

FY2021–FY2022
Medium-Term Business Plan
Building a Foundation to Realize the “Vision for 2030”

ZEON

ZEON CORPORATION

Kimiaki Tanaka, President and CEO

October 29, 2021

- **Strategy 1**
- **Strategy 2**
- **Strategy 3**
- **Shareholder Returns**

**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**

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



Strategies

1

2

3

Formulate three Strategies based on the directions for 2030

Strategies

Key Policies (2021-22)

Targets for 2030

1

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

Formulate a master plan for 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

50% sales ratio of products that contribute to the SDGs

"Explore" new businesses

Ensure the survival of existing SBUs

ROIC for existing businesses: **9.0%**

3

Work together to create "stages" to be active on

Focus resources on key areas

New business sales: **+60 billion yen** (compared to FY2019)

Provide a greater variety of life choices

Employee engagement: **75%**
Ratio of foreign and female executives: **30%**

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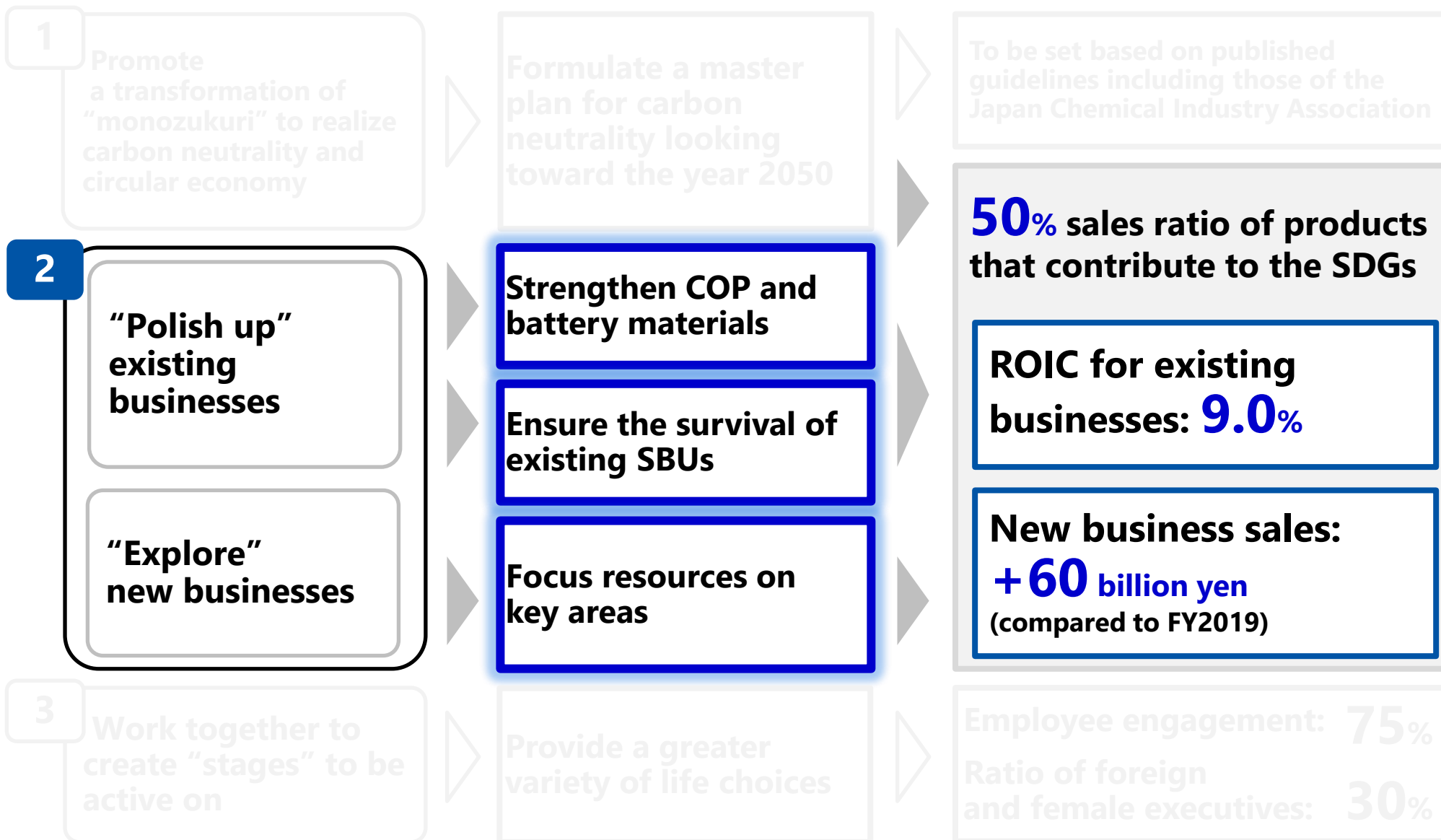
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Strategies

