Financial Results
The 1st Quarter of FY2026 (Apr.1- Jun.30)

July 29, 2026

ZEON CORPORATION

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*Cyclo olefin polymer is hereinafter referred to as COP.

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Consolidated Q1 FY2026 Performance

Net Sales	Operating Income	Ordinary Income	Net Income
¥109.5billion	¥16.3billion	¥18.8billion	¥12.7billion
YoY+6%	YoY+34%	YoY+57%	YoY+69%

[Main factors behind the increase/decrease]

- **Net sales**
  - **Specialty Materials** : YoY +16% due to steady production and shipments overall, driven by higher shipments of Battery materials and COP
  - **Elastomers** : YoY +0%, as lower shipments due to production aligned with feedstock availability were offset by selling price revisions reflecting higher raw material prices and yen depreciation
- **Operating income**
  - **Specialty Materials** : YoY +37% due to the above factors and lower loss on disposal and valuation for inventories
  - **Elastomers** : YoY +31% due to the above factors and the impact of inventories at FY2025 year-end
- **Ordinary income**
  In addition to higher operating income, dividend income and other non-operating income were recorded, resulting in an increase
- **Net income**
  Higher ordinary income

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FY2026 Full-Year Performance Forecast

Net Sales	Operating Income	Ordinary Income	Net Income
¥405.0billion	¥38.0billion	¥37.0billion	¥36.0billion
YoY-2%	YoY+5%	YoY-8%	YoY-1%

- **Outlook remains uncertain due to risk of a renewed Strait of Hormuz closure and a Bab el-Mandeb Strait closure, initial forecast remains unchanged**
- **Although quarterly performance may be affected by volatility from Q2 onward, the impact is expected to be absorbed on a full-year basis**
- **Potential Uncertainties and Responses**

Item	Potential Uncertainty	Response Measures
Procurement	Volatility in raw material prices and utility costs	• Passing through cost impacts to the market, including fixed costs not covered by the pricing formula, via a surcharge mechanism • Minimizing product inventories as much as possible through strengthened communication with customers • Restraint of non-essential cash outflows
Operations	Higher fixed costs due to operations aligned with feedstock availability	
Shipments	Lower shipments due to an economic downturn Impact of product inventories reflecting raw material price volatility	

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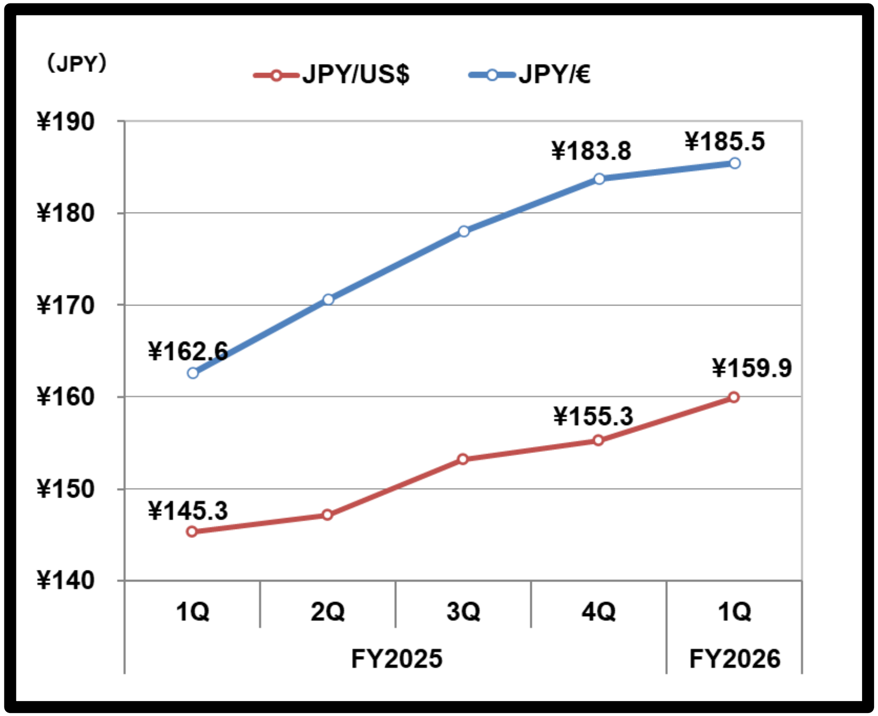
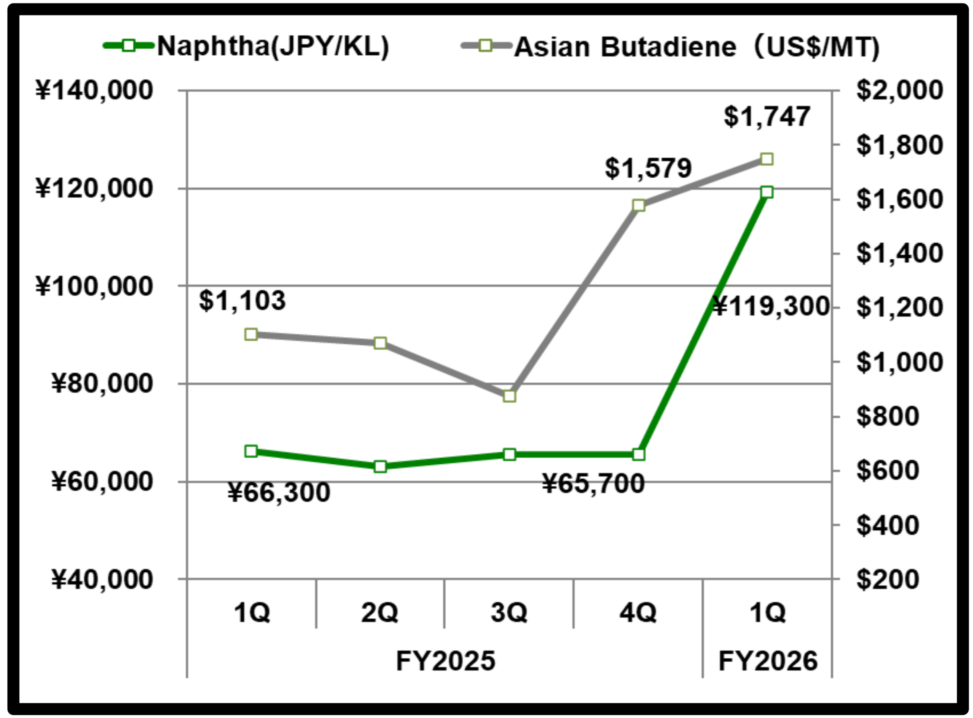
[Exchange Rates]



[Raw Materials]



	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY(%)	QoQ(%)
JPY/US$	¥145.3	¥155.3	¥159.9	+10%	+3%
JPY/€	¥162.6	¥183.8	¥185.5	+14%	+1%
Naphtha(JPY/KL)	¥66,300	¥65,700	¥119,300	+80%	+82%
Asian Butadiene(US$/MT)	$1,103	$1,579	$1,747	+58%	+11%

*Naphtha: Figures for Q1FY2025 and Q4FY2025 are confirmed, while the figure for Q1FY2026 is our estimate.

