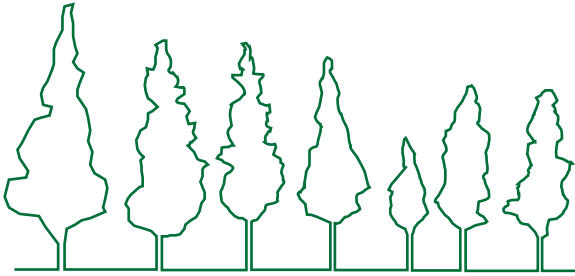


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Environmental Report



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Message from the President

Dynic Corporation promotes corporate activities covering the stages from development through to disposal of products, considering the environmental preservation at any time.

The corporate objective of Dynic is to color our day-to-day life *abundant and comfortable*.

All employees of Dynic always bear the basic environmental policy for ensuring a comfortable earth and are making efforts on a daily basis for environmentally friendly corporate activities while ensuring harmony with technologies. Our Shiga and Saitama Factories, which are our main factories, have acquired ISO 14001 certification, and they are promoting approaches for improvement of the environment and prevention of contamination. We are also proactively developing corporate activities that achieve unification of contributions to the environment and the growth of business by producing environmentally friendly products in addition to our activities for environmental preservation.

Furthermore, as part of our efforts for reducing the environmental burden by utilizing renewable energy, we are involved in the electric power selling business through photovoltaic power generation by utilizing the idle time of the Moka Factory. We at Dynic are certainly advancing step by step to our ideal goal.

To continue to be a trusted company in the future, all employees will enhance their efforts for the environmental programs in concert with the next generation, thereby promoting corporate activities to contribute to the preservation of the global environment.

To ensure further growth as a company that supports environmental preservation, we appreciate your honest opinions, guidance, and support.



Yoshio Oishi
President
Dynic Corporation

August 2014

Company Profile

Corporate Name	Dynic Corporation
Establishment	August 18, 1919
Capital	5,795,650,000 yen
Stock Listing	Listed on the first section of the Tokyo Stock Exchange
Amount of Sales	28.4 billion yen (41 billion yen including the Group companies) (As of March 31, 2014)
Employees	618 (1,494 including the Group companies) (As of March 31, 2014)
Head Office	Kyoto Head Office: 26 Daimon-cho, Nishikyogoku, Ukyo-ku, Kyoto 615-0812 Tel: +81-75-313-2111 Fax: +81-75-313-2116
	Tokyo Head Office: Shin Onarimon Bldg., 6-17-19, Shimbashi, Minato-ku, Tokyo 105-0004 TEL: +81-3-5402-1811 (main) FAX: +81-3-5402-3146
Branch	Sapporo, Sendai, Tokyo, Nagoya, Osaka, Fukuoka, Hong Kong, Taiwan, Singapore, U.S.A., Thailand, England, China (including the Group companies)
Factory	Shiga, Saitama, Oji, Fuji, Moka, Taiwan, Singapore, U.S.A., Thailand, England, China (including the Group companies)
Affiliated Company	Six companies in Japan; nine companies in other countries
Business Line	Book-binding cloth, cloth for printing/business purposes, decorative cloth for packages, cloth for magnetic passbooks, film-coated products, material for display labels, composite film, printer ribbon, business card printers, stationary paper goods, magnet-related products, moisture getter for organic EL, carpet, wallpapers, ceiling material, blinds, non-woven cloth/carpets for automotive interiors, filters, industrial tarpaulins, canvases, rainwear, industrial non-woven cloth, aluminum foil/lid material for container sealing, paper core/paper packaging, film processing for cataplasm, freshness-keeping agents for food, adhesive interlining, fancy products, transportation/storage of products, etc. (including products of Group companies).



Basic Environmental Policy

[Basic Environmental Policy of Dynic]

Dynic Corporation is aware the efforts toward environmental preservation are an important business challenge and believes it is the responsibility of the manufacturer to observe domestic and overseas laws and regulations related to the environment and provide products with less environmental burden to the markets. To implement the concept in a specific manner, we will thoroughly promote the following items in each of the stages, including development, material procurement, manufacturing, sales, distribution, and disposal.

