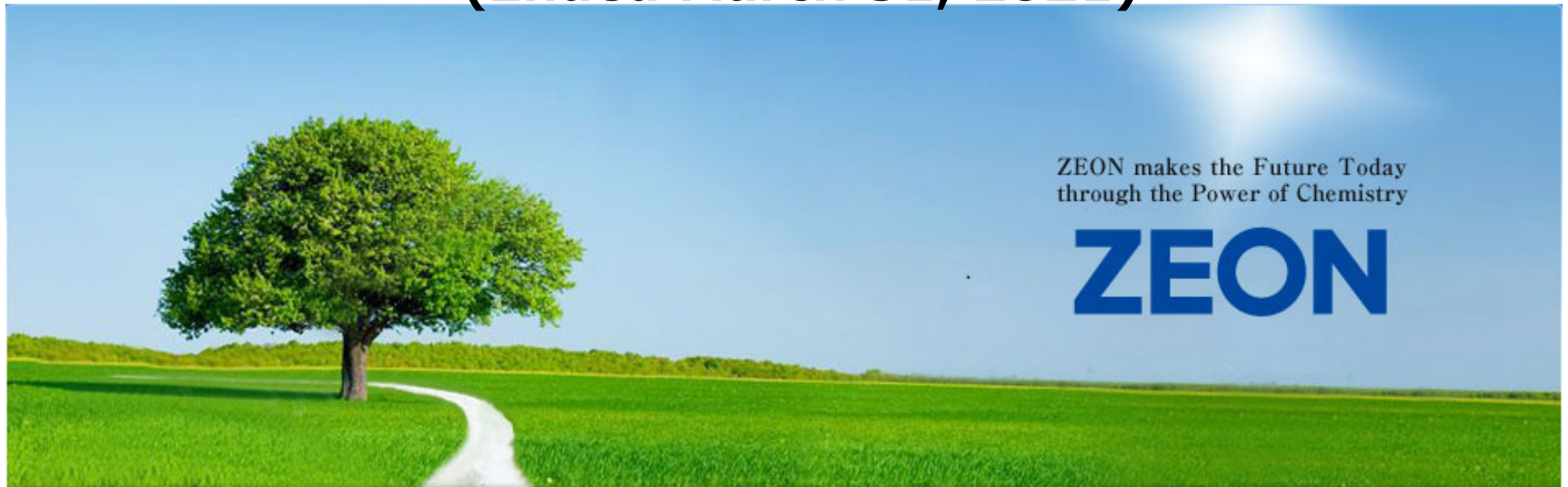


# Financial Results for FY 2020

(Ended March 31, 2021)



ZEON makes the Future Today  
through the Power of Chemistry

**ZEON**

**ZEON CORPORATION**

**April 28, 2021**

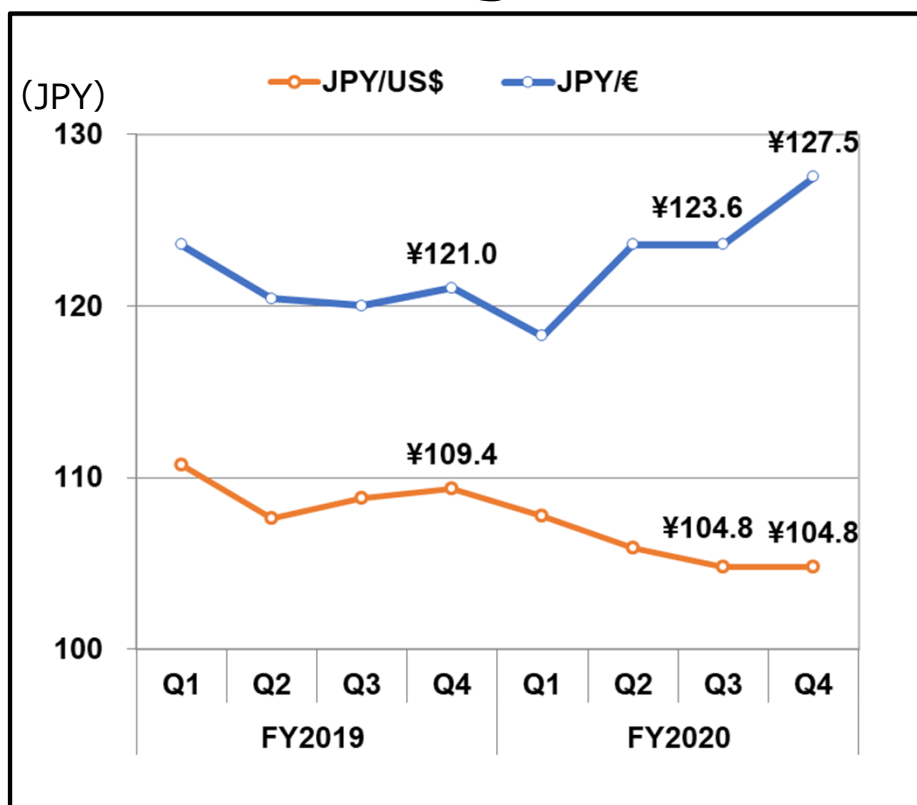
- P. 2      ■ Main Points in 4Q/FY2020**
- P. 3      ■ Business environment**
- P. 5      ■ Summary of performance**
- P. 10     ■ Elastomer Business**
- P. 15     ■ Specialty Materials Business**
- P. 22     ■ Summary of B/S**
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- P. 24     ■ Forecast for FY2021**

**Both Sales and profits of 4Q increased YoY and QoQ due to the recovery in the synthetic rubber demand, etc.  
There was no impact on procurement and production by Covid-19.**

