

Financial Results

FY2024 (Apr.1 - Mar.31)



April 25, 2025
ZEON CORPORATION

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***As of FY2024, Optical Plastics
are referred to as
Cyclo Olefin Polymers (COP).**

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Consolidated Performance for Q4 FY2024

Net Sales
¥105.2billion
 QoQ+3%

Operating Income
¥5.1billion
 QoQ-30%

Ordinary Income
¥5.7billion
 QoQ-35%

Net Income
¥6.1billion
 QoQ-23%

▶ Main factors behind the increase/decrease

Net sales: Specialty materials remained generally steady, and shipments of chemicals also recovered.

Operating income: Increase in loss on disposal and valuation for inventories for specialty chemicals and increase in year-end indirect department expenses, etc.

Ordinary income: Same as above, plus a decline in foreign exchange gains.

Net income: A large-scale sale of investment securities was carried out in Q3.

Consolidated Performance for FY2024

Net Sales
¥420.6billion
 YoY+10%

Operating Income
¥29.3billion
 YoY+43%

Ordinary Income
¥33.1billion
 YoY+23%

Net Income
¥26.2billion
 YoY-16%

▶ Main factors behind the increase/decrease

Net sales: Specialty plastics remained steady, and selling prices of elastomer were revised to reflect rising raw material costs, with the situation further supported by yen depreciation.

Operating income: Same as above, plus improved yield in optical films.

Ordinary income: Same as above, while foreign exchange gains decreased.

Net income: A large-scale sale of investment securities was carried out in the previous fiscal year.

Consolidated Performance Forecast for FY2025

Net Sales
¥409.5billion
 -3%

Operating Income
¥28.0billion
 -5%

Ordinary Income
¥28.0billion
 -15%

Net Income
¥25.0billion
 -5%

▶ Main factors behind the increase/decrease

Net sales: Decrease in the yen amounts of overseas sales due to yen appreciation. (US\$: FY2024=¥152.8 ⇒ FY2025=¥140)

Selling prices down to reflect a decline in raw material costs.

(Naphtha/KL: FY2024=¥75,800 ⇒ FY2025=¥63,000, Asian Butadiene/MT: FY2024=\$1,429 ⇒ FY2025=\$1,100)

Operating income: Same as above, while losses decreased following the resolution of the production line issue at the Mizushima Plant in Q3 FY2024.

Ordinary income: Foreign exchange losses increase due to yen appreciation.

Net income: Decrease in impairment loss of Tokuyama Plant

Shareholder Return Forecast for FY2025

DOE
 At least **4%**

Dividend
¥72/share/year

Share buyback
 FY2025
100billion

▶ Dividends policy: DOE of at least 4%

▶ The annual dividend forecast for FY2025 will be at 72 JPY.

▶ Determined share buyback, with an upper limit of 10 million shares/10 billion yen

[1] Specialty plastics (Optical films)

- Zeon will construct a new production line for retardation films used in large-screen LCD TVs.



Location: Himi Futagami Plant (Himi City, Toyama)

- Expansion of product supply to meet growing demand for larger screen TVs
- Strengthening BCP through a two-site structure including the Tsuruga Plant (Tsuruga City, Fukui)

- New production line: 3,000 mm wide film
(one of the world's largest and the first of its kind for Zeon)
- Production capacity: 45 million m² per year
- Construction to begin in December 2025
- Mass production to begin in summer 2027
- Product: Retardation film for large-screen LCD TVs,
compatible with LCD panels up to 130 inches

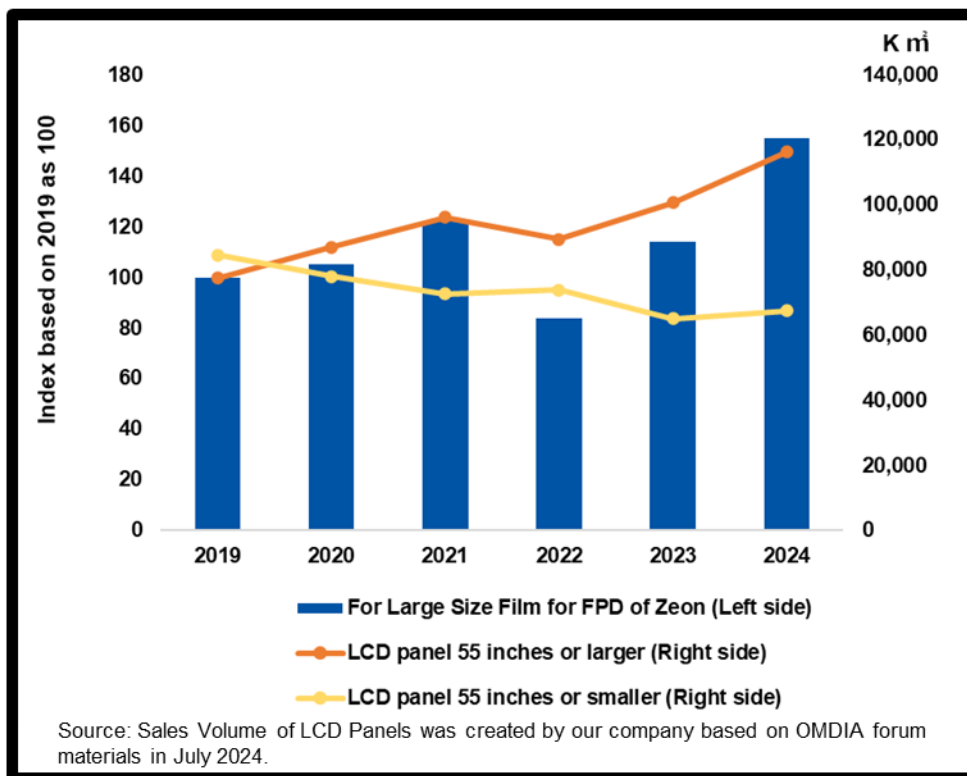


Himi Futagami Plant (Himi City)

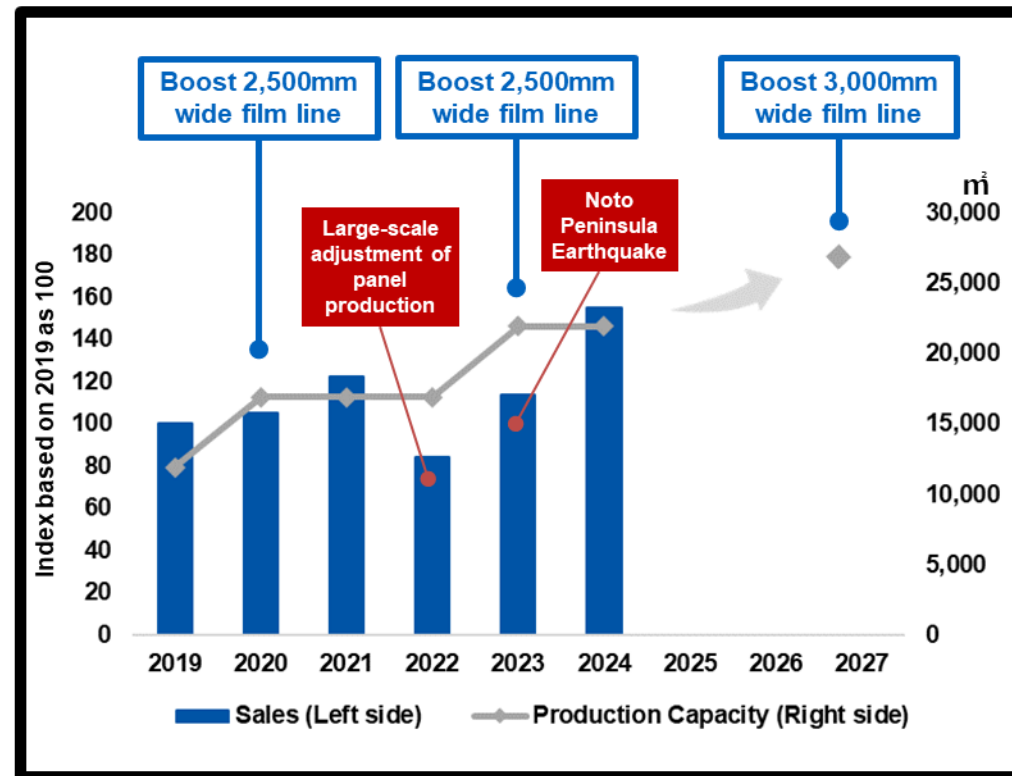
[1] Specialty plastics (Optical films)

- Demand for large-screen LCD panels continues to grow robustly, and this trend is expected to persist going forward.
- Sales have been steadily increasing alongside the expansion of our large size film production lines. Zeon firmly believes that the newly added 3,000 mm wide film production line will contribute significant added value to our business.