- (1) We will reduce the environmental burden in all stages of our business activities throughout the life cycle of the products;
- (2) We will proactively make efforts to save energy and reduce waste, thereby preventing environmental contamination;
- (3) We will prevent risk caused by harmful chemical substances that damage the environment;
- (4) We will disclose information regarding our business activities related to the environment and proactively promote environment preservation activities, while acting in concert with local communities; and
- (5) We will implement education related to environmental preservation, thereby improving awareness of the environment.

Yoshio Oishi, President
Dynic Corporation

■ Efforts for Reducing Environmental Burden

We are introducing the manufacturing method that features less of an energy burden and implementing product design where resource saving and longer service life are taken into consideration; in addition, we consider materials that feature less of an environmental burden and materials that are easy to recycle from the design phase of the product. In the manufacturing phase, we make efforts to save energy and reduce waste in the manufacturing scene every day, thereby contributing to the reduction in the environmental burden. In the marketing phase, we propose environmentally friendly products that reduce the environmental burden at the customer by using the products, thereby making efforts to contribute to the environmental preservation of the earth.

■ Efforts for Countermeasures against Global Warming and Biodiversity Conservation

We are promoting countermeasures against global warming through our efforts for energy-saving activities throughout Dynic, thereby reducing emissions of carbon dioxide. In addition, regarding the biodiversity conservation, we are making efforts toward coexistence with the global environment through our activities toward risks, including countermeasures against global warming.



Activity Status 2013

●DBJ Environmental Responsibility Rating Ranked Up

In October 2013, Dynic Corporation acquired an upgraded rating for the approach to environmental consideration as advanced from the rating for 2012 in the environmental responsibility rating examination of the financing system for the Project to Promote Environmentally Friendly Management as executed by the Development Bank of Japan. The DBJ Environmental Responsibility Rating is a system where the degree of environmental management of a company is evaluated through a screening system (rating system) developed by DBJ to select excellent companies, and the conditions for financing are set out according to the scoring points.



We received the Environmental Rating Loan from the Development Bank of Japan (DBJ) in October 2013, and the result of rating was evaluated as advancing *the approach to environmental consideration*.



●Photovoltaic Power Generation System

We completed the photovoltaic power generation system by using the unused land of Moka Factory. We have been utilizing photovoltaic power generation, which has attracted attention in recent years as renewable energy. We adopted the system for the purpose of the power selling business based on the electric power purchase system instead of feeding the power within the company. Our efforts on the installation of the environmentally friendly photovoltaic power generation system are also attracting attention from the local community.



Activity Status 2013

●LED Illumination

We have been replacing the ceiling lights of our factories with LED lights from mercury lights and we are replacing the lights in the warehouses with LED lights. The LED lights illuminate the warehouse momentarily, thereby contributing to higher work efficiency.



●Sunlight Illumination

We introduced sunlight illumination for the showroom in the Shiga Factory. The sunlight illumination is a lighting system that takes in soft natural light by letting in sunlight from the roof and diffusing the light. The system also contributes to reductions in CO₂ because it does not use electric energy.



●Zero Waste Campaign

In Shiga Prefecture, cleaning is implemented throughout the prefecture on the day before or after May 30, which is stipulated as Environmental Cleanup Day (Zero Waste Day). Our Shiga Factory cooperates with the cleanup activities in the local Taga-cho area, and we are implementing environmental cleanup activities along Route 306, which runs next to the factory.