Q1 FY2026 Performance Summary (Overall)

(Unit : JPY100m)

	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY	QoQ
Net Sales	1,031	1,023	1,095	+64	+72
Operating Income	121	88	163	+42	+75
Ordinary Income	120	101	188	+69	+88
Net Income	75	79	127	+52	+48

- YoY (in 3 mo.) : Net Sales +6.4B JPY, Operating Income +4.2B JPY
- QoQ : Net Sales +7.2B JPY, Operating Income +7.5B JPY

*Results at overseas subsidiaries from January to March 2026 are reflected in Q1 consolidated results.
*ZIS Information Technology Co., Ltd. has been included in the scope of consolidation starting from FY2026.
*Supports the Zeon Group's IT operations through system development, operation, and maintenance

Q1 FY2026 Performance Summary (by Segment)

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（Unit：JPY100m）

Net Sales	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY	QoQ
Specialty Materials Biz.	293	304	338	+45	+35
Elastomer Business	581	557	582	+1	+25
Others/Eliminations, etc.	157	162	175	+17	+13
Net Sales (consolidated)	1,031	1,023	1,095	+64	+72

Operating Income	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY	QoQ
Specialty Materials Biz.	74	59	101	+27	+42
Elastomer Business	42	22	55	+13	+33
Others/Eliminations, etc.	5	7	6	+1	-0
Operating Income (consolidated)	121	88	163	+42	+75

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Specialty Materials Business Profit and Loss

(Unit : 100m)

	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY	YoY(%)	QoQ	QoQ(%)
Net Sales	293	304	338	45	16 %	35	11 %
Specialty plastics	197	190	212	15	8 %	22	12 %
Specialty binder materials	53	63	75	22	41 %	12	19 %
Specialty chemicals	33	44	45	12	37 %	1	3 %
Medical devices, etc.	10	7	6	-4	-40 %	-1	-9 %
Operating Income	74	59	101	27	37 %	42	72 %
Specialty plastics	55	43	68	13	24 %	25	57 %
Specialty binder materials	10	12	26	16	160 %	14	112 %
Specialty chemicals	8	8	9	1	13 %	1	7 %
Medical devices, etc.	1	-5	-2	-3	-344 %	3	- %
Operating Income ratio	25%	19%	30%				

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

Specialty Materials Business Overview by Segment

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Specialty Materials

Net Sales ¥**33.8** billion (YoY+16%、QoQ+11%)　Operating Income ¥**10.1** billion (YoY+37%、QoQ+72%)

Specialty Plastics

Net Sales ¥**21.2** billion (YoY+8%、QoQ+12%)　Operating Income ¥ **6.8** billion (YoY+24%、QoQ+57%)

Mobile device use remained weak due to memory shortages, while security camera and automotive demand remained solid, resulting in higher net sales and operating income
Operating income increased significantly due to the reversal of inventory-related expenses related to optical films recorded in the previous fiscal year

Specialty Binder Materials

Net Sales ¥**7.5** billion (YoY+41%、QoQ+19%)　Operating Income ¥**2.6** billion (YoY+160%、QoQ+112%)

Although demand for mobile devices has moderated, net sales and operating income increased due to higher shipments of battery materials for EVs and ESS. Higher shipments of cathode binders, in particular, contributed to a significant increase in operating income.

Specialty Chemicals

Net Sales ¥**4.5** billion (YoY+37%、QoQ+3%)　Operating Income ¥**0.9** billion (YoY+13%、QoQ+7%)

Net sales and operating income increased due to higher shipments of specialty solvents for semiconductors and etching gases
Despite higher shipments of synthetic aromatic chemicals, operating income growth was limited due to declining market prices

Specialty Plastics Business: COP Situation

		YoY	QoQ
Shipment trends of our products	Optical use	↗	↗
	Medical use, etc.	→	→
	Semiconductor use	↗	↘

- **Optical use**
  Although some shipments were brought forward due to the situation in the Middle East, full-year shipments are expected to remain at the previous year's level

- **Medical use, etc.**
  Overall demand remained firm

- **Semiconductor use**
  Despite a pullback following concentrated shipments in Q4 FY2025, demand remained firm alongside FAB construction. Shipments are expected to increase by approximately 20% YoY

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		YoY	QoQ
Shipment trends of our products	For small-to-medium size	↘	↘
	For Large size FPD	↗	↗

- **For small-to-medium size**

  Market conditions for mobile devices remained sluggish

- **For Large size**

  Overall demand remained firm due to an expanded share in large size TVs

Specialty Binder Materials Business: Battery Materials Situation

		YoY	QoQ
Shipment trends of our products	EVs	↗	↗
	ESS	↗	↗
	Consumer use, etc.	↗	↘

■ **EVs**

Demand recovered, supported by subsidy policies in Europe
Although domestic demand in China declined, overall demand increased, driven by export growth

■ **ESS**

Demand remained generally solid, including demand for grid-scale batteries and batteries for AI data centers

■ **Consumer use, etc.**

Demand for mobile devices remained sluggish

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		YoY	QoQ
Shipment 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 logic products remained solid. Although QoQ shipments were affected by a shift in shipment timing, shipments are expected to increase for the full year

- **Aromatic chemical use**

  Although shipments increased due to sales promotion efforts, sluggish market conditions persisted due to intensified competition from Chinese competitors

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Elastomer Business Profit and Loss

(Unit: 100m)

	Q1 FY2025	Q4 FY2025	Q1 FY2026	YoY	YoY(%)	QoQ	QoQ(%)
Net Sales	581	557	582	1	0 %	25	4 %
Synthetic rubbers	445	427	443	-2	-1 %	16	4 %
Others/Eliminations	136	130	139	3	2 %	9	7 %
Operating Income	42	22	55	13	31 %	33	149 %
Synthetic rubbers	42	28	52	11	25 %	24	86 %
Others/Eliminations	1	-6	3	3	353 %	9	- %
Operating income ratio	7%	4%	10%				

*Synthetic latex and Chemicals are Included in “Others/Eliminations" from FY2026 onward.