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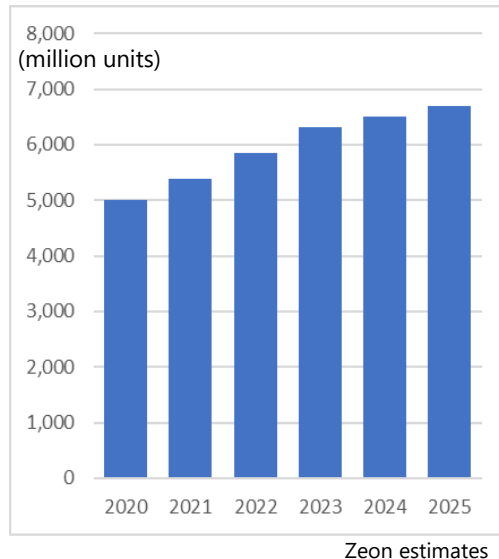
Key Policy

Strengthen COP

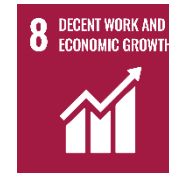
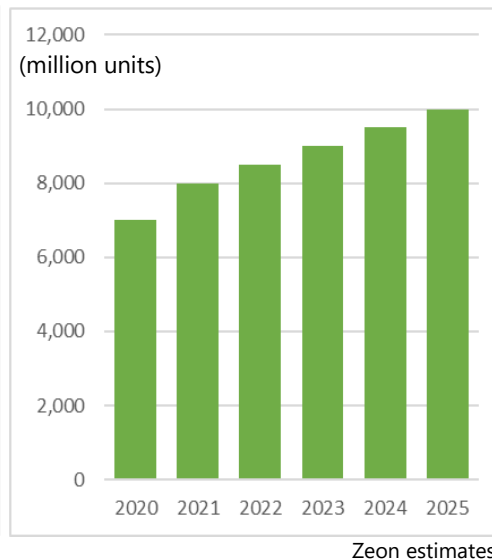
Take the lead in growth markets through timely investments in capacity expansion

- Increase production capacity at the Mizushima Plant
- Annual production: **41,600** tonnes (construction completed in July 2021)

Camera Modules for Smartphones



Prefilled Syringes



Improve resilience*

- Further consider a new production base
- Under consideration also from a BCP standpoint (COP plant)**

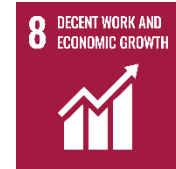


***Strengthen our operations to mitigate the risk of critical damage caused by natural disasters and accidents and improve flexibility to ensure a prompt recovery**

