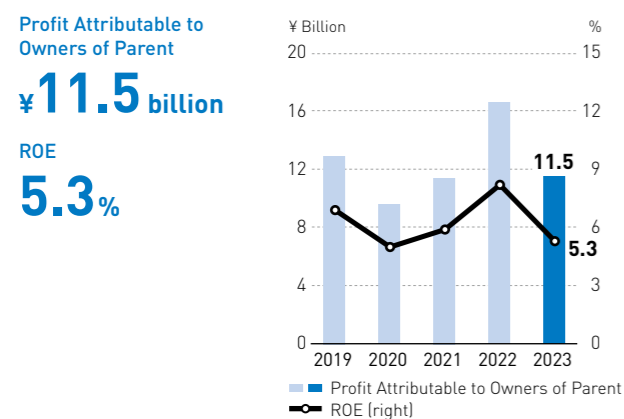
Depreciation and amortization were ¥11.1 billion. Also, amortization of goodwill was ¥3.7 billion, due principally to the amortization of goodwill resulting from the acquisition of MACTAC AMERICAS, LLC, at the end of 2016.

#### Toluene Handling Volume / Toluene Emission Volume



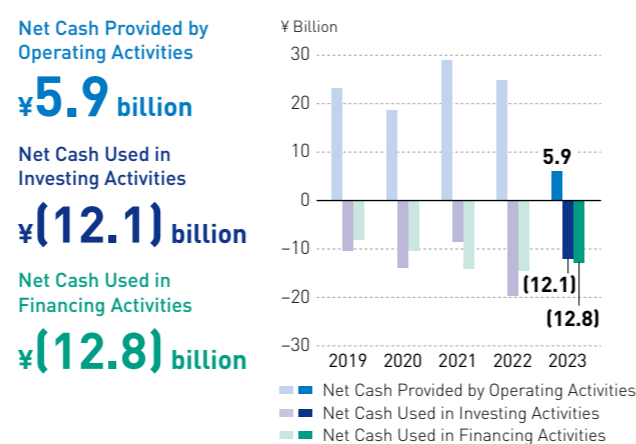
Toluene is a volatile organic solvent used mainly in the adhesive and release agent coating processes. The Company is working to reduce the amount of toluene it handles and emits. During the year under review, toluene handling and emission volumes decreased, owing to efforts to promote solvent-less production.

#### Profit Attributable to Owners of Parent / ROE



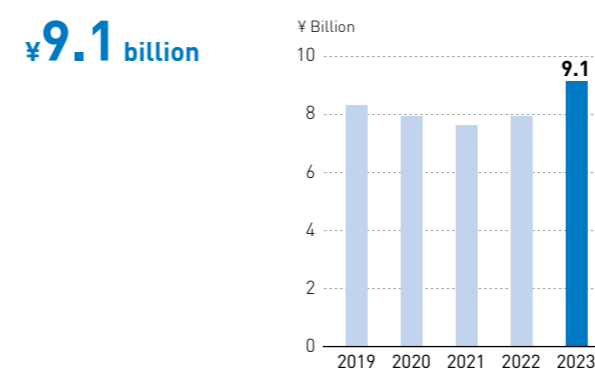
Ongoing yen depreciation led to higher foreign exchange gains, but operating profit declined, causing profit attributable to owners of parent to drop. ROE also dropped substantially.

#### Cash Flows



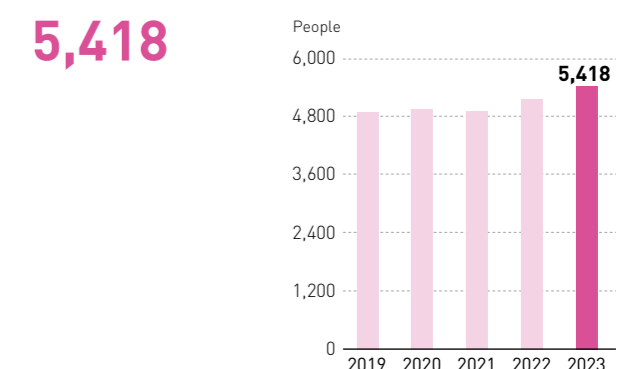
Cash flows from operating activities were positive, while cash flows from investing activities were negative due to higher capital expenditure. Cash flows from financing activities were negative due to the purchase of treasury stock.

#### R&D Expenses



R&D expenses were a record ¥9.1 billion, with Printing and Industrial Materials Products accounting for ¥3.3 billion; Electronic and Optical Products for ¥4.3 billion; and Paper and Converted Products for ¥1.4 billion.

#### Number of Employees



On a consolidated basis, the number of employees was 5,418, an increase of 260 employees year on year. On a non-consolidated basis, LINTEC had 2,620 employees, down eight from the previous year.

# Value Creation Strategy

LINTEC is developing a variety of measures to continue creating value and contributing to society's future development. This section features messages from the president, CFO, and executive general managers of the Business Administration Division, which conducts sales activities, and the Research & Development Division. In addition, we introduce the new products we are developing to create new value.

## Our Long-Term Vision, LSV 2030

The LINTEC Group has formulated the LINTEC SUSTAINABILITY VISION 2030 (LSV 2030), a long-term vision, which continues through the fiscal year ending March 31, 2030, in the aim of realizing a sustainable society. With the basic approach of helping to solve social issues through our business activities, we will actively work on each key initiative from the perspective of sustainability.



Basic Policy	Contribute to realizing a sustainable world by strengthening the corporate structure through innovation and creating new products and businesses for sustainable growth	
Key Initiatives	<b>1</b> Solve social issues	(1) Environment Help to shape a carbon-free, recycling-oriented world, etc. (2) Society Respect human rights and strengthen information disclosure to stakeholders, etc. (3) Governance Strengthen corporate governance and further increase effectiveness of the Board of Directors, etc. (4) Ensure that business activities help to achieve the Sustainable Development Goals (SDGs)
	<b>2</b> Foster innovation to build a robust corporate structure	(1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX) (2) Install new production equipment through scrap and build, with the aim to conserve energy, raise quality, increase efficiency, and reduce labor (3) Strengthen cost competitiveness with innovation in production processes (4) Reform the structure of low-growth and unprofitable businesses and soundly manage Group companies (5) Maintain a solid financial base and improve capital efficiency
	<b>3</b> Create new products and businesses to deliver sustainable growth	(1) Create new products and businesses driven by technological innovation (2) Expand strategic investment and flexibly conduct mergers and acquisitions (M&A) (3) Move aggressively to win a greater presence in the global market (4) Establish localization
Financial Indicators for the Fiscal Year Ending March 31, 2030	Operating Profit Margin <b>12% or more</b>	Return on Equity (ROE) <b>10% or more</b>

We formulate and execute medium-term business plans every three years as milestones toward achieving our long-term vision. We are currently promoting LSV 2030-Stage 1, the first of these plans.







**Makoto Hattori**

Representative Director  
President, CEO and COO

# Building a Robust Corporate Structure That Supports Growth Even in a Challenging Business Environment

## Accelerating Efforts to Realize Our Long-Term Vision, LSV 2030

### A Year of Challenges, Due to a Rapidly Changing Business Environment

In the fiscal year ended March 31, 2023, concerns of an economic downturn mounted. Against the backdrop of Russia's invasion of Ukraine, the world economy was affected by a surge in fuel prices. Additionally, various countries instituted interest-rate policies in an effort to curb inflation. Japan experienced an extremely moderate economic recovery characterized by lackluster personal consumption, owing in part to ongoing price rises in the face of a weaker yen.

The fiscal year ended March 31, 2023 (the Company's 129th fiscal period) was also the second year of our three-year medium-term business plan, LSV 2030-Stage 1. This plan is designed to guide the Company toward the realization of its long-term vision, LSV 2030, which concludes in the fiscal year ending March 31, 2030. Performance was strong during our first year under the medium-term business plan. We met the plan's final-year management targets early, prompting us to revise our targets upward in May 2022, and we have pursued a variety of measures since. During the fiscal year under review, net sales expanded, buoyed by our acquisition of a business in North America and the impact of yen depreciation. On the profit front, we undertook thorough

efforts to reduce costs and revise prices, while seeking the understanding of our customers, but we experienced sharply higher prices for raw materials, especially pulp, and sales volume fell substantially due to a downturn in the market for electronic- and optical-related products. Furthermore, a downturn in orders for other products led to a lower rate of utilization at production facilities, causing operating losses to grow. As a result, consolidated performance was down substantially year on year.

### Consolidated Business Results in Fiscal Year Ended March 31, 2023 (Year on Year)

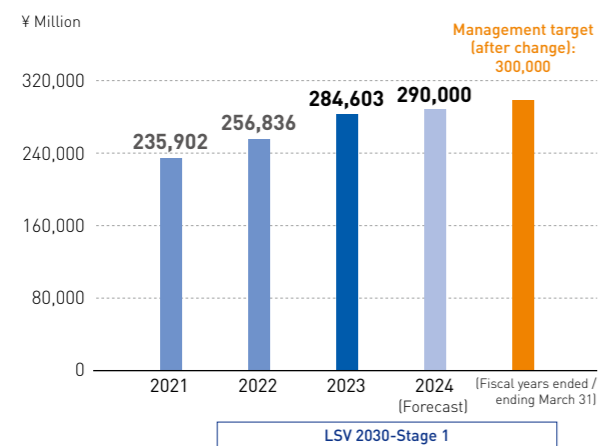
Net Sales	¥284,603 million	(up 10.8%)
Operating Income	¥13,796 million	(down 36.1%)
Profit Attributable to Owners of Parent	¥11,512 million	(down 30.8%)

## Aiming for an Early Recovery in Performance

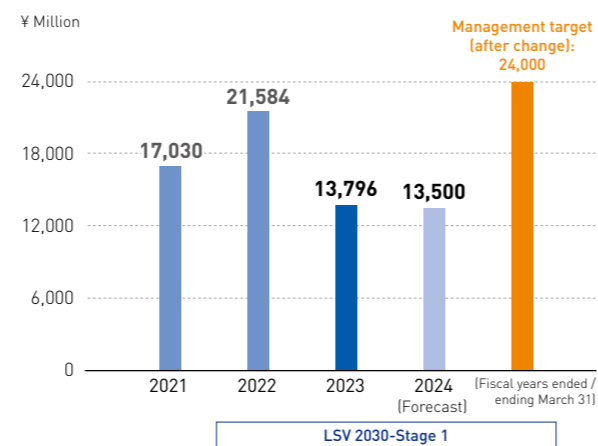
The outlook for the current fiscal year (the fiscal year ending March 31, 2024) is clouded by growing concerns about a global economic downturn due to interest rate policies aimed at curbing ongoing inflation, prolonged tensions between the U.S. and China, Russia's ongoing invasion of Ukraine, and rising resource costs. In Japan, we anticipate the positive impact of increasing inbound tourism as travel restrictions have been lifted. However, consumer spending is likely to be subdued owing to price increases, particularly for food items, contributing to increased uncertainty about the future. The LINTEC Group also expects to be affected by a challenging operating environment due to the sluggish markets for semi-conductors and electronic components, a delayed

rebound in personal consumption, and persistently high fuel prices. Against this backdrop, we forecast consolidated net sales of ¥290.0 billion and operating income of ¥13.5 billion. Despite the headwinds we face in the current fiscal year, we will promote necessary capital expenditures, production site reforms, and initiatives to improve profitability so we can make a good start in the next medium-term business plan, LSV 2030-Stage 2, which begins next fiscal year. We have again recognized the importance of building a robust corporate structure that can continue to grow and earn profits even in a difficult business environment, and we aim for an early recovery of our business performance to realize our long-term vision.

### Consolidated Net Sales



### Consolidated Operating Income



PICK UP

### Acquisition of a Canadian Business That Slits and Sells Adhesive Products for Labels

In May 2023, our subsidiary, MACTAC CANADA, LTD., acquired Label Supply (Ontario, Canada) business, which engages in the slitting and sale of adhesive products for labels, along with related assets, for ¥7.0 billion. This acquisition will facilitate the expansion of sales in the Canadian market. We also expect to benefit from Group synergies, as MACTAC AMERICAS, LLC, expands production volume and reduces costs of adhesive products for labels. Going forward, we will continue working to achieve higher sales and profitability in the North American market, which is slated for steady growth.



The acquired business base near Toronto

## State of Progress of LSV 2030

More than two years have passed since the launch of LSV 2030, our long-term vision. As its full name suggests, the key word of our vision is "sustainability," and we have been practicing sustainability management to improve corporate value while putting environmental, social, and governance (ESG) factors at the core of management. The foundation of this approach is our promotion system, which centers on the Sustainability Committee. Composed mainly of members of top management, the committee discusses our basic policy and action plans and oversees progress, and we field meaningful opinions from all outside directors at each meeting. As society continues to change, we place a high value on the expertise and objective perspectives our outside directors offer. Their opinions contribute substantially to confirming the direction of LSV 2030 in our approach to realizing our long-term vision.

Under the Sustainability Committee, we have established four committees and five subcommittees to address ESG factors, the Sustainable Development Goals (SDGs), risk management, and the enhancement of communication with stakeholders. Employees from across the Company serve on these bodies, ensuring the participation of a large membership. Additionally, I consistently emphasize the importance of sustainability during meetings and throughout articles in our internal and external newsletters. I believe we will need to assiduously repeat such explanations to ensure the direction LINTEC aims to pursue has permeated throughout the entire Group. Going forward, we will help resolve social issues through our business activities and strive for development and growth alongside society by vigorously promoting the key initiatives outlined in LSV 2030.

### Reducing Environmental Impact

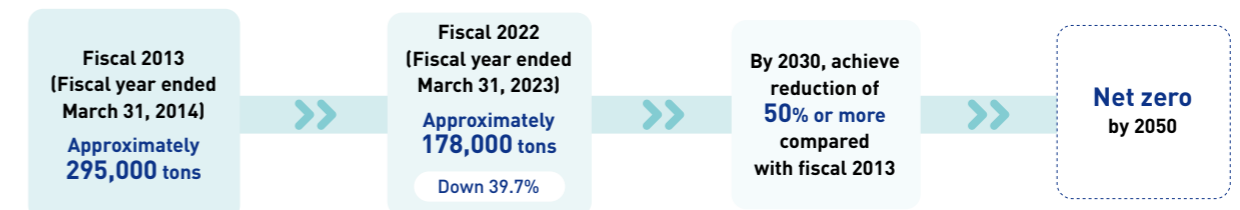
Of the social issues the Company needs to address, reducing greenhouse gas emissions is a crucial mission.

The LINTEC Group is therefore actively making capital expenditures to reduce CO<sub>2</sub> emissions. In fact, we plan to invest more than ¥10.0 billion during the period of LSV 2030. However, we believe investing in environmental initiatives is not simply a cost increase; it has positive roll-on effects. For example, the additional equipment for papermaking processes being installed at the Kumagaya Plant (Saitama Prefecture) and the Mishima Plant (Ehime Prefecture) will reduce CO<sub>2</sub> emissions and energy used in the drying process. It will also improve productivity, lower costs, and enhance quality. Going forward, we plan to invest aggressively in such areas. At the same time, the LINTEC Group has set the goal of lowering its CO<sub>2</sub> emissions by more than 50% compared with fiscal 2013 levels by 2030 and to reach net-zero emissions (carbon neutrality) by 2050. Our baseline CO<sub>2</sub> emissions for fiscal 2013, which includes emissions from subsidiaries that have joined the LINTEC Group since then, are approximately 295,000 tons. In fiscal 2022, emissions totaled 178,000 tons, down 39.7% against fiscal 2013 levels.

The LINTEC Group uses toluene, a volatile organic compound (VOC) as a dilutive solvent during the manufacture of adhesive products and release paper. We are working to reduce the use of VOCs to lower our environmental impact. We are using emulsion-based or hot melt-type adhesives, which do not require organic solvents, and promoting the transition to solvent-less release paper products. We are also gradually installing coating equipment for solvent-less release paper, and we aim to raise our percentage of such paper from 64% at present to 100% by 2030. The transition to solvent-less alternatives also helps reduce the amount of CO<sub>2</sub> emissions generated during the incineration of organic solvents, playing a crucial role in our decarbonization efforts.

In addition, we are promoting the conversion of film

### Road Map for Reducing CO<sub>2</sub> Emissions



Notes: Based on our calculations of Scope 1 and 2 emissions for the entire LINTEC Group. The figure for fiscal 2013 is an estimate that include the retroactive addition of CO<sub>2</sub> emissions from subsidiaries that joined the Group thereafter.

and other petrochemical-based products into plastic-free and biomass-based products and developing products that help with the 3Rs (reduce, reuse, and recycle). To create a system for collecting and recycling customers' used release paper, we established the association Japan Earth-Conscious Labeling with an affiliate, and we are taking part in J-ECOL. Going forward, we will work to create and establish a collection system and recycling technologies to turn used release post-use release paper into a recycled resource.

→ See page 45 for details.

### Collaborating with Stakeholders for Value Creation and Enhancing Human Capital

One of the LINTEC Group's aims for 2030 is to be the most important and strongest supporter of its customers in their efforts to win out in a variety of markets. By leveraging our technological development and manufacturing capabilities, we want to achieve perfect customer satisfaction, not just be content with our current customer satisfaction levels. To achieve this, we rely on not only the efforts of all employees involved in product development, manufacturing, sales, and related operations but also the cooperation of many stakeholders, including the suppliers who provide us with high-quality materials. No company exists on its own. Rather, a company exists owing to various stakeholders, and we will work in tandem with each stakeholder to create value and improve productivity. At the same time, we will enhance corporate value by appropriately distributing the earnings and results we generate.

Our employees are particularly important assets of the Company and are essential for LINTEC's sustainable growth and development. We will continue to improve employee treatment, including base salary increases, to enhance employee engagement and productivity. We invest in our people, providing educational programs tailored to employees' roles and abilities, and strive to cultivate talented employees who can thrive in global society. We have also recently introduced succession plans to foster the long-term development of management executives, in a bid to cultivate and secure human resources who will be the backbone of the Company. We focus on creating systems that make it easier for employees to continue working even during major life events, such as childbirth, child-rearing, and caregiving, and promote the active engagement of diverse personnel, including women. In the fiscal year ended March 31, 2023, we conducted an employee survey for the first time at LINTEC and its Group companies in Japan. Based on the analysis of the results, we intend to enhance employee satisfaction and create a pleasant and invigorating workplace.

### Strengthening the Corporate Structure

To achieve an operating income margin of 12% or higher and ROE of 10% or higher by the fiscal year ending March 31, 2030, we need to foster innovation to build a robust corporate structure. This will require us to achieve digital transformation (DX)—utilizing digital technologies to transform our business models and operational processes. To that end, we launched a Companywide DX promotion project (LDX 2030) last October, with a focus on the Information Systems Department and Business Process Re-engineering Office. We are actively building the foundation to achieve business reform and nurture digitally expert personnel. In the future, we expect to reap such benefits as improved operational efficiency, cost reductions, and work-style reforms in various processes including design, development, manufacturing, and logistics.

We recognize restructuring low-growth, unprofitable businesses as an urgent challenge. Internally, we are conducting discussions that include optimizing our business portfolio and setting criteria for withdrawing from businesses. Our first step is to pursue thorough cost reductions and streamline product portfolios. Additionally, we will improve asset utilization for each business operation. Meanwhile, to ensure that we do not miss out on opportunities when the business environment improves, especially in the electronics sector, we are actively engaging in capital expenditures so that we can ramp up production when demand grows.

### Creating New Products and Businesses

Creating new products and businesses is essential in helping solve social issues and achieving sustainable growth. LINTEC has long embraced a market-dialogue style of R&D, in which research staff accompany sales representatives on customer visits to foster direct communication. These efforts to address customer and social needs while further cultivating our own technologies have helped expand our business through the development of innovative new products. This history of innovation is central to the Company, and its spirit is deeply rooted within our organization.

LSV 2030 calls for us to "create new products and businesses driven by technological innovation." In addition to cutting-edge themes in traditional business areas, we are developing products and businesses that help solve social issues in fields such as telecommunications, electronics, mobility, energy, healthcare, and nursing care. In 2022, we launched a new brand, *Welsurt*, to reinforce technological development and product proposals in each of these fields. As part of product development efforts under this brand, we apply our unique sheeting

technology and leverage advanced materials such as carbon nanotubes at our R&D base in the U.S. We aim to collaborate with other companies and universities to bring our products more promptly to market.

→ See pages 20–23 for details.

We will also strive to create an environment that welcomes ideas and proposals for new products from all parts of the Company.

## In Conclusion

We expect the operating environment to remain difficult in the Company's 130th fiscal period (the fiscal year ending March 31, 2024). We will overcome such an environment by harnessing the collective strength of the LINTEC Group. Additionally, under LSV 2030-Stage 2, which begins next fiscal year, we will incorporate new measures based on the current situation and make a fresh start toward achieving our targets under LSV 2030. Despite the challenging environment, the LINTEC Group remains committed to taking an aggressive approach in

areas slated for future growth, including R&D expenses, capital expenditures, and M&A activities involving major synergies and technology acquisitions.

The LINTEC Group will work to continuously enhance its corporate value by implementing a "value creation cycle," in which we create value together with all our stakeholders, return the resulting profits to our shareholders and society, and invest for further growth.