■Synthetic rubbers

Despite lower shipments due to production aligned with feedstock availability, selling prices revised to reflect higher raw material prices and weaker yen resulted in net sales remaining flat YoY and increasing QoQ

Operating income increased both YoY and QoQ due to the impact of inventories at FY2025 year-end

Elastomer Business: Synthetic rubbers Situation

		YoY	QoQ
Shipment trends of our products	Specialty rubbers	→	→
	General-purpose rubbers	↘	↘

- **Specialty rubbers**

  Demand remained firm, mainly for domestic applications

  No impact from the closure of the Strait of Hormuz

- **General-purpose rubbers**

  Lower shipments due to production aligned with feedstock availability

  Addressed by limiting spot exports

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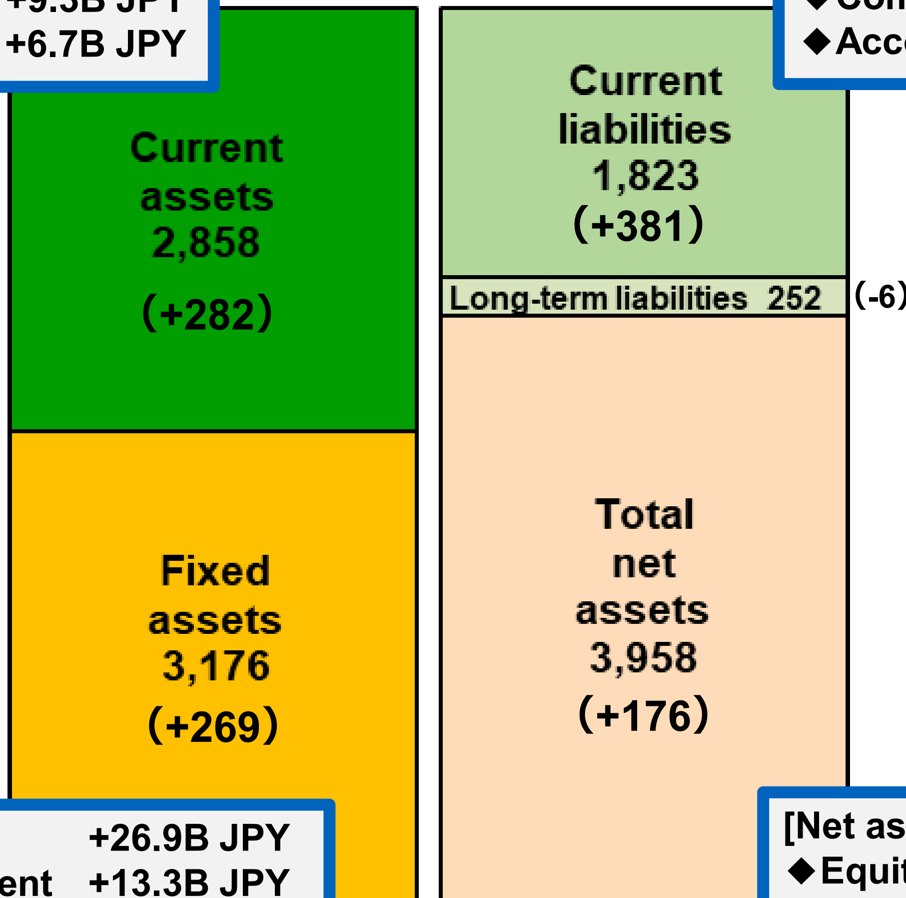
(Unit：100m)

( )=vs end of FY2025

Total 6,033（+551）

[Current assets]	+28.2B JPY
◆Cash and deposits	+11.5B JPY
◆Accounts receivable	+9.3B JPY
◆Inventory assets	+6.7B JPY

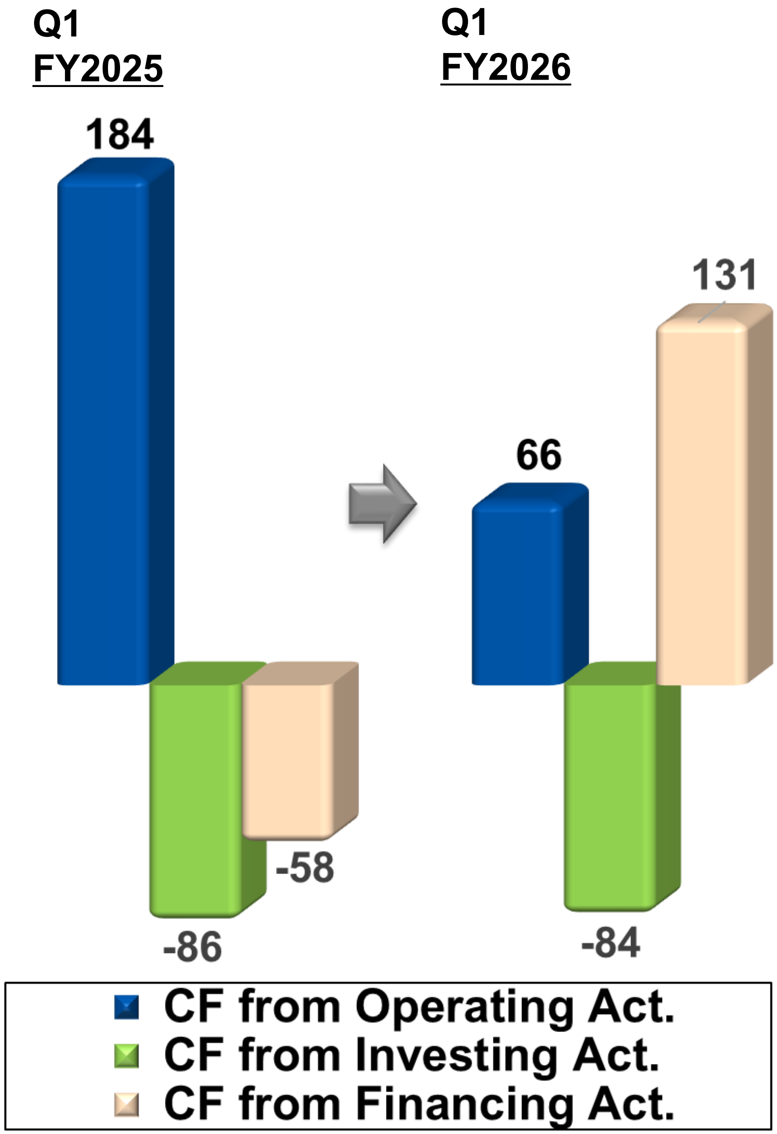
[Current liabilities]	+38.1B JPY
◆Trade payables	+9.9B JPY
◆Commercial paper	+21.0B JPY
◆Accounts payable, etc.	+7.2B JPY