2013 Measures for Reducing Environmental Burden

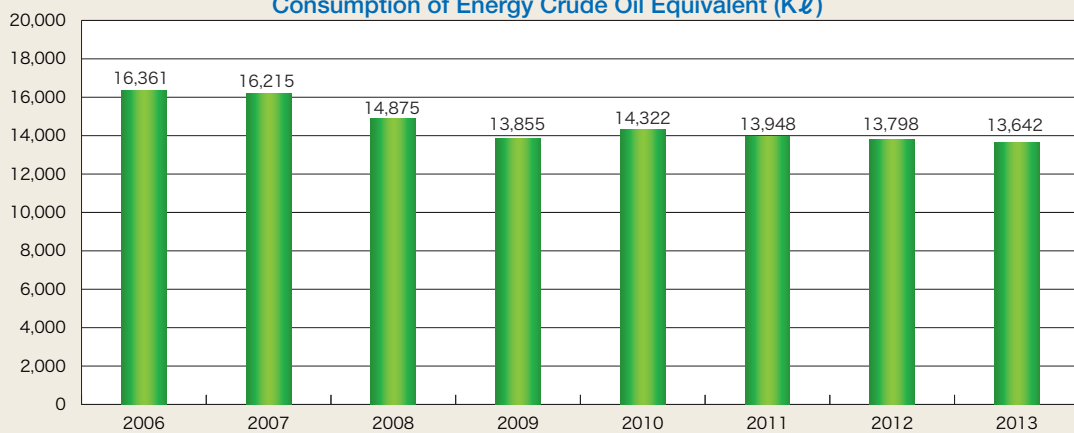


Measures for Global Warming/Energy Saving

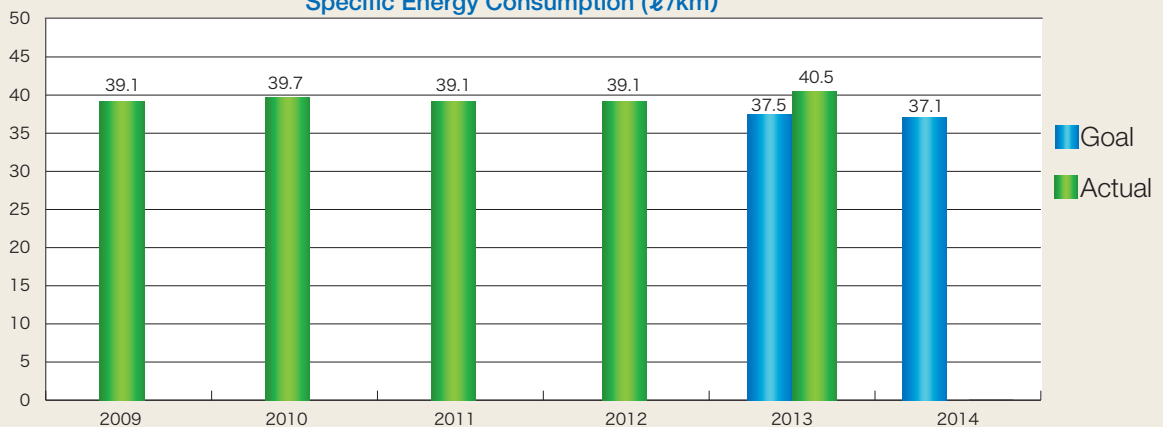
In our production activities, we create products by consuming energy. As a result, we emit CO₂, a global warming gas. With the goal of reduction in CO₂ emissions, we are making efforts to reduce the consumed energy in the production processes. We are developing our activities under the goal of reducing the gas by 1% every year as compared with 2009. As investments in energy-saving equipment, we have been implementing the replacement of ceiling lights (mercury lamps) of factories with LED lamps, change of transformers to the higher-efficiency type, change of air conditioners to the higher-efficiency type, change of compressors to the centralized type, and the change of lights in office buildings to LED lamps.

The actual performance in 2013 revealed worsening in terms of specific energy consumption and CO₂ emissions, and we could not achieve our goal. The reason is that the production of products that are highly affected by specific energy consumption decreased, thereby resulting in deterioration of energy efficiency. In 2014, we will implement measures for improving energy efficiency that corresponds to reduced production, and we will make further efforts toward achievement of the goal.

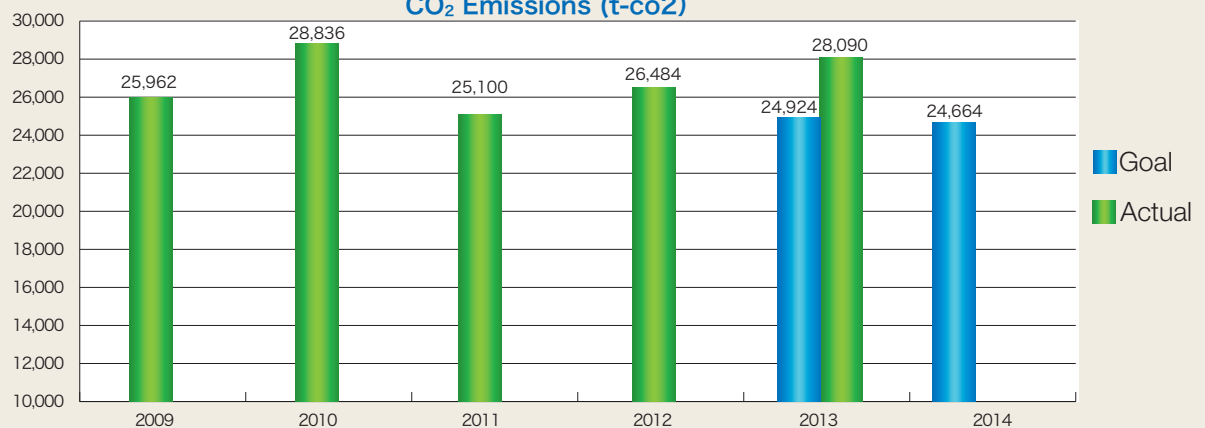
Consumption of Energy Crude Oil Equivalent (Kℓ)



