

Environmental Report

2016



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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 take care to follow the Environmental Basic Policy, which is established for directing us to a habitable earth, and are working hard every day on environmentally-friendly corporate activities in consideration of harmony between technologies and the environment.

We at Dynic promote energy saving and resource conservation by introducing heat pumps, exhaust heat recovery equipment, high efficiency transformers and LED illumination, and by expanding our environmental load reducing product line. Moreover, we actively address environmental conservation issues through CSR efforts, such as volunteering in satoyama conservation activities.

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.



A handwritten signature in black ink, which appears to read "Yoshio Oishi". The signature is fluid and cursive, extending to the right.

Yoshio Oishi
President
Dynic Corporation

August 2016

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	27.8billion yen (41 billion yen including the Group companies) (As of March 31, 2016)
Employees	599(1,402 including the Group companies) (As of March 31, 2016)
Head Office	Kyoto Head Office: 26 Daimon-cho, Nishikyogoku, Ukyo-ku, Kyoto 615-0812 Tel: +81-75-313-2111(main) 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, Singapore, U.S.A., Thailand, England, China (including the Group companies)
Factory	Shiga, Saitama, Oji, Fuji, Moka, 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



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 2015

●ASSET Subsidy Scheme

In FY 2015, we introduced energy-saving equipment into the Shiga Factory by leveraging the ASSET Subsidy Scheme (Advanced Technology Promotion Subsidy Scheme with Emission Reduction Targets). The Scheme provides financial support for efforts to introduce advanced, high efficiency low-carbon equipment, particularly to cost-effective projects. By introducing energy-saving equipment via this Scheme, we expect to reduce CO₂ emissions by 421t/year.

●Heat Pumps

In an effort to save energy in the drying process, we installed hot air generating heat pumps in our factories. The installation of heat pumps has allowed us to successfully reduce not only steam consumption by steam heaters in the drying process, but also power consumption by refrigeration equipment through a mechanism that enables the efficient use of heat obtained from water in refrigeration equipment.



●Exhaust Heat Recovery Equipment

The Shiga Factory newly installed air preheaters to enable heat - which had been released from heat medium boilers into the air - to be circulated and used for heating combustion air. This has resulted in a significant reduction in boiler fuel consumption .



Activity Status 2015

●High Efficiency Transformers

We upgraded the 750KVA transformers in the Saitama Factory to high efficiency transformers. Enhancing the efficiency of transformers has led to a significant reduction in power loss, CO₂ emissions, and operating noise.



●LED Illumination

The ceiling lights of the laminate building of the Moka Factory were upgraded from a mercury lighting system to an LED lighting system, which has achieved an 80% reduction in power consumption. Moreover, since LED lights can be lit instantaneously and repel bugs and insects, they have contributed to the enhancement of work efficiency and product quality.



Activity Status 2015

●Local Contribution

The Dynic Astropark Tenkyukan on the premises of the Shiga Factory conducts not only stargazing sessions at the Tenkyukan, but also traveling stargazing sessions for citizens by leveraging its astronomical telescope. It also holds “Stargazing Session for the Environment” in collaboration with Taga Town, which has attracted many visitors.



●Satoyama Preservation Activity

We participated in the Fallen Leaves Cleanup Campaign organized by the Honjo Waseda Research Park at Mt.Okubo on the Honjo Campus of Waseda University. Through this program, we experienced first-hand the effect of satoyama preservation activities, such as the regeneration of endangered plant species via regular fallen leaves clearing.



Photos by the Honjo Waseda Research Park.



