

# Medium-Term Business Plan FY2021-FY2022

Building the Foundation for Realizing Vision for 2030

# ZEON

**ZEON CORPORATION**

Kimiaki Tanaka

President and CEO

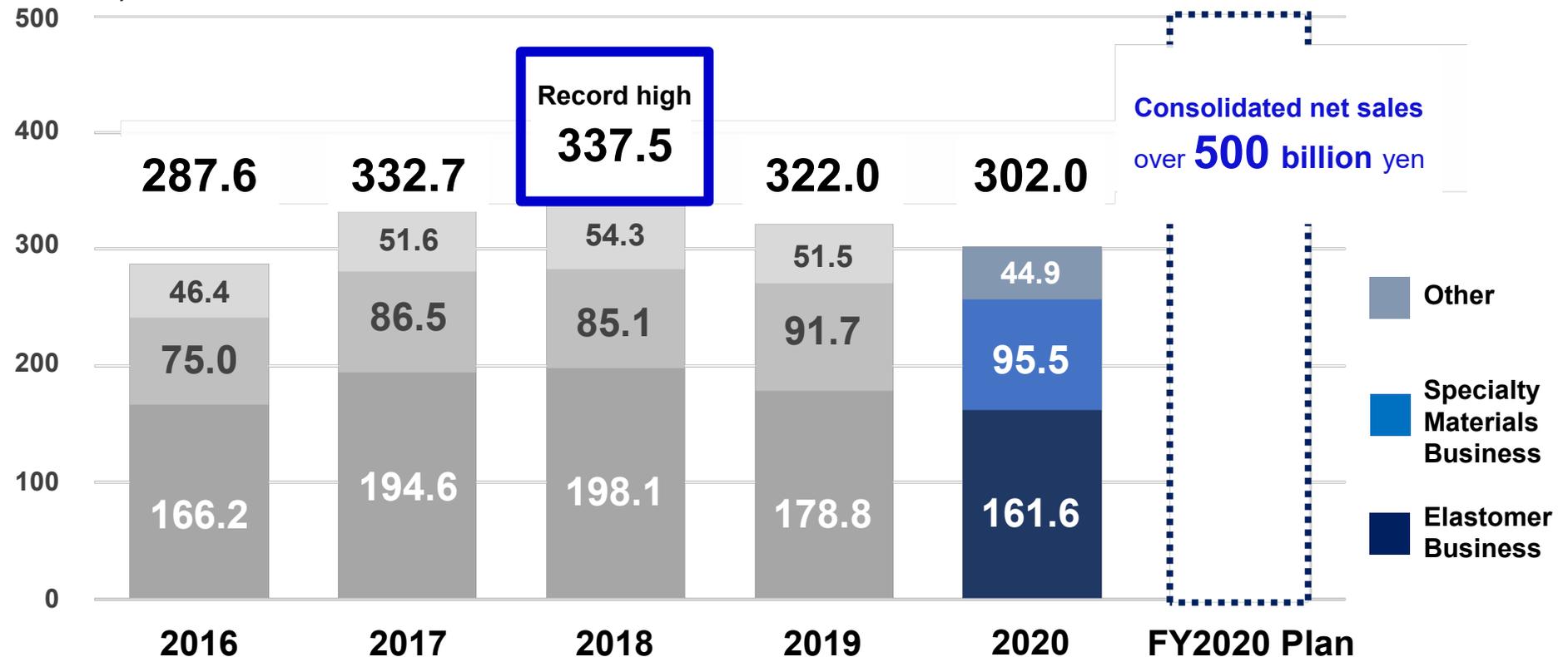
April 28, 2021

- I. Results of SZ-20 Phase III**
- II. Overview of the New Medium-Term Business Plan**
- III. Strategies and Targets for 2030**
  - Strategy 1**
  - Strategy 2**
  - Strategy 3**
- IV. Financial Targets for 2030 and Shareholder Returns**

Fell short of achieving the consolidated net sales target of exceeding 500 billion yen

- **Elastomers:** Affected by a stagnant global economy due to U.S.-China trade friction and the spread of COVID-19
- **Specialty materials:** Steady in optical plastics, optical films, and battery materials

(JPY billion)



Corporate Philosophy  
= Mission

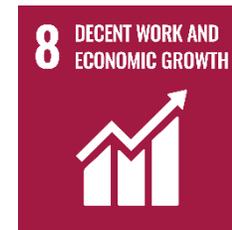
Contributing to the preservation of the Earth and  
the prosperity of the human race

In keeping with its name, derived from the Greek words “geo” (Earth) and “eon” (eternity), **Zeon will contribute to a “Sustainable Earth” and “Safe and Comfortable Life for People”** by providing original technologies, products, and services.

Vision for  
2030

**A company that lives up to societal expectations and aspirations of employees**

SDGs  
targeted  
by Zeon



Core  
Values

Let's try first

Let's connect

Let's polish up



**A company that  
lives up to  
“societal  
expectations”**

**Vision for 2030**

Live up to **societal expectations**

Live up to **aspirations of employees**

**Directions for 2030**  
(what we want to be)

**Continuing to contribute to a sustainable society**

**Providing products and services indispensable to society**

**Take vigorous action with the steps “Let’s try first,” “Let’s connect,” and “Let’s polish up”**

**Strategies**

**1**

**2**

**3**

**Formulate 3 Strategies based on the directions for 2030**

## Strategies

## Key Policies (2021–22)

## Targets for 2030

1

Promote a transformation of *monozukuri* to realize a carbon neutrality and circular economy

Formulate a master plan for achieving carbon neutrality looking toward the year 2050

To be set based on published guidelines including those of the Japan Chemical Industry Association

2

“Polish up” existing businesses

Strengthen COP and battery materials

Sales ratio of products that contribute to the SDGs: **50%**

ROIC for existing businesses: **9.0%**

“Explore” new businesses

Ensure the survival of existing SBUs

Net sales of new businesses: **+60.0 billion yen** (compared to FY2019)

3

Work together to create “stages” to be active on

Provide a greater variety of life choices

Employee engagement: **75%**  
Ratio of foreign-national and female directors: **30%**

## Strategies

1

Promote a transformation of *monozukuri* to realize a carbon neutrality and circular economy

2

“Polish up” existing businesses

“Explore” new businesses

3

Work together to create “stages” to be active on

## Key Policies

Formulate a master plan for achieving carbon neutrality looking toward the year 2050

Strengthen COP and battery materials

Ensure the survival of existing SBUs

Focus resources on key areas

Provide a greater variety of life choices

## Targets for 2030

To be set based on published guidelines including those of the Japan Chemical Industry Association

Sales ratio of products that contribute to the SDGs: 50%

ROIC for existing businesses: 9.0%

Net sales of new businesses: +60.0 billion yen (compared to FY2019)