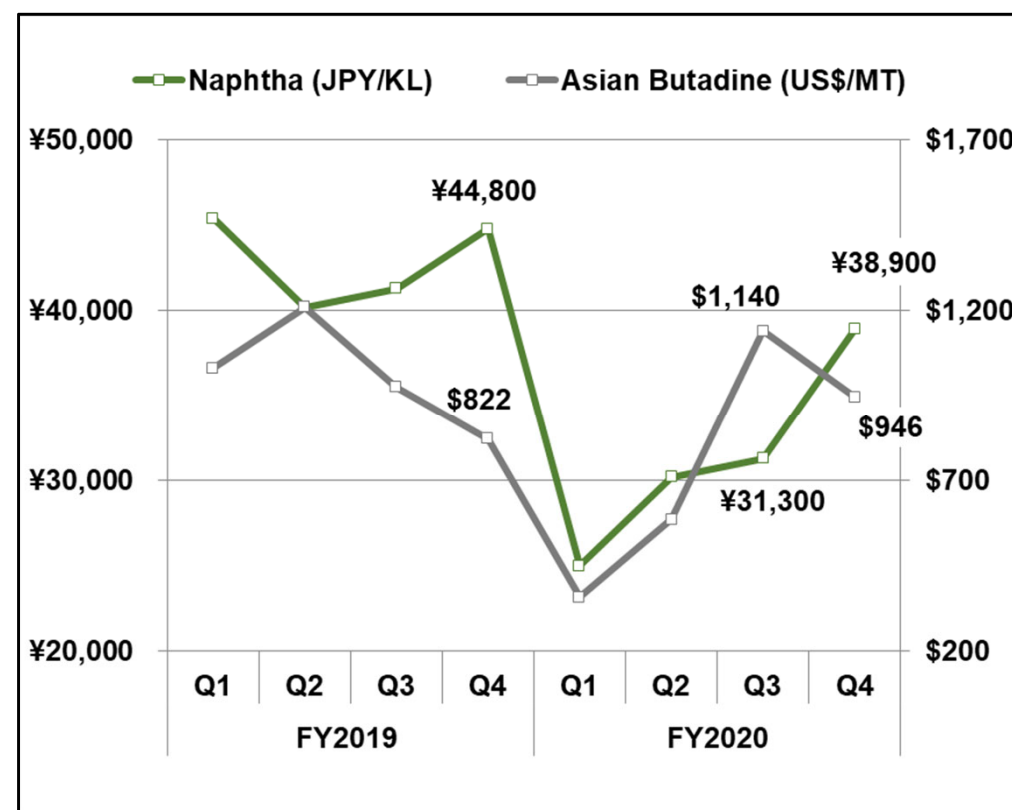
**Elastomers: The demand for Rubbers was recovered and for Chemicals was steady. Latexes demand for medical/sanitary gloves remained strong.**

**Specialty Materials: The demand for Optical films for small-to-medium sized was in the off-season but for large-sized remained steady. Demands for Optical plastics, Energy materials and Specialty Chemicals remained strong.**

## 【Exchange rate】



## 【Raw Materials】



	4Q-FY2019	3Q-FY2020	4Q-FY2020	YoY	QoQ
JPY/US\$	¥109.1	¥104.8	¥104.8	-4%	0%
JPY/€	¥121.3	¥123.6	¥127.5	+5%	+3%
Naphtha (JPY/KL)	¥44,800	¥31,300	¥38,900	-13%	+24%
Asian Butadinene (JPY/MT)	\$822	\$1,140	\$946	+15%	-17%

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# Summary of Performance

(Unit : JPY100m)

	4Q FY2019	3Q FY2020	4Q FY2020	YoY	QoQ	FY2019	FY2020	YoY
<b>Net Sales</b>	794	789	857	+62	+68	3,220	3,020	-200
<b>Operating Income</b>	46	112	123	+78	+12	261	334	+73
<b>Ordinary Income</b>	52	120	157	+105	+38	287	387	+99
<b>Net Income</b>	35	93	103	+67	+10	202	277	+75

- YoY (in 3 mo.) : Net sales: +6.2B JPY, operating income: +7.8B JPY
- QoQ: Net sales: +6.8B JPY, operating income: +1.2B JPY
- YoY (in 12 mo.) : Net sales: -20.0B JPY, operating income: +7.3B JPY

\* Oct.-Dec. 2020 results of overseas subsidiaries are consolidated in 4Q result.

# Summary of Performance (by segments)

**ZEON**

(Unit : JPY100m)

<b>Net Sales</b>	<b>4Q FY2019</b>	<b>3Q FY2020</b>	<b>4Q FY2020</b>	<b>YoY</b>	<b>QoQ</b>
Elastomer Business	434	431	472	+38	+41
Specialty Materials Biz.	239	237	253	+14	+16
Others/Eliminations, etc.	122	121	132	+10	+11
Net sales (consolidated)	794	789	857	+62	+68

<b>Operating Income</b>	<b>4Q FY2019</b>	<b>3Q FY2020</b>	<b>4Q FY2020</b>	<b>YoY</b>	<b>QoQ</b>
Elastomer Business	11	45	70	+59	+25
Specialty Materials Biz.	41	66	56	+16	-9
Others/Eliminations, etc.	-6	1	-3	+3	-4
Op. Income (consolidated)	46	112	123	+78	+12

# Summary of Performance (by segments)

(Unit : JPY100m)

## Net Sales

	FY2019	FY2020	YoY
Elastomer Business	1,788	1,616	-172
Specialty Materials Biz.	917	955	+37
Others/Eliminations, etc.	514	449	-65
Net sales (consolidated)	3,220	3,020	-200