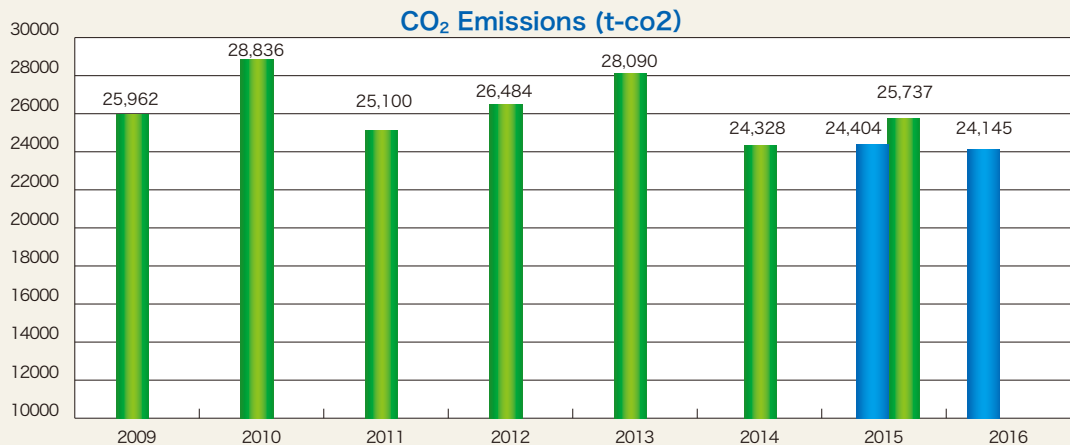
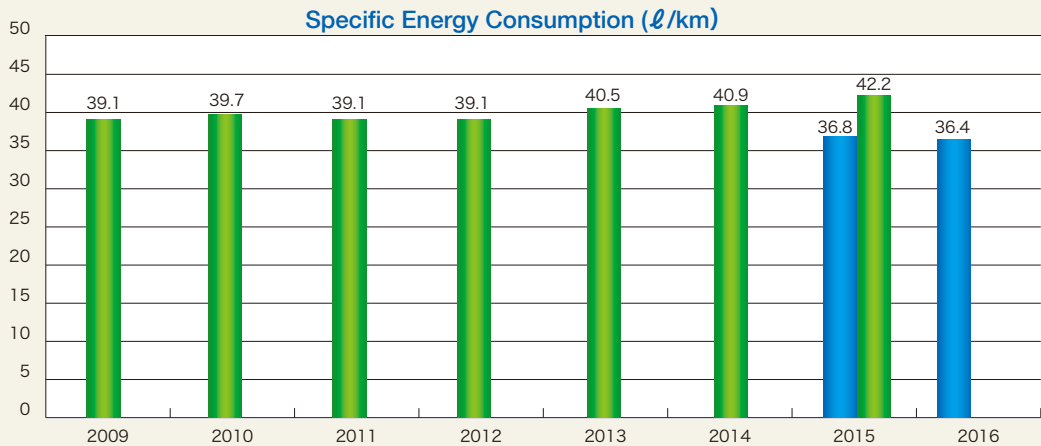
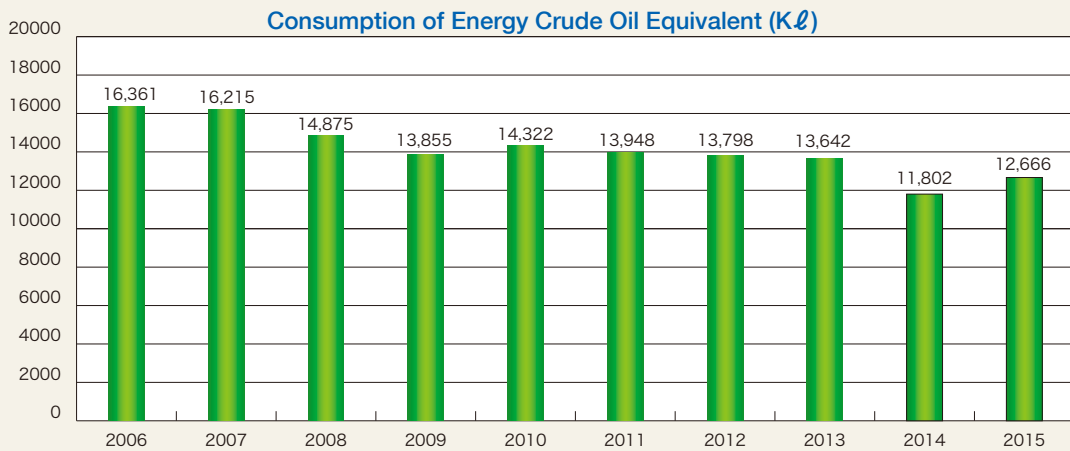
2015 Measures for Reducing Environmental Burden



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.

