

Environmental Report 2017



Table of Contents

Message from the President P.1

Company Profile P.2

Basic Environmental Policy P.3

FY2016 Environmental Activities P.4-P.8

Aiming to reduce the environmental burden

Working together with the local community

Initiatives to reduce the environmental burden and performance P.9-P.12

Initiatives related to global warming/saving energy

Initiatives related to saving resources/reducing waste

- Efficient use of water resources
- Initiatives to reduce waste matter

Initiatives to reduce the release of chemical substances

Environment-Related Products P.13

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.

At Dynic Corporation, we are reducing the release of chemical substances through the introduction of VOC processors and Regenerative Thermal Oxidizers (RTO), as well as implementing energy-saving measures through the installation of LED lighting and high-efficiency storage pumps and introduction of inverter controls for conveying pumps. In addition, at the Dynic Astronomical Observatory (Dynic Astropark Ten-Kyu-Kan) on the grounds of our Shiga Plant, at the request of Taga Town we are operating the “Taga Town Astro Club” for elementary and junior high school students in the town, carrying out environmental education activities together with astrological observations.

To ensure that we continue to be a trusted company in the future, all our employees will work together as one to strengthen our efforts regarding environmental measures and undertake the development of environment-related products that take into consideration the global environment and living environments, promoting business activities that contribute to the realization of global environment preservation with our eyes towards the next generation.



A handwritten signature in black ink, reading "Yoshio Oishi".

Yoshio Oishi
President
Dynic Corporation

August 2017

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	28.1billion yen (40 billion yen including the Group companies) (As of March 31, 2017)
Employees	595(1,398 including the Group companies) (As of March 31, 2017)
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,Indonesia (including the Group companies)
Factory	Shiga, Saitama, Oji, Fuji, Moka, Singapore, U.S.A., Thailand, England, China, Indonesia (including the Group companies)
Affiliated Company	Six companies in Japan; ten 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.



FY2016 Environmental Activities

Reducing the environmental burden—activities to reduce emission amounts

●VOC processors

We have installed VOC processors at our Saitama Plant. These processors purify volatile organic compounds (VOC) emitted by film coating equipment, preventing atmospheric pollution. Since these devices collect and reuse heat produced in the purification process, they enable us to keep fuel consumption rates low. (Operating from April 2016).



●Regenerative Thermal Oxidizers (RTO)

As part of the Shiga Plant's efforts to reduce the environmental burden, we have installed regenerative thermal oxidizers (RTO). Because ceramic heat storage materials are used in heat exchange, the heat collection rate is high and a VOC removal rate of 95% or over is possible, making this an excellent device in terms of both protecting the environment and saving energy.

The device breaks down VOC and odorous substances emitted by production equipment, and contributes to the prevention of atmospheric pollution and improvement of the work environment. (Operating from April 2016)



Reducing the environmental burden—Installation of energy-saving equipment

● Replacement of storage pumps

At our Saitama Plant, we replaced the storage pumps for industrial-use water with the latest high-efficiency pumps.

These pumps have achieved a large decrease in electricity consumption compared to the previous pumps.

In future, we intend to also renew other well storage pumps.

(Renewed in July 2016)



● Inverter controls for conveying pumps

At our Moka Plant, we are using inverters to control rotational speed to ensure proper pressure and water supply amounts in accordance with changes in load on the discharge side of conveying pumps.

Since the inverters were introduced in order to achieve large reductions in electricity consumption at nighttime and on holidays, when water supply amounts are low, we have been able to achieve an approx. 25% reduction in electricity consumption. (Introduced in December 2016)



FY2016 Environmental Activities

Reducing the environmental burden — Introduction of energy-saving equipment/recyclable energy

●LED lighting

At our Oji Plant, we are gradually switching the ceiling lighting from fluorescent lighting to LED lighting. This has enabled a large decrease in electricity consumption compared to consumption with fluorescent lighting.

Moreover, since LED lighting does not emit ultra-violet rays or attract insects easily, it also contributes to the stabilization of product quality. (Renewed in May 2016.)



●Solar power generation system

Using available land at our Shiga Plant, we installed a solar power generation system with 374 KW installed capacity.