Employee engagement: 75%  
Ratio of foreign-national and female directors: 30%

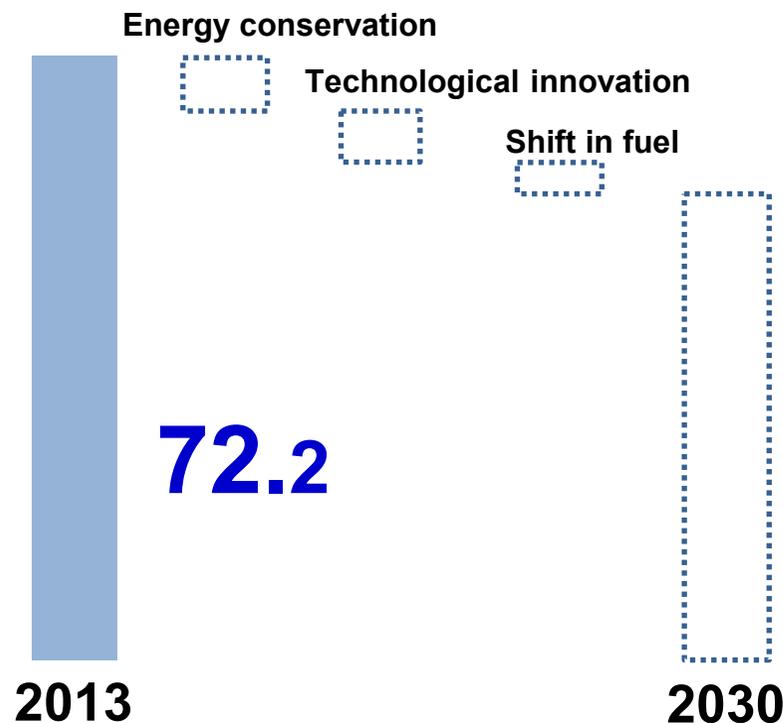
## Key Policy

Formulate a master plan for achieving carbon neutrality looking toward the year 2050

Steadfastly pursue the R&D and technological innovations necessary for a long-term transformation of *monozukuri*



Total CO<sub>2</sub> emissions  
(unit: 10,000 tonnes)



Emissions for  
Scope 1+2  
manufacturing

Example of initiative  
Production of butadiene  
from biomass

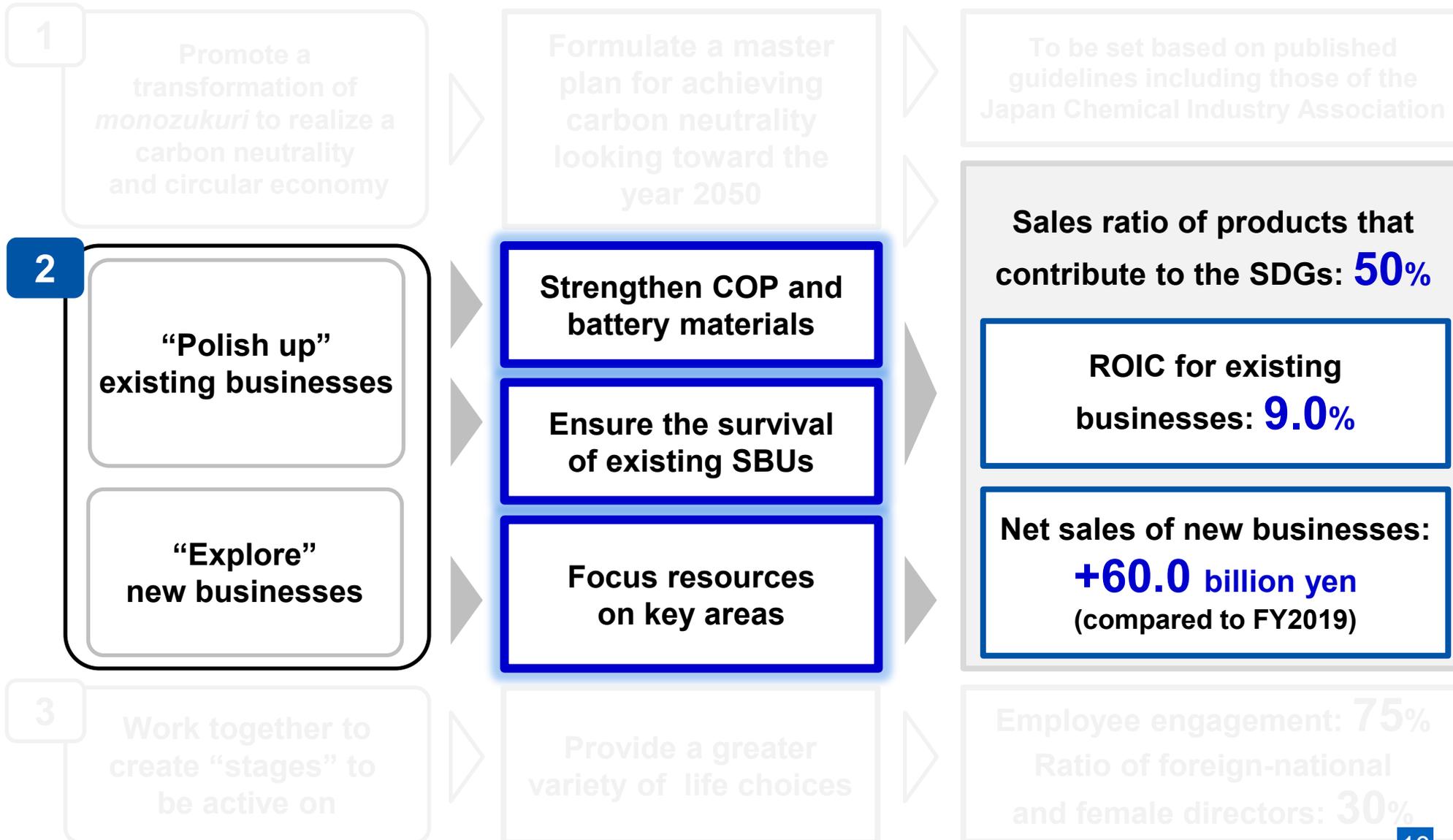


Source: Zeon press release (April 13, 2021)

## Strategies

## Key Policies (2021–22)

## Targets for 2030



## Key Policy

Strengthen COP



### 1. Take the lead in growth markets through timely investments in capacity expansion

- Increase production capacity at the Mizushima Plant (construction to be completed in July 2021)

Annual production: **37,000** tonnes  **41,600** tonnes

(Examples)

Applications for safe and comfortable life for people



### 2. Improve resilience\*

- Further consider a new production base

\*Build up strength to avoid the risk of critical damage from natural disasters and accidents and improve flexibility to ensure a prompt recovery