**[Sales Volume of LCD Panels and
Zeon Sales of Large Size Film for FPD]**

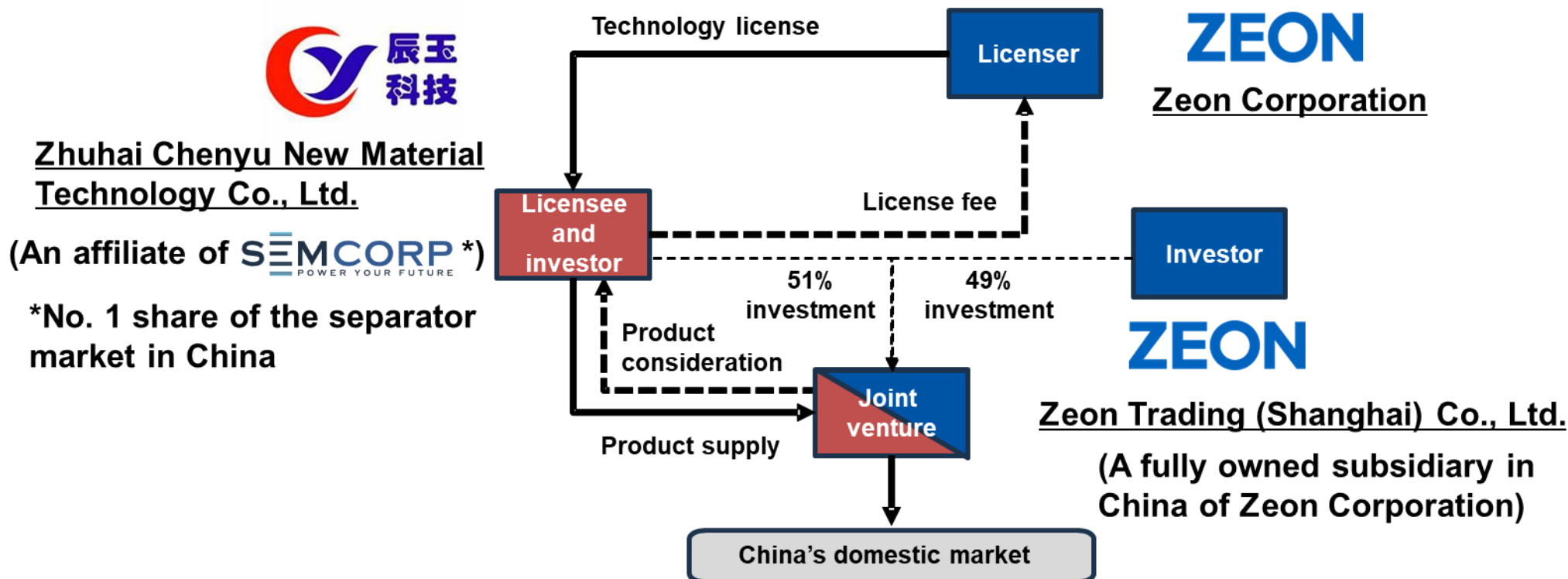


**[Zeon Production Capacity and
Sales of Large Size Film for FPD]**



[2] Battery Materials

- Zeon Trading (Shanghai) Co., Ltd., a fully owned subsidiary of Zeon Corporation has reached an agreement with Zhuhai Chenyu New Material Technology Co., Ltd. (Chenyu), an affiliate of Shanghai Energy New Materials Technology Co., Ltd. (SEMCORP) to set up a joint sales venture for anode binders used in lithium-ion batteries.
- The goal of this partnership is to further expand the anode binder business in China's domestic market by leveraging the sales channels of SEMCORP, which boasts the number one share of the separator* market in China, and by integrating the anode binder technology cultivated over the years by Zeon with Chenyu's competitive manufacturing costs.

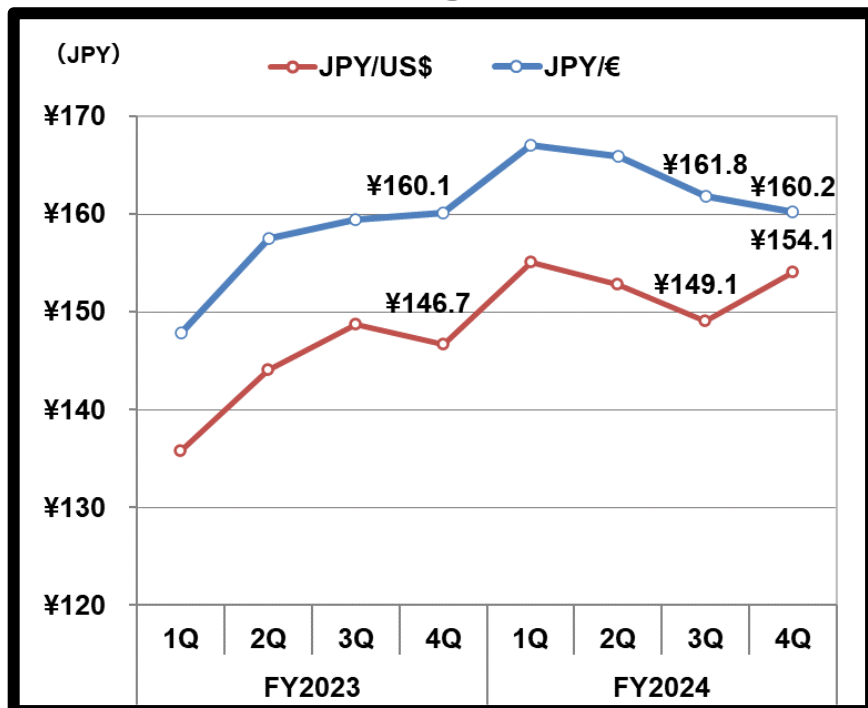


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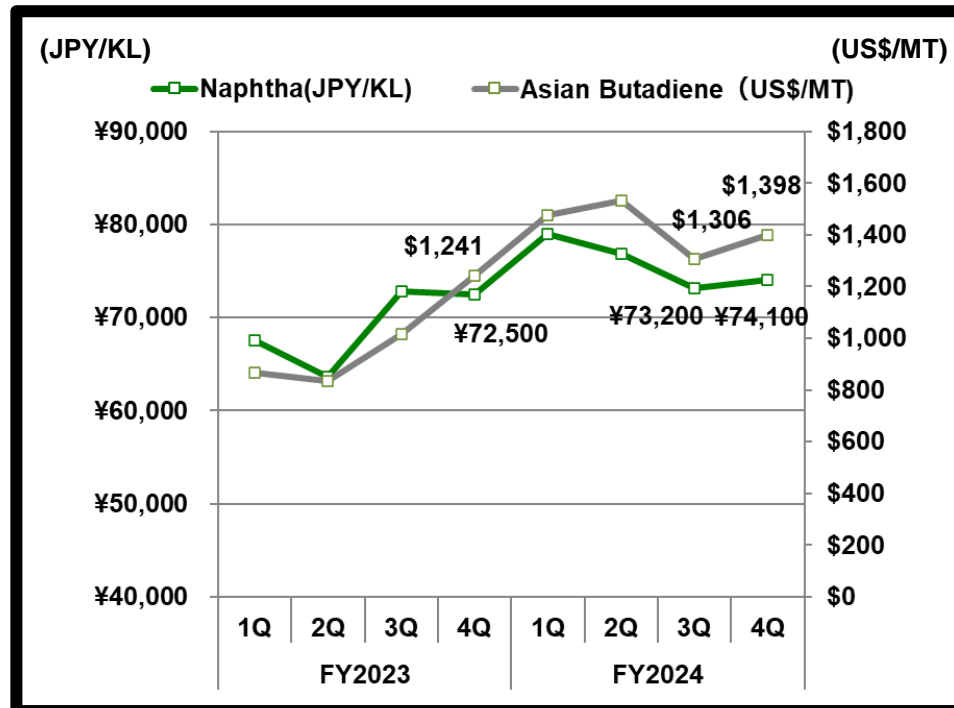
Q4 FY2024 Business Environment

(Trends in Exchange Rates and Prices of Raw Materials)

[Exchange Rates]



[Raw Materials]



	FY2023	FY2024	YoY(%)
JPY/US\$	¥143.8	¥152.8	+6%
JPY/€	¥156.2	¥163.8	+5%
Naphtha(JPY/KL)	¥69,100	¥75,800	+10%
Asian Butadiene(US\$/MT)	\$990	\$1,429	+44%

*Naphtha: Figures for FY2023 are confirmed, while the figure for FY2024 is our estimate.