Solar power generation is used throughout the world as a clean energy that does not emit CO₂ when generating electricity. (Installed in September 2016.)



FY2016 Environmental Activities

Working together with the local community

●Environmental education activities through the Taga Town Astro Club

At the request of Taga Town, we are operating the “Taga Town Astro Club” for elementary and junior high school students in the town at the Dynic Astronomical Observatory (Dynic Astropark Ten-Kyu-Kan). The club actively carries out environmental education activities in addition to astrological observation activities using telescopes and other astronomical instruments.

In the summer and autumn of 2016, the club conducted a garbage clean-up along national roads in the town area (Photograph 1); members then used the results of the clean-up to create a “Taga Town Garbage Map” and submitted recommendations for reducing garbage to the mayor of Taga Town. Furthermore, club member also collected garbage from the venue of the Taga Town Furusato Festival, which was held in October, and held a “Garbage Collection Parade” where the amounts of garbage collected and the extent to which the garbage had been properly separated were compared. In reward for these environmental educational activities, the Astro Club was presented with the Shiga Prefectural Governor’s Encouragement Award by the Governor in person (Photograph 2) at the Shiga Prefecture Eco Club Exchange Meeting held in December.



(Photograph 1)

Roadside clean-up activities by the Astro Club



(Photograph 2)

Presentation ceremony for
the Shiga Prefectural Governor’s Encouragement Award



FY2016 Environmental Activities

Working together with the local community

●Activities by Dynic Astropark Ten-Kyu-Kan to support Kumamoto Earthquake recovery efforts

Many people and various facilities suffered damage when the Kumamoto Earthquake struck on April 14, 2016. Astronomic facilities (observatories, planetariums) in Kumamoto Prefecture also sustained major damage.

With the aim of providing encouragement to the people of Kumamoto by assisting such facilities, Dynic Astropark Ten-Kyu-Kan joined forces with the Taga Town Astro Club, Ten-Kyu-Kan Tomonokai, and other organizations to carry out various support activities, such as sending joint letters of support for recovery; tying wishes for recovery on bamboo branches for the Tanabata Festival in July, and sending gigantic end-of-year greeting cards with wishes for recovery in December.

In addition to letters of appreciation from the Kumamoto Civil Astronomical Observatory and the several other facilities that were the recipients of the support efforts, we received reports that many children had been thrilled with the facilities' celestial observation activities, and their vitality had returned.



Joint letters of support for recovery from the Kumamoto Earthquake

●Satoyama (countryside) preservation activities

Four of our company's employees participated in the "fallen leaf raking" clean-up activities led by Honjo Waseda Research Park at the Waseda University Honjo Campus/Mt. Okubo. Raking the leaves regularly enables the regeneration of plants that have become difficult to catch sight of and provides various other biodiversity-protection effects as well. The raked leaves are turned into compost and used as fertilized on fields. (December 2016)