Specific Energy Consumption (ℓ/km)



CO₂ Emissions (t-co2)

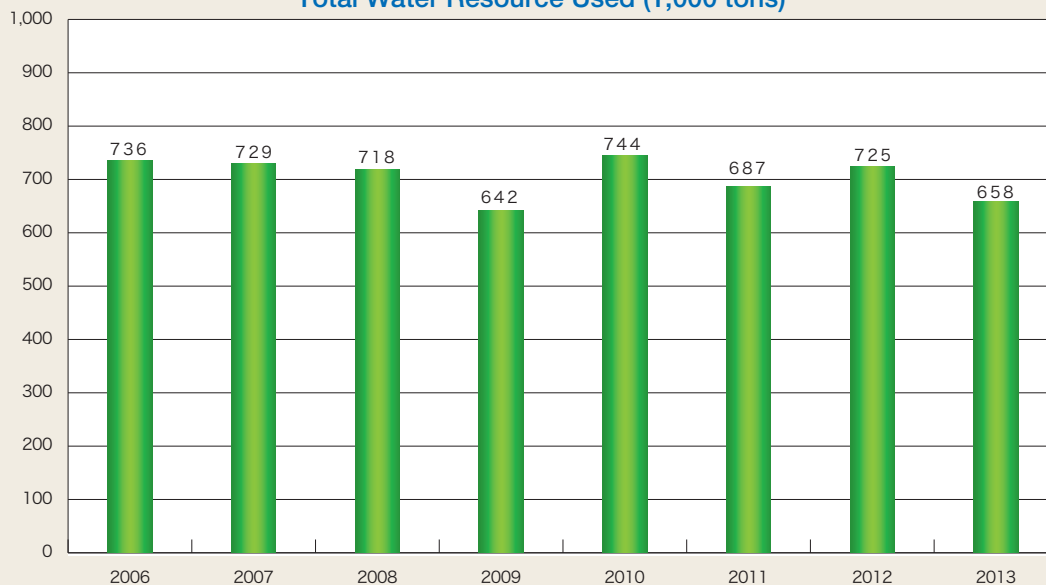


Resource Saving/ Waste Reduction

● Effective Utilization of Water Resources

We are also working on the effective utilization of water resources throughout Dynic. In the production processes, we have been working on reductions in total water resources used and total drainage water quantity by promoting recycling of cleaning water, cooling water, etc., used in the processes. In 2013, we succeeded in reducing about 10% of the total water resources used and total drainage water compared to 2006.

Total Water Resource Used (1,000 tons)



Total Drainage Water Quantity (1,000 tons)



● Reduction in Waste

We are working on the reduction of waste to protect the global environment. For our activities, we have been promoting reuse and recycling not only for the purpose of reducing the total quantity of waste, but also from the viewpoint of the effective utilization of resources. Regarding the total quantity of materials used, we could achieve a reduction of 4.4% from 37,129 tons in 2010 to 35,503 tons in 2013. Although the total quantity of waste was slightly on the uptrend in 2009 and thereafter, the final disposal quantity of waste has been reduced year by year as a result of promoting reuse and recycling, thus resulting in a reduction of 35% compared to 2006.