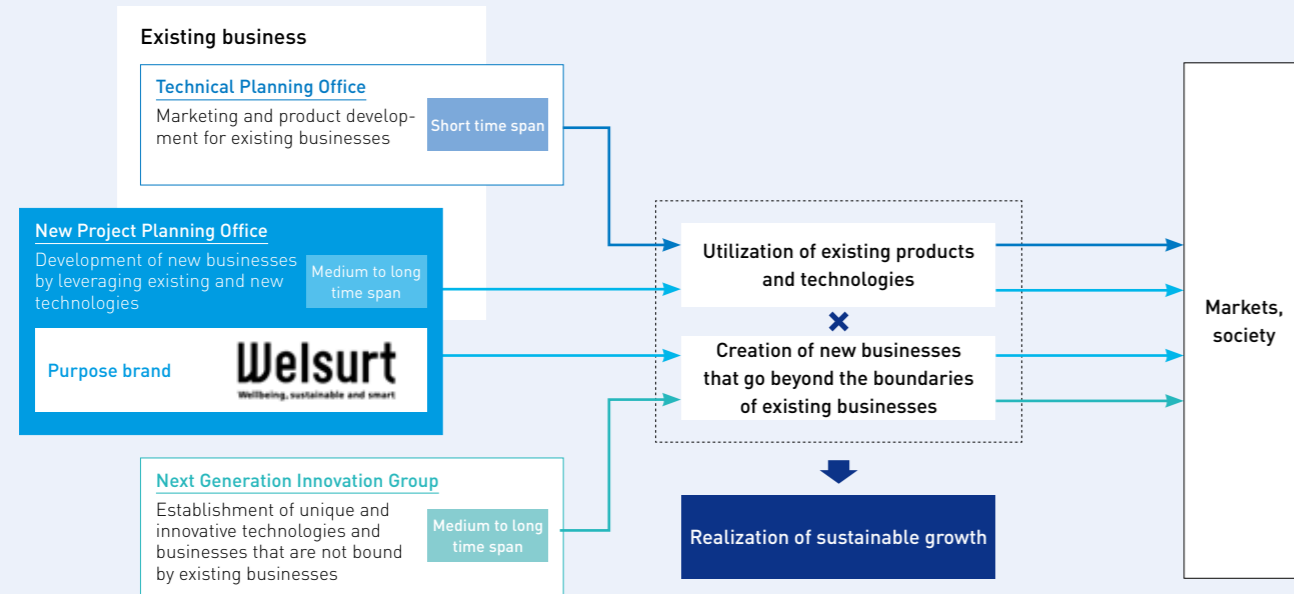
I am grateful to and ask for the unwavering support of our stakeholders going forward.



# Aiming to Create New Value

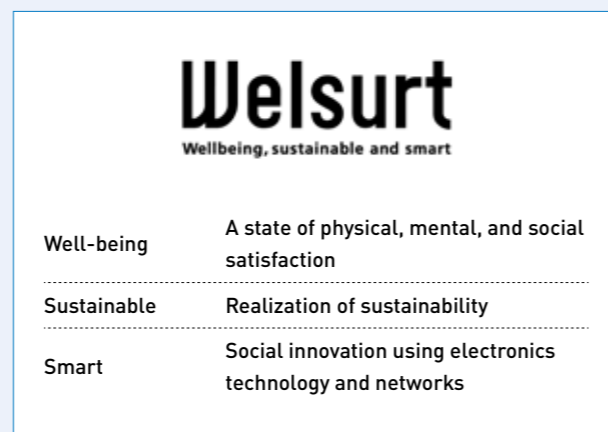
“Create new products and businesses to deliver sustainable growth” is one of the key initiatives of LSV 2030, our long-term vision. In line with this aim, the Business Administration Division takes the lead in promoting product development and the search for new development themes to meet customers’ needs. Within this division, we have the Technical Planning Office, the New Project Planning Office, and the Next Generation Innovation Group, which handle different business and technology domains, and we work closely with the Research & Development Division and other divisions to create new value. Here, we introduce some of the New Project Planning Office’s initiatives.

## Roles of Organizations within the Business Administration Div. Aiming to Create New Products and Businesses



## Creating a New Business Brand with the Objective of Resolving Various Social Issues

Currently, the New Project Planning Office is strengthening its R&D efforts to create new products and businesses, with a focus on areas such as the saving of energy, the creation of energy, the conservation of marine resources, information and communication technology/electronics, mobility, and medical/nursing care. In July 2022, the office announced the new purpose brand *Welsurt* to address each of these development themes. The brand name represents our commitment to helping resolve various issues toward the realization of a sustainable society where everyone can live a vibrant life. We aim to tackle environmental and social issues by integrating new technologies with the unique adhesive, release, and papermaking technologies we have cultivated to date.



## Sustainable Fields Where Welsurt Will Address Issues

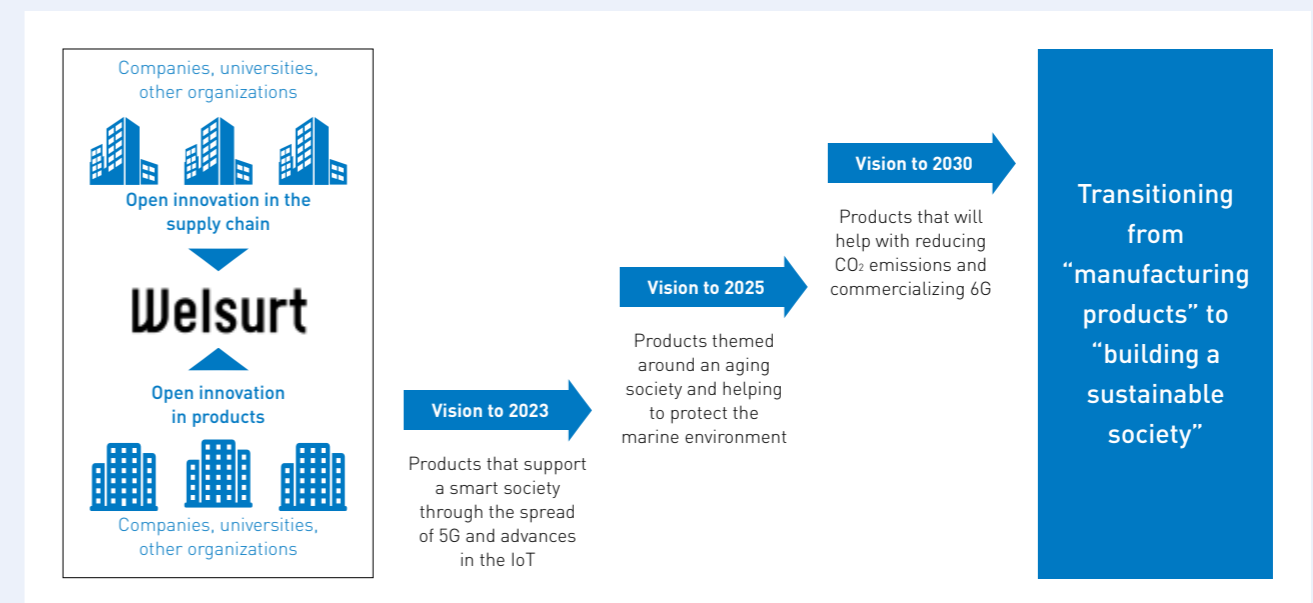


## Aiming to Realize Medium- to Long-Term Social and Corporate Value

Based on the concept of backcasting, the New Project Planning Office is progressing with medium- to long-term *Welsurt* product development in three phases, with 2023, 2025, and 2030 serving as milestones during our long-term vision for 2030. At each phase, we will take into account social issues and megatrends, such as the widespread adoption of the 5G high-speed telecommunications standard, the practical application of the future 6G standard, advances in the Internet of Things and artificial intelligence, the increasing challenges posed by an aging population and labor shortages, and the growing demand to reduce CO<sub>2</sub> emissions.

Our goal is to create value that addresses all these issues. In product development, in addition to applying its own core technologies and overseas subsidiaries’ proprietary technologies, the Company will promote open innovation—we will collaborate on development, sharing related technologies with other companies, universities, and other external organizations. With *Welsurt*, we will go beyond our own manufacturing and strive to contribute to sustainable social development. Another key focus of the New Project Planning Office is developing human resources with a view past 2030.

## Welsurt Vision to 2030



## Examples of Products We Have Developed

We are moving forward with the development of technologies and proposing applications for *Welsurt* products. Here, we introduce the products we have developed, dividing them according to social and environmental themes.

### S Social Innovation

#### Millimeter-Wave Absorbing Materials

We have developed a sheet material capable of controlling electromagnetic waves in the millimeter range. We are proposing that automobile repair shops use these sheets to suppress electromagnetic interference. Such interference, caused by surrounding metal objects, can obstruct testing to determine whether the millimeter-wave radar used in advanced driving support systems is operating properly.

#### Film Heaters

Film heaters generate heat instantly when electricity is passed through them. Our proprietary wiring and sheet technologies are used to achieve excellent transparency and elasticity. We expect these heaters to be utilized in preventing snow and ice from building up on high-precision lidar sensors, which are necessary for advanced self-driving technology, as well as headlights and in-vehicle cameras.



Various sheet materials we have developed and are proposing to support automobile safety and automatic driving

#### Ultra-Thin and Lightweight Peltier Modules

These ultra-thin, lightweight cooling modules utilize the Peltier effect to absorb and release heat when electricity is applied. We believe these modules can be used to control heat in electronic materials, which is useful as these devices grow increasingly dense.

Whereas typical modules are several millimeters thick, we have achieved a thickness of 0.6 millimeters. The modules are thin and lightweight and have a high cooling effect.



Peltier modules effectively controlling heat in electronic components

#### CNT Wearable Sensors

We have developed wearable sensors made from threads of carbon nanotubes (CNTs), which excel in electrical conductivity, strength, durability, and flexibility, and are woven into a stretchable fiber. When attached to a glove or supporter, these sensors can detect bending and stretching movements of fingers, arms, and legs. They can thus be used to communicate information related to nursing care, rehabilitation, sports, and games.



Wearable sensors using CNTs

### E Environmental Innovation

#### Ultra-Thin Thermoelectric Modules

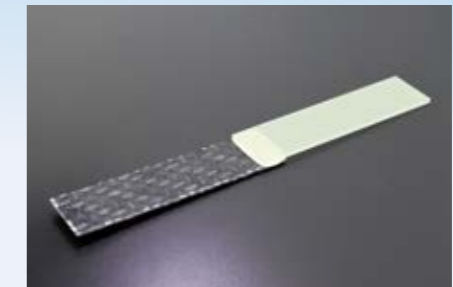
These modules are capable of converting thermal energy into electrical energy, using slight differences in temperature. Being only 0.6 millimeters thick, the modules adhere well even to curved surfaces, so they can be attached to heat-generating surfaces such as curved industrial ducts. They can also help conserve energy when mounted on wearable and mobile devices.



A thermoelectric module that is flexible and can be affixed to curved surfaces

#### High-Frequency Dielectric Heating Adhesive Film

These adhesive sheets, which melt when exposed to high frequencies, can bond different materials such as glass and resin. While offering the same bonding strength as conventional liquid adhesives, the sheets reduce working time. Also, another application of high-frequency waves nullifies the adhesion, facilitating dismantling. We believe these sheets can be used on components to facilitate the recycling of automotive parts.



Adhesive sheets that are melted using high frequencies to bond dissimilar materials

#### Blend Paper Using Koamamo

We have succeeded in producing paper by blending a type of seaweed, *koamamo* (Japanese eelgrass), with wood pulp. *Koamamo* is found throughout Japan and is recognized for its role in CO<sub>2</sub> absorption. However, the seaweed is sometimes removed and discarded to protect the habitat of baby clams and secure fishing routes for fishermen. Using *koamamo* as a resource could contribute to waste reduction and foster "decarbonization of the sea."



*Koamamo* mixed paper has a unique texture

### A Message from the General Manager, New Project Planning Office

The main mission of this office is creating new products and businesses, which the Company has identified as a key initiative in its long-term vision. To achieve this, we have envisioned our ideal state for 2030 and selected development themes aimed at solving societal and environmental issues. Last year, we launched the purpose brand *Welsurt* and have been strengthening our technological development and product proposals. In our development efforts, we believe it is crucial to leverage the technology and manufacturing processes we have cultivated to establish a market position distinct to LINTEC.

For example, various companies have entered the market for Peltier modules. However, we have used our sheeting technology, which we have refined over the years, to develop a flexible module that is thinner and lighter than conventional products. As a result, we will expand applications into the area of wearable devices. Also, we are using our proprietary technologies to make steady inroads in the development of promising new products, such as pellicles for extreme ultraviolet (EUV) lithography systems. This particular product is aimed at the "front-end process" domain, which is a segment of the semiconductor industry we have not yet entered. Moving forward, we will continue to boldly take on challenges in new markets and technological areas outside our conventional domains, in an effort to create new value to solve social issues.



**Takeshi Segawa**

General Manager,  
New Project Planning Office,  
Business Administration Div.

A Message from the CFO

**We aim to enhance corporate value in the areas of investor relations, finance, and information systems.**



**Yoichi Shibano**  
Director, Managing Executive Officer, and CFO, and Executive General Manager, Administration Div.

**Review of the Fiscal Year Ended March 31, 2023, and Outlook for the Future**

In the fiscal year ended March 31, 2023, net sales rose ¥27.8 billion year on year, to ¥284.6 billion, reaching a record high. This expansion was the result of an acquisition in the U.S. as well as the impact of yen depreciation. However, we were affected by a number of negative factors on the profit front. We experienced sharp increases in raw material and fuel prices, including pulp, and demand for electronic- and optical-related products dropped off rapidly, leading to lower production facility utilization rates and a rise in operating losses. On the other hand, certain factors buoyed profits, such as the turnaround of MACTAC AMERICAS, LLC, due in part to the impact of acquisitions, thorough cost reduction efforts, and product price revisions. However, these factors were not enough to prevent operating income decreasing ¥7.8 billion, to ¥13.8 billion, and profit attributable to owners of parent falling ¥5.1 billion, to ¥11.5 billion.

During the fiscal year ending March 31, 2024, we expect sales to rise and profits to decline due to the substantial impacts of a sluggish electronics market, particularly in the first half. We also anticipate, persistently high raw material and fuel prices, and a slowdown in the U.S. economy. The LINTEC Group will continue to focus on boosting earnings by thoroughly reducing costs, improving productivity, and revising prices. For the fiscal year, we assume an exchange rate of ¥135 to US\$1. Recently, pulp prices have been falling, but considering the inventory purchased during the period of soaring prices, we assume a cost of ¥117/kg this fiscal year, compared with ¥110/kg in the previous fiscal year. A ¥1 change in pulp prices affects operating income by around ¥100 million. Also, our current fiscal year forecast does not include the impact of an acquisition of a business and related assets by a Group company in Canada, which we announced in May.

**Improvement of Profitability and Asset Efficiency**

Recently, attention has focused on a price-to-book value ratio (PBR) below 1.0 times reflecting investors' low expectations of future performance and growth potential. We recognize this as a significant issue. Based on our March year-end stock price, the Company's PBR has not been above 1.0 times for the past five years, and our PBR was 0.65 time as of March 31, 2023. First, we believe that increasing profit attributable to owners of parent and improving ROE will be crucial to boosting our stock price. In addition to expanding the top line, improving profitability will be key. To this end, we have already begun internal discussions, including on how best to optimize our business portfolio. Initially, we will focus on such measures as revising prices, reassessing

unprofitable products, and reducing fixed costs in each business operation. Our ultimate goal is to establish a corporate structure that can generate profits even in a challenging business environment.

In addition to looking at the sales and profitability levels of each business operation, we are creating balance sheets for each to draw more attention to asset efficiency. By clearly identifying the turnover ratios of accounts receivable, inventory, and fixed assets for each business operation, we aim to identify any issues and set key performance indicators (KPIs) therefor. This approach will enable us to focus on proper asset management and address any factors that may be sapping profitability.

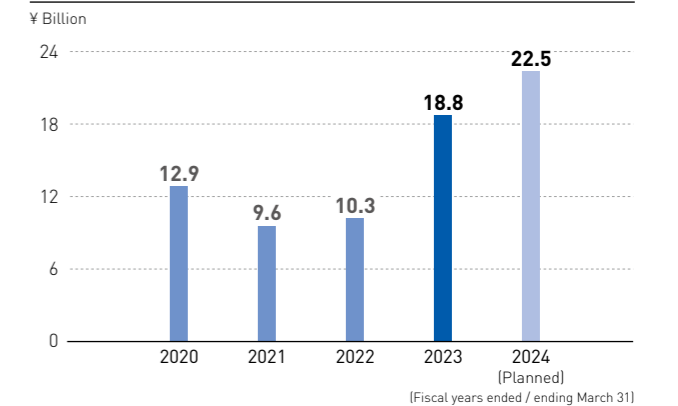
**Investment Strategy**

Our future investment strategy will focus first on capital expenditures in our growth businesses. In the fiscal year ended March 31, 2023, capital expenditures reached a record ¥18.8 billion, mainly for the expansion of production facilities for multilayer ceramic capacitor-related tape and semiconductor-related adhesive tape. In the current fiscal year, we plan for capital expenditures of ¥22.5 billion, surpassing last fiscal year's total. A portion of this spending will go toward ongoing construction projects and environmental investments aimed at reducing greenhouse gas emissions. We also plan to set aside a record-high ¥9.4 billion for R&D expenses, and we will proactively make necessary investments in line with our policy.

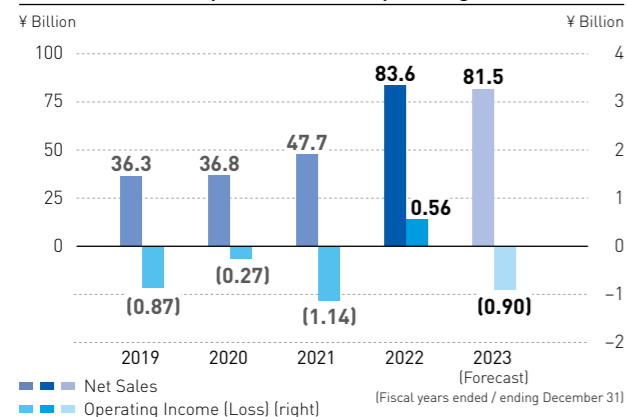
We recognize that investing in digital fields is important for sustainable growth. With this understanding, in autumn 2022 we launched a cross-functional project, LDX 2030, to promote our efforts regarding digital transformation (DX). In this

project, we have set seven transformation themes to achieve the key objectives of our long-term vision, LSV 2030. We have formulated a road map to execute and achieve these themes

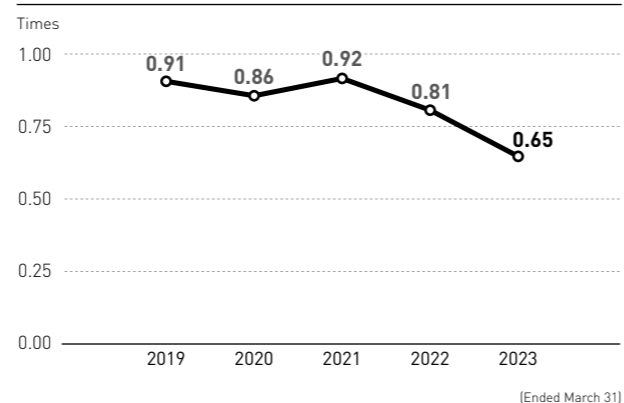
**Capital Expenditures (Consolidated)**



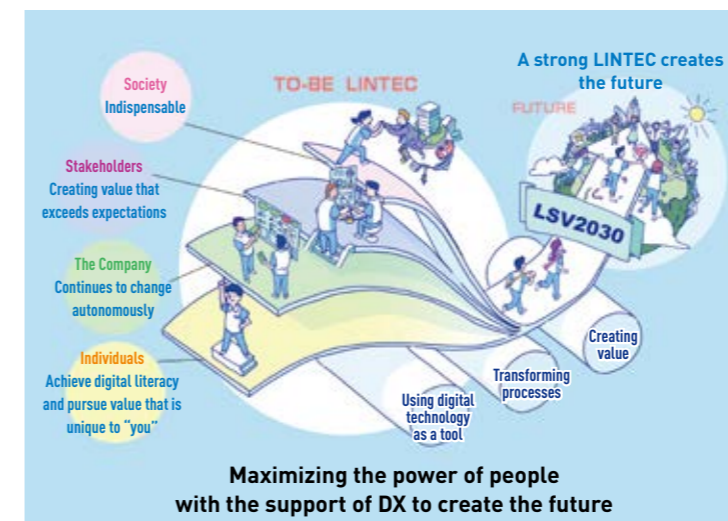
**The MACTAC Group's Net Sales / Operating Income (Loss)**



**PBR**



**Conceptual Diagram of LDX 2030**



**Seven Transformation Themes of LDX 2030**

- Revitalize internal communication to instill a mindset of change as part of our corporate culture
- Develop digital human resources for strong personnel and a robust organization
- Business Process Reengineering (BPR) that proactively utilizes digital technology
- Build a mechanism that digitizes intuition and experience to enable data-based decision-making
- Improve sales efficiency with sales DX and build a system to develop products based on customer needs
- Proactively communicate information inside and outside the Company
- Consider reallocating and optimizing domestic and overseas systems

by considering action plans and KPIs. Moving forward, we plan to launch subcommittees composed of members from various departments and conduct basic DX training for all employees. As executive general manager of the Administration Division, which includes our Information Systems Department, I am committed to overseeing this transformation. The Doi Plant (Ehime Prefecture) and the Kumagaya Plant (Saitama

Prefecture) are expanding their production facilities for multilayer ceramic capacitor-related tape, as mentioned earlier. The two plants are working to create a production system that considers such factors as automation, labor reductions, energy savings, and decreased CO<sub>2</sub> emissions. We plan to roll out this system to other plants in the future.

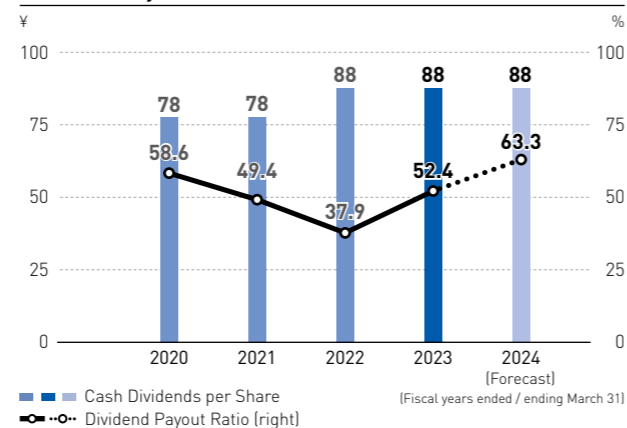
### Enhancement of Shareholder Returns

LINTEC's basic policy for shareholder returns is to provide stable and continued dividends with consideration for each fiscal year's consolidated performance, while also working to strengthen its management foundation. In line with this policy, for the fiscal year under review, we awarded dividends of ¥88 per share for a dividend payout ratio of 52.4%.