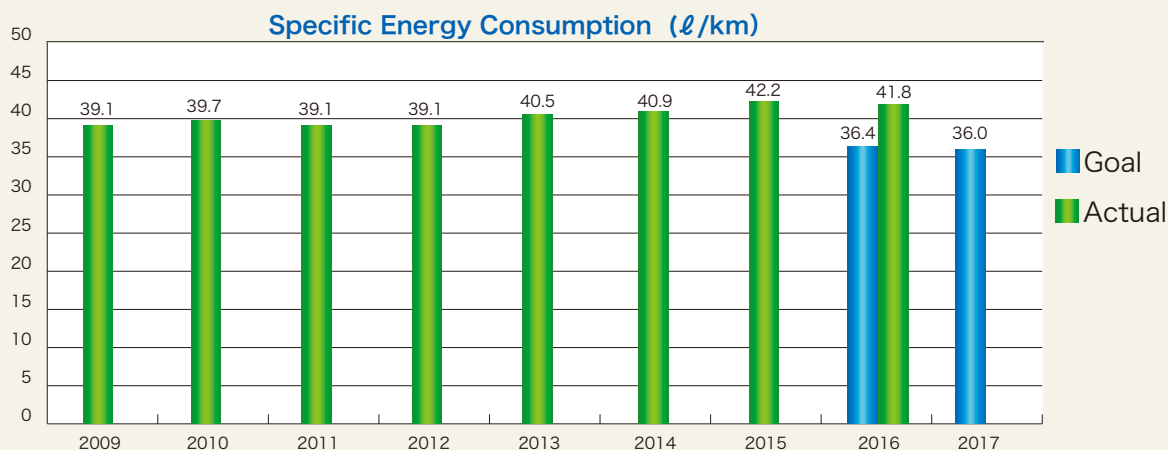
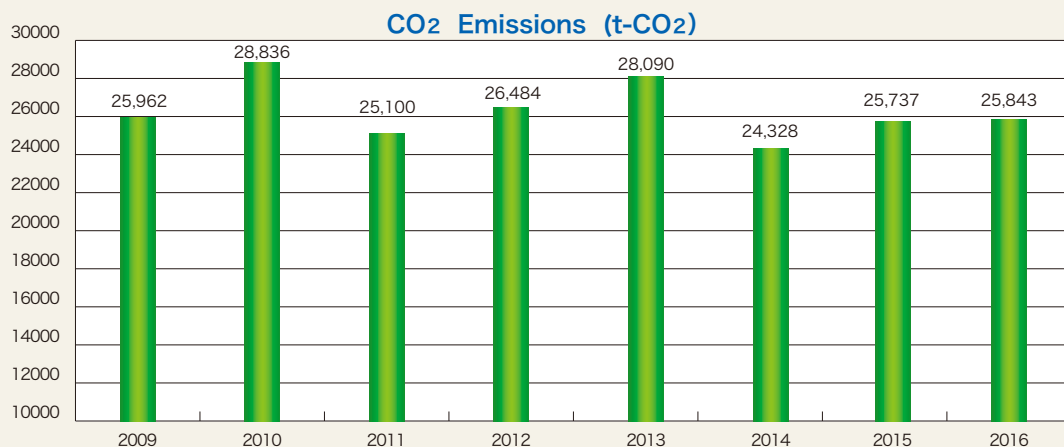
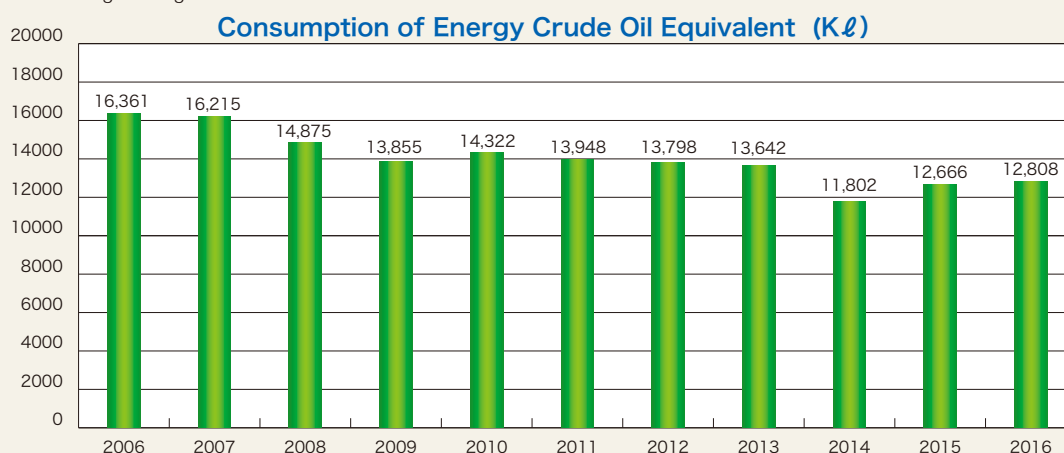
● Initiatives to reduce the environmental burden and performance ●

Initiatives related to global warming/saving energy

In production activities, energy is consumed and products are created. These activities are accompanied by the emission of CO₂, which is a greenhouse gas. In order to reduce CO₂ emissions, we are endeavoring to reduce the amounts of energy used in the production process and have set a target of annual reductions of 1% over FY 2009 CO₂ amounts.

As part of our investment in various energy-saving equipment, we have been systematically switching overplant ceiling lighting to LED lighting, replacing converters and air-conditioners with high-efficiency models, replacing compressors with intensive models, and switching office lighting to LED lighting. We have also been improving productivity through the installation of new equipment and upgrading of existing equipment in order to enhance energy efficiency.