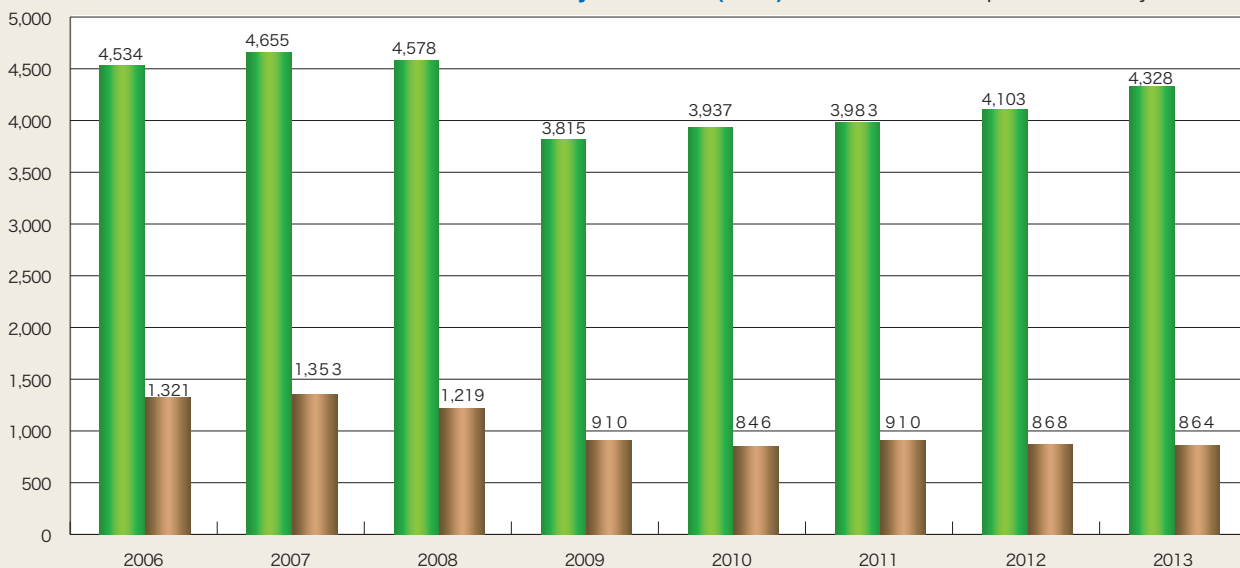
Total Quantity of Materials Used (tons)



■ Total Quantity of Waste

Quantity of Waste (tons)

■ Final Disposal Quantity of Waste



Reduction in Chemical Substance Release

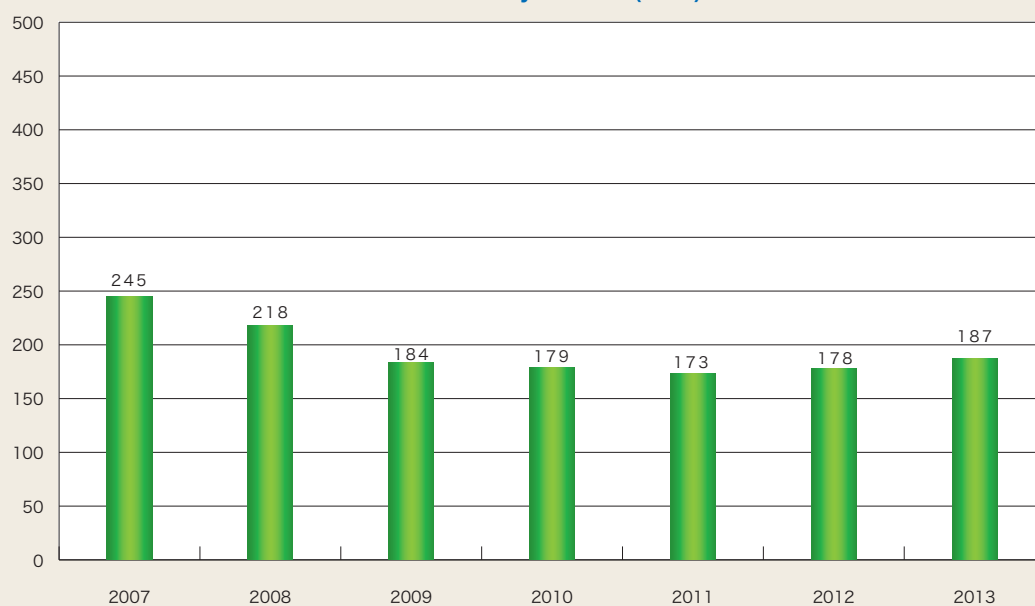
We have been reporting the quantity of release of chemical substances in use into the environment according to the PRTR system based on the Law concerning Pollutant Release and Transfer Register, and we are working on a reduction thereof.

