Medium-Term Business Plan - Phase 3
(FY2025–FY2028)
Current States Summary of Briefing
(June 10, 2026)

[Briefing Materials]

https://www.zeon.co.jp/en/ir/library/midtermplan/pdf/260616.pdf

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p.2 **Management System**

Our Sustainability Policy is rooted in our Corporate Philosophy. From that foundation, our identity as a “Polymer Design Company” rises as the trunk. Based on this foundation and trunk, we identify our materiality and bring it to fruition as specific results through the Medium-Term Business Plan and KPIs. This is our Management System.

p.3 **Zeon’s Identity**

This diagram expresses Zeon’s identity in terms of Will, Can, and Need. When all of our distinctive employees connect and create “chemical change,” that is what it means to be a “Polymer Design Company.”

p.4 **Initiatives to Build Strong Governance**

We introduced the CXO system on April 1. A small group of CXOs will respond quickly to management issues, strengthening executive functions and enhancing agility and expertise. At the same time, we are also strengthening management oversight functions.

p.6 **STAGE30 Phase 3 Overview**

We plan to concentrate resources on growth drivers and next-phase growth drivers to expand net sales, while suspending production or transferring businesses for low-profitability and non-core businesses.

p.8 **STAGE30 Phase 3 Progress on Targets**

The sale of cross-shareholdings is proceeding as planned, but the ratio to net assets has temporarily increased due to rising stock prices.

Overall, we are making steady progress toward achieving our targets.

p.9 **STAGE30 Phase 3 Progress on Financial Targets**

The FY2026 forecast for P/L items does not include the impact of a closure of the Strait of Hormuz.

ROIC is expected to fall slightly short of the initial FY2026 target.

p.10 **ROIC Shortfall Factors (FY2026)**

NOPAT, the numerator, improved steadily through cost reductions and price pass-through. On the other hand, invested capital is expected to exceed the plan due to factors such as higher inventory levels resulting from the closure of the Strait of Hormuz and higher investment due to inflation. As a result, FY2026 ROIC is also expected to fall short of the plan. We will continue working to improve CCC to achieve the FY2028 target.

p.14 **Markets and Net Sales Growth of Growth Drivers**

For semiconductor applications of COP resins, we have not yet reached the target growth rate. This is because demand for semiconductor containers is concentrated around the timing of plant construction, creating some gap with the timing of market growth. We expect demand to continue expanding, and we aim to achieve the target on average over the Phase 3 period.

In addition, net sales of high-performance anode binders for battery materials increased rapidly due to the rapid expansion of the ESS market. We will also steadily increase net sales in line with market expansion.

p.17 **Markets and Net Sales Growth of Next-Phase Growth Drivers**

Single-walled CNTs still have a small net sales scale, and net sales declined due to the rebound following a concentration of shipments in the previous fiscal year. However, we expect significant growth in the second half of the Phase 3 period.

p.21 **Thermal Interface Material (TIM)**

The first newly introduced next-phase growth driver is the Thermal Interface Material (TIM). In the manufacturing and inspection of chips for AI, a field that has expanded rapidly in recent years, heat dissipation performance and extremely high durability are required due to the harsh operating environment. By leveraging our technologies and know-how, we have created a material that meets these stringent requirements. Adoption is currently expanding in semiconductor manufacturing and inspection equipment related to generative AI. Given the significant growth expected going forward, we are also considering capacity expansion. We will actively allocate resources to TIM as a next-phase growth driver.

p.22 **Data Business**

The other newly introduced next-phase growth driver is the data business. This service provides the rubber formulation data we have accumulated over many years, along with a data management system. To help customers address issues such as scattered internal information and the complexity of improving formulation recipes, we plan to launch a subscription service this fiscal year that allows customers to use a formulation database, including approximately 150,000 formulation data entries.

We consider this the first step beyond the conventional area of manufacturing products and into creating service-based value.

p.25 **Segment Net Sales and Operating Income Trends and Outlook**

We will shift resources to growth drivers, where particularly high operating margins are expected, thereby increasing profitability across the entire company.

p.27 **Cash Flow Allocation**

Renewal investments will increase by 20.0 billion yen due to inflation in construction costs and other factors. We plan to appropriately pass through prices in response to the resulting increase in depreciation.

We expect cash in to increase by 10.0 billion yen in response to these cost increases.

New investments are expected to increase by 40.0 billion yen due to inflation and an increase in new investment projects. We plan to execute these investments using interest-bearing debt financing and funds from the sale of cross-shareholdings.

p.28 **New Investments**

Finalized investments have increased by 40.0 billion yen since the briefing in June last year, to 170.0 billion yen. The increase is due to factors such as higher costs for the new COP plant and investment to expand production capacity for dicyclopentadiene, a feedstock for COP.

Most of the finalized investments are scheduled to be implemented from FY2027 to FY2028. Until then, the increase in invested capital will come first, but the plan is for these investments to contribute to ROIC improvement in FY2030.

p.30 **Shareholder Returns**

In the future, we aim to gradually raise DOE to 5%. We will consider further enhancing returns while monitoring growth investments, financial soundness, and progress in improving capital efficiency.

p.33 **STAGE30 Phase 3 Progress Summary**

By pursuing portfolio transformation through “Selection and Concentration,” we will raise expectations for earnings growth and aim to maximize corporate value by improving PER.