With regard to performance in FY2016, energy consumption and CO₂ emissions increased over those for the previous fiscal year due to increased production. Although we were unable to achieve our target, our energy consumption rate did improve over that for the previous fiscal year. In FY2017, we will further promote improvements in energy efficiency and investment in energy-saving equipment as we strive towards achieving our targets.

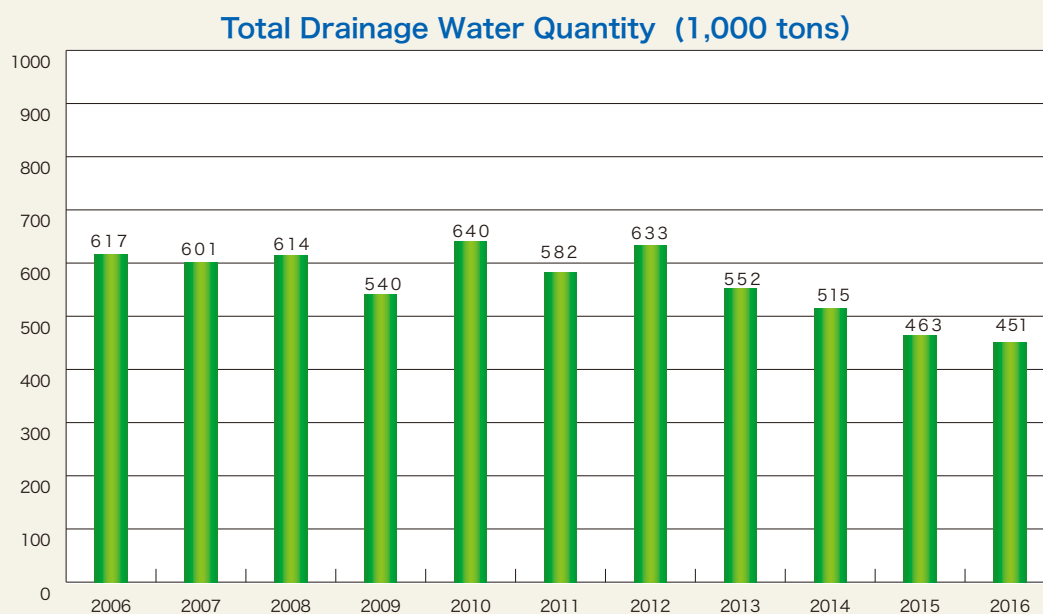
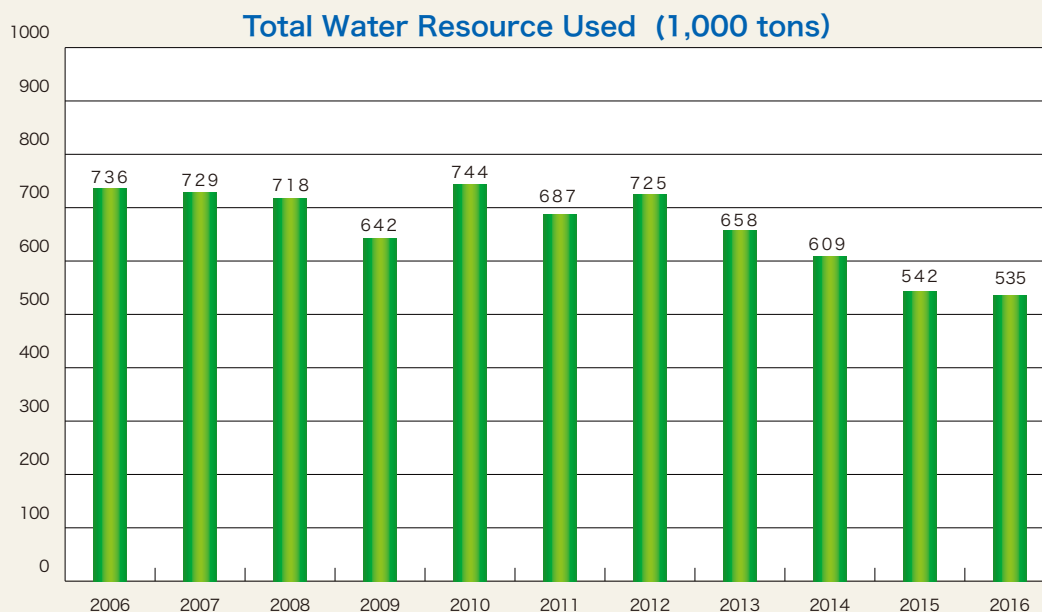