Key Policy

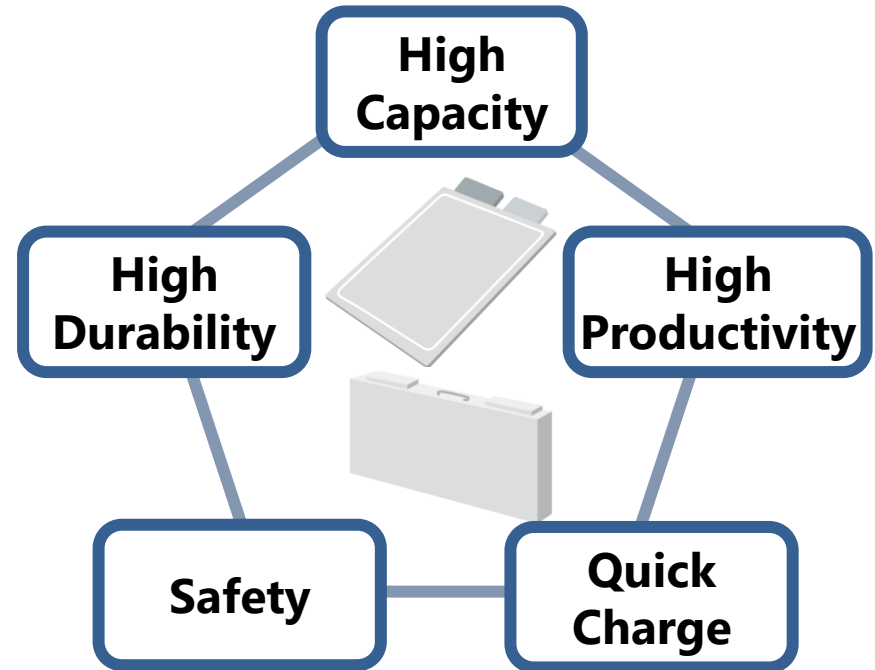
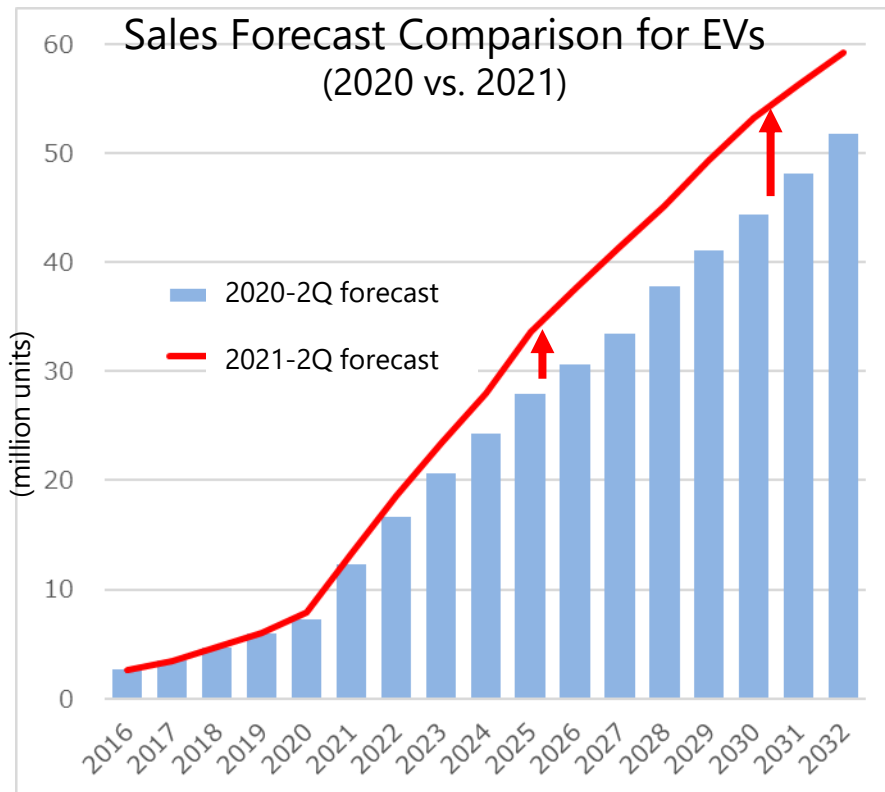
Strengthen battery materials

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



EV Market Growth Exceeds Expectations

Market Launch of High Value-Added Products

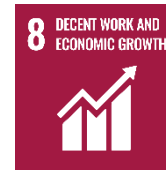


Source: MC Automotive Global Hybrid and EV Forecast (2nd quarter of 2020 + 2nd quarter of 2021)