[Non-current assets]	+26.9B JPY
◆Property, plant and equipment	+13.3B JPY
◆Investment securities	+16.4B JPY

[Net assets]	+17.6B JPY
◆Equity ratio	65.5% (-3.4)
◆D/E ratio	0.09 (+0.05)

(Unit: 100m)



(Unit: 100m)

	Q1 FY2025	Q1 FY2026
CF from Operating Act.	184	66
CF from Investing Act.	-86	-84
Free CF	98	-17
CF from Financing Act.	-58	131
CF	40	114

[CF from Operating Act.]	-11.8B JPY
◆Profits before income taxes	+7.6B JPY
◆Taxes	-7.1B JPY
◆Depreciation expenses	+0.6B JPY
◆Working capital	-24.1B JPY
◆Provisions	+2.0B JPY
◆Others	+9.3B JPY

[CF from Financing Act.]	+18.9B JPY
◆Borrowing/CP	+19.0B JPY
◆Dividends	-0.7B JPY
◆Others	+0.6B JPY

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Shareholder Return Policy

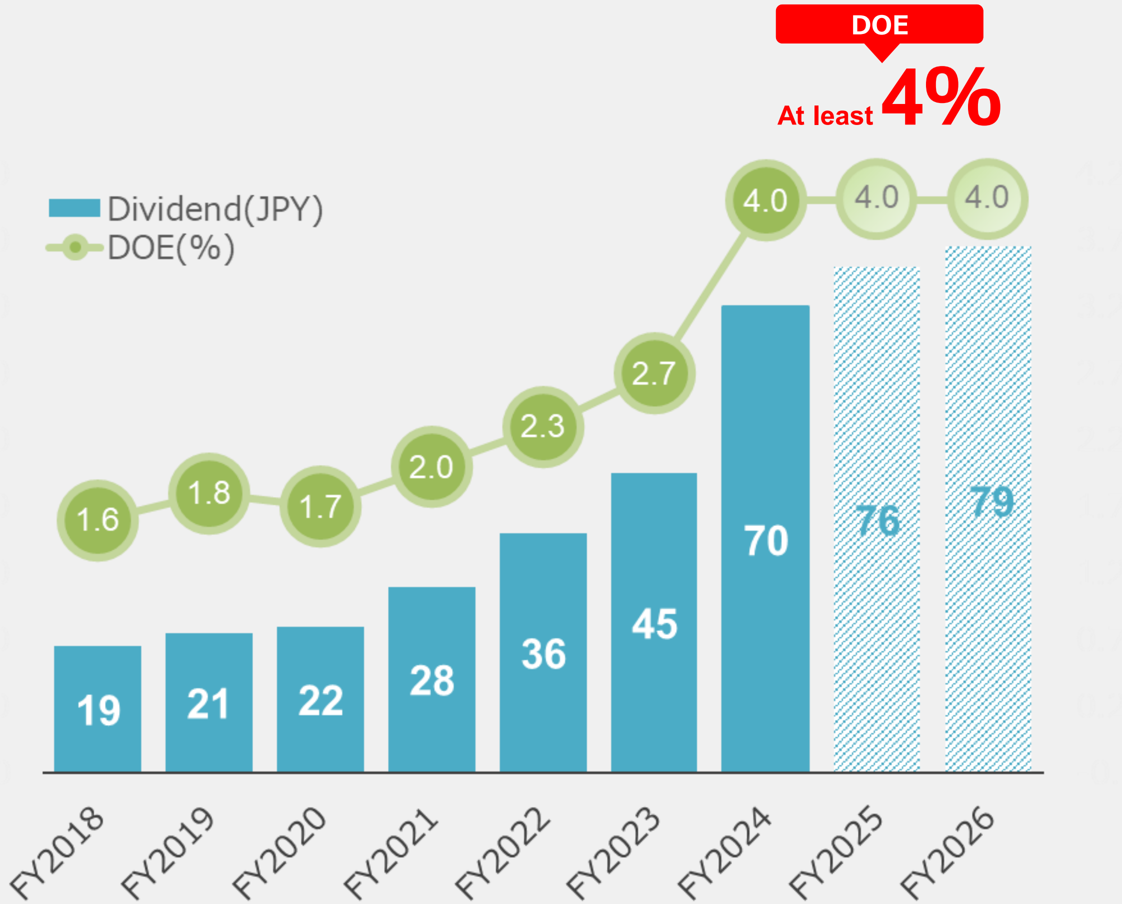
1 Adopt DOE as a KPI for dividends and **DOE of at least 4%**

2 Share buyback (planned)

FY2024─FY2026

¥40.0B

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



- Based on the policy of DOE of at least 4%, the FY2026 annual dividend forecast is maintained at 79 yen (YoY+3 yen)
- The annual dividend is expected to increase for 17 consecutive years since FY2010
- The timing of the purchase of treasury stock for FY2026 will be determined following a thorough review

Next Announcement

Financial Results Q2 FY2026	October 29th, 2026

*Please note that the above schedule may be changed without prior notice due to circumstances.

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.

Click here for ZEON Integrated report 2025

Reference: FY2026 Performance Forecast by Segment

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(Unit: 100m)

Net Sales	FY2025	FY2026 Forecast	Full Year Diff.
Specialty Materials Biz.	1,242	1,250	+8
Elastomer Business	2,237	2,195	-42
Others/Eliminations, etc.	641	605	-36
Net Sales (consolidated)	4,120	4,050	-70

Operating Income	FY2025	FY2026 Forecast	Full Year Diff.
Specialty Materials Biz.	224	280	+56
Elastomer Business	117	85	-32
Others/Eliminations, etc.	23	15	-8
Operating Income (consolidated)	364	380	+16

- As the outlook remains uncertain due to the worsening situation in the Middle East, the base case excluding its impact remains unchanged
- Forecast assumptions: US$=¥150, €=¥175, Naphtha/KL=¥63,000, Asian butadiene/MT=US$950
- Sensitivity of exchange rate to annual operating income: ¥1/US$: Approx. ¥0.3B, ¥1/€; Approx. ¥0.1B Increase due to yen depreciation

Reference: Performance Trends by Segment (FY2025 Segment Structure)

(Unit：100m)

	FY2023	FY2024	FY2025	FY2026 Q1
Net Sales	3,823	4,206	4,120	1,095
Specialty Materials Biz.	1,074	1,216	1,242	338
Specialty plastics	642	793	831	212
Specialty binder materials	234	225	237	75
Specialty chemicals	156	158	146	45
Medical devices, etc.	43	39	28	6
Elastomer Business	2,153	2,366	2,237	582
Synthetic rubbers	1,642	1,769	1,727	443
Latexes	109	142	111	24
Chemicals	350	403	355	107
Others/Eliminations	52	52	43	7
Other Biz./Eliminations, etc.	596	625	641	175

Included in "Others/Eliminations" from FY2026 onward.