Initiatives related to saving resources/reducing waste

● Efficient use of water resources

Dynic Corporation as a whole is endeavoring to utilize water resources efficiently, promoting recycling of the rinsing water and cooling water used in the production process and endeavoring to reduce total water resource investment amounts and total waste water amounts.

In FY2016, the total water resource investment amount was 535,000 tons—a decrease of 1.3% over the amount for the previous fiscal year—while the total waste water amount was 451,000 tons—a decrease of 2.6% over the previous fiscal year.



● Initiatives to reduce waste matter

We have been endeavoring to reduce waste in order to preserve the global environment. These efforts involve not only reducing the total amount of waste but also promoting reuse and recycling from the standpoint of utilizing resources efficiently. In FY2016, our total materials investment was 33,179 tons.

In FY2016, the final waste disposal amount was 780 tons—a slight increase over the amount for the previous fiscal year—but the total waste materials investment was 4,873 tons—a decrease of 3.2% over the amount for the previous fiscal year.

Total Quantity of Materials Used (tons)



Quantity of Waste (tons)



Initiatives to reduce the release of chemical substances

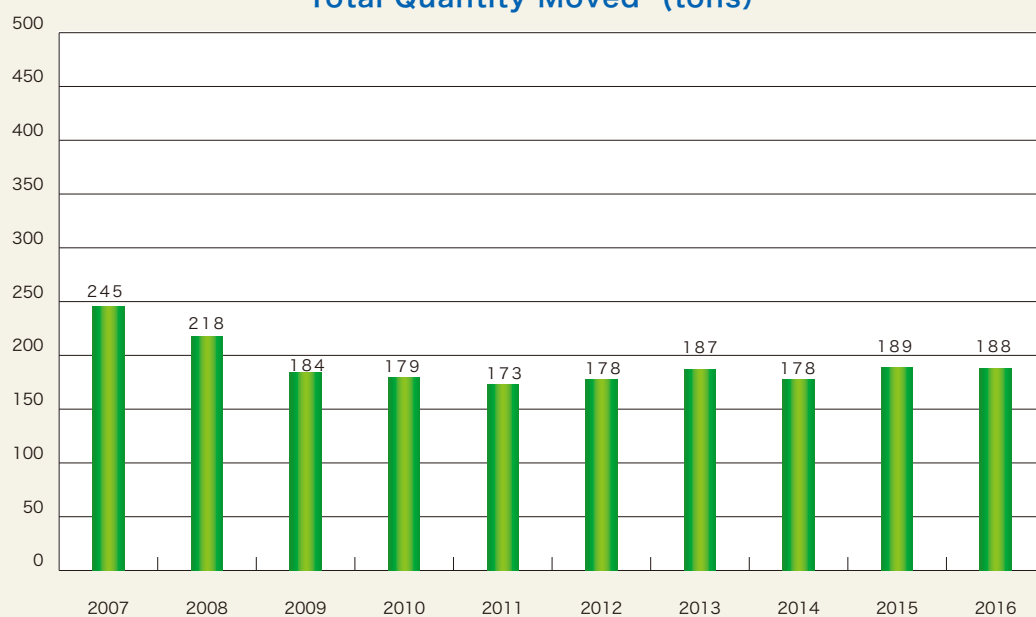
In accordance with the Law concerning Pollutant Release and Transfer Register (PRTR Law), we are endeavoring to reduce chemical emissions in addition to submitting notification regarding the amounts of chemical substances that are emitted during equipment usage.

We were able to decrease total emission amounts for FY2016 by 7.3% over amounts for the previous fiscal year, partly thanks to the introduction of VOC processors (see related topics on page 4). The total amount of pollution shifting also decreased over that for the previous fiscal year, albeit by a small amount. In future, we will make further efforts to reduce emissions into the environment.