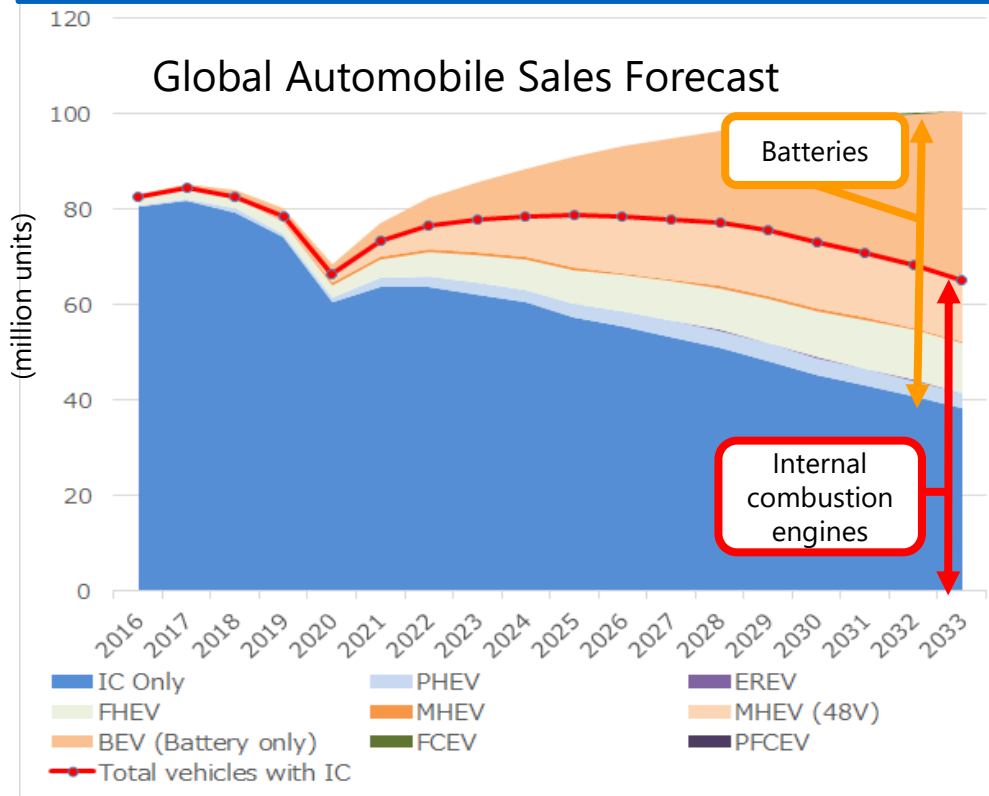
Key Policy

Ensure the survival
of existing SBUs

Elastomer Business:
Synthetic rubber



Automobile Sales Forecast by Power Source



Source: LMC Automotive Global Hybrid and EV Forecast (2nd quarter of 2021)

Maintain Top Market Share for Acrylic Rubber

Commercial production began at Zeon's fourth base in Thailand in August 2021.

- ◆ Zeon Chemicals Asia Co., Ltd.
(5,000 tonnes/year)
- ◆ Total production capacity at four bases:
22,000 tonnes/year

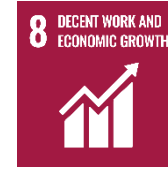
Focus of Initiatives Aimed at Expanding EVs

- ◆ Continuously increase the market share for specialty rubber
- ◆ Meet the demand caused by EV expansion and develop new products
- ◆ Raise the efficiency of global production bases and optimize their capability

Key Policy

Ensure the survival of existing SBUs

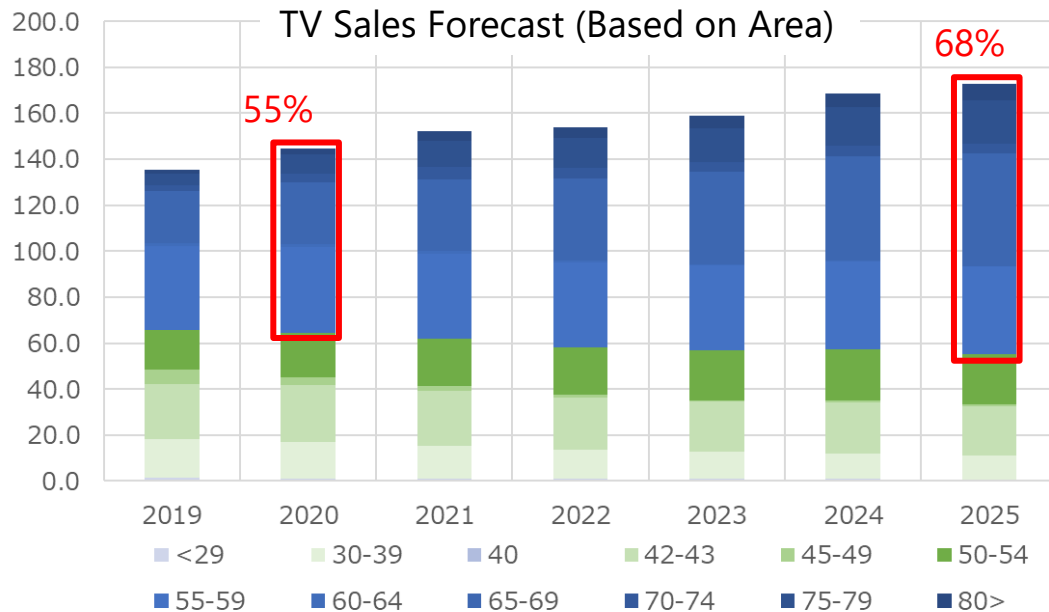
Specialty Materials Business: optical films



