

President's Message

Our corporate name ZEON is an amalgamation of the Greek words "GEO" (meaning the "EARTH") and "EON" (meaning "ETERNITY"). It represents a direct statement of our corporate mission.

ZEON Corporation's 3-year mid-term management plan for 2008 to 2010 (IZ-60) published in May 2008 reinforced our evolving commitment made in the 2005 to 2007 management plan (PZ-3) to emphasize CSR in our activities, and we have operated our business with the aims of improving corporate value and producing factories and products that are friendly to the environment through our activities as a manufacturer for whom an emphasis on CSR, rigorous compliance, and a safety-first approach is an unquestioned prerequisite, and in our role as a chemicals company that aims, based on a recognition that the company is a social organization, to contribute to society by using advanced innovation to deliver in a timely manner products that will please our customers around the world.

Although some revisions were made to the IZ-60 plan amidst the rapid changes in economic conditions triggered by the worldwide financial crisis that started in autumn 2008, the revisions were limited to adjustments to our corporate targets in accordance with the changed economic circumstances. The changes left the core concepts unchanged and it was made clear that these will be our top priorities for the remaining two years covered by the plan. Accordingly, the core strategy for 2009 to 2010 identified three key issues on the basis of our all-encompassing emphasis on CSR and that "difficult times provide an opportunity for fundamental change and build the foundation for future development".

1. Move to a business model that remains profitable at 70% utilization.
2. Place an emphasis on cashflow and reduce interest-bearing debt.
3. Improve the quality and speed at which research and development is transformed into production technology.

Although the difficult business conditions look likely to continue for the foreseeable future, ZEON Group aims to continue operating our business in a way that is friendly to the global environment in order to protect the global environment, contribute to society, and achieve sustainable progress of the company and society based on our corporate philosophy of "contributing to the global environment and the prosperity of the human race".

ZEON Group has worked on numerous product developments that contribute to environmental protection through "original technology that does not imitate others and cannot itself be imitated".

Some examples of these products include rubber for fuel conserving tires, latex for gloves that eliminate protein allergies, and "Zeoglobule[®]" polymerized toner that helps reduce energy use in copiers.

The excellent optical characteristics of the "ZEONOR[®]" and "ZEONEX[®]" cycloolefin polymer products help to improve the energy efficiency of LCD TVs and make them even thinner. The environmentally friendly characteristics of these products is demonstrated by their use in applications such as in medical containers and equipment and in the substrates for organic EL, the next-generation energy-efficient lighting technology demonstrated at the G8 Summit at Toyako.

"ZEONOR Film[®]" received technical awards in two different categories of the 2008 "Katashi Aoki" prize

awarded by the Japan Society of Polymer Processing and this method of producing optical film by molten extrusion without the use of solvents has made a significant contribution to the environment. Similarly, the Zeorora[®] next-generation fluorochemical cleaning agent that won the Stratospheric Ozone Protection Award in the US also helps protect the ozone layer and prevent global warming.

In addition to supplying these products to society through reliable and safe production methods established through our past Responsible Care activities, our aim is to operate our business with even greater efficiency and reliability through production innovation, NPS, and business innovation. To strengthen our Responsible Care activities further, we also signed up to the Responsible Care Global Charter in January 2009.

Regarding compliance issues and corporate ethics, our aim is to uphold sincerely the values and ethics required of a corporate member of society, not just those obligations imposed by regulation, and by so doing maintain fair business practices and conduct our business in harmony with the local community and the general public.

In terms of information disclosure, we have always strived to supply as much information as possible in an easily understood form and, in a survey that ranked the corporate web sites of all listed companies carried out by Nikko Investor Relations in 2008 based on how comprehensive they were, our web site was placed 18th out of a total of 3,920 companies rated and 2nd amongst companies in the chemical industry. In the future, we will continue working to improve even further our information disclosure.

Based on a recognition that the company is a social organization, ZEON Group aims to continue contributing to the sustainable development of society and meeting the demands and expectations of all our stakeholders, including the local community, customers and shareholders, through speed, dialogue and by contributing to society. We aim to establish ourselves as a group with a strong emphasis on CSR that the public can trust and of which our employees can be proud by strengthening our compliance systems, achieving reliable and safe plants, and coexisting harmoniously with the community and wider society.

Finally, I would like to take this opportunity to say thank you for reading this report, and we welcome your opinions and suggestions

September 2009

President and CEO
古河直純
Naozumi Furukawa



Message

CSR at ZEON Corporation

Engagement with society

Respect for the individual

Environmental activities

Site Reports