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 our contributing to society through our business activities.

At Dynic Corporation, we define “products that take the global and living environments into consideration” as “environment-related products” .

【Products that take the global environment into consideration】

■ Products that reduce the burden on the environment

▶ No-vinyl-chloride Products

No-vinyl-chloride files, olefin cloth, paper bank transfer cards, EVA containers, etc.

▶ Products using recycled paper, recycled fiber, recycled resin

Paper cloth using recycled paper, paper cloth for use in textbooks, paper cloth for use in backing, carpet using recycled polyester,

* Eco Mark adhesive interlining cloth,* etc.

▶ Products using sustainable natural resources

* FSC certification paper cloth (EPALON)*

■ Products that take treatment and disposal into consideration

▶ Products that take ease of disposal into consideration

Cling film and aluminum foil pater cutter strips; 100% rayon colored non-woven cloth (PANELON color sheets), oil-absorption materials (oil catchers), etc.

▶ Products that contribute to resource-saving / 3R (Reuse, Recycle, Reduce)

Reuse toner cartridge, reuse TTR, refill sub-cassettes, etc.

【Products that take the living environment into consideration】

▶ Products that provide comfortable spaces

PANELON deodorization filters, antimicrobial and deodorant wallpaper, negative ion wallpaper, air purifier filter materials, non-woven cloth floor soundproofing materials, etc.

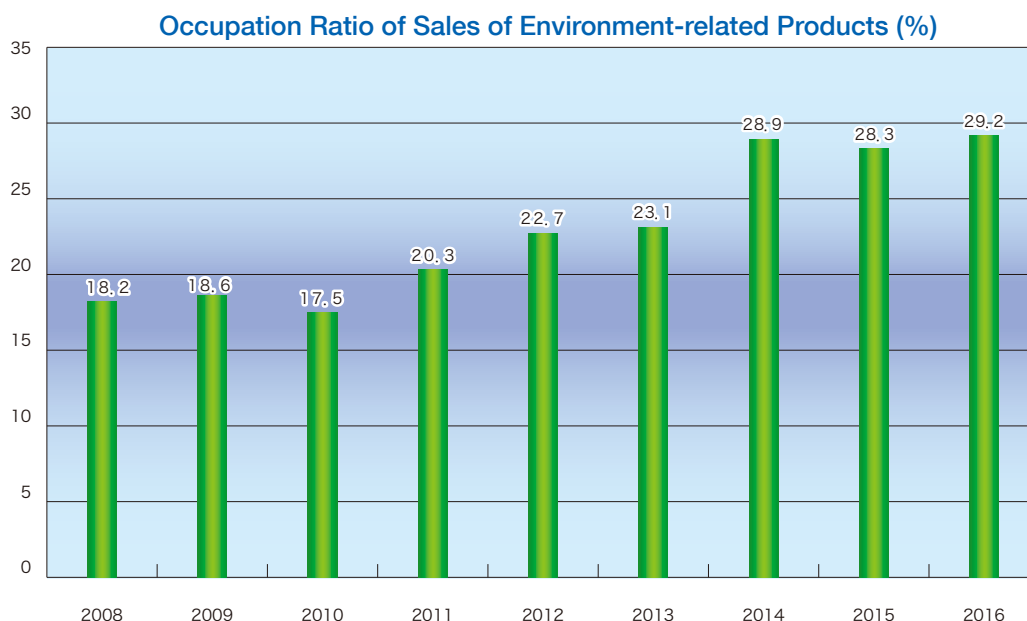
▶ Products useful for maintaining the freshness of health products/food

Water-resistant food packaging, food freshness preservatives, NIKKUSEBEN nylon-coated labels* (Echo-tech registered), mold-releasing film for cataplasm, etc.

▶ Various antimicrobial/deodorant products

Cloth for antimicrobial book binding, antimicrobial packaging materials, etc.

Products marked with an asterisk [*] are third-party certified products.



You can find the individual explanations 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.

As a result, environment-related products comprised 29.2% of our company' s sales for FY2016—an increase of 0.9% over the same percentage for the previous year.

In future, we intend to further increase the percentage of our overall sales comprising environment-related products, thereby contributing to society.



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