Zeon Medical Inc.

Introduction to Zeon Medical Inc.

[Establishment]
1989

[Business content]
Manufacture and sale of medical equipment

[Status in recent years]
We conduct manufacture and sale of medical equipment mainly for the circulatory system and gastrointestinal system. To not only save lives but also raise people’s quality of life (QOL) amid great changes in the environment surrounding medical care, Zeon Medical develops and improves products through its original technologies.

[Number of employees]
Number of employees as of end March 2016: 176 (Male 89 Female: 87) (including 70 part-time staff)

Company Policy (Executive Message)
We are striving to deliver high quality products and services with the following quality policy.
1. We aim to provide original medical equipment development, systems and services that satisfy our customers.
2. We strive to improve and stabilize our quality and delivery so that customers can use our medical equipment with peace of mind.
3. We comply with the Zeon CSR Policy and contribute to sustainability and the prosperity of mankind.
4. We continuously improve our quality management system.

Safety Initiatives

[Policy]
We raise our capability to notice changes and pursue safe and stable production.

[Concrete efforts]
• We set the Nearmiss incident number and 4R-KY implementation number and implement safety activities.
Efforts to Reduce Environmental Impact

[Policy]
Control of ethylene oxide usage increase through efficient sterilizer operation.

[Concrete efforts]

1. Ethylene oxide usage
   In order not to increase the amount of ethylene oxide used in our sterilization equipment, we adjust the operation of our sterilizers according to the production status.

2. Tap water usage
   We reduced the amount of tap water used by updating aging equipment.

3. Power consumption
   We reviewed our temperature management settings and continue activities to switch off or remove unnecessary lights.

4. Environmental data

<table>
<thead>
<tr>
<th>Zeon Medical Inc.</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substances covered by PRTR law</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of substances</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Consumption (tons)</td>
<td>2.2</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Amount emitted (tons)</td>
<td>2.2</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Industrial waste</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount generated (before volume reduction) (tons)</td>
<td>22</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Amount sent to landfill (tons)</td>
<td>11.2</td>
<td>5.0</td>
<td>4.3</td>
<td>4.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Water resources (Industrial water + Ground water + Waterworks) consumption (1,000 m³)</td>
<td>11.7</td>
<td>14.3</td>
<td>17.8</td>
<td>21.9</td>
<td>13.5</td>
</tr>
<tr>
<td>CO₂ emissions (tons)</td>
<td>969</td>
<td>1,143</td>
<td>1,123</td>
<td>1,003</td>
<td>920</td>
</tr>
<tr>
<td>Energy consumption (crude oil equivalent, kL)</td>
<td>431</td>
<td>511</td>
<td>539</td>
<td>401</td>
<td>364</td>
</tr>
</tbody>
</table>

* Sending zero industrial waste to landfill
Within our industrial waste, we recycle 100% of our waste plastic (containers) as solid fuel, and we greatly reduced the amount in fiscal 2015. We have started separate collection of metals from February 2016 in order to further reduce waste.

Quality Assurance Efforts

[Policy]
Serious complaints: 0

[Concrete efforts]
We develop and manufacture products assumed to be used in a medical workplace environment from the design stage. And, as a hint to produce better products, we utilize opinions from medical workplaces to improve products.
Relationship with Employees

[Policy]
We contribute to improving people’s QOL through the provision of medical equipment and our employees, the company’s resource, share their pride and happiness.

[Concrete efforts]
We prioritize the hiring of mid-career professionals who can contribute to the company right away, but we work to improve daily to create a working environment where anybody can work comfortably. The male-female ratio of all employees is almost 1:1, and we strive to assign staff to appropriate positions.

Living Together with the Local Community

[Policy]
We cooperate actively with the region, focused on Takaoka City, Toyama Prefecture where the plant is located.

[Concrete efforts]
1. Cleaning service activities at Kokubu Beach and Himi Coast
2. Participation in zero trash activities in the local neighborhood
3. Activities for medical equipment industrial development in Toyama Prefecture
   • Participation in information exchange and events with the Toyama Pharmaceutical Industrial Cooperative, the Chubu Bureau of Economy, Trade and Industry Hokuriku Branch and Takaoka City Industrial Planning
   • Participation in the study group at the Toyama Industrial Technology Center