(Unit : JPY100m)

	Q4 FY2023	Q3 FY2024	Q4 FY2024	YoY	QoQ	FY2023	FY2024	YoY (FY)
Net Sales	985	1,021	1,052	+67	+31	3,823	4,206	+384
Operating Income	45	74	51	+6	-22	205	293	+88
Ordinary Income	70	88	57	-13	-31	269	331	+61
Net Income	102	78	61	-41	-18	311	262	-49

- YoY (in 3 mo.) : Net Sales +6.7B JPY, Operating Income +0.6B JPY
- QoQ : Net Sales +3.1B JPY, Operating Income -2.2B JPY
- YoY (in 12 mo.) : Net Sales +38.4B JPY, Operating Income +8.8B JPY

Note: Results at overseas subsidiaries from October to December 2024 are reflected in Q4 consolidated results.

Q4 FY2024 Performance Summary (By Segment)

(Unit: JPY100m)

Net Sales

	Q4 FY2023	Q3 FY2024	Q4 FY2024	YoY	QoQ	FY2023	FY2024	YoY (FY)
Specialty Materials Biz.	283	286	315	+32	+29	1,074	1,216	+142
Elastomer Business	556	578	581	+25	+3	2,153	2,366	+213
Others/Eliminations, etc.	146	157	156	+11	-1	596	625	+29
Net Sales (consolidated)	985	1,021	1,052	+67	+31	3,823	4,206	+384

Operating Income

	Q4 FY2023	Q3 FY2024	Q4 FY2024	YoY	QoQ	FY2023	FY2024	YoY (FY)
Specialty Materials Biz.	30	37	31	+0	-6	132	176	+43
Elastomer Business	5	29	20	+15	-10	66	109	+43
Others/Eliminations, etc.	10	7	1	-9	-6	6	8	+2
Operating Income	45	74	51	+6	-22	205	293	+88

Q4 FY2024 Performance Summary (By Segment)

(Unit: JPY100m)

Net Sales

	FY2023	FY2024 FCST	FY2024	YoY (FY)	YoY (vs FCST)	Progress %
Specialty Materials Biz.	1,074	1,195	1,216	+142	+21	2%
Elastomer Business	2,153	2,360	2,366	+213	+6	- %
Other Biz./Eliminations, etc.	596	615	625	+29	+10	2%
Net Sales (consolidated)	3,823	4,170	4,206	+384	+36	1%

Operating Income

	FY2023	FY2024 FCST	FY2024	YoY (FY)	YoY (vs FCST)	Progress %
Specialty Materials Biz.	132	165	176	+43	+11	6%
Elastomer Business	66	95	109	+43	+14	15%
Other Biz./Eliminations, etc.	6	5	8	+2	+3	66%
Operating Income	205	265	293	+88	+28	11%

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Specialty Materials Business Profit and Loss

(Unit: 100m)

	Q4 FY2023	Q3 FY2024	Q4 FY2023	YoY	YoY(%)	QoQ	QoQ(%)
Net Sales	283	286	315	32	11 %	29	10 %
Specialty plastics	158	187	201	42	27 %	13	7 %
Specialty binder materials	73	52	65	-8	-11 %	13	26 %
Specialty chemicals	41	37	40	-1	-3 %	2	6 %
Medical devices, etc.	10	10	10	-1	-5 %	0	2 %
Operating Income	30	37	31	0	1 %	-6	-17 %
Specialty plastics	26	20	27	1	4 %	7	34 %
Specialty binder materials	6	8	4	-2	-27 %	-3	-43 %
Specialty chemicals	2	10	2	0	6 %	-9	-84 %
Medical devices, etc.	-3	-1	-2	1	- %	-1	- %
Operating Income ratio	11%	13%	10%				

Previous Sub Segment (Until Q3 FY2024)

Specialty plastics : Optical plastics and optical films
 Specialty chemicals: Battery materials, specialty chemicals,
 electronic materials and polymerized toners



Current Sub Segment (From Q4 FY2024)

Specialty plastics : Optical plastics and optical films
 Specialty binder materials : Battery materials and polymerized toners
 Specialty chemicals : Specialty chemicals and electronic materials

Specialty Materials

Net Sales **¥31.5** billion (QoQ+10%, YoY+11%)

OP Income **¥3.1** billion (QoQ-17%, YoY+1%)

Specialty Plastics

Net Sales **¥20.1** billion (QoQ+7%, YoY+27%)

OP Income **¥2.7** billion (QoQ+34%, YoY+4%)

■ QoQ

Both sales and OP income were up for COP and optical films due to steady shipments. OP income recovered significantly following the resolution of the production line issue at the Mizushima Plant in Q3 FY2024.

■ YoY

Both sales and OP income were up, as Q4 of the previous fiscal year was impacted by the 2024 Noto Peninsula Earthquake. A portion of COP sales was deferred to FY2025 due to a timing difference of shipment.

Specialty Binder Materials

Net Sales **¥6.5** billion (QoQ+26%, YoY-11%)

OP Income **¥0.4** billion (QoQ-43%, YoY-27%)

■ QoQ

In addition to steady shipments of anode binders for ESS use, shipments of toners recovered following the completion of regular maintenance at the domestic plant. OP income declined due to sales mix of battery materials.

■ YoY

Both sales and OP income were down due to sluggish market conditions for EV battery materials in Europe and weak shipments.

Specialty Chemicals

Net Sales **¥4.0** billion (QoQ+6%, YoY-3%)

OP Income **¥0.2** billion (QoQ-84%, YoY+6%)

■ QoQ

Shipment recovered of synthetic aromatic chemicals. OP income declined by approximately 0.8B JPY due to loss on disposal and valuation for inventories, etc.

■ YoY

With the synthetic aromatic chemicals market still sluggish, shipments declined and sales fell. OP income increased due to sales mix.

		QoQ	YoY	YoY Cumulative total
Consolidated Net Sales				
Sales trends of our products	Optical use			
	Medical use, etc.			
	Semiconductor use			

■ Optical use

Although demand remained steady for both smartphone and lens unit applications, shipments declined QoQ due to fewer operating days at Chinese customers during the Lunar New Year.

■ Medical use, etc.

Shipments resumed after a temporary adjustment by some customers in Q3, resulting in a 195% QoQ increase on a non-consolidated basis.

■ Semiconductor use

Following a recovery from the semiconductor market correction in the previous fiscal year, shipments increased 249% YoY on a cumulative non-consolidated basis.

		QoQ	YoY	YoY Cumulative total
Consolidated Net Sales		↗	↗	↗
Sales trends of our products	For small-to-medium size	➡	↗	↗
	For Large size FPD	↗	↗	↗

■ For small-to-medium size










The start of production for new models has been brought forward for both tablet and smartphone applications.

Demand was calm QoQ as the market transitioned from current to new models.

■ For Large size

In Q4 of the previous fiscal year, shipment adjustments were implemented due to the impact of the 2024 Noto Peninsula Earthquake.

Demand for large size TVs remained steady, supported by China's subsidy policies.










		QoQ	YoY	YoY Cumulative total
Consolidated Net Sales				
Sales trends of our products	EV			
	ESS and Consumer use, etc.			

■ EV

The increase in demand driven by China's subsidy policies has leveled off.
Market conditions remained sluggish due to stagnating EV sales in Europe.

■ ESS and Consumer use, etc.

For ESS applications, demand is increasing and adoption is expanding.
Demand for mobile devices remained steady, backed by China's subsidy policies.

		QoQ	YoY	YoY Cumulative total
Consolidated Net Sales				
Sales trends of our products	Semiconductor and Medical use			
	Aromatic chemical use			

■ Semiconductor and Medical use

Backed by robust AI-related investment, demand for memory and certain logic products is expanding, with steady demand centered on specialty solvents.

■ Aromatic chemical use

Although the synthetic aromatic chemicals market is showing signs of a gradual recovery, the supply-demand imbalance is expected to persist for an extended period.

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(Unit: 100m)

	Q4 FY2023	Q3 FY2024	Q4 FY2024	YoY	YoY(%)	QoQ	QoQ(%)
Sales Volume (23/Q4=100)	100	86	91	-9 pt	-9 %	5 pt	5 %
Synthetic rubbers	100	79	87	-13 pt	-13 %	8 pt	10 %
Synthetic latexes	100	106	93	-7 pt	-7 %	-14 pt	-13 %
Chemicals	100	99	103	3 pt	3 %	4 pt	4 %
Net Sales	556	578	581	25	4 %	3	1 %
Synthetic rubbers	412	436	427	15	4 %	-9	-2 %
Synthetic latexes	30	35	32	2	5 %	-3	-8 %
Chemicals	99	96	105	7	7 %	9	9 %
Others/Eliminations	15	11	17	2	15 %	6	58 %
Operating Income	5	29	20	15	319 %	-10	-33 %
Operating income ratio	1%	5%	3%				

Elastomer Business

Net Sales **¥58.1** billion (QoQ+1%, YoY+4%)

OP Income **¥2.0** billion (QoQ-33%, YoY+319%)

Synthetic rubbers

Net Sales **¥42.7** billion (QoQ-2%, YoY+4%)

■ QoQ

Although sales volumes recovered following the completion of regular maintenance at domestic plants, weak overseas demand led to a slight decline in sales.