Respond to Increased Size of TV Displays

Production line for 2,500 mm film will be expanded (October 28 press release)

Demand for Zeon Films Continues to Grow



- Location: Tsuruga Plant
- Production capacity: 50 million m²/year
- Start of construction: April 2022
- Start of full-scale production: October 2023 (tentative)



2 “Explore” New Businesses

Key Policy

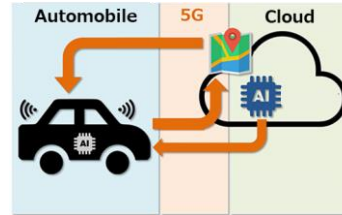
Focus resources on key areas

Healthcare and Life Sciences



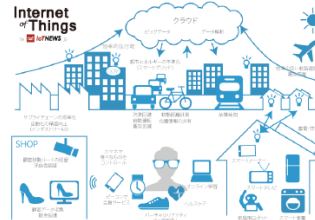
Source: Japanese Ministry of Health, Labor and Welfare website

CASE and MaaS

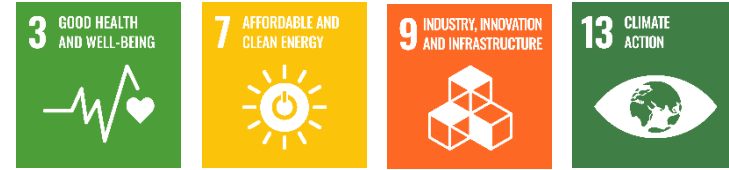


Source: CASE technology strategy platform, Japanese Ministry of Economy, Trade and Industry

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

Production of High Thermal Interface Materials (TIM)

VB200 thermal conductivity (Z Axis): 38 W/m•k



The TIM is expected to provide thermal management solutions for the semiconductor industry

Promotion of Open Innovation Activities

Participating as a corporate partner in the “1stRound” startup incubation program, hosted by UTokyo IPC, a subsidiary of The University of Tokyo



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Enhance Employee Engagement Centered on DI&B* Activities

