

August 26, 2024

Japan Fair Trade Council of the Medical Devices Industry Issues Warning against Zeon Medical

Zeon Corporation

On August 26, Zeon Medical Inc. (Zeon Medical), a wholly owned subsidiary of Zeon Corporation (Zeon), received a stern warning from the Japan Fair Trade Council of the Medical Devices Industry (Fair Trade Council). The action was taken on the grounds that money and other compensation paid to medical professionals, which Zeon Medical reported as outsourcing fees for post-marketing surveillance and other purposes, constituted the provision of premiums as a means of unjustifiably inducing transactions in medical devices under Article 3 of the Fair Competition Code concerning Restriction on Premium Offers in the Medical Devices Industry (Fair Competition Code) and therefore violated the Fair Competition Code.

Zeon and Zeon Medical acknowledge that the Fair Trade Council's action follows its determination that the consistent nature of Zeon Medical's behavior and the seriousness of the misconduct constituted a grave violation of the Fair Competition Code. As previously announced on September 21, 2023, the former president of Zeon Medical was arrested on suspicion of bribing a deemed public official and indicted by the Tokyo District Court on October 12, 2023. In response, on December 26, 2023, Zeon established a Special Review Committee for the Prevention of Recurrence comprising outside experts. Zeon subsequently received a report from the committee on March 28, 2024, and based on the recommendations of the report, Zeon publicly disclosed its policy on preventing a recurrence on April 18, 2024. During that period, Zeon Medical fully cooperated with the Fair Trade Council's investigation.

In response to action taken by the Fair Trade Council, Zeon and Zeon Medical take this violation very seriously and will make the utmost effort through steadfast measures to prevent a recurrence and implement continuous improvements in light of the issues raised by the Fair Trade Council. Once again, we sincerely apologize to our customers, shareholders, and all other stakeholders for any inconvenience or concern this may have caused.

We believe that the impact of this matter on our business performance will be limited and have not revised our consolidated earnings forecast for the fiscal year ending March 31, 2025.

For more information, contact:

Department of Corporate Communications, Corporate Sustainability Division, Zeon Corporation

Phone: +81-3-3216-2747

[Contact form](#)