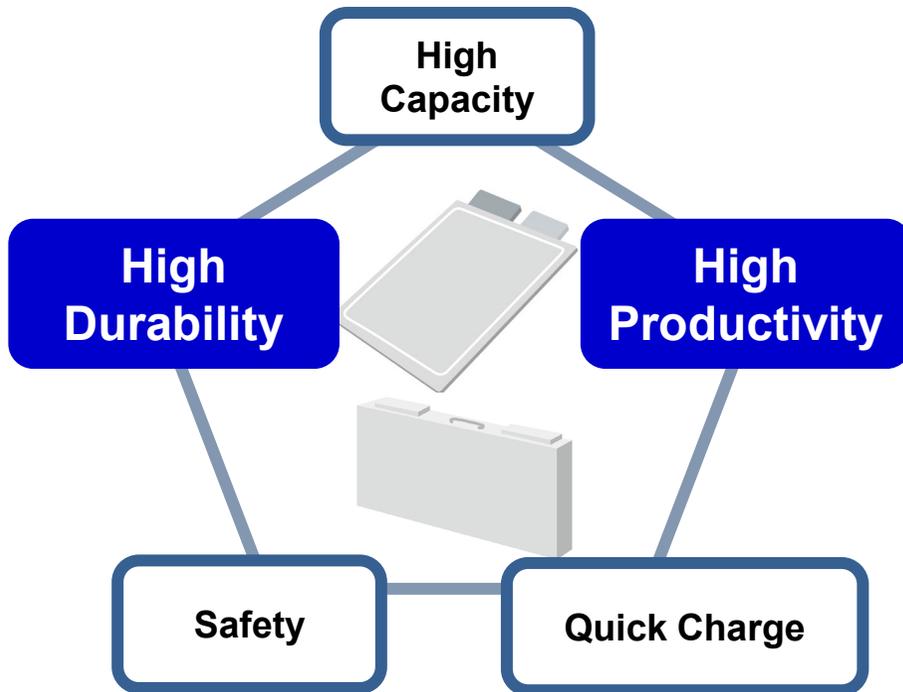
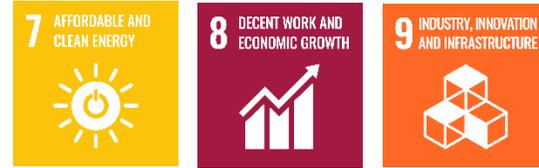
Mizushima Plant, Zeon Corporation



## Key Policy

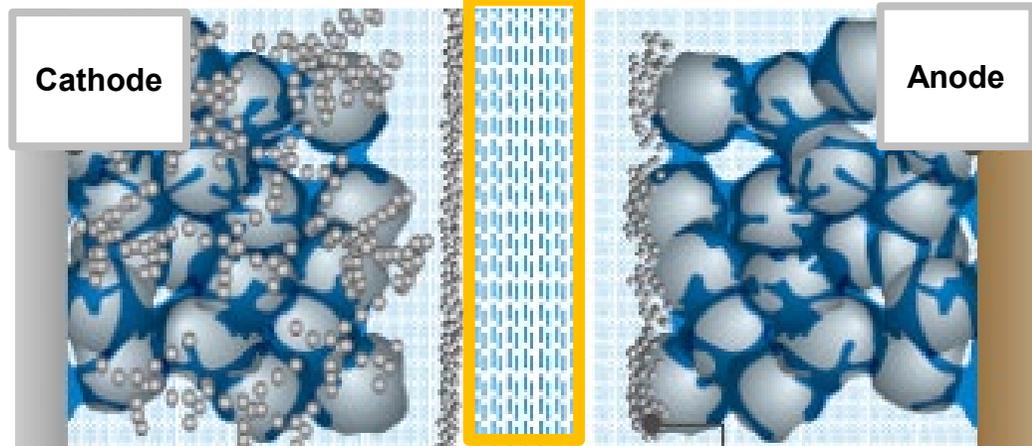
Strengthen battery materials

Launch the products that contribute to improving five major properties in the growing market



Five major properties required for lithium-ion batteries

AFL<sup>®</sup> (adhesives for separators) realizes **high durability** and **productivity** for lithium-ion batteries  
(Press release: February 2021)



### Key Policy

**Ensure the survival of existing SBUs**

#### Elastomers

Synthetic rubbers  
Latex  
Chemicals

- **Strengthen products having a competitive edge**
- **Raise the efficiency of each production line**

#### Specialty Materials

Specialty Chemicals  
Toners  
Electronics materials  
Optical films  
Medical devices

- **Bolster our competitive edge by developing products and increasing production capacity**



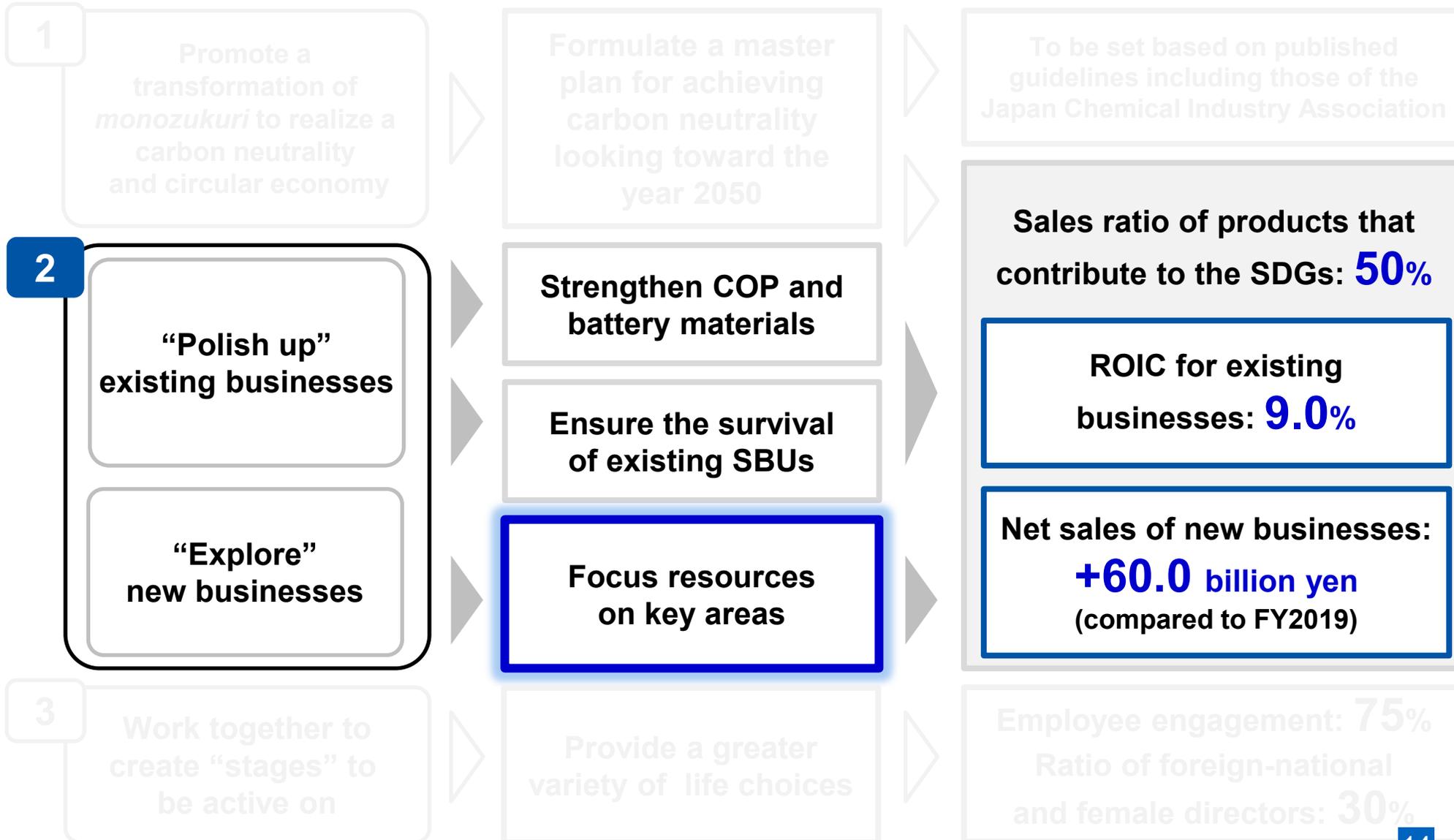
**Increase efficiency in the use of resources and facilities**

