Zeon Medical Inc.

Company Profile

Business Description
Manufacture and sales of medical equipment

Zeon Corporation established Zeon Medical in 1989 to sell auxiliary artificial heart pumps after receiving the first approval in the world for their manufacture. Leveraging our integrated research, development, and manufacturing divisions, we now manufacture and sell medical equipment designed mainly for the circulatory and digestive systems.

No. of Employees
As of March 31, 2017: 186 (96 men, 90 women)
Hiring in FY 2016: 12 (8 men, 4 women)

Company Policy (Executive Message)

We strive to deliver high-quality products and services under the following quality policy.

1. Develop original medical equipment that satisfies customers, and provide ever-improving products, systems, and services
2. Improve quality on an ongoing basis and provide a stable supply of medical equipment to offer reassurance
3. Comply with the Zeon CSR Policy and contribute to the sound development of the medical field and recovery of patient health
4. Continuously improve our quality management system

Safety Initiatives

Policy
We will enhance our ability to detect change and pursue safe and stable production.

Specific Initiatives

- Safety activities with set numerical targets for identifying near-miss accidents and 4RKY hazard detection activities
Environmental Impact Reductions

Policy
Manage and reduce our consumption of ethylene oxide, water from waterworks, and electricity.

Specific Initiatives
1. Ethylene oxide
   • Adjust operation of sterilizers that use ethylene oxide according to production conditions

2. Water from waterworks
   • Replace aging equipment

3. Electricity
   • Revise temperature management settings
   • Turn off and selectively use unnecessary lights

4. Environmental Data
   * "0" indicates less than 0.5 tons, and "0.0" indicates less than 0.005 tons

<table>
<thead>
<tr>
<th>Zeon Medical Inc.</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substances subject to the PRTR Act</td>
<td>No. of substances</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Consumption (tons)</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td>Emissions (tons)</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Industrial waste</td>
<td>Amount generated before compacting (tons)</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Amount sent to landfills (tons)</td>
<td>5.0</td>
<td>4.3</td>
<td>4.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Water resource consumption (1,000 m³) (industrial water + groundwater + waterworks)</td>
<td>14.3</td>
<td>17.8</td>
<td>21.9</td>
<td>13.5</td>
<td>10.3</td>
</tr>
<tr>
<td>CO₂ emissions (tons)</td>
<td>1,143</td>
<td>1,123</td>
<td>1,003</td>
<td>920</td>
<td>945</td>
</tr>
<tr>
<td>Energy consumption (crude oil equivalent, kL)</td>
<td>511</td>
<td>539</td>
<td>401</td>
<td>364</td>
<td>380</td>
</tr>
</tbody>
</table>

*Industrial waste sent to landfills

Of our industrial waste, we recycle 100% of our waste plastic (containers) as solid fuel and greatly reduced the amount in FY 2015. We started separating and collecting metals in February 2016 to further reduce our waste.

Relationship with Employees

Policy
We contribute to improving people’s QOL through the provision of medical equipment, and our valued employees share in this pride and happiness.

Specific Initiatives
• Create conditions that are conducive to allowing everyone to work
• Place the right people in the right positions
Relationship with the Local Community

We cooperate with our community based in Takaoka City, Toyama Prefecture, where our plant is located.

Specific Initiatives

1. Volunteer cleanups
We participate in coastal cleanup events organized by community beautification groups.
   ・Himi coastal cleanup (about 20 participants)
   ・Fushikikokubu coastal cleanup (about 20 participants)

2. Neighborhood zero trash activities
We participate in cleanup events around the plant.

3. Medical equipment industry development in Toyama Prefecture
We participate in study groups comprised of regional companies to lend our expertise to industry development.
   ・Participation in information exchanges and other events organized by the Toyama Pharmaceutical Industrial Cooperative, the Hokuriku Branch of the Chubu Bureau of Economy, Trade and Industry, and the Takaoka City Industrial Planning Department
   ・Participation in a study group at the Toyama Industrial Technology Center