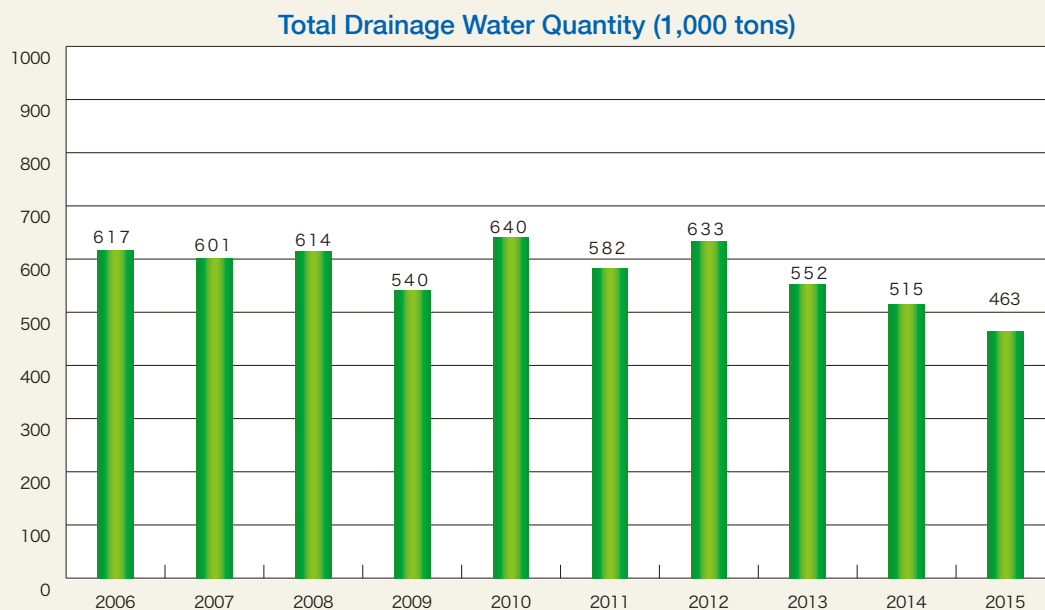
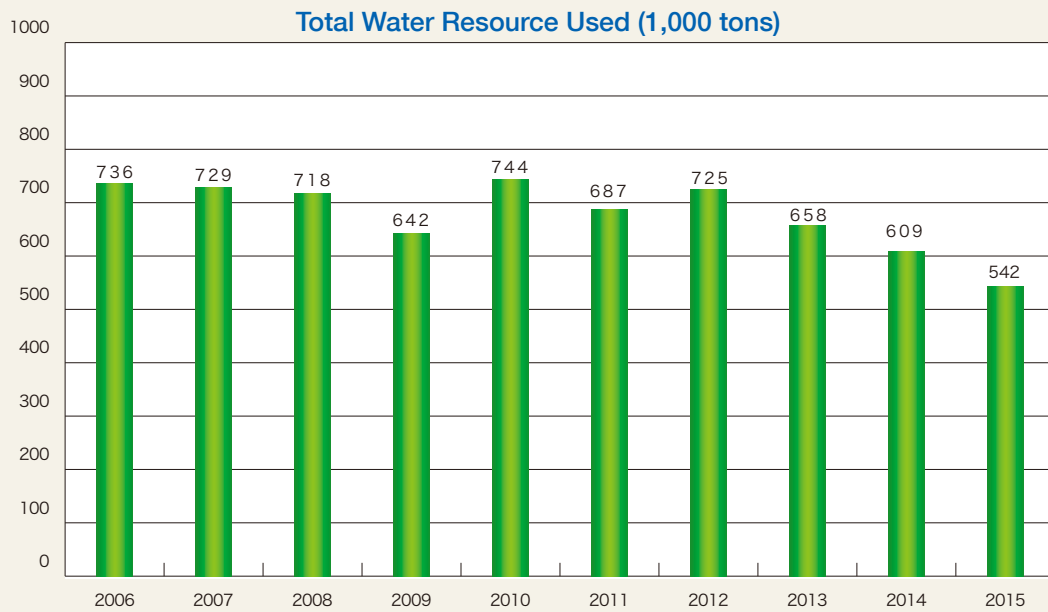
For the FY 2015 performance, the specific energy consumption increased, and we were unable to achieve our goal. Moreover, CO₂ emissions increased as our production increased, leading to a failure in meeting the emission reduction target. In FY 2016, we will continue our ongoing efforts to achieve our goals by further promoting the enhancement of energy efficiency and investment in energy-saving equipment.