**Pursue sustainability**

## Strategies

## Key Policies (2021–22)

## Targets for 2030



## Key Policy

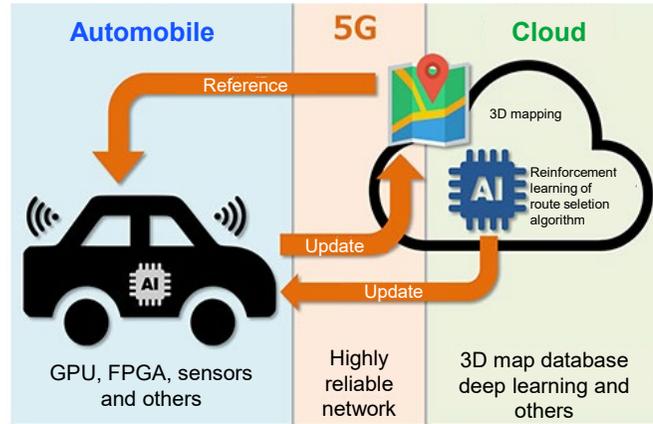
Focus resources on key areas

## Healthcare and Life Science



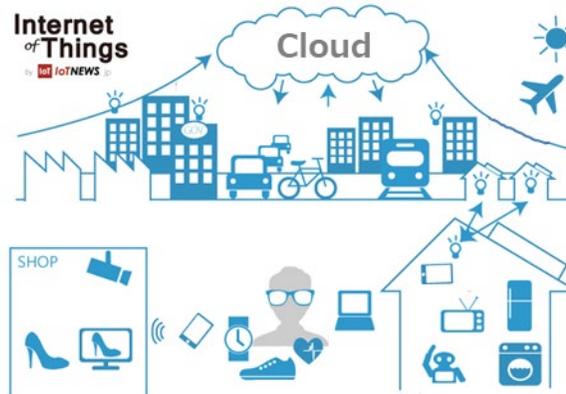
Source: Japanese Ministry of Health, Labor and Welfare website

## CASE·MaaS

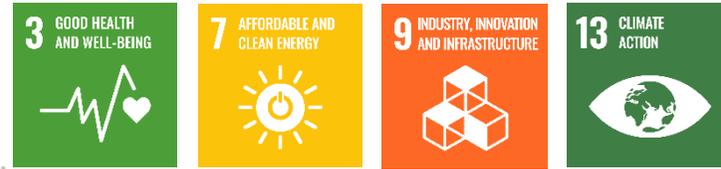


Source: CASE technology strategy platform, Japanese Ministry of Economy, Trade and Industry

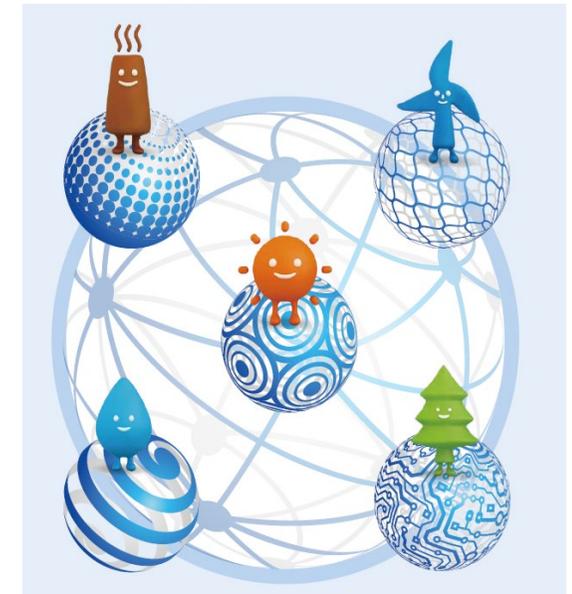
## Telecommunications (5G/6G)



Source: “Introducing the Smart City,” IoT NEWS



## Energy Conservation



Source: Guidebook on Feed-in Tariff System for Renewable Energy, Japanese Agency for Natural Resources and Energy

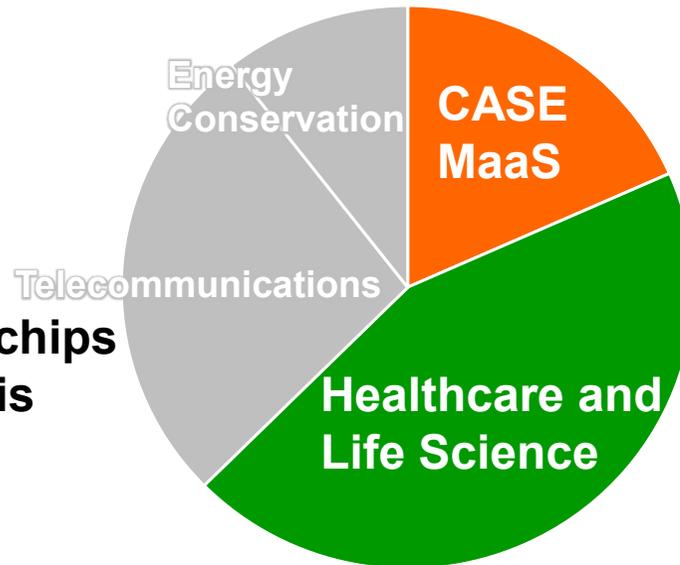
## Key Policy

Focus resources on key areas

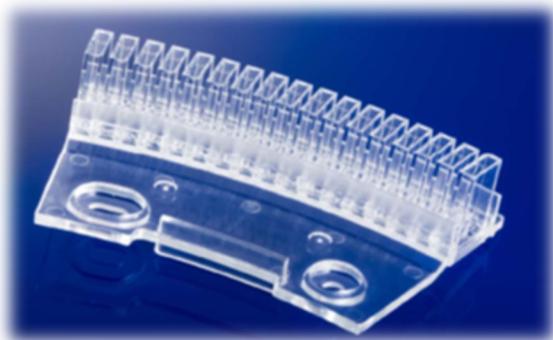
**Example:**  
COP\*-based microfluidic chips  
for inspection and analysis