OP income declined due to an increase in selling and distribution expenses following the rise in sales volumes after regular maintenances, as well as higher allocations of year-end indirect department costs.

■ YoY

Both sales and OP income were up due to selling price adjustments in response to rising raw material costs and the continued depreciation of the yen.

Synthetic latexes

Net Sales **¥3.2** billion (QoQ-8%, YoY+5%)

■ QoQ

Although shipments from the domestic plant recovered following the completion of the regular maintenance, the performance of overseas subsidiaries, which was affected by shipment adjustments during the maintenance period, resulted in a decline in consolidated sales, with operating income remaining flat.

■ YoY

Both sales and OP income were up due to higher sales volumes of latex for gloves, selling price adjustments in response to rising raw material costs, and the continued depreciation of the yen.

Chemicals

Net Sales **¥10.5** billion (QoQ+9%, YoY+7%)

■ QoQ

Demand for adhesive tapes and labels remained steady, leading to increased sales volumes and higher sales.

OP income declined due to loss on disposal and valuation for inventories.

■ YoY

Both sales and OP income were up due to demand for adhesive tapes and labels remaining steady, which led to increased sales volumes.

		QoQ	YoY	YoY Cumulative total
Consolidated Net Sales		98%	104%	108%
Sales trends of our products	Specialty rubbers			
	General-purpose rubbers			

■ Specialty rubbers

Following the completion of regular maintenance at the Takaoka plants, shipments recovered QoQ.

A loose supply-demand balance, particularly overseas, led to a flat in shipments YoY.

■ General-purpose rubbers

Following the completion of regular maintenance at the Tokuyama and Takaoka plants, sales volumes recovered QoQ.

Shipment adjustments due to regular maintenance at the Singapore site, led to a decrease in shipments YoY.

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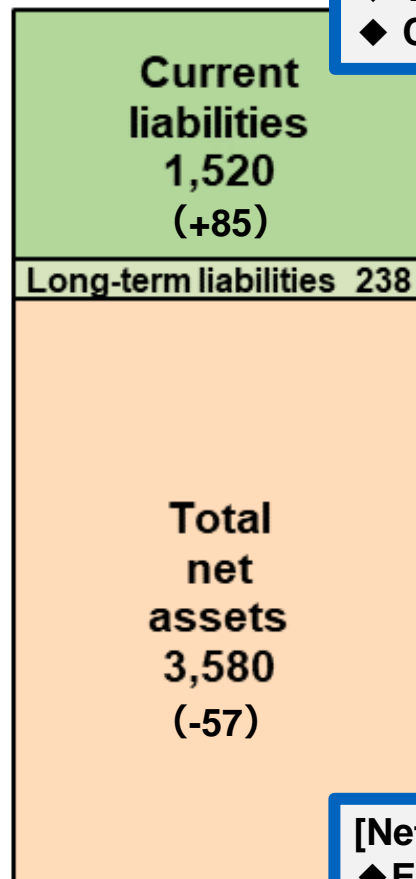
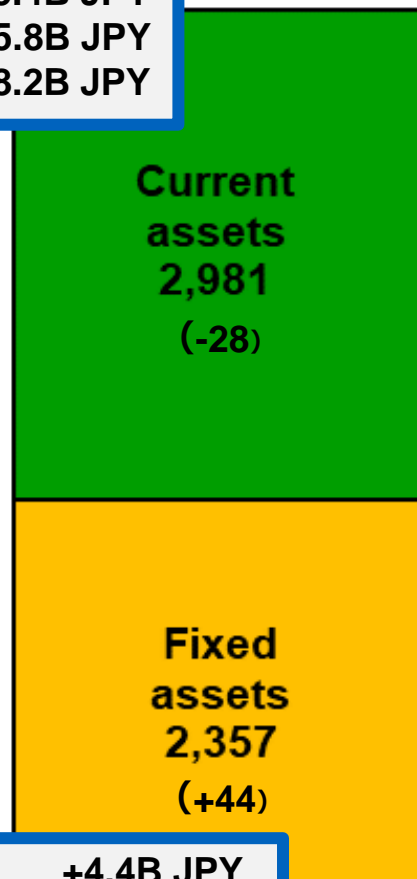
(Unit : 100m)

()=vs end of FY2023

Total 5,338 (+15)

[Current assets] -2.8B JPY
 ◆ Cash and deposits -15.4B JPY
 ◆ Accounts receivable -5.8B JPY
 ◆ Inventory assets +18.2B JPY

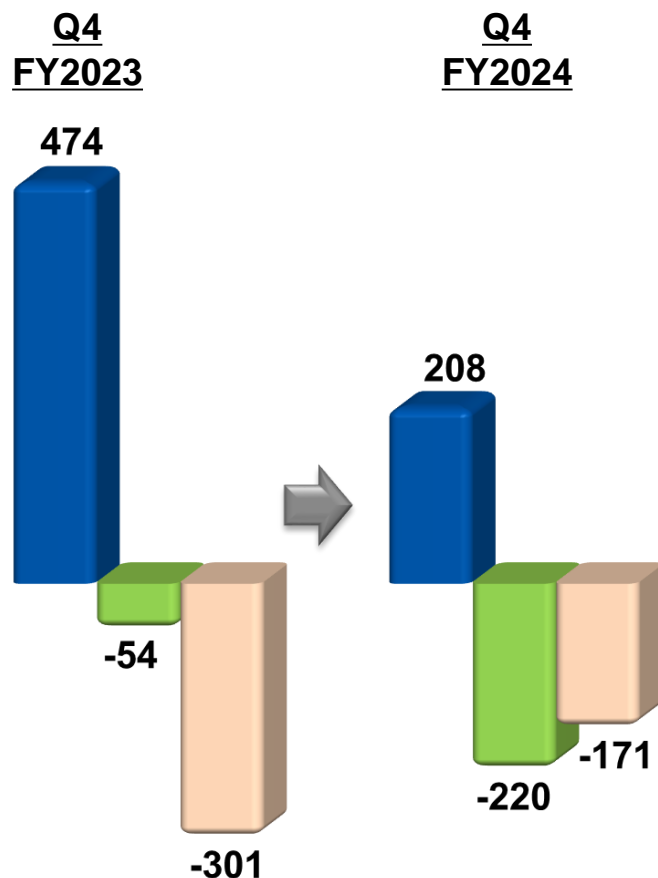
[Current liabilities] +8.5B JPY
 ◆ Trade payables -15.2B JPY
 ◆ Commercial paper +17.0B JPY



[Non-current assets] +4.4B JPY
 ◆ Property, plant and equipment +13.0B JPY
 ◆ Investment securities -14.1B JPY

[Net assets] -5.7B JPY
 ◆ Equity ratio 66.9% (-1.2)
 ◆ D/E ratio 0.07 (+0.05)

(Unit: 100m)



- CF from Operating Act.
- CF from Investing Act.
- CF from Financing Act.

(Unit: 100m)

	Q4 FY2023	Q4 FY2024
CF from Operating Act.	474	208
CF from Investing Act.	-54	-220
Free CF	420	-12
CF from Financing Act.	-301	-171
CF	119	-184

[CF from Operating Act.]	-26.6B JPY
◆ Profits before income taxes	-10.9B JPY
◆ Taxes	-4.4B JPY
◆ Profits on sales of investment securities	+17.2B JPY
◆ Working capital	-29.9B JPY
◆ Others	+1.4B JPY

[CF from Financing Act.]	+13.0B JPY
◆ Borrowing/CP	+36.0B JPY
◆ Dividends	-2.8B JPY
◆ Share buyback and cancellation	-19.8B JPY
◆ Others	-0.4B JPY

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(Unit: 100m)

Net Sales	FY2024 Act.	FY2025 H1 FCST	FY2025 H2 FCST	FY2025 FCST	Diff.
Specialty Materials Biz.	1,216	575	580	1,155	-61
Elastomer Business	2,366	1,150	1,160	2,310	-56
Others/Eliminations, etc.	625	310	320	630	+5
Net Sales (consolidated)	4,206	2,035	2,060	4,095	-111

Operating Income	FY2024 Act.	FY2025 H1 FCST	FY2025 H2 FCST	FY2025 FCST	Diff.
Specialty Materials Biz.	176	95	95	190	+14
Elastomer Business	109	40	35	75	-34
Others/Eliminations, etc.	8	5	10	15	+7
Operating Income	293	140	140	280	-13

- FCST assumptions: US\$=¥140, €=¥160, Naphtha/KL=¥63,000, Asian butadiene/MT=US\$1,100
- The impact of US tariffs has been factored in limited to changes to exchange rate and price of raw materials.
- Adopt straight-line method as a depreciation method for property, plant and equipment from FY2025.
Operating income increase of 3.2B JPY.
- Sensitivity of exchange rate to annual operating income: 1JPY/US\$: Approx. 0.3B JPY, 1JPY/€; Approx. 0.2B JPY Increase due to yen depreciation.