*Diversity, inclusion, and belonging

Employee Engagement
Index

FY2021

52%



FY2030

75%

ZEON

JP/EN

DI&B Week について

プログラム
タイムスケジュール

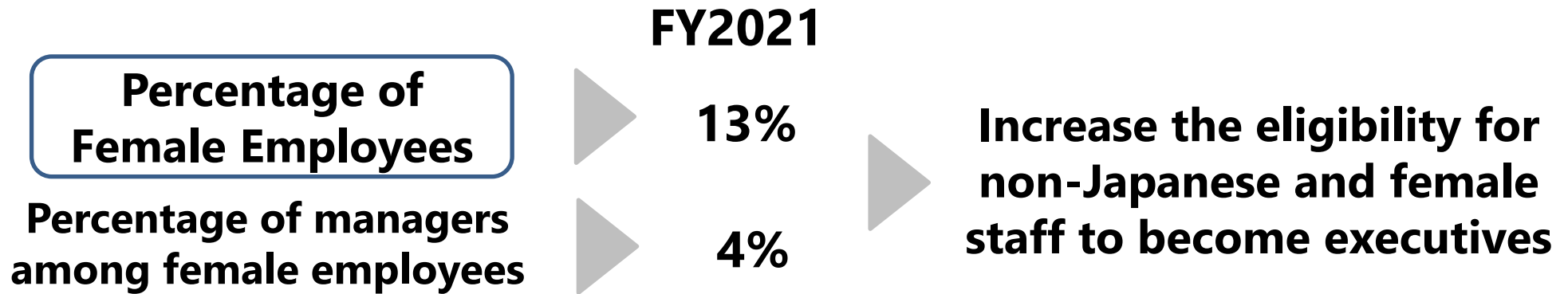
DI&B とは？

DI&B Week
動画

D&I 推進プロジェクト
について

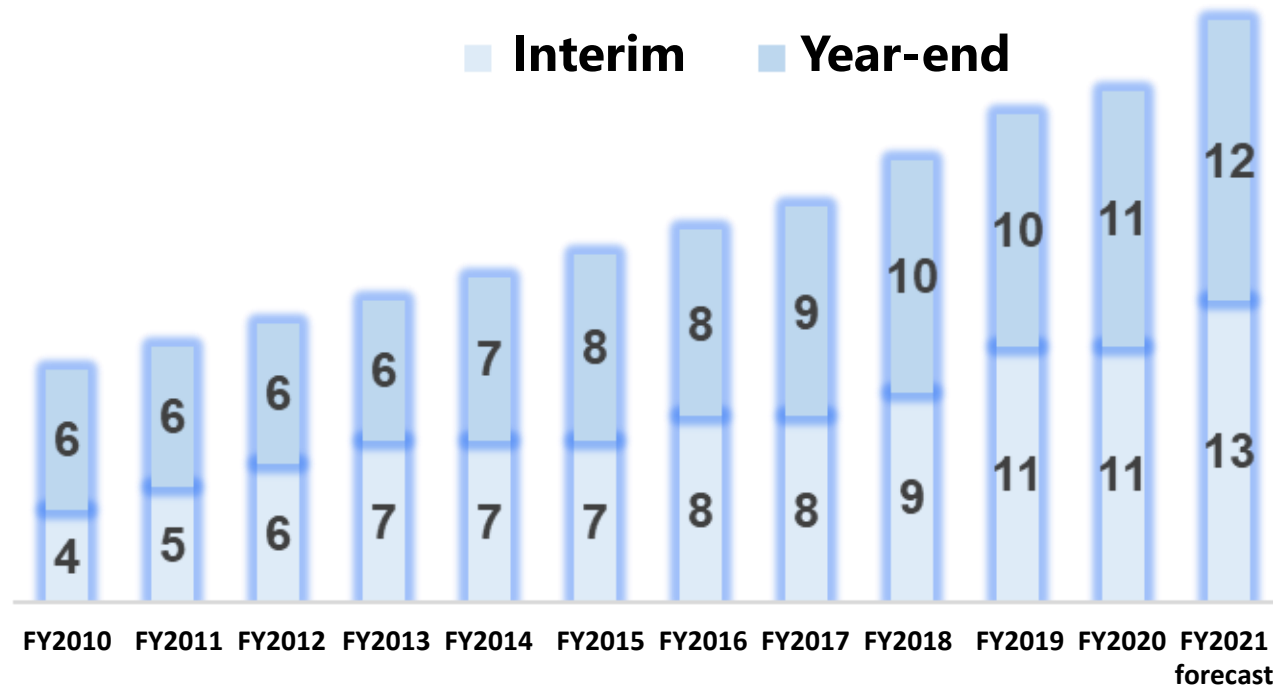
プロジェクトオーナー
からのメッセージ



Reestablish a Working Environment Where Female Thrive, and Support Self-Directed Career Development**Reestablish a Working Environment**

- Work styles not bound by time or place
- Programs that support child and nursing care
- Career design
- Revision of employee benefit system, and other measures

FY2021 Annual Dividend Forecast (Unit: Yen)



**Stable and continuous dividends
(no change in policy)**

FY2021 dividend forecast revised to interim dividend of 13 JPY (+1 JPY) and year end dividend of 12 JPY for full year dividend of 25 JPY (+ 3 JPY from previous year)

Thank you

Company plans and projections referred to in this document have been calculated based on the information currently available and therefore include elements of risk and uncertainty. Furthermore, due to various factors, actual business performance results may differ from those described here.

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