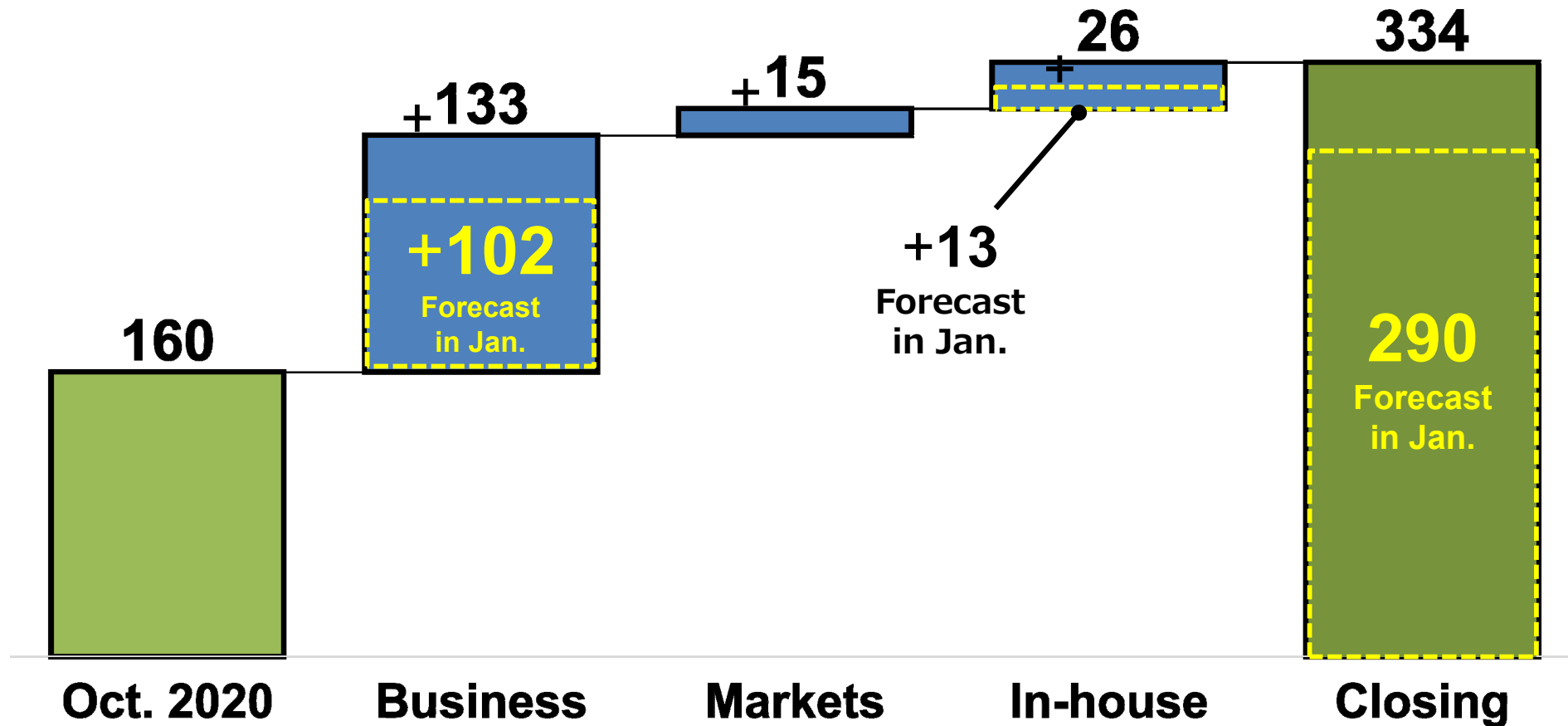
## Operating Income

	FY2019	FY2020	YoY
Elastomer Business	96	123	+26
Specialty Materials Biz.	173	220	+46
Others/Eliminations, etc.	-8	-8	+0
Op. Income (consolidated)	261	334	+73



# Operating Income variance between the forecast as of Jan. 2021

(Unit : JPY100m)



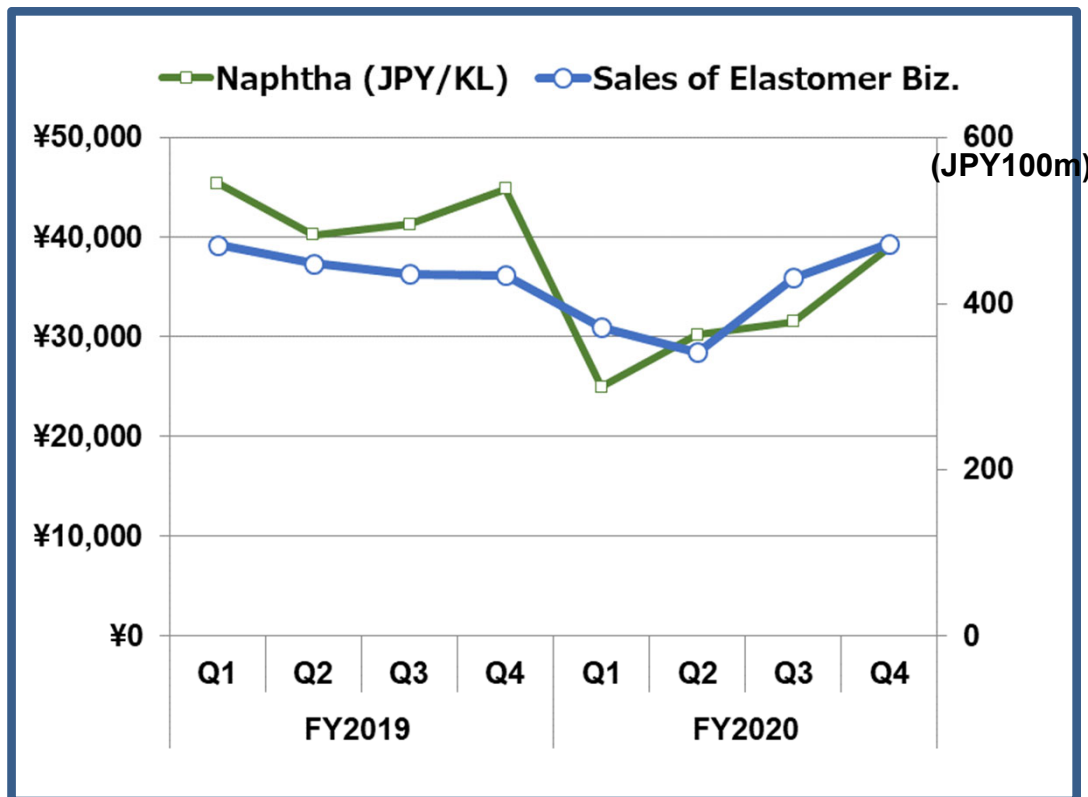
Have forecasted +10.2B yen in Business factor in Jan. 2021

⇒ Exceeded 1.4B yen in Elastomers and 1.7B yen in the Specialty Materials

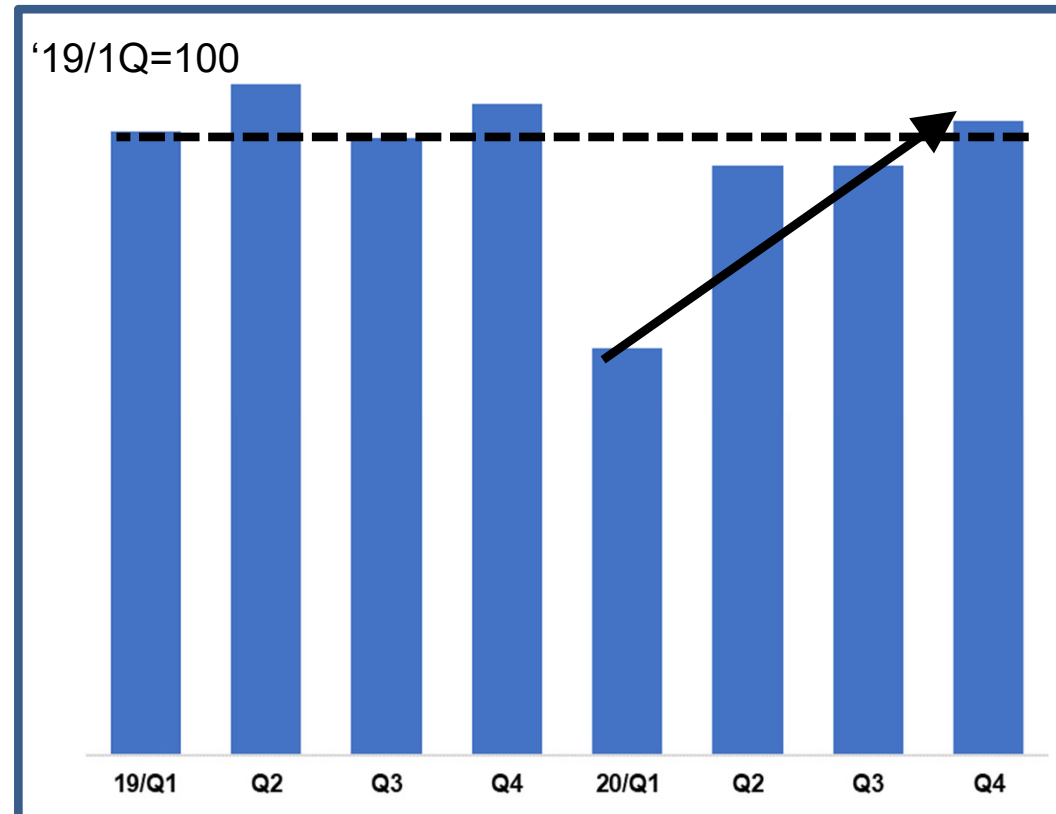
⇒ Effected the reduction of non-urgent cost