To clarify our stance on shareholder returns, this fiscal year we have revised our basic policy on dividends. While the Company has not lowered dividends for the past 10 fiscal years, even when performance was down year on year, we have decided to make a general rule of not reducing dividends for the next four fiscal years, through the final year of our next medium-term business plan. Additionally, we will set as benchmarks a dividend payout ratio of 40% or higher or a dividend on equity (DOE) ratio of 3%, as we keep capital efficiency in mind while meeting the expectations of our shareholders. In line with this policy, for the current fiscal year we plan to maintain the dividend at ¥88 per share, given our

earnings forecast, resulting in an estimated dividend payout ratio of 63.3%. Going forward, we will continue striving to improve profitability and further enhance shareholder returns.

Cash Dividends per Share / Dividend Payout Ratio (Consolidated)



#### Basic Policy on Dividends from the Fiscal Year Ending March 31, 2024

The Company positions the enhancement of shareholder returns as one of its most important management issues and strives to realize a distribution profits while also strengthening its management foundations. With this in mind, the Company has decided, in principle, not to reduce dividends for the four-year period from the fiscal year ending March 31, 2024, namely, the final year of the ongoing medium-term business plan LSV 2030-Stage 1, to the fiscal year ending March 31, 2027, or the final year of the next medium-term business plan LSV 2030-Stage 2 (April 2024 to March 2027). It will pay dividends with a view to achieving a payout ratio of at least 40% or a dividend on equity (DOE) ratio of approximately 3%. Furthermore, we plan to use internal reserves effectively to reinforce the Company's financial base and provide increased future corporate value through investment in production facilities and R&D.

### My Mission as CFO

Through our investor relations activities, I have had many opportunities to meet with institutional investors and securities analysts. During this dialogue, I have striven to effectively communicate the investment appeal of the Company, with the goal of earning support and cultivating LINTEC "fans." Recently, we have received numerous questions and opinions regarding how we plan to enhance our PBR and ROE. We take such questions and opinions seriously and provide feedback to top management. At the same time, by disclosing and implementing measures to improve ROE, we aim to resolve the issue of having a PBR below 1.0 time.

In recent years, we have been actively promoting M&A in North America. These efforts boosted the overseas sales ratio to approximately 62% in the previous fiscal year. As the importance of our global financial strategy has grown, this fiscal year we upgraded the Administration Division's Finance Section to the Finance Department. This upgrade allows us to enhance our overall Group fund management and efforts to improve capital efficiency. As CFO, I aim to help enhance corporate value from such as perspectives as investor relations, finance, and information systems, including by optimizing the allocation of capital and realizing DX.

## Business Strategy

A Message from the Executive General Manager, Business Administration Div.

### Through initiatives to improve profitability and develop new businesses, we will continue to provide products that support society.

In the fiscal year ended March 31, 2023, we truly felt the challenges of an era of volatility, uncertainty, complexity, and ambiguity (VUCA\*). The year was marked by such events as the Russian invasion of Ukraine, sharp depreciation of the yen, and escalating US-China trade friction. The Group's operating environment also grew more challenging. However, thanks to the diligent efforts of our sales department, we have been able to address the soaring prices of raw materials by steadily raising our product prices, after gaining the understanding and support of our customers about the need for industry-wide price increases. Since autumn, the electronics market has experienced a steep decline, but every few years the industry sees cyclical inventory adjustments, which are followed by rapid recoveries. Accordingly, we have been progressing with our planned capital investments without any major disruptions, ensuring that we can respond effectively when demand surges. We have also seen substantial results from our proposals of various plastic alternative products and promotion of solvent-less release paper, in response to the increasing environmental awareness.

We view the current fiscal year as a time to prepare ourselves for the next medium-term business plan and the era beyond. Our long-term vision targets ROE of 10% or higher, and achieving this will require us to improve profitability. We will consider measures such as scrapping old and building new production facilities to enhance product competitiveness, as well as optimizing our business portfolio. In my view, the Company's true purpose is to continue providing products and services that support society as people's behaviors change. This division's New Project Planning Office and Next Generation Innovation Group are tasked with the creation of new businesses. We continue to make progress, such as with the commercialization of pellicles for EUV lithography systems. In addition, discussions have begun between these two departments about the ideas proposed by the SDGs Committee, which I am in charge of promoting. Going forward, we will work together with the Production Div. and the Research & Development Div. to leverage our strengths in customizing solutions according to customers' needs, thereby realizing the purpose I mentioned earlier.

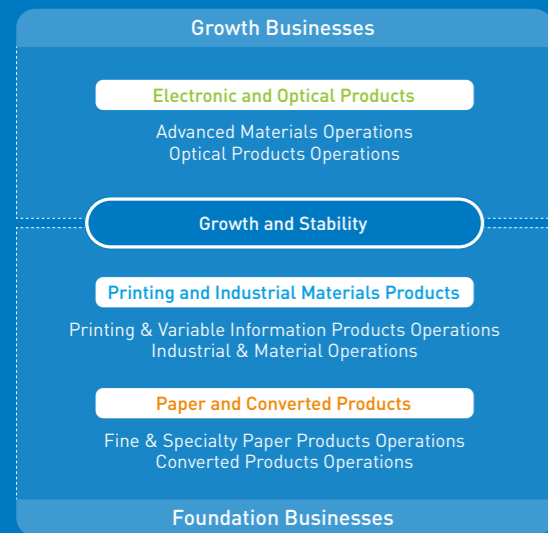
\* VUCA: Representing the characteristics of an unpredictable business environment



**Takeshi Kaiya**  
 Director, Senior Managing Executive Officer  
 Executive General Manager, Business Administration Div.

Three Business Segments

Based on the similarities of their products, technologies, and markets, the Company's six operations are classified into three segments. Printing and Industrial Materials Products is our mainstay segment; Electronic and Optical Products is driving growth; and Paper and Converted Products supports our adhesive business. In each operation, we are developing growth strategies tailored to the characteristics of each business and market.



An Earnings Structure That Is Relatively Impervious to the Market Conditions of a Single Industry

Of the diverse range of products LINTEC offers, demand for Electronic and Optical Products has trended generally upward, in line with the expansion of the electronics market, although conditions vary by market. Meanwhile, Printing and Industrial Materials Products and Paper and Converted Products are foundation businesses with relatively stable demand, as these products are used in a wide range of fields such as food, daily necessities, stationery, construction materials, logistics, and automobiles. The Group's business extends across multiple industries rather than relying on a specific sector, providing us with both growth potential and stable earnings.

- Food related
- Daily necessities related
- Consumer electronics related
- Distribution and logistics related
- Building related
- Automobile related
- Communications device related
- Industrial equipment related
- Stationery related
- Industry related
- Aircraft related

Printing and Industrial Materials Products

Main Products

Printing & Variable Information Products Operations

- Adhesive papers and films for labels
- Adhesive papers and films for barcode labels

Industrial & Material Operations

- Window films
- Films for outdoor signs and advertising
- Interior finishing mounting films
- Automobile-use adhesive products
- Industrial-use adhesive tapes
- Labeling machines

Strengths

- Long record of supplying numerous customers and a large share of a wide range of domestic markets
- Ability to provide comprehensive solutions that combine adhesive products for labels and labeling machines

Weaknesses

- Brand power and price competitiveness in overseas markets
- Profitability of manufacturing subsidiaries in the U.S. and Southeast Asia

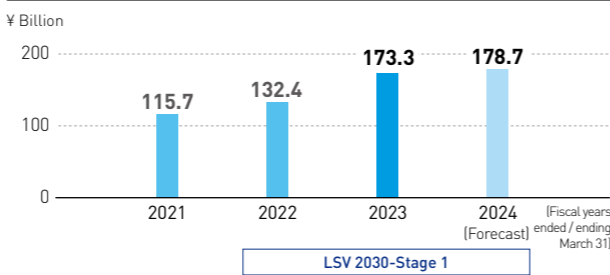
Opportunities

- Increase in environmental needs around the world
- Rebound in demand, thanks to a post-pandemic slump in economic activity
- Increased demand for automated label application due to expansion of the market for online sales and labor shortages

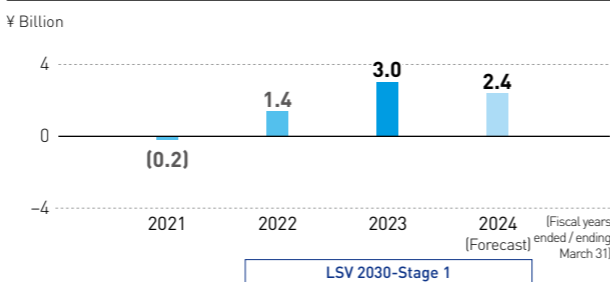
Threats

- Sluggish growth for the domestic market and falling demand for film products
- Sharply higher prices on mainstay materials

Net Sales by Segment



Operating Income (Loss) by Segment



Electronic and Optical Products

Main Products

Advanced Materials Operations

- Semiconductor-related adhesive tapes
- Semiconductor-related equipment
- Multilayer ceramic capacitor-related tapes

Optical Products Operations

- Polarizing films / adhesive processing
- Touch screen-related products

Strengths

- Ability to provide comprehensive solutions that combine semiconductor-related adhesive tape and equipment, and a product lineup boasting the top share of the global market
- Long record of supplying numerous semiconductor and electronic component manufacturers worldwide and an ability to respond to customer needs
- Product design capabilities that utilize our core technologies in optical display-related businesses

Weaknesses

- Creation of a new field of business to follow semiconductor-, electronic component-, and polarizing film-related businesses
- Profitability in optical display-related businesses

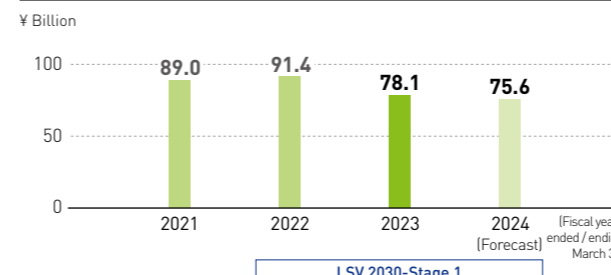
Opportunities

- Market expansion accompanying society's rapid digitalization, as reflected in the spread of 5G, the IoT, and EVs
- Technological innovation in relation to semiconductors, electronic components, and optical displays

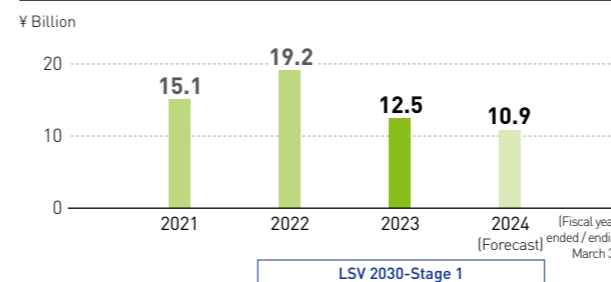
Threats

- Supply chain disruptions caused by geopolitical risks and natural disasters
- Increasingly severe competition in the display market and the commoditization of related technologies

Net Sales by Segment



Operating Income by Segment\*



Paper and Converted Products

Main Products

Fine & Specialty Paper Products Operations

- Color papers for envelopes
- Colored construction papers
- Special function papers
- High-grade printing papers
- Construction material papers

Converted Products Operations

- Release papers for general-use adhesive products
- Release papers for electronic materials
- Release films for optical-related products
- Casting papers for synthetic leather
- Casting papers for carbon fiber composite materials

Strengths

- Large shares of domestic markets for color paper for envelopes and special function paper as well as original paper-making technologies
- Integrated production system beginning with release base paper and outstanding technologies for release agent formulation and coating

Weaknesses

- Sales networks, delivery capabilities, brand power, and price competitiveness in overseas markets

- Ability to research new markets and develop new products

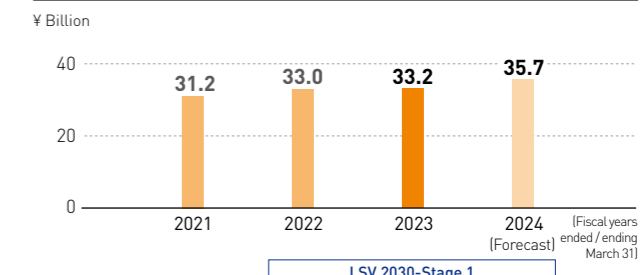
Opportunities

- Increasing demand for high-value-added products overseas
- Growing environmental needs in Japan and overseas
- Rebound in demand, thanks to a post-pandemic slump in economic activity

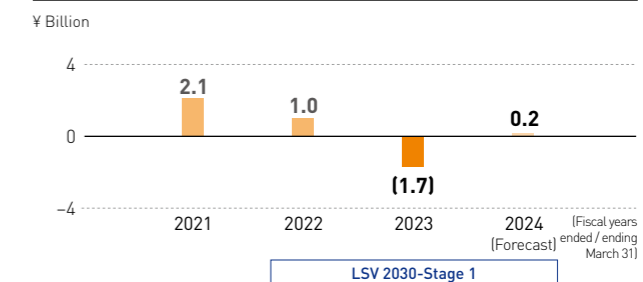
Threats

- Further progression toward becoming paperless
- Soaring prices for key raw materials, including imported pulp and petrochemical raw materials

Net Sales by Segment



Operating Income (Loss) by Segment\*



\* Some products in Paper and Converted Products were transferred to Electronic and Optical Products from the fiscal year ended March 31, 2022. Results for the fiscal year ended March 31, 2021, have been restated to reflect this transfer.



# Printing and Industrial Materials Products



## Printing & Variable Information Products Operations

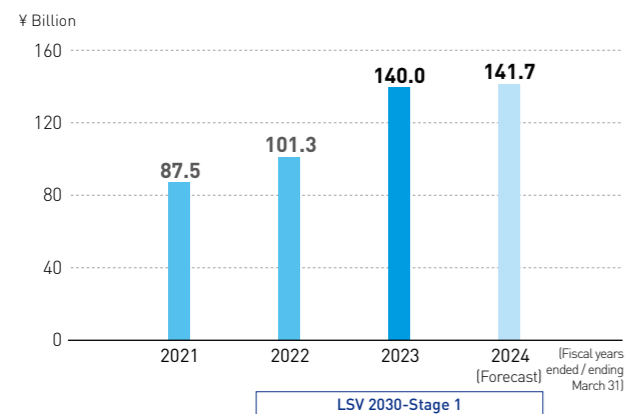
### Business Operations Introduction

Accounting for approximately 50% of the sales of the LINTEC Group, these are its largest operations. They manufacture and sell adhesive paper and film for labels, which are used in a wide range of fields. We have a leading share of Japan's market for adhesive film, which has particularly high added value. Overseas, we are working to expand our manufacturing and sales network, mainly in Asia, and in recent years we have focused on expanding business in the North American market, centered on U.S. subsidiary MACTAC AMERICAS, LLC.

### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Expand production bases and strengthen sales capabilities overseas, including in the U.S. and Asia
- Generate synergies with the MACTAC Group
- Pursue initiatives to coexist harmoniously with the environment and help build a recycling-oriented world
- Strengthen quality, cost, and delivery and increase profits

### Net Sales: Printing & Variable Information Products Operations



Note: At the start of the fiscal year ended March 31, 2022, all products belonging to Industrial & Material Operations at MACTAC AMERICAS were transferred to Printing & Variable Information Products Operations. Results for the fiscal year ended March 31, 2021, have been restated to reflect this transfer.

### A Message from the Executive General Manager, Printing & Variable Information Products Operations

During the fiscal year ended March 31, 2023, the Japanese market was characterized by sluggish performance in the food and beverage sector as consumers curbed purchases in the face of rising prices. However, we saw an increase in the adoption of environmentally friendly products, such as adhesive paper with excellent water resistance used as a substitute for film, and performance was solid in areas related to logistics and pharmaceuticals. In overseas markets, in Southeast Asia results were lackluster, particularly in industrial sectors, affected by supply chain disruptions. However, the inclusion of SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC in the MACTAC group in the U.S. contributed substantially to performance.

In this business, expanding sales overseas, as well as in Japan, will continue to be an important focus for sustained growth. The current economic slowdown has presented challenging conditions in the European and U.S. markets, but we will strive to enhance our competitiveness through further cost reductions. We are seeing synergies with the MACTAC Group take shape, with sales of LINTEC products rising in the U.S. and sales of MACTAC's hot-melt adhesive products expanding in Japan. We will also work on expanding sales of the hot-melt products we launched this year. Additionally, to meet increasing environmental demand, we aim to broaden our lineup of environmentally friendly products and establish a recycling system for release paper.



**Masaaki Yoshitake**  
Managing Executive Officer  
Deputy Executive General Manager, Business Administration Div., and Executive General Manager, Printing & Variable Information Products Operations

## Industrial & Material Operations

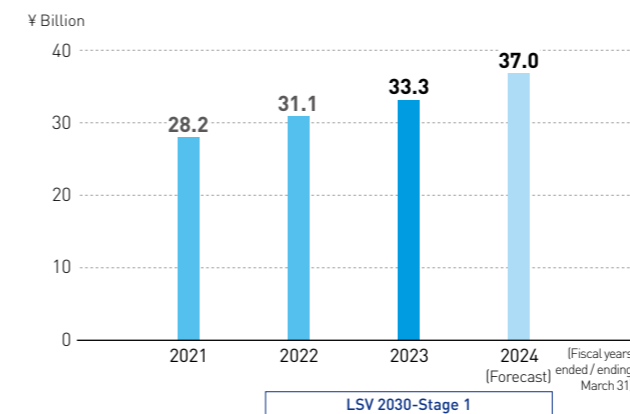
### Business Operations Introduction

These operations manufacture and sell a wide range of products. Our window film offers various functions, cutting out solar radiation heat and ultraviolet light when it is attached to building and automobile windows, and preventing shattering when glass is broken. Other products include decorative film for interiors, film for outdoor signs and advertising, motorcycle- and automobile-use adhesive products for such applications as vehicle body decoration and protection, industrial-use adhesive tape for bonding components in mobile and other devices, and labeling machines for efficient automated labeling.

### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Expand sales of window film and develop high-performance products in Japan and overseas
- Expand sales of automated systems centered on labeling technology
- Launch new automotive products
- Develop wall covering materials by applying digital printing

### Net Sales: Industrial & Material Operations



Note: At the start of the fiscal year ended March 31, 2022, all products belonging to Industrial & Material Operations at MACTAC AMERICAS were transferred to Printing & Variable Information Products Operations. Results for the fiscal year ended March 31, 2021, have been restated to reflect this transfer.

### A Message from the Executive General Manager, Industrial & Material Operations

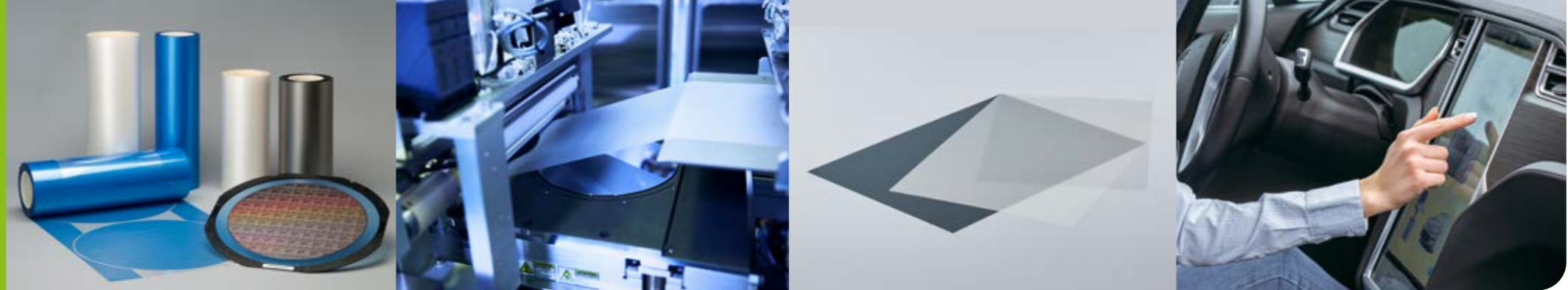
In the fiscal year ended March 31, 2023, the recovery in automobile manufacturing was delayed in Japan, but production trended upward overseas. As a result, automotive products performed well, and we posted strong sales of window film, particularly in the Indonesian market. Demand for window film for buildings also grew, driven by the effects of a new sample catalog and increasing security needs. Construction-related products such as interior and exterior signage, also performed well, as events and exhibitions reopened.

In the interest of boosting sales further and improving profitability, in April 2023 we integrated two Group companies in Japan that specialize in the decorative film business, establishing a structure for creating synergies. In the industrial systems-related business, which is expected to see further growth in demand related to online sales, we will focus on meeting the need for automation driven by labor shortages. We will also concentrate on expanding sales of new electric labeling machines. For window film for automobiles, we will deploy promotions utilizing social media to convey the benefits of film installation to users and improve installation rates through increased awareness. Additionally, we will promote the adoption of solventless, biomass-based, and recycled materials.



**Hideki Miyake**  
Executive Officer  
Executive General Manager, Industrial & Material Operations, Business Administration Div.

## Electronic and Optical Products



### Advanced Materials Operations

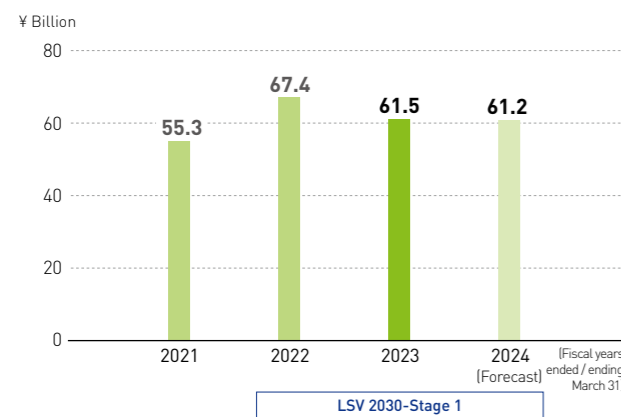
#### Business Operations Introduction

We are building a unique position in the electronics industry, which is expected to continue to record substantial growth. Our products include a variety of specialized adhesive tape that plays an important role in semiconductor manufacturing and mounting processes, and we also make equipment that fully leverages the special features of this tape. In addition, we produce and sell release film that is crucial in the production of multilayer ceramic capacitors.

#### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Expand market share of semiconductor- and electronic component-related products through active investment
- Develop thin-film, high-density, multilayer products for next-generation device manufacturing processes
- Develop adhesive tape for semiconductor processes used in power devices for automobiles and MEMS (microelectromechanical systems)
- Launch carbon nanotube products

#### Net Sales: Advanced Materials Operations



#### A Message from the Executive General Manager, Advanced Materials Operations

During the fiscal year ended March 31, 2023, the easing of pandemic-era demand and an economic downturn in China prompted by the country's zero-COVID policy, as well as global inflationary pressures due to geopolitical issues, prompted a decline in consumer sentiment. This led to a slump in the overall electronics market, including demand for smartphones and PCs, as well as automotive and industrial applications. Despite the positive impact of the rapid depreciation of the yen on this business, sales were down year on year.

Despite the difficult business environment, we are preparing for a recovery in the electronics market and renewed growth in demand for our products. In terms of capital expenditures, we finished installing a machine to produce multilayer ceramic capacitor-related tape in March 2023. We plan to add one more unit this fiscal year and another two during the fiscal year ending March 31, 2025. Additionally, the installation of new production equipment for semiconductor-related adhesive tape is scheduled for completion in early 2024. In addition to enhancing our production capacity, we will focus on streamlining operations at our operating sites around the world and adapting to the changing supply chain. We aim to quickly commercialize new products involving pellicles for extreme ultraviolet (EUV) lithography systems, which form the fine electronic circuits.



**Kinya Mochida**  
Managing Executive Officer  
Deputy Executive General Manager, Business Administration Div., and Executive General Manager, Advanced Materials Operations

### Optical Products Operations

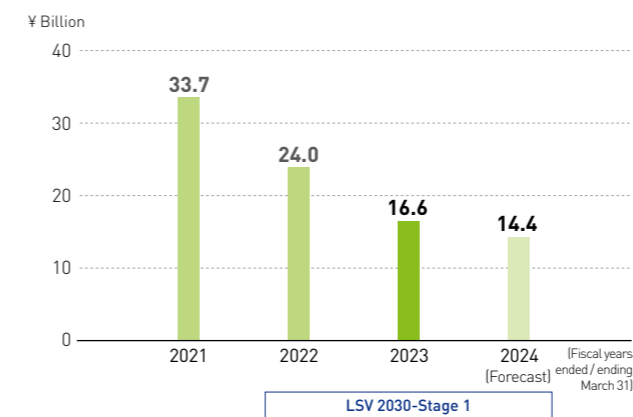
#### Business Operations Introduction

In Optical Products Operations, LINTEC produces and sells adhesive products for a variety of optical displays using its development technology for special adhesives and surface coating agents, its precision coating technology, and its high-performance production facilities. In addition to mainly carrying out adhesive processing of polarizing film used in LCD and OLED displays, the Company is working to launch and increase sales of new products, such as thick optical clear adhesive (OCA) sheets used in automotive touch screens.

#### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Develop adhesives for next-generation displays
- Develop and expand sales of new optical clear adhesive (OCA) products
- Enter new markets for light diffusion film

#### Net Sales: Optical Products Operations



Note: Due to the application of the Accounting Standard for Revenue Recognition, sales are down sharply compared with the period prior to application in the fiscal year ended March 31, 2021.

#### A Message from the Executive General Manager, Optical Products Operations

The fiscal year ended March 31, 2023, saw a significant decrease in the adhesive processing business for polarizing film. This was due to a slowdown in the shipment volume of various display-equipped devices, such as optical display-related products for use in large-size TVs, PCs, and smartphones, caused by the backlash from the COVID-19 demand surge, reduced personal consumption due to accelerating inflation, and supply chain disruptions caused by lockdowns in China. On the other hand, touch screen-related products, such as thick OCA sheets for optical applications for in-vehicle use, which is a current area of focus, performed firmly.

In the polarizing film business, where competition is increasingly intense due to the emergence of Chinese manufacturers, we continue to strengthen our ties with a cooperating manufacturer of polarizing film and expand our presence in the high-end market. Going forward, we will focus on reducing costs by streamlining product areas such as adhesives and release film, as well as on establishing an optimal global production system. Additionally, for thick OCA sheets, we aim to expand sales in the Chinese market and launch high-functional new products such as solvent-less, UV-cutting, corrosion-resistant, colored, and light-diffusing film. Furthermore, we will concentrate on the development of light diffusion film for reflective LCDs and high-barrier film for next-generation solar cells.



**Satoru Shoshi**  
Executive Officer  
Executive General Manager, Optical Products Operations, Business Administration Div.

## Paper and Converted Products



### Fine & Specialty Paper Products Operations

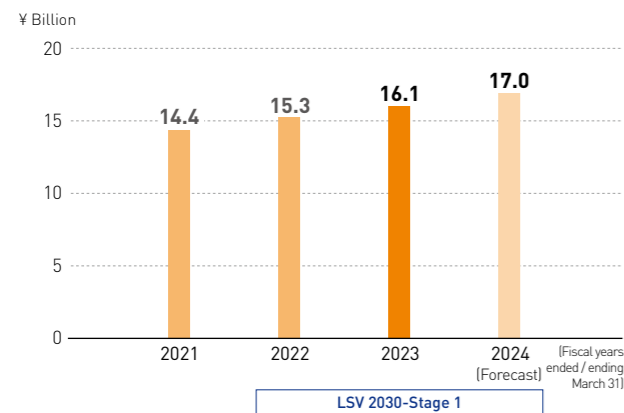
#### Business Operations Introduction

We have the leading share in the domestic market for color paper for envelopes and colored construction paper. We also manufacture and sell special function paper, such as dust-free paper for use in places such as clean rooms, and oil- and water-resistant paper used in food packaging, as well as high-grade printing paper with special textures and construction material paper used as lining for wallpaper. The Company is also stepping up the development and proposal of products that meet growing needs in recent years for plastic alternatives.

#### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Develop and expand sales of new products that promote deplasticization and reduce food loss
- Develop and market new products
- Roll out new applications by strengthening competitiveness of existing products
- Expand sales of special function paper to overseas markets

#### Net Sales: Fine & Specialty Paper Products Operations



#### A Message from the Executive General Manager, Fine & Specialty Paper Products Operations

In the fiscal year ended March 31, 2023, sales of our main product, color paper for envelopes, were comparable with the previous year's level despite sluggish market conditions, thanks in part to the effect of sales price revisions. However, sales of industrial specialty paper, such as dust-free paper, declined due to a downturn in semiconductor demand. On the other hand, colored construction paper performed well thanks to the resumption of school events, while oil- and water-resistant paper benefited from increased demand for use in fast-food restaurants and other takeout services. Overall, sales rose, but our profits were affected significantly by the rise in pulp prices, making this a challenging year.

Improving profitability is an urgent challenge for this business. While seeking customer understanding, we will proceed with sales price revisions for our products. We will also scale our production system to match current production levels and reduce inventories through standardization and by discontinuing some products. To continue growing despite the market trend away from paper usage, we will need to expand our lineup of environmentally friendly products. We will focus on developing and increasing sales of packaging materials that can serve as substitutes for plastics, such as thick oil- and water-resistant paper that can be used as containers for convenience store lunches, and translucent paper that can replace clear plastic folders. In this same vein, we will also prioritize the development and promotion of biodegradable heat-sealing paper and other high-performance paper.



**Satoshi Aoki**  
Executive Officer  
Executive General Manager, Fine & Specialty Paper Products Operations, Business Administration Div.

### Converted Products Operations

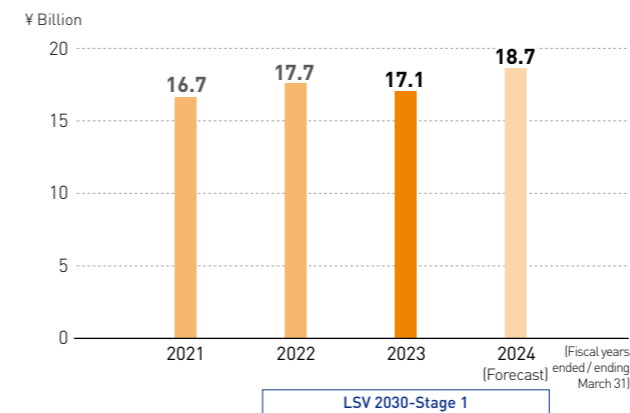
#### Business Operations Introduction

We manufacture and sell release paper and film that protect the adhesive surfaces of various adhesive products, casting paper that is used as patterning paper for placing designs on synthetic leather, casting paper used in the manufacture of carbon fiber composite material sheets from fibers, and other products. These are endowed with a variety of special functions, including not only releasability but also resistance to water, heat, and abrasion.

#### Main Initiatives in Medium-term Business Plan LSV 2030-Stage 1

- Promote solvent-less and polyethylene-free release paper
- Develop and expand sales of casting paper for enamel finish and automotive synthetic leather
- Develop new products and expand market

#### Net Sales: Converted Products Operations



#### A Message from the Executive General Manager, Converted Products Operations

In the fiscal year ended March 31, 2023, market conditions recovered gradually. However, performance in release paper for electronic materials was weak, due to a decline in smartphone demand. Sales of release film for optical-related products also decreased significantly, mainly for television applications. On the other hand, casting paper for carbon fiber composite materials increased, due to strong demand in the sports and leisure industry. Meanwhile, sales of casting paper for synthetic leather fell due to sluggish demand for automotive seats. Despite our introduction of sales price revisions to cope with high raw material and fuel costs, overall performance in this business was down year on year.

Improving profitability is an urgent priority for us in the fiscal year ending March 31, 2024, so we will cut costs further and work to introduce sales price revisions. As environmental responsiveness will be the most important theme over the medium to long term, we will continue to promote the usage of solvent-less release paper, which does not use organic solvents in its production process. We will also concentrate on eliminating the use of polyethylene resin in release paper. In addition, to expand sales of casting paper for synthetic leather, we will strengthen sales promotions to vehicle synthetic leather manufacturers and establish a sales structure in Europe by opening a base in Milan, Italy. We will also continue to develop new products, such as casting paper for synthetic leather that can give water repellency and casting paper for various film-forming applications.



**Toshimi Sugaya**  
Managing Executive Officer  
Deputy Executive General Manager, Business Administration Div., and Executive General Manager, Converted Products Operations

## A Message from the Executive General Manager, Research & Development Div. Further Enhancing Our R&D Capabilities and Aiming to Create New Businesses and Products

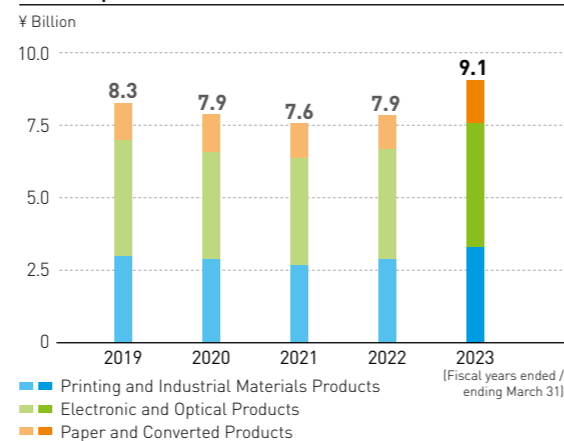
The Research & Development Division divides its research themes into those for growing markets, such as Electronic and Optical Products; mature markets, including Printing and Industrial Materials Products and Paper and Converted Products; and new markets to expand our field of business. In the fiscal year ended March 31, 2023, progress on research themes in these areas proceeded essentially according to plan. In growing markets, we have successfully developed products for use in semiconductor manufacturing, such as surface protective tape for high-bump wafers, as well as optically transparent adhesive sheets for flexible displays. In mature markets, we have introduced environmentally friendly products, including many solvent-less products, as well as products made from biomass and recycled materials. In new markets, we have made advances in the development of products such as ultra-thin and lightweight Peltier modules, gas barrier film, and millimeter-wave absorbing materials.

This fiscal year, our top priority is to commercialize as many products possible that we have developed for new markets. In growing markets, we will leverage our technological advantage to develop high-performance products

that will enable us to further expand our market share. In mature markets, we will continue to focus on developing environmentally friendly products to differentiate ourselves from competitors and add higher value. Also, digital transformation (DX) is an essential way for us to significantly improve our development efficiency. By reducing the time spent on administrative tasks and information gathering, we intend to create an environment where we can concentrate on research and development. Utilizing big data, machine learning tools, and other resources, we aim to accelerate the pace of development and create new businesses.

We believe our strengths in R&D lie in our four core technologies, market dialogue-driven product development, and flexible corporate culture that encourages individual creativity. Over the years, we have enhanced our technological capabilities and responded customer needs by flexibly combining and further evolving our own material and process technologies. Moving forward, while maintaining a focus on in-house technology development, we will also embrace open innovation by incorporating technologies from other companies, as well as strengthening our research and development capabilities, through DX and by nurturing digital talent. We hope to help realize our long-term vision by developing products.

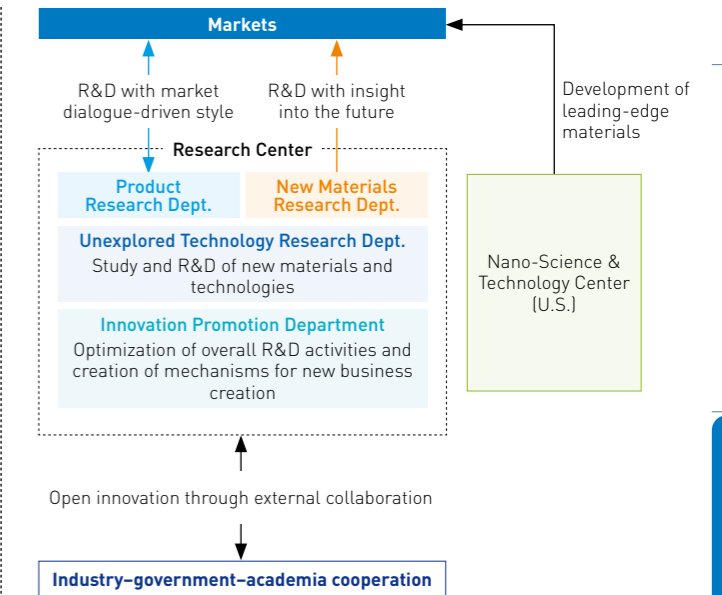
R&D Expenses (Consolidated)



**Yoshihisa Mineura**  
Managing Executive Officer  
Executive General  
Manager, Research &  
Development Div.

## R&D System

The Research Center (Saitama Prefecture) of the Research & Development Division is the core base for the Group's R&D activities. The center has high-precision testing and analysis equipment, and a clean room, as well as the same equipment that is actually used by customers in semiconductor-related fields. Moreover, we have installed large-scale pilot coaters that closely resemble plant mass-production facilities, building systems for a smooth flow from R&D to mass production. The center includes the Product Research Department, which develops products directly connected to our current business, and the New Materials Research Department, which conducts R&D with a focus on the future. In addition, in April 2022 we established the Unexplored Technology Research Department and the Innovation Promotion Department. About 200 researchers are engaged in research on these themes. In addition, the Nano-Science & Technology Center, our R&D base in the U.S., focuses on the development of leading-edge materials, such as carbon nanotubes and artificial muscles, with the objective of establishing technologies and products that will drive new businesses for the Group.



## R&D Policy

We are pursuing R&D to ensure that our focus themes make a real contribution to strengthening the competitiveness of existing businesses and creating new products and businesses. LINTEC is working to improve development efficiency and speed based on two key phrases: "front-loading design" and "one-stop development." In addition, through coordination between the Research Center and the Business Administration Division, we have established the stage-gate system as an R&D scheme. Under this scheme, we are building a process that ensures results centered on medium- to long-term themes.

### 1 Front-Loading Design

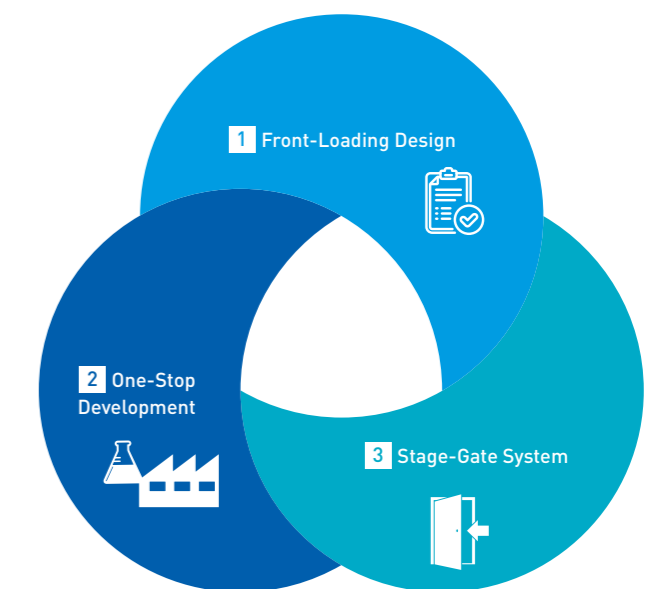
With a focus on carefully surveying customer needs and development processes, this method identifies development issues and risks, to the greatest extent possible, at the initial stage of product development. By implementing countermeasures in advance, we do our utmost to reduce the need to redo work at intermediate stages. This contributes to increased development efficiency and reduced costs.

### 2 One-Stop Development

This approach involves simultaneously advancing the development of new materials and the development of processes for mass production. In the Research Center, large-scale testing and research facilities similar to the production facilities in our plants are used to collect various data necessary for mass production and to improve the speed of development leading up to mass production.

### 3 Stage-Gate System

This is an internal process that divides the development status of R&D themes into five stages, and rigorously examines and determines whether to advance a theme to the next stage or halt development. The aim is to prevent development from backtracking and to bring each theme to fruition steadily and quickly.

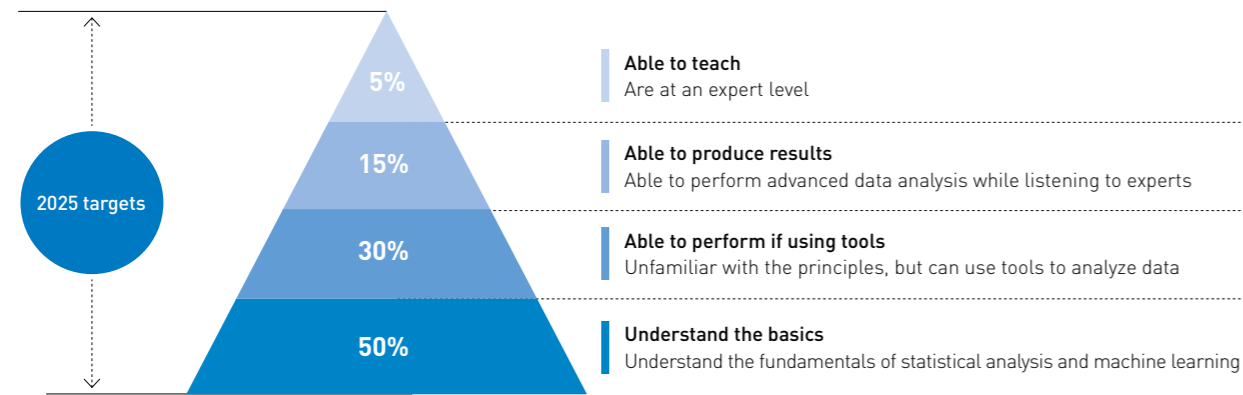


### Promotion of DX

The Research & Development Division is promoting DX to accelerate product development and create new value. Specifically, we are building a database to store our wealth of experiment records and establishing a digital information infrastructure for R&D. We have introduced and begun using materials informatics tools, such as machine learning and statistical analysis. These tools should enable us to perform efficient and accurate data analysis and

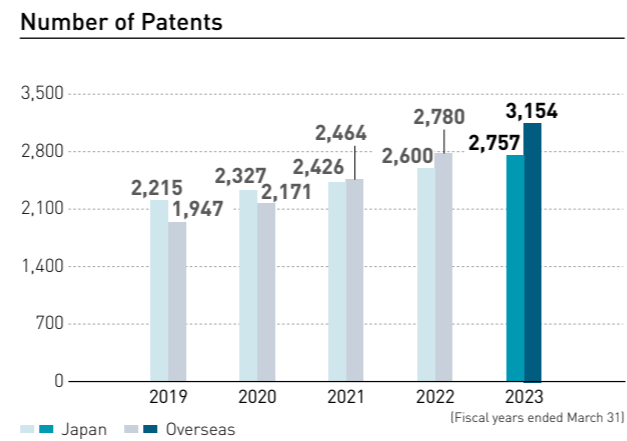
prediction, making it easier to select materials and formulations for problem-solving, significantly reducing development time. In addition, we are introducing tools for information gathering and analysis both internally and externally. We plan to apply these tools to tasks such as formulating new development themes. Meanwhile, we are also cultivating digital human resources to ensure that these DX tools are utilized across the division.

### The Research & Development Div.'s Targets for Cultivating Digital Human Resources



### Intellectual Property Activities

LINTEC aims to increase corporate value by developing original products that fully satisfy customer needs. We therefore position intellectual property, including patents, trademarks, and design rights acquired through these development activities, as important management resources. Making respect for the rights of other companies our basic premise, the Intellectual Property Department coordinates with respective business operations and R&D departments in promoting strategic intellectual property activities. These activities aim to increase and improve intellectual property rights, which are the lifeblood of LINTEC given that it is a technology-centered company. By such means as building a patent portfolio for our foundation and growth business domains and securing intellectual property in step with the globalization of our business, we aim to maximize profits on the products we develop. In recent years, we have introduced an AI patent search system to collect intellectual property information, based on the concept of an IP landscape, to analyze intellectual property and use this information in management. The system allows us to analyze the current situation and consider future prospects using information about our own technology and that of competing companies. We then use the results of this analysis to develop our intellectual property strategy.