	FY2023	FY2024	FY2025	FY2026 Q1
Operating Income	205	293	364	163
Specialty Materials Biz.	132	176	224	101
Specialty plastics	73	139	175	68
Specialty binder materials	44	22	42	26
Specialty chemicals	21	19	22	9
Medical devices, etc.	-5	-4	-15	-2
Elastomer Business	66	109	117	55
Other Biz./Eliminations, etc.	6	8	23	6

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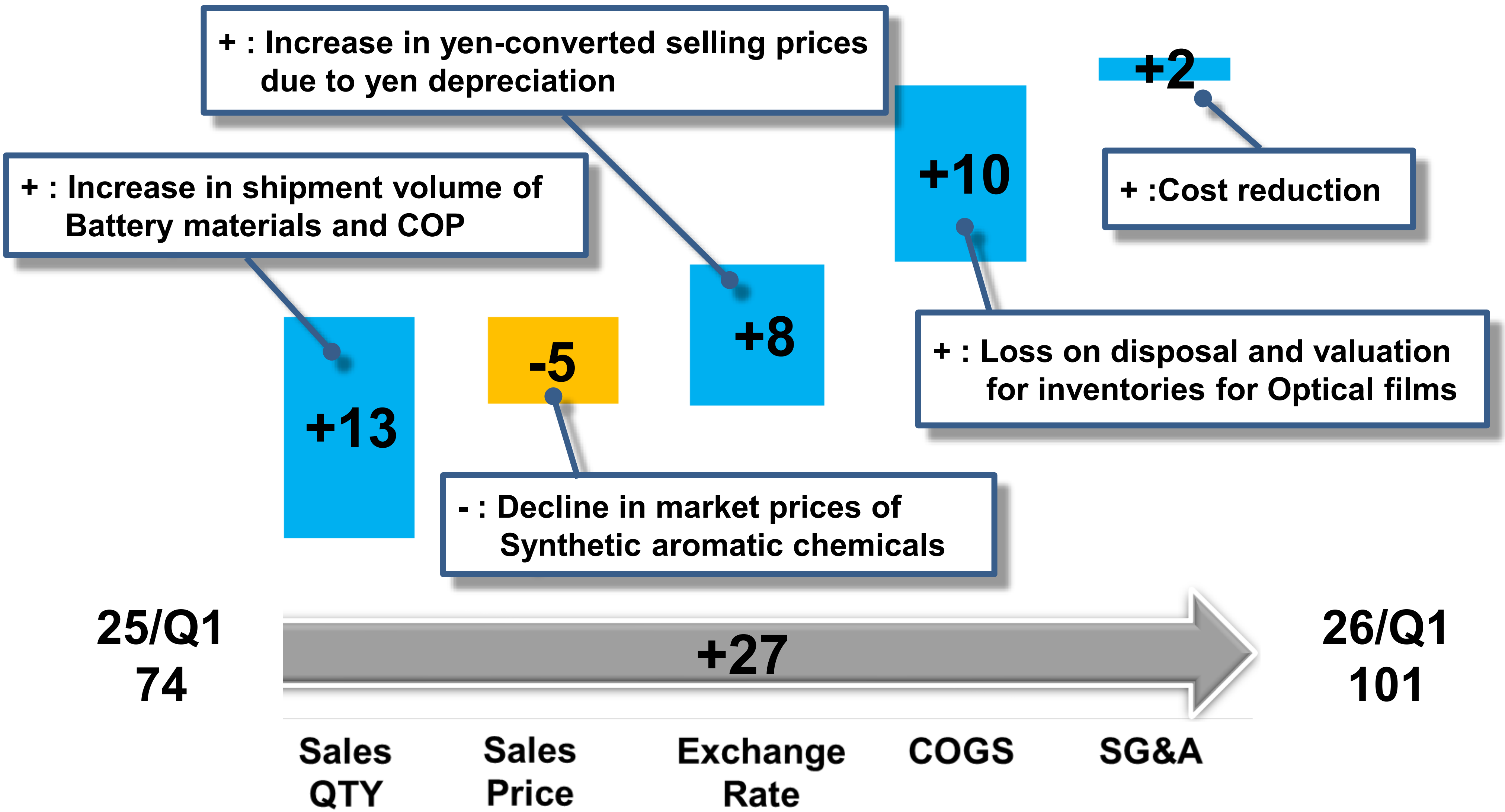
(Unit: 100m)



Reference: Elastomer Business Operating Income Variance (YoY)