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【Naphtha price vs. Sales of Elastomer biz.】



【Sales volume of Rubbers】



Sales volume and net sales of Rubbers recovered

# Summary of P/L: Elastomer Business

**ZEON**

(Unit : JPY100m)

	4Q-2019	3Q-2020	4Q-2020	YoY	YoY (%)	QoQ	QoQ (%)
Sales volume (thousand tons)*	<b>150</b>	<b>151</b>	<b>176</b>	<b>26</b>	<b>17 %</b>	<b>25</b>	<b>16 %</b>
Rubbers	<b>88</b>	<b>82</b>	<b>99</b>	<b>11</b>	<b>12 %</b>	<b>17</b>	<b>20 %</b>
Latexes	<b>28</b>	<b>32</b>	<b>37</b>	<b>9</b>	<b>32 %</b>	<b>5</b>	<b>15 %</b>
Chemicals	<b>34</b>	<b>37</b>	<b>41</b>	<b>6</b>	<b>18 %</b>	<b>4</b>	<b>10 %</b>
Net sales	<b>434</b>	<b>431</b>	<b>472</b>	<b>38</b>	<b>9 %</b>	<b>41</b>	<b>10 %</b>
Rubbers	<b>292</b>	<b>286</b>	<b>319</b>	<b>27</b>	<b>9 %</b>	<b>33</b>	<b>12 %</b>
Latexes	<b>40</b>	<b>45</b>	<b>51</b>	<b>11</b>	<b>28 %</b>	<b>6</b>	<b>14 %</b>
Chemicals	<b>90</b>	<b>85</b>	<b>88</b>	<b>-2</b>	<b>-2 %</b>	<b>3</b>	<b>4 %</b>
Others/Eliminations	<b>12</b>	<b>15</b>	<b>14</b>				
Operating income	<b>11</b>	<b>45</b>	<b>70</b>	<b>59</b>	<b>534 %</b>	<b>25</b>	<b>55 %</b>
Operating income ratio	<b>3%</b>	<b>10%</b>	<b>15%</b>				

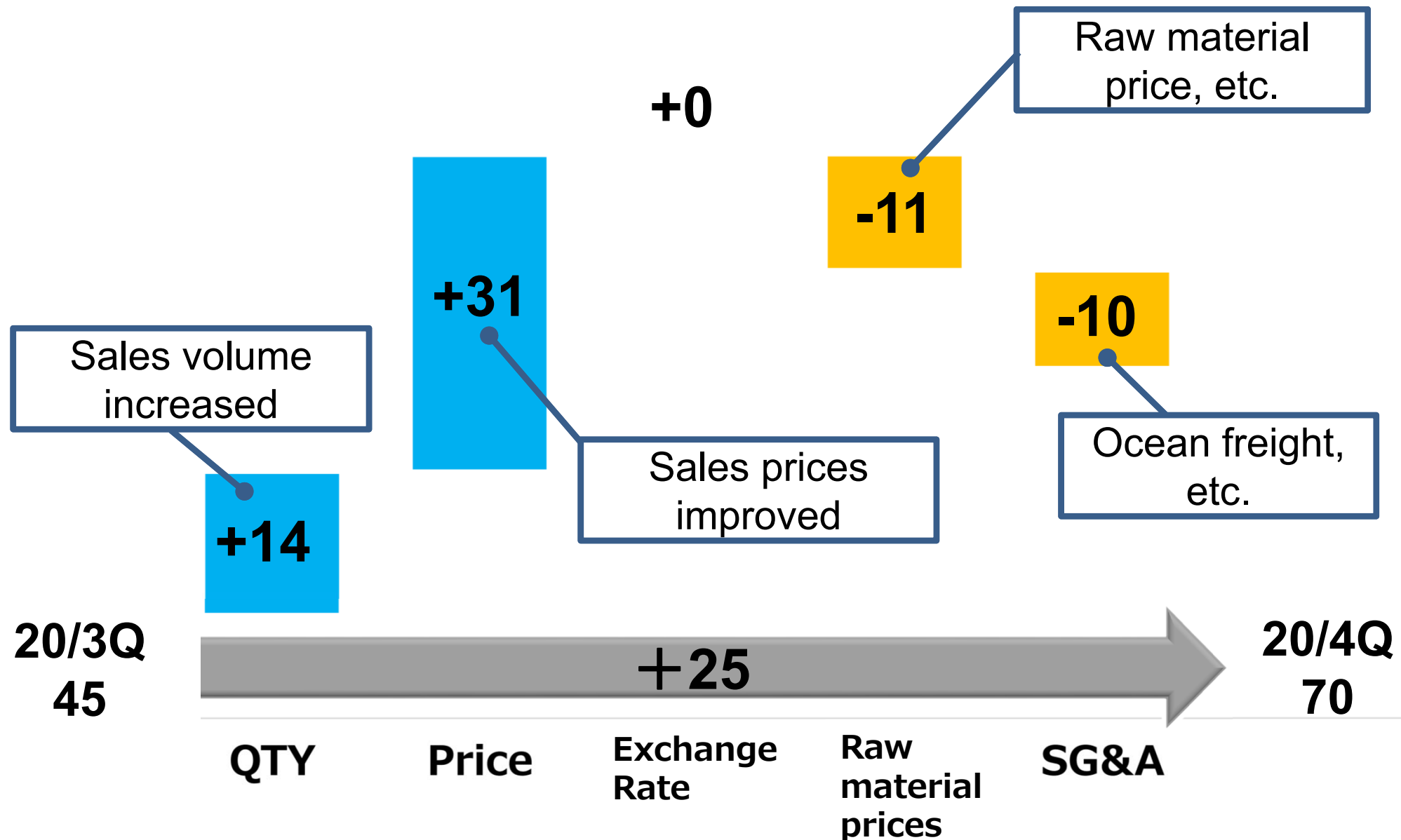
- **Rubbers:** Sales volume recovered.
- **Latexes:** Sales for the medical / sanitary gloves were steady.
- **Chemicals:** The demand was steady.