[Exchange Rates and Prices of Raw Materials]

	FY2024	FY2025	YoY(%)
JPY/US\$	¥152.8	¥140.0	-8%
JPY/€	¥163.8	¥160.0	-2%
Naphtha(JPY/KL)	¥75,800	¥63,000	-17%
Asian Butadiene(US\$/MT)	\$1,429	\$1,100	-23%

*Naphtha: Both figures for FY2024 and FY2025 are our estimate.

[Estimated Impact of Exchange Rate Fluctuations on FY2025 Operating income Forecast]

(Unit: 100m)

	FY2025 FCST base	FY2024 Act. base	Diff.
Exchange Rates	US\$=¥140 €=¥160	US\$=¥152.8 €=¥163.8	US\$=¥12.8 €=¥3.8
FY2025 OP Income FCST	280	325	+45

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P.30	FY2025 Dividend Forecast

Shareholder Return Policy

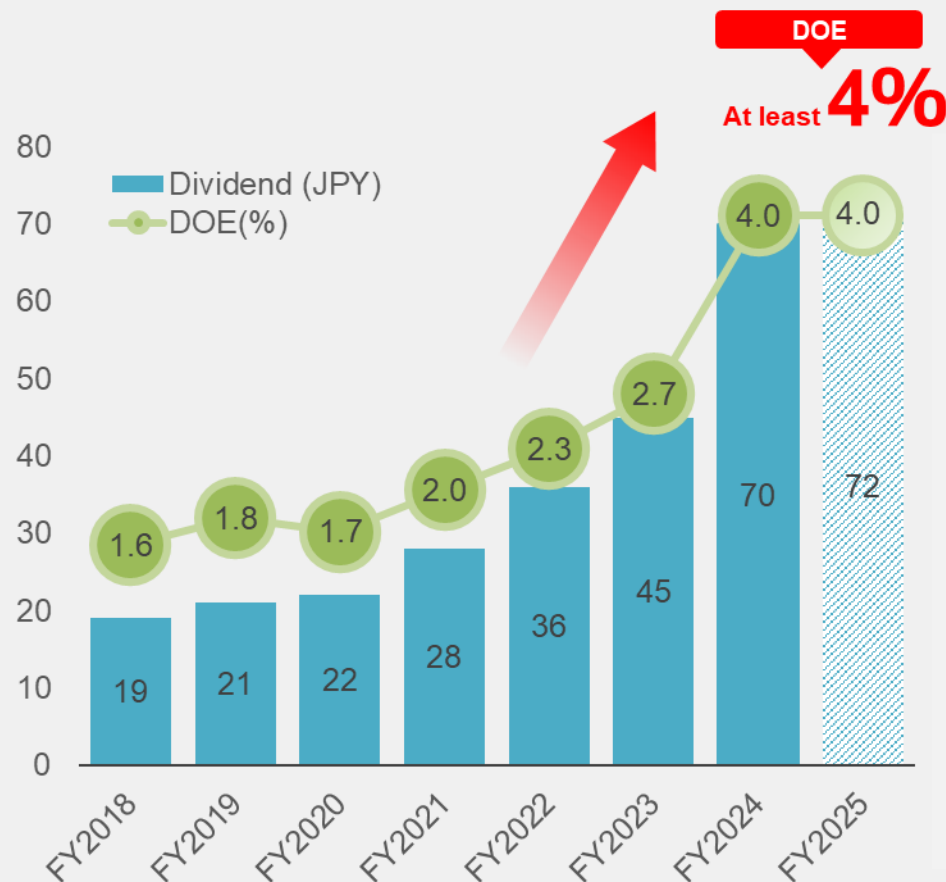
1 Adopt DOE as a KPI for dividends and **DOE of at least 4%**

2 Share buyback (planned)

FY2024-FY2026

¥40.0B

- FY2024 ¥20.0B (Carried out)
- FY2025 ¥10.0B (Determined)
- FY2026 ¥10.0B (Forecast)



- Dividend forecast for FY2025: total ¥72/share/year (+¥2 YoY)
- The annual dividend is expected to increase for 16 consecutive years since FY2010.
- Determined share buyback up to 10 million shares/10 billion yen and cancel all shares

Announcement of the Third Phase of the Medium-Term Business Plan	June 11, 2025
Financial Results Q1 FY2025	July 30, 2025

Subject to change without notice

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

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ZEON Integrated report 2024

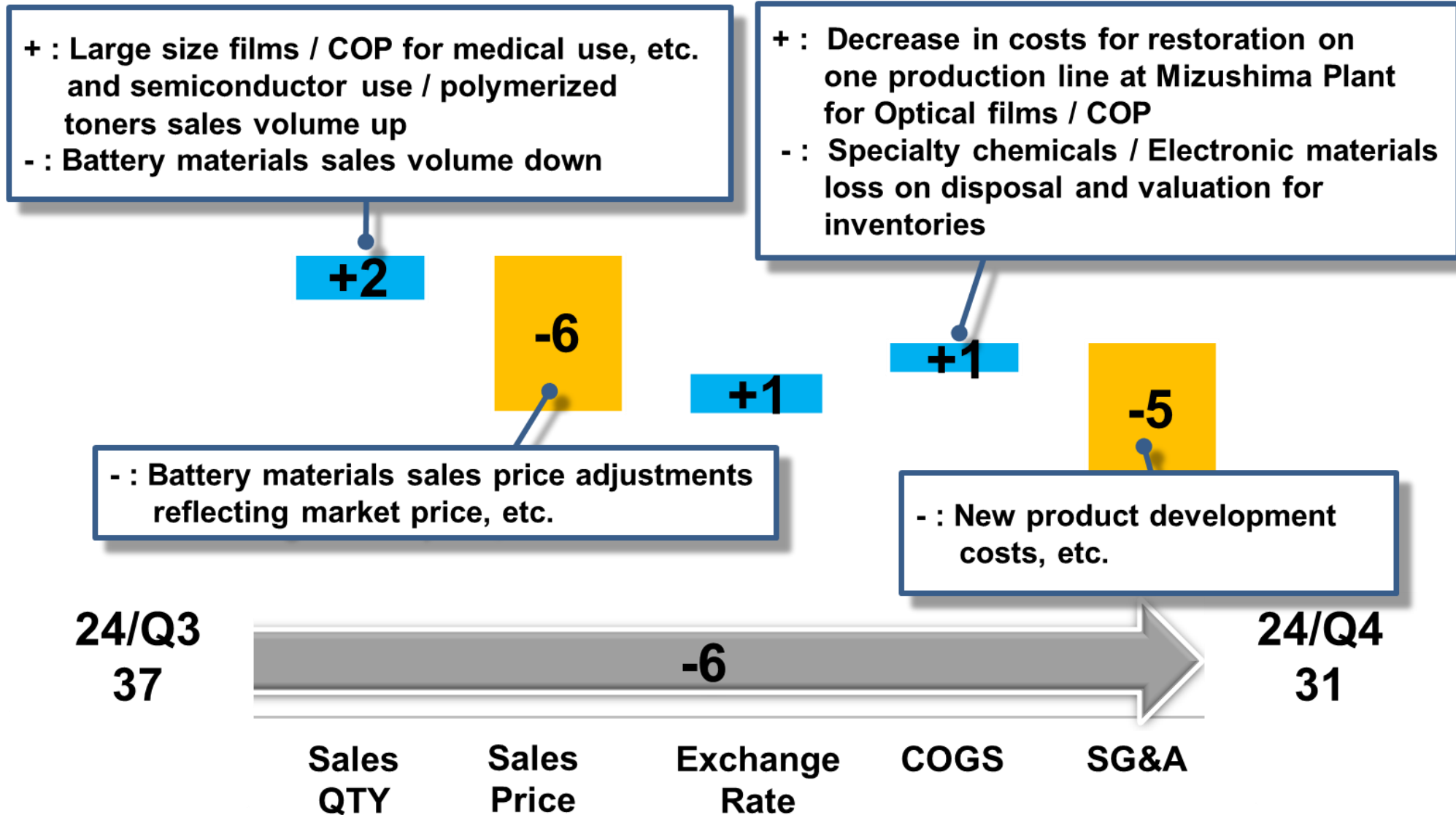
(Unit: 100m)