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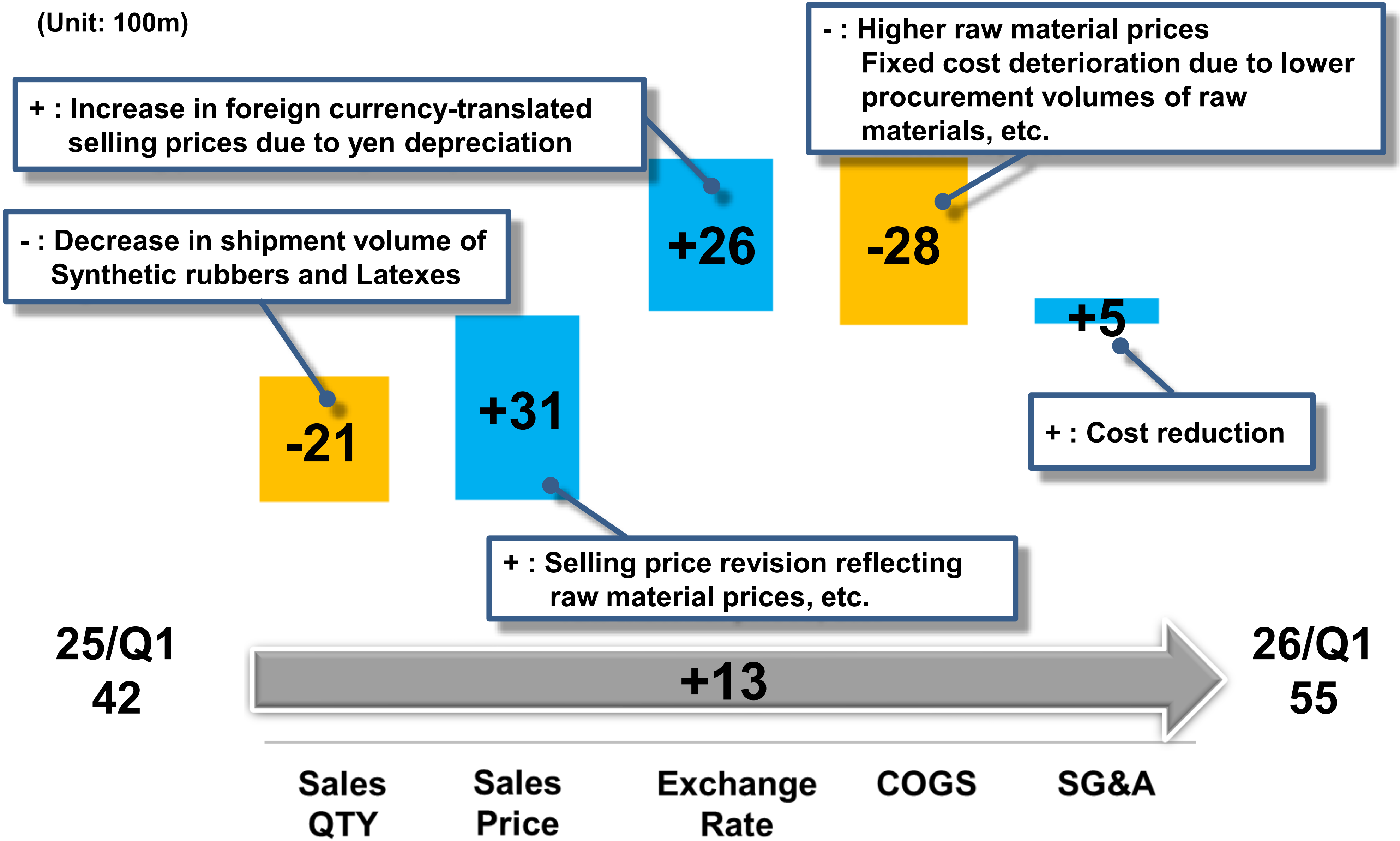
(Unit: 100m)



Reference: Specialty Materials Business Operating Income Variance (QoQ)

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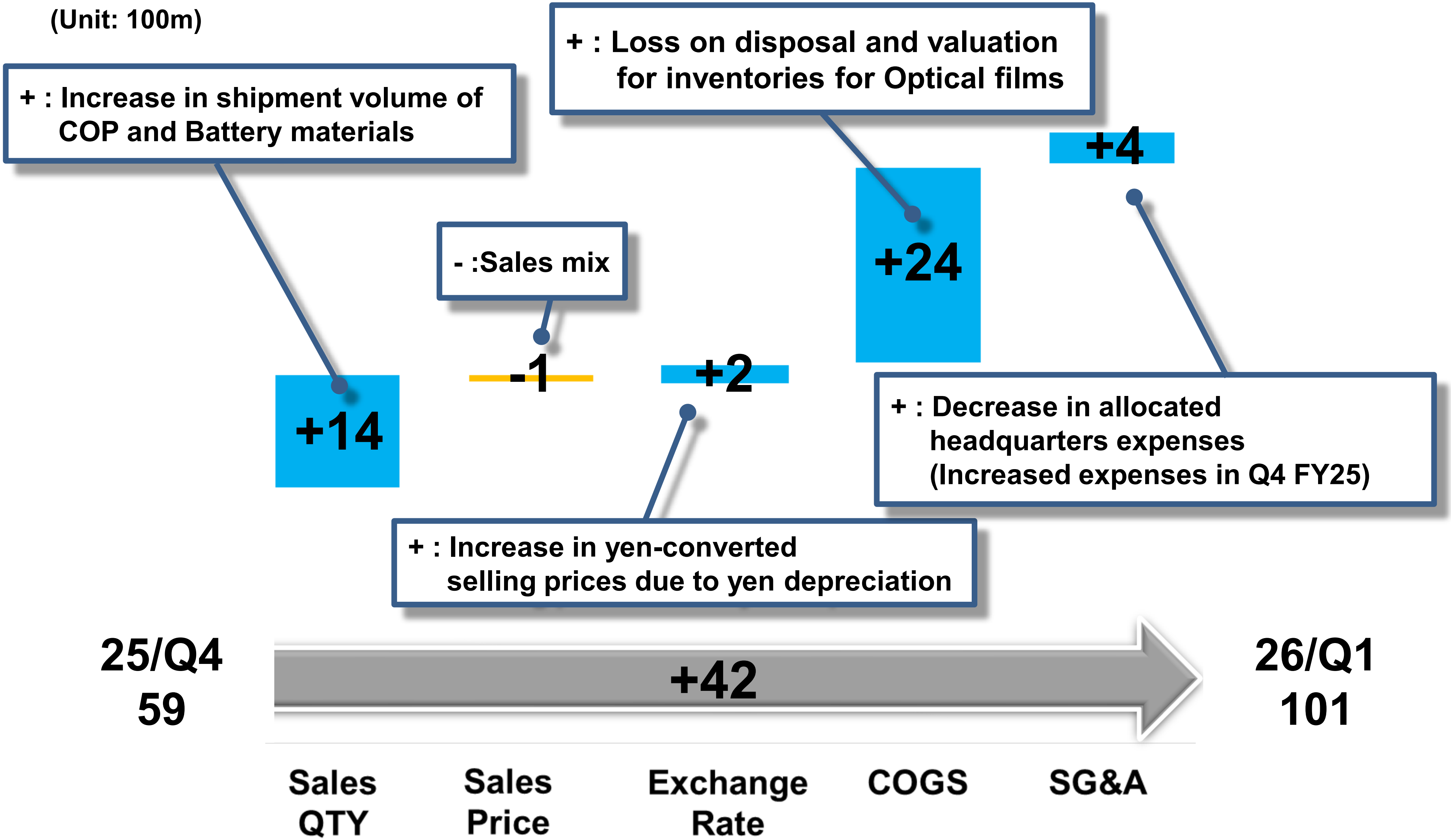
(Unit: 100m)