The total emissions and the total quantity moved in 2013 increased from the achievements in 2012. The reason is the effect of increases in the quantity of solvents used because the volume of printed products increased. To reduce total emissions, we will introduce the incineration type of equipment in the future.

Total Emissions (tons)



Total Quantity Moved (tons)



Environment-Related Products

Dynic Corporation is working hard on the development of various products that contribute to the development of society and creation of a life of affluence. We believe the delivery of such new products to society will lead to the contribution to society through our business activities.

We define the concept *products with consideration for human health and global environment* as environment-related products.

[Products where raw materials with less environmental burden are used]

* No-vinyl-chloride Products

Paper blade, no-vinyl-chloride files, olefin cloth, paper bank transfer cards, EVA containers, etc.

* Products using recycled paper, recycled fiber, recycled resin

FSC certification paper cloth, toner cartridge recycling, recycled carpet, Eco Mark adhesive interlining, etc.

[Products that can reduce the environmental burden through the use]

* Products with an antibacterial effect, deodorizing effect and sound-proofing function are featured

Cloth for antibacterial bookbinding, antibacterial wrapping material, non-woven fabric deodorizing sheets, non-woven fabric sound proofing material, deodorizing/antibacterial wallpaper, etc.

* Products that are convenient for health and freshness-keeping of food

Water proof food packaging material, freshness-keeping agents of food, filter material for air purifiers, release film of cataplasm material, etc.

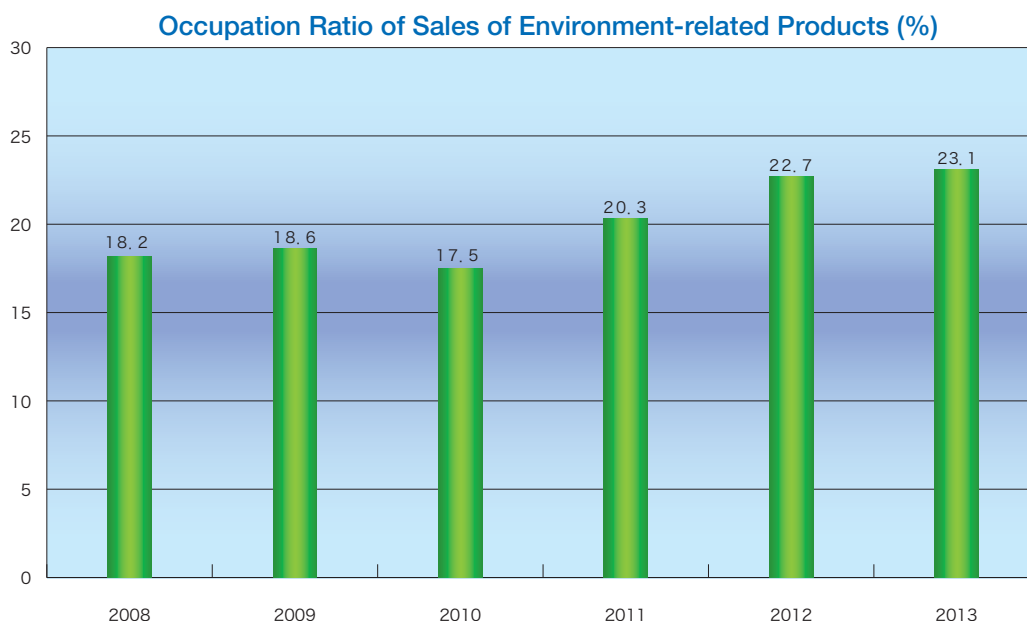
[Products that are incorporated as parts and contribute to reductions in the environmental burden]

* Products that are incorporated as electronic parts and contribute to energy saving

Drying agent for organic EL

* Parts that are convenient for shortening the manufacturing process

Hook-and-loop fastener material for fixing car seats



You can find the individual explanation of such environment-related products on our home page.

We have proactively developed the products with the keywords *contributing to society with environment-related products*. As a result, the ratio of environment-related products accounting for the sales of the company could be expanded year by year after 2010. Regarding 2013, we could expand the percentage by 0.4% compared to 2012.

Furthermore, we think we will contribute to society by enhancing the occupation ratio of environment-related products. We appreciate it if you would provide your opinions and requirements regarding our environment-related products.

Environmental Report 2014

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Issued on: August 12, 2014