	FY2023	FY2024	YoY	YoY(%)
Net Sales	3,823	4,206	384	10 %
Specialty Materials Biz.	1,074	1,216	142	13 %
Specialty plastics	642	793	152	24 %
Specialty binder materials	234	225	▲ 9	▲ 4 %
Specialty chemicals	156	158	3	2 %
Medical devices, etc.	43	39	▲ 4	▲ 9 %
Elastomer Business	2,153	2,366	213	10 %
Synthetic rubbers	1,642	1,769	127	8 %
Latexes	109	142	33	31 %
Chemicals	350	403	53	15 %
Others/Eliminations	52	52	▲ 0	▲ 1 %
Other Biz./Eliminations, etc.	596	625	29	5 %

	FY2023	FY2024	YoY	YoY(%)
Operating Income	205	293	88	43 %
Specialty Materials Biz.	132	176	43	33 %
Specialty plastics	73	139	66	91 %
Specialty binder materials	44	22	▲ 22	▲ 50 %
Specialty chemicals	21	19	▲ 2	▲ 11 %
Medical devices, etc.	▲ 5	▲ 4	2	- %
Elastomer Business	66	109	43	65 %
Other Biz./Eliminations, etc.	6	8	2	33 %

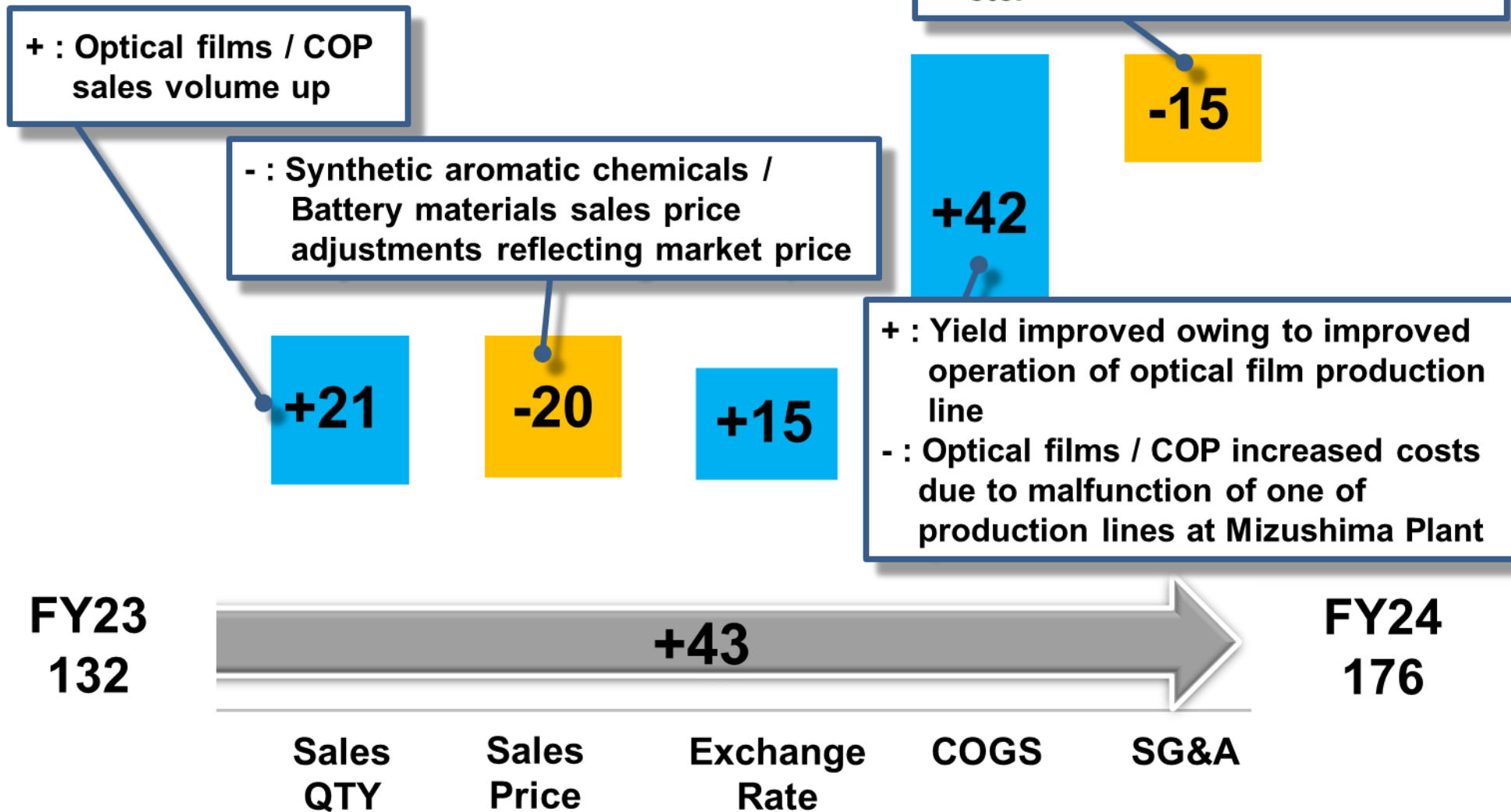
Reference: Specialty Materials Business Operating Income Variance (QoQ) **ZEON**

(Unit: 100m)

