



## Accumulation of daily operations leads to a sustainable future

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

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

**Makoto Hattori**

Representative Director, President, CEO and COO  
LINTEC Corporation

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

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

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

remote working.

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

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

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

# Long-term Vision

## LINTEC SUSTAINABILITY VISION 2030 (Abbreviation: LSV 2030)

### Basic Policy

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

### Key Initiatives

#### 1 Solve social issues

##### (1) Environment

- Help to shape a carbon-free world
  - Reduce CO<sub>2</sub> emissions (reduce by 50% or more by 2030 compared to FY2013)
- Contribute to achieving a recycling-oriented world
  - Expand recyclable products (build release paper recycling system, etc.)
  - Reduce water consumption and comply with wastewater quality standards
- Compatibility with the PRTR Act
  - Curb release of volatile organic compounds (VOC) into the atmosphere (zero by 2030)
- Contribute to biodiversity conservation

##### (2) Social

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

##### (3) Governance

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

##### (4) SDGs\*1

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

#### 2 Foster innovation to build a robust corporate structure

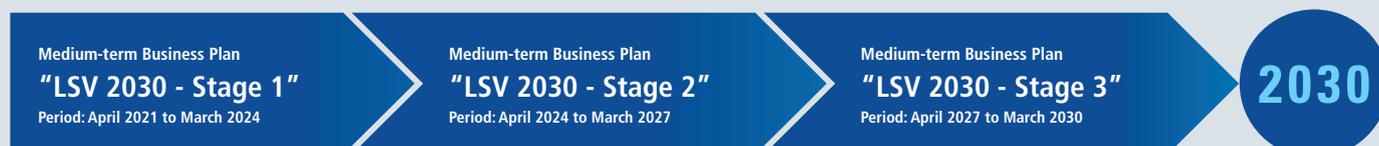
- (1) Transform business processes including design, development, manufacturing, and logistics through digital transformation (DX)<sup>\*2</sup>
- (2) Install new production equipment through scrap and build with the aim of conserving energy, raising quality, increasing efficiency, and reducing labor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

#### 3 Create new products and businesses to deliver sustainable growth

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

##### Financial indicators for the fiscal year ending March 31, 2030

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



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

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

To help to shape a carbon-free world, which is one of the important pillars for solving social issues, a key initiative of the long-term vision, we promoted initiatives for CO<sub>2</sub> emissions

#### LSV 2030 – Stage 1

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

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

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

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

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

## Guide to Action for the 129th Fiscal period

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

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

## Thinking on the run to get where we want to be

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

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

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

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

## Strengthening the sustainability management promotion system

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

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

Achieving a carbon-free world and a recycling-oriented world is a major theme. Stopping global warming and leaving a sound planet Earth to future generations is the primary responsibility that we as a company must fulfill. First of all, we will focus on contributing to achieving the SDGs by 2030 and practicing sustainable management based on ESG. In practice, this means we will make group-wide concerted efforts to reduce our CO<sub>2</sub> emissions by 50% or more by 2030 compared to the FY2013 level and achieve net zero by 2050.

### ■ Lintec Group's CO<sub>2</sub> emissions reduction target

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

## Building a foundation for sound management

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

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

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

## Evolving unique technologies to create new products and technologies

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

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

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

## Respecting others is the basis of diversity

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

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

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



\*1 TCFD: See page 14.