\*Cyclo-olefin polymer

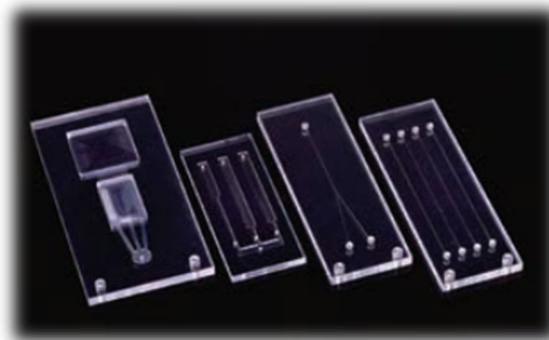
## Breakdown of new businesses for +60 billion yen in net sales



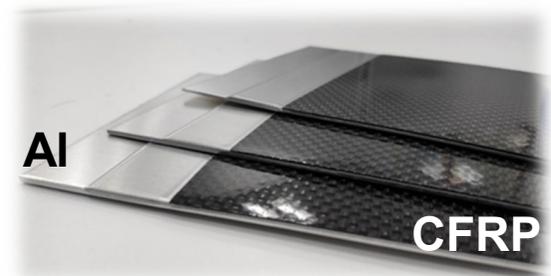
**Example:**  
multi-material adhesive for automobiles  
(new material that combines non-adhesive objects)



Component for inspection and analysis



Microfluidic chips



AI

CFRP

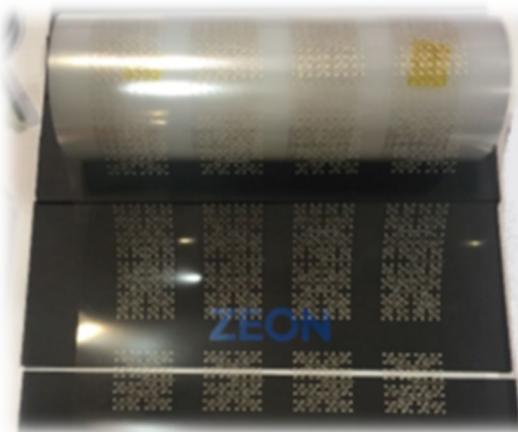
## Key Policy

Focus resources on key areas

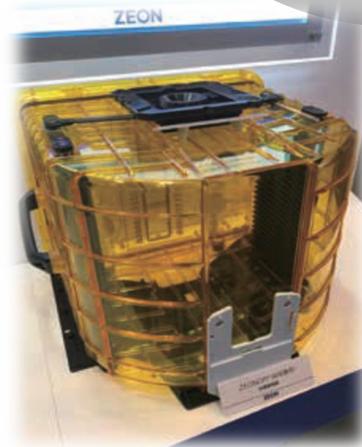
Example:

- COP\*-based film substrates
- semiconductor containers

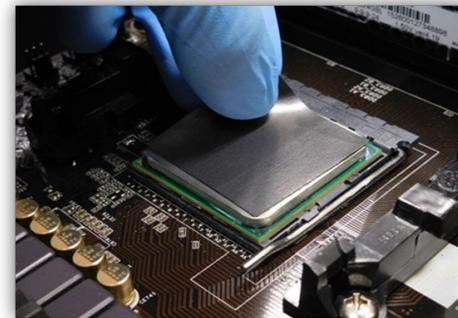
\*Cyclo olefin polymer



Film substrates



Semiconductor containers

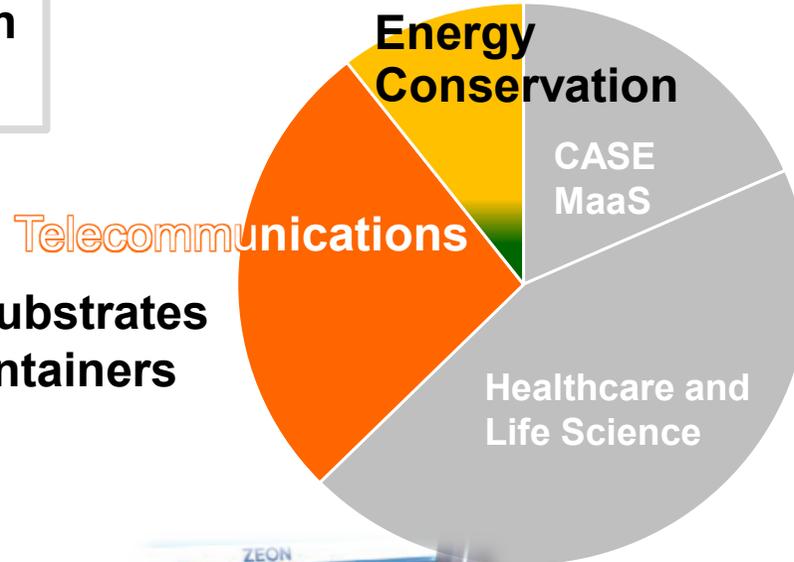


TIM



Solar cards

Breakdown of new businesses for +60 billion yen in net sales



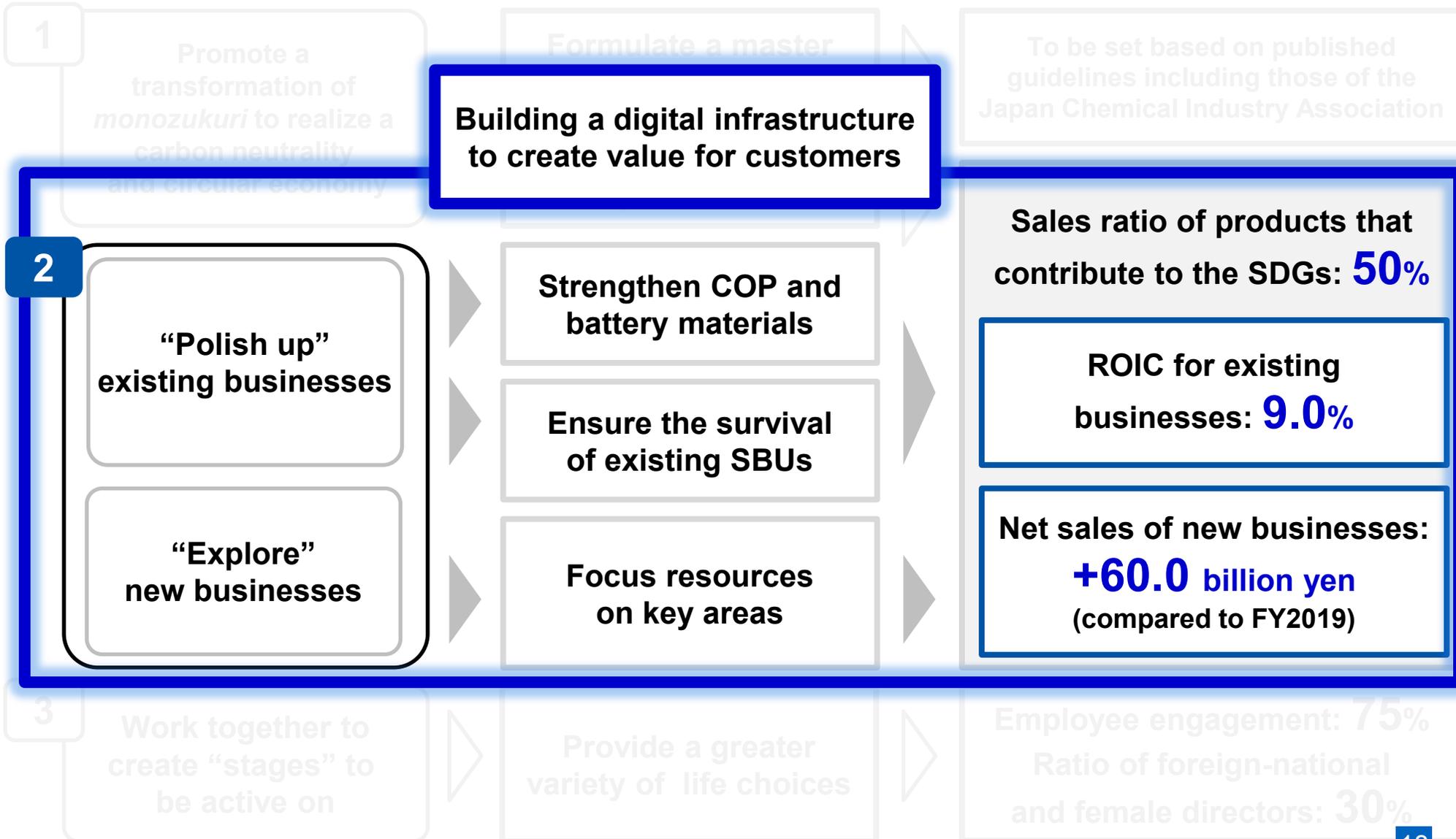
- Examples:
- TIM (thermal interface material) sheet
  - solar cards

project  
**LNES**

## Strategies

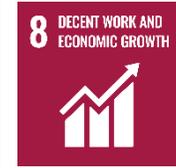
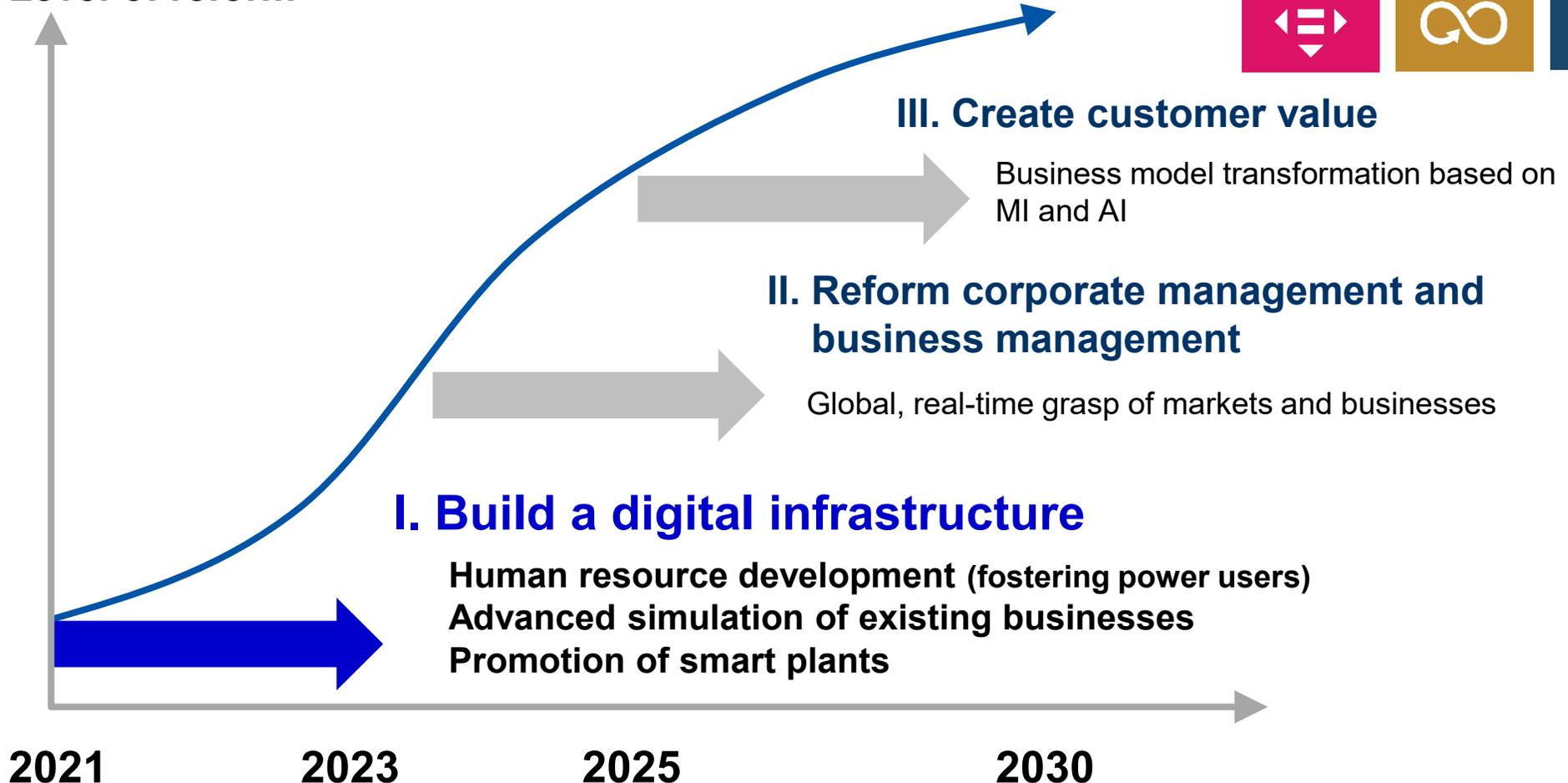
## Key Policies (2021–22)