\* Reference data

# Elastomers: Operating income variance (QoQ)

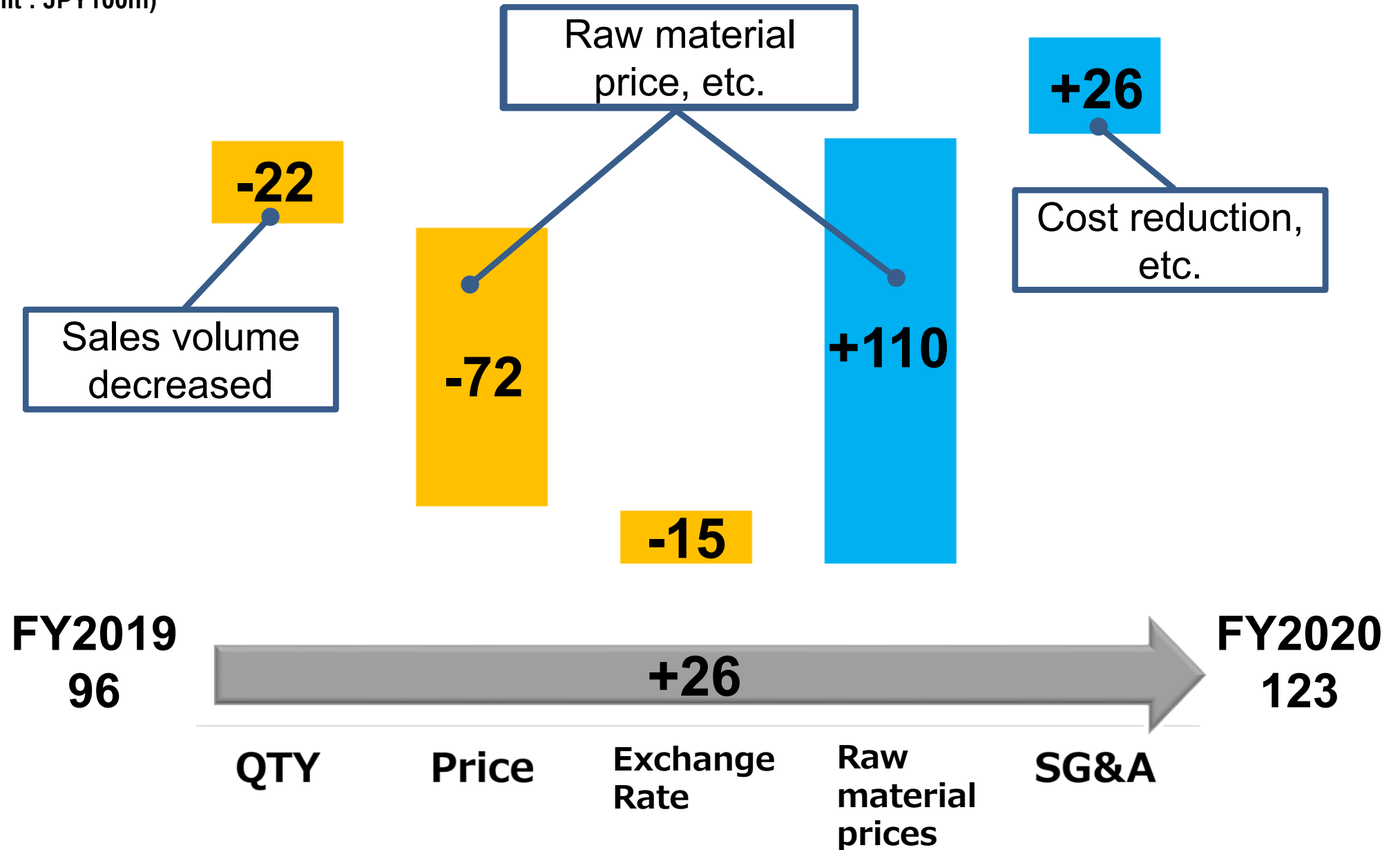
**ZEON**

(Unit : JPY100m)



# Elastomers: Operating income variance (FY19 vs FY20) **ZEON**

(Unit : JPY100m)



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# Summary of P/L : Specialty Materials

**ZEON**

(Unit : JPY100m)

	4Q-2019	3Q-2020	4Q-2020	YoY	YoY (%)	QoQ	QoQ (%)
Net sales	<b>239</b>	<b>237</b>	<b>253</b>	<b>14</b>	<b>6 %</b>	<b>16</b>	<b>7 %</b>
Specialty chemicals	<b>147</b>	<b>154</b>	<b>159</b>	<b>12</b>	<b>8 %</b>	<b>5</b>	<b>3 %</b>
Specialty plastics	<b>76</b>	<b>69</b>	<b>81</b>	<b>5</b>	<b>7 %</b>	<b>13</b>	<b>18 %</b>
Medical devices, etc.	<b>16</b>	<b>14</b>	<b>12</b>	<b>-3</b>	<b>-22 %</b>	<b>-2</b>	<b>-11 %</b>
Operating income	<b>41</b>	<b>66</b>	<b>56</b>	<b>16</b>	<b>38 %</b>	<b>-10</b>	<b>-14 %</b>
Operating income ratio	<b>17%</b>	<b>20%</b>	<b>22%</b>				

## ■ Specialty Plastics:

- Optical films: The demand for small-to-medium sized was in the off-season but for large-sized remained steady.
- Optical plastics' shipment was steady.