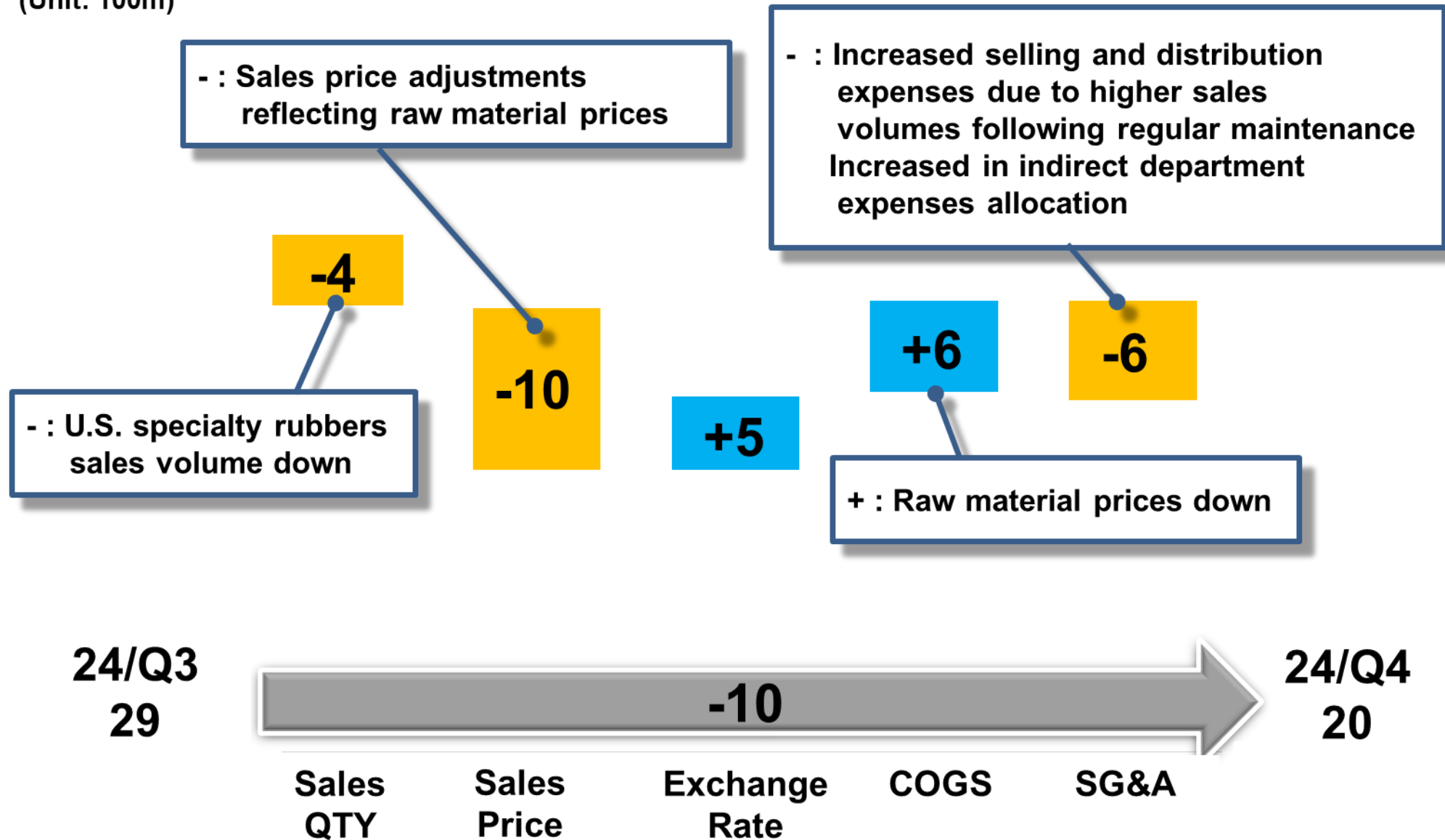


Reference: Specialty Materials Business Operating Income Variance (YoY) **ZEON**

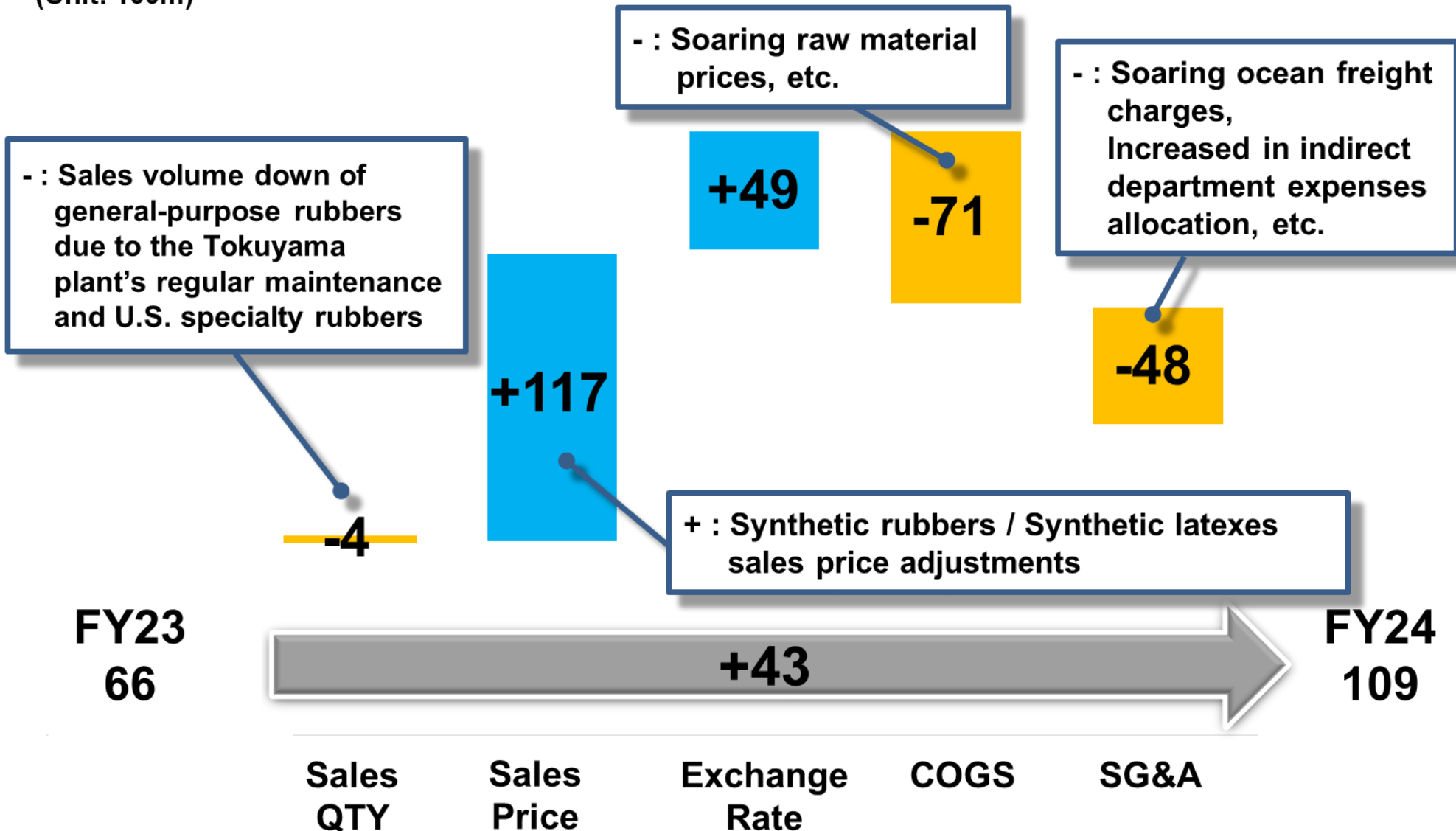
(Unit: 100m)



(Unit: 100m)



(Unit: 100m)



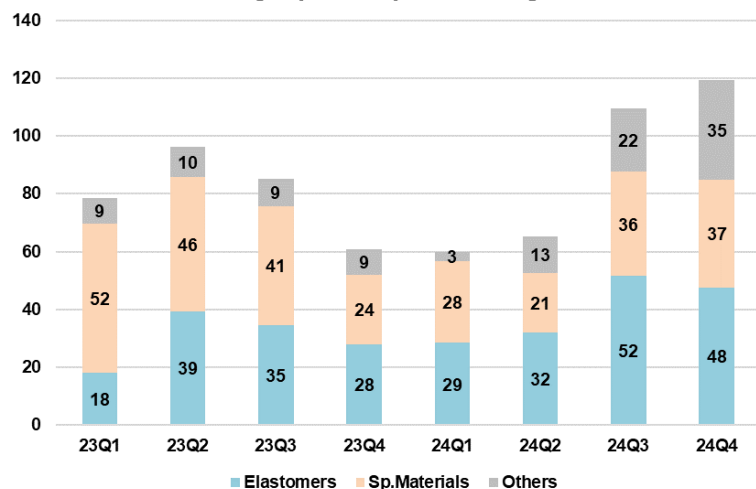
(Unit: 100m)

[Non-operating profit and loss]		FY2023	FY2024	YoY
Interest income/dividends		36	31	-5
Exchange gain and loss		25	11	-14
Subsidy income		10	5	-6
Interest expenses		-1	-2	-1
Loss on investments in investment partnerships		-2	-2	-1
Fixed costs for inactive non-current assets		-7	-3	+3
Donations		-1	-3	-2
Provision of allowance for doubtful accounts		0	-6	-6
Other		3	7	+4
Total non-operating profit and loss		64	37	-27

[Extraordinary profit and loss]		FY2023	FY2024	YoY
Gain/loss on sale of investment securities		255	83	-172
Loss on disaster		-14	0	+14
Provision of allowance for doubtful accounts		-14	0	+14
Loss on disposal of non-current assets		-7	-8	-2
Loss on valuation of investment securities		-24	-10	+14
Loss on reversal of subsidy income		0	-11	-11
Impairment loss		-25	-58	-33
Other		-2	2	+4
Total extraordinary profit and loss		169	-1	-171

(Unit: JPY100m)

[Capital Expenditures]



FY23
322

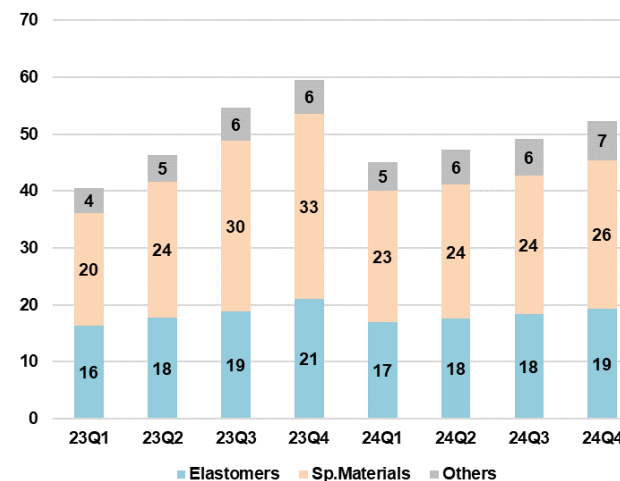


FY24
355



FY25
690

[Depreciation & Amrtization]



FY23
202

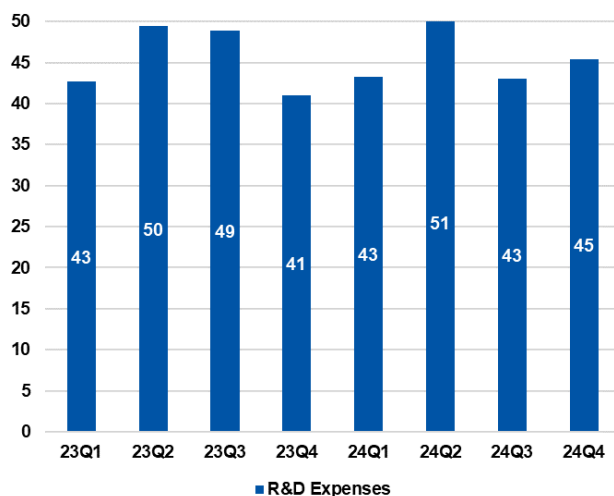


FY24
194



FY25
165

[R&D Expenses]