## Targets for 2030



## Create customer value by building a digital infrastructure that realizes DX (digital transformation)

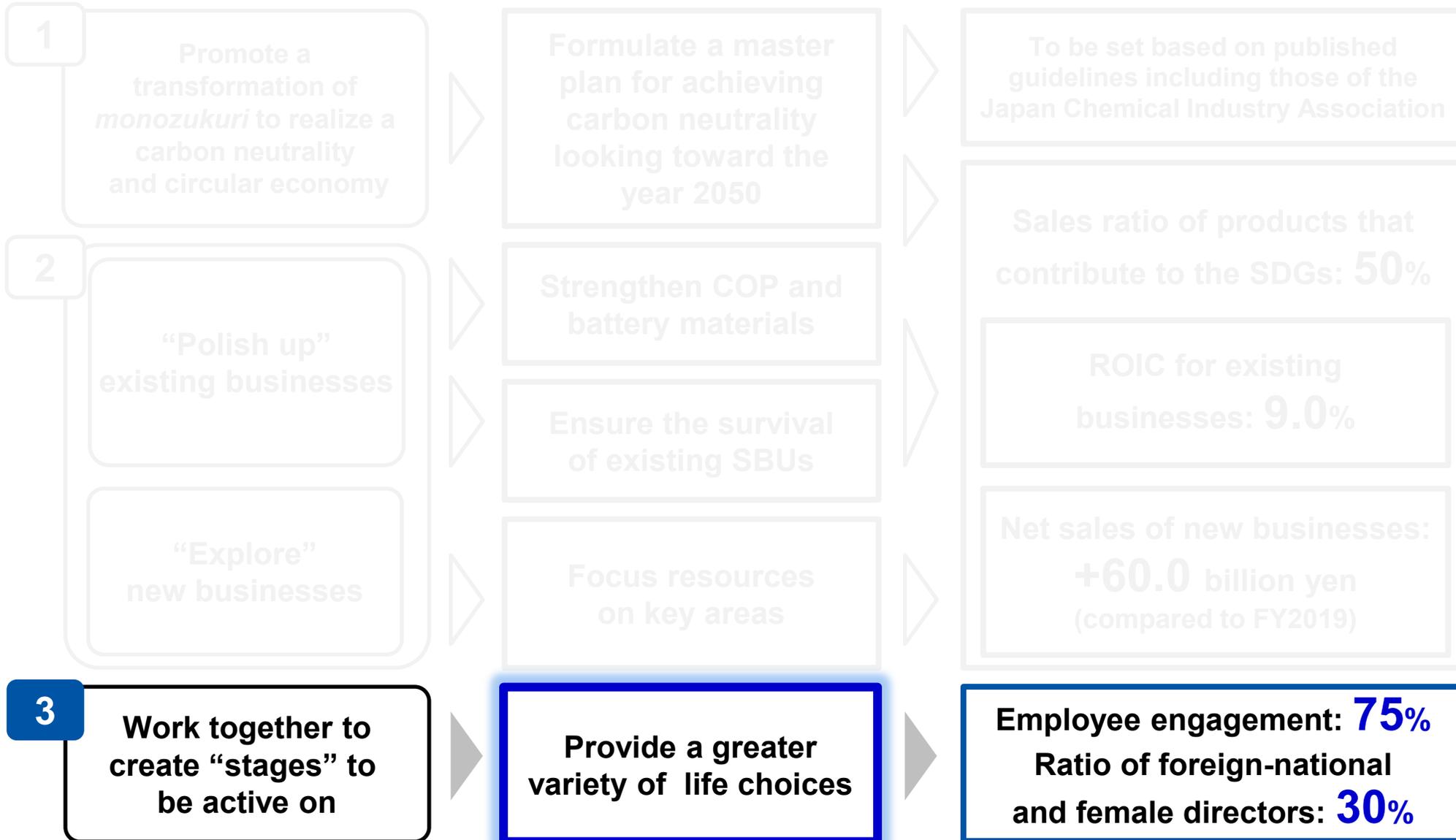
Level of reform



## Strategies

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**Key Policy**

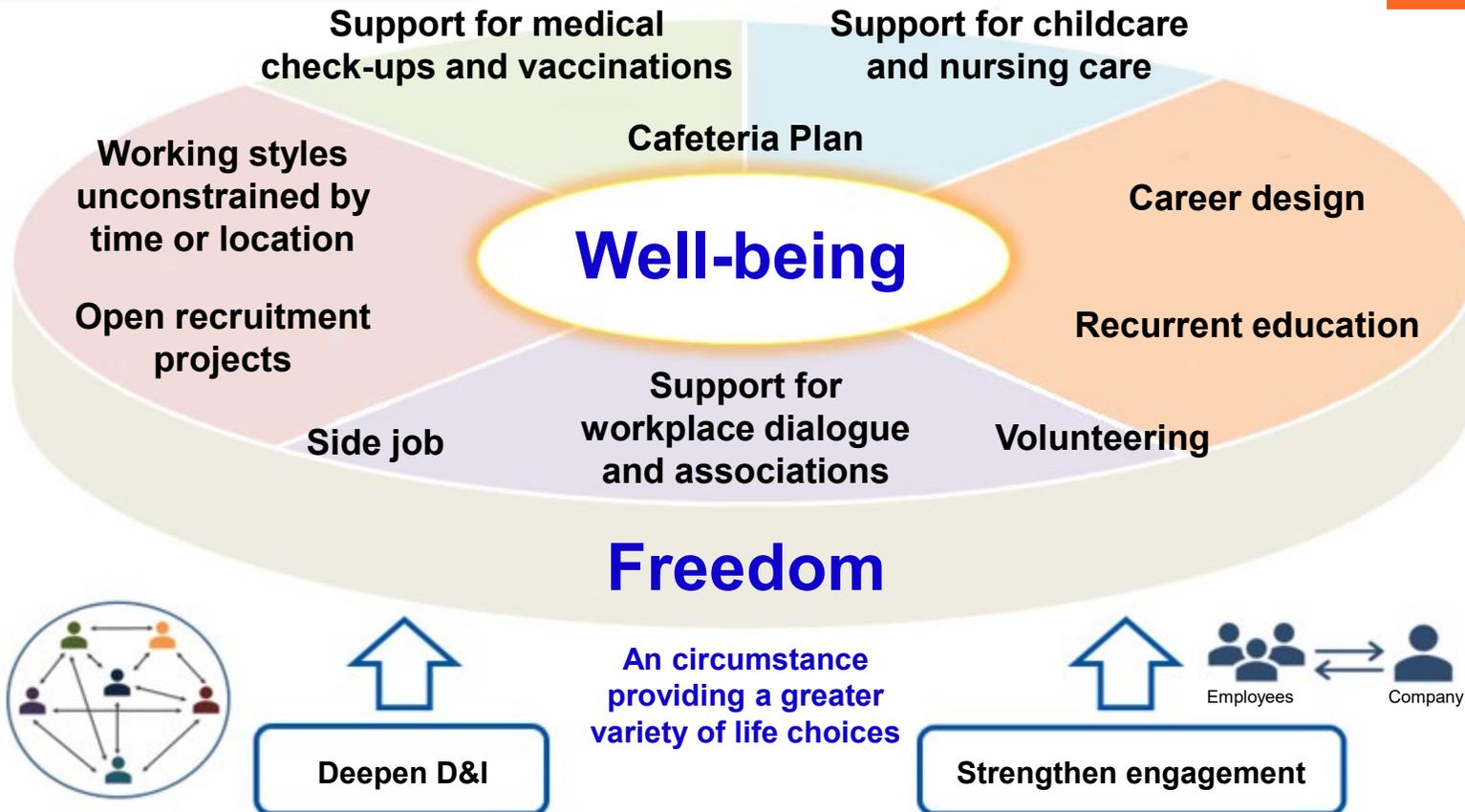
Provide a greater variety of life choices