Resource Saving/ Waste Reduction

● Effective Utilization of Water Resources

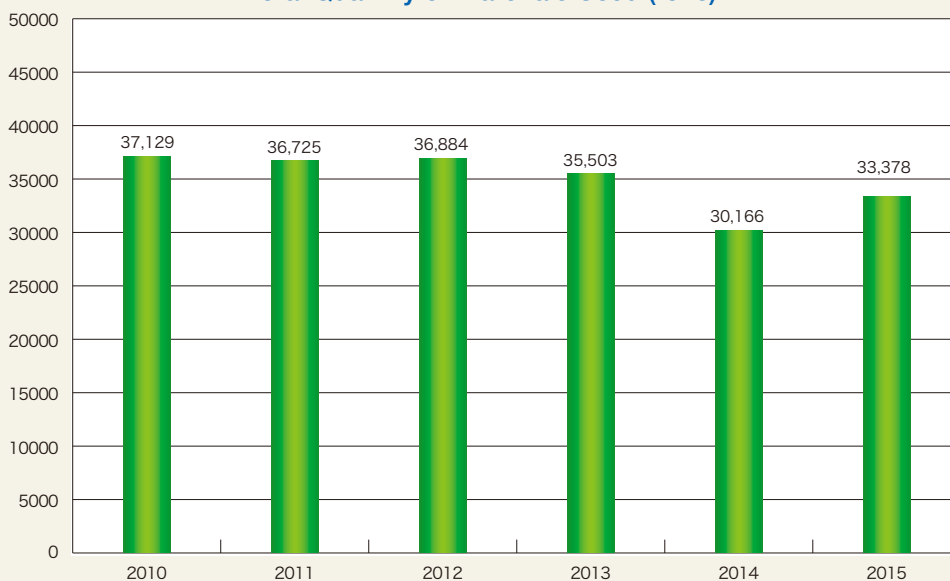
Dynic is promoting the effective utilization of water resources and the recycling of washing and cooling water used in the production process across the board. We have also worked to reduce water consumption by decreasing the total water input and the total drainage volume. Consequently, compared to FY 2006, we successfully reduced the total water input by about 26% and the total drainage volume by about 25% in FY 2015.



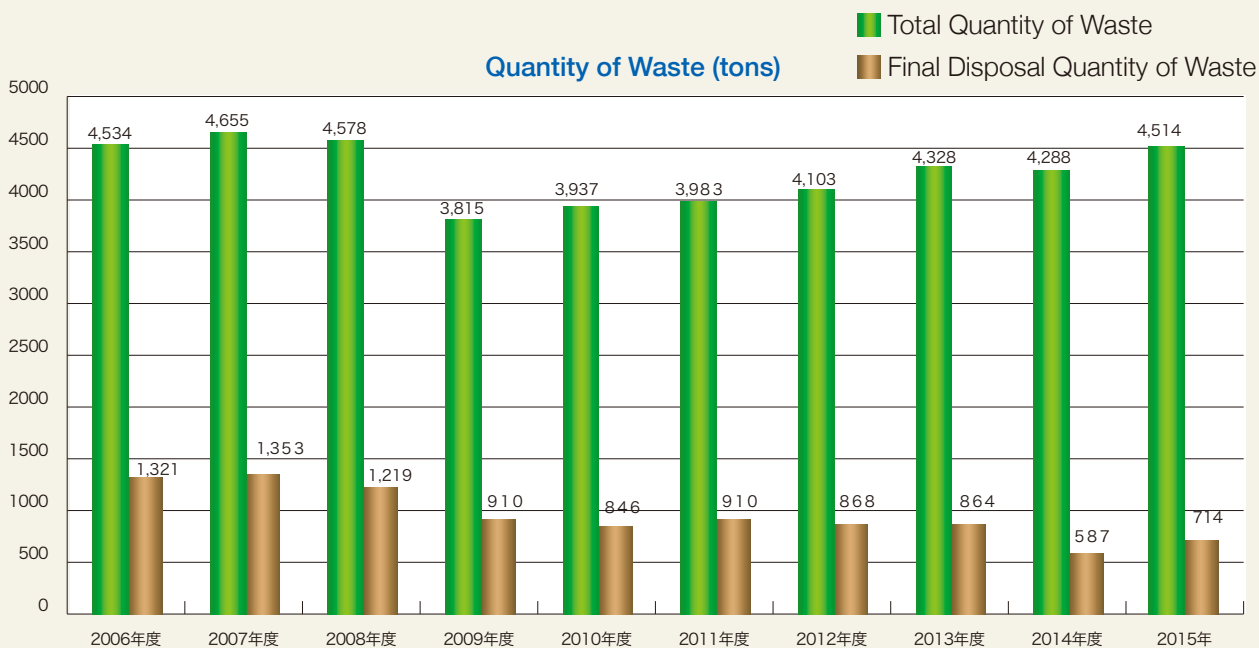
●Reduction in Waste

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 10.1% from 37,129 tons in 2010 to 33,378 tons in 2015. Although the total quantity of waste was slightly on the uptrend in 2015 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 46% compared to 2006.

