

Zeon Corporation
FY2025
Meeting Minutes from Results Briefing for Analysts
(May 13, 2026)

[Briefing Materials]

<https://www.zeon.co.jp/en/ir/financial/bs/pdf/260513.pdf>

[Explanations]

■ Tetsuya TOYOSHIMA / President and CEO

p.4 Summary: Growth Investment Progress for FY2025

(Regarding the facility for re-extracting high-purity DCPD from C5 raffinate feedstock shown at the bottom left of the material)
DCPD is a key feedstock for highly profitable products such as COP, COP-based optical films, and RIM compounds. With conventional technologies and facilities, it was not possible to extract all the DCPD present in the C5 fractions. However, through research and development, we have developed a technology that can re-extract DCPD still present in the C5 fraction after each of the effective components has already been extracted.

Through this investment, we will be able to increase only the amount of DCPD extracted without increasing the generation of key feedstocks for general-purpose products such as isoprene and piperylene, while also contributing to the reduction of CO2 emissions. DCPD production capacity is expected to increase by up to approximately 20% from current levels.

(Regarding capacity expansion for single-walled carbon nanotubes shown at the top right of the material)

This is mainly intended for lithium-ion battery applications. We will also expand into applications such as AI server BBUs and ESS, which are currently showing high market growth. This investment has been certified by the Ministry of Economy, Trade and Industry, and we expect to receive subsidies. In the Medium-Term Business Plan, single-walled carbon nanotubes are positioned as a next-phase growth driver. They are among the important materials for addressing future energy issues.

We had planned to invest 150B JPY through FY2026, and at this point, we expect to have largely used the planned amount.

p.5 Summary: FY2026 Performance Forecast

The performance forecast is a base case that excludes the impact of a closure of the Strait of Hormuz.

Although the situation remains uncertain, we will work toward achieving operating income of 38.0B JPY in FY2026.

■ Kazuyoshi MATSUURA / CFO, Director & Senior Corporate Officer

p.7 FY2025 Business Environment (Trends in Exchange Rates and Prices of Raw Materials)

One point worth noting is that butadiene prices surged in Q4 FY2025 due to the closure of the Strait of Hormuz.

p.10 FY2025 Performance by Segment (Full-Year YoY)

The 12.9B JPY decrease in net sales for the Elastomer Business was largely due to lower raw material prices being reflected in selling prices. The breakdown of the 12.9B JPY decrease was approximately 4.0B JPY for the mainstay synthetic rubbers, approximately 3.0B JPY for latexes, and approximately 5.0B JPY for chemicals.

Operating income increased significantly in Specialty Materials. The main reason for the 4.9B JPY increase was that Specialty plastics came in above the forecast.

p.12 FY2025 Performance by Segment(Operating Income: Performance vs. Forecast)

The major factor behind the upside from higher shipments of synthetic rubber was that customer contracts were concluded after the Chinese New Year holiday, resulting in concentrated shipments in March 2026. These shipments had not been factored into the performance forecast. In addition, Asian butadiene prices surged in March 2026, which pushed up selling prices to customers whose prices reflect butadiene prices in real time.

p.14 Specialty Materials Business Profit and Loss

In Specialty binder materials, battery materials grew. In Specialty chemicals, shipments of synthetic aromatic chemicals temporarily increased, but we view this as temporary growth.

p.15 Specialty Materials Business Overview by Segment

For Specialty plastics, there were pre-Chinese New Year holiday adjustments at overseas affiliates. Net sales declined due to a timing difference resulting from the one-quarter lag in the accounting periods of overseas subsidiaries, but this will be resolved later.

For Specialty binder materials, battery materials for ESS applications performed strongly, resulting in a significant improvement in plant operating rates.

For Specialty chemicals, operating income increased significantly due to higher shipments of etching gases for semiconductors. Although the overall scale was small, the growth rate was extremely high.

p.18 Specialty Binder Materials Business: Battery Materials Situation

In FY2025, shipment volumes for ESS and consumer use, etc. increased each quarter and surpassed EV shipment volumes.

p.22 Elastomer Business Overview by Segment

Regarding latexes for gloves manufactured at the Tokuyama Plant, we explained at the previous financial results announcement that we were also considering suspending production ahead of schedule. We had planned to suspend production around June 2026, but production was suspended at the end of March 2026. As a result, we were able to reduce maintenance expenses secured for FY2026, thereby improving fixed costs by approximately 0.5B JPY.

p.25 Cash Flow Overview

Cash flow from operating activities increased significantly.

p.27 FY2026 Dividend Forecast

As for the purchase of treasury stock, we plan to purchase 10.0B JPY in FY2026 as well, but we would like to determine the timing after carefully examining the impact of the closure of the Strait of Hormuz.