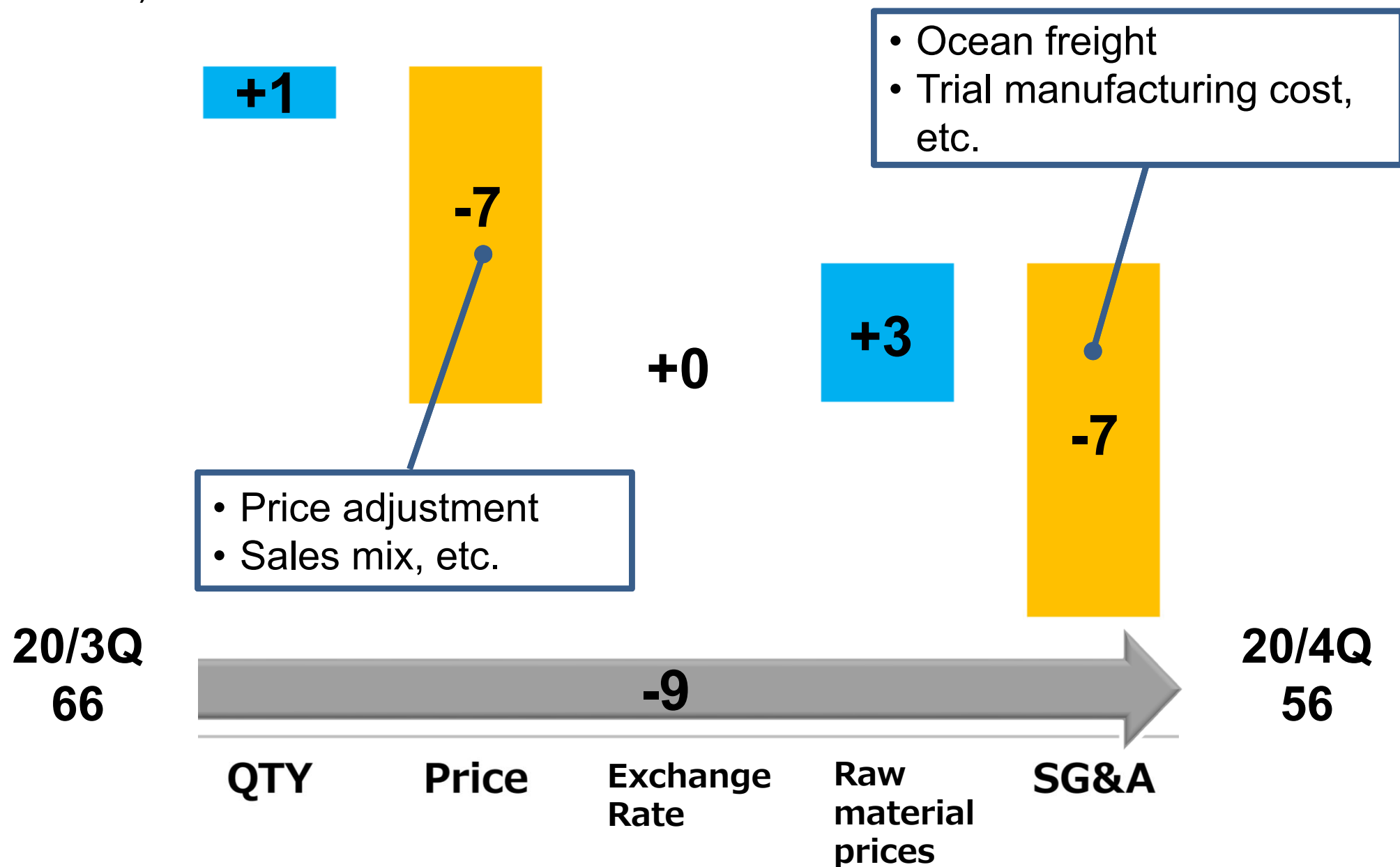
## ■ Specialty Chemicals:

- Shipments of Battery Materials and Specialty Chemicals were steady.



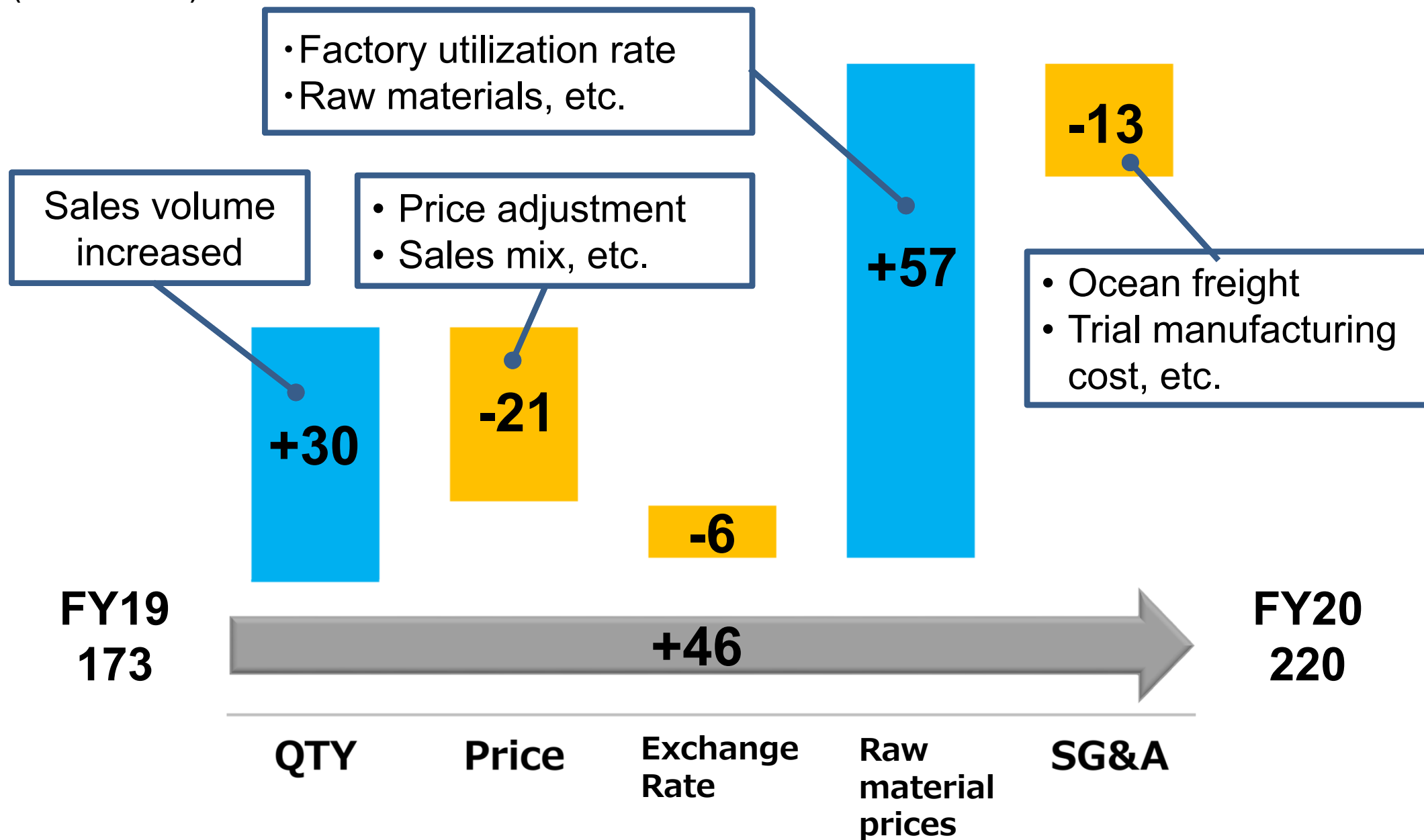
# Specialty Materials: Operating income variance (QoQ)

(Unit : JPY100m)



# Specialty Materials: Operating income variance (FY19 vs FY20) ZEON

(Unit : JPY100m)



	YoY	QoQ
EV	146%	122%
Consumer use, etc.	130%	82%
Total	140%	108%

■ **EV:**

The shipment for Europe/USA and China market was steady.

■ **Customer use, etc.:**

The demand for the mobile devices was in the off-season.

ESS (Energy storage system) result was at the same level as full year 2019.

	YoY	QoQ
Optical use	94%	98%
Medical use, etc.	131%	127%
Total	116%	105%

Demands for both Optical and Medical applications were stable. Still controlling the shipment to prepare the construction to expand the production capacity and the regular shutdown maintenance which will be completed in July 2021.