FY23
182



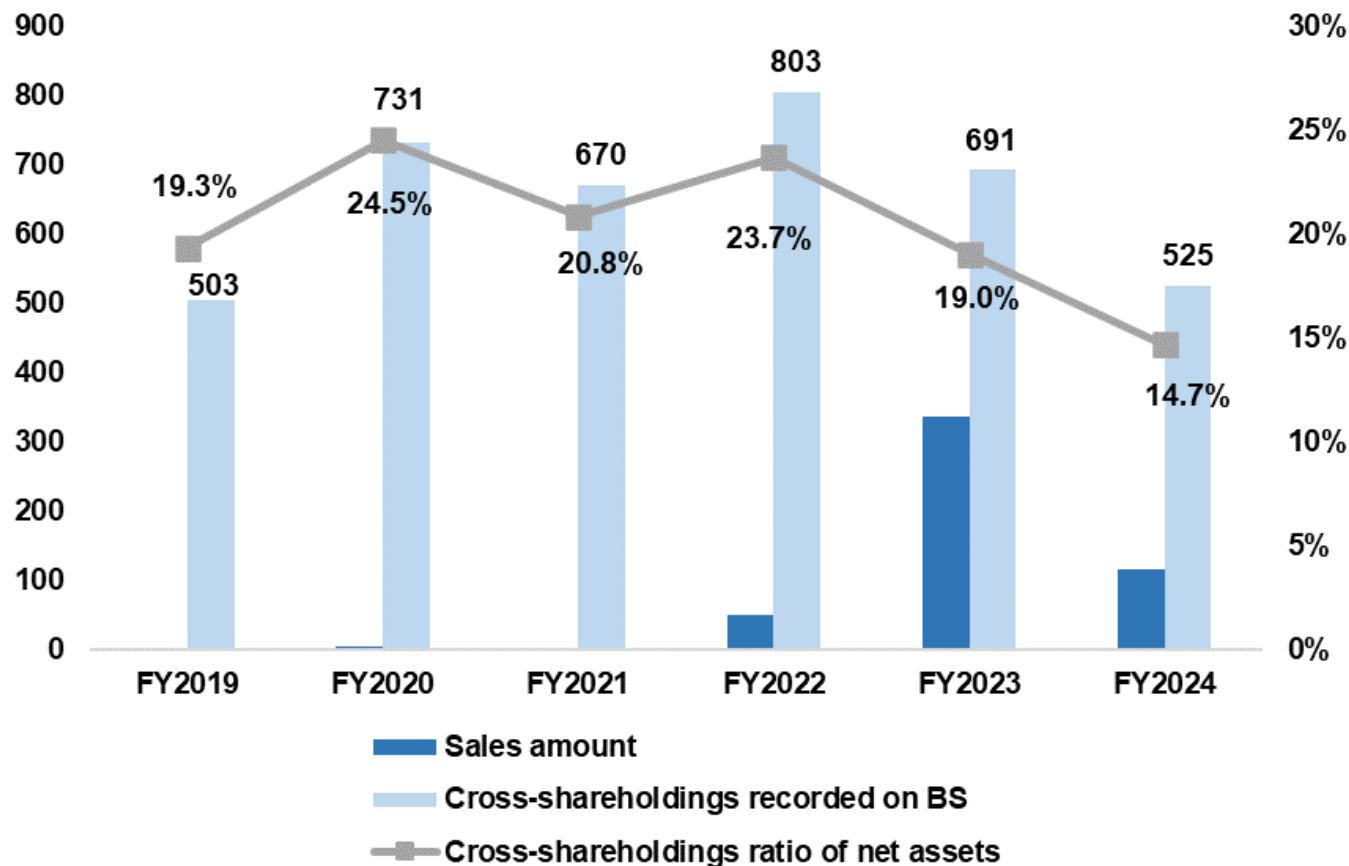
FY24
182



FY25
175

(Unit: JPY100m)

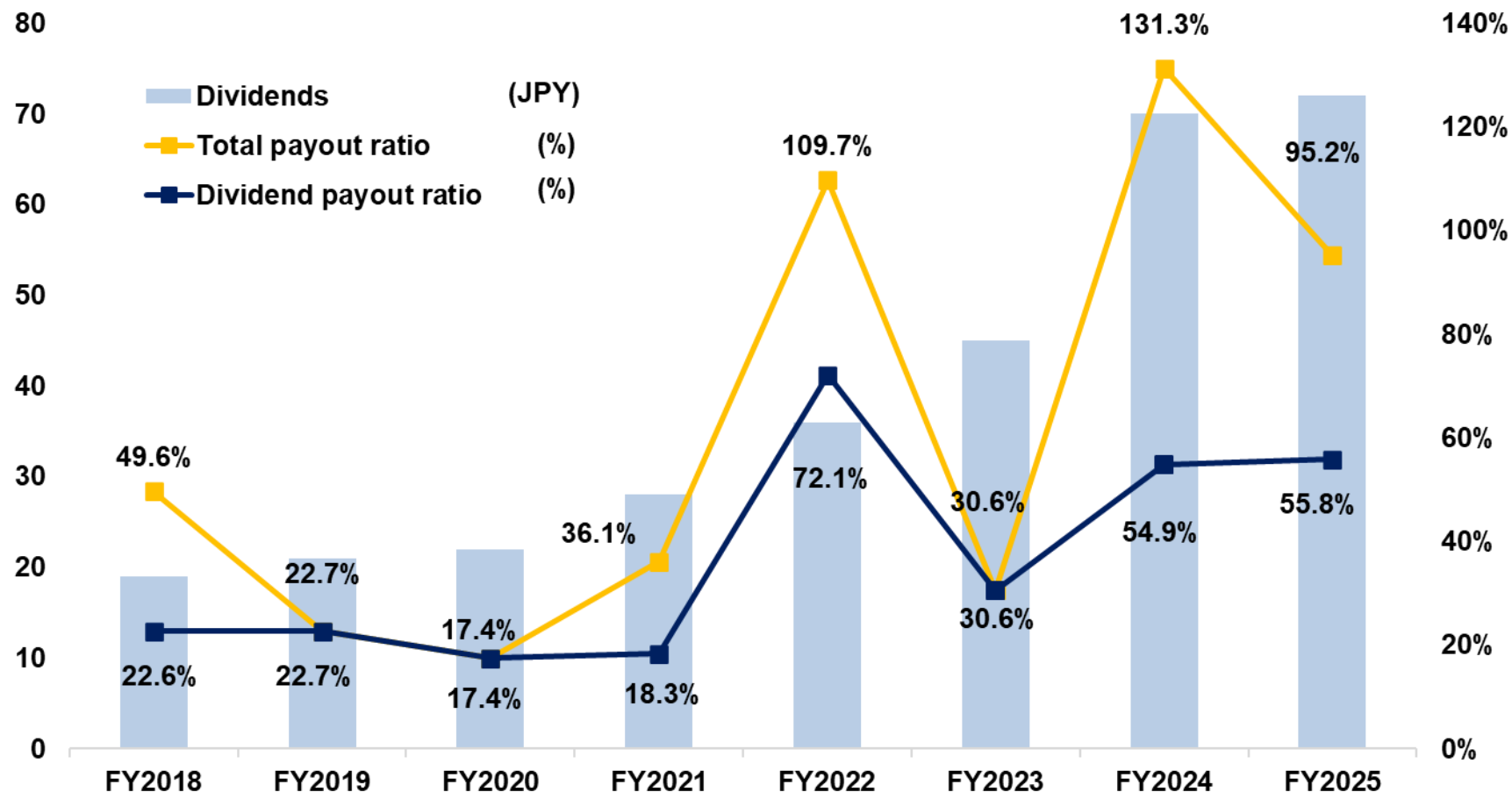
(Unit: %)



- Cross-shareholdings ratio of net assets at the end of FY2024 was 14.7%.
- Continue to promote reductions to improve capital efficiency.

(Unit: JPY)

(Unit: %)



■ Dividend yield of 5.17 (based on closing price on April 22, 2025)

Positives**Early recovery in
end market demand****Depreciation of the yen****Early recovery in market
conditions****Yen depreciation/
dollar appreciation****Economic recovery****Yen depreciation/
euro appreciation****Negatives****Delay recovery in
end market demand****Appreciation of the yen****Prolong recovery in market
conditions****Yen appreciation/
dollar depreciation****Economic recession****Yen appreciation/
euro depreciation**