Total Quantity of Materials Used (tons)



Quantity of Waste (tons)

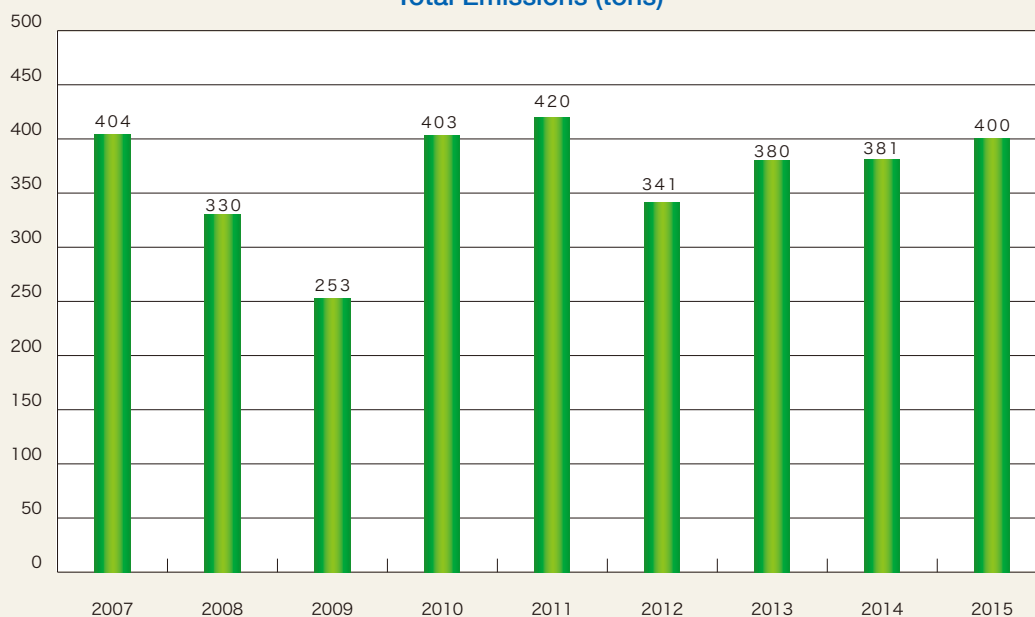


Reduction in Chemical Substance Release

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.

Compared to FY 2014, both the total quantity of release of chemical substances and the total quantity of chemical substances moved slightly increased in FY 2015. In the future, we will continue our ongoing efforts to reduce these quantities by introducing VOC removal apparatus.

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.

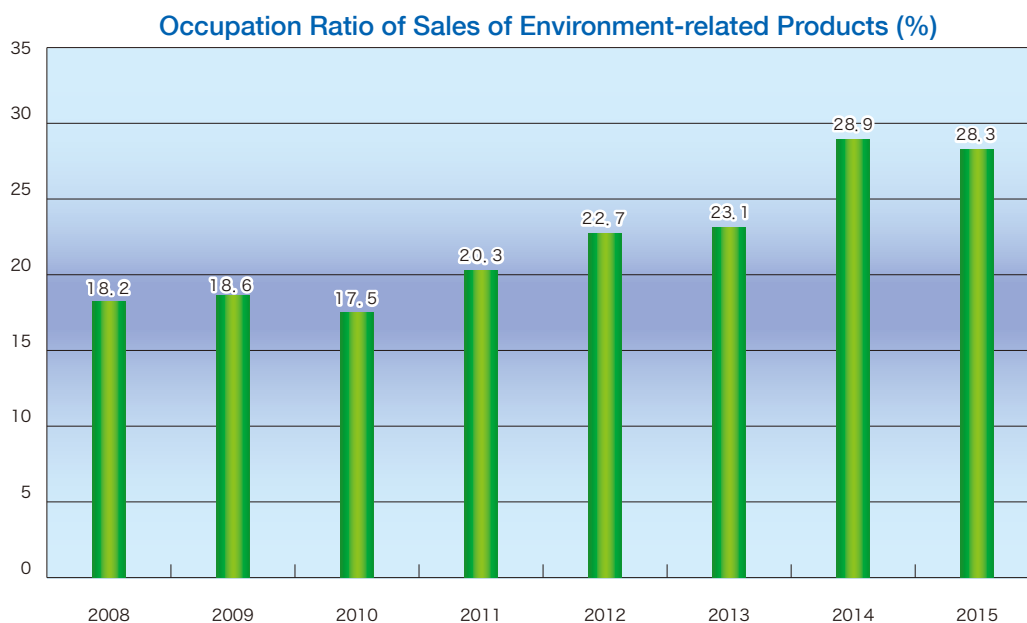
[Products that are incorporated as parts and contribute to reductions in the environmental burden]

* 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.

With “Contribute to society through environment-related products” as a key phrase, we have actively promoted product development. Consequently, the percentage of environment-related products to sales has been increasing since FY 2010. In 2015, however, the percentage declined by 0.6% compared to FY 2014, despite an increase in sales.

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.



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