**Targets for 2030**

Employee engagement: **75%**  
 Percentage of foreign-national and female directors\*: **30%**



\*Directors and Audit & Supervisory Board members (internal and external)



Deepen D&I

An circumstance providing a greater variety of life choices

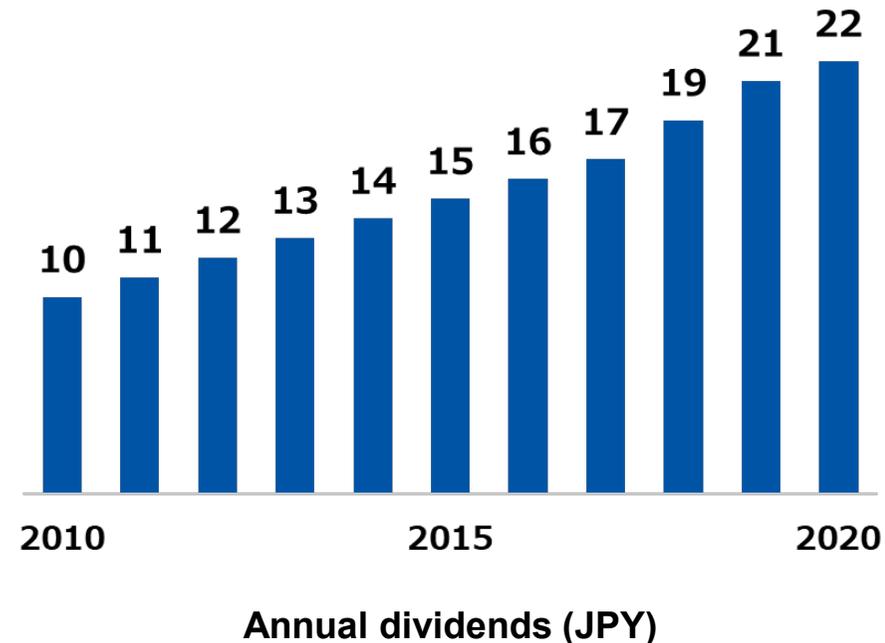
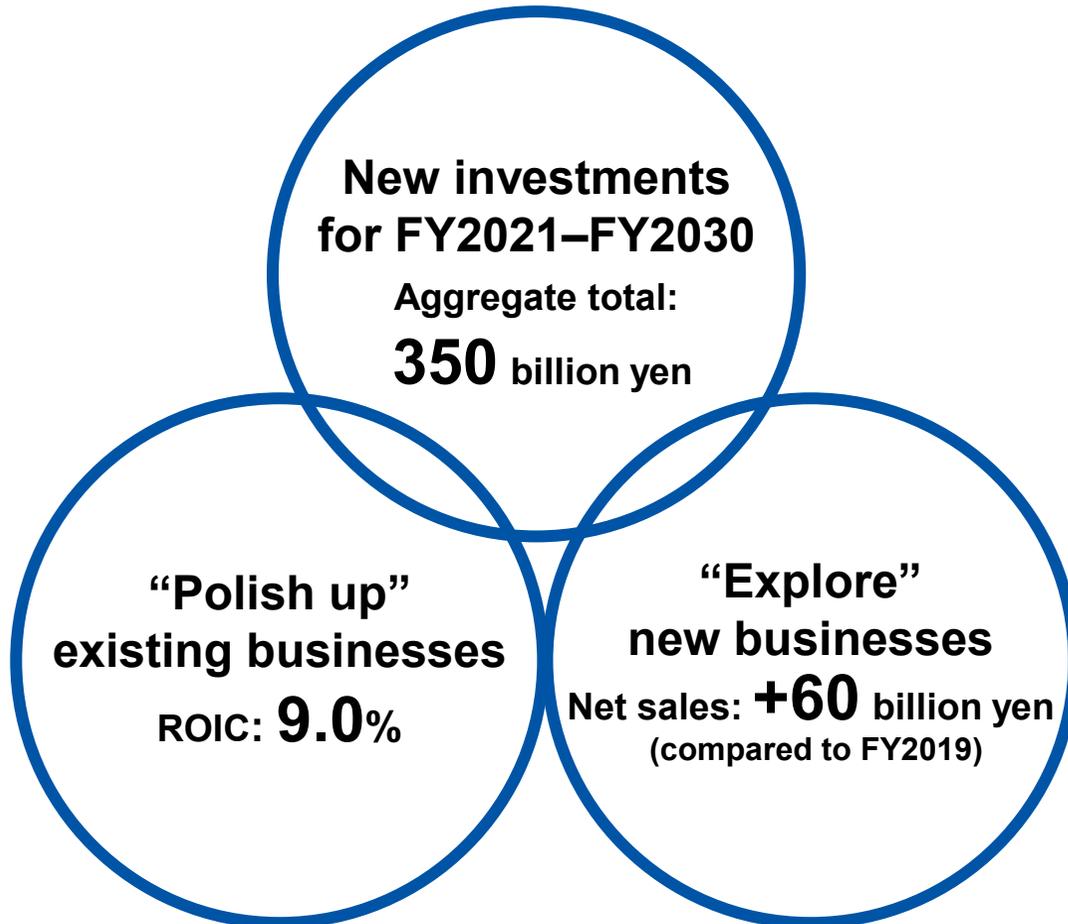
Strengthen engagement



Balancing new investments for business expansion and enhancement in capital efficiency



Continuous, stable shareholder returns



Corporate Philosophy  
= Mission

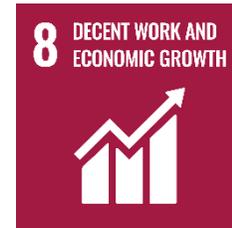
Contributing to the preservation of the Earth and the prosperity of the human race

In keeping with its name, derived from the Greek words “geo” (Earth) and “eon” (eternity), **Zeon will contribute to a “Sustainable Earth” and “Safe and Comfortable Life for People”** by providing original technologies, products, and services.

Vision for  
2030

A company that lives up to societal expectations and aspirations of employees

SDGs  
targeted  
by Zeon



Core  
Values

Let's try first

Let's connect

Let's polish up

Zeon's plans, forecasts, and other data appearing in this presentation were calculated based on currently available information and therefore include risks and uncertainties. Actual results may differ depending on various factors.

# ZEON

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