	YoY	QoQ
For small-to-medium size	120%	88%
For large size FPD	103%	103%
Total	107%	99%

■ **For small-to-medium size:**

The sales for the tablet PC exceeded our expectations, but the demand for the smartphones was in the off-season. Therefore the sales volume declined in QoQ.

■ **For large size FPD:**

The business continued steady by the increased shipments to the Chinese market.

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# Summary of B/S

**ZEON**

(Unit : JPY100m)

( )=Variance with the figures at the end of Mar., 2020

## 【Current assets】 +188

- ◆ Cash and deposits +199
- ◆ Inventories -58

## Total assets 4,488 (+437)

## 【Current liabilities】 +14

- ◆ Allowance for repairs +15

Current assets  
2,332  
(+188)

Current liabilities  
1,139  
(+14)

Long-term liabilities 367 (+44)

Fixed assets  
2,156  
(+249)

Total net  
assets  
2,982  
(+379)

## 【Fixed assets】 +249

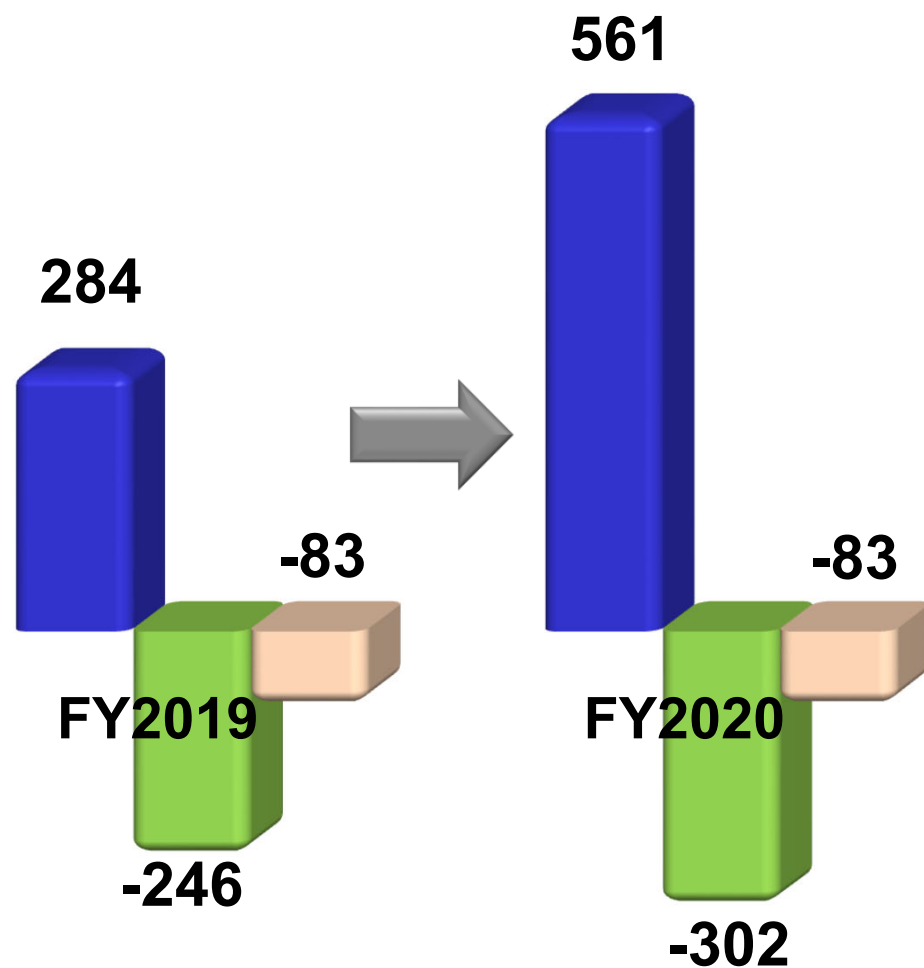
- ◆ Investment securities +241

## 【Total net assets】 +379

- ◆ Retained earnings +2,443 (+239)
- ◆ Interest-bearing debt 190 (-20)
- ◆ Equity ratio 65.8% (+2.3)
- ◆ D/E ratio 0.06 (-0.02)

# Summary of C/F

(Unit : JPY100m)



	FY2019	FY2020
CF from Operating Act.	284	561
CF from Investing Act.	-246	-302
Free CF	39	258
CF from Financing Act.	-83	-83
CF	-44	176

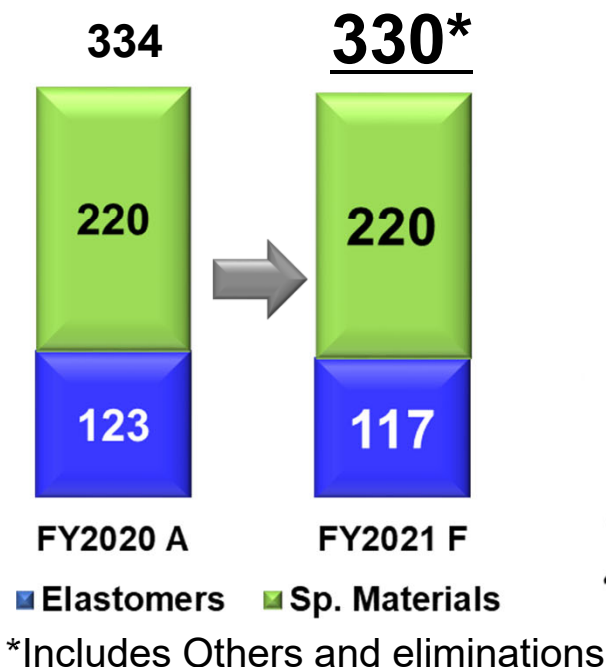
■ CF from Operating Act   
 ■ CF from Investing Act  
■ CF from Financial Act