### Carbon Neutral Challenge

Part of the LINTEC Group's mission as a manufacturer is to consider the environment in the product development and production processes. The Group aims to become carbon neutral with net-zero CO<sub>2</sub> emissions by 2050. Having adopted "Carbon Neutral Challenge" as its slogan, across all its development themes the Research & Development Division is moving forward with activities from the perspective of reducing environmental impact. We have selected themes that contribute significantly to reducing CO<sub>2</sub> emissions, particularly from the perspective of LCA.\* These efforts

include eliminating solvent-based products that emit large amounts of CO<sub>2</sub> during combustion, making thinner film-based components derived from petroleum, developing products using plant-based biomass materials and biodegradable materials, and creating products that promote reuse and recycling.

\* LCA: A life cycle assessment is a way to assess overall environmental impact by calculating inputs of energy, water, and raw materials across a product's life cycle, as well as CO<sub>2</sub> emissions and hazardous chemical substances.



Hot-melt-adhesive products for labels, which do not use organic chemicals in the production process



Examples of a laminate film that uses a biomass material as the facestock and achieves a thinner film

### Creation of New Products and Businesses for the Next Generation

To sustain growth, in addition to expanding existing operations, the LINTEC Group must create new products and businesses that go beyond the boundaries of conventional technologies. Under its long-term vision, LSV 2030, the Company is focusing efforts on the fields of electronics, energy, thermal, resources and emissions, and the 3Rs (reduce, reuse, and recycle). We aim to develop products that will be pillars of new businesses and help solve social issues.

#### Major Fields of Focus

Electronics	<ul style="list-style-type: none"> <li>Pellicles for EUV lithography systems</li> <li>Materials for next-generation device manufacturing processes, etc.</li> </ul>
Energy	<ul style="list-style-type: none"> <li>Ultra-thin thermoelectric modules</li> <li>High-performance window film, etc.</li> </ul>
Thermal	<ul style="list-style-type: none"> <li>Ultra-thin and lightweight Peltier modules</li> <li>Film heaters, etc.</li> </ul>
Resources and emissions	<ul style="list-style-type: none"> <li>Biodegradable products</li> <li>Biomass products, etc.</li> </ul>
3Rs (reduce, reuse, recycle)	<ul style="list-style-type: none"> <li>High-frequency dielectric heating adhesive film</li> <li>Recyclable products, etc.</li> </ul>

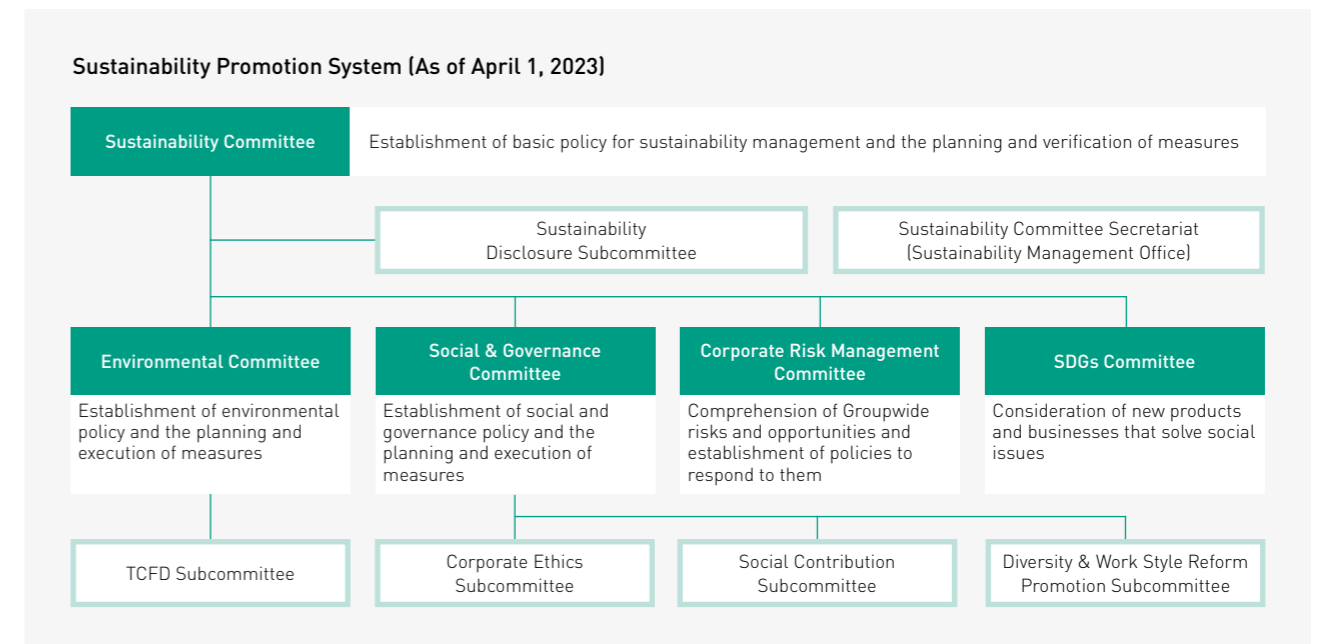
# Sustainability

The LINTEC Group promotes sustainability management that achieves both corporate growth and the sustainable development of society. We aim to increase corporate value and help solve social issues through our business activities. To this end, we introduce our sustainability initiatives from an environmental, social, and governance (ESG) perspective.

## Sustainability Promotion System

We are addressing ESG considerations, the SDGs, and risk management, and strengthening communication with stakeholders through the Sustainability Committee, which is composed mainly of management, including all outside directors, the Sustainability Management Office, which is an organization under the direct

control of the president, and committees and subcommittees consisting of members from all areas of the Company. We aim for the development of society and sustainable growth through activities from a Companywide perspective by staff from a wide range of departments.



### A Message from the General Manager, Sustainability Management Office

Society has changed rapidly since around 2021, when we established a sustainability promotion system, and the Company has been responsive to those changes. In response to the COVID-19 pandemic, we quickly implemented a teleworking environment to prevent infection. We also reformed working styles, taking into account individual circumstances such as employees' family situations. We then revised our internal regulations to allow for continued remote work after the pandemic. Meanwhile, heightened environmental awareness has spurred demand for enhancing climate-related disclosure, as well as reducing environmental impact, such as CO<sub>2</sub> emissions. Amid increasing appeals on the importance of human capital and other factors, we have established the TCFD Subcommittee and the Diversity & Work Style Reform Promotion Subcommittee to strengthen our structure and advance various initiatives. Recently, I have had more opportunities to personally experience changing societal demands through meetings with investors specializing in ESG investments. To respond rapidly to such changes going forward, I intend to robustly support the activities of each

committee and subcommittee, and work to establish a foundation that enables LINTEC to grow in partnership with society.

**Masaru Hoshi**  
General Manager,  
Sustainability  
Management Office





## Material Issues (Important Issues)

The LINTEC Group has identified material issues, which are areas of particular focus within its CSR and ESG activities. We first identified these issues in 2014. We revised our material issues in 2021, after taking into account changes in social issues and our daily dialogues with stakeholders. We extracted ESG themes from medium- to long-term strategies and business plans based on LSV 2030, our long-term vision, and incorporated them into our material issues. In addition, in 2022 we defined key performance indicators (KPIs) and began addressing each issue.

The LINTEC Group is currently discussing its material issues to align them more closely with the long-term vision and ensure they encompass not only ESG challenges but also challenges related to the entire business, and discussing their renewal. We will redefine key priority issues from the perspective of sustainable management, set KPIs that enhance corporate value, and strive to achieve our long-term vision.



### List of Material Issues

Figures with ★ have undergone third-party verification by SGS Japan, Inc.

	Materiality	Issues to work on	KPI	Results	Organizations covered	Related SDGs
			Key items			
Overall business	Contribution through business	<ul style="list-style-type: none"> <li>Strengthening of corporate structure through innovation</li> <li>Creation of new products and businesses for sustainable growth</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of developed products in sales (20% by 2030)</li> </ul>	21.4%★	LINTEC Corporation	
			<ul style="list-style-type: none"> <li>Number of patent applications/patents held</li> </ul>	Number of patent applications: 260★ (FY2022) Number of patents held: 2,757★ (as of March 31, 2023)	LINTEC Corporation	
Environment	Contribution to a sustainable global environment	<ul style="list-style-type: none"> <li>Response to climate change</li> <li>Realization of a recycling-oriented world</li> <li>Sustainable procurement of raw materials</li> <li>Preservation of biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in CO<sub>2</sub> emissions (reduce Groupwide emissions by 50% or more from 2013 levels by 2030)</li> </ul>	39.7%	LINTEC Corporation Group companies in and outside Japan	
			<ul style="list-style-type: none"> <li>Landfill waste disposal rate (1% or less)</li> </ul>	0.36%	LINTEC Corporation's head office, 10 production sites, and the Research Center, and TOKYO LINTEC KAKO, INC.	
			<ul style="list-style-type: none"> <li>Response rate of raw material supplier survey</li> </ul>	The survey was not conducted in FY2022. Based on the results of the survey conducted in FY2021, requested improvement on 11 matters.★	LINTEC Corporation	
Society	Respect for human rights	<ul style="list-style-type: none"> <li>Human rights due diligence</li> <li>Ensuring occupational health and safety</li> <li>Promotion of diversity</li> <li>Promotion of work-style reform initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Number of consultations regarding harassment</li> </ul>	2 cases★	LINTEC Corporation Group companies in Japan	
			<ul style="list-style-type: none"> <li>Occupational accident frequency rate</li> </ul>	0.76★	LINTEC Corporation's 10 production sites and the Research Center, and TOKYO LINTEC KAKO, INC.	
			<ul style="list-style-type: none"> <li>Occupational accident severity rate</li> </ul>	0.0142★	LINTEC Corporation's 10 production sites and the Research Center, and TOKYO LINTEC KAKO, INC.	
			<ul style="list-style-type: none"> <li>Percentage of female employees</li> </ul>	14.4%★	LINTEC Corporation	
			<ul style="list-style-type: none"> <li>Percentage of childcare leave taken by male employees</li> </ul>	59.7%★	LINTEC Corporation	
	Enhanced value chain management	<ul style="list-style-type: none"> <li>Comprehensive customer-first approach</li> <li>Improvement in term of quality, cost, and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Number of responses to CSR survey</li> </ul>	181 cases★	LINTEC Corporation	
<ul style="list-style-type: none"> <li>Percentage of quality incidents</li> </ul>			31%★ Decreased to 15 in FY2022 from 49 in FY2010	LINTEC Corporation (excluding the Ina Technology Center), TOKYO LINTEC KAKO, INC., and SHONAN LINTEC KAKO, INC.		
Better communication with stakeholders	<ul style="list-style-type: none"> <li>Harmonious co-existence with local communities</li> </ul>	<ul style="list-style-type: none"> <li>Number of site tours offered</li> </ul>	30 cases★	LINTEC Corporation and TOKYO LINTEC KAKO, INC.		
Governance	Promotion of governance across the entire Group	<ul style="list-style-type: none"> <li>Organizational governance</li> <li>Fair business activities</li> </ul>	<ul style="list-style-type: none"> <li>Attendance at Board of Directors' meetings</li> </ul>	100%	LINTEC Corporation	
			<ul style="list-style-type: none"> <li>Attendance at Audit and Supervisory Committee meetings</li> </ul>	100%	LINTEC Corporation	
			<ul style="list-style-type: none"> <li>Periodic publication of legal news</li> </ul>	6 times	LINTEC Corporation	

# Environment

The LINTEC Group uses large amounts of raw materials, energy, water, and other materials to manufacture various products. We are working to reduce our environmental impact by installing environmentally friendly equipment, and we develop environmentally friendly products.

## Reducing CO<sub>2</sub> Emissions and Energy Usage

To reduce CO<sub>2</sub> emissions and energy usage, the LINTEC Group is installing environmentally friendly equipment at its production bases. We are introducing cogeneration systems that simultaneously generate electricity and heat from gas energy and waste heat boilers that recover and reuse as steam the heat generated when treating organic solvents. We are also installing solar power generation systems on plant roofs. Notably, in the papermaking process for specialty paper we have introduced a shoe press, which is used to squeeze out more water than before, and a sizer that applies chemicals only in the necessary quantities. These types of equipment significantly reduce energy use in the drying process. We will continue working to further reduce our environmental impact—through improvements in product design and manufacturing formulation, as well as on the equipment front.



Waste heat boiler

Cogeneration system

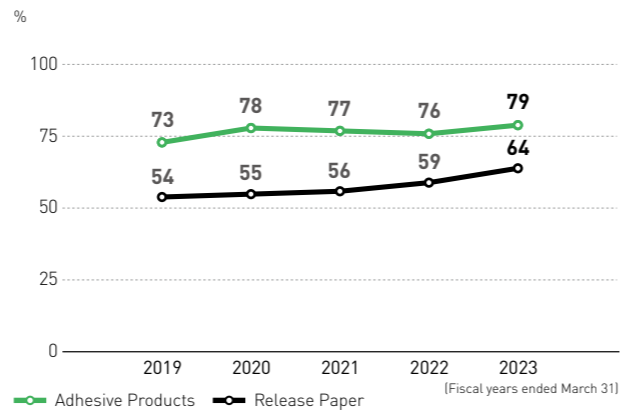


Solar power generation system

## Moving toward Solvent-Less Products

Organic solvents, which are volatile organic compounds (VOCs), are used in many of the LINTEC Group's products to dilute adhesive and release agents so they can be coated in thin, uniform layers. However, organic solvents can be harmful to the environment when they evaporate and are released into the atmosphere after coating. As lowering atmospheric emissions of VOCs is a key theme of the LINTEC Group's long-term vision, we are moving toward solvent-less products. In adhesive products for labels, we are proactively developing products using emulsion-based and hot-melt adhesives, which do not require organic solvents. We are also stepping up our efforts in release paper. In 2021, we installed new coating equipment for solvent-less release paper at the Kumagaya Plant. In line with our long-term vision, for release paper we are targeting a solvent-less percentage of 100% by 2030. To reduce our environmental impact going forward, our research, production, and sales divisions will work together to develop and increase the sales of solvent-less products.

### Solvent-Less Percentage of Adhesive Products and Release Paper



Note: For adhesive products, the solvent-less percentage is based on sales volume. For release paper, the percentage is on a production volume basis.



Coating equipment for solvent-less release paper (Kumagaya Plant)

## Developing and Proposing Various Types of Environmentally Friendly Products

Spurred by the worsening of global warming caused by greenhouse gases and the increasing problem of marine plastic pollution, awareness of the environment has been heightened across society. As a result, there is a growing demand for various environmental considerations in our products. In addition to reducing the

environmental impact of production, the LINTEC Group is developing and proposing environmentally friendly products that meet a wide range of needs: creating plastic-free products, reducing the amount of plastic used, reusing labeled items, recycling, and conserving energy.

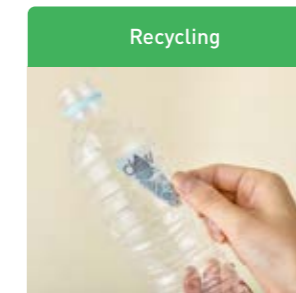
### Examples of Products That Meet Various Environmental Needs



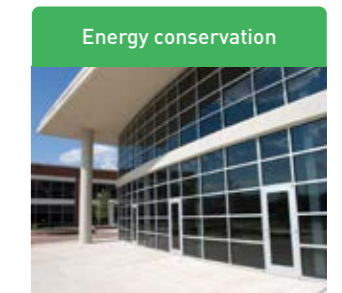
Solvent-less release paper that does not use environmentally hazardous organic solvents when coating the release agent



Thick water- and oil-resistant paper that can be used as an alternative material to plastic containers for boxed lunches



Label materials that are the same mono-material as PET containers



Window film that contributes to energy conservation by improving air-conditioning efficiency in rooms and vehicles

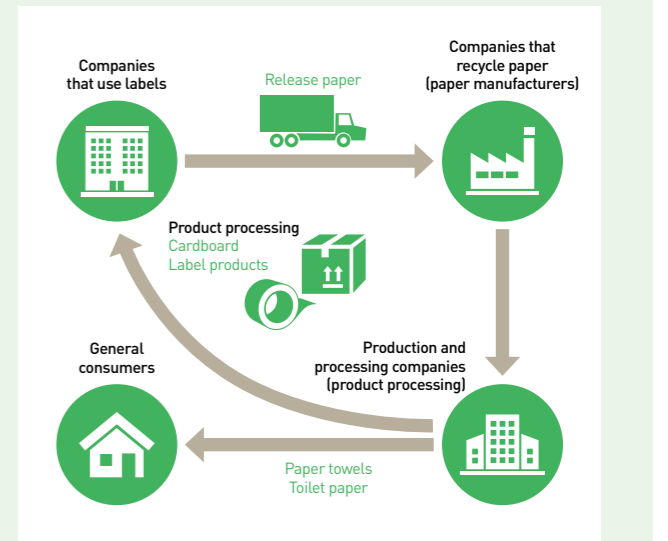
## FOCUS

### Participating in a Label Recycling Association to Promote the Recycling of Release Paper

We have established and are participating in a label recycling association (J-ECOL\*) in collaboration with related companies to develop a system to recover and recycle release paper, which is used to protect the adhesive surfaces of adhesive products for seals and labels. Used release paper, which amounts to approximately 110,000 tons annually in Japan, can be a valuable resource as a raw material for paper production. To date, this resource has not been used effectively due to various challenges related to infrastructure and technology. Through J-ECOL, we aim to build and establish a collection system for used release paper and develop recycling technologies to promote the use of release paper as a valuable recycled resource.

Together with more than 10 member companies, we will study easily recyclable release paper and propose the use of recycled pulp extracted from the release paper, aiming to realize horizontal recycling of used release paper back into release paper in the future.

\* J-ECOL: Japan Earth Conscious Labeling Association. Preparations for establishment began in June 2022, centering on four companies (SATO Corporation, Oji Tac Co., Ltd., Osaka Sealing Printing Co., Ltd., and LINTEC Corporation), and the association was established in May 2023.



Please see our sustainability site for information disclosure based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).  
[www.lintec-global.com/sustainability/tcfd/](http://www.lintec-global.com/sustainability/tcfd/)





### A Message from the Executive General Manager, Production Div.

Environmental consideration is an important responsibility for us as a manufacturer. We actively engage in efforts targeting decreased CO<sub>2</sub> emissions, energy savings, and waste reduction at all plants. In addition, the LINTEC Group is committed to reducing VOCs, which occur because of the prevalent use of organic solvents in the manufacture of adhesive products. In recent years, the introduction of environmentally friendly equipment such as cogeneration systems, high-efficiency boilers and chillers, waste heat recovery equipment, and solar power generation systems for in-house consumption has pushed us beyond our



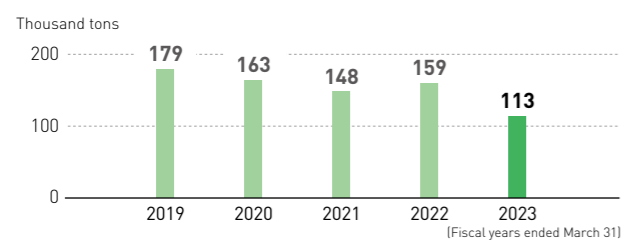
**Hiroyuki Matsuo**

Director, Managing Executive Officer, Executive General Manager, Production Div., and in charge of Quality Assurance Div. and Environment & Safety Div.

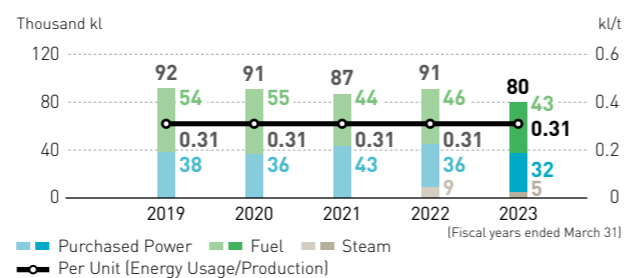
planned targets for CO<sub>2</sub> emissions reduction and energy savings. Accordingly, we expect to meet our goals for the LSV 2030-Stage 1 period. We are accelerating investments that can be made earlier than planned and formulated a road map to ensure we meet our goal of reducing CO<sub>2</sub> emissions by 50% or more compared with fiscal 2013 levels by 2030. New wings currently under construction at the Kumagaya Plant (Saitama Prefecture) and the Doi Plant (Ehime Prefecture) are being planned as automated smart factories. We plan to roll out this approach to our other plants as well, further reducing CO<sub>2</sub> emissions and costs.

### Environmental Data

#### CO<sub>2</sub> Emissions\*<sup>1</sup>

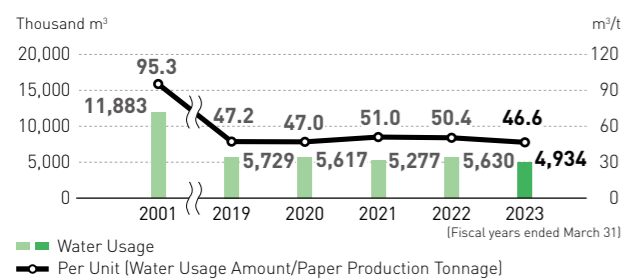


#### Total Energy Usage (Crude Oil Equivalent)\*<sup>2</sup>

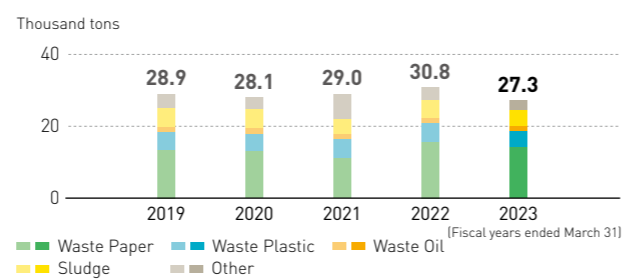


Note: Fuel means gasoline, light oil, kerosene, bunker-A oil, liquid natural gas (LNG), liquid petroleum gas (LPG), and utility gas.

