Zeon North Co., Ltd.

Company Profile

Business Description

Contracting, design, construction, and management of various facilities; sales of industrial materials and equipment; purchases and sales of petroleum products; environmental measurement certifications, work environment measurements, various analyses

Established in 1972, Zeon North's main business is plant engineering to support Zeon Group's business activities. We also leverage our expertise in construction projects for other companies.

In July 2003, Zeon North merged with the affiliate Daisan Kosan Co., Ltd. and the Zeon Corporation subsidiary Zeon Takaoka Analysis Center Co., Ltd. We opened Kawasaki Plant (Kanagawa Prefecture) in 2008, Mizushima Plant (Okayama Prefecture) in 2011, and Tokuyama Plant (Yamaguchi Prefecture) in 2013, and are focusing on developing our engineering business from expansion of these locations.



Zeon North Plant No. 5 (Completed Jan. 2016)





Equipment installation



Building maintenance

No. of Employees

As of March 31, 2017: 222 (183 men, 39 women) Hiring in FY 2016: 36 (30 men, 6 women)

Company Policy (Executive Message)

FY 2017 is the final year of Phase II of our medium-term management plan SZ-20. This year is key to achieving SZ-20, and we are pushing forward on priority issues based on the following policy, our awareness of the issues, and doing what we set out to do.

- 1. SZ-20 Enterprise Blueprint: Thoroughly implement CSR, ensure safety first, and contribute to society through the engineering, trade, and environmental analysis businesses
- 2. FY 2017 policy: Thoroughly implement risk management and continuously improve quality in all aspects of safety, operations, construction, products, and services
- 3. FY 2017 priority issues
 - (1) Rebuild our risk management (compliance) system
 - (2) Continuously improve our safety management system
 - (3) Improve quality in all aspects through quality assurance activities The following supports the above (1) to (3).
 - (4) Improve our corporate soundness by reinforcing our education system



President Muneki Sawa

In FY 2016, we obtained approval as a steel frame manufacturing plant (grade R) and a light metal welded structure manufacturing plant (grade R). In FY 2017, we intend to achieve significant development through progressive deployment of our management structure for these approvals in actual projects.

With teamwork based on communication and mutual trust, we will address these issues and be a company that is both trusted and needed most by our community and the wider society. To this end, we will create company conditions that allow all employees to work in good health and with a sense of purpose and reward.

Safety Initiatives

Policy

Operating an engineering business, we are particularly focused on building and improving our safety management system for construction sites and will upgrade this system.

Specific Initiatives

- •Prevent recurrences of accidents that occurred in the previous year by investigating and analyzing the causes
- ·Reinforce safety patrols
- ·Activities to reduce near-miss accidents, 4RKY hazard detection activities

Zeon North Safety Conference (held each May)

We bring representatives from partner companies together for the purposes of deepening cooperation, increasing safety awareness, spreading safety knowledge, and sharing information. We conduct activities together with our partner companies to build a culture in which all plant workers have a high awareness of safety and safety is always the top priority.



Zeon North Safety Conference

Environmental Impact Reductions

Policy

Build an environmental management system and reduce energy and resource consumption to reduce our environmental impact.

Specific Initiatives

- Switch plant lighting to LED lights
- •Expand sales of products that have reduced environmental impact (Eco-Coat polyurea coating for rooftops)



Polyurea coating for rooftops Eco-Coat

Environmental Data

 $\ast\,{''}0{''}$ indicates less than 0.5 tons, and "0.0" indicates less than 0.005 tons

| Zeon North Co., Ltd. | | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---|---|---------|---------|---------|---------|---------|
| Substances | No. of substances | 0 | 0 | 0 | 0 | 0 |
| subject to the | Consumption (tons) | 0.0 | 0.0 | 0 | 0 | 0 |
| PRTR Act | Emissions (tons) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Industrial waste | Amount generated before compacting (tons) | 25 | 20 | 17 | 14 | 19 |
| | Amount sent to landfills (tons) | 5.2 | 3.1 | 4.2 | 2.5 | 0.5 |
| Water resource consumption (1,000 m³) (industrial water + groundwater + waterworks) | | _ | ı | 2.0 | 1.5 | 1.6 |
| CO ₂ emissions (tons) | | 152 | 146 | 161 | 159 | 273 |
| Energy consumption (crude oil equivalent, kL) | | 85 | 85 | 92 | 103 | 119 |
| Electricity consumption (1,000 kWh) | | _ | | 384 | 366 | 426 |

Relationship with Employees

Policy

Improve our corporate soundness and structure by reinforcing our education system

Specific Initiatives

We opened the ZN Education Center for younger safety staff with the objective of improving their technical skills and professional awareness.

- •Experienced safety staff serve as instructors and use a curriculum that combines class time with hands-on practical education.
- •In FY 2016, the Center conducted education on machinery and electrical instrumentation.



ZN Education Center (machinery education)

Relationship with the Local Community

Policy

Contribute to revitalizing the regional economy and community

Specific Initiatives

1. Volunteer cleanups

We invite employees and their families to participate in local coastal cleanup campaigns.

- ·Himi coastal cleanup (23 participants)
- ·Fushikikokubu coastal cleanup (21 participants)

2. Fire Drill Competitions

Zeon North participates every year as the Zeon Takaoka Group together with Zeon Corporation's Takaoka Plant and Optes Incorporatedin the Volunteer Fire Brigade Firefighting Drill Competition organized by the Takaoka City Fire Prevention Management Council.

•Zeon Takaoka Group won the 2016 Fire Extinguisher and Indoor Fire Hydrant event for the third year in a row



Volunteer Fire Brigade Firefighting Drill Competition