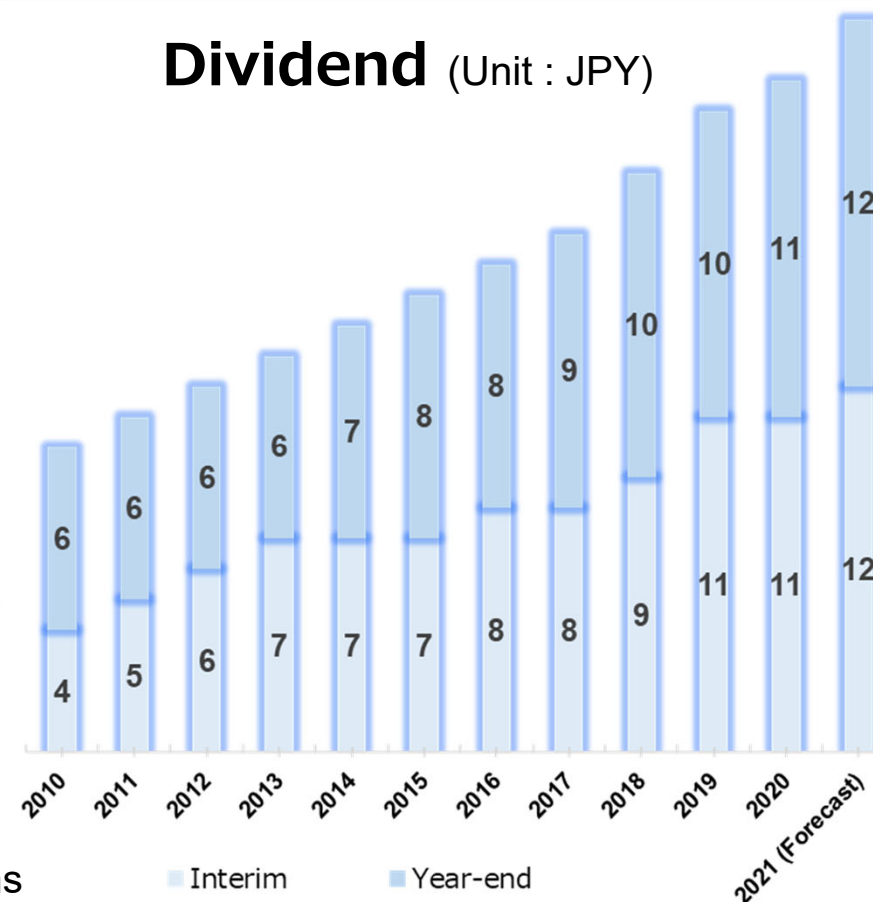
## Net sales (Unit : JPY100m)



## Operating income (Unit : JPY100m)



## Dividend (Unit : JPY)

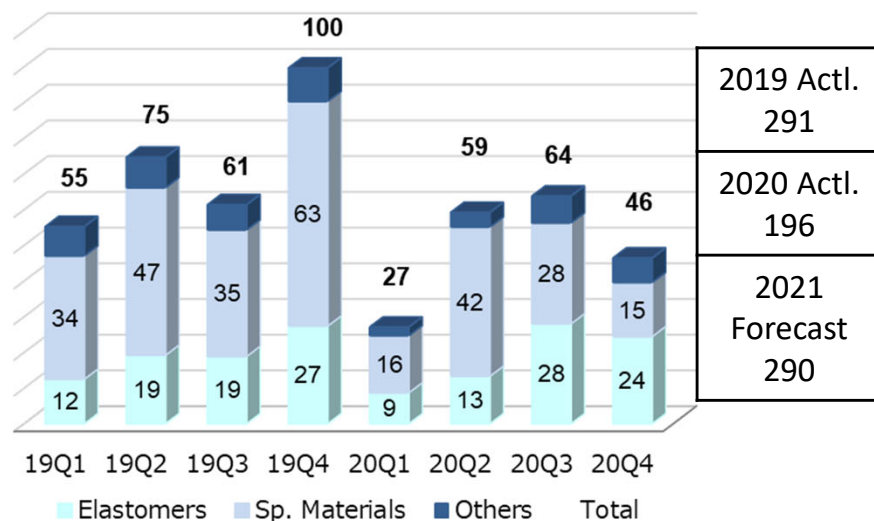


- Forecast of FY2021: Net sales 310B yen, Operating Income 33B yen (US\$=¥105, €=¥125)
- Dividend forecast: Interim ¥12/share, at the year-end ¥12/share ⇒ total ¥24/share/year (+¥2 from previous year's result)

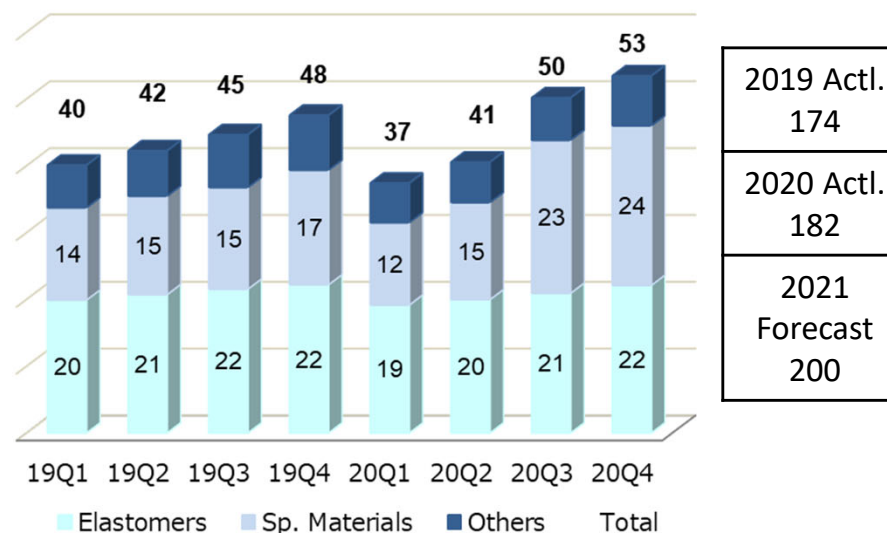
# Reference: Capital Expenditures, Depreciation & Amortization and R & D Expenses

(Unit : JPY100m)

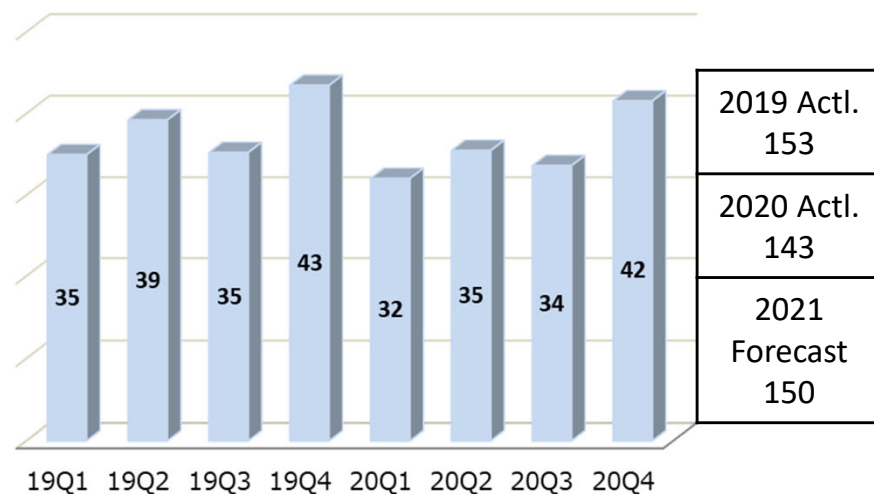
## Capital Expenditures



## Depreciation & Amortization



## R & D Expenses



## Next Announcement of Financial Statements

<b>The 1<sup>st</sup> quarter of FY2021</b>	<b>Jul. 30<sup>th</sup> , 2021</b>
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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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