#### Water Usage\*<sup>3</sup>



#### Waste Generated\*<sup>4</sup>



\*<sup>1</sup> Scope: LINTEC Corporation (head office, 10 production sites, and the Research Center), TOKYO LINTEC KAKO, INC., SHONAN LINTEC KAKO, INC., and LINTEC SERVICES, INC.

\*<sup>2</sup> Scope: LINTEC Corporation, TOKYO LINTEC KAKO, INC., PRINTEC, INC., LINTEC SERVICES, INC., and LINTEC COMMERCE, INC.

\*<sup>3</sup> Scope: Paper production at the Kumagaya and Mishima plants

\*<sup>4</sup> Scope: LINTEC Corporation (head office, 10 production sites, and the Research Center) and TOKYO LINTEC KAKO, INC.

## Society

In continuing and expanding our business, creating favorable relationships with all stakeholders is indispensable. The LINTEC Group continues working actively to develop amenable workplaces and strengthen relationships with customers and suppliers.

### Securing of Diverse Human Resources

People are a vital asset to corporate activities. The LINTEC Group believes that diverse human resources are the source of innovation and help enhance corporate value. Accordingly, we strive to ensure workforce diversity.

The number of women in the manufacturing industry as a whole is relatively small, and our female manager ratio remains low. In recent years, however, we have worked actively to hire female employees, gradually expanding the pool of candidates to become key personnel in the future. From fiscal 2013 to fiscal 2015, women accounted for an average of 10.8% of new hires who were university graduates or higher. The average for fiscal 2016 to fiscal 2018 was 32.4%, which should further expand the group of candidates to become core human resources.

We are also proactively hiring mid-career personnel. As of March 31, 2023, 42.9% of people hired mid-career (excluding local hiring by plants) had risen to the management level or higher, and 17.4% were at the supervisor level, which is just below the manager level. To secure highly skilled personnel, we have introduced the Professional Human Resource Certification System, which offers treatment separate from the qualification grading system applied to general employees.

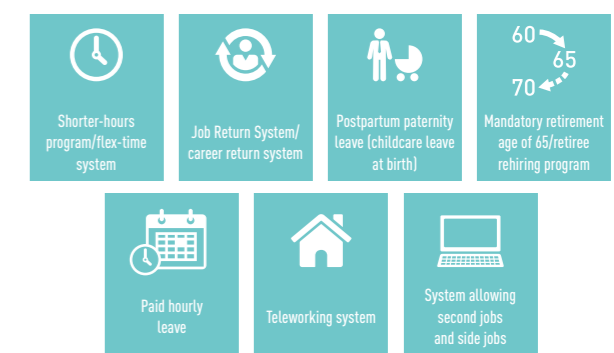
To hire non-Japanese personnel, we plan to encourage Group companies overseas to hire and cultivate local talent. People who are successful in these roles will then be invited to play an active role at LINTEC. We are currently laying the groundwork by identifying potential candidates and gathering information to assess their abilities.

LINTEC has a Companywide training system based on rank, with human resource education programs tailored to years of continuous service and career. In addition, we are taking steps to promote the career advancement of employees, including theme-based training, such as legal training and Companywide information security training, as well as language training for the development of global human resources. Through such initiatives, the LINTEC Group aims to maximize the value of human capital.

### Expansion of the Personnel System

As one aspect of our human capital management, we are expanding our personnel system to promote women's activities and work-style reforms and encourage a work-life balance. In addition to long-term efforts to promote women to management positions, we are expanding opportunities for female employees, facilitating working even after such life events as childbirth, childcare, and nursing care by expanding our shorter-hours program for childcare and nursing care, and offering the Job Return System, under which we rehire employees who at one point left the Company due to childbirth, nursing care, or a spouse's transfer. In October 2022, we began offering postpartum paternity leave, providing five days of paid leave. This program has substantially increased the percentage of male employees taking childcare leave. To make the most of senior employees' skills, in addition to raising the mandatory retirement age to 65, we have introduced a retiree rehiring program that allows people to continue working to the age of 70. We are working to increase the rate of employment of people with disabilities by establishing specialized departments at our head office and research center to create an amenable working environment for employees with disabilities. In addition, we have established a flexible personnel system to align with employees' lifestyles and career development. This includes measures such as allowing employees to take paid leave in hourly increments, formalizing the teleworking system that took root during the COVID-19 pandemic, revising rules to allow for second jobs or side jobs, and introducing a career return system. Under this new program, we rehire ready-to-work people who previously left the Company for such reasons as to change careers or study abroad. Going forward, we will continue working to improve labor productivity by creating more comfortable working environments for all our employees.

### Main Personnel Systems for Ensuring Diversity and a Comfortable Workplace

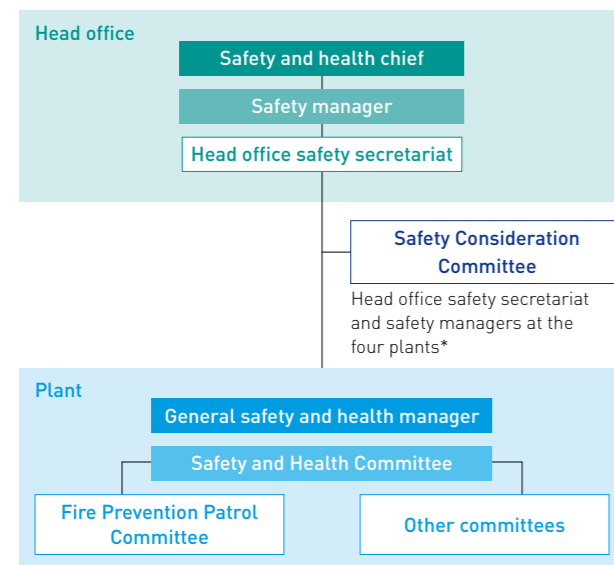


### Zero-Accident Culture

Safety is the top priority in LINTEC Group plants, which are operated with the aim of preempting injuries to personnel. We have formulated safety and health policies in compliance with the ISO 45001 standard for occupational health and safety management systems, and our practices include risk assessment, which enables us to put safety standards in place; hazard prediction exercises; and the rigorous pursuit of our 5S\* activities through various types of safety patrols. Safety and health committees hold monthly meetings at all our sites to enable us to ascertain the progress of our safety activities and share information. In addition, we have held a safety conference for domestic plant safety officers for the exchange of information about each plant's initiatives. We will continue activities on multiple fronts in accordance with our zero-accident culture.

\* 5S: *Seiri* (organizing), *seiton* (clearing up), *seiso* (cleaning), *seiketsu* (cleanliness), and *shitsuke* (discipline) in Japanese

### Organization of the Safety and Health Management System



\* Four plants: Agatsuma Plant, Kumagaya Plant, Tatsuno Plant, and Mishima Plant

### Efforts toward Business Continuity

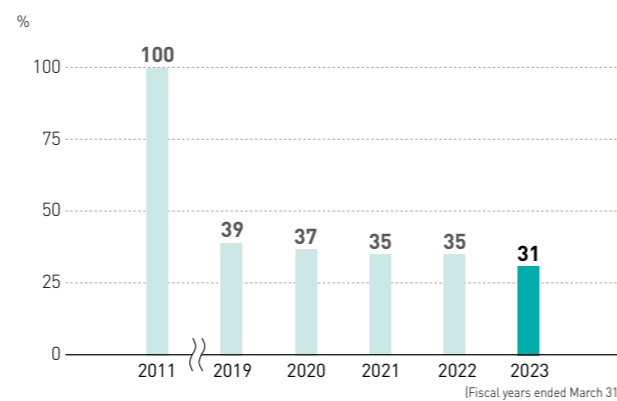
The Group is working to strengthen its systems that enable business operations to continue or restart quickly if struck by a disaster. All the Company's locations in Japan, subsidiaries TOKYO LINTEC KAKO, INC., and LINTEC SPECIALITY FILMS (TAIWAN), INC., have obtained certification under ISO 22301, the international standard for a business continuity management system (BCMS). In relation to these systems, drills are held to take into account the characteristics of individual sites so that in the event of a natural disaster or accident that disrupts business operations, we can ensure the safety of our employees and then recommence the supply of products promptly, minimizing impact on our customers and other stakeholders. In the fiscal year ended March 31, 2023, we conducted drills 482 times at 27 sites. We will

continue repeating these exercises to ensure the BCMS gains traction, as well as invigorating and enhancing our activities.

### Thorough Quality Management

The LINTEC Group is advancing the acquisition of certification under ISO 9001, the international standard for a quality management system (QMS). We are unifying the previous quality assurance systems, which had been implemented by each business operation, into a single Group QMS, and we received certifications at 12 locations overseas. Furthermore, we are realizing rigorous quality management with daily inspections on the production front lines and, in addition, we continually carry out employee education targeting the maintenance and enhancement of quality and the prevention of quality-related issues. This education is provided for people working in production or sales. Also, with the cooperation of suppliers, we are making sure to control quality issues resulting from materials by stabilizing the quality of procured materials. When comparing major quality incidents by year, the fiscal year ended March 31, 2011, is set as 100 in an index of major quality incidents, and we reduced the level of the index to 31 in the fiscal year ended March 31, 2023. We construct and actualize management systems that enable us to take swift action if a quality incident should occur, collecting information, analyzing causes, and working toward preventing a recurrence. This framework is in place in Japan and overseas.

### Percentage of Quality Incidents versus FY2011



### Fair Transactions

The basic policy of the LINTEC Group is to conduct fair and transparent transactions with suppliers based on the principle of free competition. We conduct procurement activities in compliance with laws and social norms. In addition, we ask suppliers to consistently implement CSR activities from multiple perspectives, including respect for human rights, occupational health and safety, information security, and corporate ethics. In the fiscal year ended March 31, 2023, we continued working to maintain and strengthen partnerships and to promote CSR procurement. Through the distribution of a questionnaire, we evaluated major suppliers in such areas as management, labor, service, business continuity plans (BCPs), and overseas response.

### A Message from the Executive General Manager, General Affairs & Human Resources Div.

In the fiscal year ended March 31, 2023, we promoted personnel system reforms in collaboration with the new Diversity & Work Style Reform Promotion Subcommittee. In addition to raising the mandatory retirement age to 65, prior to April 2023 we introduced postpartum paternity leave in an effort to raise the percentage of male employees taking childcare leave. We made progress on various other themes, as well, such as promoting the employment of people with disabilities, launching a career return system that enables us to rehire ready-to-work personnel who had left the Company, and introducing a succession plan to cultivate our management team. We conducted an employee survey at our locations in Japan to further promote personnel system reform from the perspective of human capital management. By assessing employee engagement, we aim to identify issues and improve our organization, thereby enhancing competitiveness and augmenting corporate value. This fiscal year, we will focus on initiatives such as expanding mandatory retirement at 65 to Group companies in Japan, introducing digital tools to utilize human resource data in our management strategies, and implementing succession plans at our overseas locations.

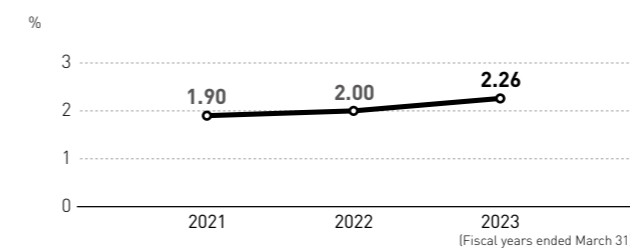
### Tsunetoshi Mochizuki

Director, Senior Managing Executive Officer  
Executive General Manager,  
General Affairs &  
Human Resources Div.

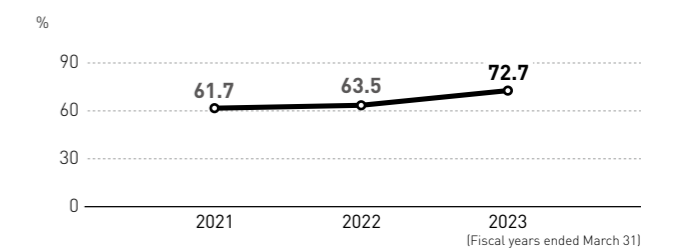


### Social data

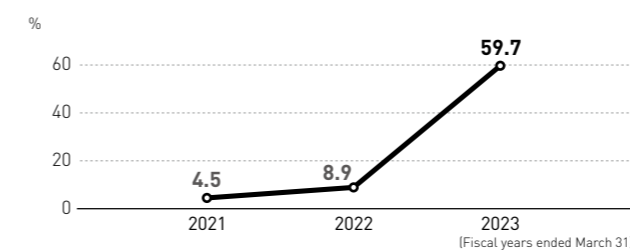
#### Employment Rate for People with Disabilities\*1



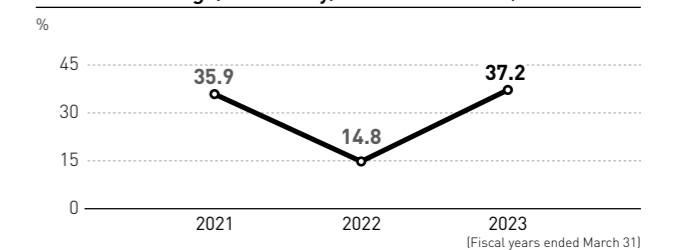
#### Percentage of Paid Leave Taken\*1



#### Percentage of Men Taking Childcare Leave\*1,\*2



#### Percentage of Women among New Hires at the Head Office (Graduates from a Junior College or Vocational School/ Technical College/University/Graduate School)\*3



\*1 Scope: LINTEC Corporation

\*2 In the fiscal year ended March 31, 2023, these men took an average of 38 days of childcare leave.

\*3 Scope: LINTEC Corporation (regular employees only)

# Governance

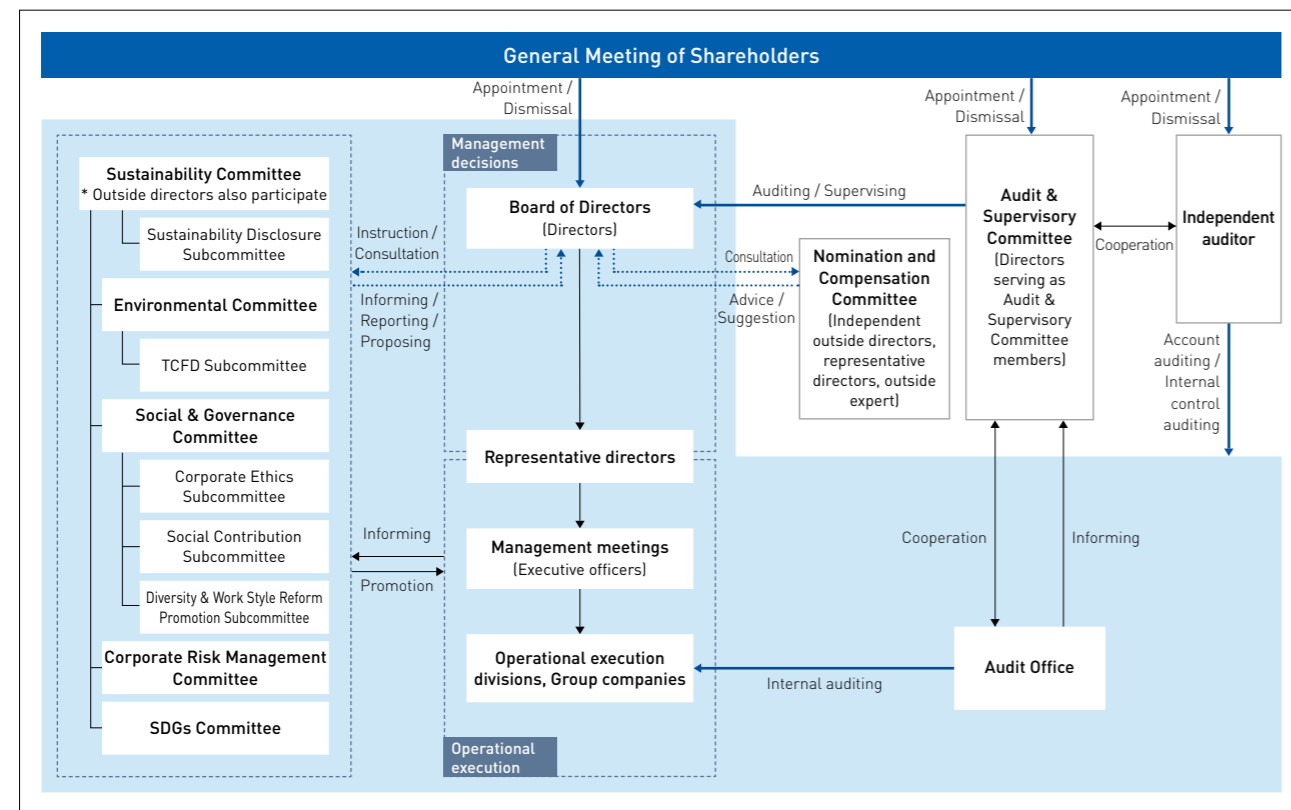
## Fundamental Policies and Structures Related to Corporate Governance

The Group believes that the fundamentals of corporate governance are to achieve thorough legal compliance, to increase management transparency and promote corporate ethics, and to make prompt decisions and effectively execute operations. By enhancing and reinforcing corporate governance, we aim to further increase our corporate value and joint profits with shareholders.

LINTEC has selected the company with an audit and supervisory committee system described in the Companies Act of Japan for its organizational structure. The Company has placed directors that are also Audit & Supervisory Committee members with voting

rights on its Board of Directors in order to strengthen the Board's supervisory function. In addition, we have established committees that are unique to the Company: the Sustainability Committee, in which all outside directors also participate to provide advice and recommendations from an objective perspective, and the Nomination and Compensation Committee, which deliberates and reports on the selection and dismissal of directors and executive officers and on their evaluation and compensation. In these ways, the Company is working to step up corporate governance and streamline management even further.

### Corporate Governance Organization Chart



### Corporate Governance System

Organizational Structure	Company with an audit and supervisory committee
Number of Directors (Number of Outside Directors)	12 (5)
Number of Audit & Supervisory Committee Members (Number of Outside Directors)	3 (2)
Number of Independent Outside Directors	4
Directors' Term of Office	One year
Number of Board of Directors' Meetings in FY2023	14
Adoption of an Executive Officer System	Yes
Takeover Defense Measures	None
Accounting Auditor	Ernst & Young ShinNihon LLC

### Independent Outside Director Ratio



### Female Director Ratio



## Evaluation of the Effectiveness of the Board of Directors

Once each year, LINTEC conducts an annual survey of all directors on their evaluation of the effectiveness of the Board of Directors through questionnaires and open-ended questions. This evaluation was performed most recently in April 2023. We used a third-party governance survey, with a view to further improving the effectiveness of the Board of Directors. The survey identified "items for which the Company received low marks compared with target company groups (corporate groups in the materials or chemical industries, with market capitalization of ¥500 billion or more, and a 30% or higher foreign shareholder ratio)" as a suggested area for initiatives, and we proceeded by asking the Board members for their opinions on this item. The results obtained were analyzed and evaluated, and issues were identified by the representative directors, and those that should be prioritized in the current fiscal year were considered. Following a review, we have set our priorities for the current fiscal year: work to improve earnings, cultivate the management team from a long-term perspective, and introduce sustainability and ESG performance elements in the remuneration of corporate officers. We plan to continue discussing these matters throughout the year and implementing necessary measures. Following a series of processes, the Company's independent outside directors have expressed the opinion that the content of the questionnaire and the evaluation process were reasonable and that rational and numerous measures were being developed. Based on this evaluation, we will continue working to further enhance the environment to improve the effectiveness of the Board of Directors.

### Content of Key Deliberations by the Board of Directors (Including the Business Deliberation Council) in the Fiscal Year Ended March 31, 2023

- Discussion related to management strategies and plans**  
Monitoring of market trends, revision of earnings forecasts, etc.
- Discussion related to sustainability**  
Response to the disclosure of information related to sustainability (human capital management, the TCFD), etc.
- Discussion related to corporate governance**  
Report evaluating the Board of Directors' effectiveness and consideration of measures, etc.
- Discussion related to business risks**  
Group internal audit reports, Group company risk monitoring reports, etc.
- Discussion related to important investment projects and individual businesses**  
Review of business profit improvement plans, consideration of R&D investment in new products, revision of certain U.S. businesses, etc.
- Discussion related to human capital**  
Deliberation on current and future initiatives regarding human capital management, implementation of an employee survey, review of succession plans, base salary increases, etc.

Note: The Business Deliberation Council convenes to ensure sufficient discussion on important management issues before the submission of agenda items to the Board of Directors.