Reference: Elastomer Business Operating Income Variance (QoQ)

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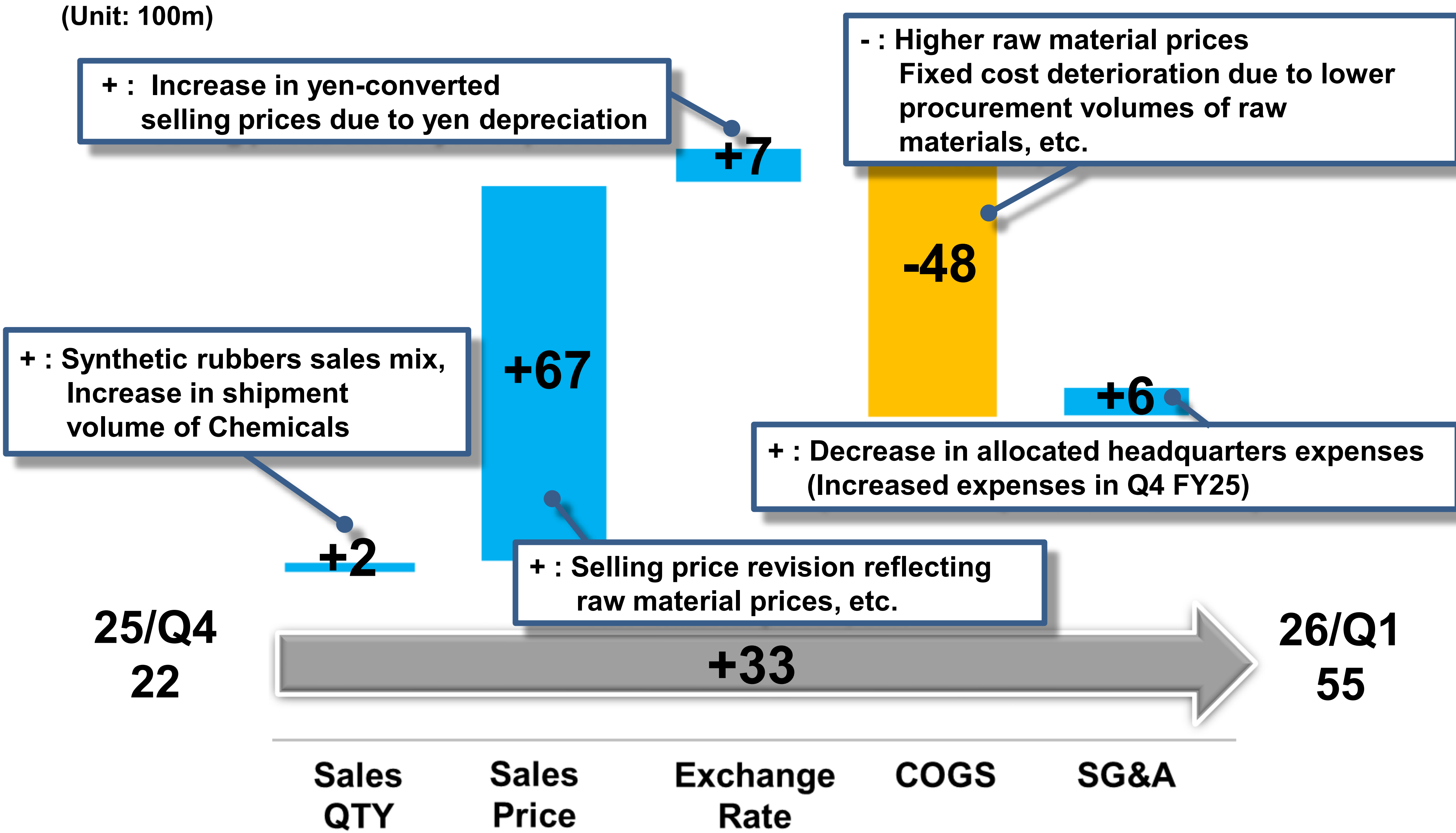

Reference: Non-operating Profit and Loss / Extraordinary Profit and Loss

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(Unit: JPY100m)

[Non-operating profit and loss]	FY2024 Q1	FY2025 Q1	YoY
Insurance claim income	0	13	+13
Interest income/dividends	11	11	-
Exchange gain and loss	-9	5	+14
Expenses of inactive non-current assets	-1	-2	-1
Provision of allowance for doubtful accounts	-1	-1	-
Interest expenses	-0	-1	-
Other	-1	0	+1
Total non-operating profit and loss	-2	25	+27

[Extraordinary profit and loss]	FY2024 Q1	FY2025 Q1	YoY
Loss on disposal of non-current assets	-1	-1	-
Impairment loss	-8	-3	+5
Other	0	2	+2
Total extraordinary profit and loss	-9	-2	+7

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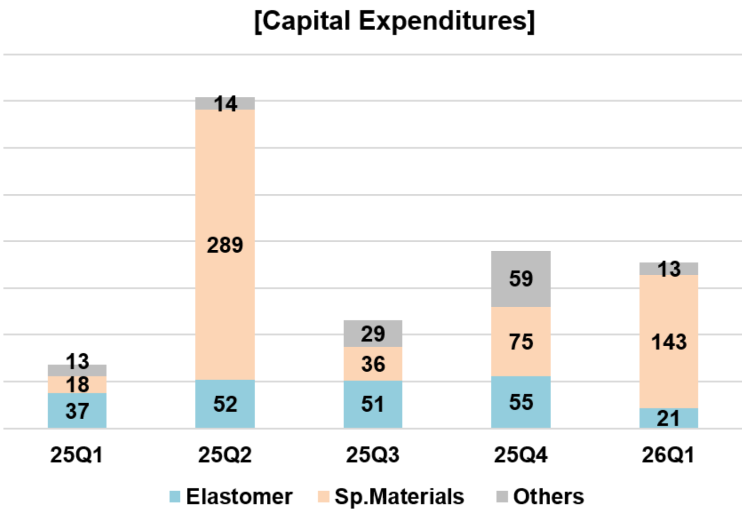
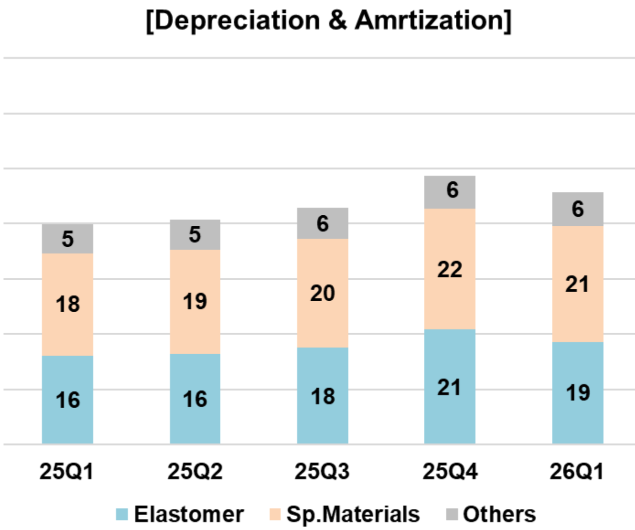
(Unit: 100m)



