Zeon North Co., Ltd.

Introduction to Zeon North Co., Ltd.

[Establishment]
April 1972

[Business content]
Contracting, design, construction and management of various equipment; Sales of industrial materials and equipment; Purchase and sales of petroleum products; Environment measurement certification, work environment measurement, various analyses

[Status in recent years]
In July 2003, we merged with the affiliate Daisan Kosan Co., Ltd. and the Zeon Corporation subsidiary Zeon Takaoka Analysis Center Co., Ltd. We opened the Kawasaki Plant (Kanagawa Prefecture) in 2008, the Mizushima Plant (Okayama Prefecture) in 2011 and the Tokuyama Plant (Yamaguchi Prefecture) in 2013, and put focus on engineering business development through expanding our base.

[Number of employees]
Number of employees as of end March 2016: 197 (Male: 164 Female: 33)
Hiring in fiscal 2015: 34 (Male: 30, Female: 4)

Company Policy (Executive Message)

2016 is the final fiscal year of the medium-term management plan "SZ-20 Phase II." In addition to being the year that links to Phase III, as an important year for SZ-20 achievement, we are pushing forward to achieve important issues based on the following policies.

1. SZ-20 Enterprise Blueprint: Thoroughly implement CSR, ensure safety first, contribute to society through engineering, trade and environmental analysis business
2. Fiscal 2016 policy: In addition to ensuring safety and quality, improve all quality
3. Priorities for fiscal 2016
   (1) Promote improvement of the safety management system.
   (2) Implement upgrading and construction of the quality assurance management system.
   (3) Advance improvement of corporate structure and corporate strength through improvement of education system.

Aim to be the most needed company, trusted by the community and society by achieving the above issues. Also, aim to be a company where all employees can work healthily with a vibrant and rewarding atmosphere, and contribute to the stable employment of the region.
Safety Initiatives

[Policy]
Improve the safety management system.

[Concrete efforts]
As a company engaged in the engineering business, we are particularly concerned about the construction and improvement of a safety management system for construction sites. In fiscal 2015, three work accidents (two non-lost-time injuries, one minor injury) occurred. To ensure that such accidents never occur again, we investigated the root causes of the accidents and analyzed them in detail, and are making efforts to thoroughly prevent recurrence. In order to further improve safety management, we will strengthen safety patrols, promote risk prediction activities such as nearmiss incidents and 4R-KY, raise sensitivity and aim to realize prevention of accidents before they occur.

Safety conference
Every May, we hold the "Zeon North Safety Conference", gathering representatives from partner companies to boost safety awareness and to share knowledge and information concerning safety. Cooperation with partner companies is essential to ensure thorough safety management in construction sites. We will aim to create a culture where all employees working at a worksite have a high safety awareness and always make safety the top priority, making efforts with cooperation from all of our partner companies.

Efforts to Reduce Environmental Impact

[Policy]
We will create an environmental management system and promote energy and resource saving to reduce environmental impact.

[Concrete efforts]
Recently at Zeon, due to the influence of our business expansion with new plant construction and self-manufacture, our electricity usage is increasing. With this background, we will strive to take energy-saving measures such as managing air conditioner temperatures, switching to LED lighting, and actively introducing roof greening (plants block direct sunlight and have an insulation effect), in order to limit our electricity usage.

Participation in regional environmental beautification activities
Every year, we call for in-house participation in a local waterfront cleaning strategy (waterfront cleanup volunteers) from everyone working at Zeon North along with their families. In 2015, 26 people participated in the Himi Coastal Cleanup and 29 in the Kokubu Beach Cleanup. In fresh early morning weather, everybody cooperated to collect and separate trash on the beach. This activity helped us to understand the effect of our actions on the environment, and it was a good chance to raise our awareness of environmental conservation.
Environmental Data

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<td>Substances covered by PRTR law</td>
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<tr>
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<td>Industrial waste</td>
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<td>Amount generated (before volume reduction) (tons)</td>
<td>38</td>
<td>25</td>
<td>20</td>
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<td>Amount sent to landfill (tons)</td>
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<td>3.1</td>
<td>4.2</td>
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<td>Water resources (Industrial water + Ground water + Waterworks) consumption (1,000 m$^3$)</td>
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<td>Energy consumption (crude oil equivalent, kL)</td>
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<td>152</td>
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<td>Electric energy consumption (1000 kWh)</td>
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<td>384</td>
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Quality Assurance Efforts

[Policy]
Implement upgrading and construction of the quality assurance management system.

[Concrete efforts]
As part of strengthening safety and quality in the engineering business, we built the fourth plant in July 2014 and the fifth plant in January 2016, and we are taking steps to prepare the plant certification (the fourth plant requires R grade certification*1, while the fifth plant requires light metal welded structure manufacturing plant aluminum Type 1 certification*2) and construct and upgrade the quality assurance management system. We will aim to propose and offer original technologies (construction methods), new products and services in order to delight our customers, and strive to continuously improve quality in all of our businesses.

*1 R grade certification: Allows steel fabrication for steel welded construction of five stories or less.
*2 Aluminum Type 1 certification: Allows welding to connect major structural parts of aluminum building structures. As an auditee qualification, acquisition of light metal welded structure manufacturing plant is necessary.

Living Together with the Local Community

[Policy]
Contribute to activation of the regional economy and society

[Concrete efforts]
Participation in Fire Drill Competition
Zeon Corporation and its Takaoka Plant participate as the Zeon Takaoka Group every year in the Self-Defense Fire Brigade Fire Drill Competition hosted by the Takaoka City Fire Prevention Management Council. At the 2015 event, the competitors fully displayed the results of their daily training, and in the “Fire extinguisher and indoor fire hydrant competition,” they were able to attain the great honor of winning two years in a row.