### Changes in Corporate Governance

	1990-	2010-	2020-
<b>Organizational Structure</b>	<ul style="list-style-type: none"> <li>1990 Formed the LINTEC Corporation as a company with an audit and supervisory board</li> </ul>	<ul style="list-style-type: none"> <li>2015 Transitioned organizational structure to a company with an audit and supervisory committee</li> </ul>	
<b>Separation of Management and Execution</b>		<ul style="list-style-type: none"> <li>2011 Introduced an executive officer system</li> </ul>	
<b>Governance</b>		<ul style="list-style-type: none"> <li>2016 Implemented the evaluation of the effectiveness of the Board of Directors</li> </ul>	
<b>Outside Directors</b>	<ul style="list-style-type: none"> <li>2004 Appointed an outside director</li> <li>2008 Appointed an independent outside director</li> </ul>	<ul style="list-style-type: none"> <li>2015 Increased the number of outside directors (from two to four)</li> </ul>	<ul style="list-style-type: none"> <li>2021 Increased the number of outside directors (from four to five)</li> </ul>
<b>Independent Outside Directors</b>	<ul style="list-style-type: none"> <li>2008 Increased the number of outside directors (from one to two)</li> </ul>	<ul style="list-style-type: none"> <li>2015 Increased the number of independent outside directors (from one to two)</li> </ul>	<ul style="list-style-type: none"> <li>2020 Increased the number of independent outside directors (from two to three)</li> <li>2021 Increased the number of independent outside directors (from three to four)</li> </ul>
<b>Committees, etc.</b>		<ul style="list-style-type: none"> <li>2018 Established the Corporate Governance Committee (two independent outside directors participate)</li> </ul>	<ul style="list-style-type: none"> <li>2021 Augmented the Corporate Governance Committee (all independent outside directors participate)</li> <li>2021 Established the Sustainability Committee (all outside directors participate)</li> <li>2021 Renamed the Corporate Governance Committee as the Nomination and Compensation Committee</li> </ul>

Director Diversity

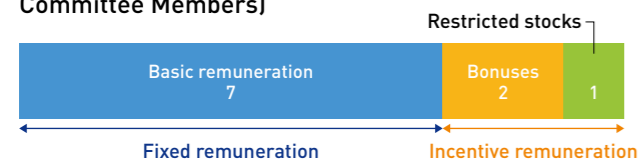
Name	Attribute	Corporate management, management strategy, SDGs	Production, technology, research, IT	Sales, marketing	Finance, accounting, capital policy, M&As	Audit	Human resources, labor, human resource development	Legal affairs, risk management	Global experience	Knowledge of other business
<b>Directors</b>										
Akihiko Ouchi		●	●	●	●				●	
Makoto Hattori		●	●	●	●				●	
Tsunetoshi Mochizuki		●					●	●		
Takeshi Kaiya		●		●					●	
Yoichi Shibano		●			●				●	
Hiroyuki Matsuo		●	●						●	
Akira Sebe	Outside Director	●	●						●	●
Satoshi Ohoka	Independent Director Outside Director	●			●	●			●	●
Akiko Okushima	Independent Director Outside Director	●	●	●					●	●
<b>Directors Serving as Audit &amp; Supervisory Committee Members</b>										
Masaaki Kimura					●	●		●		
Kanako Osawa	Independent Director Outside Director				●	●		●	●	●
Shigeru Sugimoto	Independent Director Outside Director	●			●	●			●	●

\* The above table does not indicate all of the knowledge of each director.

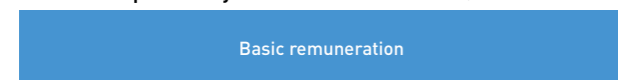
Remuneration of Corporate Officers

The Company's basic policy is to set the amount of remuneration for directors and its calculation method at an appropriate level based on the directors' position and responsibilities within the maximum amount determined by the General Meeting of Shareholders. In addition, in order to enhance objectivity and transparency in the evaluation of directors (excluding outside directors and Audit & Supervisory Committee members) and the determination of their compensation, the Nomination and Compensation Committee provides advice and suggestions in consultation with the Board of Directors.

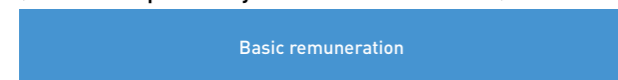
Remuneration System for Directors (Excluding Outside Directors and Audit & Supervisory Committee Members)



Remuneration System for Outside Directors (Excluding Audit & Supervisory Committee Members)



Remuneration System for Directors (Audit & Supervisory Committee Members)



Note: Basic remuneration is paid in cash as a fixed monthly amount. Bonuses are a short-term incentive remuneration, paid in cash, that reflect the evaluation of consolidated operating performance (consolidated net sales and consolidated operating income). Restricted stocks are shares provided a long-term incentive remuneration that motivates directors to contribute to share price appreciation and the enhancement of corporate value.

Total Remuneration by Corporate Officer Type

Corporate officer type	Total remuneration	Total remuneration by type			Number of people receiving remuneration
		Basic remuneration	Bonuses	Restricted stocks	
Directors (excluding Audit & Supervisory Committee members and outside directors)	289	206	54	28	6
Directors / Audit & Supervisory Committee members (excluding outside directors)	21	21	—	—	1
Outside officers	44	44	—	—	5

Status of Audits

At LINTEC, audits are performed by the Audit & Supervisory Committee, which is composed of directors who are Audit & Supervisory Committee members, the Audit Office, which is the Company's internal audit division, and the independent auditor. While utilizing the internal control system, the Audit & Supervisory Committee cooperates with the Audit Office and the independent auditor, receives the necessary reports, and conducts audits of the directors' business execution through such methods as exchanges of opinions. Each Audit & Supervisory Committee member supervises the directors in the execution of their duties by stating opinions and participating in resolutions through their voting rights at Board of Directors' meetings. The Audit Office regularly implements internal audits of divisions, work sites, plants, and affiliated subsidiaries. Accordingly, the Audit Office verifies that operational processes and results comply with the law and internal regulations. The Audit Office provides advance notice to the Audit & Supervisory Committee of a summary of internal auditing plans, audit items, and other details, and after internal audits are completed, reports all of the audit results to the Audit & Supervisory Committee. Ernst & Young ShinNihon LLC, which serves as the independent auditor, conducts audits via two certified public accountants and 47 assistants.

Risk Management

To reinforce its risk management system, in April 2018 the LINTEC Group established the Corporate Risk Management Committee, which comprises executive general managers of each division and general managers of each organization that report directly to the president, and the committee meets regularly. In April 2021, we revamped and strengthened our structure for promoting sustainability activities. We redefined the committee's purpose as "ascertaining business risks and opportunities, formulating policies to address them, and incorporating them into the organization and verifying them." The committee evaluates and analyzes various risks, including items related to sustainability, based mainly on the issues recognized by committee members and the results of risks identified annually by managers and others. Results are reported on a quarterly basis to the Sustainability Committee for instructions on actions to be taken.

Risk Management System



Capital Tie-Up Shares

The Company views the establishment and maintenance of stable, long-term relationships with business partners as a matter of importance. For this reason, shares of business partners are held strategically based on a comprehensive evaluation of factors such as the Company's business relationship with the partner in question. The Company only acquires such shares when increasing trust and coordination with the business partner is judged as an effective means of mutually raising corporate value. Every February or March, the Board of Directors reviews the appropriateness of holding all capital tie-up shares, taking into consideration the necessity of business relationships and other factors for each individual issue. On shareholdings for which the rationale for holding cannot be confirmed, we proceed with actions such as downsizing our holdings, based on dialogue with the issuing company. In exercising voting rights, in regard to proposals made by business partners, the Company comprehensively considers whether or not a proposal will contribute to improved shareholder value.

Number of Issues of Capital Tie-Up Shares and Amount Recorded on Balance Sheet

	Number of issues (issues)	Total amount recorded on balance sheet (Millions of yen)
Unlisted shares	13	83
Shares other than unlisted shares	23	1,921

Takeover Defense Measures

The Company has not introduced takeover defense measures. However, in regard to persons who are engaging in or aim to engage in a large-scale purchase of the Company's stock, the Company will act from the perspective of securing its corporate value and the common interests of its shareholders. From that perspective, the Company will request that persons who are engaging in or aim to engage in a large-scale purchase provide necessary and sufficient information to allow the shareholders to appropriately determine the pros and cons of the large-scale purchase in accordance with relevant laws and regulations. At the same time, the Company will disclose the opinions of the Board of Directors and endeavor to secure the necessary time and information for the shareholders to consider such large-scale purchase. Further, if it is rationally judged that there is a risk of damage to the Company's corporate value and the common interests of shareholders unless timely defensive measures are implemented to address a largescale purchase, the Company will endeavor to secure its corporate value and the common interests of its shareholders, as an obvious obligation of the Board of Directors entrusted with management of the Company by its shareholders, by promptly deciding the content of the concrete measures deemed most appropriate at the time in accordance with the relevant laws and regulations and executing such measures.

Please see the investor relations section of our website for further details on corporate governance.  
[www.lintec-global.com/ir/management/governance.html](http://www.lintec-global.com/ir/management/governance.html)



# Messages from Independent Outside Directors

As part of its ongoing efforts to reinforce corporate governance, the Company maintains the ratio of independent outside directors on its Board of Directors at one-third. At the General Meeting of Shareholders in June 2023, Satoshi Ohoka, Akiko Okushima, Kanako Osawa, and Shigeru Sugimoto were reappointed as outside directors. We asked them, including Mr. Sugimoto, who was newly appointed to the Audit & Supervisory Committee, to evaluate the Company's management and governance and talk about the initiatives they expect from the Company to improve in this regard, as well as to share their thoughts about their roles.



**Shigeru Sugimoto**  
Outside Director /  
Audit & Supervisory  
Committee Member

## I would like to help the Company improve its market reputation by offering appropriate advice on management strategies.

At the Company's management meetings, detailed numerical data is reported for each location and business, and I feel there is active discussion on the current status of capital costs and profitability, and on how to achieve our goals. The Company has increased opportunities for self-study, including officer training, and engages in initiatives that demonstrate a proactive stance toward sustainability.

As a certified public accountant, I offer advice on corporate acquisitions and restructuring deals, particularly with respect to the appropriate valuation of target companies. In addition, I have sought to use my knowledge of corporate accounting and tax law to guide discussions concerning cost accounting, the setting of key performance indicators, performance-based compensation, and other issues. To enhance corporate value, the Company must optimize its business portfolio and allocate management resources toward capital expenditures, R&D expenses, and investments in human resources. I hope to continue contributing to the Company's efforts to achieve steady growth through appropriate risk-taking.

I believe the Company's excellent management strategies have yet to be fully reflected in its stock market valuation; we may thus need to engage more proactively to communicate information engage in dialogue with shareholders and investors. I also intend to help overcome this issue by providing advice on management strategies from a financial perspective.

## I give the Company high marks for providing more opportunities for participation in management and enhanced discussions at meetings of the Board of Directors.

I am entering my 12th year as an outside director of the Company. During my tenure, the Company has promoted efforts to reinforce its governance structure by reducing the number of directors and increasing the number of independent outside directors on the Board. In addition to meetings of the Board of Directors, outside directors now have many opportunities to participate in meetings and committees, including management meetings, the Nomination and Compensation Committee, the Sustainability Committee, and the Internal Control Committee, allowing us to actively contribute to the management of the Company. To complement the discussions held by the Board of Directors on significant topics such as M&A deals, the Company has established the Business Deliberation Council. This body has proven to be highly effective in ensuring sufficient deliberation takes place.

To enhance the corporate value of the Company—a manufacturer that supports society in a wide range of industries—I think LINTEC needs to hone its strengths. Specifically, I hope to see the Company further reinforce its corporate structure through innovation and work actively to create new products and businesses. Leveraging my understanding of policy finance and experience as an outside director of other companies, I look forward to contributing toward the Company's development.

**Satoshi Ohoka**  
Outside Director



## I hope to contribute to operational reforms and enhanced corporate value by leveraging IT.

At meetings of the Board of Directors, information is shared appropriately, and outside directors are encouraged to offer opinions. This creates an atmosphere conducive to easily asking questions. I also appreciate that the Board of Directors is using a PDCA cycle to enhance its effectiveness. Joining the Sustainability Committee has helped me understand the environmental, social, and governance (ESG) issues the Company faces, as well as the improvement efforts that are underway. My impression is that the Company is working proactively on this front, such as by introducing a retirement age of 65, promoting teleworking during the COVID-19 pandemic, and implementing work-style reforms.

Utilizing customer purchasing data for marketing purposes is my forte, so I have focused on providing insight on how the Company might take advantage of digital transformation (DX), while also speaking from the perspective of the end consumer. I have shared examples from the retail industry and consumer goods manufacturers to illustrate these points. Despite an operating environment that is currently challenging due to high raw material and fuel prices and a downturn in the electronics market, I believe now is the time to demonstrate the true value of LINTEC SUSTAINABILITY VISION 2030 (LSV 2030). I hope to help enhance corporate value by leveraging my expertise, using IT to transform business processes, and building strong customer relationships, taking the entire supply chain into consideration.

**Akiko Okushima**  
Outside Director



## I aim to use my knowledge of the legal profession to meet the Company's expectations.

The Company works to ensure that the agenda is designed to allow for deliberation based on knowledge of background circumstances, by providing outside directors with advance copies of Board of Directors' meeting materials, by establishing the Business Deliberation Council, and by holding monthly management meetings where department heads gather to provide analyses of their businesses. In both cases, I think outside directors' questions are answered in good faith. The system thus seems to be functioning well. We believe outside directors could provide even more value by taking part in business planning and deliberations about the product portfolio.

With society changing at a dizzying pace, management teams often find themselves having to make quick decisions in response to challenging problems. Moreover, companies' sense of responsibility is growing with regard to the need to more effectively address environmental considerations and other social needs. LINTEC shows its respect for outside directors' opinions when making a variety of decisions, and this encourages me to meet the Company's expectations. Going forward, I intend to use my expertise as an attorney to enhance the Board of Directors' effectiveness and strengthen its oversight function.

**Kanako Osawa**  
Outside Director /  
Audit & Supervisory  
Committee Member



<b>Satoshi Ohoka</b>	In 1975, joined the former Japan Development Bank. Worked in guidance policy finance, including as deputy director general of the now Development Bank of Japan. In addition, has worked in such positions as professor at Nihon University and has engaged in educational research at a number of universities. Became an outside director of the Company in 2012 and an outside director (Audit & Supervisory Committee member) in 2015. Since 2018, has worked concurrently as chair of the Company's Corporate Governance Committee (now the Nomination and Compensation Committee). Reappointed as outside director of the Company in 2023.
<b>Akiko Okushima</b>	Joined IBM Japan Ltd. in 1981. Subsequently worked in data-driven marketing and consulting operations, including positions at foreign IT companies. In 2001, established JBtoB CO., LTD., becoming representative director and president (current position). In 2020, became an outside director at LINTEC. In 2021, joined the Company's Nomination and Compensation Committee.
<b>Kanako Osawa</b>	Certified as an attorney and joined Kajitani Law Offices in 1998. Admitted to practice law in the State of New York, U.S., in 2005. Involved in corporate law in Japan and overseas. Became an outside director of the Company (Audit & Supervisory Committee member) in 2015. Since 2018, has worked concurrently as a member of the Company's Corporate Governance Committee (now the Nomination and Compensation Committee).
<b>Shigeru Sugimoto</b>	Joined Housing and Urban Development Corporation (currently Urban Renaissance Agency) in 1982. Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) in 1985. Established Sakura & Co. (currently Crowe Sakura & Co.) in 1988. Provides consulting services as a certified public accountant for M&A and business restructuring and reorganization. Was appointed as an outside director of the Company in 2021 and also became a member of the Nomination and Compensation Committee. In 2023, was appointed an outside director of the Company (Audit & Supervisory Committee member).

## Corporate Officers (As of June 22, 2023)

### Representative Director, Chairman and CEO

**Akihiko Ouchi** (Date of Birth: Jan. 2, 1945)



Mar. 1967 Joined the Company  
Apr. 1994 Manager, Nagoya Branch Office  
Jun. 2000 Director, Plant Manager, Tatsuno Plant, Production Div.  
Jun. 2004 Representative Director, President  
Apr. 2014 Representative Director, Chairman and CEO (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Director, Senior Managing Executive Officer

**Tsunetoshi Mochizuki** (Date of Birth: May 12, 1958)



Jan. 1983 Joined the Company  
Jun. 2011 Executive Officer, Executive General Manager, General Affairs & Human Resources Div., General Manager, General Affairs & Legal Dept. and Human Resources Dept.  
Jun. 2015 Director, Managing Executive Officer, Executive General Manager, General Affairs & Human Resources Div.  
Apr. 2020 Director, Senior Managing Executive Officer, Executive General Manager, General Affairs & Human Resources Div. (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Director, Managing Executive Officer

**Yoichi Shibano** (Date of Birth: Nov. 14, 1963)



Apr. 1987 Joined the Company  
Mar. 2015 Director, LINTEC ASIA PACIFIC REGIONAL HEADQUARTERS PRIVATE LIMITED (seconded)  
Apr. 2018 Executive Officer, Executive General Manager, Administration Div., and General Manager, Finance & Accounting Dept.  
Apr. 2021 Senior Executive Officer, Executive General Manager, Administration Div., and General Manager, Finance & Accounting Dept.  
Jun. 2021 Director, Senior Executive Officer, Executive General Manager, Administration Div., and General Manager, Finance & Accounting Dept.  
Jun. 2023 Director, Managing Executive Officer, Executive General Manager, Administration Div. (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Outside Director

**Akira Sebe** (Date of Birth: Dec. 12, 1965)



Apr. 1988 Joined Jujo Paper Co., Ltd.  
Jun. 2020 Executive Officer, Raw Material & Purchasing Div., Nippon Paper Industries Co., Ltd.  
Jun. 2021 Outside Director of the Company (current position)  
Jun. 2021 Executive Officer, General Manager, Corporate Planning Div., in charge of Subsidiaries and Affiliated Companies and International Business Div., Nippon Paper Industries Co., Ltd. (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Representative Director, President, CEO and COO

**Makoto Hattori** (Date of Birth: Oct. 12, 1957)



Apr. 1980 Joined the Company  
Apr. 2014 Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.  
Jun. 2015 Director, Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.  
Apr. 2017 Director, Managing Executive Officer, Executive General Manager, Business Administration Div.  
Apr. 2020 Representative Director, President, CEO and COO (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Director, Senior Managing Executive Officer

**Takeshi Kaiya** (Date of Birth: Nov. 19, 1961)



Apr. 1984 Joined the Company  
Apr. 2017 Executive Officer, Executive General Manager, Advanced Materials Operations, Business Administration Div.  
Apr. 2020 Managing Executive Officer, Executive General Manager, Business Administration Div.  
Jun. 2020 Director, Managing Executive Officer, Executive General Manager, Business Administration Div.  
Apr. 2023 Director, Senior Managing Executive Officer, Executive General Manager, Business Administration Div. (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Director, Managing Executive Officer

**Hiroyuki Matsuo** (Date of Birth: Mar. 7, 1960)



Apr. 1982 Joined the Company  
Apr. 2014 President, LINTEC KOREA, INC. (seconded)  
Apr. 2017 Executive Officer, Plant Manager, Agatsuma Plant, Production Div.  
Oct. 2022 Executive Officer, Deputy Executive General Manager, Production Div.  
Apr. 2023 Managing Executive Officer, Executive General Manager, Production Div., and in charge of Quality Assurance Div. and Environment & Safety Div.  
Jun. 2023 Director, Managing Executive Officer, Executive General Manager, Production Div., and in charge of Quality Assurance Div. and Environment & Safety Div. (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Outside Director

**Satoshi Ohoka** (Date of Birth: Apr. 24, 1951) Independent Director



Apr. 1975 Joined Japan Development Bank (currently Development Bank of Japan)  
Apr. 2003 Professor, Nihon University, Advanced Research Institute for the Sciences and Humanities; Lecturer, Chuo University, Graduate School of Commerce  
Jun. 2006 Outside Director, Ryobi Limited (current position)  
Jun. 2012 Outside Director of the Company  
Jun. 2015 Outside Director / Audit & Supervisory Committee Member of the Company  
Jun. 2023 Outside Director of the Company (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Outside Director

**Akiko Okushima** (Date of Birth: Feb. 1, 1958) Independent Director



Apr. 1981 Joined IBM Japan, Ltd.  
Mar. 2001 Representative Director and President, JBtoB CO., LTD. (current position)  
Jun. 2020 Outside Director of the Company (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

### Outside Director / Audit & Supervisory Committee Member

**Kanako Osawa** (Date of Birth: Dec. 22, 1970) Independent Director



Apr. 1998 Certified as an Attorney, joined Kajitani Law Offices (to present)  
Oct. 2005 Admitted to practice law in the State of New York, U.S.  
Jun. 2015 Outside Director / Audit & Supervisory Committee Member of the Company (current position)  
Jun. 2021 Outside Director, TPR Co., Ltd. (current position)  
Mar. 2022 Outside Audit & Supervisory Board Member, Otsuka Holdings Co., Ltd. (current position)  
Jun. 2022 Outside Audit & Supervisory Board Member, Toshiba Tec Corporation (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

**Attendance at the meetings of the Audit & Supervisory Committee:**  
13/13 meetings (FY2023)

### Director / Audit & Supervisory Committee Member

**Masaaki Kimura** (Date of Birth: Oct. 9, 1961)



Mar. 1988 Joined the Company  
Apr. 2006 General Manager, Audit Office  
Oct. 2012 General Manager, General Affairs & Legal Dept., General Affairs & Human Resources Div.  
Apr. 2021 Chief Project Manager, General Affairs & Human Resources Div.  
Jun. 2021 Director / Audit & Supervisory Committee Member of the Company (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

**Attendance at the meetings of the Audit & Supervisory Committee:**  
13/13 meetings (FY2023)

### Outside Director / Audit & Supervisory Committee Member

**Shigeru Sugimoto** (Date of Birth: Oct. 12, 1958) Independent Director



Apr. 1982 Joined Housing and Urban Development Corporation (currently Urban Renaissance Agency)  
Jul. 1988 Representative, Sakura & Co. (currently Crowe Sakura & Co.) (current position)  
Feb. 1989 Registered as a Certified Public Accountant  
Dec. 1995 Representative Member, Sakura Audit Corporation (currently Sakura LLC)  
Jun. 2021 Outside Director of the Company (current position)  
Jul. 2021 Representative, Sakura & Co. (current position)  
Jun. 2023 Director / Audit & Supervisory Committee Member of the Company (current position)

**Attendance at the meetings of the Board of Directors:**  
14/14 meetings (FY2023)

**Attendance at the meetings of the Audit & Supervisory Committee:**  
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## Managing Executive Officers

### Tatsuya Tsukida

Executive General Manager, Procurement Div.

### Toshimi Sugaya

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Converted Products Operations

### Masaaki Yoshitake

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Printing & Variable Information Products Operations

### Kinya Mochida

Deputy Executive General Manager, Business Administration Div. and Executive General Manager, Advanced Materials Operations, and General Manager, Business Planning Dept.

### Yoshihisa Mineura

Executive General Manager, Research & Development Div.

## Executive Officers

### Naoshi Nishikado

General Manager, Corporate Strategic Office

### Satoru Shoshi

Executive General Manager, Optical Products Operations, Business Administration Div.

### Hideo Senoo

Deputy Executive General Manager, Research & Development Div. and General Manager, Research Center

### Hideki Miyake

Executive General Manager, Industrial & Material Operations, Business Administration Div.