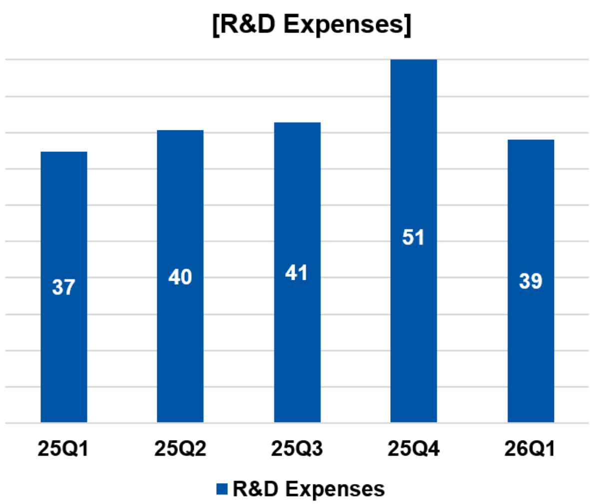
FY25
727

FY26
560



FY25
172

FY26
200



FY25
170

FY26
180

All FY2026 forecasts remain unchanged

Reference: Dividend payout ratio, Total payout ratio and Dividend yield

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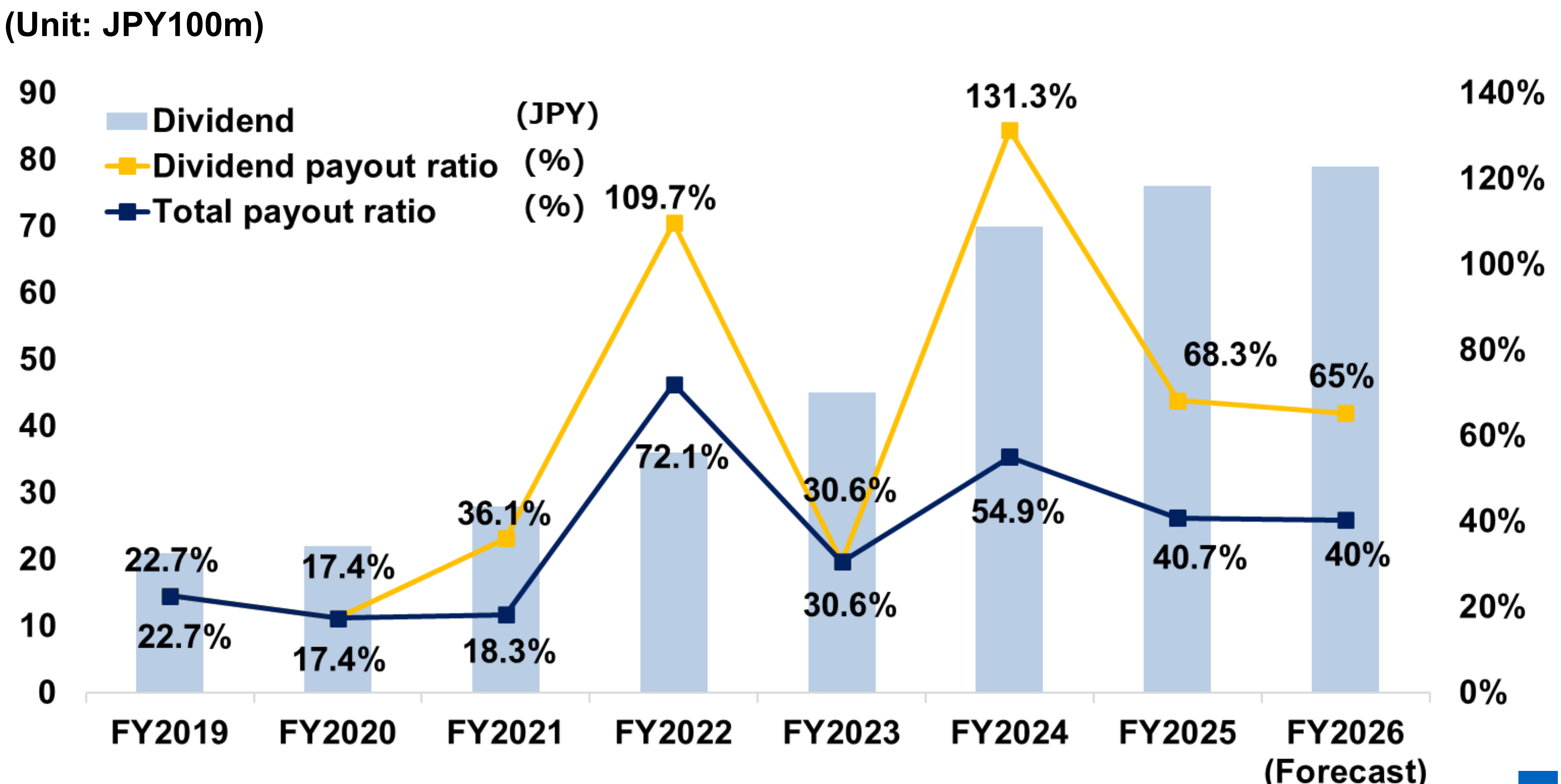
- The FY2026 dividend payout ratio is expected to remain high at 40%, with the total return ratio at 65%
- The most recent dividend yield is 3.57% (based on the closing price on July 24, 2026)



Reference: Main Risk Factors Related to FY2026 Forecasts

Positives

Strong end-market demand	Depreciation of the yen
Strong market conditions	Yen depreciation/ dollar appreciation
Strong economic conditions	Yen depreciation/ euro appreciation

Negatives

Sluggish end-market demand	Appreciation of the yen
Sluggish market conditions	Yen appreciation/ dollar depreciation
Economic downturn	Yen appreciation/ euro depreciation