### Naoki Yamamoto

Plant Manager, Kumagaya Plant, Production Div.

### Satoshi Aoki

Executive General Manager, Fine & Specialty Paper Products Operations, Business Administration Div.

### Hideki Numazawa

Plant Manager, Agatsuma Plant, Production Div.

### Hidetaka Kawakami

Plant Manager, Tatsuno Plant, Production Div.

### Daisuke Kii

Plant Manager, Mishima Plant, Production Div.

### Keita Kimura

Executive General Manager, Osaka Branch Office, Business Administration Div., in charge of Western Japan

## External Evaluations

### Inclusion in ESG Indexes

We have been selected as a constituent of the ESG index adopted by Japan's Government Pension Investment Fund (GPIF) (as of September 30, 2023).

#### FTSE Blossom Japan Sector Relative Index



**FTSE Blossom  
Japan Sector  
Relative Index**

This index, which is prepared by FTSE Russell of the U.K., includes Japanese companies selected for superior ESG performance.

#### S&P/JPX Carbon Efficient Index



Prepared by S&P Dow Jones Indices of the U.S. and the Japan Exchange Group, this index is made up of companies that excel in environmental information disclosure and carbon efficiency.

#### MSCI Japan Empowering Women (WIN) Select Index

**2023 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)**

This index, created by MSCI of the U.S., selects companies for outstanding gender diversity.

#### MSCI Japan ESG Select Leaders Index

**2023 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX**

Compiled by MSCI of the U.S., this index selects companies for superior ESG performance.

THE INCLUSION OF LINTEC Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF LINTEC Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

#### Morningstar Japan ex-REIT Gender Diversity Tilt Index

**MORNINGSTAR GenDi J**

Japan ex-REIT Gender Diversity  
Tilt Index

TOP CONSTITUENT 2023

Companies selected by Morningstar of the U.S. that stand out for their gender diversity initiatives.

#### Ratings

Long-term bonds	Rating and Investment Information, Inc. (R&I): A
	Japan Credit Rating Agency, Ltd. (JCR): A+
Short-term bonds	R&I: a-1
	JCR: J-1

#### Website Awards

- Daiwa Investor Relations Co., Ltd.

2022 Internet IR Awards

Excellence Award



- Nikko Investor Relations Co., Ltd.

Fiscal 2022 All Japanese Listed Companies'

Website Ranking

AAA Website (Overall Ranking)

- BroadBand Security, Inc.

Gomez IR Site Ranking 2022

Gold Prize (23rd)

Gomez ESG Site Ranking 2022

Excellent Company (36th)



# Financial and Other Information

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## Financial Summary

LINTEC Corporation and its consolidated subsidiaries  
Years ended March 31

Millions of yen, except per share data, number of shares, and number of employees

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>For the year:</b>										
Net sales	¥284,603	¥256,836	¥235,902	¥240,727	¥250,942	¥249,030	¥205,975	¥210,501	¥207,255	¥203,242
Operating income	13,796	21,584	17,030	15,440	17,977	20,095	16,595	17,692	16,881	13,766
% of net sales	4.8%	8.4%	7.2%	6.4%	7.2%	8.1%	8.1%	8.4%	8.1%	6.8%
Profit before income taxes	15,862	23,230	16,635	13,939	18,338	16,666	15,398	16,799	17,555	12,883
Profit attributable to owners of parent	11,512	16,641	11,407	9,620	12,937	11,257	11,450	10,899	11,659	8,501
Return on equity	5.3%	8.2%	5.9%	5.0%	6.9%	6.2%	6.6%	6.4%	7.2%	5.8%
Return on assets	5.1%	7.8%	6.0%	5.1%	6.2%	6.5%	6.1%	7.4%	7.8%	6.0%
Per share data (yen):										
Net income	¥ 167.85	¥ 232.12	¥ 157.81	¥ 133.20	¥ 179.24	¥ 156.02	¥ 158.69	¥ 151.07	¥ 161.63	¥ 114.22
Net assets	3,311.24	2,996.21	2,722.89	2,653.80	2,625.54	2,573.69	2,465.43	2,370.49	2,363.81	2,100.87
Cash dividends	88.00	88.00	78.00	78.00	78.00	66.00	66.00	54.00	48.00	42.00
Depreciation and amortization	¥ 11,145	¥ 9,895	¥ 9,361	¥ 9,491	¥ 8,700	¥ 9,031	¥ 7,466	¥ 8,800	¥ 8,713	¥10,055
Purchase of property, plant and equipment	(12,549)	(8,522)	(8,997)	(12,443)	(10,768)	(8,084)	(13,049)	(9,810)	(6,299)	(5,508)
Net cash provided by operating activities	5,936	24,642	28,824	18,501	22,858	26,819	24,361	19,928	15,485	16,309
Net cash used in investing activities	(12,138)	(19,644)	(8,612)	(13,818)	(10,299)	(7,532)	(48,378)	(9,898)	(5,104)	(6,952)
Net cash provided by (used in) financing activities	(12,775)	(14,455)	(14,129)	(10,284)	(8,246)	(6,363)	5,257	(4,044)	(3,135)	(8,020)
<b>At year-end:</b>										
Current assets	¥171,936	¥182,224	¥170,098	¥163,660	¥175,597	¥173,593	¥151,449	¥163,647	¥163,017	¥149,396
Current liabilities	59,823	72,382	63,506	66,119	72,994	77,849	64,401	56,389	57,058	54,820
Working capital	112,112	109,842	106,592	97,541	102,603	95,744	87,048	107,258	105,958	94,575
Cash and cash equivalents	33,857	50,603	57,636	52,260	58,303	55,042	41,284	60,323	56,050	44,992
Property, plant and equipment, net	101,593	90,521	79,807	80,481	75,131	75,336	73,871	64,859	61,503	61,456
Long-term loans payable	—	1,468	2,546	2,285	11,622	14,395	17,795	—	—	—
% of shareholders' equity	—	0.7%	1.3%	1.2%	6.2%	8.0%	10.3%	—	—	—
Total assets	304,881	302,865	280,262	278,972	290,320	292,733	274,199	240,720	237,444	225,073
Net assets	227,150	209,758	197,350	192,298	190,226	186,420	178,690	172,101	171,674	152,610
% of total assets	74.2%	69.1%	70.2%	68.7%	65.3%	63.4%	64.9%	71.1%	71.8%	67.3%
Number of shares outstanding	76,688,740	76,659,440	76,630,740	76,600,940	76,576,340	76,564,240	76,564,240	76,564,240	76,564,240	76,564,240
Number of employees	5,418	5,158	4,913	4,948	4,888	4,794	4,760	4,246	4,413	4,223
<b>Segment information:</b>										
Net sales:										
Printing and Industrial Materials Products	¥173,324	¥132,421	¥115,745	¥122,436	¥122,935	¥121,691	¥85,661	¥87,638	¥86,764	¥86,271
Electronic and Optical Products	78,053	91,379	88,976	81,929	90,316	88,882	83,205	85,422	83,207	79,139
Paper and Converted Products	33,225	33,035	31,181	36,361	37,689	38,456	37,108	37,440	37,283	37,831
Segment income (loss):										
Printing and Industrial Materials Products	2,958	1,373	(239)	928	3,761	3,040	1,672	2,785	2,878	2,290
Electronic and Optical Products	12,463	19,176	15,067	10,981	11,150	11,972	9,155	10,562	10,071	6,846
Paper and Converted Products	(1,688)	971	2,138	3,502	2,970	4,996	5,767	4,303	3,996	4,645



## Consolidated Balance Sheet

LINTEC Corporation and its consolidated subsidiaries  
March 31, 2023 and 2022

	Millions of yen	
ASSETS	2023	2022
<b>Current assets:</b>		
Cash and deposits	¥ 38,032	¥ 55,416
Trade notes receivable	16,035	16,176
Trade accounts receivable	42,768	46,369
Inventories	67,250	52,709
Other	8,004	11,677
Allowance for doubtful accounts	(155)	(123)
Total current assets	171,936	182,224
<b>Non-current assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	93,387	86,897
Machinery, equipment and vehicles	152,318	142,578
Land	12,226	11,855
Construction in progress	6,515	4,129
Other	19,059	16,932
	283,506	262,394
Accumulated depreciation	(181,913)	(171,872)
Property, plant and equipment, net	101,593	90,521
<b>Intangible assets:</b>		
Goodwill	15,013	16,647
Other	2,694	1,974
Total intangible assets	17,708	18,622
<b>Investments and other assets:</b>		
Investment securities	2,342	2,116
Deferred tax assets	5,154	7,402
Net defined benefit asset	3,774	0
Other	2,464	2,070
Allowance for doubtful accounts	(91)	(93)
Total investments and other assets	13,643	11,496
Total non-current assets	132,945	120,640
<b>Total assets</b>	<b>¥ 304,881</b>	<b>¥ 302,865</b>

	Millions of yen	
LIABILITIES AND NET ASSETS	2023	2022
<b>Current liabilities:</b>		
Trade notes and accounts payable	¥ 36,980	¥ 44,309
Short-term loans payable	960	1,292
Current portion of long-term loans payable	1,602	1,346
Accrued income taxes	1,289	4,210
Provision for bonuses	2,523	2,640
Provision for directors' bonuses	54	72
Other	16,413	18,510
Total current liabilities	59,823	72,382
<b>Non-current liabilities:</b>		
Long-term loans payable	—	1,468
Provision for environmental measures	111	111
Net defined benefit liability	12,931	15,937
Other	4,863	3,207
Total non-current liabilities	17,906	20,724
Total liabilities	77,730	93,107
<b>Commitments and contingent liabilities</b>		
<b>Net assets:</b>		
<b>Shareholders' equity:</b>		
Common stock:		
Authorized: 300,000,000 shares in 2023 and 2022		
Issued: 76,688,740 shares in 2023 and 76,659,440 shares in 2022	23,355	23,320
Capital surplus	26,709	26,943
Retained earnings	171,325	166,242
Less: treasury stock, at cost:		
8,329,891 shares in 2023 and 6,833,643 shares in 2022	(17,663)	(14,118)
Total shareholders' equity	203,728	202,388
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gain on securities	463	301
Foreign currency translation adjustments	19,381	8,936
Remeasurements of defined benefit plans	2,779	(2,414)
Total accumulated other comprehensive income	22,624	6,823
<b>Share subscription rights</b>	83	93
<b>Non-controlling interests</b>	715	451
Total net assets	227,150	209,758
<b>Total liabilities and net assets</b>	<b>¥304,881</b>	<b>¥302,865</b>

## Consolidated Statement of Income

LINTEC Corporation and its consolidated subsidiaries  
Years ended March 31, 2023 and 2022

	Millions of yen	
	2023	2022
<b>Net sales</b>	<b>¥284,603</b>	¥256,836
<b>Cost of sales</b>	<b>221,428</b>	191,699
Gross profit	63,174	65,137
<b>Selling, general and administrative expenses</b>	<b>49,378</b>	43,553
Operating income	13,796	21,584
<b>Non-operating income:</b>		
Interest income	292	143
Dividend income	111	274
Rent income	33	22
Gain on sales of non-current assets	61	7
Insurance income	95	37
Foreign exchange gains	1,434	1,003
Subsidy income	83	20
Other income	422	375
Total non-operating income	2,533	1,884
<b>Non-operating expenses:</b>		
Interest expenses	116	110
Loss on sales of non-current assets	23	12
Loss on retirement of non-current assets	360	387
Compensation expenses	27	160
Other expenses	198	99
Total non-operating expenses	727	770
Ordinary income	15,602	22,698
<b>Extraordinary gain:</b>		
Gain on sale of shares of subsidiaries and associates	654	259
Gain on bargain purchase	—	282
Gain on sales of investment securities	—	13
Total extraordinary gain	654	555
<b>Extraordinary loss:</b>		
Impairment loss	347	—
Loss on valuation of investment securities	34	—
Loss on sales of non-current assets	12	—
Loss on valuation of shares of subsidiaries and associates	—	23
Total extraordinary loss	394	23
Profit before income taxes	15,862	23,230
<b>Income taxes:</b>		
Current	4,415	7,243
Deferred	(53)	(696)
Total income taxes	4,361	6,547
<b>Profit</b>	<b>11,501</b>	16,683
<b>Profit (loss) attributable to non-controlling interests</b>	<b>(11)</b>	41
<b>Profit attributable to owners of parent</b>	<b>¥ 11,512</b>	¥ 16,641

## Consolidated Statement of Comprehensive Income

LINTEC Corporation and its consolidated subsidiaries  
Years ended March 31, 2023 and 2022

	Millions of yen	
	2023	2022
Profit	¥11,501	¥16,683
Other comprehensive income		
Net unrealized holding gain on securities	161	(81)
Foreign currency translation adjustments	10,449	7,394
Remeasurements of defined benefit plans	5,195	519
Total other comprehensive income	15,806	7,832
Comprehensive income	¥27,307	¥24,515
(Comprehensive income attributable to:)		
Owners of parent	27,313	24,467
Non-controlling interests	(5)	48

## Consolidated Statement of Changes in Net Assets

LINTEC Corporation and its consolidated subsidiaries  
Years ended March 31, 2023 and 2022

	Thousands											Millions of yen	
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized holding gain on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share subscription rights	Non-controlling interests	Total net assets
<b>Balance as at April 1, 2021</b>	76,630	¥23,285	¥26,907	¥155,241	¥ (7,583)	¥197,850	¥382	¥ 1,547	¥ (2,932)	¥ (1,002)	¥ 99	¥403	¥197,350
Cumulative effects of changes in accounting policies				(0)		(0)							(0)
Restated balance		23,285	26,907	155,241	(7,583)	197,850	382	1,547	(2,932)	(1,002)	99	403	197,350
Changes during the year:													
Issuance of new shares	28	35	35			71							71
Cash dividends				(5,640)		(5,640)							(5,640)
Profit attributable to owners of parent				16,641		16,641							16,641
Purchase of treasury stock					(6,539)	(6,539)							(6,539)
Disposal of treasury stock			0		4	5							5
Capital increase of consolidated subsidiaries						—							—
Net changes in items other than shareholders' equity							(81)	7,389	518	7,826	(5)	48	7,869
Total changes during the year	28	35	36	11,001	(6,534)	4,538	(81)	7,389	518	7,826	(5)	48	12,407
<b>Balance as at March 31, 2022</b>	76,659	¥23,320	¥26,943	¥166,242	¥(14,118)	¥202,388	¥301	¥ 8,936	¥ (2,414)	¥ 6,823	¥ 93	¥451	¥209,758
Cumulative effects of changes in accounting policies						—							—
Restated balance		23,320	26,943	166,242	(14,118)	202,388	301	8,936	(2,414)	6,823	93	451	209,758
Changes during the year:													
Issuance of new shares	29	35	35			70							70
Cash dividends				(6,429)		(6,429)							(6,429)
Profit attributable to owners of parent				11,512		11,512							11,512
Purchase of treasury stock					(3,555)	(3,555)							(3,555)
Disposal of treasury stock			(0)		10	10							10
Capital increase of consolidated subsidiaries			(268)			(268)							(268)
Net changes in items other than shareholders' equity							161	10,444	5,193	15,800	(10)	263	16,053
Total changes during the year	29	35	(233)	5,083	(3,544)	1,339	161	10,444	5,193	15,800	(10)	263	17,392
<b>Balance as at March 31, 2023</b>	76,688	¥23,355	¥26,709	¥171,325	¥(17,663)	¥203,728	¥463	¥19,381	¥ 2,779	¥22,624	¥ 83	¥715	¥227,150

## Consolidated Statement of Cash Flows

LINTEC Corporation and its consolidated subsidiaries  
Years ended March 31, 2023 and 2022

	Millions of yen	
	2023	2022
<b>Cash flows from operating activities:</b>		
Profit before income taxes	¥ 15,862	¥ 23,230
Depreciation and amortization	11,145	9,895
Amortization of goodwill	3,745	3,200
Increase (decrease) in net defined benefit liability	187	525
Increase (decrease) in allowance for doubtful accounts	13	(11)
Interest and dividend income	(403)	(417)
Interest expenses	116	110
Loss (gain) on sales of non-current assets	(24)	4
Loss on retirement of non-current assets	147	193
Decrease (increase) in trade notes and accounts receivable	5,606	6,184
Decrease (increase) in inventories	(11,751)	(8,546)
Increase (decrease) in trade notes and accounts payable	(9,976)	(3,781)
Loss (gain) on sales of investment securities	(1)	(13)
Subsidy income	(83)	(20)
Loss (gain) on sale of shares of subsidiaries and associates	(654)	(259)
Gain on bargain purchase	—	(282)
Impairment loss	347	—
Loss (gain) on valuation of investment securities	34	—
Loss on valuation of shares of subsidiaries and associates	—	23
Other, net	(1,136)	829
Subtotal	13,175	30,866
Interest and dividend income received	381	415
Interest expenses paid	(122)	(118)
Subsidies received	83	20
Income taxes (paid) refund	(7,583)	(6,540)
Net cash provided by operating activities	5,936	24,642
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(8,707)	(9,906)
Proceeds from withdrawal of time deposits	9,713	9,520
Purchase of property, plant and equipment	(12,549)	(8,522)
Proceeds from sales of property, plant and equipment	79	17
Purchase of intangible assets	(1,179)	(210)
Purchase of investment securities	(55)	(14)
Proceeds from sales of investment securities	28	15
Proceeds from sale of shares of subsidiaries and associates	—	478
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(6,349)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	586	—
Payments for acquisition of businesses	(270)	(4,617)
Payments of loans receivable	(28)	(2)
Collection of loans receivable	12	9
Other, net	229	(60)
Net cash used in investing activities	(12,138)	(19,644)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	(462)	(331)
Repayments of long-term loans payable	(1,468)	(1,229)
Cash dividends paid	(6,426)	(5,642)
Purchase of treasury stock	(3,555)	(6,539)
Repayments of lease obligations	(862)	(713)
Other, net	0	0
Net cash provided by (used in) financing activities	(12,775)	(14,455)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2,231</b>	<b>2,425</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16,746)</b>	<b>(7,032)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>50,603</b>	<b>57,636</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥ 33,857</b>	<b>¥ 50,603</b>

## Corporate Information

### Head Office

23-23, Honcho, Itabashi-ku, Tokyo 173-0001, Japan  
Phone: +81-3-5248-7711  
Fax: +81-3-5248-7760  
URL: www.lintec-global.com

### Established

October 15, 1934

### Fiscal Year-End

March 31

### Common Stock (As of March 31, 2023)

¥23,355 million  
Authorized: 300,000,000 shares  
Issued: 76,688,740 shares

### Stock Listing

Tokyo Stock Exchange, Prime Market  
Securities Code: 7966

### Shareholder Register Agent for Common Stock

Mitsubishi UFJ Trust and Banking Corporation  
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

### Number of Employees (As of March 31, 2023)

5,418 (Consolidated)  
2,620 (Non-consolidated)

### Major Subsidiaries \* Consolidated subsidiary

#### Domestic

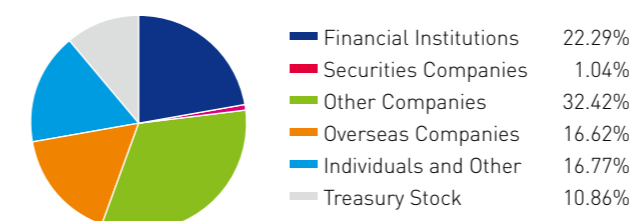
LINTEC COMMERCE, INC.\*  
LINTEC SIGN SYSTEM, INC.\*  
SHONAN LINTEC KAKO, INC.\*  
LINTEC SERVICES, INC.  
LINTEC CUSTOMER SERVICE, INC.  
TOKYO LINTEC KAKO, INC.

#### Overseas

LINTEC USA HOLDING, INC.\*  
LINTEC OF AMERICA, INC.\*  
MACTAC AMERICAS, LLC\*  
SPINNAKER PRESSURE SENSITIVE PRODUCTS LLC\*  
MADICO, INC.\*  
VDI, LLC\*  
LINTEC EUROPE B.V.\*  
LINTEC EUROPE (UK) LIMITED\*  
LINTEC ADVANCED TECHNOLOGIES (EUROPE) GMBH\*  
LINTEC (SUZHOU) TECH CORPORATION\*  
LINTEC PRINTING & TECHNOLOGY (TIANJIN) CORPORATION\*  
LINTEC ADVANCED TECHNOLOGIES (SHANGHAI), INC.\*  
LINTEC SPECIALITY FILMS (TAIWAN), INC.\*  
LINTEC HI-TECH (TAIWAN), INC.\*  
LINTEC ADVANCED TECHNOLOGIES (TAIWAN), INC.\*  
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.\*  
LINTEC VIETNAM CO., LTD.\*  
LINTEC HANOI VIETNAM CO., LTD.\*  
LINTEC ADVANCED TECHNOLOGIES (PHILIPPINES), INC.\*  
LINTEC PHILIPPINES (PEZA), INC.\*  
LINTEC INDIA PRIVATE LIMITED\*

## Investor Information (As of March 31, 2023)

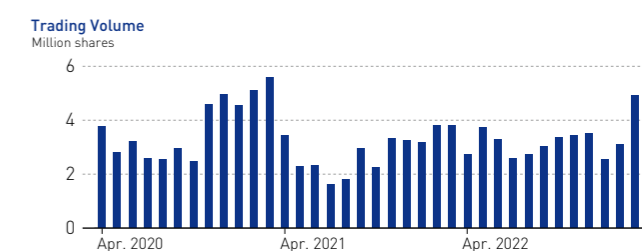
### Ownership and Distribution of Shares



### Major Shareholders (Top Five)

Nippon Paper Industries Co., Ltd.	31.14%
The Master Trust Bank of Japan, Ltd. (Trust Account)	9.69%
Custody Bank of Japan, Ltd. (Trust Account)	6.20%
National Mutual Insurance Federation of Agricultural Cooperatives	3.38%
Tamie Shoji	2.62%

### Share Price / Trading Volume





**LINTEC Corporation**

LINTEC Corporation  
23-23, Honcho, Itabashi-ku,  
Tokyo 173-0001, Japan  
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